

Value Creation for a Sustainable Future

Applying our Management Principle towards the SDGs

Our Management Principle conveys our desire always to increase our contribution to society and to remain a company that is indispensable to the world. The Management Principle means that all our employees are to participate in contributing to society through their work at the company and through their growth as individuals: by caring for others and for nature, the environment, and all other things; and by cultivating themselves, developing their talents and engaging with society. We co-work with society towards an achievement of the SDGs through realizing the Management Principle.

Sustainability Policy

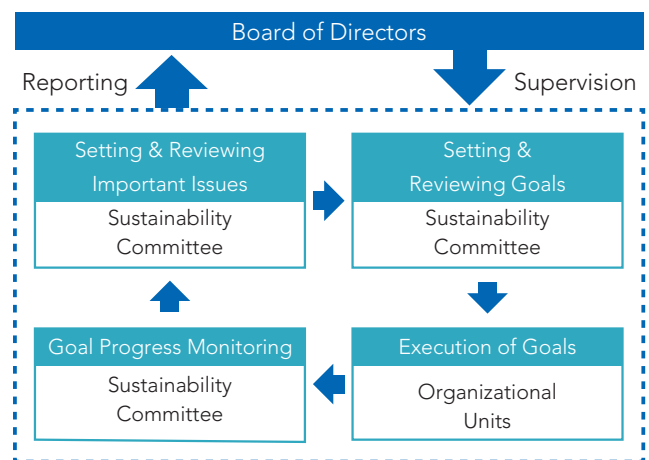
To realize our Management Principle of "Contributing to International Society and Continuously Increasing Our Contribution", we will follow our Management Markers and achieve sustainable enhancement of corporate value through resolution of the issues facing society

- 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.

Sustainability Committee

The Mabuchi Motor Sustainability Committee was established in July 2020. Chaired by the company president, the Committee is composed of executive officers and senior general managers of business units and Headquarters. The Committee determines material issues, or the social issues that Mabuchi Motor shall be committed to solving. It also clarifies our sustainability goals and monitors progress towards achieving these. The Board of Directors supervises company initiatives for promoting sustainability, through direct reports from and oversight of the Committee and any relevant organizational unit.

Since the establishment of this Committee in July 2020, it has set specific important issues and goals for solving social issues in line with the Management Markers, and expressed our support for TCFD and concrete measures as an initiative related to climate change.



Activities Towards Achievement of the Sustainable Development Goals (SDGs)



The Mabuchi Group can help in the global effort to achieve the SDGs, which envision a future of sustainable economic activity that enhances well-being for people.

In August 2020, we confirmed the connection between business activities and social issues and the goals and targets of the SDGs from the perspectives of our Management Markers 1 to 4, and set important issues unique to our company. In February 2021, we also set out the "Mid-Term Sustainability Targets" that planned the response to these important issues and their goals.

Mid-Term Sustainability Targets

Management Marker 1.

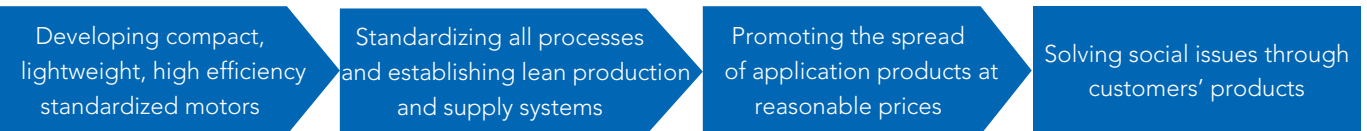
By offering superior products that are reasonably priced, we contribute to the well-being, comfort, and convenience of people all around the world.

We contribute to the reduction of environmental impact together with customers by developing and providing compact, lightweight, energy-efficient motors.

Our standardized compact, lightweight, high-efficiency motors help reduce environmental impact. We are able to achieve this through collaboration with customers on size, weight, and power consumption of our final products. Further, we supply these motors to our customers through lean production and sales systems.

Uncompromising in our pursuit of the possibilities of motors, we continue to improve their value in accordance with our mission as a manufacturer specialized in small DC motors: to help improve the convenience, comfort, and safety of people's lives.

Solutions through products



Social Issues (1) Prevention of car traffic accidents and reduction of casualties



Our Impact Goals	Promote the manufacture of vehicles equipped with safe driving and traffic accident prevention functions in partnership with customers
Our Actions	Providing motors that contribute to the improvement of automobile safety, such as seat belt pretensioners, EPB, steering vibrations, head-up displays, etc.
KPI	Sales amount of target application motors
Targets	2021 Sales : ¥13.0 billion 2023 Sales : ¥16.0 billion

Social Issues (2) Global warming, climate change



Our Impact Goals	Promote the manufacture of fuel-efficient and environmentally-efficient automobiles in partnership with customers
Our Actions	Providing motors that contribute to improving the environmental performance of automobiles, such as valve actuators and grill shutters
KPI	Sales amount of target application motors
Targets	2021 Sales : ¥2.0 billion 2023 Sales : ¥4.0 billion

Social Issues (3) Maintaining human health in aging societies



Our Impact Goals	Increase availability of reasonably priced health equipment and medical devices through partnerships with customers
Our Actions	Providing motors for health equipment and medical devices
KPI	Sales amount of target application motors
Targets	2021 Sales : ¥4.0 billion 2023 Sales : ¥6.0 billion

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Management Marker 2.

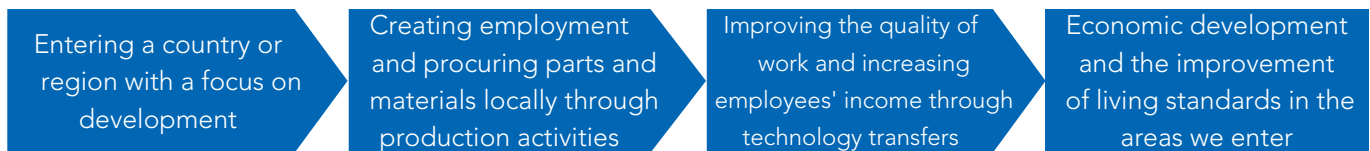
By fostering career opportunities and technological development, we address social and economic disparities around the world.

By providing employment opportunities and transferring technology, we contribute to the economic development and improvement of living standards in the countries we enter.

Especially since the launch of our first overseas production base in Hong Kong in 1964, our corporate activities have reflected a global perspective. Today, our five-region operating structure enables local production for local consumption. We employ more than 20,000 people outside Japan. For our employees and their families, we raise incomes and living standards through technology transfers and skill development. In this way, we contribute to the broader social and economic development of each country and region where we operate.

The global expansion of Mabuchi Motor contributes also to revitalizing peripheral industries where we operate, such as for the production of raw materials, parts, and secondary materials needed for local production.

Solutions through global production activities



Social Issues (4) Global poverty and economic disparities



Our Impact Goals	Create gainful and enduring economic activity in the countries and regions we enter
Our Actions	Creation of opportunities for employment and skill-building at all bases and factories
KPI	Number of employees at Mexico Mabuchi and Poland Mabuchi
Targets	2021 1,600 HC 2023 1,800 HC

Social Issues (5) Cultivation of management talent in developing countries and other countries around the world



Our Impact Goals	Foster sustainable operations and competitiveness of bases in the region through technology transfer
Our Actions	Integrated development of the company in sync with societies, through increasing added value and optimizing the functionality of each production base
KPI	Status of partial transfer of Headquarters production technology functions and the status of the transfer
Targets	2021 Partial transfer of Headquarters production technology operations to Vietnam has begun 2023 Vietnam bases are ready to conduct advanced work such as examination and launch support for new products

Management Marker 3.

By placing highest value on our people, we empower and encourage them to realize their potential and contribute to society.

We invest in human capital all around the world. By cultivating our employees' talent and skills, we develop people who are both eager and prepared to contribute to society through our business.

At Mabuchi Motor, we regard work as an endeavor that should offer people progressive challenges. At a basic level, work engages our human capacities and underpins our human dignity. It is through work that we strive to solve problems, by exercising wisdom, applying ourselves, and cooperating with others. Success in overcoming more and more difficult challenges brings satisfaction and a deep sense of fulfillment. As we develop our skills and talents, we seek out new challenges that advance us towards mastery. Creating this positive cycle for people, we are convinced, is one of the most material social contributions we can make as a company.

Solutions through investing in human capital



Social Issues (6) Cultivation of management talent in developing countries and other countries around the world



Our Impact Goals	Cultivate management talent at our bases in Japan and around the world
Our Actions	Enhancing our global capacity to offer education opportunities, with the establishment of the Mabuchi Learning Institute (MLI)
KPI	Number of employees who participated in management training courses
Targets	2021 10 + HC 2023 30 + HC (2021-2023 cumulative)

Social Issues (7) Cultivation of R&D talent to support economic growth



Our Impact Goals	Develop R&D talent at our bases in Japan and around the world
Our Actions	Developing R&D talent around the world through exchanges and secondments with Headquarters
KPI	Rate of increase in the number of R&D talent at overseas bases compared to 2020
Targets	2021 3% increase (compared to the end of December 2020) 2023 10% increase (compared to the end of December 2020)

Social Issues (8) Achieving gender equality



Our Impact Goals	Increase gender diversity at our bases in Japan and around the world
Our Actions	Providing more opportunities for women at all levels of our company, and supporting their career development over time
KPI	Ratio of female managers in the entire group : year end
Targets	2021 13.5% + 2023 15.0% +

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Social Issues (9) Science education for the next generation of children



Our Impact Goals	Foster interest in science and manufacturing among children and youth
Our Actions	Providing opportunities for children to deepen their interest in science through Robocon, craft classes, on-site classes, and more
KPI	1) Number of supporting schools for Robocon 2) Number of children participated in handicraft classes, on-site classes, motor supply programs, etc.
Targets	2021 1) Cumulative total: 1,320+ schools 2) Cumulative total: 164K+ HC 2023 1) Cumulative total: 1,560+ schools 2) Cumulative total: 186K+ HC

Management Marker 4.

Through our corporate activities we protect our planet's ecosystem and the health of its inhabitants.

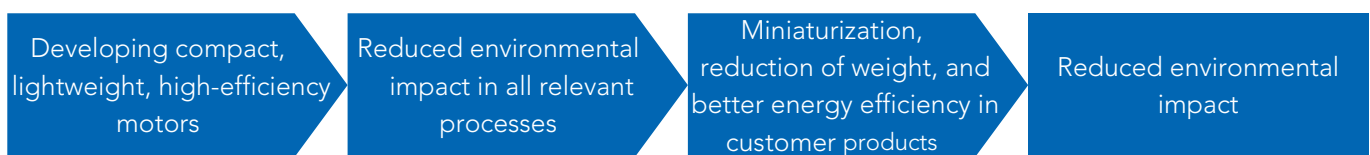
Our small DC motors' high energy conversion efficiency make a substantive contribution to preserving the global environment.

Mabuchi Motor's small DC motors achieve energy efficiency exceeding 90%. (Just as a point of reference, compare that to the energy conversion efficiency of common gasoline and diesel engines, which is around 30% to 40%.) We will continue to apply our expertise to create small DC motors with even more compact dimensions, lighter weight, and higher efficiency. In this way, we contribute substantively to improving the environmental performance of automobiles and other consumer products in large demand around the world.



Compact and lightweight power window motor

Solutions through corporate activities



Social Issues (10) Control of the use of global resources



Our Impact Goals	Reduce resources used and wasted by downsizing and standardizing motors
Our Actions	Miniaturization by improving motor efficiency and standardization by application
KPI	Number of compact models released
Targets	2021 2 + 2023 10 + (2021-2023 cumulative)

Social Issues (11) Preventing pollution of water quality, soil, air



Our Impact Goals	Reduce the Environmental Impact of Corporate Activities
Our Actions	Reduction of environmental impact from all corporate activities, such as development, procurement, and production
KPI	Greenhouse Gas (CO ₂) emissions compared to 2020 (output level; Sales) (2020 total 78,418 t)
Targets	2021 Reduce 1% (output unit per production efficiency) 2023 Reduce 3% (output unit per production efficiency)

Social Issues (12) Ensuring the health and safety of people



Our Impact Goals	Ensure the health and safety of employees through development of facilities and enhancement of operating systems
Our Actions	Measures to prevent occupational accidents, improve the working environment in offices and factories, and promote work-life balance
KPI	Frequency rate (The number of deaths and injuries caused by industrial accidents per million hours of actual work)
Targets	2021 0.175 or less 2023 0.170 or less

Social Issues (13) Achieving highly transparent corporate operations



Our Impact Goals	Strengthen governance in decision-making and ensure compliance
Our Actions	Education to enhance the governance system, information disclosure, permeation of our management philosophy, and understanding of laws and regulations
KPI	1) Management Principle education and Compliance education 2) Governance reinforcement (number of fraud cases) 3) Strengthening CSR Initiatives
Targets	2021 1) Education for the Group employees 2) Number of fraud cases : none 3) Sign the Global Compact and participate subcommittees 2023 1) Educating new employees on Management Principle at Group companies, establish a system to continuously implement reminding education 2) Number of fraud cases : none 3) Internal deployment of subcommittee activities based on the Global Compact

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Important Issues and Corresponding SDGs

	ESG	Our Impact Goals (Materiality)	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION
Solutions through products	S	Promote the manufacture of vehicles equipped with safe driving and traffic accident prevention functions in partnership with customers			◎	
	E	Promote the manufacture of fuel-efficient and environmentally-efficient automobiles in partnership with customers			○	
	S	Increase availability of reasonably priced health equipment and medical devices through partnerships with customers			◎	
Solutions through global production activities	S	Create gainful and enduring economic activity in the countries and regions we enter	◎	○	○	○
	S	Foster sustainable operations and competitiveness of bases in the region through technology transfer	○			○
Solutions through investing in human capital	S	Cultivate management talent at our bases in Japan and around the world				◎
	S	Develop R&D talent at our bases in Japan and around the world				
	S	Increase gender diversity at our bases in Japan and around the world	○	○	○	
	S	Foster interest in science and manufacturing among children and youth			○	◎
Solutions through corporate activities	E	Reduce resources used and wasted by downsizing and standardizing motors			○	
	E	Reduce the environmental impact of corporate activities			○	○
	S	Ensure the health and safety of employees through development of facilities and enhancement of operating systems			○	
	G	Strengthen governance in decision-making and ensure compliance			○	

◎ Highly relevant to SDGs targets ○ Relevant to SDGs targets

	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
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We received 3.5 stars of "Nikkei SDGs Management Survey 2020"

In November 2020, we received "3.5 stars" in the "Nikkei SDGs Management Survey 2020" sponsored by Nikkei Inc.

This survey evaluates and ranks companies' efforts toward the Sustainable Development Goals "SDGs" adopted at the United Nations Summit in 2015 to solve the challenges facing the world such as poverty and climate variability. It consists of questions related to the four areas of "SDGs strategy & Economic value," "Social value," "Environmental value," and "Governance." Efforts that lead to contributions through business and improvement of corporate value are defined as "SDGs management" and are evaluated on a 5-star scale.

We will keep aiming to achieve the SDGs and increase corporate value through our business activities.

