

(TRANSLATION ONLY)

Securities code: 6592

March 9, 2023

To Those Shareholders with Voting Rights

Shinichi TANIGUCHI
Representative Director, President & COO
MABUCHI MOTOR CO., LTD.
430 Matsuhidai, Matsudo City, Chiba, Japan

NOTICE OF THE 82ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are informing you of the 82nd Ordinary General Meeting of Shareholders (the “Meeting”) of MABUCHI MOTOR CO., LTD. (the “Company”) to be held as follows:

As of the start of this Meeting, the information that constitutes the contents of the Reference Documents for the General Meeting of Shareholders, etc., has been subject to an electronic provision measure and has been posted on the following websites. Please confirm the information by accessing one of these websites. Additionally, the REFERENCE DOCUMENTS FOR THE 82ND ORDINARY GENERAL MEETING OF SHAREHOLDERS, etc., have been sent by the conventional paper format throughout the board irrespective of whether the individual shareholder requested delivery of the paper documents.

[Company’s website]

<https://www.mabuchi-motor.co.jp/investor/stock/meeting/2022.html>

[Tokyo Stock Exchange’s website (TSE’s listed company search)]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

(Please access the TSE website above and enter “Mabuchi Motor” in “Company name” or the Company’s securities code 6592 in “Code” to search the Company. Click “Basic information,” then “Documents for public disclosure/PR information” and view the information under “Notice of General Shareholders Meeting/Information Materials for a General Shareholders Meeting.”)

[Website of general shareholders meeting documents]

<https://d.sokai.jp/6592/teiji/>

To prevent the spread of the new coronavirus, we urge our shareholders to exercise your voting rights in writing or via electronic means (such as by using the Internet) and to refrain from attending the Meeting at the venue. Please read the attached REFERENCE DOCUMENTS FOR THE 82ND ORDINARY GENERAL MEETING OF SHAREHOLDERS and exercise your voting rights before 5 p.m. on Wednesday, March 29, 2023.

1. Date: 10 a.m., Thursday, March 30, 2023

2. Place: Large Conference Hall at Head Office
MABUCHI MOTOR CO., LTD.
430 Matsuhidai, Matsudo City, Chiba

3. Agenda:

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 82nd Fiscal Term (from January 1, 2022 to December 31, 2022), as well as the Audit Reports of the Independent Certified Public Accountants and the Audit and Supervisory Committee for the Consolidated Financial Statements
2. The Financial Statements for the 82nd Fiscal Term (from January 1, 2022 to December 31, 2022)

Matters to be resolved:

- Proposal 1:** Proposed Appropriation of Retained Earnings for the 82nd Fiscal Term
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Nine (9) Members of the Board (Excluding Members of the Board who are Audit and Supervisory Committee Members)
- Proposal 4:** Election of Four (4) Members of the Board who are Audit and Supervisory Committee Members

***For those attending, please present the enclosed Exercise Voting Rights Form at the reception desk upon arrival at the Meeting. In addition, please bring this “NOTICE OF THE 82ND ORDINARY GENERAL MEETING OF SHAREHOLDERS” with you.**

***Of the documents that we are required to provide in this “NOTICE OF THE 82ND ORDINARY GENERAL MEETING OF SHAREHOLDERS,” the Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements (Japanese version only) are not included, as they have been posted on the Company’s website listed below pursuant the provisions of the relevant laws and regulations and Article 15 of the Company’s Articles of Incorporation. The Consolidated Financial Statements and the Financial Statements audited by the Independent Certified Public Accountants and the Audit and Supervisory Committee include what is stated in the attachment to this “NOTICE OF THE 82ND ORDINARY GENERAL MEETING OF SHAREHOLDERS”, as well as the Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements that are posted on the Company’s website.**

***Any changes that occur to the information subject to the electronic provision measure will be posted on the Company’s website below.**

***We plan to upload a video on the matters to be reported, etc., on the Company’s website listed below, after the Meeting.**

Company’s website: <https://www.mabuchi-motor.co.jp/investor/stock/meeting/2022.html>

***Notice concerning the new coronavirus**

- We ask our shareholders attending the Meeting at the venue to take infection control measures in accordance with government policies, etc.**
- Please note that Mabuchi’s officers and staff members attending the Meeting will wear a mask.**
- Any changes that may occur to the above procedures for the Meeting in accordance with future developments will be posted on the Company’s website (<https://www.mabuchi-motor.co.jp/investor/stock/meeting/2022.html>).**

Note: This document is a translation of an excerpt of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

REFERENCE DOCUMENTS FOR THE 82ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

Proposal 1: Proposed Appropriation of Retained Earnings for the 82nd Fiscal Term

Our basic policy on the appropriation of retained earnings is to retain necessary earnings for sound business activities, to maintain our healthy financial strength and to ensure adequate dividends to our shareholders based on our performance for the year. Based on this policy, the Company makes it a principle to consistently distribute an annual ordinary dividend of 30 yen per share as payment for a long-term stable dividend, plus an additional special dividend equal to 30% (paid out on a per share basis) of the consolidated profit, depending on the performance of the Company.

We plan to pay an annual dividend of 135 yen per share, an amount determined in consideration of calculations based on the above standards and the business environment (consisting of a 30 yen ordinary dividend and a 105 yen special dividend). Because we paid an interim dividend of 67 yen (consisting of a 15 yen ordinary dividend and a 52 yen special dividend) per share in September 2022, we propose the year-end dividend for this year as follows:

Matters related to the year-end dividend

- (1) Type of distributable properties
Money
- (2) Matters related to the disbursement of distributable properties and the aggregate amount
68 yen per common share of the Company
(An ordinary dividend of 15 yen and a special dividend of 53 yen)
Aggregate dividend amount: 4,423,873,892 yen
- (3) Effective date of the distribution of retained earnings
March 31, 2023

The remaining surplus will be used for measures aimed at further strengthening our existing businesses and investing in areas of future growth, with a view to further increasing corporate value.

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments:

- (1) Following the implementation of the “Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts” (Act No. 70 of 2021), it has become possible for listed companies to hold a general meeting of shareholders without a fixed location under certain requirements by stipulating it in the Articles of Incorporation. The Company will make the necessary amendments so that it will be able to hold a general meeting of shareholders without a fixed location if the Board of Directors deems it inappropriate, in light of shareholder interests, to hold a general meeting of shareholders with a fixed location due to events such as the spread of the new coronavirus, etc., or the occurrence of a natural disaster. Upon these partial amendments to the Articles of Incorporation, the Company has obtained confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice that the amendments satisfy the requirements stipulated by ministerial ordinances.
- (2) In order to enable flexible operation of the Board of Directors, the Company will make the necessary amendments so that a Member of the Board determined in advance by the Board of Directors can call a meeting of the Board of Directors and act as chairperson.

2. Details of the amendments:

Details of the amendments to the Articles of Incorporation are as follows:

(Amended portions are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Timing of Convocation) Article 13.</p> <ol style="list-style-type: none"> 1. The Company’s Ordinary General Meetings of Shareholders shall be convened within three months after the end of each fiscal year, and Extraordinary General Meetings of Shareholders shall be convened as needed. <p>(New establishment)</p>	<p>(Convocation) Article 13.</p> <ol style="list-style-type: none"> 1. The Company’s Ordinary General Meetings of Shareholders shall be convened within three months after the end of each fiscal year, and Extraordinary General Meetings of Shareholders shall be convened as needed. 2. <u>The Company may hold a General Meeting of Shareholders without a fixed location if the Board of Directors deems it inappropriate, in light of shareholder interests, to hold a general meeting of shareholders with a fixed location due to events such as an outbreak of an infectious disease or a natural disaster.</u>
<p>(Convener and Chairperson of the Board of Directors) Article 23.</p> <ol style="list-style-type: none"> 1. <u>The Member of the Board and President</u> shall call the meetings of the Board of Directors and act as chairperson unless otherwise provided by laws and regulations. 2. When <u>the Member of the Board and President</u> is unable to act in such capacity, another Member of the Board, according to the order of priority determined in advance by the Board of Directors, shall call the meeting and act as chairperson. 	<p>(Convener and Chairperson of the Board of Directors) Article 23.</p> <ol style="list-style-type: none"> 1. <u>A Member of the Board determined in advance by the Board of Directors</u> shall call the meetings of the Board of Directors and act as chairperson unless otherwise provided by laws and regulations. 2. When <u>said Member of the Board</u> is unable to act in such capacity, another Member of the Board, according to the order of priority determined in advance by the Board of Directors, shall call the meeting and act as chairperson.

Proposal 3: Election of Nine (9) Members of the Board (Excluding Members of the Board who are Audit and Supervisory Committee Members)

The term of office of all nine (9) Members of the Board (excluding Members of the Board who are audit and supervisory committee members; the same shall apply in this proposal) will expire at the conclusion of the 82nd Ordinary General Meeting of Shareholders.

Shareholders are therefore requested to elect nine new (9) Members of the Board .

The candidates for the position of director are as follows:

No.	Name	Position and assignment in the Company	
1	Hiroo OKOSHI	Representative Director, Chairman & CEO	Reappointment
2	Shinichi TANIGUCHI	Representative Director, President & COO, President and Executive Officer	Reappointment
3	Hirotarō KATAYAMA	Member of the Board, Senior Managing Executive Officer, Chief Officer of Mabuchi Group Subsidiaries, Head of Life and Industrial Product Business Unit	Reappointment
4	Tadahito IYODA	Member of the Board, Managing Executive Officer, Chief Administrative Officer, Responsible for Internal Controls and Corporate Strategy	Reappointment
5	Kazuaki MIYAJIMA	Member of the Board, Executive Officer, Chief Technology Officer	Reappointment
6	Toru TAKAHASHI	Member of the Board, Executive Officer, Head of Purchasing and Operations Control Headquarters	Reappointment
7	Naoki MITARAI	Member of the Board	Reappointment Member of the Board (Outside board member) Independent director
8	Kazuhiko TSUTSUMI	Member of the Board	Reappointment Member of the Board (Outside board member) Independent director
9	Akira OKADA	Member of the Board	New appointment Member of the Board (Outside board member) Independent director

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held	Number of the Company's shares held
1	<p>Hiroo OKOSHI (July 9, 1961)</p> <p>Reappointment</p>	<p>April 1984 Joined MABUCHI MOTOR CO., LTD.</p> <p>June 1990 Manager - Procurement Section, MABUCHI INDUSTRY CO., LTD.</p> <p>August 1996 Manager - President Office, MABUCHI INDUSTRY CO., LTD.</p> <p>May 2002 Director, General Manager - General Affairs Department, Human Resources Department, MABUCHI INDUSTRY CO., LTD.</p> <p>October 2002 General Manager - Corporate Planning Department</p> <p>March 2003 Deputy Head of Business Platform Innovation Headquarters</p> <p>January 2004 General Manager - Corporate Planning Department</p> <p>November 2009 Executive Officer, Head of Administration Headquarters</p> <p>March 2011 Member of the Board, Executive Officer, Head of Administration Headquarters</p> <p>March 2013 Representative Director, President</p> <p>March 2019 Representative Director, President & CEO</p> <p>March 2022 Representative Director, Chairman & CEO (Current position)</p>	34,660
<p>Reasons for being nominated for the position of Member of the Board: Hiroo OKOSHI has been renominated as a candidate for the position of Member of the Board because we have judged that we can rely on his ability to play a significant role in decision making regarding important matters and supervision of business execution strategies in the Group, as he has dedicated his efforts to achieve steady growth and medium- to long-term enhancement of corporate value for the Group as chief executive officer based on his abundant experience and broad knowledge in corporate management and corporate governance. He has been leading the Group's management as Representative Director and President since March 2013, and as Representative Director and Chairman since March 2022.</p>			

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held	Number of the Company's shares held
2	Shinichi TANIGUCHI (February 16, 1965) Reappointment	April 1987 Joined MABUCHI MOTOR CO., LTD. April 1987 MABUCHI TAIWAN CO., LTD. June 1997 Manager - Production Engineering Department, MABUCHI MOTOR VIETNAM LTD. April 2005 Assistant General Manager - Power Unit Motor Division October 2005 General Manager - Product Development Department 2, Research and Development Headquarters December 2013 President, MABUCHI MOTOR (JIANGSU) CO., LTD. January 2018 Deputy Head of Product Development Headquarters March 2018 Executive Officer, Deputy Head of Product Development Headquarters July 2018 Executive Officer, Head of Manufacturing Headquarters March 2019 Member of the Board, Executive Officer, Chief Technology Officer, Head of Manufacturing Headquarters March 2020 Member of the Board, Managing Executive Officer, Chief Technology Officer, Head of Manufacturing Headquarters March 2021 Member of the Board, Managing Executive Officer, Chief Technology Officer March 2022 Representative Director, President & COO, President and Executive Officer, Responsible for Internal Controls January 2023 Representative Director, President & COO, President and Executive Officer (Current position)	18,432
Reasons for being nominated for the position of Member of the Board: Shinichi TANIGUCHI has been renominated as a candidate for the position of Member of the Board because we have judged that we can rely on his ability to play a significant role in decision making regarding important matters and supervision of business execution strategies in the Group, as he has been leading the Group's business activities and exercising leadership as Chief Operating Officer since his appointment as the Company's Representative Director and President in March 2022. He has abundant experience, an extensive track record and broad knowledge in the product development and production engineering divisions.			

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held	Number of the Company's shares held
3	Hirotaro KATAYAMA (January 23, 1969) Reappointment	April 1991 Joined MABUCHI MOTOR CO., LTD. July 1994 MABUCHI INDUSTRY CO., LTD. April 1997 Manager - Quality Assurance Section, MABUCHI INDUSTRY CO., LTD. July 2006 Assistant Factory Manager - MABUCHI MOTOR (JIANGSU) CO., LTD. March 2007 President, MABUCHI MOTOR (JIANGSU) CO., LTD. February 2014 Deputy Head of Operations Control Headquarters July 2014 Senior General Manager - Operations Control Headquarters March 2015 Member of the Board, Executive Officer, Head of Operations Control Headquarters March 2017 Member of the Board, Managing Executive Officer, Chief Business Operation Officer March 2019 Member of the Board, Managing Executive Officer, Assistant to the President, Chief Officer of Mabuchi Group Subsidiaries July 2020 Member of the Board, Managing Executive Officer, Assistant to the President, Chief Officer of Mabuchi Group Subsidiaries, Chief Administrative Officer, Head of Human Resources and General Affairs Headquarters November 2020 Member of the Board, Managing Executive Officer, Assistant to the President, Chief Officer of Mabuchi Group Subsidiaries, Chief Administrative Officer, Head of Human Resources and General Affairs Headquarters, Head of Purchasing Headquarters March 2021 Member of the Board, Managing Executive Officer, Assistant to the President, Chief Officer of Mabuchi Group Subsidiaries, Chief Administrative Officer, Responsible for Purchasing, Head of Human Resources and General Affairs Headquarters January 2022 Member of the Board, Managing Executive Officer, Assistant to the President, Chief Officer of Mabuchi Group Subsidiaries, Chief Administrative Officer, Responsible for Purchasing March 2022 Member of the Board, Senior Managing Executive Officer, Chief Officer of Mabuchi Group Subsidiaries, Head of Life and Industrial Product Business Unit (Current position)	20,610
Reasons for being nominated for the position of Member of the Board: Hirotaro KATAYAMA has been renominated as a candidate for the position of Member of the Board because we have judged that we can rely on his ability to play a significant role in decision making regarding important matters and supervision of business execution strategies in the Group based on his track record as a manager, including supervising all of the Group's affiliates and overall management. He has abundant experience and knowledge through his involvement in a broad range of operations within the Group, such as quality assurance, overseas subsidiary management, production, business operations, and purchasing.			

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held	Number of the Company's shares held
4	Tadahito IYODA (November 22, 1968) Reappointment	April 1999	15,710
		April 2004	
		January 2010	
		March 2013	
		March 2015	
		March 2018	
		March 2020	
		July 2020	
March 2021			
March 2022			
January 2023			
<p>Reasons for being nominated for the position of Member of the Board: Tadahito IYODA has been renominated as a candidate for the position of Member of the Board because we have judged that we can rely on his ability to play a significant role in decision making regarding important matters and supervision of business execution strategies in the Group based on his abundant experience and sophisticated knowledge in formulating and executing management strategies gained through managing an overseas subsidiary, in addition to his experience as a manager of the corporate planning and administration divisions of the head office.</p>			

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held	Number of the Company's shares held	
5	Kazuaki MIYAJIMA (October 17, 1968) Reappointment	April 1991 October 1992 April 1998 September 2012 March 2017 March 2018 March 2022	Joined MABUCHI MOTOR CO., LTD. MABUCHI INDUSTRY CO., LTD. Assistant Manager - Production Engineering Department, MABUCHI INDUSTRY CO., LTD. General Manager - Production Engineering Department, Research and Development Headquarters Associate Director, Deputy Head of Manufacturing Headquarters Associate Director, Manufacturing Headquarters Member of the Board, Executive Officer, Chief Technology Officer(Current position)	4,516
		<p>Reasons for being nominated for the position of Member of the Board: Kazuaki MIYAJIMA has been renominated as a candidate for the position of Member of the Board because we have judged that we can rely on his ability to play a significant role in decision making regarding important matters and supervision of business execution strategies in the Group based on his technological and professional knowledge in important and challenging technological issues gained through a history of serving in key positions in the technology division as well as his global insight gained from many years of overseas experience.</p>		
6	Toru TAKAHASHI (October 15, 1965) Reappointment	April 1988 November 1993 January 2012 January 2015 March 2018 March 2021 March 2022	Joined MABUCHI MOTOR CO., LTD. MABUCHI MOTOR DALIAN CO., LTD President, MABUCHI MOTOR DONGGUAN DAOJIAO CO., LTD. President, MABUCHI MOTOR DALIAN CO., LTD. General Manager - Operations Control Department, Manufacturing Headquarters Head of Purchasing and Operations Control Headquarters Member of the Board, Executive Officer, Head of Purchasing and Operations Control Headquarters (Current position)	4,618
		<p>Reasons for being nominated for the position of Member of the Board: Toru TAKAHASHI has been renominated as a candidate for the position of Member of the Board because we have judged that we can rely on his ability to play a significant role in decision making regarding important matters and supervision of business execution strategies in the Group based on his experience and insight in the Group's business and international corporate management gained from his involvement in the development of a global production system and management of overseas subsidiaries.</p>		

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held	Number of the Company's shares held
7	<p>Naoki MITARAI (October 30, 1952)</p> <p>Reappointment</p> <p>Member of the Board (Outside board member)</p> <p>Independent director</p>	<p>April 1976 Joined HITACHI, LTD.</p> <p>July 2000 General Manager - Employee Relations Department, HITACHI, LTD.</p> <p>April 2004 Deputy General Manager - Information & Telecommunication Systems Group, Government & Public Corporation Information Systems Sales Management Division, HITACHI, LTD.</p> <p>April 2005 General Manager, Group Company Office, Hitachi Group – Corporate Strategy, Hitachi Group Headquarters, HITACHI, LTD.</p> <p>January 2006 General Manager, Group Company Office, Hitachi Group Headquarters, HITACHI, LTD.</p> <p>April 2010 Senior General Manager - Human Resources Management Headquarters and General Affairs Headquarters, HITACHI, LTD.</p> <p>April 2011 Vice President, Senior General Manager - Human Resources Management Headquarters and General Affairs Headquarters, HITACHI, LTD.</p> <p>April 2014 Senior Vice President and Executive Officer, CHRO (Chief Human Resources Officer), Risk Management Manager and CRO (Chief Risk Management Officer), Hitachi High- Technologies Corporation</p> <p>April 2015 Representative Executive Officer and Executive Vice President, Hitachi High-Technologies Corporation</p> <p>April 2016 Executive Adviser, Hitachi High-Technologies Corporation</p> <p>March 2017 Member of the Board, MABUCHI MOTOR CO., LTD. (Current position)</p> <p>November 2019 Visiting Professor, University of Tsukuba (Current position)</p>	4,500
<p>Reasons for being nominated for the position of Outside board member and expected roles: Naoki MITARAI has been renominated as a candidate for the position of Outside board member because we continue to expect that he will be able to provide us with appropriate supervision regarding the Company's overall management as he provides us with useful and appropriate advice as well as recommendations regarding overall management and he contributes to the reinforcement of personnel strategies for our global business development. He has abundant experience and considerable insight concerning corporate governance in addition to being a person of integrity based on his long-term experience of corporate management as an executive officer of HITACHI, LTD., and its group companies.</p>			

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held	Number of the Company's shares held
8	Kazuhiko TSUTSUMI (October 24, 1952)	<p>April 1982 Joined Mitsubishi Electric Corporation</p> <p>October 2006 Vice-Director, Mitsubishi Electric Research Laboratories</p> <p>April 2008 Director, Mitsubishi Electric Research Laboratories</p> <p>April 2010 Executive Officer, Managing Director, Development Division, Mitsubishi Electric Corporation</p> <p>April 2014 Adviser, Mitsubishi Electric Corporation</p> <p>Reappointment April 2014 Visiting Professor, Kanazawa Institute of Technology (Current position)</p> <p>Member of the Board (Outside board member) April 2018 Project Technical Adviser, Mitsubishi Electric Corporation (Current position)</p> <p>Independent director January 2019 Vice Chairmen, International Electrotechnical Commission (Current position)</p> <p>March 2019 Member of the Board, MABUCHI MOTOR CO., LTD. (Current position)</p> <p>June 2021 Executive Director, Japanese Standards Association (Current position)</p>	1,600
<p>Reasons for being nominated for the position of Outside board member and expected roles: Kazuhiko TSUTSUMI has been renominated as a candidate for the position of Outside board member because we continue to expect that he will be able to provide us with appropriate supervision regarding the Company's overall management as he provides us with appropriate supervision and advice regarding overall management and contributes to the reinforcement of the Company's technology strategies. He has abundant experience and considerable insight concerning corporate governance, in addition to being a person of integrity based on his long-term involvement in the development division of Mitsubishi Electric Corporation, leveraging his expertise as a Doctor of Engineering and his experience of corporate management as the company's executive officer.</p>			
9	Akira OKADA (November 14, 1955)	<p>April 1979 Joined ALL NIPPON AIRWAYS CO., LTD.</p> <p>April 2007 Executive Vice President, General Manager - Corporate Planning Department, ALL NIPPON AIRWAYS CO., LTD.</p> <p>June 2010 Member of the Board, Executive Vice President, General Manager – Operations Oversight Division, ALL NIPPON AIRWAYS CO., LTD.</p> <p>April 2012 Executive, Board of Directors, Executive Vice President, General Manager – Freight & Cargo Business, ALL NIPPON AIRWAYS CO., LTD.</p> <p>New appointment April 2015 Senior Managing Director, Executive Vice President, General Manager – Freight & Cargo Business, ALL NIPPON AIRWAYS CO., LTD.</p> <p>Member of the Board (Outside board member) April 2015 Representative Director and President, ANA Cargo Inc.</p> <p>June 2015 Outside Board Member, The Okinawa Electric Power Company, Incorporated (Current position)</p> <p>Independent director April 2016 Representative Director and President, ANA Strategic Research Institute Co., Ltd.</p> <p>April 2021 Visiting Professor, Osaka Seikei University (Current position)</p> <p>(Significant Positions Concurrently Held) Outside board member, The Okinawa Electric Power Company, Incorporated</p>	—
<p>Reasons for being nominated for the position of Outside board member and expected roles: Akira OKADA has been newly nominated as a candidate for the position of Outside board member because we expect that he will provide us with appropriate supervision and advice regarding overall management based on his abundant experience and considerable insight concerning corporate governance, in addition to being a person of integrity. He has many years of experience in the airline industry, where insight into changes in the external environment and establishing a high safety level are required. He has also been involved in corporate management as a Member of the Board at ALL NIPPON AIRWAYS CO., LTD. And its group companies.</p>			

(Notes)

1. No special relationship exists between the Company and the candidates.
2. Naoki MITARAI, Kazuhiko TSUTSUMI and Akira OKADA are candidates for the position of Outside board member.
3. Naoki MITARAI and Kazuhiko TSUTSUMI are currently Outside Board Members of the Company. Regarding their terms of office as Outside board members, Naoki MITARAI's term will have reached six years and Kazuhiko TSUTSUMI's term will have reached four years at the conclusion of the 82nd Ordinary General Meeting of Shareholders.
4. As per Article 427, Paragraph 1, of the Companies Act, the Company entered into agreements with Naoki MITARAI and Kazuhiko TSUTSUMI to limit their liabilities for damages as provided in Article 423, Paragraph 1, of the Companies Act. If their reappointments are approved, the Company intends to extend said agreements with them. Additionally, the Company intends to enter into the same agreement with Akira OKADA, if he is appointed. The limit of liabilities under the agreements shall be the amount set forth in Article 425, Paragraph 1, of the Companies Act.
5. The Company registered Naoki MITARAI and Kazuhiko TSUTSUMI as "independent officers," as stipulated by the Tokyo Stock Exchange. If their reappointments are approved, the Company intends to continue to designate them as "independent officers." Akira OKADA also meets the requirements of an "independent officer" as stipulated by the Tokyo Stock Exchange. If his appointment is approved, the Company intends to register him as an "independent officer" with the Tokyo Stock Exchange.
6. The Company has entered into liability insurance for its officers, with all Members of the Board as the insured. The insurance compensates for any damages that may arise due to its Members of the Board, the insured, bearing responsibility for the execution of their duties or facing complaints related to inquiries into said responsibilities. If the candidates become Members of the Board, they will become the insured parties of said insurance. The insurance policy is planned to be renewed with the details unchanged at the next renewal.

Proposal 4: Election of Four (4) Members of the Board as Audit and Supervisory Committee Members

The terms of office of all four (4) Members of the Board as audit and supervisory committee members will expire at the conclusion of the 82nd Ordinary General Meeting of Shareholders.

Shareholders are therefore requested to elect four (4) Members of the Board as audit and supervisory committee members.

The consent of the Audit & Supervisory Committee has been obtained regarding this proposal.

The candidates for the position of Members of the Board as audit and supervisory committee members are as follows:

No.	Name	Position and assignment in the Company and significant positions concurrently held	
1	Katsumi KOBAYASHI	Executive Officer, Deputy Chief Administrative Officer, Head of Human Resources and General Affairs Headquarters	New appointment
2	Takashi ASAI	Member of the Board who is Audit and Supervisory Committee Member Attorney, Partner, Daiichifuyo Law Office	Reappointment Member of the Board (Outside Board Member) Independent director
3	Yoko TOYOSHI	Member of the Board who is Audit and Supervisory Committee Member Outside board member (Audit and Supervisory Committee Member), ALPS ALPINE CO., LTD. Outside Audit & Supervisory Board Member, KOKUYO Co., Ltd. Representative, Certified Public Accountant Yoko Toyoshi Office	Reappointment Member of the Board (Outside Board Member) Independent director
4	Yasuko FUKUYAMA	Attorney, Partner, Spring Partners Outside Board Member (Audit and Supervisory Committee Member), EARLY-AGE CO., LTD.	New appointment Member of the Board (Outside Board Member) Independent director

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held	Number of the Company's shares held
1	Katsumi KOBAYASHI (August 7, 1961) New appointment	<p>April 1984 Joined MABUCHI MOTOR CO., LTD.</p> <p>October 2010 General Manager - Technology Center, Administration Headquarters</p> <p>April 2012 General Manager - General Affairs Department, Administration Headquarters</p> <p>April 2019 President, MABUCHI MOTOR TAIWAN LTD.</p> <p>January 2022 Head of Human Resources and General Affairs Headquarters</p> <p>March 2022 Executive Officer, Deputy Chief Administrative Officer, Head of Human Resources and General Affairs Headquarters</p>	4,895
<p>Reasons for being nominated for the position of Member of the Board and audit and supervisory committee member: Katsumi KOBAYASHI has been newly nominated as a candidate for the position of Member of the Board and an audit and supervisory committee member because we have judged that he has the ability to play a significant role in the supervision of business execution strategies as an audit and supervisory committee member based on his many years of involvement in human resources and general affairs operations since he joined the Company and his current involvement in overseeing the administration division and accounting and finance division following a stint as manager of an overseas subsidiary.</p>			
2	Takashi ASAI (March 17, 1961) Reappointment Member of the Board (Outside Board Member) Independent director	<p>April 1990 Registered as an attorney</p> <p>April 1990 Joined Daiichifuyo Law Office (Current Position)</p> <p>April 1998 Partner, Daiichifuyo Law Office (Current Position)</p> <p>April 2002 Part-time lecturer, Faculty of Law, Keio University</p> <p>March 2005 Part-Time Lecturer, Legal Affairs Research Course (Law School) of Keio University Graduate School</p> <p>April 2009 Professor, Legal Affairs Research Course (Law School) of Keio University Graduate School</p> <p>April 2014 Part-Time Lecturer, Keio University Graduate School (Current Position)</p> <p>March 2016 Outside Audit & Supervisory Board Member</p> <p>March 2019 Member of the Board (Audit and Supervisory Committee Member), MABUCHI MOTOR CO., LTD. (Current position)</p> <p>(Significant Positions Concurrently Held) Attorney, Partner, Daiichifuyo Law Office</p>	3,200
<p>Reasons for being nominated for the position of Outside Board Member and an audit and supervisory committee member and expected roles: Takashi ASAI has been renominated as a candidate for the position of Outside Board Member and an audit and supervisory committee member because we have judged that he has the ability to play a significant role in the supervision of business execution as an audit and supervisory committee member based on his expertise and abundant experience in laws and regulations as an attorney, with considerable insight into governing corporate management, in addition to being a person of integrity. We have judged, for the aforementioned reasons, that he will execute his duties appropriately as an Outside Board Member, despite having no previous experience in corporate management.</p>			

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held	Number of the Company's shares held
3	Yoko TOYOSHI (May 20, 1958) Reappointment Member of the Board (Outside Board Member) Independent director	<p>April 1981 Joined the Bank of Fukuoka, Ltd October 1989 Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC) December 1990 Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC) July 2008 Partner, Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC) July 2013 Appointed as Chief Certified Public Accountant Audit Inspector, Certified Public Accountants and Auditing Oversight Board, Financial Services Agency July 2016 Joined Deloitte Touche Tohmatsu LLC June 2018 Outside Board Member (Audit and Supervisory Committee Member), Alps Electric Co., Ltd. (currently ALPS ALPINE CO., LTD.) (Current position) March 2020 Outside Audit & Supervisory Board Member, KOKUYO Co., Ltd. (Current position) March 2021 Member of the Board (Audit and Supervisory Committee Member), MABUCHI MOTOR CO., LTD. (Current position)</p> <p>(Significant Positions Concurrently Held) Outside Board Member (Audit and Supervisory Committee Member), ALPS ALPINE CO., LTD. Outside Audit & Supervisory Board Member, KOKUYO Co., Ltd. Representative, Certified Public Accountant Yoko Toyoshi Office</p>	100
<p>Reasons for being nominated for the position of Outside Board Member and an audit and supervisory committee member and expected roles: Yoko TOYOSHI has been renominated as a candidate for the position of Outside Board Member and an audit and supervisory committee member because we have judged that she has the ability to play a significant role in the supervision of business execution based on her many years of experience in accounting auditing at an accounting firm and a high level of expertise gained as a certified public accountant, as well as abundant experience as an outside officer of another company. We have judged, for the aforementioned reasons, that she will execute her duties appropriately as an Outside board member, despite having no previous experience in corporate management other than as an outside officer.</p>			
4	Yasuko FUKUYAMA (January 27, 1973) New appointment Member of the Board (Outside board member) Independent director	<p>October 2001 Registered as an attorney January 2002 Joined Okinobu, Ishihara & Sei Law Office (currently Spring Partners) May 2009 Admitted to the New York State Bar Association January 2012 Attorney, Partner, Spring Partners (Current position) January 2020 Outside board member (Audit and Supervisory Committee Member), EARLY-AGE CO., LTD. (Current position)</p> <p>(Significant Positions Concurrently Held) Attorney, Partner, Spring Partners Outside board member (Audit and Supervisory Committee Member), EARLY-AGE CO., LTD.</p>	—
<p>Reasons for being nominated for the position of Outside board member and audit and supervisory committee member and expected roles: Yasuko FUKUYAMA has been newly nominated as a candidate for the position of Outside board member and an audit and supervisory committee member because we have judged that she has the ability to play a significant role in the supervision of business execution as an audit and supervisory committee member based on her abundant expertise and experience as an attorney in Japan and abroad, as well as insight as an Outside board member and an audit and supervisory committee member of another company. We anticipate, for the aforementioned reasons, that she will execute her duties appropriately as a, despite having no previous experience in corporate management other than as an outside officer.</p>			

(Notes)

1. No special relationship exists between the Company and the candidates.
2. Takashi ASAI, Yoko TOYOSHI and Yasuko FUKUYAMA are candidates for the position of Outside

board member.

3. Yasuko FUKUYAMA's name on the family register is Yasuko SATO.
4. Takashi ASAI and Yoko TOYOSHI are currently Outside Board Members (audit and supervisory committee members) of the Company. Regarding their terms of office as audit and supervisory committee members, Takashi ASAI's term will have reached four years and Yoko TOYOSHI's term will have reached two years at the conclusion of the 82nd Ordinary General Meeting of Shareholders.
5. There is a trading relationship, such as sale of products, etc., between the Company and ALPS ALPINE CO., LTD., where Yoko TOYOSHI serves as an Outside Board Member (audit and supervisory committee member). However, as the trading amount for the most recent consolidated fiscal year is minor, at less than 1% of the consolidated net sales of each company, therefore, the Company has judged that the relationship will have no impact on her independence.
6. As per Article 427, Paragraph 1, of the Companies Act and the Company's Articles of Incorporation, the Company entered into agreements with Takashi ASAI and Yoko TOYOSHI to limit their liabilities for damages as provided in Article 423, Paragraph 1, of the Companies Act. If their reappointments are approved, the Company intends to extend said agreements with them. If Yasuko FUKUYAMA is elected as an Outside Board Member, the Company also intends to enter into the same agreement to limit her liabilities for damages. The limit of liabilities under the agreements shall be the amount set forth in Article 425, Paragraph 1, of the Companies Act.
7. The Company has registered Takashi ASAI and Yoko TOYOSHI as "independent officers," as stipulated by the Tokyo Stock Exchange. If their reappointments are approved, the Company intends to continue to designate them as "independent officers." In addition, as Yasuko FUKUYAMA satisfies the requirements of an "independent officer," as stipulated by the Tokyo Stock Exchange, the Company intends to register her as an "independent officer" at the Exchange if her election as an Outside Board Member is approved.
8. The Company has entered into liability insurance for its officers, with all Members of the Board as the insured. The insurance compensates for any damages that may arise due to its Members of the Board, the insured, bearing responsibility for the execution of their duties or facing complaints related to inquiries into said responsibility. If the candidates become Members of the Board, they will become the insured parties of said insurance. The insurance policy is planned to be renewed with the details unchanged at the next renewal.

Reference: Constitution of the Board of Directors after the 82nd Ordinary General Meeting of Shareholders

How the Board of Directors is constructed in terms of expertise, if Proposal 3 and Proposal 4 are approved in their original forms at the 82nd Ordinary General Meeting of Shareholders, are as follows.

Name	Corporate Management Experience*	Global Experience	Corporate Planning, Corporate Strategy	Internal Control, Governance	Legal Affairs, Risk Management	Finance, Accounting	HR Labor Management, HR Development	Business, Sales	Technology, Quality	Procurement, Production
Hiroo OKOSHI	○*	○	○	○	○	○	○	○		○
Shinichi TANIGUCHI	○*	○	○	○	○		○	○	○	○
Hirotarō KATAYAMA	○*	○		○	○	○	○	○	○	○
Tadahito IYODA	○*	○	○	○	○	○	○	○		○
Kazuaki MIYAJIMA		○							○	○
Toru TAKAHASHI	○*	○								○
Naoki MITARAI	○		○	○	○		○	○		
Kazuhiko TSUTSUMI	○	○						○	○	○
Akira OKADA	○		○					○		
Katsumi KOBAYASHI	○*	○		○	○	○	○			○
Takashi ASAI				○	○	○	○			
Yoko TOYOSHI				○	○	○				
Yasuko FUKUYAMA		○		○	○	○				

(Note) An asterisk (*) indicates those who have served as president of the Company or of a Group company.

Reference: Independence Criteria for Outside Officers

The Company prescribes criteria for the independence of outside officers, and outside officers that fall under any of the following shall be deemed as not being sufficiently independent from the Company:

- (1) Current or former employees or officers of the Company or its subsidiaries (collectively, the “**Mabuchi Group**”);
- (2) Business executives for whom a Major Business Partner is the Mabuchi Group, or business executives who are Major Business Partners of the Mabuchi Group (“**Major Business Partners**” means customers or suppliers of Mabuchi Group products, etc., accounting for, in either case, more than 2% of consolidated net sales for a given fiscal year);
- (3) Consultants, accounting professionals, or legal professionals who receive a Significant Sum of money or other assets, other than executive remuneration, from the Mabuchi Group, including persons who belong to a business organization if the person who receives the assets is an organization, such as a corporation or partnership (a “**Significant Sum**” means the annual total of 10 million yen or more of monetary or asset benefits other than executive remuneration);
- (4) A certified public accountant who belongs to an auditing firm that serves as the accounting auditor of the Mabuchi Group or an auditing firm’s employee, partner, member of staff, or worker;
- (5) A major shareholder who owns 10% or more of the voting rights in the Company;
- (6) A person who receives a large donation or loan, etc., amounting to 10 million yen or more, annually from the Mabuchi Group (including a person who belongs to a business organization if the person who receives the donation or loan is an organization, such as a corporation or partnership);
- (7) Business executives with which the Company has a reciprocal employment relationship as each other’s outside officers;
- (8) Persons who fall under any of (2) to (7) above in the past three years;
- (9) The close relative of a person if that person falls under (1) to (8), is a Person in an Important Position, including a spouse, a relative within the second degree of kinship, or a relative of a Person in an Important Position’s household (a “**Person in an Important Position**” means a Member of the Board other than an Outside Board Member, an executive officer, an associate director, or a general manager or higher ranking manager).

***Opinion of the Audit and Supervisory Committee**

As a result of examining the election and remuneration of Members of the Board who are not audit and supervisory committee members, the Audit and Supervisory Committee has concluded that there are no matters to be stated at the 82nd Ordinary General Meeting of Shareholders pursuant to the Companies Act.

BUSINESS REPORT (From January 1, 2022 to December 31, 2022)

1. Current Conditions of the Mabuchi Group

(1) Business Development and Results

During the fiscal year that ended December 31, 2022 (fiscal 2022), the global economy saw economic activity stagnate due to a resurgence of COVID-19, a sharp increase in resource prices and persistently high logistics costs, along with continued shortages in supplies of semiconductors, compounded by supply chain disruptions from the situation in Ukraine, in addition to sluggish retail consumption caused by higher prices. The U.S. economy was stagnant, from accelerated inflation caused by high resource prices combined with an ever increasing pace of interest rate increases that lead to a slowdown in retail consumption. In Europe, economies slowed from inflation caused by sharply higher energy prices, the situation in Ukraine, supply chain disruptions, and weak retail consumption as countries raised interest rates. The Japanese economy showed a gradual recovery as economic activity moved back towards normal and the easing of infection prevention measures. However, the yen weakened significantly as other countries raised their interest rates. Emerging market economies saw only a gradual recovery overall, with a slower pace of growth in China from stagnant economic activity reflecting lockdowns in major urban areas in response to a resurgence of COVID-19.

With regard to markets related to the Mabuchi Group's products, the automotive products market slowed its automobile production due to adjustments from shortages in supplies of semiconductors, supply chain disruptions from urban lockdowns in China, and weak retail consumption caused by inflation in various countries. The life and industrial products market was solid overall, despite lower demand for certain applications as people who had been staying at home increasingly began going out again.

Against this backdrop, the Group has been working to address the issues including "Expansion of market share in the power window lifter motor business," "Expansion of medium-sized and small automotive motor sales and new applications," and "Sales expansion of new applications in the life and industrial products segment." Sales and market share grew on specific achievements including sales of power window lifter motors to a fourth major Japanese automaker and increased sales of our products for electric vehicles based on those products' light weight and superior superior sound efficiency, winning orders for motors for power seats from major Japanese and European automakers, winning orders for motors for valve actuators in electric vehicles from major Japanese automakers, winning orders for our expanded lineup of brushless motors for mobility and collaborative robots, increased sales of medical-use motors made by Mabuchi Motor Electromag SA, and winning orders for power tool applications. With this growth, along with the development of new markets and the proactive introduction and implementation of various measures for even higher levels of quality and efficiency, we were able to achieve successes that will lead to future business growth.

As a result, consolidated net sales for fiscal 2022 were 156,706 million yen (a 16.4% increase year on year), and motor sales, which account for the majority of net sales, were 156,696 million yen (a 16.5% increase year on year).

Although operating income was boosted by a weaker yen, year on year and improvements in sales prices and the product mix; this was more than offset by the negative effect of lower sales volume and a rise in commodity prices, resulting in operating income of 10,824 million yen (a 21.6% decrease year on year).

Despite this decline in operating income, foreign exchange gains recorded as a result of the yen's depreciation on term-end valuations of foreign currency-denominated assets and liabilities and other factors resulted in ordinary income of 21,473 million yen (a 9.7% increase year on year). Profit before income taxes was 20,764 million yen (a 3.3% increase year on year), and profit attributable to owners of parent stock was 14,295 million yen (a 0.3% increase year on year).

The next section describes market trends and sales conditions categorized into separate markets for motors.

1) Automotive Products Market

Net sales totaled 117,056 million yen (a 19.1% increase year on year). In medium-sized automotive motors, sales of motors for power window lifters and for power seats were negatively

affected by automobile production adjustments from factors including shortages of semiconductor supplies, but sales rose due to positive factors including a weaker yen. Sales of motors for electric parking brakes also grew due to an increase in the number of models in which they are installed, for solid overall sales of medium-sized automotive motors. Sales of small automotive motors also grew due to positive factors including a weaker yen, despite the effect of automobile production adjustments on door lock actuators, motors for door mirrors, and air conditioning damper actuators.

2) Life and Industrial Products Market

Net sales rose to 39,639 million yen (a 9.2% increase year on year). Sales of motors for personal care products, home appliances, power tools, and housing equipment declined due to a lull in demand from people staying at home instead of going out, but sales of motors for health and medical devices rose significantly due to solid sales in the midrange and high-end toothbrush segment combined with a contribution from sales of Mabuchi Motor Electromag products including motors for ventilators, and with a positive effect from the weaker yen, overall sales rose.

<Consolidated sales of motors by application>

Market segment	The 82nd fiscal term (the year ended December 31, 2022)	YoY (%)	Segment sales as a percentage of net sales (%)
	Amount (Millions of yen)		
Automotive Products	117,056	19.1	74.7
Life and Industrial Products	39,639	9.2	25.3
Total	156,696	16.5	100.0

(Notes)

1. The Mabuchi Group's businesses have been developed within a single business field related to small motors. Given this single business structure, segmented explanation is omitted.
2. As the Mabuchi Group has sales of several types of motor parts and production equipment in addition to its mainstay motor sales, the amount for consolidated net sales differs from the amount for consolidated sales of motors.
3. Amounts less than a million yen have been truncated.
4. The figures above do not include consumption tax, etc.

(2) Capital Investments

Capital investments for fiscal 2022 amounted to 10,614 million yen, which includes 486 million yen for the construction of facilities for MABUCHI MOTOR POLAND sp. z o.o.; 467 million yen for R&D facilities and equipment; 220 million yen for information technology; and 9,439 million yen for other facilities and equipment to upgrade product lines and reinforce overall productivity.

(3) Issues to be Addressed

With regard to the outlook in fiscal 2023, there are concerns of a slowdown in the global economy as economic activity is expected to stagnate due to a resurgence of COVID-19, a sharp increase in resource prices, shortages in supplies of semiconductors and other components, the protracted situation in Ukraine, and various countries raising interest rates to curb accelerating inflation. Growth in the U.S. economy is seen as slowing from the effect of aggressive interest rate hikes to rein in rising prices. In Europe, inflation caused by factors including the situation in Ukraine is seen as depressing corporate earnings and retail consumption, and growth is expected to slow. The recovery in the Japanese economy is seen as being only gradual, on a deterioration in corporate business results from weak external demand, combined with increasing pressure on household budgets from higher resource prices restricting retail consumption. In emerging market economies, a recovery from sluggish economic activity is forecast for China as zero-COVID policies are eased, but the effect of global inflation is seen as leading to a sluggish pace of growth for emerging market economies overall.

With regard to markets related to the Mabuchi Group's products, a recovery for the automotive

products market is seen as lacking strength due to weak demand in various countries from the effect of interest rate increases to rein in accelerating inflation, shortfalls in supplies of semiconductors and other components leading to production adjustments, and supply chain disruptions. In the life and industrial products market, although overall demand is seen as remaining solid on factors including continued stable demand for health and medical devices, demand for home appliances, power tools, housing equipment, and office equipment is expected to be flat due to the slowdown in retail consumption.

Under these business conditions, the Mabuchi Group will tackle the following issues:

1) Initiatives in the “3M Areas” to Evolve Business Portfolio

As a manufacturer specializing in small DC motors, we use a “standardization strategy” to provide quality motor products that achieve the true value sought by customers at a reasonable price, and have widely contributed to greater convenience, comfort, and safety in people’s lives in fields ranging from automotive products to life and industrial products. We aim to continue to make this social contribution through stable management in a drastically changing operating environment by reconfiguring our business portfolio, in which motors for automotive products currently account for more than 70% of sales. In particular, we are accelerating our initiatives in three areas of focus, which we have defined as the “3M areas” of “Mobility,” “Machinery,” and “Medical.”

Mobility: In the automotive products area, with the increasing shift to electric vehicles, reductions in electric power consumption are being sought to extend the distance that can be traveled with limited batteries, and we are pursuing the development, manufacturing, and sales of motors with even greater added value in terms of compactness, light weight, and high efficiency. Demand is also growing for motors used in valve actuators for cooling batteries as well as for battery heat management, and we are using our strength in having a lineup of both brush motors and brushless motors to offer solutions that meet the needs of customers, including unit options. In the area of life and industrial products, we are winning orders for mobility-use brushless motors for a variety of applications including automated guided vehicles (AGVs), small mobility, and stair lifts, and will continue to work to expand sales by continuing to develop new customers and new applications.

Machinery: With the robotics market forecast to grow going forward, we aim to increase our sales of motors for collaborative robots that help to address labor shortages. We are therefore expanding our lineup of products including hollow structure brushless motors, and will pursue sales growth going forward through new applications. With regard to industrial equipment, the reduction of CO₂ emissions in manufacturing processes for things like industrial products and foods has become an urgent issue, and with a widening shift from pneumatic and hydraulic systems to electric systems with higher energy conversion efficiencies, we are offering solutions to expand our business.

Medical: In terms of applications for health and medical devices, we are focusing on products including motors for high value-added electric toothbrushes that contribute to people’s health. We are stepping up our efforts in the medical devices area by acquiring Electromag SA, a manufacturer of motors for ventilators and dental care devices, through M&A in July 2021, and are using Mabuchi Motor Electromag products to establish a foothold in medical devices in terms of product lineup and customer base. Also, in December 2022 we decided to acquire Oken Seiko Co., Ltd., with its strength in small pumps for health and medical devices, as a subsidiary. We will work to expand our business by quickly achieving synergies to strengthen our capabilities in unit options and providing solutions in the “3M areas” including the area of medical devices.

2) Expanding Sales of Motors for Automotive Products and Life and Industrial Products

In the area of motors for power window lifters, we are working to further increase the number of models in which our products are installed, developing next-generation products that incorporate the latest technologies for the medium to long term periods, and further strengthen our sales activities, with the aim of further increasing our market share. Two of the three major North American automakers already use our products, and we are working to obtain business from the third, which has already approved the use of our products. With regard to Japanese automakers, four of the major companies are already using our products and we are aiming to increase orders with business from a fifth company, while also conducting sales activities to increase our market share by having our four existing customers use our products in new models. In Europe, we are

stepping up our activities to increase the number of models manufactured by European automakers that use our products.

In motors for power seats, we have obtained new orders from major Japanese and European automakers. By introducing new products that can be used in a variety of structures including recliners, height adjusters, and tilt adjusters, we are working to increase our share among existing customers and win new customers. In motor applications including electric parking brakes and door closers, we are developing and promoting sales of standard motors that can be used in a variety of applications, based on our standardization strategy.

With regard to motors for door mirrors and other existing product areas where we have a large market share, we are working toward further growth by introducing products that differentiate themselves by featuring new technologies.

In the area of motors for life and industrial products, we provide high value-added products for applications related to people's lives, including home appliances and health and medical devices, and products for commercial and industrial applications. Mabuchi Motor Electromag has advanced technological capabilities related to brushless motors and coreless motors for medical devices and have won orders for the company's high-rotation brushless motors for power tools, and we are developing other applications. Going forward, we will strive to create synergies in development, manufacturing, and sales that will lead to overall growth in the life and industrial products business.

3) Global Risk Management via the Mabuchi Global Management System

We have added "Diversity" that connects staff across business locations and makes use of diverse values to the "Global Five-Pole Structure," which increases the autonomy and independence of overseas business locations to achieve local production for local consumption, as we pursue "Mabuchi Global Management System." By redefining a human resource structure that serves as a platform for the promotion of human resource interaction between the head office and business locations, sharing various types of information, and holding meetings that include multiple locations, we are promoting mutual understanding and cooperation at the Group level and strengthening ties among Group locations. In addition, we are developing policies to strengthen vertical ties within each business location and implementing training and multilevel communication measures to instill a shared understanding of the Company's policies and values. By strengthening the development, manufacturing, and sales structures at each location, we will pursue risk management at the global level to be able to offer a stable supply of high-quality products at reasonable prices despite a drastically changing market environment.

4) Sustainability Initiatives

Mabuchi views the Sustainable Development Goals (SDGs) as targets that will place an emphasis on people while also facilitating economic growth. We have set sustainability targets that utilize our strengths, including popularizing automobiles equipped with features for safe driving that prevent traffic accidents in partnership with our customers, and continue to work proactively to address global environmental and social issues through our business activities. To address climate change, we have set a target of reducing CO₂ emissions by 30% from the 2018 level by 2030, and are pursuing activities to achieve carbon neutrality by 2050. We are accelerating specific measures including greater use of renewable energy and the creation of environmentally friendly products to achieve these targets. In terms of social issues, we are implementing CSR activities across entire supply chains including suppliers, addressing human rights, and pursuing activities to enhance employees' job satisfaction. By contributing to the resolution of issues facing global society through our motor business, we are mobilizing our comprehensive Group strength toward the achievement of the objective contained in our Management Principle of "Contributing to International Society and Continuously Increasing Our Contribution."

(4) Financial Highlights

(Millions of Yen)

	79th fiscal term (FY2019)	80th fiscal term (FY2020)	81st fiscal term (FY2021)	82nd fiscal term (FY2022)
Net sales	131,807	116,432	134,595	156,706
Ordinary income	20,854	12,675	19,570	21,473
Profit attributable to owners of parent stock	14,234	8,987	14,251	14,295
Profit per share (Yen)	214.00	135.64	216.75	220.79
ROE (%)	5.8	3.7	5.7	5.3
Total assets	268,244	262,559	285,704	307,786
Net assets	245,172	239,103	259,909	280,175
Shareholders' equity ratio (%)	91.4	91.0	90.9	91.0
Net assets per share (Yen)	3,690.86	3,623.63	3,975.34	4,333.76
Cash dividends per share (Yen)	135	135	115	135
Dividend payout ratio (%)	63.1	99.5	53.1	61.1
Dividend on equity ratio (%)	3.7	3.7	3.0	3.2

(Notes)

1. Profit per share is calculated using the average number of outstanding shares during the period. Net assets per share are calculated based on the total number of shares outstanding at the end of the period. (Treasury stock is excluded from the number of outstanding shares.)
2. Amounts less than one million yen for net sales, ordinary income, profit attributable to owners of parent stock, total assets, and net assets are omitted. Amounts of profit per share and net assets per share are rounded to two decimal places.
3. Percentages for ROE, shareholders' equity ratio, dividend payout ratio and dividend on equity ratio are rounded to one decimal place.
4. Cash dividends per share, dividend payout ratio and dividend on equity ratio for the 82nd fiscal term are projected figures calculated on the assumption that the resolution will be passed on the proposal for appropriation of retained earnings at the 82nd Ordinary General Meeting of Shareholders.
5. As the Company's shares held by the Mabuchi Motor Employee Ownership Association Trust are treated as treasury stock, the relevant number of shares is excluded from the average number of outstanding shares during the period in the calculation of profit per share and the dividend payout ratio. Moreover, the relevant number of shares is excluded from the total number of shares outstanding at the end of the period in the calculation of net assets per share and the dividend on equity ratio.
6. As the Company's shares held by the Executive Compensation BIP Trust are treated as treasury stock, the relevant number of shares is excluded from the average number of outstanding shares during the period in the calculation of profit per share and the dividend payout ratio. Moreover, the relevant number of shares is excluded from the total number of shares outstanding at the end of the period in the calculation of net assets per share and the dividend on equity ratio.
7. Beginning in the 79th fiscal term, the Company has applied the Partial Amendments to Accounting Standard for Tax Effect Accounting.

(5) Major Business Conducted by the Mabuchi Group (As of December 31, 2022)

The Mabuchi Group, consisting of the Company and its 22 subsidiaries (of which 21 are consolidated subsidiaries), engages in the manufacture and sales of small motors used for automotive products, life and industrial products, etc.

2. Matters Relating to Stocks (As of December 31, 2022)

- (1) Total Number of Shares Authorized: 200,000,000
- (2) Total Number of Shares Issued: 67,076,362
(Including 2,019,393 shares of treasury stock)
- (3) Number of Shareholders: 25,586
(Increased by 1,409 from the end of the previous term)
- (4) Major Shareholders (Top 10)

Shareholders	Number of shares held (shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,449,300	14.5
Custody Bank of Japan, Ltd. (Trust Account)	5,136,700	7.9
Takaichi Mabuchi	5,000,800	7.7
Mabuchi International Scholarship Foundation, Public Interest Incorporated Foundation	3,000,000	4.6
Premiere Corporation	2,068,600	3.2
Takashi Mabuchi	2,010,600	3.1
Tamotsu Mabuchi	2,000,414	3.1
Ray Corporation Co., Ltd.	1,746,000	2.7
MUFG Bank, Ltd.	1,010,890	1.6
Mizuho Trust & Banking Co., Ltd. (Custody Bank of Japan, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted)	877,400	1.3

(Notes)

- The number of shares of treasury stock (2,019,393 shares) is excluded from “Percentage of shares held.” The percentages are rounded to one decimal place.
- 270,100 shares held by the Mabuchi Motor Employee Ownership Association Trust and 153,395 shares held by the Executive Compensation BIP Trust are included in the calculation of “Percentage of shares held.”

- (5) Status of Shares Granted to Members of the Board of the Company as Consideration for the Execution of Duties during the Fiscal Year under Review

Stock compensation granted during the fiscal year under review is as follows:

Category	Stock compensation	Number of shares	Number of eligible persons
Members of the Board (excluding residents of foreign countries as well as Members of the Board who are audit and supervisory committee members and Outside Board Member)	Performance-based stock compensation	1,030	2
	Restricted stock compensation	13,550	6

(Note) Shares are not granted to residents of foreign countries as well as Members of the Board who are audit and supervisory committee members and Outside Board Members.

- (6) Other Significant Matters Relating to Stocks

1) Introduction of the Performance-based Stock Compensation Plan

At the 75th Ordinary General Meeting of Shareholders held on March 30, 2016, the Company resolved the introduction of a compensation system for the Company’s Members of the Board and executive officers (performance-based stock compensation plan), which is closely linked to medium-term business performance, with the purpose of enhancing the motivation of Members of the Board and executive officers to contribute to improved business performance and increased corporate value over the medium term. Based on the resolution, the Company has adopted a trust called the Executive Compensation BIP (Board Incentive Plan) Trust.

The number of shares held in the trust account of the Executive Compensation BIP Trust as of the fiscal year-end was 153,395 shares.

2) Purchase of Treasury Stock

Treasury stock purchased in accordance with a resolution at a meeting of the Board of Directors held on February 14, 2022

- Class and total number of shares purchased: 766,700 shares of common stock of the Company
- Total amount of purchase cost: ¥2,999,808,000
- Purchase period: from February 16, 2022 to March 11, 2022

3) Cancellation of Treasury Stock

Treasury stock cancelled in accordance with a resolution at a meeting of the Board of Directors held on February 14, 2022

- Class and total number of shares cancelled: 766,700 shares of common stock of the Company
- Date of cancellation: April 15, 2022

4) Trust-type Employee Stock Ownership Incentive Plan

The Company has introduced a trust-type employee stock ownership incentive plan to promote the constant development of the Company by providing incentives for employees in order to enhance the Company's corporate value over the medium to long term, further improving welfare programs and boosting employees' work awareness through capital participation as shareholders.

The number of shares held in the trust account as of the fiscal year-end was 270,100 shares.

3. Matters Concerning the Subscription Rights to Shares

Subscription Rights to Shares Held by the Company's Directors as of December 31, 2022.

Designation	Date of resolution for issuance	Number of subscription rights to shares	Number of persons granted subscription rights to shares	Type and number of shares underlying subscription rights to shares	Subscription amount required in exchange for subscription rights to shares	Value of property invested in exercising subscription rights to shares	Period for exercising subscription rights to shares
1st Subscription Rights to Shares	March 28, 2013	108 units	One (1) Member of the Board of the Company (excluding audit and supervisory committee members and Outside Board Members)	2,160 shares of the Company's common stock (20 shares per subscription right)	Not required	One (1) yen per share	From May 21, 2013 to May 20, 2033
2nd Subscription Rights to Shares	March 28, 2014	72 units	One (1) Member of the Board of the Company (excluding audit and supervisory committee members and Outside Board Members)	1,440 shares of the Company's common stock (20 shares per subscription right)	Not required	One (1) yen per share	From April 22, 2014 to April 21, 2034
3rd Subscription Rights to Shares	March 27, 2015	226 units	Three (3) Members of the Board of the Company (excluding audit and supervisory committee members and Outside Board Members)	2,260 shares of the Company's common stock (10 shares per subscription right)	Not required	One (1) yen per share	From April 21, 2015 to April 20, 2035
4th Subscription Rights to Shares	March 30, 2016	384 units	Three (3) Members of the Board of the Company (excluding audit and supervisory committee members and Outside Board Members)	3,840 shares of the Company's common stock (10 shares per subscription right)	Not required	One (1) yen per share	From April 21, 2016 to April 20, 2036

5th Subscription Rights to Shares	March 30, 2017	355 units	Three (3) Members of the Board of the Company (excluding audit and supervisory committee members and Outside Board Members)	3,550 shares of the Company's common stock (10 shares per subscription right)	Not required	One (1) yen per share	From April 21, 2017 to April 20, 2037
--	-------------------	-----------	--	--	--------------	--------------------------	--

(Notes)

1. Conditions for the exercise of the subscription rights to shares are as follows:
 - 1) A person who is allotted the subscription rights to shares (hereafter "Subscription Right Holder") shall be allowed to exercise the subscription rights to shares, solely in a lump sum, only within a period of not later than ten (10) days following the next day after the date when he or she forfeits the Member of the Board's position of the Company.
 - 2) In the event a Subscription Right Holder passes away, his or her heir may exercise the subscription rights to shares, provided, however, that any person who has inherited the subscription rights to shares from the heir of an allotted person is not allowed to exercise the subscription rights to shares.
2. In keeping with the stock split that the Company conducted on January 1, 2015, in which each share of the Company's common stock was split into two shares, the "type and number of shares underlying subscription rights to shares" for the 1st and 2nd Subscription Rights to Shares have been adjusted.

4. Members of the Board of the Company

(1) Members of the Board

(As of December 31, 2022)

Position	Name	Duty and Significant Positions Concurrently Held
Representative Director and Chairman	Hiroo OKOSHI	CEO
Representative Director and President	Shinichi TANIGUCHI	COO, President and Executive Officer, Responsible for Internal Controls
Member of the Board	Hirotao KATAYAMA	Senior Managing Executive Officer, Chief Officer of Mabuchi Group Subsidiaries, Head of Life and Industrial Product Business Unit
Member of the Board	Tadahito IYODA	Managing Executive Officer, Chief Administrative Officer, Responsible for Corporate Strategy
Member of the Board	Kazuaki MIYAJIMA	Executive Officer, Chief Technology Officer
Member of the Board	Toru TAKAHASHI	Executive Officer, Head of Purchasing and Operations Control Headquarters
Board Member	Naoki MITARAI	
Board Member	Kazuhiko TSUTSUMI	
Board Member	Jody L. ONO	
Member of the Board (Full-time Audit and Supervisory Committee Member)	Kazuyuki SOMEYA	
Board Member (Audit and Supervisory Committee Member)	Takashi ASAI	Attorney, Partner of DAI-ICHI FUYO LAW OFFICE
Board Member (Audit and Supervisory Committee Member)	Kyoko UEMURA	External Auditor, MS&AD Insurance Group Holdings, Inc. External Director, SoftBank Corp. Attorney, Partner of Miyama, Koganemaru & Associates
Board Member (Audit and Supervisory Committee Member)	Yoko TOYOSHI	Outside Board Member (Audit and Supervisory Committee Member), ALPS ALPINE CO., LTD. Outside Audit & Supervisory Board Member, KOKUYO Co., Ltd. Representative, Certified Public Accountant Yoko Toyoshi Office

(Notes)

- Members of the Board Naoki MITARAI, Kazuhiko TSUTSUMI and Jody L. ONO and Members of the Board (who are Audit and Supervisory Committee Members) Takashi ASAI, Kyoko UEMURA and Yoko TOYOSHI are Outside Board Members. The Company has designated them as “independent officers” as stipulated by the Tokyo Stock Exchange and registered them there.
- The Company has elected Kazuyuki SOMEYA as a Full-time Audit and Supervisory Committee Member to enhance the audit and supervisory functions as well as information gathering of the Audit and Supervisory Committee and to seek cooperation with internal audit departments.
- Member of the Board (Full-time Audit and Supervisory Committee Member) Kazuyuki SOMEYA has engaged in the administration of the Company for many years. He has also served in overall management as the President of a Chinese subsidiary of the Company and has significant knowledge of finance and accounting.

4. Member of the Board (Audit and Supervisory Committee Member) Yoko TOYOSHI is a certified public accountant and has professional knowledge of finance and accounting.
5. Members of the Board (Audit and Supervisory Committee Members) Takashi ASAI and Kyoko UEMURA are attorneys. They are familiar with corporate legal affairs and have significant knowledge of finance and accounting.
6. Changes of Members of the Board during the Fiscal Year under Review
 - 1) At the 81st Ordinary General Meeting of Shareholders held on March 30, 2022, Kazuaki MIYAJIMA and Toru TAKAHASHI were elected as Members of the Board for the first time and assumed the position of Member of the Board.
 - 2) Members of the Board Masato ITOKAWA and Takashi KAWAMURA retired as Members of the Board due to the expiration of their terms of office at the conclusion of the 81st Ordinary General Meeting of Shareholders held on March 30, 2022.
7. The Company reinforces business execution and supervision functions by entrusting Members of the Board with strategic decision making and supervision and giving executive officers the authority of and responsibility for ordinary business execution. The Company also adopts the executive officer system to reinforce corporate governance.

Executive officers who are not concurrently Members of the Board are as follows:

Name	Areas of responsibility
Eiji UENISHI	Managing Executive Officer, Responsible for Product Development, Head of Automotive Product Business Unit 1
Tsuyoshi NAKAMURA	Managing Executive Officer, Responsible for Global Sales, Head of Automotive Product Business Unit 2
Toru SHIBASAKI	Executive Officer, Head of Manufacturing Headquarters
Katsumi KOBAYASHI	Executive Officer, Deputy Chief Administrative Officer, Head of Human Resources and General Affairs Headquarters
Satoshi SUZUKI	Executive Officer, Head of IT Promotion Headquarters, Head of Business Platform Innovation Headquarters
Hiroaki WATANABE	Executive Officer, Head of Corporate Planning Headquarters
QUAN Da Yong	Group Managing Executive Officer, Chief Regional Officer in China, Chairman & President - MABUCHI MOTOR (SHANGHAI) MANAGEMENT CO., LTD.
Tomofumi IMAMURA	Group Executive Officer, Chief Regional Officer in Europe
SHU Zheng	Group Executive Officer, Deputy Chief Regional Officer in China
HOANG Son	Group Executive Officer, Chairman & President of MABUCHI MOTOR VIETNAM LTD., Chairman - MABUCHI MOTOR DANANG LTD.
Makoto KIMURA	Group Executive Officer, President - MABUCHI MOTOR MEXICO S.A. DE C.V.

(Note) Takumi TOMITA resigned as Executive Officer on December 31, 2022.

(2) Overview, etc., of Details of Members of the Board and Officers Liability Insurance

The Company has entered into a Members of the Board and officers liability insurance policy as prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insured of the insurance policy are Members of the Board of the Company and its subsidiaries, and the insurance premiums are fully borne by the Company. The insurance policy covers damages that may be incurred by the insured due to claims for damages relating to their responsibility for the execution of their duties or being inquired into said responsibility.

(3) Remuneration Paid to Members of the Board

1) Policy for Decision-Making on Breakdown of Executive Remuneration, etc.

At a meeting of its Board of Members of the Board held on March 23, 2021, the Company passed a resolution on the policy for decision-making on the breakdown of the individual remuneration, etc. for Members of the Board. The policy had been reported to the Board of Directors following comprehensive discussions by the Remuneration Committee.

The Board of Directors deems that Members of the Boards' individual remuneration, etc. for the fiscal year under review is in line with the policy, having confirmed that the method of determining the breakdown of the remuneration, etc. and the breakdown of the remuneration, etc. that was determined are in conformity with the policy and that the report from the Remuneration Committee has been respected.

[Policy for Decision-Making on Executive Remuneration]

The Company positions executive remuneration as an incentive that makes possible the securing of highly capable management personnel who can contribute to the achievement of the Company's Management Principle and enhances the motivation of officers to contribute to the continuous growth of the Company and medium- to long-term improvement of corporate value. Remuneration is determined based on the following policies:

1. Remuneration Level

- The remuneration level is determined so as to secure a diverse range of personnel who possess the necessary experience and skills to achieve business growth on a global scale.
- To ensure the appropriateness of the remuneration level, the Company determines an appropriate level with taking account into the Company's business performance, the economic environment and industry trends, as well as by using remuneration survey data by an external survey organization as reference.

2. Remuneration Structure

- Executive remuneration consists of a fixed, basic remuneration and a performance-based remuneration, which reflects the Company's performance and the assessment of the individual.
- Performance-based remuneration takes into account the reflection of the individual's contribution to the Company's short-term business performance and medium- to long-term increase in corporate value.
- A portion of the remuneration will be stock compensation so as to further share value with shareholders and to enhance the incentive to increase corporate value from a medium- to long-term perspective.
- Remuneration for Outside Board Members and Members of the Board who are audit and supervisory committee members consists of a basic remuneration only from the perspective of their roles and independence.

3. Remuneration Governance

- The policy for decision-making on executive remuneration and the amount of remuneration are determined at a meeting of the Board of Directors following a report from the annual meeting of the Remuneration Committee, of which the majority of members are Outside Board Members, so as to ensure fairness and transparency.
- The remuneration amount for each Member of the Board is determined by the Remuneration Committee, as delegated by the Board of Directors, so as to ensure objectiveness and transparency.
- The assessment of individuals reflected in performance-based remuneration is determined by the Nominating Committee, of which the majority of members are Outside Board Members.
- Both the Remuneration Committee and the Nominating Committee consist of the following five members: Outside Board Member Naoki MITARAI, as the chairperson; Representative Member of the Board and Chairman Hiroo OKOSHI; Representative Director and President Shinichi TANIGUCHI; Outside Board Member Kazuhiko TSUTSUMI; and Outside Board Member Jody L. ONO.

[Overview of the Remuneration System]

Policy and overview of the remuneration system for Members of the Board (excluding Outside Board Members and Members of the Board who are audit and supervisory committee members) are as follows:

1. Breakdown of Remuneration

Name of remuneration	Monthly remuneration	Bonus	Trust-type stock compensation	Restricted stock compensation
Characteristics of remuneration	Basic remuneration	Short-term incentive	Medium-term incentive	Long-term incentive
Cash/stock	Monetary compensation		Stock compensation	
Link to performance	Not linked	Linked	Linked	Not linked
Timing of provision	Monthly	Annually, in March	Once every three years in principle, in the year following the final year of the medium-term plan	Annually; restrictions lifted upon retirement
Basic percentage mix	50%	30%	20%	
Maximum amount of total remuneration	550 million yen per year		600 million yen per three fiscal years (no more than 150,000 shares)	60 million yen per year (no more than 50,000 shares)

(Notes)

- The basic percentage mix of remuneration represents the basic ratio of the design of the system and fluctuates depending on the performance of the Company or for other reasons.
- The maximum amount of total monetary remuneration includes the basic remuneration of Outside Board Members (excluding Members of the Board who are audit and supervisory committee members).

2. Performance-Based Remuneration

1) Bonus

-As a short-term incentive remuneration, bonuses use consolidated profit attributable to owners of parent stock as the assessment indicator for the purpose of enhancing Members of the Boards' motivation to contribute to improved business performance each fiscal year. The remuneration amount is calculated within a range of 0 to 200% depending on the result of the assessment indicators, and is determined by reflecting the assessment of the individual.

2) Trust-Type Stock Compensation

-As a medium-term incentive remuneration, this compensation is linked to the attainment of indicators mentioned in the medium-term plan, which is established every three fiscal years, and has been introduced to enhance Members of the Boards' motivation to contribute to increased corporate value by achieving the goals of the medium-term plan. This stock compensation consists of position points, which are granted according to the Member of the Board's position, and performance-based points, which are granted according to the attainment of performance indicators. Performance-based points are calculated within a range of 0 to 240% and determined by reflecting the assessment of the individual.

$$\boxed{\text{Medium-term plan indicators}} = \boxed{\text{Net sales}} + \boxed{\text{Operating income ratio}} + \boxed{\text{ROIC}} + \boxed{\text{Sustainability indicators}}$$

3. Non-Monetary Remuneration, etc.

-With regard to stock compensation, restricted stock compensation has been introduced in addition to the trust-type stock compensation mentioned above for the purpose of enhancing incentives toward improving corporate value from a long-term perspective. Under this compensation system, restricted stock, calculated on the basis of the share price on a designated date according to the amount of restricted stock compensation set forth for each

executive position, is allocated to Members of the Board. The restrictions will be lifted upon the Member of the Board's retirement.

4. Payment Restrictions of Stock Compensation

-Payment of stock compensation will be restricted by resolution of the Board of Directors if the recipient has been removed from the post of Member of the Board or resigned during their term of office (excluding cases where the Board of Directors has deemed to be due course), based on the deliberation and report of the Remuneration Committee.

5. Approach to Ownership of Company Shares

-Company shares granted through stock compensation are to be held throughout the recipients' term of office in principle. The Company seeks to share value with shareholders and enhance Members of the Boards' motivation to increase medium- to long-term corporate value by encouraging ownership of Company shares of more than a certain amount, based on the Guidelines to Ownership of Company Shares, set forth separately.

2) Remuneration Paid

Category	Number of persons remunerated	Total amount of remuneration paid (Millions of yen)	Total amount of remuneration paid by type (Millions of yen)			
			Basic remuneration	Performance-based		Non-performance-based
				Bonus	Trust-type stock compensation	Restricted stock compensation
Members of the Board (excluding audit and supervisory committee members) [of whom, Outside Board Members]	11 [3]	452 [31]	242 [31]	121 [—]	37 [—]	51 [—]
Members of the Board (audit and supervisory committee members) [of whom, Outside Board Members]	4 [3]	53 [31]	53 [31]	— [—]	— [—]	— [—]
Total [of whom, Outside Board Members]	15 [6]	506 [63]	296 [63]	121 [—]	37 [—]	51 [—]

(Notes)

1. The policy for decision making on the breakdown of the individual remuneration, etc. for Members of the Board is as described in item 1) Policy for Decision-Making on Breakdown of Executive Remuneration, etc.
2. The amount of remuneration, etc. (basic remuneration and bonus) for Members of the Board (excluding Members of the Board who are audit and supervisory committee members) was resolved to be no more than 550 million yen per year (of which the amount of remuneration, etc. for Outside Board Members is no more than 50 million yen) at the 78th Ordinary General Meeting of Shareholders held on March 28, 2019. The number of Members of the Board (excluding Members of the Board who are audit and supervisory committee members) at the conclusion of said general meeting of shareholders was nine (three of whom are Outside Board Members).
3. With regard to performance-based remuneration, bonus and trust-type stock compensation have been established for Members of the Board excluding Outside Board Members and audit and supervisory committee members. The assessment indicator that serves as the calculation basis for the bonus is profit attributable to owners of parent stock. The reason for its selection and the

calculation method are as described in item 1) Policy for Decision-Making on Breakdown of Executive Remuneration, etc. The actual result of the assessment indicator was 14.2 billion yen. The trust-type stock compensation was resolved to be no more than 600 million yen per three fiscal years at the 78th Ordinary General Meeting of Shareholders held on March 28, 2019. The number of Members of the Board (excluding Outside Board Members and audit and supervisory committee members) at the conclusion of said general meeting of shareholders was six. The assessment indicator that serves as the calculation basis, the reason for its selection and the calculation method are as described in item 1) Policy for Decision-Making on Breakdown of Executive Remuneration, etc. The assessment indicator is linked to the medium-term plan (three fiscal years, in principle) and its result is fixed after the end of the final year of the plan (fiscal 2023). The trust-type stock compensation in the table above indicates the expected amount of the Company's shares, etc. to be granted, which is 37 million yen, based on the number of points that are expected to be granted to the Members of the Board (six Members of the Board, excluding Outside Board Members and audit and supervisory committee members) during the fiscal year under review.

4. With regard to non-monetary remuneration, etc., restricted stock compensation has been established in addition to the trust-type stock compensation described in Note 3 above. The restricted stock compensation was resolved to be no more than 60 million yen per year at the 78th Ordinary General Meeting of Shareholders held on March 28, 2019. The number of Members of the Board (excluding Outside Board Members and audit and supervisory committee members) at the conclusion of said general meeting of shareholders was six. The details are as described in item 1) Policy for Decision-Making on Breakdown of Executive Remuneration, etc.
5. The remuneration, etc. for Members of the Board who are audit and supervisory committee members was resolved to be no more than 108 million yen per year at the 78th Ordinary General Meeting of Shareholders held on March 28, 2019. The number of Members of the Board who are audit and supervisory committee members at the conclusion of said general meeting of shareholders was four.
6. In accordance with item 1) Policy for Decision-Making on Breakdown of Executive Remuneration, etc., the Board of Directors delegates to the Remuneration Committee the task of determining the amount of basic remuneration for each Member of the Board and the assessment allocation of bonuses in view of the performance of the division under the responsibility of each Member of the Board, excluding Outside Board Members.

(4) Matters Concerning Outside Officers

- 1) Representative Positions at Different Companies Concurrently Assumed by the Company's Officers and the Relation between those Companies and MABUCHI MOTOR CO., LTD.
 - i) Member of the Board (Audit and Supervisory Committee Member) Takashi ASAI also serves as Attorney, Partner of DAI-ICHI FUYO LAW OFFICE. There has been no trading or other special relationship between DAI-ICHI FUYO LAW OFFICE and the Company.
 - ii) Member of the Board (Audit and Supervisory Committee Member) Kyoko UEMURA also serves as Attorney, Partner of Miyama, Koganemaru & Associates, External Auditor of MS&AD Insurance Group Holdings, Inc., and External Member of the Board of SoftBank Corp. There has been no trading or other special relationship between Miyama, Koganemaru & Associates, MS&AD Insurance Group Holdings, Inc. or SoftBank Corp. and the Company.
 - iii) Member of the Board (Audit and Supervisory Committee Member) Yoko TOYOSHI also serves as Outside Board Member (Audit and Supervisory Committee Member) of ALPS ALPINE CO., LTD. There is a trading relationship between ALPS ALPINE CO., LTD. and the Company, including the sale of products. However, the transaction amount in the most recent consolidated fiscal year was insignificant, accounting for less than 1% of consolidated net sales of either company. She also serves as Representative of Certified Public Accountant Yoko Toyoshi Office and Outside Audit & Supervisory Board Member of KOKUYO Co., Ltd. There has been no trading or other special relationship between Certified Public Accountant Yoko Toyoshi Office or KOKUYO Co., Ltd. and the Company.

2) Major Activities during the Fiscal Year under Review

	Activities
Member of the Board Naoki MITARAI	Attended all 25 meetings of the Board of Directors held during the fiscal year under review. Based on his ample experience and deep insight as a company executive over the years and from a position independent of the Company's management, he provided advice and made propositions to ensure the legality, adequacy and fairness of decision making and business execution.
Member of the Board Kazuhiko TSUTSUMI	Attended all 25 meetings of the Board of Directors held during the fiscal year under review. Based on his ample experience and deep insight on technology development as a Doctor of Engineering and from a position independent of the Company's management, he provided advice and made propositions to ensure the legality, adequacy and fairness of decision making and business execution.
Member of the Board Jody L. ONO	Attended all 25 meetings of the Board of Directors held during the fiscal year under review. Based on her ample international experience in the university education field and deep insight on human resources development, etc. and from a position independent of the Company's management, she provided advice and made propositions to ensure the legality, adequacy and fairness of decision making and business execution.
Member of the Board (Audit and Supervisory Committee Member) Takashi ASAI	Attended all 25 meetings of the Board of Directors held during the fiscal year under review. Based on his ample experience and professional viewpoints on corporate legal affairs as an attorney and from a position independent of the Company's management, he provided advice and made propositions to ensure the legality, adequacy and fairness of decision making and business execution. He also attended all 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. Based on his professional viewpoint, he provided insightful comments such as when offering opinions on the audit results.
Member of the Board (Audit and Supervisory Committee Member) Kyoko UEMURA	Attended 24 of the 25 meetings of the Board of Directors held during the fiscal year under review. Based on her ample experience and professional viewpoints on corporate legal affairs as an attorney and from a position independent of the Company's management, she provided advice and made propositions to ensure the legality, adequacy and fairness of decision making and business execution. She also attended 13 of the 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. Based on her professional viewpoint, she provided insightful comments such as when offering opinions on the audit results.
Member of the Board (Audit and Supervisory Committee Member) Yoko TOYOSHI	Attended 23 of the 25 meetings of the Board of Directors held during the fiscal year under review. Based on her ample experience and professional viewpoints as a certified public accountant and from a position independent of the Company's management, she provided advice and made propositions to ensure the legality, adequacy and fairness of decision making and business execution. She also attended 13 of the 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. Based on her professional viewpoint, she provided insightful comments such as when offering opinions on the audit results.

(Note) In addition to the number of meetings of the Board of Directors stated above, there were six resolutions in writing that are considered as resolutions of the Board of Directors, pursuant to Article 370 of the Companies Act and Article 25 of the Company's Articles of Incorporation.

3) Outline of Limited Liability Agreements

As per Article 427, Paragraph 1, of the Companies Act and the Company's Articles of Incorporation, the Company entered into an agreement with Outside Board Members to limit their liabilities for damages as provided in Article 423, Paragraph 1, of the Companies Act. The limit of liabilities under the agreement shall be the amount set forth in the relevant laws and regulations.

Consolidated Balance Sheet

(As of December 31, 2022)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)	307,786	(Liabilities)	27,611
Current assets	200,554	Current liabilities	21,442
Cash and bank deposits	101,612	Trade notes and accounts payable	7,989
Trade notes and accounts receivable	28,944	Accrued income taxes	1,359
Short-term investments	1,500	Accrued bonuses due to employees	198
Merchandises and finished goods	40,628	Accrued bonuses due to directors	214
Work in process	1,270	Other current liabilities	11,680
Raw materials and supplies	19,494	Long-term liabilities	6,169
Other current assets	7,304	Long-term loans payable	1,112
Allowance for doubtful accounts	(201)	Accrued benefits for stock payment	110
Fixed assets	107,231	Liability for retirement benefits	1,449
Property, plant and equipment	90,386	Asset retirement obligations	28
Buildings and structures	22,601	Deferred tax liabilities-non-current	3,070
Machinery, equipment and vehicles	41,394	Other long-term liabilities-non-current	397
Tools, furniture and fixture	3,843	(Net assets)	280,175
Land	6,726	Shareholders' equity	253,355
Construction in progress	15,819	Common stock	20,704
Intangible assets	5,477	Additional paid-in capital	20,419
Goodwill	2,853	Retained earnings	222,620
Other intangible assets	2,624	Treasury stock	(10,389)
Investments and other assets	11,367	Accumulated other comprehensive income	26,749
Investment securities	9,064	Net unrealized holding gains on securities	2,205
Deferred tax assets-non-current	707	Foreign currency translation adjustments	24,318
Other investments and other assets	1,627	Retirement benefits liability adjustments	225
Allowance for doubtful accounts	(31)	Subscription rights to shares	69
Total assets	307,786	Total liabilities and net assets	307,786

(Note) Amounts less than one million yen have been omitted.

Consolidated Statement of Income
(For the year ended December 31, 2022)

(Millions of yen)

Item	Amount	
Net sales		156,706
Cost of sales		119,243
Gross profit		37,462
Selling, general and administrative expenses		26,638
Operating income		10,824
Non-operating income		
Interest income	957	
Dividend income	315	
Foreign exchange gains	7,255	
Gain on sales of raw material scrap	2,167	
Other	713	11,409
Non-operating expenses		
Stock-related expenses	161	
Depreciation	192	
Other	406	760
Ordinary income		21,473
Extraordinary income		
Gain on disposal of fixed assets	10	
Gain on sales of golf memberships	3	13
Extraordinary loss		
Loss on disposal of fixed assets	486	
Extraordinary retirement expenses	235	
Loss on sales of golf memberships	0	721
Profit before income taxes		20,764
Income taxes		
Current	5,476	
Deferred	991	6,468
Profit		14,295
Profit attributable to owners of parent stock		14,295

(Note) Amounts less than one million yen have been omitted.

Consolidated Statement of Changes in Net Assets

(For the year ended December 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	20,704	20,419	219,773	(10,877)	250,020
Cumulative effects of changes in accounting policies	—	—	6	—	6
Restated balance	20,704	20,419	219,779	(10,877)	250,026
Changes of items during the period					
Cash dividend (Note: 1)	—	—	(3,800)	—	(3,800)
Cash dividend (Interim dividends)	—	—	(4,340)	—	(4,340)
Profit attributable to owners of parent stock	—	—	14,295	—	14,295
Purchase of treasury stock	—	—	—	(4,124)	(4,124)
Disposal of treasury stock	—	—	(50)	1,350	1,299
Cancellation of treasury stock	—	—	(3,263)	3,263	—
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	—	—	2,841	488	3,329
Ending balance	20,704	20,419	222,620	(10,389)	253,355

(Millions of yen)

	Accumulated other comprehensive income					Subscription rights to shares	Total net assets
	Net unrealized holding gains or losses on securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Beginning balance	1,900	(3)	8,286	(386)	9,797	91	259,909
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	6
Restated balance	1,900	(3)	8,286	(386)	9,797	91	259,915
Changes of items during the period							
Cash dividend (Note: 1)	—	—	—	—	—	—	(3,800)
Cash dividend (Interim dividends)	—	—	—	—	—	—	(4,340)
Profit attributable to owners of parent stock	—	—	—	—	—	—	14,295
Purchase of treasury stock	—	—	—	—	—	—	(4,124)
Disposal of treasury stock	—	—	—	—	—	—	1,299
Cancellation of treasury stock	—	—	—	—	—	—	—
Net changes of items other than shareholders' equity	305	3	16,031	612	16,952	(22)	16,930
Total changes of items during the period	305	3	16,031	612	16,952	(22)	20,259
Ending balance	2,205	—	24,318	225	26,749	69	280,175

(Notes)

1. The dividends were paid as appropriations of retained earnings based on a resolution at the 81th ordinary general meeting of shareholders held on March 30, 2022.
2. Amounts less than one million yen have been omitted.

<Reference>

Consolidated Statement of Comprehensive Income

(For the year ended December 31, 2022)

(Millions of yen)

Item	Amount
Profit	14,295
Other comprehensive income	
Net unrealized holding gains or losses on securities	305
Deferred gains or losses on hedges	3
Foreign currency translation adjustments	16,031
Retirement benefits liability adjustments	612
Total other comprehensive income	16,952
Comprehensive income	31,248
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	31,248
Comprehensive income attributable to non-controlling interests	—

(Note) Amounts less than one million yen have been omitted.

<Reference>

Consolidated Statement of Cash Flows

(For the year ended December 31, 2022)

(Millions of yen)

Item	Amount
Cash flows from operating activities	
Profit before income taxes	20,764
Depreciation and amortization	11,890
Increase (Decrease) in liability for retirement benefits	98
Interest and dividends income	(1,273)
Foreign exchange losses (gains)	(5,537)
Loss (Gain) on disposal of fixed assets	475
Decrease (Increase) in trade notes and accounts receivable	(2,918)
Decrease (Increase) in inventories	(5,250)
Increase (Decrease) in trade notes and accounts payable	(188)
Gain on sales of golf memberships	(2)
Other, net	(2,083)
Sub total	15,975
Interest and dividends received	1,215
Income taxes paid	(6,984)
Net cash provided by operating activities	10,206
Cash flows from investing activities	
Increase of time deposits	(0)
Proceeds from withdrawal of time deposits	198
Purchase of short-term investments	(1,000)
Proceeds from maturity of short-term investments	1,000
Purchase of fixed assets	(10,473)
Proceeds from sales of fixed assets	12
Purchase of investment securities	(4)
Other, net	(201)
Net cash used in investing activities	(10,468)
Cash flows from financing activities	
Proceeds from long-term loans payable	1,124
Repayment of long-term loans payable	(134)
Cash dividends paid	(8,139)
Purchase of treasury stock	(4,125)
Proceeds from sales of treasury stock	1,187
Net cash used in financing activities	(10,088)
Effect of exchange rate changes on cash and cash equivalents	8,066
Net increase (decrease) in cash and cash equivalents	(2,283)
Cash and cash equivalents at beginning of period	103,539
Cash and cash equivalents at end of period	101,255

(Note) Amounts less than one million yen have been omitted.

Non-Consolidated Balance Sheet

(As of December 31, 2022)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)	182,304	(Liabilities)	12,661
Current assets	76,849	Current liabilities	10,216
Cash and bank deposits	31,947	Accounts payable	7,023
Trade notes receivable	288	Accounts payable-other	1,693
Accounts receivable	35,038	Accrued expenses	507
Short-term investments	1,500	Accrued income taxes	233
Merchandises and finished goods	3,368	Accrued bonuses due to employees	198
Work in process	42	Accrued bonuses due to directors	175
Raw materials and supplies	1,019	Other current liabilities	384
Other current assets	3,645	Long-term liabilities	2,444
Fixed assets	105,454	Long-term loans payable	1,112
Property, plant and equipment	14,058	Accrued benefits for stock payment	110
Buildings	6,780	Allowance for retirement benefits for employees	982
Structures	404	Asset retirement obligations	28
Machinery and equipment	384	Deferred tax liabilities-non-current	106
Vehicles	19	Other long-term liabilities-non-current	104
Tools, furniture and fixture	456		
Land	5,991	(Net assets)	169,642
Construction in progress	22	Shareholders' equity	167,367
Intangible assets	601	Common stock	20,704
Software	597	Additional paid-in capital	20,419
Other intangible assets	4	Legal capital surplus	20,419
Investments and other assets	90,794	Retained earnings	136,632
Investment securities	8,994	Legal retained earnings	3,819
Stocks of subsidiaries and affiliates	21,238	Other legal retained earnings	132,813
Investments in capital of subsidiaries and affiliates	54,339	Reserve for the reduction of fixed assets	80
Long-term loans receivable from subsidiaries and affiliates	5,926	General reserve	170,119
Other investments and other assets	328	Retained earnings carried forward	(37,387)
Allowance for doubtful accounts	(31)	Treasury stock	(10,389)
		Revaluation/translation adjustments	2,205
		Net unrealized holding gains on securities	2,205
		Subscription rights to shares	69
Total assets	182,304	Total liabilities and net assets	182,304

(Note) Amounts less than one million yen have been omitted.

Non-Consolidated Statement of Income

(For the year ended December 31, 2022)

(Millions of yen)

Item	Amount	
Net sales		100,176
Cost of sales		82,890
Gross profit		17,285
Selling, general and administrative expenses		17,041
Operating income		244
Non-operating income		
Interest income	181	
Interest on short-term investments	0	
Dividend income	8,495	
Foreign exchange gains	5,807	
Other	412	14,898
Non-operating expenses		
Stock-related expenses	161	
Other	36	197
Ordinary income		14,944
Extraordinary income		
Gain on disposal of fixed assets	3	
Gain on sales of golf memberships	3	6
Extraordinary loss		
Loss on disposal of fixed assets	10	
Loss on sales of golf memberships	0	10
Profit before income taxes		14,940
Income taxes		
Current	1,882	
Deferred	99	1,982
Profit		12,958

(Note) Amounts less than one million yen have been omitted.

Non-Consolidated Statement of Changes in Net Assets

(For the year ended December 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital			Retained earnings
		Legal capital surplus	Other capital surplus	Total additional paid-in capital	Legal retained earnings
Beginning balance	20,704	20,419	—	20,419	3,819
Cumulative effects of changes in accounting policies	—	—	—	—	—
Restated balance	20,704	20,419	—	20,419	3,819
Changes of items during the period					
Cash dividend (Note: 1)	—	—	—	—	—
Cash dividend (Interim dividends)	—	—	—	—	—
Profit	—	—	—	—	—
Purchase of treasury stock	—	—	—	—	—
Disposal of treasury stock	—	—	—	—	—
Cancellation of treasury stock	—	—	—	—	—
Reversal of reserve for the reduction of fixed assets	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	—	—	—	—	—
Ending balance	20,704	20,419	—	20,419	3,819

(Millions of yen)

	Shareholders' equity			
	Retained earnings			
	Other legal retained earnings			Total retained earnings
	Reserve for the reduction of fixed assets	General reserve	Retained earnings carried forward	
Beginning balance	84	170,119	(38,894)	135,129
Cumulative effects of changes in accounting policies	—	—	—	—
Restated balance	84	170,119	(38,894)	135,129
Changes of items during the period				
Cash dividend (Note: 1)	—	—	(3,800)	(3,800)
Cash dividend (Interim dividends)	—	—	(4,340)	(4,340)
Profit	—	—	12,958	12,958
Purchase of treasury stock	—	—	—	—
Disposal of treasury stock	—	—	(50)	(50)
Cancellation of treasury stock	—	—	(3,263)	(3,263)
Reversal of reserve for the reduction of fixed assets	(3)	—	3	—
Net changes of items other than shareholders' equity	—	—	—	—
Total changes of items during the period	(3)	—	1,507	1,503
Ending balance	80	170,119	(37,387)	136,632

(Millions of yen)

	Shareholders' equity		Revaluation/translation adjustments			Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gains or losses on securities	Deferred gains or losses on hedges	Total revaluation/translation adjustments		
Beginning balance	(10,877)	165,375	1,900	(3)	1,896	91	167,364
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—
Restated balance	(10,877)	165,375	1,900	(3)	1,896	91	167,364
Changes of items during the period							
Cash dividend (Note: 1)	—	(3,800)	—	—	—	—	(3,800)
Cash dividend (Interim dividends)	—	(4,340)	—	—	—	—	(4,340)
Profit	—	12,958	—	—	—	—	12,958
Purchase of treasury stock	(4,124)	(4,124)	—	—	—	—	(4,124)
Disposal of treasury stock	1,350	1,299	—	—	—	—	1,299
Cancellation of treasury stock	3,263	—	—	—	—	—	—
Reversal of reserve for the reduction of fixed assets	—	—	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	305	3	308	(22)	286
Total changes of items during the period	488	1,992	305	3	308	(22)	2,278
Ending balance	(10,389)	167,367	2,205	—	2,205	69	169,642

(Notes)

1. The dividends were paid as appropriations of retained earnings based on a resolution at the 81th ordinary general meeting of shareholders held on March 30, 2022.
2. Amounts less than one million yen have been omitted.