



February 26, 2024

Name of company	MABUCHI MOTOR CO.,LTD.
Representative	Shinichi Taniguchi Representative Director and President,COO (Securities code : 6592)
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Announcement of Regarding Continuation and Partial Revision to the Performance-based Stock Compensation Plan for Directors and Executive Officers

Mabuchi Motor Co., Ltd. (the “Company”), at its Board of Directors’ meeting held today, resolved to submit a proposal regarding the continuation and the partial revision to the performance-based stock compensation plan (the “Plan”) that has been in place since the fiscal year 2016 targeting the Company’s directors (excluding directors who are audit and supervisory committee members, outside directors, and non-residents of Japan; the same shall apply hereinafter) and executive officers (excluding non-residents of Japan; hereinafter, referred to collectively with the directors as the “Directors, etc.”) (the “Proposal”), to the 83th Ordinary General Meeting of Shareholders (the “General Meeting of Shareholders”), scheduled on March 28, 2024, as follows.

For details regarding the Plan, please refer to the “Announcement of Introduction of the Performance-based Stock Compensation Plan for Directors and Executive Officers,” dated February 17, 2016.

1 . Continuation of the Plan

- (1) The company decided its Board of Directors meeting held today to continue the plan with the purpose of enhancing the motivation of Directors, executive officers, and Associate directors (excluding non-residents of Japan) to contribute to medium-term performance improvement and increase corporate value, as outlined in Section 2 below, with some partial revisions.(*).
- (2) The approval of the Proposal at the General Meeting of Shareholders is a condition for the continuation and the partial revision of the Plan.

- (3) The Plan has adopted a scheme referred to as the Executive Compensation BIP (Board Incentive Plan) Trust (the “BIP Trust”). The BIP Trust, similar to the performance-based stock compensation plans and restricted stock compensation plans in the U.S. and Europe, is an executive incentive plan under which the Company’s shares and money equivalent to the amount obtained by converting the Company’s shares into cash (collectively, the “Company Shares, etc.”) are delivered or paid (the “Delivery, etc.” or “delivered, etc.”) to Directors, etc., based on the factors such as their positions and the level of attainment of the performance targets.
- (4) The Company will continue the plan by extending the trust term by three years, through changes and additional trusts in the trust agreement of the pre-established BIP trust (hereinafter referred to as the "Trust") set to expire at the end of June 2024. Upon the extension of the trust term, any remaining Company Shares, etc. (excluding those provision, etc. of which are pending) within the trust assets will be succeeded to the Trust after the extension. The continued plan will apply to three business years from the business year ending in December 2024 to the business year ending in December 2026 (hereinafter referred to as the "Target Period"). Furthermore, upon the expiration of the trust term after the extension, it may be possible to further extend the trust period by three years, succeed the remaining Company Shares, etc., and continue the system. In that case, each subsequent three-year period will become a new Target Period.
- (*) The Company shall set forth guidelines requiring Directors, etc. to hold a certain number of the Company’s shares during their term of office.
- (*) If the Proposal is approved, the remuneration for Directors, etc. of the Company will continue to consist of “basic remuneration,” “bonuses,” “restricted stock compensation,” and “performance-based stock compensation.” Remuneration for directors who are audit and supervisory committee members and outside directors, who are independent of the Company’s business execution, will consist of “basic remuneration” only.

2. Partial Revision of the Plan

The following points of the previous plan will be revised at the General Meeting of Shareholders, subject to approval. Other than the items stated below, the content of the Plan, which was established in fiscal 2016 and partially revised in fiscal 2019 and 2021, will remain unchanged.

Partial revisions to the system (underline indicates changes):

Item	Before Revision	After Revision
Eligible recipients of provision, etc. of Company Shares, etc. subject to this proposal	<ul style="list-style-type: none"> • Directors (who are audit and supervisory committee members, outside directors, and non-residents of Japan) • Executive officers(excluding non-residents of Japan) 	<ul style="list-style-type: none"> • Directors (who are audit and supervisory committee members, outside directors, and non-residents of Japan) • Executive officers (excluding non-residents of Japan) • Associate directors (excluding non-residents of Japan)
Content of performance achievement conditions	<ul style="list-style-type: none"> • Variation within the range of 0-120% based on the achievement level of performance goals (operating profit, etc.) in the final fiscal year of the target period 	<ul style="list-style-type: none"> • <u>Granting of points subject to the condition that operating profit is not negative</u> • Variation within the range of 0-120% based on the achievement level of performance goals (operating profit, etc.) in the final fiscal year of the target period

【Reference】

●Outline of Trust Agreement

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| ① Type of trust | Monetary trust other than a specified solely-administered monetary trust (third-party beneficiary trust) |
| ② Purpose of trust | To provide incentives to Directors, etc. |
| ③ Trustor | The Company |
| ④ Trustee | Mitsubishi UFJ Trust and Banking Corporation
(Joint Trustee: The Master Trust Bank of Japan, Ltd.) |
| ⑤ Beneficiaries | Directors, etc. who satisfy the beneficiary requirements |
| ⑥ Trust administrator | Third party having no conflict of interest with the Company
(certified public accountant) |
| ⑦ Date of the trust agreement | June 3, 2016 (planned to be changed in May 2024, due to the extension of the trust term) |
| ⑧ Trust term | June 3, 2016, to June 30, 2027 (planned to be extended to June 30, 2027, due to the change in the trust agreement) |
| ⑨ Commencement of the Plan | July 1, 2016 |
| ⑩ Exercise of voting rights | Voting rights will not be exercised |
| ⑪ Class of shares to be acquired | Common shares of the Company |
| ⑫ Upper limit of trust money | 600 million yen for directors (planned) (including trust fees and trust expenses)
300 million yen for executive officers and associate directors (planned) |
| ⑬ Right holder | The Company |
| ⑭ Residual assets | The Company, as the rights holder, may receive residual assets within the scope of the reserve for trust expenses after deducting funds to acquire the Company's shares from trust money. |

(Note) The scheduled dates mentioned above are subject to change appropriately in light of applicable laws and regulations.