

(TRANSLATION ONLY)

Securities code: 6592

March 8, 2024

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 83RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

First of all, we would like to express our deepest condolences to those affected by the 2024 Noto Peninsula Earthquake. We hope that the affected areas can be restored and the people can return to normal life as quickly as possible.

We are informing you of the 83rd 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 regarding the Reference Documents for the Annual Shareholders’ Meeting, 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. We have sent the REFERENCE DOCUMENTS FOR THE 83RD ORDINARY GENERAL MEETING OF SHAREHOLDERS, etc., by the conventional paper format to the board, including the materials provided by the electronic provision measure, irrespective of whether the individual shareholder requested the delivery of paper documents.

[Company’s website]

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

[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/>



If you are unable to attend the Meeting at the venue, you may exercise your voting rights via the Internet or in writing. Please read the attached REFERENCE DOCUMENTS FOR THE 83RD ORDINARY GENERAL MEETING OF SHAREHOLDERS and exercise your voting rights before 5 p.m. on Wednesday, March 27, 2024.

- 1. Date:** 10 a.m., Thursday, March 28, 2024
- 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 83rd Fiscal Term (from January 1, 2023 to December 31, 2023), 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 83rd Fiscal Term (from January 1, 2023 to December 31, 2023)

Matters to be resolved:

Company Proposals

- Proposal 1:** Proposed Appropriation of Retained Earnings for the 83rd Fiscal Term
- Proposal 2:** Election of Seven (7) Members of the Board (Excluding Members of the Board who are Audit and Supervisory Committee Members)
- Proposal 3:** Partial Revisions to the Performance-Based Stock Compensation Plan for Members of the Board (Excluding Members of the Board who are Audit and Supervisory Committee Members and Members of the Board (Outside Board Members))

Shareholder Proposal

- Proposal 4:** Purchase of Treasury Stock

The Board of Directors opposes the Shareholder Proposal (Proposal 4). The outline of this proposal is described in the attached REFERENCE DOCUMENTS FOR THE 83RD ORDINARY GENERAL MEETING OF SHAREHOLDERS (pages 18 to 19).

- *For those attending, please present the Exercise Voting Rights Form at the reception desk upon arrival at the Meeting. In addition, please bring this “NOTICE OF THE 83RD ORDINARY GENERAL MEETING OF SHAREHOLDERS” with you.**
- *The Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements (Japanese version only) are not included in the documents sent to shareholders who requested the delivery of paper documents (documents stating the electronic provision measure matters) pursuant to the provisions of the relevant rules and regulations and Article 15 of the Company’s Articles of Incorporation. Therefore, please note that the Business Report, the Consolidated Financial Statements and the Financial Statements stated in this “NOTICE OF THE 83RD ORDINARY GENERAL MEETING OF SHAREHOLDERS” are part of the subject documents audited by Independent Certified Public Accountants and the Audit and Supervisory Committee.**
- *Should any change occur to the information subject to the electronic provision measure, the details of the change will be posted on the above-mentioned website.**
- *We plan to upload a video on the matters to be reported, etc., on the Company’s website listed above, after the Meeting.**

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 83RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

Proposal 1: Proposed Appropriation of Retained Earnings for the 83rd 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 150 yen per share, consisting of the dividend determined in consideration of calculations based on the above standards and the business environment, plus a commemorative dividend of 15 yen for the Company's 70th anniversary (consisting of a 30 yen ordinary dividend, a 105 yen special dividend, and a 15 yen commemorative 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 2023, 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
83 yen per common share of the Company
(An ordinary dividend of 15 yen, a special dividend of 53 yen, and a commemorative dividend of 15 yen)
Aggregate dividend amount: 5,355,173,446 yen
- (3) Effective date of the distribution of retained earnings
March 29, 2024

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.

The Company implemented a two-for-one common stock split effective January 1, 2024. The above-mentioned year-end dividend was calculated based on the number of shares before the stock split.

Proposal 2: Election of Seven (7) 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 83rd Ordinary General Meeting of Shareholders.

As to the composition of the Board of Directors, the Board has removed two (2) internal Members of the Board with the aim of improving the balance between management and business execution, and accelerating decision making. Shareholders are therefore requested to elect seven (7) new Members of the Board.

The candidates for the position of Member of the Board are as follows:

No.	Name	Position and assignment in the Company	
1	Hiroo OKOSHI	Representative Director, Chairman & CEO	Reappointment
2	Toru TAKAHASHI	Member of the Board, Executive Officer, Head of Purchasing and Operations Control Headquarters	Reappointment
3	Hirotarō KATAYAMA	Representative Director, Executive Vice President and Executive Officer, Chief Officer of Mabuchi Group Subsidiaries, Head of Life and Industrial Product Business Unit, Head of Smart Transformation Headquarters, General Manager - Mabuchi Group Management Department	Reappointment
4	Tadahito IYODA	Member of the Board, Managing Executive Officer, Chief Administrative Officer, Responsible for Internal Controls, Corporate Strategy and Business Development	Reappointment
5	Naoki MITARAI	Member of the Board	Reappointment Member of the Board (Outside Board Member) Independent Director
6	Akira OKADA	Member of the Board	Reappointment Member of the Board (Outside Board Member) Independent Director
7	Seiji SAKATA		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	Hiroo OKOSHI (July 9, 1961) Reappointment	April 1984 June 1990 August 1996 May 2002 October 2002 March 2003 January 2004 November 2009 March 2011 March 2013 March 2019 March 2022	Joined MABUCHI MOTOR CO., LTD. Manager - Procurement Section, MABUCHI INDUSTRY CO., LTD. General Manager - President Office, MABUCHI INDUSTRY CO., LTD. Director, General Manager - General Affairs Department, Human Resources Department, MABUCHI INDUSTRY CO., LTD. General Manager - Corporate Planning Department Deputy Head of Business Platform Innovation Headquarters General Manager - Corporate Planning Department Executive Officer, Head of Administration Headquarters Member of the Board, Executive Officer, Head of Administration Headquarters Representative Director, President Representative Director, President & CEO Representative Director, Chairman & CEO (Current position)	39,170
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. 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.				
2	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)	6,418
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 lead the execution phase of the long-term management policy under the drastically changing management environment, and play a significant role in decision making regarding important matters and supervision of business execution strategies in the Group. He has experience with and insight into the Group's business and international corporate management based on his experience of engaging in the management of several overseas affiliates in addition to extensive knowledge in purchasing and production.				

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held	Number of the Company's shares held
3	<p>Hiroto KATAYAMA (January 23, 1969)</p> <p>Reappointment</p>	<p>April 1991 Joined MABUCHI MOTOR CO., LTD.</p> <p>July 1994 MABUCHI INDUSTRY CO., LTD.</p> <p>April 1997 Manager - Quality Assurance Section, MABUCHI INDUSTRY CO., LTD.</p> <p>July 2006 Assistant Factory Manager - MABUCHI MOTOR (JIANGSU) CO., LTD.</p> <p>March 2007 President - MABUCHI MOTOR (JIANGSU) CO., LTD.</p> <p>February 2014 Deputy Head of Operations Control Headquarters</p> <p>July 2014 Head of Operations Control Headquarters</p> <p>March 2015 Member of the Board, Executive Officer, Head of Operations Control Headquarters</p> <p>March 2017 Member of the Board, Managing Executive Officer, Chief Business Operation Officer</p> <p>March 2019 Member of the Board, Managing Executive Officer, Assistant to the President, Chief Officer of Mabuchi Group Subsidiaries</p> <p>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</p> <p>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</p> <p>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</p> <p>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</p> <p>March 2022 Member of the Board, Senior Managing Executive Officer, Chief Officer of Mabuchi Group Subsidiaries, Head of Life and Industrial Product Business Unit</p> <p>March 2023 Member of the Board, Senior Managing Executive Officer, Chief Officer of Mabuchi Group Subsidiaries, Head of Life and Industrial Product Business Unit, General Manager - Mabuchi Group Management Department</p> <p>August 2023 Representative Director, Executive Vice President and Executive Officer, Chief Officer of Mabuchi Group Subsidiaries, Head of Life and Industrial Product Business Unit, Head of Smart Transformation Headquarters, General Manager - Mabuchi Group Management Department (Current position)</p>	23,270
<p>Reasons for being nominated for the position of Member of the Board: Hiroto 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.</p>			

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	<p>April 1999 Joined MABUCHI MOTOR CO., LTD.</p> <p>April 2004 General Manager - President Office, MABUCHI INDUSTRY CO., LTD.</p> <p>January 2010 General Manager - Corporate Planning Department</p> <p>March 2013 Executive Officer, Head of Administration Headquarters</p> <p>March 2015 Member of the Board, Executive Officer, Head of Administration Headquarters</p> <p>March 2018 Member of the Board, Group Executive Officer, Chief Regional Officer in the Americas Chairman & President, MABUCHI MOTOR MEXICO S.A. DE C.V.</p> <p>March 2020 Member of the Board, Executive Officer, General Manager - Corporate Planning Department,</p> <p>July 2020 Member of the Board, Executive Officer, Head of Corporate Planning Headquarters, General Manager - Corporate Planning Department</p> <p>March 2021 Member of the Board, Executive Officer, Head of Corporate Planning Headquarters, General Manager - Corporate Communication Department</p> <p>March 2022 Member of the Board, Managing Executive Officer, Chief Administrative Officer, Responsible for Corporate Strategy</p> <p>January 2023 Member of the Board, Managing Executive Officer, Chief Administrative Officer, Responsible for Internal Controls and Corporate Strategy</p> <p>March 2023 Member of the Board, Managing Executive Officer, Chief Administrative Officer, Responsible for Internal Controls, Corporate Strategy and Business Development (Current position)</p>	18,050
<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	Naoki MITARAI (October 30, 1952) Reappointment Member of the Board (Outside board member) Independent director	<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>	5,400
<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>			

*Outside Board Members

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held	Number of the Company's shares held	
6	Akira OKADA (November 14, 1955) Reappointment Member of the Board (Outside board member) Independent director	April 1979	Joined ALL NIPPON AIRWAYS CO., LTD.	100
		April 2007	Executive Vice President, General Manager - Corporate Planning Department, ALL NIPPON AIRWAYS CO., LTD.	
		June 2010	Member of the Board, Executive Vice President, General Manager – Operations Oversight Division, ALL NIPPON AIRWAYS CO., LTD.	
		April 2012	Executive, Board of Directors, Executive Vice President, General Manager – Freight & Cargo Business, ALL NIPPON AIRWAYS CO., LTD.	
		April 2015	Senior Managing Director, Executive Vice President, General Manager – Freight & Cargo Business, ALL NIPPON AIRWAYS CO., LTD.	
		April 2015	Representative Director and President, ANA Cargo Inc.	
		June 2015	Outside Board Member, The Okinawa Electric Power Company, Incorporated	
		April 2016	Representative Director and President, ANA Strategic Research Institute Co., Ltd.	
		April 2021	Visiting Professor, Osaka Seikei University (Current position)	
March 2023	Member of the Board*, MABUCHI MOTOR CO., LTD. (Current position)			
<p>Reasons for being nominated for the position of Outside board member and expected roles: Akira OKADA 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 has contributed to the enhancement of the Company's corporate governance while providing us with appropriate supervision and advice regarding overall management. He has abundant experience and considerable insight concerning corporate governance in addition to being a person of integrity based on his many years of experience in the airline industry, where insight into changes in the external environment and establishing a high safety level are required, and his involvement in corporate management as a Member of the Board at All Nippon Airways Co., Ltd., and its group companies.</p>				

*Outside Board Members

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held	Number of the Company's shares held
7	Seiji SAKATA (September 12, 1958) New appointment Member of the Board (Outside board member) Independent director	<p>April 1981 Joined Ricoh Company, Ltd.</p> <p>April 2010 Corporate Vice President, General Manager of Controller Development Division, Deputy General Manager of MFP Business Group, Ricoh Company, Ltd.</p> <p>April 2012 Corporate Senior Vice President, General Manager of Human Resources Division, Ricoh Company, Ltd.</p> <p>April 2018 Corporate Executive Vice President, General Manager of Office Printing Business Group, Ricoh Company, Ltd.</p> <p>June 2018 Director, Corporate Executive Vice President, General Manager of Office Printing Business Group, Ricoh Company, Ltd.</p> <p>April 2019 Director, Corporate Executive Vice President, CTO (Chief Technology Officer), Ricoh Company, Ltd.</p> <p>April 2021 Director, Executive Corporate Officer, CTO, General Manager of Advanced Technology R&D Division, Ricoh Company, Ltd.</p> <p>June 2023 Outside Director, Hirose Electric Co., Ltd. (Current position)</p> <p>(Significant Position Concurrently Held) Outside Director, Hirose Electric Co., Ltd.</p>	—
<p>Reasons for being nominated for the position of Outside board member and expected roles: Seiji SAKATA 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 management based on his profound expertise and considerable insight concerning design, development and technology, and abundant experience as a corporate manager. He was involved in corporate management as a director at Ricoh Company, Ltd., for many years.</p>			

(Notes)

1. No special relationship exists between the Company and the candidates.
2. Naoki MITARAI, Akira OKADA and Seiji SAKATA are candidates for the position of Outside board member.
3. Naoki MITARAI and Akira OKADA are currently Outside Board Members of the Company. Regarding their terms of office as Outside board members, Naoki MITARAI's term will have reached seven years and Akira OKADA's term will have reached one year at the conclusion of the 83rd 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 Akira OKADA 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 Seiji SAKATA, 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 Akira OKADA 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." Seiji SAKATA 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. Seiji SAKATA served as a business executive at Ricoh Company, Ltd. for the past three years. However, as the amount of transactions between Ricoh Company, Ltd. and the Company for the most recent consolidated fiscal year is minor, at less than 1% of the Company's consolidated net sales, the Company has judged in light of its Independence Criteria for Outside Officers that the relationship will have no impact on his independence.
7. 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.
8. The number of the Company's shares held by each candidate is stated as of the end of the fiscal year under review (December 31, 2023) before the implementation of the stock split effective January 1, 2024.

Reference: Constitution of the Board of Directors after the 83rd Ordinary General Meeting of Shareholders

How the Board of Directors is constructed in terms of expertise, if Proposal 2 is approved in the original form at the 83rd Ordinary General Meeting of Shareholders, is 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	○*	○	○	○	○	○	○	○		○
Toru TAKAHASHI	○*	○		○				○		○
Hirotarō KATAYAMA	○*	○		○	○	○	○	○	○	○
Tadahito IYODA	○*	○	○	○	○	○	○	○		○
Naoki MITARAI	○		○	○	○		○	○		
Akira OKADA	○		○	○				○		
Seiji SAKATA	○			○			○	○	○	
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 83rd Ordinary General Meeting of Shareholders pursuant to the Companies Act.

Proposal 3: Partial Revisions to the Performance-Based Stock Compensation Plan for Members of the Board (Excluding Members of the Board who are Audit and Supervisory Committee Members and Members of the Board (Outside Board Members))

The Company introduced a performance-based stock compensation plan (the “Plan”) for the Company’s members of the board (excluding members of the board who are audit and supervisory committee members, members of the board (outside board members), and non-residents of Japan; the same shall apply in this proposal) at the 75th Ordinary General Meeting of Shareholders held on March 30, 2016, and partially revised it, including its implementation period, upon shareholders’ approval at the 78th Ordinary General Meeting of Shareholders held on March 28, 2019 and the 80th Ordinary General Meeting of Shareholders held on March 30, 2021.

Following the expiration of the three fiscal years that were subject to the Plan (from the fiscal year ended December 31, 2021, to the fiscal year ended December 31, 2023), partial revisions will be made to the Plan with a view to continue it for the fiscal year ending December 31, 2024, and thereafter. The Company proposes that the shareholders approve this proposal.

The number of members of the board subject to the Plan after the revision will be four (4), if the Proposal 2: Election of Seven (7) Members of the Board (Excluding Members of the Board who are Audit and Supervisory Committee Members) is approved in its original form. This proposal is submitted based on the result of the deliberation of the Remuneration Committee and the resolution of the Board of Directors.

1. Reasons for the proposal and considering the relevant remuneration appropriate
The purpose of the Plan is to raise awareness of contributions to the improvement of medium- to long-term business performance and the enhancement of corporate value by further clarifying the connection between incentives to members of the board and the Company’s business performance as well as shareholder value. The Company considers the proposal appropriate since the continuation of, and revision to, the Plan are in line with the policy for decision-making on the breakdown of the individual remuneration, etc., for members of the board (refer to page 31).

2. Amounts and types of remuneration in the Plan

(1) Overview of the Plan

The Plan allows for the delivery and payment (the “Delivery, etc.” or “delivered, etc.”) of the Company’s shares acquired through the BIP Trust and money equivalent to the amount obtained by converting the Company’s shares into cash (collectively, the “Company Shares, etc.”) to members of the board who are incumbent during the target period (set forth in (2) below), based on their positions and attainment level of performance targets during the trust term. Under the Plan, money to be contributed by the Company for remuneration of members of the board is the source of trust money to acquire the Company’s shares through a trust. The Delivery, etc., of the Company Shares, etc., to members of the board will take place at a designated time after the target period (set forth in (2) below).

1) Persons eligible for receiving the Company Shares, etc., to be delivered, etc., subject to this proposal	Members of the board (excluding members of the board who are audit and supervisory committee members, members of the board (outside board members), and non-residents of Japan)
2) Impact of the Company’s shares subject to this proposal on the total number of shares outstanding	
Maximum amount of trust money contributed by the Company (refer to (2) below)	600 million yen over the target period of three consecutive fiscal years
Upper limit of the number of Company’s shares to be delivered, etc., to members of the board, and acquisition method of Company’s shares (refer to (2) and (3) below)	<ul style="list-style-type: none"> - The upper limit of the total number of points (for the Company’s shares) that eligible persons can be awarded during the target period of three fiscal years shall be 150,000. - The percentage of 50,000 points as the average per fiscal year of the above-mentioned upper limit of points to the total

	<p>number of Company's shares outstanding (as of December 31, 2023, after deducting treasury stock) is approximately 0.08%.</p> <ul style="list-style-type: none"> - The Company's shares shall be acquired from the stock market or the Company (disposal of treasury stock).
3) Conditions for the attainment of performance targets (refer to (3) below)	<ul style="list-style-type: none"> - Points for both Fixed Points and Performance-Based Points (set forth in (3) below) shall be awarded on the condition that operating income does not fall into the negative. - They vary within a range of 0–120% based on the attainment level of the performance target (for operating income, etc.) of the final fiscal year of the target period.
4) Timing of the Delivery, etc., of the Company Shares, etc., to members of the board (refer to (4) below)	<ul style="list-style-type: none"> - At each specified time after the target period (However, members of the board who meet the beneficiary requirements but retire from office during the target period [excluding cases of voluntary retirement] shall receive the Delivery, etc., of the Company Shares, etc., based on the Fixed Points [set forth in (3) below] that they have accrued by the time of retirement.)

(2) Maximum amount of trust money contributed by the Company

The Plan will be continued over the target period of three consecutive fiscal years (the "Target Period;" the initial three fiscal year period represents the period from the fiscal year ending December 31, 2024, to the fiscal year ending December 31, 2026. When the below-mentioned term of the trust is extended, the target period shall be the subsequent three fiscal years, accordingly).

The Company will extend the term of trust (the "Trust") covering three years of the Target Period, during which members of the board who satisfy beneficiary requirements shall become beneficiaries, by providing up to 600 million yen in trust money for each Target Period as remuneration for members of the board.

The Trust shall follow the instructions of the trust administrator to acquire the Company's shares from the Company (disposal of treasury stock) or the stock market using the trust money (the "Trust Money") as a resource. The Company will award points to members of the board (refer to (3) below) during the trust term, and carry out the Delivery, etc., of the Company Shares, etc., after the Target Period based on the number of points accrued by members of the board over the three fiscal years.

The Company will also manage the performance-based stock compensation targeting executive officers and associate directors in the Trust in an integrated manner, and separately contribute trust money to the Trust to acquire the Company's shares that will be used for the Delivery, etc., to executive officers and associate directors. Under the Trust, the Company will manage the Company's shares that are subject to the Delivery, etc., as remuneration for executive officers and associate directors, in addition to managing the Company's shares to be delivered, etc., to the aforementioned members of the board.

Furthermore, the Trust may be extended upon the expiry of the initial trust term if any provisions of the trust agreement are modified or additional contributions are made. Under such circumstances, the trust term of the Trust will be extended for three years, and the Company will make additional contributions up to a maximum of 600 million yen in trust money as remuneration, etc., for members of the board for each extension of the trust term and continue to award points to members of the board during any extension of the trust term. The Trust will continue the Delivery, etc., of the Company Shares, etc., during any extension of the trust term. The Company will also separately make additional cash contributions as remuneration for executive officers and associate directors during any extension of the trust term.

However, in the case of such additional contributions, should any of the Company's shares or

trust money (the “Remaining Shares, etc.”) that are subject to the Delivery, etc., to members of the board remain within the Trust at the end of the initial trust term, the combined amount of the Remaining Shares, etc., and trust money to be additionally contributed by the Company shall be within the scope of 600 million yen.

(3) Calculation method and upper limit of the number of Company Shares, etc., to be delivered, etc., to members of the board

The number of the Company Shares, etc., to be delivered, etc., to members of the board will be determined based on the accumulated points that are awarded in response to the attainment level of performance targets and other factors in accordance with the predetermined calculation formulae.

Fixed Points based on the position of the member of the board, calculated using the following calculation formula for points, and Performance-Based Points based on the attainment level of performance targets for each fiscal year will be awarded to members of the board who are incumbent in the specific period during the trust term. The Performance-Based Points accumulated over three years will be converted to Medium-Term Plan Points by being multiplied by a performance-based coefficient, based on the attainment level of performance targets (for operating income, etc.) of the final fiscal year of the Target Period. It should be noted that points in both Fixed Points and Performance-Based Points shall be awarded on the condition that operating income does not fall into the negative.

The Delivery, etc., of Company Shares, etc., will be carried out based on the accumulated Fixed Points and the Medium-Term Plan Points at specific times after the final fiscal year of the Target Period.

(Fixed Points)

Stock compensation base amount specified according to the position / Closing price of the first business day of the fiscal year when the trust term starts*¹

(Performance-Based Points)

Amount specified according to the position and the attainment level of performance targets for each fiscal year, etc. / Closing price of the first business day of the fiscal year when the trust term starts*¹

(Medium-Term Plan Points)

Performance-Based Points accumulated over three years × Performance-based coefficient*²

*1 The closing price on the Tokyo Stock Exchange on the first business day of the fiscal year when the trust term starts after extension.

*2 The performance-based coefficient is determined within a range of 0–120% based on the attainment level of performance targets (e.g. for operating income) of the final fiscal year of the Target Period.

One point shall be one common stock of the Company.

However, during the trust term, if there is an event, such as a stock split and a reverse stock split of the Company’s shares, in which it is considered to be appropriate to adjust the number of points, the adjustments of the number of the Company’s shares per point will be made in accordance with the relevant ratio of the stock split, reverse stock split, etc.

The upper limit of the total number of points that members of the board can be awarded during each Target Period shall be 150,000 points.

The upper limit of the total number of the Company Shares, etc., to be delivered, etc., to members of the board under the Trust shall be the number of shares equivalent to the upper limit of the number of points per Target Period (150,000 shares if one share is awarded for one point). The upper limit of the Company’s shares to be delivered is set with reference to such factors as the most recent stock price and takes into account the maximum amount of trust money in (2) above.

(4) Method for and timing of the Delivery, etc., of the Company Shares, etc., to members of the board

Members of the board who satisfy the beneficiary requirements shall receive the Delivery, etc., of the Company Shares, etc., based on the amount calculated using the calculation methods described in (3) above, at specified times after the final fiscal year of the Target Period. Said members of the

board shall receive 50% of the Company's shares corresponding to the accumulated points (the number of shares less than one unit will be round down), whereas such members of the board shall receive money equivalent to the amount obtained by converting the remaining number of Company's shares into cash within the Trust.

Members of the board who meet the beneficiary requirements but retire from office during the Target Period (excluding cases of voluntary retirement) will receive the Delivery, etc., of the Company Shares, etc., from the Trust based on the Fixed Points they have accrued by the time of their retirement. In cases in which members of the board who meet the beneficiary requirements die during their terms in office, money obtainable by converting the Company's shares into cash, the amount of which will be determined according to the Fixed Points they have accrued by the time of their death, will be granted from the Trust to the heirs of those members of the board. Members of the board who become non-residents of Japan during the Target Period will receive from the Trust money obtainable by converting the Company's shares into cash, the amount of which will be determined according to the Fixed Points they have accrued by the time their Japanese residency expires.

Members of the board shall continue to hold Company's shares acquired through the Plan until one year has passed after his or her retirement.

(5) Voting rights related to the Company's shares in the Trust

To ensure management neutrality, no voting rights related to the Company's shares held by the Trust shall be exercised during the trust term.

(6) Other matters regarding the Plan

Other matters regarding the Plan will be determined by the Board of Directors each time the Trust is established, any provision of the trust agreement is modified, or an additional contribution of trust money to the Trust is made.

Proposal 4: Shareholder Proposal

Proposal 4 is a proposal submitted by a shareholder (the “Proposing Shareholder”). The relevant parts of the original text of the Shareholder Proposal Document submitted by the Proposing Shareholder is shown below, excluding formal adjustments thereto. The original text of the Shareholder Proposal was provided in Japanese.

Purchase of Treasury Stock

1. Details of Proposal

Pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act, within one year from the conclusion of this Shareholders’ Meeting, a total of 9,405,700 shares of the Company’s common stock and a total acquisition price of up to 22,000,000,000 yen will be purchased through the delivery of money. (However, if the total acquisition price permitted under the Companies Act (“distributable amount” as defined in Article 461 of the Companies Act) is less than the said amount, the upper limit of the acquisition price permitted under the Companies Act).

2. Reason for Proposal

- This proposal is intended to make adjustments to optimize the excess capital that has been accumulated over the years.
- Our equity ratio is at an extremely high level of 91.1% as of the end of September 2023. At the same time, the Company held over 114.5 billion yen in cash and deposits, equivalent to approximately 44% of its shareholders’ equity of 258.6 billion yen. Due to the dilutive effect of holding excessive cash and deposits, the Company’s return on equity is expected to remain below 6% for five consecutive years, including fiscal 2023.
- The amount of treasury stock acquisition proposed in this proposal of 22 billion yen is equivalent to approximately 10% of Company’s retained earnings as of the end of September 2023. Although the decline in the equity ratio due to the acquisition of 22 billion yen of treasury stock is limited, it is essential for Company to take a steady step towards optimizing its excess equity capital as soon as possible.

Opinion of the Company’s Board of Directors

The Board of Directors opposes the Shareholder Proposal

The Company announced its Management Plan 2030 in the “Full-Year Results Briefing for Fiscal Year Ended December 31, 2023,” which was posted on its website on February 14, 2024. In this plan, we have set out our vision for 2030 and established quantitative guidelines for each financial (Sales/Operating Profit Margin/ROIC) and unfinanced (Sustainability Goals) indicator. In addition, we have decided to convert the degree of achievement for each of these indicators into points and add them up as Mabuchi Motor Value Points (hereinafter referred to as “MVP”), which will be used as an indicator to measure our corporate value. We believe that continuously increasing our MVP as a means to achieve our Management Plan 2030 will lead to an increase in our corporate value.

In addition, the Company is committed to the e-MOTO* concept as part of our Management Plan 2030 to achieve our goals. The e-MOTO concept is a new business concept aimed at growing the company by providing a diverse range of “movement” solutions desired by both society and our customers, with the motor being at its core. Based on this concept, we will strive to expand our business in three areas: Mobility, Machinery, Medical, as well as in the automotive electrical equipment sector.

*e-MOTO: Combining the English word “electric,” and the Latin word “moto,” which is the origin of the word motor and means “to give movement,” we define the value we provide as “movement.”

Under Management Plan 2030, we will promote sales expansion through these high value-added products, and work to increase operating income by further improving productivity and continuing cost reduction efforts. We aim to improve ROIC through efficient use of assets, improve ROE (Return on Equity), and maximize returns through business growth. ROE for the fiscal year ended December 31, 2023 was 6.6%.

In addition, under Management Plan 2030, as a measure to improve capital efficiency, we will proactively allocate operating cash flows generated by business activities to further grow investments and strengthen shareholder returns. We anticipate that strengthening shareholder returns will lead to a decrease in our cash levels and equity ratio, while improving capital efficiency.

We aim to maximize returns through business growth by evolving our business portfolio from 2024 to 2026. We will be investing a total of 25 billion yen in strategic investments such as M&A and creating new alliances to accelerate business growth. Additionally, we will proactively shift resources to growth areas and efficiency accelerate development while considering the overall balance based on depreciation costs. All while maintaining disciplined capital expenditures and research and development investments totaling 45 billion yen.

Turning to shareholder returns, we will implement the following measures.

First, regarding our dividend policy, we will use internal reserves to cover the costs for research and development and capital investment necessary for the Company's growth and development. We will therefore actively return profits to shareholders in accordance with our business performance while maintaining financial soundness. Based on this basic policy, until now, the annual dividend is a long-term stable ordinary dividend of 30 yen per share and consolidated a special dividend of 30% per share. Except in times of significant decline in business performance due to a sudden deterioration of the business environment, we have been able to pay stable and appropriate dividends in line with our profits. Additionally, for the fiscal year ended December 31, 2023, a 70th anniversary commemorative dividend of 15 yen will be added to the year-end dividend, resulting in a record-high annual dividend of 150 yen (calculated as an ordinary dividend of 30 yen, a special dividend of 105 yen, and a commemorative dividend of 15 yen).

Going forward for the fiscal year ending December 31, 2024, while maintaining the existing basic policy, we will change the dividend calculation criteria to be based on the Dividend on Equity (DOE). Specifically, we will aim for a target DOE of 3.0% to 4.0%, taking into consideration factors such as cash flow and the business environment, and we will make dividend decisions accordingly. This transition aims to achieve long-term stable dividends and further strengthen shareholder returns.

Next, regarding share buybacks, our company has recognized the effectiveness of share buybacks for improving shareholder returns and implementing a flexible capital policy in response to changes in the business environment. We have been continuously and flexibly implementing share buybacks as a means of capital policy and profit distribution to our shareholders, all while considering surplus funds, cash flows, and factors such as PBR (Price-to-Book Ratio). In particular, for the most recent nine years from 2015 to 2023, we have returned approximately 2 billion to 5 billion yen annually to shareholders through the acquisition of treasury stock.

Furthermore, under Management Plan 2030, it is our direction to conduct shareholder returns on the scale of 50 billion yen, including dividends and share buybacks, over a period of three years from 2024 to 2026, using operating cash flows generated through business activities.

Regarding the acquisition of treasury stock, Article 7 of the Company's Articles of Incorporation stipulates that treasury stock may be acquired through procedures like market transactions by resolution of the Board of Directors. We would like the flexibility to discuss the matter at the Board of Directors meeting and implement it at the appropriate time.

As mentioned above, under Management Plan 2030, the Company will continue to pursue sound business growth while implementing these shareholders return measures, thus steadily improving capital efficiency.

In contrast, this Shareholder Proposal calls for a short-term, excessive acquisition of treasury stock of 22 billion yen within one year from the conclusion of this Shareholders' Meeting. It does not take into account responses to future changes in the business environment or the need for continued business investment. We believe it is not appropriate to hastily commit to share buybacks in line with this Shareholder Proposal and spend a significant amount of funds on immediate implementation of share buybacks based upon a short-term perspective. This could potentially lead to situations that may harm the interests of our shareholders.

By working to achieve long-term business growth and improve capital efficiency in accordance with the contents of Management Plan 2030, we aim to continue and expand our long-term management policy of contributing to the happiness of all stakeholders. The content of this Shareholder Proposal is significantly different from Company's policy.

For the reasons stated above, the Company's Board of Directors opposes the Shareholder Proposal.

BUSINESS REPORT (From January 1, 2023 to December 31, 2023)

1. Current Conditions of the Mabuchi Group

(1) Business Development and Results

During the fiscal year ended December 31, 2023 (fiscal 2023), the global economy moved towards normal economic activity with the easing of measures to prevent the spread of COVID-19, but high resource prices and weak retail consumption reflecting increases in prices meant that the pace of growth slowed. The U.S. economy saw a gradual recovery on lower inflation combined with solid retail consumption against a backdrop of stable environments for hiring and incomes. European economies saw economic activity stagnate as inflation caused by high resource prices and interest rate increases in various countries depressed retail consumption. Although Japan saw some effect from inflation, the easing of COVID-19 prevention measures led to a gradual recovery as economic activity returned to normal. Emerging market economies saw only a gradual overall recovery, with China experiencing a weak recovery in retail consumption from the lifting of zero-COVID policies and other adverse factors including a downturn in the real estate market.

With regard to markets related to the Mabuchi Group's products, the automotive products market saw a recovery in automobile production as shortages in supplies of semiconductors and other components eased, but at the same time there was an effect from weak retail consumption associated with inflation in various countries. The life and industrial products market slowed overall, from factors including weak retail consumption in the face of inflation and a pause in demand for certain applications with fewer people staying at home.

Against this backdrop, the Group has been working to address the issues including "Initiatives in the '3M Areas' to evolve business portfolio," "Expanding sales of motors for automotive products and life and industrial products," "Global risk management via the Mabuchi global management system," and "Sustainability initiatives." Sales and market share grew on specific achievements including winning orders for motors for power window lifters from the third of Detroit's Big 3 automakers and commencing sales to a fifth Japanese automaker, commencing sales of motors for power seats to a major Japanese automaker, progressing toward mass production of motor units for valve actuators in electric vehicles and winning new orders from a major Korean automaker, winning orders for new applications related to automobile doors, including cinching and flush door handles, winning new orders for motors for e-bikes, motorized carts for the elderly, agricultural equipment, and merchandise display robots, commencing sales of Mabuchi Electromag's high-value-added motors for gardening tools, and moving forward with technological exchange and joint development with the recently acquired Group company Mabuchi Oken. 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 2023 were 178,663 million yen (a 14.0% increase year on year), and motor sales, which account for the majority of net sales, were 178,622 million yen (a 14.0% increase year on year).

Although operating income was negatively affected by factors including higher costs, this was more than offset by the positive effects of a weaker yen year on year and improvements in sales prices and the product mix, resulting in operating income of 15,536 million yen (a 43.5% increase year on year).

Ordinary income was 26,994 million yen (a 25.7% increase year on year), reflecting the increase in operating income as well as factors including a decrease in foreign exchange gains and an increase in interest income, while profit before income taxes was 27,232 million yen (a 31.1% increase year on year) and profit attributable to owners of parent was 19,416 million yen (a 35.8% 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 rose to 140,022 million yen (a 19.6% increase year on year). In medium-sized automotive motors, sales of motors for power window lifters rose on factors including a recovery in automobile production as supply constraints for semiconductors and other components eased.

This was also the case for motors for power seats, which also benefitted from the commencement of sales to a major Japanese automaker, and for motors for electric parking brakes, which also benefitted from an increase in the number of models in which they were installed. Sales of small automotive motors rose as well, with sales of motors for door mirrors, door lock actuators, air conditioning damper actuators, and headlight level adjusters benefiting from the recovery in automobile production.

2) Life and Industrial Products Market

Net sales declined to 38,600 million yen (a 2.6% decrease year on year). Sales of motors for health and medical devices rose on the addition of Mabuchi Oken to the scope of consolidation from the second quarter, but the negative effect of inflation on retail consumption and a contraction in orders for certain applications reflecting a policy of emphasizing profitability led to lower sales of motors for home appliances, power tools, housing equipment, and office equipment.

<Consolidated sales of motors by application>

Market segment	The 83rd fiscal term (the year ended December 31, 2023)	YoY (%)	Segment sales as a percentage of net sales (%)
	Amount (Millions of yen)		
Automotive Products	140,022	19.6	78.4
Life and Industrial Products	38,600	-2.6	21.6
Total	178,622	14.0	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 sells 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 2023 amounted to 12,818 million yen, which includes 458 million yen for facilities; 693 million yen for R&D facilities and equipment; 115 million yen for information technology; and 11,550 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 2024, despite signs of easing inflation in various countries, there are concerns of a slowdown in the global economy from continued high interest rates combined with factors including a decrease in cross-border trade and investment against a backdrop of an unclear international situation stemming from heightened geopolitical risk. Although a slowdown in consumption is forecast for the U.S. economy in the first half of the year, the economy is expected to avoid a recession and a gradual rebound is expected. A gradual recovery is forecasted for the European economy as well, as retail consumption rebounds on receding inflationary pressure and from economic support measures in various countries. Japan is expected to see a gradual recovery as well, with receding inflationary pressure and an improvement in the income environment leading to a pickup in retail consumption. In emerging market economies, a weak pace of growth is forecast for China given the real estate market situation and the weakness of the rebound in retail consumption, while global inflation and other factors are seen slowing the pace of growth for emerging market economies overall.

With regard to markets related to the Mabuchi Group's products, recovery in automobile production is seen as continuing but with factors including weak demand as a result of high inflation and interest rate hikes to combat inflation in various countries, the recovery in the automotive

products market is seen lacking strength and the outlook remains unclear. In the life and industrial products market, although we are forecasting solid demand overall against a backdrop of continued stable demand for motors for health and medical devices, with the slowdown in retail consumption we anticipate weaker demand for motors for home appliances, power tools, housing equipment, and personal care products.

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

1) Providing “Movement” Solutions for Business Portfolio Evolution

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. Going forward, we will evolve our business portfolio for business growth by expanding our portfolio to include providing diverse “movement” solutions while maintaining motors as our core business, to increase our contribution to customers and society. 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 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 new orders for mobility-use brushless motors for a variety of applications including e-bikes, motorized carts for the elderly, and agricultural equipment, and we will continue to work to increase sales by continuing to develop new customers and 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 Electromag products to establish a foothold in medical devices in terms of product lineup and customer base. We also acquired Mabuchi Oken in March 2023, adding its strength in small pumps for health and medical devices to the Group. 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 increase further the number of models in which our products are installed and further strengthening our sales activities, with the aim of further increasing our market share. Two of the three major North American automakers had already been using our products, and we have won orders from the third. We are making preparations for a smooth commencement of sales from 2025, while also aiming to win new projects from European and the U.S. automakers to increase our market share there and increase sales further. In motors for power seats, we are looking to expand our business further with a major Japanese automaker that we began selling to in 2023, and are working toward the smooth startup of a project for a major automaker in Europe that we will begin selling to in 2024. 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. 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 for commercial and industrial applications. Mabuchi Electromag has advanced technological capabilities related to 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

Under the "global five-pole structure," which increases the autonomy and independence of overseas business locations to achieve local production for local consumption, we are pursuing the "Mabuchi global management system" with its strength of "diversity" that connects staff across business locations and makes use of diverse values. By straightening 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. In 2024, we are setting new sustainability targets for 2030 and continue to work proactively to address the global environment and resolve social issues through our business activities, addressing the materiality (important issues) of "corporate activities that do not sacrifice the global environment," "manufacturing that achieves an affluent society and comfortable lives for people," "an environment in which all people can actively participate," and "the fulfillment of our social responsibility." 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 to achieve these targets, including greater use of renewable energy and the creation of environmentally friendly products. In terms of social issues, we are increasing sales of products that contribute to the achievement of the SDGs, implementing CSR activities across entire supply chains including suppliers, addressing human rights, and working to deepen interest in science among children, who represent the world's next generation. By contributing to the resolution of issues facing global society through our 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)

	80th fiscal term (FY2020)	81st fiscal term (FY2021)	82nd fiscal term (FY2022)	83rd fiscal term (FY2023)
Net sales	116,432	134,595	156,706	178,663
Ordinary income	12,675	19,570	21,473	26,994
Profit attributable to owners of parent stock	8,987	14,251	14,295	19,416
Profit per share (Yen)	67.82	108.38	110.39	150.52
ROE (%)	3.7	5.7	5.3	6.6
Total assets	262,559	285,704	307,786	336,605
Net assets	239,103	259,909	280,175	305,030
Shareholders' equity ratio (%)	91.0	90.9	91.0	90.6
Net assets per share (Yen)	1,811.81	1,987.67	2,166.88	2,380.90
Cash dividends per share (Yen)	135	115	135	150
Dividend payout ratio (%)	99.5	53.1	61.1	49.8
Dividend on equity ratio (%)	3.7	3.0	3.2	3.3

(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 83rd 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 83rd Ordinary General Meeting of Shareholders.
5. As the Company's shares held by the Mabuchi Motor Employee Ownership Association Trust and 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.
6. As the Company's shares held by the stock-based ESOP 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 for the 83rd fiscal term. 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. The Company implemented a two-for-one common stock split effective January 1, 2024. Therefore, profit per share and net assets per share were calculated assuming that the relevant stock split had been conducted at the beginning of the 80th fiscal term.

(5) Major Business Conducted by the Mabuchi Group (As of December 31, 2023)

The Mabuchi Group, consisting of the Company and its 25 subsidiaries (of which 24 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, 2023)

- (1) Total Number of Shares Authorized: 200,000,000
- (2) Total Number of Shares Issued: 66,410,262
(Including 1,890,100 shares of treasury stock)
- (3) Number of Shareholders: 27,004
(Increased by 1,418 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)	9,075,200	14.1
Custody Bank of Japan, Ltd. (Trust Account)	5,976,000	9.3
Takaichi Mabuchi	5,000,800	7.8
Mabuchi International Scholarship Foundation, Public Interest Incorporated Foundation	3,082,500	4.8
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	1.4

(Notes)

- The number of shares of treasury stock (1,890,100 shares) is excluded from “Percentage of shares held.” The percentages are rounded to one decimal place.
- 209,800 shares held by the Mabuchi Motor Employee Ownership Association Trust, 152,310 shares held by the Executive Compensation BIP Trust, and 113,496 shares held by the stock-based ESOP 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)	Restricted stock compensation	13,520	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 (excluding residents of foreign countries as well as Members of the Board who are audit and supervisory committee members and Outside Board Members), which is closely linked to medium-term business performance (performance-based stock compensation plan), 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 152,310 shares.

2) Stock Split

The Company implemented a two-for-one common stock split effective January 1, 2024, with the aim of improving the liquidity of the Company's shares and attracting a wider range of investors by reducing the amount of a single investment unit. As a result, the total number of shares authorized has increased to 400,000,000 and the total number of shares issued has reached 132,820,524.

As the effective date of the stock split was January 1, 2024, the information in this section is based on the number of shares before the stock split.

3) Purchase of Treasury Stock

Treasury stock purchased in accordance with a resolution at a meeting of the Board of Directors held on August 10, 2023

- Class and total number of shares purchased: 666,100 shares of common stock of the Company
- Total amount of purchase cost: ¥2,999,935,000
- Purchase period: from August 15, 2023 to October 16, 2023

4) Cancellation of Treasury Stock

Treasury stock cancelled in accordance with a resolution at a meeting of the Board of Directors held on August 10, 2023

- Class and total number of shares cancelled: 666,100 shares of common stock of the Company
- Date of cancellation: November 30, 2023

5) 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 209,800 shares.

6) Stock-based ESOP Trust

The Company has introduced an incentive plan for managers, who are in the position of driving business activities as leading members of the Company, with the aim of increasing corporate value on a medium- to long-term basis by maintaining awareness at a higher level toward the achievement of the Mid-term Management Plan and improvement of corporate value.

The number of shares held in the trust account as of the fiscal year-end was 113,496.

3. Matters Concerning the Subscription Rights to Shares

Subscription Rights to Shares Held by the Company's Members of the Board as of December 31, 2023.

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
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(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.
3. The Company implemented a two-for-one common stock split effective January 1, 2024. In the "type and number of shares underlying subscription rights to shares" above, the number of shares and the amount as of the end of the fiscal year under review before the adjustment due to the relevant stock split are indicated.

4. Members of the Board of the Company

(1) Members of the Board

(As of December 31, 2023)

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
Representative Director and Executive Vice President	Hirotao KATAYAMA	Executive Vice President and Executive Officer, Chief Officer of Mabuchi Group Subsidiaries, Head of Life and Industrial Product Business Unit, Head of Smart Transformation Headquarters, General Manager - Mabuchi Group Management Department
Member of the Board	Tadahito IYODA	Managing Executive Officer, Chief Administrative Officer, Responsible for Internal Controls, Corporate Strategy and Business Development
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
Outside Board Member	Naoki MITARAI	
Outside Board Member	Kazuhiko TSUTSUMI	
Outside Board Member	Akira OKADA	
Member of the Board (Full-time Audit and Supervisory Committee Member)	Katsumi KOBAYASHI	
Outside Board Member (Audit and Supervisory Committee Member)	Takashi ASAI	Attorney, Partner of DAI-ICHI FUYO LAW OFFICE
Outside 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
Outside Board Member (Audit and Supervisory Committee Member)	Yasuko FUKUYAMA	Attorney, Partner of Spring Partners Outside Board Member (Audit and Supervisory Committee Member), EARLY-AGE CO., LTD.

(Notes)

- Members of the Board Naoki MITARAI, Kazuhiko TSUTSUMI and Akira OKADA and Members of the Board (who are Audit and Supervisory Committee Members) Takashi ASAI, Yoko TOYOSHI and Yasuko FUKUYAMA 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 Katsumi KOBAYASHI 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.

3. Member of the Board (Full-time Audit and Supervisory Committee Member) Katsumi KOBAYASHI engaged in the management of overseas subsidiaries, before supervising the duties of administration divisions and accounting and finance divisions of the Company. He 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 Yasuko FUKUYAMA 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 82nd Ordinary General Meeting of Shareholders held on March 30, 2023, Akira OKADA, Katsumi KOBAYASHI and Yasuko FUKUYAMA 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 Jody L. ONO, Kazuyuki SOMEYA and Kyoko UEMURA retired as Members of the Board due to the expiration of their terms of office at the conclusion of the 82nd Ordinary General Meeting of Shareholders held on March 30, 2023.
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
Tsuyoshi NAKAMURA	Managing Executive Officer, Responsible for Global Sales, Head of Automotive Product Business Unit 2
Toru SHIBASAKI	Executive Officer, Head of Manufacturing Headquarters
Hiroaki WATANABE	Executive Officer, Head of Corporate Planning Headquarters
Keiichi HAGITA	Executive Officer, Responsible for Finance and Accounting, General Manager – Finance and Accounting Department
QUAN Da Yong	Group Managing Executive Officer, Chief Regional Officer in China
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.

(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 Directors 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 Director and Chairman Hiroo OKOSHI; Representative Director and President Shinichi TANIGUCHI; Outside Board Member Kazuhiko TSUTSUMI; and Outside Board Member Akira OKADA.

[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 has been introduced with the aim of enhancing awareness of improved corporate value by achieving the goals of the management plan, which is linked to the attainment of indicators set out in every three-year management 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]	10 [4]	518 [32]	252 [32]	177 [—]	37 [—]	51 [—]
Members of the Board (audit and supervisory committee members) [of whom, Outside Board Members]	6 [4]	54 [32]	54 [32]	— [—]	— [—]	— [—]
Total [of whom, Outside Board Members]	16 [8]	573 [64]	307 [64]	177 [—]	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 19.4 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 plan, which began from the fiscal year ended December 31, 2021 and ran through to the fiscal year ended December 31, 2023, and its result (goal achievement ratio) was 121% for net sales, 58% for operating income ratio, 47% for ROIC, and 175% for the sustainability goal. 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) 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.
 - iii) Member of the Board (Audit and Supervisory Committee Member) Yasuko FUKUYAMA also serves as Attorney, Partner of Spring Partners and Outside Board Member (Audit and Supervisory Committee Member) of EARLY-AGE CO. LTD. There has been no trading or other special relationship between Spring Partners or EARLY-AGE 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 23 of the 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 Akira OKADA	Since his appointment in March 2023, attended all 19 meetings of the Board of Directors held during the fiscal year under review. Based on his ample experience and deep insight on corporate governance 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 (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) Yoko TOYOSHI	Attended all 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 all 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) Yasuko FUKUYAMA	Since her appointment in March 2023, attended all 19 meetings of the Board of Directors held during the fiscal year under review. Based on her ample experience as an attorney in Japan and abroad, and from the perspective as an outside director and audit and supervisory committee member at another company, and also 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 all 11 meetings of the Audit and Supervisory Committee held during the fiscal year under review since her appointment in March 2023. 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 five 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, 2023)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)	336,605	(Liabilities)	31,574
Current assets	217,884	Current liabilities	24,890
Cash and bank deposits	116,604	Trade notes and accounts payable	8,865
Trade notes and accounts receivable	33,895	Accrued income taxes	2,958
Merchandises and finished goods	38,919	Accrued bonuses due to employees	236
Work in process	1,426	Accrued bonuses due to directors	252
Raw materials and supplies	20,104	Other current liabilities	12,577
Other current assets	7,025	Long-term liabilities	6,684
Allowance for doubtful accounts	(91)	Long-term loans payable	830
Fixed assets	118,720	Accrued benefits for stock payment	213
Property, plant and equipment	100,074	Liability for retirement benefits	1,304
Buildings and structures	23,388	Asset retirement obligations	39
Machinery, equipment and vehicles	46,807	Deferred tax liabilities-non-current	3,830
Tools, furniture and fixture	3,999	Other long-term liabilities-non-current	465
Land	7,129	(Net assets)	305,030
Construction in progress	18,749	Shareholders' equity	261,294
Intangible assets	5,576	Common stock	20,704
Goodwill	3,055	Additional paid-in capital	20,419
Other intangible assets	2,521	Retained earnings	230,335
Investments and other assets	13,069	Treasury stock	(10,165)
Investment securities	10,588	Accumulated other comprehensive income	43,672
Deferred tax assets-non-current	724	Net unrealized holding gains on securities	3,313
Other investments and other assets	1,788	Foreign currency translation adjustments	40,037
Allowance for doubtful accounts	(31)	Retirement benefits liability adjustments	321
		Subscription rights to shares	62
Total assets	336,605	Total liabilities and net assets	336,605

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

Consolidated Statement of Income
(For the year ended December 31, 2023)

(Millions of yen)

Item	Amount	
Net sales		178,663
Cost of sales		134,518
Gross profit		44,144
Selling, general and administrative expenses		28,608
Operating income		15,536
Non-operating income		
Interest income	2,279	
Dividend income	307	
Foreign exchange gains	6,604	
Gain on sales of raw material scrap	2,156	
Other	874	12,221
Non-operating expenses		
Stock-related expenses	174	
Depreciation	182	
Other	406	763
Ordinary income		26,994
Extraordinary income		
Gain on disposal of fixed assets	7	
Gain on sales of investment securities	208	
Gain on bargain purchase	659	
Gain on revision of retirement benefit plan	113	988
Extraordinary loss		
Loss on disposal of fixed assets	583	
Extraordinary retirement expenses	167	750
Profit before income taxes		27,232
Income taxes		
Current	7,621	
Deferred	194	7,815
Profit		19,416
Profit attributable to owners of parent stock		19,416

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

Consolidated Statement of Changes in Net Assets

(For the year ended December 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	20,704	20,419	222,620	(10,389)	253,355
Changes of items during the period	—	—	—	—	—
Cash dividend (Note: 1)	—	—	(4,423)	—	(4,423)
Cash dividend (Interim dividends)	—	—	(4,367)	—	(4,367)
Profit attributable to owners of parent stock	—	—	19,416	—	19,416
Purchase of treasury stock	—	—	—	(3,469)	(3,469)
Disposal of treasury stock	—	—	(32)	815	783
Cancellation of treasury stock	—	—	(2,877)	2,877	—
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	—	—	7,715	223	7,939
Ending balance	20,704	20,419	230,335	(10,165)	261,294

(Millions of yen)

	Accumulated other comprehensive income				Subscription rights to shares	Total net assets
	Net unrealized holding gains or losses on securities	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Beginning balance	2,205	24,318	225	26,749	69	280,175
Changes of items during the period	—	—	—	—	—	—
Cash dividend (Note: 1)	—	—	—	—	—	(4,423)
Cash dividend (Interim dividends)	—	—	—	—	—	(4,367)
Profit attributable to owners of parent stock	—	—	—	—	—	19,416
Purchase of treasury stock	—	—	—	—	—	(3,469)
Disposal of treasury stock	—	—	—	—	—	783
Cancellation of treasury stock	—	—	—	—	—	—
Net changes of items other than shareholders' equity	1,107	15,718	95	16,922	(6)	16,915
Total changes of items during the period	1,107	15,718	95	16,922	(6)	24,855
Ending balance	3,313	40,037	321	43,672	62	305,030

(Notes)

1. The dividends were paid as appropriations of retained earnings based on a resolution at the 82nd ordinary general meeting of shareholders held on March 30, 2023.
2. Amounts less than one million yen have been omitted.

<Reference>

Consolidated Statement of Comprehensive Income

(For the year ended December 31, 2023)

(Millions of yen)

Item	Amount
Profit	19,416
Other comprehensive income	
Net unrealized holding gains or losses on securities	1,107
Foreign currency translation adjustments	15,718
Retirement benefits liability adjustments	95
Total other comprehensive income	16,922
Comprehensive income	36,339
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	36,339
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, 2023)

(Millions of yen)

Item	Amount
Cash flows from operating activities	
Profit before income taxes	27,232
Depreciation and amortization	12,832
Increase (Decrease) in liability for retirement benefits	(55)
Interest and dividends income	(2,586)
Foreign exchange losses (gains)	(7,408)
Gain on sales of investment securities	(208)
Loss (Gain) on disposal of fixed assets	575
Gain on bargain purchase	(659)
Gain on revision of retirement benefit plan	(113)
Decrease (Increase) in trade notes and accounts receivable	(2,227)
Decrease (Increase) in inventories	6,219
Increase (Decrease) in trade notes and accounts payable	379
Other, net	1,238
Sub total	35,219
Interest and dividends received	2,493
Interest paid	(28)
Income taxes paid	(5,942)
Net cash provided by operating activities	31,741
Cash flows from investing activities	
Increase of time deposits	(2,956)
Proceeds from withdrawal of time deposits	576
Proceeds from maturity of short-term investments	1,500
Purchase of fixed assets	(13,006)
Proceeds from sales of fixed assets	23
Purchase of investment securities	(0)
Proceeds from sales of investment securities	279
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,035)
Other, net	10
Net cash used in investing activities	(15,608)
Cash flows from financing activities	
Repayments of short-term borrowings	(10)
Repayment of long-term loans payable	(296)
Cash dividends paid	(8,793)
Purchase of treasury stock	(3,460)
Proceeds from sales of treasury stock	711
Net cash used in financing activities	(11,849)
Effect of exchange rate changes on cash and cash equivalents	6,762
Net increase (decrease) in cash and cash equivalents	11,045
Cash and cash equivalents at beginning of period	101,255
Cash and cash equivalents at end of period	112,301

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

Non-Consolidated Balance Sheet

(As of December 31, 2023)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)	189,726	(Liabilities)	13,656
Current assets	68,439	Current liabilities	11,157
Cash and bank deposits	24,770	Accounts payable	7,792
Trade notes receivable	284	Accounts payable-other	1,216
Accounts receivable	35,011	Accrued expenses	574
Merchandises and finished goods	3,686	Accrued income taxes	739
Work in process	14	Accrued bonuses due to employees	227
Raw materials and supplies	753	Accrued bonuses due to directors	211
Other current assets	3,917	Other current liabilities	394
Fixed assets	121,287	Long-term liabilities	2,498
Property, plant and equipment	14,276	Long-term loans payable	830
Buildings	6,718	Accrued benefits for stock payment	213
Structures	356	Allowance for retirement benefits for employees	831
Machinery and equipment	679	Asset retirement obligations	39
Vehicles	14	Deferred tax liabilities-non-current	465
Tools, furniture and fixture	468	Other long-term liabilities-non-current	116
Land	5,991		
Construction in progress	47	(Net assets)	176,070
Intangible assets	426	Shareholders' equity	172,694
Software	411	Common stock	20,704
Software in progress	11	Additional paid-in capital	20,419
Other intangible assets	3	Legal capital surplus	20,419
Investments and other assets	106,583	Retained earnings	141,735
Investment securities	10,508	Legal retained earnings	3,819
Stocks of subsidiaries and affiliates	24,767	Other legal retained earnings	137,916
Investments in capital of subsidiaries and affiliates	64,139	Reserve for the reduction of fixed assets	77
Long-term loans receivable from subsidiaries and affiliates	6,924	General reserve	170,119
Other investments and other assets	275	Retained earnings carried forward	(32,280)
Allowance for doubtful accounts	(31)	Treasury stock	(10,165)
		Revaluation/translation adjustments	3,313
		Net unrealized holding gains on securities	3,313
		Subscription rights to shares	62
Total assets	189,726	Total liabilities and net assets	189,726

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

Non-Consolidated Statement of Income

(For the year ended December 31, 2023)

(Millions of yen)

Item	Amount	
Net sales		106,447
Cost of sales		86,015
Gross profit		20,431
Selling, general and administrative expenses		17,495
Operating income		2,936
Non-operating income		
Interest income	555	
Interest on short-term investments	0	
Dividend income	10,630	
Foreign exchange gains	4,858	
Other	456	16,500
Non-operating expenses		
Stock-related expenses	174	
Other	20	194
Ordinary income		19,242
Extraordinary income		
Gain on sales of investment securities	208	
Gain on revision of retirement benefit plan	113	321
Extraordinary loss		
Loss on disposal of fixed assets	3	
Loss on sales of shares of subsidiaries and associates	173	176
Profit before income taxes		19,387
Income taxes		
Current	2,700	
Deferred	(116)	2,583
Profit		16,804

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

Non-Consolidated Statement of Changes in Net Assets

(For the year ended December 31, 2023)

(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
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	80	170,119	(37,387)	136,632
Changes of items during the period				
Cash dividend (Note: 1)	—	—	(4,423)	(4,423)
Cash dividend (Interim dividends)	—	—	(4,367)	(4,367)
Profit	—	—	16,804	16,804
Purchase of treasury stock	—	—	—	—
Disposal of treasury stock	—	—	(32)	(32)
Cancellation of treasury stock	—	—	(2,877)	(2,877)
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)	—	5,106	5,102
Ending balance	77	170,119	(32,280)	141,735

(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	Total revaluation/translation adjustments		
Beginning balance	(10,389)	167,367	2,205	2,205	69	169,642
Changes of items during the period						
Cash dividend (Note: 1)	—	(4,423)	—	—	—	(4,423)
Cash dividend (Interim dividends)	—	(4,367)	—	—	—	(4,367)
Profit	—	16,804	—	—	—	16,804
Purchase of treasury stock	(3,469)	(3,469)	—	—	—	(3,469)
Disposal of treasury stock	815	783	—	—	—	783
Cancellation of treasury stock	2,877	—	—	—	—	—
Reversal of reserve for the reduction of fixed assets	—	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	1,107	1,107	(6)	1,101
Total changes of items during the period	223	5,326	1,107	1,107	(6)	6,427
Ending balance	(10,165)	172,694	3,313	3,313	62	176,070

(Notes)

1. The dividends were paid as appropriations of retained earnings based on a resolution at the 82nd ordinary general meeting of shareholders held on March 30, 2023.
2. Amounts less than one million yen have been omitted.