

CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 (J-GAAP)

April 26, 2024

Stock exchange listing: Tokyo

Name of listed company: MABUCHI MOTOR CO., LTD.
 Securities code: 6592 (URL: <https://www.mabuchi-motor.com/>)
 Representative: Tohru Takahashi (Representative Director and President)
 Contact: Keiichi Hagita (Executive Officer, Chief Financial Officer)
 Scheduled date of the filing of quarterly report: May 15, 2024
 Scheduled date of start of dividends payments: —
 Preparation of 1Q results presentation materials (Yes/No): *Yes*
 Holding of 1Q results briefing meeting (Yes/No): *No*

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

1. Consolidated Results for the Three Months Ended March 31, 2024 (From January 1, 2024 to March 31, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the three months ended March 31, 2024	45,056	16.1	3,892	114.0	9,226	127.9	6,733	95.3
March 31, 2023	38,817	10.3	1,819	(32.7)	4,049	(17.8)	3,448	12.7

Note: Comprehensive income

Three months ended March 31, 2024: ¥20,698 million [163.9%] Three months ended March 31, 2023: ¥7,843 million [(47.3)%]

	Profit per share	Fully diluted profit per share
For the three months ended March 31, 2024	Yen 52.61	Yen 52.60
March 31, 2023	26.68	26.67

Note: The Company conducted a stock split on January 1, 2024, in which each share of the Company's common stock was split into two shares. Profit per share and fully diluted profit per share were calculated as if the stock split had taken place at the beginning of the fiscal year ended December 31, 2023.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
March 31, 2024	348,840	319,263	91.5
December 31, 2023	336,605	305,030	90.6

Reference: Shareholders' equity

As of March 31, 2024: ¥319,200 million As of December 31, 2023: ¥304,967 million

2. Dividends

	Dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2023	—	67.00	—	83.00	150.00
Fiscal 2024	—	—	—	—	—
Fiscal 2024 (forecast)	—	38.00	—	38.00	76.00

Note: Amendments to dividend forecast that has been disclosed recently: None

Notes: 1. The Company conducted a stock split on January 1, 2024, in which each share of the Company's common stock was split into two shares. Dividends for fiscal 2023 are the dividend amounts before the stock split.

2. Breakdown of dividends

Fiscal 2023 special dividend	2nd quarter-end: ¥52.00	Year-end: ¥53.00
Fiscal 2023 commemorative dividend	2nd quarter-end: ¥—	Year-end: ¥15.00

3. Consolidated Results Forecasts for the Fiscal Year (From January 1 to December 31, 2024)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months	94,600	16.0	9,000	116.7	9,800	(22.1)	6,700	(33.8)	52.39
Full year	188,000	5.2	18,800	21.0	20,300	(24.8)	14,000	(27.9)	109.93

Note: Amendments to results forecasts that have been disclosed recently: None

Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries that accompanied changes in the scope of consolidation): None
- (2) Application of accounting procedures specific to preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, restatements:
 - 1) Changes in accounting policies resulting from revision of accounting standards, etc.: None
 - 2) Changes in accounting policies due to reasons other than those stated in 1): None
 - 3) Changes in accounting estimates: None
 - 4) Restatements: None
- (4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)	Mar. 31, 2024	132,820,524	Dec. 31, 2023	132,820,524
2) Number of shares of treasury stock at the end of the period	Mar. 31, 2024	5,136,785	Dec. 31, 2023	4,731,412
3) Average number of shares during the period	Jan.–Mar. 2024	127,982,739	Jan.–Mar. 2023	129,269,164

Note: The Company conducted a stock split on January 1, 2024, in which each share of the Company's common stock was split into two shares. The number of shares issued at the end of the period, number of shares of treasury stock at the end of the period, and average number of shares during the period were calculated as if the stock split had taken place at the beginning of the fiscal year ended December 31, 2023.

- * The quarterly review procedure by a Certified Public Accountant or an auditing firm does not apply these Consolidated Financial Results.
- * Explanation related to appropriate use of results forecasts and other items warranting special mention
The above forecasts are based on the information available as of the date of the release of this document. As a result, a variety of factors in the future may cause actual results to differ from these forecasts.

1. Qualitative Information

(1) Operating Results

During the three months ended March 31, 2024 (January 1–March 31, 2024), although the global economy emerged from the COVID-19 pandemic and moved toward a normal economic activity, weak retail consumption reflecting higher resource prices and increases in prices resulted in a slow pace of recovery. The U.S. economy saw a gradual recovery on factors including 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 economy showed a gradual recovery on factors including a rebound in demand from inbound tourism. Emerging market economies saw only a gradual overall recovery, with the Chinese economy experiencing a recovery in exports and retail consumption on seasonal demand, but also being weighed down by a weak real estate market and other factors.

With regard to markets related to the Mabuchi Group's products, the automotive products market saw a recovery in automobile production, 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.

Against this backdrop, Mabuchi's motor sales increased 3.4% year on year in terms of volume, and rose 16.1% year on year in value. These figures were 5.3% below the initial first-quarter plan for volume, and 4.0% below in terms of value. As a result, consolidated net sales for the first quarter were 45,056 million yen (a 16.1% increase year on year), and motor sales, which account for the majority of net sales, were 45,052 million yen (a 16.1% increase year on year).

Although operating income was depressed by factors including higher costs, positive factors including a weaker yen year on year, growth in sales volumes, and improvements in sales prices and the product mix resulted in operating income of 3,892 million yen (a 114.0% increase year on year). Ordinary income was boosted by factors including increases in operating income and foreign exchange gains, and totaled 9,226 million yen (a 127.9% increase year on year). Profit before income taxes was 9,220 million yen (a 101.2% increase year on year), and profit attributable to owners of parent was 6,733 million yen (a 95.3% increase year on year).

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

1) Automotive Products Market

Net sales rose to 35,601 million yen (a 17.4% increase year on year). Large sales growth was recorded for medium-sized automotive motors from an increase in the number of models equipped with Mabuchi's motors for electric parking brakes and from increased orders for valve actuator-use motors, with an additional boost from weaker yen. Sales of small automotive motors also rose by a large margin overall, on a significant increase in sales of motors for door mirrors, door lock actuators, and air conditioning damper actuators, as well as the effect from the yen's depreciation

2) Life and Industrial Products Market

Net sales increased to 9,451 million yen (an 11.6% increase 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 of fiscal 2023 and the yen's depreciation, but sales of motors for personal care products declined slightly from restricted order acceptance reflecting a policy of emphasizing profitability.

(2) Financial Position

Total assets as of March 31, 2024, were 348,840 million yen, a 12,235 million yen increase from the end of the previous fiscal year. Major changes from the end of the previous fiscal year included increases of 5,743 million yen in property, plant and equipment, 2,405 million yen in inventories, 1,577 million yen in investment securities, and 1,518 million yen in other current assets.

Total liabilities decreased 1,997 million yen from the end of the previous fiscal year, to 29,577 million yen. Major changes from the end of the previous fiscal year included decreases of 2,365 million yen in other current liabilities and 1,065 million yen in trade notes and accounts payable.

Total net assets increased 14,232 million yen from the end of the previous fiscal year, to 319,263 million yen. Major changes from the end of the previous fiscal year included a 12,844 million yen increase in foreign currency translation adjustments.

(3) Forward-Looking Statements Including Consolidated Results Forecast

Despite positive factors including signs of receding inflationary pressures in various countries and the recovery in the U.S. economy, the global economy is expected to grow only gradually on factors including continued high policy interest rates in various countries and a decrease in cross-border trade and investment against a backdrop of an unclear international situation stemming from heightened geopolitical risk. Strong growth is forecast for the U.S. economy, supported by solid retail consumption and government spending. The pace of growth in the European economies is expected to slow from factors including weakness in manufacturing industries and despite a forecast of a rebound in retail

consumption on receding inflationary pressures. A gradual recovery is forecast for Japan on growth in retail consumption reflecting receding inflationary pressure and an improved income environment. In emerging market economies, the overall pace of growth is seen as slowing on slow growth in China from weak real estate market conditions and a sluggish recovery in retail consumption, combined with global inflation and other factors.

With regard to markets related to the Mabuchi Group's products, the recovery in automobile production is seen as continuing, but with weak demand as a result of high inflation and other factors in various countries, the recovery in the automotive products market is seen as lacking strength, and the outlook remains unclear. In the life and industrial products market, although we are forecasting stable demand for motors for health and medical devices, with inflation and other factors depressing retail consumption, we are forecasting weak sales overall.

Against this backdrop, our forecasts for consolidated results and dividends are unchanged, but in the event significant changes emerge in the operating environment going forward, we will review our forecasts as appropriate and promptly announce any revisions to those forecasts.

Our forecasts are based on a foreign exchange rate assumption of ¥145 to the U.S. dollar, which is unchanged from the initial forecasts.

Note: The above forecasts were made based on information that is available at the present moment. Actual results may differ from expectations owing to various future factors, the main ones of which are as follows:

- Fluctuations in foreign exchange rates
- Changes in economic conditions and demand trends in our business areas
- Rapid technological innovations, such as new technologies or new products
- Fluctuations in market prices of copper, steel materials, rare earths, and other raw materials

Note, however, that the factors that could affect our results are not limited to the above.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and bank deposits	116,604	117,481
Trade notes and accounts receivable	33,895	34,148
Merchandise and finished goods	38,919	39,065
Work in process	1,426	2,021
Raw materials and supplies	20,104	21,768
Other current assets	7,025	8,543
Allowance for doubtful accounts	(91)	(98)
Total current assets	217,884	222,930
Fixed assets		
Property, plant and equipment		
Buildings and structures	61,648	63,875
Accumulated depreciation	(38,260)	(39,867)
Buildings and structures, net	23,388	24,008
Machinery, equipment and vehicles	114,397	121,382
Accumulated depreciation	(67,589)	(72,723)
Machinery, equipment and vehicles, net	46,807	48,659
Tools, furniture and fixture	27,967	29,297
Accumulated depreciation	(23,967)	(25,102)
Tools, furniture and fixture, net	3,999	4,194
Land	7,129	7,197
Construction in progress	18,749	21,758
Total property, plant and equipment	100,074	105,818
Intangible assets		
Goodwill	3,055	2,978
Other intangible assets	2,521	2,451
Total intangible assets	5,576	5,429
Investments and other assets		
Investment securities	10,588	12,165
Deferred tax assets-non-current	724	687
Other investments and other assets	1,788	1,841
Allowance for doubtful accounts	(31)	(31)
Total investments and other assets	13,069	14,662
Total fixed assets	118,720	125,910
Total assets	336,605	348,840

(Millions of yen)

	As of December 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Trade notes and accounts payable	8,865	7,799
Accrued income taxes	2,958	3,610
Accrued bonuses due to employees	236	707
Accrued bonuses due to directors	252	65
Other current liabilities	12,577	10,211
Total current liabilities	24,890	22,395
Long-term liabilities		
Long-term loans payable	830	830
Accrued benefits for stock payment	213	249
Liability for retirement benefits	1,304	1,330
Asset retirement obligations	39	39
Deferred tax liabilities-non-current	3,830	4,331
Other long-term liabilities-non-current	465	399
Total long-term liabilities	6,684	7,182
Total liabilities	31,574	29,577
Net assets		
Shareholders' equity		
Common stock	20,704	20,704
Additional paid-in capital	20,419	20,419
Retained earnings	230,335	231,714
Treasury stock	(10,165)	(11,275)
Total shareholders' equity	261,294	261,563
Accumulated other comprehensive income		
Net unrealized holding gains or losses on securities	3,313	4,415
Foreign currency translation adjustments	40,037	52,881
Retirement benefits liability adjustments	321	339
Total accumulated other comprehensive income	43,672	57,636
Subscription rights to shares	62	62
Total net assets	305,030	319,263
Total liabilities and net assets	336,605	348,840

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)
For the Three Months Ended March 31, 2023 and 2024

(Millions of yen)

	Three Months Ended March 31, 2023 (January 1, 2023 to March 31, 2023)	Three Months Ended March 31, 2024 (January 1, 2024 to March 31, 2024)
Net sales	38,817	45,056
Cost of sales	29,978	33,870
Gross profit	8,838	11,186
Selling, general and administrative expenses	7,019	7,293
Operating income	1,819	3,892
Non-operating income		
Interest income	400	683
Dividend income	41	16
Foreign exchange gains	1,201	4,033
Gain on sales of raw material scrap	552	619
Other	168	174
Total non-operating income	2,365	5,526
Non-operating expenses		
Stock-related expenses	17	24
Depreciation	43	36
Other	73	133
Total non-operating expenses	135	193
Ordinary income	4,049	9,226
Extraordinary income		
Gain on disposal of fixed assets	0	0
Gain on bargain purchase	659	—
Total extraordinary income	660	0
Extraordinary loss		
Loss on disposal of fixed assets	68	6
Extraordinary retirement expenses	56	—
Total extraordinary loss	125	6
Profit before income taxes	4,583	9,220
Income taxes	1,135	2,487
Profit	3,448	6,733
Profit attributable to owners of parent	3,448	6,733

(Consolidated Statements of Comprehensive Income)
For the Three Months Ended March 31, 2023 and 2024

(Millions of yen)

	Three Months Ended March 31, 2023 (January 1, 2023 to March 31, 2023)	Three Months Ended March 31, 2024 (January 1, 2024 to March 31, 2024)
Profit	3,448	6,733
Other comprehensive income		
Net unrealized holding gains or losses on securities	133	1,102
Deferred gains or losses on hedges	—	—
Foreign currency translation adjustments	4,242	12,844
Retirement benefits liability adjustments	19	17
Total other comprehensive income	4,395	13,964
Comprehensive income	7,843	20,698
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,843	20,698
Comprehensive income attributable to non-controlling interests	—	—

**(3) Notes to Consolidated Financial Statements
(Notes Regarding Going-Concern Assumptions)**

None

(Notes on Significant Changes in Shareholders' Equity)

(Purchase of treasury stock)

The Company purchased 418,300 shares of treasury stock (total amount of purchase cost: 1,136 million yen) pursuant to a resolution at a meeting of the Board of Directors held on February 14, 2024. As a result, treasury stock at the end of the first quarter of the current fiscal year was 11,275 million yen.

(Changes in Significant Subsidiaries during the Quarter)

None

(Application of Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expense)

The Company calculates tax expense by rationally estimating its effective tax rate after application of deferred-tax accounting to profit before income taxes for the fiscal year that includes the first quarter under review and multiplying quarterly profit before income taxes by estimated effective tax rate.

(Changes in Accounting Policies)

None

(Segment Information)**Three Months Ended March 31, 2023 (From January 1, 2023 to March 31, 2023)****1. Information concerning net sales and income (loss) and breaks down revenue by reporting segment**

(Millions of yen)

	Reporting Segment					Adjustment (Note 1)	Total reported in consolidated financial statements (Note 2)
	Japan	Asia	North and Latin America	Europe	Total		
Net sales							
Automotive products market	3,497	11,459	7,527	7,846	30,330	—	30,330
Life and industrial products market	426	5,179	555	2,308	8,470	—	8,470
Others	4	12	—	0	16	—	16
Revenue from contracts with customers	3,927	16,651	8,083	10,155	38,817	—	38,817
Other revenue	—	—	—	—	—	—	—
Sales to external customers	3,927	16,651	8,083	10,155	38,817	—	38,817
Intersegment sales and transfers	20,216	18,614	1,291	35	40,157	(40,157)	—
Total	24,143	35,266	9,374	10,190	78,974	(40,157)	38,817
Segment income (loss)	(280)	1,280	562	(365)	1,196	622	1,819

Notes: 1. The segment income (loss) adjustment represents intersegment transaction eliminations.

2. Segment income (loss) is adjusted for operating income reported in the consolidated statements of income.

2. Information concerning impairment loss on fixed assets and goodwill by reporting segment

During the first quarter of the fiscal year ended December 31, 2023, the Company acquired all shares of Oken Seiko Co., Ltd. and included it in the scope of consolidation, creating a gain on bargain purchase in the amount of 613 million yen in the “Japan” segment and 46 million yen in the “Asia” segment.

The amount of the gain on bargain purchase was tentatively calculated as the allocation of the acquisition cost had not been completed as of the end of the first quarter of the fiscal year ended December 31, 2023. Furthermore, because the gain on bargain purchase is recorded as extraordinary income, this amount is not included in the segment income shown above.

Three Months Ended March 31, 2024 (From January 1, 2024 to March 31, 2024)

1. Information concerning net sales and income (loss) and breaks down revenue by reporting segment

(Millions of yen)

	Reporting Segment					Adjustment (Note 1)	Total reported in consolidated financial statements (Note 2)
	Japan	Asia	North and Latin America	Europe	Total		
Net sales							
Automotive products market	4,094	14,217	8,617	8,671	35,601	—	35,601
Life and industrial products market	413	6,196	485	2,355	9,451	—	9,451
Others	2	0	—	1	3	—	3
Revenue from contracts with customers	4,511	20,414	9,103	11,028	45,056	—	45,056
Other revenue	—	—	—	—	—	—	—
Sales to external customers	4,511	20,414	9,103	11,028	45,056	—	45,056
Intersegment sales and transfers	25,800	23,330	1,210	33	50,376	(50,376)	—
Total	30,312	43,744	10,313	11,062	95,432	(50,376)	45,056
Segment income (loss)	2,645	2,973	(134)	(395)	5,088	(1,195)	3,892

Notes: 1. The segment income (loss) adjustment represents intersegment transaction eliminations.

2. Segment income (loss) is adjusted for operating income reported in the consolidated statements of income.

2. Information concerning impairment loss on fixed assets and goodwill by reporting segment

None

(Revenue Recognition)

Information that breaks down revenue from contracts with customers is stated in the “Notes (Segment Information)” section.

(Significant Subsequent Events)

None