CONSOLIDATED FINANCIAL RESULTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024 (J-GAAP)

February 14, 2025

Name of listed company: MABUCHI MOTOR CO., LTD. Stock exchange listing: Tokyo
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 Ordinary General Meeting of Shareholders: March 28, 2025
Scheduled date of start of dividends payments: March 31, 2025
Scheduled date of the filing of securities report: March 31, 2025
Preparation of the consolidated financial results presentation materials (Yes/No): ***Yes***
Holding of the consolidated financial results briefing meeting (Yes/No): ***Yes***

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

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

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
For the fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	196,212	9.8	21,644	39.3	32,448	20.2	12,831	(33.9)
December 31, 2023	178,663	14.0	15,536	43.5	26,994	25.7	19,416	35.8

Note: Comprehensive income
Fiscal year ended December 31, 2024: ¥30,391 million [(16.4)%] Fiscal year ended December 31, 2023: ¥36,339 million [16.3%]

	Profit per share	Fully diluted profit per share	Return on equity	Ordinary income to total assets	Operating income to net sales
For the fiscal year ended	Yen	Yen	%	%	%
December 31, 2024	101.01	100.98	4.1	9.4	11.0
December 31, 2023	150.52	150.49	6.6	8.4	8.7

Reference: Equity in earnings (losses) of affiliates
Fiscal year ended December 31, 2024: ¥— million Fiscal year ended December 31, 2023: ¥— million

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	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	354,989	319,622	90.0	2,540.50
December 31, 2023	336,605	305,030	90.6	2,380.90

Reference: Shareholders' equity
As of December 31, 2024: ¥319,560 million As of December 31, 2023: ¥304,967 million

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. Net assets per share was calculated based on the number of shares issued after the stock split (excluding treasury stock).

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of period
For the fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2024	40,133	(15,750)	(16,183)	130,567
December 31, 2023	31,741	(15,608)	(11,849)	112,301

2. Dividends

	Dividends per share					Total dividends	Dividend payout ratio (Consolidated)	Dividends on equity (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2023	—	67.00	—	83.00	150.00	9,722	49.8	3.3
Fiscal 2024	—	38.00	—	38.00	76.00	9,670	75.2	3.1
Fiscal 2025 (forecast)	—	39.00	—	39.00	78.00		64.1	

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, 2025)

(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	99,300	4.2	10,800	17.9	11,400	(41.2)	7,700	(38.4)	61.22
Full year	198,000	0.9	22,200	2.6	23,400	(27.9)	15,100	17.7	121.65

Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: — Excluded: —

(2) 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

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)	Dec. 31, 2024	130,324,924	Dec. 31, 2023	132,820,524
2) Number of shares of treasury stock at the end of the period	Dec. 31, 2024	4,538,878	Dec. 31, 2023	4,731,412
3) Average number of shares during the period	Jan.–Dec. 2024	127,037,214	Jan.–Dec. 2023	128,997,618

Notes: 1. The number of shares of treasury stock as of December 31, 2024 included the shares held by Mabuchi Motor Employee Ownership Association Trust, BIP and ESOP Trust (298,400 shares, 254,996 shares and 226,104 shares, at the end of the period), and the number of shares of treasury stock as of December 31, 2023 included the shares held by Mabuchi Motor Employee Ownership Association Trust, BIP and ESOP Trust (419,600 shares, 304,620 shares and 226,992 shares, respectively, at the end of the period).

2. 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 (common stock) was calculated as if the stock split had taken place at the beginning of the fiscal year ended December 31, 2023.

* The 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.

Analysis of Operating Results and Financial Position

(1) Overview of the Operating Results for Fiscal 2024

Business Development and Results

During the fiscal year ended December 31, 2024 (fiscal 2024), although the global economy saw inflationary pressures ease in countries around the world, prices remained high and weak retail consumption resulted in only low growth. The U.S. economy saw a gradual recovery due to solid retail consumption against a backdrop of stable environments for hiring and incomes. European economy saw a rebound in retail consumption as inflationary pressures eased, but factors including a weak manufacturing industry meant that the pace of recovery in economic activity was limited. The Japanese economy was affected by inflation, but experienced a gradual recovery on factors including a rebound in retail consumption from an improved environment for incomes and a continued recovery in demand from inbound tourism. In emerging market economies, China's solid exports were offset by sluggish domestic demand associated with protracted weakness in the real estate market, resulting in a slower pace of growth and leading to an only gradual pace of recovery for emerging market economies overall.

With regard to markets related to the Mabuchi Group's products, the automotive products market saw a recovery in automobile production, but sales were sluggish in certain regions. The life and industrial products market was solid overall, as easing inflationary pressures led to a recovery in retail consumption.

Against this backdrop, the Company has been working to address the issues including "Reconfiguring the business portfolio by providing 'mobility' solutions," "Expanding sales of motors for automotive products and life and industrial products," "Global risk management via the Mabuchi global management system," and "Sustainability initiatives." Specific achievements include winning orders for motors for power window lifters from a sixth Japanese automaker, winning orders for a variety of applications including e-bikes, merchandise display robots at convenience stores, electric screwdrivers used at manufacturing sites, surgical drills, and biological information monitors, and deciding to acquire Oki Micro Engineering's small motor business to expand our product lineup for increased sales for industrial equipment.

As a result, consolidated net sales for fiscal 2024 were 196,212 million yen (a 9.8% increase year on year), and motor sales, which account for the majority of net sales, were 196,172 million yen (a 9.8% increase year on year).

Operating income was 21,644 million yen (a 39.3% increase year on year), with positive effects from factors including a weaker yen compared with the previous year and improvements in sales prices and the product mix more than offsetting negative factors including higher costs.

Ordinary income was 32,448 million yen (a 20.2% increase year on year), from factors including a decrease in foreign exchange gains and an increase in interest income in addition to the increase in operating income. Profit before income taxes was 23,718 million yen (a 12.9% decrease year on year) and profit attributable to owners of parent was 12,831 million yen (a 33.9% decrease 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 152,498 million yen (an 8.9% increase year on year). Sales of medium-sized automotive motors grew overall from an increase in the number of models equipped with electric parking brakes using Mabuchi's motors and a large increase in sales of valve actuator-use motors on increased orders, with an additional boost from the weaker yen. Sales of small automotive motors also rose overall, on an 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 43,673 million yen (a 13.1% increase year on year). Sales of motors for personal care products declined slightly from restricted order acceptance reflecting a policy of emphasizing profitability. At the same time, however, sales of motors for health and medical devices rose significantly on solid sales of Mabuchi Oken's pump unit motors for sphygmomanometers and of motors for electric toothbrushes, and a buildup in inventories led to a large increase in sales of motors for office equipment and several other applications. There was also an overall positive effect from the yen's depreciation.

(3) Outlook for Fiscal 2025

With regard to the outlook in fiscal 2025, although inflationary pressures in various countries continue to ease, the outlook for the global economy is increasingly uncertain as heightened geopolitical risk restricts cross-border trade and investment, and a slight slowdown in the pace of growth is forecast. In the United States, a solid improvement in environments for hiring and incomes are seen underpinning consumption, but there are also elements of uncertainty and the pace of growth is expected to slow. In Europe, a rebound in retail consumption is forecast on easing inflationary pressures, and the economy is expected to show gradual recovery. A gradual pace of growth is forecast for the Japanese economy on growth in retail consumption supported by an improved income environment combined with solid demand from tourists from overseas. The pace of growth in emerging market economies is seen slowing overall, from factors

including China's weak real estate market and sluggish recovery in retail consumption, as well as global inflationary pressures.

With regard to markets related to the Mabuchi Group's products, in the automotive products market, although Chinese government subsidies for automobile replacement purchases continue, automobile production volume is seen being held to the previous year's level. In other emerging market economies, automobile production in India and Brazil is expected to grow. On the other hand, with high inventory levels of completed vehicles in Europe and the United States, growth in production volume is seen as limited, with global automotive production volume expected to be flat with the previous year. In the life and industrial products market, solid sales of motors for health and medical devices are forecast against a backdrop of stable demand. However, sales of motors for home appliances, tools, housing equipment, and beauty care equipment are expected to be weak due to sluggish personal consumption and a policy of emphasizing profitability, resulting in sluggish sales overall.

Against this backdrop, we are forecasting a 0.9% increase year on year in consolidated net sales for fiscal 2025, to 198,000 million yen.

In terms of profit, although we expect a negative impact from increases in outlays including research and development expenses for future growth, we see this being more than offset by positive factors including improvements in sales prices and the product mix and are forecasting a 2.6% increase year on year in operating income, to 22,200 million yen. The plan does not include foreign exchange gains and losses, and we are therefore forecasting a 27.9% decrease year on year in ordinary income, to 23,400 million yen, and a 17.7% increase year on year in profit attributable to owners of parent, to 15,100 million yen.

Our forecasts for the full-year business results for fiscal 2025 are as follows:
Consolidated results forecasts (compared with the previous period)

Net sales	198,000 million yen	(0.9% increase)
Operating income	22,200 million yen	(2.6% increase)
Ordinary income	23,400 million yen	(27.9% decrease)
Profit attributable to owners of parent	15,100 million yen	(17.7% increase)

The above forecasts assume an exchange rate of US$1 = ¥155. No allowances have been made for foreign exchange gains or losses.

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.

Basic Policy on the Selection of Accounting Standards

The Mabuchi Group will continue to use Japanese accounting standards for the time being.

With regard to future application of International Financial Reporting Standards (IFRS), the Group will respond appropriately from a viewpoint of increasing corporate value, taking into account circumstances in Japan and abroad.

2. Consolidated Financial Statements and Primary Notes
(1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and bank deposits	116,604	134,944
Trade notes and accounts receivable	33,895	37,335
Merchandise and finished goods	38,919	37,503
Work in process	1,426	1,539
Raw materials and supplies	20,104	20,763
Other current assets	7,025	6,471
Allowance for doubtful accounts	(91)	(79)
Total current assets	217,884	238,478
Fixed assets		
Property, plant and equipment		
Buildings and structures	61,648	67,503
Accumulated depreciation	(38,260)	(41,448)
Buildings and structures, net	23,388	26,055
Machinery, equipment and vehicles	114,397	122,675
Accumulated depreciation	(67,589)	(79,239)
Machinery, equipment and vehicles, net	46,807	43,435
Tools, furniture and fixture	27,967	29,628
Accumulated depreciation	(23,967)	(25,224)
Tools, furniture and fixture, net	3,999	4,404
Land	7,129	7,107
Construction in progress	18,749	14,513
Total property, plant and equipment	100,074	95,515
Intangible assets		
Goodwill	3,055	3,808
Other intangible assets	2,521	2,084
Total intangible assets	5,576	5,892
Investments and other assets		
Investment securities	10,588	12,415
Deferred tax assets-non-current	724	642
Retirement benefit asset	—	78
Other investments and other assets	1,788	1,998
Allowance for doubtful accounts	(31)	(31)
Total investments and other assets	13,069	15,103
Total fixed assets	118,720	116,511
Total assets	336,605	354,989

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Trade notes and accounts payable	8,865	7,692
Accrued income taxes	2,958	6,498
Accrued bonuses due to employees	236	227
Accrued bonuses due to directors	252	177
Other current liabilities	12,577	14,228
Total current liabilities	24,890	28,823
Long-term liabilities		
Long-term loans payable	830	517
Accrued benefits for stock payment	213	240
Liability for retirement benefits	1,304	935
Asset retirement obligations	39	21
Deferred tax liabilities-non-current	3,830	4,446
Other long-term liabilities-non-current	465	381
Total long-term liabilities	6,684	6,543
Total liabilities	31,574	35,366
Net assets		
Shareholders' equity		
Common stock	20,704	20,704
Additional paid-in capital	20,419	20,419
Retained earnings	230,335	227,314
Treasury stock	(10,165)	(10,111)
Total shareholders' equity	261,294	258,327
Accumulated other comprehensive income		
Net unrealized holding gains or losses on securities	3,313	4,241
Foreign currency translation adjustments	40,037	56,224
Retirement benefits liability adjustments	321	765
Total accumulated other comprehensive income	43,672	61,232
Subscription rights to shares	62	62
Total net assets	305,030	319,622
Total liabilities and net assets	336,605	354,989

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 31, 2023)	Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)
Net sales	178,663	196,212
Cost of sales	134,518	143,336
Gross profit	44,144	52,875
Selling, general and administrative expenses	28,608	31,230
Operating income	15,536	21,644
Non-operating income		
Interest income	2,279	2,664
Dividend income	307	327
Foreign exchange gains	6,604	5,755
Gain on sales of raw material scrap	2,156	2,316
Other	874	771
Total non-operating income	12,221	11,835
Non-operating expenses		
Stock-related expenses	174	192
Depreciation	182	251
Other	406	588
Total non-operating expenses	763	1,032
Ordinary income	26,994	32,448
Extraordinary income		
Gain on disposal of fixed assets	7	5
Gain on sale of investment securities	208	—
Gain on bargain purchase	659	—
Gain on revision of retirement benefit plan	113	—
Total extraordinary income	988	5
Extraordinary loss		
Loss on disposal of fixed assets	583	510
Impairment loss	—	7,493
Extraordinary retirement expenses	167	732
Total extraordinary loss	750	8,735
Profit before income taxes	27,232	23,718
Income taxes		
Current	7,621	10,668
Deferred	194	218
Total income taxes	7,815	10,887
Profit	19,416	12,831
Profit attributable to owners of parent	19,416	12,831

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 31, 2023)	Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)
Profit	19,416	12,831
Other comprehensive income		
Net unrealized holding gains or losses on securities	1,107	928
Foreign currency translation adjustments	15,718	16,187
Retirement benefits liability adjustments	95	444
Total other comprehensive income	16,922	17,560
Comprehensive income	36,339	30,391
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	36,339	30,391
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Net Assets
Fiscal year ended December 31, 2023 (January 1—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	—	—	(4,423)	—	(4,423)
Cash dividend (interim dividends)	—	—	(4,367)	—	(4,367)
Profit attributable to owners of parent	—	—	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				**Subscrip-tion 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 comprehen-sive income**		
Beginning balance	2,205	24,318	225	26,749	69	280,175
Changes of items during the period						
Cash dividend	—	—	—	—	—	(4,423)
Cash dividend (interim dividends)	—	—	—	—	—	(4,367)
Profit attributable to owners of parent	—	—	—	—	—	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

Fiscal year ended December 31, 2024 (January 1—December 31, 2024)

	Millions of yen				
	Shareholders' equity				
	Common stock	**Additional paid-in capital**	**Retained earnings**	**Treasury stock**	**Total shareholders' equity**
Beginning balance	20,704	20,419	230,335	(10,165)	261,294
Changes of items during the period					
Cash dividend	—	—	(5,355)	—	(5,355)
Cash dividend (interim dividends)	—	—	(4,861)	—	(4,861)
Profit attributable to owners of parent	—	—	12,831	—	12,831
Purchase of treasury stock	—	—	—	(6,001)	(6,001)
Disposal of treasury stock	—	8	—	410	418
Cancellation of treasury stock	—	(8)	(5,636)	5,645	—
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	—	—	(3,021)	53	(2,967)
Ending balance	20,704	20,419	227,314	(10,111)	258,327

	Millions of yen					
	Accumulated other comprehensive income				**Subscrip-tion 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 comprehen-sive income**		
Beginning balance	3,313	40,037	321	43,672	62	305,030
Changes of items during the period						
Cash dividend	—	—	—	—	—	(5,355)
Cash dividend (interim dividends)	—	—	—	—	—	(4,861)
Profit attributable to owners of parent	—	—	—	—	—	12,831
Purchase of treasury stock	—	—	—	—	—	(6,001)
Disposal of treasury stock	—	—	—	—	—	418
Cancellation of treasury stock	—	—	—	—	—	—
Net changes of items other than shareholders' equity	928	16,187	444	17,560	—	17,560
Total changes of items during the period	928	16,187	444	17,560	—	14,592
Ending balance	4,241	56,224	765	61,232	62	319,622

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 31, 2023)	Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)
Cash flows from operating activities		
Profit before income taxes	27,232	23,718
Depreciation and amortization	12,832	14,208
Impairment loss	—	7,493
Increase (Decrease) in liability for retirement benefits	(55)	129
Interest and dividends income	(2,586)	(2,992)
Foreign exchange losses (gains)	(7,408)	(3,960)
Loss (Gain) on sales of investment securities	(208)	—
Loss (Gain) on disposal of fixed assets	575	504
Gain on bargain purchase	(659)	—
Gain on revision of retirement benefit plan	(113)	—
Extraordinary retirement expenses	167	732
Decrease (Increase) in trade notes and accounts receivable	(2,227)	(962)
Decrease (Increase) in inventories	6,219	4,351
Increase (Decrease) in trade notes and accounts payable	379	(1,219)
Other, net	1,071	2,282
Sub total	35,219	44,286
Interest and dividends received	2,493	3,003
Interest paid	(28)	(30)
Income taxes paid	(5,942)	(7,125)
Net cash provided by operating activities	31,741	40,133
Cash flows from investing activities		
Increase of time deposits	(2,956)	(2,625)
Proceeds from withdrawal of time deposits	576	2,897
Proceeds from maturity of short-term investments	1,500	—
Purchase of fixed assets	(13,006)	(14,067)
Proceeds from sales of fixed assets	23	42
Purchase of investment securities	(0)	(477)
Proceeds from sales of investment securities	279	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,035)	—
Payment of conditional acquisition consideration for shares of subsidiary	—	(1,253)
Other, net	10	(267)
Net cash used in investing activities	(15,608)	(15,750)
Cash flows from financing activities		
Repayments of short-term borrowings	(10)	—
Repayment of long-term loans payable	(296)	(313)
Cash dividends paid	(8,793)	(10,214)
Purchase of treasury stock	(3,460)	(6,001)
Proceeds from sales of treasury stock	711	345
Net cash used in financing activities	(11,849)	(16,183)
Effect of exchange rate changes on cash and cash equivalents	6,762	10,066
Net increase (decrease) in cash and cash equivalents	11,045	18,265
Cash and cash equivalents at beginning of period	101,255	112,301
Cash and cash equivalents at end of period	112,301	130,567

(5) Notes to Consolidated Financial Statements
(Notes Regarding Going-Concern Assumptions)
None

(Notes to Segment Information, etc.)

[Segment Information]

1. Overview of Reporting Segments

The reporting segments of the Company and its consolidated subsidiaries are regularly reviewed by the Board of Directors, etc., using the segregated financial information available within each segment of the Company and its consolidated subsidiaries to determine the allocation of management resources and evaluate business results.

The Company and its consolidated subsidiaries specialize in small motors manufacturing and sales as a single line of business. The Company is in charge of the business activities in Japan. Meanwhile, subsidiaries located overseas are in charge of operations in Asia, North and Latin America, Europe, etc. Subsidiaries located overseas are independent management units and propose comprehensive product strategies while pursuing business expansion.

Since the Company and its consolidated subsidiaries are composed of regional segments based on a manufacturing and selling system, the Company and its consolidated subsidiaries have designated that "Japan," "Asia," "North and Latin America" and "Europe" as their reporting segments.

2. Methods for Calculating Net Sales, Income (Loss), Assets, Liabilities and Other Items by Reporting Segment

The accounting method for reported business segments is consistent with the method used to prepare the consolidated financial statements.

Intersegment sales and transfers are based on prevailing market prices.

3. Information Concerning Net Sales, Income (Loss), Assets and Other Items and Revenue Breakdown by Reporting Segment

Fiscal year ended December 31, 2023 (January 1, 2023–December 31, 2023)

(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	15,737	58,486	32,825	32,972	140,022	—	140,022
Life and industrial products market	2,122	24,635	1,986	9,855	38,600	—	38,600
Others	9	27	—	4	40	—	40
Revenue from contracts with customers	17,868	83,149	34,812	42,832	178,663	—	178,663
Other revenue	—	—	—	—	—	—	—
Sales to external customers	17,868	83,149	34,812	42,832	178,663	—	178,663
Intersegment sales and transfers	89,443	85,371	5,657	123	180,596	(180,596)	—
Total	107,312	168,521	40,470	42,955	359,259	(180,596)	178,663
Segment income (loss)	2,842	11,731	1,967	(406)	16,135	(599)	15,536
Segment assets	159,468	207,704	49,648	48,641	465,461	(128,856)	336,605
Other items							
Depreciation and amortization	1,196	9,495	1,247	1,248	13,187	(355)	12,832
Amortization of goodwill	—	—	—	264	264	—	264
Increase in property, plant and equipment, and intangible assets	1,906	8,553	1,492	2,741	14,694	(1,155)	13,539

Notes: 1. (1) The segment income (loss) adjustment represents intersegment transaction eliminations.
(2) The segment assets adjustment includes: intersegment debt and credit eliminations of ¥(160,930) million; corporate assets of ¥32,074 million, not allocated to each segment. Corporate assets primarily include the parent company's surplus funds for investment (e.g., cash and bank deposits and short-term investments) and long-term investment funds (e.g., investment securities).
(3) The depreciation and amortization adjustment represent intersegment transaction eliminations.
(4) Increase in property, plant and equipment, and intangible assets adjustment represents intersegment transaction eliminations.
2. Segment income (loss) is adjusted for operating income reported in the consolidated statements of income.

Fiscal year ended December 31, 2024 (January 1, 2024–December 31, 2024)

(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	18,224	66,856	33,677	33,740	152,498	—	152,498
Life and industrial products market	1,878	28,769	1,766	11,259	43,673	—	43,673
Others	31	3	—	5	39	—	39
Revenue from contracts with customers	20,133	95,629	35,443	45,004	196,212	—	196,212
Other revenue	—	—	—	—	—	—	—
Sales to external customers	20,133	95,629	35,443	45,004	196,212	—	196,212
Intersegment sales and transfers	99,575	90,027	5,170	125	194,897	(194,897)	—
Total	119,709	185,657	40,613	45,130	391,110	(194,897)	196,212
Segment income (loss)	9,495	14,801	815	(2,034)	23,079	(1,434)	21,644
Segment assets	155,901	231,495	46,804	43,338	477,540	(122,550)	354,989
Other items							
Depreciation and amortization	1,357	9,946	1,683	1,654	14,642	(433)	14,208
Amortization of goodwill	—	—	—	591	591	—	591
Impairment loss	152	11	—	7,952	8,116	(623)	7,493
Increase in property, plant and equipment, and intangible assets	1,776	10,043	1,817	1,828	15,465	(742)	14,723

Notes: 1. (1) The segment income (loss) adjustment represents intersegment transaction eliminations.
(2) The segment assets adjustment includes: intersegment debt and credit eliminations of ¥(158,005) million; corporate assets of ¥35,454 million, not allocated to each segment. Corporate assets primarily include the parent company's surplus funds for investment (e.g., cash and bank deposits and short-term investments) and long-term investment funds (e.g., investment securities).
(3) The depreciation and amortization adjustment represent intersegment transaction eliminations.
(4) The impairment loss adjustment represents intersegment transaction eliminations.
(5) Increase in property, plant and equipment, and intangible assets adjustment represents intersegment transaction eliminations.
2. Segment income (loss) is adjusted for operating income reported in the consolidated statements of income.

[Reference Information]

Fiscal year ended December 31, 2023 (January 1, 2023–December 31, 2023)

1. Geographical Segment Information

(1) Net sales

(Millions of yen)

Japan	Asia	North and Latin America	Europe	Total
17,868	83,149	34,812	42,832	178,663

Note: Net sales are classified by country and region based on customer location.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	North and Latin America	Europe	Total
15,381	54,746	19,175	10,771	100,074

Fiscal year ended December 31, 2024 (January 1, 2024–December 31, 2024)

1. Geographical Segment Information

(1) Net sales

(Millions of yen)

Japan	Asia	North and Latin America	Europe	Total
20,133	95,629	35,443	45,004	196,212

Note: Net sales are classified by country and region based on customer location.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	North and Latin America	Europe	Total
15,462	57,380	18,163	4,508	95,515

[Information Related to Impairment Loss on Fixed Assets by Reporting Segment]

Fiscal year ended December 31, 2023 (January 1, 2023–December 31, 2023)

None

Fiscal year ended December 31, 2024 (January 1, 2024–December 31, 2024)

As the same information is disclosed in the Segment Information, this section is omitted.

[Information Related to Amortization and Unamortized Balance of Goodwill by Reporting Segment]
Fiscal year ended December 31, 2023 (January 1, 2023–December 31, 2023)

(Millions of yen)

	Japan	Asia	North and Latin America	Europe	Total
Unamortized balance as of fiscal year-end	—	—	—	3,055	3,055

Note: Amortization of goodwill is the same as shown under segment information, and is therefore omitted.

Fiscal year ended December 31, 2024 (January 1, 2024–December 31, 2024)

(Millions of yen)

	Japan	Asia	North and Latin America	Europe	Total
Unamortized balance as of fiscal year-end	—	—	—	3,808	3,808

Note: Amortization of goodwill is the same as shown under segment information, and is therefore omitted.

[Information Related to Gain on Bargain Purchase by Reporting Segment]
Fiscal year ended December 31, 2023 (January 1, 2023–December 31, 2023)
During the first quarter of the fiscal year under review, the Company acquired all shares of Oken Seiko Co., Ltd. (currently Mabuchi Motor Oken 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 third quarter of the fiscal year under review, but those amounts were settled as of the fiscal year-end. The amounts are unchanged from those resulting from the provisional accounting treatment. Furthermore, because the gain on bargain purchase is recorded as extraordinary income, this amount is not included in the segment income shown above.

Fiscal year ended December 31, 2024 (January 1, 2024–December 31, 2024)
None

(Significant Subsequent Events)

(Setting of Upper Limit for Purchase of Treasury Stock)
The Company has resolved at a meeting of the Board of Directors held on February 14, 2025, to purchase treasury stock pursuant to the provisions of Article 156 of the Companies Act.

1. Reasons for the Purchase of Treasury Stock
The Company will purchase treasury stock in order to implement a flexible capital policy to respond to changes in the business environment and to improve shareholder returns and capital efficiency.

2. Details of Matters Pertaining to the Purchase of Treasury Stock
(1) Class of shares to be purchased
Common stock of the Company

(2) Total number of shares to be purchased
4,600,000 shares (maximum)
(3.7% of the total number of shares issued [excluding treasury stock])

(3) Total amount of purchase cost
¥7.0 billion (maximum)

(4) Purchase period
February 18, 2025 to December 23, 2025

(5) Purchase method
Purchase in the open market through discretionary trading