

*Note: The original disclosure in Japanese was released on August 12, 2021 at 12:30 (GMT +9).*



August 12, 2021

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## Notice Regarding Revision of the Consolidated Results Forecasts, Determination of Surplus Dividend (Interim Dividend) and Revision of Year-End Dividend Forecasts

Taking into account recent business conditions, Mabuchi Motor Co., Ltd. (the “Company”) announces revise its consolidated results forecasts for the fiscal year ending December 31, 2021, and the forecasts for dividend, which were announced on February 12, 2021.

### (1) Revisions to consolidated results forecasts

Fiscal year ending December 31, 2021 (January 1, 2021–December 31, 2021)

(Million of yen)

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Profit Per Share
	(million of yen)	(million of yen)	(million of yen)	(million of yen)	(yen)
Previous Forecast (A)	128,000	14,700	15,400	10,600	160.71
Revised Forecast (B)	140,000	16,100	19,700	14,200	215.64
Amount Change (B - A)	12,000	1,400	4,300	3,600	
Percentage Change (%)	9.4	9.5	27.9	34.0	
(Reference) Actual Result for Fiscal Year Ended December 31, 2020	116,432	12,900	12,675	8,987	135.64

### (2) Reasons for revisions to the consolidated results forecasts for the fiscal year ending December 31, 2021

The global economic recovery is expected to continue as a result of major fiscal stimulus measures by various countries and the rollout of new coronavirus vaccines, but with a slower pace of vaccinations and a spread of infections of new coronavirus variants in certain countries and regions, combined with shortages in semiconductor supplies and soaring resource prices and logistics costs, the outlook going forward remains uncertain. With regard to markets related to the Mabuchi Group’s products, we are forecasting solid results for the automotive products market on a recovery in global automotive production volumes, despite concerns of production adjustments due to the global shortage of semiconductor supply. In the consumer and industrial products market, we are forecasting increased demand in all markets and an overall recovery.

Against this backdrop, we are forecasting consolidated net sales for the full year of 140.0 billion yen (a 20.2% increase from the previous year). Although we expect earnings to continue to be pressured by higher material costs from rising market prices for commodities including copper and steel materials, we also see benefits from increased sales volumes,

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improvements in sales prices and the product mix, and foreign exchange rate trends at the weak yen level. Given this situation, we are forecasting operating income of 16.1 billion yen (a 24.8% increase year on year), ordinary income of 19.7 billion yen (a 55.4% increase year on year), and profit attributable to owners of parent of 14.2 billion yen (a 58.0% increase year on year).

The full-year projections assume an exchange rate of 1USD = 107.85 JPY.

(3) Determination of surplus dividend (interim dividend) and revision of year-end dividend forecasts

	Dividends per share		
	2 <sup>nd</sup> quarter-end	Year-end	Total
Previous Forecast	Yen 53.00	Yen 54.00	Yen 107.00
Revised Forecast		58.00	115.00
Actual Results	57.00		
(Reference) Actual Result for Fiscal Year Ended December 31, 2020	67.00	68.00	135.00

(4) Determination of surplus dividend (interim dividend) and reasons for revisions to dividend forecasts

With regard to the dividend for the current fiscal year, as announced in February 2021, given the anticipated recovery in earnings over the medium term, we are discontinuing our extraordinary measure of maintaining the same full-year dividend amount of 135 yen per share (an ordinary dividend of 30 yen and a special dividend of 105 yen), as announced in August 2018, and introducing a transitional measure toward the return to our basic policy of continuously paying an ordinary dividend of 30 yen per share as a stable, long-term dividend, together with a performance-related special dividend calculated as 30% of consolidated profit on a per-share basis.

Specifically, based on our current-year forecasts, the dividend for the current fiscal year would be 94 yen per share under the basic policy, but we intend to add 21 yen to this, corresponding to half of the difference from the fiscal 2020 full-year dividend ( $135 \text{ yen (fiscal 2020)} - 94 \text{ yen (fiscal 2021)} \div 2$ ), for a full-year dividend forecast of 115 yen per share (an ordinary dividend of 30 yen and a special dividend of 85 yen). Accordingly, our forecasts are for an interim dividend of 57 yen per share (an ordinary dividend of 15 yen and a special dividend of 42 yen), and a year-end dividend of 58 yen per share (an ordinary dividend of 15 yen and a special dividend of 43 yen).

Note: The above forecasts are based on the information currently available. Actual results may differ from expectations owing to various future factors, the main ones of which are as follows:

- Fluctuations in the 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.

We will continue to pay close attention to the impact of the pandemic on the Group's business performance. If the impact will be extremely material, including cases where the number of infections increase or the situation deteriorates further, we will reevaluate the Group's results and dividend forecasts appropriately, and promptly announce them.

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