

(TRANSLATION ONLY)

Securities code: 6592

March 9, 2022

To Those Shareholders with Voting Rights

Hiroo OKOSHI
Representative Director, President & CEO
MABUCHI MOTOR CO., LTD.
430 Matsuhidai, Matsudo City, Chiba, Japan

NOTICE OF THE 81ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are informing you of the 81st Ordinary General Meeting of Shareholders (the “Meeting”) of MABUCHI MOTOR CO., LTD. (the “Company”) to be held as follows:

In order to prevent the spread of the new coronavirus, we urge our shareholders to refrain from attending the general meeting of shareholders at the venue and exercise your voting rights in writing or via electronic means (such as by using the Internet). Please read the attached REFERENCE DOCUMENTS FOR THE 81ST ORDINARY GENERAL MEETING OF SHAREHOLDERS and exercise your voting rights before 5 p.m. on Tuesday, March 29, 2022.

1. Date: 10 a.m., Wednesday, March 30, 2022

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 81st Fiscal Term (from January 1, 2021 to December 31, 2021), 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 81st Fiscal Term (from January 1, 2021 to December 31, 2021)

Matters to be resolved:

- Proposal 1:** Proposed Appropriation of Retained Earnings for the 81st Fiscal Term
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Nine (9) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

***For those attending, please present the enclosed Exercise Voting Rights Form at the reception desk on arrival at the Meeting. In addition, please bring this “NOTICE OF THE 81ST ORDINARY GENERAL MEETING OF SHAREHOLDERS” with you.**

***Of the documents that we are required to provide in this “NOTICE OF THE 81ST ORDINARY GENERAL MEETING OF SHAREHOLDERS,” the Notes to the Consolidated Financial Statements and Notes to the Non-consolidated Financial Statements (Japanese version only) are not included, as they have been posted on the Company’s website (<https://www.mabuchi-motor.co.jp/>) pursuant the provisions of the relevant laws and regulations and Article 15 of the Company’s Articles of Incorporation. The Consolidated Financial Statements and the Financial Statements audited by the Independent Certified Public Accountants and the Audit and Supervisory Committee include what is stated in the attachment to this “NOTICE OF THE 81ST ORDINARY GENERAL MEETING OF SHAREHOLDERS”, as well as the Notes to the Consolidated Financial Statements and Notes to the Non-consolidated Financial Statements that are posted on the Company’s website.**

***Should any amendments occur in the REFERENCE DOCUMENTS FOR THE 81ST ORDINARY GENERAL MEETING OF SHAREHOLDERS, the Business Report, the Financial Statements and/or the Consolidated Financial Statements, such changes will be posted on the Company’s website (<https://www.mabuchi-motor.co.jp/>).**

***Notice concerning the new coronavirus**

- We ask our shareholders who will attend the Meeting at the venue to wear a mask and disinfect your hands with alcohol.**
- Please note that Mabuchi’s officers and staff members attending the Meeting will wear a mask.**
- Please be aware in advance that we will take your temperature near the reception desk and may ask those who have a fever or appear to be in poor health to refrain from entering the venue.**
- Any changes that may occur to the above procedures for the Meeting in accordance with future developments will be posted on the Company’s website (<https://www.mabuchi-motor.co.jp/>).**

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 81ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

Proposal 1: Proposed Appropriation of Retained Earnings for the 81st Fiscal Term

Our basic policy on the appropriation of retained earnings is to retain necessary earnings for sound business activities, to maintain healthy financial strength and to ensure adequate dividends to our shareholders based on 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 of 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 115 yen per share, an amount determined in consideration of calculations based on the above standards and the business environment (consisting of a 30 yen ordinary dividend and an 85 yen special dividend). Because we paid an interim dividend of 57 yen (consisting of a 15 yen ordinary dividend and a 42 yen special dividend) per share in September 2021, we propose the year-end dividend for the 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
58 yen per common share of the Company
(An ordinary dividend of 15 yen and a special dividend of 43 yen)
Aggregate dividend amount: 3,800,453,422 yen
- (3) Effective date of the distribution of retained earnings
March 31, 2022

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.

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

Due to the enforcement of the revising provisions prescribed in the proviso of Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) on September 1, 2022, the Company will make the following amendments to its Articles of Incorporation in preparation for the introduction of a system for the electronic provision of shareholders’ meeting documents.

- (1) Article 15, Paragraph 1 of the proposed amendments prescribes that an electronic provision measure shall be taken regarding information that constitutes the contents of the Reference Documents for the General Meeting of Shareholders, etc.
- (2) Article 15, Paragraph 2 of the proposed amendments establishes provisions for limiting the scope of the matters to be stated in documents delivered to shareholders who requested delivery of paper documents.
- (3) The provision of Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc. and the Deemed Provision of Information (Article 15 of the current Articles of Incorporation) will be deleted as it will no longer be required.
- (4) Supplementary provisions concerning effective dates will be established following the above-mentioned new additions and deletion.

2. Details of the amendments

Details of the amendments to the Articles of Incorporation are as follows:

(Amended portions are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc., and the Deemed Provision of Information)</u></p> <p><u>Article 15. The Company shall be deemed to have provided the shareholders with the necessary information with respect to the matters to be stated or indicated in the Reference Documents for the General Meeting of Shareholders, the business report, the financial statements and the consolidated financial statements, by disclosing such information via the Internet in accordance with the Ordinance of the Ministry of Justice, upon convening a General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
(New establishment)	<p><u>(Electronic Provision Measure, etc.)</u> <u>Article 15.</u></p> <ol style="list-style-type: none"> <u>1. The Company shall take an electronic provision measure regarding information that is the content of the Reference Documents for the General Meeting of Shareholders, etc., upon convening a General Meeting of Shareholders.</u> <u>2. The Company shall not be required to state on documents delivered to shareholders who requested delivery of paper documents by the record date of voting rights all or part of those matters for which the electronic provision measure is taken that are prescribed in the Ordinance of the Ministry of Justice.</u> <p><u>(Supplementary Provisions)</u> <u>Article 1.</u></p>
(New establishment)	<ol style="list-style-type: none"> <u>1. The deletion of Article 15 (Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc. and the Deemed Provision of Information) of the current Articles of Incorporation and the establishment of the new Article 15 (Electronic Provision Measure, etc.) of the proposed amendments shall come into effect on the day when the revising provisions set forth in the proviso of Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) are enforced (hereinafter, the “Date of Enforcement”).</u> <u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of Incorporation shall remain in force for the general meeting of shareholders whose date is within six months from the Date of Enforcement.</u> <u>3. These supplementary provisions shall be deleted on the day when six months have passed since the Date of Enforcement, or the day when three months have passed since the date of the general meeting of shareholders of the preceding paragraph, whichever is later.</u>

Proposal 3: Election of Nine (9) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The term of office of all nine (9) directors (excluding directors who are audit and supervisory committee members; the same shall apply in this proposal) will expire at the conclusion of the 81st Ordinary General Meeting of Shareholders.

Shareholders are therefore requested to elect nine (9) directors.

The candidates for the position of director are as follows:

No.	Name	Position and assignment in the Company	
1	Hiroo OKOSHI	Representative Director, President & CEO	Reappointment
2	Shinichi TANIGUCHI	Director, Managing Executive Officer, Chief Technology Officer	Reappointment
3	Hiroto KATAYAMA	Director, Managing Executive Officer, Assistant to the President, Chief Officer of Subsidiaries, Chief Administrative Officer and In Charge of Purchasing	Reappointment
4	Tadahito IYODA	Director, Executive Officer, Senior General Manager - Corporate Planning Headquarters, General Manager - Corporate Communication Department	Reappointment
5	Kazuaki MIYAJIMA	Associate Director, Manufacturing Headquarters	New appointment
6	Toru TAKAHASHI	Senior General Manager - Purchasing and Operations Control Headquarters, General Manager - Operations Control Department	New appointment
7	Naoki MITARAI	Outside Director	Reappointment Candidate for outside director Candidate for independent director (To be notified to the Tokyo Stock Exchange)
8	Kazuhiko TSUTSUMI	Outside Director	Reappointment Candidate for outside director Candidate for independent director (To be notified to the Tokyo Stock Exchange)
9	Jody L. ONO	Outside Director	Reappointment Candidate for outside director Candidate for independent director (To be notified to the Tokyo Stock Exchange)

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	<p>April 1984 Joined MABUCHI MOTOR CO., LTD.</p> <p>June 1990 Manager - Procurement Section, MABUCHI INDUSTRY CO., LTD.</p> <p>August 1996 Manager - President Office, MABUCHI INDUSTRY CO., LTD.</p> <p>May 2002 Director, General Manager - General Affairs Department, Human Resources Department, MABUCHI INDUSTRY CO., LTD.</p> <p>October 2002 Manager - Corporate Planning Department, MABUCHI MOTOR CO., LTD.</p> <p>March 2003 Deputy Senior General Manager - Business Platform Innovation Headquarters, MABUCHI MOTOR CO., LTD.</p> <p>January 2004 General Manager - Corporate Planning Department, MABUCHI MOTOR CO., LTD.</p> <p>November 2009 Executive Officer, Senior General Manager - Administration Headquarters, MABUCHI MOTOR CO., LTD.</p> <p>March 2011 Director, Executive Officer, Senior General Manager - Administration Headquarters, MABUCHI MOTOR CO., LTD.</p> <p>March 2013 Representative Director, President, MABUCHI MOTOR CO., LTD.</p> <p>March 2019 Representative Director, President & CEO, MABUCHI MOTOR CO., LTD. (Current position)</p>		30,140
<p>Reasons for being nominated for the position of director:</p> <p>Hiroo OKOSHI has been renominated as a candidate for the position of director because we have judged that we can rely on his ability to play a significant role in decision making on important matters in the Group, as well as the supervision of business execution towards the steady growth of the Group as a whole, on top of the medium- to long-term enhancement of corporate value. Since he assumed the office of Representative Director and President in March 2013, he has displayed strong leadership as chief executive officer in the achievement of the Group's growth strategy as well as in the shifting of our product portfolio to high value-added areas and the establishment of a global production system.</p>				

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held		Number of the Company's shares held
2	Shinichi TANIGUCHI (February 16, 1965) Reappointment	April 1987	Joined MABUCHI MOTOR CO., LTD.	14,912
		December 1987	Production Engineering Department, MABUCHI TAIWAN CO., LTD.	
		January 1997	Manager - Manufacturing Engineering Section, Mabuchi Motor Vietnam Ltd.	
		April 2005	Assistant General Manager - Business Administration Department, Power Unit Motor Division, MABUCHI MOTOR CO., LTD.	
		March 2013	General Manager - Product Development Department 2, Research and Development Headquarters, MABUCHI MOTOR CO., LTD.	
		December 2013	President - MABUCHI MOTOR (JIANGSU) CO., LTD.	
		January 2018	Deputy Senior General Manager - Product Development Headquarters, MABUCHI MOTOR CO., LTD.	
		March 2018	Executive Officer, Deputy Senior General Manager - Product Development Headquarters, MABUCHI MOTOR CO., LTD.	
		July 2018	Executive Officer, Senior General Manager - Manufacturing Headquarters, MABUCHI MOTOR CO., LTD.	
		March 2019	Director, Executive Officer, Chief Technology Officer, Senior General Manager - Manufacturing Headquarters, MABUCHI MOTOR CO., LTD.	
		March 2020	Director, Managing Executive Officer, Chief Technology Officer, Senior General Manager - Manufacturing Headquarters, MABUCHI MOTOR CO., LTD.	
		March 2021	Director, Managing Executive Officer, Chief Technology Officer, MABUCHI MOTOR CO., LTD. (Current position)	
Reasons for being nominated for the position of director: Shinichi TANIGUCHI has been renominated as a candidate for the position of director because we have judged that we can rely on his ability to play a significant role in decision making on important matters in the Group and the supervision of business execution, as well as in leading the creation of new value through technological innovations amid a rapidly changing business environment, based on his abundant experience, track record and broad knowledge in the product development and production engineering divisions, as well as his global knowledge gained through long overseas postings.				

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held		Number of the Company's shares held
3	Hirotaro KATAYAMA (January 23, 1969) Reappointment	April 1991 April 1997 April 2005 March 2007 February 2014 July 2014 March 2015 March 2017 March 2019 July 2020 November 2020 March 2021 January 2022	Joined MABUCHI MOTOR CO., LTD. Manager, Quality Assurance Section, MABUCHI INDUSTRY CO., LTD. Manager - Business Administration Department, Power Unit Motor Division, MABUCHI MOTOR CO., LTD. President - MABUCHI MOTOR (JIANGSU) CO., LTD. Deputy Senior General Manager - Operations Control Headquarters, MABUCHI MOTOR CO., LTD. Senior General Manager - Operations Control Headquarters, MABUCHI MOTOR CO., LTD. Director, Executive Officer and Senior General Manager - Operations Control Headquarters, MABUCHI MOTOR CO., LTD. Director, Managing Executive Officer, Chief Business Operation Officer, MABUCHI MOTOR CO., LTD. Director, Managing Executive Officer, Assistant to the President, Chief Officer of Subsidiaries, MABUCHI MOTOR CO., LTD. Director, Managing Executive Officer, Assistant to the President, Chief Officer of Subsidiaries and Senior General Manager - Human Resources and General Affairs Headquarters, MABUCHI MOTOR CO., LTD. Director, Managing Executive Officer, Assistant to the President, Chief Officer of Subsidiaries, Chief Administrative Officer, Senior General Manager - Human Resources and General Affairs Headquarters, Senior General Manager - Purchasing Headquarters, MABUCHI MOTOR CO., LTD. Director, Managing Executive Officer, Assistant to the President, Chief Officer of Subsidiaries, Chief Administrative Officer, In Charge of Purchasing, Senior General Manager - Human Resources and General Affairs Headquarters, MABUCHI MOTOR CO., LTD. Director, Managing Executive Officer, Assistant to the President, Chief Officer of Subsidiaries, Chief Administrative Officer and in charge of Purchasing, MABUCHI MOTOR CO., LTD. (Current position)	17,950
		Reasons for being nominated for the position of director: Hirotaro KATAYAMA has been renominated as a candidate for the position of director because we have judged that we can rely on his ability to play a significant role in decision making on important matters in the Group, as well as the supervision of business execution based on his abundant experience in quality assurance, overseas subsidiary management, production, business operations, and purchasing within the Group, as well as his abundant experience and broad knowledge gained through supervising all of the Group's affiliates and overall management.		

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	April 1999	Joined MABUCHI MOTOR CO., LTD.	13,360
		April 2004	Manager - President Office, MABUCHI INDUSTRY CO., LTD.	
		January 2007	Manager - Global Business Strategy Planning Group, Corporate Planning Department, MABUCHI MOTOR CO., LTD.	
		January 2010	General Manager - Corporate Planning Department, MABUCHI MOTOR CO., LTD.	
		March 2013	Executive Officer, Senior General Manager - Administration Headquarters, MABUCHI MOTOR CO., LTD.	
		March 2015	Director, Executive Officer, Senior General Manager - Administration Headquarters, MABUCHI MOTOR CO., LTD.	
		March 2018	Director, Group Executive Officer, Chief Regional Officer in the Americas, MABUCHI MOTOR CO., LTD.	
		March 2020	Director, Executive Officer, General Manager - Corporate Planning Department, MABUCHI MOTOR CO., LTD.	
		July 2020	Director, Executive Officer, Senior General Manager - Corporate Planning Headquarters, MABUCHI MOTOR CO., LTD.	
		March 2021	Director, Executive Officer, Senior General Manager - Corporate Planning Headquarters, General Manager - Corporate Communication Department, MABUCHI MOTOR CO., LTD. (Current position)	
Reasons for being nominated for the position of director: Tadahito IYODA has been renominated as a candidate for the position of director because we have judged that we can rely on his ability to play a significant role in decision making on important matters in the Group, as well as the supervision of business execution 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.				

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held		Number of the Company's shares held
5	Kazuaki MIYAJIMA (October 17, 1968) New appointment	April 1991	Joined MABUCHI MOTOR CO., LTD.	3,008
		October 1992	Manufacturing Technology Section, MABUCHI INDUSTRY CO., LTD.	
		April 1998	Assistant Manager - Production Engineering Department, MABUCHI INDUSTRY CO., LTD.	
		March 2003	Manager - Process Design Section, Production Engineering Department, Research and Development Headquarters, MABUCHI MOTOR CO., LTD.	
		October 2004	Manager - Process Design Group, Production Engineering Department, Research and Development Headquarters, MABUCHI MOTOR CO., LTD.	
		October 2005	Manager - MPS Group, Production Engineering Department, Research and Development Headquarters, MABUCHI MOTOR CO., LTD.	
		September 2012	General Manager - Production Engineering Department, Research and Development Headquarters, MABUCHI MOTOR CO., LTD.	
		March 2017	Associate Director, Deputy Senior General Manager - Manufacturing Headquarters, MABUCHI MOTOR CO., LTD.	
		March 2018	Associate Director, Manufacturing Headquarters, MABUCHI MOTOR CO., LTD. (Current position)	
	Reasons for being nominated for the position of director: Kazuaki MIYAJIMA has been newly nominated as a candidate for the position of director because we have judged that we can rely on his ability to play a significant role in decision making on important matters in the Group, as well as the supervision of business execution based on his involvement in resolving important and highly difficult technological issues through his history of holding senior positions in the technology division, as well as his global knowledge gained through long overseas postings.			
6	Toru TAKAHASHI (October 15, 1965) New appointment	April 1988	Joined MABUCHI MOTOR CO., LTD.	3,051
		November 1993	Operations Control Section, MABUCHI MOTOR DALIAN CO., LTD	
		October 2005	Manager - Operations Control Group, Operations Control Department, Operations Control Headquarters, MABUCHI MOTOR CO., LTD.	
		January 2012	President - MABUCHI MOTOR DONGGUAN DAOJIAO CO., LTD.	
		January 2015	President - MABUCHI MOTOR DALIAN CO., LTD.	
		March 2018	General Manager - Operations Control Department, Manufacturing Headquarters, MABUCHI MOTOR CO., LTD.	
	March 2021	Senior General Manager - Purchasing and Operations Control Headquarters, MABUCHI MOTOR CO., LTD. (Current position)		
Reasons for being nominated for the position of director: Toru TAKAHASHI has been newly nominated as a candidate for the position of director because we have judged that we can rely on his ability to play a significant role in decision making on important matters in the Group, as well as the supervision of business execution based on his abundant experience and sophisticated knowledge gained through his involvement in managing overseas subsidiaries, in addition to the development of a global production system.				

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held		Number of the Company's shares held
7	Naoki MITARAI (October 30, 1952) Reappointment (Candidate for outside director) (Candidate for independent director) (To be notified to the Tokyo Stock Exchange)	April 1976	Joined HITACHI, LTD.	3,500
		July 2000	General Manager - Employee Relations Department, HITACHI, LTD.	
		April 2004	Deputy General Manager - Information & Telecommunication Systems Group, Government & Public Corporation Information Systems Sales Management Division, HITACHI, LTD.	
		April 2005	General Manager, Group Company Office, Hitachi Group – Corporate Strategy, Hitachi Group Headquarters, HITACHI, LTD.	
		April 2010	Senior General Manager - Human Resources Management Headquarters and General Affairs Headquarters, HITACHI, LTD.	
		April 2011	Vice President, Senior General Manager - Human Resources Management Headquarters and General Affairs Headquarters, HITACHI, LTD.	
		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	
		April 2015	Representative Executive Officer and Executive Vice President, Hitachi High-Technologies Corporation	
		April 2016	Executive Adviser - Hitachi High-Technologies Corporation	
		March 2017	Outside Director, MABUCHI MOTOR CO., LTD. (Current position)	
		November 2019	Visiting Professor - University of Tsukuba (Current position)	
<p>Reasons for being nominated for the position of outside director and expected roles:</p> <p>Naoki MITARAI has been renominated as a candidate for the position of outside director 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, appropriate advice and recommendations regarding overall management and 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>				

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held		Number of the Company's shares held
8	Kazuhiko TSUTSUMI (October 24, 1952)	April 1982	Joined Mitsubishi Electric Corporation	1,300
	Reappointment (Candidate for outside director)	October 2006	Vice-Director, Mitsubishi Electric Research Laboratories	
		April 2008	Director, Mitsubishi Electric Research Laboratories	
		April 2010	Executive Officer, Managing Director, Development Division, Mitsubishi Electric Corporation	
		April 2014	Adviser, Mitsubishi Electric Corporation	
	(Candidate for independent director) (To be notified to the Tokyo Stock Exchange)	April 2014	Visiting Professor, Kanazawa Institute of Technology (Current position)	
		April 2018	Project Technical Adviser, Mitsubishi Electric Corporation (Current position)	
		January 2019	Vice Chairmen, International Electrotechnical Commission (Current position)	
		March 2019	Outside Director, MABUCHI MOTOR CO., LTD. (Current position)	
June 2021	Executive Director, Japanese Standards Association (Current position)			
Reasons for being nominated for the position of outside director and expected roles: Kazuhiko TSUTSUMI has been renominated as a candidate for the position of outside director 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 appropriate supervision and advice regarding overall management and contributes to the reinforcement of the Company's technology strategies. He has abundant experience and considerable insight concerning corporate governance, in addition to being a person of integrity based on his long-term involvement in the development division of Mitsubishi Electric Corporation, leveraging his expertise as a Doctor of Engineering and his experience of corporate management as the company's executive officer.				
9	Jody L. ONO (November 7, 1966)	June 2005	Executive Officer, SITE, Stockholm School of Economics	—
	Reappointment (Candidate for outside director)	January 2013	Instructor, Corps of Cadets Center for Leadership Excellence, Texas A&M University	
		April 2015	Lecturer, School of International Corporate Strategy (ICS), Hitotsubashi University Business School	
		November 2017	Adj. Associate Professor, School of International Corporate Strategy (ICS), Hitotsubashi University Business School	
		March 2019	Outside Director, MABUCHI MOTOR CO., LTD. (Current position)	
	(Candidate for independent director) (To be notified to the Tokyo Stock Exchange)	April 2021	Adj. Professor, School of International Corporate Strategy (ICS), Hitotsubashi University Business School (Current position)	
Reasons for being nominated for the position of outside director and expected roles: Jody L. ONO has been renominated as a candidate for the position of outside director because we have judged that she is able to provide us with appropriate supervision and advice regarding overall management especially from a diversity perspective, based on her engagement in education and personnel development concerning management strategies through university education and others in Japan and abroad, with her abundant international experience, expertise, and considerable insight concerning personnel development, in addition to being a person of integrity. Although she has not been directly involved in corporate management, we have appointed her as a candidate because we have judged that she is able to appropriately execute her duties as an outside director due to the aforementioned reasons.				

(Notes)

1. No special relationship exists between the Company and the candidates.
2. Naoki MITARAI, Kazuhiko TSUTSUMI and Jody L. ONO are candidates for the position of outside director.
3. Naoki MITARAI, Kazuhiko TSUTSUMI and Jody L. ONO are currently outside directors of the Company. Regarding their terms of office as outside directors, Naoki MITARAI's term will have reached five years, and Kazuhiko TSUTSUMI's and Jody L. ONO's terms will have reached three years at the conclusion of the 81st Ordinary General Meeting of Shareholders.
4. As per Article 427, Paragraph 1, of the Companies Act, the Company entered into agreements with Naoki MITARAI, Kazuhiko TSUTSUMI and Jody L. ONO 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 Article 425, Paragraph 1, of the Companies Act. If their renominations are approved, the Company intends to extend said agreements with them.

5. The Company registered Naoki MITARAI, Kazuhiko TSUTSUMI and Jody L. ONO as “independent officers,” as stipulated by the Tokyo Stock Exchange. If they are renominated, the Company intends to continue to designate them as “independent officers.”
6. The Company has entered into liability insurance for officers, with all directors as the insured. The insurance compensates for any damages that may arise due to directors, the insured, bearing responsibility for the execution of their duties or facing complaints related to inquiries into said responsibility. If the candidates become directors, 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.

Reference: Constitution of the Board of Directors after the 81st Ordinary General Meeting of Shareholders

The constitution of the Board of Directors and expertise of the Board members, if Proposal 3 is approved in its original form at the 81st Ordinary General Meeting of Shareholders, are 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	○*	○	○	○	○	○	○	○		○
Shinichi TANIGUCHI	○*	○		○				○	○	○
Hiroto KATAYAMA	○*	○		○	○	○	○	○	○	○
Tadahito IYODA	○*	○	○	○	○	○	○	○		○
Kazuaki MIYAJIMA		○							○	○
Toru TAKAHASHI	○*	○								○
Naoki MITARAI	○		○	○	○		○	○		
Kazuhiko TSUTSUMI	○	○						○	○	○
Jody L. ONO		○	○				○			
Kazuyuki SOMEYA	○*	○		○	○	○				
Takashi ASAI				○	○	○	○			
Kyoko UEMURA				○	○	○				
Yoko TOYOSHI				○	○	○				

(Note) An asterisk (*) indicates those who have served as president of the Company or 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 3 years;
- (9) The close relative of a person if that person falling 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 director other than an outside director, 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 directors who are not audit and supervisory committee members, Audit and Supervisory Committee has concluded that there are no matters to be stated at the 81st Ordinary General Meeting of Shareholders pursuant to the Companies Act.

BUSINESS REPORT (From January 1, 2021 to December 31, 2021)

1. Current Conditions of the Mabuchi Group

(1) Business Development and Results

During the fiscal year ended December 31, 2021 (fiscal 2021), the global economy continued its gradual recovery on large fiscal outlays by various countries and progress in the rollout of COVID-19 vaccinations. Some stagnation in economic activity was seen, however, from the effects of higher resource prices and logistics costs, shortfalls in supplies of semiconductors, and a resurgence of new coronavirus infections in Southeast Asia. The U.S. economy remained solid, with retail consumption being supported by the vaccine rollout and a buildup of household savings, and despite limitations on corporate activity from a prolonged shortage of parts and materials. In Europe, economies continued to recover as lockdowns in major urban areas and other measures to prevent the spread of new coronavirus infections were eased, leading to a return to normal economic activity. The pace of recovery in the Japanese economy was sluggish, as a resurgence of new coronavirus infections brought economic activity to a standstill. Emerging market economies were solid overall, with growth in the Chinese economy from factors including an increase in exports and a weakened impact from electrical power shortages, and despite the effect of stagnation in economic activity from a resurgence of new coronavirus infections in Southeast Asia.

With regard to markets related to the Mabuchi Group's products, the automotive products market showed large growth for the full year, with recoveries continuing in all markets despite the effect of production adjustments during the second half as a result of a global shortfall in supplies of semiconductors. The consumer and industrial products market grew significantly on continued market demand in all regions.

Against this backdrop, the Group has been working to address the issues of "Expansion of market share in the power window lifter motor business," "Expansion of medium-sized and small automotive motor sales and new applications," "Sales expansion of new applications in the consumer and industrial products segment," "Implementation of a global base strategy," and "Implementation of new work styles and human resource strategy." We have been successful in proactively introducing and implementing a variety of measures to increase sales and market share, develop new markets, and make further advances in product quality and efficiency that will lead to future business growth. Specific achievements include obtaining approval from a third major North American automaker as a customer for power window lifter motors, winning orders from major Japanese automakers for motors for power seats, developing new products and applications for existing products in new markets that are being activated by the shift to electric vehicles, winning orders for our expanded lineup of brushless motors for mobility and collaborative robots and full-scale entry into the medical-use motor segment through Mabuchi Motor Electromag SA, and making progress toward local production for local consumption at the global level with the commencement of mass production and sales of small automotive motors at Mexico Mabuchi and power window lifter motors at Poland Mabuchi.

As a result, consolidated net sales for fiscal 2021 were 134,595 million yen (a 15.6% increase year on year), and motor sales, which account for the majority of net sales, were 134,544 million yen (a 15.6% increase year on year).

Although operating income was negatively affected by higher prices for commodities, increased sales volume combined with improvements in sales prices and the product mix resulted in operating income of 13,800 million yen (a 7.0% increase year on year).

With an improvement in foreign exchange gains or losses, ordinary income was 19,570 million yen (a 54.4% increase year on year). Profit before income taxes was 20,102 million yen (a 44.6% increase year on year), and profit attributable to owners of parent stock was 14,251 million yen (a 58.6% 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 98,246 million yen (a 16.0% increase year on year). Although both medium-sized automotive motors, which includes motors for power window lifters, motors for power seats, and motors for electric parking brakes, and small automotive motors including door lock

actuators, motors for door mirrors, and air conditioning damper actuators were affected by production adjustments from the global shortage of semiconductor supplies and logistics disruptions for the second half, a recovery in automotive demand led to solid growth in sales.

2) Consumer and Industrial Products Market

Net sales rose to 36,297 million yen (a 14.5% increase year on year). Motors for health and medical devices saw solid sales in the midrange and high-end toothbrush segments. Sales of motors for home appliances, power tools and housing equipment, and office equipment increased against a backdrop of demand related to working from home and people staying at home instead of going out.

<Consolidated sales of motors by application>

Market segment	The 81st fiscal term (the year ended December 31, 2021)	YoY (%)	Segment sales as a percentage of net sales (%)
	Amount (Millions of yen)		
Automotive Products	98,246	16.0	73.0
Consumer and Industrial Products	36,297	14.5	27.0
Total	134,544	15.6	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, an explanation by segment is omitted.
2. As the Mabuchi Group has sales of 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 2021 amounted to 9,622 million yen, which includes 1,329 million yen for the construction of facilities for MABUCHI MOTOR DONGGUAN DAOJIAO CO., LTD. and MABUCHI PRECISION (JIANGMEN) CO., LTD.; 265 million yen for R&D facilities and equipment; 126 million yen for information technology; and 7,901 million yen for other facilities and equipment to upgrade product lines and reinforce overall productivity.

(3) Issues to be Addressed

With concerns of stronger limits on movement being reintroduced in the face of a resurgence of new coronavirus infections, sharply higher resource prices and logistics costs, and shortages in supplies of semiconductors and other components, the outlook for the global economy in fiscal 2022 remains uncertain. Continued growth is forecast for the U.S. economy against a backdrop of solid retail consumption, despite a resurgence of new coronavirus infections and inflation concerns. The pace of economic growth in Europe is seen slowing because of the resurgence of new coronavirus infections and soaring energy prices. In Japan, the pace of recovery is seen being only gradual from the effect of the resurgence of new coronavirus infections. In emerging market countries, while exports are expected to remain strong in China due to external demand, an overall gradual pace of growth is anticipated from the resurgence of new coronavirus infections in other emerging countries.

With regard to markets related to the Mabuchi Group's products, we see an uncertain direction for the automotive products market, with expected strength from a recovery in global automotive demand, but also supply shortfalls for semiconductors and other parts and logistics disruptions. In the consumer and industrial products market, we expect demand to grow in all markets, and are forecasting an overall recovery.

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

1) Expansion of Market Share in the Power Window Lifter Motor Business

With regard to motors for power window lifters, two of the three major North American

automakers had already been using Mabuchi's products, and in January 2021 we received approval from the third automaker, marking a step forward in obtaining business from that manufacturer. We will continue with our activities to increase sales by integrating the operations of America Mabuchi, our sales base, and Mexico Mabuchi, our production base, with the aim of having all three North American automakers expand the number of models equipped with our products.

In addition, three Japanese automakers had already been using Mabuchi's products, and in 2021 we won orders from two additional Japanese automakers. We aim to increase orders from these fourth and fifth Japanese automakers, while at the same time, we are carrying out sales activities at the three Japanese automakers that had already been using our products to increase our market share by having them switch from competitors' products to our products and use our products in new models. During the second half of fiscal 2021, Poland Mabuchi started mass production and sales for luxury vehicles in Europe. We intend to build on this to increase further the number of models made by European automakers using our products.

In the market for motors for power window lifters, the development of competitive new products has a significant effect on future business expansion, and we are developing new-generation products that incorporate the latest technologies and further strengthening our sales activities, with the aim of establishing a position as de facto standard products and further increasing our market share.

2) Expansion of Medium-sized and Small Automotive Motor Sales and New Applications

In the area of medium-sized automotive motors, which includes motors for power seats, motors for electric parking brakes, and motors for door closers, we are developing and engaging in sales activities for standardized motors that can be used for multiple applications based on our standardization strategy. In 2021, we began supplying new power seat products to a major Japanese customer with motors that can be used for a variety of mechanisms including reclining and height and tilt adjustment, as we work to expand our share among existing customers and develop new customers.

The automobile market has recently been experiencing an accelerating shift toward electric vehicles, and we view this trend as an opportunity for our product lineup, which boasts compact, lightweight, high efficiency, and low noise, to gain recognition. We will work to increase sales of medium-sized automotive motors by leveraging our strength of having lineups in both brush motors and brushless motors to provide solutions tailored to customer requests.

3) Sales Expansion of New Applications in the Consumer and Industrial Products Segment

The consumer and industrial products segment is expected to see significant growth going forward in the collaborative robots and mobility markets, and the use of Mabuchi's products is growing as well. We are working to expand our product lineup for these growing markets, and have won orders for new hollow structure brushless motors for collaborative robots. We have won orders for mobility-use brushless motors for a variety of applications, including in automated guided vehicles (AGVs), small mobility, and stair lifts. We will continue to work to increase sales by developing products for new customers and for new applications.

We have also set a solid return to growth in the business of motors for consumer and industrial products with the acquisition in July 2021 of Mabuchi Motor Electromag, as we prepare to make a full-scale entry into motors for medical equipment through increased sales of high value-added products.

4) Pursuing Mabuchi Global Management System

We have added "diversity" that connects staff across business locations and makes use of diverse values to the "global five-pole structure," which increases the autonomy and independence of overseas business locations to achieve local production for local consumption, as we pursue "Mabuchi global management system." 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 creating solid development, manufacturing, and sales structures at each location, we will offer a stable, global supply of high-quality products at reasonable prices.

5) Sustainability Initiatives

Mabuchi views the Sustainable Development Goals (SDGs) as targets that will place an emphasis on people while also facilitating economic growth. In partnership with our customers, we are working to popularize automobiles equipped with features for safe driving that prevent traffic accidents and lead to fewer fatalities, and accident-prevention functions, recognizing the importance of addressing global environmental and social issues through our business activities, and we will continue to work proactively to resolve these issues. By contributing to the resolution of issues facing global society through our motor 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)

	78th fiscal term (FY2018)	79th fiscal term (FY2019)	80th fiscal term (FY2020)	81st fiscal term (FY2021)
Net sales	143,116	131,807	116,432	134,595
Ordinary income	24,804	20,854	12,675	19,570
Profit attributable to owners of parent stock	22,925	14,234	8,987	14,251
Profit per share (Yen)	341.19	214.00	135.64	216.75
ROE (%)	9.4	5.8	3.7	5.7
Total assets	267,050	268,244	262,559	285,704
Net assets	244,454	245,172	239,103	259,909
Shareholders' equity ratio (%)	91.5	91.4	91.0	90.9
Net assets per share (Yen)	3,640.08	3,690.86	3,623.63	3,975.34
Cash dividends per share (Yen)	135	135	135	115
Dividend payout ratio (%)	39.6	63.1	99.5	53.1
Dividend on equity ratio (%)	3.7	3.7	3.7	3.0

(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.
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 81st 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 81st Ordinary General Meeting of Shareholders.
5. As the Company's shares held by the ESOP Trust Utilizing Employee Shareholding Association 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 78th fiscal term.
6. As the Company's shares held by the Mabuchi Motor Employee Ownership Association 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 79th, 80th and 81st fiscal terms. 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. As the Company's shares held by 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 for the 78th,

79th, 80th and 81st fiscal terms. 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.

8. Beginning in the 79th fiscal term, the Company has applied the Partial Amendments to Accounting Standard for Tax Effect Accounting. The indicators for the 78th fiscal term have been calculated using financial statement figures after retroactive application of the amendments.

(5) Major Business Conducted by the Mabuchi Group (As of December 31, 2021)

The Mabuchi Group, consisting of the Company and its 22 subsidiaries (of which 21 are consolidated subsidiaries), engages in the manufacture and sales of small motors used for automotive products, consumer and industrial products, etc.

2. Matters Relating to Stocks (As of December 31, 2021)

- (1) Total Number of Shares Authorized: 200,000,000
- (2) Total Number of Shares Issued: 67,843,062
(Including 2,318,003 shares of treasury stock)
- (3) Number of Shareholders: 24,177
(Increased by 4,332 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)	8,315,400	12.7
Takaichi Mabuchi	5,000,800	7.6
Custody Bank of Japan, Ltd. (Trust Account)	3,779,600	5.8
Mabuchi International Scholarship Foundation, Public Interest Incorporated Foundation	3,000,000	4.6
Premiere Corporation	2,068,600	3.2
Tamotsu Mabuchi	2,030,414	3.1
Takashi Mabuchi	2,010,600	3.1
Ray Corporation Co., Ltd.	1,746,000	2.7
Misaki Engagement Master Fund	1,429,300	2.2
MUFG Bank, Ltd.	1,010,890	1.5

(Notes)

- The number of shares of treasury stock (2,318,003 shares) is excluded from “Percentage of shares held.” The percentages are rounded to one decimal place.
 - 13,300 shares held by the Mabuchi Motor Employee Ownership Association Trust and 154,425 shares held by the Executive Compensation BIP Trust are included in the calculation of “Percentage of shares held.”
- (5) Status of Shares Granted to Directors 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
Directors (excluding residents of foreign countries as well as directors who are audit and supervisory committee members and outside directors)	Performance-based stock compensation	18,500	6
	Restricted stock compensation	7,380	6

(Note) Shares are not granted to residents of foreign countries as well as directors who are audit and supervisory committee members and outside directors.

(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 directors and executive officers (performance-based stock compensation plan), which is closely linked to medium-term business performance, with the purpose of enhancing the motivation of directors 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 154,425 shares.

2) Purchase of Treasury Stock

Treasury stock purchased in accordance with a resolution at a meeting of the Board of Directors held on February 12, 2021

- Class and total number of shares purchased: 719,400 shares of common stock of the Company
- Total amount of purchase cost: ¥2,999,683,500
- Purchase period: from February 15, 2021 to December 15, 2021

3) Cancellation of Treasury Stock

Treasury stock cancelled in accordance with a resolution at a meeting of the Board of Directors held on February 12, 2021

- Class and total number of shares cancelled: 719,400 shares of common stock of the Company
- Date of cancellation: December 30, 2021

4) 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 13,300 shares.

3. Matters Concerning the Subscription Rights to Shares

Subscription Rights to Shares Held by the Company's Directors as of December 31, 2021.

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	199 units	Two (2) directors of the Company (excluding audit and supervisory committee members and outside directors)	3,980 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	133 units	Two (2) directors of the Company (excluding audit and supervisory committee members and outside directors)	2,660 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	297 units	Four (4) directors of the Company (excluding audit and supervisory committee members and outside directors)	2,970 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	480 units	Four (4) directors of the Company (excluding audit and supervisory committee members and outside directors)	4,800 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	464 units	Four (4) directors of the Company (excluding audit and supervisory committee members and outside directors)	4,640 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

(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 director'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.

4. Directors of the Company

(1) Directors

(As of December 31, 2021)

Position	Name	Duty and Significant Positions Concurrently Held
Representative Director and President	Hiroo OKOSHI	CEO
Representative Director	Masato ITOKAWA	COO, Senior Managing Executive Officer, in charge of Internal Controls and Chief Quality and Environmental Officer
Director	Hiroto KATAYAMA	Managing Executive Officer, Assistant to the President, Chief Officer of Subsidiaries, Chief Administrative Officer, in charge of Purchasing and Senior General Manager of Human Resources and General Affairs Headquarters
Director	Shinichi TANIGUCHI	Managing Executive Officer and Chief Technology Officer
Director	Tadahito IYODA	Executive Officer, Senior General Manager of Corporate Planning Headquarters and General Manager of Corporate Communication Department
Director	Takashi KAWAMURA	Executive Officer, Assistant to the COO and Senior General Manager of Consumer and Industrial Product Business Unit
Outside Director	Naoki MITARAI	
Outside Director	Kazuhiko TSUTSUMI	
Outside Director	Jody L. ONO	
Director (Full-time Audit and Supervisory Committee Member)	Kazuyuki SOMEYA	
Outside Director (Audit and Supervisory Committee Member)	Takashi ASAI	Attorney, Partner of DAI-ICHI FUYO LAW OFFICE
Outside Director (Audit and Supervisory Committee Member)	Kyoko UEMURA	External Director, SoftBank Corp. External Auditor, MS&AD Insurance Group Holdings, Inc. Attorney, Partner of Miyama, Koganemaru & Associates
Outside Director (Audit and Supervisory Committee Member)	Yoko TOYOSHI	Outside Audit & Supervisory Board Member, KOKUYO Co., Ltd. Outside Director (Audit and Supervisory Committee Member), ALPS ALPINE CO., LTD. Representative, Certified Public Accountant Yoko Toyoshi Office

(Notes)

1. Directors Naoki MITARAI, Kazuhiko TSUTSUMI and Jody L. ONO and Directors (who are Audit and Supervisory Committee Members) Takashi ASAI, Kyoko UEMURA and Yoko TOYOSHI are outside directors. The Company has designated them as “independent officers” as stipulated by the Tokyo Stock Exchange and registered them there.
2. The Company has elected Kazuyuki SOMEYA 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. Director (Full-time Audit and Supervisory Committee Member) Kazuyuki SOMEYA has engaged in the administration of the Company for many years. He has also served in overall management as the President of a Chinese subsidiary of the Company and has significant knowledge of finance and accounting.
4. Director (Audit and Supervisory Committee Member) Yoko TOYOSHI is a certified public accountant and has professional knowledge of finance and accounting.
5. Directors (Audit and Supervisory Committee Members) Takashi ASAI and Kyoko UEMURA are attorneys. They are familiar with corporate legal affairs and have significant knowledge of finance and accounting.
6. Changes of Directors during the Fiscal Year under Review
 - 1) At the 80th Ordinary General Meeting of Shareholders held on March 30, 2021, Takashi KAWAMURA was elected as a director for the first time and assumed the position of director.
 - 2) Director Eiji UENISHI and Directors who are Audit and Supervisory Committee Members Toru MASUDA and Yukie TOGE retired as directors due to the expiration of their terms of office at the conclusion of the 80th Ordinary General Meeting of Shareholders held on March 30, 2021.
7. The Company reinforces business execution and supervision functions by entrusting directors 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 directors are as follows:

Name	Areas of responsibility
Eiji UENISHI	Managing Executive Officer, In charge of Product Development and Senior General Manager of Automotive Product Business Unit 1
Tsuyoshi NAKAMURA	Managing Executive Officer, In charge of Sales, Senior General Manager of Automotive Product Business Unit 2 and Chief Regional Officer in Europe
Toru SHIBASAKI	Executive Officer and Senior General Manager of Manufacturing Headquarters
Takumi TOMITA	Executive Officer, In charge of Accounting and Finance
Satoshi SUZUKI	Executive Officer, In charge of Information Technology, Senior General Manager of Business Platform Innovation Headquarters and General Manager of Engineering Management Department
QUAN Da Yong	Group Managing Executive Officer and Chief Regional Officer in China
Tomofumi IMAMURA	Group Executive Officer and Chairman of Mabuchi Motor Electromag SA
SHU Zheng	Group Executive Officer and Deputy Chief Regional Officer in China
Hoang SON	Group Executive Officer, Chairman and President of MABUCHI MOTOR VIETNAM LTD. and Chairman of MABUCHI MOTOR DANANG LTD.

(Note) Electromag SA was renamed Mabuchi Motor Electromag SA on February 8, 2022.

(2) Overview, etc., of Details of Directors and Officers Liability Insurance

The Company has entered into a directors 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 directors 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 Directors

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 directors. The policy had been reported to the Board of Directors following comprehensive discussions by the Remuneration Committee.

The Board of Directors deems that directors' 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 directors and directors 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 an annual meeting of the Remuneration Committee, of which the majority of members are outside directors, so as to ensure objectiveness and transparency.
- The bonus amount for each director is determined by the Remuneration Committee, as delegated by the Board of Directors.
- The assessment of individuals reflected in performance-based remuneration is determined by the Nominating Committee, of which the majority of members are outside directors.

[Overview of the Remuneration System]

Policy and overview of the remuneration system for directors (excluding outside directors and directors 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)

1. 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.
2. The maximum amount of total monetary remuneration includes the basic remuneration of outside directors (excluding directors 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 directors' 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 is linked to the attainment of indicators mentioned in the medium-term plan, which is established every three fiscal years, and has been introduced to enhance directors' motivation to contribute to increased corporate value by achieving the goals of the medium-term plan. The remuneration amount is calculated within a range of 0 to 240% depending on the attainment of assessment indicators, and is determined by reflecting the assessment of the individual.

$$\text{Medium-term plan indicators} = \text{Net sales} + \text{Operating income ratio} + \text{ROIC} \\ + \text{Sustainability indicators}$$

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 directors. The restrictions will be lifted upon the director'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 director 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 directors' 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
Directors (excluding audit and supervisory committee members) [of whom, outside directors]	10 [3]	415 [28]	199 [28]	147 [—]	33 [—]	35 [—]
Directors (audit and supervisory committee members) [of whom, outside directors]	6 [5]	49 [28]	49 [28]	— [—]	— [—]	— [—]
Total [of whom, outside directors]	16 [8]	464 [57]	248 [57]	147 [—]	33 [—]	35 [—]

(Notes)

1. The policy for decision making on the breakdown of the individual remuneration, etc. for directors 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 directors (excluding directors 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 directors is no more than 50 million yen) at the 78th Ordinary General Meeting of Shareholders held on March 28, 2019. The number of directors (excluding directors who are audit and supervisory committee members) at the conclusion of said general meeting of shareholders was nine (three of whom are outside directors).
3. With regard to performance-based remuneration, bonus and trust-type stock compensation have been established for directors excluding outside directors 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 14.2 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 directors (excluding outside directors 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 medium-term plan (three fiscal years, in principle) and its result is fixed after the end of the final year of the plan (fiscal 2023). The trust-type stock compensation in the table above indicates the expected amount of the Company's shares, etc. to be granted, which is 33 million yen, based on the number of points that are expected to be granted to the directors (six directors, excluding outside directors 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 directors (excluding outside directors 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 directors 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 directors who are audit and supervisory committee members at the conclusion of said general meeting of shareholders was four.
6. Delegation regarding the task of determining the amount of individual remuneration for directors is as described in item 1) Policy for Decision-Making on Breakdown of Executive Remuneration, etc.

(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) Director (Audit and Supervisory Committee Member) Takashi ASAI also serves as a 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) Director (Audit and Supervisory Committee Member) Kyoko UEMURA also serves as Attorney, Partner of Miyama, Koganemaru & Associates, External Auditor of MS&AD Insurance Group Holdings, Inc., and External Director of SoftBank Corp. There has been no trading or other special relationship between Miyama, Koganemaru & Associates, MS&AD Insurance Group Holdings, Inc. or SoftBank Corp. and the Company.
 - iii) Director (Audit and Supervisory Committee Member) Yoko TOYOSHI also serves as Outside Director (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.

2) Major Activities during the Fiscal Year under Review

	Activities
Director 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.
Director Kazuhiko TSUTSUMI	Attended 24 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.
Director Jody L. ONO	Attended all 25 meetings of the Board of Directors held during the fiscal year under review. Based on her ample international experience in the university education field and deep insight on human resources development, etc. 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.
Director (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 11 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.
Director (Audit and Supervisory Committee Member) Kyoko UEMURA	Since her appointment in March 2021, attended 18 of the 19 meetings of the Board of Directors held during the fiscal year under review. Based on her ample experience and professional viewpoints on corporate legal affairs as an attorney 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 eight meetings of the Audit and Supervisory Committee held after her appointment as audit and supervisory committee member. Based on her professional viewpoint, she provided insightful comments such as when offering opinions on the audit results.
Director (Audit and Supervisory Committee Member) Yoko TOYOSHI	Since her appointment in March 2021, attended all 19 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 eight meetings of the Audit and Supervisory Committee held after her appointment as audit and supervisory committee member. 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 four 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 directors 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, 2021)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)	285,704	(Liabilities)	25,794
Current assets	185,577	Current liabilities	21,136
Cash and bank deposits	104,001	Trade notes and accounts payable	7,442
Trade notes and accounts receivable	24,009	Accrued income taxes	3,034
Short-term investments	1,500	Accrued bonuses due to employees	226
Merchandises and finished goods	35,035	Accrued bonuses due to directors	241
Work in process	1,118	Other current liabilities	10,190
Raw materials and supplies	14,766	Long-term liabilities	4,658
Other current assets	5,281	Long-term loans payable	122
Allowance for doubtful accounts	(134)	Accrued benefits for stock payment	65
Fixed assets	100,126	Liability for retirement benefits	2,109
Property, plant and equipment	83,760	Asset retirement obligations	32
Buildings and structures	22,088	Deferred tax liabilities-non-current	1,923
Machinery, equipment and vehicles	36,449	Other long-term liabilities-non-current	405
Tools, furniture and fixture	3,927	(Net assets)	259,909
Land	6,626	Shareholders' equity	250,020
Construction in progress	14,667	Common stock	20,704
Intangible assets	5,497	Additional paid-in capital	20,419
Goodwill	2,708	Retained earnings	219,773
Other intangible assets	2,788	Treasury stock	(10,877)
Investments and other assets	10,869	Accumulated other comprehensive income	9,797
Investment securities	8,730	Net unrealized holding gains on securities	1,900
Deferred tax assets-non-current	780	Deferred gains or losses on hedges	(3)
Other investments and other assets	1,390	Foreign currency translation adjustments	8,286
Allowance for doubtful accounts	(31)	Retirement benefits liability adjustments	(386)
		Subscription rights to shares	91
Total assets	285,704	Total liabilities and net assets	285,704

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

Consolidated Statement of Income
(For the year ended December 31, 2021)

(Millions of yen)

Item	Amount	
Net sales		134,595
Cost of sales		98,180
Gross profit		36,415
Selling, general and administrative expenses		22,615
Operating income		13,800
Non-operating income		
Interest income	533	
Dividend income	299	
Foreign exchange gains	2,880	
Gain on sale of raw material scrap	2,068	
Other	558	6,340
Non-operating expenses		
Stock-related expenses	142	
Soil cleanup expenses	48	
Depreciation	172	
Other	206	570
Ordinary income		19,570
Extraordinary income		
Gain on disposal of fixed assets	4	
Gain on sales of investment securities	974	
Gain on reversal of foreign currency translation adjustments resulting from liquidation of foreign subsidiary	282	1,261
Extraordinary loss		
Loss on disposal of fixed assets	164	
Extraordinary retirement expenses	130	
Loss related to infectious disease	433	
Loss on sales of golf club memberships	1	729
Profit before income taxes		20,102
Income taxes		
Current	6,287	
Deferred	(437)	5,850
Profit		14,251
Profit attributable to owners of parent stock		14,251

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

Consolidated Statement of Changes in Net Assets

(For the year ended December 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	20,704	20,419	216,929	(11,555)	246,499
Changes of items during the period					
Cash dividend (Note: 1)	—	—	(4,504)	—	(4,504)
Cash dividend (Interim dividends)	—	—	(3,764)	—	(3,764)
Profit attributable to owners of parent stock	—	—	14,251	—	14,251
Purchase of treasury stock	—	—	—	(3,013)	(3,013)
Disposal of treasury stock	—	4	—	547	551
Cancellation of treasury stocks	—	(4)	(3,139)	3,143	—
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	—	—	2,843	677	3,521
Ending balance	20,704	20,419	219,773	(10,877)	250,020

(Millions of yen)

	Accumulated other comprehensive income					Subscription rights to shares	Total net assets
	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Beginning balance	1,985	—	(8,928)	(545)	(7,487)	91	239,103
Changes of items during the period							
Cash dividend (Note: 1)	—	—	—	—	—	—	(4,504)
Cash dividend (Interim dividends)	—	—	—	—	—	—	(3,764)
Profit attributable to owners of parent stock	—	—	—	—	—	—	14,251
Purchase of treasury stock	—	—	—	—	—	—	(3,013)
Disposal of treasury stock	—	—	—	—	—	—	551
Cancellation of treasury stock	—	—	—	—	—	—	—
Net changes of items other than shareholders' equity	(85)	(3)	17,214	158	17,285	—	17,285
Total changes of items during the period	(85)	(3)	17,214	158	17,285	—	20,806
Ending balance	1,900	(3)	8,286	(386)	9,797	91	259,909

(Notes)

1. The dividends were paid as appropriations of retained earnings based on a resolution at the 80th ordinary general meeting of shareholders held on March 30, 2021.
2. Amounts less than one million yen have been omitted.

<Reference>

Consolidated Statement of Comprehensive Income

(For the year ended December 31, 2021)

(Millions of yen)

Item	Amount
Profit	14,251
Other comprehensive income	
Net unrealized holding gains (losses) on securities	(85)
Deferred gains or losses on hedges	(3)
Foreign currency translation adjustments	17,214
Retirement benefits liability adjustments	158
Total other comprehensive income	17,285
Comprehensive income	31,536
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent stock	31,536
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, 2021)

(Millions of yen)

Item	Amount
Cash flows from operating activities	
Profit before income taxes	20,102
Depreciation and amortization	9,974
Increase (Decrease) in liability for retirement benefits	159
Interest and dividends income	(833)
Foreign exchange losses (gains)	(3,604)
Loss (Gain) on sales of investment securities	(974)
Loss (Gain) on disposal of fixed assets	160
Gain on reversal of foreign currency translation adjustments resulting from liquidation of foreign subsidiary	(282)
Decrease (Increase) in trade notes and accounts receivable	2,641
Decrease (Increase) in inventories	(14,109)
Increase (Decrease) in trade notes and accounts payable	750
Loss on sales of golf club memberships	1
Other, net	(472)
Sub total	13,512
Interest and dividends received	797
Income taxes paid	(5,566)
Net cash provided by operating activities	8,743
Cash flows from investing activities	
Increase of time deposits	(735)
Proceeds from withdrawal of time deposits	171
Purchase of fixed assets	(9,622)
Proceeds from sales of fixed assets	16
Purchase of investment securities	(2)
Proceeds from sales of investment securities	1,142
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,080)
Other, net	139
Net cash used in investing activities	(12,970)
Cash flows from financing activities	
Repayment of long-term loans payable	(257)
Cash dividends paid	(8,269)
Purchase of treasury stock	(3,008)
Proceeds from sales of treasury stock	251
Net cash used in financing activities	(11,285)
Effect of exchange rate changes on cash and cash equivalents	8,859
Net increase (decrease) in cash and cash equivalents	(6,651)
Cash and cash equivalents at beginning of period	110,190
Cash and cash equivalents at end of period	103,539

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

Non-Consolidated Balance Sheet

(As of December 31, 2021)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)	179,685	(Liabilities)	12,321
Current assets	76,928	Current liabilities	11,061
Cash and bank deposits	37,523	Accounts payable	6,346
Trade notes receivable	221	Accounts payable-other	1,142
Accounts receivable	33,257	Accrued expenses	536
Short-term investments	1,500	Accrued income taxes	2,209
Merchandises and finished goods	2,523	Accrued bonuses due to employees	226
Work in process	16	Accrued bonuses due to directors	215
Raw materials and supplies	903	Other current liabilities	385
Other current assets	983	Long-term liabilities	1,259
Fixed assets	102,757	Long-term loans payable	122
Property, plant and equipment	14,193	Accrued benefits for stock payment	65
Buildings	6,958	Allowance for retirement benefits for employees	928
Structures	458	Asset retirement obligations	32
Machinery and equipment	304	Other long-term liabilities-non-current	110
Vehicles	1		
Tools, furniture and fixture	449	(Net assets)	167,364
Land	5,991	Shareholders' equity	165,375
Construction in progress	29	Common stock	20,704
Intangible assets	738	Additional paid-in capital	20,419
Software	440	Legal capital surplus	20,419
Software in progress	292	Retained earnings	135,129
Other intangible assets	4	Legal retained earnings	3,819
Investments and other assets	87,824	Other legal retained earnings	131,309
Investment securities	8,660	Reserve for the reduction of fixed assets	84
Stocks of subsidiaries and affiliates	21,238	General reserve	170,119
Investments in capital of subsidiaries and affiliates	52,630	Retained earnings carried forward	(38,894)
Long-term loans receivable from subsidiaries and affiliates	5,130	Treasury stock	(10,877)
Deferred tax assets	18	Revaluation/translation adjustments	1,896
Other investments and other assets	178	Net unrealized holding gains on securities	1,900
Allowance for doubtful accounts	(31)	Deferred gains or losses on hedges	(3)
		Subscription rights to shares	91
Total assets	179,685	Total liabilities and net assets	179,685

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

Non-Consolidated Statement of Income

(For the year ended December 31, 2021)

(Millions of yen)

Item	Amount	
Net sales		96,113
Cost of sales		74,968
Gross profit		21,145
Selling, general and administrative expenses		15,420
Operating income		5,724
Non-operating income		
Interest income	206	
Interest on short-term investments	0	
Dividend income	13,481	
Foreign exchange gains	3,589	
Other	216	17,494
Non-operating expenses		
Stock-related expenses	142	
Other	71	213
Ordinary income		23,004
Extraordinary income		
Gain on disposal of fixed assets	1	
Gain on sales of investment securities	974	975
Extraordinary loss		
Loss on disposal of fixed assets	1	
Loss on sales of golf club memberships	1	2
Profit before income taxes		23,978
Income taxes		
Current	3,441	
Deferred	(88)	3,352
Profit		20,625

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

Non-Consolidated Statement of Changes in Net Assets

(For the year ended December 31, 2021)

(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	—	—	4	4	—
Cancellation of treasury stock	—	—	(4)	(4)	—
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	88	170,119	(48,116)	125,911
Changes of items during the period				
Cash dividend (Note: 1)	—	—	(4,504)	(4,504)
Cash dividend (Interim dividends)	—	—	(3,764)	(3,764)
Profit	—	—	20,625	20,625
Purchase of treasury stock	—	—	—	—
Disposal of treasury stock	—	—	—	—
Cancellation of treasury stock	—	—	(3,139)	(3,139)
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)	—	9,221	9,217
Ending balance	84	170,119	(38,894)	135,129

(Millions of yen)

	Shareholders' equity		Revaluation/translation adjustments			Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Total revaluation/translation adjustments		
Beginning balance	(11,555)	155,480	1,985	—	1,985	91	157,558
Changes of items during the period							
Cash dividend (Note: 1)	—	(4,504)	—	—	—	—	(4,504)
Cash dividend (Interim dividends)	—	(3,764)	—	—	—	—	(3,764)
Profit	—	20,625	—	—	—	—	20,625
Purchase of treasury stock	(3,013)	(3,013)	—	—	—	—	(3,013)
Disposal of treasury stock	547	551	—	—	—	—	551
Cancellation of treasury stock	3,143	—	—	—	—	—	—
Reversal of reserve for the reduction of fixed assets	—	—	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	(85)	(3)	(88)	—	(88)
Total changes of items during the period	677	9,895	(85)	(3)	(88)	—	9,806
Ending balance	(10,877)	165,375	1,900	(3)	1,896	91	167,364

(Notes)

1. The dividends were paid as appropriations of retained earnings based on a resolution at the 80th ordinary general meeting of shareholders held on March 30, 2021.
2. Amounts less than one million yen have been omitted.