



April 27, 2023

Name of company: MABUCHI MOTOR CO., LTD.
Representative: Shinichi Taniguchi,
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(Securities code: 6592)
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Notice of Disposal of Treasury Stock through Third-Party Allotment

Mabuchi Motor Co., Ltd. (hereinafter, the “Company”) announces that its Board of Directors resolved to dispose of treasury stock by third-party allotment at a meeting held today, as outlined below.

1. Outline of disposal

(1) Disposal date	May 18, 2023
(2) Number of shares to be disposed of	113,600shares
(3) Disposal price	4,035yen per share
(4) Total amount of disposal	458,376,000yen
(5) Allottee	Japan Master Trust Trust Bank Corporation (Stock-Linked ESOP Trust Account)
(6) Other	The disposal of treasury stock is subject to the effectiveness of the registration statement to be filed as per the Financial Instruments and Exchange Act.

2. Purpose and reason for disposal

We are pleased to announce that at the Board of Directors meeting held on April 27, 2023, we have resolved to introduce a stock-based Employee Stock Ownership Plan (ESOP) as an incentive plan for our management team to further enhance their awareness of achieving our medium-term management plan and increasing corporate value.

The disposal of our own shares is to be conducted through a third-party allocation to Japan Master Trust Bank of Japan Ltd., which is a joint trustee of the Employee Stock Ownership Plan (ESOP) trust agreement that our company has entered into with Mitsubishi UFJ Trust and Banking Corporation upon the introduction of the ESOP trust.

The number of shares to be disposed of is expected to be the number of shares to be granted to our management team during the trust period based on our stock grant regulations, and the dilution rate will be 0.17%, rounded to the third decimal place, calculated based on the total number of issued shares of 67,076,362 shares, and 0.17% of the total voting rights as of December 31, 2022, which is 650,082 shares.

The allocated shares through this self-owned stock disposition will be granted to our management team in accordance with our share grant regulations. As the shares disposed of through this process are not expected to flood the stock market all at once, the impact on the market is expected to be minimal. We believe that the number of shares disposed of and the resulting dilution are reasonable.

Please refer to the "Announcement Regarding Introduction of Trust-Type Stock Award System for Our

Management" released on April 27, 2023 for an overview of this program.

Details of the Trust Agreement

Type of Trust:	Money trust other than specified individual management money trust
Purpose of the Trust:	Incentive grant to the Company's management team
Trustor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (planned) (Co-Trustee: Japan Master Trust Bank)
Beneficiaries:	Employees of the Company who satisfy the beneficiary requirements
Trust Administrator:	A third party (Certified Public Accountant) with no interest in the Company
Trust Contract Date:	May 15, 2023 (planned)
Trust Period:	May 15, 2023 (planned) to May 31, 2027 (planned)
Exercise of voting rights:	The trustee will exercise voting rights on the Company's shares in accordance with the instructions of the trust administrator, which reflect the voting status of the beneficiary candidates.

3. The basis and specific details for calculating the disposal price

Regarding the disposal price, in order to determine an objective and reasonable price while excluding any arbitrariness, we have followed the guidelines of the Japan Securities Dealers Association for handling third-party allotment of new shares and have set the disposal price for our own shares at the closing price of our company's stock on the Tokyo Stock Exchange (hereinafter referred to as "the Tokyo Stock Exchange") on the business day immediately preceding the resolution of the Board of Directors regarding the disposal, which was 4,035 yen. We consider this to be an objective and reasonable basis for calculation, as it reflects the latest market value at the time of the Board of Directors' resolution.

The price is calculated by multiplying the average closing price of our company's stock on the Tokyo Stock Exchange for the one-month period prior to the resolution date (from March 27, 2023 to April 26, 2023), which was 3,854 yen (rounded down to the nearest yen), by a premium of 104.70% (premium rate of 4.70%). The same calculation is applied for the three-month period prior to the resolution date (from January 27, 2023 to April 26, 2023), which was 3,779 yen (rounded down to the nearest yen), by a premium of 106.77% (premium rate of 6.77%), and for the six-month period prior to the resolution date (from October 27, 2022 to April 26, 2023), which was 3,845 yen (rounded down to the nearest yen), by a premium of 104.94% (premium rate of 4.94%).

In regards to the above-mentioned disposal price, our audit and supervisory committee (consists of three external directors out of the total members) has expressed the opinion that the basis for calculating the disposal price is reasonable and legal, and does not correspond to a particularly favorable disposal price.

4. Procedures under the business code of conduct

The dilution rate of the shares in question is less than 25%, and there has been no change in the controlling shareholder, therefore, it is not necessary to obtain opinions from independent third parties as stipulated in Article 432 of the Tokyo Stock Exchange Listing Regulations or to confirm the intentions of shareholders.

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