

# CONSOLIDATED FINANCIAL RESULTS

## FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 (J-GAAP)

November 2, 2023

Name of listed company: MABUCHI MOTOR CO., LTD.

Stock exchange listing: Tokyo

Securities code: 6592 (URL: <https://www.mabuchi-motor.com/>)

Representative: Shinichi Taniguchi (Representative Director and President, COO)

Contact: Keiichi Hagita (Executive Officer, Chief Financial Officer)

Scheduled date of the filing of quarterly report: November 14, 2023

Scheduled date of start of dividends payments: —

Preparation of 3Q results presentation materials (Yes/No): **Yes**

Holding of 3Q results briefing meeting (Yes/No): **No**

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

### 1. Consolidated Results for the Nine Months Ended September 30, 2023

(From January 1, 2023 to September 30, 2023)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the nine months ended September 30, 2023	129,086	12.7	8,807	18.6	20,036	(0.4)	15,364	7.9
September 30, 2022	114,568	13.1	7,428	(33.2)	20,113	29.5	14,243	29.9

Note: Comprehensive income

Nine months ended September 30, 2023: ¥38,708 million [(8.9)%]    Nine months ended September 30, 2022: ¥42,497 million [79.4%]

	Profit per share	Fully diluted profit per share
	Yen	Yen
For the nine months ended September 30, 2023	237.69	237.63
September 30, 2022	219.84	219.78

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	338,873	308,836	91.1
December 31, 2022	307,786	280,175	91.0

Reference: Shareholders' equity

As of September 30, 2023: ¥308,773 million    As of December 31, 2022: ¥280,105 million

### 2. Dividends

	Dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2022	—	67.00	—	68.00	135.00
Fiscal 2023	—	67.00	—		
Fiscal 2023 (forecast)				83.00	150.00

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

Note: Breakdown of 2nd quarter-end dividend for fiscal 2022: Special dividend: ¥52.00

Breakdown of year-end dividend for fiscal 2022: Special dividend: ¥53.00

Breakdown of 2nd quarter-end dividend for fiscal 2023 (forecast): Special dividend: ¥52.00

Breakdown of year-end dividend for fiscal 2023 (forecast): Special dividend: ¥53.00

Breakdown of 2nd quarter-end dividend for fiscal 2023 (forecast): Commemorative dividend: ¥—

Breakdown of year-end dividend for fiscal 2023 (forecast): Commemorative dividend: ¥15.00

### 3. Consolidated Results Forecasts for the Fiscal Year (From January 1 to December 31, 2023)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Full year	173,000	10.4	13,000	20.1	21,100	(1.7)	16,200	13.3	Yen 250.61

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

#### Notes

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

- (4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)	Sep. 30, 2023	67,076,362	Dec. 31, 2022	67,076,362
2) Number of shares of treasury stock at the end of the period	Sep. 30, 2023	2,711,717	Dec. 31, 2022	2,442,888
3) Average number of shares during the period	Jan.–Sep. 2023	64,643,785	Jan.–Sep. 2022	64,789,733

\* The quarterly review procedure by a Certified Public Accountant or an auditing firm does not apply these Consolidated Financial Results.

\* Explanation related to appropriate use of results forecasts and other items warranting special mention

The above forecasts are based on the information available as of the date of the release of this document. As a result, a variety of factors in the future may cause actual results to differ from these forecasts.

## **1. Qualitative Information**

### **(1) Operating Results**

During the nine months ended September 30, 2023 (January 1–September 30, 2023), the global economy moved toward a normal economic activity on the easing of measures to prevent the spread of COVID-19, but high resource prices and weak retail consumption reflecting increases in prices meant that the recovery in economic activity was gradual. In the United States, inflation caused by factors including high resource prices slowed and retail consumption was strong, underpinned by stable environments for hiring and incomes, and the economy showed a gradual recovery. European economies saw economic activity stagnate as inflation caused by high resource prices and interest rate increases in various countries depressed retail consumption. Although Japan saw some effect from inflation, the easing of COVID-19 prevention measures led to a gradual recovery as economic activity returned to normal. In emerging market economies, China's recovery in retail consumption from the lifting of zero-COVID policies proved short-lived, and with pressure from a weakening real estate market the overall recovery was only gradual.

With regard to markets related to the Mabuchi Group's products, the automotive products market saw a recovery in automobile production as shortages in supplies of semiconductors and other components eased, but at the same time there was an effect from weak retail consumption associated with inflation in various countries. The life and industrial products market slowed overall, from factors including weak retail consumption in the face of inflation and a pause in demand for certain applications with fewer people staying at home.

Against this backdrop, Mabuchi's motor sales grew 0.1% year on year in terms of volume, with a 12.6% year-on-year increase in value. As a result, consolidated net sales for the period under review were 129,086 million yen (a 12.7% increase year on year), and motor sales, which account for the majority of net sales, were 129,048 million yen (a 12.6% increase year on year).

Although operating income was negatively affected by factors including higher costs, this was more than offset by the positive effects of a weaker yen year on year and improvements in sales prices and the product mix, resulting in operating income of 8,807 million yen (an 18.6% increase year on year). Ordinary income was boosted by the increase in operating income, but a decrease in foreign exchange gains with the yen's depreciation on term-end valuations of foreign currency-denominated assets and liabilities and other factors resulted in ordinary income of 20,036 million yen (a 0.4% decrease year on year). Profit before income taxes was 20,636 million yen (a 5.8% increase year on year), and profit attributable to owners of parent was 15,364 million yen (a 7.9% 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 100,673 million yen (an 18.9% increase year on year). Sales of medium-sized automotive motors grew on increased sales of motors for power window lifters, power seats, and electric parking brakes from a recovery in automobile production as shortages in supplies of semiconductors and other components eased. Sales of small automotive motors rose as well, with sales of motors for door mirrors, door lock actuators, air conditioning damper actuators, and headlight level adjusters benefiting from the recovery in automobile production.

#### **2) Life and Industrial Products Market**

Net sales declined to 28,375 million yen (a 5.2% decrease year on year). Sales of motors for health and medical devices rose on the contribution of sales of Mabuchi Oken, which was added to the scope of consolidation in the second quarter, but the negative effect of inflation on retail consumption and inventory adjustments as logistics returned to normal depressed sales of motors for home appliances, power tools and housing equipment.

### **(2) Financial Position**

Total assets as of September 30, 2023, were 338,873 million yen, a 31,087 million yen increase from the end of the previous fiscal year. Major changes from the end of the previous fiscal year included increases of 12,955 million yen in cash and bank deposits, 11,886 million yen in property, plant and equipment, and 6,421 million yen in trade notes and accounts receivable.

Total liabilities increased 2,426 million yen from the end of the previous fiscal year, to 30,037 million yen. Major changes from the end of the previous fiscal year included increases of 731 million yen in deferred tax liabilities—non-current and 517 million yen in trade notes and accounts payable.

Total net assets increased 28,660 million yen from the end of the previous fiscal year, to 308,836 million yen. This included increases of 22,333 million yen in foreign currency translation adjustments and 6,541 million yen in retained earnings.

### **(3) Forward-Looking Statements Including Consolidated Results Forecast**

With continued high inflation in various countries and interest rate increases to counter that inflation, combined with a sharp rise in crude oil prices as tensions in the Middle East intensify, economic activity is expected to stagnate and there are concerns of a slowdown in the global economy. In the U.S. economy, retail consumption is expected to slow from the effect of interest rate increases in response to higher prices and the resumption of student loan payments. In Europe, despite continued high inflation and interest rate increases to bring it under control, a gradual recovery in retail consumption is forecast as inflationary pressure eases from a lull in energy price increases. A gradual recovery is forecast for the Japanese economy as economic activity returns to normal following the easing of COVID-19 prevention measures, but with pressure on retail consumption as high resource prices and inflation strain household budgets. In emerging market economies, the pace of growth in China is seen slowing on a weak recovery in retail consumption, and with factors including global inflation, a slower pace of growth is forecast for emerging market economies overall.

With regard to markets related to the Mabuchi Group's products, the outlook for the automotive products market remains unclear; even though the effect on automobile production from shortages in supplies of semiconductors and other components is seen easing, the recovery is seen lacking strength from the effect of weaker demand in response to high inflation and interest rate hikes to combat inflation in various countries. In the life and industrial products market, although we are forecasting solid demand overall against a backdrop of continued stable demand for motors for health and medical devices, with the slowdown in retail consumption we anticipate weaker demand for motors for home appliances, power tools, housing equipment, and office equipment.

Against this backdrop, our forecasts for consolidated results and dividends are unchanged. As per the "Notice Concerning Recording of Non-operating Income (Foreign Exchange Gains)" released today (November 2, 2023), we recorded foreign exchange gains of 7,843 million yen in non-operating income for the nine-month period (January 1–September 30, 2023), but as the amount of foreign exchange gains is subject to change in line with foreign exchange rate movements going forward, we are leaving our forecast unchanged.

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

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

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

## 2. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

	(Millions of yen)	
	As of December 31, 2022	As of September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and bank deposits	101,612	114,568
Trade notes and accounts receivable	28,944	35,366
Short-term investments	1,500	—
Merchandise and finished goods	40,628	38,571
Work in process	1,270	1,996
Raw materials and supplies	19,494	20,389
Other current assets	7,304	7,173
Allowance for doubtful accounts	(201)	(107)
<b>Total current assets</b>	<b>200,554</b>	<b>217,958</b>
<b>Fixed assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	57,540	62,488
Accumulated depreciation	(34,938)	(38,578)
Buildings and structures, net	22,601	23,910
Machinery, equipment and vehicles	97,714	114,518
Accumulated depreciation	(56,319)	(68,240)
Machinery, equipment and vehicles, net	41,394	46,277
Tools, furniture and fixture	24,439	28,282
Accumulated depreciation	(20,595)	(24,440)
Tools, furniture and fixture, net	3,843	3,841
Land	6,726	7,125
Construction in progress	15,819	21,116
<b>Total property, plant and equipment</b>	<b>90,386</b>	<b>102,272</b>
<b>Intangible assets</b>		
Goodwill	2,853	3,037
Other intangible assets	2,624	2,637
<b>Total intangible assets</b>	<b>5,477</b>	<b>5,674</b>
<b>Investments and other assets</b>		
Investment securities	9,064	10,519
Deferred tax assets-non-current	707	692
Other investments and other assets	1,627	1,788
Allowance for doubtful accounts	(31)	(31)
<b>Total investments and other assets</b>	<b>11,367</b>	<b>12,968</b>
<b>Total fixed assets</b>	<b>107,231</b>	<b>120,915</b>
<b>Total assets</b>	<b>307,786</b>	<b>338,873</b>

(Millions of yen)

	As of December 31, 2022	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	7,989	8,506
Accrued income taxes	1,359	1,515
Accrued bonuses due to employees	198	684
Accrued bonuses due to directors	214	183
Other current liabilities	11,680	12,166
<b>Total current liabilities</b>	<b>21,442</b>	<b>23,056</b>
<b>Long-term liabilities</b>		
Long-term loans payable	1,112	1,003
Accrued benefits for stock payment	110	181
Liability for retirement benefits	1,449	1,501
Asset retirement obligations	28	28
Deferred tax liabilities-non-current	3,070	3,801
Other long-term liabilities-non-current	397	463
<b>Total long-term liabilities</b>	<b>6,169</b>	<b>6,980</b>
<b>Total liabilities</b>	<b>27,611</b>	<b>30,037</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	20,704	20,704
Additional paid-in capital	20,419	20,419
Retained earnings	222,620	229,161
Treasury stock	(10,389)	(11,607)
<b>Total shareholders' equity</b>	<b>253,355</b>	<b>258,679</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized holding gains or losses on securities	2,205	3,263
Foreign currency translation adjustments	24,318	46,651
Retirement benefits liability adjustments	225	178
<b>Total accumulated other comprehensive income</b>	<b>26,749</b>	<b>50,093</b>
<b>Subscription rights to shares</b>	<b>69</b>	<b>62</b>
<b>Total net assets</b>	<b>280,175</b>	<b>308,836</b>
<b>Total liabilities and net assets</b>	<b>307,786</b>	<b>338,873</b>

**(2) Consolidated Statements of Income and Comprehensive Income**  
**(Consolidated Statements of Income)**  
**For the Nine Months Ended September 30, 2022 and 2023**

(Millions of yen)

	Nine Months Ended September 30, 2022 (January 1, 2022 to September 30, 2022)	Nine Months Ended September 30, 2023 (January 1, 2023 to September 30, 2023)
<b>Net sales</b>	114,568	129,086
<b>Cost of sales</b>	87,734	98,892
<b>Gross profit</b>	26,834	30,193
<b>Selling, general and administrative expenses</b>	19,405	21,386
<b>Operating income</b>	7,428	8,807
<b>Non-operating income</b>		
Interest income	555	1,573
Dividend income	199	182
Foreign exchange gains	10,445	7,843
Gain on sales of raw material scrap	1,645	1,557
Other	355	572
<b>Total non-operating income</b>	13,200	11,730
<b>Non-operating expenses</b>		
Stock-related expenses	134	147
Depreciation	130	135
Other	249	218
<b>Total non-operating expenses</b>	515	500
<b>Ordinary income</b>	20,113	20,036
<b>Extraordinary income</b>		
Gain on disposal of fixed assets	4	6
Gain on sale of investment securities	—	208
Gain on sales of golf memberships	3	—
Gain on bargain purchase	—	659
Gain on revision of retirement benefit plan	—	113
<b>Total extraordinary income</b>	7	987
<b>Extraordinary loss</b>		
Loss on disposal of fixed assets	408	233
Extraordinary retirement expenses	208	154
Loss on sales of golf memberships	0	—
<b>Total extraordinary loss</b>	616	388
<b>Profit before income taxes</b>	19,504	20,636
<b>Income taxes</b>	5,261	5,271
<b>Profit</b>	14,243	15,364
<b>Profit attributable to owners of parent</b>	14,243	15,364

**(Consolidated Statements of Comprehensive Income)**  
**For the Nine Months Ended September 30, 2022 and 2023**

(Millions of yen)

	Nine Months Ended September 30, 2022 (January 1, 2022 to September 30, 2022)	Nine Months Ended September 30, 2023 (January 1, 2023 to September 30, 2023)
<b>Profit</b>	14,243	15,364
<b>Other comprehensive income</b>		
Net unrealized holding gains or losses on securities	(355)	1,058
Deferred gains or losses on hedges	3	—
Foreign currency translation adjustments	28,507	22,333
Retirement benefits liability adjustments	98	(47)
<b>Total other comprehensive income</b>	28,254	23,344
<b>Comprehensive income</b>	42,497	38,708
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	42,497	38,708
Comprehensive income attributable to non-controlling interests	—	—



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

**(Notes on Significant Changes in Shareholders' Equity)**  
**(Purchase of treasury stock)**

The Company purchased 331,500 shares of treasury stock (total amount of purchase cost: 1,504 million yen) pursuant to a resolution at a meeting of the Board of Directors held on August 10, 2023. As a result, treasury stock at the end of the third quarter of the current fiscal year was 11,607 million yen.

**(Changes in Scope of Consolidation or Scope of Application of Equity Method)**

From the first quarter of the fiscal year ending December 31, 2023, due to the acquisition of shares of Oken Seiko Co., Ltd. (currently, Mabuchi Motor Oken Co., Ltd.), the scope of consolidation includes Oken Seiko Co., Ltd., Oken Co., Ltd., Dalian Oken Seiko Co., Ltd. (currently, Mabuchi Motor Oken Dalian Co., Ltd.) and Oken Seiko Vietnam Co., Ltd. (currently, Mabuchi Motor Oken Vietnam Company Ltd.)

The Company's consolidated subsidiary Oken Co., Ltd. merged with the Company's consolidated subsidiary Mabuchi Motor Oken Co., Ltd. via merger by absorption effective July 1, 2023, with Oken Co., Ltd. dissolved and Mabuchi Motor Oken Co., Ltd. as the surviving entity, and has therefore been removed from the scope of consolidation from the third quarter of the fiscal year.

**(Application of Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements)**  
**(Calculation of tax expense)**

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

**(Changes in Accounting Policies)**

The Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31; June 17, 2021) is being applied from the beginning of the first quarter of the current fiscal year. As per the transitional measures stipulated in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the new accounting policies stipulated in the Implementation Guidance on Accounting Standard for Fair Value Measurement are being applied into the future. There is no effect on the consolidated financial statements.

**(Additional Information)**

**(Revision of retirement benefits systems)**

The retirement benefits systems at the Company were revised effective April 1, 2023, shifting a portion of the defined benefit pension plans to corporate defined contribution pension plans.

The accounting treatment for this shift is as per the Accounting for Transfer between Retirement Benefit Plans (ASBJ Implementation Guidance No. 1). As a result of this change, 113 million yen was recorded as extraordinary income during the nine months of the current fiscal year.

**(Stock split and partial amendment of Articles of Incorporation)**

On August 10, 2023, the Company resolved, at a meeting of the Board of Directors, to implement a stock split and partially amend its Articles of Incorporation.

1. Purpose of stock split

The purpose of the stock split is to create an environment conducive to investment and expand its investor base by lowering the per-share investment price of the Company's stock.

2. Outline of stock split

(1) Method of stock split

The Company will conduct a 2-for-1 stock split with the record date of December 31, 2023 (The day is practically December 29, 2023 due to the holiday of the shareholder registry administrator.) whereby each share of common stock held by shareholders listed on the final registered and/or beneficial shareholders' lists of the same day will be split into two shares.

(2) Increase in shares from stock split

Total shares issued prior to stock split:	67,076,362 shares
Increase in shares due to stock split:	67,076,362 shares
Total shares issued following stock split:	134,152,724 shares
Total number of authorized shares following stock split:	400,000,000 shares

3. Schedule for stock split

Record date of public notice:	December 15, 2023
Record date:	December 31, 2023
Effective date:	January 1, 2024

4. Partial amendments of Articles on Incorporation

(1) Purpose of the revision to the Articles of Incorporation

Due to the stock split, the total number of authorized shares defined under Article 6 of the Company's Articles of Incorporation will be revised on January 1, 2024, in accordance with Article 184, Paragraph 2 of the Companies Act.

(2) Detail of the revision to the Articles of Incorporation

(Underlined portion indicates change)

Current Articles of Incorporation	Revised Articles of the Incorporation
(Total number of shares authorized to be issued) Article 6 The total number of shares authorized to be issued by the Company shall be <u>200</u> million shares.	(Total number of shares authorized to be issued) Article 6 The total number of shares authorized to be issued by the Company shall be <u>400</u> million shares.

(3) Schedule of the revision to the Articles of Incorporation

Date of resolution of the Board of Directors:	August 10, 2023
Effective date:	January 1, 2024

5. Effects on per share information

Per share information assuming that the stock split was conducted at the beginning of the previous fiscal year is as follows.

	Previous third quarter consolidated accounting period (From January 1, 2022 to September 30, 2022)	This third quarter consolidated accounting period (From January 1, 2023 to September 30, 2023)
Earnings per share	109.92 yen	118.85 yen
Diluted earnings per share	109.89 yen	118.82 yen

6. Other matters

(1) Change to the Company's capital amount

There will be no change to the amount of the company's capital through the stock split.

(2) Adjustments to the exercise price of subscription rights to shares

The Company has issued multiple subscription rights to shares, but the exercise price will not be adjusted and is set at 1 yen per share, and the number of shares granted after adjustment will be the number of shares obtained by multiplying the number of shares granted before adjustment by 2.

**(Segment Information)****Nine Months Ended September 30, 2022 (From January 1, 2022 to September 30, 2022)****1. Information concerning net sales and income (loss) and breaks down revenue by reporting segment**

(Millions of yen)

	Reporting Segment					Adjustment (Note 1)	Total reported in consolidated statements of income (Note 2)
	Japan	Asia	North and Latin America	Europe	Total		
Net sales							
Automotive products market	8,817	37,015	18,974	19,835	84,643	—	84,643
Life and industrial products market	1,023	19,136	2,139	7,621	29,920	—	29,920
Others	2	1	—	0	4	—	4
Revenue from contracts with customers	9,844	56,153	21,114	27,456	114,568	—	114,568
Other revenue	—	—	—	—	—	—	—
Sales to external customers	9,844	56,153	21,114	27,456	114,568	—	114,568
Intersegment sales and transfers	63,067	60,842	3,336	74	127,321	(127,321)	—
Total	72,911	116,996	24,450	27,531	241,889	(127,321)	114,568
Segment income (loss)	(474)	7,223	(282)	(103)	6,362	1,065	7,428

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

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

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

None

**Nine Months Ended September 30, 2023 (From January 1, 2023 to September 30, 2023)**

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

(Millions of yen)

	Reporting Segment					Adjustment (Note 1)	Total reported in consolidated statements of income (Note 2)
	Japan	Asia	North and Latin America	Europe	Total		
Net sales							
Automotive products market	11,054	40,609	24,864	24,144	100,673	—	100,673
Life and industrial products market	1,552	18,368	1,484	6,969	28,375	—	28,375
Others	9	26	—	2	37	—	37
Revenue from contracts with customers	12,616	59,004	26,349	31,115	129,086	—	129,086
Other revenue	—	—	—	—	—	—	—
Sales to external customers	12,616	59,004	26,349	31,115	129,086	—	129,086
Intersegment sales and transfers	66,189	63,127	4,105	93	133,516	(133,516)	—
Total	78,806	122,131	30,454	31,209	262,602	(133,516)	129,086
Segment income (loss)	1,242	7,121	1,362	(774)	8,952	(145)	8,807

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

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

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

During the first quarter of the current fiscal year, the Company acquired all shares of Oken Seiko Co., Ltd. (currently, Mabuchi Motor Oken Co., Ltd.) and included it in the scope of consolidation, creating a gain on bargain purchase in the amount of 613 million yen in the “Japan” segment and 46 million yen in the “Asia” segment.

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

**(Revenue Recognition)**

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

**(Significant Subsequent Events)**

None