

# CONSOLIDATED FINANCIAL RESULTS

## FOR THE SIX MONTHS ENDED JUNE 30, 2024 (J-GAAP)

August 14, 2024

Stock exchange listing: Tokyo

Name of listed company: MABUCHI MOTOR CO., LTD.  
 Securities code: 6592 (URL: <https://www.mabuchi-motor.com/>)  
 Representative: Tohru Takahashi (Representative Director and President)  
 Contact: Keiichi Hagita (Executive Officer, Chief Financial Officer)  
 Scheduled date of the filing of semi-annual report: August 14, 2024  
 Scheduled date of start of dividends payments: September 13, 2024  
 Preparation of first half results presentation materials (Yes/No): **Yes**  
 Holding of first half results briefing meeting (Yes/No): **Yes**

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

### 1. Consolidated Results for the Six Months Ended June 30, 2024 (From January 1, 2024 to June 30, 2024)

#### (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 six months ended								
June 30, 2024	95,267	16.8	9,163	120.7	19,393	54.1	12,506	23.5
June 30, 2023	81,586	13.5	4,152	8.2	12,586	1.1	10,122	20.1

Note: Comprehensive income

Six months ended June 30, 2024: ¥37,086 million [26.8%] Six months ended June 30, 2023: ¥29,248 million [(11.1)%]

	Profit per share	Fully diluted profit per share
	Yen	Yen
For the six months ended		
June 30, 2024	98.02	98.00
June 30, 2023	78.29	78.27

Note: The Company conducted a stock split on January 1, 2024, in which each share of the Company's common stock was split into two shares. Profit per share and fully diluted profit per share under Consolidated Operating Results were calculated based on the number of shares issued (excluding treasury stock) after the stock split.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2024	367,298	334,011	90.9
December 31, 2023	336,605	305,030	90.6

Reference: Shareholders' equity

As of June 30, 2024: ¥333,948 million As of December 31, 2023: ¥304,967 million

### 2. Dividends

	Dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2023	—	67.00	—	83.00	150.00
Fiscal 2024	—	38.00			
Fiscal 2024 (forecast)			—	38.00	76.00

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

Notes: 1. The Company conducted a stock split on January 1, 2024, in which each share of the Company's common stock was split into two shares. Dividends for fiscal 2023 are the dividend amounts before the stock split.

#### 2. Breakdown of dividends

Fiscal 2023 special dividend	2nd quarter-end: ¥52.00	Year-end: ¥53.00
Fiscal 2023 commemorative dividend	2nd quarter-end: ¥—	Year-end: ¥15.00

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

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	189,000	5.8	18,900	21.6	23,900	(11.5)	15,400	(20.7)	119.39

Note: Amendments to results forecasts that have been disclosed recently: Yes

#### Notes

- (1) Significant changes in the scope of consolidation during the period: None  
 Newly included: — Excluded: —
- (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.: None
  - 2) Changes in accounting policies due to reasons other than those stated in 1): None
  - 3) Changes in accounting estimates: None
  - 4) Restatements: None

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

- 1) Number of shares issued at the end of the period  
 (including treasury stock)

Jun. 30, 2024	131,684,924	Dec. 31, 2023	132,820,524
Jun. 30, 2024	4,620,349	Dec. 31, 2023	4,731,412
Jan.–Jun. 2024	127,581,661	Jan.–Jun. 2023	129,297,250

- 2) Number of shares of treasury stock at the end of the period

- 3) Average number of shares during the period

The Company conducted a stock split on January 1, 2024, in which each share of the Company's common stock was split into two shares. The number of shares issued at the end of the period, number of shares of treasury stock at the end of the period, and average number of shares during the period were calculated as if the stock split had taken place at the beginning of the fiscal year ended December 31, 2023.

\* The semi-annual 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 six months ended June 30, 2024 (January 1–June 30, 2024), the global economy recorded sluggish growth on weak retail consumption due to continued high prices, despite the normalization of economic activity following the COVID-19 pandemic and easing of inflationary pressures.

The U.S. economy saw a gradual recovery on factors including solid retail consumption against a backdrop of stable environments for hiring and incomes. Although the European economy saw a rebound in retail consumption from the easing of inflationary pressures, high interest rates and weak external demand resulted in only a weak pace of recovery in economic activity. In Japan, despite inflationary developments, the return to normal levels of automobile production and a rebound in demand from inbound tourism led to a gradual economic recovery. Emerging market economies saw only a gradual overall recovery, with the Chinese economy experiencing a recovery in exports and retail consumption on seasonal demand, but also being weighed down by a weak real estate market and other factors.

With regard to markets related to the Mabuchi Group's products, the automotive products market saw a recovery in automobile production, 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.

Against this backdrop, Mabuchi's motor sales increased 2.4% year on year in terms of volume, and rose 16.8% year on year in value. As a result, consolidated net sales for the first half were 95,267 million yen (a 16.8% increase year on year), and motor sales, which account for the majority of net sales, were 95,259 million yen (a 16.8% increase year on year).

Operating income was 9,163 million yen (a 120.7% increase year on year) due to improvements in sales prices and the product mix and positive factors including a weaker yen year on year. Ordinary income was boosted by factors including increases in operating income and foreign exchange gains, and totaled 19,393 million yen (a 54.1% increase year on year). Profit before income taxes was 19,189 million yen (a 43.8% increase year on year), and profit attributable to owners of parent was 12,506 million yen (a 23.5% 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 74,529 million yen (a 17.9% increase year on year). Sales of medium-sized automotive motors grew overall, from an increase in the number of models equipped with electric parking brakes using Mabuchi's motors and a large increase in sales of valve actuator-use motors on increased orders, with an additional boost from the weaker yen. Sales of small automotive motors also rose by a large margin overall, on a significant increase in sales of motors for door mirrors, door lock actuators, and air conditioning damper actuators, as well as the effect from the yen's depreciation.

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

Net sales increased to 20,730 million yen (a 13.2% increase year on year). Sales of motors for health and medical devices rose on solid sales of Mabuchi Oken's pump unit motors for sphygmomanometers and the yen's depreciation, but sales of motors for personal care products declined slightly from restricted order acceptance reflecting a policy of emphasizing profitability.

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

Total assets as of June 30, 2024, were 367,298 million yen, a 30,693 million yen increase from the end of the previous fiscal year. Major changes from the end of the previous fiscal year included increases of 9,652 million yen in cash and bank deposits, 7,490 million yen in property, plant and equipment, 5,637 million yen in inventories, and 3,455 million yen in trade notes and accounts receivable.

Total liabilities increased 1,711 million yen from the end of the previous fiscal year, to 33,286 million yen. Major changes from the end of the previous fiscal year included an increase of 3,474 million yen in accrued income taxes, and decreases of 1,355 million yen in other current liabilities and 552 million yen in trade notes and accounts payable.

Total net assets increased 28,981 million yen from the end of the previous fiscal year, to 334,011 million yen. Major changes from the end of the previous fiscal year included a 23,052 million yen increase in foreign currency translation adjustments and a 4,579 million yen increase in retained earnings.

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

Although the global economy is showing signs of easing inflationary pressures in various countries, the outlook for the U.S. economy is increasingly uncertain, and with policy interest rates expected to remain high in various countries and heightened geopolitical risk restricting cross-border trade and investment, only gradual growth is forecast for the global economy.

The outlook for the U.S. economy is uncertain given heightened concerns of an economic recession. In Europe, a rebound in retail consumption is forecast on easing inflationary pressures, and the economy is expected to show gradual growth. A gradual recovery is forecast for Japan on growth in retail consumption reflecting easing inflationary pressure

and an improved income environment. A slower pace of growth is forecast for emerging market economies overall from the effects of real estate market conditions and a weak recovery in retail consumption in China and the effects of global inflation.

With regard to markets related to the Mabuchi Group's products, in the automotive products market, certain regions are experiencing high inventory levels of completed vehicles and the recovery in automobile production is seen continuing to lack strength, and automobile production volume in the second half of 2024 is seen declining from the year-earlier level. In the life and industrial products market, although we are forecasting stable demand for motors for health and medical devices, with inflation and other factors depressing retail consumption, we are forecasting weak sales overall.

Against this backdrop, we are forecasting full-year consolidated net sales of 189.0 billion yen (a 5.8% increase from the previous year). In terms of profit, although we see positive effects from improvements in sales prices and the product mix and from a weaker yen year on year, we also see negative factors including higher costs from an increase in selling, general and administrative expenses, and are therefore projecting a 21.6% increase in operating income, to 18.9 billion yen, an 11.5% decrease in ordinary income, to 23.9 billion yen, and a 20.7% decrease in profit attributable to owners of parent, to 15.4 billion yen.

We have changed our calculation method for this year's dividend using dividend on equity (DOE; dividend as a percentage of shareholders' equity) with the aim of continuously paying a stable dividend. Our specific DOE benchmark is 3.0%-4.0%, and we will determine the dividend amount comprehensively taking into account factors including cash flows and the operating environment.

As announced on February 14, for the fiscal year ending December 31, 2024, and reflecting the 2-for-1 stock split carried out effective January 1, 2024, we intend to pay a full-year dividend of 76 yen per share. On a pre-stock-split basis, this equates to a record-high full-year dividend of 152 yen per share. We plan to pay an interim dividend of 38 yen per share and a year-end dividend of 38 yen per share.

The foreign exchange rate for the first half was ¥152.25 to the U.S. dollar, and our second-half forecasts are based on an exchange rate assumption of ¥145 to the U.S. dollar.

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, 2023	As of June 30, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and bank deposits	116,604	126,257
Trade notes and accounts receivable	33,895	37,351
Merchandise and finished goods	38,919	41,409
Work in process	1,426	2,061
Raw materials and supplies	20,104	22,617
Other current assets	7,025	8,274
Allowance for doubtful accounts	(91)	(85)
<b>Total current assets</b>	<b>217,884</b>	<b>237,884</b>
<b>Fixed assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	61,648	65,401
Accumulated depreciation	(38,260)	(41,268)
Buildings and structures, net	23,388	24,132
Machinery, equipment and vehicles	114,397	127,614
Accumulated depreciation	(67,589)	(77,860)
Machinery, equipment and vehicles, net	46,807	49,754
Tools, furniture and fixture	27,967	30,481
Accumulated depreciation	(23,967)	(26,219)
Tools, furniture and fixture, net	3,999	4,262
Land	7,129	7,185
Construction in progress	18,749	22,229
Total property, plant and equipment	100,074	107,564
<b>Intangible assets</b>		
Goodwill	3,055	4,088
Other intangible assets	2,521	2,309
Total intangible assets	5,576	6,398
<b>Investments and other assets</b>		
Investment securities	10,588	12,729
Deferred tax assets-non-current	724	827
Other investments and other assets	1,788	1,925
Allowance for doubtful accounts	(31)	(31)
Total investments and other assets	13,069	15,450
<b>Total fixed assets</b>	<b>118,720</b>	<b>129,413</b>
<b>Total assets</b>	<b>336,605</b>	<b>367,298</b>

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	8,865	8,312
Accrued income taxes	2,958	6,432
Accrued bonuses due to employees	236	246
Accrued bonuses due to directors	252	131
Other current liabilities	12,577	11,221
<b>Total current liabilities</b>	<b>24,890</b>	<b>26,345</b>
<b>Long-term liabilities</b>		
Long-term loans payable	830	711
Accrued benefits for stock payment	213	171
Liability for retirement benefits	1,304	1,381
Asset retirement obligations	39	39
Deferred tax liabilities-non-current	3,830	4,202
Other long-term liabilities-non-current	465	433
<b>Total long-term liabilities</b>	<b>6,684</b>	<b>6,941</b>
<b>Total liabilities</b>	<b>31,574</b>	<b>33,286</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	230,335	234,915
Treasury stock	(10,165)	(10,344)
<b>Total shareholders' equity</b>	<b>261,294</b>	<b>265,695</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized holding gains or losses on securities	3,313	4,806
Foreign currency translation adjustments	40,037	63,090
Retirement benefits liability adjustments	321	356
<b>Total accumulated other comprehensive income</b>	<b>43,672</b>	<b>68,253</b>
<b>Subscription rights to shares</b>	<b>62</b>	<b>62</b>
<b>Total net assets</b>	<b>305,030</b>	<b>334,011</b>
<b>Total liabilities and net assets</b>	<b>336,605</b>	<b>367,298</b>

**(2) Consolidated Statements of Income and Comprehensive Income**  
**(Consolidated Statements of Income)**  
**For the Six Months Ended June 30, 2023 and 2024**

(Millions of yen)

	Six Months Ended June 30, 2023 (January 1, 2023 to June 30, 2023)	Six Months Ended June 30, 2024 (January 1, 2024 to June 30, 2024)
<b>Net sales</b>	81,586	95,267
<b>Cost of sales</b>	63,325	70,897
<b>Gross profit</b>	18,260	24,369
<b>Selling, general and administrative expenses</b>	14,107	15,205
<b>Operating income</b>	4,152	9,163
<b>Non-operating income</b>		
Interest income	979	1,377
Dividend income	182	172
Foreign exchange gains	6,218	7,600
Gain on sales of raw material scrap	1,020	1,193
Other	373	294
<b>Total non-operating income</b>	8,773	10,637
<b>Non-operating expenses</b>		
Stock-related expenses	110	133
Depreciation	89	73
Other	139	201
<b>Total non-operating expenses</b>	339	408
<b>Ordinary income</b>	12,586	19,393
<b>Extraordinary income</b>		
Gain on disposal of fixed assets	5	2
Gain on sale of investment securities	208	—
Gain on bargain purchase	659	—
Gain on revision of retirement benefit plan	113	—
<b>Total extraordinary income</b>	986	2
<b>Extraordinary loss</b>		
Loss on disposal of fixed assets	121	27
Extraordinary retirement expenses	109	14
Impairment losses	—	163
<b>Total extraordinary loss</b>	231	206
<b>Profit before income taxes</b>	13,342	19,189
<b>Income taxes</b>	3,219	6,683
<b>Profit</b>	10,122	12,506
<b>Profit attributable to owners of parent</b>	10,122	12,506

**(Consolidated Statements of Comprehensive Income)**  
**For the Six Months Ended June 30, 2023 and 2024**

(Millions of yen)

	Six Months Ended June 30, 2023 (January 1, 2023 to June 30, 2023)	Six Months Ended June 30, 2024 (January 1, 2024 to June 30, 2024)
<b>Profit</b>	10,122	12,506
<b>Other comprehensive income</b>		
Net unrealized holding gains or losses on securities	725	1,493
Foreign currency translation adjustments	18,466	23,052
Retirement benefits liability adjustments	(65)	34
<b>Total other comprehensive income</b>	19,126	24,580
<b>Comprehensive income</b>	29,248	37,086
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	29,248	37,086
Comprehensive income attributable to non-controlling interests	—	—



**(3) Consolidated Statements of Cash Flows**

(Millions of yen)

	Six Months Ended June 30, 2023 (January 1, 2023 to June 30, 2023)	Six Months Ended June 30, 2024 (January 1, 2024 to June 30, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	13,342	19,189
Depreciation and amortization	6,169	6,992
Impairment losses	—	163
Increase (Decrease) in liability for retirement benefits	(141)	65
Interest and dividends income	(1,161)	(1,549)
Foreign exchange losses (gains)	(6,195)	(5,617)
Loss (Gain) on sales of investment securities	(208)	—
Loss (Gain) on disposal of fixed assets	116	25
Gain on bargain purchase	(659)	—
Gain on revision of retirement benefit plan	(113)	—
Decrease (Increase) in trade notes and accounts receivable	(776)	(229)
Decrease (Increase) in inventories	4,908	595
Increase (Decrease) in trade notes and accounts payable	(2,360)	(2,141)
Other, net	(689)	(1,177)
Sub total	12,231	16,316
Interest and dividends received	1,160	1,561
Income taxes paid	(2,110)	(3,750)
Net cash provided by operating activities	11,281	14,127
<b>Cash flows from investing activities</b>		
Increase of time deposits	(4,345)	(35)
Proceeds from withdrawal of time deposits	33	651
Purchase of fixed assets	(5,729)	(7,042)
Proceeds from sales of fixed assets	153	28
Proceeds from sales and maturity of short-term investments	1,500	—
Purchase of investment securities	(0)	(0)
Proceeds from sales of investment securities	128	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,035)	—
Payment of conditional acquisition consideration for shares of subsidiary	—	(1,253)
Other, net	(58)	(210)
Net cash used in investing activities	(10,353)	(7,863)
<b>Cash flows from financing activities</b>		
Repayment of long-term loans payable	(111)	(118)
Cash dividends paid	(4,421)	(5,353)
Purchase of treasury stock	(459)	(3,000)
Proceeds from sales of treasury stock	553	163
Net cash used in financing activities	(4,438)	(8,308)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	7,670	11,866
<b>Net increase (decrease) in cash and cash equivalents</b>	4,160	9,821
<b>Cash and cash equivalents at beginning of period</b>	101,255	112,301
<b>Cash and cash equivalents at end of period</b>	105,415	122,123

**(4) Notes to Consolidated Financial Statements  
(Notes Regarding Going-Concern Assumptions)**

None

**(Notes on Significant Changes in Shareholders' Equity)**

**(Purchase and cancellation of treasury stock)**

On February 14, 2024, the Company resolved, at a meeting of the Board of Directors, to purchase treasury stock pursuant to the provisions of Article 156 of the Companies Act, applied by replacing terms pursuant to the provisions of Article 165, Paragraph 3 of said Act, and resolved to cancel treasury stock pursuant to the provisions of Article 178 of the Companies Act. As a result, the Company purchased and cancelled treasury stock during the first half of fiscal 2024 as described below.

1. Purchase of treasury stock

- (1) Class of shares purchased  
Common stock of the Company
- (2) Total number of shares purchased  
1,135,600 shares
- (3) Total amount of purchase cost  
2,999 million yen
- (4) Purchase period  
February 16, 2024 to May 9, 2024
- (5) Purchase method  
Purchase in the open market through discretionary trading

2. Cancellation of treasury stock

- (1) Class of shares cancelled  
Common stock of the Company
- (2) Number of shares cancelled  
1,135,600 shares
- (3) Total value of shares cancelled  
2,579 million yen
- (4) Date of cancellation  
June 28, 2024

**(Changes in Significant Subsidiaries during the first half)**

None

**(Application of Accounting Procedures Specific to Preparation of the first half 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 first half under review and multiplying the first half profit before income taxes by estimated effective tax rate.

**(Notes Regarding Segment Information and Others)****【Segment Information】****Six Months Ended June 30, 2023 (From January 1, 2023 to June 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 financial statements (Note 2)
	Japan	Asia	North and Latin America	Europe	Total		
Net sales							
Automotive products market	7,041	24,583	15,705	15,903	63,234	—	63,234
Life and industrial products market	1,060	11,968	964	4,323	18,317	—	18,317
Others	8	24	—	0	34	—	34
Revenue from contracts with customers	8,110	36,577	16,669	20,228	81,586	—	81,586
Other revenue	—	—	—	—	—	—	—
Sales to external customers	8,110	36,577	16,669	20,228	81,586	—	81,586
Intersegment sales and transfers	40,901	38,945	2,587	58	82,493	(82,493)	—
Total	49,011	75,522	19,257	20,287	164,079	(82,493)	81,586
Segment income (loss)	(148)	3,578	786	(547)	3,668	484	4,152

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

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

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

During the first quarter of the fiscal year ended December 31, 2023, 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.

Because the gain on bargain purchase is recorded as extraordinary income, this amount is not included in the segment income shown above.

**Six Months Ended June 30, 2024 (From January 1, 2024 to June 30, 2024)**

**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 financial statements (Note 2)
	Japan	Asia	North and Latin America	Europe	Total		
Net sales							
Automotive products market	8,571	30,575	17,656	17,725	74,529	—	74,529
Life and industrial products market	853	13,734	993	5,149	20,730	—	20,730
Others	5	0	—	2	7	—	7
Revenue from contracts with customers	9,429	44,310	18,649	22,877	95,267	—	95,267
Other revenue	—	—	—	—	—	—	—
Sales to external customers	9,429	44,310	18,649	22,877	95,267	—	95,267
Intersegment sales and transfers	52,823	46,993	2,468	60	102,344	(102,344)	—
Total	62,252	91,303	21,118	22,937	197,612	(102,344)	95,267
Segment income (loss)	5,545	6,989	(305)	(981)	11,246	(2,082)	9,163

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

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

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

(Significant impairment losses related to fixed assets)

Not shown as amounts are insignificant.

(Significant changes in amount of goodwill)

Additional goodwill has been recorded in the Europe segment as the result of a conditional payment related to the acquisition of Electromag SA (currently, Mabuchi Motor Electromag SA) shares in July 2021. The amount of increase in goodwill during the first half as a result of this payment was 988 million yen.

**(Revenue Recognition)**

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

**(Significant Subsequent Events)**

**(Setting of limit for purchase of treasury stock and cancellation of treasury stock)**

On August 14, 2024, the Company resolved, at a meeting of the Board of Directors, to purchase treasury stock pursuant to the provisions of Article 156 of the Companies Act, applied by replacing terms pursuant to the provisions of Article 165, Paragraph 3 of said Act, and resolved to cancel treasury stock pursuant to the provisions of Article 178 of the Companies Act.

**1. Reasons for purchase and cancellation of treasury stock**

In addition to carrying out flexible capital policy to respond to changes in the operating environment, treasury stock is to be purchased and cancelled to increase returns to shareholders and raise capital efficiency.

2. Items related to the purchase

- (1) Class of shares purchased  
Common stock of the Company
- (2) Total number of shares authorized to be purchased  
2,000,000 shares (upper limit)  
(Corresponding to 1.6% of total number of shares issued (excluding treasury stock))
- (3) Total amount of purchase cost  
3 billion yen (upper limit)
- (4) Purchase period  
August 16, 2024 to December 23, 2024
- (5) Purchase method  
Purchase in the open market through discretionary trading

3. Items related to the cancellation

- (1) Class of shares cancelled  
Common stock of the Company
- (2) Number of shares to be cancelled  
All treasury stock purchased as per 2. above
- (3) Scheduled date of cancellation  
To be determined