

Corporate Governance

Basic Approach to Corporate Governance

The Mabuchi Group recognizes that the fulfillment of the mission stated in our Management Principle: “Contributing to international society and continuously increasing our contribution” through our small DC motor business forms the very basis of our existence.

- (1) To clearly separate management decision-making and efficient business execution, and to clarify the scope of accountability,
- (2) To build and operate a sound internal control system, namely, to effectively work the internal control system and the management supervision system,
- (3) To appoint a suitable number of independent corporate officers whose interests do not conflict with those of general shareholders to ensure the objectivity and neutrality of management supervision functions,
- (4) To foster a corporate culture in which all Group employees recognize and share the understanding that the practices of corporate ethics and compliance support the organization’s social impartiality and are fundamental to living up to the trust and expectations of all stakeholders, and
- (5) To disclose corporate information to stakeholders such as shareholders in an appropriate, fair, timely and clear manner and to ensure accountability through the Board of Directors, the Board of Auditors and other bodies.

We will enrich various functions to ensure that these elements are duly implemented.

Establishment of a Structure and a System

The Mabuchi Group employs a system of corporate auditors in which corporate bodies (including independent corporate officers), accounting auditors, and other organizations stipulated by the Companies Act fulfill their respective legal functions. In addition to these organizations, Mabuchi has independently established the Executive Committee, Internal Audit Department (internal audit division) and other organizations related to business execution and internal control. With the participation of these organizations, we have established and are operating a Group-wide governance structure and system.

At each of our overseas bases, we also conduct internal control through corporate bodies whose existence is required by the laws of the respective countries and through our internal organizations.

Through the Mabuchi Group Management Vision, we also share our corporate culture and values across the Corporate Governance Structure / (Internal Control) System Corporate Governance world, and are striving to improve our internal control functions throughout the Group by holding meetings for the management of overseas bases, holding Group-wide meetings, and having the Internal Audit Department conduct operational audits on overseas bases.

Having established the Basic Policy on Internal Control, we are working to strengthen and enhance our risk management system and compliance system.

