

## Compliance

### “Mabuchi Motor Ethical Standard” Pamphlet

To achieve our Management Principle, “Contributing to international society and continuously increasing our contribution,” we consider it essential to observe laws, ordinances, and regulations in each country and region and to conduct business activities in accordance with corporate ethics required by society.

For that purpose, we have published a pamphlet called “Mabuchi Motor Ethical Standard” detailing the criteria for our conduct and judgments and distributed it to all directors and employees of our head office. We updated the first version of the ethical standard pamphlet, published in 2006, to adapt to the business environment that had changed with the times. We also enriched the content by including items for which social demand had increased since its publication. We redistributed the new version of the ethical standard pamphlet to all our employees in early 2009.

We have developed rules and procedures for the particularly important items in the ethical standard, and have been providing education and training to employees at various stages to familiarize them with those items.

In October 2010, we held a seminar for persons in managerial positions and higher at our bases in China to enhance employees’ awareness about compliance. The particular focus was on Mabuchi’s management policy of valuing compliance and the renewed “Mabuchi Motor Ethical Standard.” Individual topics such as “security and confidentiality” and “commercial and other bribes” were also covered.

In addition, the internal audit department of the Head Office conducts periodical and non-periodical audits on Group companies, including overseas related companies, concerning observance of compliance rules and procedures, unethical conduct, and other matters, and reports the audit results to top management.



Education on compliance  
(Dalian Mabuchi)

An internal audit department is also established in part of overseas bases and it regularly reports the results of compliance audits to the Head Office. Through these systems, we gather accurate and extensive internal information, enabling top management to take appropriate measures in a timely manner.

### Ethical Standard Hotline

We have set up the Ethical Standard Hotline in the company to allow all employees to directly inform or consult with the internal audit department about compliance-related information under strict anonymity without using ordinary communication routes (senior managers or existing contact points of each division). We have also delivered a top management message to all directors and employees promising that the company will never allow those who have consulted with us to be treated disadvantageously because of their consultation. This holds true regardless of whether or not they used the hotline, and is in accordance with the Whistleblower Protection Act.

Our company is always striving to conduct honest and fair business with our suppliers and to build a relationship of trust with them. To address the current social situation in which social misconduct still occurs frequently, we extended the operational range of the Ethical Standard Hotline to some of our suppliers in addition to Mabuchi employees beginning in 2008 with a view to preventing problems in advance and strengthening the misconduct prevention system.

#### [Basic Policy of Ethical Standard (Outline)]

1. All the directors and employees of the Mabuchi Group will put more priority on observing laws, ordinances and rules in the countries and regions where our companies are located as well as international rules than on the profits and work of our companies.
2. We will strictly refrain from conducts against social ethics by fully recognizing our responsibilities to various stakeholders, including shareholders, investors, and local communities.
3. We will clearly describe particularly important items among laws, regulations and social ethics in such documents as in-house regulations and publicize them widely. All the directors and employees will observe those items sincerely.