



MABUCHI MOTOR CO., LTD.

CONSOLIDATED FINANCIAL RESULTS
OF THE FISCAL YEAR ENDED
DECEMBER 31 , 2003

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CONSOLIDATED FINANCIAL RESULTS OF THE FISCAL YEAR ENDED DECEMBER 31, 2003

Date : February 17, 2004
MABUCHI MOTOR CO., LTD.
Code : 6592
Listed on Tokyo stock exchange

Headquarters : Chiba-ken (URL <http://www.mabuchi-motor.co.jp>)
Representative : Shinji Kamei (President and Representative Director)
Contact : Shunroku Nishimura (Director, Member of the Board)
Adoption of U.S. Accounting Standards : Not applicable

1. Results of the fiscal year ended December 31, 2003 (From January 1 to December 31, 2003)

(1) Operating Results

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

	Net Sales		Operating income		Net income	
	millions of yen	% (change)	millions of yen	% (change)	millions of yen	% (change)
FY2003	105,743	(9.1)	24,576	(15.6)	16,731	(7.2)
FY2002	116,356	10.7	29,122	31.9	18,025	10.7

	Net income per share	Fully diluted net income per share	Return (net income) on equity
	yen	yen	%
FY2003	375.41	-	7.7
FY2002	392.13	-	7.7

(Notes) 1. Weighted average number of shares outstanding during the respective years (consolidation)
2003 : 44,223,384 shares, 2002 : 45,966,995 shares
2. Changes in accounting method : None
3. The percentages of net sales, operating income, and net income show year-on-year changes

(2) Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	millions of yen	millions of yen	%	yen
FY2003	229,674	212,803	92.7	4,937.38
FY2002	244,987	224,315	91.6	4,977.39

(Notes) Number of shares outstanding at end of year (consolidation) ----- 2003 : 43,100,492 shares, 2002 : 45,066,785 shares

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Year end balance of cash and cash equivalents
	millions of yen	millions of yen	millions of yen	millions of yen
FY2003	20,506	3,066	(20,676)	78,089
FY2002	35,433	(5,791)	(26,978)	80,857

(4) Scope of consolidation and application of equity method

Number of consolidated companies : 14
Number of non-consolidated companies for equity method : None
Number of affiliated companies for equity method : None

(5) Accounting changes of scope of consolidation and application of equity method

Consolidated subsidiaries----- Added : 1 Excluded : 1
Companies accounted for under the equity method ----- Added : None Excluded : None

2. Prospect for the next fiscal year (From January 1 to December 31, 2004)

	Net Sales	Operating income	Net income
	millions of yen	millions of yen	millions of yen
Interim	46,300	9,900	7,300
Annual	93,000	19,500	14,500

(Reference) Projected annual net income per share : 333.43 yen

MANAGEMENT PRINCIPLES

We, Mabuchi Motor Co., Ltd., have started activities to expand to continue to be the top firm in the field of small motors that support the high quality of life for people.

We have developed the methods as “Mabuchi’s Management Vision” which leads us up to the realization of our company’s aim, that is, “Contributing to International Society and Ever-expanding Our Contribution” identified in our “Management Philosophy”. In the Management Vision, “Management Guidelines” clarifies how to understand and realize the concept of the “Contribution” in our “Management Philosophy” and “Management Policies clarifies policies of action in performing corporate activities. The concept in the Management Philosophy, the Management Guidelines and the Management Policies form the basis of our management and are to be maintained forever since our foundation.

Management Guidelines

The following 1 through 4 are Management Guidelines, our viewpoints as “standards” in making managerial decisions:

1. Create superior and reasonably priced products. Our hope is to help build a more satisfying and comfortable life for customers around the world who enjoy a life with products using our motors.
2. By placing “people” as an important managerial resource, we strive to heighten individual potential through work, and to raise more productive citizens of society.
3. Conduct corporate activities that promote the preservation of our earth’s environment and our own human health.
4. Transfer our technology and bring forth new opportunities for employment in other countries. We hope that our contribution can become a helping hand in leveling international economic disparities and stimulating global economic development in those countries.

Management Policies

Management Policies show courses of our corporate activities for “taking an accurate perception of the needs towards Mabuchi as a manufacturer specialized in small motors and stably providing products faster and at a lower cost in response to the needs.” Management Policies also show how to act as the above-defined corporation.

Management Policies for Overseas Operations clearly state fundamental viewpoints of management in overseas subsidiaries based on co-existence and mutual prosperity between Mabuchi and its host countries.

Management Policies

1. Develop products that have flexibility in application and consolidate the most appropriate production conditions.
2. Strive to improve product development based on value analysis and seek to originate interchangeable parts and materials.
3. Realize cost reduction by using advanced processing technologies and by minimizing waste.
4. Uncover new markets and secure fair market shares.
5. Maximize each employee’s potential and conduct employee education through an appropriate job placement.
6. Promote business activities that have minimal negative impact on the environment and that strictly abide by safety standards.
7. Promote management policies and strategies that promise long and stable growth.

Management Policies for Operating Overseas Subsidiaries

1. Promote co-existence and mutual prosperity on a long-term basis.
2. Solidify the structure of allocation of global functions and operating systems that parallel the strengths of each group company, and preserve and expand international competition.
3. Promote the Mabuchi corporate culture of contributing to society and support the transfer of knowledge and technology.

Basic Policy on Profit Sharing

From the past, we have been maintaining financial soundness by financing research and development and capital expenditure, which are necessary for our growth, by our retained earnings. Also, we have been maintaining our basic policy to positively return profits to shareholders through a long-term stable dividend and the increase of dividend and stock split based on our business results.

Under this policy, we have been paying an annual 50-yen ordinary dividend per share as the long-term stable dividend regardless of our business results. In addition to this, we are paying a special dividend, which is calculated by dividing a certain percentage of the consolidated net income by the number of shares issued.

As a result of the study regarding more rational standards for special dividend, considering the current and future corporate value, retained earnings and cash flow conditions, we determined to change the aforementioned percentage from 5% to 20% of the consolidated net income and implemented that change from the payment of interim dividend of September 2003.

Regarding share repurchase, following the repurchase of 2-million shares through a tender offer in June 2002, we have repurchased 1,964,600 shares in 2003, of which; 1,508,500 shares were bought back through a tender offer in June and 456,100 shares through the stock market in December. We will repurchase shares from now on timely as a mean to cope with the ups and downs of share price and business environment, and as a mean to realize our capital policy and to return profits to shareholders.

We will utilize retained earnings to reinforce our existing businesses and to invest in the promising business area to increase the corporate value.

Our View on Reducing the Minimum Amount of Unit stock that may be Traded

We will, under the management policy that it is our fundamental mission to continuously improve performance to value shareholders, consider reducing the amount of unit stock taking into account of the level of stock price, the number of shareholders, liquidity of shares, balance of supply and demand of shares, and cost-effectiveness.

Medium- (long-) term Business Strategy and Issues to cope with

We believe that we have to push more reform of our management structure on the 50th anniversary of the foundation of Mabuchi (in 2004), our important turning point. We are working on the strategies aiming at 50% increase in our consolidated net sales as our challenging target for the next five-year period with maximizing cooperation and synergistic effects between various activities. The strategies are:

1. Reinforcement of new marketing strategy that ensures medium-term sales growth
2. Reconstruction and reallocation of global functions and operating systems
3. Reinforcement of functions of product planning and cost planning
4. Reconfiguring management information system (COMPASS II)
5. Erecting a new global headquarters as a base to send new wisdom and energy

Basic Policy on Corporate Governance and the State of Implementation thereof

Basic Policy

We recognize that the meaning of our existence lies in the realization of our Management Philosophy of “Contributing to International Society and Ever-expanding Our Contribution” through our small motor business. In terms of corporate governance, we think it is essential to see from the standpoints of a management structure to support the realization of the Management Philosophy and various administrative measures to maintain such structure. Therefore, it is one of the most important duties of management to build and maintain an appropriate corporate governance structure. Our basic policies regarding corporate governance are as follows:

1. Management decision making and business execution are carried out distinctively and it is clear where responsibility lies.
2. An appropriate internal control system is constructed and is being operated. Namely, both internal check function and management supervisory function are working effectively.
3. All employees have common understanding as a corporate culture that observing the corporate ethics and the compliance with laws is prerequisite for highly motivated business activities.
4. Disclosure to stakeholders are made fairly, timely, and clearly.

Implementation of Policies

(1) Board of Directors and Executive Committee

Board of Directors and Executive Committee are charged with determining fundamental management policies. Board of Directors consists of eight Directors (seven out of them are working in Japan) who are familiar with our business surroundings and well-informed in operations concerned. Board of Directors determines important matters defined in laws.

Board of Directors is properly held as necessary (held 27 times in this term).

Executive Committee, which consists of Directors working in Japan, complements Board of Directors, conducts agile decision making, and performs a mutual supervisory function regarding execution of business by Directors.

(2) Management Monitoring Functions

1. Board of Auditors

Board of Auditors consists of four Auditors including two outside auditors (both of them are lawyers) and audits business execution based on its own judgment from the viewpoint of legality. At least one Auditor attends each of Board of Directors and Executive Committee and makes suggestions and advice regarding legality in decision making and business execution by Directors.

2. Internal Audit Dept.

In 2002, Internal Audit Dept. (consisting of two full-time staff members; outside consultants periodically participate in the activities) was established to reinforce the global management monitoring function. Internal Audit Dept. has established a structure to implement continuous monitoring of compliance regarding effectiveness, procedure and rules, and the like of the internal control system in cooperation with Auditors and feed the results back to management.

3. Audit by Independent Auditors and Other Management Supervisory Functions

Regarding financial results and financial position/legality of the consolidated group companies, we have been audited by an auditing firm. We have been timely dealing with audit comments, including improvement-required matters relating to the internal control system that have been pointed out in the process of the audit.

In addition to the above, the following are also functioning as important management monitoring functions: environmental audits by internal/external audit staff, quality surveillance for production activities, design review for research and development activities, RINGI system (a system for requesting managerial decision) and the like. Also, periodic consultations with, advice from, and managerial opinions from a Senior Corporate Adviser and two Corporate Advisers, who are former Directors of Mabuchi, are helpful to management supervision.

Neither the two outside auditors nor the staff auditing financial accounts have interests in Mabuchi. Therefore, independence and effectiveness of our management monitoring functions are sufficiently secured.

(3) Maintenance of Internal Control System

The internal control system is the foundation of corporate governance. Specifically, the internal check function, which is built in both organization and procedures for executing routine work, is effective for preventing irregularities and errors. We are properly reviewing our structures of organization such as departments and sections, segregation of duties, and various regulations related to the organizations and duties for this purpose.

(4) Compliance Culture

We expressed our Management Philosophy at an early stage of our foundation, established Our Mission based on the Management Philosophy, and have been making efforts at fixing the Mission to companies in Mabuchi Group as a corporate culture. Positioning this Management Philosophy on the top, we have mapped out “Mabuchi’s Management Vision,” which defines how Mabuchi should be in the 21st century. In the Management Vision, we are emphasizing our contribution to society and our justice/fairness to other people through our business and requesting all of our employees to make this our common sense of value.

(5) Disclosure of Information on Business Management

For the purpose of appropriately reporting and disclosing our management information to our stakeholders, our public relations department and accounting and finance department endeavor to disclose the information fairly, timely and clearly in cooperation with departments concerned. In addition to the disclosure of law-designated information, we are answering day-to-day questions from investors and analysts, reporting our interim results and year-end results for analysts, and providing effective IR information in English as well as in Japanese on our internet home page. We will make our best efforts to disclose the company information with transparency through more effective and better IR means.

We believe that our corporate governance has been functioning effectively so far. In the latest one year, we implemented internal audits of the Head Office and of one of our overseas manufacturing subsidiaries regarding the compliance management. Also, we established a conference under Managing Director to reinforce our structures to supervise progress of business execution. We will continuously observe carefully changes in management environment, changes in various systems in society and will maintain our corporate governance so as to realize our Management Philosophy.

OPERATING RESULTS AND FINANCIAL POSITION

1. Operating results

We saw in this fiscal year, outbreak of Iraq war, SARS epidemic and rapid appreciation of the yen against U.S. dollar, which took place in the latter half of a year. The economic environment in Japan of this fiscal year continued to show export-driven recovery. The business slump resulting from yen's appreciation was offset by favorable recovery of overseas economic conditions, mainly in United States. Focusing on the domestic demand, though corporate investments have increased, consumer spending has been kept at the lower level and it constrained the full-scale recovery.

Looking at the overseas economic conditions, the U.S. economy was favorable due to the economic rebound from the outbreak of Iraq war, the sharp drops in interest rate, the tax reduction consequences, and aggressive automobile sales promotion program through incentives. The European economy, though there was improvement of business confidence, there was no self-sustaining recovery. Meanwhile, the Asian economies, the recovery remained on track. The adverse effects of SARS epidemic to economies resolved in a short period of time and there was a steady performance of private consumption which supported the economies. Also export growth continued.

Under these circumstances, the number of motors sold grew and set the second consecutive year sales record in 2003. Nonetheless, adverse effects of appreciation of the yen, fall of sales price due to fiercer competition and change in model-mix due to the demand shift to lower priced motors resulted in the decrease of net sales. In this year, we have implemented following measures so as to develop the business infrastructure for making a great leap forward:

1. Elected new chairman and president for new management foundation.
2. Formed the Business Platform Innovation Headquarters, with key word of "Innovation 2005" , to strengthen the managerial and business structure.
3. Formed Sales Headquarters and Research and Development Headquarters so as to strengthen each function.
4. Commenced commercial production of brushless motors.
5. Commenced commercial production of in-house-made oilless bearings.
6. Commenced construction of a new global headquarters.

In addition to the above, we increased the dividend as mentioned in Basic Policy on Profit Sharing.

As a result, consolidated net sales for this fiscal year decreased 9.1% year on year to ¥105,743 million.

Net sales of motors, which account for most of the consolidated net sales, decreased 9.1% year on year to ¥105,703 million of which sales by application are as follows:

In Audio & Visual Equipment, sales decreased 15.5% to ¥37,866 million due to high yen appreciation, fall of unit sale prices, and model-mix change to lower-priced motors which negated the demand expansion of motors for digital appliances as represented by DVD players.

In Automobile Electronic Devices, net sales increased 1.8% to ¥30,127 million. As the demand for electrical parts for automobiles is rising seeking for safety, convenience, comfort and economy, the number of motors used per automobile is increasing and its growth is kept upwardly. Especially, the use in the power-window lifters, air-conditioning damper actuators, retractable rearview mirrors, and door locks are showing the significant growth which overwhelmed the negative factors mentioned above.

In Information & Communication Equipment, net sales decreased 12.1% to ¥14,273 million. The demand for motors in printers is continuously growing as well as the motors in personal computer drives. Net sales of motors for the digital camera market, into which we entered from the previous year, has been expanding at a satisfactory pace. However, the net sales decreased due to the negative factors mentioned above.

In Home Appliances, Power Tools and Toys & Hobbies, net sales decreased 8.8% to ¥23,435 million. In spite of the fact that demands for health care products, shavers, rotating tooth brushes and tools are good, as a whole, demand remained at almost the same level. Due to the negative factors mentioned above, the net sales decreased.

Operating income decreased 15.6% to ¥24,576 million. The number of motors sold increased 4.3% and the production costs per unit reduced with major contributions of accomplishing high level of capacity utilization and reducing the costs for parts and raw materials. However, the negative factors such as high yen appreciation, price declines and the increase of initial investment for new products negated such positive effects.

Net income decreased 7.2% to ¥16,731 million due mainly to the decrease of write-down of investment in securities and losses on sale, the increase of foreign tax credit on dividends from foreign subsidiaries, and on experimental and research expense due to the amendment to Japanese corporation tax law and the reduction of the effective tax rate owing to tax effects on undistributed earnings in foreign subsidiaries.

2. Financial Position

With regard to the consolidated cash flows of this fiscal year, net cash provided by operating activities resulted in ¥20,506 million due to an increase of corporate tax payment as well as a decrease of income before taxes. Net cash provided by investing activities resulted in ¥3,066 million as a result of the additions to production facility and gains on sell of marketable securities. Net cash used in financial activities resulted in ¥20,676 million due to the dividend payment and the repurchasing of shares.

As a result of the above, the balance of cash and cash equivalents decreased by ¥2,768 million, to ¥78,089 million as of December 31, 2003.

3. Forecasts

We expect that the recovery in economy of the U.S., Japan and Europe will become apparent in the next year and that the economy in Asia, not to speak of China, will sustain the economic growth. As a whole we foresee the promising conditions in the worldwide economy in the next year. Meanwhile, uncertain conditions such as the democratization of Iraq, concern about high appreciation of yen, and the U.S. presidential election, which may affect the economic conditions, still remain.

With regard to the markets of our products, we foresee that the sales volumes will increase by 5%-17% in every market segment. However, in terms of net sales, we will be facing with high yen appreciation, drop of unit sales price, and demand shifting to lower-priced products.

Under the circumstances, our performance forecast for 2004 is as follows:

Performance Forecast (consolidated)

Net Sales	93 billion yen (12.1% decline year on year)
Operating Income	19.5 billion yen (20.7% decline year on year)
Net Income	14.5 billion yen (13.3% decline year on year)

(Assumptions: Exchange Rate 105¥/\$. Not taking into account of exchange gain/loss)

Notes: Above forecast is based upon assumptions available at this point, and actual performance may differ materially from the forecast.

Factors which may affect are including, but are not limited to:

- * Foreign currency exchange rate such as exchange rate risk on yen and other Asian currencies.
- * Change of economic conditions, demand conditions for our products
- * Abrupt technological innovation.

CONSOLIDATED BALANCE SHEETS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES DECEMBER 31, 2003 and 2002

ASSETS		2003	2002	(Millions of yen) Increase (Decrease)
Current Assets	Cash and bank deposit	77,187	78,665	
	Trade notes and accounts receivable	14,129	13,811	
	Short-term investments	16,011	18,443	
	Inventories	14,677	17,602	
	Deferred tax assets	1,575	1,526	
	Other current assets	1,449	1,367	
	Allowance for doubtful accounts	(298)	(351)	
	Total current assets	124,731	131,065	(6,333)
Fixed Assets	Property, Plant and Equipment	33,575	35,270	
	Buildings and structures	12,059	14,084	
	Machinery and vehicles	10,050	11,211	
	Tools, furniture and fixture	2,177	2,528	
	Land	6,130	6,146	
	Construction in progress	3,157	1,299	
	Intangible Assets	179	225	
	Investments and Other assets	71,187	78,426	
	Investment securities	68,416	75,049	
	Long-term loans receivable	479	709	
	Deferred tax assets	138	135	
	Other investments and other assets	2,151	2,532	
	Total fixed assets	104,943	113,922	(8,979)
Total assets		229,674	244,987	(15,312)

LIABILITIES AND SHAREHOLDERS' EQUITY		2003	2002	(Millions of yen) Increase (Decrease)
Current Liabilities	Trade notes and accounts payable	2,944	2,647	
	Accrued income taxes	2,618	4,176	
	Deferred tax liabilities	16	0	
	Accrued bonus to employees	328	306	
	Other current liabilities	4,817	4,331	
	Total current liabilities	10,725	11,461	(736)
Long-term Liabilities	Deferred tax liabilities	3,261	5,399	
	Accrued retirement benefits for employees	925	1,755	
	Accrued retirement benefits for directors and statutory auditors	435	452	
	Other long-term liabilities	31	30	
	Total long-term liabilities	4,653	7,637	(2,984)
	Total liabilities	15,378	19,099	(3,720)
Minority Interests		1,492	1,573	(80)
Shareholders' Equity	Common stock	20,704	20,704	
	Additional paid-in capital	20,419	20,419	
	Retained earnings	216,890	204,805	
	Unrealized holding gains(losses) on securities	171	(769)	
	Foreign currency translation adjustments	(5,299)	3,055	
	Treasury stock	(40,083)	(23,900)	
	Total shareholders' equity	212,803	224,315	(11,511)
Total liabilities and shareholders' equity		229,674	244,987	(15,312)

CONSOLIDATED STATEMENTS OF INCOME

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31, 2003 and 2002

	(Millions of yen)		
	2003	2002	Increase (Decrease)
Net Sales	105,743	116,356	
Cost of Sales	63,334	69,735	
Gross profit	42,409	46,621	(4,212)
Selling, General and Administrative Expenses	17,833	17,498	
Operating income	24,576	29,122	(4,546)
Other Income (Expenses)			
Interest and dividend income	2,068	2,265	
Exchange losses on foreign currency transactions	(1,369)	(1,717)	
Other, net	(533)	(1,703)	
Income before Income Taxes and Minority Interests	24,741	27,968	(3,226)
Income Taxes			
Current	10,036	8,757	
Deferred	(2,125)	1,113	
Minority Interests	99	72	
Net Income	16,731	18,025	(1,293)

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31, 2003 and 2002

		(Millions of yen)		
		2003	2002	Increase (Decrease)
Common Stock	Beginning balance	20,704	20,704	
	Ending balance	20,704	20,704	-
Additional Paid-in Capital	Beginning balance	20,419	20,419	
	Ending balance	20,419	20,419	-
Retained Earnings	Beginning balance	204,805	189,972	
	Net income	16,731	18,025	
	Cash dividends	(4,495)	(3,083)	
	Bonus to directors and statutory auditors	(150)	(108)	
	Ending balance	216,890	204,805	12,084
Unrealized Holding (Losses) Gains on Securities	Beginning balance	(769)	(168)	
	Net change during the year	941	(601)	
	Ending balance	171	(769)	941
Foreign Currency Translation Adjustments	Beginning balance	3,055	10,936	
	Net change during the year	(8,355)	(7,880)	
	Ending balance	(5,299)	3,055	(8,355)
Treasury Stock	Beginning balance	(23,900)	(4)	
	Net change during the year	(16,182)	(23,895)	
	Ending balance	(40,083)	(23,900)	(16,182)
Total shareholders' equity at end of year		212,803	224,315	(11,511)

CONSOLIDATED STATEMENTS OF CASH FLOWS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31, 2003 and 2002

		(Millions of yen)		
		2003	2002	Increase (Decrease)
Cash Flows from Operating Activities	Net income before income taxes and minority interests	24,741	27,968	
	Depreciation and amortization	5,578	6,336	
	Provision for retirement benefits, net payments	(817)	(147)	
	Interest and dividends income	(2,068)	(2,265)	
	Foreign exchange loss	1,941	2,434	
	(Gain) Loss on sales of short-term investments	(11)	623	
	Loss on sales and disposal of fixed assets	183	546	
	Loss on valuation of investment securities	-	623	
	Increase in trade notes and accounts receivables	(1,217)	(1,419)	
	Decrease in inventories	1,440	7,553	
	Increase in trade notes and accounts payable	1,014	882	
	Other, net	(229)	(3,035)	
	Sub total	30,555	40,101	
	Interest and dividends received	2,055	2,258	
	Interest paid	(0)	(0)	
	Income taxes paid	(12,104)	(6,927)	
	Net cash provided by operating activities	20,506	35,433	(14,926)
Cash Flows from Investing Activities	Purchase of short-term investments	(3,376)	(1,799)	
	Proceeds from sales of short-term investments	12,348	6,093	
	Purchase of property, plant and equipment	(6,029)	(5,951)	
	Proceeds from sales of property, plant and equipment	160	883	
	Purchase of investment securities	(20,212)	(36,084)	
	Proceeds from sales of investment securities	20,323	34,083	
	Other, net	(147)	(3,015)	
Net cash provided by (used in) investing activities	3,066	(5,791)	8,857	
Cash Flows from Financing Activities	Cash dividends paid	(4,493)	(3,082)	
	Purchase of treasury stock	(16,182)	(23,895)	
	Net cash used in financing activities	(20,676)	(26,978)	6,302
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(5,721)	(6,028)	307	
Net Decrease in Cash and Cash Equivalents	(2,824)	(3,365)	541	
Cash and Cash equivalents at Beginning of Year	80,857	84,223	(3,365)	
Net Increase resulting from changes in scope of consolidation	55	-	55	
Cash and Cash equivalents at End of Year	78,089	80,857	(2,768)	

SEGMENT INFORMATION

The Company and consolidated subsidiaries manufacture and sell small electric motors, parts and equipment used for production purpose. Substantially all of the consolidated net sales and operating income are generated from a broad range of motor products. The information on net sales, operating income and assets by geographic area, and overseas sales are summarized as follows.

			(Millions of yen)	
1. Segment Information by Geographic Area			2003	2002
Net Sales	Japan	Outside customers	20,864	24,857
		Intersegment	46,364	50,018
		Total	67,229	74,875
	Asia	Outside customers	60,666	64,378
		Intersegment	43,053	47,874
		Total	103,719	112,253
	U.S.A.	Outside customers	9,518	11,970
		Intersegment	0	0
		Total	9,519	11,971
	Europe	Outside customers	14,694	15,149
		Intersegment	7	9
Total		14,701	15,159	
	Eliminations	(89,426)	(97,903)	
	Consolidated	105,743	116,356	
Operating Income	Japan		8,858	12,901
	Asia		14,524	15,226
	U.S.A.		257	467
	Europe		(82)	258
	Eliminations		1,018	268
	Consolidated		24,576	29,122
Assets	Japan		82,151	68,639
	Asia		89,334	100,270
	U.S.A.		4,421	5,348
	Europe		5,149	5,724
	Eliminations		48,618	65,004
	Consolidated		229,674	244,987

The amount of corporate assets included in "Eliminations" are 115,962 million in 2002 and 97,606 million in 2003, which comprises principally cash, short-term investments and investments securities.

			(Millions of yen)	
2. Overseas Sales			2003	2002
Overseas Sales	U.S.A.		10,183	12,624
	Europe		14,781	15,186
	Asia and Other		69,150	76,599
	Total		94,115	104,410
Net Sales			105,743	116,356
% of Overseas Sales to Net Sales			89.0%	89.7%

Overseas sales are the total of exports by the Company and sales by consolidated overseas subsidiaries.