



MABUCHI MOTOR CO., LTD.

CONSOLIDATED FINANCIAL RESULTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2004

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CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2004

Date : May 11, 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. Overview of Results for the three months ended March 31, 2004

(1) Operating Results

	Net Sales		Operating income		Net income	
	millions of yen	% (change)	millions of yen	% (change)	millions of yen	% (change)
Three months ended March 31, 2004	23,665	-	5,186	-	3,600	-
Three months ended March 31, 2003	-	-	-	-	-	-
Year ended December 31, 2003	105,743		24,576		16,731	

	Net income per share	Fully diluted net income per share
	yen	yen
Three months ended March 31, 2004	83.53	-
Three months ended March 31, 2003	-	-
Year ended December 31, 2003	375.41	-

- (Notes)
- There are no figures for comparison at the same period last year because this quarter is the first time for disclosing the results of the first quarter.
 - Accounting methods used for this quarterly financial report, which are different from those used for the latest fiscal year ;
Income taxes : Calculated by estimated annual income tax rate based on effective statutory income tax rate.
Insignificant items : Simplified accounting procedures are adopted.
 - Change in scope of consolidation and application of the equity method : None

(2) Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	millions of yen	millions of yen	%	yen
As of March 31, 2004	229,545	213,309	92.9	4,949.18
As of March 31, 2003	-	-	-	-
As of December 31, 2003	229,674	212,803	92.7	4,934.38

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	millions of yen	millions of yen	millions of yen	millions of yen
Three months ended March 31, 2004	3,132	1,078	(2,634)	79,292
Three months ended March 31, 2003	-	-	-	-
Year ended December 31, 2003	20,506	3,066	(20,676)	78,089

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

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

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

QUALITATIVE INFORMATION ON OPERATING RESULTS AND FINANCIAL POSITION

1. Operating Results

In this first quarter (from January 1, 2004 to March 31, 2004), though our operations received pressure from yen appreciation to the US dollar and sign of escalating prices of some parts and materials, through our continuous cost reduction activities, we could almost achieve operating results as planned. Performance in motor sales, which is our major business, continued strong in all market segments and attained a 4.0%-increase in sales volume and a 9.0%-increase in sales compared to our original estimates. Page 8 shows sales performance of each market segment for the first quarter of this year. Features of market trends and motor sales conditions are as follows:

In audio and visual equipment market, demands for motors for digital products represented by DVD players/recorders and CD players were strong, and actual figures for sales volume and sales for this market slightly exceeded our estimates in this quarter.

In automotive products market, since adoption of electrical components for automobiles further increased and the number of motors per automobile increased, this market was surely and continuously growing and expanding. Specifically, motors for power windows, rearview mirrors, retractable rearview mirrors, and door lock actuators were in good demand. Consequently, sales volume and sales for this market exceeded our estimates in this quarter.

In information and communication equipment market, demands for motors for ink-jet printers and digital cameras as well as demands for motors for PC drives remained strong. As a result, sales volume and sales for this market exceeded our estimates in this quarter.

In home appliances, power tools and toys & hobbies market, since an increase in demands for motors for shavers, electric toothbrushes, air fresheners and tools made a contribution to this market, like other markets described above, sales volume and sales for this market exceeded our estimates in this quarter.

The above are descriptions of net sales in our consolidated operating results for the first quarter of this year. As a result of our efforts to achieve cost reduction and this quarter's average exchange rate of ¥107.27, the actual figures for operating income and net income were ¥5,186 million and ¥3,600 million, respectively, which were almost in line with our estimates made at the beginning of this year.

2. Financial Position

With regard to the consolidated cash flows of this first quarter, net cash provided by operating activities resulted in ¥3,132 million due mainly to payment of income tax and an increase of inventory, while being provided by mainly income before income taxes and depreciation. Net cash provided by investing activities resulted in ¥1,078 million as a result of the proceeds from sales of short-term investments.

Net cash used in financing activities resulted in ¥2,634 million due mainly to the dividend payment.

As a result of the above, the balance of cash and cash equivalents increased ¥1,202 million from the year ended December 31, 2003, to ¥79,292 million as of March 31, 2004.

3. Forecasts

Net sales show a trend of seasonal variation. Usually, our net sales continuously increase starting from the first quarter, peak in the third quarter, and then decrease in the fourth quarter. Our current operating results at the end of the first quarter (the demand surging period) of this year are almost in line with our initial prospect.

Therefore, for our expected operating results for the first-half and full-year period of this year, we have not changed our forecast announced on February 17, 2004.

* Descriptions on prospects for the operating results in this document are based on information available at present. The actual results might differ from the prospects depending on various factors in the future.

CONSOLIDATED BALANCE SHEETS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES MARCH 31, 2004 and DECEMBER 31, 2003

		(Millions of yen)	
ASSETS		March 31 2004	December 31 2003
Current Assets	Cash and bank deposits	77,023	77,187
	Trade notes and accounts receivable	14,046	14,129
	Short-term investments	13,623	16,011
	Inventories	15,449	14,677
	Deferred tax assets	1,073	1,575
	Other current assets	1,139	1,449
	Allowance for doubtful accounts	(304)	(298)
	Total current assets	122,052	124,731
Fixed Assets	Property, Plant and Equipment		
	Buildings and structures	11,727	12,059
	Machinery and vehicles	10,140	10,050
	Tools, furniture and fixture	2,118	2,177
	Land	6,132	6,130
	Construction in progress	4,030	3,157
	Total	34,148	33,575
	Intangible Assets	174	179
	Investments and Other assets		
	Investment securities	70,478	68,416
	Long-term loans receivable	464	479
	Deferred tax assets	144	138
	Other investments and other assets	2,083	2,151
	Total	73,169	71,187
	Total fixed assets	107,492	104,943
Total assets		229,545	229,674

		(Millions of yen)	
LIABILITIES AND SHAREHOLDERS' EQUITY		March 31 2004	December 31 2003
Current Liabilities	Trade notes and accounts payable	3,627	2,944
	Accrued income taxes	2,175	2,618
	Deferred tax liabilities	0	16
	Accrued bonus to employees	776	328
	Other current liabilities	3,743	4,817
	Total current liabilities	10,323	10,725
Long-term Liabilities	Deferred tax liabilities	3,127	3,261
	Accrued retirement benefits for employees	794	925
	Accrued retirement benefits for directors and statutory auditors	417	435
	Other long-term liabilities	34	31
	Total long-term liabilities	4,374	4,653
Total liabilities		14,697	15,378
Minority Interests		1,538	1,492
Shareholders' Equity	Common stock	20,704	20,704
	Additional paid-in capital	20,419	20,419
	Retained earnings	217,737	216,890
	Unrealized holding gains on securities	946	171
	Foreign currency translation adjustments	(6,411)	(5,299)
	Treasury stock	(40,087)	(40,083)
	Total shareholders' equity	213,309	212,803
Total liabilities and shareholders' equity		229,545	229,674

CONSOLIDATED STATEMENTS OF INCOME

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES
 FOR THE THREE MONTHS ENDED MARCH 31, 2004 and YEAR ENDED DECEMBER 31, 2003

	(Millions of yen)	
	2004	2003
Net Sales	23,665	105,743
Cost of Sales	14,338	63,334
Gross profit	9,327	42,409
Selling, General and Administrative Expenses	4,140	17,833
Operating income	5,186	24,576
Other Income (Expenses) :		
Interest and dividend income	398	2,068
Exchange losses on foreign currency transactions	(78)	(1,369)
Other, net	(108)	(533)
Income before Income Taxes and Minority Interests	5,398	24,741
Income Taxes :		
Current	1,753	10,036
Deferred	-	(2,125)
Minority Interests	45	99
Net Income	3,600	16,731

CONSOLIDATED STATEMENTS OF CASH FLOWS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES
FOR THE THREE MONTHS ENDED MARCH 31, 2004 and YEAR ENDED DECEMBER 31, 2003

		(Millions of yen)	
		2004	2003
Cash Flows from Operating Activities	Net income before income taxes and minority interests	5,398	24,741
	Depreciation and amortization	1,173	5,578
	Provision for retirement benefits, net payments	(149)	(817)
	Interest and dividends income	(398)	(2,068)
	Foreign exchange (gain) loss	(55)	1,941
	Gain on sales of short-term investments	-	(11)
	(Gain) Loss on sales and disposal of fixed assets	(6)	183
	Increase in trade notes and accounts receivables	(33)	(1,217)
	(Increase) Decrease in inventories	(1,068)	1,440
	(Decrease) Increase in trade notes and accounts payable	(48)	1,014
	Other, net	247	(229)
	Sub total	5,058	30,555
	Interest and dividends received	402	2,055
	Interest paid	(0)	(0)
	Income taxes paid	(2,328)	(12,104)
Net cash provided by operating activities	3,132	20,506	
Cash Flows from Investing Activities	Purchase of short-term investments	(776)	(3,376)
	Proceeds from sales of short-term investments	3,915	12,348
	Purchase of property, plant and equipment	(1,991)	(6,029)
	Proceeds from sales of property, plant and equipment	11	160
	Purchase of investment securities	(4,001)	(20,212)
	Proceeds from sales of investment securities	3,023	20,323
	Other, net	897	(147)
Net cash provided by investing activities	1,078	3,066	
Cash Flows from Financing Activities	Cash dividends paid	(2,630)	(4,493)
	Purchase of treasury stock	(4)	(16,182)
	Net cash used in financing activities	(2,634)	(20,676)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(373)	(5,721)	
Net Increase (Decrease) in Cash and Cash Equivalents	1,202	(2,824)	
Cash and Cash Equivalents at Beginning of Period	78,089	80,857	
Net Increase resulting from changes in scope of consolidation	-	55	
Cash and Cash Equivalents at End of Period	79,292	78,089	

CURRENT STATUS OF PRODUCTION AND SALES

(1) Production

	Period	Three months ended March 31, 2004		Year ended December 31, 2003	
		thousand pieces	%(component ratio)	thousand pieces	%(component ratio)
	Manufacturing Subsidiary				
Small Motors	MABUCHI INDUSTRY CO., LTD.	263,501	56.5	1,018,464	55.9
	MABUCHI MOTOR DALIAN LTD.	39,910	8.6	162,563	8.9
	MABUCHI MOTOR WAFANGDIAN LTD.	38,639	8.3	144,655	8.0
	MABUCHI MOTOR (JIANGSU) CO., LTD.	36,550	7.9	158,013	8.7
	MABUCHI MOTOR (MALAYSIA) SDN. BHD.	11,604	2.5	61,875	3.4
	MABUCHI TAIWAN CO., LTD.	1,103	0.2	3,921	0.2
	MABUCHI MOTOR VIETNAM LTD.	74,760	16.0	271,054	14.9
	Total	466,068	100.0	1,820,548	100.0

(Notes) Figures are based on production volume.

(2) Sales by application

	Period	Three months ended March 31, 2004		Year ended December 31, 2003	
		millions of yen	%(component ratio)	millions of yen	%(component ratio)
	Application				
Small Motors	Audio and Visual Equipment	7,681	32.4	37,866	35.8
	Automotive Products	7,848	33.2	30,127	28.5
	Information and Communication Equipment	3,168	13.4	14,273	13.5
	Home Appliances, Power Tools and Others	4,963	21.0	23,435	22.2
		Total	23,661	100.0	105,703

(Notes) Consumption taxes were excluded.