

CONSOLIDATED FINANCIAL RESULTS
OF THE FISCAL YEAR ENDED
DECEMBER 31 , 2004

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CONSOLIDATED FINANCIAL RESULTS OF THE FISCAL YEAR ENDED DECEMBER 31, 2004

Date : February 18, 2005
MABUCHI MOTOR CO., LTD.
Code : 6592
Listed on the 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, 2004 (From January 1 to December 31, 2004)

(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)
FY2004	99,347	(6.0)	17,312	(29.6)	13,279	(20.6)
FY2003	105,743	(9.1)	24,576	(15.6)	16,731	(7.2)

	Net income per share	Fully diluted net income per share	Return (net income) on equity
	yen	yen	%
FY2004	316.14	-	6.4
FY2003	375.41	-	7.7

(Notes) 1. Weighted average number of shares outstanding during the respective years (consolidation)
2004 : 41,770,076 shares, 2003 : 44,223,384 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
FY2004	216,489	201,543	93.1	4,966.70
FY2003	229,674	212,803	92.7	4,937.38

(Notes) Number of shares outstanding at end of year (consolidation) ----- 2004 : 40,563,910 shares, 2003 : 43,100,492 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
FY2004	16,475	(11,752)	(23,282)	58,598
FY2003	20,506	3,066	(20,676)	78,089

(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 : None Excluded : None
Companies accounted for under the equity method ----- Added : None Excluded : None

2. Prospect for the next fiscal year (From January 1 to December 31, 2005)

	Net Sales	Net income
	millions of yen	millions of yen
Interim	46,000	4,900
Annual	96,000	10,400

(Reference) Projected annual net income per share : 255.38yen

MANAGEMENT PRINCIPLES

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

We have developed the methods as “Mabuchi’s Management Vision” which leads us 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. Creation of 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 develop human resources who can make contribution to the society.
3. Operation of corporation that promote the preservation of our earth’s environment and our own human health.
4. Contribution by expanding employment opportunities and transferring of our technology to under developing countries so as to contribute to the economic development thereof and to narrow their economic disparities with the developed 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 and promptly provide products with reasonable price in response to the needs.” “Management Policies” also show how to act as the above-defined corporation.

“Management Policies of Overseas Operations” explicitly state basic understanding on the basis of co-existence and co-prosperity for both Mabuchi and their parent 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 Overseas Operation

1. Promote co-existence and mutual prosperity on a long-term basis.
2. Solidify the structure of international production lines that parallel the strengths of each branch, and preserve and expand international competition.
3. Promote the Mabuchi corporate culture of philanthropy 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 equipment, which are necessary for our growth, by our internal reserves. Also, we have been maintaining our basic policy to positively return profits to stockholders through a long-term stable dividend and the increase of dividend and stock split in compliance with our business results.

Based on 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 20% of the consolidated net income by the number of shares issued.

Regarding share repurchase, following the repurchase of 2-million shares through self-tender offer in June 2002, the repurchase of 1,508,500 shares through self-tender offer in June 2003, and the repurchase of 456,100 shares through the stock market in December 2003, we have repurchased 2,534,100 shares through self-tender offer in June 2004. 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 internal reserves 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 Shares 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 shares in a unit 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 Issue to cope with

On the 50th anniversary of the foundation of Mabuchi Motor Co., Ltd., our important turning point, we are working on our mid-term business strategy, consisting of three major elements, i.e., growth strategy, cost strategy and management infrastructure development, aiming at further corporate growth and setting achievement of 150 billion-yen consolidated net sales in 2008 as our mid-term challenging target. The details thereof are as follows:

First, as the growth strategy, we will work on the following: enlarging automotive products business focusing on motors for power windows; and entering into the market of brushless motors for optical disks. For realizing the above, we are increasing our lineup of the existing motors with brushes; differentiating technologies for manufacturing power unit motors; innovating in production processes for the brushless motors, and facilitating self-manufacturing of parts for the brushless motors. Also, we are pushing forward development of our business through exploiting new technologies, new applications, and new market.

Second, as the cost strategy, though it is expected that material costs will increase because of recent soaring of market prices thereof such as steel and copper, we will aim at reducing variable costs by improving technologies with the initiative of the Head Office such as improving costs at the design phase as well as strengthening cost reduction activities in purchasing and production activities. Also, we will facilitate self-manufacturing of equipment and parts and work at differentiating both technologies and costs from a long-term point of view. In addition, we will promote improvement in cost structure, including reduction of fixed costs of the Head Office, through rationalizing both indirect manufacturing departments and the Head Office functions.

Last, regarding the management infrastructure development, while we are aiming at establishing product improvement functions in

the bases in China, we are promoting establishment of IT infrastructure for strengthening cooperation between the Head Office and each overseas base and for realizing efficiency of development activities. Moreover, in October 2004, we introduced MVU (Mabuchi Virtual Unit), a customer-oriented organization aiming at heightening our ability to respond to our customers through fusing functions of sales department, product development department and technology planning department and through defining the performances and the responsibilities. We are utilizing MVU as an organization effective in sales growth.

Basic Policy on Corporate Governance and the State of Implementation thereof

Basic Policy on Corporate Governance

Mabuchi Group recognizes 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 Mabuchi Group’s corporate governance, it is essential to see from the standpoints of the management structure and various administrative measures to support the realization of the Management Philosophy. Therefore, it is one of the most important duties of management to build and maintain an appropriate corporate governance structure. Mabuchi Group’s basic policies regarding corporate governance are as follows:

1. The structure warrants proper administrative decision making and effective business execution and making clear where the responsibility lies.
2. An appropriate internal control organization is constructed and is being operated properly. Namely, both the internal check system and the managerial auditing system are working effectively.
3. All employees of Mabuchi Group have common understanding, as a corporate culture, that observing the corporate ethics and complying with laws are prerequisite for highly motivated business activities.
4. Disclosure to stakeholders is made fairly, timely, and clearly.

Description of Mabuchi Group’s Organizations and Status of Development of Internal Control System

Mabuchi Motor Co., Ltd. adopts the auditors system. Namely, the company’s organizations, accounting auditors and other organizations, which are defined in the commercial law, are performing their functions based on laws. In addition, the entire internal control system was established and is functioning through the Executive Committee, the Internal Audit Dept. and other organizations relating to the performance of operations and internal control, which are independently established, with the participation of outside experts.

Also, each of Mabuchi’s overseas group companies is implementing the internal control through organizations which were established based on laws of a country where the base is located and through the internal organizations and the outside experts that complement the above. And we are attempting to improve the world-wide internal control system by sharing the corporate culture/sense of values in Mabuchi Group’s management vision, by holding overseas-bases managers meetings and by implementing the audits for activities of the group companies by the Internal Audit Dept.

The following are descriptions of Mabuchi’s organizations and status of internal control:

(1) Board of Directors and Executive Committee

Managerial decision-making is done by Board of Directors which is composed of 8 directors (seven out of them are working in Japan) who have full knowledge of managerial environment for businesses and are extremely knowledgeable in business and

Executive Committee which is composed of directors who work in Japan. Board of Directors determines the critical matters defined in the laws and held when the holding of the meeting is needed (held 26 times in this term). Executive Committee complements Board of Directors, conducts agile decision making, and the directors monitor the execution/performance of other directors each other.

(2) Management Supervisory Functions

1. Board of Auditors

Board of Auditors which is composed of four Auditors including three outside auditors (two lawyers and one certified public accountant) 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 advices regarding legality in decision making and business execution by Directors or maintenance/improvement of internal control mechanisms.

2. Internal Audit Dept.

Internal Audit Dept. (which is composed of one full-time staff member; outside experts periodically participate in the activities) has been established to reinforce the global management supervisory function. Internal Audit Dept. has established a structure to implement continuous monitoring of compliance regarding effectiveness, procedures and rules of the internal control system of Mabuchi Group in cooperation with Auditors and feed the results back to management.

3. Audit of Financial Accounts and Other Management Supervisory Functions

Regarding financial results and financial rightness/legality of each of the consolidated group companies, we have been audited by an auditing company. We have been timely coping with auditors' comments, including improvement-required matters relating to the internal control organization that have been pointed out during the audit.

In addition to the above, we have also introduced the following system from a group-based viewpoint: 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). These are functioning as important management supervisory system. Also, periodic consultations with, advice from, and administrative opinions from a Senior Corporate Adviser and two Corporate Advisers, who are former Directors of Mabuchi, are helpful to management supervision.

(3) Maintenance of Internal Control Organization

The internal control system is the foundation of corporate governance. Specifically, the internal check function, which is built in both organizations and procedures for executing routine work, is effective for preventing irregularities and errors. For both Mabuchi Motor Co., Ltd. and each group company, we are properly reviewing functions, the division of duties, and various regulations related to the functions and duties for this purpose.

(4) Compliance Culture

We expressed our Management Philosophy promptly after the company formation, and we had established Our Mission based on the Management Philosophy, and have been made 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 the contribution to society and our justice/fairness to other people through our business and requesting all of our employees to share this our common sense of value.

(5) Disclosure of Information on Business Management

For the purpose of appropriately reporting and describing our management information to our stakeholders, we have established intra-group regulations and have been making efforts to disclose the information fairly, timely and clearly, mainly

by our function to implement public relations and our function to implement management control, in cooperation with departments concerned and executive officers of the group companies. In addition to the disclosure of information based on laws or various systems, 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.

Status of Development of Risk Management System

We have established a risk management committee for the purpose of preventing and decreasing damages which may be caused by various risks related to corporate activities and early recovering from damages and minimizing damages in case any risk emerges. The risk management committee is extracting and evaluating risks qualitatively and quantitatively, mapping out a countermeasures plan and developing the plan from a Group-wide viewpoint.

Also, we have also formed an emergency measures headquarters function and are developing systems for emergency for securing both communication system and initial-stage action taking system in case of emergency.

Details of Executive Compensation

The following are compensation and bonuses paid for Mabuchi's (parent company's) directors and auditors in the current year:

The sum total of compensation for Mabuchi's directors -----	117 million yen
The sum total of compensation for Mabuchi's auditors -----	29 million yen
The sum total of bonuses for executives by profit distribution -----	124 million yen

The above total amount paid does not include the amount paid as a salary and a bonus to directors having duties in an employee's capacity.

Details of Audit Fees

The following are fees paid to Shin Nihon & Co., Mabuchi's accounting auditor, in the current year:

The sum total of fees related to certification by audits based on audit contract -----	35 million yen
The sum total of fees other than the above -----	4 million yen

Summary of Interests between Mabuchi Group and Mabuchi Group's External Executives and the like

Neither the three outside auditors nor the staff who audits the financial accounts of Mabuchi have interests in Mabuchi. Therefore, independence and effectiveness of our management supervisory functions are sufficiently secured.

Status of Implementation of Efforts toward Completion of Corporate Governance in the Latest One Year

As activities for completion of corporate governance in the latest one year, we implemented, continued from the preceding term, internal audits of our overseas production subsidiaries regarding the implementation status of compliance management. Also, we started to mapping out "Code of Ethics on Compliance" to complement and strengthen our Management Vision from a compliance point of view and we started preparation for developing the Code of Ethics. 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 CONDITIONS

1. Operating results

Review of 2004 Operation

In this fiscal year the Japanese economy generally showed resilience of economic recovery as a result of improvement in corporate profits represented by automotive industry even though economic growth slowed as a result of profit recovery due to benefits from restructuring measures in comprehensive sectors and inventory adjustment in IT/digital-related sectors in the second half. However, a negative factor for corporate earnings, i.e., a sudden rise in prices of some materials such as crude oil and steel, also occurred.

On the other hand, looking at the overseas economic conditions, the U.S. economy sustained its moderate economic acceleration as a result of the U.S. officials' policy for avoiding sharp upturn of interest rate even though tax-cut effect ran its course. The European economy stayed on a modest recovery trend even though new employment creation in the Euro Economic Bloc was sluggish. In the Asian economies, the growth rate of the real economy remained high even in China, where selective squeezes continue. In ASEAN countries, private consumption or export is solidly supporting economy. In the other regions also, firmness of export spread even to domestic demand, and a recovery trend in economy became clear.

As for the Mabuchi Group-wide sales markets, demand for motors grew in each of all segments except the audio & visual equipment segment, i.e., the information & communication equipment segment, the automotive products segment, and the home appliances, power tools, toys & hobbies segment. The number of motors sold increased by 7.3% compared with the last year's figure. This means the number has set a new record for three consecutive years. On the other hand, sales amount fell below last year's actual result due to the influence of a change in model-mix, the fall of sales prices and the demand shift to lower-end motors as well as appreciation of the yen by approximately 6.7% compared with the last year's figure.

In this year, the year to start the medium-term business strategy aiming at new growth, we have implemented the following measures:

1. Introduced MVU (Mabuchi Virtual Unit) system, the customer-oriented organization aiming at strengthening the ability to respond to customers.
2. Started full-scale operation of development and design functions related to product improvement in bases in China.
3. Established IT infrastructure to strengthen cooperation between the Head Office and each overseas base and to realize rapid improvement in efficiency of development activities.
4. Abolished the conventional section-based system and introduced a new group-based system aiming at heightening flexibility in arranging an organization.
5. Completed the new head office building as a facility to offer information of "creativity and power".

Though it is in an advance-investment phase, we are obtaining some results of the investment, such as the attainment of having the same objectives in common, the securing of consistency in various activities, and the heightening of a sense of identity among all Mabuchi Group companies. We believe that we are steadily making progress toward the achievement of the objectives of the medium-term business strategy.

The following are explanations of consolidated earnings for this fiscal year:

Consolidated net sales for this fiscal year decreased 6.0% to 99,347 million yen.

Net sales of motors, which account for most of the consolidated net sales, decreased 6.1% year on year to 99,249 million yen.

Market trends and sales status of the motors are as follows:

In Audio & Visual Equipment, the demands for motors for digital devices such as DVD players were strong since the beginning of the term. However, the shipment remained almost the same level as the previous term mainly due to the influence of the inventory adjustment seen in the second half of the term. The amount of sales decreased to 30,567 million yen (down by 19.3% from the previous term) due to the adverse effects such as the unit price decline, the model mix shift to low-end motors as well as the appreciation of the yen.

In Automotive Products, this market is expanding fairly well due to the increase of motors used in an automobile seeking for added safety, convenience, comfort and economical efficiency. The demands were especially-significant in motors used for the power-window lifters, air-conditioning damper actuators, retractable rearview mirrors, and door locks. Thus the net sales increased to 30,376 million yen (up by 0.8% from the previous year).

In Information & Communication Equipment, the demands for motors for printers and digital cameras, which serve as engines of the expansion of this market, have been continuously strong. In addition to that, the demands for motors for PC drives have been increasing. The amount of sales increased to 14,499 million yen (up by 1.6% from the previous year) offsetting the adverse effects such as the unit price decline, the model mix shift to low-end motors and the appreciation of the yen.

In Home Appliances, Power Tools and Toys & Hobbies, the sales of motors for tools, hair dryers, shavers and toothbrushes were favorable. In addition to that the sales for motors for the fragrance generators which were big hits and for the micro-pulse wet shavers which were also big hits, though they were newly introduced products, made a contribution to sales. Thus the amount of sales increased to 23,806 million yen (up by 1.6% from the previous year).

Operating income decreased 29.6% year on year to 17,312 million yen. The number of motors sold increased and the production costs per unit reduced with major contribution of accomplishing high level of capacity utilization. However, the negative factors such as price declines, increase in material costs, high yen appreciation, and the like negated such positive effects.

Net income decreased 20.6% year on year to 13,279 million yen as a result of improvement in gain/loss on sale of investment securities and decrease in retirement benefits for employees in overseas subsidiaries.

Non-consolidated Results and Dividend

Non-consolidated net sales decreased 6.6% year on year to 62,760 million yen of which net sales of motors decreased 7.7% year on year to 57,989 million yen due to the factors mentioned above. Operating income decreased 20.9% year on year to 7,003 million yen as results of the fall of a unit price and the increase of administrative expenses due to the new head office building construction expenses and the research and development expenses which negated the cost reduction endeavors in purchasing parts and materials.

Net income decreased 12.6% year on year to 12,958 million yen as a result of improvement in the gain/loss on sale and loss by management of investment securities and others.

On the dividends for this fiscal year, based upon the basic rule on the profit sharing, we are planning to pay 51 yen per share, which is made up of 25 yen as an ordinary dividend and 26 yen as a special dividend. Since we have already paid, as interim dividend payment, 64 yen, which is made up of 25 yen as an ordinary dividend and 39 yen as a special dividend, the total dividends for this fiscal year become 115 yen (50 yen of ordinary dividends and 65 yen of special dividends per share).

2. Financial Conditions

With regard to the consolidated cash flows of this fiscal year, the cash flows from operating activities resulted in 16,475 million yen mainly due to the decrease of income before tax(decrease of 4,031 million yen year on year). The cash flows from investing activities resulted in the use of 11,752 million yen as a result of the construction of the new head office building, the investment in production facility due to increased production and others. The cash flows from financial activities resulted in the use of 23,282 million yen due to the dividend payment and the repurchasing of shares. As a result cash and cash equivalents resulted in 58,598 million yen at the end of the fiscal year (decline of 19,491 million yen year on year).

3. 2005 Forecasts

We expect that in general the global economy will show moderate expanding trend although uncertain conditions such as issues on autonomy of Iraq, concern about high appreciation of yen, and interest rate rising risk, which may affect the economic conditions, still remain.

With regard to the markets of our products, it is expected that the sale volumes will increase by approximately 2.4%. However, net sales, we will be facing with unfavorable conditions such as high yen appreciation, drop of unit sales price, and an increase in material costs due to the soaring of prices of materials such as steel.

Under these circumstances, our forecast for 2005 fiscal year is as follows:

Forecast (consolidated)

Net Sales	96 billion yen (3.4% decline year on year)
Operating Income	13 billion yen (24.9% decline year on year)
Net Income	10.4 billion yen (21.7% decline year on year)

Forecast (non-consolidated)

Net Sales	59 billion yen (6.0% decline year on year)
Operating Income	3 billion yen (57.2% decline year on year)
Net Income	8.3 billion yen (35.9% decline year on year)

(Assumptions: Exchange Rate 104¥/\$. 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, 2004 and 2003

		(Millions of yen)		
ASSETS		2004 December 31	2003 December 31	Increase (Decrease)
Current Assets	Cash and bank deposit	56,390	77,187	(20,796)
	Trade notes and accounts receivable	13,235	14,129	(893)
	Short-term investments	10,772	16,011	(5,238)
	Inventories	16,430	14,677	1,752
	Deferred tax assets	1,593	1,575	18
	Other current assets	1,557	1,449	108
	Allowance for doubtful accounts	(267)	(298)	31
	Total current assets	99,713	124,731	(25,018)
Fixed Assets	Property, Plant and Equipment			
	Buildings and structures	19,043	12,059	6,983
	Machinery, equipment and vehicles	10,426	10,050	376
	Tools, furniture and fixture	2,389	2,177	211
	Land	6,173	6,130	42
	Construction in progress	1,673	3,157	(1,484)
	Total	39,705	33,575	6,129
	Intangible Assets	528	179	348
	Investments and Other assets			
	Investment securities	74,130	68,416	5,713
	Long-term loans receivable	338	479	(141)
	Deferred tax assets	157	138	18
	Other investments and other assets	1,916	2,151	(234)
	Allowance for doubtful accounts	(1)	-	(1)
	Total	76,541	71,187	5,354
Total fixed assets	116,775	104,943	11,832	
Total assets	216,489	229,674	(13,185)	

		(Millions of yen)		
LIABILITIES AND SHAREHOLDERS' EQUITY		2004 December 31	2003 December 31	Increase (Decrease)
Current Liabilities	Trade notes and accounts payable	3,094	2,944	149
	Accrued income taxes	2,562	2,618	(56)
	Deferred tax liabilities	-	16	(16)
	Accrued bonus to employees	396	328	67
	Other current liabilities	4,968	4,817	150
Total current liabilities	11,021	10,725	295	
Long-term Liabilities	Deferred tax liabilities	3,017	3,261	(243)
	Accrued retirement benefits for employees	379	925	(545)
	Accrued retirement benefits for directors and statutory auditors	446	435	10
	Other long-term liabilities	81	31	50
	Total long-term liabilities	3,924	4,653	(728)
Total liabilities	14,945	15,378	(433)	
Minority Interests		-	1,492	(1,492)
Shareholders' Equity	Common stock	20,704	20,704	-
	Additional paid-in capital	20,419	20,419	-
	Retained earnings	224,816	216,890	7,926
	Unrealized holding gains(losses) on securities	611	171	439
	Foreign currency translation adjustments	(6,863)	(5,299)	(1,563)
	Treasury stock	(58,145)	(40,083)	(18,062)
	Total shareholders' equity	201,543	212,803	(11,260)
Total liabilities and shareholders' equity	216,489	229,674	(13,185)	

CONSOLIDATED STATEMENTS OF INCOME

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

	(Millions of yen)		
	2004	2003	Increase (Decrease)
Net Sales	99,347	105,743	
Cost of Sales	63,329	63,334	
Gross profit	36,018	42,409	(6,391)
Selling, General and Administrative Expenses	18,705	17,833	
Operating income	17,312	24,576	(7,264)
Other Income (Expenses)			
Interest and dividend income	1,736	2,068	
Exchange gains(losses) on foreign currency transactions	414	(1,369)	
Other, net	213	(533)	
Income before Income Taxes and Minority Interests	19,676	24,741	(5,064)
Income Taxes			
Current	6,889	10,036	
Deferred	(585)	(2,125)	
Minority Interests	93	99	
Net Income	13,279	16,731	(3,451)

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

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

		(Millions of yen)		
		2004	2003	Increase
		December 31	December 31	(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	216,890	204,805	
	Net income	13,279	16,731	
	Cash dividends	(5,225)	(4,495)	
	Bonus to directors and statutory auditors	(127)	(150)	
	Ending balance	224,816	216,890	7,926
Unrealized Holding Loss on Securities	Beginning balance	171	(769)	
	Net change during the year	439	941	
	Ending balance	611	171	439
Foreign Currency Translation Adjustments	Beginning balance	(5,299)	3,055	
	Net change during the year	(1,563)	(8,355)	
	Ending balance	(6,863)	(5,299)	(1,563)
Treasury Stock	Beginning balance	(40,083)	(23,900)	
	Net change during the year	(18,062)	(16,182)	
	Ending balance	(58,145)	(40,083)	(18,062)
Total shareholders' equity at end of year		201,543	212,803	(11,260)

CONSOLIDATED STATEMENTS OF CASH FLOWS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31, 2004 and 2003

		(Millions of yen)		
		2004	2003	Increase (Decrease)
Cash Flows from Operating Activities	Net income before income taxes and minority interests	19,676	24,741	
	Depreciation and amortization	5,241	5,578	
	Provision for retirement benefits, net payments	(532)	(817)	
	Interest and dividends income	(1,736)	(2,068)	
	Foreign exchange loss	387	1,941	
	Gain on sales of short-term investments	-	(11)	
	Loss on sales and disposal of fixed assets	73	183	
	Loss on valuation of investment securities	-	0	
	Decrease (Increase) in trade notes and accounts receivables	801	(1,217)	
	Increase (Decrease) in inventories	(1,968)	1,440	
	Increase in trade notes and accounts payable	217	1,014	
	Other, net	(216)	(229)	
	Sub total	21,945	30,555	
	Interest and dividends received	1,737	2,055	
	Interest paid	(0)	(0)	
	Income taxes paid	(7,206)	(12,104)	
Net cash provided by operating activities	16,475	20,506	(4,031)	
Cash Flows from Investing Activities	Purchase of short-term investments	(5,849)	(3,376)	
	Proceeds from sales of short-term investments	13,677	12,348	
	Purchase of property, plant and equipment	(12,175)	(6,029)	
	Proceeds from sales of property, plant and equipment	144	160	
	Purchase of investment securities	(14,017)	(20,212)	
	Acquisition of minority interests	(1,710)	-	
	Proceeds from sales of investment securities	7,437	20,323	
	Other, net	741	(147)	
Net cash provided by investing activities	(11,752)	3,066	(14,818)	
Cash Flows from Financing Activities	Cash dividends paid	(5,220)	(4,493)	
	Purchase of treasury stock	(18,062)	(16,182)	
	Net cash used in financing activities	(23,282)	(20,676)	(2,606)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(931)	(5,721)	4,789	
Net Decrease in Cash and Cash Equivalents	(19,491)	(2,824)	(16,666)	
Cash and Cash Equivalents at Beginning of Year	78,089	80,857	(2,768)	
Net Increase resulting from changes in scope of consolidation	-	55	(55)	
Cash and Cash Equivalents at End of Year	58,598	78,089	(19,491)	

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 similar 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			Year ended Dec. 31, 2004	Year ended Dec. 31, 2003
Net Sales	Japan	Outside customers	20,395	20,864
		Intersegment	42,365	46,364
		Total	62,760	67,229
	Asia	Outside customers	56,795	60,666
		Intersegment	39,918	43,053
		Total	96,714	103,719
	U.S.A.	Outside customers	8,289	9,518
		Intersegment	0	0
		Total	8,289	9,519
	Europe	Outside customers	13,866	14,694
		Intersegment	0	7
Total		13,866	14,701	
	Eliminations	(82,283)	(89,426)	
	Consolidated	99,347	105,743	
Operating Income	Japan		7,003	8,858
	Asia		10,058	14,524
	U.S.A.		137	257
	Europe		(14)	(82)
	Eliminations		127	1,018
	Consolidated		17,312	24,576

			(Millions of yen)	
2. Overseas sales			Year ended Dec. 31, 2004	Year ended Dec. 31, 2003
Overseas Sales	U.S.A.		9,091	10,183
	Europe		13,914	14,781
	Asia and Other		64,801	69,150
	Total		87,807	94,115
Net Sales			99,347	105,743
% of Overseas Sales to Net Sales			88.4%	89.0%

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

CURRENT STATUS OF PRODUCTION AND SALES

(1) Production(Quantity only)

(Volume less than one thousand pieces have been omitted.)

Manufacturing Subsidiary	Period	Year ended December 31, 2004		Year ended December 31, 2003		Increase (Decrease) thousand pieces
		thousand pieces	% (change)	thousand pieces	% (change)	
Small Motors						
MABUCHI INDUSTRY CO., LTD.		1,153,267	57.9	1,018,464	55.9	134,803
MABUCHI MOTOR DALIAN LTD.		161,124	8.1	162,563	8.9	(1,439)
MABUCHI MOTOR WAFANGDIAN LTD.		158,175	8.0	144,655	8.0	13,520
MABUCHI MOTOR (JIANGSU) CO., LTD.		143,445	7.2	158,013	8.7	(14,568)
MABUCHI MOTOR (MALAYSIA) SDN. BHD.		52,174	2.6	61,875	3.4	(9,701)
MABUCHI TAIWAN CO., LTD.		3,569	0.2	3,921	0.2	(352)
MABUCHI MOTOR VIETNAM LTD.		319,122	16.0	271,054	14.9	48,068
Total		1,990,879	100.0	1,820,548	100.0	170,330

(Notes) Figures are based on production volume.

(2) Sales by application

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

Application	Period	Year ended December 31, 2004		Year ended December 31, 2003		Increase (Decrease) millions of yen
		millions of yen	% (change)	millions of yen	% (change)	
Small Motors						
Audio and Visual Equipment		30,567	30.8	37,866	35.8	(7,299)
Automotive Products		30,376	30.6	30,127	28.5	248
Information and Communication Equipment		14,499	14.6	14,273	13.5	225
Home Appliances, Power Tools and Others		23,806	24.0	23,435	22.2	371
Total		99,249	100.0	105,703	100.0	(6,454)

(Notes) Consumption taxes were excluded.