

CONSOLIDATED FINANCIAL RESULTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2005

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CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2005

Date : May 13, 2005
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, 2005

(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)
Three months ended March 31, 2005	21,131	(10.7)	2,178	(58.0)	2,167	(39.8)
Three months ended March 31, 2004	23,665	-	5,186	-	3,600	-
Year ended December 31, 2004	99,347		17,312		13,279	

	Net income per share	Fully diluted net income per share
	yen	yen
Three months ended March 31, 2005	53.43	-
Three months ended March 31, 2004	83.53	-
Year ended December 31, 2004	316.14	-

- (Notes)
- The percentages of net sales, operating income, and net income are the ratios of change against the corresponding period of the previous year.
 - 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, 2005	216,975	203,933	94.0	5,027.50
As of March 31, 2004	229,545	213,309	92.9	4,949.18
As of December 31, 2004	216,489	201,543	93.1	4,966.70

(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, 2005	1,858	(203)	(2,073)	59,433
Three months ended March 31, 2004	3,132	1,078	(2,634)	79,292
Year ended December 31, 2004	16,475	(11,752)	(23,282)	58,598

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

	Net Sales	Operating income	Net income
	millions of yen	millions of yen	millions of yen
Semi-annual	46,000	7,100	4,900
Annual	96,000	14,600	10,400

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

QUALITATIVE INFORMATION ON OPERATING RESULTS AND FINANCIAL POSITION

1. Operating Results

During the first quarter of 2005, sales of motors fell below our original sales budget by 3.0% in terms of sales volume and 3.2% in terms of sales amount which mean the fall of 6.7% and 10.8% ,respectively, from the actual results of the same term last year.

Sales performance of each market segment for the first quarter of this year is shown on page 8.

Features of market trends and motor sales conditions are as follows:

In audio and visual equipment market, net sales were down 34.3% to 5,046 million yen compared with the same term last year due mainly to weak demand continued since the last quarte for digital products such as DVD/CD players which had been expanding for the past several years and an increase of orders for lower priced motors.

In automotive products market, net sales were slightly declined 2.7% to 7,638 million yen over the same term last year while sales volume increased 2.7%. The number of motors used per automobile has been surely and continuously expanding in connection with a further increase of electrical components used for automobiles. Specifically, motors for air conditioner dumper, retractable rearview mirrors and beam level adjustable headlights were in good demand.

In information and communication equipment market, net sales were up 9.8% to 3,479 million yen over the same term last year because demands for motors for ink-jet printers, copying machines, mini-printers and PC drives remained strong.

In home appliances, power tools and toys & hobbies market, net sales slightly declined 0.3% to 4,948 million yen over the same term last year although demands for motors for shavers, fragrance generators and tools made a contribution to an increase of sales volume by 6.5%.

Regarding operating income for this first quarter, we have already incorporated factors, which work against our operating results, into our initial profit plan. The factors include the following: yen appreciation, soaring of steel or crude oil prices, decline of selling prices caused by still continuing discount on prices of end products in some market segments, start-up cost for new products, and up-front strategic expenses for realizing our medium-term plan. In this first quarter, however, operating income and net income were down 58.0% to 2,178 million yen and down 39.8% to 2,167 million yen over the same term last year, respectively, because in addition to the above factors, a decrease of production volume exceeding our initial plan resulted in an increase in cost per unit.

2. Financial Position

With regard to the consolidated cash flows of this first quarter, net cash provided by operating activities decreased ¥1,273 million to ¥1,858 million compared to the same term last year due mainly to a decrease of income before income taxes. Net cash provided by investing activities decreased ¥1,282 million from the same term last year and turned to use of net cash of ¥203 million as a result of purchases of short-term investment and fixed assets. Net cash used in financing activities resulted in ¥2,073 million due mainly to dividend payment.

As a result of the above, the balance of cash and cash equivalents is ¥59,433 million as of March 31, 2005.

3. Forecasts

The progress of the results for this first quarter against the semi-annual forecasts made at the beginning of this fiscal year was slightly below 50%. However, since our sales usually show a trend of seasonal variation, that is, sales start to increase from the end of the first quarter, peak in the third quarter, and then decrease in the fourth quarter, we expect that the adjustment on the production level in this first quarter will be improved in and after the second quarter of this year. Therefore, we have not changed our forecast announced on February 18, 2005.

* 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, 2005 and 2004, and DECEMBER 31, 2004

(Millions of yen)

ASSETS		March 31 2005	December 31 2004	Increase (Decrease)	March 31 2004
Current Assets	Cash and bank deposits	58,202	56,390	1,811	77,023
	Trade notes and accounts receivable	13,005	13,235	(230)	14,046
	Short-term investments	10,645	10,772	(127)	13,623
	Inventories	16,898	16,430	468	15,449
	Deferred tax assets	1,451	1,593	(142)	1,073
	Other current assets	1,328	1,557	(229)	1,139
	Allowance for doubtful accounts	(271)	(267)	(4)	(304)
	Total current assets	101,259	99,713	1,546	122,052
Fixed Assets	Property, Plant and Equipment				
	Buildings and structures	18,800	19,043	(242)	11,727
	Machinery and vehicles	10,853	10,426	427	10,140
	Tools, furniture and fixture	2,410	2,389	20	2,118
	Land	6,180	6,173	6	6,132
	Construction in progress	1,920	1,673	247	4,030
	Total	40,164	39,705	459	34,148
	Intangible Assets	544	528	16	174
	Investments and Other assets				
	Investment securities	72,810	74,130	(1,319)	70,478
	Long-term loans receivable	343	338	5	464
	Deferred tax assets	161	157	4	144
	Other investments and other assets	1,691	1,916	(224)	2,083
	Allowance for doubtful accounts	(1)	(1)	-	-
	Total	75,006	76,541	(1,535)	73,169
	Total fixed assets	115,715	116,775	(1,059)	107,492
	Total assets	216,975	216,489	486	229,545

(Millions of yen)

LIABILITIES AND SHAREHOLDERS' EQUITY		March 31 2005	December 31 2004	Increase (Decrease)	March 31 2004
Current Liabilities	Trade notes and accounts payable	3,514	3,094	419	3,627
	Accrued income taxes	991	2,562	(1,571)	2,175
	Accrued bonus to employees	814	396	417	776
	Other current liabilities	3,786	4,968	(1,181)	3,743
	Total current liabilities	9,106	11,021	(1,914)	10,323
Long-term Liabilities	Deferred tax liabilities	3,092	3,017	75	3,127
	Accrued retirement benefits for employees	256	379	(123)	794
	Accrued retirement benefits for directors and statutory auditors	455	446	9	417
	Other long-term liabilities	131	81	49	34
	Total long-term liabilities	3,935	3,924	11	4,374
Total liabilities	13,042	14,945	(1,903)	14,697	
Minority Interests	-	-	-	1,538	
Shareholders' Equity	Common stock	20,704	20,704	-	20,704
	Additional paid-in capital	20,419	20,419	-	20,419
	Retained earnings	224,846	224,816	30	217,737
	Unrealized holding gains(losses) on securities	793	611	181	946
	Foreign currency translation adjustments	(4,683)	(6,863)	2,179	(6,411)
	Treasury stock	(58,147)	(58,145)	(2)	(40,087)
	Total shareholders' equity	203,933	201,543	2,390	213,309
Total liabilities and shareholders' equity	216,975	216,489	486	229,545	

CONSOLIDATED STATEMENTS OF INCOME

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES

FOR THE THREE MONTHS ENDED MARCH 31, 2005 and 2004, and YEAR ENDED DECEMBER 31, 2004

	2005	2004	Increase (Decrease)	Year ended Dec. 31 2004
				(Millions of yen)
Net Sales	21,131	23,665	(2,534)	99,347
Cost of Sales	14,431	14,338	92	63,329
Gross profit	6,699	9,327	(2,627)	36,018
Selling, General and Administrative Expenses	4,521	4,140	380	18,705
Operating income	2,178	5,186	(3,008)	17,312
Other Income (Expenses) :				
Interest and dividend income	332	398	(65)	1,736
Exchange gains(losses) on foreign currency transactions	535	(78)	614	414
Other, net	(129)	(108)	(21)	213
Income before Income Taxes and Minority Interests	2,917	5,398	(2,481)	19,676
Income Taxes :				
Current	749	1,753	(1,003)	6,889
Deferred	-	-	-	(585)
Minority Interests	-	45	(45)	93
Net Income	2,167	3,600	(1,432)	13,279

CONSOLIDATED STATEMENTS OF CASH FLOWS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES

FOR THE THREE MONTHS ENDED MARCH 31, 2005 and 2004, YEAR ENDED DECEMBER 31, 2004

		(Millions of yen)			
		2005	2004	Increase (Decrease)	Year ended Dec. 31 2004
Cash Flows from Operating Activities	Net income before income taxes and minority interests	2,917	5,398	(2,481)	19,676
	Depreciation and amortization	1,344	1,173	171	5,241
	Provision for retirement benefits, net payments	(116)	(149)	32	(532)
	Interest and dividends income	(332)	(398)	65	(1,736)
	Foreign exchange (gain) loss	(310)	(55)	(254)	387
	Loss on sales and disposal of fixed assets	214	(6)	220	73
	(Increase) Decrease in trade notes and accounts receivables	442	(33)	476	801
	(Increase) Decrease in inventories	(70)	(1,068)	997	(1,968)
	Increase(Decrease) in trade notes and accounts payable	(107)	(48)	(58)	217
	Other, net	(200)	247	(447)	(216)
	Sub total	3,781	5,058	(1,276)	21,945
	Interest and dividends received	332	402	(69)	1,737
	Interest paid	(1)	(0)	(1)	(0)
	Income taxes paid	(2,253)	(2,328)	74	(7,206)
Net cash provided by operating activities	1,858	3,132	(1,273)	16,475	
Cash Flows from Investing Activities	Purchase of short-term investments	(1,190)	(776)	(414)	(5,849)
	Proceeds from sales of short-term investments	1,088	3,915	(2,827)	13,677
	Purchase of property, plant and equipment	(1,457)	(1,991)	534	(12,175)
	Proceeds from sales of property, plant and equipment	0	11	(11)	144
	Purchase of investment securities	(1,001)	(4,001)	3,000	(14,017)
	Acquisition of minority interests	-	-	-	(1,710)
	Proceeds from sales of investment securities	2,600	3,023	(423)	7,437
	Other, net	(243)	897	(1,140)	741
Net cash (used in) provided by investing activities	(203)	1,078	(1,282)	(11,752)	
Cash Flows from Financing Activities	Cash dividends paid	(2,071)	(2,630)	559	(5,220)
	Purchase of treasury stock	(2)	(4)	1	(18,062)
	Net cash used in financing activities	(2,073)	(2,634)	561	(23,282)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,254	(373)	1,627	(931)	
Net Increase (Decrease) in Cash and Cash Equivalents	835	1,202	(367)	(19,491)	
Cash and Cash Equivalents at Beginning of Year	58,598	78,089	(19,491)	78,089	
Cash and Cash Equivalents at End of Year	59,433	79,292	(19,858)	58,598	

CURRENT STATUS OF PRODUCTION AND SALES

(1) Production

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

	Period	Three months ended March 31, 2005		Three months ended March 31, 2004		Increase (Decrease)
		thousand pieces	% (component)	thousand pieces	% (component)	thousand pieces
Small Motors	Manufacturing Subsidiary					
	MABUCHI INDUSTRY CO., LTD.	220,086	55.0	263,501	56.5	(43,414)
	MABUCHI MOTOR DALIAN LTD.	38,998	9.7	39,910	8.6	(911)
	MABUCHI MOTOR WAFANGDIAN LTD.	32,213	8.0	38,639	8.3	(6,425)
	MABUCHI MOTOR (JIANGSU) CO., LTD.	26,051	6.5	36,550	7.9	(10,498)
	MABUCHI MOTOR (MALAYSIA) SDN. BHD.	12,627	3.2	11,604	2.5	1,023
	MABUCHI TAIWAN CO., LTD.	633	0.2	1,103	0.2	(469)
MABUCHI MOTOR VIETNAM LTD.	69,511	17.4	74,760	16.0	(5,249)	
Total		400,122	100.0	466,068	100.0	(65,945)

(Notes) Figures are based on production volume.

(2) Sales by application

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

	Period	Three months ended March 31, 2005		Three months ended March 31, 2004		Increase (Decrease)
		millions of yen	% (change)	millions of yen	% (change)	millions of yen
Small Motors	Audio-Visual Equipment	5,046	23.9	7,681	32.4	(2,635)
	Automotive Products	7,638	36.2	7,848	33.2	(209)
	Information & Communication Equipment	3,479	16.5	3,168	13.4	310
	Home Appliances & Power Tool & Others	4,948	23.4	4,963	21.0	(15)
	Total	21,112	100.0	23,661	100.0	(2,549)

(Notes) Consumption taxes were excluded.