

CONSOLIDATED FINANCIAL RESULTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2006

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CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2006

Date : May 12, 2006
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, 2006

(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, 2006	24,114	14.1	2,720	24.9	2,342	8.1
Three months ended March 31, 2005	21,131	(10.7)	2,178	(58.0)	2,167	(39.8)
Year ended December 31, 2005	93,927		8,149		7,350	

	Net income per share	Fully diluted net income per share
	yen	yen
Three months ended March 31, 2006	59.20	-
Three months ended March 31, 2005	53.43	-
Year ended December 31, 2005	180.72	-

- (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 : Mabuchi Motor Korea Co., Ltd.

(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, 2006	228,688	212,413	92.9	5,369.23
As of March 31, 2005	216,975	203,933	94.0	5,027.50
As of December 31, 2005	227,375	211,875	93.2	5,354.64

(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, 2006	4,446	(5,698)	(1,983)	61,261
Three months ended March 31, 2005	1,858	(203)	(2,073)	59,433
Year ended December 31, 2005	11,034	(719)	(10,343)	64,596

2. Prospect for the fiscal year (From January 1 to December 31, 2006)

	Net Sales	Operating income	Net income
	millions of yen	millions of yen	millions of yen
Semi-annual	47,500	5,500	3,600
Annual	95,000	10,000	6,500

(Reference) Projected annual net income per share :163.58 yen

OPERATING RESULTS AND FINANCIAL POSITION

1. Qualitative Information on Consolidated Operating Results

Results for the three months ended March 31, 2006 (January 1 - March 31) are outlined above. During this period, the Japanese economy continued on track for steady recovery. Turning to the global economy, we can see that the economic climate of the world as a whole has also performed steadily, despite the fact that other countries too have differing factors shaping their economies and differing results between industries and individual businesses. However, negative factors affecting business results remain, including the renewed worldwide escalation of crude oil prices, and elevated prices of copper and other parts and materials, as well as fears of price hikes for resins and other petroleum products.

Under these business conditions, demand continued strong for motors across all Mabuchi retail market segments. The sales volume increased 2.8% compared to the same period last year, and in terms of sales revenue, net sales increased 14.0% compared to the same period last year. Furthermore, in comparison to the first-quarter forecasts contained within the full-year sales plan, which was announced in the Consolidated Financial Results of the fiscal year ended December 31, 2005 (January 1 - December 31, 2005), both sales volume and sales revenue surpassed their forecasts. Sales volume increased 6.2% and sales revenue increased 11.5%.

As a result, net sales for the three months ended March 31, 2006 amounted to 24,114 million yen (an increase of 14.1% from the same period last year), and net sales of motors, which account for nearly all net sales, reached 24,077 million yen (an increase of 14.0% from the same period last year).

The next section describes market trends and sales conditions, categorized into separate applications for motors, which is Mabuchi Motor's principle business.

First, in the Automotive Products segment, strong growth is continuing. As the market demands safety, convenience, amenity, and economic efficiency in automobiles, the number of electrical components per automobile continues to rise, and the demand for small motors increases. There has been notable growth in the demand for motors used in power window units and for all other major items. Net sales for the whole segment increased significantly to 9,540 million yen (an increase of 24.9% from the same period last year).

In the Audio & Visual Equipment segment, the replacement of CD players with memory audio players since last year has led to a rapid contraction of the market for these motors. However, during this period, the growth in demand for motors used in DVD video players has offset the decrease in demand for motors used in CD players, and net sales for this segment increased to 5,344 million yen (an increase of 5.9% from the same period last year).

In the Information & Communication Equipment segment, demand for motors used in digital cameras remains strong, and motor models for printers and computer drives, which attract high unit prices, are contributing to an increase in sales. Net sales increased to 3,826 million yen (an increase of 10.0% from the same period last year).

In the Home Appliances, Power Tools and Toys & Hobbies segment, the demand for motors used in toothbrushes and in hair care and beauty products has grown strongly, and there has also been steady demand for motors used in shavers, hair dryers, and power tools. Overall, net sales for the segment increased to 5,365 million yen (an increase of 8.4% from the same period last year).

Net sales for the three months ended March 31, 2006 are as described above. Operating income amounted to 2,720 million yen (an increase of 24.9% from the same period last year). Despite being sluggish with the negative impact from soaring prices of materials, operating income was boosted by the improved capacity utilization associated with the increase in sales volume, as well as by the effects of a depreciated Japanese yen. Ordinary income amounted to 3,663 million yen (an increase of 17.1% from the same period last year). This was partly the result of an increase in interest income and a decrease in foreign exchange gains. Net income for the three months ended March 31, 2006 amounted to 2,342 million yen (an increase of 8.1% from the same period last year). This was, in part, the result of incurring a loss on the retirement of fixed assets associated with the refurbishment of the former Head Office premises.

2. Qualitative Information on Movements in Consolidated Financial Position

With regard to our consolidated cash flows for the three months to March 31, 2006, net cash provided by our operating activities increased 2,588 million yen compared to the same period last year, to amount to 4,446 million yen. The increase was mostly due to a decrease in income taxes paid by the Head Office, and to an increase in net income before income taxes and minority interests. Net cash used in investing activities increased 5,494 million yen compared to the same period last year, to amount to 5,698 million yen. The increase was mostly due to deposits made into time deposits with original maturity periods of more than three months. Net cash used in financial activities amounted to 1,983 million yen, due mainly to a dividend payment. As a result, the balance of cash and cash equivalents at the end of this period was 61,261 million yen.

3. Qualitative Information on Forecasts for Consolidated Business Results

With regard to the full-year outlook for the global economy, a trend of moderate deceleration is forecast, in spite of the world's economies being on course for stable growth. This forecast has been suggested by individual regional and national economies, including: Japan where, compared to the healthy automobile industry, the direction is unclear for the electrical and other industries in which businesses are divided into winners and losers; the U.S., where it is said that, with the softening of the housing market, the economy has already entered into a period of moderate deceleration; the European economy, where moderate expansive trends are forecast, despite there being a gap between expectations and reality; and by the other Asian economies, which are on track for strong growth on account of healthy exports and private consumption. Furthermore, there are a number of uncertain parameters that dominate economic trends, including fears of interest rate rises, a worsening of business confidence caused by soaring prices of crude oil, and the prices of raw materials hovering at high levels.

With regard to the markets in which our products are sold, on the whole, it is predicted that net sales will rise, but only marginally, compared to last year's levels. Although steady year-on-year increases in net sales are forecast for the Automotive Products and Information and Communication Equipment markets, the outlook for the audio equipment market is that sales of motors will continue to remain weak.

In terms of our business results, on the one hand, it is predicted that there will be cost reduction effects resulting from slight increases in net sales and increases in sales volume, but on the other hand, there will be no change to the difficult circumstances of increasing costs of parts and materials and increasing labor costs. In light of the business results for the first three months and in view of the outlook for the future, we believe that our full-year business results will slightly exceed the initial forecasts.

The above statements related to the forecasts for business results are based on information available at present. The actual results might differ from the forecasts depending on various factors in the future.

* Figures stated in this document have been rounded down to the nearest 1 million yen..

CONSOLIDATED BALANCE SHEETS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES MARCH 31, 2006 and 2005, and DECEMBER 31, 2005

(Millions of yen)

ASSETS		March 31 2006	December 31 2005	Increase (Decrease)	March 31 2005
Current Assets	Cash and bank deposits	62,966	61,399	1,567	58,202
	Trade notes and accounts receivable	14,769	14,407	361	13,005
	Short-term investments	12,000	11,325	674	10,645
	Inventories	17,074	17,061	12	16,898
	Deferred tax assets	1,009	1,132	(122)	1,451
	Other current assets	1,919	2,384	(464)	1,328
	Allowance for doubtful accounts	(344)	(344)	(0)	(271)
	Total current assets	109,395	107,365	2,029	101,259
Fixed Assets	Property, Plant and Equipment				
	Buildings and structures	20,336	20,648	(312)	18,800
	Machinery, equipment and vehicles	10,829	11,259	(429)	10,853
	Tools, furniture and fixture	2,357	2,490	(132)	2,410
	Land	6,199	6,198	1	6,180
	Construction in progress	1,393	1,106	286	1,920
	Total	41,116	41,703	(587)	40,164
	Intangible Assets	595	602	(6)	544
	Investments and Other assets				
	Investment securities	75,426	75,668	(242)	72,810
	Long-term loans receivable	237	224	13	343
	Deferred tax assets	135	142	(7)	161
	Other investments and other assets	1,785	1,670	114	1,691
	Allowance for doubtful accounts	(1)	(1)	-	(1)
	Total	77,582	77,704	(122)	75,006
	Total fixed assets	119,293	120,009	(716)	115,715
Total assets		228,688	227,375	1,313	216,975

(Millions of yen)

LIABILITIES AND SHAREHOLDERS' EQUITY		March 31 2006	December 31 2005	Increase (Decrease)	March 31 2005
Current Liabilities	Trade notes and accounts payable	3,877	2,877	1,000	3,514
	Accrued income taxes	1,320	891	429	991
	Accrued bonus to employees	642	293	349	814
	Accrued factory closing loss	520	558	(38)	-
	Other current liabilities	4,093	5,300	(1,207)	3,786
	Total current liabilities	10,454	9,920	534	9,106
Long-term Liabilities	Deferred tax liabilities	5,079	4,847	231	3,092
	Accrued retirement benefits for employees	126	122	3	256
	Accrued retirement benefits for directors and statutory auditors	494	484	9	455
	Other long-term liabilities	121	124	(3)	131
	Total long-term liabilities	5,820	5,579	241	3,935
	Total liabilities	16,275	15,500	775	13,042
Shareholders' Equity	Common stock	20,704	20,704	-	20,704
	Additional paid-in capital	20,419	20,419	-	20,419
	Retained earnings	228,657	228,319	338	224,846
	Unrealized holding gains on securities	4,411	4,034	377	793
	Foreign currency translation adjustments	2,941	3,115	(174)	(4,683)
	Treasury stock	(64,721)	(64,718)	(3)	(58,147)
	Total shareholders' equity	212,413	211,875	538	203,933
Total liabilities and shareholders' equity		228,688	227,375	1,313	216,975

CONSOLIDATED STATEMENTS OF INCOME

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES

FOR THE THREE MONTHS ENDED MARCH 31, 2006 and 2005, and YEAR ENDED DECEMBER 31, 2005

	(Millions of yen)			
	2006	2005	Increase (Decrease)	Year ended Dec. 31 2005
Net Sales	24,114	21,131	2,983	93,927
Cost of Sales	17,080	14,431	2,648	66,479
Gross profit	7,034	6,699	334	27,447
Selling, General and Administrative Expenses	4,313	4,521	(207)	19,298
Operating income	2,720	2,178	542	8,149
Other Income (Expenses) :				
Interest and dividend income	524	332	192	2,169
Exchange gains on foreign currency transactions	181	535	(354)	2,029
Other, net	105	(129)	234	(751)
Income before Income Taxes and Minority Interests	3,532	2,917	615	11,597
Income Taxes :				
Current	1,190	749	440	4,277
Deferred	-	-	-	(30)
Net Income	2,342	2,167	174	7,350

CONSOLIDATED STATEMENTS OF CASH FLOWS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES

FOR THE THREE MONTHS ENDED MARCH 31, 2006 and 2005, YEAR ENDED DECEMBER 31, 2005

		(Millions of yen)			
		2006	2005	Increase (Decrease)	Year ended Dec. 31 2005
Cash Flows from Operating Activities	Income before income taxes and minority interests	3,532	2,917	615	11,597
	Depreciation and amortization	1,427	1,344	82	5,734
	Provision for retirement benefits, net payments	13	(116)	130	(230)
	(Decrease) Increase in accrued factory closing loss	(38)	-	(38)	558
	Interest and dividends income	(524)	(332)	(192)	(2,169)
	Foreign exchange (gain) loss	(21)	(310)	288	(1,220)
	Loss on sales and disposal of fixed assets	91	214	(123)	267
	Increase (Decrease) in trade notes and accounts receivables	(264)	442	(706)	236
	(Increase) Decrease in inventories	(9)	(70)	61	1,329
	Increase (Decrease) in trade notes and accounts payable	379	(107)	486	(943)
	Other, net	(93)	(200)	106	(216)
	Sub total	4,492	3,781	711	14,943
	Interest and dividends received	531	332	199	2,162
	Interest paid	(0)	(1)	1	(13)
	Income taxes paid	(577)	(2,253)	1,676	(6,058)
Net cash provided by operating activities	4,446	1,858	2,588	11,034	
Cash Flows from Investing Activities	Purchase of short-term investments	(4,626)	-	(4,626)	-
	Proceeds from sales of short-term investments	(540)	(1,190)	650	(5,712)
	Purchase of property, plant and equipment	253	1,088	(835)	8,881
	Proceeds from sales of property, plant and equipment	(852)	(1,457)	604	(5,411)
	Purchase of investment securities	10	0	10	502
	Acquisition of minority interests	(2,001)	(1,001)	(999)	(6,558)
	Proceeds from sales of investment securities	2,148	2,600	(451)	7,193
	Other, net	(90)	(243)	153	384
Net cash used in investing activities	(5,698)	(203)	(5,494)	(719)	
Cash Flows from Financing Activities	Cash dividends paid	(1,980)	(2,071)	90	(3,771)
	Purchase of treasury stock	(3)	(2)	(0)	(6,572)
	Net cash used in financing activities	(1,983)	(2,073)	90	(10,343)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(122)	1,254	(1,376)	6,026	
Net (Decrease) Increase in Cash and Cash Equivalents	(3,357)	835	(4,192)	5,997	
Cash and Cash Equivalents at Beginning of Year	64,596	58,598	5,997	58,598	
Cash and Cash Equivalents of initially consolidated subsidiaries at Beginning of Year	22	-	22	-	
Cash and Cash Equivalents at End of Period	61,261	59,433	1,827	64,596	

CURRENT STATUS OF PRODUCTION AND SALES

(1) Production (Quantity only)

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

	Period	Three months ended March 31, 2006		Three months ended March 31, 2005		Increase (Decrease) thousand pieces
		thousand pieces	%(component)	thousand pieces	%(component)	
Small Motors	Manufacturing Subsidiary					
	MABUCHI INDUSTRY CO., LTD.	236,132	56.7	220,086	55.0	16,046
	MABUCHI MOTOR DALIAN LTD.	37,210	8.9	38,998	9.7	(1,788)
	MABUCHI MOTOR WAFANGDIAN LTD.	39,136	9.4	32,213	8.0	6,922
	MABUCHI MOTOR (JIANGSU) CO., LTD.	40,256	9.7	26,051	6.5	14,205
	MABUCHI MOTOR (MALAYSIA) SDN. BHD.	-	-	12,627	3.2	(12,627)
	MABUCHI TAIWAN CO., LTD.	1,023	0.2	633	0.2	390
	MABUCHI MOTOR VIETNAM LTD.	62,855	15.1	69,511	17.4	(6,656)
	Total	416,614	100.0	400,122	100.0	16,491

(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, 2006		Three months ended March 31, 2005		Increase (Decrease) millions of yen
		millions of yen	%(component)	millions of yen	%(component)	
Small Motors	Audio and Visual Equipment	9,540	39.6	7,638	36.2	1,901
	Automotive Products	5,344	22.2	5,046	23.9	298
	Information & Communication Equipment	3,826	15.9	3,479	16.5	347
	Home Appliances, Power Tool and Others	5,365	22.3	4,948	23.4	417
	Total	24,077	100.0	21,112	100.0	2,964

(Notes) Consumption taxes were excluded.