

CONSOLIDATED FINANCIAL RESULTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2007

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CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2007

Date : May 11, 2007
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 (Managing Director, Member of the Board)
Adoption of U.S. Accounting Standards : Not applicable

1. Overview of Results for the Three months ended March 31, 2007

(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, 2007	24,864	3.1	2,806	3.2	2,776	18.6
Three months ended March 31, 2006	24,114	14.1	2,720	24.9	2,342	8.1
Year ended December 31, 2006	100,517		10,700		10,603	

	Net income per share	Fully diluted net income per share
	yen	yen
Three months ended March 31, 2007	70.19	-
Three months ended March 31, 2006	59.20	-
Year ended December 31, 2006	268.03	-

- (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, 2007	234,688	218,889	93.3	5,533.24
As of March 31, 2006	228,688	212,413	92.9	5,369.23
As of December 31, 2006	236,999	219,217	92.5	5,541.46

(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, 2007	1,990	(1,846)	(2,475)	69,989
Three months ended March 31, 2006	4,446	(5,698)	(1,983)	61,261
Year ended December 31, 2006	17,500	(6,321)	(4,009)	72,639

2. Prospect for the fiscal year (From January 1 to December 31, 2007)

	Net Sales	Operating income	Net income
	millions of yen	millions of yen	millions of yen
Semi-annual	49,000	6,800	4,600
Annual	101,000	15,100	10,000

(Reference) Projected annual net income per share : 252.78 yen

OPERATING RESULTS AND FINANCIAL POSITION

1. Qualitative Information on Consolidated Operating Results

Results for the three months ended March 31, 2007 (January 1 - March 31, 2007) are outlined above. During this period, the Japanese economy remained in a period of sluggishness. Turning to the global economy, we can see that the economic climate of the world as a whole continued to show either moderate deceleration or steady performance, despite the fact that other countries too have differing factors shaping their economies and differing results among industries and individual businesses. However, negative factors affecting business results remain, including global crude oil prices hovering at high levels, and a renewed escalation in prices for the key raw material of copper, as well as fears of price hikes for resins and other petroleum products. Under these business conditions, if we look at the sales performance for motors across retail segments of Mabuchi Group, we can see that the sales volume decreased 4.4% compared to the same period last year, and in terms of revenue, net sales increased 3.1% 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, 2006 (January 1 - December 31, 2006), sales volume decreased 2.1% and sales revenue increased 3.4%.

As a result, net sales for the three months ended March 31, 2007 amounted to 24,864 million yen (a 3.1% increase from the same period last year), and net sales of motors, which account for nearly all net sales, reached 24,823 million yen (a 3.1% increase 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.

In the Electrical Equipment for Automobiles market, there was considerable growth in the demand for motors used in power windows, which is the area we are currently developing as our priority business. In other applications as well, the market demands for safety, convenience, comfort and efficiency have led to automobiles having more and more electrical components incorporated into them, and this has also resulted in an increased demand for motors. On the whole, this market continues to grow. Overall net sales in this market increased significantly to 10,325 million yen (an 8.2% increase from the same period last year).

In the Audio & Visual Equipment market, as CD players continue to be replaced with memory audio players, there has been further contraction of the market of motors for CD players. Sales of motors for DVD-video players also decreased as a result of inventory adjustments caused by a downturn in last year's strong performance. On the other hand, there was a strong demand for motors used in game consoles, but it was not enough to offset the decline in demand for motors used in CD players and DVD players. Overall net sales in this market decreased to 5,008 million yen (a 6.3% decrease from the same period last year).

In the Information & Communication Equipment market, sales of motors used in computer drives decreased significantly as a result of our withdrawal from high-unit-price motor models in the second half of last year. However, there was strong growth in the demand for motors used in printers, and motors for copying machines continued to perform well. Overall, net sales amounted to 3,853 million yen (a 0.7% increase from the same period last year).

In the Home Appliances, Power Tools, Toys & Hobbies market, sales grew considerably as a result of accurately assessing the market expansion for motors used in power tools associated with the improved performance of storage batteries. The demand for motors used in hair dryers was steady, and there was an increase in sales of new-mechanism motors for upmarket shavers. Overall, net sales increased to 5,636 million yen (a 5.0% increase from the same period last year).

Net sales for the three months ended March 31, 2007 are as described above. Operating income amounted to 2,806 million yen (a 3.2% increase from the same period last year). Despite such negative factors as increased manufacturing expenses and decreased sales volumes, operating income was enhanced by an improvement in the product model mix. Ordinary income amounted to 3,964 million yen (an 8.2% increase from the same period last year), which was in part attributable to increases in interest income and foreign exchange gains. Net income for the three months ended March 31, 2007 amounted to 2,776 million yen (an 18.6% increase from the same period last year). This relative increase was in part due to the recording of losses during the same period

last year on the retirement of fixed assets associated with the refurbishment of the former Head Office premises and on the closure of one of our production facilities, as well as the recording of gains during this period on the sales of investment securities.

2. Qualitative Information on Movements in Consolidated Financial Position

With regard to our consolidated cash flows for the three months to March 31, 2007, net cash provided by our operating activities decreased 2,456 million yen compared to the same period last year, to amount to 1,990 million yen. Although there was an increase in net income before income taxes and minority interests, the decrease was due to the fact that there was an increase in the amount of income taxes paid by the Head Office compared to the same period last year. Net cash used in investing activities decreased 3,852 million yen compared to the same period last year, to amount to 1,846 million yen. The increase was mostly due to the fact that the sales of investment securities exceeded the acquisitions. Net cash used in financial activities amounted to 2,475 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 69,989 million yen.

3. Qualitative Information on Forecasts for Consolidated Business Results

With regard to the full-year outlook for the Japanese economy, the general slowdown in exports should remain moderate thanks to the strong performance of Japanese automobile exports, and if the U.S. economy can take an upward turn, then it is forecast that the Japanese export environment will also improve in the second half of this year and the strength of the market will be maintained. Turning to the global economy, and despite there being sentiments of economic slowdown, based on the fact that it is believed consumer spending will be excellent, buoyed by strong job markets, and the effects of adjustments in housing markets will be slight, the forecast is that the global economy will maintain its underlying strength: the U.S. economy is expected to pick up speed from the second half of the year; underlying tones of moderate deceleration are forecast for the European economy; and the fundamental direction of the Asian economies is toward slowdown in the short term due to the slowdown of the U.S. economy.

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 Electrical Equipment for Automobiles market, sales in the Home Appliances, Power Tools, Toys & Hobbies market are expected to remain virtually flat, sales in the Information & Communication Equipment market are expected to decrease slightly, and the outlook for the Audio & Visual Equipment market is that sales of motors will continue to remain weak.

In terms of our business results, factors contributing to downward pressure on profits are expected, including rises in direct labor costs as well as rises in the costs of materials attributable to the soaring costs of copper and other raw materials. Despite this, positive factors are also predicted, including decreases in the costs of other materials, decreases in manufacturing expenses, and an improvement in cost rates attributable to changed product mixes. These positive and negative factors were incorporated into the initial forecasts for business results, and consequently the above forecasts for half-year and full-year business results are no different to the forecasts which were announced on February 16, 2007.

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, 2007 and 2006, and DECEMBER 31, 2006

(Millions of yen)

ASSETS		March 31 2007	December 31 2006	Increase (Decrease)	March 31 2006
Current Assets	Cash and bank deposits	69,304	67,403	1,900	62,966
	Trade notes and accounts receivable	15,228	14,533	695	14,769
	Short-term investments	21,532	16,061	5,471	12,000
	Inventories	17,180	17,814	(633)	17,074
	Deferred tax assets	1,119	1,215	(96)	1,009
	Other current assets	1,901	2,159	(258)	1,919
	Allowance for doubtful accounts	(304)	(308)	4	(344)
	Total current assets	125,962	118,879	7,083	109,395
Fixed Assets	Property, Plant and Equipment				
	Buildings and structures	20,941	21,307	(366)	20,336
	Machinery, equipment and vehicles	9,542	9,634	(92)	10,829
	Tools, furniture and fixture	2,023	1,975	48	2,357
	Land	6,193	6,197	(3)	6,199
	Construction in progress	1,189	1,247	(57)	1,393
	Total	39,889	40,362	(472)	41,116
	Intangible Assets	591	598	(6)	595
	Investments and Other assets				
	Investment securities	66,228	75,141	(8,913)	75,426
	Long-term loans receivable	146	151	(4)	237
	Deferred tax assets	113	113	(0)	135
	Other investments and other assets	1,766	1,753	13	1,785
	Allowance for doubtful accounts	(10)	(1)	(9)	(1)
	Total	68,244	77,158	(8,914)	77,582
Total fixed assets	108,725	118,119	(9,393)	119,293	
Total assets	234,688	236,999	(2,310)	228,688	

CONSOLIDATED BALANCE SHEETS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES MARCH 31, 2007 and 2006, and DECEMBER 31, 2006

(Millions of yen)

LIABILITIES AND SHAREHOLDERS' EQUITY		March 31 2007	December 31 2006	Increase (Decrease)	March 31 2006
Liabilities	Current Liabilities				
	Trade notes and accounts payable	3,835	3,845	(10)	3,877
	Accrued income taxes	1,400	2,464	(1,063)	1,320
	Accrued bonus to employees	603	216	386	642
	Accrued bonus for directors	17	62	(45)	-
	Accrued factory closing loss	509	509	-	520
	Other current liabilities	3,845	5,001	(1,155)	4,093
	Total current liabilities	10,212	12,100	(1,888)	10,454
	Long-term Liabilities				
	Deferred tax liabilities	4,832	4,887	(55)	5,079
	Accrued retirement benefits for employees	170	162	8	126
	Accrued retirement benefits for directors and statutory auditors	484	522	(38)	494
	Other long-term liabilities	99	108	(9)	121
	Total long-term liabilities	5,586	5,681	(94)	5,820
Total liabilities	15,799	17,781	(1,982)	16,275	
Shareholders' Equity	Common stock	-	-	-	20,704
	Additional paid-in capital	-	-	-	20,419
	Retained earnings	-	-	-	228,657
	Unrealized holding gains on securities	-	-	-	4,411
	Foreign currency translation adjustments	-	-	-	2,941
	Treasury stock	-	-	-	(64,721)
	Total shareholders' equity	-	-	-	212,413
Total liabilities and shareholders' equity	-	-	-	228,688	
Net Assets	Shareholders' Equity				
	Common stock	20,704	20,704	-	-
	Additional paid-in capital	20,419	20,419	-	-
	Retained earnings	235,178	234,893	284	-
	Treasury stock	(64,737)	(64,733)	(3)	-
	Total shareholders' equity	211,565	211,284	281	-
	Revaluation / Translation differences				
	Unrealized holding gains on securities	3,417	3,478	(60)	-
	Foreign currency translation adjustments	3,906	4,454	(547)	-
Total Revaluation / Translation differences	7,324	7,932	(608)	-	
Total net assets	218,889	219,217	(327)	-	
Total liabilities and net assets	234,688	236,999	(2,310)	-	

CONSOLIDATED STATEMENTS OF INCOME

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES

FOR THE THREE MONTHS ENDED MARCH 31, 2007 and 2006, and YEAR ENDED DECEMBER 31, 2006

	(Millions of yen)			
	2007	2006	Increase (Decrease)	Year ended Dec. 31 2006
Net Sales	24,864	24,114	749	100,517
Cost of Sales	17,779	17,080	699	71,919
Gross profit	7,084	7,034	49	28,598
Selling, General and Administrative Expenses	4,277	4,313	(35)	17,898
Operating income	2,806	2,720	85	10,700
Other Income (Expenses) :				
Interest and dividend income	726	524	201	2,907
Exchange gains on foreign currency transactions	205	181	23	957
Other, net	424	105	319	1,348
Income before Income Taxes and Minority Interests	4,162	3,532	630	15,914
Income Taxes :				
Current	1,386	1,190	195	4,945
Deferred	-	-	-	365
Net Income	2,776	2,342	434	10,603

CONSOLIDATED STATEMENTS OF CASH FLOWS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES

FOR THE THREE MONTHS ENDED MARCH 31, 2007 and 2006, YEAR ENDED DECEMBER 31, 2006

		(Millions of yen)			
		2007	2006	Increase (Decrease)	Year ended Dec. 31 2006
Cash Flows from Operating Activities	Income before income taxes and minority interests	4,162	3,532	630	15,914
	Depreciation and amortization	1,158	1,427	(269)	5,360
	Impairment loss	-	-	-	521
	Provision for retirement benefits, net payments	(29)	13	(42)	77
	(Decrease) Increase in accrued factory closing loss	-	(38)	38	(48)
	Interest and dividends income	(726)	(524)	(202)	(2,907)
	Foreign exchange (gain) loss	(41)	(21)	(20)	(98)
	Gain on sales of short-term investments	(163)	-	(163)	(704)
	Loss on sales and disposal of fixed assets	(51)	91	(142)	(36)
	Valuation loss on Golf course membership	7	-	7	-
	Increase (Decrease) in trade notes and accounts receivables	(637)	(264)	(373)	(139)
	(Increase) Decrease in inventories	493	(9)	502	(197)
	Increase (Decrease) in trade notes and accounts payable	(611)	379	(991)	962
	Other, net	48	(93)	141	(1,012)
	Sub total	3,608	4,492	(883)	17,691
	Interest and dividends received	740	531	208	2,911
	Interest paid	-	(0)	0	(0)
	Income taxes paid	(2,358)	(577)	(1,781)	(3,102)
	Net cash provided by operating activities	1,990	4,446	(2,456)	17,500
Cash Flows from Investing Activities	Paying in time deposit	(8,314)	(4,626)	(3,688)	(11,980)
	Withdrawal time deposit	2,620	127	2,492	11,378
	Purchase of short-term investments	(216)	(540)	323	(4,781)
	Proceeds from sales of short-term investments	1,053	253	800	7,080
	Purchase of property, plant and equipment	(943)	(852)	(90)	(4,261)
	Proceeds from sales of property, plant and equipment	224	10	213	390
	Purchase of investment securities	(104)	(2,001)	1,896	(9,411)
	Sales of investment securities	3,857	2,148	1,709	5,518
	Other, net	(22)	(218)	195	(254)
	Net cash used in investing activities	(1,846)	(5,698)	3,852	(6,321)
Cash Flows from Financing Activities	Cash dividends paid	(2,472)	(1,980)	(491)	(3,994)
	Purchase of treasury stock	(3)	(3)	(0)	(15)
	Net cash used in financing activities	(2,475)	(1,983)	(492)	(4,009)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(318)	(122)	(196)	852
Net (Decrease) Increase in Cash and Cash Equivalents		(2,649)	(3,357)	707	8,020
Cash and Cash Equivalents at Beginning of Year		72,639	64,596	8,043	64,596
Cash and Cash Equivalents of initially consolidated subsidiaries at Beginning of Year		-	22	(22)	22
Cash and Cash Equivalents at End of Period		69,989	61,261	8,728	72,639

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, 2007		Three months ended March 31, 2006		Increase (Decrease) thousand pieces
		thousand pieces	%(component)	thousand pieces	%(component)	
Small Motors	Manufacturing Subsidiary					
	MABUCHI INDUSTRY CO., LTD.	204,280	51.9	236,132	56.7	(31,851)
	MABUCHI MOTOR DALIAN LTD.	33,638	8.5	37,210	8.9	(3,571)
	MABUCHI MOTOR WAFANGDIAN LTD.	44,719	11.3	39,136	9.4	5,583
	MABUCHI MOTOR (JIANGSU) CO., LTD.	37,291	9.5	40,256	9.7	(2,965)
	MABUCHI MOTOR VIETNAM LTD.	71,083	18.0	62,855	15.1	8,228
	MABUCHI MOTOR DANANG LTD.	1,895	0.5	-	-	1,895
	MABUCHI TAIWAN CO., LTD.	1,016	0.3	1,023	0.2	(6)
	Total	393,927	100.0	416,614	100.0	(22,687)

(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, 2007		Three months ended March 31, 2006		Increase (Decrease) millions of yen
		millions of yen	%(component)	millions of yen	%(component)	
Small Motors	Automotive Products	10,325	41.6	9,540	39.6	785
	Audio and Visual Equipment	5,008	20.2	5,344	22.2	(336)
	Information & Communication Equipment	3,853	15.5	3,826	15.9	26
	Home Appliances, Power Tool and Others	5,636	22.7	5,365	22.3	270
	Total	24,823	100.0	24,077	100.0	745

(Notes) Consumption taxes were excluded.