

CONSOLIDATED FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED
JUNE 30, 2007

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CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2007

Date : August 17, 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. Results for the six months ended June 30, 2007 (From January 1 to June 30, 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)
Six months ended June 30, 2007	52,741	7.3	6,100	8.2	6,313	18.6
Six months ended June 30, 2006	49,146	10.7	5,636	21.2	5,323	28.1
Year ended December 31, 2006	100,517	-	10,700	-	10,603	-

	Net income per share	Fully diluted net income per share
	yen	yen
Six months ended June 30, 2007	159.92	-
Six months ended June 30, 2006	134.56	-
Year ended December 31, 2006	268.56	-

(2) Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	millions of yen	millions of yen	%	yen
As of June 30, 2007	237,020	217,971	92.0	5,699.42
As of June 30, 2006	228,295	212,216	93.0	5,364.33
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
Six months ended June 30, 2007	6,111	4,592	(11,185)	74,147
Six months ended June 30, 2006	7,791	(2,878)	(1,982)	66,499
Year ended December 31, 2006	17,500	(6,321)	(4,009)	72,639

2. Cash dividends

		Per share (yen)		
		Interim cash dividends	Year-end cash dividends	Annual cash dividends
FY2006	Actual	51.00	63.00	114.00
FY2007	Actual	61.00	-	-
FY2007	Plan	-	62.00	123.00

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

	Net sales	Operating income	Net income	Net income per share
	millions of yen	millions of yen	millions of yen	yen
Annual	107,000	12,500	12,000	313.77

4. Note

- (1) Change in scope of consolidation and adoption of equity method of accounting : None
- (2) Change in accounting policy, procedure and method.
Change due to amendment of accounting standard : Applicable | Change due to other reasons : Applicable
- (3) Number of shares outstanding at end of period
June 30, 2007 : 47,075,881 shares | June 30, 2006 : 47,075,881 shares | December 31, 2006 : 47,075,881 shares
- (4) Number of treasury stock at the end of period
June 30, 2007 : 8,831,362 shares | June 30, 2006 : 7,515,255 shares | December 31, 2006 : 7,516,420 shares

OPERATING RESULTS AND FINANCIAL POSITION

1. Analysis of Operating Results

(1) Operating Results for the Current Interim Consolidated Accounting Period

During the current interim consolidated accounting period, the Japanese economy remained firm. Corporate profitability based on foreign demand continued to improve, and even household consumption showed signs of slight improvement. Meanwhile, the U.S. economy demonstrated moderate growth, despite the continued adjustments in the housing market and the slight slowdown in consumer spending. The European economy maintained its strength, due to continued favorable foreign demand, despite further appreciation of the euro. In the Asian economy, China continued its ever strong growth, and other countries also continued to flourish.

With respect to the markets of our group products under these business conditions, we promoted further sales expansion for our existing products that continue to command a large share of Automotive Products market. Furthermore, an increase in the number of vehicle models fitted with power unit motors which are our strategic products is the result of expanding this market. In the Audio & Visual Equipment market, the volume of sales tends to contract due to a decrease in the demand for CD players and inventory adjustments for DVD players. The effects of this, however, were minimal because of increased sales of motors for CD players fitted in vehicles. Moreover, in both Information & Communication Equipment market and Home Appliances, Power Tools, Toys & Hobbies market, sales were expanded due to strong markets and an increase in sales of high value-added motors. During the current interim consolidated accounting period, consolidated net sales increased to 52,741 million yen (a 7.3% increase from the same period last year), due to the effects of a weaker yen and to sales activities fueled by the improvements of product mix. Motor sales, which account for the majority of consolidated net sales, totaled 52,647 million yen (an 8.0% increase from the same period last year). Operating income amounted to 6,100 million yen (an 8.2% increase from the same period last year), which was the result of the increase in net sales and a decrease in the cost of materials other than copper and iron more than offsetting such negative factors as an increase in the cost of materials attributable to soaring copper prices, and an increase in manufacturing expenses partly attributable to rising labor costs and prior investment in new production bases. Ordinary income amounted to 9,182 million yen (a 19.2% increase from the same period last year) due to increases in financial management gains (interest income, etc.) and in foreign exchange gains. Finally, interim net income increased to 6,313 million yen (an 18.6% increase from the same period last year) in accordance with the increase in ordinary income.

Next, the market trends and sales conditions of motors by use are described.

1) Automotive Products market

In this market, growth is being successfully sustained. As drivers seek safety, convenience, comfort and economic efficiency in their automobiles, the number of electrical components in vehicles continues to rise, and hence the number of motors used in any one vehicle also increases.

Motor sales for all of the major existing applications especially for mirrors, door locks and air conditioning damper actuators are performed well. In addition to this, there was an increase in the demand for motors for the power windows of both existing vehicle models and new vehicle models and also market growth in the BRIC nations. Consequently, the sales volume and revenue increased. Furthermore, as a result of the growth in applications such as steering locks, intake valves and start up of innovative applications, net sales in this market have increased to 21,368 million yen (a 15.1% increase from the same period last year).

2) Audio & Visual Equipment market

With the contraction of the market for portable CD players, the demand for motors used in CD players continued to decrease. The demand for motors used in DVD players also decreased due to the effects of the inventory adjustments by manufacturers

of assembled products. However, sales of motors for CD players fitted in vehicles were favorable, and as a result, net sales in this market decreased only marginally and amounted to 10,625 million yen (a 2.4% decrease from the same period last year).

3) Information & Communication Equipment market

In the Information & Communication Equipment market, the market for inkjet printers performed strongly, and one of the positive factors was the shipment of high value-added motors with rotation control mechanisms. There was also strong demand for motors used in digital camera zoom lenses. Overall, net sales in this market increased to 8,243 million yen (a 7.0% increase from the same period last year).

4) Home Appliances, Power Tools, Toys & Hobbies market

In this market, motor sales for high-unit-cost shavers and mid-priced tooth brushes performed strongly. Demand for motors used in power tools also increased significantly on the back of recovering demand in the North American market and stable demand in the European market. Demand for motors used in toys was also firm, due to the increase in the number of toys fitted with motors. As a result, net sales in this market increased to 12,410 million yen (a 7.1% increase from the same period last year).

(2) Unconsolidated Results

With regard to the unconsolidated business results for the current interim accounting period, net sales for motors amounted to 35,258 million yen (a 16.5% increase from the same period last year), and overall net sales, including parts and production equipment, amounted to 37,285 million yen (a 16.1% increase from the same period last year). Operating income amounted to 1,941 million yen (a 13.3% decrease from the same period last year), partly as a result of an increase in the cost of purchases and an increase in selling, general and administrative expenses. Ordinary income totaled 11,901 million yen (a 16.1% increase from the same period last year). This was as a result of increases in both foreign exchange gains and dividend income received from related companies, despite decrease in operating income. Interim net income amounted to 9,100 million yen (a 13.3% increase from the same period last year). There was a decrease in gains on sales of investment securities, but there was also a decrease in losses incurred on the retirement of fixed assets.

With respect to the payment of interim dividends, we will pay 61 yen per share, which is comprised of 30 yen as an ordinary dividend and 31 yen as a special dividend as described in the Basic Policy on Profit Sharing.

(3) Full Year Forecasts

With regard to the full-year outlook, it is difficult to predict at present just how far the subprime loan issue in the U.S. will affect the U.S. and global economy. In addition, there are a number of other uncertain parameters that dominate economic trends, including interest and exchange rates, as well as movements in the prices of crude oil and raw materials.

With regard to the markets in which our products are sold, although steady year-on-year increases are predicted in net sales for Automotive Products market, Home Appliances and Power Tools market and Information & Communication Equipment market, Sales of motors in Audio & Visual Equipment market are expected to gradually gain momentum, net sales are expected to dip below the previous period. Overall, the sales amount of product mix or unit prices should improve and it is predicted that net sales will increase by 6.4%.

In terms of our business results, it is forecast that operating income will increase by 16.8% compared to the previous period. Although it is predicted that manufacturing expenses such as labor costs and prior investment in new production bases will continue to rise during the current interim consolidated accounting period. Some of them will be offset by an increase in net sales and a decrease in the cost of materials other than copper and iron. Without expecting foreign exchange gains, ordinary income and net income are expected to increase by 11.1% and 13.2% respectively.

Our outlook for the full-year business results for the period ending December 31, 2007 is as follows:

1. Consolidated results forecast (compared to the previous period)

Net sales	107,000 million yen	(6.4% increase)
Operating income	12,500 million yen	(16.8% increase)
Ordinary income	17,700 million yen	(11.1% increase)
Net income	12,000 million yen	(13.2% increase)

2. Unconsolidated results forecast (compared to the previous period)

Net sales	76,900 million yen	(14.4% increase)
Operating income	4,900 million yen	(0.1% decrease)
Ordinary income	17,700 million yen	(22.8% increase)
Net income	13,400 million yen	(25.6% increase)

The above forecasts for the second half of this year reflect the exchange rate 1 USD = 117 JPY and do not make an allowance for second-half foreign exchange gains and losses.

Notes: The above forecasts have been estimated based on information currently available. Actual results may differ from the forecasts for a variety of reasons. The main factors that may contribute to a difference include:

- * Fluctuations in exchange rates for Japanese yen and other Asian currencies.
- * Changes in economic conditions and demand trends in our business areas.
- * Rapid technological innovations, such as new technologies or products.
- * Changes in the market price of copper and other materials.

The factors to influence our results are included, but not limited to the above.

2. Analysis of Financial Position

(1) Assets, liabilities and stockholders' equity

Total consolidated assets at the end of the current interim consolidated accounting period increased by 21 million yen from the end of the previous period and amounted to 237,020 million yen. The main factors of significant fluctuation compared to the end of the previous consolidated accounting year are: cash and bank deposits, which increased 3,799 million yen; trade notes and accounts receivable, which increased 2,503 million yen; short-term investments, which increased 1,255 million yen; inventories, which increased 1,275 million yen; and investment securities, which decreased 8,505 million yen.

Total liabilities increased by 1,266 million yen from the end of the previous period and amounted to 19,048 million yen. The main shift was in trade notes and accounts payable, which increased 1,013 million yen.

Total shareholders' equity decreased 1,245 million yen and amounted to 217,971 million yen. The main factors were: retained earnings which increased 3,821 million yen; and foreign currency translation adjustments, which increased 3,490 million yen due by a weaker yen; and the main negative factor was: treasury stock which increased 8,692 million yen.

Stockholders' equity per share was 5,699.42 yen, and capital adequacy ratio was 92.0%.

(2) Cash flows

With regard to consolidated cash flows for the current interim consolidated accounting period, Cash flow provided by our operating activities amounted to 6,111 million yen of income. The increase was partly attributable to the increase in revenue resulting from the increase in net income before income taxes adjustments. Cash flow provided by investing activities amounted to 4,592 million yen of income. This was the result of a reduction in expenditure attributable to the acquisition of fixed assets and to the fact that proceeds from the sale of marketable securities and investment in securities exceeded the purchases of them. Cash

flow used in financial activities amounted to 11,185 million yen of expenditure, due mainly to the acquisition of treasury stock and to the payment of dividends. As a result, the balance of cash and cash equivalents at the end of the current interim consolidated accounting period increased 1,508 million yen compared to the previous period and amounted to 74,147 million yen.

The following table shows the trends for Mabuchi's cash flow indicators.

	June 30, 2005	Dec. 31, 2005	June 30, 2006	Dec. 31, 2006	June 30, 2007
Capital adequacy ratio	93.5%	93.2%	93.0%	92.5%	92.0%
Capital adequacy ratio based on market value	118.4%	114.0%	118.5%	127.8%	121.8%

* Both of the indicators have been calculated the figures on the consolidated financial statements using the following formula.

Capital adequacy ratio: Shareholders' equity ÷ Total assets

Capital adequacy ratio based on market value: Total market value of shares ÷ Total assets

* The total market value of shares has been calculated using the formula:

Closing stock price at the end of the period × Number of shares outstanding at the end of the period (after deduction of treasury stock)

* Since Mabuchi does not have any interest-bearing liabilities, debt redemption (years) and interest coverage ratio have not been included.

(3) Basic Policy on Profit Sharing, and Payment of current dividends

Mabuchi maintains a basic policy of actively returning profits through long-term stable dividend payments, as well as through dividend increases and stock splits in accordance with our business results. We do this while also providing funds from internal reserves for capital expenditure, research and development which are necessary for the growth of our company, and while maintaining our financial soundness.

Based on this policy, we continue an ongoing ordinary dividend payment of 60 yen per share as payment of a long-term stable dividend in conjunction with payments of a special dividend equal to 20% of the consolidated net income divided by the number of shares issued.

With regard to the repurchased stocks, since 2002, we have continuously reacquired shares through tender offers and the stock market. In total, we have repurchased 8,831,362 shares (including the purchase of odd-lot shares) until this year. We will continue to appropriately review repurchases as a means of flexibly responding to changes in the share price and business environment and as a means of fulfilling our capital policy and returning profits to shareholders.

So as to increase our corporate value, we have also resolved to appropriate internal reserves to further strengthen and deepen our existing businesses and to invest in areas of growth.

(4) Business and Other Risks

1) Changes in Economic Conditions

The demand for Mabuchi products incorporated into our customers' products is influenced by the economic conditions in our diverse markets. Therefore, our group's business results and financial position may be adversely affected by economic recessions and the corresponding contraction in demand in Mabuchi's main markets, including Japan, North America, Europe and Asia.

2) Fluctuations in Foreign Exchange Rates

Items denominated in local currencies on the financial statements of our overseas subsidiaries are converted into Japanese yen when the consolidated financial statements are prepared. Consequently, the amounts converted into Japanese yen are subject to the foreign exchange rates at the time of conversion. In particular, appreciation of the Japanese yen against the U.S. dollar will have a negative effect on our group's consolidated business results, and conversely any depreciation of the Japanese yen will have a positive effect.

Appreciation of local currencies in regions where the Mabuchi group carries out production will push up manufacturing and procurement costs denominated in those local currencies. Increased costs will lower our group's profit margins and price competitiveness, and impact negatively on our business results.

3) Development of New Products and New Technologies

The development and sale of new products, by their very nature, involve both complexities and uncertainties, and include a broad array of risks.

In the event our group can not fully predict the changing needs of the market or can not develop appealing new products in a timely fashion, or other technological innovation causes our products to become obsolete, our group's business results and financial position may be subject to significant adverse effects.

4) Price Competition

We have many customers in a huge variety of business world such as electrical and electronic equipment, and machinery manufacturing industries. Price competition in these industries is extremely severe. In these kinds of environments, price is a major contributing factor to competition in all sectors and is really heating up by our competitors in China.

When our cost-reduction activities can not recover the situation of falling prices over the long-term, our group's business results and financial position may be subject to significant adverse effects.

5) Potential Risks in International Economic Trade and Expanding Business Overseas

Most of our group's business activities are conducted in Europe, North America and Asia.

Within these overseas business activities, there are certain inherent risks, including changes in political and economic environments, undeveloped infrastructures, changes in laws, tax affairs or various other systems, or social unrest.

For example, most of our group's production bases are in China, where the occurrence of an unexpected event (such as changes in the Chinese politics or low, society and economic conditions, and problems related to the employment, anti-Japanese sentiment etc) may lead to significant problems for our production and/or sales activities. It remains that our group's business results and financial position could be subjected to significant adverse effects.

6) Product Quality

There is no guarantee that all of our group products will be free of defect or no cause big quality problems either now or in the future. If a quality-related issue occurs, the amount of compensation may be influenced by the effect on the quality of final product incorporated Mabuchi product. If a product defect developed into a large-scale recall or liability for reparation, we could incur soaring costs or a plunge in sales due to a loss of credibility, and our group's business results and financial position might be subject to significant adverse effects.

7) Protection of Intellectual Property

We recognize that the acquisition of intellectual property can greatly influence the growth of Mabuchi group. However, in certain regions, for certain inherent reasons, our group's intellectual property rights may not be completely protected. For instances, our group's intellectual property may be used by third parties without previous notice, and we may suffer damages through manufacturing similar products. In addition, we may lose our competitive superiority as a result of the outflow of other technology or expertise. On the other hand, Mabuchi could be claimed the impingement on the intellectual property of other companies.

The failure of protection or the violation of intellectual property rights, or the outflow of other intellectual property may bring significant adverse effects to our group's business results and financial position.

8) Procurement of Raw Materials

Depending on the type of raw material that our group procures from external sources, we may be dependent on limited suppliers.

There is a possibility that the supply of a raw material may be suspended due to an accident befalling the supplier or for some

other reason, or that a shortage of supply may transpire due to a sudden upsurge in demand. If such conditions were to continue over long periods and alternative materials were not easily available, there is a possibility that our group's production activities would be affected dramatically, and this would undermine the assurance of delivery and quality of products to our customers. It is also possible that the prices of such materials would escalate, which would trigger a rise in manufacturing costs.

If such an event were to occur, then our group's business results and financial position may be subject to significant adverse effects.

9) Natural Disasters and Accidents

Mabuchi Group has established a system of international division of labor. We conduct business activities in countries throughout the world and own facilities and equipment at our various bases, including plants and offices. Our group has implemented measures to prevent risks associated with the occurrence of disasters and accidents or to reduce damages by insuring at these bases. However, there is no guarantee that we can completely protect or reduce the adverse effects of disruptions to our business activities caused by disasters or accidents at our Head Office or individual bases. In the event these kinds of unforeseeable events occurred, our group's business results and financial position may be subject to significant adverse effects.

MANAGEMENT PRINCIPLES

1. Basic Policy on Company Management

At Mabuchi Motor Co., Ltd. (Mabuchi), we start creative endeavors aimed at new stages of growth in order that we remain the leader in the small motor industry, supporting a high quality of life for people.

In the context of our Management Philosophy, that is, “contributing to international society and ever-expanding our contribution,” we have reaffirmed the corporate image for which the Mabuchi Group strives, and we have developed a course that will lead us to this image, in the form of the “Mabuchi Management Vision.”

In our Management Vision, the “Management Guidelines” clarify how to understand and realize the concept of “contribution” as based on our “Management Philosophy,” and the “Management Policies” clarify the guidelines for action in performing our business activities. Our “Management Philosophy,” “Management Guidelines” and “Management Policies” are the genes of our company, and form the basis of our founding management to be passed down through eternity to subsequent generations.

Management Guidelines

The following 1 through 4 are our Management Guidelines, and are the concepts that form the “standards” by which management decisions are made.

- 1) Contribute to the realization of an affluent society and comfortable lifestyles for people by supplying superior products at less expensive prices.
- 2) Position “people” as our most important management resource, make the most of people’s abilities through work, and nurture workers who can contribute positively to society.
- 3) Conduct business activities which are not detrimental to the global environment or human health.
- 4) Contribute to the economic development of foreign countries and to narrowing the economic disparity between nations, by extensively providing employment opportunities and transferring technology to countries overseas.

Management Policies

The “Management Policies” direct our business activities so that we can “accurately determine societal needs as a specialized manufacturer of small motors, and provide a stable supply of products based on these needs in a faster and cheaper manner.” The “Management Policies” also show what course of activities we should take as a business entity.

In addition, the “Management Policies for Overseas Bases” clearly show our basic philosophy for the management of our overseas bases on the basis of co-existence and co-prosperity for both Mabuchi and the respective country.

Management Policies

- 1) Develop products with an emphasis on versatility, and appropriately develop conditions for optimum production.
- 2) Ensure that products are developed and improved based on comprehensive value analyses, and that parts and materials are standardized.
- 3) Pursue reductions in costs by utilizing advanced processing technologies and by minimizing waste.
- 4) Seek out new markets, and secure reasonable market shares.
- 5) Maximize the potential of employees through appropriate placements, and conduct on-the-job human resource development.
- 6) Promote business activities that are based on minimizing environmental burdens and on the pursuit of safety.
- 7) Promote management measures and policies from a perspective of long-term stability.

Management Policies for Overseas Bases

- 1) Promote co-existence and co-prosperity with the respective country based on a long-term perspective.
- 2) Establish a system of international division of labor that capitalizes on the strengths of each overseas base, and maintain and expand our international competitiveness.
- 3) Promote the spread of the Mabuchi corporate culture emphasizing contributions to society, and promote the transfer of knowledge and technology.

2. Medium-term and Long-term Corporate Management Strategies, and Issues to be Resolved

1) Expansion of priority businesses

Under our basic policy of pursuing the maximum potential for our core business, the small DC brush motor business, in order to promptly link highly marketable applications and new areas to opportunities for growth, we have specified the following two points as priority areas for future business enhancement: (i) increase sales in automotive product applications, especially in motors for power window-lifters and motors for seat adjusters; and (ii) open up new markets for new applications and increase sales, by launching our compact high-torque products into the market. As well as accelerating the reform of our business portfolio, we will also prioritize the allocation of Head Office resources to our strategic models, we will open up possibilities in new fields while delving deeper into our areas of expertise, and we will further broaden the areas in which we exercise our company's strengths.

2) Rebuilding of cost structure

In order to rebuild a competitively superior cost structure while maintaining the best quality, we are proceeding with cost-cutting activities across all areas, including products, parts, equipment manufacture, and production technologies, and we aim to expand unique technologies that are clearly different from our competitors. In addition to lowering production costs at our manufacturing sites, we also have an ongoing commitment to eliminating waste and simplifying processes. Furthermore, we will also proceed with the rationalization and improved efficiency of our operations, the enhancement of our IT infrastructure, and other cost rationalizations at our functional units, including: inventive cost-cutting proposals at the design and development stage; promotion of the in-house manufacturing of parts and equipment; the lateral expansion of labor-saving and other rationalized equipment; the review of strategies for the external procurement of new materials, components and equipment (thorough comparison-purchasing, etc.); and improvement of our highly strategic Head Office functions.

3) Reorganization of production bases

Surplus production space can occur at plants and factories because of changes in market environments caused by technological innovation, and because of the effects of improved processes and reduced inventories at production bases. Optimizing this surplus space is an important policy that leads directly to increased capacity utilization at existing plants and factories and to enhanced profitability of our businesses. We will take a comprehensive view of the local infrastructures and human resources in the countries where our production bases are located, as well as of wage costs and the market trends for our applications. Based on this view, we will then proceed to optimize the sizes, distribution and production capacities of our plants and factories. Based on this policy, we will endeavor to make Danang factory successful. Mabuchi Motor Danang Ltd. was established as our second production base in Vietnam, aimed at reducing the risk of over-concentration in China and at strengthening the competitiveness of our exports. With regard to the commissioned Guangdong processing factory in China, we will proceed to streamline its production scale by reducing its surplus production space.

CONSOLIDATED BALANCE SHEETS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES JUNE 30, 2006 and 2007, DECEMBER 31, 2006.

		(Millions of yen)		
ASSETS		June 30 2006	June 30 2007	December 31 2006
Current Assets	Cash and bank deposits	61,838	71,203	67,403
	Trade notes and accounts receivable	15,143	17,036	14,533
	Short-term investments	11,739	17,316	16,061
	Inventories	17,344	19,089	17,814
	Deferred tax assets	1,177	1,196	1,215
	Other current assets	2,095	2,012	2,159
	Allowance for doubtful accounts	(329)	(330)	(308)
	Total current assets	109,009	127,525	118,879
Fixed Assets	Property, Plant and Equipment			
	Buildings and structures	19,901	20,819	21,307
	Machinery, equipment and vehicles	9,715	10,103	9,634
	Tools, furniture and fixture	2,127	2,131	1,975
	Land	6,194	6,203	6,197
	Construction in progress	2,344	1,292	1,247
	Total	40,283	40,549	40,362
	Intangible Assets	576	619	598
	Investments and Other assets			
	Investment securities	76,365	66,636	75,141
	Long-term loans receivable	207	150	151
	Deferred tax assets	125	122	113
	Other investments and other assets	1,729	1,419	1,753
	Allowance for doubtful accounts	(1)	(1)	(1)
	Total	78,427	68,327	77,158
Total fixed assets	119,286	109,495	118,119	
Total assets	228,295	237,020	236,999	

CONSOLIDATED BALANCE SHEETS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES JUNE 30, 2006 and 2007, DECEMBER 31, 2006.

		(Millions of yen)		
LIABILITIES AND SHAREHOLDERS' EQUITY		June 30 2006	June 30 2007	December 31 2006
Liabilities	Current Liabilities			
	Trade notes and accounts payable	4,169	4,859	3,845
	Accrued income taxes	2,041	2,892	2,464
	Accrued bonus to employees	222	210	216
	Accrued Bonus for directors	16	41	62
	Accrued loss on reorganization of subsidiary	509	340	509
	Other current liabilities	4,094	4,951	5,001
	Total current liabilities	11,054	13,294	12,100
	Long-term Liabilities			
	Deferred tax liabilities	4,278	4,965	4,887
	Accrued retirement benefits for employees	129	182	162
	Accrued retirement benefits for directors and statutory auditors	503	510	522
	Other long-term liabilities	113	96	108
	Total long-term liabilities	5,025	5,753	5,681
Total liabilities	16,079	19,048	17,781	
Net Assets	Shareholders' Equity			
	Common stock	20,704	20,704	20,704
	Additional paid-in capital	20,419	20,419	20,419
	Retained earnings	231,630	238,714	234,893
	Treasury stock	(64,725)	(73,426)	(64,733)
	Total shareholders' equity	208,030	206,412	211,284
	Revaluation / Translation differences			
	Unrealized holding gains on securities	3,019	3,613	3,478
	Foreign currency translation adjustments	1,166	7,945	4,454
	Total Revaluation / Translation differences	4,186	11,558	7,932
Total net assets	212,216	217,971	219,217	
Total liabilities and net assets	228,295	237,020	236,999	

CONSOLIDATED STATEMENTS OF INCOME

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES

FOR THE SIX MONTHS ENDED JUNE 30, 2006 and 2007, and YEAR ENDED DECEMBER 31, 2006

	(Millions of yen)		
	Six months ended Jun. 30, 2006	Six months ended Jun. 30, 2007	Year ended Dec. 31, 2006
Net Sales	49,146	52,741	100,517
Cost of Sales	34,562	37,462	71,919
Gross profit	14,584	15,279	28,598
Selling, General and Administrative Expenses	5,947	9,178	17,898
Operating income	5,636	6,100	10,700
Other Income (Expenses)			
Interest and dividend income	1,241	1,648	2,907
Exchange gains on foreign currency transactions	163	796	957
Other, net	777	1,045	1,348
Income before Income Taxes and Minority Interests	7,818	9,591	15,914
Income Taxes			
Current	2,495	3,277	4,945
Deferred	-	-	365
Net Income	5,323	6,313	10,603

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES

FOR THE SIX MONTHS ENDED JUNE 30, 2006 and 2007, and YEAR ENDED DECEMBER 31, 2006

		(Millions of yen)		
		Six months ended Jun. 30, 2006	Six months ended Jun. 30, 2007	Year ended Dec. 31, 2006
Common Stock	Beginning balance	20,704	20,704	20,704
	Ending balance	20,704	20,704	20,704
Additional Paid-in Capital	Beginning balance	20,419	20,419	20,419
	Ending balance	20,419	20,419	20,419
Retained Earnings	Beginning balance	228,319	234,893	228,319
	Net income	5,323	6,313	10,603
	Cash dividends	(1,978)	(2,492)	(3,995)
	Bonuses to directors and statutory auditors	(36)	-	(36)
	Increase in accounting changes of scope of consolidation	(3)	-	3
	Ending balance	231,630	238,714	234,893
Unrealized Holding Losses (Gains) on Securities	Beginning balance	4,034	3,478	4,034
	Net change during the year	(1,014)	135	(555)
	Ending balance	3,019	3,613	3,478
Foreign Currency Translation Adjustments	Beginning balance	3,115	4,454	3,115
	Net change during the year	(1,949)	3,490	1,338
	Ending balance	1,166	7,945	4,454
Treasury Stock	Beginning balance	(64,718)	(64,733)	(64,718)
	Net change during the year	(7)	(8,692)	(15)
	Ending balance	(64,725)	(73,426)	(64,733)
Total shareholders' equity at end of year		212,216	217,971	219,217

CONSOLIDATED STATEMENTS OF CASH FLOWS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES

FOR THE SIX MONTHS ENDED JUNE 30, 2006 and 2007, and YEAR ENDED DECEMBER 31, 2006

(Millions of yen)

	Six months ended Jun. 30, 2006	Six months ended Jun. 30, 2007	Year ended Dec. 31, 2006
Cash Flows from Operating Activities			
Income before income taxes and minority interests	7,818	9,591	15,914
Depreciation and amortization	2,680	2,406	5,360
Impairment loss	425	25	521
Provision for retirement benefits, net payments	28	1	77
Increase (Decrease) in accrued loss on reorganization of subsidiary	(48)	(168)	(48)
Interest and dividends income	(1,241)	(1,648)	(2,907)
Foreign exchange gain	230	(246)	(98)
Gain on sales of short-term investments	(704)	(373)	(704)
Loss (Gain) on sales and disposal of fixed assets	102	(29)	(36)
Decrease (Increase) in trade notes and accounts receivables	(1,213)	(1,810)	(139)
Decrease (Increase) in inventories	(496)	(452)	(197)
(Decrease) Increase in trade notes and accounts payable	1,109	604	962
Other, net	(1,009)	(597)	(1,012)
Sub total	7,682	7,302	17,691
Interest and dividends received	1,247	1,648	2,911
Interest paid	(0)	(0)	(0)
Income taxes paid	(1,138)	(2,839)	(3,102)
Net cash provided by operating activities	7,791	6,111	17,500
Cash Flows from Investing Activities			
Paying in time deposit	-	(9,171)	-
Proceeds from withdrawal of time deposit	-	6,994	-
Purchase of short-term investments	(750)	(4,392)	(4,781)
Proceeds from sales of short-term investments	3,445	4,271	7,080
Purchase of property, plant and equipment	(2,120)	(1,976)	(4,261)
Proceeds from sales of property, plant and equipment	87	279	390
Purchase of investment securities	(5,383)	(1,107)	(9,411)
Proceeds from sales of investment securities	2,461	9,259	5,518
Other, net	(618)	435	(856)
Net cash used in (provided by) investing activities	(2,878)	4,592	(6,321)
Cash Flows from Financing Activities			
Cash dividends paid	(1,974)	(2,492)	(3,994)
Purchase of treasury stock	(7)	(8,692)	(15)
Net cash used in financing activities	(1,982)	(11,185)	(4,009)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1,049)	1,990	852
Net Increase in Cash and Cash Equivalents	1,880	1,508	8,020
Cash and Cash Equivalents at Beginning of Year	64,596	72,639	64,596
Increase in accounting changes of scope of consolidation	22	-	22
Cash and Cash Equivalents at End of Year	66,499	74,147	72,639

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			Six months ended Jun. 30, 2006	Six months ended Jun. 30, 2007	Year ended Dec. 31, 2006
Net sales	Japan	Outside customers	11,173	11,736	22,659
		Intersegment	20,931	25,548	44,584
		Total	32,105	37,285	67,243
	Asia	Outside customers	26,068	27,202	54,419
		Intersegment	22,906	28,273	48,622
		Total	48,975	55,476	103,041
	U.S.A.	Outside customers	4,595	4,925	9,035
		Intersegment	17	22	43
		Total	4,613	4,948	9,078
	Europe	Outside customers	7,308	8,876	14,403
		Intersegment	-	-	-
		Total	7,308	8,876	14,403
Eliminations		(43,855)	(53,845)	(93,249)	
Consolidated		49,146	52,741	100,517	
Operating income	Japan		2,238	1,941	4,905
	Asia		2,989	3,825	5,335
	U.S.A.		103	164	181
	Europe		20	13	70
	Eliminations		285	156	207
	Consolidated		5,636	6,100	10,700

(Millions of yen)

2. Overseas sales		Six months ended Jun. 30, 2006	Six months ended Jun. 30, 2007	Year ended Dec. 31, 2006
Overseas sales	U.S.A.	5,194	5,876	10,459
	Europe	7,315	8,915	14,430
	Asia and other	30,810	32,624	64,106
	Total	43,320	47,415	88,996
Net sales		49,146	52,741	100,517
% of overseas sales to net sales		88.1%	89.9%	88.5%

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		Six months ended June 30, 2006		Six months ended June 30, 2007		Year ended December 31, 2006	
		thousand pieces	%(change)	thousand pieces	%(change)	thousand pieces	%(change)		
Small Motors	MABUCHI INDUSTRY CO., LTD.	507,153	56.7	469,965	53.1	1,013,214	55.8		
	MABUCHI MOTOR DALIAN LTD.	76,322	8.5	72,140	8.1	148,569	8.2		
	MABUCHI MOTOR WAFANGDIAN LTD.	77,946	8.7	104,368	11.8	171,470	9.4		
	MABUCHI MOTOR (JIANGSU) CO., LTD.	83,202	9.3	77,031	8.7	162,266	8.9		
	MABUCHI MOTOR VIETNAM LTD.	148,170	16.6	154,727	17.5	316,080	17.4		
	MABUCHI MOTOR DANANG LTD.	-	-	5,170	0.6	840	0.1		
	MABUCHI TAIWAN CO., LTD.	1,836	0.2	2,216	0.2	3,385	0.2		
Total		894,632	100.0	885,622	100.0	1,815,828	100.0		

(Notes) Figures are based on products volume.

(2) Sales by application

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

	Application	Period		Six months ended June 30, 2006		Six months ended June 30, 2007		Year ended December 31, 2006	
		millions of yen	%(change)	millions of yen	%(change)	millions of yen	%(change)		
Small Motors	Automotive Products	18,569	38.1	21,368	40.6	36,781	36.9		
	Audio & Visual Equipment	10,885	22.3	10,625	20.2	22,361	22.4		
	Information & Communication Equipment	7,702	15.8	8,243	15.6	16,658	16.7		
	Home Appliances & Power Tools & Others	11,586	23.8	12,410	23.6	23,900	24.0		
	Total		48,744	100.0	52,647	100.0	99,702	100.0	

(Notes) Consumption taxes were excluded.