

CONSOLIDATED FINANCIAL RESULTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2007

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|--|----|
| Consolidated Financial Results for the Nine Months Ended | 2 |
| Qualitative Information: Financial Statements..... | 3 |
| Consolidated Balance Sheets..... | 6 |
| Consolidated Statements of Income..... | 8 |
| Consolidated Statements of Cash Flows | 9 |
| Current Status of Production and Sales | 10 |

CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007

Date : November 7, 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) |
| Nine months ended September 30, 2007 | 81,366 | 7.6 | 10,035 | 14.9 | 9,412 | 10.7 |
| Nine months ended September 30, 2006 | 75,623 | 8.1 | 8,736 | 28.2 | 8,506 | 48.0 |
| Year ended December 31, 2006 | 100,517 | - | 10,700 | - | 10,603 | - |

| | Net income per share | Fully diluted net income per share |
|--------------------------------------|----------------------|------------------------------------|
| | yen | yen |
| Nine months ended September 30, 2007 | 240.08 | - |
| Nine months ended September 30, 2006 | 215.02 | - |
| Year ended December 31, 2006 | 268.03 | - |

(2) Financial Position

| | Total assets | Shareholders' equity | Shareholders' equity ratio | Shareholders' equity per share |
|--------------------------|-----------------|----------------------|----------------------------|--------------------------------|
| | millions of yen | millions of yen | % | yen |
| As of September 30, 2007 | 229,221 | 212,623 | 92.8 | 5,559.65 |
| As of September 30, 2006 | 232,782 | 215,445 | 92.6 | 5,446.04 |
| 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 |
| Nine months ended September 30, 2007 | 8,192 | (5,449) | (13,525) | 61,225 |
| Nine months ended September 30, 2006 | 10,707 | (4,226) | (4,024) | 67,144 |
| Year ended December 31, 2006 | 17,500 | (6,321) | (4,009) | 72,639 |

2. Dividends

| | Dividend per share (yen) | | |
|-------------------|--------------------------|----------|--------------|
| | Midyear-end | Year-end | For the year |
| FY2006 | 51.00 | 63.00 | 114.00 |
| FY2007 | 61.00 | - | 123.00 |
| FY2007 (Forecast) | - | 62.00 | |

3. 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 |
| Annual | 107,000 | 12,500 | 12,000 |

(Reference) Projected annual net income per share:313.77 yen

4. Note

- 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

QUALITATIVE INFORMATION: FINANCIAL STATEMENTS

1. Qualitative Information on Consolidated Operating Results

During the nine months ended September 30, 2007 (January 1 - September 30, 2007), the Japanese economy maintained its strength, with exports, consumer spending and the appetite for capital expenditure performing steadily. Meanwhile, the global economy remained firm overall. Although the negative effects originating in the U.S. from subprime mortgage loans continued to smolder, the effects on the real economy in the U.S. resulted in there only being a slight economic standstill or slowdown. Under these business conditions, the sales volume across all Mabuchi retail segments decreased slightly by 1.1% compared to the same period last year. In spite of a steady increase in the demand for motors in the Automotive Products market and in the Information & Communication Equipment market, overall sales were hit by market contraction and inventory adjustments in the Audio & Visual Equipment market. On the other hand, in terms of sales revenue, net sales increased 8.5% compared to the same period last year. This increase was chiefly driven by three factors: an improved product mix in the Automotive Products market, the Information & Communication Equipment market and the Home Appliances and Power Tools market; higher unit prices attributable to an increase in high value-added products; and an increase in the percentage of motors used in automobiles in the Audio Equipment market. As a result, on the whole, sales volume and sales revenue are both on track to achieve the forecasts contained in the revised full-year sales plan, which was announced in conjunction with the half-year consolidated financial results.

As a result, net sales for the nine months ended September 30, 2007 amounted to 81,366 million yen (a 7.6% increase from the same period last year), and net sales of motors, which account for nearly all net sales, reached 81,206 million yen (an 8.5% 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.

(1) Automotive Products market

In this market, growth is being successfully sustained. As drivers seek safety, convenience, comfort and efficiency in their automobiles, the number of electrical components in vehicles continues to rise, and hence the number of small motors used in any one vehicle also increases. In particular, there was a significant increase in net sales for power windows, due to the increase in motors for new vehicle models and to market expansion. In addition to the growth in demand for existing applications, such as door locks, mirrors, air conditioning damper actuators and headlight beam level adjusters, there was also a steady increase in demand for innovative applications, including for intake valves and steering locks. Net sales in this market increased significantly to 32,087 million yen (a 17.4% increase from the same period last year).

(2) Audio & Visual Equipment market

Amid the contraction of the market for CD players and the ongoing inventory adjustments in the markets for DVD and video players, sales of motors for CD players fitted in vehicles performed strongly. Overall, net sales in this market decreased to 16,030 million yen (a 5.7% decrease from the same period last year).

(3) Information & Communication Equipment market

In this market, sales of motors for printers and digital cameras continued to perform well. There was also an increase in the shipment of high value-added motors with rotation control mechanisms, and there was an increase in the sale of printer assist motors. As a result, net sales in this market increased significantly to 13,656 million yen (a 10.6% increase from the same period last year).

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

Positive factors in this market included favorable sales of motors for shavers, toothbrushes, power tools and toys, as well as an increase in the sale of linear motors for upmarket shavers. Overall, net sales in this market increased 19,432 million yen (a 6.9% increase from the same period last year).

Net sales for the nine months ended September 30, 2007 are as described above. Despite such negative factors as an increase in the cost of materials attributable to the soaring prices of copper and other materials, and an increase in manufacturing expenses partly attributable to rising labor costs and prior investment in new production bases, operating income amounted to 10,035 million yen (a 14.9% increase from the same period last year) as a result of an increase in sales and cost-cutting activities aimed at other materials. Ordinary income amounted to 13,600 million yen (a 9.4% increase from the same period last year) partly due to increases in financial management gains (interest income, etc.). Finally, net income for the nine months ended September 30, 2007 amounted to 9,412 million yen (a 10.7% increase from the same period last year) in accordance with the increase in ordinary income.

2. Qualitative Information on Consolidated Financial Position

Total assets as of September 30, 2007 decreased by 7,778 million yen from the end of the previous consolidated accounting year, and amounted to 229,221 million yen. The main accounts that have fluctuated considerably since the end of the previous consolidated accounting year include: cash and bank deposits, which decreased 5,327 million yen; trade notes and accounts receivable, which increased 3,002 million yen; short-term investments, which increased 8,880 million yen; inventories, which increased 766 million yen; and investment securities, which decreased 12,878 million yen.

Total liabilities decreased by 1,184 million yen from the end of the previous consolidated accounting year, and amounted to 16,597 million yen. The main accounts that have fluctuated considerably since the end of the previous consolidated accounting year include: trade notes and accounts payable, which increased 322 million yen; accrued income taxes, which decreased 648 million yen; and deferred tax liabilities, which decreased 693 million yen.

Total shareholders' equity decreased by 6,593 million yen from the end of the previous consolidated accounting year, and amounted to 212,623 million yen. The main factors were: retained earnings, which increased 4,587 million yen; and foreign currency translation adjustments, which decreased 1,494 million yen; and the main negative factor was: treasury stock which increased 8,696 million yen.

Shareholders' equity per share was 5,559.65 yen, and the capital adequacy ratio was 92.8%.

3. Qualitative Information on Forecasts for Consolidated Business Results

With regard to the full-year outlook, it is difficult to predict how the subprime loan issue in the U.S. will affect the international economy, but it is expected that there will be steady growth overall in the economies of China and other emerging nations and in the European economy.

With regard to the markets in which our products are sold, although year-on-year increases are predicted in net sales for the Automotive Products market, the Home Appliances and Power Tools market and the Information & Communication Equipment market, sales in the Audio & Visual Equipment market are expected to continue on a downward trend. As a result, overall net sales are expected to increase by 6.4% from the previous year.

In terms of our business results, we expect that results will be similar to the full-year business results previously announced with our consolidated financial results for the six months ended June 30, 2007. While forecasts for full-year net sales are as outlined above, we also envisage several negative cost factors in the fourth quarter, including the cost of parts and materials to remain

high, an increase in direct labor costs, and a reduction in our capacity utilization. Accordingly, no changes have been made to the forecasts for full-year business results which were announced on August 17, 2007.

4. Notes

- (1) Changes in the classification of material subsidiaries during this period (changes in specific subsidiaries that result in a change in the scope of consolidation)

None.

- (2) Adoption of simplified accounting methods

With regard to the standards used for recording income tax, we have calculated income tax using an estimated annual income tax rate based on the effective statutory income tax rate.

We have used simplified accounting procedures for some insignificant items.

- (3) Changes in accounting methods from the most recent consolidated accounting year

In accordance with the revisions to the Corporation Tax Law, we have changed the method of depreciation for any property, plant or equipment acquired on or after April 1, 2007 to a method that is based on the revised Corporation Tax Law. The resultant effects on income have been insignificant.

- (4) Changes in the presentation of financial statements

(Quarterly Consolidated Statements of Cash Flow)

In the statement for the nine months ended September 30, 2006, the "Paying in time deposit" and "Proceeds from withdrawal of time deposit" items included under cash flows from investing activities were included in "Other, net." However, their financial materiality has increased, and consequently they have been presented separately.

The values of the "Paying in time deposit" and "Proceeds from withdrawal of time deposit" items that were included in "Other, net" in the statement for the nine months ended September 30, 2006 were -8,996 million yen and 9,128 million yen respectively.

CONSOLIDATED BALANCE SHEETS

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

| | | (Millions of yen) | | | |
|---------------------------|-------------------------------------|----------------------|----------------------|------------------------|---------------------|
| ASSETS | | September 30 2007 | September 30 2006 | Increase (Decrease) | December 31 2006 |
| Current Assets | Cash and bank deposits | 61,911 | 62,076 | 164 | 67,403 |
| | Trade notes and accounts receivable | 17,166 | 17,536 | 369 | 14,533 |
| | Short-term investments | 12,953 | 24,941 | 11,987 | 16,061 |
| | Inventories | 18,302 | 18,581 | 278 | 17,814 |
| | Deferred tax assets | 1,277 | 1,237 | (39) | 1,215 |
| | Other current assets | 1,904 | 1,255 | (649) | 2,159 |
| | Allowance for doubtful accounts | (420) | (314) | 106 | (308) |
| | Total current assets | 113,095 | 125,314 | 12,218 | 118,879 |
| Fixed Assets | Property, Plant and Equipment | | | | |
| | Buildings and structures | 21,543 | 20,007 | (1,535) | 21,307 |
| | Machinery, equipment and vehicles | 9,746 | 9,870 | 123 | 9,634 |
| | Tools, furniture and fixture | 1,958 | 2,167 | 208 | 1,975 |
| | Land | 6,197 | 6,191 | (6) | 6,197 |
| | Construction in progress | 1,199 | 1,060 | (139) | 1,247 |
| | Total | 40,646 | 39,297 | (1,348) | 40,362 |
| | Intangible Assets | 586 | 580 | (6) | 598 |
| | Investments and Other assets | | | | |
| | Investment securities | 76,319 | 62,262 | (14,056) | 75,141 |
| | Long-term loans receivable | 218 | 136 | (82) | 151 |
| | Deferred tax assets | 118 | 128 | 9 | 113 |
| | Other investments and other assets | 1,798 | 1,503 | (294) | 1,753 |
| | Allowance for doubtful accounts | (1) | (1) | (0) | (1) |
| | Total | 78,453 | 64,029 | (14,424) | 77,158 |
| Total fixed assets | 119,686 | 103,906 | (15,779) | 118,119 | |
| Total assets | 232,782 | 229,221 | (3,561) | 236,999 | |

CONSOLIDATED BALANCE SHEETS

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

| LIABILITIES AND NET ASSETS | | (Millions of yen) | | | |
|---|--|----------------------|----------------------|------------------------|---------------------|
| | | September 30 2007 | September 30 2006 | Increase (Decrease) | December 31 2006 |
| Liabilities | Current Liabilities | | | | |
| | Trade notes and accounts payable | 4,336 | 4,168 | (167) | 3,845 |
| | Accrued income taxes | 1,803 | 1,815 | 12 | 2,464 |
| | Accrued bonus to employees | 577 | 597 | 20 | 216 |
| | Accrued bonus for directors | 25 | 61 | 36 | 62 |
| | Accrued factory closing loss | 509 | 349 | (160) | 509 |
| | Other current liabilities | 4,887 | 4,621 | (266) | 5,001 |
| | Total current liabilities | 12,139 | 11,614 | (524) | 12,100 |
| | Long-term Liabilities | | | | |
| | Deferred tax liabilities | 4,434 | 4,194 | (240) | 4,887 |
| | Accrued retirement benefits for employees | 137 | 179 | 42 | 162 |
| | Accrued retirement benefits for directors and statutory auditors | 513 | 519 | 6 | 522 |
| | Other long-term liabilities | 111 | 89 | (22) | 108 |
| | Total long-term liabilities | 5,197 | 4,983 | (214) | 5,681 |
| | Total liabilities | 17,336 | 16,597 | (739) | 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 | 232,796 | 239,481 | 6,684 | 234,893 |
| | Treasury stock | (64,729) | (73,430) | (8,701) | (64,733) |
| | Total shareholders' equity | 209,191 | 207,175 | (2,016) | 211,284 |
| | Revaluation / Translation differences | | | | |
| | Unrealized holding gains on securities | 3,278 | 2,488 | (790) | 3,478 |
| | Foreign currency translation adjustments | 2,975 | 2,959 | (15) | 4,454 |
| | Total Revaluation / Translation differences | 6,253 | 5,447 | (806) | 7,932 |
| | Total net assets | 215,445 | 212,623 | (2,822) | 219,217 |
| Total liabilities and net assets | | 232,782 | 229,221 | (3,561) | 236,999 |

CONSOLIDATED STATEMENTS OF INCOME

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 and 2006, and YEAR ENDED DECEMBER 31, 2006

| | (Millions of yen) | | | |
|---|-------------------|---------------|------------------------|-----------------------------|
| | 2007 | 2006 | Increase (Decrease) | Year ended Dec. 31, 2006 |
| Net Sales | 81,366 | 75,623 | 5,742 | 100,517 |
| Cost of Sales | 57,717 | 53,490 | 4,226 | 71,919 |
| Gross profit | 23,648 | 22,132 | 1,515 | 28,598 |
| Selling, General and Administrative Expenses | 13,613 | 13,396 | 216 | 17,898 |
| Operating income | 10,035 | 8,736 | 1,299 | 10,700 |
| Other Income (Expenses) | | | | |
| Interest and dividend income | 2,432 | 2,013 | 418 | 2,907 |
| Exchange gains on foreign currency transactions | 172 | 685 | (512) | 957 |
| Other, net | 1,408 | 1,055 | 353 | 1,348 |
| Income before Income Taxes | 14,049 | 12,490 | 1,558 | 15,914 |
| Income Taxes | | | | |
| Current | 4,636 | 3,984 | 651 | 4,945 |
| Deferred | - | - | - | 365 |
| Net Income | 9,412 | 8,506 | 906 | 10,603 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 | 14,049 | 12,490 | 1,558 | 15,914 |
| | Depreciation and amortization | 3,679 | 4,025 | (346) | 5,360 |
| | Impairment loss | 25 | 426 | (400) | 521 |
| | Provision for retirement benefits, net payments | 20 | 44 | (23) | 77 |
| | Decrease in accrued factory closing loss | (160) | (48) | (111) | (48) |
| | Interest and dividends income | (2,432) | (2,013) | (418) | (2,907) |
| | Foreign exchange loss (gain) | 167 | (43) | 211 | (98) |
| | Gain on sales of short-term investments | (292) | (704) | 412 | (704) |
| | Loss (Gain) on sales and disposal of fixed assets | (254) | 146 | (400) | (36) |
| | Increase in trade notes and accounts receivables | (3,118) | (2,783) | (335) | (139) |
| | Increase in inventories | (617) | (1,003) | 385 | (197) |
| | Increase in trade notes and accounts payable | 215 | 1,419 | (1,203) | 962 |
| | Other, net | (192) | (390) | 198 | (1,012) |
| | Sub total | 11,089 | 11,564 | (474) | 17,691 |
| | Interest and dividends received | 2,447 | 2,029 | 418 | 2,911 |
| | Interest paid | (0) | (0) | 0 | (0) |
| | Income taxes paid | (5,344) | (2,886) | (2,458) | (3,102) |
| Net cash provided by operating activities | 8,192 | 10,707 | (2,514) | 17,500 | |
| Cash Flows from Investing Activities | Paying in time deposit | (21,219) | - | (21,219) | - |
| | Withdrawal time deposit | 9,952 | - | 9,952 | - |
| | Purchase of short-term investments | (10,724) | (1,585) | (9,138) | (4,781) |
| | Proceeds from sales of short-term investments | 8,708 | 4,165 | 4,542 | 7,080 |
| | Purchase of property, plant and equipment | (3,127) | (3,399) | 272 | (4,261) |
| | Proceeds from sales of property, plant and equipment | 598 | 143 | 454 | 390 |
| | Purchase of investment securities | (2,112) | (7,308) | 5,196 | (9,411) |
| | Sales of investment securities | 11,678 | 3,868 | 7,810 | 5,518 |
| | Other, net | 795 | (109) | 905 | (856) |
| Net cash used in investing activities | (5,449) | (4,226) | (1,223) | (6,321) | |
| Cash Flows from Financing Activities | Cash dividends paid | (4,828) | (4,013) | (814) | (3,994) |
| | Purchase of treasury stock | (8,696) | (10) | (8,685) | (15) |
| | Net cash used in financing activities | (13,525) | (4,024) | (9,500) | (4,009) |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | | (632) | 69 | (701) | 852 |
| Net (Decrease) Increase in Cash and Cash Equivalents | | (11,414) | 2,525 | (13,940) | 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 | | 61,225 | 67,144 | (5,919) | 72,639 |

CURRENT STATUS OF PRODUCTION AND SALES

(1) Production(Quantity only)

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

| | Manufacturing Subsidiary | Period | | Nine months ended | | Increase (Decrease) |
|---------------------|-----------------------------------|--------------------|--------------|--------------------|--------------|------------------------|
| | | September 30, 2007 | | September 30, 2006 | | |
| | | thousand pieces | %(component) | thousand pieces | %(component) | thousand pieces |
| Small Motors | MABUCHI INDUSTRY CO., LTD. | 736,553 | 53.2 | 783,760 | 56.6 | (47,207) |
| | MABUCHI MOTOR DALIAN LTD. | 109,313 | 7.9 | 114,530 | 8.3 | (5,217) |
| | MABUCHI MOTOR WAFANGDIAN LTD. | 161,436 | 11.7 | 124,458 | 9.0 | 36,978 |
| | MABUCHI MOTOR (JIANGSU) CO., LTD. | 119,013 | 8.6 | 124,725 | 9.0 | (5,712) |
| | MABUCHI MOTOR VIETNAM LTD. | 243,904 | 17.6 | 234,552 | 16.9 | 9,351 |
| | MABUCHI MOTOR DANANG LTD. | 11,499 | 0.8 | - | - | 11,499 |
| | MABUCHI TAIWAN CO., LTD. | 3,383 | 0.2 | 2,485 | 0.2 | 898 |
| | Total | 1,385,103 | 100.0 | 1,384,513 | 100.0 | 590 |

(Notes) Figures are based on products volume.

(2) Sales by application

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

| | Application | Period | | Nine months ended | | Increase (Decrease) |
|---------------------|--|--------------------|--------------|--------------------|--------------|------------------------|
| | | September 30, 2007 | | September 30, 2006 | | |
| | | millions of yen | %(component) | millions of yen | %(component) | millions of yen |
| Small Motors | Automotive Products | 32,087 | 39.5 | 27,340 | 36.5 | 4,746 |
| | Audio and Visual Equipment | 16,030 | 19.8 | 16,991 | 22.7 | (961) |
| | Information & Communication Equipment | 13,656 | 16.8 | 12,346 | 16.5 | 1,309 |
| | Home Appliances, Power Tool and Others | 19,432 | 23.9 | 18,178 | 24.3 | 1,254 |
| | Total | 81,206 | 100.0 | 74,857 | 100.0 | 6,348 |

(Notes) Consumption taxes were excluded.