

CONSOLIDATED FINANCIAL RESULTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2008

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CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2008

Date : May 9 , 2008
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, 2008

(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, 2008	23,475	(5.6)	2,727	(2.8)	1,421	(48.8)
Three months ended March 31, 2007	24,864	3.1	2,806	3.2	2,776	18.6
Year ended December 31, 2007	107,640	-	11,685	-	10,914	-

	Net income per share	Fully diluted net income per share
	yen	yen
Three months ended March 31, 2008	37.18	-
Three months ended March 31, 2007	70.19	-
Year ended December 31, 2007	280.90	-

(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, 2008	214,461	201,422	93.9	5,266.91
As of March 31, 2007	234,688	218,889	93.3	5,533.24
As of December 31, 2007	230,960	213,314	92.4	5,577.84

(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, 2008	614	(2,123)	(5,320)	64,272
Three months ended March 31, 2007	1,990	(1,846)	(2,475)	69,989
Year ended December 31, 2007	15,447	3,687	(13,531)	76,897

2. Dividends

Record date	Dividend per share (yen)		
	Midyear-end	Year-end	For the year
FY2007	61.00	62.00	123.00
FY2008 (Forecast)	61.00	62.00	123.00

3. Prospect for the fiscal year (From January 1 to December 31, 2008)

	Net sales	Operating income	Net income	Net income per share
	millions of yen	millions of yen	millions of yen	yen
Semi-annual	47,500	5,000	3,500	91.52
Annual	97,500	10,300	7,900	206.57

(The percentages indicate year-on-year changes for the full year.)

4. Others

- (1) Changes in significant subsidiaries during the quarter (Changes in certain subsidiaries resulting in change in scope of consolidation.): None
- (2) Concise accounting procedures adopted: Yes
- (3) Change in accounting method: None

QUALITATIVE INFORMATION

1. Qualitative Information on Consolidated Operating Results

Results for the three months ended March 31, 2008 (January 1 - March 31, 2008) are outlined above. During this period, the Japanese economy experienced further slowdown due to deterioration in the external environment, including an appreciated Japanese yen and the high price of crude oil. Turning our attention overseas, we can see that signs of the slowdown in the U.S. economy began to emerge, and on the whole, the moderate slowdown in the global market continued, although individual countries had differing factors shaping their economies and differing results between industries and individual businesses. Under these business conditions, if we look at the sales performance of Mabuchi motors, we can see that the sales volume decreased 1.5% compared to the same period last year, and in terms of revenue, net sales decreased 5.5% 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, 2007 (January 1 - December 31, 2007), sales volume was 2.9% lower and sales revenue was 1.1% lower. As a result, net sales for the three months ended March 31, 2008 amounted to 23,475 million yen (5.6% decrease on a year-over-year basis). Motor sales, which account for the majority of consolidated net sales, came to 23,450 million yen (5.5% decrease on a year-over-year basis), with the unexpected appreciation of the Japanese yen contributing to about 2,500 million yen of the decrease in revenue.

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, we can look forward to further growth in the medium and long term. 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. However, with sluggish automobile sales in the U.S. forecast for this year, it is believed that the key will be whether this slump in sales can be offset by an increase in sales in BRIC countries and an increase in the number of electrical components per vehicle. Sales of motors for major existing applications, such as for mirrors and door locks, performed well while maintaining high market shares. Motors for power window lifters are our strategic product, and demand for these continued strongly and sales grew considerably, helped by an increase in the variety of vehicles equipped with them. Motors for steering locks, door closers and electric parking brakes also saw steady sales growth. Net sales in this market increased to 10,578 million yen (2.5% increase on a year-over-year basis).

(2) Audio & Visual Equipment market

Sales of motors for household and portable CD players decreased with the ongoing contraction of the market, and sales of motors for DVD players also decreased due to an emphasis on profitability amid stiff market prices. Sales of motors for car CD players have remained strong due to an increase in sales targeting BRIC countries. Net sales in this market decreased to 4,032 million yen (19.5% decrease on a year-over-year basis).

(3) Information & Communication Equipment market

With favorable demand for high-value-added motors equipped with encoders, sales of motors for inkjet printers performed strongly, as did sales for digital cameras. Sales of motors for PC drives decreased slightly due to the slowdown in growth for desktop computers. Net sales in this market decreased to 3,558 million yen (7.6% decrease on a year-over-year basis).

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

There were strong performances in both the sales of motors for personal care products such as toothbrushes and shavers, and

the sales of motors for health-related equipment such as blood pressure meters and massagers. Sales of motors for power tools increased due to a greater demand for motors used in professional high-power tools. Net sales in this market decreased to 5,280 million yen (6.3% decrease on a year-over-year basis).

Net sales for the three months ended March 31, 2008 decreased, as described above, by 5.6% compared to the same period last year. Operating income amounted to 2,727 million yen (2.8% decrease on a year-over-year basis). This was the result of several factors putting downward pressure on profits, including the sustained soaring prices of copper, iron and other materials and the increases in direct labor costs and other manufacturing expenses, although these were partially offset by the effects of an improved product mix. Ordinary income decreased to 1,954 million yen (50.7% decrease on a year-over-year basis), in part, as a result of recording foreign exchange losses on dollar-denominated deposits as non-operating losses, which were attributable to the sudden appreciation of the Japanese yen. With no significant changes in extraordinary gains and losses, net income for the three months ended March 31, 2008 amounted to 1,421 million yen (48.8% decrease on a year-over-year basis).

2. Qualitative Information on Consolidated Financial Position

Total assets as of March 31, 2008 stood at 214,461 million yen, decreasing by 16,498 million yen from the previous fiscal year-end. The most noticeable changes from the end of the previous fiscal year were a decrease in cash and bank deposits of 5,952 million yen, a decrease in trade notes and accounts receivable of 2,339 million yen, a decrease in short-term investments of 3,074 million yen, a decrease in inventories of 1,294 million yen, and a decrease in investment securities of 4,081 million yen.

Total liabilities stood at 13,039 million yen, decreasing by 4,606 million yen from the previous fiscal year-end. The most noticeable changes from the end of the previous fiscal year were a decrease in trade notes and accounts payable of 387 million yen, a decrease in accrued income taxes of 1,861 million yen, a decrease in deferred tax liabilities of 1,059 million yen, and a decrease in accrued retirement benefits for directors and statutory auditors of 1,094 million yen.

Total net assets decreased 11,891 million yen from the previous fiscal year-end, finishing at 201,422 million yen. The most noticeable changes were a decrease in unrealized holding gains on securities of 1,543 million yen, and a decrease in foreign currency translation adjustments of 9,398 million yen.

Shareholders' equity per share was 5,266.91 yen, and the capital adequacy ratio was 93.9%.

3. Qualitative Information on Forecasts for Consolidated Business Results

With regard to the full-year outlook, it is thought that the appreciation of the Japanese yen, the soaring prices of crude oil and the high prices of raw materials will continue, and that the slowdown in the U.S. economy will adversely affect the global economy. Nevertheless, it is also predicted that the demand from the BRIC and other developing countries will give support, and a serious economic session will be avoided.

With regard to the markets in which our products are sold, while net sales for the Automotive Products market are expected to steadily increase compared to the previous term, it is expected that net sales for the Home Appliances and Power Tools market, the Information & Communication Equipment market and for the Audio & Visual Equipment market will decrease.

One of the underlying assumptions for the forecasts for full-year business results is the foreign exchange rates for the second and subsequent quarters. We envisage that the appreciation of the Japanese yen will continue, and that the exchange rate will reach 100 yen to the dollar (previous forecast was 107 yen to the dollar). Based on this exchange rate, and reflecting our first-quarter business results, we have revised the previously announced full-year forecasts for consolidated business results as follows: consolidated net sales of 97,500 million yen, operating income of 10,300 million yen, ordinary income of 12,400 million yen, and

consolidated net income of 7,900 million yen. We have also revised our forecasts for the interim business results as follows: consolidated net sales of 47,500 million yen, operating income of 5,000 million yen, ordinary income of 5,200 million yen, and interim consolidated net income of 3,500 million yen. No changes have been made to the forecasts of interim and year-end dividend payments.

Forecast

Semi-annual (From January 1 to June 30, 2008)

(millions of yen)

	Forecast at beginning	Amended forecast	Increase (Decrease)	Year ended Dec. 31, 2007	%
	(A)	(B)	(B-A)	(C)	(B-C)/(C)
Net Sales	49,000	47,500	(1,500)	52,741	(9.9)
Operating Income	4,600	5,000	400	6,100	(18.0)
Net Income	4,100	3,500	(600)	6,313	(44.6)

Annual (From January 1 to December 31, 2008)

(millions of yen)

	Forecast at beginning	Amended forecast	Increase (Decrease)	Year ended Dec. 31, 2007	%
	(A)	(B)	(B-A)	(C)	(B-C)/(C)
Net Sales	102,000	97,500	(4,500)	107,640	(9.4)
Operating Income	10,300	10,300	0	11,685	(11.9)
Net Income	8,800	7,900	(900)	10,914	(27.6)

4. Notes

(1) Changes in significant subsidiaries during the year (changes in certain subsidiaries resulting in changes 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

None

(4) Additional information

Mabuchi Motor and some of its subsidiaries had been using a cash basis when accounting for interest income. However, the financial materiality of this account has increased, and consequently, from this consolidated accounting year, the companies have changed to an accrual basis, which is the principle method of accounting. As a result, the accrued interest of 168 million yen to be recorded at March 31, 2008 has been recorded as interest income under non-operating income, and the interest income from previous fiscal years of 188 million yen as at the end of the previous period has been recorded as an extraordinary gain. Consequently, compared to the former accounting treatment, ordinary income has decreased by 20 million yen and net income before income taxes and minority interests has increased by 168 million yen.

CONSOLIDATED BALANCE SHEETS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES MARCH 31, 2008 and 2007, and DECEMBER 31, 2007

		(Millions of yen)			
ASSETS		March 31 2007	March 31 2008	Increase (Decrease)	December 31 2007
Current Assets	Cash and bank deposits	69,304	55,316	(13,988)	61,269
	Trade notes and accounts receivable	15,228	12,805	(2,422)	15,145
	Short-term investments	21,532	27,175	5,643	30,250
	Inventories	17,180	16,753	(426)	18,048
	Deferred tax assets	1,119	1,168	49	1,375
	Other current assets	1,901	4,223	2,321	1,206
	Allowance for doubtful accounts	(304)	(263)	40	(290)
	Total current assets	125,962	117,180	(8,782)	127,006
Fixed Assets	Property, Plant and Equipment				
	Buildings and structures	20,941	18,583	(2,357)	19,683
	Machinery, equipment and vehicles	9,542	8,885	(657)	9,881
	Tools, furniture and fixture	2,023	2,044	20	2,186
	Land	6,193	6,178	(14)	6,190
	Construction in progress	1,189	1,031	(157)	894
	Total	39,889	36,723	(3,166)	38,835
	Intangible Assets	591	527	(63)	585
	Investments and Other assets				
	Investment securities	66,228	59,091	(7,137)	63,172
	Long-term loans receivable	146	117	(29)	133
	Deferred tax assets	113	125	12	129
	Other investments and other assets	1,766	695	(1,071)	1,098
	Allowance for doubtful accounts	(10)	(1)	9	(1)
	Total	68,244	60,029	(8,215)	64,532
Total fixed assets	108,725	97,280	(11,444)	103,953	
Total assets	234,688	214,461	(20,227)	230,960	

CONSOLIDATED BALANCE SHEETS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES MARCH 31, 2008 and 2007, and DECEMBER 31, 2007

LIABILITIES AND NET ASSETS		(Millions of yen)			
		March 31 2007	March 31 2008	Increase (Decrease)	December 31 2008
Liabilities	Current Liabilities				
	Trade notes and accounts payable	3,835	3,561	(274)	3,948
	Accrued income taxes	1,400	814	(585)	2,676
	Accrued bonus to employees	603	640	37	248
	Accrued bonus for directors	17	15	(2)	81
	Accrued factory closing loss	509	346	(163)	346
	Other current liabilities	3,845	3,609	(236)	5,185
	Total current liabilities	10,212	8,987	(1,224)	12,485
	Long-term Liabilities				
	Deferred tax liabilities	4,832	2,733	(2,098)	3,793
	Accrued retirement benefits for employees	170	179	8	187
	Accrued retirement benefits for directors and statutory auditors	484	-	(484)	1,094
	Other long-term liabilities	99	1,138	1,038	84
	Total long-term liabilities	5,586	4,051	(1,535)	5,160
	Total liabilities	15,799	13,039	(2,760)	17,645
Net Assets	Shareholders' Equity				
	Common stock	20,704	20,704	-	20,704
	Additional paid-in capital	20,419	20,419	-	20,419
	Retained earnings	235,178	240,033	4,855	240,983
	Treasury stock	(64,737)	(73,437)	(8,700)	(73,436)
	Total shareholders' equity	211,565	207,720	(3,844)	208,671
	Revaluation / Translation differences				
	Unrealized holding gains on securities	3,417	413	(3,004)	1,956
	Foreign currency translation adjustments	3,906	(6,711)	(10,617)	2,686
	Total Revaluation / Translation differences	7,324	(6,298)	(13,622)	4,643
	Total net assets	218,889	201,422	(17,467)	213,314
Total liabilities and net assets		234,688	214,461	(20,227)	230,960

CONSOLIDATED STATEMENTS OF INCOME

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES

FOR THE THREE MONTHS ENDED MARCH 31, 2008 and 2007, and YEAR ENDED DECEMBER 31, 2007

	2007	2008	Increase (Decrease)	Year ended Dec. 31, 2007
				(Millions of yen)
Net Sales	24,864	23,475	(1,388)	107,640
Cost of Sales	17,779	16,569	(1,209)	77,207
Gross profit	7,084	6,905	(178)	30,433
Selling, General and Administrative Expenses	4,277	4,177	(99)	18,747
Operating income	2,806	2,727	(79)	11,685
Other Income (Expenses)				
Interest and dividend income	726	629	(97)	3,396
Exchange gains(losses) on foreign currency transactions	205	(1,640)	(1,845)	131
Other, net	424	529	104	1,316
Income before Income Taxes and Minority Interests	4,162	2,246	(1,916)	16,530
Income Taxes				
Current	1,386	824	(561)	5,851
Deferred	-	-	-	(235)
Net Income	2,776	1,421	(1,354)	10,914

CONSOLIDATED STATEMENTS OF CASH FLOWS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES

FOR THE THREE MONTHS ENDED MARCH 31, 2007 and 2008, YEAR ENDED DECEMBER 31, 2007

		(Millions of yen)			
		2007	2008	Increase (Decrease)	Year ended Dec. 31, 2007
Cash Flows from Operating Activities	Income before income taxes and minority interests	4,162	2,246	(1,916)	16,530
	Depreciation and amortization	1,158	1,048	(109)	4,913
	Impairment loss	-	-	-	24
	Provision for retirement benefits, net payments	(29)	(740)	(711)	603
	Decrease in accrued factory closing loss	-	-	-	(163)
	Interest and dividends income	(726)	(629)	97	(3,396)
	Foreign exchange (gain) loss	(41)	1,355	1,397	388
	Loss(Gain) on sales of short-term investments	(163)	4	167	(292)
	Loss on sales and disposal of fixed assets	(51)	(133)	(82)	(161)
	Valuation loss on Golf course membership	7	-	(7)	-
	Decrease(Increase) in trade notes and accounts receivables	(637)	1,359	1,996	(742)
	Decrease(Increase) in inventories	493	(689)	(1,182)	(470)
	Increase (Decrease) in trade notes and accounts payable	(611)	(543)	68	210
	Other, net	48	(645)	(693)	164
	Sub total	3,608	2,632	(975)	17,610
	Interest and dividends received	740	491	(249)	3,388
	Income taxes paid	(2,358)	(2,509)	(150)	(5,552)
Net cash provided by operating activities	1,990	614	(1,376)	15,447	
Cash Flows from Investing Activities	Paying in time deposit	(8,314)	(3,681)	4,632	(26,073)
	Withdrawal time deposit	2,620	1,717	(902)	27,173
	Purchase of short-term investments	(216)	(2,998)	(2,781)	(14,704)
	Proceeds from sales of short-term investments	1,053	2,999	1,946	13,769
	Purchase of property, plant and equipment	(943)	(980)	(36)	(3,903)
	Proceeds from sales of property, plant and equipment	224	269	45	589
	Purchase of investment securities	(104)	(1,997)	(1,893)	(7,150)
	Sales of investment securities	3,857	1,505	(2,351)	12,823
	Other, net	(22)	1,041	1,064	1,163
	Net cash used in investing activities	(1,846)	(2,123)	(277)	3,687
Cash Flows from Financing Activities	Cash dividends paid	(2,472)	(2,319)	152	(4,828)
	Purchase of treasury stock	(3)	(0)	2	(8,702)
	Net cash used in financing activities	(2,475)	(3,000)	(3,000)	-
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(318)	(5,320)	(2,844)	(13,531)
Net (Decrease) Increase in Cash and Cash Equivalents		(2,649)	(5,794)	(5,475)	(1,346)
Cash and Cash Equivalents at Beginning of Year		72,639	(12,624)	(9,974)	4,257
Cash and Cash Equivalents of initially consolidated subsidiaries at Beginning of Year		-	76,897	4,257	72,639
Cash and Cash Equivalents at End of Period		69,989	64,272	(5,716)	76,897

CURRENT STATUS OF PRODUCTION AND SALES

(1) Production(Quantity only)

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

	Manufacturing Subsidiary	Period		Three months ended		Increase (Decrease)
		March 31, 2007		March 31, 2008		
		thousand pieces	% (component)	thousand pieces	% (component)	thousand pieces
Small Motors	MABUCHI INDUSTRY CO., LTD.	204,280	51.9	203,920	50.0	(360)
	MABUCHI MOTOR DALIAN LTD.	33,638	8.5	33,751	8.3	113
	MABUCHI MOTOR WAFANGDIAN LTD.	44,719	11.3	51,547	12.6	6,828
	MABUCHI MOTOR (JIANGSU) CO., LTD.	37,291	9.5	33,288	8.1	(4,003)
	MABUCHI MOTOR VIETNAM LTD.	71,083	18.0	75,395	18.5	4,311
	MABUCHI MOTOR DANANG LTD.	1,895	0.5	9,099	2.2	7,203
	MABUCHI TAIWAN CO., LTD.	1,016	0.3	1,095	0.3	78
	Total	393,927	100.0	408,098	100.0	14,171

(Notes) Figures are based on products volume.

(2) Sales by application

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

	Application	Period		Three months ended		Increase (Decrease)
		March 31, 2007		March 31, 2008		
		millions of yen	% (component)	millions of yen	% (component)	millions of yen
Small Motors	Automotive Products	10,325	41.6	10,578	45.1	253
	Audio and Visual Equipment	5,008	20.2	4,032	17.2	(975)
	Information & Communication Equipment	3,853	15.5	3,558	15.2	(294)
	Home Appliances, Power Tool and Others	5,636	22.7	5,280	22.5	(356)
	Total	24,823	100.0	23,450	100.0	(1,372)

(Notes) Consumption taxes were excluded.