

CONSOLIDATED FINANCIAL RESULTS
FOR THE SECOND QUARTER OF THE FISCAL YEAR ENDED
JUNE 30, 2009

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CONSOLIDATED FINANCIAL RESULTS FOR THE SECOND QUARTER OF THE FISCAL YEAR ENDED JUNE 30, 2009

Date: August 12, 2009
MABUCHI MOTOR CO., LTD.

Code: 6592
Listed on Tokyo Stock Exchange

Headquarters: Chiba Prefecture (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: No

1. Overview of Results for the Second Quarter of the Fiscal Year Ended June 30, 2009

(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, 2009 | 29,140 | - | (1,457) | - | 2,724 | - |
| Six months ended June 30, 2008 | 48,387 | (8.3) | 4,230 | (30.6) | 3,053 | (51.6) |

| | Net income per share | Fully diluted net income per share |
|--------------------------------|----------------------|------------------------------------|
| | Yen | Yen |
| Six months ended June 30, 2009 | 77.76 | - |
| Six months ended June 30, 2008 | 80.38 | - |

(2) Financial Position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|-------------------------|-----------------|-----------------|----------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of June 30, 2009 | 191,602 | 182,012 | 95.0 | 5,194.50 |
| As of December 31, 2008 | 188,691 | 178,291 | 94.5 | 5,088.18 |

2. Dividends

| Record date | Dividend per share (Yen) | | | | |
|-------------------|--------------------------|-----------------|-----------------|----------|--------------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | For the year |
| FY2008 | - | 61.00 | - | 62.00 | 123.00 |
| FY2009 | - | 50.00 | - | - | - |
| FY2009 (Forecast) | - | - | - | 50.00 | 100.00 |

3. Prospect for the Fiscal year (from January 1 to December 31, 2009)

| | Net sales | | Operating income | | Net income | | Net income per share |
|--------|-----------------|--------|------------------|---------|-----------------|-----|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Annual | 66,000 | (28.7) | 0 | (100.0) | 3,800 | 6.6 | 108.45 |

(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: Yes

(4) Number of shares outstanding

1. Number of shares outstanding at end of period (including treasury stock)

2009: 43,875,881 shares 2008: 45,875,881 shares

2. Number of treasury shares at end of period

2009: 8,836,452 shares 2008: 10,835,574 shares

3. Average number of shares

2009: 35,039,812 shares 2008: 37,985,714 shares

QUALITATIVE INFORMATION

1. Qualitative Information on Consolidated Operating Results

Results for the six months ended June 30, 2009 (January 1 – June 30, 2009) are outlined above.

The world economy has continued to cool rapidly since the second half of last year; but during this period, it began to show some steady signs of recovery. Similarly, in Japan, the worst of the downturn is behind us, inventory adjustment is almost complete, and we have entered a phase of moving toward increasing exports and production.

Under these business conditions, looking at the sales performance of Mabuchi motors, sales volume decreased 38.5% and sales revenue decreased 39.8% compared to the same period last year. Furthermore, in comparison to the first-half year forecasts contained within the full-year sales plan, which was announced in the Consolidated Financial Results of the fiscal year ended December 31, 2008 (January 1 - December 31, 2008), sales volume was 1.3% higher and sales revenue was 2.1% higher. As a result, net sales for the six months ended June 30, 2009 amounted to 29,140 million yen (39.8% decrease on a year-over-year basis).

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

Net sales in this market declined to 12,064 million yen (43.6% decrease on a year-over-year basis). Although we saw a bottoming out of the decline in demand, which had continued from last year, sales of motors for major existing applications, such as for mirrors and door locks, were slightly lower than our initial forecasts. Amid such circumstances, sales of motors for power window lifters – our strategic product – were higher than initial forecasts due to an increase in the variety of vehicles equipped with them and strong sales in emerging markets. However, with the global sale of automobiles continuing to be sluggish, sales were down dramatically compared to the same period last year.

(2) Audio & Visual Equipment Market

Net sales in this market declined to 4,351 million yen (48.9% decrease on a year-over-year basis). Almost all motors for CD players are sold for CD players in cars, and as the global sale of automobiles continues to be sluggish, sales of these motors decreased. Sales of motors for DVD players, on the other hand, were considerably higher than initial forecasts partly due to an increase in our market share.

(3) Optical & Precision Instruments Market

Net sales in this market declined to 5,379 million yen (27.6% decrease on a year-over-year basis). However, in comparison to our initial forecasts, sales of motors for inkjet printers and for digital cameras were both higher than initial forecasts. Sales of motors for PC drives were considerably higher than initial forecasts partly due to an increase in our market share.

Starting from this second quarter, the “Information & Communication Equipment” market has been renamed the “Optical & Precision Instruments.” This has, however, not resulted in any changes to the applications that make up this market.

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

Net sales in this market declined to 7,306 million yen (33.6% decrease on a year-over-year basis). Initially, it was forecast that demand in this market would continue more steadily than in other markets. However, demand has not been maintained, and apart from motors for electric toothbrushes, which was the only sector to exceed forecasts, sales of motors for all other personal care products, health-related equipment and power tools all remained lower than forecast.

Net sales for the six months ended June 30, 2009 decreased, as described above, by 39.8% compared to the same period last year. In terms of costs of production, progress has been made in reducing costs, primarily through lower material costs on the back of declines in the price of copper and other commodities, and more streamlined personnel at our production bases. However, fixed costs per unit have increased as a result of poorer capacity utilization which is attributable to the rapid decline in sales volumes and production volumes, and this has put downward pressure on our profitability. Selling and administrative expenses decreased compared to the same period last year thanks to the headway made in group-wide cost-cutting actions. However, this decrease was not enough to cover the decrease in net sales, and hence, we recorded a first-half operating loss of 1,457 million yen. Ordinary income amounted to 63 million yen (98.9% decrease on a year-over-year basis). This was due to having recorded foreign currency gains attributable to a weaker yen at the end of the first half compared to at the beginning of the fiscal year, and to having improved non-operating income and expenses on the back of interest income and other factors. The net loss before income taxes and minority interests amounted to 281 million yen. This was in part due to having recorded special retirement benefits at some overseas subsidiaries as an extraordinary loss. Net income for the six months ended June 30, 2009 amounted to 2,724 million yen (10.8% decrease on a year-over-year basis). This was due to recording a reversal of deferred tax liabilities, which had previously been recorded against undistributed earnings of foreign subsidiaries, which was as a consequence of adopting a system to exclude dividend income from overseas subsidiaries from profits in accordance with the fiscal 2009 revisions of the tax system.

(Note) Starting from this current consolidated accounting period, we have applied the “Accounting Standard for Quarterly Financial Reporting.” In the above comparisons of gains and losses with the same period last year, calculations have been made based on the figures of the business results contained in the previous “Consolidated Financial Results for the Six Months Ended June 30, 2008.”

2. Qualitative Information on Consolidated Financial Position

Total assets as of June 30, 2009 stood at 191,602 million yen, increasing by 2,910 million yen from the previous fiscal year-end. The most noticeable changes from the end of the previous fiscal year were an increase in cash and bank deposits of 7,612 million yen, a decrease in short-term investments of 3,633 million yen, a decrease in products and other inventories of 3,030 million yen, and an increase in current deferred tax assets of 1,267 million yen.

Total liabilities stood at 9,590 million yen, a decrease of 810 million yen compared to the previous fiscal year-end. The most noticeable change from the end of the previous fiscal year were a decrease in deferred tax liabilities of 1,655 million yen, and an increase in accrued retirement benefits for employees of 1,619 million yen due to having recorded retirement benefit obligations for some overseas subsidiaries all at once at the beginning of the fiscal year.

Total net assets increased 3,720 million yen from the previous fiscal year-end, finishing at 182,012 million yen. Retained earnings and treasury stock both decreased 14,360 million yen as a result of the cancellation of repurchased shares, and foreign currency translation adjustments decreased 3,565 million yen.

Net assets per share was 5,194.50 yen, and the shareholders' equity ratio was 95.0%.

3. Quantitative Information on Forecasts for Consolidated Business Results

With regard to the full-year outlook, although inventory adjustments in the market progressed steadily during the six months ended June 30, 2009 and demand increased on signs of the economy bottoming out, there is not yet the momentum for a full recovery, and there are also concerns over the trends following the completion of countries' individual measures to reflate their economies and spending. In the Automotive Products market, our key market, given that the second-half US economic and

market trends are still unclear, and given that financial uncertainties have not yet been entirely dispelled, it is predicted that recovery and adjustments will continue while an eye is kept on market trends. Meanwhile, it appears that demand from emerging countries, such as BRIC nations like China, is in the process of recovering without waiting for the beginning of the next fiscal year, including in non-automotive markets.

With regard to the markets in which our products are sold, it is expected that sales in the Audio & Visual Equipment market and the Optical & Precision Instruments market will be slightly higher than initial forecasts due to such factors as reactions to inventory adjustments and a slump in competition. Nevertheless, there has been no change to the expectation that net sales for all markets, including the Automotive Products market and the Home Appliances and Power Tools market, will decrease considerably on a year-over-year basis.

With regard to operating income, ordinary income and net income, having incorporated the actual results for the first half year, we hereby revise our forecasts for business results from our previous forecasts (announced April 27, 2009), as shown in the table below.

No changes have been made to the initial forecasts of interim and year-end dividend payments.

Forecasts for Consolidated Business Results

Full year (January 1 - December 31, 2009)

| | Net sales | Operating income | Ordinary income | Net income | Net income per share |
|--------------------------------------|------------------|-------------------------|------------------------|-------------------|-----------------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Yen |
| Initial forecast (A) | 65,000 | (1,500) | 200 | 2,900 | 82.76 |
| Revised forecast (B) | 66,000 | 0 | 1,900 | 3,800 | 108.45 |
| Increase (Decrease) (B-A) | 1,000 | 1,500 | 2,100 | 900 | - |
| Rate of change (%) | 1.5 | - | - | 31.0 | - |
| (Reference) Year ended Dec. 31, 2008 | 92,602 | 5,652 | 7,872 | 3,565 | 94.77 |

Notes: The above projections were made based on information that is available at the present moment. Actual results may differ from expectations owing to various future factors, the main ones of which are as follows:

- 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 new products
- Fluctuations in the market price of copper, etc.

Note, however, that the factors that could affect our business results are not limited to the above.

CONSOLIDATED BALANCE SHEETS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES JUNE 30, 2009 and DECEMBER 31, 2008

| | | (Millions of yen) | |
|------------------------------------|--|-------------------|---------------------|
| ASSETS | | June 30 2009 | December 31 2008 |
| Current Assets | Cash and bank deposits | 53,267 | 45,655 |
| | Trade notes and accounts receivable | 10,281 | 9,543 |
| | Short-term investments | 22,535 | 26,168 |
| | Merchandises | 5,080 | 6,411 |
| | Finished goods | 2,857 | 3,711 |
| | Semi-finished goods | 683 | 787 |
| | Raw materials and supplies | 4,477 | 5,467 |
| | Work in process | 931 | 681 |
| | Income taxes receivable | - | 777 |
| | Deferred tax assets – current | 1,298 | 1,584 |
| | Other current assets | 1,457 | 1,359 |
| | Less – Allowance for doubtful accounts | (249) | (195) |
| | Total current assets | 102,621 | 101,955 |
| Fixed Assets | Property, Plant and Equipment | | |
| | Buildings and structures | 42,112 | 40,124 |
| | Accumulated depreciation | (24,169) | (23,504) |
| | Buildings and structures, net | 17,942 | 16,619 |
| | Machinery, equipment and vehicles | 40,815 | 38,793 |
| | Accumulated depreciation | (32,125) | (30,380) |
| | Machinery, equipment and vehicles, net | 8,689 | 8,412 |
| | Tools, furniture and fixture | 13,598 | 13,092 |
| | Accumulated depreciation | (11,825) | (11,270) |
| | Tools, furniture and fixture, net | 1,772 | 1,821 |
| | Land | 6,023 | 6,023 |
| | Construction in progress | 1,160 | 1,993 |
| | Total | 35,588 | 34,870 |
| | Intangible Assets | 484 | 462 |
| | Investments and Other assets | | |
| | Investment securities | 50,547 | 50,606 |
| | Deferred tax assets – non-current | 1,679 | 124 |
| Other investments and other assets | 848 | 693 | |
| Allowance for doubtful accounts | (166) | (22) | |
| Total | 52,908 | 51,402 | |
| Total fixed assets | 88,981 | 86,736 | |
| Total assets | 191,602 | 188,691 | |

CONSOLIDATED BALANCE SHEETS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES JUNE 30, 2009 and DECEMBER 31, 2008

| LIABILITIES AND NET ASSETS | | June 30 2009 | December 31 2008 |
|--|---|-----------------|---------------------|
| (Millions of yen) | | | |
| Liabilities | Current Liabilities | | |
| | Trade notes and accounts payable | 2,399 | 2,110 |
| | Accrued income taxes | 252 | - |
| | Deferred tax liabilities – current | 21 | - |
| | Accrued bonus to employees | 254 | 246 |
| | Other current liabilities | 3,663 | 4,976 |
| | Total current liabilities | 6,592 | 7,333 |
| | Long-term Liabilities | | |
| | Deferred tax liabilities | 31 | 1,706 |
| | Allowance for retirement benefits for employees | 1,841 | 222 |
| | Other long-term liabilities | 1,125 | 1,137 |
| Total long-term liabilities | 2,998 | 3,066 | |
| Total liabilities | 9,590 | 10,400 | |
| Net Assets | Shareholders' Equity | | |
| | Common stock | 20,704 | 20,704 |
| | Additional paid-in capital | 20,419 | 20,419 |
| | Retained earnings | 215,257 | 230,288 |
| | Treasury stock | (63,456) | (77,816) |
| | Total shareholders' equity | 192,924 | 193,597 |
| | Revaluation / translation differences | | |
| | Unrealized holding gains on securities | (294) | (1,122) |
| Foreign currency translation adjustments | (10,617) | (14,183) | |
| Total revaluation / translation differences | (10,912) | (15,305) | |
| Total net assets | 182,012 | 178,291 | |
| Total liabilities and net assets | 191,602 | 188,691 | |

CONSOLIDATED STATEMENTS OF INCOME

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES FOR THE QUARTER ENDED JUNE 30, 2009

| | (Millions of yen) |
|---|-------------------|
| | 2009 |
| Net Sales | 29,140 |
| Cost of Sales | 22,772 |
| Gross profit | 6,368 |
| Selling, General and Administrative Expenses | 7,825 |
| Operating income | (1,457) |
| Other Income (Expenses) | |
| Interest and dividend income | 585 |
| Exchange gains on foreign currency transactions | 657 |
| Other, net | (66) |
| Income before Income Taxes | (281) |
| Income Taxes | |
| Current | (3,006) |
| Deferred | - |
| Net Income | 2,724 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES FOR THE QUARTER ENDED JUNE 30, 2009

| | | (Millions of yen) |
|---|--|-------------------|
| | | 2009 |
| Cash Flows from Operating Activities | Loss before income taxes | (281) |
| | Depreciation and amortization | 1,999 |
| | Impairment loss | 20 |
| | Allowance for retirement benefits, net payments | 15 |
| | Interest and dividends income | (585) |
| | Foreign exchange gain | (322) |
| | Gain on sales and disposal of fixed assets | (28) |
| | Losses on valuation of investment securities | 24 |
| | Increase in trade notes and accounts receivables | (237) |
| | Decrease in inventories | 3,890 |
| | Increase in trade notes and accounts payable | 99 |
| | Other, net | (1,642) |
| | Sub total | 2,952 |
| | Interest and dividends received | 633 |
| | Interest paid | (0) |
| | Income taxes paid | (233) |
| | Income taxes received | 1,179 |
| Net cash provided by operating activities | 4,532 | |
| Cash Flows from Investing Activities | Deposition of time deposits | (17,191) |
| | Proceeds from withdrawal of time deposits | 16,110 |
| | Purchase of short-term investments | (9,796) |
| | Proceeds from sales of short-term investments | 10,797 |
| | Purchase of property, plant and equipment | (2,098) |
| | Proceeds from sales of property, plant and equipment | 110 |
| | Purchase of investment securities | (6,383) |
| | Proceeds from sales of investment securities | 5,388 |
| | Other, net | (46) |
| | Net cash used in investing activities | (3,110) |
| Cash Flows from Financing Activities | Cash dividends paid | (2,170) |
| | Purchase of treasury stock | (3) |
| | Net cash used in financing activities | (2,173) |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | | 1,915 |
| Net Increase in Cash and Cash Equivalents | | 1,163 |
| Cash and Cash Equivalents at Beginning of Year | | 56,073 |
| Cash and Cash Equivalents at End of Period | | 57,236 |

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 | | | June 30 2009 |
| Net sales | Japan | Outside customers | 5,222 |
| | | Intersegment | 11,263 |
| | | Total | 16,486 |
| | Asia | Outside customers | 16,806 |
| | | Intersegment | 12,593 |
| | | Total | 29,399 |
| | U.S.A. | Outside customers | 2,376 |
| | | Intersegment | 4 |
| | | Total | 2,380 |
| | Europe | Outside customers | 4,735 |
| | | Intersegment | - |
| | | Total | 4,735 |
| | | Eliminations | (23,861) |
| | | Consolidated | 29,140 |
| Operating income | Japan | (2,332) | |
| | Asia | (205) | |
| | U.S.A. | 40 | |
| | Europe | 272 | |
| | Eliminations | 766 | |
| | Consolidated | (1,457) | |

| | | | (Millions of yen) |
|---|----------------|---------------|-------------------|
| 2. Overseas sales | | | June 30 2009 |
| Overseas sales | U.S.A. | 2,539 | |
| | Europe | 4,758 | |
| | Asia and other | 18,623 | |
| | Total | 25,921 | |
| Net sales | | 29,140 | |
| % of overseas sales to net sales | | 89.0% | |

Overseas sales are the total of exports by the Company and sales by consolidated overseas Subsidiaries.