

CONSOLIDATED FINANCIAL RESULTS  
FOR THE THIRD QUARTER OF THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2009

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# CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER OF THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

Date: November 2nd, 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 Third Quarter of the Fiscal Year Ended September 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)
Nine months ended September 30, 2009	49,883	-	534	-	4,212	-
Nine months ended September 30, 2008	74,553	(8.4)	5,901	(41.2)	4,684	(50.2)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended September 30, 2009	120.23	-
Nine months ended September 30, 2008	123.70	-

### (2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2009	188,638	177,837	94.3	5,075.36
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	69,000	(25.5)	1,500	(73.5)	5,300	48.7	151.26

(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.): Yes

(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: 8,836,619 shares    2008: 10,835,574 shares

3. Average number of shares

2009: 35,039,664 shares    2008: 37,870,160 shares

# QUALITATIVE INFORMATION

## 1. Qualitative Information on Consolidated Operating Results

Results for the nine months ended September 30, 2009 (January 1 - September 30, 2009) are outlined above.

In the world economy during this period, inventory adjustments neared completion along the length of supply chains in all markets; and since the beginning of the second quarter, there have been signs of steady increases in demand headed toward recovery. However, different countries and regions have experienced varying degrees of recovery in demand. Much of the recovery has been due to recovery in the US and in parts of Asia outside Japan.

Under these business conditions, looking at the sales performance of Mabuchi motors, sales volume decreased 31.3% and sales revenue decreased 33.1% compared to the same period last year. Furthermore, in comparison to the sales forecasts announced in the financial results for the second quarter, sales volume was 1.4% higher and sales revenue was 2.3% higher. As a result, net sales for the nine months ended September 30, 2009 amounted to 49,883 million yen (33.1% decrease on a year-on-year basis). Motor sales, which account for the majority of consolidated net sales, came to 49,829 million yen (33.1% decrease on a year-on-year basis).

The next section describes market trends and sales conditions, categorized into separate applications for motors.

### (1) Automotive Products Market

Net sales in this market declined to 20,917 million yen (33.3% decrease on a year-on-year basis). Sales of automobiles increased as various countries introduced economic stimulus measures, and in particular, there was an increase in sales in emerging countries. Amid such circumstances, sales of motors for power window lifters - our strategic product - were higher than initial forecasts and their rate of decline was lower than other items, due to an increase in the variety of vehicles equipped with them and strong sales in emerging markets. Nevertheless, sales were down dramatically compared to the same period last year.

### (2) Audio & Visual Equipment Market

Net sales in this market declined to 7,627 million yen (41.6% decrease on a year-on-year basis). Sales of motors for car CD players, which account for almost all sales of motors for CD players, are on a recovery trend; and sales of motors for DVD players increased further than initial forecasts due in part to a gain of market share. Despite this, sales of both items have decreased considerably.

### (3) Optical & Precision Instruments Market

Net sales in this market declined to 9,219 million yen (26.5% decrease on a year-on-year basis). Sales of motors for inkjet printers and for digital cameras have both recovered faster than forecasts, and sales of motors for PC drives were higher due in part to a gain of market share, but still net sales have decreased.

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

Net sales in this market declined to 12,065 million yen (31.0% decrease on a year-on-year basis). Sales of motors for personal care products, health-related equipment and power tools all remained sluggish despite showing some signs of recovery.

Net sales for the nine months ended September 30, 2009 decreased, as described above, by 33.1% 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 and better production cost efficiencies 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 compared to the same period last year. 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, operating income of 534 million yen was recorded (90.9% decrease on a year-on-year basis). In terms of non-operating profits and losses, despite the foreign exchange loss of the previous period switching to a gain, financial revenue decreased due to lower interest rates, and non-operating income and expenses deteriorated compared to the same period last year. This resulted in ordinary income amounting to 1,999 million yen (76.3% decrease on a year-on-year basis). In the previous period, losses on the write-down of securities and payment of a claim for damages had been recorded as extraordinary losses. While these losses were not included in the current period, special retirement benefits were recorded at some overseas subsidiaries as an extraordinary loss, and as a result, net loss before income taxes and minority interests for the quarter amounted to 1,555 million yen (78.4% decrease on a year-on-year basis). Net income for the nine months ended September 30, 2009 amounted to 4,212 million yen (10.1% decrease on a year-on-year basis). To some extent, this was attributable to a reduction in the tax burden, which was, in part, due to having posted a reversal of deferred tax liabilities in the first quarter, which had previously been recorded against undistributed earnings of foreign subsidiaries.

(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 Nine Months Ended September 30, 2008.”

## 2. Qualitative Information on Consolidated Financial Position

Total assets as of September 30, 2009 stood at 188,638 million yen, decreasing by 52 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 7,104 million yen, a decrease in short-term investments of 5,526 million yen, a decrease in products and other inventories of 4,189 million yen, and an increase in current deferred tax assets of 1,784 million yen.

Total liabilities stood at 10,801 million yen, an increase of 401 million yen compared to the previous fiscal year-end. The most noticeable changes from the end of the previous fiscal year were a decrease in deferred tax liabilities of 1,677 million yen, and an increase in accrued retirement benefits for employees of 1,541 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 decreased 454 million yen from the previous fiscal year-end, finishing at 177,837 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 336 million yen.

Net assets per share were 5,075.36 yen, and the shareholders' equity ratio was 94.3%.

## 3. Qualitative Information on Forecasts for Consolidated Business Results

With regard to the full-year outlook, inventory adjustments in the market are almost complete, and although the degree of recovery may vary between different regions, signs of a recovery in demand have been seen. Looking at the sales of automobiles around the world in particular, in advanced countries, with a lack of any real momentum, it will still take time for demand to fully recover; but in emerging countries, demand appears to be on an upward trend.

With regard to the markets in which our products are sold, although a mood of uncertainty still remains over future prospects in the next term, demand has increased consecutively for the two most recent quarters, and it is expected that the demand in all markets in which our motors are used will be slightly higher than initial forecasts in the fourth quarter as well. Consequently, we

have revised our forecasts for full-year net sales to 69,000 million yen (4.5% increase from previous forecasts). With regard to operating income, ordinary income and net income, as a consequence of revising our forecasts for net sales, we hereby revise our forecasts for business results from our previous forecasts (announced August 7, 2009), as shown in the table below.

No changes have been made to the initial forecast of year-end dividend payment.

**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
Previous forecast (A)	66,000	0	1,900	3,800	108.45
Revised forecast (B)	69,000	1,500	3,400	5,300	151.26
Increase (Decrease) (B-A)	3,000	1,500	1,500	1,500	-
Rate of change (%)	4.5	-	78.9	39.5	-
(Reference) Year ended Dec 31, 2008	92,602	5,652	7,872	3,565	94.77

Notes: The above forecasts for business results are based on information currently available. Actual results may differ from the forecasts depending on various factors in the future. 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 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 SEPTEMBER 30, 2009 and DECEMBER 31, 2008

ASSETS		(Millions of yen)	
		September 30 2009	December 31 2008
<b>Current Assets</b>	Cash and bank deposits	52,759	45,655
	Trade notes and accounts receivable	11,911	9,543
	Short-term investments	20,642	26,168
	Merchandises	4,945	6,411
	Finished goods	2,306	3,711
	Semi-finished goods	653	787
	Raw materials and supplies	4,093	5,467
	Work in process	871	681
	Income taxes receivable	-	777
	Deferred tax assets - current	1,560	1,584
	Other current assets	978	1,359
	Less – allowance for doubtful accounts	(250)	(195)
	<b>Total current assets</b>	<b>100,473</b>	<b>101,955</b>
<b>Fixed Assets</b>	<b>Property, Plant and Equipment</b>		
	Buildings and structures	41,348	40,124
	Accumulated depreciation	(23,739)	(23,504)
	Buildings and structures, net	17,608	16,619
	Machinery, equipment and vehicles	38,571	38,793
	Accumulated depreciation	(30,637)	(30,380)
	Machinery, equipment and vehicles, net	7,934	8,412
	Tools, furniture and fixture	13,139	13,092
	Accumulated depreciation	(11,512)	(11,270)
	Tools, furniture and fixture, net	1,627	1,821
	Land	6,022	6,023
	Construction in progress	996	1,993
	<b>Total</b>	<b>34,189</b>	<b>34,870</b>
	<b>Intangible Assets</b>	<b>445</b>	<b>462</b>
	<b>Investments and Other assets</b>		
	Investment securities	50,962	50,606
	Deferred tax assets – non-current	1,933	124
	Other investments and other assets	791	693
	Allowance for doubtful accounts	(158)	(22)
	<b>Total</b>	<b>53,529</b>	<b>51,402</b>
	<b>Total fixed assets</b>	<b>88,165</b>	<b>86,736</b>
<b>Total assets</b>		<b>188,638</b>	<b>188,691</b>

# CONSOLIDATED BALANCE SHEETS

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

LIABILITIES AND NET ASSETS		September 30 2009	December 31 2008
(Millions of yen)			
<b>Liabilities</b>	<b>Current Liabilities</b>		
	Trade notes and accounts payable	2,974	2,110
	Accrued income taxes	450	-
	Deferred tax liabilities - current	2	2
	Accrued bonus to employees	619	246
	Other current liabilities	3,842	4,974
	<b>Total current liabilities</b>	<b>7,888</b>	<b>7,333</b>
	<b>Long-term Liabilities</b>		
	Deferred tax liabilities	28	1,706
	Allowance for retirement benefits for employees	1,764	222
	Other long-term liabilities	1,120	1,137
	<b>Total long-term liabilities</b>	<b>2,913</b>	<b>3,066</b>
	<b>Total liabilities</b>	<b>10,801</b>	<b>10,400</b>
<b>Net Assets</b>	<b>Shareholders' Equity</b>		
	Common stock	20,704	20,704
	Additional paid-in capital	20,419	20,419
	Retained earnings	214,993	230,288
	Treasury stock	(63,457)	(77,816)
	<b>Total shareholders' equity</b>	<b>192,660</b>	<b>193,597</b>
	<b>Revaluation / translation differences</b>		
	Unrealized holding gains on securities	(303)	(1,122)
Foreign currency translation adjustments	(14,519)	(14,183)	
<b>Total revaluation / translation differences</b>	<b>(14,823)</b>	<b>(15,305)</b>	
<b>Total net assets</b>	<b>177,837</b>	<b>178,291</b>	
<b>Total liabilities and net assets</b>	<b>188,638</b>	<b>188,691</b>	

# CONSOLIDATED STATEMENTS OF INCOME

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

	(Millions of yen)
	2009
<b>Net Sales</b>	49,883
<b>Cost of Sales</b>	37,717
Gross profit	12,166
<b>Selling, General and Administrative Expenses</b>	11,631
Operating income	534
<b>Other Income (Expenses)</b>	
Interest and dividend income	821
Exchange gains on foreign currency transactions	134
Other, net	65
<b>Income before Income Taxes</b>	1,555
<b>Income Taxes</b>	
Current	(2,656)
Deferred	-
<b>Net Income</b>	<b>4,212</b>

# CONSOLIDATED STATEMENTS OF CASH FLOWS

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

		(Millions of yen)
		2009
<b>Cash Flows from Operating Activities</b>	Loss before income taxes	1,555
	Depreciation and amortization	3,031
	Impairment loss	20
	Allowance for retirement benefits, net payments	22
	Interest and dividends income	(821)
	Foreign exchange loss	102
	Losses on sales of investment securities	87
	Gain on sales and disposal of fixed assets	(43)
	Losses on valuation of investment securities	24
	Increase in trade notes and accounts receivables	(2,359)
	Decrease in inventories	4,309
	Increase in trade notes and accounts payable	706
	Other, net	(657)
	Sub total	5,979
	Interest and dividends received	864
	Interest paid	(0)
	Income taxes paid	(567)
Income taxes received	1,179	
<b>Net cash provided by operating activities</b>	<b>7,454</b>	
<b>Cash Flows from Investing Activities</b>	Deposition of time deposits	(28,394)
	Proceeds from withdrawal of time deposits	26,261
	Purchase of short-term investments	(17,692)
	Proceeds from sales of short-term investments	19,092
	Purchase of property, plant and equipment	(2,537)
	Proceeds from sales of property, plant and equipment	74
	Purchase of investment securities	(9,276)
	Proceeds from sales of investment securities	6,301
	Other, net	(54)
	<b>Net cash used in investing activities</b>	<b>(6,226)</b>
<b>Cash Flows from Financing Activities</b>	Cash dividends paid	(3,928)
	Purchase of treasury stock	(4)
	<b>Net cash used in financing activities</b>	<b>(3,928)</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>		<b>(300)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>		<b>(3,000)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>		<b>56,073</b>
<b>Cash and Cash Equivalents at End of Period</b>		<b>53,072</b>

## 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			September 30 2009
Net sales	Japan	Outside customers	8,752
		Intersegment	21,268
		Total	30,020
	Asia	Outside customers	29,496
		Intersegment	23,056
		Total	52,553
	U.S.A.	Outside customers	4,019
		Intersegment	9
		Total	4,029
	Europe	Outside customers	7,615
		Intersegment	-
		Total	7,615
		Eliminations	(44,334)
		Consolidated	49,883
Operating income	Japan	(2,148)	
	Asia	1,668	
	U.S.A.	106	
	Europe	305	
	Eliminations	601	
	Consolidated	534	

			(Millions of yen)
2. Overseas sales			September 30 2009
Overseas sales	U.S.A.	4,295	
	Europe	7,655	
	Asia and other	32,423	
	Total	44,374	
Net sales		49,883	
% of overseas sales to net sales		89.0%	

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