

CONSOLIDATED FINANCIAL RESULTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2010

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CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2010

Date: April 28, 2010
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: Hiroo Okoshi (Executive Officer)
Adoption of U.S. Accounting Standards: Not applicable

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

1. Overview of Results for the Three months ended March 31, 2010

(1) Operating Results

	Net sales		Operating income		Net income	
	Millions of yen	% (Change)	Millions of yen	% (Change)	Millions of yen	% (Change)
Three months ended March 31, 2010	19,933	63.0	1,716	-	1,609	(44.1)
Three months ended March 31, 2009	12,229	-	(1,290)	-	2,878	-

	Net income per share	Fully diluted net income per share
	Yen	Yen
Three months ended March 31, 2010	45.94	-
Three months ended March 31, 2009	82.16	-

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2010	193,325	181,009	93.6	5,166.01
As of December 31, 2009	192,362	180,311	93.7	5,146.04

2. Dividends

Record date	Dividend per share (Yen)				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	For the year
FY2009	-	50.00	-	50.00	100.00
FY2010	-				
FY2010 (Forecast)		50.00	-	50.00	100.00

3. Prospect for the fiscal year (From January 1 to December 31, 2010)

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

	Net sales		Operating income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2nd quarter	39,500	35.6	3,200	-	3,000	-	85.62
Annual	81,000	15.1	6,500	115.3	5,700	4.6	162.68

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:
 1. Changes due to revisions of accounting standards, etc: None
 2. Changes other than 1. : None
- (4) Number of shares outstanding
 1. Number of shares outstanding at end of period (including treasury stock)
 - 2010: 41,875,881 shares 2009: 43,875,881 shares
 2. Number of treasury shares at end of period
 - 2010: 6,837,362 shares 2009: 8,837,029 shares
 3. Average number of shares
 - 2010: 35,038,618 shares 2009: 35,040,127 shares

QUALITATIVE INFORMATION

1. Qualitative Information on Consolidated Operating Results

Results for the three months ended March 31, 2010 (January 1 - March 31, 2010) are outlined above.

In the world economy during this period, signs of recovery strengthened as a result of the rapid recovery of the gap between supply and demand due to the progress made in inventory adjustments, and as a result of the recovery in demand of advanced countries which have continued to be driven by the steady demand in emerging countries. Similarly in Japan, the economy is moving toward a phase of demand recovery. Although the recovery in domestic demand was not strong, there were further increases in exports and production.

Under these business conditions, looking at the sales performance of Mabuchi motors, sales volume increased 57.3% and sales revenue increased 63.0% compared to the same period last year. Furthermore, in comparison to the first-quarter forecasts contained within the full-year sales plan at the beginning of the year, sales volume was 1.2% lower and sales revenue was 3.7% higher. As a result, net sales for the three months ended March 31, 2010 amounted to 19,933 million yen (63.0% increase on a year-on-year basis). Motor sales, which account for the majority of consolidated net sales, came to 19,908 million yen (63.0% increase on a year-on-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 increased to 9,890 million yen (100.1% increase on a year-on-year basis). Sales increased considerably, supported by greater demand in the markets of emerging countries and by a recovery in demand in the markets of advanced countries. Sales of motors for our major existing applications, such as for mirrors and door locks, and sales of motors for power windows lifters—our prioritized business—almost all performed well, and exceeded our initial forecasts.

(2) Audio & Visual Equipment Market

Net sales in this market increased to 2,748 million yen (65.0% increase on a year-on-year basis). Almost all motors for CD players are sold for CD players in cars, and as the global sale of automobiles improved, sales of these motors increased considerably. However, even as the market recovers, not all demand was able to be met. Sales of motors for DVD players, for instance, were lower than initial forecasts.

(3) Optical & Precision Instruments Market

Net sales in this market increased to 3,186 million yen (48.4% increase on a year-on-year basis). Sales of motors for digital cameras and PC drives were higher than initial forecasts, but sales of motors for inkjet printers dipped slightly lower than initial forecasts, unable to match the increase in PCs.

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

Net sales in this market increased to 4,082 million yen (18.1% increase on a year-on-year basis). Since final demand for goods in this market is primarily focused in advanced countries, the signs of recovery have been moderate. Although sales of motors for personal care products were higher than forecasts, sales for other applications, including power tools, were slightly lower than initial forecasts.

Next, looking at operating income, in the wake of a marked increase in sales volumes, capacity utilization improved, the collection of fixed costs per unit improved, and profitability improved. At the same time, cost effectiveness improved due to the ongoing efforts of our

profitability improvement activities since the previous period. As a result, operating income for the three months ended March 31, 2010 amounted to 1,716 million yen (same period last year was an operating loss of 1,290 million yen). Ordinary income amounted to 2,193 million yen (same period last year was an ordinary loss of 3 million yen). This was due to the improvement in operating income from the same period last year despite decreases in non-operating income such as foreign exchange gains and returns on financial investments (interest income). Income before income taxes amounted to 2,006 million yen (same period last year was a net loss before income taxes of 276 million yen). Compared to the same period last year, there was a decrease in special retirement benefits and an increase in the losses on valuation of investment securities. Net income for the quarter amounted to 1,609 million yen (44.1% decrease on a year-on-year basis). This was partly due to the elimination of a special factor, namely a gain on the reversal of deferred tax liabilities, which had been provisionally recorded during the same period last year as a consequence of an amendment of the Corporation Tax Act.

2. Qualitative Information on Consolidated Financial Position

Total assets as of March 31, 2010 stood at 193,325 million yen, increasing by 963 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 4,322 million yen, an increase in trade notes and accounts receivable of 488 million yen, a decrease in short-term investments of 5,984 million yen, an increase in inventories of 1,487 million yen, and an increase in investment securities of 627 million yen.

Total liabilities stood at 12,316 million yen, an increase of 266 million yen compared to the previous fiscal year-end. The most noticeable changes from the end of the previous fiscal year were an increase in trade notes and accounts payable of 252 million yen, an increase in the accrued bonus to employees of 335 million yen, and a decrease in other current liabilities of 444 million yen.

Total net assets increased 697 million yen from the previous fiscal year-end, finishing at 181,009 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 increased 658 million yen.

Net assets per share was 5,166.01 yen, and the shareholders' equity ratio was 93.6%.

3. Qualitative Information on Forecasts for Consolidated Business Results

With regard to the full-year outlook, demand has remained steady in April, and signs of another backward movement in demand, which had been predicted by some, have weakened. The Automotive Products market is on a trend for recovery in advanced countries, particularly in the United States, and in emerging countries, such as the BRICs, demand increases are continuing. In emerging countries, it appears that demand will generally remain strong in other non-automotive markets as well. However, it is thought that the overall level of recovery has not yet extended to the levels prior to the financial crisis, and so we are still only part way to full recovery.

With regard to the markets in which our products are sold, it is expected that net sales for the Automotive Products market, the Audio & Visual Equipment market, the Optical & Precision Instruments market, and the Home Appliances, Power Tools, Toys & Hobbies market will all progress as per the forecasts at the beginning of the year.

Therefore, at present, there are no changes to the forecasts announced on February 12, 2010 for our consolidated net sales, operating income, ordinary income and net income (second-quarter cumulative consolidated accounting period and full-year).

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

CONSOLIDATED BALANCE SHEETS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES MARCH 31, 2010 and DECEMBER 31, 2009.

		(Millions of yen)	
ASSETS		March 31 2010	December 31 2009
Current Assets	Cash and bank deposits	61,009	56,687
	Trade notes and accounts receivable	12,150	11,661
	Short-term investments	22,882	28,867
	Finished goods and merchandises	8,685	8,375
	Work in process	1,081	870
	Raw materials and supplies	8,252	4,285
	Income taxes receivable	354	655
	Deferred tax assets – current	1,130	846
	Other current assets	1,510	1,166
	Less – allowance for doubtful accounts	(231)	(246)
	Total current assets	113,825	113,169
	Fixed Assets	Property, Plant and Equipment	
Buildings and structures		41,762	41,684
Accumulated depreciation		(24,650)	(24,267)
Buildings and structures, net		17,112	17,416
Machinery, equipment and vehicles		38,345	38,725
Accumulated depreciation		(30,756)	(31,074)
Machinery, equipment and vehicles, net		7,588	7,650
Tools, furniture and fixture		13,051	13,076
Accumulated depreciation		(11,609)	(11,572)
Tools, furniture and fixture, net		1,441	1,503
Land		6,023	6,022
Construction in progress		1,512	1,200
Total property, plant and equipment		33,679	33,795
Intangible Assets		445	447
Investments and Other assets			
Investment securities		43,448	42,821
Long-term loans receivable		78	82
Deferred tax assets – non-current		1,120	1,332
Other investments and other assets		874	861
Allowance for doubtful accounts		(148)	(147)
Total investments and other assets	45,374	44,949	
Total fixed assets	79,499	79,192	
Total assets	193,325	192,362	

CONSOLIDATED BALANCE SHEETS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES MARCH 31, 2010 and DECEMBER 31, 2009.

LIABILITIES AND NET ASSETS		March 31 2010	December 31 2009
(Millions of yen)			
Liabilities	Current Liabilities		
	Trade notes and accounts payable	3,738	3,485
	Accrued income taxes	321	187
	Accrued bonus to employees	546	210
	Accrued bonus to directors	10	37
	Accrued expenses for loss on the restructuring of production bases	1,844	1,834
	Other current liabilities	3,783	4,227
	Total current liabilities	10,245	9,982
	Long-term Liabilities		
	Deferred tax liabilities	2	10
	Allowance for retirement benefits for employees	952	939
	Other long-term liabilities	1,116	1,118
	Total long-term liabilities	2,070	2,067
	Total liabilities	12,316	12,050
Net Assets	Shareholders' Equity		
	Common stock	20,704	20,704
	Additional paid-in capital	20,419	20,419
	Retained earnings	201,726	216,230
	Treasury stock	(49,099)	(63,459)
	Total shareholders' equity	193,751	193,895
	Revaluation / translation adjustments		
	Net unrealized holding gains (losses) on securities	150	(32)
Foreign currency translation adjustments	(12,892)	(13,551)	
Total revaluation / translation adjustments	(12,742)	(13,584)	
Total net assets	181,009	180,311	
Total liabilities and net assets	193,325	192,362	

CONSOLIDATED STATEMENTS OF INCOME

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES FOR THE THREE MONTHS ENDED MARCH 31, 2009 and 2010.

	(Millions of yen)	
	2009	2010
Net Sales	12,229	19,933
Cost of Sales	9,547	14,423
Gross profit	2,681	5,509
Selling, General and Administrative Expenses	3,972	3,793
Operating income	(1,290)	1,716
Other Income (Expenses)		
Interest and dividend income	278	178
Exchange gains, net	898	92
Other, net	(162)	18
Income (Loss) before Income Taxes	(276)	2,006
Income taxes	(3,155)	396
Net Income	2,878	1,609

CONSOLIDATED STATEMENTS OF CASH FLOWS

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES FOR THE THREE MONTHS ENDED MARCH 31, 2009 and 2010.

		(Millions of yen)	
		2009	2010
Cash Flows from Operating Activities	Income (Loss) before income taxes	(276)	2,006
	Depreciation and amortization	964	859
	Impairment loss	20	-
	Allowance for retirement benefits, net payments	6	14
	Interest and dividends income	(278)	(178)
	Foreign exchange gains	(230)	(44)
	Gain on sales of short-term investments and investment securities	(0)	(29)
	Gain (Loss) on disposal of fixed assets	(21)	6
	Losses on revaluation of investment securities	43	185
	(Increase) Decrease in trade notes and accounts receivable	2,325	(431)
	(Increase) Decrease in inventories	1,058	(1,480)
	Increase (Decrease) in trade notes and accounts payable	(1,174)	137
	Other, net	(655)	(45)
	Sub total	1,781	998
	Interest and dividends received	284	162
	Interest paid	(0)	(0)
	Income taxes refunded	(133)	(195)
Net cash provided by operating activities	1,932	966	
Cash Flows from Investing Activities	Increase of time deposit	(10,004)	(5,525)
	Proceeds from withdrawal of time deposit	4,021	3,833
	Purchases of short-term investments	(7,298)	(1,000)
	Proceeds from sales of short-term investments	5,999	6,898
	Purchases of property, plant and equipment	(1,084)	(732)
	Proceeds from sales of property, plant and equipment	35	0
	Purchases of investment securities	(496)	(3,188)
	Proceeds from sales of investment securities	1,298	812
	Other, net	(40)	(27)
Net cash (used in) provided by investing activities	(7,569)	1,071	
Cash Flows from Financing Activities	Cash dividends paid	(2,174)	(1,754)
	Purchases of treasury stock	(2)	(1)
	Net cash used in financing activities	(2,177)	(1,755)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		2,359	245
Net Increase (Decrease) in Cash and Cash Equivalents		(5,454)	527
Cash and Cash Equivalents at Beginning of Year		56,073	61,639
Cash and Cash Equivalents at End of Period		50,618	62,166

SEGMENT INFORMATION

The Company and consolidated subsidiaries manufacture and sell small electric motors, parts and equipment used for production purposes. Substantially all of the consolidated net sales and operating income are generated from a broad range of similar motor products. Information on net sales, operating income and assets by geographic area, and overseas sales is summarized as follows.

			(Millions of yen)	
1. Segment information by geographic area			Three months ended March 31, 2009	Three months ended March 31, 2010
Net sales	Japan	External customers	2,326	3,432
		Intersegment	4,768	10,332
		Total	7,095	13,764
	Asia	External customers	6,616	11,554
		Intersegment	5,077	9,974
		Total	11,694	21,529
	U.S.A.	External customers	1,121	1,894
		Intersegment	3	0
		Total	1,125	1,894
	Europe	External customers	2,164	3,052
		Intersegment	-	-
		Total	2,164	3,052
		Corporate and Elimination	(9,849)	(20,306)
		Consolidated	12,229	19,933
Operating income	Japan		(1,328)	774
	Asia		(954)	821
	U.S.A.		3	58
	Europe		134	132
	Eliminations		853	(71)
		Consolidated	(1,290)	1,716

			(Millions of yen)	
2. Overseas sales			Three months ended March 31, 2009	Three months ended March 31, 2010
Overseas sales	U.S.A.		1,195	1,923
	Europe		2,174	3,056
	Asia and Other		7,439	12,272
	Total		10,809	17,251
Net sales			12,229	19,933
% of overseas sales to net sales			88.4%	86.5%

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		Three months ended March 31, 2009		Three months ended March 31, 2010		Increase (Decrease)
		thousand pieces	%(ratio)	thousand pieces	%(ratio)	thousand pieces		
Small Motors	MABUCHI INDUSTRY CO., LTD.	84,737	48.2	159,753	43.9	75,015		
	MABUCHI MOTOR (DONGGUAN) CO.,LTD.	-	-	3,150	0.9	3,150		
	MABUCHI MOTOR (YINGTAN) CO.,LTD.	-	-	9	0.0	9		
	MABUCHI MOTOR DALIAN CO., LTD.	17,497	10.0	40,962	11.3	23,465		
	MABUCHI MOTOR WAFANGDIAN CO., LTD.	13,610	7.7	40,376	11.1	26,766		
	MABUCHI MOTOR (JIANGSU) CO., LTD.	8,418	4.8	2,297	0.6	(6,120)		
	MABUCHI MOTOR VIETNAM LTD.	33,927	19.3	79,759	21.9	45,831		
	MABUCHI MOTOR DANANG LTD.	17,097	9.7	36,181	9.9	19,083		
	MABUCHI TAIWAN CO., LTD.	567	0.3	1,514	0.4	946		
	Total	175,856	100.0	364,005	100.0	188,149		

(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 March 31, 2009		Three months ended March 31, 2010		Increase (Decrease)
		millions of yen	%(ratio)	millions of yen	%(ratio)	millions of yen		
Small Motors	Automotive Products	4,941	40.5	9,890	49.7	4,948		
	Audio & Visual Equipment	1,665	13.6	2,748	13.8	1,083		
	Optical & Precision Instruments	2,164	17.6	3,186	16.0	1,039		
	Home Appliances, Power Tools, Toys & Hobbies	3,456	28.3	4,082	20.5	626		
	Total	12,210	100.0	19,908	100.0	7,697		

(Notes) Consumption taxes were excluded.