

CONSOLIDATED FINANCIAL RESULTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011 (J-GAAP)

November 1, 2011

Name of listed company: MABUCHI MOTOR CO., LTD.

Stock exchange listing: Tokyo

Securities code: 6592 (URL: <http://www.mabuchi-motor.co.jp>)

Representative: Shinji Kamei (President and Representative Director)

Contact: Hiroo Okoshi (Director)

Scheduled date of the filing of quarterly report: November 14, 2011

Scheduled date of start of dividends payments: —

Preparation of 3Q results presentation material (Yes/No): *Yes*

Holding of 3Q results briefing meeting (Yes/No): *No*

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

1. Consolidated Operating Results

	9M ended Sep. 2010	9M ended Sep. 2011	2011 / 2010
	<i>(Millions of yen)</i>		<i>(Percentage change)</i>
(1) Consolidated Operating Results:			
Net sales	63,250	59,478	-6.0%
Operating income	5,531	2,824	-48.9%
Net income	4,383	2,370	-45.9%
Net income per share (Yen)	125.09	67.67	
Fully diluted net income per share (Yen)	—	—	

	As of Dec. 31, 2010	As of Sep. 30, 2011
	<i>(Millions of yen)</i>	
(2) Consolidated Financial Position:		
Total assets	185,408	180,734
Net assets	174,570	169,725
Shareholders' equity ratio	94.2%	93.9%
Net assets per share (Yen)	4,982.43	4,844.22

Note: Shareholders' equity

As of Sep. 30, 2011: ¥169,725 million

As of Dec. 31, 2010:

¥174,570 million

2. Dividends

Record date	Full Year Dividends (Yen)				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	For the year
Fiscal 2010	—	50.00	—	50.00	100.00
Fiscal 2011	—	50.00	—	—	—
Fiscal 2011 (Forecast)	—	—	—	50.00	100.00

Note: Amendment of dividend forecast in the quarter under review: *No*

3. Consolidated Results Forecasts for the Fiscal Year (From January 1 to December 31, 2011)

	Full year	2011 / 2010
	<i>(Millions of yen)</i>	<i>(Percentage change)</i>
Net sales	82,500	-0.3%
Operating income	3,500	-47.2%
Net income	3,300	-37.3%
Net income per share (Yen)	94.19	—

Note: Amendment of results forecasts in the quarter under review: *No*

4. Notes

(1) Changes in significant subsidiaries during the quarter: *Yes*

Companies included in consolidation: 1 (Company name: MABUCHI MOTOR (JIANGXI) CO., LTD.)

Companies excluded from consolidation: —

Note: Changes in specified subsidiaries during the quarter that accompanied changes in the scope of consolidation

(2) Concise accounting procedures adopted: *Yes*

Note: Application of concise accounting procedures and special accounting for quarterly consolidated financial statements

(3) Change in accounting method

1) Changes due to revisions of accounting standards, etc.: *Yes*

2) Changes other than 1): *No*

Note: Changes in accounting method, concerning preparation of the quarterly consolidated financial statements

(4) Number of shares issued (common stock)

(Unit: share)

1) Number of shares issued at end of period (including treasury stock):	Sep. 30, 2011	39,875,881	Dec. 31, 2010	41,875,881
2) Number of shares of treasury stock at end of period:	Sep. 30, 2011	4,839,217	Dec. 31, 2010	6,838,777
3) Average number of shares during period	Jan. – Sep. 2011	35,036,822	Jan. – Sep. 2010	35,038,096

* Presentation of implementation status for quarterly review procedures

The quarterly review procedure based on the Financial Instruments and Exchange Act are being undertaken as of the release of these Consolidated Financial Results.

* Explanation related to appropriate use of results forecasts and other items warranting special mention

The above forecasts are based on the information available as of the date of the release of this document. As a result, a variety of factors in the future may cause actual results to differ from these forecasts.

1. Qualitative Information

(1) Qualitative Information on Consolidated Operating Results

In the world economy during the nine months ended September 30, 2011 (January 1- September 30, 2011), whereas growth, albeit unstable, continued in emerging countries, signs of deceleration of growth appeared in developed countries as the impact of financial instability in the euro zone spread. Although the Japanese economy has recovered at a pace that exceeded initial expectations after slumping due to the earthquake disaster, in the short term, risks that threaten to slow the recovery, namely fears of economic deceleration in Europe and North America and yen appreciation, increased.

In this environment, Japan's parts industry increased and restored at a rapid pace the supply of products, mainly parts for the automotive industry, and appeared to make up for the supply decrease caused by the earthquake. Nevertheless, due to the impact of poor business conditions in developed countries, demand from non-automotive industries fell short of the prior-year level even after the negative effects of the earthquake were overcome.

Under these business conditions, looking at the sales performance of Mabuchi motors, sales volume decreased 0.2% and sales revenue decreased 6.0% compared to the same period last year. Furthermore, sales volume and sales revenue were 2.6% and 2.9% lower, respectively, than the third-quarter cumulative forecasts revised in August. As a result, net sales for the nine months ended September 30, 2011 were 59,478 million yen (a 6.0% decrease on a year-on-year basis). Motor sales, which account for the majority of consolidated net sales, were 59,385 million yen (a 6.0% decrease 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 were 30,089 million yen (a 0.2% decrease on a year-on-year basis). Although demand in Japan for products including motors for mirrors and door locks, our major existing applications in this market, declined due to the impact of the earthquake disaster, it recovered sharply in the third quarter. Demand for nearly all applications was robust, including demand in other regions and demand for other products such as power window lifters, our prioritized business.

2) Audio & Visual Equipment Market

Net sales in this market decreased to 7,371 million yen (a 16.7% decrease on a year-on-year basis). Although demand for motors for CD players (CD players in cars), which had declined due to the earthquake disaster, recovered, sales of motors for DVD players fell sharply due to inventory adjustments by customers and a drop-off in demand in preparation for the peak year-end sales period.

3) Optical & Precision Instruments Market

Net sales in this market decreased to 9,534 million yen (an 11.5% decrease on a year-on-year basis). Despite recovery in demand for motors for inkjet printers and digital cameras, which had declined due to the earthquake disaster, demand in preparation for the peak year-end sales period was lower than in the previous fiscal year. Sales of motors for PC drives were robust, roughly at the prior-year level.

4) Home Appliances, Power Tools & Toys Market

Net sales in this market decreased to 12,390 million yen (a 7.5% decrease on a year-on-year basis).

Whereas sales of motors for hair dryers, toothbrushes, and power tools remained strong, sales for other applications

decreased due to a decline in demand for the peak year-end sales period.

Operating income for the nine months ended September 30, 2011 was 2,824 million yen (a 48.9% decrease on a year-on-year basis) as a result of higher materials costs triggered by soaring prices of copper, steel materials, and rare earths, key product components, despite a decrease in selling, general and administrative expenses. Although non-operating income versus expenses improved due to factors including an increase in income from the sale of scrap materials, ordinary income decreased to 4,021 million yen (a 34.8% decrease on a year-on-year basis) as a result of the decrease in operating income. Income before income taxes was 4,032 million yen (a 32.5% decrease on a year-on-year basis) as a result of the improvement in other gains versus losses due to factors such as the recording of a gain on sales of fixed assets at overseas subsidiaries. Net income for the nine months was 2,370 million yen (a 45.9% decrease on a year-on-year basis). The decrease is attributable to a higher consolidated effective tax rate resulting from a change in the estimate of deferred tax assets in the consolidated financial results and other factors.

(2) Qualitative Information on Consolidated Financial Position

Total assets as of September 30, 2011 stood at 180,734 million yen, decreasing by 4,673 million yen from the previous fiscal year-end. The most noticeable changes from the end of the previous fiscal year were an increase in short-term investments of 1,980 million yen, an increase in finished goods and merchandises of 1,111 million yen, an increase in property, plant and equipment of 1,201 million yen, a decrease in cash and bank deposits of 10,189 million yen, and a decrease in investment securities of 1,066 million yen.

Total liabilities stood at 11,009 million yen, an increase of 170 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 accrued income taxes of 161 million yen, an increase in accrued bonus to employees of 362 million yen, a decrease in trade notes and accounts payable of 148 million yen, and a decrease in accrued expenses for loss on the restructuring of production bases of 284 million yen.

Total net assets decreased 4,844 million yen from the previous fiscal year-end to 169,725 million yen. Retained earnings and treasury stock both decreased 14,360 million yen as a result of the cancellation of treasury stock, and foreign currency translation adjustments decreased 3,481 million yen.

Net assets per share amounted to 4,844.22 yen, and the shareholders' equity ratio was 93.9%.

(3) Qualitative Information on Forecasts for Consolidated Business Results

With regard to the full-year outlook, although continued growth in emerging markets is expected, foreboding of future business stagnation hasn't been completely dispelled due to factors including business stagnation in Europe and North America resulting largely from unstable movements in commodity markets, including resource prices, and continuation of fiscal and monetary instability in Europe, as well as weak demand for the peak year-end sales period and protracted yen appreciation.

In this environment, since our sales performance through the third quarter fell slightly short of the forecasts announced on August 12, we have kept our forecasts for sales amount and sales volume at 82,500 million yen (a 0.3% decrease on a year-on-year basis) and 1,559 million pieces (a 3.7% increase), respectively. For this reason, no changes have been made to the full-year results forecasts announced on August 12. The assumed foreign exchange rate for the second half used at the time of the announcement on August 12 is 80 yen to the U.S. dollar.

No changes have been made to the initial forecast of full-year dividend payments.

Note:

Statements concerning the above results forecasts are based on information available at the time of preparation. Actual results may differ from the outlook due to various factors. Factors that may affect the operating results include, but are not limited to:

- Fluctuations in exchange rates for the yen and other Asian currencies
- Changes in economic conditions, demand trends, and other factors surrounding Mabuchi's businesses
- Rapid technical innovations such as new technologies and new products
- Fluctuations in market prices of copper, steel materials, rare earths, and other materials

Consolidated Balance Sheets

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES SEPTEMBER 30, 2011 and DECEMBER 31, 2010

(Millions of yen)

ASSETS	September 30, 2011	December 31, 2010
Current Assets		
Cash and bank deposits	53,576	63,765
Trade notes and accounts receivable	12,229	11,449
Short-term investments	23,469	21,488
Finished goods and merchandises	11,685	10,574
Work in process	961	940
Raw materials and supplies	5,073	4,574
Income taxes receivable	112	206
Deferred tax assets - current	471	796
Other current assets	2,802	1,650
Allowance for doubtful accounts	(234)	(224)
Total current assets	110,148	115,221
Fixed Assets		
Property, Plant and Equipment		
Buildings and structures	37,377	38,764
Accumulated depreciation	(22,251)	(22,782)
Buildings and structures, net	15,125	15,982
Machinery, equipment and vehicles	28,500	33,254
Accumulated depreciation	(20,393)	(25,749)
Machinery, equipment and vehicles, net	8,106	7,504
Tools, furniture and fixture	11,112	11,877
Accumulated depreciation	(9,525)	(10,432)
Tools, furniture and fixture, net	1,587	1,445
Land	6,019	6,022
Construction in progress	2,138	821
Total property, plant and equipment	32,977	31,775
Intangible Assets	639	482
Investments and Other Assets		
Investment securities	35,080	36,146
Long-term loans receivable	47	59
Deferred tax assets – non-current	1,019	869
Other investments and other assets	853	986
Allowance for doubtful accounts	(31)	(133)
Total investments and other assets	36,969	37,928
Total fixed assets	70,586	70,186
Total assets	180,734	185,408

(Millions of yen)

LIABILITIES AND NET ASSETS	September 30, 2011	December 31, 2010
Liabilities		
Current Liabilities		
Trade notes and accounts payable	3,591	3,739
Accrued income taxes	586	424
Accrued bonus to employees	576	214
Accrued bonus to directors	22	37
Accrued expenses for loss on the restructuring of production bases	96	381
Deferred tax liabilities - current	0	0
Other current liabilities	4,491	4,490
Total current liabilities	9,364	9,286
Long-term Liabilities		
Allowance for retirement benefits for employees	399	387
Asset retirement obligations	16	—
Deferred tax liabilities - non-current	5	5
Other long-term liabilities	1,223	1,158
Total long-term liabilities	1,644	1,551
Total liabilities	11,009	10,838
Net Assets		
Shareholders' Equity		
Common stock	20,704	20,704
Additional paid-in capital	20,419	20,419
Retained earnings	188,127	203,625
Treasury stock	(34,746)	(49,105)
Total shareholders' equity	194,505	195,644
Revaluation / Translation Adjustments		
Net unrealized holding gains (losses) on securities	(481)	(257)
Foreign currency translation adjustments	(24,299)	(20,817)
Total revaluation / translation adjustments	(24,780)	(21,074)
Total net assets	169,725	174,570
Total liabilities and net assets	180,734	185,408

Consolidated Statements of Income

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 and 2011

(Millions of yen)

	2010	2011
Net Sales	63,250	59,478
Cost of Sales	45,653	44,812
Gross profit	17,596	14,666
Selling, General and Administrative Expenses	12,064	11,842
Operating income	5,531	2,824
Other Income (Expenses)		
Interest and dividend income	592	504
Exchange gains (losses) on foreign currency transactions	(698)	(505)
Other, net	543	1,208
Income before Income Taxes	5,969	4,032
Income taxes	1,586	1,661
Net Income	4,383	2,370

(Millions of yen)

	2010	2011
Net Sales	21,462	20,581
Cost of Sales	15,779	15,724
Gross profit	5,683	4,857
Selling, General and Administrative Expenses	3,950	3,883
Operating income	1,733	974
Other Income (Expenses)		
Interest and dividend income	193	138
Exchange gains (losses) on foreign currency transactions	(415)	(924)
Other, net	179	334
Income before Income Taxes	1,690	522
Income taxes	491	404
Net Income	1,199	118

Consolidated Statements of Cash Flows

MABUCHI MOTOR CO., LTD. & CONSOLIDATED SUBSIDIARIES FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 and 2011

(Millions of yen)

	2010	2011
Cash Flows from Operating Activities		
Income before income taxes	5,969	4,032
Depreciation and amortization	2,636	2,438
Impairment loss	—	85
Increase (Decrease) in allowance for retirement benefits, net payments	(511)	24
Interest and dividends income	(592)	(504)
Foreign exchange losses (gains)	479	299
Loss (Gain) on sales of short-term investments and investment securities	(82)	(10)
Loss (Gain) on disposal of fixed assets	33	(423)
Loss (Gain) on revaluation of investment securities	200	51
Decrease in provision for loss on the restructuring of production bases	(648)	(275)
Decrease (Increase) in trade notes and accounts receivable	(1,876)	(985)
Decrease (Increase) in inventories	(4,259)	(2,766)
Increase (Decrease) in trade notes and accounts payable	527	(174)
Other, net	1,124	(1,170)
Sub total	3,000	620
Interest and dividends received	573	497
Interest paid	(0)	—
Income taxes paid	(786)	(1,019)
Income taxes refund	554	—
Net cash provided by (used in) operating activities	3,342	98
Cash Flows from Investing Activities		
Increase of time deposits	(12,205)	(10,370)
Proceeds from withdrawal of time deposits	11,393	11,392
Purchase of short-term investments	(7,498)	(11,489)
Proceeds from sales of short-term investments	16,031	17,464
Purchase of property, plant and equipment	(2,349)	(4,605)
Proceeds from sales of property, plant and equipment	30	594
Purchase of investment securities	(7,395)	(6,394)
Proceeds from sales of investment securities	6,886	1,998
Other, net	(143)	(173)
Net cash provided by (used in) investing activities	4,749	(1,584)
Cash Flows from Financing Activities		
Cash dividends paid	(3,501)	(3,508)
Purchase of treasury stock	(6)	(1)
Net cash provided by (used in) financing activities	(3,507)	(3,510)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(3,661)	(954)
Net Increase (Decrease) in Cash and Cash Equivalents	922	(5,950)
Cash and Cash Equivalents at Beginning of Period	61,639	67,540
Cash and Cash Equivalents at End of Period	62,561	61,590

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.

1. Segment information by geographic area

			(Millions of yen)	
			Nine months ended September 30, 2010	Nine months ended September 30, 2011
Net sales	Japan	External customers	9,526	7,224
		Intersegment	34,016	33,032
Total			43,542	40,256
	Asia	External customers	38,999	37,183
		Intersegment	32,650	33,617
Total			71,650	70,801
	U.S.A	External customers	5,781	5,701
		Intersegment	0	—
Total			5,781	5,701
	Europe	External customers	8,943	9,369
		Intersegment	—	—
Total			8,943	9,369
Eliminations			(66,666)	(66,650)
Consolidated			63,250	59,478
Operating income (loss)	Japan		1,797	(1,412)
	Asia		3,057	2,814
	U.S.A		245	281
	Europe		348	225
	Eliminations		82	915
	Consolidated		5,531	2,824

2. Overseas sales

			(Millions of yen)	
			Nine months ended September 30, 2010	Nine months ended September 30, 2011
Overseas sales	U.S.A		5,824	—
	Europe		8,985	—
	Asia and other		40,783	—
	Total		55,593	—
Net sales			63,250	—
% of overseas sales to net sales			87.9	—

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

Information concerning impairment loss on fixed assets and goodwill by reporting segment

(Significant impairment loss on fixed assets)

The book values of commercial properties that are currently being idle in Japan and Asia segments are decreased to recoverable values, and the amounts are booked as impairment loss under extraordinary losses. For the nine months ended September 30, 2011, the amounts booked as impairment loss were 20 million yen and 64 million yen in Japan and Asia segments, respectively.

(Additional information)

The Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information (Accounting Standards Board of Japan Statement No.17; March 27, 2009) and the Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information (Accounting Standards Board of Japan Guidance No.20; March 21, 2008) are being applied from this fiscal year.

Notes on significant changes in the amount of shareholder's equity

On February 15, 2011, the Board of Directors resolved to cancel certain shares of treasury stock to further improve capital efficiency and shareholder's return on investment. Accordingly, on March 4, 2011, 2 million shares of common stock were cancelled. The effect of this cancelled was to decrease retained earnings and treasury stock by 14,360 million yen, respectively.

Current Status of Production and Sales

(1) Production (Quantity only)

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

	Period	Nine months ended		Nine months ended		Change
		September 30, 2010		September 30, 2011		
		Volume	Percentage	Volume	Percentage	
Manufacturing Subsidiary	(thousand pieces)	of total (%)	(thousand pieces)	of total (%)	(thousand pieces)	
MABUCHI INDUSTRY CO., LTD.		495,576	40.7	—	—	-495,576
MABUCHI MOTOR (DONGGUAN) CO.,LTD		19,087	1.6	193,003	16.7	173,916
MABUCHI MOTOR (YINGTAN) CO.,LTD		15,399	1.3	45,159	3.9	29,759
MABUCHI MOTOR DONGGUAN DAOJIAO CO.,LTD.		—	—	244,582	21.2	244,582
Small Motors	MABUCHI MOTOR DALIAN CO., LTD.	132,818	10.9	118,273	10.3	-14,544
	MABUCHI MOTOR WAFANGDIAN CO., LTD.	132,273	10.8	135,080	11.7	2,806
	MABUCHI MOTOR (JIANGSU) CO., LTD.	7,569	0.6	8,808	0.8	1,239
	MABUCHI MOTOR VIETNAM LTD.	289,662	23.8	295,562	25.6	5,900
	MABUCHI MOTOR DANANG LTD.	120,586	9.9	106,697	9.3	-13,889
	MABUCHI TAIWAN CO., LTD.	4,858	0.4	5,678	0.5	820
	Total	1,217,833	100.0	1,152,848	100.0	-64,985

Note: Figures are based on products volume.

(2) Sales by application

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

	Period	Nine months ended		Nine months ended		Change
		September 30, 2010		September 30, 2011		
		Millions of yen	Percentage	Millions of yen	Percentage	
Application	Millions of yen	of total (%)	Millions of yen	of total (%)	Millions of yen	
Small Motors	Automotive Products	30,144	47.7	30,089	50.7	-54
	Audio & Visual Equipment	8,852	14.0	7,371	12.4	-1,480
	Optical & Precision Instruments	10,777	17.1	9,534	16.0	-1,243
	Home Appliances, Power Tools & Toys	13,401	21.2	12,390	20.9	-1,010
	Total	63,174	100.0	59,385	100.0	-3,789

Note: Consumption taxes were excluded.