

Results briefing on performance of the first half of the 2007 fiscal year

Performance of the first half of the 2007 fiscal year and
Forecast of performance of the whole fiscal year

August 17, 2007

Mabuchi Motor Co., Ltd.

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**Outline of performance of the first half
of the 2007 fiscal year**

2

Forecast of performance of the whole fiscal year

3

Our efforts and results so far

The interim consolidated performance of the first half of the 2007 fiscal year

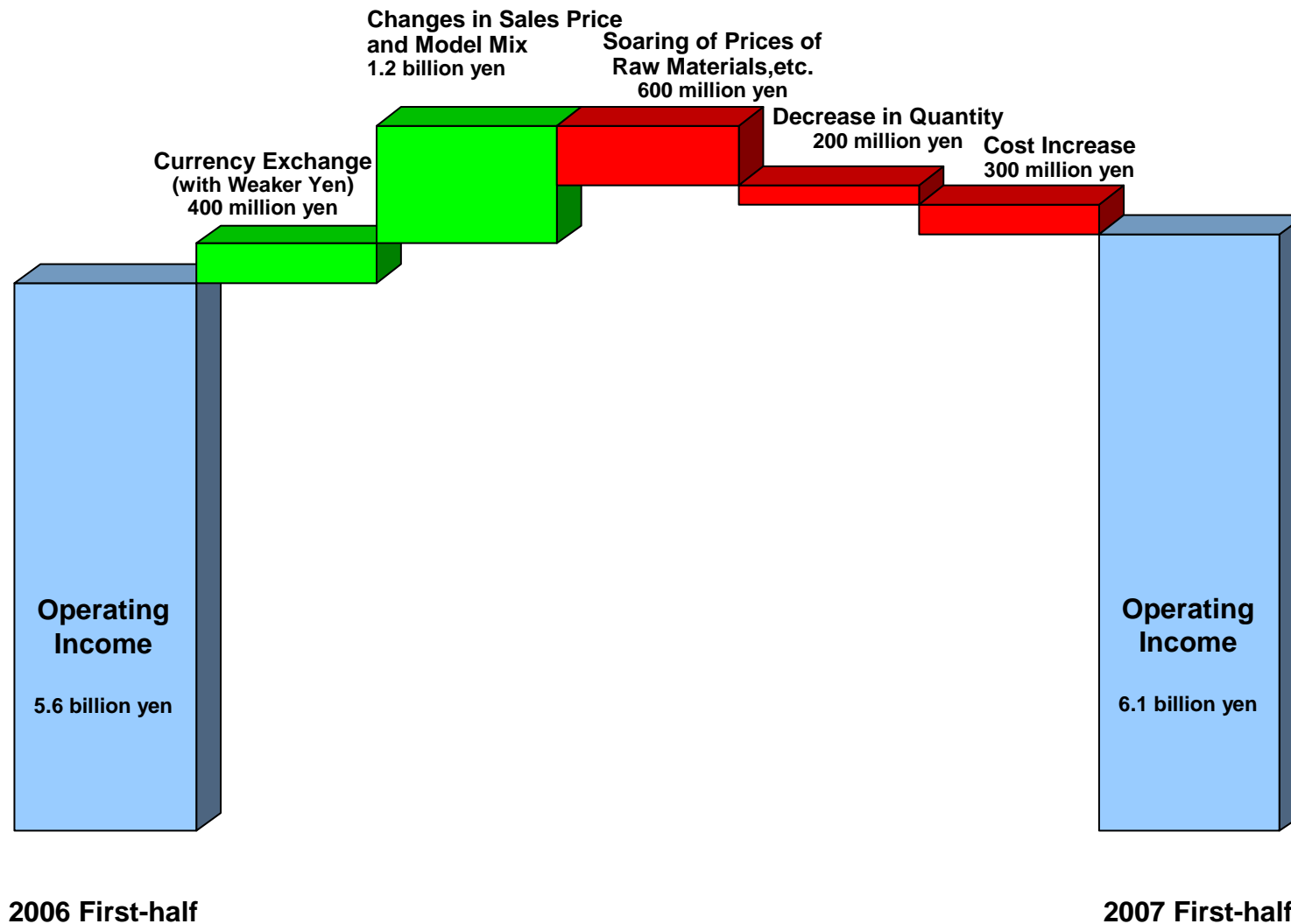


Unit: 100 million yen

	Performance of the first half of the 2006 fiscal year	Forecast of performance of the first half of the 2007 fiscal year (previously announced in Feb, 2007)	Performance of the first half of the 2007 fiscal year	Differences between forecast and actual performances	Year-to-year comparison	
					Differences	Rate of change
Net Sales	491(100%)	490(100%)	527(100%)	7.6%	35	7.3%
Gross Profit	145(29.7%)	142(29.0%)	152(29.0%)	7.6%	6	4.8%
Operating Income	56(11.5%)	49(10.0%)	61(11.6%)	24.5%	4	8.2%
Ordinary Income	77(15.7%)	68(13.9%)	91(17.4%)	35.0%	14	19.2%
Net Income	53(10.8%)	46(9.4%)	63(12.0%)	37.2%	9	18.6%
Average Rate during Period	115.72yen	115.00yen	120.15yen			
Year-end Rate	115.24yen		123.26yen			

The interim consolidated performance of the first half of the 2007 fiscal year

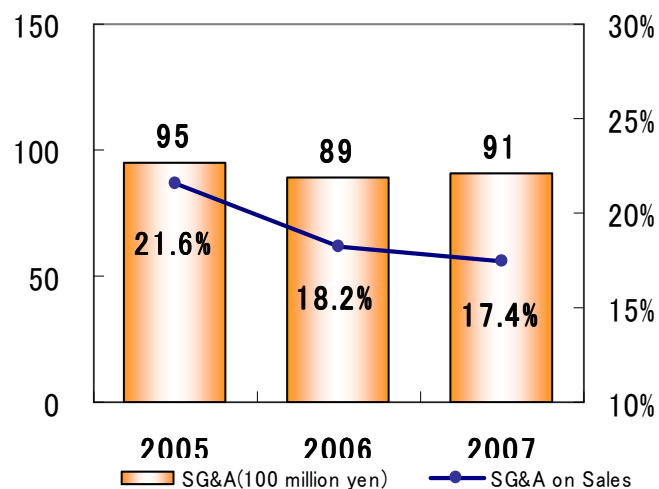
Analysis on Factors for Increase/Decrease of Operating Income



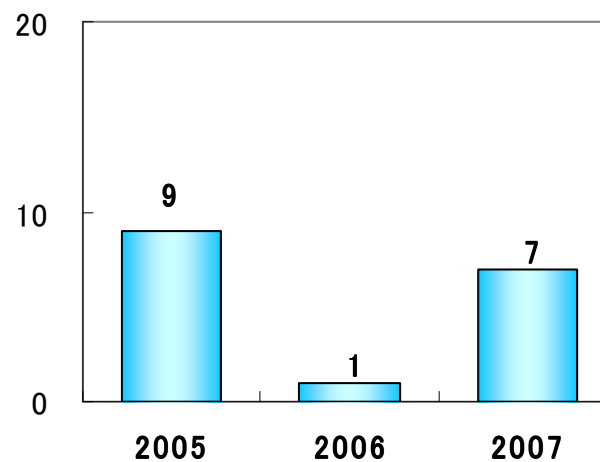
Factors affected the interim consolidated performance



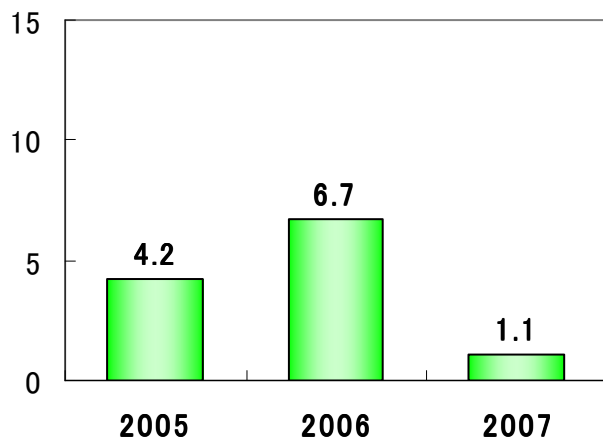
1. Selling, General and Administrative Expenses



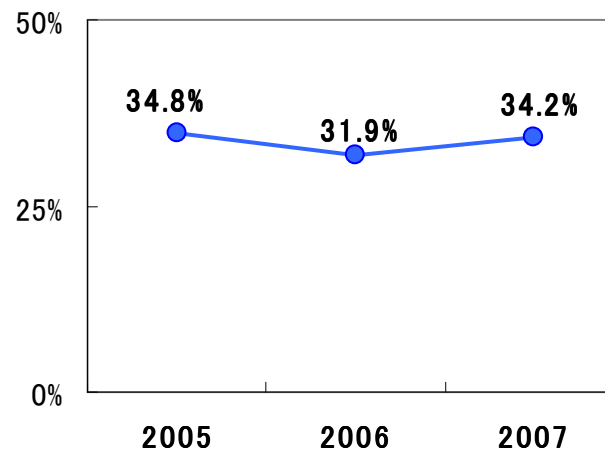
2. Foreign Exchange Gains/Losses (100 million yen)



3. Extraordinary Loss (100 million yen)



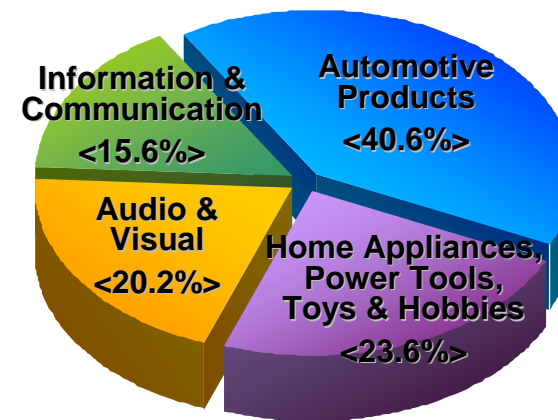
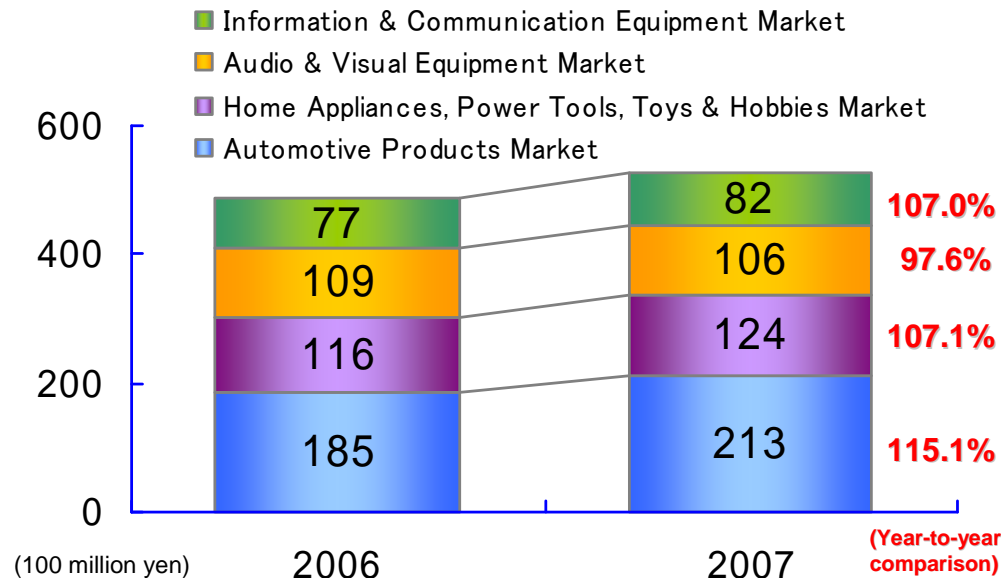
4. Corporate Tax Rate



Sales performance of the first half of the 2007 fiscal year



	The first half of the 2006 fiscal year	The plan for the first half of the 2007 fiscal year	The result of the first half of the 2007 fiscal year	Year-to-year comparison	Achievement rate
Quantity	901 million pcs	870 million pcs	886 million pcs	98.3%	101.9%
Amount	48.7 billion yen (Average rate during period: ¥115.72)	49 billion yen (Average rate during period: ¥115.00)	52.6 billion yen (Average rate during period: ¥120.15)	108.0%	107.4%
Average Unit Price	¥54.06		¥59.39		



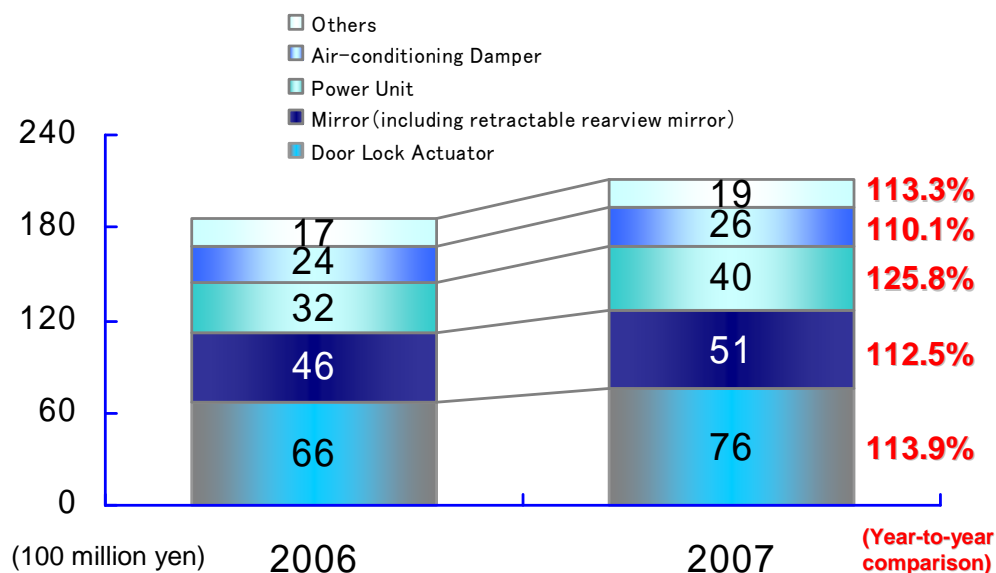
Breakdown of Sales Total

Sales Performance by Market

【Automotive Products Market】



	The first half of the 2006 fiscal year	The plan for the first half of the 2007 fiscal year	The result of the first half of the 2007 fiscal year	Year-to-year comparison	Achievement rate
Quantity	260 million pcs	276 million pcs	278 million pcs	107.0%	100.8%
Amount	18.5 billion yen	20.1 billion yen	21.3 billion yen	115.1%	105.9%
Average Unit Price	¥71.34		¥76.71		



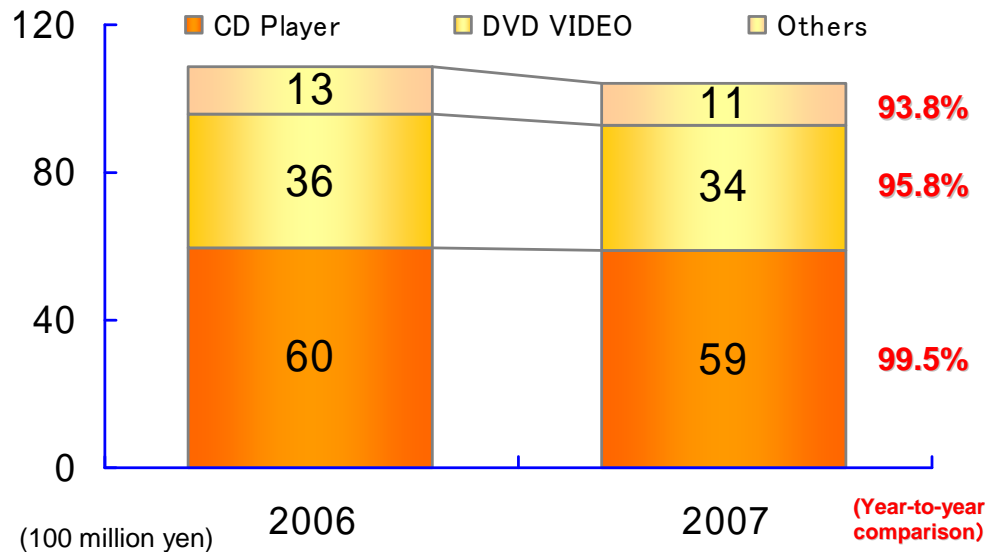
- Sales of motors for mirrors and door lock actuators increased steadily.
- Sales of motors for power window lifters were steady in Japan and increased in the South American and Chinese markets.
- Sales of motors for air conditioning damper actuators increased in the European market.
- Regarding new markets, sales of motors for steering locks and intake valves were favorable.

Sales Performance by Market

【Audio & Visual Equipment Market】



	The first half of the 2006 fiscal year	The plan for the first half of the 2007 fiscal year	The result of the first half of the 2007 fiscal year	Year-to-year comparison	Achievement rate
Quantity	307 million pcs	276 million pcs	278 million pcs	90.8%	100.8%
Amount	10.9 billion yen	9.7 billion yen	10.6 billion yen	97.6%	109.2%
Average Unit Price	¥35.46		¥38.14		



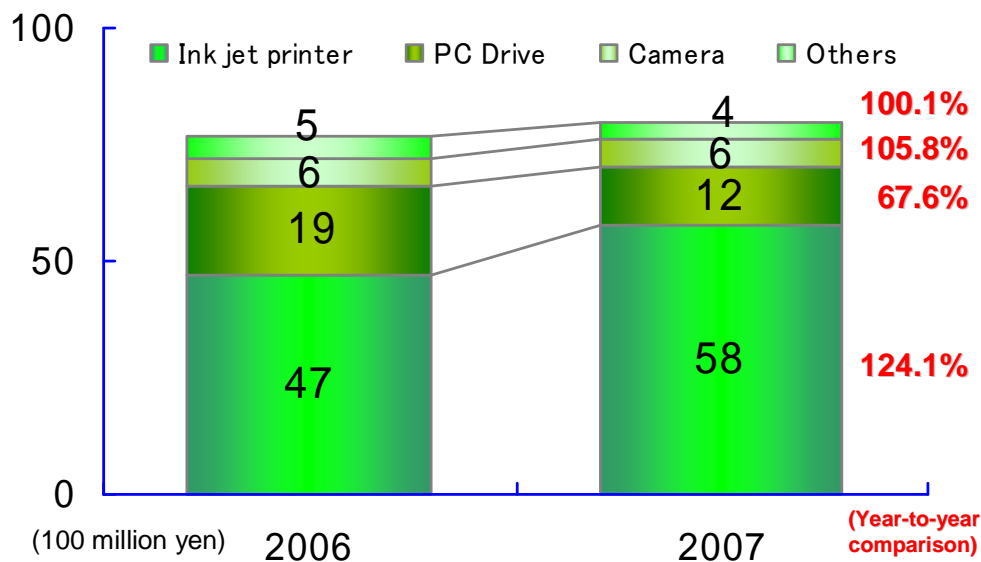
- Sales of motors for (home/portable) CD players decreased.
- Sales of motors for car CD players were continuously favorable.
- Sales of motors for DVD players decreased due to inventory adjustment.
- Regarding “Others,” shipping of motors for new game machines started.

Sales Performance by Market

【Information & Communication Equipment Market】



	The first half of the 2006 fiscal year	The plan for the first half of the 2007 fiscal year	The result of the first half of the 2007 fiscal year	Year-to-year comparison	Achievement rate
Quantity	150 million pcs	147 million pcs	152 million pcs	101.5%	103.0%
Amount	7.7 billion yen	7.8 billion yen	8.2 billion yen	107.0%	105.1%
Average Unit Price	¥51.39		¥54.20		

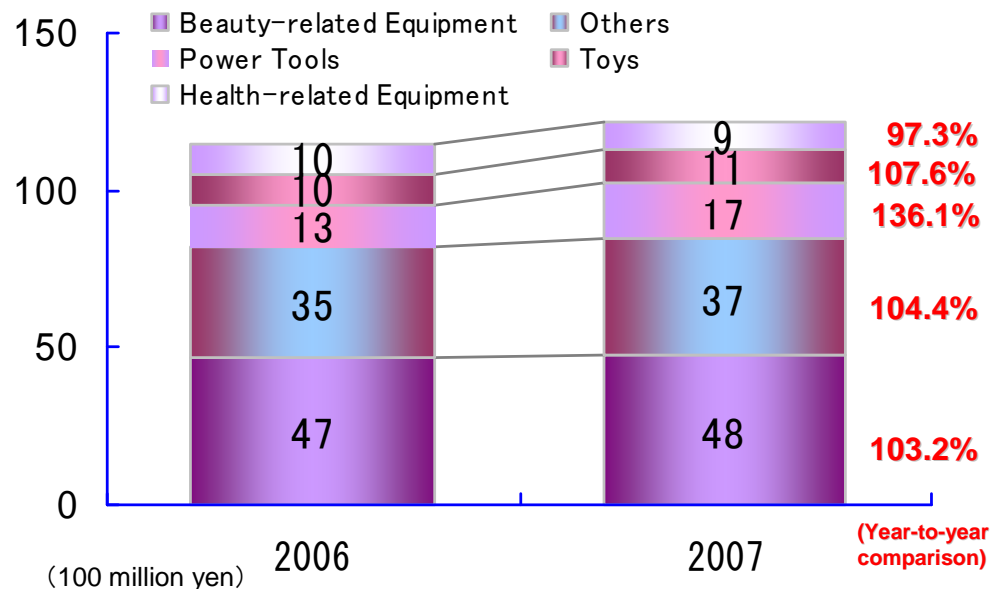


- Sales of motors for ink-jet printers were favorable.
- Average unit price increased as a result of starting of shipping of motors with encoders, adjusting prices of existing motors, and the like.
- Sales of motors for PC drives decreased due to production stoppage of brushless motors for spindles.
- Sales of motors for digital cameras were favorable due to replacement demand and market expansion into the BRICs countries.

Sales Performance by Market

【Home Appliances, Power Tools, Toys & Hobbies Market】  MABUCHI MOTOR

	The first half of the 2006 fiscal year	The plan for the first half of the 2007 fiscal year	The result of the first half of the 2007 fiscal year	Year-to-year comparison	Achievement rate
Quantity	184 million pcs	169 million pcs	177 million pcs	96.0%	104.3%
Amount	11.6 billion yen	11.2 billion yen	12.4 billion yen	107.1%	110.4%
Average Unit Price	¥62.81		¥70.05		



- Sales of motors for electric toothbrushes were favorable due to increase of sales of motors for mid-priced electric toothbrushes.
- For motors for shavers, sales of linear motors for high-class shavers increased.
- Regarding “Others,” sales of motors for vacuum cleaners were favorable.
- For motors for power tools, orders were steady since inventory adjustment was completed in the North American market.
- For motors for toys, sales of motors for miniature cars and locomotives increased.
- For motors for health-related equipment, sales of motors for blood-pressure meters decreased.

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Outline of performance of the first half
of the 2007 fiscal year

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Forecast of performance of the whole fiscal year

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Our efforts and results so far

2007 Consolidated Operational Results Outlook



Unit:100 million yen

	The results of the whole 2006 fiscal year	Forecast of performance of the whole 2007 fiscal year (previously announced in Feb, 2007)	Forecast of performance of the whole 2007 fiscal year	Differences between forecast and actual performances	Year-to-year comparison	
					Differences	Rate of change
Net Sales	1005(100%)	1010(100%)	1070(100%)	5.9%	64	6.4%
Gross Profit	285(28.5%)	293(29.0%)	310(29.0%)	5.8%	24	8.4%
Operating Income	107(10.6%)	110(10.9%)	125(11.7%)	13.6%	17	16.8%
Ordinary Income	159(15.9%)	151(15.0%)	177(16.5%)	17.2%	17	11.1%
Net Income	106(10.5%)	100(9.9%)	120(11.2%)	20.0%	13	13.2%

Average Rate during Period

116.38yen

115.00yen

118.58yen

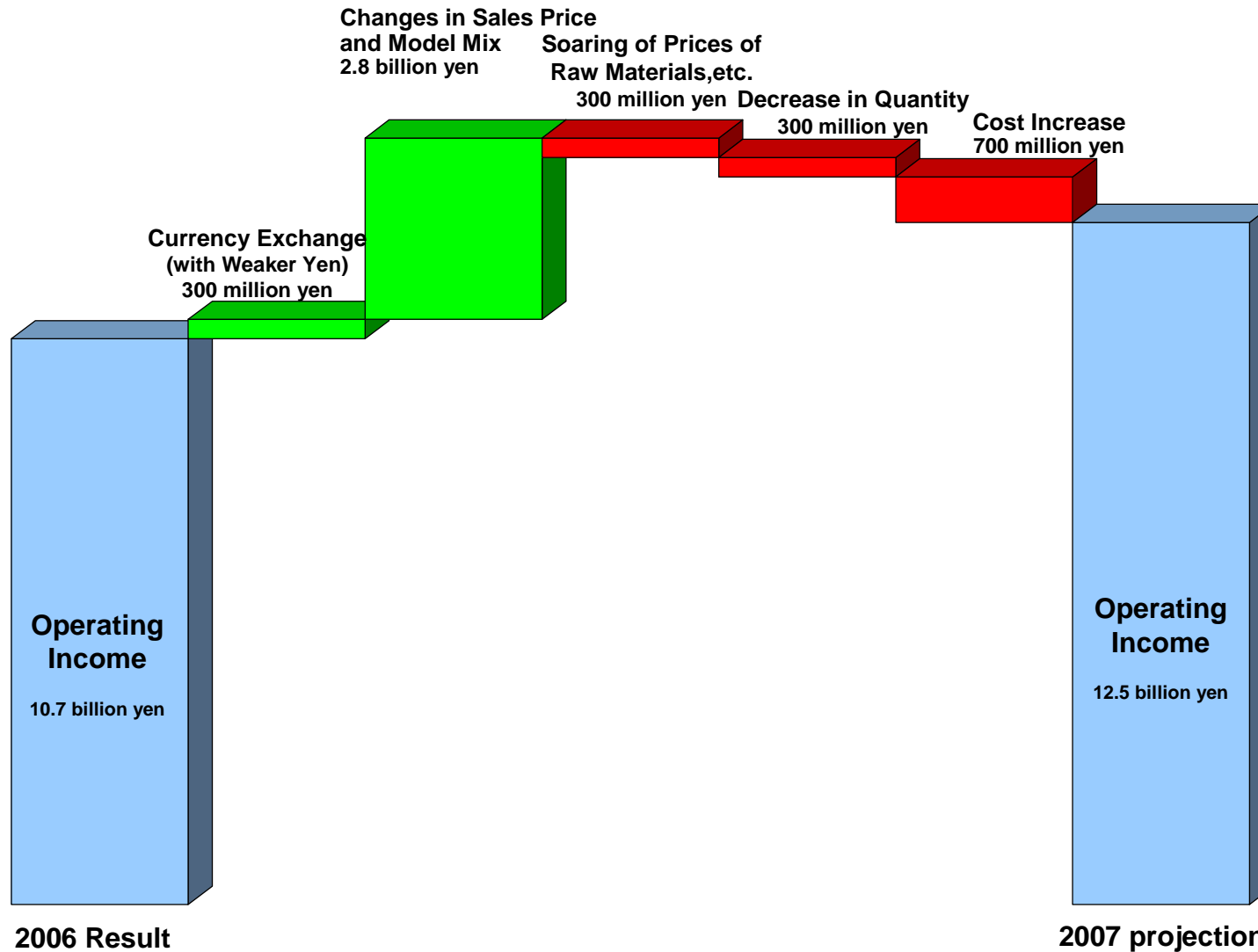
(First half actual rate 120.15,
Second half projected rate 117.00)

Year-end Rate

119.11yen

2007 Consolidated Operational Results Outlook

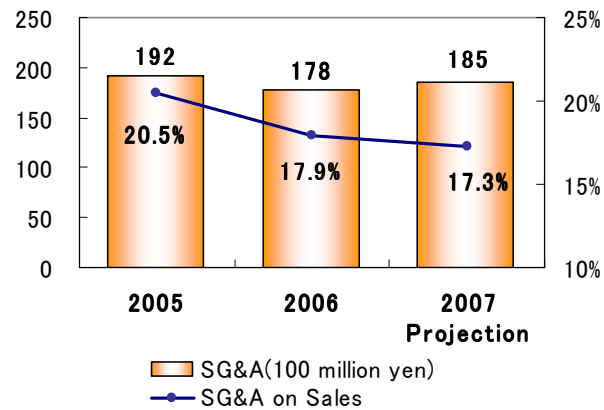
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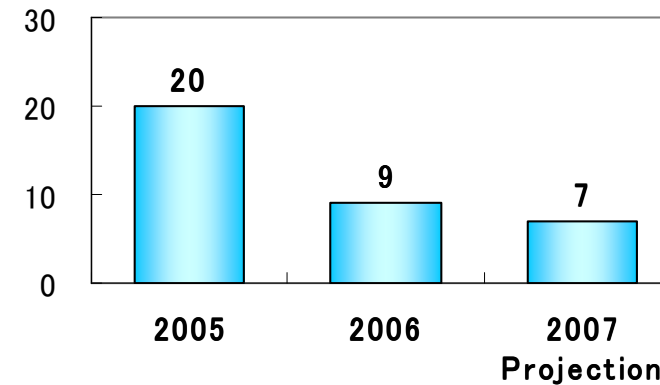
Factors to Affect 2007 Consolidated Operational Results Outlook



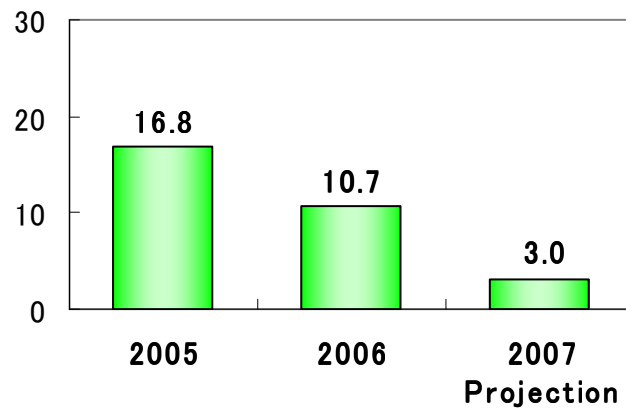
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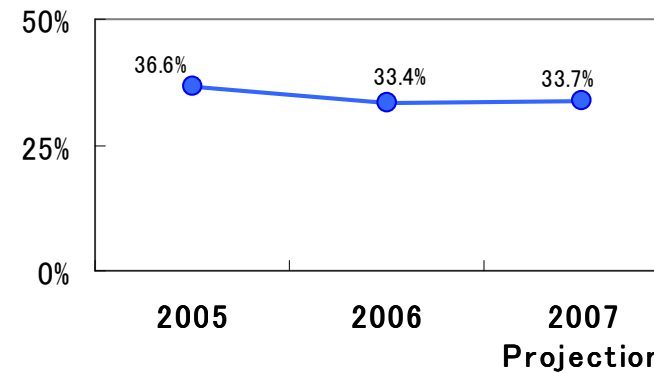
2. Foreign Exchange Gains/Losses (100 million yen)



3. Extraordinary Loss (100 million yen)



4. Corporate Tax Rate



Market environment recognition underlying sales forecasts

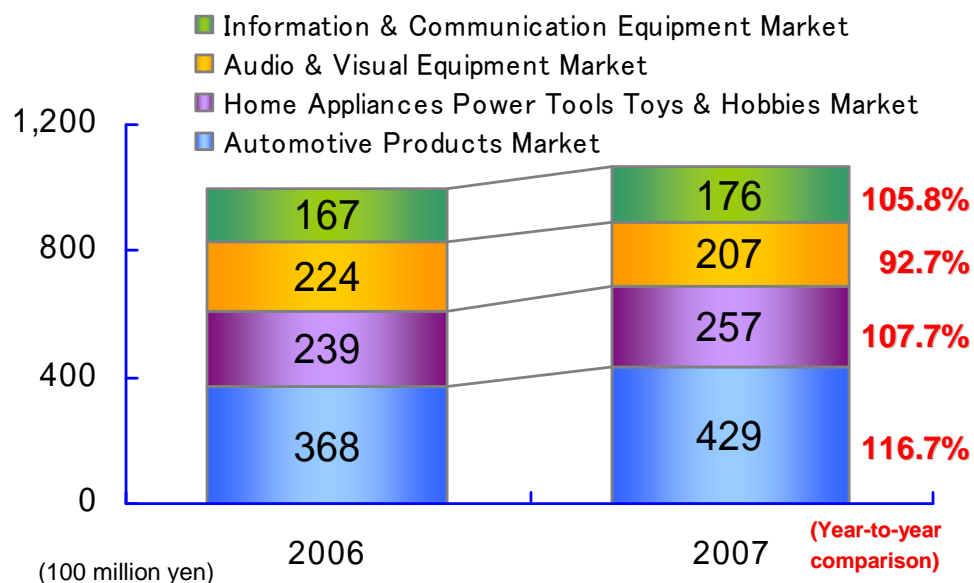


Overview	<ul style="list-style-type: none">• The automotive products market, the largest market by application, is expanding continuously.• Environmental and quality requirements are being intensified.
Market for automotive products	<ul style="list-style-type: none">• The number of automobiles being produced worldwide is increasing.• The number of motors used per automobile is further increasing in pursuit of environmental friendliness, safety, and amenity.
Market for audio & visual equipment	<ul style="list-style-type: none">• Though the sales of the market for CD players is decreasing on a year-to-year comparison, the decrease in the sales is less than that of the previous year.• The market for DVD players is expected to expand. In 2007, however, inventory adjustment is being carried out for this market.
Market for information & communication equipment	<ul style="list-style-type: none">• The market for ink-jet printers is continuously expanding.• The market for digital cameras is expected to expand. However, price competition in this market is being intensified.
Market for home appliances, power tools and toys & hobbies	<ul style="list-style-type: none">• Shift of AC professional power tools to DC ones is accelerating due to emergence of high-performance batteries.• Demand of assistive medical products and labor saving devices is increasing as the population ages.

Forecast of sales of the whole fiscal year (consolidated)

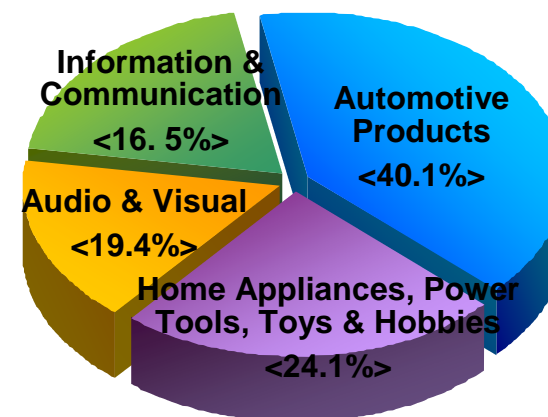


	First half of the 2007 fiscal year		Second half of the 2007 fiscal year		Forecast of performance of the whole 2007 fiscal year		
	Result	Year-to-year comparison	Forecast	Year-to-year comparison	Forecast	Year-to-year comparison	Progress
Quantity	886 million pcs	98.3%	914 million pcs	99.4%	1.8 billion pcs	98.9%	101.7%
Amount	52.6 billion yen	108.0%	54.4 billion yen	106.7%	107 billion yen*	107.3%	105.9%



Second half Projected Rate US\$1.00 = ¥ 117

Average Unit Price: ¥54.77/2006 ⇒ 59.44/2007 (+8.5%)



Breakdown of Sales Total

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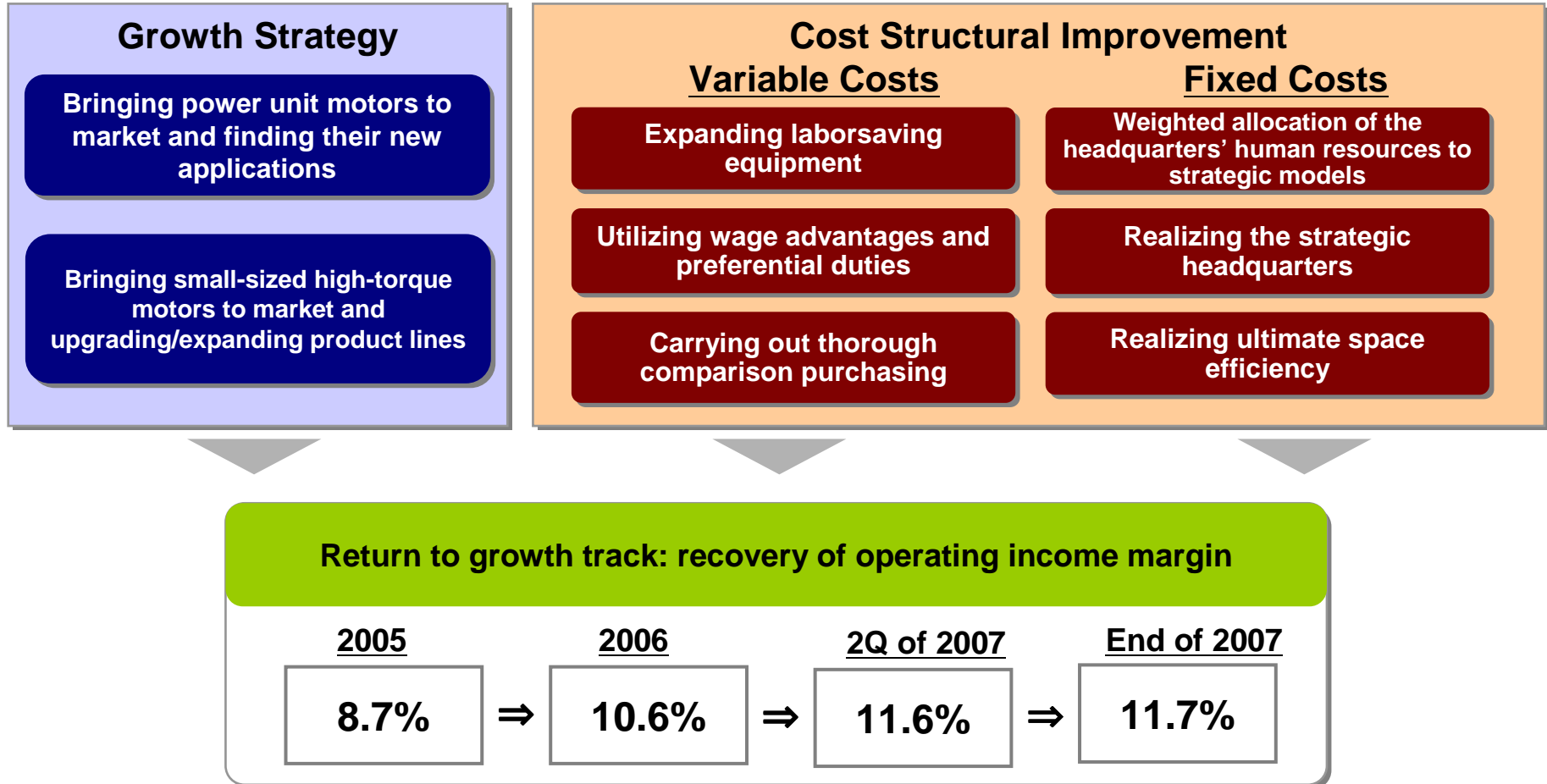
Forecast of performance of the whole fiscal year



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Our efforts and results so far

Our efforts and results so far



Growth Strategy 1 : Bringing power unit motors to market



Main Applications

- Power window lifters
- Power seats
- Sunroofs/sunshades
- Door closers

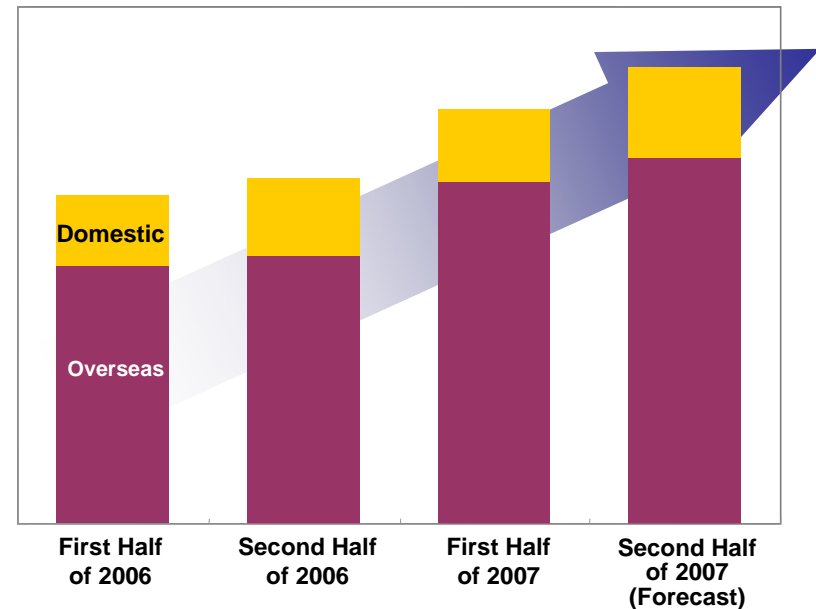
Points for Differentiation

Performance and cost advantages of base motors

Achievements in First Half of 2007

- ✦ Started mass production of new products (for power window lifters) and brought the products to market
- ✦ Improved flexibility of utilizing human resources in development departments through reorganization
- ✦ Widely expanded existing products through positive sales expansion in developing countries
- ✦ Launched mass-production lines for new products for power seats

Sales Performance of Motors for Power Window Lifters



**Growth Strategy 2 :
Bringing small-sized high-torque motors to market and
upgrading/expanding product lines**



Main Applications

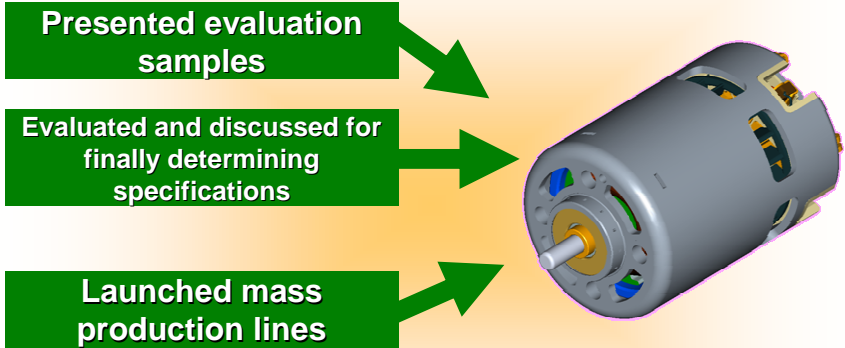
- General automotive products (such as door lock actuators, retractable rearview mirrors, and power seats)
- Ink-jet printers
- Power tools

Points for Differentiation

- Half-size and equal-torque motors compared with conventional motors
- Magnetic design technology
 - High-density winding technology
 - Contact technology
 - Heat-resistant bearing technology

Achievements in First Half of 2007

- ❖ Presented evaluation samples and discussed for finally determining specifications of motors to be shipped
- ⚙ Motors for seat lifters: motors for a world-class North American manufacturer
- ⚙ Motors for seat adjusters: motors for world-class European and U.S. manufacturers
- ❖ Launched new mass production lines
- ⚙ Motors for air conditioning damper actuators: motors for a world-class domestic manufacturer
- ⚙ Motors for power tools: scheduled to start mass production from August



Promotion of Cost Structural Improvement



	Cost Reduction Strategies	Efforts Made in First Half	Measures for Second Half
Variable Costs	Expanding laborsaving equipment	Verifying effects of introduction of the equipment into main bases Set up promotion project in the headquarters	Stabilizing the introduced equipment early and accelerating creation of effects of the introduction
	Utilizing wage advantages	Increased production capacity of Danang Factory (Launched 8 lines as planned)	Further increasing the production capacity (by increasing the lines up to 22 lines)
	Carrying out thorough comparison purchasing	Made improvements for reducing procured part/material price difference between bases	Steadily achieving cost reduction of priority part/material
Fixed Costs	Realizing the strategic headquarters	Completed detailed check of activities in the headquarters Specifying challenges to be addressed	Reviewing existing reporting systems by further utilizing IT
	Weighted allocation of the headquarters' human resources in development departments to strategic models	Allocated the human resources to priority departments through reorganization of the development departments	Realizing reorganization synergy early
	Realizing ultimate space efficiency	Reduced factory and warehouse spaces by half in main factories in Guangdong	Continuing measures for reducing factory and warehouse spaces in reduction-unfinished bases

The above full-year operational results outlook is based on certain assumptions that we deem reasonable at this point, and actual results may differ from the outlook.

Factors that may affect the operational results are including, but not limited to:

- Fluctuations in exchange rates for yen and other Asian currencies
- Changes in economic conditions, demand trends and the like that surround Mabuchi's domain identity
- Rapid technological innovations such as new technologies and new products