

Results briefing 2008

2008 Operational Results and
2009 Operational Results Outlook



MABUCHI MOTOR

February 17, 2009

Mabuchi Motor Co., Ltd.

- 1** **Summary of business performance for fiscal 2008**
- 2** 2008 Overview
- 3** 2009 Operational Results Outlook
- 4** Future Efforts

Summary of business performance for fiscal 2008

Sales amounts

Falling short of sales target for fiscal 2008

- Yen's substantial rising against the dollar compared to the planned exchange rate
- Substantial order decrease of motors for major automotive applications (for Mirror, Door Lock Actuator and Air Conditioning Damper Actuator) from the third quarter due to the decrease of demands for brand new vehicles
- Demands for Power Window Lifter, Head Light Beam Level Adjuster and Power Seat were steady
- Audio/Visual market shrunk within the scope of our assumption

Profit

Falling short of profit target for fiscal 2008

- Considerable rising cost of raw materials and elevated labor cost at production bases
- Increase of fixed cost due to the reduction of capacity utilization
- Increase of expense for maintenance and repair of buildings and facilities
- Adopted the "asset impairment accounting treatment" to keep financial soundness

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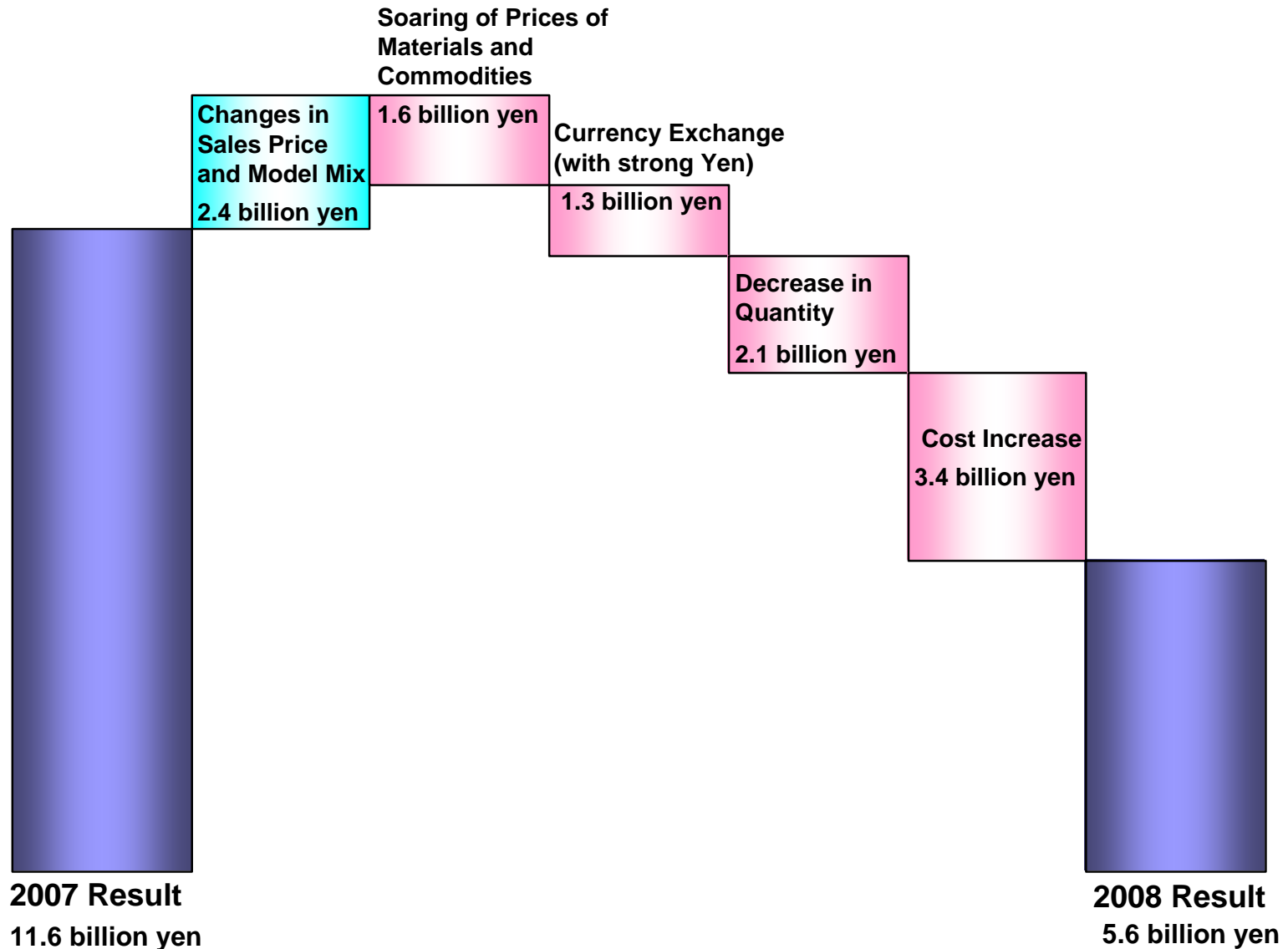
2008 Consolidated Operational Results

Unit: 100 million yen

	2007 Result	2008 Result	Result Percentage Change from 2007	2008 FY Projection (Nov. 6, 2008)	Projected Result Percentage Change from 2008
Net Sales	1,076(100%)	926(100%)	14.0%	960(100%)	3.5%
Gross Profit	304(28.3%)	238(25.7%)	21.8%	250(26.0%)	4.8%
Operating Income	116(10.9%)	56(6.1%)	51.6%	63(6.6%)	10.3%
Ordinary Income	167(15.5%)	78(8.5%)	53.0%	96(10.0%)	18.0%
Net Income	109(10.1%)	35(3.9%)	67.3%	55(5.7%)	35.2%
Average Rate during Period	¥117.84	¥103.46	First-half Actual Rate	¥104.92	
Year-end Rate	¥114.15	¥91.03	Second-half Projected Rate	¥100.00	

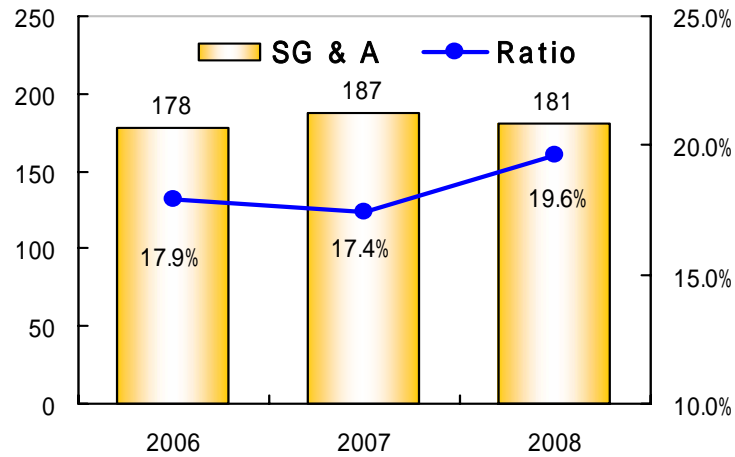
2008 Consolidated Operational Results

Analysis on Factors for Increase/Decrease of Operating Income

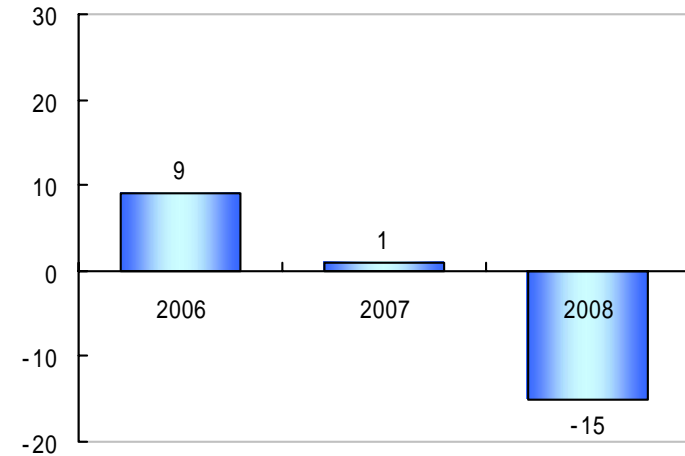


Factors Affected 2008 Consolidated Operational Results

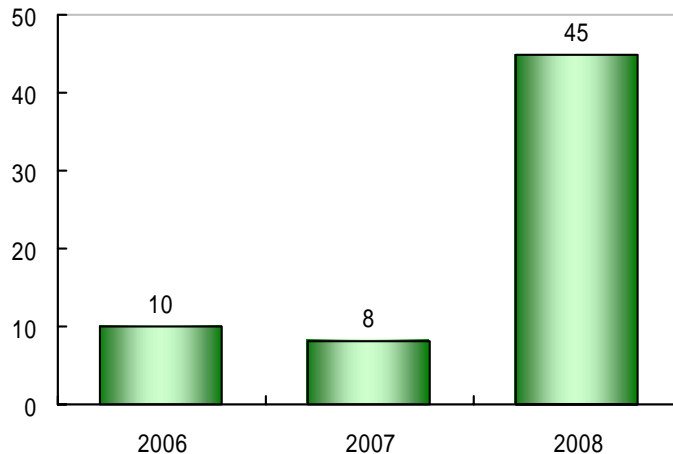
1. Selling, General and Administrative Expenses (100 million yen)



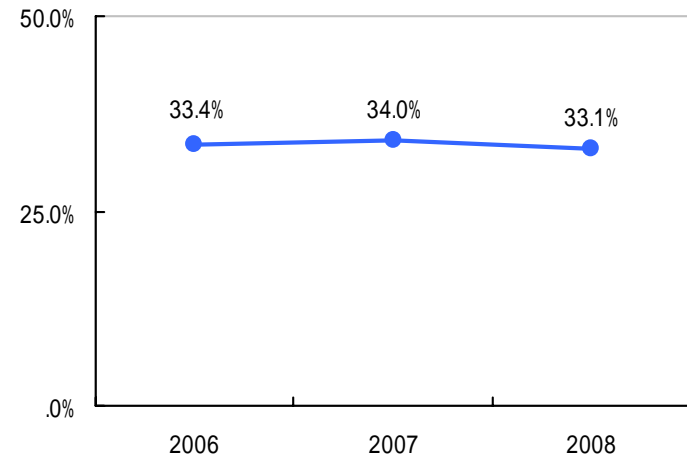
2. Foreign Exchange Gains/Losses (100 million yen)



3. Extraordinary Loss (100 million yen)

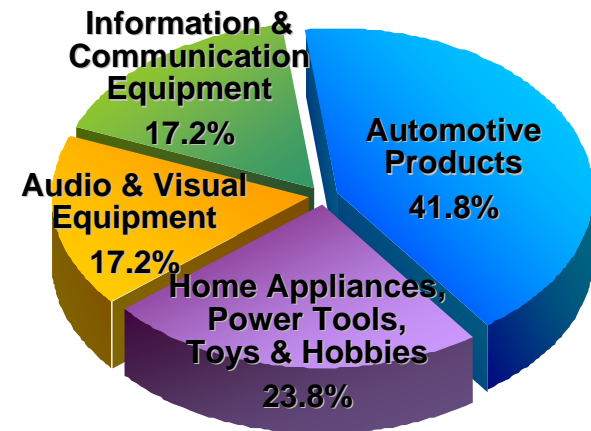
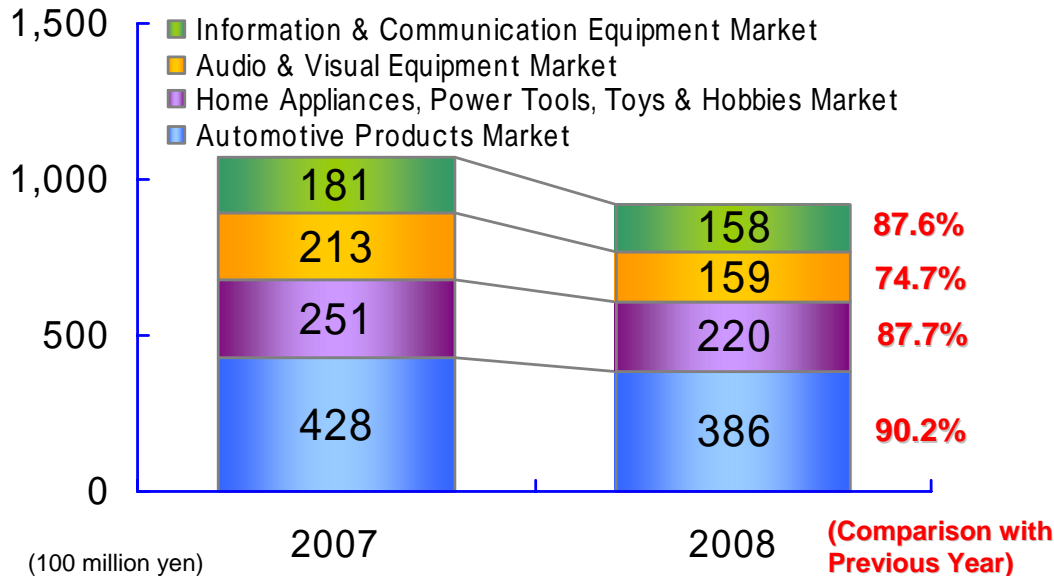


4. Corporate Tax Rate



2008 Actual Sales

	2007	2008 Projection	2008 Result	Comparison with Previous Year	Comparison with Projection
Quantity	1.82 billion pcs	1.69 billion pcs	1.64 billion pcs	90.1%	97.3%
Amount	107.4 billion yen <small>(Average rate during period: ¥117.84)</small>	96.0 billion yen	92.5 billion yen <small>(Average rate during period: ¥103.46)</small>	86.1%	96.4%
Average Unit Price	¥58.87		¥56.28		

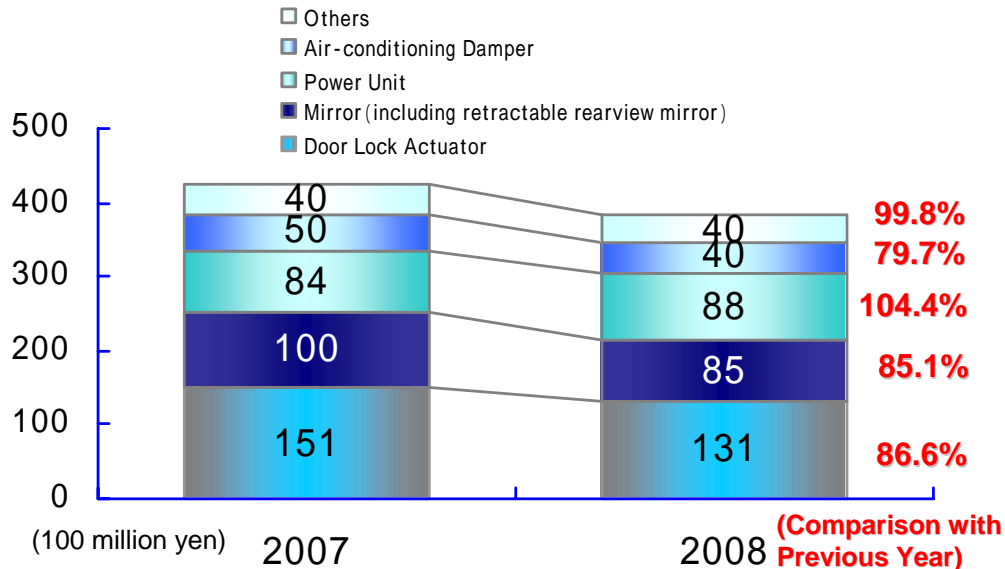


Breakdown of Sales Total

2008 Actual Sales by Market

[Automotive Products Market]

	2007	2008 Projection	2008 Result	Comparison with Previous Year	Comparison with Projection
Quantity	556 million pcs	543 million pcs	524 million pcs	94.3%	96.4%
Amount	42.8 billion yen	40.4 billion yen	38.6 billion yen	90.2%	95.5%
Average Unit Price	¥77.01		¥73.70		

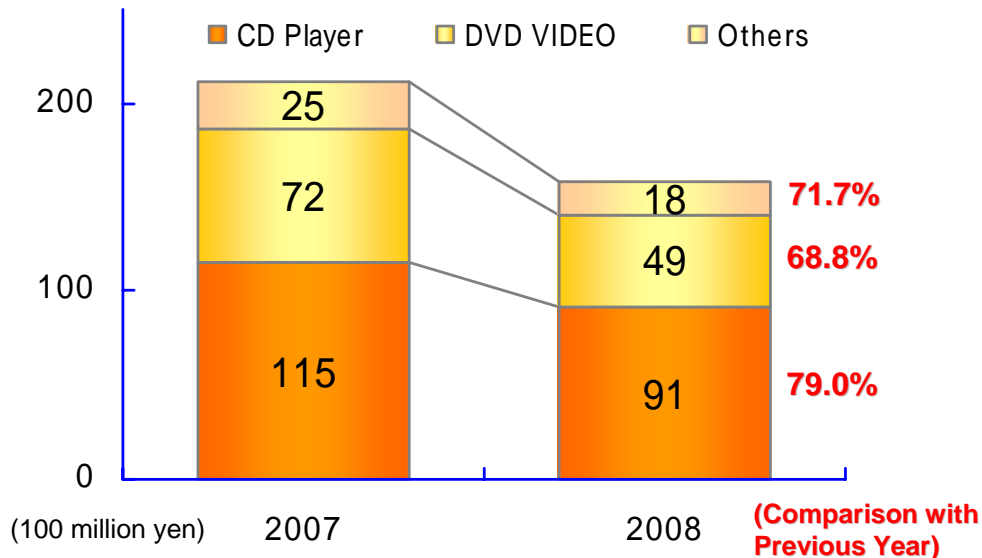


- Regarding motors for mirrors, door lock actuators, and air conditioning damper actuators, namely motors occupying high market shares, their sales decreased being directly affected by production adjustment carried out in the second half of the year.
- Regarding motors for power window lifters, types of vehicles, in which the motors are used, increased, and their sales expanded in the BRICs markets.
- In new markets, sales of motors for steering locks, electric parking brakes, and head light beam level adjusters continued favorable.

2008 Actual Sales by Market

[Audio & Visual Equipment Market]

	2007	2008 Projection	2008 Result	Comparison with Previous Year	Comparison with Projection
Quantity	572 million pcs	488 million pcs	470 million pcs	82.1%	96.3%
Amount	21.3 billion yen	16.6 billion yen	15.9 billion yen	74.7%	95.5%
Average Unit Price	¥37.20		¥33.84		

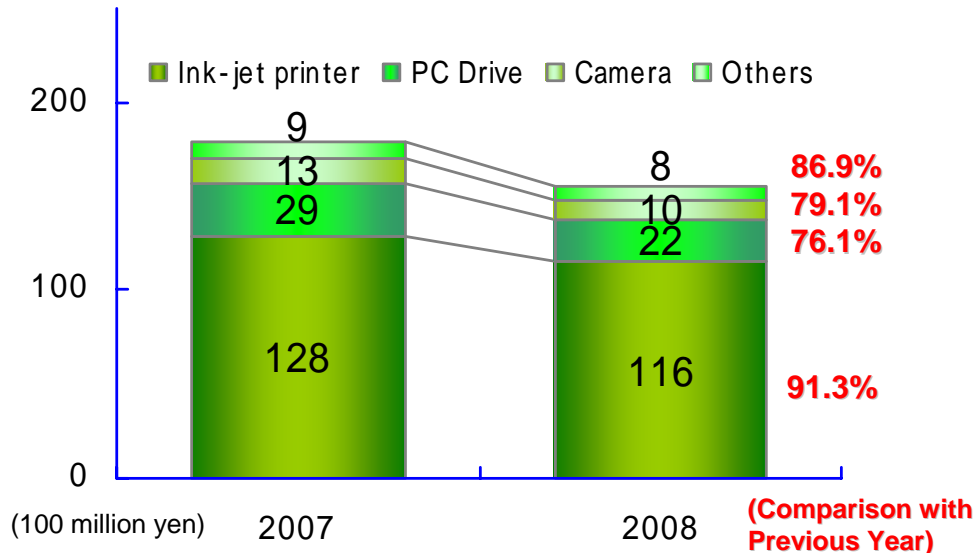


- Regarding motors for CD players, demand for motors for household CD players continuously decreased, and demand for motors for in-car CD players decreased being affected by automotive production adjustment.
- Regarding motors for DVD players, though the average unit price was improved as a result of sales activities putting emphasis on profitability, the sales quantity decreased.
- Besides above market segments, sales of motors for video games remained unchanged.

2008 Actual Sales by Market

[Information & Communication Equipment Market]

	2007	2008 Projection	2008 Result	Comparison with Previous Year	Comparison with Projection
Quantity	333 million pcs	317 million pcs	306 million pcs	91.8%	96.6%
Amount	18.1 billion yen	16.5 billion yen	15.8 billion yen	87.6%	96.2%
Average Unit Price	¥54.37		¥51.90		

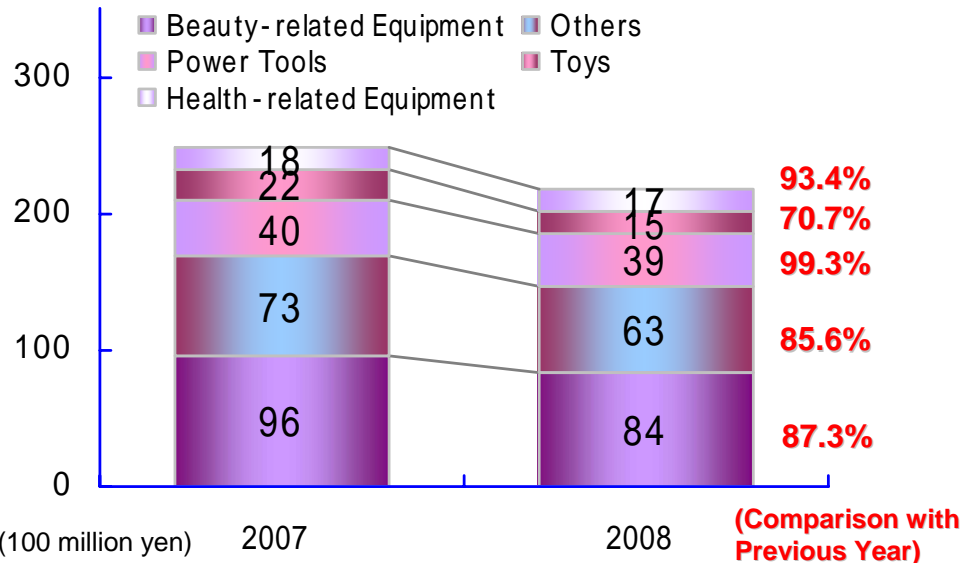


- Though sales of motors for ink-jet printers remained unchanged on the whole, sales of motors for scanners increased.
- Sales of motors for copiers steadily expanded.
- Sales of motors for PC drives and digital cameras decreased due to decline of their market shares.

2008 Actual Sales by Market

[Home Appliances, Power Tools, Toys & Hobbies Market]

	2007	2008 Projection	2008 Result	Comparison with Previous Year	Comparison with Projection
Quantity	362 million pcs	340 million pcs	343 million pcs	94.6%	100.6%
Amount	25.1 billion yen	22.3 billion yen	22.0 billion yen	87.7%	98.7%
Average Unit Price	¥69.40		¥64.33		



- For motors for electric shavers, sales of motors for middle- and high-grade electric shavers increased.
- For motors for electric toothbrushes, low-priced electric toothbrush market conditions deteriorated.
- Sales of motors for power tools were favorable in Europe. In addition, sales of motors for high-power tools increased.
- For motors for health-related equipment, sales of motors for medical-related equipment were steady.

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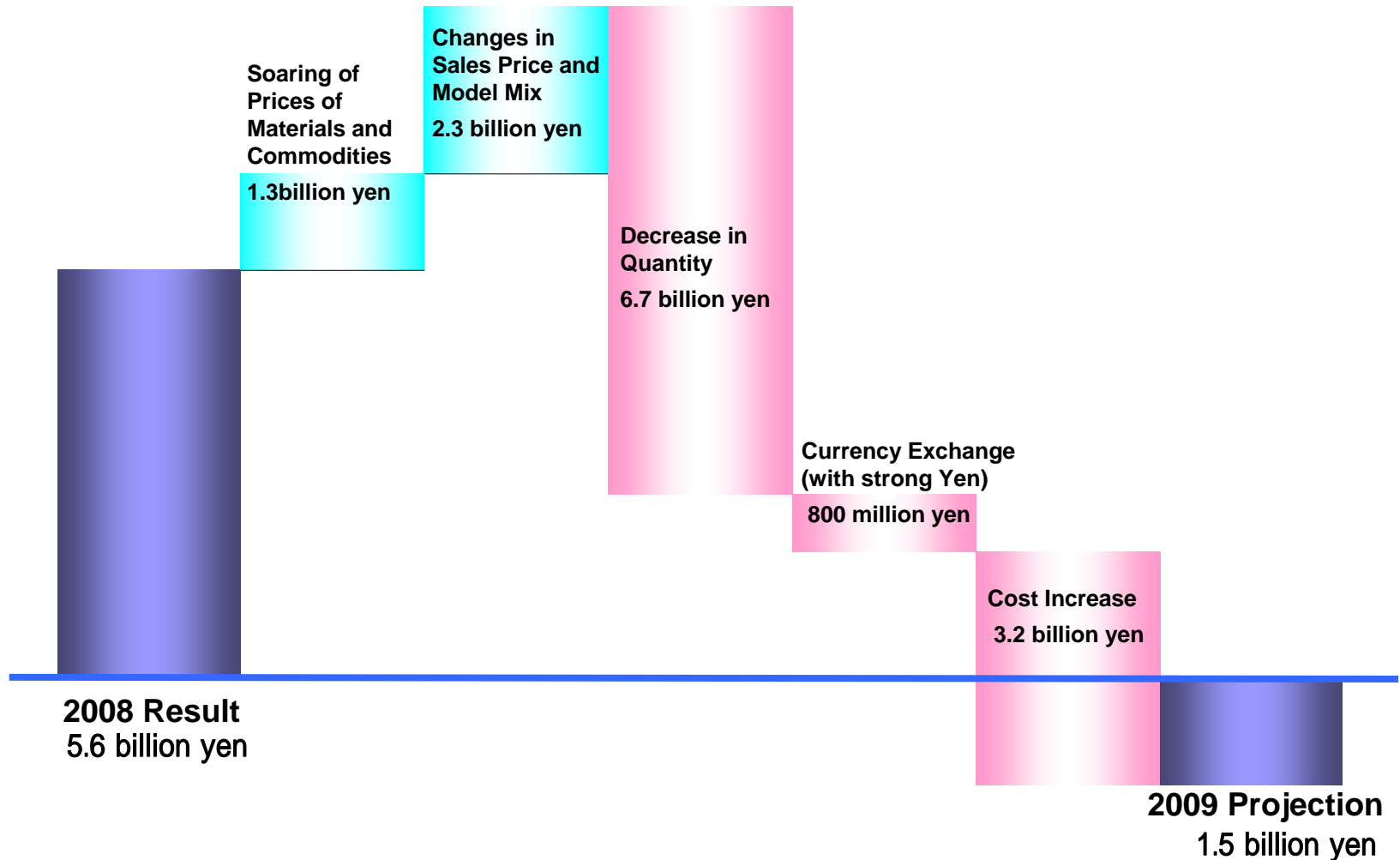
2009 Consolidated Operational Results Outlook

Unit: 100 million yen

	2008 Result	2009 Projection	Result Percentage Change from 2008
Net Sales	926(100%)	650(100%)	29.8%
Gross Profit	238(25.7%)	145(22.3%)	39.1%
Operating Income	56(6.1%)	15(2.3%)	-
Ordinary Income	78(8.5%)	2(0.3%)	-
Net Income	35(3.9%)	5(0.8%)	-
Average Rate during Period	¥103.46	Projected Rate	¥90.00
Year-end Rate	¥91.03		

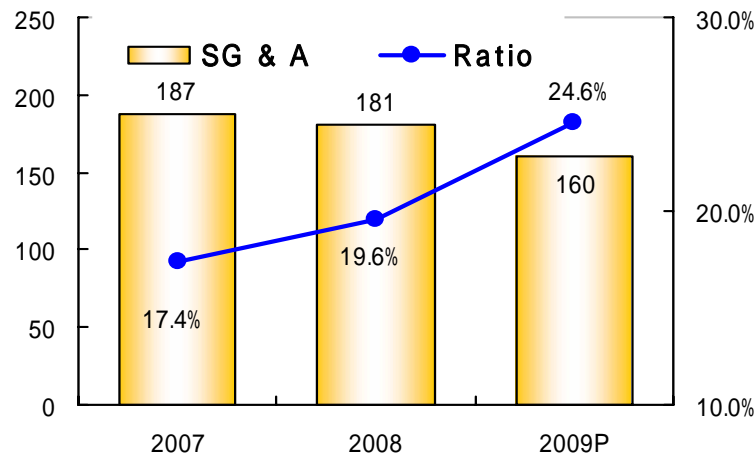
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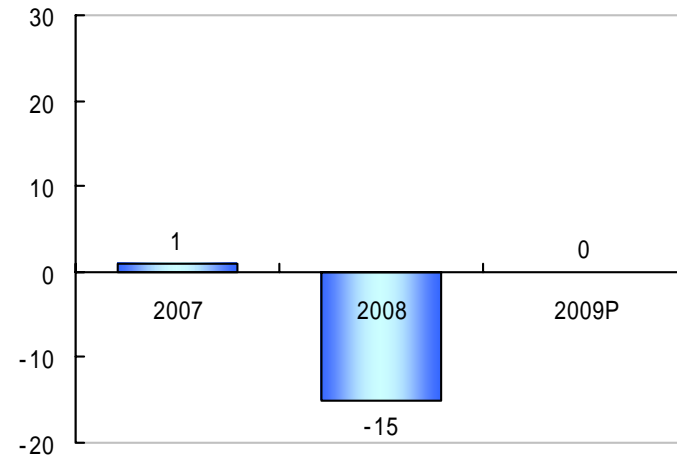


Factors to Affect 2009 Consolidated Operational Results Outlook

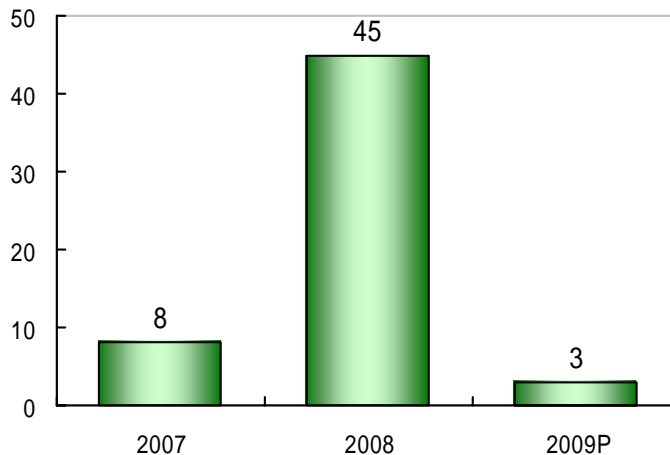
1. Selling, General and Administrative Expenses (100 million yen)



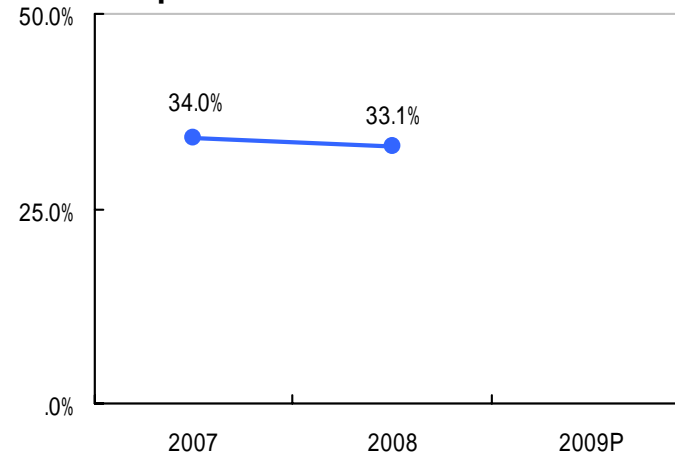
2. Foreign Exchange Gains/Losses (100 million yen)



3. Extraordinary Loss (100 million yen)



4. Corporate Tax Rate



2009 Market Environment Recognition

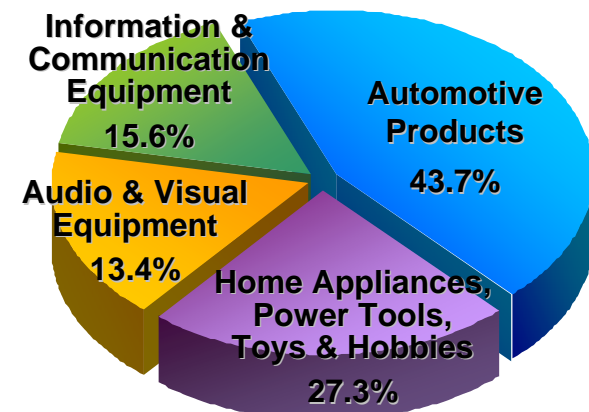
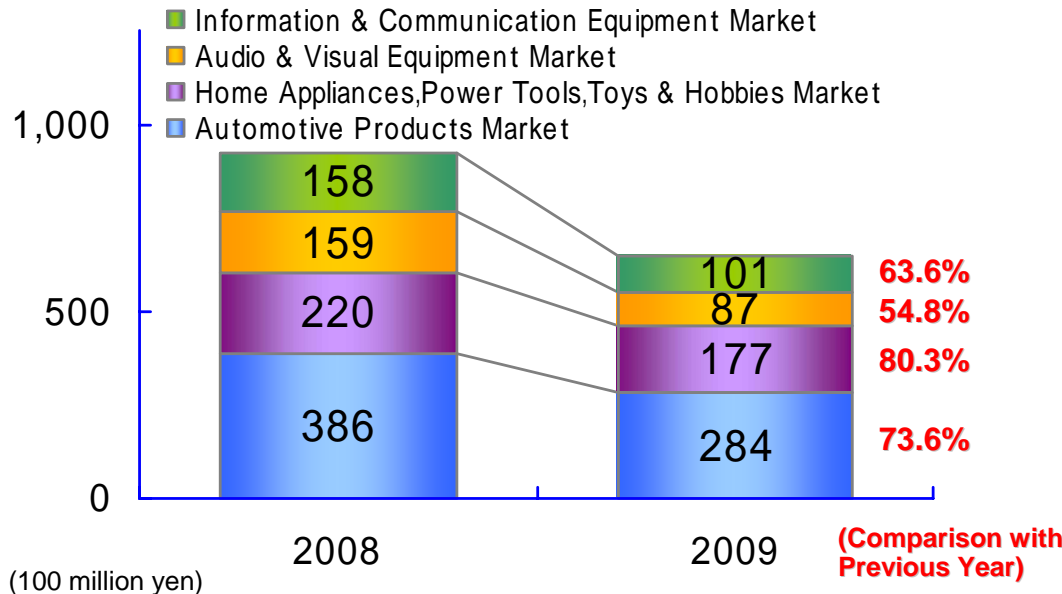
Automotive Products Market	<ul style="list-style-type: none">● It is unlikely that the sales will significantly rebound within this year. However, it is expected that the sales will bottom out in the latter part of this year.● The number of motor-driven electric components per automobile is expected to further increase in pursuit of comfortable driving environment, safety, and amenity.
Audio & Visual Equipment Market	<ul style="list-style-type: none">● Sales of motors for in-car audio and visual equipment are expected to be seriously affected by automotive production adjustment.● Sales of motors for household audio and visual equipment are expected to encounter increasingly intensified price competition.
Information & Communication Equipment Market	<ul style="list-style-type: none">● Sales of motors for ink-jet printers are expected to be strongly affected by production adjustment.● Market of motors for digital cameras is expected to grow at a mild pace.
Home Appliances, Power Tools, Toys & Hobbies Market	<ul style="list-style-type: none">● The market for power tools using DC motors is expected to expand due to the shift of AC power tools to DC ones.● Sales of motors for mid- and high-priced beauty-related equipment are expected to be strong.

2009 Sales Projection (consolidated)

	2008 Result	Comparison with Previous Year	2009 Projection	Comparison with Previous Year
Quantity	1.64 billion pcs	90.1%	1.18 billion pcs	71.8%
Amount	92.5 billion yen (Average rate during period: ¥103.46)	86.1%	65.0 billion yen (Average rate during period: ¥90.00)	70.3%
Average Unit Price	¥56.28		¥55.08	

*Reference value:
Equivalent to
¥73.6 billion
(should the average rate of ¥103.46, same as 2008, applied)

(Note) Actual sales mean actual result of motor sales (excluding sales of parts and equipment).

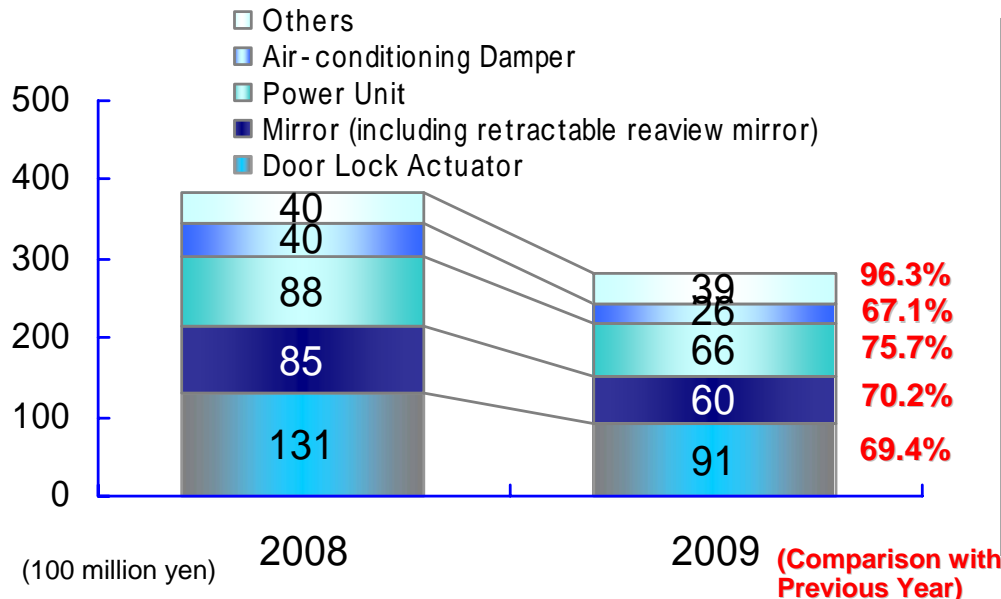


Breakdown of Sales Total

2009 Sales Projection by Market

[Automotive Products Market]

	2008 Result	Comparison with Previous Year	2009 Projection	Comparison with Previous Year
Quantity	524 million pcs	94.3%	407 million pcs	77.7%
Amount	38.6 billion yen	90.2%	28.4 billion yen	73.6%
Average Unit Price	¥73.70		¥69.85	
Average Rate during period	¥103.46		¥90.00	

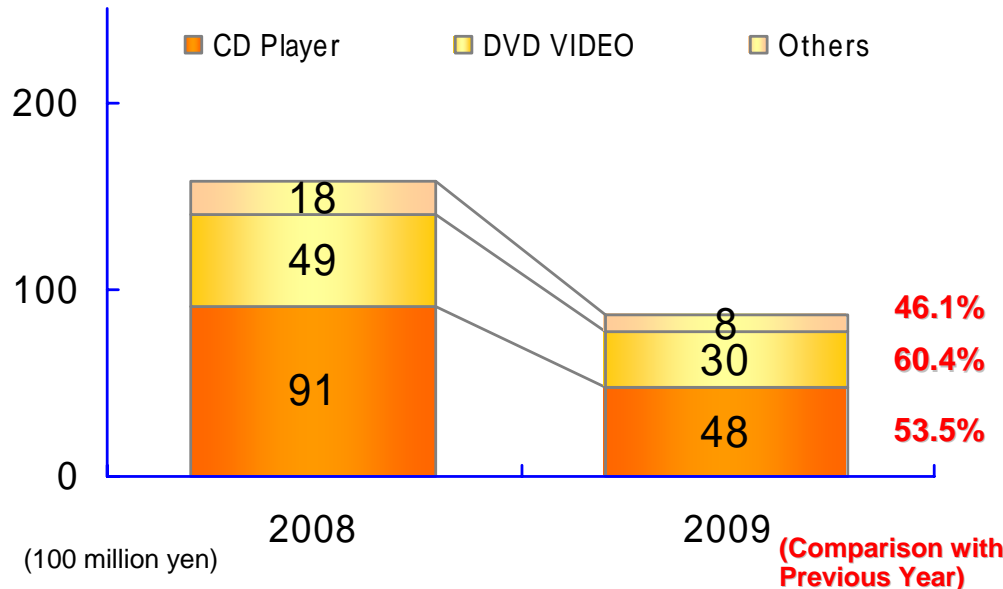


- For sales of motors for mirrors, door lock actuators, and air conditioning damper actuators, their market shares are expected to be maintained by quality advantages of our products.
- Sales of motors for power seats are expected to increase due to the launch of new models and increase of the number of customers.
- For sales of motors for power window lifters, we are going to strengthen our sales promotion activities for small automobile use and for the BRICs market.

2009 Sales Projection by Market

[Audio & Visual Equipment Market]

	2008 Result	Comparison with Previous Year	2009 Projection	Comparison with Previous Year
Quantity	470 million pcs	82.1%	283 million pcs	60.3%
Amount	15.9 billion yen	74.7%	8.7 billion yen	54.8%
Average Unit Price	¥33.84		¥30.77	
Average Rate during period	¥103.46		¥90.00	

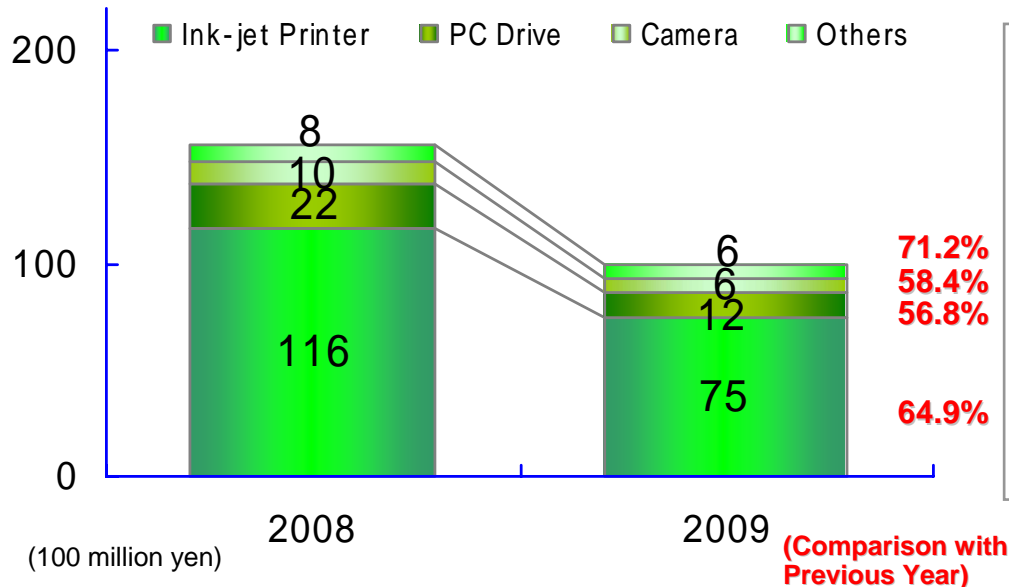


- For motors for in-car audio and visual equipment, we are going to further pursue improvement of the motor characteristics.
- Motors for DVD players are expected to be decreased as a result of withdrawal of loss-making models from market.
- Besides above market segments, we are going to strengthen our sales promotion activities for video games use of major customers.

2009 Sales Projection by Market

[Information & Communication Equipment Market]

	2008 Result	Comparison with Previous Year	2009 Projection	Comparison with Previous Year
Quantity	306 million pcs	91.8%	198 million pcs	64.8%
Amount	15.8 billion yen	87.6%	10.1 billion yen	63.6%
Average Unit Price	¥51.90		¥50.91	
Average Rate during period	¥103.46		¥90.00	

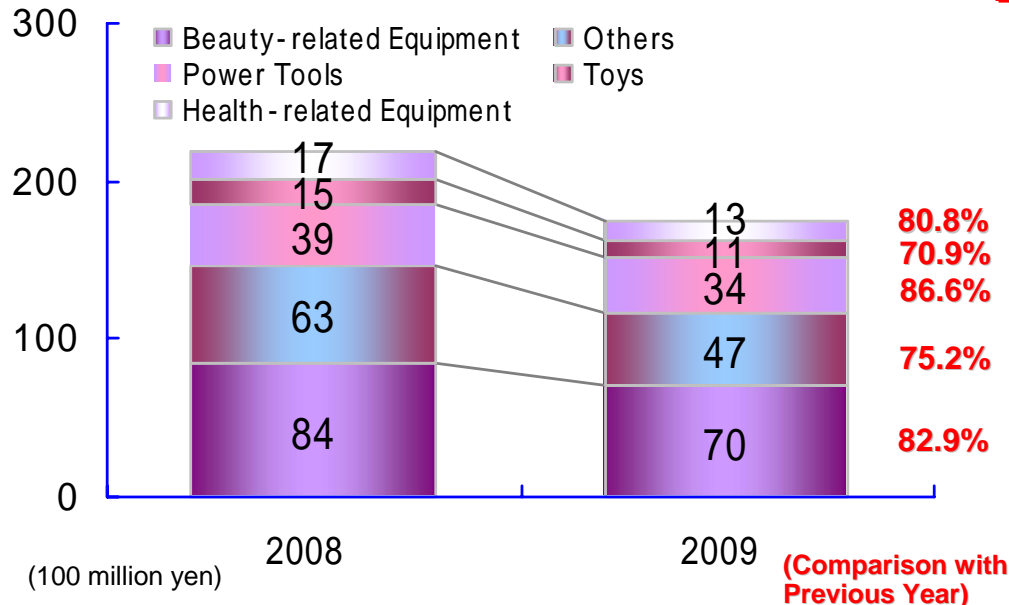


- For motors for ink-jet printers, we are going to further pursue improvement of the motor characteristics.
- For motors for digital cameras, we are going to strengthen our relationships with customers so that we can flexibly deal with customer requirements.
- Motors for PC drives are expected to be decreased as a result of withdrawal of loss-making models from market.

2009 Projection by Market

[Home Appliances, Power Tools, Toys & Hobbies Market]

	2008 Result	Comparison with Previous Year	2009 Projection	Comparison with Previous Year
Quantity	343 million pcs	94.6%	290 million pcs	84.7%
Amount	22.0 billion yen	87.7%	17.7 billion yen	80.3%
Average Unit Price	¥64.33		¥60.98	
Average Rate during period	¥103.46		¥90.00	



- For motors for electric shavers, we are going to respond to the trend of putting importance on quality in developing countries.
- For motors for electric toothbrushes, we are going to further strengthen our relationships with major customers to maintain the shares.
- For motors for power tools, we are going to upgrade the performance of motors for high-power tools in accordance with the introduction of higher performance batteries.
- Besides above market segments, we are going to strengthen our market survey activities to search for new potential applications.

2009 Sales Projection (for First / Second Half and Each Quarter)

		2009 First Half	2009 Second Half	2009 Full Year
Automotive Products Market	Quantity	179 million pcs	228 million pcs	470 million pcs
	Amount	12.0 billion yen	16.3 billion yen	28.4 billion yen
Audio & Visual Equipment Market	Quantity	120 million pcs	163 million pcs	283 million pcs
	Amount	3.6 billion yen	5.0 billion yen	8.7 billion yen
Information & Communication Equipment Market	Quantity	86 million pcs	112 million pcs	198 million pcs
	Amount	4.3 billion yen	5.7 billion yen	10.1 billion yen
Home Appliances, Power Tools, Toys & Hobbies Market	Quantity	137 million pcs	153 million pcs	290 million pcs
	Amount	8.4 billion yen	9.3 billion yen	17.7 billion yen
Total	Quantity	522 million pcs	658 million pcs	1,180 million pcs
	Amount	28.5 billion yen	36.5 billion yen	65.0 billion yen

		1Q	2Q	3Q	4Q
Total	Quantity	217 million pcs (18.4%)	305 million pcs (25.8%)	345 million pcs (29.2%)	313 million pcs (26.5%)
	Amount	12.0 billion yen (18.5%)	16.5 billion yen (25.4%)	19.0 billion yen (29.2%)	17.5 billion yen (26.9%)

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Activities to be focused on in 2009

Continuous efforts toward the immediate earnings recovery and the structural improvement

~ Increasing powers of endurance against the deteriorating business environment ~

Activities toward the
immediate earnings
recovery

- Launching the company-wide "immediate earnings recovery" organization
- Implementing immediate countermeasures with the full potential of Mabuchi group toward earnings recovery

Promotion of the
growth strategy

- Seeding and cultivating the markets which are supposed to be the keys to the growth and the earnings recovery
- Being in the process of building the platforms toward the earnings recovery through acquisition of promising customers in Power Unit Motor (PUM) markets and existing applications markets

Strengthening of the
production
foundations

- Continuing production base relocation from China to Vietnam
- Building of the production system which enables the continuous productivity improvement

Activities toward the immediate earnings recovery

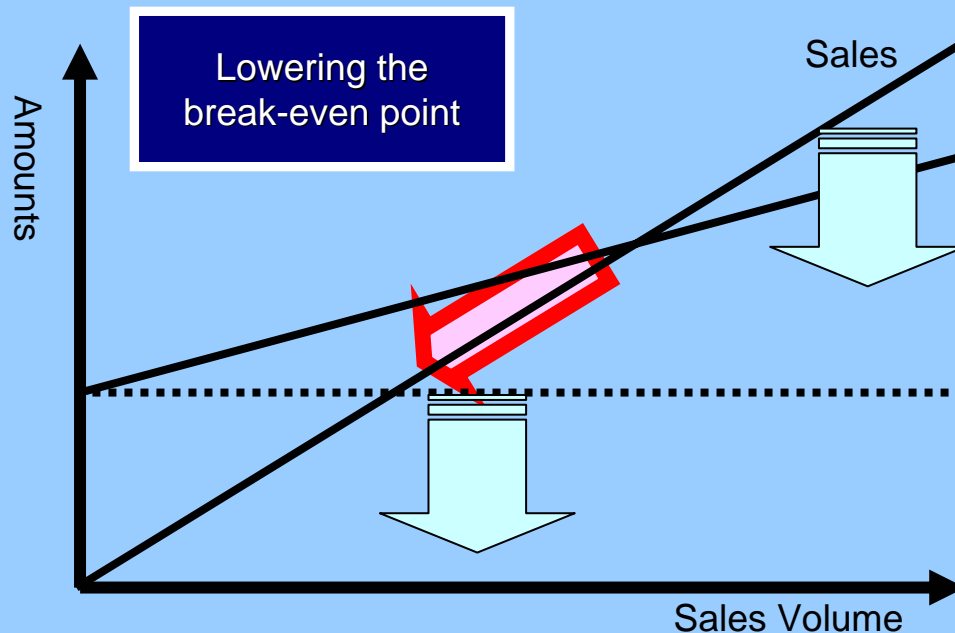
Implementing immediate countermeasures with the full potential of Mabuchi group toward earnings recovery

Strengthening the financial and business position by lowering the break-even point toward the realization of the company which we can secure the profitability even in the business environment where the sales growth can not be expected

Activities toward
the immediate
earnings
recovery

■ **Launching the company-wide "immediate earnings recovery" organization**

■ **Inducing to the realization of the cost reduction target through overall administration of company-wide countermeasures**



Variable cost;

- Manning adjustment of direct workers of production bases
- Cutting in total working hours (overhauling of overtime work and shift systems)
- Minimizing the production losses by improving the process yield and the production processes

Fixed cost; Decreasing 10% over the previous year

- Reduction of D&D costs through careful selection of D&D themes
- Careful selection of capital investments (Strategic allotment to "focused-on" businesses)
- Countermeasures on the workforce (regarding filling vacant positions and curtailing overtime)
- Cost reduction (Reduction of travel expense, maintenance/repair expense and articles of consumption for research)

Activities to be focused on in 2009
Promotion of the growth strategy

Seeding and cultivating the markets which are supposed to be the keys to the growth and the earnings recovery

Our perception that the growing market for us in the future is the automotive use market remains the same because small motors is becoming the common parts to be used in many new automotive components and we anticipate that business practice of the "horizontal division of work" will replace the one of the "vertical integration" in the automotive industry

Strategy for automotive use market

【For Power Window Lifter】

- Expanding new business opportunities and extending shipping goods range
- Strengthening the business foundations and expanding the contribution to profit
- Expanding automotive models/types which mount "specialized motor models by areas" in BRICs and the middle east markets

【For Power Seat】

- Shipping started for high-end vehicles in Europe and sales volume is expected to increase in series
- Allotting resources suited to the potential growth ability

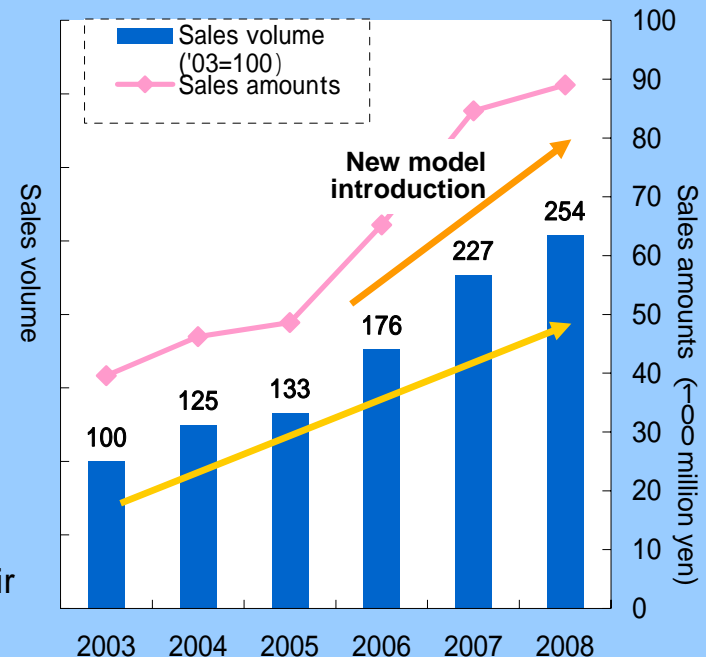
【For Head Light Beam Level Adjuster】

- Market for this use is expected to expand due to the law amendment which makes the use of this device obligatory
- Cultivating the market for hot-selling automotive models

【For Parking Brake】

- Expanding the sales to major automotive manufacturers for their high-end vehicles in Europe

Change in sales of motors for Power Window Lifter use



Sales volume change shows the comparison value when the sales volume is figured as 100

Strengthening of the production foundations

Accelerating re-organization of production bases and production engineering innovations

Accelerating re-organization of production bases and production engineering innovations aiming for securing the effective product supply ability and realizing the production system which enables continuous productivity improvement

Strengthening of the production foundations by beginning the second phase of construction of DaNang plant

- Enhancement of VDM (DaNang) where the second phase of construction is going to be partly completed in the spring of 2009
- Relocation of manufacturing to VNM (Bienhoa) and enhancement thereof

Strengthening of the production foundations for larger motors for automotive use

- Overall strengthening of JSM (Jiangsu Province) aiming to be the production base which is able to fulfill the demands of automotive industry

Full-scale activation of the "Production Engineering Innovation Center"

- Accelerating the embodiment of innovative production methods in all production bases (Reducing 30% of direct workers through the process improvement and establishing the production process not depending wholly on taking a seat-of-the-pants approach)
- Setting up the "Production Engineering Innovation Promotion Teams" in all production bases and formulating "production process innovation plans", introducing the idea inspired through the operation of "model production lines", about entire production processes (aiming for the realization of 3 times productivity improvement compared to the current status)

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