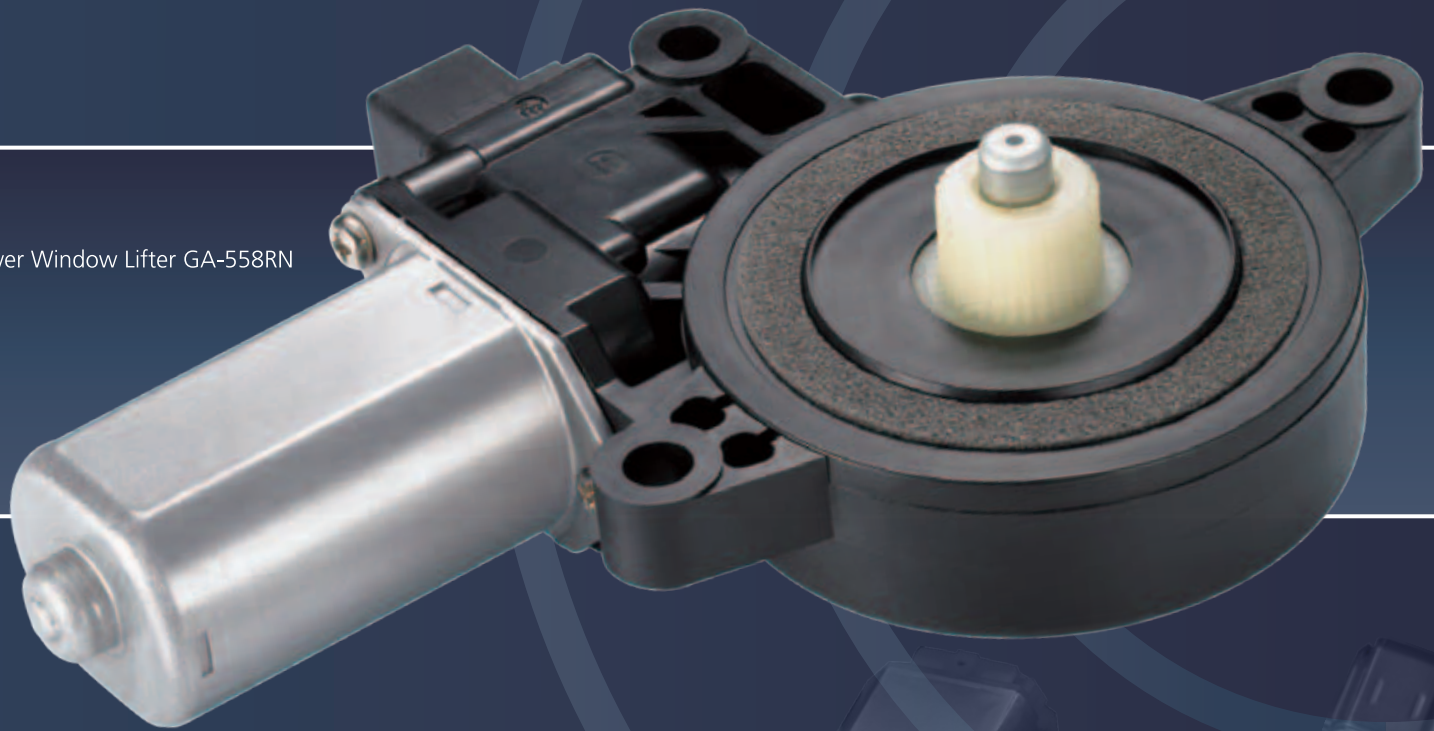


Power Window Lifter GA-558RN



**Small Motors at Work**  
**—Making Our Lives Better**

# Profile

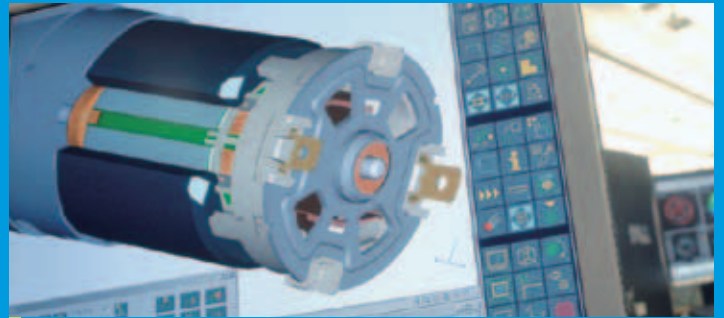


## Small direct current electric motor



### Marketing

We engage in marketing to rapidly, sufficiently and appropriately ascertain market and technology trends around the world and the motor functions that customers require. We provide our customers with low-cost, high-quality products and excellent delivery response times while analyzing information we collect on diverse customer needs to discover commonalities that permit standardization.



### Research and Development

Continuing to respond to a variety of needs with regard to motors, primarily the ability to be highly efficient and low in noise, Mabuchi Motor has always been leading the market of small motors.

From basic research, product development, product design and production technology to motor-applied technology in these small machine parts, Mabuchi has collected every wide range of technical capability that has been acquired over many years.



## Production

Mabuchi is establishing production bases across Asia with the aim of developing a competitive motor production system and providing employment opportunities in host countries. Furthermore, we strive to combine high quality and low cost in our production process by seeking an optimal balance between people and machines.



## Quality Assurance

Small motors from Mabuchi play an important role in many different settings in everyday life, mainly in the automotive products industry. To enable people to use our motors with confidence even in demanding environments, we conduct rigorous quality testing of every aspect of product performance, including the material quality and processing accuracy of parts, noise, change in temperature and humidity, and vibration.

# Small Motors at Work

## — Making Our Lives Better

Ever since its founding, Mabuchi Motor Co., Ltd. has been a specialist manufacturer of small motors that deliver consistently high quality and efficiency at low prices in line with our basic policy “Bringing better and more reasonably priced goods to the market.” Small motors from Mabuchi contribute to convenient, comfortable living for people the world over as functional components in a wide variety of applications in many industries, including automotive products, audio and visual equipment, optical and precision instruments, home appliances, power tools, toys, and hobbies.

The Mabuchi Group is the world’s leading producer of small motors. Our annual production volume of approximately 1.615 billion units (2010 results) is testimony to the excellent reputation and trust we have built with our customers and a source of great pride for us. In the coming years, we will continue to aspire to create new value through product development adaptable to market needs and a flexible supply system.

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## Forward-Looking Statements

This annual report contains forward-looking statements about Mabuchi's future plans, beliefs, strategies and performance that are not historical facts. These statements are based on current expectations, forecasts, estimates and projections about the industry in which Mabuchi operates and the beliefs and assumptions made by its management. As such expectations, forecasts, estimates and projections are subject to a number of risks, uncertainties and assumptions, they may cause actual results to differ materially from those projected. Mabuchi therefore cautions readers not to place undue reliance on forward-looking statements. Furthermore, the Company undertakes no obligation to update any forward-looking statements as a result of new information, future events or other developments.

Risks, uncertainties and assumptions mentioned above include, but are not limited to, exchange rates and economic conditions; the outcome of pending and future litigation; commodity prices; and the continued status of financing, financial instruments and financial resources.

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# To Our Shareholders

We are promoting a new axis of growth and rationalizing costs to drive progress in promising business areas



*S. Kamei*

**Shinji Kamei,**  
Representative Director and President

## ■ Overview of Sales during Fiscal 2010

In the fiscal year ended December 31, 2010, although there were geographical pockets of strength and weakness, the world economy continued its gradual recovery trend from the end of the previous fiscal year. However, the impact of economic stimulus measures implemented in a number of countries began to weaken, and economic recovery in developed countries lost momentum in the second half of the year. On the other hand, the expansion trend in emerging countries continued, and overall the world economy showed underlying stability.

Although the gradual recovery trend in Japan continued as well, the second half of the year brought fears of an economic slowdown due to a decrease in exports accompanying the slowing of recovery in developed countries, appreciation of the Japanese yen and a slowdown in the recovery of domestic demand triggered by the discontinuation of economic stimulus measures. However, even though recovery came to a standstill, the economy showed underlying stability thanks to upside factors such as last-minute demand prior to the discontinuation of economic stimulus measures.

Under these business conditions, demand in the markets in which the Mabuchi Group operates showed a recovery trend on the whole. The automotive products market in particular saw a sharp increase in demand as a result of gradual demand recovery in developed countries coupled with continued market expansion and higher demand in emerging countries. Although demand increased in the Group's other markets as well, because sales of many of the key products in these markets are dependent on demand in developed countries, recovery in demand was gradual due to the slow pace of economic recovery in these countries.

## Financial Highlights

	Millions of yen		Thousands of U.S. dollars	Rate of change
	2009	2010	2010	2010
Net sales	¥70,369	¥82,752	\$1,021,629	+17.6%
Operating income	3,019	6,624	81,777	+119.4%
Net income	5,450	5,260	64,938	-3.5%
Total assets	192,362	185,408	2,288,987	-3.6%
Net assets	180,311	174,570	2,155,185	-3.2%



In fiscal 2011, the Company will focus on establishing new growth axes and cost rationalization aligned with the business environment.

In these circumstances, the Mabuchi Group implemented measures to address the following issues: expansion of priority businesses (acceleration of the growth strategy), re-organization of production bases (reinforcement of manufacturing infrastructure), and rationalization of costs (transformation to earnings structure and strategic investment).

Specifically, the Group sought to increase sales and market share, ensure stable product supply and improve quality, increase profitability and productivity, and increase future Group management efficiency by actively devising measure including (1) sales promotions of motors for power window lifters and motors for power seats; (2) product line expansion for compact, high-output, lightweight motors; (3) transfer of production from China to Vietnam in accordance with the medium-term plan (production ratio optimization); (4) a rapid start of operations at MABUCHI MOTOR (YINGTAN) CO., LTD., which was established in Jiangxi Province, China; (5) conversion of MABUCHI MOTOR (JIANGSU) CO., LTD. into a dedicated plant for the automotive products market; and (6) strengthening of the budgeting system and focused investment in facilities to rationalize production.

As a result, consolidated net sales for the period amounted to 82,752 million yen (17.6% increase on a year-on-year basis). Sales of motors, which account for the majority of consolidated net sales, came to 82,658 million yen (17.6% increase on a year-on-year basis). Next, looking at operating income, despite such negative factors as the steep rise in labor costs and raw material costs, capacity utilization improved in the wake of a sharp year-on-year increase in sales volumes, and the profit margin improved as the collection of fixed costs per product unit increased. At the same time, profitability improvement activities continuing from the previous year bore fruit. As a result, operating income for the year amounted to 6,624 million yen (119.4% increase on a year-on-year basis). Ordinary income amounted to 7,587 million yen (39.9% increase on a year-on-year basis). This was due to an improvement in operating income, which offset deterioration in non-operating income and loss due to factors including a decrease in interest income on financial investments and the recording of a foreign exchange loss as a result of the strengthening of the yen. Income before income taxes amounted to 7,291 million yen (142.0% increase on a year-on-year basis). This was due to the non-recurrence this year of the loss on the closure of production bases that was the principal special loss recorded the previous year. Net income amounted to 5,260 million yen (3.5% decrease on a year-on-year basis). This was partly due to the elimination of a special factor, namely a non-recurring gain on the reversal of deferred tax liabilities recorded during the same period last year as a consequence of an amendment to the Corporation Tax Act, resulting in the return to the usual tax expense this year.

## ■ Implementation of a Growth Strategy and Cost Strategy in Preparation for a New Breakthrough

In fiscal 2011, the Company will focus on continued strengthening of the automotive products business, sales expansion in China, reorganization of production bases, and plant efficiency improvements necessary for the establishment of new growth axes and cost rationalization aligned with the business environment.

### Continued Strengthening of the Automotive Products Business

To strengthen the automotive products business, a medium-term initiative currently being implemented, the Mabuchi Group will continue to make focused investments in the markets for motors for power window lifters and motors for power seats and take measures to increase sales of compact, high-output motors.

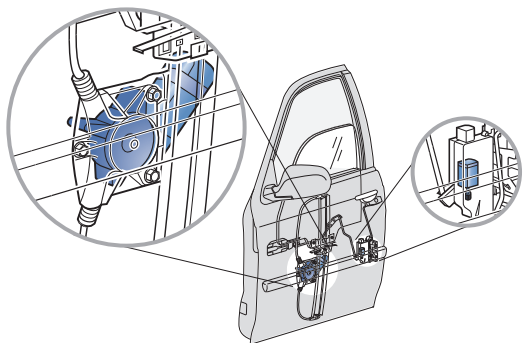
First, with regard to motors for power window lifters, we will strive to increase sales by further strengthening our sales systems and technical service systems in emerging countries and will vigorously proceed with development

of next-generation models that will be more compact and lightweight and cost less.

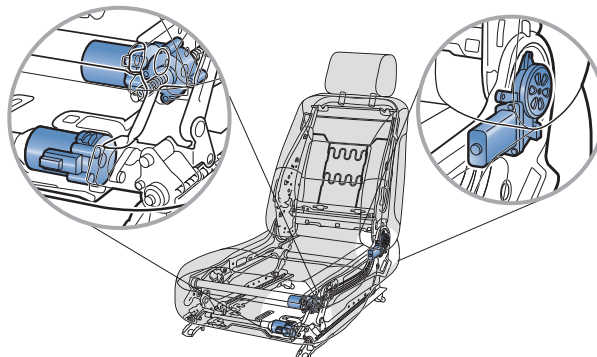
We will also work to develop motors for power seats into a second key product line comparable to motors for power window lifters by concentrating resources on development and sales expansion. We will take advantage of our product competitiveness and successful track record to steadily convert product inquiries, which are increasing in number, into purchase orders. At the same time, we will create greater synergy between our power seats business and power window lifters business to further reinforcement of competitiveness.

Furthermore, with regard to increasing sales of compact, high-output motors, anticipated growth of the compact car segment in the automotive industry is expected to bring increased demand for motors with a focus on lighter weight, lower noise, and environmental durability. We regard this change in the market environment as a new business opportunity and will work to expand our line of products that meet this market need and increase sales by publicizing the benefits of those products.

### Focus on Investments in the Markets for Motors for Power Window Lifters and Power Seats Step Up the Development and Increase the Sales of Compact, High-Output Motors

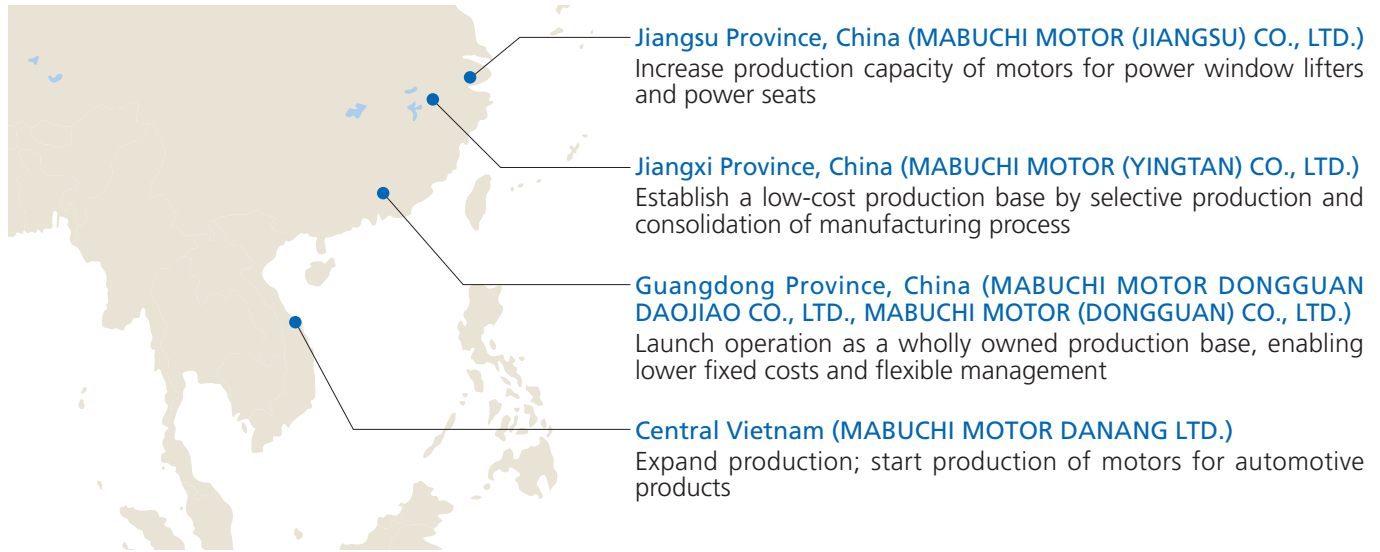


Motors for power window lifters



Motors for power seats

## Optimizing Production Base Allocation and Maximizing the Benefits of Reorganization



### Sales Expansion in China

To strengthen our business in China, an enormous market that holds promise for future growth, we will develop competitive products appropriate for the local market by optimizing the performance and structure of our products, establishing quality standards, and reviewing parts and materials procurement methods to adapt them to the market.

We will also take advantage of the strengthening of our technical service system in China, such as utilization of the Economic Cooperation Framework Agreement (ECFA), and the benefits of wholly owned production bases in Guangdong Province to increase sales to customers in China.

### Reorganization of Production Bases

The Mabuchi Group has engaged in activities from a medium-term perspective to optimize production base allocation with the aim of ensuring stable supply of products and enhancing operating efficiency. We have implemented an initiative to decrease the ratio of production in China from 80% to 60% and increase the ratio of production in Vietnam, where labor costs are lower, from 20% to 40% by the end of 2011. Since the transfer of production from China to Vietnam progressed according to schedule in fiscal 2010, prospects for achieving this target are good.

In the future, we will seek to maximize the benefits of reorganization by continuing activities to further strengthen our production bases, including the reallocation of models

according to production base location and organizational capabilities.

Specifically, we will further boost global cost competitiveness: for instance, production capacity expansion for motors

for power window lifters and power seats at Mabuchi Motor (Jiangsu) Co., Ltd., production expansion and start of production of motors for automotive products at Mabuchi Motor Danang Ltd., production expansion at Mabuchi Motor (Yingtang) Co., Ltd., and fixed cost reduction and assurance of management flexibility through full ownership of the factories in Guangdong Province.

### Plant Efficiency Improvements

Serious problems such as sharp wage hikes and increasing employee turnover have arisen in the employment environments in China and Vietnam, and the question of how to increase production efficiency is emerging as a major factor that will affect future competitiveness. To respond to these developments, the Mabuchi Group will pursue manufacturing processes that can ensure more stable, higher quality while proceeding with the systematic introduction of laborsaving facilities and improving worker efficiency.

At the same time, the Group will strive to transform manufacturing fixed cost levels to levels that enable it to compete worldwide. To this end, the Group will review the roles and functions of all work associated with its





In China, we will develop competitive products appropriate for the local market by optimizing the performance and structure of our products.

worksites, consolidate and streamline the organizational structure and functions, abolish redundant functions, and further systematize operational procedures.

#### ■ Basic Policy on Returning Profit to Shareholders and Dividends for the Year

Our basic policy on the appropriation of retained earnings is to retain necessary earnings for sound business activities, to maintain healthy financial strength and to ensure adequate dividends to our shareholders based on performance for the year. Based on the above policy, the Company makes it a principle to consistently distribute an ordinary dividend of ¥60 per share on an annual basis plus a special dividend equivalent to 20% (paid out on a per share basis) of the annual consolidated net income. In addition, the actual full-year dividend amount shall be based in principle on the above calculation standards and calculated in consideration of dividend payout ratio, dividend levels prior to the previous period, internal reserves, cash flows and other situations. The amount shall not be less than the expected full-year dividend amount announced during the full-year period.

As a result, the Company has decided to pay a year-end dividend of ¥50 per share (consisting of an ordinary dividend of ¥30 and a special dividend of ¥20). Since the Company has already paid an interim dividend of ¥50 per share (an ordinary dividend of ¥30 and a special dividend of ¥20), the annual dividend for fiscal 2010 will be ¥100 per share (an ordinary dividend of ¥60 and a special dividend of ¥40), as planned.

The Company purchased a total of 12.0 million shares of treasury stock through public tender offers or market purchases and purchases of fractional shares from 2002 to fiscal 2010 and has cancelled 5.2 million of these shares (including 2.0 million in fiscal 2010). The Company will continue to consider purchases of treasury stock as appro-

priate as a flexible response to changes in the share price or management environment and capital policy and as a method of returning profits to the shareholders.

Remaining surplus will be used for measures aimed at further strengthening our existing businesses and investing in areas of future growth, with a view of further increasing corporate value.

#### ■ Outlook

The outlook for 2011 is for gradual overall improvement in business conditions. In emerging countries, economic growth is expected to continue and remain stable despite some concerns. In developed countries, on the other hand, economic recovery will remain anemic, and factors such as soaring resource prices and credit uncertainty in Europe give cause for concern. In general, it appears additional time will be required for full-scale recovery of the world economy as a whole.

The situation in the markets in which the Mabuchi Group's products are sold is mixed as well. There are markets in which demand is increasing due to growth in emerging countries and markets that depend mainly on demand in developed countries in which recovery is only gradual. Nevertheless, demand is trending up in the Automotive Products market, the Audio & Visual Equipment market, the Optical & Precision Instruments market, and the Home Appliances, Power Tools & Toys market.

At this point, it is difficult to figure out the impact of the earthquake off the northeast coast of Japan, which occurred on March 11, 2011, on our business performance although we are continuously examining the impact closely.

Therefore, we are still leaving our earnings forecast for fiscal 2011, which we announced on February 15, 2011, unchanged.

# Segment Information by Motor Application

During fiscal 2010, the world economy continued its gradual recovery trend from the end of the previous fiscal year. Against this backdrop, demand in the markets in which the Mabuchi Group operates reflected this development on the whole. As a result, sales in the Group's mainstay motor business increased 17.6% year on year, to ¥82,658 million, with sales volumes showing a sharp increase from the previous fiscal year.

## Automotive Products

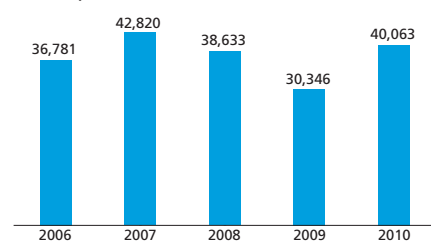
Major Applications  
Car mirrors, door locks, air conditioner damper actuators, power window lifters, steering locks, etc.



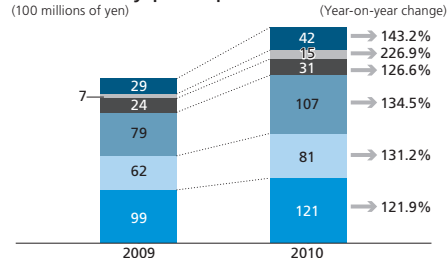
### Automotive Products Market

Net sales in this market increased substantially to 40,063 million yen (32.0% increase on a year-on-year basis). A sharp increase in demand occurred as customers experienced parts inventory shortages from the start of the year into spring due to recovery in automobile production. This resulted in a sudden recovery in sales of motors for mirrors, door locks and air conditioner dampers, products for which the Group has high market share. Growth in sales of power window motors continued as a result of demand expansion in emerging countries. With regard to other applications, sales of motors for power seats remained strong and increased sharply.

Net sales  
(Millions of yen)



Net sales by principal item



- Door locks
- Mirrors (including folding)
- Power window lifters
- Air conditioner dampers
- Power seats
- Others

## Audio & Visual Equipment

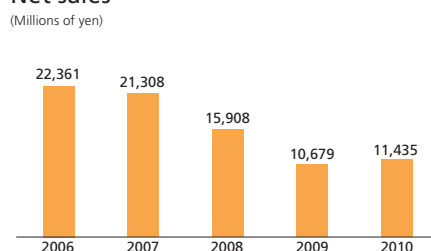
Major Applications  
DVD players/recorders, CD players, car component systems, video games, etc.



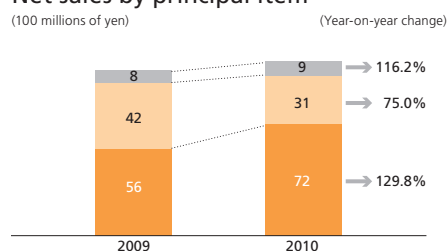
### Audio & Visual Equipment Market

Net sales in this market increased to 11,435 million yen (7.1% increase on a year-on-year basis). Sales of motors for car CD players surged, accompanying the recovery in automobile production. Sales of motors for DVD players decreased due to the impact of customer inventory adjustments that occurred in the second half of the year.

Net sales



Net sales by principal item



- CD players
- DVD players/recorders
- Others

## Optical & Precision Instruments

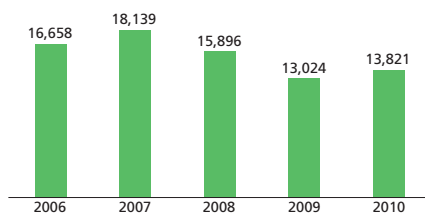
Major Applications  
Inkjet printers, PC drives, digital cameras, etc.



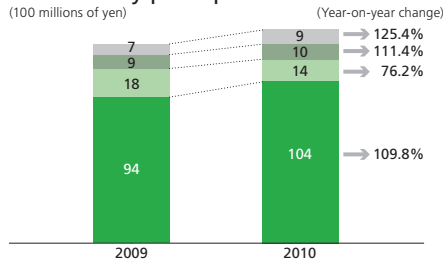
### Optical & Precision Instruments Market

Net sales in this market increased to 13,821 million yen (6.1% increase on a year-on-year basis). Sales of motors for both inkjet printers and digital cameras increased as the market recovery trend continued.

**Net sales**  
(Millions of yen)



**Net sales by principal item**



- Inkjet printers
- PC drives
- Digital cameras
- Others

## Home Appliances, Power Tools & Toys

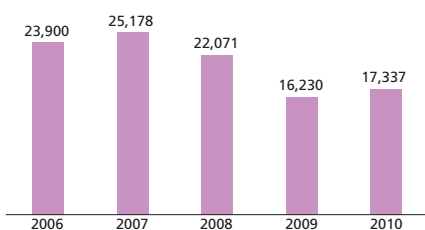
Major Applications  
Personal care products, power tools, toys, health and wellness products, etc.



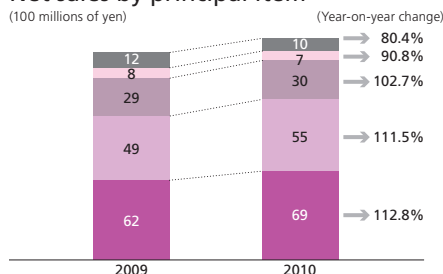
### Home Appliances, Power Tools & Toys Market

Net sales in this market increased to 17,337 million yen (6.8% increase on a year-on-year basis). Sales of motors for hair dryers, shavers, personal care products and tooth brushes remained robust throughout the year due to weak but stable demand in developed countries and demand growth in emerging countries.

**Net sales**  
(Millions of yen)



**Net sales by principal item**



- Beauty-related equipment
- Others
- Power tools
- Toys
- Health-related equipment

# Research and Development Activities

## Mabuchi's R&D System

The Mabuchi Group conducts most of its research and development activities in-house. In this section we provide an overview of the Group's R&D activities.

The R&D organization consists of Research and Development Headquarters and its subordinate organizations: Research and Development Dept. 1, Research and Development Dept. 2, Production Engineering Dept., and Production Engineering Innovation Center. The R&D organization pursues in-depth technical development in their respective areas of specialization within a collaborative framework. The Research and Development Headquarters directly controls fundamental technology, intellectual property, and testing and evaluation, and the headquarters general manager and deputy general manager control cross-departmental functions in the interest of efficiency and prioritization. The Company has newly established a technology research department in fiscal 2010 to pursue new product applications by strengthening benchmarking activities and enhance information acquisition in our existing markets.

With regard to the ongoing strategy for transferring design improvement activities to China, further expansion of the scope of transferred work has made it possible to more effectively allocate headquarters R&D resources to focus on high-value-added work.

## Strategic R&D Fields

There is strong demand in the marketplace for functional improvement, cost reduction, and shorter delivery times. In our research and development, we pursue noise reduction, miniaturization, higher performance, and higher torque in response to requirements for functional improvement. To satisfy cost reduction requirements, we engage in rigorous cost reduction activities that extend even to materials structure. To shorten delivery times, we have stepped up the use of concurrent engineering by introducing a design review system that makes flexible collaboration and decision-making possible. We are also applying CAD, CAM, and CAE to implement rational work process innovations that span functions including design, facilities production, and die making and machining.

In new product design, we render a valuable service to our customers by establishing and deploying technologies to take maximum advantage of inexpensive, readily available ferrite magnets and by lowering costs. In manufacturing, we have implemented group-wide production technology activities to ensure efficient production and have contributed significantly to manufacturing cost reduction through production process innovations, such as reducing inventories, shortening man-hours and saving space.

The Production Engineering Innovation Center was established three years ago within the Research and Development Headquarters to explore and realize production systems unique to Mabuchi by applying innovative perspectives unfettered by conventional thinking. The Center has launched an initiative to devise measures to dramatically reduce production line man-hours in response to steep increases in labor costs in recent years in the countries where our overseas factories are located.

In the automotive products business, a high-priority business sector, we have developed low-torque and medium-torque models to enhance the line of motors for power window lifters, which have developed from a new business into a core business, and have seen a steady increase in demand from Japanese and foreign automakers. Moreover, we ensure our position as the leading company in this business by constantly expanding our new line of small, high-torque motors and by continuing to meet our customers' requirements.

We are also remodeling existing models for applications in other markets by means of R&D to modify basic performance specifications. Through R&D based on a technology roadmap and growth in core technologies, we will continue to aspire to develop and manufacture motors that will become industry standards in the markets in which Mabuchi products are used.

A summary of technical achievements in the year under review follows. R&D expenses for the year were ¥3,337 million. The total number of intellectual properties held by the Company stood at 591 (118 domestic and 473 overseas), and the total number of domestic and overseas new intellectual property applications during the year was 74. A total of 368 employees engaged in R&D activities (232 at headquarters and 136 at MABUCHI MOTOR (DONGGUAN) CO., LTD. Motor Research & Development Center).

Since the Mabuchi Group engages in business activities in a single business sector related to small motors and conducts a single business, no explanation by business segment has been included.

## The Fruits of Recent R&D Endeavors

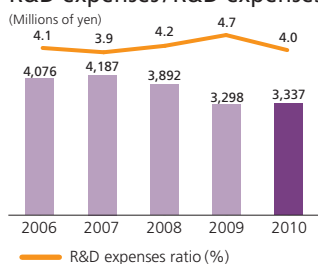
### The SZ-466WB motor for automobile power seats and tilt/telescoping automobile steering wheels

This addition to Mabuchi's small, high-torque motor line realizes a weight savings of approximately 33% compared to previous Mabuchi products. Further improvement of the SZ-466WA, developed last year, has resulted in a motor that delivers the product performance and quiet operation required for power seats. The SZ-466WB, which completes the line of compact, high-torque products, makes possible dramatic weight savings in power seats and tilt/telescoping steering wheel applications. Mabuchi will continue to develop products that satisfy market needs for fuel efficiency improvement and weight savings by motors.

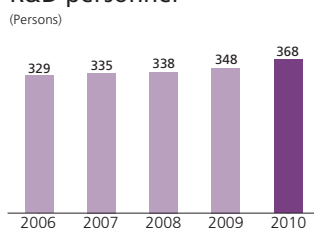
### The SF-266SA low-noise motor for automobile power folding mirrors

This motor realizes a weight reduction of approximately 18% and a volume reduction of approximately 22% compared to previous Mabuchi products and has satisfied an important market requirement by solving problems of noise during operation. We have succeeded in reducing noise during operation to an unobtrusive level by reducing mechanical noise by approximately 30% compared to previous Mabuchi products. The SF-266SA is suited to a market environment characterized by decreasing hybrid car and electric car noise levels. Mabuchi will continue to aim to develop products that can contribute to comfortable living.

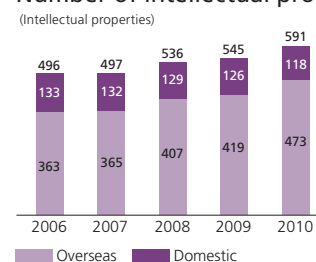
R&D expenses/R&D expenses ratio



R&D personnel



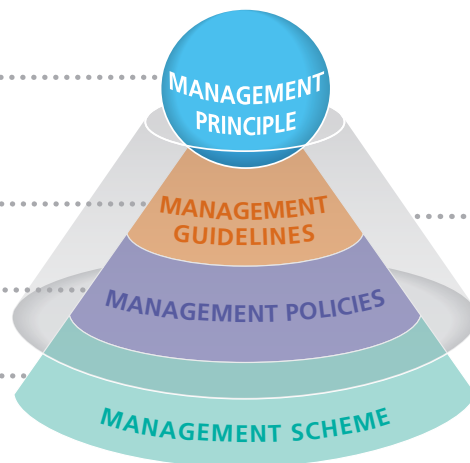
Number of intellectual properties



# Activities for Sustainable Management

The “Management Principle” of Mabuchi Motor encompasses the belief that we at Mabuchi must elevate our level of contribution to society and persevere as a prominent entity the world cannot do without. This principle is not only a guide for running our corporation but a gene to be carried down to subsequent generations of the Mabuchi enterprise.

## Mabuchi’s Management Vision



Our Management Vision

### Our Missions

Mabuchi’s missions embrace a set of values for all Mabuchi Group employees to share in overcoming various difficulties and conflicts that occur in carrying out their duties and achieving further growth.

### MANAGEMENT PRINCIPLE

## Contributing to International Society and Continuously Increasing Our Contribution

Mabuchi believes that a company can continue to exist and grow only if its business activities contribute to society on an ever-expanding basis. It goes without saying that a company cannot expand or even remain in business unless it generates profits. However, profit is not Mabuchi’s sole management objective.

Our ultimate objective is to continue raising our level of contribution to society through our business activities and remain a company that society considers essential. This management principle is at the core of all our activities, unchanging through time and irrespective of the people at the management helm.

### MANAGEMENT GUIDELINES

Mabuchi’s management guidelines, which flow from our management principle, spell out specifically how we “contribute.” These guidelines outline the mission of Mabuchi’s business activities.

### MANAGEMENT POLICIES

Mabuchi’s management policies provide guidelines for its corporate activities, which are a starting point for creating value and lead to greater levels of social contribution and achieving sound growth.

### MANAGEMENT SCHEME

Based on Mabuchi’s business policy of maximizing the potential of small DC brush motors as our core business, we mobilize our organizational skills and promote business activities in which we can continuously exert a unique “Mabuchi-ism” that cannot easily be emulated. Naturally, we do not aim at diversification without contributing to society, namely, diversification only to expand sales. We generate revenues and profits as a result of our contributions to markets in which we are truly welcome. We plan to continue reflecting this management philosophy, which has served us well in the past, into the future.

# Corporate Governance

## Basic Approach to Corporate Governance

We understand that realizing this principle is our *raison d'être*, and we recognize that corporate governance comprises the organizational/management systems and various managerial measures that support those systems. Accordingly, we believe that the fundamental objective in establishing and implementing an appropriate corporate governance framework is to further the interests of our shareholders and other stakeholders on an ongoing basis through the creation of fair profits and the enhancement of corporate value.

Constructing and maintaining a corporate governance system along the lines given below are indispensable for Mabuchi as a listed company.

1. To clearly separate management decision-making and efficient business execution, and to clarify the scope of accountability;
2. To build and operate a sound internal control system, namely, to effectively work the internal check system and the management supervision system;
3. To appoint a suitable number of independent officers whose interests do not conflict with those of general shareholders to ensure the objectivity and neutrality of management supervision functions;
4. To foster a corporate culture in which all Group employees recognize and share the understanding that the practices of corporate ethics and compliance support the organization's social impartiality and are fundamental to living up to the trust and expectations of all stakeholders; and

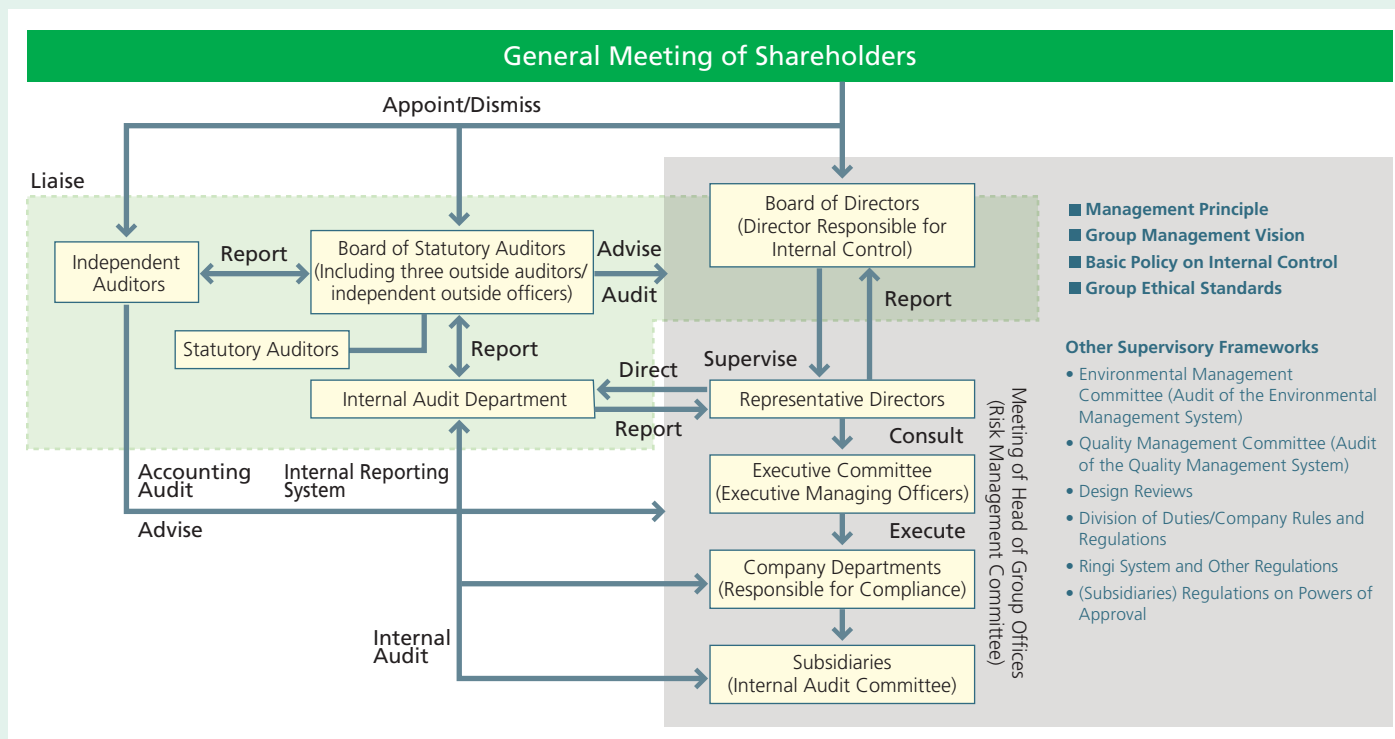
5. To disclose corporate information to shareholders and other stakeholders in an appropriate, fair, timely and clear manner and to ensure accountability through the Board of Directors, the Board of Statutory Auditors and other bodies.

The Mabuchi Group employs a simple corporate management structure by establishing a corporate group consisting of Mabuchi Motor Co., Ltd., and its wholly owned subsidiaries as well as focusing and specializing its business resources on and in the small DC motor business. The Mabuchi Group employs the Corporate Auditor System as the best-suited organizational design after considering such matters as directors' duties, management efficiency and the maintenance of a management supervisory system that is appropriate to the above business contents and corporate management structure.

## Outline of Corporate Institutions

### Board of Directors and Executive Committee

Significant management decision-making is carried out by the Board of Directors, consisting of seven directors (including six resident in Japan) familiar with the Company's management environment and business, and an Executive Committee, primarily composed of an executive director. The Board of Directors quintessentially serves the function of supervising management decision-making and the execution of directors' duties and, as required by laws and ordinances, reporting on important executive management decisions and conditions. Responsibility for executing decisions that have been made by the Board of Directors is transferred to the representative directors and the executive



officers. The Board of Directors convenes regularly once a month and at other times as required.

Mabuchi has established an Executive Committee, primarily composed of executive officers, with the objectives of supporting the functions of the Board of Directors, conducting preliminary consultations relating to important issues for deliberation by the Board of Directors, carrying out executive business decision-making outside the scope of the Board of Directors' legal powers, and reporting on executive business conditions. This arrangement enhances the Board of Directors' function, as it allows the Board to prioritize deliberation of reports and proposals, making decisions on these topics and monitoring and supervising the execution of duties. The Executive Committee meets regularly once a month.

In addition, Mabuchi has introduced an Executive Officer System that centralizes strategic decision-making and supervision functions on directors and delegates powers and responsibilities to executive officers for the everyday execution of their duties. This system serves to enhance the functions of both directors and the executive officers.

### **Board of Statutory Auditors**

Mabuchi has appointed four statutory auditors, three of whom are outside auditors with a high degree of independence. Mabuchi has also established a department for statutory auditors, with one employee assigned to the department to assist the statutory auditors with their audits, and has made it possible for the statutory auditors to request audit-related assistance from employees of the Internal Audit Department and other departments where appropriate.

The statutory auditors (three of whom are outside auditors) carry out audits of the execution of duties by directors and other bodies in accordance with legal stipulations and the auditing standards, policies, plans and apportioned duties determined by the Board of Statutory Auditors. Specifically, statutory auditors attend meetings of the Board of Directors and the Executive Committee and other important meetings, oversee major business execution decisions and documentation related to their execution, if necessary, requesting directors and employees to provide such documents or to submit reports, in order to audit and supervise the execution of duties by the directors. The Board of Statutory Auditors convenes every second month and holds regular monthly meetings for the exchange of opinions between statutory auditors and essential deliberations regarding the execution of duties by directors.

### **Internal Audit Department**

Mabuchi has established an Internal Audit Department, with two full-time members, under the direct control of the president. This body liaises with the Board of Statutory Auditors and the Director Responsible for Internal Control on a timely basis and conducts ongoing supervision of the upgrading, running and effectiveness of the internal control framework for Mabuchi and its Group companies. The Internal Audit Department reports its findings to the president, directors and statutory auditors.

### **Internal Control System**

In accordance with the Basic Policy on Internal Controls approved at a meeting of the Board of Directors under the provisions of the Companies Act, Mabuchi is working to establish an internal control system that includes systems for risk management, compliance assurance, document management, Group management, and auditors' audits. In this way, inadequacies in internal controls and other issues discovered in risk management activities, compliance activities, auditors' audits, and internal audit activities are reported to the directors and statutory auditors on a periodic or nonperiodic basis, and appropriate corrective measures are taken in a timely manner. Moreover, the Company is developing a framework for continuously enhancing the functioning and effectiveness of the internal control system. By establishing and ensuring the appropriate application of internal regulations governing the approval system, job authority and division of responsibilities, and other matters, the Company seeks to further ensure the appropriate conduct of business. These various internal mechanisms serve to support the directors and statutory auditors in their monitoring and supervision of the conduct of business by directors.

### **Risk Management System**

In accordance with the Basic Policy on Internal Controls, Mabuchi has designated an executive officer with overall control over risk management and the departments responsible for risk management; has prepared and established internal rules and procedures necessary for appropriate management of risk; and has taken necessary measures, including informing and educating employees about risk management.

In addition, Mabuchi has established the Risk Management Committee, whose members are the persons responsible for risk management at each company department and subsidiary; has made possible cross-organizational activities concerning risk awareness and assessment in routine business activities, risk response, and information provision; and has put in place a Group Emergency Response System to prepare for contingencies, with the objective of protecting all the Group business activities in the event of an emergency.

Furthermore, the Internal Audit Department periodically audits the status of risk management and reports the audit results to the Board of Directors and Board of Statutory Auditors. The Board of Directors reviews the report and takes any necessary measures. In this way, Mabuchi pursues continuous improvement of the risk management system.

### **Disclosure of Corporate Management Data**

Mabuchi's basic policy is to strive to carry out impartial, timely and clear information disclosure to ensure a fair evaluation of the Company's corporate value and to gain the trust of its shareholders and investors. We innovate and improve our information disclosure to ensure highly effective data delivery that will cultivate broad understanding of the Company's business activities.

# Board of Directors, Corporate Auditors, and Executive Officers

(As of March 30, 2011)

## Directors

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Representative Director  
and Chairman  
**Takaichi Mabuchi**



Representative Director and President  
President and CEO  
**Shinji Kamei**



Executive Managing Director  
Senior Managing Executive Officer  
**Nobuyo Habuchi**



Managing Director  
Executive Officer and General  
Manager of Operations Control  
Headquarters  
**Takashi Kamei**



Director  
Executive Officer and General  
Manager of Research and  
Development Headquarters  
**Akira Okuma**



Director  
Executive Officer and General  
Manager of Sales Headquarters  
**Kaoru Kato**



Director  
Executive Officer and General Manager  
of Administration Headquarters  
**Hiroo Okoshi**

## Corporate Auditors

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Full-time Statutory Auditor  
**Masahiro Gennaka**



Statutory Auditor  
**Ichiro Ando**



Statutory Auditor  
**Toyokuni Yazaki**



Statutory Auditor  
**Keiichi Horii**

## Executive Officers (excluding those also serving as directors)

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Executive Officer and General Manager  
of Quality Assurance Dept.  
**Masato Itokawa**



Executive Officer, Chairman and President  
of MABUCHI TAIWAN CO., LTD.  
**Chin Tai Yen**



# Corporate Social Responsibility

Mabuchi's wide-ranging CSR activities include a social action program for which the Group is particularly well suited—sharing the importance and wonder of manufacturing.

## Basic Approach to CSR Activities

Mabuchi conducts corporate activities in line with its management principle, which expresses the Company's aim of "contributing to international society and continuously increasing our contribution." In other words, Mabuchi's business objective is not the pursuit of profit for its own sake, but rather a high priority on continued existence and development, which are achieved by continued increases in its contribution to society. The ultimate objectives of the Company's corporate activities are to raise the level of its social contributions through the business of small DC motors and to remain an enterprise that society considers essential.

## Science Lessons for Fifth- and Sixth-year Elementary School Pupils by the Company's Technical Staff

The aim of this program was to encourage children to experience the joys and wonders of science classes, while knowing that what they learned was useful in their everyday



Children working in groups to carry out investigations by dismantling motors and experiments under the direction of an assistant instructor

lives. Based on this principle, Mabuchi dispatched employees to teach science classes for fifth- and sixth-year elementary school students at three schools in Matsudo City and at the Science Museum in Tokyo. The sessions took place as a group activity, with a lead instructor facilitating the overall progress of the lesson, while assistant instructors took charge of five or six pupils each. Lessons primarily comprised dismantling equipment and experiments, using the Company's motors as educational aids. During the classes, pupils also learned how the rotational mechanism of the motors and electrical power generation result from electromagnetic properties. In addition, we illustrated just how many motors support our everyday lives through a display of products that contain motors.

## Summer Vacation Handicraft Workshops

Mabuchi held Summer Vacation Handicraft Workshops for parents and children to provide kids—the leaders of the next generation—with experience in the magnificence of making things and in the mysteries of science, thus stimulating their interest in manufacturing.

Every Friday during the summer holidays, we invited 24 parent-child duos who used motors as power generators to create handicrafts using readily available materials such as discarded CDs, PET bottle caps and corrugated board.



Parents working with their children to build their own engineering masterpieces

## Robot Contest Sponsorship

To support the education of tomorrow's technologists and encourage developments in science and technology, Mabuchi has sponsored various robot contests every year since 2002, providing funding and motors. Mabuchi agrees with the overarching objective of these contests, which is to share with young people the importance of creativity and the fun of manufacturing through the building of robots.

## Providing Educational Opportunities

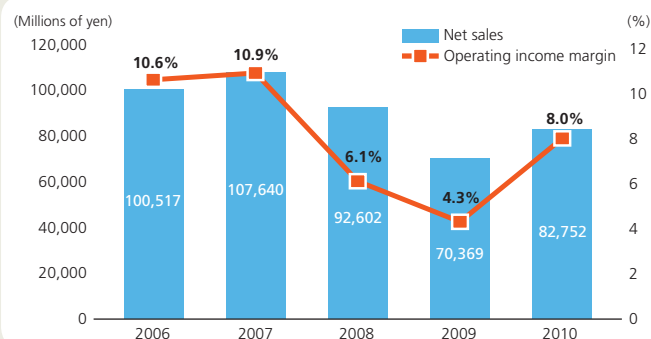
Since 1996, Dalian Mabuchi has been supporting the establishment of schools and carrying out other activities with the objective of providing children with the opportunity of gaining an education. To date, the company has helped to establish three Mabuchi Hope Primary Schools in three cities in the north of Dalian. In 2007, Dalian Mabuchi assisted in the foundation of a Mabuchi Hope Junior High School in Liaoning Province. Subsequently, the company has continued to furnish the school's students with invitations to tour its factories and to provide them with facilities and equipment. In addition, Dalian Mabuchi has established a scholarship system to support children and young people whose economic circumstances prevent them from attending schools and universities. This program helps reduce the economic burden of poor families, enabling their children to focus on their studies so that they can grow into adults who will benefit society.

# Financial Summary

## Market Environment

Demand in the markets in which the Mabuchi Group operates showed a recovery trend on the whole. The automotive products market in particular saw a sharp increase in demand as a result of gradual demand recovery in developed countries coupled with continued market expansion and higher demand in emerging countries.

## Net Sales and Operating Income Margin



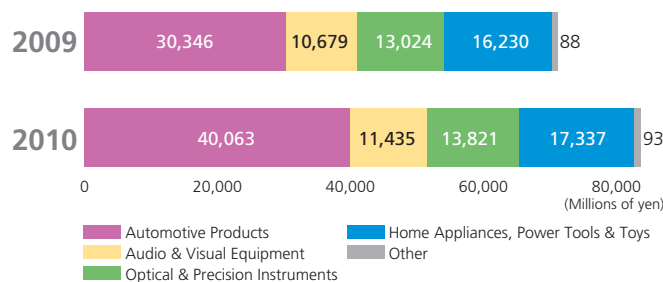
## Mabuchi Motor Co., Ltd. and Consolidated Subsidiaries (Years Ended December 31)

	Millions of yen					Thousands of U.S. dollars
For the year:	2006	2007	2008	2009	2010	2010
<b>Net sales</b>	¥ 100,517	¥ 107,640	¥ 92,602	¥ 70,369	¥ 82,752	\$ 1,021,629
Cost of sales	71,919	77,207	68,799	51,805	60,062	741,506
Selling, general and administrative expenses	17,898	18,747	18,150	15,544	16,064	198,320
<b>Operating income</b>	10,700	11,685	5,652	3,019	6,624	81,777
Income before income taxes	15,914	16,530	5,330	3,013	7,291	90,012
<b>Net income</b>	10,603	10,914	3,565	5,450	5,260	64,938
Capital expenditures	3,627	3,700	3,777	3,659	3,210	39,000
Depreciation and amortization	5,360	4,913	4,408	4,031	3,603	44,481
R&D expenses	4,076	4,187	3,892	3,298	3,337	41,197
<b>Cash flows:</b>						
Net cash provided by operating activities	¥17,500	¥15,447	¥ 6,542	¥ 10,708	¥ 5,457	\$ 67,370
Net cash (used in) provided by investing activities	(6,321)	3,687	45	(1,630)	8,601	106,185
Net cash used in financing activities	(4,009)	(13,531)	(18,641)	(3,927)	(3,507)	(43,296)
<b>At year-end:</b>						
Total assets	¥ 236,999	¥ 230,960	¥ 188,691	¥ 192,362	¥ 185,408	\$ 2,288,987
Net assets	219,217	213,314	178,291	180,311	174,570	2,155,185
<b>Per share data:</b>	(Yen and U.S. dollars)					
Net income	¥ 268.03	¥ 280.90	¥ 94.77	¥ 155.54	¥ 150.14	\$ 1.85
Net assets	5,541.46	5,577.84	5,088.18	5,146.04	4,982.43	1.51
Dividends payable	114.00	123.00	123.00	100.00	100.00	1.23
<b>Other data:</b>						
Operating income margin (%)	10.6	10.9	6.1	4.3	8.0	—
ROE (%)	4.9	5.0	1.8	3.0	3.0	—
Shareholders' equity ratio (%)	92.5	92.4	94.5	93.7	94.2	—
Number of shares outstanding (Thousands of shares)	39,560	38,243	35,040	35,038	35,037	—
Number of employees (Persons)	45,015	45,601	41,328	38,251	37,466	—

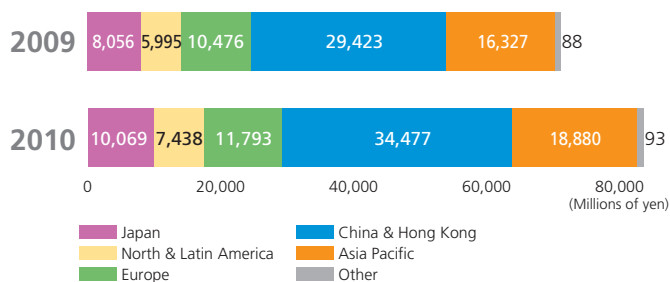
### Notes

1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥81=U.S.\$1, the approximate exchange rate on December 31, 2010.
2. ROE is calculated by dividing net income by the average of total shareholders' equity plus the revaluation/translation adjustment during the period.
3. The shareholders' equity ratio is calculated by dividing the sum of total shareholders' equity and the revaluation/translation adjustment as of the end of the period by total assets as of the end of the period.

## Net Sales by Application



## Net Sales by Geographic Area



### Net sales

**Consolidated net sales in the fiscal year under review rose 17.6% from the previous fiscal year to ¥82,752 million (US\$1,021 million).**

Sales of motors, which account for the majority of net sales, increased 17.6% to ¥82,658 million (US\$1,020 million). The main reason for the sales increase was an overall demand recovery trend in the markets in which the Mabuchi Group operates.

### Operating income

**Operating income rose 119.4% to ¥6,624 million (US\$81 million).**

Despite such negative factors as the steep rise in labor costs and raw material costs, capacity utilization improved in the wake of a year-on-year increase in sales volumes, and the profit margin improved as the collection of fixed costs per product unit increased. At the same time, profitability improvement activities continuing from the previous term bore fruit.

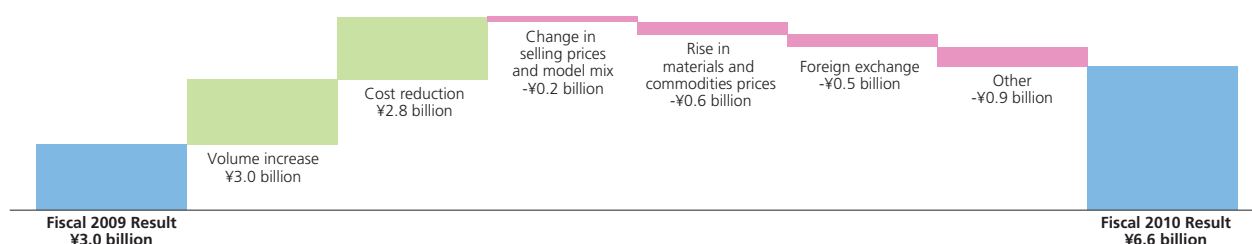
### Net income

**Net income was ¥5,260 million (US\$64 million), down 3.5%.**

Other income was ¥666 million (US\$8 million), a ¥672 million (US\$8 million) improvement from the previous term. The reason for the increase was nonrecurrence of the losses on closure of production bases despite a decrease in interest income due to lower interest rates and the recording of a foreign exchange loss as a result of the strengthening of the yen.

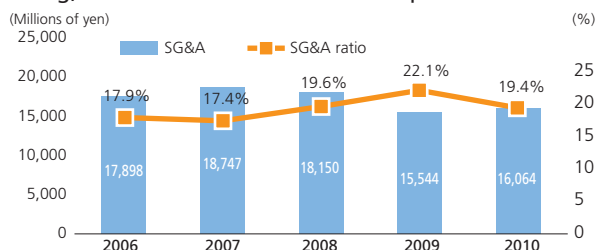
As a result, income before income taxes in fiscal 2010 was ¥7,291 million (US\$90 million), up 142.0% from the previous term. Income taxes were ¥2,030 million (US\$25 million), up ¥4,467 million (US\$55 million), a change principally attributable to the elimination of a special factor, namely a non-recurring gain on the reversal of deferred tax liabilities recorded during the same period last year as a consequence of an amendment to the Corporation Tax Act, resulting in a return to the usual tax expense this year.

## Analysis of Operating Income

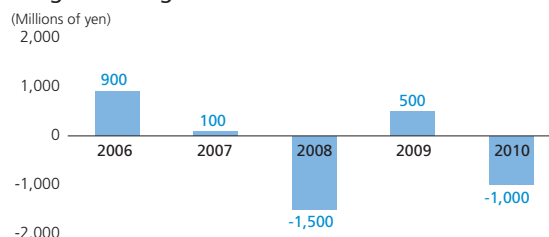


## Factors Affecting FY2006–FY2010 Consolidated Operating Income

### Selling, General and Administrative Expenses



### Foreign Exchange Gains/Losses



# Management's Discussion and Analysis

## Market Conditions

The year under review brought continuation of the gradual recovery trend in the global economy that began at the end of the previous term. However, the impact of economic stimulus measures implemented in a number of countries began to weaken, and economic recovery in developed countries lost momentum in the second half of the year. On the other hand, the expansion trend in emerging countries continued, and overall the world economy showed underlying stability. Although the gradual recovery trend in Japan continued as well, the second half of the year brought fears of economic slowdown due to a decrease in exports accompanying the slowing of recovery in developed countries, appreciation of the Japanese yen and a slowdown in the recovery of domestic demand triggered by the discontinuation of economic stimulus measures. However, the economy showed underlying stability thanks to upside factors such as last-minute demand prior to the discontinuation of economic stimulus measures. Under these business conditions, demand in the markets in which the Mabuchi Group operates showed a recovery trend on the whole. The automotive products market in particular saw a sharp increase in demand as a result of gradual demand recovery in developed countries coupled with continued market expansion and higher demand in emerging countries.

## Operating Results

### Net Sales

Consolidated net sales in the fiscal year under review rose 17.6% from the previous fiscal year to ¥82,752 million (US\$1,021 million). Sales of motors, which account for the majority of the net sales, increased 17.6% to ¥82,658 million (US\$1,020 million). The main reason for the sales increase was an overall demand recovery trend in the markets in which the Mabuchi Group operates.

### Cost, Expenses and Operating Income

Operating income rose 119.4% to ¥6,624 million (US\$81 million). Despite such negative factors as the steep rise in labor costs and raw material costs, capacity utilization improved in the wake of a year-on-year increase in sales volumes, and the profit margin improved as the collection of fixed costs per product unit increased. At the same time, profitability improvement activities continuing from the previous term bore fruit.

### Other Income (Expenses), Income before Income Taxes and Net Income

Other income was ¥666 million (US\$8 million), a ¥672 million (US\$8 million) improvement from the previous term. The reason for the increase was the nonrecurrence of losses on the closure of production bases, despite a decrease in interest income due to lower interest rates and the recording of a foreign exchange loss as a result of the strengthening of the yen.

As a result, income before income taxes in fiscal 2010 was ¥7,291 million (US\$90 million), up 142.0% from the previous term. Income taxes were ¥2,030 million (US\$25 million), up ¥4,467 million (US\$55 million), a change principally attributable to the elimination of a special factor, namely a non-recurring gain on the reversal of deferred tax liabilities recorded during the same period last year as a consequence of an amendment to the Corporation Tax Act, resulting in the return to the usual tax expense this year.

As a result, net income in fiscal 2010 was ¥5,260 million (US\$64 million), down 3.5% from the previous term.

## Net Sales by Application

	Millions of yen					Thousands of U.S. dollars
	2006	2007	2008	2009	2010	2010
Automotive Products	¥36,781	¥42,820	¥38,633	¥30,346	¥40,063	\$494,604
Audio & Visual Equipment	22,361	21,308	15,908	10,679	11,435	141,172
Optical & Precision Instruments	16,658	18,139	15,896	13,024	13,821	170,629
Home Appliances, Power Tools & Toys	23,900	25,178	22,071	16,230	17,337	214,530
Other	815	194	92	88	93	1,148
<b>Total</b>	<b>¥100,517</b>	<b>¥107,640</b>	<b>¥92,602</b>	<b>¥70,369</b>	<b>¥82,752</b>	<b>\$1,021,629</b>

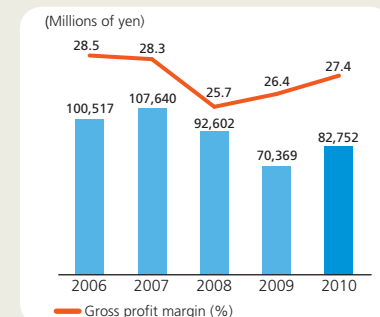
Note: Other includes parts and equipment sales.

## Net Sales by Geographic Area

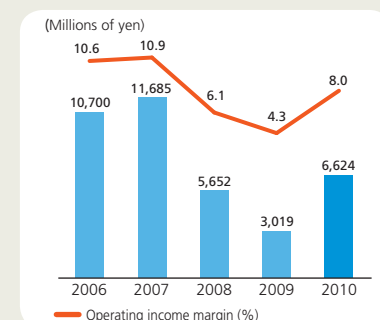
	Millions of yen					Thousands of U.S. dollars
	2006	2007	2008	2009	2010	2010
Japan	¥10,902	¥10,980	¥10,663	¥8,056	¥10,069	\$124,308
North & Latin America	10,459	11,697	8,487	5,995	7,438	91,827
Europe	14,430	16,912	13,914	10,476	11,793	145,592
China & Hong Kong	41,105	41,290	36,686	29,423	34,477	425,641
Asia Pacific	22,804	26,564	22,758	16,327	18,880	233,086
Other	815	194	92	88	93	1,148
<b>Total</b>	<b>¥100,517</b>	<b>¥107,640</b>	<b>¥92,602</b>	<b>¥70,369</b>	<b>¥82,752</b>	<b>\$1,021,629</b>

Note: Other includes parts and equipment sales.

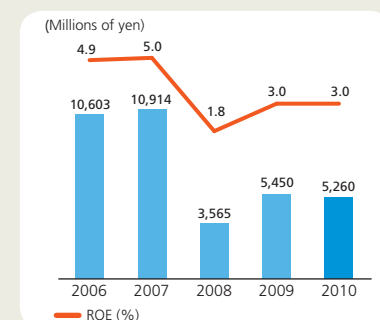
## Net sales/Gross profit margin



## Operating income/Operating income margin

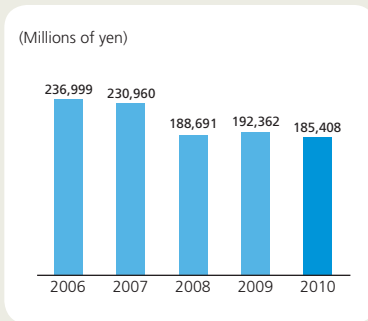


## Net income/ROE

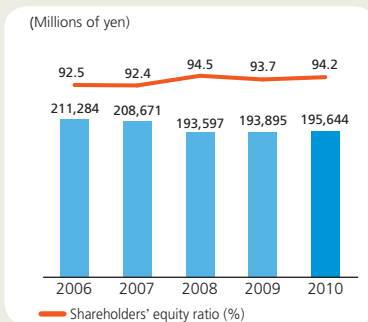


## Financial Position

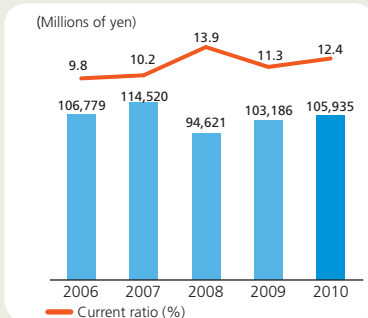
### Total assets



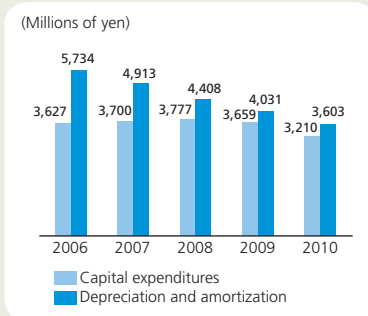
### Shareholders' equity/ Shareholders' equity ratio



### Working capital/Current ratio



### Capital expenditures/ Depreciation and amortization



### Assets

Total assets as of December 31, 2010 were ¥185,408 million (US\$2,288 million), down ¥6,953 million (US\$85 million), or 3.6%, from a year earlier. The most noticeable changes included increases of ¥7,078 million (US\$87 million) in cash and bank deposits and ¥2,052 million (US\$25 million) in merchandise and finished goods, and decreases of ¥7,378 million (US\$91 million) in short-term investments and ¥6,674 million (US\$82 million) in investment securities.

### Liabilities

Total liabilities at the fiscal year-end were ¥10,838 million (US\$133 million), down ¥1,212 million (US\$14 million). The most noticeable changes were decreases of ¥1,453 million (US\$17 million) in the allowance for loss on closing production bases and ¥551 million (US\$68 million) in the allowance for retirement benefits for employees.

### Net Assets

Total net assets at the fiscal year-end were ¥174,570 million (US\$2,155 million), down ¥5,741 million (US\$70 million) from a year earlier, mainly due to a decrease of ¥14,362 million (US\$177 million) in both retained earnings and treasury stock due to treasury stock cancellation. As a result, net assets per share were ¥4,982.43 (US\$61.51), ¥163.61 (US\$2.01) lower than at the previous year-end. The shareholders' equity ratio was 94.2%, up 0.5 percentage point.

## Cash Flows

### Net Cash Provided by Operating Activities

Net cash provided by our operating activities amounted to ¥5,457 million (US\$67 million), a decrease of ¥5,251 million (US\$64 million) compared to the previous year. The change is mainly attributable to increases in inventories and trade receivables, and a decrease in the allowance for losses on closing production bases.

### Net Cash Provided by Investing Activities

Net cash provided by our investing activities amounted to ¥8,601 million (US\$106 million). Principal factors were proceeds from the sale of short-term investments that exceeded payments for the purchase of short-term investments, and purchases of property, plant and equipment.

### Net Cash Used in Financing Activities

Net cash used in our financing activities amounted to ¥3,507 million (US\$43 million). The principal item was cash dividends paid.

As a result of the above factors, the balance of cash and cash equivalents increased ¥5,901 million (US\$72 million) from ¥61,639 million (US\$760 million) at the end of fiscal 2009 to ¥67,540 million (US\$833 million) on December 31, 2010.

## Capital Investments, Depreciation and Amortization

Capital investments decreased ¥449 million (US\$5 million) year on year to ¥3,210 million (US\$39 million). Major components were capital investments of ¥3,076 million (US\$37 million) for equipment upgrades and investment in facilities for the mass-production of new products at production subsidiaries and ¥133 million (US\$1 million) for investment in facilities and equipment for research and development at the Company and subsidiaries.

Depreciation and amortization decreased ¥428 million (US\$5 million) year on year to ¥3,603 million (US\$44 million).

## Outlook

The outlook for fiscal 2011 is for gradual overall improvement in business conditions. In developing countries, economic growth is expected to continue and remain stable despite some concerns. On the other hand, economic recovery in developed countries will remain sluggish, and factors such as soaring raw material prices and credit uncertainty in Europe give cause for concern. Many uncertainties remain, and it appears that the global economy will not see a full-scale recovery for some time.

The situation is also somewhat mixed in the markets in which the Mabuchi Group's products are sold. There are markets in which demand is increasing due to growth in developing countries, while at the same time there are markets that depend mainly on demand in developed countries, where the economic recovery has been only gradual. Nevertheless, demand is improving in the Automotive Products, Audio & Visual Equipment, Optical & Precision Instruments, and Home Appliances, Power Tools & Toys markets. As a result, we expect net sales in fiscal 2011 to increase 6.3% from the previous fiscal year, to ¥88,000 million (US\$1,086 million).

In terms of business results, despite the negative impact of yen appreciation and concern over increases in raw material prices, we expect profit growth to accompany increases in sales volumes. Consequently, we expect operating income to increase 5.7%, to ¥7,000 million (US\$86 million), and net income to increase 23.6%, to ¥6,500 million (US\$80 million).

At this point, it is difficult to figure out the impact of the earthquake off the northeast coast of Japan, which occurred on March 11, 2011, on our business performance although we are continuously examining the impact closely.

Therefore, we are still leaving our earnings forecast for fiscal 2011, which we announced on February 15, 2011, unchanged.

# Business and Other Risks

## Changes in Economic Conditions

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The demand for Mabuchi products, which are incorporated into our customers' products, is influenced by the economic conditions present in the diverse markets in which our group operates. Consequently, our group's business results and financial position may be adversely affected by economic recessions and corresponding contractions in demand in Mabuchi's key markets, including Japan, North America, Europe and Asia.

## Fluctuations in Foreign Exchange Rates

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Items denominated in local currencies on the financial statements of our overseas subsidiaries are converted into Japanese yen to prepare the consolidated financial statements. Consequently, amounts that are to be recorded after being converted into Japanese yen are subject to the foreign exchange rates at the time of conversion. In particular, appreciation of the Japanese yen against the U.S. dollar has a negative effect on our group's consolidated business results, and conversely, any depreciation of the Japanese yen has a positive effect. Appreciation of local currencies in regions where the Mabuchi Group carries out production pushes up manufacturing and procurement costs, which are denominated in those local currencies. Such increased costs lower our group's profit margins and price competitiveness, and negatively affect our business results.

## Development of New Products and New Technologies

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The new product development and sales processes, by their very natures involve both complexities and uncertainties, and include a broad array of risks. In the event our group cannot fully predict changes in market needs, is unable to develop appealing new products in a timely fashion, or a technological innovation or the like emerges that causes our products to become obsolete could have a significant adverse effect on our group's business results and financial position.

## Price Competition

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Our customers are businesses in a diverse range of sectors that belong to the electrical/electronic equipment and machinery manufacturing industries, and price competition in these industries is extremely severe. In these environments, prices are a major contributing factor to competition in all sectors, and with the rise of rival Chinese manufacturers, competition is becoming even more intense. The inability of our cost-reduction activities to keep up with falling prices over the long term could have a significant adverse effect on our group's business results and financial position.

## Potential Risks in International Economic Transactions and Expanding Business Overseas

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The majority of our group's business activities are conducted in various countries in Europe, North America and Asia. These overseas business activities involve certain intrinsic risks, including changes in political and economic environments, inadequate infrastructures, changes in laws, tax affairs and various other systems, and social upheaval. For example, much of our group's production takes place in China and Vietnam. The occurrence of an unexpected event (such as a change in the political or legal environment, a change in economic conditions, or a change in the social environment, including the employment environment) may lead to significant problems for our production and/or sales activities, and these may have a significant adverse effect on our group's business results and financial position.

## Product Quality

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There is no guarantee that all of our group products will have no major quality issues. If a quality issue occurs, the amount of compensation may be influenced by the effect on the quality of the final product in which the Mabuchi product is incorporated. The unlikely event of a product defect that leads to a large-scale recall or product liability compensation may trigger an accrual of a large amount of costs or downturn in sales due to a loss of credibility, and may have significant adverse effects on our group's business results and financial position.

## Protection of Intellectual Property

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We recognize that the acquisition of intellectual property can greatly influence the growth of the Mabuchi Group. However, in certain regions, for certain inherent reasons, our group's intellectual property rights may not be completely protected. In such instances, any third party may use our group's intellectual property without permission to manufacture similar products, and we may suffer damage as a result. In addition, our competitive superiority may suffer from outflows of other of our technologies or expertise, which was then exploited by other companies. Furthermore, the Mabuchi Group could face claims of infringing on the intellectual property of another company. The failure of protection by or the violation of intellectual property rights, or the outflow of intellectual property could have significant adverse effects on our group's business results and financial position.

## Securing and Developing Human Resources

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The Mabuchi Group operates in a highly competitive corporate arena. This situation renders essential the recruitment and development of employees who are highly skilled in related areas: engineers with specialist scientific and technological expertise, and managers with top business strategy acumen and executive capacities. Mabuchi is fully cognizant of the need for the continuous enhancement and improvement of its human resources for the next generation and beyond. The failure to recruit and cultivate such a workforce on an ongoing basis through the requisite expenditure and long-term human resource development vision would invite adverse impact on the Group's future performance and financial position.

## Procurement of Raw Materials

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Depending on the type of raw material that our group procures from external sources, we may be dependent on a limited number of suppliers. There is a possibility that the supply of a raw material may be suspended due to an accident befalling a supplier or for some other reason, or that a shortage of supply may transpire due to a sudden upsurge in demand. If such conditions continue over a long period of time and it is difficult to obtain alternative materials, our group's production activities could be affected dramatically, which in turn would undermine the assurance of delivery and quality of products to our customers. Also possible are sharp increases in the prices of such materials, which would trigger a rise in manufacturing costs. If such an event were to occur, our group's business results and financial position may be subject to significant adverse effects.

## Natural Disasters and Accidents

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The Mabuchi Group has established a specialized international system. We conduct business activities in various countries throughout the world, and at each of our bases we own facilities and equipment, including factories and offices. Our group has implemented measures to prevent our exposure to risks associated with the occurrence of disasters and accidents at these bases, and we have implemented measures to reduce damage from disasters and accidents, including insurance. However, there is no guarantee that such measures will completely protect us against, or can reduce as planned, the effects of disruptions to our business activities caused by disasters or accidents at our Head Office or individual bases. In the event these kinds of unforeseeable events occur, our group's business results and financial position may be subject to significant adverse effects.

# Consolidated Balance Sheets

Mabuchi Motor Co., Ltd. and Consolidated Subsidiaries  
December 31, 2009 and 2010

ASSETS	Yen (millions)		U.S. Dollars (thousands)
	2009	2010	2010
<b>Current Assets:</b>			
Cash and bank deposits	¥ 56,687	¥ 63,765	\$ 787,222
Trade notes and accounts receivable	11,661	11,449	141,345
Less – Allowance for doubtful receivables	(246)	(224)	(2,765)
Short-term investments	28,867	21,488	265,283
Finished goods and merchandises	8,375	10,574	130,543
Work in process	870	940	11,604
Raw materials and supplies	4,285	4,574	56,469
Income taxes refundable	655	206	2,543
Deferred tax assets – current	846	796	9,827
Other current assets	1,166	1,650	20,370
Total current assets	113,169	115,221	1,422,481
<b>Property, Plant and Equipment:</b>			
Land	6,022	6,022	74,345
Buildings	41,684	38,764	478,567
Machinery and equipment	51,801	45,131	557,172
Construction in progress	1,200	821	10,135
	100,709	90,739	1,120,234
Less – Accumulated depreciation	(66,914)	(58,963)	(727,938)
Property, plant and equipment, net	33,795	31,775	392,283
<b>Investments and Other Assets:</b>			
Investment securities	42,821	36,146	446,246
Long-term loans receivable	82	59	728
Deferred tax assets – non-current	1,332	869	10,728
Other investments and other assets	1,161	1,335	16,481
Total investments and other assets	45,397	38,410	474,197
<b>Total assets</b>	<b>¥192,362</b>	<b>¥185,408</b>	<b>\$2,288,987</b>



LIABILITIES AND NET ASSETS	Yen (millions)	U.S. Dollars (thousands)	
	2009	2010	
<b>Current Liabilities:</b>			
Trade notes and accounts payable	¥ 3,485	¥ 3,739	\$ 46,160
Accrued income taxes	187	424	5,234
Accrued bonuses to employees	210	214	2,641
Accrued bonuses to directors	37	37	456
Allowance for the restructuring of production bases	1,834	381	4,703
Deferred tax liabilities – current	0	0	0
Other current liabilities	4,227	4,490	55,432
Total current liabilities	9,982	9,286	114,641
<b>Long-term Liabilities:</b>			
Allowance for retirement benefits for employees	939	387	4,777
Deferred tax liabilities – non-current	10	5	61
Other long-term liabilities	1,118	1,158	14,296
Total long-term liabilities	2,067	1,551	19,148
Total liabilities	12,050	10,838	133,802
<b>Net Assets:</b>			
Shareholders' Equity			
Common stock, no par value:			
Authorized: 100,000,000 shares			
Issued: 43,875,881 shares in 2009 and 41,875,881 shares in 2010	20,704	20,704	255,604
Additional paid-in capital	20,419	20,419	252,086
Retained earnings	216,230	203,625	2,513,888
Treasury stock, at cost: 8,837,029 shares in 2009 and 6,838,777 shares in 2010	(63,459)	(49,105)	(606,234)
Total shareholders' equity	193,895	195,644	2,415,358
Revaluation/Translation Adjustments			
Net unrealized holding losses on securities	(32)	(257)	(3,172)
Foreign currency translation adjustments	(13,551)	(20,817)	(257,000)
Total revaluation/translation adjustments	(13,584)	(21,074)	(260,172)
Total net assets	180,311	174,570	2,155,185
<b>Total liabilities and net assets</b>	<b>¥192,362</b>	<b>¥185,408</b>	<b>\$2,288,987</b>

The accompanying notes to consolidated financial statements are an integral part of these statements.

# Consolidated Statements of Income

Mabuchi Motor Co., Ltd. and Consolidated Subsidiaries

For the years ended December 31, 2009 and 2010

	Yen (millions)		U.S. Dollars (thousands)
	2009	2010	2010
<b>Net Sales</b>	¥70,369	¥82,752	\$1,021,629
<b>Cost of Sales</b>	51,805	60,062	741,506
Gross profit	18,564	22,689	280,111
<b>Selling, General and Administrative Expenses</b>	15,544	16,064	198,320
Operating income	3,019	6,624	81,777
<b>Other Income (Expenses):</b>			
Interest and dividend income	1,080	786	9,703
Exchange gains (losses), net	596	(1,036)	(12,790)
Gain on sale of raw material scrap	548	995	12,283
Loss on disposal of fixed assets	(1)	(98)	(1,209)
Allowance the restructuring of production bases	(1,863)	–	–
Loss on revaluation of investment securities	(35)	(217)	(2,679)
Other, net	(330)	236	2,913
	(6)	666	8,222
<b>Income before Income Taxes</b>	3,013	7,291	90,012
<b>Income Taxes:</b>			
Current	532	1,366	16,864
Income taxes refundable	(452)	–	–
Deferred	(2,515)	664	8,197
	(2,436)	2,030	25,061
<b>Net Income</b>	¥ 5,450	¥ 5,260	\$ 64,938

	Yen		U.S. Dollars
	2009	2010	2010
<b>Per Share Data:</b>			
Net income	¥155.54	¥150.14	\$1.85
Dividends applicable to current year earnings	100.00	100.00	1.23

The accompanying notes to consolidated financial statements are an integral part of these statements.

# Consolidated Statements of Changes in Net Assets

Mabuchi Motor Co., Ltd. and Consolidated Subsidiaries

For the years ended December 31, 2009 and 2010

	Number of Shares (thousands)		Yen (millions)		U.S. Dollars (thousands)
	2009	2010	2009	2010	2010
<b>Common Stock:</b>					
Beginning balance	45,875	43,875	¥ 20,704	¥ 20,704	\$ 255,604
Treasury stock cancellation	(2,000)	(2,000)	—	—	—
Ending balance	43,875	41,875	¥ 20,704	¥ 20,704	\$ 255,604
<b>Additional Paid-in Capital:</b>					
Beginning balance			¥ 20,419	¥ 20,419	\$ 252,086
Ending balance			¥ 20,419	¥ 20,419	\$ 252,086
<b>Retained Earnings:</b>					
Beginning balance			¥ 230,288	¥ 216,230	\$2,669,506
Decrease due to subsidiaries' accounting policy changes			(1,221)	-	-
Net income			5,450	5,260	64,938
Dividends paid			(3,924)	(3,502)	(43,234)
Treasury stock cancellation			(14,363)	(14,362)	(177,308)
Ending balance			¥ 216,230	¥ 203,625	\$2,513,888
<b>Net Unrealized Holding Gains (Losses) on Securities:</b>					
Beginning balance			¥ (1,122)	¥ (32)	\$ (395)
Net change during the year			1,089	(224)	(2,765)
Ending balance			¥ (32)	¥ (257)	\$ (3,172)
<b>Foreign Currency Translation Adjustments:</b>					
Beginning balance			¥ (14,183)	¥ (13,551)	\$ (167,296)
Net change during the year			631	(7,265)	(89,691)
Ending balance			¥ (13,551)	¥ (20,817)	\$ (257,000)
<b>Treasury Stock:</b>					
Beginning balance			¥ (77,816)	¥ (63,459)	\$ (783,444)
Net change during the year			14,357	14,353	177,197
Ending balance			¥ (63,459)	¥ (49,105)	\$ (606,234)

The accompanying notes to consolidated financial statements are an integral part of these statements.

# Consolidated Statements of Cash Flows

Mabuchi Motor Co., Ltd. and Consolidated Subsidiaries

For the years ended December 31, 2009 and 2010

	Yen (millions)		U.S. Dollars (thousands)
	2009	2010	2010
<b>Cash Flows from Operating Activities:</b>			
Income before income taxes	¥ 3,013	¥ 7,291	\$ 90,012
Depreciation and amortization	4,031	3,603	44,481
Impairment loss	27	-	-
Decrease in allowance for retirement benefits, net of payments	(974)	(483)	(5,962)
Interest and dividend income	(1,080)	(786)	(9,703)
Foreign exchange (gains) losses	(33)	1,156	14,271
(Gain) Loss on sales of short-term investments and investment securities	162	(82)	(1,012)
(Gain) Loss on disposal of fixed assets	(18)	93	1,148
Losses on revaluation of investment securities	35	217	2,679
Increase in trade notes and accounts receivable	(1,988)	(1,009)	(12,456)
(Increase) Decrease in inventories	3,712	(4,548)	(56,148)
Increase in trade notes and accounts payable	1,641	897	11,074
Increase (Decrease) in allowance for the restructuring of production bases	1,834	(1,333)	(16,456)
Other, net	(1,308)	171	2,111
Sub total	9,057	5,186	64,024
Interest and dividends received	1,146	785	9,691
Interest paid	(0)	-	-
Income taxes paid	(940)	(1,069)	(13,197)
Income taxes refunded	1,445	554	6,839
Net cash provided by operating activities	10,708	5,457	67,370
<b>Cash Flows from Investing Activities:</b>			
Increase of time deposits	(31,572)	(13,229)	(163,320)
Proceeds from withdrawal of time deposits	32,293	13,756	169,827
Purchases of short-term investments	(22,649)	(13,771)	(170,012)
Proceeds from sales of short-term investments	23,722	25,159	310,604
Purchases of property, plant and equipment	(3,029)	(3,398)	(41,950)
Proceeds from sales of property, plant and equipment	72	29	358
Purchases of investment securities	(11,259)	(8,697)	(107,370)
Proceeds from sales of investment securities	10,883	8,886	109,703
Other, net	(89)	(134)	(1,654)
Net cash (used in) provided by investing activities	(1,630)	8,601	106,185
<b>Cash Flows from Financing Activities:</b>			
Cash dividends paid	(3,921)	(3,499)	(43,197)
Purchases of treasury stock	(6)	(8)	(98)
Net cash used in financing activities	(3,927)	(3,507)	(43,296)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	414	(4,650)	(57,407)
<b>Net increase in cash and cash equivalents</b>	5,566	5,900	72,839
<b>Cash and Cash Equivalents at Beginning of Year</b>	56,073	61,639	760,975
<b>Cash and Cash Equivalents at End of Year</b>	¥ 61,639	¥ 67,540	\$ 833,827

The accompanying notes to consolidated financial statements are an integral part of these statements.

# Notes to Consolidated Financial Statements

Mabuchi Motor Co., Ltd. and Consolidated Subsidiaries

December 31, 2009 and 2010

## 1. Summary of Significant Accounting Policies

### a Basis of presentation

The accompanying consolidated financial statements of Mabuchi Motor Co., Ltd. (the "Company") and consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

For the purpose of this report, certain reclassifications have been made to present the accompanying consolidated financial statements in a format which is familiar to readers outside Japan.

The consolidated financial statements are expressed in Japanese yen. However, the consolidated financial statements as of and for the year ended December 31, 2010 have been translated into U.S. dollars at the rate of ¥81 = U.S.\$1, the approximate exchange rate prevailing on December 31, 2011. Those U.S. dollar amounts presented in the consolidated financial statements and related notes are included solely for the reader. This translation should not be construed as a representation that all the amounts shown could be converted into U.S. dollars.

### b Principles of consolidation

The consolidated financial statements include the accounts of the Company and all significant subsidiaries. All significant inter-company balances, transactions, and profits have been eliminated in consolidation. Investments in unconsolidated subsidiaries are stated at cost.

### c Translation of foreign currencies

All monetary assets and liabilities denominated in foreign currencies are translated into yen at the rate of exchange in effect at the balance sheet date. Exchange gains and/or losses resulting from such translations are included in income.

Foreign subsidiaries' assets and liabilities are translated into yen at the rates of exchange in effect at the balance sheet date. The components of net assets are translated at historical rates. Revenues and expenses are translated at the average rates of exchange for the year. The resulting foreign currency translation adjustments are shown as a separate component of net assets.

### d Cash equivalents

For purposes of the statements of cash flows, the Company considers all highly-liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

### e Short-term investments and investment securities

The Company classifies securities as "trading securities", which are held for the purpose of earning capital gains in the short-term, "held-to-maturity", for which management has the positive intent and ability to hold to maturity, and "other securities", which represent securities not classified as either trading or held-to-maturity, primarily available-for-sale securities.

Held-to-maturity securities are reported at amortized cost. Available-for-sale securities are stated at fair value with changes in unrealized holding gains or losses, net of the applicable income taxes presented in a separate component of net assets. However, when the fair value of held-to-maturity securities and available-for-sale securities declines significantly and is considered to be irrecoverable, such unrealized holding losses are recognized as impairment losses. Available-for-sale securities for which fair value is not readily determinable are stated at moving average cost.

Corporate bonds classified as held-to-maturity securities and debt securities (corporate bonds) classified as available-for-sale securities include compound financial instruments.

The Company considers securities to be irrecoverable where market values decline to more than 50% of acquisition costs. Where market values decline to between 30% and 50% of acquisition costs, the Company judges the necessity for recognizing any impairment losses by assessing the recoverability of market values taking into consideration declining price trends and other individual relevant factors.

### f Inventories

Finished goods, work in process and raw materials are stated at average cost, however, where net realizable value is lower than cost, the carrying value of the inventory is reduced.

### g Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost. Depreciation is computed primarily by the declining-balance method for the Company (except for certain buildings) and for overseas subsidiaries, principally by the straight-line method over their estimated useful lives. Buildings acquired by the Company on and after April 1, 1998 are depreciated by the straight-line method. Maintenance and repairs, including minor and improvements, are charged to income as incurred.

The Company changed the useful lives of machinery and equipment from 4-11 years to 4-7 years from the ending December 31, 2009 after having reviewed useful lives in accordance with the 2008 amendment to the Corporate Tax Law. The effect of this change on income was immaterial.

### h Leased assets

Assets under finance leases, except for those under lease agreements which stipulate the transfer of ownership of the leased assets to the lessee, are depreciated using the straight-line method over the lease period and assuming no residual value.

Finance leases, which existed at January 1, 2009 and which do not transfer ownership of the leased assets to the lessee, continue to be accounted for as operating lease transactions as permitted by the standard.

### i Income taxes

Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts using current enacted tax rates.

## j Retirement benefits

The Company and certain subsidiaries have funded noncontributory pension plans covering substantially all qualifying full-time employees. Under the plan, eligible employees are entitled to a 10-year annuity or a lump-sum payment based on the rate of pay at the time of retirement or termination, length of service and certain other factors. Annual payments to the trustees for the pension plan, which are deductible for tax purposes, are based on the actuarially determined costs of the plan.

Allowance for retirement benefits are provided based on the amount of retirement benefit obligation reduced by the fair value of pension plan assets at the end of each fiscal year.

Actuarial gains and losses are amortized commencing in the year following the year in which the gains or losses arose primarily by the straight-line method within the average remaining years of service of the employees, which is mainly 10 years.

Prior service costs are amortized using straight-line method over mainly 10 years.

Certain subsidiaries have pension plans similar to the Company or unfunded retirement and termination allowance plans for qualifying employees, any amounts required under the rules of the plans have been fully accrued.

## k Derivative and hedging activities

If a forward foreign exchange contract is executed to hedge a future transaction denominated in a foreign currency, the Company defers recognition of gains or losses on revaluation of the forward foreign exchange contract until the related losses or gains on the hedged items are recognized.

## l Allowance for the restructuring of production bases

On January 28, 2010, the Board of Directors resolved and one of the commission based processing contracts entered between Mabuchi Industry Co., Ltd, a wholly owned subsidiary and a Chinese company, was terminated at the expiry date in December 2010. In this connection, the Company accrued certain expenses and losses as at December 31, 2009 which are expected to be incurred from the gradual reduction or discontinuation of operations of the processing plants. Impairment losses in respect of buildings intended to be disposed of, which had a book value of ¥68 million, are included in the related loss in 2009. At December 31, 2010 accrued expenses for certain cost such as termination benefits and assets disposal remain and there was no effect on income.

## m Change in accounting policies

(Accounting standard for measurement of inventories)

Effective for the year ended December 31, 2009, the Company and its subsidiaries adopted the new accounting standard for the valuation of inventories. Accordingly, the company changed its method of valuing inventories from the average cost method to the average cost method with reduction to the carrying value of inventory where net realizable value is lower than cost. The effect of this change was to decrease gross profit, operating income and income before income taxes by ¥32 million, respectively, in 2009. The effects of this change in specific segments are described in segment information section. (Note 13)

(Unification of accounting policies applied to foreign subsidiaries for the consolidated financial statements)

Effective for the year ended December 31, 2009, the Company adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements"

The effect of this change was to decrease the beginning balance of retained earnings by ¥1,221 million in 2009.

(Accounting standard for lease transactions)

Until the year ended December 31, 2008, the Company accounted for finance leases that do not transfer ownership of the leased assets, as operating lease transactions. Effective for the year ended December 31, 2009, the Company adopted "Accounting Standard for Lease Transactions" and "Guidance on Accounting Standard for Lease Transactions" and accounted for finance lease transactions, which commenced on or after January 1, 2009, as finance leases, recognizing lease assets and lease obligations on the balance sheet.

In addition, finance leases, which existed at January 1, 2009 and which do not transfer ownership of the leased assets to the lessee, continue to be accounted for as operating lease transactions as permitted by the standard. There was no effect of this change on income.

(Accounting standard for retirement benefits)

Effective for the year ended December 31, 2010, the Company adopted "Partial Amendments to Accounting Standard for Retirement Benefits (part 3)". The adoption of this accounting standard had no effect on operating income and income before income taxes in the current fiscal year.

## 2. Cash and Cash Equivalents

Cash and cash equivalents as of the years ended December 31, 2009 and 2010 are reconciled to the accounts reported in the consolidated balance sheets as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2009	2010	2010
Cash and bank deposits	¥ 56,687	¥ 63,765	\$ 787,222
Time deposits with maturities over three months at the time of purchase	(4,552)	(3,733)	(46,086)
Short-term investments	28,867	21,488	265,283
Securities exposed to price risk	(19,362)	(13,981)	(172,604)
Cash and cash equivalents	¥ 61,639	¥ 67,540	\$ 833,827

## 3. Financial Instruments

Effective from the year ended December 31, 2010, the Company applied "Accounting Standards for Financial Instruments" and "Implementation Guidance on Disclosures about Fair Value of Financial Instruments".

### (1) Financial Instruments

#### a. Policies for financial instruments

The Company funds R&D expenditure and equipment investment through retained earnings to maintain a sound financial position. According to this policy, the Company limits management of surplus funds to short-term deposits and other highly secure financial assets. The Company uses derivatives to mitigate risk as described below, and does not engage in speculative transactions.

## b. Financial instruments description and risks

Trade notes and accounts receivable are exposed to customer credit risk and some are also exposed to foreign currency risk

Short-term investments and investment securities, primarily held-to-maturity securities, other securities and investments in the stocks of trading partners, are exposed to the risk of fluctuations in market price.

Trade notes and accounts payable are due within one year, and some are exposed to foreign currency risk.

The Company uses forward foreign exchange contracts to hedge the risk of foreign exchange fluctuations associated with receivables and payables denominated in foreign currencies.

## c. Risk management of financial instruments

1: Management of credit risk (risks associated with the default of counterparties)

The Company and its consolidated subsidiaries manage credit risk, in compliance with internal control rules and procedures. The due dates and the balances of trade notes and accounts receivable from major counterparties are monitored and managed regularly to ensure early detection and to mitigate the risk of doubtful receivables.

2: Management of market risk (risks associated with fluctuations in foreign exchange rates and interest rates)

The Company and some of its consolidated subsidiaries hedge the risk of foreign exchange rate fluctuations on foreign currency denominated receivables and payables, using foreign exchange forward contracts on a monthly and individual currency basis. The Company enters into exchange contracts based on the decision of the board of directors and these are monitored regularly by the head office administrative department.

The Company monitors the fair value and the financial position of the respective issuers of short-term investments and investment securities regularly in the head office administrative department, and continually reviews the condition of stocks held. The Company reports the condition of stocks held and their fair value to the board of directors, and monitors the rating and financial conditions of issuers.

3: Management of liquidity risk related to financing activities (risk of non-payment on due date)

The Company manages liquidity risk centrally through the administrative department, which ensures a certain amount of liquidity through the preparation and update of cash forecasts based on reports from each department and the finance plans prepared by the accounting departments of each subsidiary.

## d. Supplemental information on the fair value of financial instruments

The Company calculates the fair value of financial instruments based on market prices, or by using reasonable estimates when market prices are not available. These estimates include variable factors, and therefore may change depending on changes in the underlying assumptions. The contract amounts of the derivatives are described in Note 5. Derivative Financial Instruments below are not indicative of the market risk associated with derivatives transactions.

### (2) Fair Value of Financial Instruments

Fair values and variances with the carrying value presented on the balance sheets as of December 31, 2010 are as follows. Fair values that are not readily determinable are not included in the following table.

	Yen (millions)			U.S. Dollars (thousands)		
	Carrying value	Fair value	Variance	Carrying value	Fair value	Variance
<b>Assets:</b>						
(1) Cash and bank deposits	63,765	63,765	—	787,222	787,222	—
(2) Trade notes and accounts receivable	11,449	11,449	—	141,345	141,345	—
(3) Short-term investments and investment securities	57,514	56,395	(1,118)	710,049	696,234	(13,802)
<b>Total</b>	<b>132,729</b>	<b>131,610</b>	<b>(1,118)</b>	<b>1,638,629</b>	<b>1,624,814</b>	<b>(13,802)</b>
<b>Liabilities</b>						
(1) Trade notes and accounts payable	3,739	3,739	—	46,160	46,160	—
<b>Total</b>	<b>3,739</b>	<b>3,739</b>	<b>—</b>	<b>46,160</b>	<b>46,160</b>	<b>—</b>
Derivative instruments (forward exchange contracts)	(4)	(4)	—	(49)	(49)	—

1: Method for calculating the fair values of financial instruments, short-term investments and derivative transactions

#### Assets:

(1) Cash and bank deposits (2) Trade notes and accounts receivable

Carrying value is used for fair value for these short-term items because these amounts are approximately the same.

(3) Short-term investments and investment securities

Market prices on exchanges are used to determine the fair value of stock. Prices quoted by exchanges or financial institutions are used to determine the fair value of bonds.

#### Liabilities

(1) Trade notes and accounts payable

Carrying value is used for fair value for these short-term items because these amounts are approximately the same.

Derivative instruments

Please refer to Note 5 Derivative Financial Instruments.

2: Carrying value of financial instruments for which fair values were extremely difficult to determine

	Yen (millions)	U.S. Dollars (thousands)
Unlisted stocks	121	1,493

These items are not included in “(3) Short-term investments and investment securities” because market prices do not exist for these items and their fair values are not readily determinable.

3: Redemption schedule for receivables and marketable securities with maturities at December 31, 2010

	Yen (millions)				U.S. Dollars (thousands)			
	Within 1 year	1-5 years	5-10 years	Over 10 years	Within 1 year	1-5 years	5-10 years	Over 10 years
Cash and bank deposits	63,765	—	—	—	787,222	—	—	—
Trade notes and accounts receivable	11,449	—	—	—	141,345	—	—	—
Short-term investments and investment securities								
Held-to-maturity securities								
Corporate bonds	1,000	2,300	15,500	6,000	12,345	28,395	191,358	74,074
Commercial paper	2,000	—	—	—	24,691	—	—	—
Other securities								
Corporate bonds	11,994	6,100	—	—	148,074	75,308	—	—
Certificate of deposit	2,000	—	—	—	24,691	—	—	—
Money in trust	2,000	—	—	—	24,691	—	—	—
Investment trust	—	180	—	—	—	2,222	—	—
<b>Total</b>	<b>94,210</b>	<b>8,580</b>	<b>15,500</b>	<b>6,000</b>	<b>1,163,086</b>	<b>105,925</b>	<b>191,358</b>	<b>74,074</b>

#### 4. Investment Securities

The carrying value, fair value and variance for securities classified as held-to-maturity securities and other securities as of December 31, 2009 were as follows:

##### 1: Held-to-maturity securities

	Yen (millions)		
	<b>2009</b>		
	Carrying value	Fair value	Variance
Securities whose fair value exceeds their carrying value			
Corporate bonds	3,856	4,381	524
Sub total	3,856	4,381	524
Securities whose carrying value exceeds their fair value			
Corporate bonds	27,402	25,333	(2,068)
Sub total	27,402	25,333	(2,068)
<b>Total</b>	<b>31,259</b>	<b>29,715</b>	<b>(1,544)</b>

##### 2: Other securities

	Yen (millions)		
	<b>2009</b>		
	Carrying value	Fair value	Variance
Securities whose fair value exceeds their carrying value			
Stock	2,122	3,040	918
Corporate bonds	5,423	5,619	195
Other	283	305	22
Sub total	7,829	8,965	1,136
Securities whose carrying value exceeds their fair value			
Stock	1,268	1,008	(260)
Corporate bonds	15,539	15,213	(326)
Other	3,689	3,084	(604)
Sub total	20,498	19,306	(1,191)
<b>Total</b>	<b>28,327</b>	<b>28,272</b>	<b>(55)</b>

##### 3: Securities for which fair values were not available as of December 31, 2009

	Yen (millions)
	<b>2009</b>
Securities with no available fair value	
Commercial paper	¥ 5,497
Money management funds	2,505
Certificates of deposit	2,000
Money in trust	2,000
Stock of a non-consolidated subsidiary	70
Other equity securities	83
<b>Total</b>	<b>¥12,156</b>



4: The contractual maturities for securities classified as other securities and held-to-maturity at December 31, 2009

	Yen (millions)				
	<b>2009</b>				
	Within 1 year	1-5 years	5-10 years	Over 10 years	Total
Corporate bonds	¥16,864	¥9,372	¥17,856	¥8,000	¥52,092
Commercial paper	5,497	–	–	–	5,497
Certificates of deposit	2,000	–	–	–	2,000
Money in trust	2,000	–	–	–	2,000
Investment trust	–	137	–	–	137
Total	¥26,361	¥9,509	¥17,856	¥8,000	¥61,727

The carrying value, fair value and variance for securities classified as held-to-maturity securities and other securities as of December 31, 2010 were as follows:

1: Held-to-maturity securities

	Yen (millions)			U.S. Dollars (thousands)		
	<b>2010</b>					
	Carrying value	Fair value	Variance	Carrying value	Fair value	Variance
Securities whose fair value exceeds their carrying value						
Corporate bonds	2,875	3,428	553	35,493	42,320	6,827
Sub total	2,875	3,428	553	35,493	42,320	6,827
Securities whose carrying value exceeds their fair value						
Corporate bonds	23,282	21,610	(1,671)	287,432	266,790	(20,629)
Sub total	23,282	21,610	(1,671)	287,432	266,790	(20,629)
Total	26,157	25,039	(1,118)	322,925	309,123	(13,802)

2: Other securities

	Yen (millions)			U.S. Dollars (thousands)		
	<b>2010</b>					
	Carrying value	Fair value	Variance	Carrying value	Fair value	Variance
Securities whose fair value exceeds their carrying value						
Stock	1,240	2,143	902	15,308	26,456	11,135
Corporate bonds	8,985	9,005	20	110,925	111,172	246
Sub total	10,226	11,149	922	126,246	137,641	11,382
Securities whose carrying value exceeds their fair value						
Stock	2,161	1,699	(461)	26,679	20,975	(5,691)
Corporate bonds	9,468	9,072	(396)	116,888	112,000	(4,888)
Other	9,933	9,435	(497)	122,629	116,481	(6,135)
Sub total	21,562	20,207	(1,354)	266,197	249,469	(16,716)
Total	31,788	31,356	(432)	392,444	387,111	(5,333)

Unlisted stocks are not included in "Other securities" because their market prices do not exist and their fair values are not readily determinable.

## 5. Derivative Financial Instruments

The Company enters into forward exchange contracts and options, and forward precious metal contracts as a normal part of risk management efforts. The Company also utilizes compound financial instruments for the purpose of efficient management of surplus funds. However only principal guaranteed instruments are used, derivatives are not used for speculative trading purposes. As a result, the Company is exposed to risk of currency rate fluctuation and commodity price risk. The Company is also exposed to credit related losses in the event of the nonperformance of the counterparties to foreign exchange contracts, precious metal contracts and compound instruments. Management believes such credit risks are minor because of the high credit worthiness of the counterparties and as such financial instruments are not held for trading purposes.

Forward precious metal contracts are used by the Company to hedge the risk of changes in market prices resulting from purchase of precious metals as raw materials for motor products. The contracted amounts outstanding at December 31, 2009 and 2010 were ¥1,045 million and ¥118 million (\$1,456 thousand), respectively.

The estimated fair values at December 31, 2009 and 2010 were ¥1,827 million and ¥193 million (\$2,382 thousand), respectively.

Gains and losses deferred, arising from contracts related to future trade transactions, are insignificant, at December 31, 2009. The currency option contracts outstanding at December 31, 2010 were ¥973 million (\$12,012 thousand). The estimated fair values at December 31, 2010 were ¥4 million (\$49 thousand).

## 6. Retirement Plans

The table below sets forth the plan's status and amounts recognized in the balance sheets at December 31, 2009 and 2010.

	Yen (millions)		U.S. Dollars (thousands)
	2009	2010	2010
Projected benefit obligation	¥(8,631)	¥(8,717)	\$(107,617)
Plan assets at fair value	7,990	8,663	106,950
Unfunded retirement benefit obligation	(640)	(54)	(666)
Unrecognized prior service cost	162	148	1,827
Unrecognized actuarial gains	(301)	(331)	(4,086)
Net retirement benefit obligation	(780)	(236)	(2,913)
Prepaid pension cost	158	150	1,851
Accrued retirement benefits	¥ (939)	¥ (387)	\$ (4,777)

Effective as of April 1, 2008, the Company amended its retirement benefit plan to introduce a "point" based retirement benefit plan. Under the amended plan, the estimated amount of all retirement benefits to be paid upon retirement is allocated to each service year based on the points earned.

Effective for the year ended December 31, 2009, the Company adopted the new accounting standard "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" to align the accounting policies of overseas subsidiaries with those of the Company. The effect of this change was to increase the projected benefit obligation in Mabuchi Taiwan Co., Ltd and Mabuchi Motor Taiwan Ltd.

The components of net periodic pension cost for the years ended December 31, 2009 and 2010 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2009	2010	2010
Service cost	¥474	¥427	\$5,271
Interest cost	169	168	2,074
Amortization of prior service cost	20	20	246
Expected return on plan assets	(82)	(104)	(1,283)
Amortization of unrecognized actuarial gain	(24)	(30)	(370)
Net periodic pension cost	¥556	¥481	\$5,938

Other than the above pension cost, temporary severance benefit costs of ¥339 million in 2009 and ¥84 million (\$1,037 thousand) in 2010 were incurred, respectively.

The assumptions used in accounting for the above plans were as follows:

	2009	2010
Discount rate	mainly 2.0%	mainly 2.0%
Expected rate of return on plan assets	mainly 1.0%	mainly 1.0%

## 7. Income Taxes

The Company and its domestic consolidated subsidiaries are subject to a number of taxes based on income with a normal tax rate aggregating approximately 40.4% for the years ended December 31, 2009 and 2010. Foreign subsidiaries are subject to income taxes in the countries in which they operate.

The following table summarizes the significant differences between the Japanese statutory income tax rate and the effective income tax rate on pre-tax income for the years ended December 31, 2009 and 2010.

As a result of a revision of the Corporate Tax Law in Japan in 2009, dividends received from overseas subsidiaries are no longer subject to Japanese income tax. Accordingly, part of the deferred tax liability that had previously been recorded in respect of the undistributed earnings in foreign subsidiaries has been reversed.

	2009	2010
	%	%
Statutory income tax rate	40.4	40.4
Different tax rates applied to foreign subsidiaries	8.5	(16.9)
Foreign and R&D tax credit utilization	(11.6)	(1.7)
Undistributed earnings in foreign subsidiaries	—	2.7
Reversal of tax effects on undistributed earnings in foreign subsidiaries	(121.3)	—
Tax credits on dividend income	(1.3)	(1.5)
Other, net	4.4	4.9
Effective income tax rate	(80.9)	27.9

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of deferred tax assets and liabilities at December 31, 2009 and 2010 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2009	2010	2010
Deferred tax assets:			
Unrealized profits on inventories and fixed assets	¥ 432	¥ 815	\$10,061
Evaluation losses on investment securities and other assets	1,441	1,024	12,641
Depreciation	84	81	1,000
Allowance for retirements benefits	144	78	962
Unrealized loss on securities available for sale	22	175	2,160
Other	960	800	9,876
Total	¥3,086	¥2,975	\$36,728
Deferred tax liabilities:			
Tax on undistributed earnings in foreign subsidiaries	¥ 789	¥ 987	\$12,185
Other	129	327	4,037
Total	¥ 918	¥1,315	\$16,234
As reported in the consolidated balance sheet:			
Deferred tax assets	¥2,178	¥1,665	\$20,555
Deferred tax liabilities	11	6	74

## 8. Shareholders' Equity

Under the Japanese Corporate Law ("the Law"), the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, where a distribution of earnings is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

As of December 31, 2010, the total amount of additional paid-in capital and legal earnings reserve exceeded 25% of the common stock, therefore, no additional transfer is required.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. However, by the resolution of shareholders' meeting, additional paid-in capital and legal earnings reserve may be transferred to other retained earnings and capital surplus, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the nonconsolidated financial statements of the Company in accordance with the Law.

Year end dividends are approved by the shareholders after the end of each fiscal year, and semiannual interim cash dividends are declared by the Board of Directors after the end of each interim six-month period.

On September 17, 2010, interim dividends (¥50 or \$0.61 per share) of ¥1,751 million (\$21,617 thousand) were paid to shareholders based on the shareholder's records at June 30, 2010. On March 31, 2011, the shareholders approved the declaration of dividends (¥50 or \$0.61 per share) totaling ¥1,751 million (\$21,617 thousand).

## 9. Per Share Data

Net income per share was computed based on the net income reported in the consolidated statements of income and the weighted average number of shares of common stock outstanding during each year. In accordance with the accounting standard for earnings per share, basic net income per share was computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during the year.

## 10. Contingent Liabilities

As of December 31, 2010, the Company was contingently liable principally for forward precious metal contracts in the amount of ¥118 million (\$1,456 thousand).

## 11. Research and Development Expenses

Expenditures relating to research and development activities are charged to income as incurred and amounted to ¥3,298 million and ¥3,337 million (\$41,197 thousand) for the years ended December 31, 2009 and 2010, respectively.

## 12. Impairment of Fixed Assets

Impairment losses relating to fixed assets of ¥27 million were incurred in 2009. Accumulated losses on impairments are directly deducted from the related assets. There were no impairment losses relating to fixed assets in 2010.

## 13. 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 motor products. Information on net sales, operating income and assets by geographic area, and overseas sales is summarized as follows:

## Segment Information by Geographic Area

	Yen (millions)		U.S. Dollars (thousands)
	2009	2010	2010
Net sales:			
Japan			
External customers	¥ 12,125	¥ 12,327	\$ 152,185
Intersegment	31,970	44,032	543,604
Total	44,096	56,359	695,790
Asia			
External customers	42,129	51,295	633,271
Intersegment	33,242	42,735	527,592
Total	75,372	94,031	1,160,876
U.S.A.			
External customers	5,681	7,396	91,308
Intersegment	12	(0)	(0)
Total	5,694	7,396	91,308
Europe			
External customers	10,432	11,732	144,839
Intersegment	–	–	–
Total	10,432	11,732	144,839
Corporate and elimination	(65,225)	(86,768)	(1,071,209)
Consolidated	¥ 70,369	¥ 82,752	\$ 1,021,629
Operating income:			
Japan	¥ (994)	¥ 1,574	\$ 19,432
Asia	2,960	4,334	53,506
U.S.A.	145	296	3,654
Europe	378	231	2,851
Corporate and elimination	530	188	2,320
Consolidated	¥ 3,019	¥ 6,624	\$ 81,777
Assets:			
Japan	¥ 66,650	¥ 64,788	\$ 799,851
Asia	93,567	89,679	1,107,148
U.S.A.	4,174	3,183	39,296
Europe	5,345	5,362	66,197
Corporate and elimination	22,623	22,394	276,469
Consolidated	¥192,362	¥185,408	\$ 2,288,987

“Corporate and elimination” is the net of corporate assets of ¥87,612 million in 2009 and ¥87,338 million (\$1,078,246 thousand) in 2010, which comprises principally cash, short-term investments and investment securities and inter-segment eliminations.

As explained in Note 1(m), effective for the year ended December 31, 2009, the Company adopted “Accounting Standard for Measurement of Inventories”. The effect of this change was to increase operating loss by ¥14 million in Japan and to decrease operating profit by ¥18 million in Asia.

### Overseas Sales

	Yen (millions)		U.S. Dollars (thousands)
	2009	2010	2010
Overseas Sales			
U.S.A.	¥ 6,004	¥ 7,441	\$ 91,864
Europe	10,476	11,793	145,592
Asia and Other	45,812	53,448	659,851
Total	¥62,293	¥72,682	\$ 897,308
Net Sales	70,369	82,752	1,021,629
% of Overseas Sales to Net Sales	88.5%	87.8%	87.8%

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

### 14. Subsequent Event

On February 15, 2011, the Board of Directors resolved to cancel certain treasury shares to further improve capital efficiency and shareholders’ return on investment. Accordingly, on March 4, 2011, 2 million ordinary shares were cancelled. The number of issued ordinary shares outstanding after the cancellation was 39,875,881.

# Independent Auditors' Report



Ernst & Young ShinNihon LLC  
Hibiya Kokusai Bldg.  
2-2-3, Uchisaiwai-cho,  
Chiyoda-ku, Tokyo, Japan 100-0011

Tel: +81 3 3503 1100  
Fax: +81 3 3503 1197

## Report of Independent Auditors

The Board of Directors  
Mabuchi Motor Co., Ltd.

We have audited the accompanying consolidated balance sheets of Mabuchi Motor Co., Ltd. and consolidated subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mabuchi Motor Co., Ltd. and consolidated subsidiaries at December 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended December 31, 2010 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

*Ernst & Young Shin Nihon LLC*

March 31, 2011

# Investor Information (As of December 31, 2010)

## Stock Data

Number of Shares Authorized ..... 100,000,000  
 Number of Shares Issued ..... 41,875,881  
 Number of Shareholders ..... 13,104

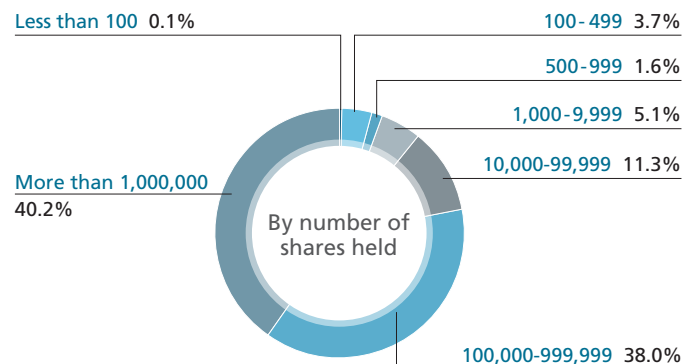
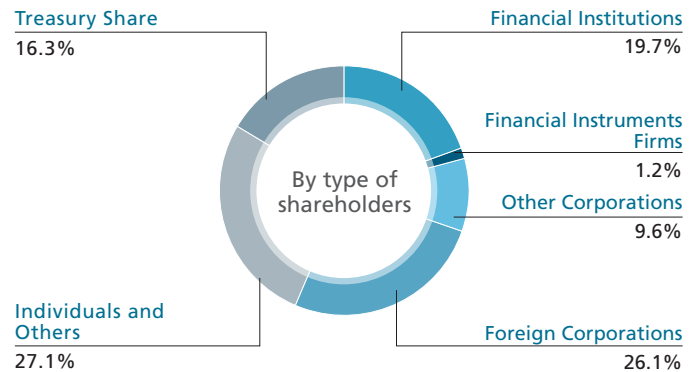
## Major Shareholders

Major Shareholders	Number of Shares Held (Thousands)	Ratio of Shareholders (%)
Takaichi Mabuchi	2,500	7.1
Takashi Mabuchi	1,900	5.4
Tamotsu Mabuchi	1,900	5.4
Mabuchi International Scholarship Foundation	1,500	4.3
Japan Trustee Services Bank, Ltd. (Trust Account)	1,164	3.3
Premiere Corporation	1,034	3.0
The Nomura Trust and Banking Co., Ltd. (Trust Account)	956	2.7
The Master Trust Bank of Japan, Ltd. (Trust Account)	840	2.4
Northern Trust Co. (AVFC) Sub-account American Clients	750	2.1
Morgan Stanley & Co. Inc.	726	2.1

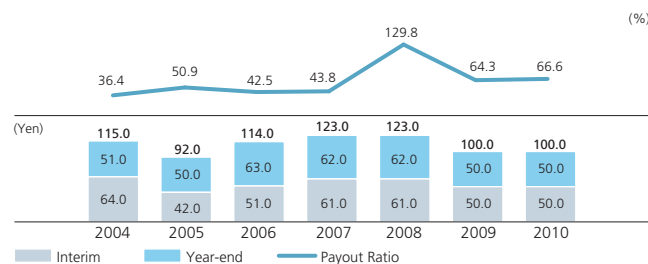
Notes: 1. In addition to the above, Mabuchi Motor Co., Ltd. retains 6,838,777 treasury shares.

2. Ratio of Shareholders excludes the number of treasury shares.

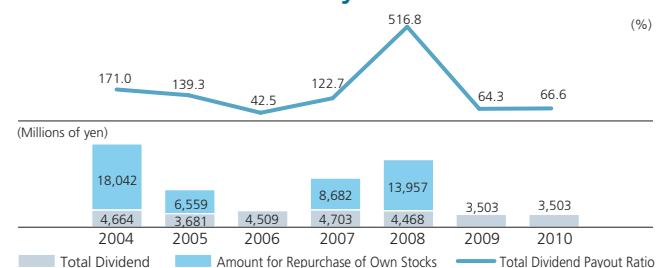
## Composition of Shareholders



## Cash Dividends per Share / Payout Ratio



## Total Dividend / Amount for Repurchase of Own Stocks / Total Dividend Payout Ratio



## Changes in Standards for Calculating Dividends

Year	Ordinary Dividend per Share	Standard Value for Calculating Special Dividend
2007 <sup>(*)</sup>	60 yen	20% of consolidated net income
2005	60 yen	20% of consolidated net income
2003	50 yen	20% of consolidated net income
1999	50 yen	5% of consolidated net income

(\* Additional policy) Actual full-year dividend amount shall be based on the above calculation standards and shall not be less than the expected dividend amount announced during the full-year period unless a significant profit warning is issued.

## Trend of Stock Price and Related Indicators

	2006	2007	2008	2009	2010
High (Yen)	7,710	7,990	6,740	5,010	5,520
Low (Yen)	5,710	6,610	2,845	3,230	3,920
At Year-end (Yen)	7,080	6,740	3,690	4,580	4,185
PER	26.4	24.0	38.9	31.2	27.8
PBR	1.3	1.2	0.7	0.9	0.8

# Corporate Data (As of December 31, 2010)

## Company Name

MABUCHI MOTOR CO., LTD.

## Corporate Headquarters

430 Matsuhidai, Matsudo-City  
Chiba 270-2280, Japan  
Tel: 81-47-710-1111  
Fax: 81-47-710-1141

## Established

January 18, 1954

## Paid-in Capital

¥20,704,818,800

## Number of Employees

748 (Non-consolidated)  
37,466 (Consolidated)

## Ordinary General Meeting of Shareholders

The Ordinary General Meeting of Shareholders will be held at the end of March in Matsudo.

## Independent Accountants

Ernst & Young Shin Nihon LLC  
Tokyo, Japan

## Shareholders' Register Custodian

Mitsubishi UFJ Trust and Banking Corporation  
Corporate Agency Department  
10-11, Higashi-suna 7-chome, Koto-ku,  
Tokyo 137-8081, Japan  
Tel: 81-120-232-711

## Stock Listing

Japanese Stock Exchange Listing  
Tokyo Stock Exchange

## Corporate Directory

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### Consolidated Subsidiaries

#### MABUCHI INDUSTRY CO., LTD.

19 Sam Chuk Street, San Po Kong,  
Kowloon, Hong Kong  
Tel: 852-2328-5575  
Fax: 852-2352-5266

#### MABUCHI MOTOR (DONGGUAN) CO., LTD.

Guancheng Science & Technology Park,  
Shilong Road, Guanlong Road's Section,  
Dongguan City, Guangdong Province  
523119, China  
Tel: 86-769-2225-6985  
Fax: 86-769-2220-2117

#### MABUCHI TAIWAN CO., LTD.

No. 18, Chunghwa Road, Hsinchu Industrial  
District, Hsinchu 30352, Taiwan  
Tel: 886-3-598-1111  
Fax: 886-3-598-6256

#### MABUCHI MOTOR TAIWAN LTD.

No. 66 Kai-Fa Road, N.E.P.Z., Kaohsiung  
81170, Taiwan  
Tel: 886-7-362-1111  
Fax: 886-7-361-2446

#### MABUCHI MOTOR DALIAN CO., LTD.

No. 41 Harbin Road, Dalian Economic and  
Technical Development Zone, Dalian  
116600, China  
Tel: 86-411-8761-1111  
Fax: 86-411-8761-2900

#### MABUCHI MOTOR WAFANGDIAN CO., LTD.

Laohutun Town, Wafangdian City, Liaoning  
Province 116322, China  
Tel: 86-411-8537-0241  
Fax: 86-411-8537-0291

#### MABUCHI MOTOR (JIANGSU) CO., LTD.

No. 1 Liuxu Road, Wujiang City Economic  
Development Zone, Jiangsu Province  
215200, China  
Tel: 86-512-6345-1111  
Fax: 86-512-6345-0438

#### MABUCHI MOTOR (YINGTAN) CO., LTD.

Yingtang Economic and Technological  
Development Zone, Yingtang City, Jiangxi  
Province 335000, China  
Tel: 86-701-6689168  
Fax: 86-701-6689166

#### MABUCHI PRECISION (DONGGUAN) CO., LTD.

Ludong Industrial Area, Humen Town,  
Dongguan City, Guangdong Province  
523935, China  
Tel: 86-769-85564792  
Fax: 86-769-85564791

#### MABUCHI MOTOR VIETNAM LTD.

No. 2-5A Street, Bienhoa II Industrial Zone,  
Bienhoa, Dongnai, Vietnam  
Tel: 84-61-3836711  
Fax: 84-61-3836712

#### MABUCHI MOTOR DANANG LTD.

Lot A2, No. 3 Street, Hoa Khanh Industrial  
Zone, Lien Chieu District, Danang City,  
Vietnam  
Tel: 84-511-3731931  
Fax: 84-511-3731932

#### MABUCHI MOTOR AMERICA CORP.

3001, West Big Beaver Road, Suite 520,  
Troy, MI 48084 U.S.A.  
Tel: 1-248-816-3100  
Fax: 1-248-816-3242

#### MABUCHI MOTOR (SINGAPORE) PTE. LTD.

111, North Bridge Road, #12-05 Peninsula  
Plaza, Singapore 179098  
Tel: 65-6339-9991  
Fax: 65-6339-9091

#### MABUCHI MOTOR (EUROPE) GmbH

Herriotstrasse 1, 60528 Frankfurt am Main,  
Germany  
Tel: 49-69-6690220  
Fax: 49-69-6690229

#### MABUCHI MOTOR (SHANGHAI) CO., LTD.

Room 1901, Kirin Plaza Building, No. 666  
Gubei Road, Changning District, Shanghai  
200336, China  
Tel: 86-21-6208-5666  
Fax: 86-21-6208-8466

#### MABUCHI MOTOR KOREA CO., LTD.

Room 328, Central Plaza G-five, 1685-8  
Seocho-Dong, Seocho-Gu, Seoul 137-070,  
Korea  
Tel: 82-2-534-8131  
Fax: 82-2-534-8135

#### MABUCHI MOTOR TRADING (SHENZHEN) CO., LTD.

Room 1704-05 Great China International  
Exchange Square, Jintian Road, Futian  
District, Shenzhen City, Guangdong  
Province 518034, China  
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#### MABUCHI MOTOR (MALAYSIA) SDN. BHD.

This company closed in 2005.

#### Non-consolidated Subsidiary

#### MABUCHI REAL ESTATE CO., LTD.



**MABUCHI MOTOR CO., LTD.**

CORPORATE HEADQUARTERS

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