

(TRANSLATION ONLY)

Securities code: 6592

March 11, 2014

To Those Shareholders with Voting Rights

Hiroo Okoshi
Representative Director and President
MABUCHI MOTOR CO., LTD.
430 Matsuhidai, Matsudo City, Chiba, Japan

NOTICE OF THE 73RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 73rd Ordinary General Meeting of Shareholders of MABUCHI MOTOR CO., LTD. (the “Company”) to be held as follows:

If you are unable to attend the Meeting, please read the attached REFERENCE DOCUMENTS FOR THE 73RD ORDINARY GENERAL MEETING OF SHAREHOLDERS and return the Exercise Voting Rights Form with your selections. Please ensure that it will reach the Company by 5 p.m., Thursday, March 27, 2014.

- 1. Date:** 10 a.m., Friday, March 28, 2014
- 2. Place:** Large Conference Hall at Head Office
MABUCHI MOTOR CO., LTD.
430 Matsuhidai, Matsudo City, Chiba

3. Agenda:

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 73rd Fiscal Term (from January 1, 2013 to December 31, 2013), as well as the Audit Reports of the Independent Certified Public Accountants and the Audit & Supervisory Board for the Consolidated Financial Statements
2. The Financial Statements for the 73rd Fiscal Term (from January 1, 2013 to December 31, 2013)

Matters to be resolved:

Proposal: Proposed Appropriation of Retained Earnings for the 73rd Fiscal Term

***For those attending, please present the enclosed Exercise Voting Rights Form at the reception desk on arrival at the Meeting. In addition, please bring this “NOTICE OF THE 73RD ORDINARY GENERAL MEETING OF SHAREHOLDERS” with you.**

***Should any amendments occur in the REFERENCE DOCUMENTS FOR THE 73RD ORDINARY GENERAL MEETING OF SHAREHOLDERS, the Business Report, the Financial Statements and/or the Consolidated Financial Statements, such changes will be posted on the Company’s Web site (http://www.mabuchi-motor.co.jp/ja_JP/).**

Note: This document is a translation of an excerpt of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

BUSINESS REPORT (From January 1, 2013 to December 31, 2013)

1. Current Conditions of the Mabuchi Group

(1) Business Development and Results

During the fiscal year ended December 31, 2013, the world economy began to gradually recover in the second half. The U.S. economy remained strong due to solid consumer spending and capital investment. Although economic stagnation continued in Europe, signs of recovery began to appear in key countries. The economies of emerging countries showed only gradual growth, with domestic demand varying from region to region. In Japan, the historically unprecedented yen appreciation was corrected, corporate performance showed improvement, and gradual economic recovery continued.

In the markets in which the Mabuchi Group operates, in the Automotive Products Market, demand in the U.S. and emerging countries was strong, while in Europe demand appeared to have bottomed out in some areas. In the Home Appliances, Power Tools & Toys Market and the Precision & Office Equipment Market, the U.S. market, where housing-related spending and consumer spending were strong, acted as a locomotive for demand, and demand in emerging countries continued as well. On the other hand, the Audio & Visual Equipment Market continued to contract.

Under these business conditions, the Mabuchi Group addressed several issues: continued strengthening of the automotive products business and new activities in the consumer and industrial products businesses, sales expansion in China, reorganization of production bases, and manufacturing process innovation.

Specifically, the Group actively implemented measures to achieve further progress with sales and market share expansion, and high quality and high efficiency, and achieved results that will lead to future business growth. These measures included 1) expansion of the customer base for new motors for power window lifters; 2) development and strengthening of sales of new medium-size automotive motors, such as products that do not use neodymium; 3) full-scale entry into the commercial office equipment sector; 4) building of an organizational structure for developing new applications and commencement of activities; 5) strengthening of the business in China by means of a locally self-contained business unit structure; 6) expansion of high-end product production capacity at the coastal production bases in China; 7) expansion of automotive motor production capacity at the two production sites in Vietnam; and 8) laborsaving in production processes and man-hour reduction through expanded introduction of facilities to rationalize production.

As a result, consolidated net sales for the period were 108,401 million yen (a 27.2% increase on a year-on-year basis). Motors sales, which account for the majority of consolidated net sales, were 108,340 million yen (a 27.3% increase on a year-on-year basis).

Operating income for the year was 9,335 million yen (an 84.8% increase on a year-on-year basis) due to improvement in the gross profit ratio as a result of stabilization of the steep rise in materials costs, a trend toward improvement in the product mix, and further yen depreciation coupled with improvement in the selling, general and administrative expenses ratio accompanying the net sales increase. Ordinary income was 16,672 million yen (a 58.6% increase on a year-on-year basis) on improvement in non-operating income due to an increase from the previous year in foreign exchange gains on further yen depreciation during the year. Income before income taxes was 15,015 million yen (a 78.2% increase on a year-on-year basis) as a result of improvement in the balance of extraordinary items due to the non-recurrence of restructuring expenses and loss on sales of investment securities recorded in the previous year, despite an impairment loss on fixed assets in connection with lower profits at some consolidated subsidiaries as a result of contraction of the DVD player market. Net income was 10,519 million yen (a 64.7% increase on a year-on-year basis), despite a slight increase in the consolidated effective tax rate due to the impact of an increase in foreign exchange gains at the parent company, which carries a comparatively high tax burden among its Group companies.

The next section describes market trends and sales conditions categorized into separate markets for motors.

1) Automotive Products Market

Net sales in this market rose sharply to 66,220 million yen (a 35.0% increase on a year-on-year basis). Sales of products for all applications including motors for mirrors, door lock actuators, and air conditioning damper actuators, which are applications for compact motors, and motors for

power window lifters, power seats, and electronic parking brakes, which are applications for medium- or large-sized motors, developed favorably due to growth in worldwide automobile production as well as an increase in Mabuchi's market share. Furthermore, the weak yen also contributed to the sharp increase.

2) Home Appliances, Power Tools & Toys Market

Net sales in this market rose sharply to 19,786 million yen (a 26.1% increase on a year-on-year basis). Sales of motors for hair dryers and toothbrushes developed favorably in preparation for the year-end sales season, sales of motors for power tools also increased due to a strong U.S. market and higher sales of motors for high-end products, and the weak yen also contributed to the sharp increase.

3) Precision & Office Equipment Market

Net sales in this market increased to 13,479 million yen (an 18.9% increase on a year-on-year basis). Sales of motors for inkjet printers increased due to product mix improvement and the impact of the weak yen. Sales of motors for multifunction printers (MFPs) and laser printers, existing products and newly launched products alike, developed favorably.

4) Audio & Visual Equipment Market

Net sales in this market decreased to 8,854 million yen (a 2.1% decrease on a year-on-year basis). Sales of motors for CD players in cars in the after-market sector decreased, and the market for motors for DVD players continued to contract. Sales of both product lines decreased as a result of a greater selectivity in accepting orders to maximize profitability.

<Consolidated sales of motors by application>

Market Segment	The 73rd fiscal term (The year ended December 31, 2013)	YOY (%)	Segment sales as a percentage of net sales (%)
	Amount (Millions of Yen)		
Automotive Products	66,220	35.0	61.1
Home Appliances, Power Tools & Toys	19,786	26.1	18.3
Precision & Office Equipment	13,479	18.9	12.4
Audio & Visual Equipment	8,854	-2.1	8.2
Total	108,340	27.3	100.0

(Notes)

1. The Mabuchi Group's businesses have been developed within a single business field related to small motors. Given this single business structure, an explanation by segment is omitted.
2. As the Mabuchi Group has sales of several types of motor parts and production equipment in addition to its mainstay motor sales, the amount for consolidated net sales differs from the amount for consolidated sales of motors.
3. Amounts less than a million yen have been truncated.
4. The figures above don't include consumption tax, etc.

(2) Capital Investments

Capital investments for the current fiscal year amounted to 5,755 million yen, which includes 1,274 million yen for the construction of facilities for MABUCHI MOTOR (JIANGSU) CO., LTD., MABUCHI MOTOR (JIANGXI) CO., LTD., and MABUCHI MOTOR (DONGGUAN) CO., LTD.; 262 million yen for R&D facilities and equipment; and 4,218 million yen for other facilities and equipment to upgrade product lines and reinforce overall productivity.

(3) Issues to be Addressed

In the outlook for 2014, the forecast for the U.S. economy is for firm corporate earnings and consumer spending, and the European economy is expected to shift to gradual recovery centered on key countries. In Japan, an increase in exports is forecast, and the economy is likely to remain firm despite the impact of a consumption tax increase. On the other hand, only modest growth is forecast

for emerging countries, where a sense of uncertainty regarding the economic outlook lingers.

The situation in the markets in which the Mabuchi Group operates is mixed. In the Automotive Products Market, worldwide automobile production is expected to grow and remain strong. In the Home Appliances, Power Tools & Toys Market, demand is expected to be stable in developed countries and to grow gradually in emerging countries. On the other hand, we expect market conditions for key items to soften in the Precision & Office Equipment Market and forecast continued market contraction in the Audio & Visual Equipment Market.

Under these business conditions, the Mabuchi Group will tackle the following issues.

1) Acceleration of Growth in the Automotive Products Business and Development of New Applications in the Consumer and Industrial Products Business

In the Automotive Products Business, the Mabuchi Group will work to expand sales of two new motors for power window lifters for which development has been completed: a medium-torque and a high-torque product. We will work to increase the number of models equipped with these products by stepping up sales activities. For the medium-torque product, we will target a Japanese automaker that has already decided to adopt the product. For the high-torque product, we will target a North American automaker for which Mabuchi became an authorized supplier in the previous year. Furthermore, using these motors as a springboard, we will aim to win orders by focusing on acquiring new customers in Japan, North America, and Europe. In the Chinese market, we will maintain our top-level market share by working to increase the number of automobile models equipped with Mabuchi products.

Applications for medium-size automotive motors such as power seats, parking brakes, and engine air intake and exhaust constitute a market sector in which an increase in installation rates can be expected. By completing preparation of a line of new products meant to become standard products for each of these applications, Mabuchi will focus on further expansion of sales of motors for these applications and aim to expand adoptions to new related applications. We will also undertake cost reduction and profitability improvement by boosting sales and production quantities and by optimizing production base location.

Next, in the consumer and industrial product sector, while making the small brush motor business the linchpin, Mabuchi is reinforcing initiatives for medium-size and large brushless motors to uncover latent needs. For medium-size brushless motors, in addition to increasing orders and opening up new customers for motors for copiers and multifunction printers (MFPs), a market sector Mabuchi has already entered, we will seek sales expansion into related applications. Large brushless motors are products developed for vehicles, including electrically assisted bicycles, and full-scale mass production of these motors for such application has already begun. It is possible to apply these motors in other wide-ranging fields, such as assistive equipment, gardening equipment, and industrial equipment, and we will work to open up new applications and win orders for these motors.

2) Cost Reduction through Manufacturing Innovation

In order to prevail in global competition, the Mabuchi Group will continue to undertake development of a manufacturing base that cannot be easily imitated by competitors.

During the past three years, in response to sharp increases in labor costs accompanying economic development in countries where production bases are located, the Mabuchi Group has engaged in laborsaving activities and achieved a target of laborsaving equivalent to 30% of direct employees from the fiscal 2010 level. In the coming three years as well, we aim to achieve further laborsaving exceeding 30% by leveraging the laborsaving know-how and automated laborsaving facilities accumulated through activities implemented to date and the structure we have developed to make acceleration of their deployment possible.

In addition to these measures, we will push forward with comprehensive activities to increase productivity, including reduction of non-value-added processes through improvement in production indicators and creation of quality in production processes, and make every effort to not merely eliminate the impact of labor cost increases, but to realize cost reduction.

3) Construction of a New Global Production and Supply Structure

In an era in which labor-intensive manufacturing was prevalent, the ability to secure an abundant supply of workers with manual dexterity was an important consideration in deciding the location of production bases. Mabuchi has developed a structure in which production is concentrated in

Asia, an optimal region in that regard, and supplied motors from Asia to the rest of the world.

Meanwhile, the concept of local production for local consumption has become a strong tendency among customers for medium-size automotive motors, which Mabuchi has positioned as a strategically important application, and manufacturing innovation has brought about a shift from people to facilities as the core element of production.

Taking these developments into consideration—i.e., changes in the industry with regard to applications, changes in manufacturing, customs duties, and other factors—Mabuchi will accelerate its efforts to develop a global production and supply structure with the principal aim to expand the medium-size automotive motor business, which includes products such as power window motors.

(4) Financial Highlights

(Millions of Yen)

	70th fiscal term (FY2010)	71st fiscal term (FY2011)	72nd fiscal term (FY2012)	73rd fiscal term (FY2013)
Net sales	82,752	78,886	85,254	108,401
Ordinary income	7,587	4,926	10,510	16,672
Net income (loss)	5,260	(466)	6,385	10,519
Net income (loss) per share (Yen)	150.14	(13.31)	182.25	300.21
ROE (%)	3.0	-0.3	3.6	5.4
Total assets	185,408	181,351	196,702	227,253
Net assets	174,570	168,538	181,372	208,791
Shareholders' equity ratio (%)	94.2	92.9	92.2	91.9
Net assets per share (Yen)	4,982.43	4,810.36	5,176.75	5,956.04
Cash dividends per share (Yen)	100	100	100	140
Dividend payout ratio (%)	66.6	—	54.9	46.6
Dividend on equity ratio (%)	2.0	2.0	2.0	2.5

(Notes)

1. Net income (loss) per share is calculated using the average number of outstanding shares during the period. Net assets per share are calculated based on the total number of shares outstanding at the end of the period.
2. Amounts less than one million yen for net sales, ordinary income, net income (loss), total assets and net assets are omitted. Amounts of net income (loss) per share and net assets per share are rounded to two decimal places.
3. Percentages for ROE, shareholders' equity ratio, dividend payout ratio and dividend on equity ratio are rounded to one decimal place.
4. Cash dividends per share, dividend payout ratio and dividend on equity ratio for the 73rd fiscal term are projected figures calculated on the assumption that the resolution will be passed on the proposal for appropriation of retained earnings at the 73rd Ordinary General Meeting of Shareholders.
5. As the Company's shares held by the ESOP Trust Utilizing Employee Shareholding Association are treated as treasury stock, the relevant number of shares is excluded from the average number of outstanding shares during the period in the calculation of net income per share and the dividend payout ratio for the 73rd fiscal term. Moreover, the relevant number of shares is excluded from the total number of shares outstanding at the end of the period in the calculation of net assets per share and the dividend on equity ratio.

(5) Major Businesses Conducted by the Mabuchi Group (As of December 31, 2013)

The Mabuchi Group, consisting of the Company, and its 20 subsidiaries (of which 19 are consolidated subsidiaries), engage in the manufacture and sales of small motors used for automotive products, home appliances, power tools & toys, precision & office equipment and audio & visual equipment, etc.

2. Matters Relating to Stocks (As of December 31, 2013)

- (1) Total Number of Shares Authorized: 100,000,000
- (2) Total Number of Shares Issued: 37,875,881
(Including 2,730,215 shares of treasury stock)
- (3) Number of Shareholders: 10,139
(Decreased by 2,728 from the end of the previous term)
- (4) Major Shareholders (Top 10)

Shareholders	Number of shares held (shares)	Percentage of shares held (%)
Takaichi Mabuchi	2,500,400	7.1
Northern Trust Co. (AVFC) Sub-account American Clients	2,286,310	6.5
Mabuchi International Scholarship Foundation, Public Interest Incorporated Foundation	1,500,000	4.3
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,181,100	3.4
Japan Trustee Services Bank, Ltd. (Trust Account)	1,155,100	3.3
Takashi Mabuchi	1,130,300	3.2
Tamotsu Mabuchi	1,130,207	3.2
Premiere Corporation	1,034,300	2.9
Taka Corporation Co., Ltd.	1,028,000	2.9
TEXAS Inc.	1,028,000	2.9

(Notes)

1. In addition to the above, Mabuchi Motor Co., Ltd. retains 2,730,215 shares of treasury stock.
2. The number of shares of treasury stock is excluded from "Percentage of shares held." The percentages are rounded to one decimal place.
3. 95,200 shares held by the ESOP Trust Utilizing Employee Shareholding Association are included in the calculation of "Percentage of shares held."

(5) Other Significant Matters Relating to Stocks

The Company introduced an employee incentive plan called the ESOP Trust Utilizing Employee Shareholding Association (hereinafter the "ESOP Trust") to further improve welfare programs for employees who support the Company's growth. The introduction of this plan also aims to enhance the Company's corporate value over the medium to long term by creating greater awareness of the Company's business performance and stock value among its employees.

The Company established a trust with those employee members of Mabuchi Motor Employee Shareholding Association (hereinafter "Our Shareholding Association") who meet certain requirements as its beneficiaries, and this trust, under the ESOP Trust, will acquire at one time the number of Company shares that Our Shareholding Association is expected to acquire between June 2013 and June 2018. Subsequently, the said trust will sell off the Company's shares to Our Shareholding Association on a predetermined day every month.

The number of shares that the ESOP Trust held as of the fiscal year-end was 95,200 shares.

3. Matters Concerning the Subscription Rights to Shares

(1) Subscription Rights to Shares Held by the Company's Directors as of December 31, 2013.

Subscription rights to shares resolved at a meeting of the Board of Directors held May 17, 2013.

- 1) Designation of the Subscription Rights to Shares
Mabuchi Motor Co., Ltd. 1st Subscription Rights to Shares
- 2) Number of the Subscription Rights to Shares
597 units
- 3) Number of Persons Granted the Subscription Rights to Shares
Six (6) directors of the Company (excluding outside directors)
- 4) Type and Number of Shares Underlying the Subscription Rights to Shares
5,970 shares of the Company's common stock (10 shares per subscription right)
- 5) Subscription Amount for the Subscription Rights to Shares
No subscription required in exchange for the subscription rights to shares.
- 6) Value of the Property Invested in Exercising the Subscription Rights to Shares
One (1) yen per share
- 7) Period for Exercising the Subscription Rights to Shares
The period for exercising the subscription rights to shares shall be from May 21, 2013, to May 20, 2033.
- 8) Conditions for the Exercise of the Subscription Rights to Shares
 - i) A person who is allotted the subscription rights to shares (hereinafter "Subscription Right Holder") shall be allowed to exercise the subscription rights to shares, solely in a lump sum, only within a period of not later than ten (10) days following the next day after the date when he/she forfeits the director's position of the Company.
 - ii) In the event a Subscription Right Holder dies, his/her heir may exercise the subscription rights to shares, provided, however, that any person who has inherited the subscription rights to shares from the heir of an allotted person is not allowed to exercise the subscription rights to shares.

(2) Subscription Rights to Shares Granted to Employees during the Fiscal Year Under Review

None

4. Directors and Audit & Supervisory Board Members of the Company

(1) Directors and Audit & Supervisory Board Members

(As of December 31, 2013)

Position	Name	Duty and Significant Positions Concurrently Held
Representative Director and Chairman	Shinji Kamei	
Representative Director and President	Hiroo Okoshi	President and CEO
Executive Managing Director	Takashi Kamei	Senior Managing Executive Officer and General Manager of Operations Control Headquarters, in charge of China business
Director	Tadashi Takahashi	Executive Officer and General Manager of Research and Development Headquarters
Director	Akihiko Kitahashi	Executive Officer and General Manager of Sales & Marketing Headquarters
Director	Masato Itokawa	Executive Officer and General Manager of Quality Assurance Dept., in charge of Quality and Environmental Management
Director	Iwao Nakamura	Outside Director of NAGASE & CO., LTD.
Full-time Audit & Supervisory Board Member	Masahiro Gennaka	
Audit & Supervisory Board Member	Keiichi Horii	Attorney, Joint Representative South Toranomom Law Office
Audit & Supervisory Board Member	Nobutaka Motohashi	CPA, Representative, Motohashi Nobutaka Accounting Office Outside Auditor of NAGAWA Co., Ltd.
Audit & Supervisory Board Member	Toru Masuda	Attorney, Representative, Masuda Toru Law Office Director, Juutaku Loan Servicer Ltd.

(Notes)

1. Director Iwao Nakamura is an outside director. The Company designated this one (1) outside director as an “independent officer” as stipulated by the Tokyo Stock Exchange and registered him thereat.
2. Audit & Supervisory Board Members Keiichi Horii, Nobutaka Motohashi and Toru Masuda are outside audit & supervisory board members. The Company designated these three outside audit & supervisory board members as “independent officers” as stipulated by the Tokyo Stock Exchange and registered them thereat.
3. Audit & Supervisory Board Member Masahiro Gennaka has experience in corporate management as a former Director and President of a subsidiary of the Company and significant knowledge of finance and accounting.
4. Audit & Supervisory Board Member Keiichi Horii is an attorney. He is familiar with corporate legal affairs and has significant knowledge of finance and accounting.
5. Audit & Supervisory Board Member Nobutaka Motohashi is a certified public accountant and has professional knowledge of finance and accounting.
6. Audit & supervisory board member Toru Masuda is an attorney. He is familiar with corporate legal affairs and has significant knowledge of finance and accounting.
7. Changes of Executive Officers
 - 1) Representative Director and Chairman Takaichi Mabuchi, Executive Managing Director Nobuyo Habuchi, and Directors Akira Okuma and Kaoru Kato retired from their respective

positions due to expiry of tenure at the close of the 72nd Ordinary General Meeting of Shareholders held on March 28, 2013.

- 2) Tadashi Takahashi, Akihiko Kitahashi, Masato Itokawa, and Iwao Nakamura were newly elected as Director at the 72nd Ordinary General Meeting of Shareholders held on March 28, 2013, and assumed the positions as of the same date.
 - 3) Representative Director and President Shinji Kamei was elected as Representative Director and Chairman; Director Hiroo Okoshi was elected as Representative Director and President; and Managing Director Takashi Kamei was elected as Executive Managing Director at the Board of Directors meeting held following the 72nd Ordinary General Meeting of Shareholders on March 28, 2013, and assumed the new positions as of the same date.
8. The Company reinforces both business execution and supervision functions by entrusting directors with strategic decision making and supervision and giving Executive Officers the authority of and responsibility for ordinary business execution. The Company also adopts the Executive Officer system to reinforce corporate governance.

Executive Officers who are not concurrently directors are as follows.

Name	Areas of responsibility
Tadahito Iyoda	Executive Officer and General Manager of Administration Headquarters, in charge of Internal Controls
Chin Tai Yen	Executive Officer; Chairman of the Board and President, MABUCHI TAIWAN CO., LTD.
Katsuhiko Katayama	Executive Officer; Director of the Board and President, MABUCHI MOTOR DALIAN CO., LTD.
Tsuyoshi Nakamura	Executive Officer and Deputy General Manager of Sales & Marketing Headquarters

(2) Remuneration Paid to Directors and Audit & Supervisory Board Members

1) Remuneration Paid

Category	Number of persons remunerated	Total amount of remuneration paid (Millions of Yen)
Directors	11	250
[of whom, Outside Directors]	[1]	[5]
Audit & Supervisory Board Members	4	35
[of whom, Outside Audit & Supervisory Board Members]	[3]	[23]

(Notes)

1. The number of directors above includes four (4) directors who retired at the 72nd Ordinary General Meeting of Shareholders held on March 28, 2013.
2. The amount of remuneration paid above includes subscription rights to shares of 29 million yen, which were granted to six (6) directors (excluding outside directors) as stock options pursuant to a resolution at the Board of Directors meeting held on March 28, 2013.
3. The amount of remuneration for directors includes 74 million yen in accrued bonuses due to directors, which was recognized as an expense during the fiscal year under review.
4. The amount of remuneration for directors does not include their salaries for their service as the Company's employees, which is 46 million yen (paid to three [3] directors/employees).
5. In addition, retirement benefits amounting to 328 million yen were paid to two (2) directors who retired from office during the fiscal year under review. The corresponding amount of provision for directors' retirement benefits stated in a prior-period business report was deducted.

2) Policy for Decision Making on Remuneration, etc.

As a basic policy for determining remuneration for directors and audit & supervisory board members, the Company set the amount at an appropriate level to clarify the area of responsibility of each director, outside director or audit & supervisory board member in the group management, enhance the transparency of management, give them incentives for raising business performance and corporate value, and secure and maintain highly capable human resources.

At the 66th Ordinary General Meeting of Shareholders of the Company held on March 29, 2007, it was approved that the remuneration of directors (the ceiling amount of total remuneration) shall consist of monthly fixed payments within 15 million yen (excluding salaries for service as the Company's employees) and variable payments within 0.7% of consolidated net income for each business year (which does not include consolidated business results-based remuneration for directors) with a ceiling amount of 200 million yen. With regard to remuneration for audit & supervisory board members (the ceiling amount of total remuneration), a fixed monthly remuneration amount within 4 million yen was approved.

A fixed amount of remuneration for each director was determined, taking into account each director's position, assignment, other companies' standards and changes in the management environment, etc. The variable amounts are determined by each individual's business performance assessed using certain evaluation indices. With regard to remuneration for outside directors, because they are independent of business execution, fixed monthly remuneration that is not affected by business results is paid to each outside director.

As audit & supervisory board members are independent of business execution, like outside directors, fixed monthly remuneration that is not affected by business results is paid to each audit & supervisory board member and the amount for each audit & supervisory board member is determined by negotiation among the audit & supervisory board members.

Moreover, it was decided at the 72nd Ordinary General Meeting of Shareholders held on March 28, 2013, that stock-compensation-type stock options targeting directors of the Company (excluding outside directors) be implemented as the long-term incentives for directors, and that subscription rights to shares as stock options be allotted to the eligible directors within a cap of 60 million yen annually, separately from the aforementioned amount of remuneration. The decisions of the timing for granting the subscription rights to shares and their distribution to each director were also approved to be left to the resolution of the Board of Directors that is made based on the basic policy described above.

The retirement allowance system for directors and audit & supervisory board members was abolished at the closing of the 67th Ordinary General Meeting of Shareholders of the Company held on March 28, 2008.

(3) Matters Concerning Outside Officers (Outside Directors and Audit & Supervisory Board Members)

- 1) Representative Positions at Different Companies Concurrently Assumed by the Company's Officers and the Relation between those Companies and MABUCHI MOTOR CO., LTD.
 - i) Director Iwao Nakamura also serves as an outside director at NAGASE & CO., LTD. There has been no trading or other special relationship between NAGASE & CO., LTD. and the Company.
 - ii) Audit & Supervisory Board Member Nobutaka Motohashi also serves as an outside auditor at NAGAWA Co., Ltd. There has been no trading or other special relationship between NAGAWA Co., Ltd. and the Company.
 - iii) Audit & Supervisory Board Member Toru Masuda also serves as a director of Juutaku Loan Servicer Ltd. There has been no trading or other special relationship between Juutaku Loan Servicer Ltd. and the Company.

2) Major Activities during the Fiscal Year under Review

	Activities
Director Iwao Nakamura	Attended 14 of the 15 meetings (attendance percentage 93%) of the Board of Directors held since he had assumed the position of director on March 28, 2013. Based on his ample experience as a company executive over the years and from a position independent of the Company's management, he provided advice and made propositions to ensure the legality, adequacy and fairness of decision making and business execution.
Audit & Supervisory Board Member Keiichi Horii	Attended 19 of the 20 meetings (attendance percentage 95%) of the Board of Directors and all 9 meetings of the Audit & Supervisory Board held during the fiscal year under review. Based on his ample experience and professional viewpoints on corporate legal affairs as an attorney and from a position independent of the Company's management, he provided advice and made propositions to ensure the legality, adequacy and fairness of decision making and business execution.
Audit & Supervisory Board Member Nobutaka Motohashi	Attended all 20 meetings of the Board of Directors and all 9 meetings of the Audit & Supervisory Board held during the fiscal year under review. Based on his ample experience and professional viewpoints in corporate accounting audits as a certified public accountant and from a position independent of the Company's management, he provided advice and made propositions to ensure the legality, adequacy and fairness of decision making and business execution.
Audit & Supervisory Board Member Toru Masuda	Attended all 20 meetings of the Board of Directors and all 9 meetings of the Audit & Supervisory Board held during the fiscal year under review. Based on his ample experience and professional viewpoints on corporate legal affairs as an attorney and from a position independent of the Company's management, he provided advice and made propositions to ensure the legality, adequacy and fairness of decision making and business execution.

3) Outline of Limited Liability Agreements

As per Article 427, Paragraph 1, of the Companies Act and the Company's Articles of Incorporation, the Company entered into an agreement with one (1) outside director and three (3) outside audit & supervisory board members to limit their liabilities for damages as provided in Article 423, Paragraph 1, of the Companies Act. The limit of liabilities under the agreement shall be the amount set forth in the relevant laws and regulations.

Consolidated Balance Sheet

(As of December 31, 2013)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)	227,253	(Liabilities)	18,461
Current assets	160,862	Current liabilities	15,055
Cash and bank deposits	101,053	Trade notes and accounts payable	5,637
Trade notes and accounts receivable	19,453	Short-term loans payable	113
Short-term investments	12,113	Accrued income taxes	2,241
Merchandise and finished goods	16,819	Accrued bonuses due to employees	220
Work in process	1,262	Accrued bonuses due to directors	74
Raw materials and supplies	6,071	Deferred tax liabilities-current	49
Deferred tax assets-current	685	Other current liabilities	6,719
Other current assets	3,461	Long-term liabilities	3,406
Allowance for doubtful receivables	(58)	Long-term loans payable	397
Fixed assets	66,390	Allowance for retirement benefits for employees	484
Property, plant and equipment	45,014	Asset retirement obligations	22
Buildings and structures	18,842	Deferred tax liabilities-non-current	2,193
Machinery, equipment and vehicles	14,962	Other long-term liabilities-non-current	308
Tools, furniture and fixture	3,015	(Net assets)	208,791
Land	6,029	Shareholders' equity	201,529
Construction in progress	2,163	Common stock	20,704
Intangible assets	794	Additional paid-in capital	20,419
Investments and other assets	20,582	Retained earnings	180,490
Investment securities	19,176	Treasury stock	(20,084)
Long-term loans receivable	20	Accumulated other comprehensive income	7,232
Deferred tax assets-non-current	325	Net unrealized holding gains (losses) on securities	2,162
Other investments and other assets	1,092	Foreign currency translation adjustment	5,069
Allowance for doubtful receivables	(33)	Subscription rights to shares	29
Total assets	227,253	Total liabilities and net assets	227,253

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

Consolidated Statement of Income
(For the year ended December 31, 2013)

(Millions of yen)

Item	Amount	
Net sales		108,401
Cost of sales		81,546
Gross profit		26,854
Selling, general and administrative expenses		17,519
Operating income		9,335
Non-operating income		
Interest income	490	
Dividend income	110	
Foreign exchange gains	5,624	
Gain on sales of raw material scrap	1,182	
Other	275	7,683
Non-operating expenses		
Stock-related expenses	45	
Non-deductible consumption tax	119	
Other	181	347
Ordinary income		16,672
Extraordinary income		
Gain on disposal of fixed assets	77	
Gain on sales of investment securities	13	90
Extraordinary loss		
Loss on disposal of fixed assets	273	
Impairment loss	1,473	1,747
Income before income taxes		15,015
Current	4,090	
Deferred	405	4,496
Income before minority interests		10,519
Net income		10,519

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

Consolidated Statement of Changes in Net Assets

(For the year ended December 31, 2013)

(Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	20,704	20,419	188,175	(34,749)	194,551
Changes of items during the period					
Cash dividend (Note: 1)	—	—	(1,751)	—	(1,751)
Cash dividend (Interim dividends)	—	—	(1,862)	—	(1,862)
Net income	—	—	10,519	—	10,519
Purchase of treasury stock	—	—	—	(575)	(575)
Disposal of treasury stock	—	—	(231)	881	649
Cancellation of treasury stock	—	—	(14,359)	14,359	—
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	—	—	(7,685)	14,664	6,978
Ending balance	20,704	20,419	180,490	(20,084)	201,529

(Millions of yen)

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Net unrealized holding gains (losses) on securities	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Beginning balance	(158)	(13,020)	(13,179)	—	181,372
Changes of items during the period					
Cash dividend (Note: 1)	—	—	—	—	(1,751)
Cash dividend (Interim dividends)	—	—	—	—	(1,862)
Net income	—	—	—	—	10,519
Purchase of treasury stock	—	—	—	—	(575)
Disposal of treasury stock	—	—	—	—	649
Cancellation of treasury stock	—	—	—	—	—
Net changes of items other than shareholders' equity	2,321	18,089	20,411	29	20,440
Total changes of items during the period	2,321	18,089	20,411	29	27,419
Ending balance	2,162	5,069	7,232	29	208,791

(Notes)

1. The dividends were paid as appropriations of retained earnings based on a resolution at the ordinary general meeting of shareholders held in March 2013.
2. Amounts less than one million yen have been omitted.

<Reference>

Consolidated Statements of Comprehensive Income

(For the year ended December 31, 2013)

(Millions of yen)

Item	Amount
Income before minority interests	10,519
Other comprehensive income	
Net unrealized holding gains (losses) on securities	2,321
Foreign currency translation adjustment	18,089
Total other comprehensive income	20,411
Comprehensive income	30,930
Comprehensive income attributable to	
Comprehensive income attributable to owners of the parent	30,930
Comprehensive income attributable to minority interests	—

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

<Reference>

Consolidated Statement of Cash Flows

(For the year ended December 31, 2013)

(Millions of yen)

Item	Amount
Cash flows from operating activities	
Income before income taxes	15,015
Depreciation and amortization	4,571
Impairment loss	1,473
Increase (Decrease) in allowance for retirement benefits, net payments	32
Interest and dividends income	(600)
Foreign exchange losses (gains)	(1,877)
Loss (Gain) on sales of short-term investments and investment securities	(13)
Loss (Gain) on disposal of fixed assets	196
Increase (Decrease) in provision for business structure improvement	(1,290)
Decrease (Increase) in trade notes and accounts receivable	(1,823)
Decrease (Increase) in inventories	1,226
Increase (Decrease) in trade notes and accounts payable	221
Other, net	(1,534)
Sub total	15,597
Interest and dividends received	611
Payments for directors' retirement benefits	(935)
Income taxes paid	(3,522)
Net cash provided by operating activities	11,750
Cash flows from investing activities	
Increase of time deposits	(8,128)
Proceeds from withdrawal of time deposits	7,437
Purchase of short-term investments	(5,901)
Proceeds from sales of short-term investments	10,180
Purchase of fixed assets	(5,658)
Proceeds from sales of fixed assets	95
Purchase of investment securities	(1,703)
Proceeds from sales of investment securities	8,020
Other, net	(77)
Net cash provided by investing activities	4,264
Cash flows from financing activities	
Repayment of long-term loans payable	(56)
Proceeds from long-term loans payable	567
Cash dividends paid	(3,617)
Purchase of treasury stock	(575)
Proceeds from sales of treasury stock	649
Net cash used in financing activities	(3,031)
Effect of exchange rate changes on cash and cash equivalents	9,575
Net increase (decrease) in cash and cash equivalents	22,557
Cash and cash equivalents at beginning of period	79,904
Cash and cash equivalents at end of period	102,462

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

Non-Consolidated Balance Sheet

(As of December 31, 2013)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)	157,465	(Liabilities)	12,083
Current assets	90,839	Current liabilities	10,398
Cash and bank deposits	54,455	Accounts payable	7,098
Trade notes receivable	218	Short-term loans payable	113
Accounts receivable	21,558	Accounts payable-other	525
Short-term investments	12,113	Accrued expenses	425
Merchandise and finished goods	1,346	Accrued income taxes	1,737
Work in process	44	Accrued bonuses due to employees	220
Raw materials and supplies	644	Accrued bonuses due to directors	74
Other current assets	479	Deferred tax liabilities-current	0
Allowance for doubtful receivables	(22)	Other current liabilities	202
Fixed assets	66,626	Long-term liabilities	1,685
Property, plant and equipment	16,086	Long-term loans payable	397
Buildings	8,944	Allowance for retirement benefits for employees	141
Structures	454	Asset retirement obligations	22
Machinery and equipment	319	Deferred tax liabilities-non-current	832
Vehicles	14	Other long-term liabilities-non-current	290
Tools, furniture and fixture	347	(Net assets)	145,382
Land	5,996	Shareholders' equity	143,191
Construction in progress	10	Common stock	20,704
Intangible assets	7	Additional paid-in capital	20,419
Investments and other assets	50,532	Legal capital surplus	20,419
Investment securities	19,096	Retained earnings	122,151
Stocks of subsidiaries and affiliates	13,567	Legal retained earnings	3,819
Investments in capital of subsidiaries and affiliates	17,821	Other legal retained earnings	118,332
Other investments and other assets	81	Reserve for the reduction of fixed assets	138
Allowance for doubtful receivables	(33)	General reserve	170,119
		Retained earnings carried forward	(51,925)
		Treasury stock	(20,084)
		Revaluation/translation adjustments	2,160
		Net unrealized holding gains (losses) on securities	2,160
		Subscription rights to shares	29
Total assets	157,465	Total liabilities and net assets	157,465

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

Non-Consolidated Statement of Income

(For the year ended December 31, 2013)

(Millions of yen)

Item	Amount	
Net sales		80,725
Cost of sales		68,005
Gross profit		12,719
Selling, general and administrative expenses		11,310
Operating income		1,409
Non-operating income		
Interest income	13	
Interest on short-term investments	175	
Dividend income	5,116	
Foreign exchange gains	5,841	
Other	224	11,372
Non-operating expenses		
Stock-related expenses	45	
Other	66	112
Ordinary income		12,669
Extraordinary income		
Gain on sales of investment securities	13	
Gain on disposal of fixed assets	0	14
Extraordinary loss		
Loss on disposal of fixed assets	1	1
Income before income taxes		12,681
Current	2,430	
Deferred	3	2,433
Net income		10,248

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

Non-Consolidated Statement of Changes in Net Assets

(For the year ended December 31, 2013)

(Millions of yen)

	Shareholders' equity			
	Common stock	Additional paid-in capital		Retained earnings
		Legal capital surplus	Total additional paid-in capital	Legal retained earnings
Beginning balance	20,704	20,419	20,419	3,819
Changes of items during the period				
Cash dividend (Note: 1)	—	—	—	—
Cash dividend (Interim dividends)	—	—	—	—
Net income	—	—	—	—
Purchase of treasury stock	—	—	—	—
Disposal of treasury stock	—	—	—	—
Cancellation of treasury stock	—	—	—	—
Reversal of reserve for the reduction of fixed assets	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—
Total changes of items during the period	—	—	—	—
Ending balance	20,704	20,419	20,419	3,819

(Millions of yen)

	Shareholders' equity			
	Retained earnings			
	Other legal retained earnings			Total retained earnings
	Reserve for the reduction of fixed assets	General reserve	Retained earnings carried forward	
Beginning balance	143	170,119	(43,974)	130,108
Changes of items during the period				
Cash dividend (Note: 1)	—	—	(1,751)	(1,751)
Cash dividend (Interim dividends)	—	—	(1,862)	(1,862)
Net income	—	—	10,248	10,248
Purchase of treasury stock	—	—	—	—
Disposal of treasury stock	—	—	(231)	(231)
Cancellation of treasury stock	—	—	(14,359)	(14,359)
Reversal of reserve for the reduction of fixed assets	(4)	—	4	—
Net changes of items other than shareholders' equity	—	—	—	—
Total changes of items during the period	(4)	—	(7,951)	(7,956)
Ending balance	138	170,119	(51,925)	122,151

(Millions of yen)

	Shareholders' equity		Revaluation/translation adjustments		Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized holding gains (losses) on securities	Total revaluation/translation adjustments		
Beginning balance	(34,749)	136,483	(159)	(159)	—	136,323
Changes of items during the period						
Cash dividend (Note: 1)	—	(1,751)	—	—	—	(1,751)
Cash dividend (Interim dividends)	—	(1,862)	—	—	—	(1,862)
Net income	—	10,248	—	—	—	10,248
Purchase of treasury stock	(575)	(575)	—	—	—	(575)
Disposal of treasury stock	881	649	—	—	—	649
Cancellation of treasury stock	14,359	—	—	—	—	—
Reversal of reserve for the reduction of fixed assets	—	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	2,320	2,320	29	2,350
Total changes of items during the period	14,664	6,708	2,320	2,320	29	9,058
Ending balance	(20,084)	143,191	2,160	2,160	29	145,382

(Notes)

1. The dividends were paid as appropriations of retained earnings based on a resolution at the ordinary general meeting of shareholders held in March 2013.
2. Amounts less than one million yen have been omitted.

REFERENCE DOCUMENTS FOR THE 73RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

Proposal: Proposed Appropriation of Retained Earnings for the 73rd Fiscal Term

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 this policy, the Company makes it a principle to consistently distribute an ordinary dividend of 60 yen 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 period.

We plan to pay an annual dividend of 140 yen per share consisting of an amount based on the above calculation standards and the 60th anniversary commemorative dividend of 20 yen (an ordinary dividend of 60 yen, a special dividend of 60 yen and a commemorative dividend of 20 yen). Because we paid an interim dividend of 53 yen (an ordinary dividend of 30 yen and a special dividend of 23 yen) per share in September 2013, we hereby propose the year-end dividend for the year as follows:

Matters related to the year-end dividend

- (1) Type of distributable properties
Money
- (2) Matters related to the disbursement of distributable properties and the aggregate amount
87 yen per common share of the Company
(An ordinary dividend of 30 yen, a special dividend of 37 yen and a commemorative dividend of 20 yen)
Aggregate dividend amount: 3,057,672,942 yen
- (3) Effective date of the distribution of retained earnings
March 31, 2014

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.