

Small Motors for Big Solutions



Motor for engine
peripheral equipment
RS-4F5WA

Annual Report

2014

Year ended December 31, 2014

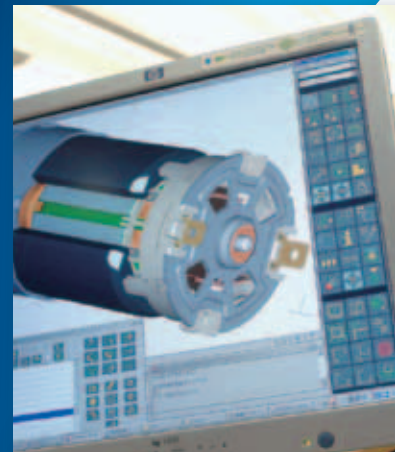
Small Direct-Current Electric Motors

Small, Lightweight Motors for Big Solutions

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, precision and office equipment, 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 1,465 million units (2014 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.





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.

Production

Mabuchi has established production bases across Asia with the aims 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.



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 in small motors.

From basic research, product development, design, and production to motor-applied technology in these small machine components, Mabuchi has collected a wide range of technical capabilities over many years.

Market Research

We engage in market research 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.

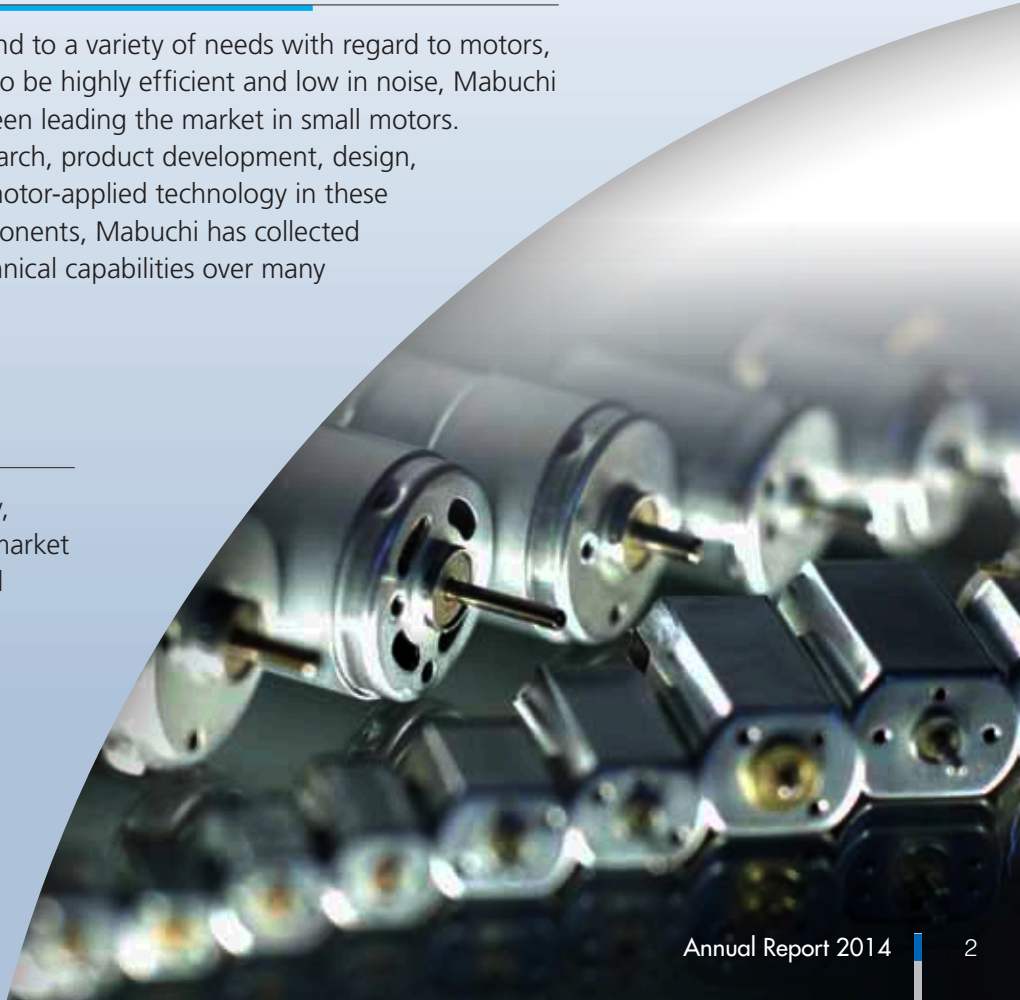


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Forward-Looking Statements

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 continuing status of financing, financial instruments, and financial resources.

To Our Shareholders

As we look to make major leaps forward, we will steadily implement priority activities aimed at expediting our growth strategies.

Hiroo Okoshi
Representative Director and President & CEO

Hiroo Okoshi



Business Development and Results

During the fiscal year ended December 31, 2014 (fiscal 2014), the world economy continued on a gradual recovery trend. The U.S. economy remained strong as improvement in the employment situation led to firm consumer spending.

The European economy continued to gradually recover, although there are regional differences. The sense of stagnation in emerging countries strengthened, and economic growth was slow.

Business conditions in Japan were weak because of the prolonged impact of a demand decline in reaction to the consumption tax increase.

In the markets in which the Mabuchi Group operates, demand in the Automotive Products Market was healthy as strong demand in the U.S. and demand recovery in Europe compensated for sluggish demand growth in emerging countries. The Home Appliances, Power Tools, Toys, and Precision & Office Equipment Market were stable but flat in developed countries and emerging countries alike. On the other hand, the Audio & Visual Equipment Market continued to contract.

In fiscal 2014, the Mabuchi Group actively implemented measures to achieve further progress with sales and market share expansion, realizing results that will lead to future business growth.

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, promotion of manufacturing innovation, and establishment of new production bases. Specifically, the Group actively introduced and implemented measures to achieve further progress with sales and market share expansion, and to raise quality and efficiency, realizing results that will lead to future business growth.

These measures included 1) acquisition of new customers through the introduction of new motors for power window lifters; 2) strengthening of sales of medium-sized automotive motors by introducing application-specific standard products for each application; 3) full-scale entry into the light electric vehicle (LEV) and commercial office equipment sectors; 4) labor-saving in production processes and man-hour reduction through expanded introduction of facilities to rationalize production; and 5) establishment of a new production base in Mexico.

As a result, consolidated net sales for fiscal 2014 were 122,544 million yen (a 13.0% increase on a year-on-year basis). Motors sales, which account for the majority of consolidated net sales, were 122,502 million yen (a 13.1% increase on a year-on-year basis).

Operating income for fiscal 2014 was 16,875 million yen (an 80.8% increase on a year-on-year basis) due to progress in cost-reduction measures and an improvement in the product mix, coupled with a weaker yen compared with the previous fiscal year.

Income before income taxes was 23,595 million yen (a 57.1% increase on a year-on-year basis) as a result of a decrease in extraordinary loss due to the non-recurrence of an impairment loss on fixed assets recorded in the previous fiscal year.

Net income was 18,090 million yen (a 72.0% increase on a year-on-year basis) as the consolidated effective tax rate was held down by the recording of a portion of deferred tax assets as assets at year-end, following a careful review of the collectability of deferred tax assets in light of the Company's operating results and future outlook.

Financial Highlights

	Millions of yen		Thousands of U.S. dollars	Rate of change
	2013	2014	2014	YoY
Net sales	¥108,401	¥122,544	\$1,021,200	+13.0%
Operating income	9,335	16,875	140,625	+80.8%
Net income	10,519	18,090	150,750	+72.0%
Total assets	227,253	256,368	2,136,400	+12.8%
Net assets	208,791	233,312	1,944,266	+11.7%

Growth strategies and cost strategies underpin our efforts to achieving growth on a global scale.

Medium- to Long-term Management Strategy and Issues to Be Addressed

(1) Strengthening of the Automotive Products Business

In the Automotive Products Business, the Mabuchi Group features a line of products optimized for key applications for medium-sized motors, including motors for power window lifters, power seats, electric parking brakes, and engine peripheral equipment.

For the power window lifter application, we will begin mass production and shipment of a new medium-torque product for a new customer, a Japanese automaker. Leveraging the success of this operation, we will aim for a further increase in the number of models equipped with the new motor. For the new high-torque product, we will commence, as planned, mass production of a product for a major North American automaker that will become a growth driver for the power window lifter business. Becoming an authorized supplier for a major North American automaker for this product has opened up opportunities. We have received inquiries from many regulator manufacturers, and we plan to begin mass production for customers in the Middle East.

We will continue to engage in global activities to expand sales, as we aim to win orders from new customers by emphasizing our track record and product competitiveness.

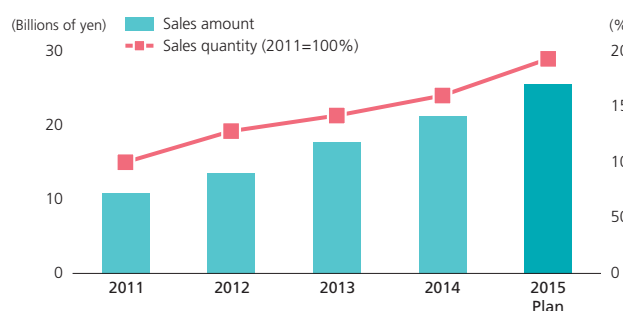
Medium-sized automotive motors for power seats, electric parking brakes, and engine peripheral equipment constitute a market sector for which continued increases in installation rates can be expected in light of today's emphasis on automobile safety, comfort, and fuel efficiency. By leveraging highly competitive standard products for each application, we will seize this business opportunity and increase sales.

(2) Development of New Applications and Sales Expansion in the Consumer and Industrial Products Business

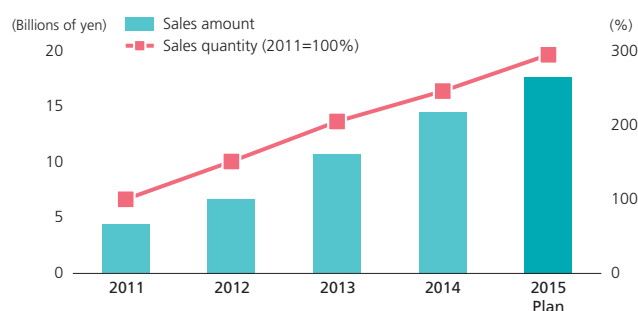
In the consumer and industrial product sector, in addition to business activities centered on existing small brush motors, we are reinforcing initiatives to develop and increase sales of brushless motors in order to focus on new applications and create new demand.

With regard to brushless motors for light electric vehicles, following the introduction of motors for electrically assisted bicycles, for which full-scale mass production and shipment have begun, we are expanding into new markets for our applications and have won orders for motors for assistive equipment. We have won orders for brushless motors for multifunction printers (MFPs) from new customers, large Japanese manufacturers, as a result of a full-scale effort by customers to reduce power consumption. We will continue to expand the product line and aim to increase orders by actively engaging in sales activities.

Power Window Lifter Motor Sales Results and Forecast



Mid-sized Automotive Motor Sales Results and Forecast



Note: Mid-sized automotive motor applications: power seats, electric parking brakes, steering column adjusters, engine air intake and exhaust, seatbelt pretensioners

Since our application-specific standard products in the consumer and industrial products sector have earned a favorable reputation for striking a good balance between performance and cost, we will work to open up additional new applications.

(3) Cost Reduction through Strengthening of Production Technology Capabilities

Although the Mabuchi Group previously excelled at labor-intensive production utilizing abundant labor, in response to a major change in the business environment, namely sharp increases in labor costs accompanying economic development in countries where production bases are located, since 2011 we have implemented a shift from personnel to facilities as a manufacturing innovation. In the first phase of this shift, which ended in 2013, we achieved a target of labor-saving equivalent to 30% of direct employees from the 2010 level. To proceed with further cost reductions through manufacturing innovation, we are implementing a phase-two plan to achieve further labor-saving exceeding 30% from the 2013 level by 2016.

In fiscal 2014, the first year of the three-year plan, we achieved labor-saving according to plan, exceeding 10% from the fiscal 2013 level, not only offsetting the impact of labor cost increases but realizing cost reductions. We will further strengthen our production facilities with regard to design and development, fabrication, and procurement functions and mount a groupwide effort to achieve our labor-saving plan.

In addition, to ensure maximum impact from the production technology strategy of shifting from personnel to facilities, we will undertake sharp reductions in production facility costs and lead times.

(4) Development of a Next-Generation Manufacturing Approach

The Mabuchi Group will establish the Manufacturing Training Hall within its corporate headquarters for the purpose of developing a next-generation manufacturing approach and raising the level of its technological capabilities and personnel. To shift production from personnel to facilities and achieve high competitiveness, it is necessary for every Mabuchi Group employee engaged in some aspect of our production process to establish and maintain a high level of competence. At the Manufacturing Training Hall, we will set

up trial production lines identical to our mass production lines and work to establish next-generation facilities, production methods, and processes to streamline production. In addition, by having employees from our overseas production bases, which supply products globally, participate in this initiative and introduce at their own production bases optimal facilities that they themselves have helped establish, we will undertake global deployment of next-generation manufacturing.

(5) Establishment of a Global Production and Supply Structure

In August 2014, Mabuchi established Mexico Mabuchi, a production subsidiary in Mexico, to address changes in manufacturing methods and to meet an increasing demand for motor production in locations near customers' manufacturing plants, particularly among customers dealing in medium-sized automotive motors, among other factors. In parallel with the construction of a plant building, Mexico Mabuchi will install production facilities and engage in personnel development utilizing the abovementioned Manufacturing Training Hall, with the aim of beginning test production of motors for power window lifters in 2015.

In addition, Kaohsiung Mabuchi, a production base in Taiwan that manufactures precision parts and production equipment, will streamline a mass production system for motors for power window lifters in order to expand supply capacity to meet robust demand for these motors. Through these initiatives, we will further strengthen our global production and supply structure.



We will proactively return profits to all shareholders.

Basic Policy on Profit Sharing, and Dividend Payments for the Current and Next Periods

Mabuchi maintains a basic policy of actively returning profits to shareholders in accordance with its business results. We do this while also providing funds from internal reserves for capital expenditures and research and development, which are necessary for the growth of the Company, and while maintaining our financial soundness.

Under this policy, apart from when business results are remarkably sluggish due to a sudden deterioration in the business environment, we consistently distribute an annual ordinary dividend of 60 yen per share as part of a long-term stable dividend, plus an additional special dividend equal to 30% of the consolidated net income divided by the number of outstanding shares, depending on the performance of the Company.

We will continue to consider repurchasing more treasury stocks as necessary, as a way of flexibly responding to changes in the share price and the business environment, and as a means of fulfilling our capital policy and returning profits to shareholders.

It is our policy to appropriate internal reserves to further strengthen and deepen our existing businesses and to invest in areas of growth, with a view to increasing corporate value.

Under the profit distribution policy, for fiscal 2014 we paid an annual dividend of 214 yen per share consisting of an amount based on the above calculation standards (an ordinary dividend of 60 yen and a special dividend of 154 yen). We have already paid a second-quarter dividend of 83 yen (an ordinary dividend of 30 yen and a special dividend of 53 yen) per share, and therefore, we paid a year-end dividend of 131 yen per share (an ordinary dividend of 30 yen and a special dividend of 101 yen).

Outlook for 2015

In the outlook for 2015, the forecast is for the U.S. economy to remain strong and for gradual recovery in the European economy centered on key countries to continue. In Japan, the impact of the consumption tax increase is expected to diminish, and business conditions are expected to gradually recover. On the other hand, only modest growth is forecast for emerging countries as a result of the gradual pace of recovery in business conditions in developed countries, the destination for exports.

Regarding the markets in which the Mabuchi Group operates, worldwide automobile production is expected to grow and remain strong in the Automotive Products Market, while demand is expected to remain stable in developed countries and grow gradually in emerging countries in the Consumer and Industrial Products Market.

In addition, for fiscal 2015 (the fiscal year ending December 31, 2015) and subsequent years we have changed the fundamental standard for calculating dividend payments under the abovementioned profit distribution policy, from a consistent distribution of 60 yen per share for our annual ordinary dividend to a payment of 30 yen per share, reflecting the stock split in which each share of the Company's common stock was split into two shares on January 1, 2015.

Based on this change, for fiscal 2015 we plan to pay an annual dividend of 99 yen per share (an ordinary dividend of 30 yen and a special dividend of 69 yen). The annual dividend will consist of a second-quarter dividend of 49 yen per share (an ordinary dividend of 15 yen and a special dividend of 34 yen) and a year-end dividend of 50 yen per share (an ordinary dividend of 15 yen and a special dividend of 35 yen).

We look forward to the renewed support and understanding of all shareholders in the years ahead.

Financial Summary

Net Sales

¥122,544
million

Consolidated net sales in fiscal 2014 rose 13.0% from the previous fiscal year to ¥122,544 million (US\$1,021,200 thousand).

Operating Income

¥16,875
million

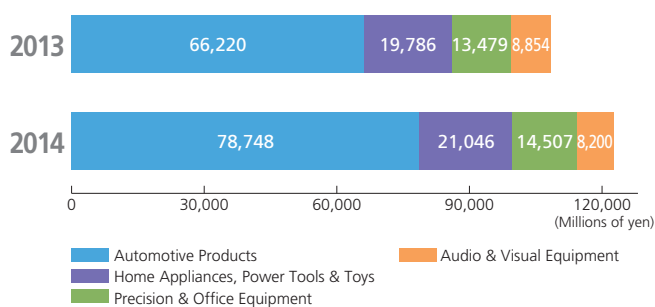
Operating income rose 80.8% to ¥16,875 million (US\$140,625 thousand).

Net Income

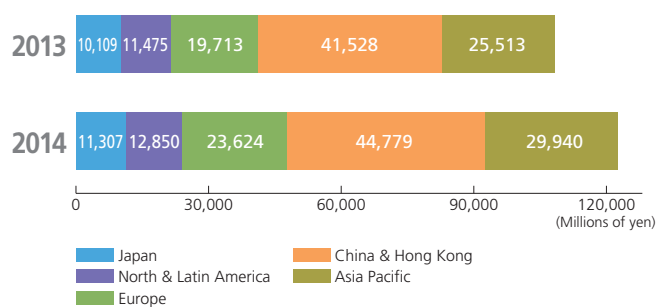
¥18,090
million

The Mabuchi Group recorded a 72.0% increase in net income, reaching ¥18,090 million (US\$150,750 thousand).

Net Sales by Application

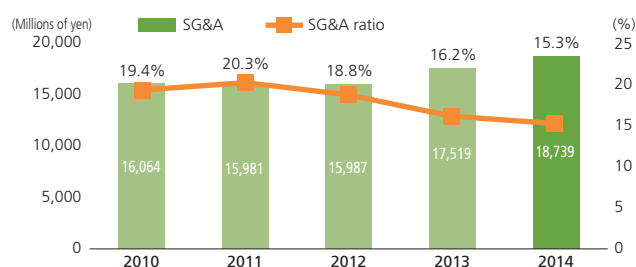


Net Sales by Region

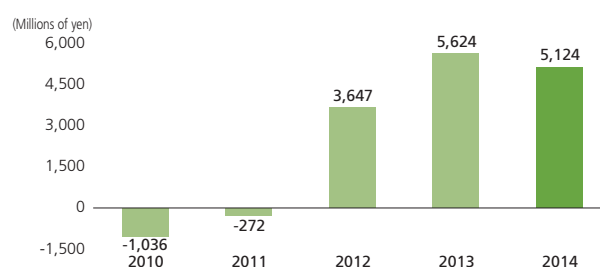


Factors Affecting FY2010–FY2014 Consolidated Operating Income

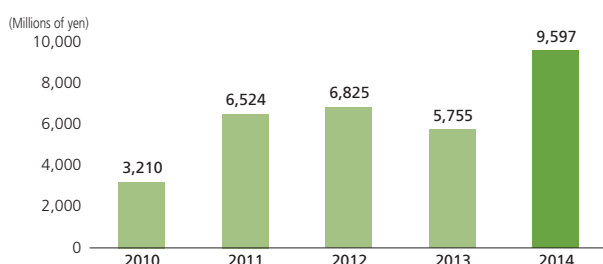
Selling, General and Administrative Expenses



Exchange Gain/Loss



Capital Expenditures



Depreciation and Amortization



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

	Millions of yen					Thousands of U.S. dollars
For the year:	2010	2011	2012	2013	2014	2014
Net sales	¥82,752	¥78,886	¥85,254	¥108,401	¥122,544	\$1,021,200
Cost of sales	60,062	59,838	64,214	81,546	86,929	724,408
Selling, general and administrative expenses	16,064	15,981	15,987	17,519	18,739	156,158
Operating income	6,624	3,066	5,052	9,335	16,875	140,625
Income before income taxes	7,291	3,248	8,426	15,015	23,595	196,625
Operating income ratio (%)	8.0	3.9	5.9	8.6	13.8	–
Net income (loss)	5,260	(466)	6,385	10,519	18,090	150,750
Capital expenditures	3,210	6,524	6,825	5,755	9,597	79,975
Depreciation and amortization	3,450	3,176	3,410	4,301	4,771	39,758
R&D expenses	3,337	3,493	3,794	3,763	4,503	37,525
Exchange gain (loss)	(1,036)	(272)	3,647	5,624	5,124	42,700
Cash flows:						
Net cash provided by operating activities	5,457	696	9,091	11,750	18,118	150,983
Net cash (used in) provided by investing activities	8,601	(2,874)	8,230	4,264	(11,977)	(99,808)
Net cash used in financing activities	(3,507)	(3,507)	(3,509)	(3,031)	(6,014)	(50,116)
At year-end:						
Total assets	185,408	181,351	196,702	227,253	256,368	2,136,400
Net assets	174,570	168,538	181,372	208,791	233,312	1,944,266
Per share data:					Yen	U.S. dollars
Net income (loss)	75.07	(6.65)	91.12	150.10	258.02	2.15
Net assets	2,491.21	2,405.18	2,588.38	2,978.02	3,325.99	27.71
Dividends payable	50.00	50.00	50.00	70.00	107.00	0.89
Other data:						
Operating income margin (%)	8.0	3.9	5.9	8.6	13.8	–
ROE (%)	3.0	(0.3)	3.6	5.4	8.2	–
ROA (%)	4.0	2.7	5.6	7.9	9.9	–
Shareholders' equity ratio (%)	94.2	92.9	92.2	91.9	91.0	–
Number of shares outstanding (Thousands of shares)	35,037	35,036	35,035	35,145	35,144	–
Number of employees (Persons)	37,466	33,918	29,058	28,188	25,354	–

Notes:

1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥120=U.S.\$1, the approximate exchange rate on December 31, 2014.
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.
4. Per share data: The Company conducted a stock split on January 1, 2015, in which each share of the Company's common stock was split into two shares. Per share data has been calculated based on the number of shares issued after the stock split (excluding treasury stock).

Segment Information by Motor Application

In fiscal 2014, the Mabuchi Group introduced a number of measures that will lead to future growth, including the launch of new products in the automotive products business, the promotion of manufacturing innovation, and the establishment of new production bases.

In fact, these efforts have already begun to yield results, with net sales in the automotive products business rising 18.9% on a year-on-year basis.

Overall motor sales, which account for the majority of consolidated net sales, increased 13.1%, reaching 122,502 million yen.

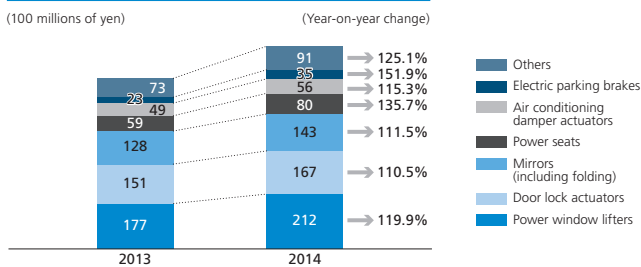
Automotive Products

Major Applications Power window lifters, door locks, mirrors, power seats, air conditioning damper actuators, etc.

Automotive Products Market

Net sales in this market rose sharply, to 78,748 million yen (an 18.9% increase on a year-on-year basis). Owing to growth in worldwide automobile production, combined with new product introductions and an increase in market share, sales of products for all applications were strong. These include sales of motors for power window lifters, power seats, and electronic parking brakes, applications for medium-sized motors, and sales of motors for door mirrors, door lock actuators, and air conditioning damper actuators, and applications for compact motors. The impact of the weak yen also contributed to the overall increase.

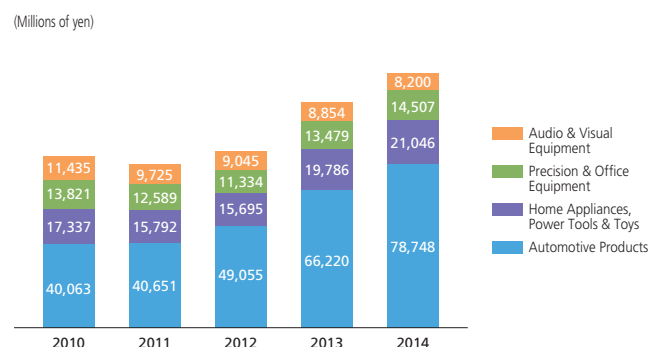
Net Sales by Principal Item



Net Sales by Application

	Millions of yen					Thousands of U.S. dollars
	2010	2011	2012	2013	2014	2014
Automotive Products	¥40,063	¥40,651	¥49,055	¥66,220	¥78,748	\$656,233
Home Appliances, Power Tools & Toys	17,337	15,792	15,695	19,786	21,046	175,383
Precision & Office Equipment	13,821	12,589	11,334	13,479	14,507	120,891
Audio & Visual Equipment	11,435	9,725	9,045	8,854	8,200	68,333
Total Sales	¥82,658	¥78,760	¥85,131	¥108,340	¥122,502	\$1,020,850

\$1=¥120



64.3%



Home Appliances, Power Tools & Toys

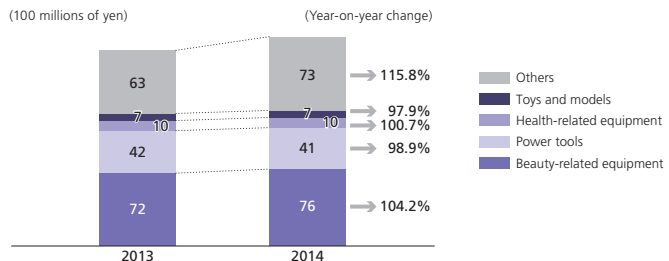
17.2%

Major Applications Beauty-related equipment, power tools, health-related equipment, toys, etc.

Home Appliances, Power Tools & Toys Market

Net sales in this market increased to 21,046 million yen (a 6.4% increase on a year-on-year basis). Although sales of motors for beauty-related products, health-related equipment, and power tools continued to be affected by inventory adjustments in the market, sales increased due to the impact of the weak yen.

Net Sales by Principal Item



Precision & Office Equipment

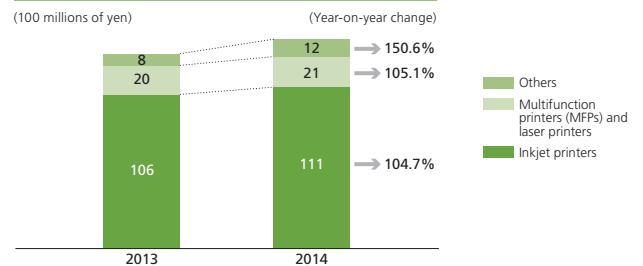
11.8%

Major Applications Inkjet printers, multifunction printers (MFPs), laser printers, etc.

Precision & Office Equipment Market

Net sales in this market increased to 14,507 million yen (a 7.6% increase on a year-on-year basis). Sales of motors for inkjet printers were strong, and the weak yen also contributed to the increase.

Net Sales by Principal Item



Audio & Visual Equipment

6.7%

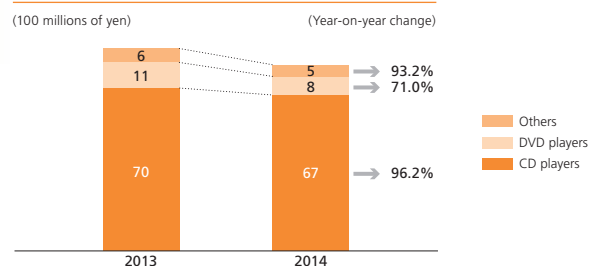
Major Applications

CD players, DVD players, etc.

Audio & Visual Equipment Market

Net sales in this market decreased to 8,200 million yen (a 7.4% decrease on a year-on-year basis). Sales of motors for CD players in cars and DVD players decreased due to greater selectivity in accepting orders to maximize profitability.

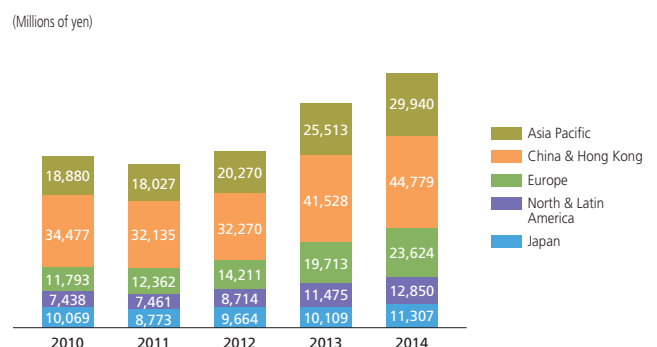
Net Sales by Principal Item



Net Sales by Region

	Millions of yen					Thousands of U.S. dollars
	2010	2011	2012	2013	2014	2014
Japan	¥10,069	¥ 8,773	¥ 9,664	¥ 10,109	¥ 11,307	\$ 94,225
North & Latin America	7,438	7,461	8,714	11,475	12,850	107,083
Europe	11,793	12,362	14,211	19,713	23,624	196,866
China & Hong Kong	34,477	32,135	32,270	41,528	44,779	373,158
Asia Pacific	18,880	18,027	20,270	25,513	29,940	249,500
Total Sales	¥82,658	¥78,760	¥85,131	¥108,340	¥122,502	\$1,020,850

\$1=¥120



Management's Discussion and Analysis

Market Conditions

During the fiscal year ended December 31, 2014 (fiscal 2014), the world economy continued on a gradual recovery trend. Economic conditions in key countries and regions were as follows:

Economic Conditions in Key Countries and Regions

United States: The U.S. economy remained strong as an improvement in the employment situation led to strong consumer spending.

Europe: The European economy continued to gradually recover, although there were regional differences within Europe.

Asia: The sense of economic stagnation in Asian countries deepened, and economic growth slowed.

Japan: Business conditions in Japan were weak because of the prolonged impact of the drop in demand in the wake of the consumption tax increase.

The conditions in the markets in which the Mabuchi Group operates were as follows:

By Application

Automotive Products Market: Demand in the Automotive Products Market was healthy, as strong demand in the U.S. and demand recovery in Europe compensated for sluggish demand growth in emerging countries.

Home Appliances, Power Tools, Toys, and Precision & Office Equipment Market: The Home Appliances, Power Tools, Toys, and Precision & Office Equipment Market were stable but flat in the U.S. and Europe, and Asia alike.

Audio & Visual Equipment Market: The Audio & Visual Equipment Market continued to contract.

Operating Results

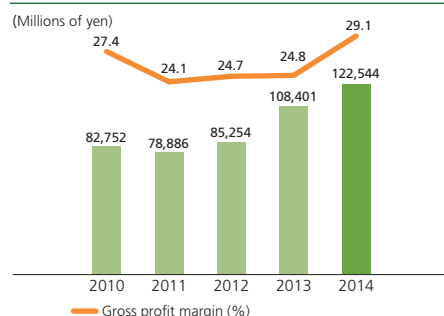
Net Sales

The sales results for fiscal 2014 were 1,465 million units (a 0.3% increase on a year-on-year basis) and ¥122,544 million (a 13.0% increase on a year-on-year basis).

— Automobile demand was strong, led by the markets in North America and emerging countries, and sales growth contributed to the overall increase in the Company's business results.

— In the consumer and industrial products businesses, although sales volume declined due to greater selectivity in accepting orders to maximize profitability, net sales increased as a result of an improved product mix and yen depreciation.

Net Sales/Gross Profit Margin



Operating Income

Operating income for fiscal 2014 was ¥16,875 million (an 80.8% increase on a year-on-year basis).

— Earnings increased by ¥0.2 billion due to an increase in sales volume.

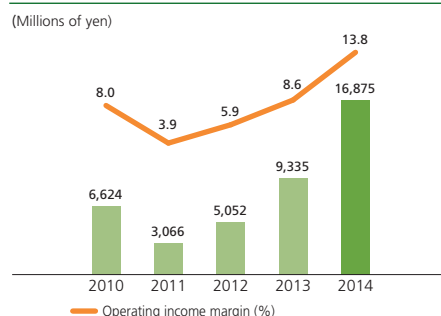
— Earnings increased by ¥2.5 billion due to an improved product mix.

— Earnings increased by ¥2.5 billion due to a decrease in costs.

— Earnings increased by ¥0.5 billion due to a drop in commodities prices (copper, steel, and precious metals).

— Yen depreciation contributed to the increase in earnings by ¥1.8 billion.

Operating Income/Operating Income Margin



Income before Income Taxes

Income before income taxes was ¥23,595 million (a 57.1% increase on a year-on-year basis).

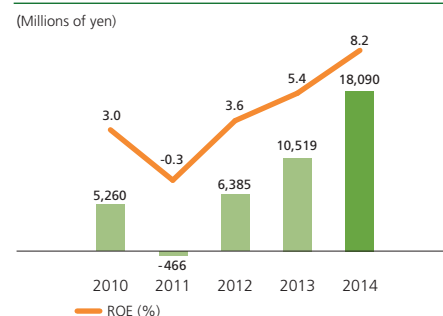
— A decrease in extraordinary loss was recorded due to the non-recurrence of an impairment loss on fixed assets recorded in the previous fiscal year.

Net Income

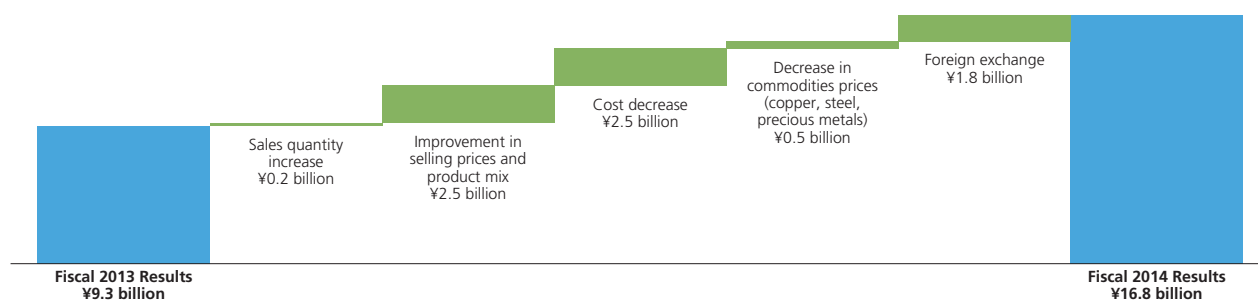
Net income was ¥18,090 million (a 72.0% increase on a year-on-year basis).

— The consolidated effective tax rate was held down by the recording of a portion of deferred tax assets as assets at year-end, following a careful review of the collectability of deferred tax assets.

Net Income (Loss)/ROE



Analysis of Operating Income



Financial Position

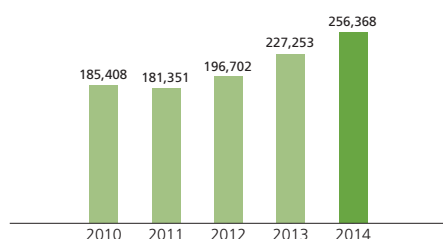
Assets

Total assets as of December 31, 2014 stood at ¥256,368 million, an increase of ¥29,114 million from the previous year-end.

- An increase in cash and bank deposits of ¥9,755 million
- An increase in trade notes and accounts receivable of ¥3,880 million
- An increase in inventories of ¥4,895 million
- An increase in property, plant and equipment of ¥8,994 million due to capital expenditures and yen depreciation

Total Assets

(Millions of yen)



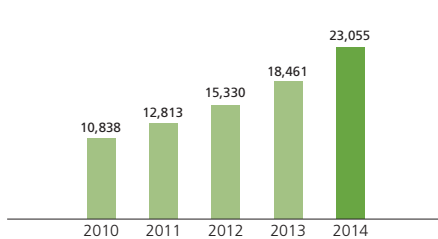
Liabilities

Total liabilities stood at ¥23,055 million, an increase of ¥4,593 million from the previous year-end.

- An increase in trade notes and accounts payable of ¥1,398 million
- An increase in other current liabilities of ¥1,600 million
- An increase in net defined benefit liability, accompanying the application of the accounting standard for retirement benefits, of ¥1,461 million
- A decrease in allowance for retirement benefits for employees of ¥484 million

Liabilities

(Millions of yen)



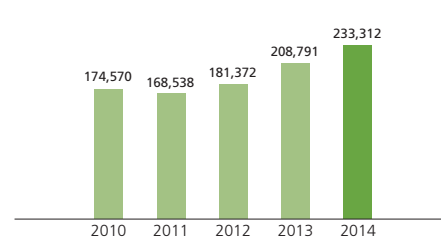
Net Assets

Total net assets increased ¥24,520 million from the previous year-end, to ¥233,312 million.

- An increase in retained earnings of ¥12,116 million
- An increase in foreign currency translation adjustments of ¥13,242 million due to yen depreciation

Net Assets

(Millions of yen)



Cash Flows

Net Cash Provided by Operating Activities

¥18,118 million (compared with net cash provided by operating activities of ¥11,750 million from the previous fiscal year)

- An increase in income before income taxes of ¥8,579 million

Net Cash Used in Investing Activities

¥11,977 million (compared with net cash provided by investing activities of ¥4,264 million from the previous fiscal year)

- An increase in purchases of short-term investments and investment securities of ¥2,455 million
- A decrease in proceeds from sales of short-term investments and investment securities of ¥8,529 million
- An increase in purchase of fixed assets of ¥4,180 million due to the establishment of a new company and new capital expenditures

Net Cash Used in Financing Activities

¥6,014 million (compared with net cash used in financing activities of ¥3,031 million from the previous fiscal year)

- An increase in cash dividends paid of ¥2,357 million

As a result, the balance of cash and cash equivalents amounted to ¥109,220 million, an increase of ¥6,758 million from the previous year-end.

Outlook

Our forecasts for the full-year business results for fiscal 2015 (the fiscal year ending December 31, 2015) are as follows:

Consolidated Results Forecasts (Compared with the Previous Period)

Net sales: ¥133,000 million (8.5% increase)

Operating income: ¥19,300 million (14.4% increase)

Net income: ¥16,100 million (11.0% decrease)

The above forecasts assume an exchange rate of 1 USD = 108 JPY. No allowances have been made for foreign exchange gains or losses.

Fiscal 2015 Market Conditions

Summary	<ul style="list-style-type: none"> • The outlook is for a strong North American economy and gradual recovery in key countries in Europe, despite a sense of uncertainty. • A slowing of the economic growth rate in emerging countries is likely to continue.
Automotive Products	<ul style="list-style-type: none"> • Worldwide automobile production volume is expected to rise by 4% from fiscal 2014. • Demand is likely to be strong in North America, Europe, and China.
Consumer and Industrial Products	<ul style="list-style-type: none"> • Demand for home appliances and power tools is likely to be stable. • Although the personal-use products market is likely to be sluggish, demand for precision and office equipment from the business-use market is likely to recover.

Research and Development Activities

The Mabuchi Motor Group's R&D activities are spearheaded by Mabuchi Motor Co., Ltd. (the parent company) and MABUCHI MOTOR (DONGGUAN) CO., LTD. (in the Asia segment). In this section, we provide an overview of the Group's R&D activities.

The R&D organization consists of the Research and Development Headquarters and its subordinate organizations: the Research and Development Dept. 1, the Research and Development Dept. 2, and the Production Engineering Dept. In addition, the Research and Development Headquarters directly controls groups that engage in activities pertaining to fundamental technology, intellectual property, test evaluation, technology research, and engineering management. The organization engages mainly in high-value-added work, including the development of elemental technologies based on the Group's technology roadmap, described below, as well as new product development centered on strategically important applications. From its inception, the Research and Development Center of MABUCHI MOTOR (DONGGUAN) CO., LTD. (the "R&D Center") has mainly engaged in design improvement work. The R&D Center also handles new product development aimed at rapidly launching products in the Chinese local market, as well as new product development tasks entrusted by the Company.

To materialize timely new product development and new product introductions, Mabuchi has prepared the technology roadmap based on information obtained from market research and benchmarking-based technical investigation, and is steadily developing elemental technologies in accordance with the roadmap. In fiscal 2014, we further strengthened our R&D system, having established a Cross-Functional Team (CFT) in the previous fiscal year to spearhead initiatives across departmental lines.

Through these activities, we have now clearly identified technologies that we need to acquire and strengthen, as well as product fields that we should target. Going forward, we will further reinforce our tactical structure and our response personnel.

Mabuchi is focusing particular attention on the strategies described below for examination and implementation of urgent measures, with the aims of strengthening its responsiveness to new motor-related fields and applications and addressing the steep rise in labor costs in overseas countries where it operates plants.

- (1) Strengthen our expertise in circuit design technologies to increase our market share for brushless motors (a high-priority sector)
- (2) Adopt innovative perspectives to broaden the application of major reductions in production line workers
- (3) Reduce product development lead-times and work processes by half
- (4) Strengthen and broaden the application of optional mechanism attachment technologies

Meanwhile, our technology and sales teams will join forces to address applications in our core automotive motor business and applications that we must concentrate on in businesses earmarked to become operational pillars in the future.

◆ Motors for power window lifters

Thanks to increasing sales to large-scale customers in Japan and overseas, sales of motors for power window lifters exceeded ¥20 billion in fiscal 2014, making this a core business for the Group. In fiscal 2013, we set up production of the GD-558, a compact, lightweight power window lifter motor, and we acquired certification as a supplier from a major

automaker in North America for a model currently under development. To address the technological and sales expansion requirements of these and other models, we are currently ramping up our technical service personnel.

◆ Motors for power seats

Mabuchi's introduction of distinctive, small, high-torque motors for power seats has led to increased adoption by large customers and sharp growth in sales and market share. Targeting further increases in cost-competitiveness, in fiscal 2014, we started mass production of a new motor (described later) and launched it on the market.

◆ Motors for other small automotive applications

For some time, Mabuchi has been highly competitive in the field of compact, high-torque models featuring low vibration and low mechanical noise. In addition to rolling out these models in this field, we have launched new offerings equal in size to existing models but with lower vibration and lower mechanical noise.

◆ Motors for light electric vehicles

In addition to being a growth sector, motors for light electric vehicles (LEVs) serve as welfare equipment and thus make a huge contribution to society. In the previous fiscal year, we launched our first model in this field—the 700W IS-94B brushless motor, which is being adopted in electrically assisted bicycles. In addition to increasing sales of the IS-94B to electrically assisted bicycle makers, we are actively promoting its adoption in welfare equipment, gardening equipment, and the like.

In regard to existing models for other markets, Mabuchi will continue harnessing its know-how to improve its product features while promoting remodeling to enhance added value. At the same time, we will deploy the aforementioned R&D Center to build a structure for promptly meeting market and customer needs.

In fiscal 2014, R&D expenses amounted to ¥4,503 million. At fiscal year-end, the total number of industrial property rights held by the Company stood at 638 (109 in Japan and 529 overseas), and the total number of domestic and overseas new industrial property applications during the year was 62. A total of 432 employees engaged in R&D activities (246 at our headquarters and 186 at the R&D Center of MABUCHI MOTOR (DONGGUAN) CO., LTD.).

Below are major new products launched in fiscal 2014:

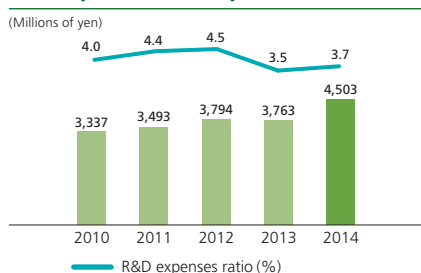
(1) Motor for power seats using ferrite magnet (RZ-46B)

This is a compact, lightweight, high-torque motor featuring an optimized design for magnetic circuits—a Mabuchi strength—without the need for high-priced rare earth magnets. The use of ferrite materials, which offer stability in supply and prices, also facilitates efforts to make car bodies lighter.

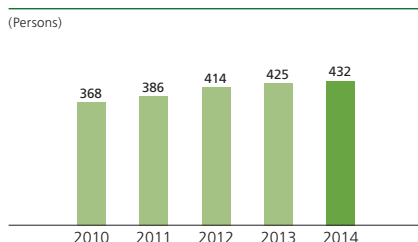
(2) Motor for engine peripheral equipment (RS-4F5)

This motor addresses the harsh conditions affecting automobile engines (temperature, vibration), and functions as an electronic control for the various valves and pumps of an automobile, contributing to better fuel efficiency and the reduction of harmful exhaust emissions.

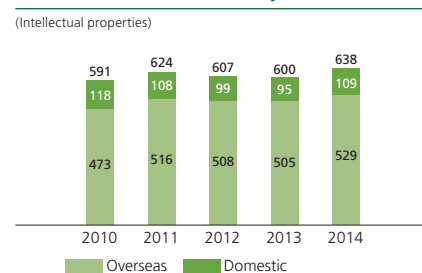
R&D Expenses/R&D Expenses Ratio



R&D Personnel



Number of Intellectual Properties



Business and Other Risks

■ Changes in Economic Conditions

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 the Mabuchi Group sells. Consequently, the Group's business results and financial position may be adversely affected by economic recessions and the corresponding contraction in demand in its key markets, including Japan, North America, Europe and Asia.

■ Fluctuations in Foreign Exchange Rates

Items denominated in local currencies on the financial statements of our overseas subsidiaries are converted into Japanese yen when the consolidated financial statements are prepared. Consequently, amounts which 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 will have a negative effect on the Mabuchi Group's consolidated business results, and conversely any depreciation of the Japanese yen will have a positive effect.

Appreciation of local currencies in regions where the Group carries out production will push up manufacturing and procurement costs which are denominated in those local currencies. Increased costs will lower the Group's profit margins and price competitiveness, and will impact negatively on its business results.

■ Development of New Products and New Technologies

The development and sale of new products, by their very nature, involve both complexities and uncertainties, and include a broad array of risks.

In the event the Mabuchi Group cannot fully predict the changing needs of the market, or cannot develop appealing new products in a timely fashion, or in the event a technological innovation emerges which causes its products to become obsolete, then the Group's business results and financial position may be subject to significant adverse effects.

■ Price Competition

Our customers are businesses in a diverse range of sectors that belong to the electrical and electronic equipment and machinery manufacturing industries, and price competition in these industries is extremely severe. In these kinds of environments, prices are a major contributing factor to competition in all sectors, and with the prominence of rival Chinese manufacturers, competition is becoming even more intense.

If our cost-reduction activities cannot keep up with falling prices over the long-term, then the Mabuchi Group's business results and financial position may be subject to significant adverse effects.

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

The majority of the Mabuchi Group's business activities are conducted in the various countries in Europe, North America and Asia.

Within these overseas business activities there are certain inherent risks, including changes in political and economic environments, undeveloped infrastructures, changes in laws, tax affairs or various other systems, or social unrest.

For example, much of the Group's production activity is conducted in China and Vietnam. The occurrence of an unexpected event (such as changes in the political or legal environment, changes in economic conditions, problems related to the employment environment, or other changes to the social environment) may lead to significant problems for our production and/or sales activities, and these may lead to the Group's business results and financial position being subject to significant adverse effects.

■ Product Quality

There is no guarantee that all Mabuchi 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 product complaint, recall or product liability compensation may trigger an accrual of a large amount of costs or a downturn in sales due to a loss of credibility, and may have significant adverse effects on the Group's business results and financial position.

■ Protection of Intellectual Property

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, the Group's intellectual property rights may not be completely protected. In such instances, the Group's intellectual property may be used without authority by third parties, and through the manufacture of similar products, we may suffer damages. Or we may lose our competitive advantage through the outflow of other technology or expertise, and then having it exploited by other companies. Or even still, there is a possibility that it could be claimed that the Group has impinged on the intellectual property of another company.

The failure of protection or the violation of intellectual property rights, or the outflow of other intellectual property may lead to the Group's business results and financial position being subject to significant adverse effects.

■ Securing and Developing Human Resources

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. The Group is fully cognizant of the need for the continuous enhancement and improvement of its human resources for the next generation and beyond. Meanwhile, the Group should put in a great deal to recruit and develop such a workforce.

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

Depending on the type of raw material that the Mabuchi Group procures from external sources, we may be dependent on a limited number of suppliers.

There is a possibility that supply of the raw material is suspended due to an accident befalling the supplier or for some other reason, or that a shortage of supply transpires due to a sudden upsurge in demand. If such conditions were to continue long-term and alternative materials were not easily available, then there is a possibility that the Group's production activities would be affected dramatically, and in turn this would undermine the assurance of delivery and quality of products to its customers. It is also possible, that the prices of such materials would escalate, which would trigger a rise in manufacturing costs.

If such an event were to occur, then the Group's business results and financial position may be subject to significant adverse effects.

■ Natural Disasters and Accidents

The Mabuchi Group has established a system of international division of labor. We conduct business activities in countries throughout the world, and we own facilities and equipment at our various bases, including plants and offices. The Group has implemented measures to prevent its exposure to risks associated with the occurrence of disasters and accidents at these centers, and it has implemented measures to reduce damages, including by insuring. However, there is no guarantee that completely protects us against, or which 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 that these kinds of unforeseeable events occur, the Group's business results and financial position may be subject to significant adverse effects.

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

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.

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 GUIDELINES

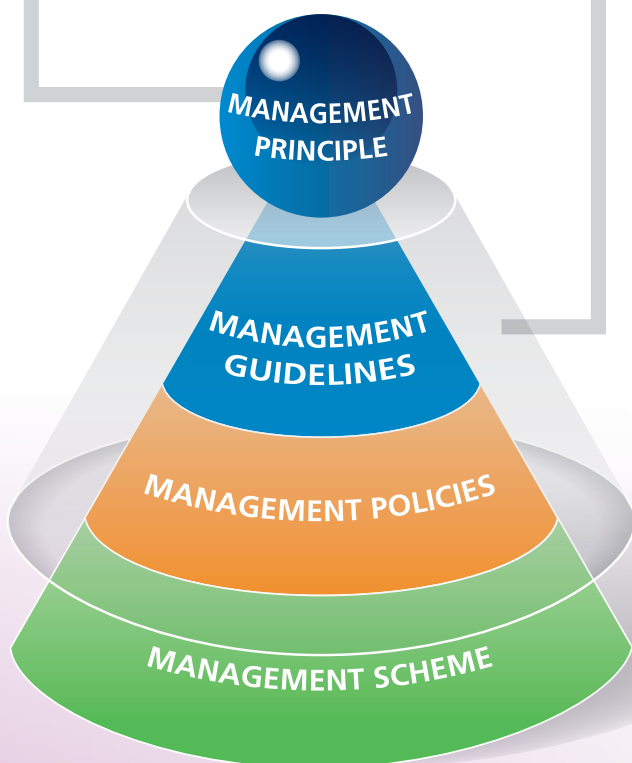
Mabuchi’s management guidelines, which flow from our management principle, spell out specifically how we “contribute.” These guidelines outline the mission of Mabuchi’s business activities.

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.



Our Management Vision

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

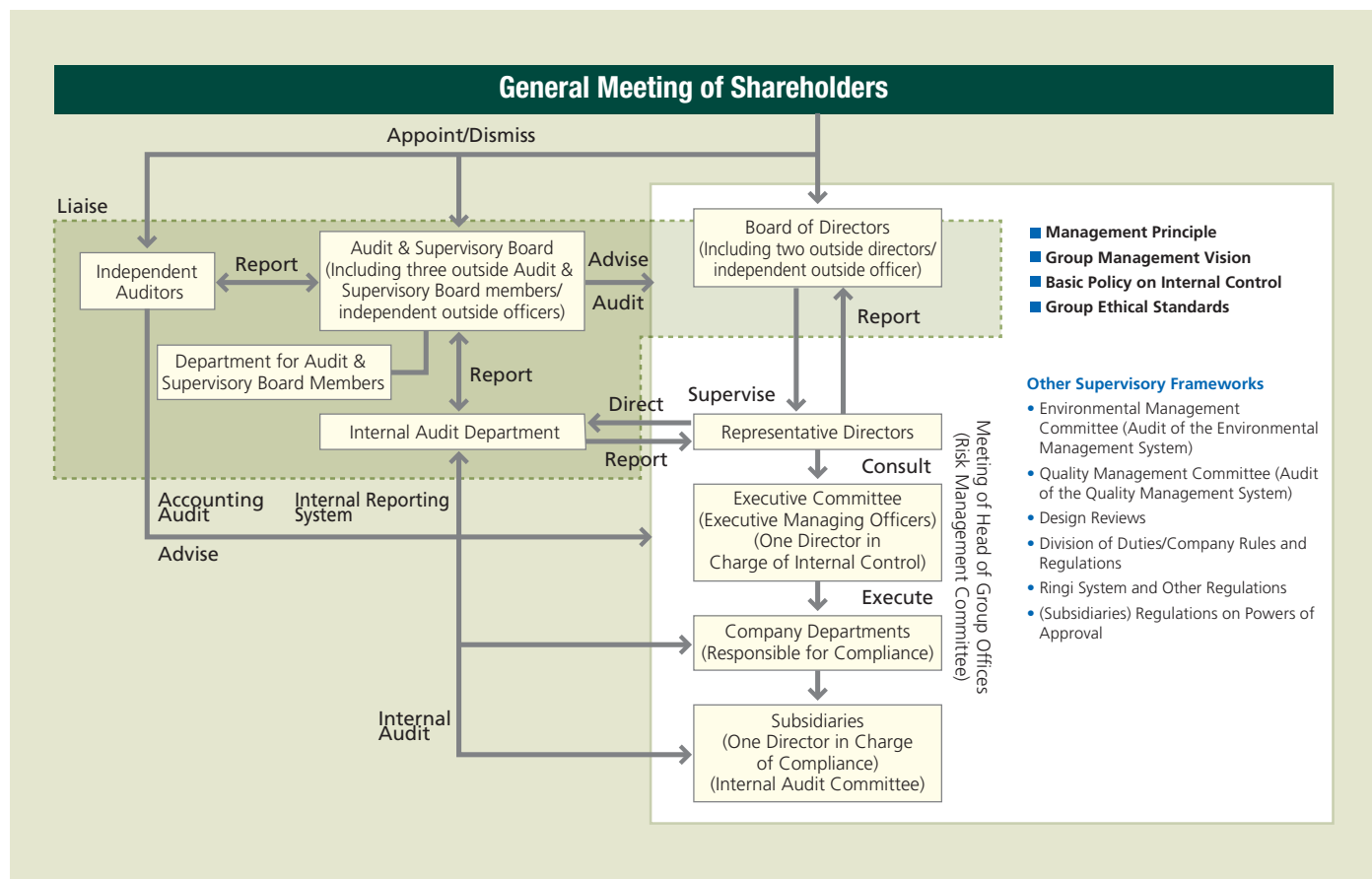
5. To disclose corporate information to all shareholders and other stakeholders in an appropriate, fair, timely and clear manner and to ensure accountability through the Board of Directors, the Audit & Supervisory Board, and other bodies.

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 Audit & Supervisory Board 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 six inside directors and two independent outside directors who are familiar with the Company's management environment and business. The Board of Directors quintessentially serves the functions of management decision-making and supervision of 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.

The Company deems that the independent outside director shall act in a supervisory and advisory role to the Company's management at the Board of Directors' meetings to not only ensure but also enhance transparency.

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 twice 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.

◆ Audit & Supervisory Board

Mabuchi has appointed four Audit & Supervisory Board members, three of whom are outside members with a high degree of independence. Mabuchi has also established a department for Audit & Supervisory Board members and has made it possible for the Audit & Supervisory Board members to request audit-related assistance from employees of the Internal Audit Department and other departments where appropriate.

The Audit & Supervisory Board members (three of whom are outside members) 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 Audit & Supervisory Board. Specifically, Audit & Supervisory Board members attend meetings of the Board of Directors and the Executive Committee as well as other important meetings and oversee major business execution decisions and documentation related to their execution, if necessary, requesting directors and employees to provide such documents or submit reports, in order to audit and supervise the execution of duties by the directors. The Audit & Supervisory Board convenes every second month and holds regular monthly meetings for the exchange of opinions between Audit & Supervisory Board members along with essential deliberations regarding the execution of duties by directors.

◆ Internal Audit Department

Mabuchi has established an Internal Audit Department under the direct control of the president. This body liaises with the Audit & Supervisory Board (members), the Director Responsible for Internal Control, and the Internal Control Department 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 Audit & Supervisory Board members.

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 Audit & Supervisory Board members' audits. In this way, inadequacies in internal controls and other issues discovered in risk management activities, compliance activities, Audit & Supervisory Board members' audits, and internal audit activities are reported to the directors and Audit & Supervisory Board members on a periodic or nonperiodic basis, and appropriate corrective measures are taken in a timely manner. These efforts provide the Company with 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 Audit & Supervisory Board members 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 Audit & Supervisory Board. 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, Audit & Supervisory Board Members, and Executive Officers

(As of March 27, 2015)

Directors



Shinji Kamei

Representative Director
and Chairman



Hiroo Okoshi

Representative Director
and President & CEO



Tadashi Takahashi

Director
Managing Executive Officer and
General Manager of Research
and Development Headquarters



Masato Itokawa

Director
Executive Officer and General
Manager of Quality Assurance
Dept., in charge of Quality and
Environmental Management



Tadahito Iyoda

Director
Executive Officer and General
Manager of Administration
Headquarters, in charge of
Internal Controls



Hirotaro Katayama

Director
Executive Officer and General
Manager of Operations Control
Headquarters, in charge of
Production Bases Control



Iwao Nakamura

Director (Outside)



Ichiro Hashimoto

Director (Outside)

Audit & Supervisory Board Members



Masahiro Gennaka

Audit & Supervisory Board
Member (Full-time)



Keiichi Horii

Audit & Supervisory Board
Member



Nobutaka Motohashi

Audit & Supervisory Board
Member



Toru Masuda

Audit & Supervisory Board
Member

Executive Officers (excluding those also serving as directors)



Tsuyoshi Nakamura

Executive Officer
General Manager of Sales and
Marketing Headquarters



Eiji Uenishi

Executive Officer
Deputy General Manager of
Research and Development
Headquarters



Akihiko Kitahashi

Group Executive Officer
in charge of Taiwan Business



Katsuhiko Katayama

Group Executive Officer
in charge of China Business

Corporate Social Responsibility

Mabuchi Motor recognizes that its key responsibilities as a corporation are to benefit society and bring joy to people. With this in mind, we pursue a variety of initiatives on a daily basis. Through our business activities, we deliver new levels of value to society. At the same time, we promote various social contribution activities unique to Mabuchi that effectively convey the importance and worth of product manufacturing.

• MAKING ENVIRONMENT-FRIENDLY PRODUCTS •

We relentlessly exploit the potential of motors and improve their value in order to provide better and cheaper products in a more reliable way. For end-users, we aim to make our products lighter, more compact, and more energy-efficient, while helping save resources and energy to benefit society as a whole.

• GD-558 (Motor for Power Window Lifters)

This motor is around 14% shorter and 15% lighter than existing products. With reduced weight, it also contributes to better fuel efficiency and lower costs.

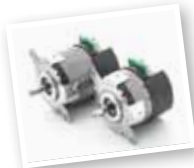
• RZ-46B (Motor for Power Seats)

This is a compact, high-torque motor featuring an optimized design for the time circuit, as well as using ferrite instead of neodymium for the magnet. With reduced weight, it also contributes to better fuel efficiency.



• ID (Motor for MFPs)

Addressing the need in the multifunction printer (MFP) market for lighter, more compact and more energy-efficient products, this motor helps save resources and energy.



• SUPPORT FOR MANUFACTURING / EDUCATION •

Mabuchi aims to contribute to the development of society by extending various types of support to local communities and society at large. As one such activity, we provide educational support to the young, who are our future leaders, to help them grow up surrounded by the joy of science and manufacturing.

• Robot Contest Sponsorship

Mabuchi has been co-sponsoring the National Technical College Robot Contest and the ABU Robot Contest since 2002 and the College Robot Contest since 2004 by providing motors and funding. We support these events in the hope that we can help to foster future engineers and the development of science and technology.



• Promoting Science Education

Each year Mabuchi provides a large number of learning materials to support science education. In 2014, Mabuchi provided approximately 18,000 motors as well as samples of handicrafts powered by motors. These learning materials are put to good use in science classes at public elementary schools in Matsudo City and at handicraft workshops held by numerous educational institutions all over Japan.



• Technical Staff Teaching Children

Seeking to help children experience the joys and wonders of science and understand how knowledge learned in science class contributes to their lives, Mabuchi has been dispatching staff to

teach children about science since 2008. In 2014, we held classes at three elementary schools in Matsudo City in Chiba Prefecture and at the Science Museum in Tokyo.

Using Mabuchi-made motors as learning tools, the children gained hands-on experience in disassembling and examining motors, while learning how electromagnetic properties are used in rotating mechanisms and to generate electricity.

We also exhibited actual products that incorporate motors to show the children how extensively motors are used in our daily lives.

• Summer Vacation Handicraft Workshops

Every year since 2008, Mabuchi has held Summer Vacation Handicraft Workshops for parents and children to provide kids—our future leaders—with experience in the magnificence of making things and in the mysteries of science, thus stimulating their interest in manufacturing.

During the summer holidays, we invited approximately 160 parent-child pairs to use motors as power generators to create handicrafts from readily available waste materials such as discarded CDs and PET bottle caps. As of 2014, the event has attracted more than 1,000 attendees.



• Internship Program

We offer an internship program to college students as an opportunity to deepen their understanding of Mabuchi through actual work on-site.

We accepted technical college students and college students from the U.S. in 2014. Dongguan Mabuchi also accepted graduate students throughout the year.

• Scholarships and Support for School Construction

Dalian Mabuchi and Daojiao Mabuchi are providing educational support by constructing school buildings and providing scholarships. This contribution has been commended by the local government on more than one occasion.



Left: Books and exercise equipment donated to Hope Elementary Schools (Dalian Mabuchi)
Right: School supplies for children (Daojiao Mabuchi)

• SOCIAL CONTRIBUTION ACTIVITIES

The Company facilitates regular visits of the elderly and children, as well as providing support for the sick.



Consolidated Balance Sheets

Mabuchi Motor Co., Ltd. and Consolidated Subsidiaries
December 31, 2013 and 2014

ASSETS	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Current Assets:			
Cash and bank deposits	¥101,053	¥110,808	\$ 923,400
Trade notes and accounts receivable	19,453	23,333	194,441
Less – Allowance for doubtful accounts	(58)	(67)	(558)
Short-term investments	12,113	12,414	103,450
Merchandise and finished goods	16,819	20,179	168,158
Work in process	1,262	1,585	13,208
Raw materials and supplies	6,071	7,283	60,691
Deferred tax assets – current	685	1,635	13,625
Other current assets	3,461	3,980	33,166
Total current assets	160,862	181,154	1,509,616
Property, Plant and Equipment:			
Land	6,029	6,031	50,258
Buildings and structures	43,831	47,253	393,775
Machinery and equipment	45,806	56,719	472,658
Construction in progress	2,163	4,370	36,416
	97,830	114,375	953,125
Less – Accumulated depreciation	(52,816)	(60,366)	(503,050)
Property, plant and equipment, net	45,014	54,008	450,066
Investments and Other Assets:			
Investment securities	19,176	18,885	157,375
Long-term loans receivable	20	2	16
Deferred tax assets – non-current	325	367	3,058
Other investments and other assets	1,853	1,950	16,250
Total investments and other assets	21,376	(21,205)	(176,708)
Total Assets	¥227,253	¥256,368	\$2,136,400

LIABILITIES AND NET ASSETS	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Current Liabilities:			
Trade notes and accounts payable	¥ 5,637	¥ 7,035	\$ 58,625
Short-term loans payable	113	113	941
Accrued income taxes	2,241	3,079	25,658
Accrued bonuses due to employees	220	192	1,600
Accrued bonuses due to directors	74	127	1,058
Deferred tax liabilities – current	49	58	483
Other current liabilities	6,719	8,319	69,325
Total current liabilities	15,055	18,926	157,716
Long-term Liabilities:			
Long-term loans payable	397	283	2,358
Provision for retirement benefits for employees	484	–	–
Liability for retirement benefits	–	1,461	12,175
Asset retirement obligations	22	17	141
Deferred tax liabilities – non-current	2,193	2,095	17,458
Other long-term liabilities – non-current	308	271	2,258
Total long-term liabilities	3,406	4,129	34,408
Total liabilities	18,461	23,055	192,125
Net Assets:			
Shareholders' Equity			
Common stock, no par value:			
Authorized: 200,000,000 shares			
Issued: 75,751,762 shares in 2013			
75,751,762 shares in 2014	20,704	20,704	172,533
Additional paid-in capital	20,419	20,419	170,158
Retained earnings	180,490	192,606	1,605,050
Treasury stock, at cost: 5,650,830 shares in 2013 and 5,619,828 shares in 2014	(20,084)	(20,010)	(166,750)
Total shareholders' equity	201,529	213,720	1,781,000
Accumulated other comprehensive income			
Net unrealized holding gains (losses) on securities	2,162	1,968	16,400
Foreign currency translation adjustments	5,069	18,311	152,591
Retirement benefits liability adjustments	–	(742)	(6,183)
Total accumulated other comprehensive income	7,232	19,537	162,808
Subscription rights to shares	29	54	450
Total net assets	208,791	233,312	1,944,266
Total Liabilities and Net Assets	¥227,253	¥256,368	\$2,136,400

The accompanying notes to the 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, 2013 and 2014

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Net Sales	¥108,401	¥122,544	\$1,021,200
Cost of Sales	81,546	86,929	724,408
Gross profit	26,854	35,614	296,783
Selling, General and Administrative Expenses	17,519	18,739	156,158
Operating income	9,335	16,875	140,625
Other Income (Expenses):			
Interest and dividend income	600	715	5,958
Exchange gain, net	5,624	5,124	42,700
Gain on sale of raw material scrap	1,182	1,162	9,683
Loss on disposal of fixed assets, net	(196)	(242)	(2,016)
Gain on sales of investment securities	13	342	2,850
Business structure improvement expenses	–	(434)	(3,616)
Impairment loss	(1,473)	–	–
Other, net	(71)	51	425
	5,679	6,720	56,000
Income before Income Taxes	15,015	23,595	196,625
Income Taxes:			
Current	4,090	6,210	51,750
Deferred	405	(705)	(5,875)
	4,496	5,504	45,866
Income before Minority Interests	10,519	18,090	150,750
Net Income	¥ 10,519	¥ 18,090	\$ 150,750

	Yen		U.S. Dollars
	2013	2014	2014
Per Share Data:			
Basic net income	¥ 150.10	¥ 258.02	\$ 2.15
Diluted net income	150.09	257.95	2.14
Dividends applicable to current year earnings	140.00	214.00	1.78

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

Consolidated Statements of Comprehensive Income

Mabuchi Motor Co., Ltd. and Consolidated Subsidiaries
For the years ended December 31, 2013 and 2014

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Income before Minority Interests	¥10,519	¥18,090	\$150,750
Other Comprehensive Income			
Net unrealized holding gains (losses) on securities	2,321	(193)	(1,608)
Foreign currency translation adjustments	18,089	13,242	110,350
Total other comprehensive income	20,411	13,048	108,733
Comprehensive income	¥30,930	¥31,139	\$259,491
Comprehensive income attributable to:			
Shareholders of the parent	¥30,930	¥31,139	\$259,491
Minority interests	–	–	–

The accompanying notes to the 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, 2013 and 2014

	Number of Shares (Thousands)		Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2013	2014	2014
Common Stock:					
Beginning balance	79,751	75,751	¥ 20,704	¥ 20,704	\$ 172,533
Treasury stock cancellation	(4,000)	—	—	—	—
Ending balance	75,751	75,751	¥ 20,704	¥ 20,704	\$ 172,533
Additional Paid-in Capital:					
Beginning balance			¥ 20,419	¥ 20,419	\$ 170,158
Ending balance			¥ 20,419	¥ 20,419	\$ 170,158
Retained Earnings:					
Beginning balance			¥188,175	¥180,490	\$1,504,083
Net income			10,519	18,090	150,750
Dividends paid			(3,614)	(5,974)	(49,783)
Treasury stock disposal			(231)	—	—
Treasury stock cancellation			(14,359)	—	—
Ending balance			¥180,490	¥192,606	\$1,605,050
Treasury Stock:					
Beginning balance			¥ (34,749)	¥ (20,084)	\$ (167,366)
Treasury stock acquisition			(575)	(12)	(100)
Treasury stock disposal			881	86	716
Treasury stock cancellation			14,359	—	—
Ending balance			¥ (20,084)	¥ (20,010)	\$ (166,750)
Net Unrealized Holding Gains (Losses) on Securities:					
Beginning balance			¥ (158)	¥ 2,162	\$ 18,016
Net change during the year			2,321	(193)	(1,608)
Ending balance			¥ 2,162	¥ 1,968	\$ 16,400
Foreign Currency Translation Adjustments:					
Beginning balance			¥ (13,020)	¥ 5,069	\$ 42,241
Net change during the year			18,089	13,242	110,350
Ending balance			¥ 5,069	¥ 18,311	\$ 152,591
Retirement Benefit Liability Adjustments:					
Beginning balance			—	—	—
Net change during the year			—	¥ (742)	\$ (6,183)
Ending balance			—	¥ (742)	\$ (6,183)
Total Accumulated Other Comprehensive Income:					
Beginning balance			¥ (13,179)	¥ 7,232	\$ 60,266
Net change during the year			20,411	12,305	102,541
Ending balance			¥ 7,232	¥ 19,537	\$ 162,808
Subscription Rights to Shares:					
Beginning balance			—	¥ 29	\$ 241
Net change during the year			¥ 29	24	200
Ending balance			¥ 29	¥ 54	\$ 450
Total Net Assets:					
Beginning balance			¥181,372	¥208,791	\$1,739,925
Net income			10,519	18,090	150,750
Dividends paid			(3,614)	(5,974)	(49,783)
Treasury stock acquisition			(575)	(12)	(100)
Treasury stock disposal			649	86	716
Net changes in items other than those in shareholders' equity			20,440	12,330	102,750
Ending balance			¥208,791	¥233,312	\$1,944,266

The accompanying notes to the 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, 2013 and 2014

	Yen (Millions)	U.S. Dollars (Thousands)	
	2013	2014	
Cash Flows from Operating Activities:			
Income before income taxes	¥ 15,015	¥ 23,595	\$ 196,625
Depreciation and amortization	4,571	5,066	42,216
Impairment loss	1,473	–	–
Increase (decrease) in allowance for retirement benefits, net of payments	32	(483)	(4,025)
Increase (decrease) in liability for retirement benefits	–	452	3,766
Interest and dividend income	(600)	(715)	(5,958)
Exchange gain	(1,877)	(1,432)	(11,933)
(Gain) loss on sales of short-term investments and investment securities	(13)	(342)	(2,850)
Loss on disposal of fixed assets	196	242	2,016
Decrease (increase) in trade notes and accounts receivable	(1,823)	(1,738)	(14,483)
Decrease (increase) in inventories	1,226	(1,731)	(14,425)
Increase (decrease) in trade notes and accounts payable	221	788	6,566
Increase (decrease) in provision for business structure improvement	(1,290)	–	–
Other, net	(1,534)	(1,213)	(10,108)
Subtotal	15,597	22,488	187,400
Interest and dividends received	611	723	6,025
Interest paid	–	(0)	(0)
Payments for directors' retirement benefits	(935)	–	–
Income taxes paid	(3,522)	(5,092)	(42,433)
Net cash provided by operating activities	11,750	18,118	150,983
Cash Flows from Investing Activities:			
Increase in time deposits	(8,128)	(16,070)	(133,916)
Proceeds from withdrawal of time deposits	7,437	14,422	120,183
Purchases of short-term investments	(5,901)	(7,995)	(66,625)
Proceeds from sales of short-term investments	10,180	7,600	63,333
Purchases of property, plant and equipment	(5,658)	(9,838)	(81,983)
Proceeds from sales of property, plant and equipment	95	31	258
Purchases of investment securities	(1,703)	(2,066)	(17,216)
Proceeds from sales of investment securities	8,020	2,070	17,250
Other, net	(77)	(132)	(1,100)
Net cash provided by (used in) investing activities	4,264	(11,977)	(99,808)
Cash Flows from Financing Activities:			
Repayment of long-term loans payable	(56)	(113)	(941)
Proceeds from long-term loans payable	567	–	–
Cash dividends paid	(3,617)	(5,974)	(49,783)
Purchases of treasury stock	(575)	(12)	(100)
Proceeds from sales of treasury stock	649	86	716
Net cash used in financing activities	(3,031)	(6,014)	(50,116)
Effect of exchange rate changes on cash and cash equivalents	9,575	6,631	55,258
Net increase in cash and cash equivalents	22,557	6,758	56,316
Cash and Cash Equivalents at the Beginning of Year	79,904	102,462	853,850
Cash and Cash Equivalents at the End of Year	¥102,462	¥109,220	\$ 910,166

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

Notes to Consolidated Financial Statements

Mabuchi Motor Co., Ltd. and Consolidated Subsidiaries
December 31, 2013 and 2014

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 in accordance with accounting principles generally accepted in Japan, which are different in certain respects 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, 2014 have been translated into U.S. dollars at a rate of ¥120 = U.S. \$1, the approximate exchange rate prevailing on December 31, 2014. 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 on 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 before income taxes.

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 the 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", when they are held for the purpose of earning capital gains in the short-term, "held-to-maturity", where management has the positive intent and ability to hold the securities to maturity, and "other securities", where those securities are not classified as either trading or held-to-maturity, which represent 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 the decline 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 a decline in the value of 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 of recognizing any impairment losses by assessing the potential of market values to recover taking into consideration declining price trends and other individually 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 using the declining-balance method for the Company (except for certain buildings) and for overseas subsidiaries, principally using the straight-line method over their estimated useful lives. Buildings acquired by the Company on or after April 1, 1998 are depreciated using the straight-line method. Maintenance and repairs, including minor repairs and improvements, are charged to income as incurred.

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 making the assumption that there is no residual value.

i 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.

The allowance for retirement benefits is provided based on the amount of the 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 from the year following the year in which the gains or losses arose, primarily using 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 the straight-line method mainly over 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.

j 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.

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.

I Standards issued but not yet effective

“Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (ASBJ) Statement No.26 of May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25 of May 17, 2012)

1) Overview

From the perspective of improving financial reporting and in light of global trends, the accounting standard and related guidance have been revised mainly in the areas of the accounting treatment for unrecognized actuarial gains and losses, unrecognized prior service costs, the calculation method for retirement benefit obligations and service costs, and the enhancement of disclosures.

2) Scheduled date of application

The Company will apply this standard regarding the revision of the determination of the calculation method for retirement benefit obligations and service costs from the fiscal year beginning January 1, 2015.

3) Impact of application of accounting standards

The Company is currently evaluating the impact of the application of these accounting standards on the consolidated financial statements.

2. Accounting Changes

(“Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts” (ASBJ PITF No.30 of December 25, 2013)

The Company applied “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts” (ASBJ PITF No.30 of December 25, 2013) from the fiscal year beginning January 1, 2014. The impact of the application of this accounting standard on the consolidated financial statements was immaterial.

Details of the loans payable for the borrowings of the ESOP Trust that have been guaranteed by the Company at December 31, 2013 and 2014 were as follows:

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Short-term loans payable	¥113	¥113	\$ 941
Long-term loans payable	397	283	2,358
Total	¥511	¥397	\$3,308

(Accounting Standard for Retirement Benefits)

The Company adopted “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26 of May 17, 2012) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 of May 17, 2012) (except for certain provisions described in the main clause of Section 35 of the standard and in the main clause of Section 67 of the guidance) as of the end of the fiscal year ended December 31, 2014. These accounting standards require entities to apply a revised method for recording the retirement benefit obligation, after deducting pension plan assets, as a liability for retirement benefits. In addition, unrecognized actuarial differences and unrecognized prior service costs are recorded as a liability for retirement benefits. Concerning the application of the Accounting Standard for Retirement Benefits, based on the provisional treatment set out in Clause 37 of the standard, the effects of such changes in the fiscal year ended December 31, 2014 have been recorded in retirement benefits liability adjustments through accumulated other comprehensive income. As a result of this change, an asset for retirement benefits was recognized in the amount of ¥14 million (\$16 thousand), a liability for retirement benefits was recognized in the amount of ¥1,461 million (\$12,175 thousand) and accumulated other comprehensive income decreased by ¥742 million (\$6,183 thousand) as of December 31, 2014. In addition, net assets per share decreased by ¥10.59 (\$0.08).

3. Changes in Net Assets

Information regarding changes in net assets for the years ended December 31, 2013 and 2014 is as follows:

a Shares issued and outstanding / Treasury stock

2013

Type of shares	Shares Issued (Thousands)	Treasury Stock (Thousands)
	Common stock	Common stock
Number of shares as of December 31, 2012	39,875	4,840
Increase in number of shares	–	112
Decrease in number of shares	2,000	2,127
Number of shares as of December 31, 2013	37,875	2,825

Notes: 1. The decrease in the number of shares issued was due to the cancellation of 2,000 thousand shares by resolution of the Board of Directors.

2. The increase in the number of shares of treasury stock was due to the purchase of 111 thousand shares by the ESOP Trust and the purchase of 1 thousand shares of less than one unit.

3. The decrease in the number of shares of treasury stock was due to cancellation of 2,000 thousand shares by resolution of the Board of Directors, sales of 111 thousand shares to the ESOP Trust and sales of 16 thousand shares to Our Shareholding Association by the ESOP Trust.

4. There were 95 thousand shares of treasury stock held by the ESOP Trust included in the number of treasury stock as of December 31, 2013.

2014

Type of shares	Shares Issued (Thousands)	Treasury Stock (Thousands)
	Common stock	Common stock
Number of shares as of December 31, 2013	37,875	2,825
Increase in number of shares	–	1
Decrease in number of shares	–	17
Number of shares as of December 31, 2014	37,875	2,809

Notes: 1. The increase in the number of shares of treasury stock was due to the purchase of 1 thousand shares of less than one unit.

2. The decrease in the number of shares of treasury stock was due to sales of 17 thousand shares to Our Shareholding Association by the ESOP Trust.

3. There were 95 thousand shares and 78 thousand shares of treasury stock held by the ESOP Trust included in the number of shares of treasury stock as of January 1, 2014 and December 31, 2014, respectively.

b Share subscription rights

2013

Company	Description	Type of shares issued	Number of shares at January 1, 2013	Number of shares issued		Number of shares at December 31, 2013	Balance at December 31, 2013 Yen (Millions)	U.S. Dollars (Thousands)
				Increase	Decrease			
Parent Company	Subscription rights as stock options	–	–	–	–	–	¥29	\$276
Total		–	–	–	–	–	¥29	\$276

2014

Company	Description	Type of shares issued	Number of shares at January 1, 2014	Number of shares issued		Number of shares at December 31, 2014	Balance at December 31, 2014 Yen (Millions)	U.S. Dollars (Thousands)
				Increase	Decrease			
Parent Company	Subscription rights as stock options	–	–	–	–	–	¥54	\$450
Total		–	–	–	–	–	¥54	\$450

c Dividends

Dividends paid during the fiscal year ended December 31, 2013

2013

	Shareholders' Meeting	Board of Directors' Meeting
Resolution by	March 28, 2013	August 13, 2013
Total amount of dividends	¥1,751 million (\$16,676 thousand)	¥1,862 million (\$17,733 thousand)
Dividends per share	¥50 (\$0.47)	¥53 (\$0.50)
Record date	December 31, 2012	June 30, 2013
Effective date	March 29, 2013	September 13, 2013

Note: Dividends paid to the ESOP Trust in the amount of ¥5 million (\$47 thousand) have been included in the total amount of dividends.

Dividends whose record date was in the fiscal year ended December 31, 2013 but whose effective date was in the following fiscal year

2013

	Shareholders' Meeting
Resolution by	March 28, 2014
Total amount of dividends	¥3,057 million (\$29,114 thousand)
Dividends per share	¥87 (\$0.82)
Record date	December 31, 2013
Effective date	March 31, 2014

Note: Dividends paid to the ESOP Trust in the amount of ¥8 million (\$76 thousand) have been included in the total amount of dividends.

Dividends paid during the fiscal year ended December 31, 2014

2014

	Shareholders' Meeting	Board of Directors' Meeting
Resolution by	March 28, 2014	August 12, 2014
Total amount of dividends	¥3,057 million (\$25,475 thousand)	¥2,917 million (\$24,308 thousand)
Dividends per share	¥87 (\$0.72)	¥83 (\$0.69)
Record date	December 31, 2013	June 30, 2014
Effective date	March 31, 2014	September 12, 2014

Note: Dividends approved at the shareholders' meeting on March 28, 2014 paid to the ESOP Trust in the amount of ¥8 million (\$47 thousand) have been included in the total amount of dividends. Dividends approved at the board of directors' meeting on August 12, 2014 paid to the ESOP Trust in the amount of ¥7 million (\$58 thousand) have been included in the total amount of dividends.

Dividends whose record date was in the fiscal year ended December 31, 2014 but whose effective date was in the following fiscal year.

2014

	Shareholders' Meeting
Resolution by	March 27, 2015
Total amount of dividends	¥4,603 million (\$38,358 thousand)
Dividends per share	¥131 (\$1.09)
Record date	December 31, 2014
Effective date	March 30, 2015

Note: Dividends paid to the ESOP Trust in the amount of ¥10 million (\$83 thousand) have been included in the total amount of dividends.

d Stock options

The Company issued the following share subscription rights for the purchase of new shares of common stock in accordance with the Corporation Law of Japan

For the years ended December 31, 2013 and 2014, the Company recognized and allocated share-based compensation costs as follows:

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Selling, general and administrative expenses	¥29	¥24	\$200
Total	¥29	¥24	\$200

A description of the 2013 and 2014 Stock Option Plans as of December 31, 2013 and 2014, respectively, are summarized as follows:

	2013 Stock Option Plan	2014 Stock Option Plan
Grantee categories and number of grantees	6 directors of the Company	6 directors of the Company
Number of shares	5,970 shares of common stock	3,990 shares of common stock
Grant date	May 20, 2013	April 21, 2014
Vesting conditions	None	None
Service period	None	None
Exercisable period	May 21, 2013 to May 20, 2033	April 22, 2014 to April 21, 2034

The following table summarizes the option activity under the stock option plans referred to above during the years ended December 31, 2013 and 2014.

	2013 Stock Option Plan	2014 Stock Option Plan
Non-vested:		
Beginning of the year	–	–
Granted	–	3,990
Forfeited	–	–
Vested	–	3,990
End of the year	–	–
Vested:		
Beginning of the year	5,970	–
Vested	–	3,990
Exercised	–	–
Forfeited	–	–
End of the year	5,970	3,990

Price information of stock options for the 2013 and 2014 Stock Option Plans as of December 31, 2013 and 2014, respectively, are summarized as follows:

	2013 Stock Option Plan Yen	2014 Stock Option Plan Yen	2014 Stock Option Plan U.S. Dollars
Exercise price	¥1	¥1	\$0
Average price on exercise	–	–	–
Fair value on grant date	4,967	6,158	51

Fair value as of the grant date for the stock options issued during the year ended December 31, 2014 was estimated using the Black-Scholes option pricing model with the following assumptions:

	2014 Stock Option Plan
Expected volatility ^{*1}	26.8%
Expected remaining period ^{*2}	5.6 years
Expected dividend yield ^{*3}	¥140 per share (\$1.16 per share)
Risk-free interest rate ^{*4}	0.22%

^{*1} The expected volatility is estimated based on a period of 5 years and 7 months (September 8, 2008 to April 14, 2014).

^{*2} The expected remaining period is based on the estimated term of incumbency of directors.

^{*3} The expected dividend yield is based on the actual dividend amount for interim and year-end dividend of 2013.

^{*4} Risk-free interest rate represents the interest rate of Japanese government bonds whose remaining period corresponds to the expected remaining period of the stock options.

Because it is difficult to estimate the forfeited number of stock options for future periods, an estimation of the vested number is based upon actual forfeitures in prior periods.

4. Cash and Cash Equivalents

Cash and cash equivalents at the end of the year in the accompanying consolidated statements of cash flows are reconciled to cash and bank deposits reported in the accompanying consolidated balance sheets as of December 31, 2013 and 2014 as follows:

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Cash and bank deposits	¥101,053	¥110,808	\$923,400
Time deposits with maturities over three months at the time of purchase	(5,104)	(7,602)	(63,350)
Short-term investments	12,113	12,414	103,450
Securities exposed to price risk	(5,600)	(6,400)	(53,333)
Cash and cash equivalents	¥102,462	¥109,220	\$910,166

Significant non-cash transactions for the years ended December 31, 2013 and 2014 were as follows:

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Treasury stock cancellation	¥14,359	–	–

5. 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 the management of surplus funds to short-term deposits and other highly secure financial assets. The Company uses derivatives to mitigate risks 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 7. Derivative Financial Instruments below and are not indicative of the market risk associated with derivatives transactions.

(2) Fair Value of Financial Instruments

The carrying value, fair value and variance for financial instruments as of December 31, 2013 and 2014 are as follows. Fair values that are not readily determinable are not included in the following table.

	Yen (Millions)		
	2013		
	Carrying value	Fair value	Variance
Assets:			
(1) Cash and bank deposits	101,053	101,053	–
(2) Trade notes and accounts receivable	19,453	19,453	–
(3) Short-term investments and investment securities	31,179	31,810	631
Total assets	151,686	152,317	631
Liabilities:			
(1) Trade notes and accounts payable	5,637	5,637	–
Total liabilities	5,637	5,637	–

	Yen (Millions)			U.S. Dollars (Thousands)		
	2014					
	Carrying value	Fair value	Variance	Carrying value	Fair value	Variance
Assets:						
(1) Cash and bank deposits	110,808	110,808	–	923,400	923,400	–
(2) Trade notes and accounts receivable	23,333	23,333	–	194,441	194,441	–
(3) Short-term investments and investment securities	31,187	31,885	697	259,891	265,708	5,808
Total assets	165,329	166,027	697	1,377,741	1,383,558	5,808
Liabilities:						
(1) Trade notes and accounts payable	7,035	7,035	–	58,625	58,625	–
Total liabilities	7,035	7,035	–	58,625	58,625	–

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

Assets:

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

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

(3) Short-term investments and investment securities

Market prices on securities 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

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

Derivative instruments

Please refer to Note 7. Derivative Financial Instruments.

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

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Unlisted stocks	111	112	933

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, 2013 and 2014

	Yen (Millions)		
	2013		
	Within 1 year	1-5 years	5-10 years
Cash and bank deposits	101,053	-	-
Trade notes and accounts receivable	19,453	-	-
Short-term investments and investment securities			
Held-to-maturity securities			
Corporate bonds	-	5,375	4,000
Commercial paper	500	-	-
Other securities			
Corporate bonds	5,600	700	-
Certificates of deposit	2,000	-	-
Investment trust	1,500	-	-
Total	130,106	6,075	4,000

	Yen (Millions)			U.S. Dollars (Thousands)		
	2014					
	Within 1 year	1-5 years	5-10 years	Within 1 year	1-5 years	5-10 years
Cash and bank deposits	110,808	-	-	923,400	-	-
Trade notes and accounts receivable	23,333	-	-	194,441	-	-
Short-term investments and investment securities						
Held-to-maturity securities						
Corporate bonds	-	5,375	4,000	-	44,791	33,333
Commercial paper	1,500	-	-	12,500	-	-
Other securities						
Corporate bonds	4,400	1,000	-	36,666	8,333	-
Certificates of deposit	2,000	-	-	16,666	-	-
Investment trust	2,000	-	-	16,666	-	-
Total	144,042	6,375	4,000	1,200,350	53,125	33,333

6. Investment Securities

The carrying value, fair value and variance for held-to-maturity securities as of December 31, 2013 and 2014 were as follows:

(1) Held-to-maturity securities

	Yen (Millions)		
	Carrying value	Fair value	Variance
Securities whose fair value exceeds their carrying value			
Corporate bonds	4,375	5,096	721
Subtotal	4,375	5,096	721
Securities whose carrying value exceeds their fair value			
Corporate bonds	5,499	5,409	(90)
Subtotal	5,499	5,409	(90)
Total	9,875	10,506	631

	Yen (Millions)			U.S. Dollars (Thousands)		
	2014					
	Carrying value	Fair value	Variance	Carrying value	Fair value	Variance
Securities whose fair value exceeds their carrying value						
Corporate bonds	8,375	9,169	794	69,791	76,408	6,616
Subtotal	8,375	9,169	794	69,791	76,408	6,616
Securities whose carrying value exceeds their fair value						
Corporate bonds	2,499	2,403	(96)	20,825	20,025	800
Subtotal	2,499	2,403	(96)	20,825	20,025	800
Total	10,874	11,572	697	90,616	96,433	5,808

The acquisition cost, carrying value and variance for other securities as of December 31, 2013 and 2014 were as follows:

(2) Other securities

	Yen (Millions)		
	2013		
	Acquisition cost	Carrying value	Variance
Securities whose carrying value exceeds their acquisition cost			
Stock	3,285	5,804	2,519
Corporate bonds	2,103	2,104	0
Other	1,627	2,092	464
Subtotal	7,016	10,001	2,984
Securities whose acquisition cost exceeds their carrying value			
Stock	54	44	(9)
Corporate bonds	4,201	4,200	(1)
Other	7,116	7,058	(58)
Subtotal	11,373	11,302	(70)
Total	18,389	21,304	2,914

	Yen (Millions)			U.S. Dollars (Thousands)		
	2014					
	Acquisition cost	Carrying value	Variance	Acquisition cost	Carrying value	Variance
Securities whose carrying value exceeds their acquisition cost						
Stock	4,533	7,262	2,729	37,775	60,516	22,741
Corporate bonds	1,500	1,501	1	12,500	12,508	8
Other	–	–	–	–	–	–
Subtotal	6,033	8,763	2,730	50,275	73,025	22,750
Securities whose acquisition cost exceeds their carrying value						
Stock	54	51	(2)	450	425	(25)
Corporate bonds	3,900	3,897	(2)	32,500	32,475	(25)
Other	7,635	7,599	(36)	63,625	63,325	(300)
Subtotal	11,590	11,548	(41)	96,583	96,233	(350)
Total	17,623	20,312	2,689	146,858	169,266	22,408

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

7. 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, and derivatives are not used for speculative trading purposes. As a result, the Company is exposed to risk of currency rate fluctuations 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 the purchase of precious metals as raw materials for motor products. The contracted amounts outstanding at December 31, 2013 and 2014 were ¥3,604 million and ¥16,774 million (\$139,783 thousand), respectively.

The estimated fair values at December 31, 2013 and 2014 were ¥3,579 million and ¥15,598 million (\$129,983 thousand), respectively.

These forward contracts are long-term purchase contracts of raw materials, and are also not in the scope of the accounting standards of financial instruments.

8. Retirement Benefit Plans

The table below sets forth the plans' statuses and amounts recognized in the balance sheet at December 31, 2013.

	Yen (Millions)
	2013
Projected benefit obligation	¥(10,280)
Plan assets at fair value	9,869
Unfunded retirement benefit obligation	(411)
Unrecognized prior service cost	85
Unrecognized actuarial gains	(46)
Net retirement benefit obligation	(372)
Prepaid pension cost	111
Accrued retirement benefits	¥ (484)

The components of net periodic pension cost for the year ended December 31, 2013 were as follows:

	Yen (Millions)
	2013
Service cost	¥ 661
Interest cost	171
Amortization of prior service cost	20
Expected return on plan assets	(105)
Amortization of unrecognized actuarial gain	(56)
Net periodic pension cost	¥ 691

The table below sets forth the plans' statuses and amounts recognized in the balance sheet at December 31, 2014.

1. Movement in retirement benefit obligations

	Yen (Millions)	U.S. Dollars (Thousands)
Balance at January 1, 2014	¥10,006	\$83,383
Service cost	358	2,983
Interest cost	189	1,575
Actuarial loss (gain)	978	8,150
Benefit paid	(320)	(2,666)
Other	271	2,258
Balance at December 31, 2014	¥11,482	\$95,683

2. Movement in plan assets

	Yen (Millions)	U.S. Dollars (Thousands)
Balance at January 1, 2014	¥ 9,869	\$82,241
Expected return on plan assets	129	1,075
Actuarial gain (loss)	58	483
Contributions paid by the employer	398	3,316
Benefit paid	(320)	(2,666)
Other	244	2,033
Balance at December 31, 2014	¥10,378	\$86,483

3. Movement in retirement benefit obligations calculated using the simplified method

	Yen (Millions)	U.S. Dollars (Thousands)
Balance at January 1, 2014	¥274	\$2,283
Retirement benefit cost	38	316
Benefit paid	(10)	(83)
Other	38	316
Balance at December 31, 2014	¥342	\$2,850

4. Reconciliation from retirement benefit obligations and plan assets to liability (asset) for retirement benefits

	Yen (Millions)	U.S. Dollars (Thousands)
Funded retirement benefit obligations	¥ 11,482	\$ 95,683
Plan assets	(10,378)	(86,483)
	1,104	9,200
Unfunded retirement benefit obligations	342	2,850
Total net liability for retirement benefits at December 31, 2014	¥ 1,446	\$ 12,050
	Yen (Millions)	U.S. Dollars (Thousands)
Liability for retirement benefits	¥ 1,461	\$ 12,175
Asset for retirement benefits	(14)	(116)
Total net liability for retirement benefits at December 31, 2014	¥ 1,446	\$ 12,050

5. Retirement benefit costs

	Yen (Millions)	U.S. Dollars (Thousands)
Service cost	¥ 358	\$ 2,983
Interest cost	189	1,575
Expected return on plan assets	(129)	(1,075)
Amortization of unrecognized actuarial gain	(64)	(533)
Amortization of prior service cost	20	166
Retirement benefit costs applying a simplified method	38	316
Other	598	4,983
Total retirement benefit costs for the fiscal year ended December 31, 2014	¥1,012	\$ 8,433

6. Accumulated adjustments for retirement benefits before tax effect

	Yen (Millions)	U.S. Dollars (Thousands)
Unrecognized prior service cost	¥ 64	\$ 533
Unrecognized actuarial loss	968	8,066
Total balance at December 31, 2014	¥1,032	\$8,600

7. Plan assets

The fair values of plan assets, by major category, as a percentage of total plan assets as of December 31, 2014 were as follows:

① Plan assets at December 31, 2014 comprise:

General accounts	68.0%
Bonds	19.2%
Cash and deposits	6.0%
Other	6.8%
Total	100.0%

② Long-term expected rate of return

The expected rate of return on plan assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

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

	2013	2014
Discount rate	Mainly 2.0%	Mainly 1.0%
Expected rate of return on plan assets	Mainly 1.0%	Mainly 1.0%

9. Income Taxes

The Company is subject to a number of taxes based on income with the statutory income tax rate of approximately 37.8% for the years ended December 31, 2013 and 2014. 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 rates on pre-tax income for the years ended December 31, 2013 and 2014.

	2013	2014
	%	%
Statutory income tax rate	37.8	37.8
Tax credits on dividend income	0.5	0.6
Different tax rates applied to foreign subsidiaries	(10.9)	(10.1)
Undistributed earnings in foreign subsidiaries	0.6	1.0
Valuation allowance	0.7	(4.5)
Tax deduction	(2.5)	(1.5)
Other, net	3.7	(0.0)
Effective income tax rates	29.9	23.3

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, 2013 and 2014 were as follows:

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Deferred tax assets:			
Evaluation losses on investment securities and other assets	¥ 911	¥ 573	\$ 4,775
Depreciation	114	125	1,041
Allowance for retirement benefits	148	–	–
Liability for retirement benefits	–	415	3,458
Unrealized loss on available-for-sale securities	25	24	200
Impairment loss	368	494	4,116
Unrealized profits on inventories and fixed assets	871	1,243	10,358
Net operating loss carry forwards	325	237	1,975
Other	531	454	3,787
Valuation allowance	(2,149)	(1,189)	(9,908)
Total	¥ 1,147	¥ 2,379	\$ 19,825
Deferred tax liabilities:			
Tax on undistributed earnings in foreign subsidiaries	¥ 1,457	¥ 1,692	\$ 14,100
Unrealized holding gain on securities	751	720	6,000
Other	169	116	966
Total	¥ 2,379	¥ 2,529	\$ 21,075
As reported in the consolidated balance sheet:			
Deferred tax assets	¥ 1,011	¥ 2,002	\$ 16,683
Deferred tax liabilities	¥ 2,243	¥ 2,153	\$ 17,941

10. Consolidated Statements of Comprehensive Income

The following table presents reclassification adjustments and tax effects for each component of other comprehensive income for the years ended December 31, 2013 and 2014.

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Unrealized holding gains (losses) on securities:			
Amount arising during the year	¥ 2,858	¥ 116	\$ 966
Reclassification adjustments for gains and losses included in net income	(13)	(341)	(2,841)
Amount before tax effect	2,844	(225)	(1,875)
Tax effect	(522)	31	258
Unrealized holding gains (losses) on securities	2,321	(193)	(1,608)
Foreign currency translation adjustments			
Amount arising during the year	18,089	13,242	110,350
Total other comprehensive income	¥20,411	¥13,048	\$108,733

11. Shareholders' Equity

Under the Japanese Corporation 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 the legal earnings reserve must be set aside as additional paid-in capital or as part of the legal earnings reserve. The legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

As of December 31, 2014, the total amount of additional paid-in capital and the legal earnings reserve exceeded 25% of the common stock; therefore, no additional transfer is required.

Additional paid-in capital and the legal earnings reserve may not be distributed as dividends. However, by a resolution at a shareholders' meeting, additional paid-in capital and the 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 12, 2014, interim dividends (¥83 or \$0.69 per share) totaling ¥2,917 million (\$24,308 thousand) were paid to shareholders based on the shareholders' record at June 30, 2014. On March 27, 2015, the shareholders approved a declaration of dividends (¥131 or \$1.09 per share) totaling ¥4,603 million (\$38,358 thousand).

12. Amounts Per Share

	Yen		U.S. Dollars
	2013	2014	2014
Net Income			
Basic	¥150.09	¥258.02	\$2.15
Diluted	¥150.09	¥257.95	\$2.14
Net Assets			
	¥2,978.02	¥3,325.99	\$27.71

Basic net income per share is 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, and diluted net income per share is computed based on the net income available for distribution to shareholders and the weighted average number of shares of common stock outstanding during each year after giving effect to the dilutive potential of shares of common stock to be issued upon the exercise of stock subscription rights.

Net assets per share are computed based on the net assets excluding share subscription rights and the number of shares of common stock outstanding at the year-end.

- Notes: 1. The Company carried out a 2-for-1 stock split of its common stock effective January 1, 2015 and basic net income, diluted net income and net assets per share have been calculated as if the stock split took place on January 1, 2013.
 2. Per share amounts are computed based on the number of shares outstanding less treasury stock including shares of the ESOP (Employee Stock Ownership Program) trust account.
 3. As shown in "2. Accounting Changes" the Company has adopted the "Accounting Standard for Retirement Benefits" in accordance with the provisional treatment stipulated in Section 37 of the standard. This resulted in a ¥10.59 (\$0.08) decline in the amount of net assets per share as of December 31, 2014.

The bases for the calculations are as follows:

a. Basic and diluted net income per share

	(Thousands of Shares)	
	2013	2014
Weighted average number of shares for basic net income	70,079	70,115
Increase in number of shares of common stock		
Exercise of share subscription rights	7	17
Number of shares for diluted net income	70,086	70,132

b. Net assets per share

	(Thousands of Shares)	
	2013	2014
The number of shares of common stock used for the calculation of net assets per share	70,100	70,131

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Total net assets	¥208,791	¥233,312	\$1,944,266
Amounts deducted from total net assets:			
Share subscription rights	29	54	450
Net assets attributable to shares of common stock	¥208,762	¥233,258	\$1,943,816

13. Selling, General and Administrative Expenses

The main components of "Selling, General and Administrative Expenses" for the years ended December 31, 2013 and 2014 were as follows:

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Packing and freightage expenses	¥1,050	¥1,198	\$ 9,983
Salaries and wages	7,315	7,865	65,541
Provision for bonuses due to employees	228	186	1,550
Provision for bonuses due to directors	74	127	1,058
Retirement benefit expenses	564	457	3,808
Employee benefit costs	1,282	1,408	11,733
Depreciation	1,285	1,304	10,866
Provision (Reversal) of allowance for doubtful debts	(28)	10	83
Research expenses	1,031	1,153	9,608

14. Contingent Liabilities

As of December 31, 2013 and 2014, the Company is contingently liable principally for forward precious metal contracts in the amounts of ¥3,604 million and ¥16,774 million (\$139,783 thousand), respectively.

15. Research and Development Expenses

Expenditures relating to research and development activities are charged to income as incurred and amounted to ¥3,763 million and ¥4,503 million (\$37,525 thousand) for the years ended December 31, 2013 and 2014, respectively.

16. Impairment of Fixed Assets

Impairment losses relating to a fixed asset group in a subsidiary in China of ¥1,473 million were incurred due to the decline in demand for small motors for DVD players during the year ended December 31, 2013. The recoverable amount of the fixed asset group was calculated by discounting the estimated future cash flows at a discount rate of 9.9% per annum. Accumulated losses on impairment are directly deducted from the related assets. There were no impairment losses relating to fixed assets for the year ended December 31, 2014.

17. Segment Information

1. Overview of reporting segments

The reporting segments of the Company and its consolidated subsidiaries are regularly reviewed by the Board of Directors using the segregated financial information available within each segment of the Company and its consolidated subsidiaries, to determine the allocation of management resources and evaluate business results.

The Company and its consolidated subsidiaries specialize in small motors manufacturing and sales as a single line of business. The Company is in charge of the business activities in Japan. Meanwhile, subsidiaries located overseas are in charge of operations in Asia, North and Latin America, Europe, etc. Subsidiaries located overseas are independent management units and propose comprehensive product strategies while pursuing business expansion.

Since the Company and its consolidated subsidiaries are composed of regional segments based on a manufacturing and selling system, the Company and its consolidated subsidiaries have designated "Japan," "Asia," "North and Latin America" and "Europe" as their reporting segments.

2. Basis of measurement for reporting segment income or loss, segment assets and other material items

The accounting policies and methods for the Group's reporting segments are the same as described in "1. Summary of Significant Accounting Policies."

3. Information concerning net sales, income or loss, assets, liabilities and other items by reporting segment

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Net sales:			
Japan			
External customers	¥ 10,461	¥ 11,522	\$ 96,016
Intersegment	70,263	81,405	678,375
Total	80,725	92,927	774,391
Asia			
External customers	66,750	74,548	621,233
Intersegment	68,871	76,057	633,808
Total	135,622	150,606	1,255,050
North and Latin America			
External customers	11,475	12,850	107,083
Intersegment	–	–	–
Total	11,475	12,850	107,083
Europe			
External customers	19,713	23,624	196,866
Intersegment	–	–	–
Total	19,713	23,624	196,866
Corporate and elimination	(139,135)	(157,463)	(1,312,191)
Consolidated	¥ 108,401	¥ 122,544	\$ 1,021,200
Segment Income (Loss):			
Japan	¥ 1,490	¥ 5,311	\$ 44,258
Asia	7,535	11,221	93,508
North and Latin America	328	265	2,208
Europe	536	910	7,583
Corporate and elimination	(555)	(834)	(6,950)
Consolidated	¥ 9,335	¥ 16,875	\$ 140,625
Segment Assets:			
Japan	¥ 75,051	¥ 82,008	\$ 683,400
Asia	133,718	157,216	1,310,133
North and Latin America	4,894	8,665	72,208
Europe	9,767	11,667	97,225
Corporate and elimination	3,821	(3,190)	(26,583)
Consolidated	¥ 227,253	¥ 256,368	\$ 2,136,400
Others:			
Depreciation and Amortization:			
Japan	¥ 862	¥ 835	\$ 6,958
Asia	3,972	4,494	37,450
North and Latin America	5	7	58
Europe	10	9	75
Corporate and elimination	(278)	(279)	(2,325)
Consolidated	¥ 4,571	¥ 5,066	\$ 42,216
Increase in Tangible and Intangible Fixed Assets:			
Japan	¥ 500	¥ 495	\$ 4,125
Asia	5,479	10,031	83,591
North and Latin America	7	539	4,491
Europe	11	3	25
Corporate and elimination	(204)	(13)	(108)
Consolidated	¥ 5,795	¥ 11,056	\$ 92,133

Notes: 1. (1) The reported "segment income (loss) corporate and elimination" of ¥(555) million in fiscal 2013 and ¥(834) million (\$ (6,950) thousand) in fiscal 2014 represent intersegment transaction eliminations.

(2) The reported "segment assets corporate and elimination" include: corporate assets of ¥85,535 million in fiscal 2013 and ¥86,090 million (\$717,416 thousand) in fiscal 2014, not allocated to each segment; intersegment debt and credit eliminations of ¥81,714 million in fiscal 2013 and ¥89,281 million (\$744,008 thousand) in fiscal 2014.

(3) The reported "depreciation and amortization corporate and elimination" of ¥278 million in fiscal 2013 and ¥279 million (\$2,325 thousand) in fiscal 2014 represent intersegment transaction eliminations.

(4) The reported "increase in tangible and intangible fixed assets corporate and elimination" of ¥204 million in fiscal 2013 and ¥13 million (\$108 thousand) in fiscal 2014 represent intersegment transaction eliminations.

2. Segment income (loss) is adjusted for operating income reported in the consolidated statements of income.

Related information

Information on net sales, tangible fixed assets and impairment losses by geographic area is summarized as follows. There is no information on major customers because individual sales ratios for major customers are lower than 10% of total net sales.

Geographical Information

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Net Sales			
Japan	¥ 10,113	¥ 11,310	\$ 94,250
Asia	67,099	74,758	622,983
North and Latin America	11,475	12,850	107,083
Europe	19,713	23,625	196,875
Total	¥108,401	¥122,544	\$1,021,200

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Tangible Fixed Assets			
Japan	¥16,172	¥15,812	\$131,766
Asia	28,789	37,615	313,458
North and Latin America	17	550	4,583
Europe	34	29	241
Total	¥45,014	¥54,008	\$450,066

	Yen (Millions)		U.S. Dollars (Thousands)
	2013	2014	2014
Impairment Loss			
Japan	–	–	–
Asia	¥1,473	–	–
North and Latin America	–	–	–
Europe	–	–	–
Total	¥1,473	–	–

18. Subsequent Events

(Stock split and partial amendment)

On December 12, 2014, the Company resolved, at the Board of Directors' meeting, to conduct a stock split, and on January 1, 2015, the split was completed as described below.

1. Purpose of the stock split

The purpose of the stock split is to increase the trading liquidity of the Company's stock and expand the investor base, by lowering the market price of the Company's stock.

2. Details of the stock split

(1) Method of the stock split

The Company will conduct a stock split in which each share of the Company's common stock held by shareholders listed or recorded in the final shareholders' register on Wednesday, December 31, 2014 (effective Tuesday, December 30, 2014, since the record date is a business holiday for the Company's shareholders' register custodian) will be split into two shares.

(2) Effective date: January 1, 2015

(3) Increase in the number of shares due to the stock split: 37,875,881 shares

(4) As shown in "12. Amounts Per Share," the financial impact on per share information is calculated as if the stock split took place on January 1, 2013.

(Purchase of treasury stock and cancellation of treasury stock)

On February 13, 2015, the Company resolved, at the Board of Directors' meeting, to purchase treasury stock pursuant to the provisions of Article 156 of the Companies Act, applied by replacing terms pursuant to the provisions of Article 165, Paragraph 3 of said Act, and resolved to cancel treasury stock pursuant to the provisions of Article 178 of the Companies Act, as described below.

1. Reasons for the purchase and cancellation of treasury stock

The Company will purchase and cancel treasury stock in order to implement a flexible capital policy to respond to changes in the business environment and to improve shareholder returns and capital efficiency. The Company will also cancel four million shares of treasury stock that it already holds.

2. Details of matters pertaining to the purchase of treasury stock

(1) Class of shares to be purchased: Common stock of the Company

(2) Total number of shares to be purchased: 1,000,000 shares (maximum)

(1.42% of the total number of shares issued [excluding treasury stock])

(3) Total amount of purchase cost: ¥5.0 billion (\$41,666 thousand) (maximum)

(4) Purchase period: February 17, 2015 to March 24, 2015

(5) Purchase method: Purchase in the open market through discretionary trading

(6) Other: 824,200 shares have been purchased with a total value of ¥4,999 million (\$41,658 thousand)

3. Details of matters pertaining to the cancellation of treasury stock

(1) Class of shares to be cancelled: Common stock of the Company

(2) Number of shares to be cancelled*: 4,000,000 shares and all shares of treasury stock purchased as stated in item 2 above

(3) Scheduled date of cancellation: April 15, 2015

(Stock-based compensation)

On March 27, 2015, the Company resolved, at the Board of Directors' meeting, to issue subscription rights to shares for directors based on Articles 236, 238 and 240 of the Law, for the purpose of increasing their willingness to serve and motivation toward improved corporate value and raised share prices.

Details

Resolution date	March 27, 2015
Classification and number of grantees	Six directors of the Company (excluding outside directors)
Type of shares to be issued under the subscription rights to shares	Common stock
Number of shares	4,650 shares
Amount to be paid at the time of exercise of the subscription rights to shares	¥1 per share
Period during which the subscription rights to shares may be exercised	Note 8
Conditions for the exercise of the subscription rights to shares	Note 9
Matters relating to restriction on transfer of the subscription rights to shares	Note 11
Matters relating to the distribution of the subscription rights to shares following a reorganization	Note 13

Notes:

(1) Designation of the subscription rights to shares

Mabuchi Motor Co., Ltd. 3rd Subscription Rights to Shares (Stock-compensation Type)

(2) Eligible persons to whom the subscription rights to shares are allotted and the number thereof

Six (6) directors of the Company

(3) Total number of the subscription rights to shares: 465 units

The above figure is the planned number to be allotted and therefore if the total number of the subscription rights to shares allotted decreases, for example, in the case where applications for the subscription are not made, the total number of the subscription rights to shares to be allotted shall be the total number of the subscription rights to shares issued.

(4) The type and number of shares underlying the subscription rights to shares

The type of shares underlying the subscription rights to shares shall be the Company's common stock, and the number of shares underlying for each subscription right to shares (hereinafter the "Number of Granted Shares") shall be ten (10).

In case where the Company conducts stock splits or reverse stock splits for the Company's common stock, the Number of Granted Shares shall be adjusted according to the following formula, and the resulting fractions of less than one (1) share, if any, shall be rounded down.

Number of Granted Shares after adjustment = Number of Granted Shares before adjustment × Ratio of the stock split or reverse stock split

In case where the Company conducts a merger, a demerger or a gratis allotment of shares after the allotment date or any adjustment to the Number of Granted Shares is necessary mutatis mutandis to these cases, the Number of Granted Shares shall be appropriately adjusted within a reasonable range.

(5) Subscription amount for the subscription rights to shares

The subscription amount for the subscription rights to shares shall be the value based on the fair value, which is calculated using the Black-Scholes option pricing model as of the allotment date of the subscription rights to shares. Persons to whom the subscription rights to shares have been allotted (hereinafter the "Subscription Right Holders") shall offset the claim for compensation held thereby toward the Company instead of payment of said subscription amount.

(6) Allotment date of the subscription rights to shares

April 20, 2015

(7) Amount to be paid at the time of exercise of the subscription rights to shares

Amount to be paid per share in exercising subscription rights to shares shall be one (1) yen, and total amount to be paid is calculated by multiplying one (1) yen by the number of shares to be issued.

(8) Period during which the subscription rights to shares may be exercised

The period during which the subscription rights to shares may be exercised shall be from April 21, 2015 to April 20, 2035.

Provided, however, that if the last day of such exercise period falls on a holiday of the Company, the business day preceding said date shall be the last exercisable day.

(9) Conditions for the exercise of the subscription rights to shares

1) A Subscription Right Holder shall be allowed to exercise the subscription rights to shares, solely in a lump sum, only within a period of ten (10) days after he/she forfeits the director's position of the Company.

2) In case where 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.

(10) Matters relating to acquisition of the subscription rights to shares

1) In case where a Subscription Right Holder forfeits his/her subscription rights to shares before the exercise thereof pursuant to either of the clauses in Item (9) above or any provision(s) of the Subscription Rights to Shares Allotment Agreement, the Company may acquire said subscription rights to shares without charge as of a date separately specified by the Board of Directors of the Company.

2) In case a General Meeting of Shareholders of the Company (the Board of Directors if such a General Meeting of Shareholders is unnecessary) approves a proposal for (i) a merger agreement by which the Company becomes extinct; (ii) an absorption-type company split agreement or an incorporation-type company split plan by which the Company becomes a splitting company; or (iii) a share exchange agreement or a share transfer plan by which the Company becomes a wholly owned subsidiary of another company or companies, the Company may acquire the subscription rights to shares that have not been exercised as of a date separately specified by the Board of Directors of the Company without charge as of such a date.

(11) Restriction on transfer of the subscription rights to shares

Approval of the Board of Directors of the Company via resolution thereat shall be required for the transfer of the subscription rights to shares.

(12) Matters relating to common stock and additional paid-in capital that will be increased in case of stock issuance as a result of the exercise of subscription rights to shares

1) The amount of common stock that will be increased in case of stock issuance as a result of the exercise of the subscription rights to shares shall be one-half (1/2) of the maximum limit of common stock, etc., which is calculated in accordance with Article 17, Paragraph 1, of the Ordinance on Company Accounting, and the resulting fractions of less than one (1) yen, if any, shall be rounded up.

2) The amount of additional paid-in capital that will be increased in case of stock issuance as a result of the exercise of the subscription rights to shares shall be the amount of the maximum limit of common stock, etc., stated in 1) above after deducting the amount of common stock to increase, which is set forth in 1) above.

(13) Treatment of the subscription rights to shares in conducting organizational restructuring

In cases where the Company conducts mergers (limited to cases where the Company is to become extinct as a result of the merger), absorption-type company splits, incorporation-type company splits, share exchanges or share transfers (hereinafter collectively an "Organizational Restructuring Action"), the subscription rights to shares of any of the joint-stock corporations (hereinafter the "Reorganized Company"), which are listed in sub-items (a) through (e) of Article 236, Paragraph 1, Item 8, of the Law, shall be newly issued pursuant to the following conditions with regard to the subscription rights to shares that remain as of the effective date of the Organizational Restructuring Action (hereinafter the "Residual Subscription Rights to Shares"). In such cases, the Residual Subscription Rights to Shares shall be extinguished and the subscription rights to shares of the Reorganized Company shall be newly issued.

Provided, however, that the aforementioned clause shall apply only to cases where such issuance of subscription rights to shares of the Reorganized Company pursuant to the following conditions has been stipulated in the statement to that effect in the relevant merger agreement, the absorption-type company split agreement, the incorporation-type company split plan, the share exchange agreement or the share transfer plan.

1) Number of the subscription rights to shares of the Reorganized Company to be issued

The subscription rights to shares of the Reorganized Company shall be issued in the same number as the Residual Subscription Rights to Shares held by the Subscription Right Holders.

2) The type and number of the Reorganized Company's shares underlying the subscription rights to shares

The type of shares underlying the subscription rights to shares shall be the Reorganized Company's common stock, and the number of such Reorganized Company's common stock to be issued as a result of the exercise of the subscription rights to shares shall be determined mutatis mutandis to Item (4) above by taking into account the conditions for the Organizational Restructuring Action and the like.

3) Amount to be paid at the time of exercise of the subscription rights to shares

The exercise price after the restructuring shall be one (1) yen per share of the Reorganized Company's shares that could be issued as a result of the exercise of the subscription rights to shares issued. Amount to be paid at the time of exercise of the subscription rights to shares is calculated by multiplying the exercise price after the restructuring by the number of shares underlying each subscription rights to shares.

4) Period during which the subscription rights to shares may be exercised

Period during which the subscription rights to shares may be exercised shall be from the later date of either the start date of the period during which the subscription rights to shares may be exercised, which is set forth in the aforementioned Item (8), or the effective date of the Organizational Restructuring Action, until the expiration date of the period during which the subscription rights to shares may be exercised, which is set forth in the aforementioned Item (8).

5) Matters relating to acquisition of the subscription rights to shares

Acquisition of the subscription rights to shares shall be determined mutatis mutandis to Item (10) above.

6) Restriction on transfer of the subscription rights to shares

Approval of the Board of Directors of the Reorganized Company shall be required for the transfer of the subscription rights to shares.

7) Matters relating to common stock and additional paid-in capital that will be increased in case of stock issuance as a result of the exercise of subscription rights to shares

Common stock and additional paid-in capital to be increased in case of stock issuance as a result of the exercise of subscription rights to shares shall be determined mutatis mutandis to Item (12) above.

(14) Treatment of fractions of less than one (1) share

In case where there are fractions of less than one (1) share in the number of shares to be issued to a Subscription Right Holder when the subscription rights to shares are exercised by said Subscription Right Holder, the resulting fractions shall be rounded down.

(15) Non-issuance of certificates for subscription rights to shares

The Company shall not issue certificates for the subscription rights to shares.

(16) Place for payment in exercising the subscription rights to shares

Asakusabashi Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
23-6, Yanagibashi 1-chome, Taito-ku, Tokyo

Independent Auditor's 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
www.shinnihon.or.jp

Independent Auditor's Report

The Board of Directors
Mabuchi Motor Co., Ltd.

We have audited the accompanying consolidated financial statements of Mabuchi Motor Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at December 31, 2014, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mabuchi Motor Co., Ltd. and its consolidated subsidiaries as at December 31, 2014, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

Ernst & Young ShinNihon LLC

March 30, 2015

Investor Information

(As of December 31, 2014)

Stock Data

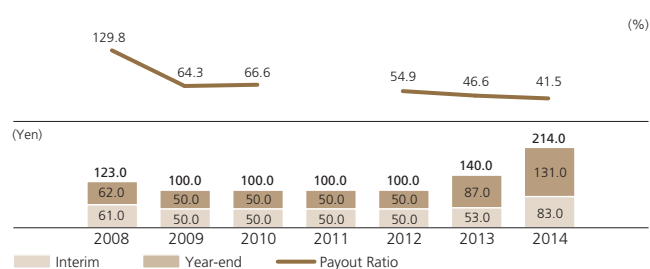
Number of Shares Authorized	100,000,000
Number of Shares Issued	37,875,881
Number of Shareholders	9,179

Major Shareholders

Major Shareholders	Number of Shares Held (Thousands)	Ratio of Shareholders (%)
Takaichi Mabuchi	2,500	7.1
Mabuchi International Scholarship Foundation	1,500	4.3
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,287	3.7
Japan Trustee Services Bank, Ltd. (Trust Account)	1,252	3.6
Takashi Mabuchi	1,130	3.2
Tamotsu Mabuchi	1,130	3.2
Premiere Corporation	1,034	2.9
Taka Corporation Co., Ltd.	1,028	2.9
TEXAS Inc.	1,028	2.9
State Street Bank and Trust Company 505225	575	1.6

- Notes: 1. In addition to the above, Mabuchi Motor Co., Ltd. retains 2,731,714 treasury shares.
 2. The number of shares of treasury stock is excluded from "Ratio of Shareholders." The percentages are rounded to one decimal place.
 3. 78,200 shares held by the ESOP Trust Utilizing Employee Shareholding Association are included in the calculation of "Percentage of shares held."

Cash Dividends per Share/Payout Ratio



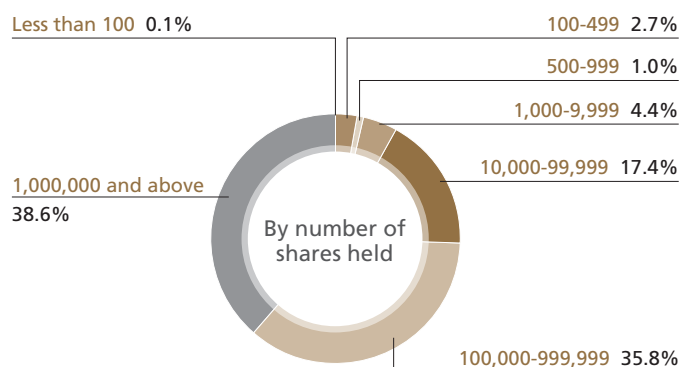
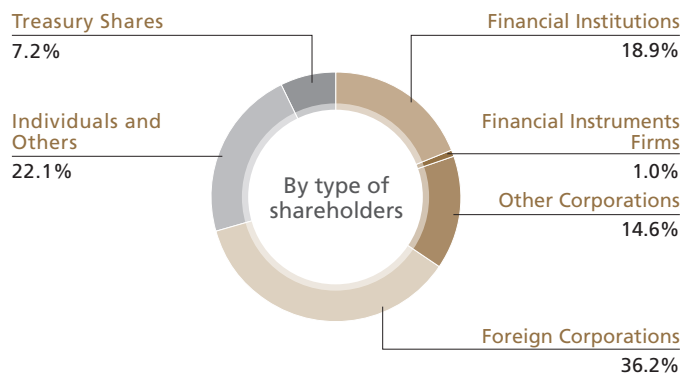
Note: The above graph does not show the payout ratio for 2011, as the Company recorded a net loss for the year.

Changes in Standards for Calculating Dividends

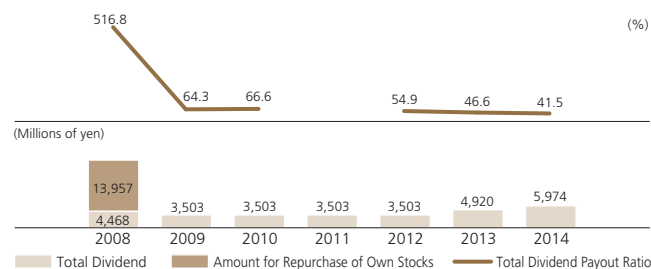
Year	Ordinary Dividend per Share	Standard Value for Calculating Special Dividend
2015	30 yen	30% of consolidated net income
2014	60 yen	30% of consolidated net income
2007 ^(*)	60 yen	20% of consolidated net income
2005	60 yen	20% of consolidated net income
2003	50 yen	20% of consolidated net income
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.

Composition of Shareholders



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



Note: The above graph does not show the total dividend payout ratio for 2011, as the Company recorded a net loss for the year.

Trend of Stock Price and Related Indicators

	2010	2011	2012	2013	2014
High (Yen)	5,520	4,305	3,930	6,380	10,540
Low (Yen)	3,920	3,075	2,931	3,675	5,760
At Year-end (Yen)	4,185	3,205	3,655	6,250	9,620
PER	27.9	-	20.1	20.8	18.6
PBR	0.8	0.7	0.7	1.0	1.4

Corporate Data

(As of December 31, 2014)

- **Company Name**

MABUCHI MOTOR CO., LTD.

- **Corporate Headquarters**

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

- **Established**

January 18, 1954

- **Paid-in Capital**

¥20,704,818,800

- **Number of Employees**

738 (Non-consolidated)
25,354 (Consolidated)

- **Ordinary General Meeting of Shareholders**

The Ordinary General Meeting of Shareholders will be held at the end of March at Corporate Headquarters.

- **Independent Accountants**

Ernst & Young ShinNihon 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

Consolidated Subsidiaries

[North & Latin America]

MABUCHI MOTOR AMERICA CORP.

3001, West Big Beaver Road, Suite 328,
Troy, MI 48084, U.S.A.

MABUCHI MOTOR MEXICO S.A.DE.C.V.

Aguascalientes, Aqs. México.

[Europe]

MABUCHI MOTOR (EUROPE) GmbH

Herriotstrasse 1, 60528 Frankfurt am
Main, Germany

[China & Hong Kong]

MABUCHI INDUSTRY CO., LTD.

19 Sam Chuk Street, San Po Kong,
Kowloon, Hong Kong

MABUCHI MOTOR DALIAN CO., LTD.

No. 41 Harbin Road, Dalian Economic and
Technical Development Zone,
Dalian 116600, China

MABUCHI MOTOR (JIANGSU) CO., LTD.

No. 100 Liuxu Road, Wujiang Economic
and Technological Development Zone,
Jiangsu Province 215200, China

MABUCHI MOTOR (DONGGUAN) CO., LTD.

Guancheng Science & Technology Park,
Shilong Road, Guanlong Road's Section,
Dongguan City, Guangdong Province
523119, China

MABUCHI MOTOR WAFANGDIAN CO., LTD.

Laohutun Town, Wafangdian City,
Liaoning Province 116322, China

MABUCHI MOTOR (SHANGHAI) CO., LTD.

Room 1901, Kirin Plaza Building, No. 666
Gubei Road, Changning District,
Shanghai 200336, China

MABUCHI MOTOR TRADING (SHENZHEN) CO., LTD.

Room 1704-05 Great China International
Exchange Square, Jintian Road,
Futian District, Shenzhen City,
Guangdong Province 518034, China

MABUCHI MOTOR (YINGTAN) CO., LTD.

Yingtian Economic and Technological
Development Zone, Yingtian City,
Jiangxi Province 335000, China

MABUCHI PRECISION (DONGGUAN) CO., LTD.

Ludong Industrial Area, Humen Town,
Dongguan City, Guangdong Province
523935, China

MABUCHI MOTOR DONGGUAN DAOJIAO CO., LTD.

Industrial Main Road, Daojiao Town,
Dongguan City, Guangdong Province
523179, China

MABUCHI MOTOR (JIANGXI) CO., LTD.

Jinlong Road, Ganzhou Development
Zone, Jiangxi 341000, China

[Asia Pacific]

MABUCHI TAIWAN CO., LTD.

No. 18, Chungghwa Road, Hsinchu
Industrial District, Hsinchu 30352, Taiwan

MABUCHI MOTOR TAIWAN LTD.

No. 66 Kai-Fa Road, N.E.P.Z., Kaohsiung
81170, Taiwan

MABUCHI MOTOR (SINGAPORE) PTE. LTD.

111, North Bridge Road, #12-05
Peninsula Plaza, Singapore, 179098

MABUCHI MOTOR VIETNAM LTD.

No. 2 5A Street, Bien Hoa II Industrial
Zone, Bienhoa, Dong Nai, Vietnam

MABUCHI MOTOR DANANG LTD.

Lot A2, No. 3 Street, Hoa Khanh Industrial
Zone, Lien Chieu District, Da Nang City,
Vietnam

MABUCHI MOTOR KOREA CO., LTD.

G-five Central Plaza 328, 27,
Seochojungang-Ro 24-Gil, Seocho-Gu,
Seoul, 137-882 Korea

Non-consolidated Subsidiary

MABUCHI REAL ESTATE CO., LTD.



CORPORATE HEADQUARTERS
430 Matsuhidai, Matsudo-City, Chiba 270-2280, Japan
<http://www.mabuchi-motor.co.jp>