

March 12, 2004

To Those Shareholders with Voting Rights

Shinji Kamei
President
MABUCHI MOTOR CO., LTD.
430 Matsuhidai, Matsudo-shi, Chiba-ken, Japan

NOTICE OF THE 63RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 63rd Ordinary General Meeting of Shareholders to be held as follows:

If you are unable to attend the Meeting, please read the attached REFERENCE DOCUMENTS FOR THE EXERCISE OF VOTING RIGHTS and return the Exercise Voting Rights Form with your selections and registered seal.

1. Date: 10 a.m., Tuesday, March 30, 2004

2. Place: Mabuchi Conference Room
MABUCHI MOTOR CO., LTD.
176 Matsuhidai, Matsudo-shi, Chiba-ken

3. Agenda:

Matters to be reported:

The Business Report, the Balance Sheet as of December 31, 2003, and the related Statement of Income for the 63rd Fiscal Term (from January 1, 2003 to December 31, 2003)

Matters to be resolved:

Proposal No. 1: Approval of the Proposed Appropriation of Retained Earnings for the 63rd Fiscal Term

Proposal No. 2: Proposed Partial Amendments to the Articles of Incorporation

Proposal No. 3: Election of Four (4) Statutory Auditors

Proposal No. 4: Payment of Retirement Benefits to a Retiring Statutory Auditor

(The details of Proposal No. 2 are provided in the "REFERENCE DOCUMENTS FOR THE EXERCISE OF VOTING RIGHTS" below.)

For those attending, please present the enclosed Exercise Voting Rights Form at the reception desk on arrival at the Meeting.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

REFERENCE DOCUMENTS FOR THE EXERCISE OF VOTING RIGHTS

1. Total number of voting rights held by all shareholders: 430,342

2. Proposals and references:

Proposal No. 1: Approval of the Proposed Appropriation of Retained Earnings for the 63rd Fiscal Term

Our policy on the appropriation of retained earnings is to secure internal reserves for sound business development, maintaining healthy financial strength, and to make stable dividends to our shareholders based on the performance for the year under review.

Based on the above policy, the Company intends to continuously disburse an ordinary dividend of ¥50 per share annually and add a special dividend at a certain rate of consolidated net income for the year.

In view of the corporate value, internal reserves and cash flow situation of the Company, as well as future predictions thereof, the Company increased the previous special dividend rate of 5% to consolidated net income to 20% and applied this new rate effective from the interim dividends for the year ended December 31, 2003.

Therefore, we hereby propose that the year-end ordinary dividend be ¥25 per share plus a special dividend of ¥36, for a total of ¥61 per share.

Accordingly, the total annual dividend, including the interim dividend of ¥67 per share (an ordinary dividend of ¥25 plus a special dividend of ¥42) disbursed in September 2003, would be ¥128 per share consisting of an ordinary dividend of ¥50 and a special dividend of ¥78. As a result, the payout ratio for the year would be 38.5%, the return on equity (ROE) 8.7% and the ratio of dividends to shareholders' equity 3.3%.

The Board of Directors intends to appropriate the internal reserves to R&D and capital investment for future development, as well as to reinforce the financial capabilities of existing businesses, all of which are necessary to enhance our corporate value.

Proposed Appropriation of Unappropriated Retained Earnings

(Yen)

Unappropriated Retained Earnings at the end of the year		14,135,001,541
Reversal of Voluntary Reserve		
Reversal of Reserve for the Reduction of Fixed Assets	2,733,095	2,733,095
Total		14,137,734,636
To be appropriated as follows:		
Cash Dividends [¥61 per share (consisting of an ordinary dividend of ¥25 and a special dividend of ¥36)]	2,629,130,012	
Bonuses to Directors and Statutory Auditors (Including bonuses to Statutory Auditors)	124,000,000 (10,000,000)	
Voluntary Reserve General Reserve	7,000,000,000	9,753,130,012
Unappropriated Retained Earnings carried forward to the next year		4,384,604,624

Notes:

- Interim dividends aggregating ¥2,918,377,156 (¥67 per share) were paid on September 24, 2003.
- The Reversal of Reserve for the Reduction of Fixed Assets is stated in accordance with the provisions of the Special Taxation Measures Law.

Proposal No. 2: Proposed Partial Amendments to the Articles of Incorporation

1. Summary of the proposal and reason for the amendment

Under the “Law Regarding Partial Revision of the Commercial Code and the Law for Special Exceptions to the Commercial Code Concerning Audit, etc. of Corporations” (2003 Law No. 132), the Company may purchase its own shares by a resolution of the Board of Directors, on the condition that a provision to that effect is stipulated in the Articles of Incorporation. Accordingly, we hereby propose that Article 6 (Acquisition of the Company’s Own Shares) be newly established in the current Articles of Incorporation to enable flexible responses to the situation where such a purchase of the Company’s own shares becomes necessary.

As a result of the new Article 6, the subsequent articles shall be renumbered.

2. Details of the proposed amendments

The details of the proposed amendment are as follows:

(Amendments shown by underlines.)

Existing Articles	Proposed Amendment
(New establishment)	<u>Article 6</u> (<u>Acquisition of the Company’s Own Shares</u>) <u>The Company may, under Item 2, Paragraph 1, of Article 211-3 of the Commercial Code, purchase its own shares by a resolution of the Board of Directors.</u>
Article <u>6</u> to (The related provisions omitted.) Article <u>36</u>	Article <u>7</u> to (The same as the existing ones.) Article <u>37</u>

Proposal No. 3: Election of Four (4) Statutory Auditors

The term of office of all four (4) current Statutory Auditors expires at the conclusion of this 63rd Ordinary General Meeting of Shareholders. Accordingly, we hereby propose the election of four (4) Statutory Auditors.

The Board of Statutory Auditors has duly given its consent to this proposal.

The nominees for the Statutory Auditors are as follows:

No.	Name (Date of birth)	Brief personal history and representative positions in other companies		Number of the Company’s shares held
1	Kiyoshi Iwakura (March 31, 1937)	March 1959 April 1965	Joined MABUCHI MOTOR CO., LTD. Manager, Accounting Section, Finance and Accounting Department, MABUCHI MOTOR CO., LTD.	17,065
		January 1966	Manager, Human Resources Section, Human Resources Department, MABUCHI MOTOR CO., LTD.	
		January 1984	General Manager, Human Resources Department, MABUCHI MOTOR CO., LTD.	
		March 1995	Standing Statutory Auditor, MABUCHI MOTOR CO., LTD. (Current position)	

2	Ichiro Ando (December 15, 1936)	April 1971 March 1985	Registered with the Daiichi Tokyo Bar Association as a lawyer Currently a lawyer Statutory Auditor, MABUCHI MOTOR CO., LTD. (Current position)	3,711
3	Yuzaburo Nagase (October 19, 1935)	April 1971 March 1998	Registered with the Daiichi Tokyo Bar Association as a lawyer Currently a lawyer Statutory Auditor, MABUCHI MOTOR CO., LTD. (Current position)	–
4	Toyokuni Yazaki (November 15, 1937)	September 1965 May 1976 July 2003 August 2003	Registered as a Certified Public Accountant Representative Partner, Eiko Auditing & Accounting Office (Currently Shin Nihon & Co.) Retired from Shin Nihon & Co. Representative of Yazaki Toyokuni Accounting Office (Current position)	–

Notes:

1. Each nominee has no special interest with the Company.
2. All the above nominees above are the nominees as outside corporate auditors defined in Paragraph 1, Article 18, of the “Law for Special Exceptions to the Commercial Code Concerning Audit, etc. of Corporations.”

Proposal No. 4: Payment of Retirement Benefits to a Retiring Statutory Auditor

We hereby propose that retirement allowances be presented to Chiaki Kajiwara (Statutory Auditor), who is retiring from his office at the conclusion of this Meeting, in commendation for his faithful and outstanding services to the Company, within due amounts calculated in accordance with the Company’s relevant standards.

We also propose that the amounts, timing and method of payment of such allowances to the retiring Statutory Auditor be left to the discretion of the Board of Directors for his tenure as Director while to the consultation among the Statutory Auditors for his tenure as Statutory Auditor.

The following table gives a brief personal history of the retiring Statutory Auditor:

Name	Brief personal history	
Chiaki Kajiwara	March 1992	Director and General Manager, Accounting and Finance Department
	March 2001	Standing Statutory Auditor to present

<REFERENCE>

Consolidated Balance Sheet

As of December 31, 2003

(Millions of Yen)

Item	Amount	Item	Amount
(Assets)	(229,674)	(Liabilities)	(15,378)
Current Assets	124,731	Current Liabilities	10,725
Cash and cash equivalents	77,187	Trade notes and accounts payable	2,944
Trade notes and accounts receivable	14,129	Accrued income taxes	2,618
Marketable securities	16,011	Deferred income taxes—current	16
Inventories	14,677	Accrued bonus	328
Deferred income taxes—current	1,575	Other current liabilities	4,817
Other current assets	1,449		
Allowance for doubtful receivables	-298	Long-Term Liabilities	4,653
Fixed Assets	104,943	Deferred income taxes—long term	3,261
Property, Plant and Equipment	33,575	Allowance for severance and pension benefits	925
Buildings and structures	12,059	Reserve for directors' retirement allowances	435
Machinery, equipment and transportation equipment	10,050	Other long-term liabilities	31
Tools, furniture and fixtures	2,177	(Minority Interests)	(1,492)
Land	6,130	(Shareholders' Equity)	(212,803)
Construction in progress	3,157	Common stock	20,704
Intangible Fixed Assets	179	Additional Paid-in Capital	20,419
Investments and Other Assets	71,187	Retained earnings	216,890
Investment securities	68,416	Net unrealized gains on available-for-sale securities	171
Long-term loans receivable	479	Foreign currency translation adjustments	-5,299
Deferred income taxes—long term	138	Treasury stock	-40,083
Other investments and other assets	2,151		
Total Assets	229,674	Total Liabilities, Minority Interests and Shareholders' Equity	229,674

Consolidated Statement of Income
For the year ended December 31, 2003

(Millions of Yen)

Item	Amount	
Operating Revenue		
Net sales		105,743
Operating Expenses		
Cost of sales	63,334	
Selling, general and administrative expenses	17,833	81,167
Operating Income		24,576
Non-operating Income		
Interest income	1,974	
Dividend income	93	
Other Non-operating income	597	2,666
Non-operating Expenses		
Stock related expenses	81	
Exchange losses on foreign currency transactions	1,369	
Other Non-operating expenses	161	1,613
Ordinary Profit		25,629
Extraordinary Profit		
Gain on retirement of fixed assets	81	
Gain on sales of investment securities	38	
Reversal of allowance for doubtful receivables	6	126
Extraordinary Losses		
Loss on retirement of fixed assets	265	
Loss on sales of investment securities	27	
Contingent retirement allowance	721	
Other extraordinary losses	0	1,014
Income before Income Taxes and Minority Interests		24,741
Income taxes—Current		10,036
Income taxes—Deferred		-2,125
Minority interests		99
Net Income		16,731

Consolidated Statement of Cash Flows

For the year ended December 31, 2003

(Millions of Yen)

Item	Amount
Cash flows from operating activities:	
Income before income taxes and minority interests	24,741
Depreciation and amortization	5,578
Increase in allowance for severance and pension benefits	-817
Interest and dividend income	-2,068
Exchange losses (gains) on foreign currency transactions	1,941
Loss (gain) on sales of securities	-11
Loss (gain) on retirement and sales of plant and equipment	183
Loss on valuation of golf memberships	0
Decrease (increase) in receivables—trade	-1,217
Decrease (increase) in inventories	1,440
(Decrease) increase in payables—trade	1,014
Other, net	-229
Subtotal	30,555
Interest and dividends received	2,055
Interest paid	0
Income taxes paid	-12,104
Net cash provided by operating activities	20,506
Cash flows from investing activities:	
Purchase of marketable securities	-3,376
Proceeds from sales of marketable securities	12,348
Purchase of fixed assets	-6,029
Proceeds from sales of fixed assets	160
Purchase of investment securities	-20,212
Proceeds from sales of investment securities	20,323
Other, net	-147
Net cash provided by investing activities	3,066
Cash flows from financing activities:	
Dividends paid	-4,493
Purchase of treasury stock	-16,182
Net cash used in financing activities	-20,676
Effect of exchange rate changes on cash and cash equivalents	-5,721
Net increase (decrease) in cash and cash equivalents	-2,824
Cash and cash equivalents at the beginning of the year	80,857
Increase in cash due to a change in the scope of consolidation	55
Cash and cash equivalents at the end of the year	78,089