

March 14, 2006

To Those Shareholders with Voting Rights

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

NOTICE OF THE 65TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 65th 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., Thursday, March 30, 2006

2. Place: Large Conference Hall at Head Office
MABUCHI MOTOR CO., LTD.
430 Matsuhidai, Matsudo-shi, Chiba-ken

3. Agenda:

Matters to be reported:

1. The Balance Sheet as of December 31, 2005, the Business Report and the Statement of Income for the 65th Fiscal Term (from January 1, 2005 to December 31, 2005), as well as Purchase of the Company's own shares Pursuant to a Resolution by the Board of Directors Authorized by the Relevant Provision in the Articles of Incorporation
2. The Consolidated Balance Sheet as of December 31, 2005 and the Consolidated Statement of Income for the 65th Fiscal Term (from January 1, 2005 to December 31, 2005), as well as Audit Reports of the Independent Certified Public Accountants and the Board of Statutory Auditors for the Consolidated Financial Statements

Matters to be resolved:

Proposal: Approval of the Proposed Appropriation of Retained Earnings for the 65th Fiscal Term

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: 395,000

2. Proposal and references:

Proposal: Approval of the Proposed Appropriation of Retained Earnings for the 65th Fiscal Term

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

Based on the above policy, the Company had consistently distributed an ordinary dividend of ¥50 per share annually with special dividends at 20% (paid out on a per share basis) of annual consolidated net income. However, in view of the current conditions and projections on capital investment and cash flows, as well as current retained earnings, we have proposed to increase the fixed portion of the annual ordinary dividend (to be disbursed equally at the end of the interim period and at year-end) from ¥50 to ¥60 toward a more balanced profit appropriation to shareholders in the current business environment effective from the year-end dividend for the 65th fiscal term. In line with this review of the dividend level, we hereby propose that the year-end dividend for the year be ¥50 per share, consisting of an ordinary dividend of ¥30 per share, an increase of ¥5 from the previous ¥25 per share, and a special dividend of ¥20 per share.

As an interim dividend of ¥42 per share (an ordinary dividend of ¥25 plus a special dividend of ¥17) was disbursed in September 2005, the total annual dividend would be ¥92 per share consisting of an ordinary dividend of ¥55 and a special dividend of ¥37. As a result, the dividend payout ratio for the year would be 38.3% and the return on equity (ROE) and the ratio of dividends to shareholders' equity would be 6.1% and 2.3%, respectively.

Proposed Appropriation of Retained Earnings

(Yen)

Unappropriated Retained Earnings at the end of the year		12,154,603,445
Reversal of Voluntary Reserve		
Reversal of Reserve for the Reduction of Fixed Assets	6,071,403	6,071,403
Total		12,160,674,848
To be appropriated as follows:		
Cash Dividends	1,978,088,150	
[¥50 per share (consisting of an ordinary dividend of ¥30 and a special dividend of ¥20)]		
Bonuses to Directors and Statutory Auditors	29,000,000	
(Bonuses to Statutory Auditors)	(7,000,000)	
Voluntary Reserve		
General Reserve	6,100,000,000	8,107,088,150
Retained Earnings carried forward to the next year		4,053,586,698

Notes:

- Interim dividends aggregating ¥1,703,656,206 (¥42 per share) were paid on September 22, 2005.
- The Reversal of Reserve for the Reduction of Fixed Assets is stated in accordance with the provisions of the Special Taxation Measures Law.

<REFERENCE>

Consolidated Balance Sheet

(As of December 31, 2005)

(Millions of Yen)

Item	Amount	Item	Amount
(Assets)	(227,375)	(Liabilities)	(15,500)
Current Assets	107,365	Current Liabilities	9,920
Cash and cash equivalents	61,399	Trade notes and accounts payable	2,877
Trade notes and accounts receivable	14,407	Accrued income taxes	891
Marketable securities	11,325	Accrued bonus	293
Inventories	17,061	Reserve for loss on the closure of a subsidiary	558
Deferred income taxes—current	1,132	Other current liabilities	5,300
Other current assets	2,384		
Allowance for doubtful receivables	-344	Long-Term Liabilities	5,579
Fixed Assets	120,009	Deferred income taxes—long term	4,847
Property, Plant and Equipment	41,703	Allowance for severance and pension benefits	122
Buildings and structures	20,648	Reserve for directors' retirement allowances	484
Machinery, equipment and transportation equipment	11,259	Other long-term liabilities	124
Tools, furniture and fixtures	2,490		
Land	6,198	(Shareholders' Equity)	(211,875)
Construction in progress	1,106	Common stock	20,704
Intangible Fixed Assets	602	Additional paid-in capital	20,419
Investments and Other Assets	77,704	Retained earnings	228,319
Investment securities	75,668	Net unrealized gains on available-for-sale securities	4,034
Long-term loans receivable	224	Foreign currency translation adjustments	3,115
Deferred income taxes—long term	142	Treasury stock	-64,718
Other investments and other assets	1,670		
Allowance for doubtful receivables	-1		
Total Assets	227,375	Total Liabilities and Shareholders' Equity	227,375

Note: The stated amounts less than one million yen are truncated.

Consolidated Statement of Income

(From January 1, 2005 to December 31, 2005)

(Millions of Yen)

Item	Amount	
Operating Revenue		
Net sales		93,927
Operating Expenses		
Cost of sales		66,479
Gross profit on sales		27,447
Selling, general and administrative expenses		19,298
Operating Income		8,149
Non-operating Income		
Interest income	2,032	
Dividend income	137	
Exchange gains on foreign currency transactions	2,029	
Income from sales of scrap materials	829	
Other non-operating income	548	5,577
Non-operating Expenses		
Stock related expenses	83	
Depreciation expense of idle assets	32	
Soil improvement related expenses	193	
Other non-operating expenses	167	477
Ordinary Profit		13,250
Special Gains		
Gain on retirement of fixed assets	29	
Other special gains	3	33
Special Losses		
Loss on retirement of fixed assets	478	
Retirement allowance paid	59	
Loss on sales of investment securities	15	
Loss on the closure of a subsidiary	1,131	1,685
Income before Income Taxes		11,597
Income taxes—Current		4,277
Income taxes—Deferred		-30
Net Income		7,350

Note: The stated amounts less than one million yen are truncated.

Consolidated Statement of Surplus

(From January 1, 2005 to December 31, 2005)

(Millions of Yen)

Item	Amount	
(Additional paid-in capital)		
Balance at beginning of year		20,419
Balance at end of year		20,419
(Retained earnings)		
Balance at beginning of year		224,816
Increase in retained earnings		
Net income	7,350	7,350
Decrease in retained earnings		
Cash dividends paid	3,772	
Bonuses to directors and statutory auditors	74	
(Bonuses to statutory auditors)	(7)	3,847
Balance at end of year		228,319

Consolidated Statement of Cash Flows
(From January 1, 2005 to December 31, 2005)

(Millions of Yen)

Item	Amount
Cash flows from operating activities:	
Income before income taxes and minority interests	11,597
Depreciation and amortization	5,734
Decrease in allowance for severance and pension benefits	-230
Increase in allowance for loss on the closure of a subsidiary	558
Interest and dividend income	-2,169
Exchange losses on foreign currency transactions	-1,220
Loss on retirement and sales of property, plant and equipment	267
Decrease in receivables—trade	236
Decrease in inventories	1,329
Decrease in payables—trade	-943
Other, net	-216
Subtotal	14,943
Interest and dividends received	2,162
Interest paid	-13
Income taxes paid	-6,058
Net cash provided by operating activities	11,034
Cash flows from investing activities:	
Purchase of marketable securities	-5,712
Proceeds from sales of marketable securities	8,881
Purchase of fixed assets	-5,411
Proceeds from sales of fixed assets	502
Purchase of investment securities	-6,558
Proceeds from sales of investment securities	7,193
Other, net	384
Net cash used in investing activities	-719
Cash flows from financing activities:	
Dividends paid	-3,771
Purchase of treasury stock	-6,572
Net cash used in financing activities	-10,343
Effect of exchange rate changes on cash and cash equivalents	6,026
Net increase (decrease) in cash and cash equivalents	5,997
Cash and cash equivalents at the beginning of the year	58,598
Cash and cash equivalents at the end of the year	64,596