

(TRANSLATION ONLY)

Securities code: 6592

March 12, 2012

To Those Shareholders with Voting Rights

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

NOTICE OF THE 71ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 71st 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 71ST ORDINARY GENERAL MEETING OF SHAREHOLDERS and return the Exercise Voting Right Form with your selections. Please ensure that it will reach the Company by 5 p.m., Wednesday, March 28, 2012.

- 1. Date:** 10 a.m., Thursday, March 29, 2012
- 2. Place:** Large Conference Hall at Head Office
MABUCHI MOTOR CO., LTD.
430 Matsuhidai, Matsudoshi, Chiba-ken

3. Agenda:

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 71st Fiscal Term (from January 1, 2011 to December 31, 2011), as well as the Audit Reports of the Independent Certified Public Accountants and the Board of Statutory Auditors for the Consolidated Financial Statements
2. The Financial Statements for the 71st Fiscal Term (from January 1, 2011 to December 31, 2011)

Matters to be resolved:

- Proposal 1:** Proposed Appropriation of Retained Earnings for the 71st Fiscal Term
Proposal 2: Election of Four (4) Statutory Auditors

***For those attending, please present the enclosed Exercise Voting Rights Form at the reception desk on arrival at the Meeting. In addition, please bring this "NOTICE OF THE 71ST ORDINARY GENERAL MEETING OF SHAREHOLDERS" with you.**

***Should any amendments occur in the REFERENCE DOCUMENTS FOR THE 71ST ORDINARY GENERAL MEETING OF SHAREHOLDERS, the Business Report, the Financial Statements and/or the Consolidated Financial Statements, such changes will be posted on the Company's Web site (http://www.mabuchi-motor.co.jp/ja_JP/).**

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

BUSINESS REPORT (From January 1, 2011 to December 31, 2011)

1. Current Conditions of the Mabuchi Group

(1) Business Development and Results

During the fiscal year ended December 31, 2011, the overall sense of uncertainty in the world economy heightened. The fiscal problems in Europe further increased in severity, their impact spread to the real economy, and the economic recovery trend weakened in both the U.S. and Europe. In emerging countries as well, while a certain level of economic growth potential was sustained, the pace of growth showed a slowing trend.

Although the Japanese economy recovered from a slump in production activities following the Great East Japan Earthquake at a pace that exceeded initial expectations, the flooding in Thailand caused yet another supply chain disruption crisis, and the pace of recovery slowed markedly.

The small motor industry, to which the Mabuchi Group belongs, experienced large fluctuations in demand as a result of the impact of these changes in the business environment. In particular, the circumstances surrounding products for the automotive products market changed at a bewildering pace as the earthquake disaster brought a steep decline in demand, and as the flood in Thailand brought a decrease for certain regions, followed by overall recovery and higher production in the second half. At the same time, many key products in other markets depend heavily on demand in developed countries, and on the whole demand declined owing to factors including sluggish demand in preparation for the peak year-end sales period.

Under these business conditions, the Mabuchi Group identified and addressed several issues: continued strengthening of the automotive products business, sales expansion in China, reorganization of production bases, and plant efficiency improvements.

Specifically, the Group actively devised measures to achieve sales and market share expansion, stable product supply and quality improvements, and increases in profitability and productivity. These measures included 1) the introduction in China of motors for power window lifters for emerging markets (new products), 2) expansion of the compact, high-output motor line (new product market introduction), 3) strengthening of cross-regional and cross-organizational activities in China (integrated development, production, and sales systems), 4) the establishment of MABUCHI MOTOR (JIANGXI) CO., LTD. for the purpose of strengthening cost competitiveness and increasing sales in China, 5) production capacity expansion at production bases in Vietnam, 6) personnel efficiency improvements through the introduction and expansion of facilities to rationalize production, and 7) the start of activities to realize smart factories (centralized management of manufacturing site information).

As a result, consolidated net sales for the period were 78,886 million yen (a 4.7% decrease on a year-on-year basis). Sales of motors, which account for the majority of consolidated net sales, were 78,760 million yen (a 4.7% decrease). Operating income for the year was 3,066 million yen (a 53.7% decrease on a year-on-year basis) as a result of factors including higher materials costs triggered by soaring prices of copper, steel materials, and rare earths, key product components. Although non-operating income versus expenses improved due to factors including an increase in income from the sale of scrap materials and a decrease in the foreign exchange loss, ordinary income was 4,926 million yen (a 35.1% decrease on a year-on-year basis) as a result of the decrease in operating income. Income before income taxes was 3,248 million yen (a 55.4% decrease on a year-on-year basis) as a result of the recording of a loss on reversal of foreign currency translation adjustments in connection with the liquidation of an overseas subsidiary as an extraordinary loss. Net loss was 466 million yen (net income for the prior year was 5,260 million yen) as a result of the recording at the year-end of a reversal of deferred tax assets as deferred income taxes following a careful review of the collectability of deferred tax assets in light of the Company's operating results and future outlook.

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

1) Automotive Products Market

Net sales in this market increased to 40,651 million yen (a 1.5% increase on a year-on-year basis). Although demand temporarily declined due to the impact of the earthquake disaster and flooding in Thailand, it recovered sharply in the second half. Despite rapid yen appreciation, a sales

increase was achieved thanks to expansion in market share for motors for mirrors and other applications, higher demand for motors for power window lifters, and continued strong sales of motors for power seats.

2) Audio & Visual Equipment Market

Net sales in this market decreased sharply to 9,725 million yen (a 15.0% decrease on a year-on-year basis). Although shipments of motors for car CD players were at the prior-year level due to recovery in automobile production, sales of motors for DVD players fell sharply due to lower demand in emerging markets, a sales decrease resulting from a slump in demand in preparation for the peak year-end sales period, and the impact of yen appreciation.

3) Optical & Precision Instruments Market

Net sales in this market decreased to 12,589 million yen (an 8.9% decrease on a year-on-year basis). Sales declined as a result of placing priority on profitability amid fierce price competition for motors for digital cameras. Sales of motors for inkjet printers and motors for PC drives decreased due to the impact of yen appreciation even though overall sales volumes were maintained at the prior-year level despite the impact of supply chain disruption resulting from the flooding in Thailand.

4) Home Appliances, Power Tools & Toys Market

Net sales in this market decreased to 15,792 million yen (an 8.9% decrease on a year-on-year basis). Although strong sales of motors for tooth brushes compensated for a slump in demand for motors for hair dryers, shavers, and beauty- and healthcare-related products for the peak year-end sales period, and sales volumes of motors for power tools rose slightly year on year, sales decreased due to the impact of yen appreciation.

<Consolidated sales of motors by application>

Market Segment	The 71st fiscal term (The year ended December 31,2011)	YOY (%)	Segment sales as a percentage of net sales (%)
	Amount (Millions of Yen)		
Automotive Products	40,651	1.5	51.6
Audio & Visual Equipment	9,725	-15.0	12.3
Optical & Precision Instruments	12,589	-8.9	16.0
Home Appliances, Power Tools & Toys	15,792	-8.9	20.1
Total	78,760	-4.7	100.0

(Notes)

1. The Mabuchi Group's businesses have been developed within a single business field related to small motors. Given this single business structure, an explanation by segment is omitted.
2. Amounts less than a million yen have been truncated.
3. The figures above don't include consumption tax, etc.

(2) Capital Investments

Capital investments for the current fiscal year amounted to ¥6,524 million, which includes ¥1,225 million for the construction of facilities for MABUCHI MOTOR (JINGSU) CO., LTD., MABUCHI MOTOR VIETNAM LTD., and MABUCHI MOTOR (YINGTAN) CO., LTD.; ¥ 233 million for R&D facilities and equipment; and ¥5,066 million for other facilities and equipment to upgrade product lines and reinforce overall productivity.

(3) Issues to be Addressed

The outlook for 2012 is for business conditions to follow a recovery path despite a sense of uncertainty with regard to the future. In emerging countries, economic growth is expected to continue and remain firm, although the pace of growth is likely to slow. In developed countries, on the other hand, economic recovery remains anemic, and credit uncertainty and other concerns in Europe continue. In addition, trends in resource prices will continue to require careful scrutiny. It

appears that additional time will be necessary for the global economy to attain some degree of stability.

The situation in the markets in which the Mabuchi Group's products are sold is mixed as well. The only market that seems to be on a clear recovery path is the Automotive Products market, where demand is expected to recover in developed countries and emerging countries alike. We expect little change and demand on a par with 2011 in the Audio & Visual Equipment market, the Optical & Precision Instruments market, and the Home Appliances, Power Tools & Toys market.

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

1) Continued Strengthening of the Automotive Products Business

The Mabuchi Group will continue to strengthen the automotive products business, from which growth is expected.

First, in response to a steady increase in new inquiries based on customer evaluation after market introduction of motors for power window lifters and motors for power seats, we will focus further efforts on these products and solidify our market position.

We have recently completed development of next-generation models of motors for power window lifters. Since demand is expected to rise in proportion to increased awareness of these motors as a solution for achieving size, weight and cost reductions, we will further pursue the acquisition and development of customers that will constitute a foundation for sales of these products.

To attain further growth from motors for power seats, we will strive to boost product competitiveness and profitability by rigorously implementing measures to maintain and increase quality and lower costs.

Next, we will promote our expanded line of compact, high-output motors for door mirrors and air conditioner dampers, key existing applications, and leverage these products to increase sales, including in market sectors where our share is comparatively low.

2) Sales Expansion in China

In China, a market that holds promise for future growth, the market environment changes rapidly, and a timely response is required. For this reason, the development of local self-contained processes is essential, and the Mabuchi Group will proceed with the development of an integrated development, production, and sales system in China.

In addition, we will seek to avoid unhealthy price competition and simultaneously tap latent demand by optimizing the performance and structure of our products, establishing quality standards, and reviewing parts and materials procurement methods to adapt them to the market, whose competitive environment and characteristics varies according to product and/or application.

3) Reorganization of Production Bases

The Mabuchi Group will pursue global cost competitiveness by continuing to reorganize its production bases.

To that end, we will increase the production ratio of high-end products at our coastal production bases in China. We aim to increase our competitive advantage and boost added value by realizing high-quality, high-efficiency manufacturing through means including the construction of a new plant building optimized for production of high-end automotive products and the practice of integrated operation of processes from development to production.

We will also increase production capacity at our inland production bases in China. We will strive to increase cost competitiveness by completing construction of a plant at a new production base established in fiscal 2011, commencing mass production according to plan, and shifting production from coastal production bases in China to the cost-competitive new production base.

Furthermore, we will increase production of automotive motors at our production bases in Vietnam. In this way, we will put in place a system for producing 600 million pieces at our two production bases in Vietnam, including motors for non-automotive applications.

4) Manufacturing Process Innovation

The Mabuchi Group will take maximum advantage of cost competitiveness achieved through production base reorganization and at the same time accelerate manufacturing process innovation and increase competitiveness in both quality and cost.

First, we will accelerate the reduction of manufacturing line workers, which we have been implementing as a medium-term initiative. Since upward pressure on costs is increasing these days, we will accelerate the previous plan by two years and realize production processes that will enable personnel reduction of 30% or higher compared to the 2010 level by the end of 2013.

In addition, we will continue with optimization of indirect personnel. We will achieve a reduction of about 30% from the 2009 level by the end of 2013 by proceeding with consolidation of organizational functions, optimization of management personnel, rigorous man-hour control, and other measures while at the same time making necessary investments in information technology after carefully examining cost effectiveness.

Finally, we are implementing activities to realize the smart factory concept (centralized management of manufacturing site information). At a time when greater relative importance of automotive applications brings more stringent quality assurance requirements, a framework based on visualization of the overall manufacturing process has become essential. Accordingly, we will connect production facilities and backbone systems using a network and introduce in stages the smart factory approach of clarifying cause-and-effect relationships between data in production processes. After conducting demonstration trials on model production lines during 2012, we will systematically implement the concept in order to create benefits throughout our plants.

(4) Financial Highlights

	(Millions of Yen)			
	68 th fiscal term (FY 2008)	69 th fiscal term (FY 2009)	70 th fiscal term (FY 2010)	71 st fiscal term (FY 2011)
Net sales	92,602	70,369	82,752	78,886
Ordinary income	7,872	5,424	7,587	4,926
Net income (loss)	3,565	5,450	5,260	(466)
Net income (loss) per share (Yen)	94.77	155.54	150.14	(13.31)
ROE (%)	1.8	3.0	3.0	-0.3
Total assets	188,691	192,362	185,408	181,351
Net assets	178,291	180,311	174,570	168,538
Shareholders' equity ratio (%)	94.5	93.7	94.2	92.9
Net assets per share (Yen)	5,088.18	5,146.04	4,982.43	4,810.36
Cash dividends per share (Yen)	123	100	100	100
Dividend payout ratio (%)	129.8	64.3	66.6	-
Dividend on equity ratio (%)	2.3	2.0	2.0	2.0

(Notes)

1. Net income (loss) per share is calculated using the average number of outstanding shares during the period. Net assets per share are calculated based on the total number of shares outstanding at the end of the period.
2. Amounts less than one million yen for net sales, ordinary income, net income (loss), total assets and net assets are omitted. Amounts of net income (loss) per share and net assets per share are rounded to two decimal places.
3. Percentages for ROE, shareholders' equity ratio, dividend payout ratio and dividend on equity ratio are rounded to one decimal place.
4. Cash dividends per share, dividend payout ratio and dividend on equity ratio for the 71st fiscal term are projected figures calculated on the assumption that the resolution will be passed on the proposal for appropriation of retained earnings at the 71st Ordinary General Meeting of Shareholders.

(5) Major Businesses Conducted by the Mabuchi Group (As of December 31, 2011)

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

2. Matters Relating to Stocks

(As of December 31, 2011)

- (1) Total Number of Shares Authorized: 100,000,000
- (2) Number of Shares Issued: 39,875,881
(Number of Treasury Stock 4,839,419 is Included)
Note: Number of shares issued decreased by 2,000,000 from the end of the previous term due to retirement of treasury stock
- (3) Number of Shareholders: 13,227
(Increased by 123 from the end of the previous term)
- (4) Major Shareholders (Top 10)

Shareholders	Number of shares held (shares)	Percentage of shares held (%)
Takaichi Mabuchi	2,500,400	7.1
Northern Trust Co. (AVFC) Sub-account American Clients	2,463,400	7.0
Mabuchi International Scholarship Foundation	1,500,000	4.3
Takashi Mabuchi	1,130,300	3.2
Tamotsu Mabuchi	1,130,207	3.2
Premiere Corporation	1,034,300	3.0
Taka Corporation Co., Ltd.	1,028,000	2.9
TEXAS Inc.	1,028,000	2.9
The Nomura Trust & Banking Co., Ltd. (Trust Account)	956,900	2.7
Japan Trustee Services Bank, Ltd. (Trust Account)	945,500	2.7

(Notes)

1. In addition to the above, Mabuchi Motor Co., Ltd. retains 4,839,419 shares of treasury stock.
2. The number of shares of treasury stock is excluded from "Percentage of shares held." The percentages are rounded to one decimal place.

(5) Other Significant Matters Relating to Stocks

Retirement of Treasury Stock
Retired treasury stocks (common shares): 2,000,000

3. Directors and Statutory Auditors of the Company

(1) Directors and Statutory Auditors

(As of December 31, 2011)

Position	Name	Duty and Significant Positions Concurrently Held
Representative Director and Chairman	Takaichi Mabuchi	
Representative Director and President	Shinji Kamei	President and CEO
Executive Managing Director	Nobuyo Habuchi	Senior Managing Executive Officer, Chief Factory Management Officer and Chairman of the Board and General Manager, MABUCHI INDUSTRY CO., LTD.
Managing Director	Takashi Kamei	Managing Executive Officer and General Manager of Operations Control Headquarters
Director	Akira Okuma	Executive Officer and General Manager of Research and Development Headquarters
Director	Kaoru Kato	Executive Officer and General Manager of Sales Headquarters
Director	Hiroo Okoshi	Executive Officer and General Manager of Administration Headquarters, in charge of Internal Controls
Full-time Statutory Auditor	Masahiro Gennaka	
Statutory Auditor	Ichiro Ando	Attorney, Ando Ichiro Law Office
Statutory Auditor	Toyokuni Yazaki	CPA, Certified Tax Accountant, Representative Yazaki Accounting Office Outside Auditor of NAGAWA Corporation
Statutory Auditor	Keiichi Horii	Attorney, Joint Representative South Toranomom Law Office

(Notes)

1. Statutory Auditors Ichiro Ando, Toyokuni Yazaki and Keiichi Horii are outside auditors. The Company designated these three Statutory Auditors as “independent officers” as stipulated by the Tokyo Stock Exchange and registered them thereat.
2. Statutory Auditor Masahiro Gennaka has experience in corporate management as a former Director and President of a subsidiary of the Company and significant knowledge of finance and accounting.
3. Statutory Auditor Ichiro Ando is a lawyer. He is familiar with corporate legal affairs and has significant knowledge of finance and accounting.
4. Statutory Auditor Toyokuni Yazaki is a Certified Public Accountant and has professional knowledge of finance and accounting.
5. Statutory Auditor Keiichi Horii is a lawyer. He is familiar with corporate legal affairs and has significant knowledge of finance and accounting.
6. Changes of Directors and Executive Officers
 - 1) Managing Director Shunroku Nishimura retired from the position due to expiry of tenure at the close of the 70th Ordinary General Meeting of Shareholders held on March 30, 2011.
 - 2) Director Hiroo Okoshi was newly elected as Director at the 70th Ordinary General Meeting of Shareholders held on March 30, 2011, and assumed the position as of the same date.
 - 3) Managing Director Takashi Kamei was newly elected as Managing Director at the 70th Ordinary General Meeting of Shareholders held on March 30, 2011, and assumed the position as of the same date.

7. The Company reinforces both business execution and supervision functions by entrusting Directors with strategic decision making and supervision and giving Executive Officers the authority of and responsibility for ordinary business execution. The Company also adopts the Executive Officer system to reinforce corporate governance.
Executive Officers who are not concurrently a Director are as follows.

Name	Areas of responsibility
Masato Itokawa	Executive Officer and General Manager of Quality Assurance Dept.
Chin Tai Yen	Executive Officer, Chairman of the Board and General Manager MABUCHI TAIWAN CO., LTD.

(2) Remuneration Paid to Directors and Statutory Auditors

1) Remuneration Paid

Category	Number of persons remunerated	Total amount of remuneration paid (Millions of Yen)
Directors	8	159
Statutory Auditors [of which, Outside Auditors]	4 [3]	37 [25]

(Notes)

- The numbers above include one (1) director who retired at the 70th Ordinary General Meeting of Shareholders held on March 30, 2011.
- The amount of remuneration for Directors does not include their salaries for their service as the Company's employees, which is ¥47 million (paid to three directors/employees).
- In addition, retirement benefits amounting to ¥12 million were paid to one Director who retired from office during the period under review. The corresponding amount of provision for directors' retirement benefits stated in a prior-period business report was deducted.

2) Policy for Decision Making on Remuneration, etc.

As a basic policy for determining remuneration for Directors and Statutory Auditors, the Company set the amount at an appropriate level to clarify the area of responsibility of each Director or Statutory Auditor in the group management, enhance the transparency of management, give them incentives for raising business performance and corporate value, and secure and maintain highly capable human resources.

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

A fixed amount of remuneration for each Director was determined, taking into account each Director's position, other companies' standards and changes in the management environment, etc. The variable amounts are determined by each individual's business performance assessed using certain evaluation indices.

With regard to remuneration for Statutory Auditors, because they are independent of business execution, fixed monthly remuneration that is not affected by business results is paid to each Statutory Auditor and the amount for each Statutory Auditor is determined by negotiation among the auditors.

The retirement allowance system for Directors and Statutory Auditors was abolished at the closing of the 67th Ordinary General Meeting of Shareholders of the Company held on March 28, 2008.

(3) Matters Concerning Outside Officers (Outside Auditors)

- 1) Representative Position at a Different Corporation Concurrently Assumed by the Company's Officer and the Relation between the Corporation and MABUCHI MOTOR CO., LTD.
Statutory Auditor Toyokuni Yazaki also serves as an outside auditor at NAGAWA Corporation. There has been no trading or other special relationship between NAGAWA Corporation and the Company.

2) Major Activities during the Fiscal Year under Review

	Activities
Statutory Auditor Ichiro Ando	Attended 15 of the 18 meetings (attendance percentage 83%) of the Board of Directors and all 10 meetings of the Board of Statutory Auditors held during the fiscal year under review. Based on his ample experience and professional viewpoints on corporate legal affairs as a lawyer and from a position independent of the Company's management, he provided advice and made propositions to ensure the legality, adequacy and fairness of decision making and business execution.
Statutory Auditor Toyokuni Yazaki	Attended 17 of the 18 meetings (attendance percentage 94%) of the Board of Directors and all 10 meetings of the Board of Statutory Auditors held during the fiscal year under review. Based on his ample experience and professional viewpoints in corporate accounting audits as a Certified Public Accountant and from a position independent of the Company's management, he provided advice and made propositions to ensure the legality, adequacy and fairness of decision making and business execution.
Statutory Auditor Keiichi Horii	Attended 16 of the 18 meetings (attendance percentage 89%) of the Board of Directors and all 10 meetings of the Board of Statutory Auditors held during the fiscal year under review. Based on his ample experience and professional viewpoints on corporate legal affairs as a lawyer and from a position independent of the Company's management, he provided advice and made propositions to ensure the legality, adequacy and fairness of decision making and business execution.

3) Outline of Limited Liability Agreements

As per Article 427, Paragraph 1, of the Companies Act and the Company's Articles of Incorporation, the Company entered into an agreement with each outside auditor to limit their liabilities as provided in Article 423, Paragraph 1, of the Companies Act. The limit of liabilities under the agreement shall be the amount set forth in the relevant laws and regulations.

Consolidated Balance Sheet

(As of December 31, 2011)

(Millions of Yen)

Item	Amount	Item	Amount
(Assets)	181,351	(Liabilities)	12,813
Current Assets	112,764	Current Liabilities	9,784
Cash and bank deposits	54,920	Trade notes and accounts payable	3,854
Trade notes and accounts receivable	11,977	Accrued income taxes	615
Short-term investments	23,078	Accrued bonus to employees	226
Merchandise and finished goods	12,762	Deferred tax liabilities - current	0
Work in process	886	Other current liabilities	5,087
Raw materials and supplies	4,958		
Income taxes receivable	84	Long-term Liabilities	3,029
Deferred tax assets - current	294	Allowance for retirement benefits for employees	416
Other current assets	3,909	Asset retirement obligations	15
Allowance for doubtful accounts	(107)	Deferred tax liabilities - non-current	1,382
Fixed Assets	68,587	Other long-term liabilities	1,214
Property, Plant and Equipment	34,231		
Buildings and structures	15,161	(Net Assets)	168,538
Machinery, equipment and vehicles	8,962	Shareholders' Equity	191,671
Tools, furniture and fixtures	1,728	Common stock	20,704
Land	6,020	Additional paid-in capital	20,419
Construction in progress	2,357	Retained earnings	185,294
Intangible Assets	661	Treasury stock	(34,747)
Investments and Other Assets	33,694	Other accumulated comprehensive income	(23,133)
Investment securities	32,644	Net unrealized holding gains (losses) on securities	(1,457)
Long-term loans receivable	45	Foreign currency translation adjustments	(21,676)
Deferred tax assets - non-current	221		
Other investments and other assets	820		
Allowance for doubtful accounts	(35)		
Total Assets	181,351	Total Liabilities and Net Assets	181,351

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

Consolidated Statement of Income
(For the year ended December 31, 2011)

(Millions of Yen)

Item	Amount	
Net Sales		78,886
Cost of Sales		59,838
Gross Profit		19,047
Selling, General and Administrative Expenses		15,981
Operating Income		3,066
Non-Operating Income		
Interest income	577	
Dividend income	102	
Income from sales of scrap materials	1,155	
Other non-operating income	534	2,369
Non-Operating Expenses		
Stock-related expenses	50	
Exchange losses on foreign currency transactions	272	
Depreciation expenses of idle assets	12	
Soil improvement-related expenses	7	
Other non-operating expenses	165	509
Ordinary Income		4,926
Other Gains		
Gain on retirement of fixed assets	473	
Gain on sales of investment securities	10	
Reversal of allowance for doubtful receivables	117	600
Other Losses		
Loss on retirement of fixed assets	163	
Retirement allowance paid	423	
Loss on valuation of investment securities	55	
Provision of allowance for doubtful accounts	12	
Impairment loss	84	
Loss on adjustment for changes of accounting standard for asset retirement obligations	16	
Loss on cancellation of lease contracts	20	
Loss on reversal of foreign currency translation adjustment for liquidation of foreign subsidiaries	1,502	2,278
Income before Income Taxes		3,248
Income taxes—Current	1,576	
Income taxes—Deferred	2,138	3,714
Income (loss) before Minority Interests		(466)
Net Income (loss)		(466)

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

Consolidated Statement of Changes in Net Assets

(For the year ended December 31, 2011)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of December 31, 2010	20,704	20,419	203,625	(49,105)	195,644
Changes of items during the period:					
Cash dividends paid (Note: 1)	—	—	(1,751)	—	(1,751)
Cash dividends paid (Interim dividends)	—	—	(1,751)	—	(1,751)
Net income (loss)	—	—	(466)	—	(466)
Purchase of treasury stock	—	—	—	(2)	(2)
Cancellation of treasury stock	—	—	(14,360)	14,360	—
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes during the period	—	—	(18,330)	14,358	(3,972)
Balance as of December 31, 2011	20,704	20,419	185,294	(34,747)	191,671

(Millions of Yen)

	Other accumulated comprehensive income			Total net assets
	Net unrealized holding gains (losses) on securities	Foreign currency translation adjustments	Total other accumulated comprehensive income	
Balance as of December 31, 2010	(257)	(20,817)	(21,074)	174,570
Changes of items during the period:				
Cash dividends paid (Note: 1)	—	—	—	(1,751)
Cash dividends paid (Interim dividends)	—	—	—	(1,751)
Net income (loss)	—	—	—	(466)
Purchase of treasury stock	—	—	—	(2)
Cancellation of treasury stock	—	—	—	—
Net changes of items other than shareholders' equity	(1,200)	(859)	(2,059)	(2,059)
Total changes during the period	(1,200)	(859)	(2,059)	(6,031)
Balance as of December 31, 2011	(1,457)	(21,676)	(23,133)	168,538

(Notes)

1. The dividends were paid as appropriations of retained earnings based on a resolution at the ordinary general meeting of shareholders held in March 2011.
2. Amounts less than one million yen have been omitted.

<Reference>

Consolidated Statements of Comprehensive Income

(For the year ended December 31, 2011)

(Millions of yen)	
Item	Amount
Income (loss) before minority interests	(466)
Other comprehensive income	
Valuation difference on available-for-sale securities	(1,200)
Foreign currency translation adjustment	(859)
Total other comprehensive income	(2,059)
Comprehensive income	(2,525)
(Comprehensive income attributable to)	
Comprehensive income attributable to owners of the parent	(2,525)
Comprehensive income attributable to minority interests	—

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

<Reference>

Consolidated Statement of Cash Flows

(For the year ended December 31, 2011)

(Millions of Yen)

Item	Amount
Cash Flows from Operating Activities:	
Income before income taxes	3,248
Depreciation and amortization	3,326
Impairment loss	84
Increase (Decrease) in allowance for retirement benefits, net payments	54
Interest and dividend income	(680)
Foreign exchange losses (gains)	38
Loss on reversal of foreign currency translation adjustment for liquidation of foreign subsidiaries	1,502
Loss (Gain) on sales of short-term investments and investment securities	(10)
Loss (Gain) on disposal of fixed assets	(309)
Loss (Gain) on valuation of investment securities	55
Increase (Decrease) in provision for loss on restructuring of production bases	(373)
Decrease (Increase) in trade notes and accounts receivables	(977)
Decrease (Increase) in inventories	(3,473)
Increase (Decrease) in trade notes and accounts payables	912
Other, net	(2,012)
Sub total	1,385
Interest and dividends received	674
Income taxes paid	(1,363)
Net cash provided by operating activities	696
Cash Flows from Investing Activities:	
Increase of time deposits	(13,137)
Proceeds from withdrawal of time deposits	12,301
Purchase of short-term investments	(12,713)
Proceeds from sales of short-term investments	20,264
Purchase of property, plant and equipment	(6,253)
Proceeds from sales of property, plant and equipment	630
Purchase of investment securities	(6,394)
Proceeds from sales of investment securities	2,589
Other, net	(162)
Net cash provided by investing activities	(2,874)
Cash Flows from Financing Activities:	
Cash dividends paid	(3,505)
Purchase of treasury stock	(2)
Net cash used in financing activities	(3,507)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(588)
Net Increase (decrease) in Cash and Cash Equivalents	(6,273)
Cash and Cash Equivalents at Beginning of Period	67,540
Cash and Cash Equivalents at End of Period	61,266

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

Non-Consolidated Balance Sheet

(As of December 31, 2011)

(Millions of Yen)

Item	Amount	Item	Amount
(Assets)	141,955	(Liabilities)	8,542
Current Assets	61,125	Current Liabilities	6,907
Cash and bank deposits	22,209	Accounts payable	5,631
Trade notes receivable	63	Accounts payable-other	446
Accounts receivable	13,913	Accrued expenses	393
Short-term investments	20,951	Accrued bonus to employees	226
Merchandise and finished goods	1,225	Deferred tax liabilities - current	0
Work in process	39	Other current liabilities	209
Raw materials and supplies	557	Long-term Liabilities	1,635
Short-term loans receivable from subsidiaries and affiliates	460	Allowance for retirement benefits for employees	156
Income taxes receivable	77	Asset retirement obligations	15
Other current assets	1,642	Deferred tax liabilities – non-current	270
Allowance for doubtful accounts	(16)	Other long-term liabilities	1,192
Fixed Assets	80,830		
Property, Plant and Equipment	17,141	(Net Assets)	133,413
Buildings	9,852	Shareholders' Equity	134,871
Structures	571	Common stock	20,704
Machinery and equipment	317	Additional paid-in capital	20,419
Vehicles	6	Legal capital surplus	20,419
Tools, furniture and fixtures	300	Retained earnings	128,493
Land	5,996	Legal retained earnings	3,819
Construction in progress	96	Other legal retained earnings	124,674
Intangible Assets	7	Reserve for the reduction of fixed assets	148
Investments and Other Assets	63,681	General reserve	170,119
Investment securities	32,567	Retained earnings carried forward	(45,593)
Stocks of subsidiaries and affiliates	13,567	Treasury stock	(34,747)
Investments in capital of subsidiaries and affiliates	17,414	Revaluation/translation adjustments	(1,457)
Other investments and other assets	167	Net unrealized holding gains (losses) on securities	(1,457)
Allowance for doubtful accounts	(35)		
Total Assets	141,955	Total Liabilities and Net Assets	141,955

Note: Amounts less than one million yen have been omitted.

Non-Consolidated Statement of Income

(For the year ended December 31, 2011)

(Millions of Yen)

Item	Amount	
Net Sales		54,643
Cost of Sales		46,275
Gross Profit		8,367
Selling, General and Administrative Expenses		10,678
Operating Income (loss)		(2,310)
Non-Operating Income		
Interest income	340	
Dividend income	2,781	
Other non-operating income	389	3,511
Non-Operating Expenses		
Stock-related expenses	50	
Soil improvement-related expenses	7	
Disposal-related expenses for facilities of subsidiaries and affiliates	34	
Exchange losses on foreign currency transactions	145	
Other non-operating expenses	21	260
Ordinary Income		940
Other Gains		
Gain on sales of investment securities	10	
Reversal of allowance for doubtful accounts	0	10
Other Losses		
Loss on retirement of fixed assets	4	
Impairment loss	20	
Loss on liquidation of foreign subsidiaries	183	
Loss on valuation of investment securities	55	
Provision of allowance for doubtful accounts	12	
Loss on cancellation of lease contracts	20	
Loss on adjustment for changes of accounting standard for asset retirement Obligations	16	313
Income before Income Taxes		637
Income taxes—Current	134	
Income taxes—Deferred	1,755	1,889
Net Income (loss)		(1,251)

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

Non-Consolidated Statement of Changes in Net Assets

(For the year ended December 31, 2011)

(Millions of Yen)

	Shareholders' equity			
	Common stock	Additional paid-in capital		Retained earnings
		Legal capital surplus	Total additional paid-in capital	Legal retained earnings
Balance as of December 31, 2010	20,704	20,419	20,419	3,819
Changes of items during the period:				
Reversal of reserve for the reduction of fixed assets	—	—	—	—
Provision of reserve for advanced depreciation of fixed assets	—	—	—	—
Cash dividends paid (Note: 1)	—	—	—	—
Cash dividends paid (Interim dividends)	—	—	—	—
Net income (loss)	—	—	—	—
Purchase of treasury stock	—	—	—	—
Cancellation of treasury stock	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—
Total changes during the period	—	—	—	—
Balance as of December 31, 2011	20,704	20,419	20,419	3,819

(Millions of Yen)

	Shareholders' equity			
	Retained earnings			
	Other legal retained earnings			Total retained earnings
	Reserve for the reduction of fixed assets	General reserve	Retained earnings carried forward	
Balance as of December 31, 2010	141	170,119	(26,470)	147,610
Changes of items during the period:				
Reversal of reserve for the reduction of fixed assets	(4)	—	4	—
Provision of reserve for advanced depreciation of fixed assets	11	—	(11)	—
Cash dividends paid (Note: 1)	—	—	(1,751)	(1,751)
Cash dividends paid (Interim dividends)	—	—	(1,751)	(1,751)
Net income (loss)	—	—	(1,251)	(1,251)
Purchase of treasury stock	—	—	—	—
Cancellation of treasury stock	—	—	(14,360)	(14,360)
Net changes of items other than shareholders' equity	—	—	—	—
Total changes during the period	6	—	(19,123)	(19,116)
Balance as of December 31, 2011	148	170,119	(45,593)	128,493

(Millions of Yen)

	Shareholders' equity		Revaluation/translation adjustments		Total net assets
	Treasury stock, at cost	Total shareholders' equity	Unrealized holding gains (losses) on securities	Total Revaluation/translation adjustments	
Balance as of December 31, 2010	(49,105)	139,629	(258)	(258)	139,371
Changes of items during the period:					
Reversal of reserve for the reduction of fixed assets	—	—	—	—	—
Provision of reserve for advanced depreciation of fixed assets	—	—	—	—	—
Cash dividends paid (Note: 1)	—	(1,751)	—	—	(1,751)
Cash dividends paid (Interim dividends)	—	(1,751)	—	—	(1,751)
Net income (loss)	—	(1,251)	—	—	(1,251)
Purchase of treasury stock	(2)	(2)	—	—	(2)
Cancellation of treasury stock	14,360	—	—	—	—
Net changes of items other than shareholders' equity	—	—	(1,199)	(1,199)	(1,199)
Total changes during the period	14,358	(4,758)	(1,199)	(1,199)	(5,957)
Balance as of December 31, 2011	(34,747)	134,871	(1,457)	(1,457)	133,413

(Notes)

1. The dividends were paid as appropriations of retained earnings based on a resolution at the ordinary general meeting of shareholders held in March 2011.
2. Amounts less than one million yen have been omitted.

REFERENCE DOCUMENTS FOR THE 71ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

Proposal 1: Approval of the Proposed Appropriation of Retained Earnings for the 71st Fiscal Term

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

Because we announced the annual dividend of ¥100 per share (ordinary dividend: ¥60 special dividend: ¥40) during 2011 and paid an interim dividend of ¥50(ordinary dividend: ¥30 special dividend: ¥20) per share in September 2011, we hereby propose the year-end dividend for the year as follow:

Matters related to the year-end dividend

- (1) The type of distributable properties
Money
- (2) Matters related to the disbursement of distributable properties and the aggregate amount
¥50 per common share of the Company
(ordinary dividend: ¥30 special dividend: ¥20)
Aggregate dividend amount: ¥1,751,823,100
- (3) Effective date of the distribution of retained earnings
March 30, 2012

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

Proposal 2: Election of four (4) Statutory Auditors

The term of office of all four (4) statutory auditors currently in office will expire at the close of the 71st Ordinary General Meeting of Shareholders. Shareholders are therefore requested to four (4) statutory auditors.

The candidates for the position of statutory auditors are as follows.

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

No.	Name (Date of birth)	Brief personal history, position, assignment and significant positions concurrently held	Number of the Company's shares held
1	Masahiro Gennaka (February 6, 1942)	<p>October 1965 Joined MABUCHI SHOJI CO., LTD.</p> <p>April 1968 Joined MABUCHI MOTOR CO., LTD.</p> <p>January 1984 Manager, Marketing and Planning Division, Sales Headquarters, MABUCHI MOTOR CO., LTD.</p> <p>October 1985 Manager, Corporate Planning Section, MABUCHI MOTOR CO., LTD.</p> <p>December 1993 General Manager, Human Resources Department, MABUCHI MOTOR CO., LTD.</p> <p>February 2001 President and Representative Director, MABUCHI REAL ESTATE CO., LTD.</p> <p>March 2001 Retired from MABUCHI MOTOR, CO., LTD.</p> <p>February 2008 Retired from President and Representative Director, MABUCHI REAL ESTATE CO., LTD.</p> <p>March 2008 Full-time statutory auditor, MABUCHI MOTOR CO., LTD.(Current position)</p>	2,541
2	Keiichi Horii (September 4, 1951)	<p>April 1979 Registered with the Daiichi Tokyo Bar Association as a lawyer</p> <p>January 1995 Joint representative of Law Offices of Harada, Uchida & Sugiyama (Currently South Toranomom Law Offices) (Current position)</p> <p>May 1996 Vice Chairman, Operating Committee of the Arbitration Center of the Daiichi Tokyo Bar Association</p> <p>March 2008 Statutory auditor, MABUCHI MOTOR CO., LTD. (Current position)</p> <p>April 2011 Member of Operating Committee of the Arbitration Center of the Daiichi Tokyo Bar Association (Current position)</p> <p>(Significant Positions Concurrently Held) Joint representative, South Toranomom Law Offices</p>	—
3	*Nobutaka Motohashi (December 16, 1948)	<p>March 1973 Registered as a Certified Public Accountant</p> <p>September 1990 Representative partner of Century Auditor Office (Currently Ernst & Young ShinNihon LLC)</p> <p>June 2008 Retired from Shin Nihon & Co. (Currently Ernst & Young ShinNihon LLC)</p> <p>July 2008 Established Motohashi Nobutaka Accounting Office Representative (Current position)</p> <p>(Significant Positions Concurrently Held) Representative, Motohashi Nobutaka Accounting Office</p>	—
4	*Toru Masuda (November 9, 1951)	<p>April 1979 Registered with the Daiichi Tokyo Bar Association as a lawyer</p> <p>April 1989 Established Masuda Toru Law Office Representative (Current position)</p> <p>June 1994 Civil Rights Commissioner of the Ministry of Justice (Current position)</p> <p>June 2007 Director, Juutaku Loan Servicer Ltd. (Current position)</p> <p>(Significant Positions Concurrently Held) Representative, Masuda Toru Law Office Director, Juutaku Loan Servicer Ltd.</p>	—

(Notes)

1. The asterisk (*) denotes the newly nominated candidate for Statutory auditor.
2. No special relationship exists between the Company and the candidates.
3. Keiichi Horii, Nobutaka Motohashi and Toru Masuda are candidates for the position of outside statutory auditor.
None of these candidates has served as a business executor of any of the Company's specific related entities as stipulated in Article 2, Paragraph 3, Item 19, of the Ordinance for Enforcement of the Companies Act—which refer to the subsidiaries, affiliates and major business partners of the Company—or has received or is to receive monetary or other forms of assets from the Company or its specific related entities (excluding the compensation, etc., for serving as an auditor of the Company). In addition, none of these candidates is a relative or equivalent of a business executor of the Company or any of its specific related entities.
4. The Company designates Keiichi Horii as an independent auditor as required by the Tokyo Stock Exchange and has so notified said Exchange. If he is elected as originally proposed, he will continue to be an independent auditor. The Company has also notified said Exchange that Nobutaka Motohashi and Toru Masuda are candidates for independent auditor, and they will also be independent auditors if they are elected as originally proposed.
5. Keiichi Horii is proposed as a candidate for the position of outside statutory auditor because of the abundant expertise and experience in corporate law he has acquired as a lawyer, as well as his adequate insights and character required for governing corporate management, which we believe will enable him to conduct audits objectively.
Although Horii has no experience of involvement in company management in any position other than outside auditor, we believe, for the aforementioned reasons, that he is able to execute the duties of outside auditor properly. At the close of the 71st Ordinary General Meeting of Shareholders, Horii will have served the Company as a statutory auditor for four (4) years.
6. Nobutaka Motohashi is proposed as a candidate for the position of outside statutory auditor because of the abundant expertise and experience in corporate accounting affairs he has acquired as a Certified Public Accountant, as well as his adequate insights and character required for governing corporate management, which we believe will enable him to conduct audits objectively.
Although Motohashi has no experience of involvement in company management in any position other than outside auditor, we believe, for the aforementioned reasons, that he is able to execute the duties of outside auditor properly.
Motohashi was previously employed at Ernst & Young ShinNihon LLC (then Shin Nihon & Co.), which is the accounting auditor of the Company, but was never involved in the accounting audits of the Company or any services concerning business transactions with the Company. Motohashi resigned from said auditing firm three (3) years ago and has had no vested interest in said firm since then. Furthermore, it is the intention of the Company without any involvement by said auditing firm to invite Motohashi to be a candidate for statutory auditor. For these reasons, we believe that there are no issues with his independence from the management of the Company and there are no risks relative to conflicts of interest with the general shareholders of the Company.
7. Toru Masuda is proposed as a candidate for the position of outside statutory auditor because of the abundant expertise and experience in corporate law he has acquired as a lawyer (including the experience of involvement in company management as a director of Juutaku Loan Servicer), as well as his adequate insights and character required for governing corporate management, which we believe will enable him to conduct audits objectively.
For the aforementioned reasons, we believe that he is able to execute the duties of outside auditor properly.
8. MABUCHI SHOJI CO., LTD., a company mentioned in the brief career histories of the candidates, was absorbed by the Company in December 1972. MABUCHI REAL ESTATE CO., LTD., a company also mentioned therein, is a subsidiary of the Company.
9. Key Points of the Contract for Limitation of Liability
Pursuant to the provisions of Article 427, Paragraph 1, of the Companies Act and the Company's Articles of Incorporation, the Company is under contract with Keiichi Horii for limitation of liability for damages as stipulated in Article 423, Paragraph 1, of said Act, and will continue the contract if he is elected as originally proposed. The Company will also conclude the same contract with Nobutaka Motohashi and Toru Masuda if they are elected as originally proposed. The upper limit of liability under said contract is the amount of liability stipulated by law.