

To Those Shareholders with Voting Rights

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

NOTICE OF THE 66TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 66th 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 66TH ORDINARY GENERAL MEETING OF SHAREHOLDERS and return the Exercise Voting Rights Form with your selections. Please ensure that it will reach the Company by 5 p.m., Wednesday, March 28, 2007.

1. Date: 10 a.m., Thursday, March 29, 2007

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 Business Report and the Consolidated Financial Statements for the 66th Fiscal Term (from January 1, 2006 to December 31, 2006), 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 66th Fiscal Term (from January 1, 2006 to December 31, 2006)

Matters to be resolved:

- Proposal 1:** Proposed Appropriation of Surplus for the 66th Fiscal Term
Proposal 2: Proposed Partial Amendments to the Articles of Incorporation
Proposal 3: Election of Seven (7) Directors
Proposal 4: Payment of Retirement Benefits to Retiring Directors
Proposal 5: Payment of Bonuses to Directors and Statutory Auditors
Proposal 6: Proposed Revision of the Amount of Compensation to Directors and Statutory Auditors

4. Resolved matter about convocation:

You may exercise your voting rights by authorizing one (1) other shareholder with voting rights of the Company to attend the 66th Ordinary General Meeting of Shareholders and act as your proxy. In such a case, you or your proxy must submit to the Company a document evidencing the authority of representation.

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

Should any amendments occur in the REFERENCE DOCUMENTS FOR THE 66th 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 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 66TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Proposal and references:

Proposal 1: Approval of the Proposed Appropriation of Surplus for the 66th Fiscal Term

Our basic policy on the appropriation of surplus 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 has consistently distributed an ordinary dividend of ¥60 per share annually with special dividends at 20% (paid out on a per share basis) of annual consolidated net income—the actual business performance.

Therefore, we hereby propose the year-end dividend for the year as follows:

Matters related to the year-end dividend

- (1) Matters related to disbursement of distributable properties and the amounts
¥63 per common share of the Company
(Consisting of an ordinary dividend of ¥30 and a special dividend of ¥33)
Aggregate dividend amount: ¥2,492,246,043
- (2) The distribution of surplus is to be paid from March 30, 2007.

As an interim dividend of ¥51 per share (an ordinary dividend of ¥30 plus a special dividend of ¥21) was disbursed in September 2006, the total annual dividend would be ¥114 per share consisting of an ordinary dividend of ¥60 and a special dividend of ¥54. Internal reserves will be used for R&D, capital investments and the reinforcement of the business structure, all of which are necessary for future growth, aiming to further improve the Company's corporate value.

Proposal 2: Proposed Partial Amendments to the Articles of Incorporation

1. Reason for the amendments

- (1) An amendment is proposed to allow the Company to adopt electronic dissemination for advertisement and release of public relations information and to prepare a supplementary method in the event of an emergency or if something should happen to make electronic advertisement impossible. (Proposed Amendment, Article 5)
- (2) The following amendments are proposed following the enforcement of the Corporation Law (2005 Law, No. 86), the "Law Concerning Arrangements of Related Laws Due to Enforcement of the Corporation Law" (2005 Law, No. 87) and other related laws, effective on May 1, 2006.
 1. The Company proposes to newly establish Article 4 to stipulate organs to be installed in the Company pursuant to the Corporation Law.
 2. The Company proposes to newly establish Article 10 to clarify the rights with respect to shares constituting less than one unit.
 3. In light of dissemination of the Internet and to rationalize the procedure to convene a General Meeting of Shareholders, the Company proposes to newly establish Article 16 to stipulate that the Company shall be deemed to have provided necessary documents such as the Reference Documents for the General Meeting of Shareholders by having presented such information using the Internet.
 4. The Company proposes to add a necessary amendment to clarify the number of proxies who can exercise a voting right attending the General Meeting of Shareholders. (Proposed Amendment, Article 18)
 5. For more flexible management of the Board of Directors, the Company proposes to newly establish Article 26 to allow the Board of Directors to make a resolution without holding a meeting of the Board of Directors.
 6. To make it easier to invite competent human resources from outside the Company, the Company proposes to newly establish Articles 29 and 38 to be able to enter into an agreement limiting liability for compensation of damages with outside directors and outside statutory auditors. With regard to Article 29 of the Proposed Amendments, each statutory auditor has already approved.
 7. In addition to the above amendments and to comply with the Corporation Law, the Company proposes necessary amendments such as changes in wordings, expressions and terms of the current Articles.
- (3) In addition to the above amendments, the Company proposes amendments throughout the Articles of Incorporation such as changes in wording, expressions and terms of the current Articles as well as adding, eliminating, revising and rearranging some Articles and provisions.

2. Proposed amendments are as follows:

(Amended portions are underlined):

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER I. GENERAL PROVISIONS</p> <p>(Trade Name) Article 1. The name of the Company shall be “MABUCHI MOTOR Kabushiki Kaisha,” and in English it shall be MABUCHI MOTOR CO., LTD.</p> <p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses: (1) Manufacture, purchase and sales of small motors and parts; (2) Manufacture, purchase and sales of electric machines and instruments; (3) Manufacture, purchase and sales of electronic application devices; (4) Manufacture, purchase and sales of models, teaching materials and toys; (5) Provision of technical service utilizing industrial property rights and expertise; and (6) All activities incidental to the foregoing items.</p> <p>(Location of Head Office) Article 3. The headquarters of the Company shall be located in Matsudo-shi, Chiba, Japan.</p> <p>(New)</p> <p>(Method of Public Notice) Article 4. Public notices of the Company shall be issued in the <i>Nihon Keizai Shimbun</i>.</p>	<p style="text-align: center;">CHAPTER I. GENERAL PROVISIONS</p> <p>(Trade Name) Article 1. (Unchanged)</p> <p>(Purpose) Article 2. (Unchanged)</p> <p>(Location of Head Office) Article 3. (Unchanged)</p> <p><u>(Organs)</u> <u>Article 4. The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors:</u> <u>(1) Board of Directors;</u> <u>(2) Statutory Auditors;</u> <u>(3) Board of Statutory Auditors; and</u> <u>(4) Accounting Auditors.</u></p> <p>(Method of Public Notice) Article 5. Public notices of the Company shall be <u>electronic public notices; provided, however, that if the Company is unable to issue an electronic public notice due to an accident or any other unavoidable reason, public notices of the Company shall be issued in the <i>Nihon Keizai Shimbun</i>.</u></p>
<p style="text-align: center;">CHAPTER II. SHARES</p> <p>(Total Number of Shares Authorized to be Issued) Article 5. The total number of shares authorized to be issued by the Company shall be one hundred million (100,000,000) shares. <u>Should cancellation of shares occur, the corresponding number of shares shall be reduced.</u></p> <p><u>(Purchase of Treasury Stock)</u> Article 6. The Company may, by resolution of the Board of Directors, <u>purchase treasury stock pursuant to Article 211-3, Paragraph 1, Item 2, of the Commercial Code.</u></p> <p>(New)</p>	<p style="text-align: center;">CHAPTER II. SHARES</p> <p>(Total Number of Shares Authorized to be Issued) Article 6. (Unchanged)</p> <p>(Deleted)</p> <p><u>(Acquisition of Own Shares)</u> Article 7. The Company may, by resolution of the Board of Directors, <u>acquire the Company’s own shares through market trading etc. as provided for in Article 165, Paragraph 2, of the Corporation Law.</u></p> <p><u>(Issuance of Share Certificates)</u> <u>Article 8. The Company shall issue share certificates representing the Company’s shares.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Number of Shares Constituting One Unit of Stock and Non-Issuance of Share Certificates representing Shares Less Than One Unit of Stock)</p> <p>Article 7. 1. The number of shares constituting one unit of stock shall be one hundred (100).</p> <p>2. <u>The Company shall not issue share certificates representing shares constituting less than one unit of stock (hereinafter “shares constituting less than one unit”).</u></p> <p><u>(Denominations of share certificates)</u></p> <p><u>Article 8. Denominations of share certificates shall be governed by the Share Handling Regulations adopted or amended by resolution of the Board of Directors of the Company.</u></p> <p>(New)</p> <p>(Share Handling Regulations)</p> <p>Article 9. <u>The business and handling charges pertaining to shares of the Company, including transfers of shares, registration of pledges, indication of assets in trust, issuance of share certificates, purchase of shares constituting less than one unit and registration of lost share certificates shall be governed by the Share Handling Regulations adopted or amended by resolution of the Board of Directors of the Company.</u></p> <p>(Transfer Agent)</p> <p>Article 10. 1. The Company shall appoint a transfer agent <u>with respect to its shares.</u></p> <p>2. The transfer agent and its business office shall be designated by resolution of the Board of Directors of the Company and public notice thereof shall be issued by the Company.</p> <p>3. The register of shareholders <u>and the register of beneficial shareholders; hereinafter “The register of shareholders, etc.”</u> and the register of lost share certificates of the Company shall be retained at the business office of the transfer agent. <u>The business pertaining to shares, such as registration of transfers of shares, registration of pledges, indication of assets in trust, issuance of share certificates, purchase of shares constituting less than one unit and registration of lost share certificates shall be handled by the transfer agent and not by the Company.</u></p>	<p>(Number of Shares Constituting One Unit of Stock and Non-Issuance of Share Certificates representing Shares Less Than One Unit of Stock)</p> <p>Article 9. 1. (Unchanged)</p> <p>2. <u>Notwithstanding the preceding article, the Company shall not issue share certificates representing shares constituting less than one unit of stock.</u></p> <p>(Deleted)</p> <p><u>(Rights with respect to Shares Constituting Less Than One Unit)</u></p> <p><u>Article 10. A shareholder (including a beneficial shareholder; hereinafter the same interpretation shall apply) may not exercise rights with respect to shares constituting less than one unit other than those specified in the following sections:</u></p> <p><u>(1) Right specified in each item of Article 189, Paragraph 2, of the Corporation Law;</u></p> <p><u>(2) Right to make requests to the Company provided for in Article 166, Paragraph 1, of the Corporation Law;</u></p> <p><u>(3) Right to receive share subscription or to receive allotment of stock acquisition rights in accordance with the number of shares held by the shareholder.</u></p> <p>(Share Handling Regulations)</p> <p>Article 11. <u>The business and handling charges pertaining to shares of the Company shall be governed by, in addition to laws and regulations or these Articles of Incorporation, the Share Handling Regulations adopted or amended by resolution of the Board of Directors of the Company.</u></p> <p>(Transfer Agent)</p> <p>Article 12. 1. The Company shall appoint a transfer agent.</p> <p>2. (Unchanged)</p> <p>3. The register of shareholders <u>(including the register of beneficial shareholders; hereinafter the same interpretation shall apply), the register of lost share certificates of the Company and the ledger of stock acquisition rights shall be retained at the business office of the transfer agent. Listing and recording into the register of shareholders, the register of lost share certificates and the ledger of stock acquisition rights, purchase of shares constituting less than one unit as well as any other business with respect to shares and stock acquisition rights shall be handled by the transfer agent and not by the Company.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Record Date) Article <u>11</u>. 1. The Company shall deem those shareholders (<u>including beneficial shareholders, hereinafter the same interpretation applies</u>) whose names are listed or recorded in the <u>last</u> register of shareholders, etc., as of December 31 of each year to be shareholders entitled to exercise voting rights at the Ordinary General Meeting of Shareholders to be held with respect to <u>the closing of accounts</u>.</p> <p>2. In addition to the preceding paragraph, whenever necessary, by resolution of the Board of Directors of the Company and upon giving prior public notice, the Company may determine shareholders or registered pledgees whose names are listed or recorded in the register of shareholders, <u>etc.</u>, as of a certain date to be shareholders entitled to exercise voting rights.</p>	<p>(Record Date) Article <u>13</u>. 1. The Company shall deem those shareholders <u>with voting rights</u> whose names are listed or recorded in the last register of shareholders as of December 31 of each year to be shareholders entitled to exercise voting rights at the Ordinary General Meeting of Shareholders to be held with respect to <u>such business year</u>.</p> <p>2. In addition to the preceding paragraph, whenever necessary, by resolution of the Board of Directors of the Company and upon giving prior public notice, the Company may determine shareholders or registered <u>share</u> pledgees whose names are listed or recorded in the last register of shareholders as of a certain date to be shareholders <u>or registered share pledgees</u> entitled to exercise voting rights.</p>
<p>CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</p>	<p>CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</p>
<p>(Time of Convocation) Article <u>12</u>. The Ordinary General Meeting of Shareholders shall be convened within three months from <u>January 1 of each year</u>, and an Extraordinary General Meeting of Shareholders shall be convened whenever necessary.</p>	<p>(Time of Convocation) Article <u>14</u>. The Ordinary General Meeting of Shareholders <u>of the Company</u> shall be convened within three months from <u>the closing of every business year</u>, and an Extraordinary General Meeting of Shareholders shall be convened whenever necessary.</p>
<p>(Convocation of Meetings and Chairman) Article <u>13</u>. 1. The President/Director of the Company shall convene the General Meeting of Shareholders by resolution of the Board of Directors of the Company and act as the chairman thereof except as otherwise provided by laws and regulations.</p> <p>2. In the event that the President/Director of the Company is unable to act, another Director, determined in accordance with an order of priority previously determined by resolution of the Board of Directors of the Company, shall <u>serve in the President's place</u>.</p>	<p>(Convocation of Meetings and Chairman) Article <u>15</u>. 1. (Unchanged)</p> <p>2. In the event that the President/Director of the Company is unable to act, another Director, determined in accordance with an order of priority previously determined by resolution of the Board of Directors of the Company, shall <u>act as the chairman</u>.</p>
<p>(New)</p>	<p><u>(Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc., and the Deemed Provision of Information)</u> Article <u>16</u>. The Company shall be deemed to have provided the shareholders with the necessary information with respect to the matters to be stated or indicated in the Reference Documents for the General Meeting of Shareholders, the business reports, the financial statements and the consolidated financial statements, by disclosing such information via the Internet in accordance with the Ordinance of the Ministry of Justice.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Method of Adopting Resolutions) Article 14. 1. Except as otherwise provided by laws and regulations or by these Articles of Incorporation, all resolutions of a General Meeting of Shareholders shall be adopted by a majority of votes of the attending shareholders. 2. Resolutions to be adopted pursuant to <u>Article 343 of the Commercial Code</u> may be adopted by two-thirds (2/3) or more of the votes of the attending shareholders who hold one-third (1/3) or more of the total number of voting rights of <u>all</u> shareholders.</p> <p>(Exercise of Voting Rights by Proxy) Article 15. A shareholder may exercise his/her voting rights by authorizing <u>another</u> shareholder with voting rights of the Company to act as his/her proxy. <u>A</u> shareholder or his/her proxy shall submit to the Company a document evidencing his/her authority of representation for each General Meeting of Shareholders. (New)</p>	<p>(Method of Adopting Resolutions) Article 17. 1. Except as otherwise provided by laws and regulations or by these Articles of Incorporation, all resolutions of a General Meeting of Shareholders shall be adopted by a majority of votes of the attending shareholders <u>entitled to exercise voting rights</u>. 2 Resolutions to be adopted pursuant to <u>Article 309, Paragraph 2, of the Corporation Law</u> may be adopted by two-thirds (2/3) or more of the votes of the attending shareholders who hold one-third (1/3) or more of the total number of voting rights of shareholders <u>entitled to exercise voting rights</u>. (Exercise of Voting Rights by Proxy) Article 18.1. A shareholder may exercise his/her voting rights by authorizing <u>one (1) other</u> shareholder with voting rights of the Company to act as his/her proxy.</p>
<p>(Minutes) <u>Article 16. 1. The substance of the proceedings at a General Meeting of Shareholders and the results thereof shall be entered or recorded in the minutes, and the chairman and Directors present shall inscribe their names and affix their seals thereon or put their electronic signatures thereon.</u> <u>2. The original minutes of a General Meeting of Shareholders shall be retained at the Headquarters for ten (10) years from the date of resolution and the copy of the original shall be retained for five (5) years at a branch office.</u></p>	<p>2. <u>In this case, a</u> shareholder or his/her proxy shall submit to the Company a document evidencing his/her authority of representation for each General Meeting of Shareholders. (Deleted) (Deleted)</p>
<p style="text-align: center;">CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p>	<p style="text-align: center;">CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p>
<p>(Number of Directors) Article 17. The number of Directors of the Company shall be three (3) or more and eleven (11) or fewer. (Election of Directors) Article 18. 1. Directors shall be elected <u>at</u> the General Meetings of Shareholders. 2. Resolutions for the election of Directors shall be adopted by a majority vote of the attending shareholders who hold one-third (1/3) or more of the voting rights of <u>all</u> shareholders. 3. Resolutions for the election of Directors shall not be by cumulative voting. (Term of Office of Directors) Article 19. 1. The term of office of a Director shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last <u>closing of accounts</u> within two (2) years from his/her <u>assumption of office</u>.</p>	<p>(Number of Directors) Article 19. (Unchanged) (Election of Directors) Article 20.1. Directors shall be elected <u>by resolution of</u> the General Meetings of Shareholders. 2. Resolutions for the election of Directors shall be adopted by a majority vote of the attending shareholders who hold one-third (1/3) or more of the voting rights of shareholders <u>entitled to exercise voting rights</u>. 3. (Unchanged) (Term of Office of Directors) Article 21.1. The term of office of a Director shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last <u>business year ending</u> within two (2) years from his/her <u>election to office</u>.</p>

Current Articles of Incorporation	Proposed Amendments
<p>2. The term of office of a Director elected to increase the number of Directors or to fill a vacancy shall be the same as the remaining term of office of the other Directors in office. (Representative Directors and Executive Directors) Article 20. 1. <u>Directors who represent the Company</u> shall be elected by resolution of the Board of Directors of the Company.</p> <p>2. The Board of Directors may appoint by resolution one (1) Chairman of the Board of Directors, one (1) President/Director, several Executive Vice Presidents/Directors, Senior Managing Directors and Managing Directors. (Notice of Convocation of the Board of Directors) Article 21. 1. Notice of convocation of a meeting of the Board of Directors of the Company shall be sent to each Director and Statutory Auditor at three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</p> <p>2. When the consent of all Directors and Statutory Auditors is obtained in advance, a meeting of the Board of Directors of the Company may be held without following the procedures for convening a meeting. (Convocation of Meetings and Chairman) Article 22. 1. Except as otherwise provided by laws and regulations, the President/Director shall convene the meetings of the Board of Directors and act as the chairman thereof.</p> <p>2. When the President/Director is unable to act, another Director, determined in accordance with an order of priority previously determined by resolution of the Board of Directors of the Company, shall <u>serve in the President's place</u>. (Method of Adopting Resolutions of the Board of Directors) Article 23. Resolutions of the Board of Directors of the Company shall be adopted by a majority of the Directors present given that the present Directors shall constitute a majority of the total number of Directors. (New)</p> <p>(Board of Directors Regulations) Article 24. The matters concerning the Board of Directors of the Company shall be governed by, except as otherwise provided by laws and regulations or these Articles of Incorporation, the Board of Directors Regulations established by the Board of Directors of the Company.</p>	<p>2. (Unchanged)</p> <p>(Representative Directors and Executive Directors) Article 22. 1. <u>Representative Directors</u> shall be elected by resolution of the Board of Directors of the Company.</p> <p>2. (Unchanged)</p> <p>(Notice of Convocation of the Board of Directors) Article 23. 1. (Unchanged)</p> <p>2. (Unchanged)</p> <p>(Convocation of Meetings and Chairman) Article 24. 1. (Unchanged)</p> <p>2. When the President/Director is unable to act, another Director, determined in accordance with an order of priority previously determined by resolution of the Board of Directors of the Company, shall <u>act as the chairman</u>. (Method of Adopting Resolutions of the Board of Directors) Article 25. (Unchanged)</p> <p><u>(Omission of the Procedure for Adopting Resolutions of the Board of Directors)</u> <u>Article 26. When requirements provided for in Article 370 of the Corporation Law are satisfied, resolutions of the Board of Directors of the Company concerning the matters to be resolved by the Board of Directors shall be deemed to have been adopted.</u> (Board of Directors Regulations) Article 27. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Compensation <u>and retirement allowance</u> to be paid to Directors) Article <u>25</u>. The amount of compensation <u>and retirement allowance to be paid to Directors</u> shall be determined by resolution of the General Meeting of Shareholders.</p> <p>(New)</p> <p>CHAPTER V. STATUTORY AUDITORS AND BOARD OF STATUTORY AUDITORS</p> <p>(Number of Statutory Auditors) Article <u>26</u>. The number of Statutory Auditors of the Company shall be three (3) or four (4). (Election of Statutory Auditors) Article <u>27</u>. 1. Statutory Auditors shall be elected <u>at</u> the General Meetings of Shareholders. 2. Resolutions for the election of Statutory Auditors shall be adopted by a majority vote of the attending shareholders who hold one-third (1/3) or more of the voting rights of <u>all</u> shareholders.</p> <p>(Term of Office of Statutory Auditors) Article <u>28</u>. 1. The term of office of a Statutory Auditor shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last <u>closing of accounts</u> within four (4) years from his/her <u>assumption of office</u>. 2. The term of office of a Statutory Auditor elected to fill a vacancy shall be the same as the remaining term of office of the retired Statutory Auditor. (Full-Time Statutory Auditors) Article <u>29</u>. <u>Statutory Auditors shall determine among themselves</u> one or more Full-time Statutory Auditors. (Notice of Convocation of the Board of Statutory Auditors) Article <u>30</u>. 1. Notice of convocation of a meeting of the Board of Statutory Auditors of the Company shall be sent to each Statutory Auditor at least three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened. 2. When the consent of all Statutory Auditors is obtained in advance, a meeting of the Board of Statutory Auditors of the Company may be held without following the procedures for convening a meeting.</p>	<p>(Compensation <u>etc.</u> to be paid to Directors)</p> <p>Article <u>28</u>. The amount of compensation, <u>bonuses and any other proprietary benefits to be granted to Directors by the Company in consideration of their performance of duty</u> (hereinafter “<u>compensation etc.</u>”) shall be determined by resolution of the General Meeting of Shareholders. <u>(Limitation of Liabilities of Outside Directors)</u> Article <u>29</u>. Pursuant to the provision of Article 427, Paragraph 1, of the Corporation Law, <u>the Company may enter into an agreement with each of the Outside Directors to the effect that any liability under Article 423, Paragraph 1, of said Law shall be limited; provided, however, the limit of the liability shall be a prescribed minimum amount set by laws and regulations.</u></p> <p>CHAPTER V. STATUTORY AUDITORS AND BOARD OF STATUTORY AUDITORS</p> <p>(Number of Statutory Auditors) Article <u>30</u>. (Unchanged)</p> <p>(Election of Statutory Auditors) Article <u>31</u>. 1. Statutory Auditors shall be elected <u>by resolution of</u> the General Meetings of Shareholders. 2. Resolutions for the election of Statutory Auditors shall be adopted by a majority vote of the attending shareholders who hold one-third (1/3) or more of the voting rights of shareholders <u>entitled to exercise voting rights</u>.</p> <p>(Term of Office of Statutory Auditors) Article <u>32</u>. 1. The term of office of a Statutory Auditor shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last <u>business year ending</u> within four (4) years from his/her <u>election to office</u>. 2. (Unchanged)</p> <p>(Full-Time Statutory Auditors) Article <u>33</u>. <u>The Board of Statutory Auditors shall elect by resolution</u> one or more Full-time Statutory Auditors. (Notice of Convocation of the Board of Statutory Auditors) Article <u>34</u>. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Method of Adopting Resolutions of the Board of Statutory Auditors) Article 31. Except as otherwise provided by laws and regulations, resolutions of the Board of Statutory Auditors of the Company shall be adopted by a majority of the Statutory Auditors.</p> <p>(Board of Statutory Auditors Regulations) Article 32. The matters concerning the Board of Statutory Auditors of the Company shall be governed by, except as otherwise provided by laws and regulations or these Articles of Incorporation, the Board of Statutory Auditors Regulations established by the Board of Statutory Auditors of the Company.</p> <p>(Compensation <u>and retirement allowance</u> to be paid to Statutory Auditors) Article 33. The amount of compensation <u>and retirement allowance</u> to be <u>paid</u> to Statutory Auditors shall be determined by resolution of the General Meeting of Shareholders.</p>	<p>(Method of Adopting Resolutions of the Board of Statutory Auditors) Article 35. (Unchanged)</p> <p>(Board of Statutory Auditors Regulations) Article 36. (Unchanged)</p> <p>(Compensation <u>etc.</u> to be paid to Statutory Auditors) Article 37. The amount of compensation <u>etc.</u> to be <u>granted</u> to Statutory Auditors shall be determined by resolution of the General Meeting of Shareholders.</p>
<p>(New)</p>	<p>(Limitation of Liabilities of Statutory Auditors) <u>Article 38. Pursuant to the provision of Article 427, Paragraph 1, of the Corporation Law, the Company may enter into an agreement with each of the Outside Statutory Auditors to the effect that any liability under Article 423, Paragraph 1, of said Law shall be limited; provided, however, the limit of the liability shall be a prescribed minimum amount set by laws and regulations.</u></p>
<p>(New)</p>	<p style="text-align: center;"><u>CHAPTER VI. ACCOUNTING AUDITOR</u></p>
<p>(New)</p>	<p>(Election of Accounting Auditors) <u>Article 39. Accounting Auditors shall be elected by resolution of the General Meeting of Shareholders.</u></p>
<p>(New)</p>	<p>(Term of Office of Accounting Auditors) <u>Article 40. 1. The term of office of an Accounting Auditor shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within one (1) year from his/her election to office.</u> <u>2. If it is not resolved otherwise in the Ordinary General Meeting of Shareholders under the preceding paragraph, the Accounting Auditors shall be deemed reappointed at that Ordinary General Meeting of Shareholders.</u></p>
<p>(New)</p>	<p>(Compensation <u>etc.</u> to be paid to Accounting Auditors) <u>Article 41.</u> <u>The amount of compensation etc. to be granted to Accounting Auditors shall be determined by Representative Directors with the approval of the Board of Statutory Auditors.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;"><u>CHAPTER VI. ACCOUNTS</u></p> <p>(Business Year) Article <u>34</u>. The business year of the Company shall commence on January 1 and shall end on December 31 of each year, <u>and the Company’s accounts shall be closed on December 31 of each year.</u></p> <p>(Dividends) Article <u>35</u>. <u>Dividends shall be paid</u> to the shareholders or registered pledgees whose names are listed or recorded in the register of shareholders, etc., as of <u>the end of each business year.</u></p> <p>(Interim Dividends) Article <u>36</u>. The Company may, by resolution of the Board of Directors of the Company, <u>pay</u> cash dividends to the shareholders or registered pledgees whose names are listed or recorded in the <u>last</u> register of shareholders, etc., as of June 30 of each year pursuant to <u>Article 293, Paragraph 5, of the Commercial Code.</u></p> <p>(Expiration Period for Dividends, etc.) Article <u>37</u>. 1. If <u>dividends, interim dividends or other payments</u> are not claimed within three (3) years from the date of commencement of payment thereof, the Company shall be relieved of the obligation to make such payment. 2. Unpaid dividends and interim dividends shall bear no interest.</p>	<p style="text-align: center;"><u>CHAPTER VII. ACCOUNTS</u></p> <p>(Business Year) Article <u>42</u>. The business year of the Company shall commence on January 1 and shall end on December 31 of each year.</p> <p>(<u>Year-End</u> Dividends) Article <u>43</u>. <u>The Company shall pay cash dividends from surplus</u> to the shareholders or registered <u>share</u> pledgees whose names are listed or recorded in the last register of shareholders as of <u>December 31 of each year (hereinafter “Year-End Dividends”)</u>, by resolution of <u>the General Meeting of Shareholders.</u></p> <p>(Interim Dividends) Article <u>44</u>. The Company may, by resolution of the Board of Directors of the Company, <u>distribute</u> cash dividends <u>from surplus</u> to the shareholders or registered <u>share</u> pledgees whose names are listed or recorded in the last register of shareholders as of June 30 of each year pursuant to <u>Article 454, Paragraph 5, of the Corporation Law (hereinafter “Interim Dividends”).</u></p> <p>(Expiration Period for Dividends) Article <u>45</u>. 1. If <u>year-end dividends and interim dividends</u> are not claimed within three (3) years from the date of commencement of payment thereof, the Company shall be relieved of the obligation to make such payment. 2. Unpaid <u>year-end</u> dividends and interim dividends shall bear no interest.</p>

Proposal 3: Election of Seven (7) Directors

The term of office of all eight (8) directors currently in office will expire at the close of the 66th Ordinary General Meeting of Shareholders. Shareholders are therefore requested to elect seven (7) directors.

The candidates for the position of director are as follows:

No.	Name (Date of birth)	Brief personal history, position, assignment and representative positions in other companies		Number of the Company's shares held
1	Takaichi Mabuchi (September 13, 1932)	January 1954 August 1958 March 1984 March 1985 March 2003	Executive Managing Director at the foundation of Tokyo Science Industrial Co., Ltd., the predecessor of MABUCHI MOTOR CO., LTD. Executive Managing Director at the foundation of MABUCHI MOTOR CO., LTD. Executive Vice President and Representative Director, MABUCHI MOTOR CO., LTD. President and Representative Director, MABUCHI MOTOR CO., LTD. Chairman and Representative Director, MABUCHI MOTOR CO., LTD. (Current position)	2,500,471
2	Shinji Kamei (July 28, 1945)	March 1964 November 1988 October 1992 April 1993 March 1997 April 2000 March 2001 March 2003	Joined MABUCHI MOTOR CO., LTD. Manager, Computer System Section, Administrative Department, MABUCHI MOTOR CO., LTD. Manager, Corporate Planning Section, Corporate Planning Department, MABUCHI MOTOR CO., LTD. Deputy Division Manager, Business Reform Innovation Headquarters; and concurrently General Manager, Corporate Planning Department, MABUCHI MOTOR CO., LTD. Director and General Manager, Corporate Planning Department, MABUCHI MOTOR CO., LTD. Managing Director, in control of Administration, MABUCHI MOTOR CO., LTD. Executive Managing Director and Representative Director, MABUCHI MOTOR CO., LTD. President and Representative Director, MABUCHI MOTOR CO., LTD. (Current position)	3,233
3	Nobuyo Habuchi (October 10, 1942)	February 1971 March 1972 July 1985 March 1986 March 1999 April 2001 March 2003 March 2006	Joined MABUCHI MOTOR CO., LTD. Manager, Purchasing Section, MABUCHI INDUSTRY CO., LTD. Manager, Purchasing Section, Purchasing Department, MABUCHI MOTOR CO., LTD. Director and General Manager, MABUCHI INDUSTRY CO., LTD. Director, MABUCHI MOTOR CO., LTD. Chairman of the Board, MABUCHI INDUSTRY CO., LTD. (Current position) Managing Director, MABUCHI MOTOR CO., LTD. (Current position) Chairman of the Board, MABUCHI MOTOR DANNANG LTD. (Current position) (Representative positions in other companies) Chairman of the Board, MABUCHI INDUSTRY CO., LTD. Chairman of the Board, DONGGUAN MABUCHI MOTOR EQUIPMENT CO., LTD.	1,001

No.	Name (Date of birth)	Brief personal history, position, assignment and representative positions in other companies		Number of the Company's shares held
		Chairman of the Board, MABUCHI MOTOR DALIAN LTD. Chairman of the Board, MABUCHI MOTOR WAFANGDIAN LTD. Chairman of the Board, MABUCHI MOTOR VIETNAM LTD. Chairman of the Board, MABUCHI MOTOR DANNANG LTD.		
4	Shunroku Nishimura (May 2, 1945)	September 1997 September 2000 March 2001 October 2005	Joined MABUCHI MOTOR CO., LTD., as Assistant General Manager, Administrative Department General Manager, Administrative Department, MABUCHI MOTOR CO., LTD. Director and General Manager, Administrative Department, MABUCHI MOTOR CO., LTD. Director and Division Manager, Administrative Division, MABUCHI MOTOR CO., LTD. (Current position)	1,000
5	Akira Okuma (January 9, 1948)	March 1970 November 1993 October 1994 May 1996 September 1997 September 2000 October 2001 November 2002	Joined MABUCHI MOTOR CO., LTD. Manager, Manufacturing Technology Planning Section, Manufacturing Technology Department, MABUCHI MOTOR CO., LTD. Manager, Manufacturing Technology Second Section, Technology Department, MABUCHI MOTOR CO., LTD. Manager, Product Inspection Section, Quality Assurance Department, MABUCHI MOTOR CO., LTD. Manager, Manufacturing Technology Section, Technology Department, MABUCHI MOTOR CO., LTD. Manager, MPS Promotion Section, Technology Department, MABUCHI MOTOR CO., LTD. Deputy General Manager, MABUCHI MOTOR DALIAN LTD. General Manager, MABUCHI MOTOR DALIAN LTD. (Current position)	900
6	Takashi Kamei (January 25, 1949)	March 1971 June 1995 January 1997 May 2006	Joined MABUCHI MOTOR CO., LTD. Manager, New Manufacturing Base Establishment Preparation Section, MABUCHI MOTOR CO., LTD. General Manager, MABUCHI MOTOR VIETNAM LTD. General Manager, MABUCHI MOTOR DANNANG LTD. (Current position)	1,000
7	Kaoru Kato (April 5, 1950)	June 2005	Joined MABUCHI MOTOR CO., LTD. General Manager, Second Sales Department, Sales Division, MABUCHI MOTOR CO., LTD. (Current position)	—

Note: No conflict of interest exists between the Company and any of the above candidates for Director.

Proposal 4: Payment of Retirement Benefits to Retiring Directors

We hereby propose that retirement allowances be presented to four (4) Directors —Sun Zuei Che, Seiya Nakanishi, Yasuo Uehara and Yoshinori Sugimoto, who are retiring from their office at the conclusion of this Meeting, in commendation for their 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 directors be left to the discretion of the Board of Directors.

A brief personal history of each retiring director is as follows:

Name	Brief personal history	
Sun Zuei Che	March 1993	Director of the Company to present
Seiya Nakanishi	March 2001	Director of the Company to present
Yasuo Uehara	March 2001	Director of the Company to present
Yoshinori Sugimoto	March 2003	Director of the Company to present

Proposal 5: Payment of Bonuses to Directors and Statutory Auditors

We hereby propose that bonuses be paid to eight (8) Directors and four (4) Statutory Auditors in office as of the end of this term to reward their services to the Company for this fiscal year in the aggregate amount of ¥55 million, consisting of ¥48 million for Directors and ¥7 million for Statutory Auditors.

Proposal 6: Proposed Revision of the Amount of Compensation to Directors and Statutory Auditors

The amount of compensation to Directors of within ¥15 million a month was approved at the 56th Ordinary General Meeting of Shareholders held March 28, 1997. The amount of compensation to Statutory Auditors of within ¥3 million was approved at the 43rd Ordinary General Meeting of Shareholders held March 29, 1984. The amounts have not changed since then.

However, due to the enforcement of the Corporation Law and a revision to the accounting standard for bonuses to Directors and Auditors, Bonuses to Directors and Statutory Auditors previously accounted for as an Appropriation of Retained Earnings became included in Compensation etc. as expenses. Also, a revision to the Corporate Tax Law clarified conditions for profit-related pay deductible as expenses. With a view to these changes, the Company hereby proposes an amendment to the amount of compensation to Directors and Statutory Auditors as follows:

Compensation to Directors and Statutory Auditors consists of a fixed amount and a variable amount. The fixed amount should not change and remain within ¥15 million a month. From 2007, the variable amount that corresponds to previous Bonuses to Directors as the conventional appropriation of retained earnings (Profit-related pay prescribed in Article 34, Paragraph 1, Item 3, of the Corporate Tax Law) should be within 0.7% of each fiscal year's consolidated net income (computed excluding profit-related compensation to directors) with a ceiling amount of ¥200 million a year.

We also propose that Compensation to Statutory Auditors be within ¥4 million a month as a fixed amount, in view of the conventional payment of Auditors' bonuses as an appropriation of retained earnings in addition to the fixed amount of compensation.

We believe that determining variable amounts of directors' compensation based on consolidated net income, which is the fiscal term's actual performance, will clarify directors' management responsibilities in the Group and enhance incentives to improve business results and corporate value. The figure of 0.7% is a standard that we determined based on comprehensive consideration of a ratio of directors' and auditors' bonuses to consolidated net income, a ratio of the variable amount to the fixed amount of compensation, and other factors.

We also propose that no change be made in the conventional computation of compensation to a director having duties in an employee's capacity that does not include an employee's portion within compensation of a director.

The number of Directors at present is eight (8) and that of Statutory Auditors is four (4). If Proposal 3 is approved as proposed, the number of directors will become seven (7).

<REFERENCE>

Consolidated Balance Sheet
(As of December 31, 2006)

(Millions of Yen)

Item	Amount	Item	Amount
(Assets)	(236,999)	(Liabilities)	(17,781)
Current Assets	118,879	Current Liabilities	12,100
Cash and cash equivalents	67,403	Trade notes and accounts payable	3,845
Trade notes and accounts receivable	14,533	Accrued income taxes	2,464
Marketable securities	16,061	Accrued bonuses	216
Inventories	17,814	Reserve for bonuses to directors and statutory auditors	62
Deferred income taxes—current	1,215	Reserve for loss on the closure of a subsidiary	509
Other current assets	2,159	Other current liabilities	5,001
Allowance for doubtful receivables	-308		
Fixed Assets	118,119	Long-Term Liabilities	5,681
Property, Plant and Equipment	40,362	Deferred income taxes—long term	4,887
Buildings and structures	21,307	Allowance for severance and pension benefits	162
Machinery, equipment and transportation equipment	9,634	Reserve for retirement allowances to directors and statutory auditors	522
Tools, furniture and fixtures	1,975	Other long-term liabilities	108
Land	6,197		
Construction in progress	1,247	(Net Assets)	(219,217)
Intangible Fixed Assets	598	Shareholders' Equity	211,284
Investments and Other Assets	77,158	Common stock	20,704
Investment securities	75,141	Additional paid-in capital	20,419
Long-term loans receivable	151	Retained earnings	234,893
Deferred income taxes—long term	113	Treasury stock	-64,733
Other investments and other assets	1,753	Revaluation/Translation differences	7,932
Allowance for doubtful receivables	-1	Net unrealized gains on available-for-sale securities	3,478
		Foreign currency translation adjustments	4,454
Total Assets	236,999	Total Liabilities and Net Assets	236,999

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

Consolidated Statement of Income
(From January 1, 2006, to December 31, 2006)

(Millions of Yen)

Item	Amount	
Net sales		100,517
Cost of sales		71,919
Gross profit on sales		28,598
Selling, general and administrative expenses		17,898
Operating Income		10,700
Non-Operating Income		
Interest income	2,756	
Dividend income	150	
Exchange gains on foreign currency transactions	957	
Income from sales of scrap materials	1,046	
Other non-operating income	621	5,532
Non-Operating Expenses		
Stock-related expenses	56	
Depreciation expense of idle assets	41	
Soil improvement-related expenses	20	
Scrap disposal fee	150	
Other non-operating expenses	30	299
Ordinary Profit		15,933
Special Gains		
Gain on sales of investment securities	704	
Gain on retirement of fixed assets	310	
Other special gains	38	1,053
Special Losses		
Loss on retirement of fixed assets	291	
Impairment loss on fixed assets	521	
Retirement allowance paid	199	
Loss on the closure of a subsidiary	60	1,072
Income before Income Taxes		15,914
Income taxes—Current		4,945
Income taxes—Deferred		365
Net Income		10,603

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

Consolidated Statement of Changes in Net Assets
(From January 1, 2006, to December 31, 2006)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of December 31, 2005	20,704	20,419	228,319	-64,718	204,725
Change in the consolidated fiscal term under review					
Cash dividends paid	—	—	-3,995	—	-3,995
Bonuses to directors and statutory auditors	—	—	-36	—	-36
Net income	—	—	10,603	—	10,603
Purchases of treasury stock	—	—	—	-15	-15
Increase due to an increase of consolidated subsidiaries	—	—	3	—	3
Net changes in items other than those in shareholders' equity	—	—	—	—	—
Total changes in the consolidated fiscal term under review	—	—	6,574	-15	6,559
Balance as of December 31, 2006	20,704	20,419	234,893	-64,733	211,284

(Millions of Yen)

	Revaluation/Translation differences			Total net assets
	Unrealized holding gains on securities	Foreign currency translation adjustments	Total revaluation/translation differences	
Balance as of December 31, 2005	4,034	3,115	7,149	211,875
Change in the consolidated fiscal term under review				
Cash dividends paid	—	—	—	-3,995
Bonuses to directors and statutory auditors	—	—	—	-36
Net income	—	—	—	10,603
Purchases of treasury stock	—	—	—	-15
Increase due to an increase of consolidated subsidiaries	—	—	—	3
Net changes in items other than those in shareholders' equity	-555	1,338	782	782
Total changes in the consolidated fiscal term under review	-555	1,338	782	7,342
Balance as of December 31, 2006	3,478	4,454	7,932	219,217

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

Consolidated Statement of Cash Flows
(From January 1, 2006, to December 31, 2006)

(Millions of Yen)

Item	Amount
Cash flows from operating activities:	
Income before income taxes and minority interests	15,914
Depreciation and amortization	5,360
Impairment loss on fixed assets	521
Increase in allowance for severance and pension benefits	77
Decrease in allowance for loss on the closure of a subsidiary	-48
Interest and dividend income	-2,907
Exchange gains on foreign currency transactions	-98
Gain on sales of marketable securities and investment securities	-704
Gain on retirement and sales of property, plant and equipment	-36
Increase in receivables—trade	-139
Increase in inventories	-197
Increase in payables—trade	962
Other, net	-1,012
Subtotal	17,691
Interest and dividends received	2,911
Interest paid	-0
Income taxes paid	-3,102
Net cash provided by operating activities	17,500
Cash flows from investing activities:	
Purchase of marketable securities	-4,781
Proceeds from sales of marketable securities	7,080
Purchase of fixed assets	-4,261
Proceeds from sales of fixed assets	390
Purchase of investment securities	-9,411
Proceeds from sales of investment securities	5,518
Other, net	-856
Net cash used in investing activities	-6,321
Cash flows from financing activities:	
Dividends paid	-3,994
Purchase of treasury stock	-15
Net cash used in financing activities	-4,009
Effect of exchange rate changes on cash and cash equivalents	852
Net increase (decrease) in cash and cash equivalents	8,020
Cash and cash equivalents at the beginning of the year	64,596
Cash and cash equivalents of newly consolidated subsidiaries	22
Cash and cash equivalents at the end of the year	72,639