

Consolidated Balance Sheets

Nabtesco Corporation

March 31, 2006 and 2005

	2006	2005	2006
	(Millions of yen)		(Thousands of U.S. dollars) (Note 1)
Assets			
Current assets:			
Cash and time deposits (Note 4)	¥18,841	¥14,354	\$160,390
Trade notes and accounts receivable (Note 18)	43,341	43,025	368,954
Inventories (Note 6)	16,363	14,159	139,295
Deferred tax assets (Note 9)	3,508	2,526	29,863
Other current assets	721	1,482	6,137
Less allowance for doubtful receivables	(273)	(385)	(2,324)
Total current assets	82,501	75,161	702,315
Investments and other assets:			
Investments in:			
Unconsolidated subsidiary and affiliates	1,873	2,140	15,944
Other, securities (Note 5 and 10)	16,676	9,318	141,960
Other assets	2,566	2,413	21,844
Less allowance for doubtful receivables	(315)	(254)	(2,682)
Total investments and other assets	20,800	13,617	177,066
Property, plant and equipment (Notes 8 and 10):			
Land	14,476	14,462	123,231
Buildings and structures	36,188	35,623	308,062
Machinery and equipment	60,157	58,647	512,105
Construction in progress	1,321	749	11,245
Sub-total	112,142	109,481	954,643
Less accumulated depreciation	(70,208)	(67,532)	(597,667)
Property, plant and equipment, net	41,934	41,949	356,976
Other assets:			
Deferred tax assets (Note 9)	403	1,083	3,431
Intangible assets (Notes 8)	1,257	1,792	10,701
Total assets	¥146,895	¥133,602	\$1,250,489

	2006	2005	2006
	(Millions of yen)		(Thousands of U.S. dollars) (Note 1)
Liabilities and shareholders' equity			
Current liabilities:			
Short-term bank loans (Notes 7 and 10)	¥ 8,794	¥ 8,948	\$ 74,862
Current portion of long-term debt (Notes 7 and 10)	6,905	5,662	58,781
Notes and accounts payable			
Trade	28,017	27,580	238,503
Other	3,279	3,947	27,914
Accrued employees' bonuses	3,346	2,986	28,484
Accrued expenses	1,601	1,627	13,629
Income taxes payable (Note 9)	5,821	1,433	49,553
Allowance for soil quality improvement loss	1,158	1,160	9,857
Other current liabilities	1,217	890	10,360
Total current liabilities	60,138	54,233	511,943
Long-term liabilities:			
Long-term debt, less current portion (Notes 7 and 10)	3,489	10,428	29,701
Accrued severance and retirement benefits:			
Employees (Note 13)	12,601	12,207	107,270
Directors and corporate statutory auditors	226	211	1,924
Deferred tax liabilities (Note 9)	1,888	49	16,072
Other long-term liabilities	599	631	5,099
Total long-term liabilities	18,803	23,526	160,066
Minority interests	3,764	3,372	32,042
Contingent liabilities (Note 12)			
Shareholders' equity (Note 11)			
Common stock:			
Authorized:400,000,000 shares, Issued:127,212,607 shares	10,000	10,000	85,128
Capital surplus	17,711	17,709	150,770
Retained earnings	30,387	23,172	258,679
Net unrealized holding gains on securities	6,995	2,881	59,547
Foreign currency translation adjustments	(582)	(1,128)	(4,954)
Treasury stock, at cost	(321)	(163)	(2,732)
Total shareholders' equity	64,190	52,471	546,438
Total liabilities and shareholders' equity	¥ 146,895	¥ 133,602	\$ 1,250,489

See accompanying notes to consolidated financial statements.