

Summary of Consolidated Financial Statements for the Third Quarter of Year ended March 31, 2006

February 10, 2006

Name of Listed Company: Nabtesco Corporation
(URL <http://www.nabtesco.com/>)

Stock listed on: the First Section of the Tokyo Stock Exchange
Code Number: 6268

Representative

Name: Kazuyuki Matsumoto
Title: Representative Director and President

Inquiries:

Name: Hiroshi Sawa
Title: Director and General Manager,
General Administration Dept.

Tel. (03) 3578-7070

1. Details related to summary of quarterly operating results

(1) Simplified accounting method adopted: None

(Contents)

(2) Change in accounting methods since the latest fiscal year: None

(Contents)

(3) Change in scope of consolidation and application of equity method: Yes

(Contents)

Newly consolidated company: 2 companies Excluded consolidated company: 3 companies
Excluded non-consolidated subsidiary accounted by the equity method: 1 company

2. Consolidated Operating Results for the Third Quarter of FY2005 (From April 1, 2005 to December 31, 2005)

(1) Consolidated Operating Results

Note: Amounts less than one million yen have been rounded down.

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Third Quarter of Fiscal Year 2005	106,687	5.6	11,120	32.3	10,996	22.8	6,389	28.5
Third Quarter of Fiscal Year 2004	101,077	10.4	8,406	48.8	8,956	50.4	4,971	65.5
Fiscal year ended March 31, 2005	137,960		11,287		11,306		5,625	

	Net income per share		Diluted net income per share	
	Yen		Yen	
Third Quarter of Fiscal Year 2005	50.36		50.29	
Third Quarter of Fiscal Year 2004	39.14		-	
Fiscal year ended March 31, 2005	43.70		43.69	

(Note) Percentages shown for net sales, operating income, ordinary income and net income represent the increase or decrease compared with the previous quarter fiscal year.

[Qualitative Information regarding Consolidated Operating Results]

In this third quarter the Nabtesco Group experienced generally smooth growth, maintaining favorable conditions both domestically and overseas. Under these conditions, our Company group's results for the third quarter show increased sales and profits over the same period last year.

<Precision equipment business>

Industrial robots, precision reduction gears for machine tool manufacturers, and semiconductor-related equipments are going strong, showing increased sales and profits over the same period last year.

<Transport equipment business>

Strong growth in products for new train cars for conventional domestic railways and repair parts for railway vehicles as well as engine control systems for marine vessels made up for the pullback in some unprofitable automotive equipment products, resulting in improved operating profits over the same period last year in spite of only slightly increased turnover.

<Aircraft and oil hydraulic equipment business>

Private-sector demand for aircraft equipments is on the rebound, and in hydraulic equipments, traveling units and valves are going strong due to increased domestic and overseas demand for hydraulic excavators. Coupled with the start of mass production and overseas shipping of drive units for wind turbines sales and profits increased over the same period last year.

<Industrial equipment business>

While automatic doors for buildings and machine tools for the automotive industry showed strong growth, a slump in automatic food-filling and packaging machinery resulted in only a slightly increased turnover in sales over the same period last year, while operating profits showed improvement.

(2) Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
Third Quarter of Fiscal Year 2005	138,518	60,617	43.8	477.97
Third Quarter of Fiscal Year 2004	131,245	51,737	39.4	407.41
Fiscal year ended March 31, 2005	133,602	52,471	39.3	412.75

< Consolidated Cash Flows >

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at fiscal year-end
	Million yen	Million yen	Million yen	Million yen
Third Quarter of Fiscal Year 2005	7,953	(2,933)	(7,237)	11,951
Third Quarter of Fiscal Year 2004	5,409	(2,206)	(7,365)	11,182
Fiscal year ended March 31, 2005	11,102	(4,569)	(7,808)	14,035

[Qualitative Information regarding changes in Consolidated Financial Position]

Cash and cash equivalents in this third quarter was reduced by 2 billion yen due to expenditures for capital investments, accounting outflow, repayment of loans, etc.

Interest-bearing liabilities at the end of this third quarter was decreased by 5.8 billion yen from FY2004 to 19.1 billion yen.

Shareholders' equity increased by 8.1 billion yen from FY2004 to 60.6 billion yen, with shareholders' return on equity increasing by 4.5 points to 43.8%.

Appendix:

Consolidated Balance Sheets (summary) and Consolidated Statements of Income for the third quarter of FY2005 (summary).

[Reference]

Forecast of consolidated operating results for FY2005 (From April 1, 2005 to March 31, 2006)

	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
Interim	71,739	6,940	3,928
Fiscal year	149,000	13,000	7,100

Reference: Estimated consolidated net income per share for the fiscal year: 55.31 yen

[Qualitative Information regarding Business Forecasts]

Although there have been fluctuations in each business segment, there are no revisions to our consolidated business forecasts.

Notice regarding the application of consolidated forecast:

The information stated above is based on various assumptions. This summary does not constitute an assurance or guarantee that the company will achieve its numerical targets or necessarily implement the strategies outlined.

Nabtesco Corporation
(Unaudited)

(1) Third Quarter Consolidated Balance Sheets

(Million yen; amounts less than one million yen are omitted / %)

	3rd Quarter of Term Ending March 31, 2006	3rd Quarter of Term Ending March 31, 2005	Increase (Decrease)	Rate of Change (%)	March 31, 2005 (Reference)
<Assets>					
Current assets	77,029	73,359	3,669	5.0	75,161
Cash and time deposits	12,295	11,512	782	6.9	14,353
Notes and accounts receivable	42,982	42,508	474	1.1	43,025
Inventories	18,222	16,079	2,142	13.3	14,158
Other current assets	3,529	3,259	270	8.3	3,623
Fixed assets	61,488	57,885	3,603	6.2	58,440
Property, plant and equipment	41,818	41,900	(82)	(0.2)	41,949
Intangible assets	1,301	1,943	(641)	(33.0)	1,791
Investments and other assets	18,368	14,041	4,326	30.8	14,699
Total assets	138,518	131,245	7,272	5.5	133,602
<Liabilities>					
Current liabilities					
Trade notes and accounts payable	27,508	28,390	(881)	(3.1)	27,580
Short-term bank loans	15,635	15,028	607	4.0	14,610
Other current liabilities	13,386	8,577	4,808	56.1	12,041
Total	56,530	51,996	4,534	8.7	54,232
Long-term liabilities					
Long-term loans	3,533	10,489	(6,956)	(66.3)	10,428
Other long-term liabilities	14,289	13,676	612	4.5	13,098
Total	17,822	24,165	(6,343)	(26.2)	23,526
Total liabilities	74,352	76,161	(1,808)	(2.4)	77,759
<Minority interests>					
Minority interests	3,547	3,345	202	6.0	3,371
<Shareholders' equity>					
Capital stock	10,000	10,000	-	-	10,000
Capital surplus	17,709	17,709	0	0.0	17,709
Earned surplus	28,365	22,527	5,838	25.9	23,172
Net unrealized gains on securities	5,614	2,560	3,053	119.3	2,880
Translation adjustments	(793)	(928)	134	(14.5)	(1,128)
Treasury stock, at cost	(278)	(130)	(147)	112.9	(162)
Total shareholders' equity	60,617	51,737	8,879	17.2	52,471
Total liabilities, minority interests and shareholders' equity	138,518	131,245	7,272	5.5	133,602

Nabtesco Corporation
(Unaudited)

(2) Third Quarter Consolidated Statements of Income

(Million yen; amounts less than one million yen are omitted / %)

	Current Year 3rd Quarter (From April 1, 2005 to December 31, 2005)	Previous Year 3rd Quarter (From April 1, 2004 to December 31, 2004)	Increase (Decrease)	Rate of Change (%)	FY2004 (Reference) (Apr.2004-Mar.2005)
Net sales	106,687	101,077	5,610	5.6	137,960
Cost of sales	79,852	76,994	2,858	3.7	105,227
Gross profit	26,834	24,083	2,751	11.4	32,733
Selling, general and administrative expenses	15,714	15,677	37	0.2	21,446
Operating income	11,120	8,406	2,714	32.3	11,287
Non-operating income	627	1,192	(564)	(47.4)	849
Non-operating expenses	751	642	109	17.0	829
Ordinary income	10,996	8,956	2,040	22.8	11,306
Extraordinary gains	622	201	421	209.8	864
Extraordinary losses	468	1,427	(958)	(67.2)	2,945
Pretax net income for the quarter or term	11,150	7,729	3,420	44.3	9,225
Corporate, resident and business taxes	4,548	2,604	1,944	74.7	3,337
Minority interest income	212	153	59	38.4	262
Net income for the quarter or term	6,389	4,971	1,417	28.5	5,625

Nabtesco Corporation
(Unaudited)

(3) Third Quarter Consolidated Statements of Cash Flows

(Million yen; amounts less than one million yen are omitted)

	Current Year 3rd Quarter (From April 1, 2005 to December 31, 2005)	Previous Year 3rd Quarter (From April 1, 2004 to December 31, 2004)	FY2004 (Reference) (Apr.2004-Mar.2005)
I Cash flows from operating activities			
Net income before income taxes and adjustments	11,150	7,729	9,225
Depreciation and amortization	3,367	3,416	4,545
Other	(4,016)	(2,867)	(91)
Subtotal	10,501	8,278	13,679
Income taxes paid	(2,410)	(2,670)	(2,369)
Other	(137)	(198)	(207)
Net cash and cash equivalents provided by operating activities	7,953	5,409	11,102
II Cash flows from investing activities			
Purchases of property, plant and equipment	(3,690)	(3,109)	(4,494)
Proceeds from sale of property, plant and equipment	204	1,335	1,551
Other	552	(432)	(1,626)
Net cash and cash equivalents used in investing activities	(2,933)	(2,206)	(4,569)
III Cash flows from financing activities			
Decrease in short-term bank loans	(329)	34	(251)
Proceeds from long-term loans	-	3,000	3,000
Repayment of long-term loans	(5,607)	(4,377)	(4,506)
Repayments of debentures	-	(5,000)	(5,000)
Cash dividends paid	(1,186)	(973)	(973)
Other	(114)	(49)	(77)
Net cash and cash equivalents provided by financing activities	(7,237)	(7,365)	(7,808)
IV Effect exchange rate changes on cash and cash equivalents	112	53	19
V Increase or decrease in cash and cash equivalents	(2,104)	(4,109)	(1,256)
VI Cash and cash equivalents at beginning of year	14,035	14,476	14,476
VII Increase in cash and cash equivalents from newly consolidated company	20	815	815
VIII Cash and cash equivalents at end of year	11,951	11,182	14,035

(4) Segment Information**Nabtesco Corporation**
(Unaudited)**[Segment Information by Business Category]****Current Quarter Year (Third Quarter of Fiscal Year 2005)**

(Million yen: amounts less than one million yen are omitted)

	Precision Equipment	Transport Equipment	Aircraft and Oil Hydraulic Equipment	Industrial Equipment	Total	Eliminations and general corporate assets	Consolidated
Net sales							
(1) External sales	25,462	26,787	29,115	25,321	106,687	-	106,687
(2) Intersegment net sales or transfer	34	342	523	252	1,152	(1,152)	-
Total	25,497	27,130	29,638	25,574	107,840	(1,152)	106,687
Operating expenses	20,761	24,787	27,816	23,354	96,719	(1,152)	95,567
Operating Income	4,735	2,342	1,822	2,220	11,120	-	11,120

Previous Quarter Year (Third Quarter of Fiscal Year 2004)

(Million yen: amounts less than one million yen are omitted)

	Precision Equipment	Transport Equipment	Aircraft and Oil Hydraulic Equipment	Industrial Equipment	Total	Eliminations and general corporate assets	Consolidated
Net sales							
(1) External sales	23,883	26,562	25,736	24,894	101,077	-	101,077
(2) Intersegment net sales or transfer	29	237	914	416	1,598	(1,598)	-
Total	23,912	26,800	26,651	25,311	102,675	(1,598)	101,077
Operating expenses	20,065	25,082	25,726	23,394	94,269	(1,598)	92,671
Operating Income	3,846	1,717	924	1,916	8,406	-	8,406

(Reference) Fiscal Year 2004 (From April 1, 2004 to March 31, 2005)

(Million yen: amounts less than one million yen are omitted)

	Precision Equipment	Transport Equipment	Aircraft and Oil Hydraulic Equipment	Industrial Equipment	Total	Eliminations and general corporate assets	Consolidated
Net sales							
(1) External sales	32,648	35,807	34,272	35,232	137,960	-	137,960
(2) Intersegment net sales or transfer	40	314	1,171	566	2,092	(2,092)	-
Total	32,688	36,121	35,444	35,798	140,052	(2,092)	137,960
Operating expenses	27,589	33,944	34,660	32,571	128,765	(2,092)	126,673
Operating Income	5,099	2,177	783	3,227	11,287	-	11,287

<Reference>
[Segment Information by Business Category]

Current Quarter Year (Third Quarter of FY2005) results and forecast for FY2005

(Million yen: amounts less than one million yen are omitted)

	FY2005 First Quarter From April 1, 2005 to June 30, 2005	FY2005 Interim From April 1, 2005 to September 30, 2005	FY2005 Third Quarter From April 1, 2005 to December 31, 2005	FY2005 Full Year From April 1, 2005 to March 31, 2006
Net sales				
Precision Equipment	8,937	18,076	25,462	35,400
Transport Equipment	8,738	17,880	26,787	37,700
Aircraft and Oil Hydraulic Equipment	8,742	18,961	29,115	39,800
Industrial Equipment	7,175	16,821	25,321	36,100
Total	33,594	71,739	106,687	149,000
Operating Income				
Precision Equipment	1,723	3,501	4,735	5,700
Transport Equipment	723	1,440	2,342	2,900
Aircraft and Oil Hydraulic Equipment	301	966	1,822	1,800
Industrial Equipment	372	1,431	2,220	3,400
Total	3,120	7,340	11,120	13,800

Previous Year (FY2004) results

(Million yen: amounts less than one million yen are omitted)

	FY2004 First Quarter From April 1, 2004 to June 30, 2004	FY2004 Interim From April 1, 2004 to September 30, 2004	FY2004 Third Quarter From April 1, 2004 to December 31, 2004	FY2004 Full Year From April 1, 2004 to March 31, 2005
Net sales				
Precision Equipment	7,724	15,099	23,883	32,648
Transport Equipment	8,231	17,241	26,562	35,807
Aircraft and Oil Hydraulic Equipment	8,960	17,533	25,736	34,272
Industrial Equipment	6,713	16,664	24,894	35,232
Total	31,630	66,538	101,077	137,960
Operating Income				
Precision Equipment	1,309	2,321	3,846	5,099
Transport Equipment	362	864	1,717	2,177
Aircraft and Oil Hydraulic Equipment	448	675	924	783
Industrial Equipment	164	1,381	1,916	3,227
Total	2,284	5,242	8,406	11,287