This document is a translation of the Japanese financial statements and is not in conformity with accounting principles of the United States.

Nabtesco Corporation

Summary of Financial Statements for the Year ended March 31, 2007

May 8, 2007

Name of Listed Company: Nabtesco Corporation
Code Number: 6268
Stock listed on: the First Section of the Tokyo Stock Exchange
URL http://www.nabtesco.com
Representative: Title: President & CEO Name: Kazuyuki Matsumoto
Inquiries: Title: Director and General Manager, General Administration & Human Resource Div. Name: Shuichi Nakamura Tel. (03) 3578-7070

Scheduled Date of Annual Shareholders Meeting: June 26, 2007
Scheduled Date of Issue of Financial Report: June 27, 2007
Scheduled Date of Dividend Paid: June 27, 2007

1. Consolidated Operating Results for FY2006 (From April 1, 2006 to March 31, 2007)

(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	%
Fiscal year ended March 31, 2007	161,444	9.5	16,427	10.8	14,481	28.1	9,783	19.1
Fiscal year ended March 31, 2006	147,427	6.9	14,828	31.4	11,306	33.4	8,211	46.0

	Net income per share	Diluted net income per share	Return on shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2007	77.10	77.02	14.3	10.9	10.2
Fiscal year ended March 31, 2006	64.05	63.95	14.1	10.3	10.1

(Notes) Investment profit/loss on equity method:
Fiscal year ended March 31, 2007 404 million yen Fiscal year ended March 31, 2006 (100) million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2007	163,223	77,109	44.8	575.19
Fiscal year ended March 31, 2006	146,894	64,189	43.7	505.59

(Note) Shareholders' equity:
Fiscal year ended March 31, 2007 73,053 million yen Fiscal year ended March 31, 2006 – million yen

(3) 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
Fiscal year ended March 31, 2007	8,293	(6,941)	6,134	26,188
Fiscal year ended March 31, 2006	16,405	(4,896)	(7,273)	18,496

2. Dividends

	Dividends per share			Total dividends paid (Annual)	Payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	Interim	Year-end	Annual			
	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2007	7.00	7.00	14.00	1,778	18.2	2.6
Fiscal year ended March 31, 2006	5.00	7.00	12.00	1,521	18.7	2.6
Fiscal year ending March 31, 2008 (Forecast)	8.00	8.00	16.00		20.3	

3. Forecast of Consolidated Operating Results for FY2007 (From April 1, 2007 to March 31, 2008)

	Net sale		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	83,000	6.5	8,450	3.5	8,700	3.2	4,700	(2.0)	37.01
Fiscal year	165,000	2.2	17,500	6.5	18,000	6.7	10,000	2.2	78.73

4. Others

(1) Changes in significant subsidiaries during the fiscal year (Changes in specified subsidiaries associated with change in scope of consolidation): None

(2) Changes in accounting principles, accounting procedures and presentation methods related to preparation of consolidated financial statements (Changes to be stated in the section "Changes in significant matters providing the basis for preparing consolidated financial statements")

a. Changes involving amendments and revisions to accounting standards: Yes

b. Changes other than those included in the above a.: None

(3) Shares outstanding (Common shares)

a. Shares outstanding at fiscal year end (including treasury stocks)

Fiscal year ended March 31, 2007 127,212,607 shares Fiscal year ended March 31, 2006 127,212,607 shares

b. Treasury stocks at fiscal year end

Fiscal year ended March 31, 2007 203,914 shares Fiscal year ended March 31, 2006 420,008 shares

[Reference] Overview of Non-Consolidated Operating Results

1. Non-Consolidated Operating Results for FY2006 (From April 1, 2006 to March 31, 2007)

(1) Non-Consolidated Operating Results

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2007	121,607	12.3	11,532	1.4	12,215	4.3	7,078	(4.7)
Fiscal year ended March 31, 2006	108,285	105.1	11,371	141.1	11,709	148.9	7,425	297.6

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2007	55.78	55.72
Fiscal year ended March 31, 2006	58.11	58.01

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2007	139,615	60,591	43.4	477.04
Fiscal year ended March 31, 2006	124,488	54,782	44.0	431.63

(Note) Shareholders' equity:

Fiscal year ended March 31, 2007 60,591 million yen Fiscal year ended March 31, 2006 – million yen

2. Forecast of Non-Consolidated Operating Results for FY2007 (From April 1, 2007 to March 31, 2008)

	Net sale		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	62,500	7.9	6,050	5.6	6,450	6.3	4,600	45.8	36.22
Fiscal year	124,000	2.0	12,700	10.1	13,500	10.5	9,000	27.1	70.86

(Caution concerning forward-looking statements about the future performance)

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.

1. Consolidated Operating Results

1. Breakdown of Consolidated Operating Results

(1) Summary of operating results for the fiscal year ended March 2007

[Overview]

The Japanese economy in the fiscal year ended March 2007 continued a gradual recovery, reflecting brisk exports, increased private capital investment, and improved employment situations, although the prices of oil and raw materials kept hovering near record-high levels and there were concerns over rising interest rates.

The business environment surrounding the Nabtesco Group remained robust, helped by revitalized capital spending in the railroad vehicle sector, with both JR and private railway companies renewing their trains, recovery in the aircraft sector, and a strong demand in the construction machinery sector.

In such an environment, towards the achievement of the targets set for the second fiscal year under the Mid-Term Business Plan of the Group, we have been aggressively committed to the creation of new markets both at home and abroad and marketing new products. This included full-scale delivery of the high-speed train project on existing tracks in China, receipt of a large-scale order for a flight control system for civil aviation, and promotion of sales of wind turbine generator drive units, a new line of our hydraulic equipment business.

Furthermore, we strove to reduce costs by improving the product lines of plants, including the Tsu plant, promoting increased productivity, and expanding overseas procurement.

As a result, consolidated sales for the fiscal year ended March 2007 increased by 9.5% from the previous year to ¥161.4 billion, consolidated ordinary profit increased by 16.5% to ¥16.8 billion, and consolidated net profit increased by 19.1% to ¥9.7 billion.

Operating results by business segment are as follows:

[Precision equipment business]

In the precision equipment business, sales decreased by 13.8% from the previous term to ¥29.5 billion and operating profit decreased by 38.6% from the previous term to ¥3.5 billion.
Sales of precision reduction gears for machine tools remained robust, while those of precision reduction gears for industrial robots, one of our main products declined as automobile manufacturers underwent capital spending adjustments. Combined with additional depreciation expenses due to the launching of a new plant and increased development costs, both sales and profit from this segment declined.

[Transport equipment business]

In the transport equipment business, sales increased by 21.9% from the previous term to ¥45.7 billion and operating profit increased 55.9% from the previous term to ¥5.4 billion.
With respect to railroad vehicle products, both the production volume and orders for repair parts increased in the domestic market, supported by brisk train renewals of conventional railway lines at both public and private railway companies, as well as JR companies. In the overseas market, sales of brake systems and door equipment substantially increased, due to a rise in production of high-speed trains for China.
In the automobile-related business, domestic demand was on a downward trend as the special

replacement demand to respond to emission control on trucks came to an end, while overseas production and automobile exports increased. As a result, sales at the level of the previous term were secured in this period.
With respect to marine vessel engine remote control systems, earnings increased as the total number of newly built ships around the world was at an all-time high.

[Aircraft and oil hydraulic equipment business]

In the aircraft and oil hydraulic equipment business, sales increased by 26.4% from the previous term to ¥50 billion and operating profit increased by 53.7% from the previous term to ¥3.4 billion.
In the wake of recovery in the civil aviation sector, sales of aircraft equipment rose, backed by an increase in aircraft production at Boeing.
In oil hydraulic equipment, traveling units and valves remained brisk and posted increased sales thanks to high-level demand for hydraulic shovels and mini excavators around the globe. In addition, sales of wind turbine generator drive units also increased, reflecting the expanding market for wind-power generation.

[Industrial equipment business]

In the industrial equipment business, sales increased by 0.3% from the previous term to ¥36.1 billion and operating profit increased by 19.8% from the previous term to ¥3.9 billion.
In the automatic doors-related business, sales of general-purpose doors, one of our main products, increased through enhanced promotion and a sales-expansion campaign, though domestic production volume hovered at the same level as the previous term. Meanwhile, sales of platform screen doors declined in the post-boom period of private capital expenditures.
In the industrial machine business, sales of machine tools decreased due to declining capital investment in the automobile industry. Furthermore, sales of automatic packaging machines for the beverage/prepared food increased, while sales of those for retort food, our main products, decreased. On balance, sales of automatic packaging machines remained at the same level as the previous term.

(2) Forecast for fiscal 2007

The Japanese economy is expected to expand at a healthy pace with brisk domestic economic conditions, including private capital spending remaining strong and a roaring Chinese market. However, there are concerns that factors such as uncertainties in the trend of the U.S. economy and developments in exchange rates might adversely affect the economy.

The business environment surrounding the Group is expected to remain in a sound condition, as capital spending by automobile manufacturers who are the main users of industrial robots is now on the recovery track. Robust domestic demand for train renewals in the area of railroad vehicle products, as well as brisk demand for construction machinery, both in the domestic and overseas markets, is expected to continue.

Under these circumstances, the Group will commit itself to aggressive developments of both domestic and international markets and marketing of new products, toward achievement of the goals for the final year (FY 2007) as defined in the Mid-Term Business Plan.

Furthermore, we will promote establishment of the best production system, improvements in productivity and human-resource development, aiming for further increase in profitability, and engage in efforts to strengthen our business structure to provide a basis for achieving our long-term vision.

Business outlook by segment is outlined in the following section:

[Precision equipment business]

Expected sales and operating profit in the precision equipment business are ¥31 billion and ¥4.3 billion, respectively.
Both sales and profit are anticipated to grow, due to a pickup in capital spending of automobile manufacturers, who are main users of industrial robots and brisk demand for precision reduction gears for machine tools.

[Transport equipment business]

Expected sales and operating profit in transport equipment business are ¥46 billion and ¥5.6 billion, respectively.
Sales are anticipated to rise, helped by a brisk domestic demand for train renewals in the area of railroad vehicle products.
Sales are anticipated to decline in equipment for commercial vehicles, while in marine propulsion control systems, earnings are anticipated to increase as the number of newly built ships is expected to remain high on a global scale.

[Aircraft and oil hydraulic equipment business]

Expected sales and operating profit in aircraft and oil hydraulic equipment business are ¥53 billion and ¥3.7 billion, respectively.
Sales are anticipated to increase in the area of aircraft, buoyed by the increased number of aircraft produced in the civil aviation sector.
Both sales and operating profit are anticipated to rise in oil hydraulic equipment, with robust construction-machinery markets both at home and abroad, as well as continued growth of the domestic market of and increased orders from overseas for wind turbine generator drive units.

[Industrial equipment business]

Expected sales and operating profit in industrial equipment business are ¥35 billion and ¥3.9 billion, respectively.
Sales of automatic-door-related products will increase with the expanded share, and sales of food packaging machines are also anticipated to recover. Operating profit of industrial equipment business is anticipated to grow, though sales are anticipated to decline due to the disposal of an overseas subsidiary.

2. Breakdown of Financial Position

[Consolidated Financial Position FY2006]

Total assets increased by ¥16.3 billion to ¥163.2 billion, due to ¥7.6 billion in increase in funds on hand, ¥1.7 billion increase in inventory, and market value increase in investment securities, etc. Bonds payable and debts increased by ¥7.7 billion to ¥26.9 billion.

[Consolidated Cash Flows FY2006]

Cash flows from operating activities, investment activities and financing activities were plus ¥8.2 billion, minus ¥6.9 billion, and plus ¥6.1 billion, respectively.

[Forecast for Consolidated Financial Position at end of FY2007]

Total assets are expected to be ¥160.3 billion, due to repayment for debts with cash on hand, etc., and bonds payable and debts are expected to decrease by ¥3.7 billion to ¥23.1 billion.
Shareholders’ equity is projected to increase by ¥7.5 billion to ¥80.6 billion and this will make the

equity ratio 50.3%.

[Consolidated Cash Flows for FY2007]

Cash flows from operating activities, investment activities and financing activities are expected to be plus ¥16.7 billion, minus ¥7.2 billion, and minus ¥5.7 billion, respectively. The cash flow from financing activities reflects effects of repayment for debts.

3. Basic Policy on Return of Profit to Shareholders and Dividend Payments for the Current and Following Fiscal Years

The Company intends to maintain its basic policy of a stable and sustainable dividend payout to shareholders according to the level of the Group's overall income, balancing with the accumulation of internal reserve for increasing future corporate value.

The internal reserve will be invested in strategic investments leading to the growth of the Group and in the execution of a flexible capitalization program.

Year end dividend payment is planned to be ¥7 per share. Accordingly, the annual dividend is increased by ¥2 from the previous year to ¥14 per share.

The annual dividend for fiscal 2007 is planned to increase by ¥2 from the current period to ¥16 per share (interim dividend payment of ¥8 per share and year end dividend payment of ¥8 per share).

We will maintain the schedule for dividends as before with the record dated at the end of the interim period and at the end of the period.

4. Risk Factors relating to Nabtesco Group and its Business

(1) Fluctuations in exchange rates

The Group's overseas sales account for 23.3% in this period, and although the exchange risk of overseas sales in domestic business is hedged through forward markets, performance of the Group is affected by the exchange rate. Performances of overseas subsidiaries are also influenced by the exchange rate when their figures are translated into Japanese yen.

(2) Risks associated with product quality

The Group manufactures each product in accordance with the carefully planned quality control standards to detect any defects in products. However, there is no guarantee that all products are free from all defects, possible recall, or are free from issues of product liability in the future. Product defects leading to a recall or product liability may cause a large amount of cost and negatively affect the Group's financial position and performance.

(3) Important lawsuits

There is always a risk that a lawsuit may be filed against Nabtesco Group or that it may be subject to legal proceedings in Japan or abroad. To correspond to such legal risk, the Company established a system in which the Legal Department and the Intellectual Property Department manage legal risks and report to the Board of Directors or the Board of Auditors if necessary. There was no lawsuit that might have substantially affected the Group's businesses in fiscal 2006. If such a lawsuit were to be filed in the future, however, this may materially affect the Group's operating results and financial position.

(4) Intellectual properties

The Group utilizes intellectual property rights and licenses in possession or acquired for operation of business activities. Upon expiration of those rights or licenses, competitors might enter the market, which may bring adverse effects on the Group’s performance.

2. Management Policy

1. Management Principles

The Nabtesco Group established its Corporate Philosophy in May 2005, and under this corporate philosophy, has set up the Long-term Vision and developed its introductory implementation program, the "Mid-Term Business Plan," which covers the period from fiscal 2005 to fiscal 2007.

[Corporate Philosophy]

> The Nabtesco Group, with our unique motion control technology, will provide safety, comfort and a sense of security in daily lives as well as any form of transportation.

[Long-term Vision]

> Global company group growing with society
> -Challenge, Creation and Progress to higher stage-
>
> [Management targets at the end of fiscal 2014]
>
> Net sales: ¥220,000 million
> Operating income to sales: 15%
> Return on equity (ROE): 15% or more

[Mid-Term Management Principles]

1) Creation of new products and new businesses

   We will address as an important issue the creation of new products and new businesses based on our strengthened and evolved motion control technologies, and will concentrate on the launch of products and businesses, which will be a source of profit as targeted in the Long-Term Vision.

2) Strengthening of profitability of existing businesses

   We will actively invest in businesses with high profitability and high growth-potential, and will work on the strengthening of superiority, and the overcoming of weakness, of each business.

3) Aggressive penetration into overseas markets

   We will make aggressive penetration into overseas markets. Specifically, we will focus on business development in Chinese and European markets positioning China as a promising market where long-term growth can be expected and Europe as an important market for our products.

4) CSR-conscious management

   We will carry out stakeholder (i.e., shareholders, business partners, employees, and society) conscious management. We will also respect and comply with local laws, regulations, cultures, etc., and will conduct business with high ethical standards. Further, we will focus on environmental concerns.

5) Reforming the organizational climate

We will establish a system to promote a “group-wide optimum” through efficient and effective personnel allocation. We will also prioritize the development of technology-related human resources, as well as overseas staff, from a long-term perspective.

2. Targeted Management Indices

The Company has established financial targets under the Mid-Term Business Plan for the period from fiscal 2005 to fiscal 2007 as follows:

1) Growth with profits

Net sales for fiscal 2007: ¥155,000 million
Net income for fiscal 2007: ¥9,500 million

2) Improvement of efficiency

Return on asset (ROA) as of March 31, 2008: 8%
Return on equity (ROE) as of March 31, 2008: 15%

3) Strengthening of financial position

Accumulated free cash flow in three years: ¥25,000 million

The targeted figures for sales and net profit among the management indices listed above were achieved in fiscal 2006. As earnings forecast for fiscal 2007, sales of ¥165 billion and net profit of ¥10 billion are anticipated. In addition, an ROA of 6.2%, an ROE of 13.0%, and a three-year accumulated free cash flow of ¥22.3 billion are anticipated.

3. Mid/Long-Term Management Strategy

In order to realize its Mid-Term Business Plan, the Company considers 1) Overseas strategy, 2) Technology strategy, 3) Manufacturing strategy, and 4) Human resource strategy as the Group’s major strategies. The Company will strive to plan and execute the necessary measures, and to establish and implement systems and schemes as follows.

1) Overseas strategy

As most of the domestic market of our existing business is already saturated, we will promote development and expansion of overseas markets. Specifically, China and Europe are considered to be strategically important areas and the Company will conduct aggressive business activities in those regions, including penetrating and expanding markets, and establishment of procurement and production bases.

2) Technology strategy

We will establish a system enabling the sharing of technical needs and seeds of all Group companies in order to strengthen and evolve the Group’s motion control technology, and will also enhance our core technologies to create new business and products.

3) Manufacturing strategy

We will further strive to promote further improvement in manufacturing efficiency through reinforcing group-wide federated manufacturing functions and setting up a scheme to foster and establish employees to promote improvement.

4) Human resource strategy

We will endeavor to develop each employee's capacity through human resource development corresponding to the needs and motivation for improvement of their careers, promote overall improvement of employees' capabilities, and strive to develop globally competent employees.

4. Issues Requiring Responses from the Company

[Business deployment]

The most important current assignment is to make all efforts in accomplishing the Mid-term Management Strategy.
In recognition of the maturation of existing businesses, we will take advantage of and reorganize the Group's resources for the fosterage of new business and the development of new products, in order to shift our business portfolio to areas with high growth potential.
At the same time, we will actively focus on strengthening price competitiveness and developing new markets, because maintaining and enhancing the competitive edge of existing businesses is essential for stable profitability.

[Improvement in financial position]

We will strive to improve the profitability of each business, and at the same time, endeavor to pursue the contraction and effective utilization of capital use by promoting the reduction of inventories and enhancing efficiency of funds operation through a centralized control system (cash-pool system) of the Group's funds.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

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

	FY2005 (As of Mar.31, 2006)	FY2006 (As of Mar. 31, 2007)	Increase (Decrease)
<Assets>			
Current assets			
Cash and time deposits	18,840	26,534	7,693
Notes and accounts receivable	43,340	47,249	3,908
Inventories	16,363	18,087	1,724
Deferred income taxes	3,507	2,919	(587)
Other current assets	721	1,052	330
Allowance for doubtful receivables	(272)	(218)	54
Total	**82,501**	**95,625**	**13,124**
Fixed assets	**64,393**	**67,597**	**3,204**
(1) Property, plant and equipment			
Buildings and structures	14,682	16,383	1,700
Machinery and equipment	9,122	9,475	353
Tools, furniture and fixtures	2,332	2,461	128
Land	14,476	14,477	1
Construction in progress	1,320	811	(508)
Total	**41,934**	**43,610**	**(1,675)**
(2) Intangible assets			
Total	**1,257**	**1,074**	**(182)**
(3) Investments and other assets			
Investments in securities	18,549	21,086	2,537
Deferred income taxes	403	393	(9)
Other investments and other assets	2,565	1,668	(896)
Allowance for doubtful receivables	(315)	(235)	79
Total	**21,202**	**22,912**	**1,710**
Total assets	**146,894**	**163,223**	**16,329**

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

	FY2005 (As of Mar.31, 2006)	FY2006 (As of Mar. 31, 2007)	Increase (Decrease)
<Liabilities>			
Current liabilities			
Trade notes and accounts payable	28,017	29,452	1,435
Short-term bank loans	8,793	12,437	3,643
Current potion of long-term loans	6,905	484	(6,420)
Income taxes payable	5,820	2,461	(3,359)
Reserve for product guarantee	-	791	791
Reserve for losses on land improvements	1,158	914	(244)
Other current liabilities	9,442	10,556	1,114
Total	**60,137**	**57,098**	**(3,093)**
Long-term liabilities			
Bonds	-	11,000	11,000
Long-term loans	3,488	3,004	(484)
Retirement allowance	12,600	11,489	(1,111)
Reserve for directors' retirement accounts	226	281	55
Deferred tax liabilities	1,887	2,337	449
Negative goodwill	-	361	361
Other long-term liabilities	599	541	(58)
Total	**18,803**	**29,015**	**10,211**
Total liabilities	**78,941**	**86,113**	**7,172**
<Minority interests>			
Minority interests	3,763	-	-
<Shareholders' equity>			
Capital stock	10,000	-	-
Capital surplus	17,710	-	-
Earned surplus	30,387	-	-
Net unrealized gains on securities	6,995	-	-
Translation adjustments	(582)	-	-
Treasury stock, at cost	(321)	-	-
Total shareholders' equity	**64,189**	**-**	**-**
Total liabilities, minority interests and shareholders' equity	**146,894**	**-**	**-**
<Net assets>			
Shareholders' equity	-	65,679	-
Capital stock	-	10,000	-
Capital surplus	-	17,583	-
Earned surplus	-	38,304	-
Treasury stock	-	(209)	-
Valuation and translation adjustments	-	7,374	-
Net unrealized gains on securities	-	7,498	-
Translation adjustments	-	(124)	-
Minority interests	-	4,056	-
Total net assets	**-**	**77,109**	**-**
Total liabilities and net assets	**-**	**163,223**	**-**

(2) Consolidated Statements Income

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

	FY2005 (Apr. 2005-Mar.2006)	FY2006 (Apr. 2006-Mar.2007)	Increase (Decrease)
Net sales	**147,427**	**161,444**	**14,017**
Cost of sales	111,541	123,639	12,098
Gross profit	**35,885**	**37,804**	**1,918**
Selling, general and administrative expenses	21,057	21,377	319
Operating income	**14,828**	**16,427**	**1,599**
Non-operating income			
Interest income	40	87	47
Dividend income	115	196	80
Rents income	248	234	(14)
Equity in earnings of an affiliate	-	404	404
Foreign exchange income	6	-	(6)
Other non-operating income	183	214	31
Total	**594**	**1,138**	**543**
Non-operating expenses			
Interest expenses	342	260	(81)
Loss on disposal of inventories	266	99	(167)
Equity in losses of an affiliate	100	-	(100)
Foreign exchange loss	-	129	129
Other non-operating expenses	231	207	(23)
Total	**941**	**696**	**(244)**
Ordinary income	**14,481**	**16,869**	**2,387**
Extraordinary gains			
Gain on sales of fixed assets	63	24	(38)
Gain on sales of investment securities	0	34	34
Gain on sales of securities of an affiliate	539	-	(539)
Gain on sales of investments for an affiliate	22	-	(22)
Gain on transfer of an affiliate	-	150	150
Reversal of allowance for doubtful accounts	40	45	4
Total	**666**	**254**	**(412)**
Extraordinary losses			
Loss on disposal of fixed assets	214	337	123
Loss on sales of investment securities	0	-	(0)
Loss on sales of securities of an affiliate	-	85	85
Loss on sales of golf membership rights	-	7	7
Write-down of golf membership rights	3	1	(2)
Loss on countermeasure for environmental preservation	134	-	(134)
Liquidation losses for an affiliate	506	-	(506)
Total	**859**	**432**	**(427)**
Net income before income taxes	**14,288**	**16,691**	**2,402**
Corporate, resident and business taxes	6,998	5,433	(1,565)
Adjustment for corporate and other taxes	(1,277)	782	2,060
Minority interest income	355	691	335
Net income	**8,211**	**9,783**	**1,572**

(3) Consolidated Statements of Change in Net Assets

Fiscal Year ended March 31, 2007 (From April 1, 2006 to March 31, 2007)

(Million yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Earned surplus	Treasury stock	
Balance at March 31, 2006	10,000	17,710	30,387	(321)	57,776
(Changes during the year)					
Cash dividends			(1,776)		(1,776)
Bonuses to directors			(85)		(85)
Net income			9,783		9,783
Acquisition of treasury stock				(155)	(155)
Disposal of treasury stock		(71)		267	196
Transfer to statutory capital of overseas subsidiary			(3)		(3)
Change in scope of consolidation		(55)			(55)
Changes (net) in accounts other than shareholders' equity					-
Total changes during the year	-	(127)	7,917	112	7,902
Balance at March 31, 2007	10,000	17,583	38,304	(209)	65,679

(Million yen)

	Valuation/translation adjustments, etc.			Minority interests	Net assets total
	Net unrealized gains on securities	Translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2006	6,995	(582)	6,412	3,763	67,953
(Changes during the year)					
Cash dividends					(1,776)
Bonuses to directors					(85)
Net income					9,783
Acquisition of treasury stock					(155)
Disposal of treasury stock					196
Transfer to statutory capital of overseas subsidiary					(3)
Change in scope of consolidation					(55)
Changes (net) in accounts other than shareholders' equity	503	458	961	292	1,253
Total changes during the year	503	458	961	292	9,156
Balance at March 31, 2007	7,498	(124)	7,374	4,056	77,109

(4) Consolidated Statements of Cash Flows

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

	FY2005 (Apr.1, 2005-Mar.31, 2006)	FY2006 (Apr.1, 2006-Mar.31, 2007)	Increase (Decrease)
Ⅰ Cash follows from operating activities			
Net income before income taxes and adjustments	14,288	16,691	2,402
Depreciation and amortization	4,575	4,896	321
Amortization of cost in excess of net book values of consolidated subsidiaries	37	-	(37)
Amortization of goodwill	-	0	0
Decrease in allowance for doubtful receivables	(59)	(131)	(71)
Increase (decrease) in retirement benefits of employees	313	(1,025)	(1,338)
Increase in directors' retirement allowance	15	55	40
Interest and dividend income	(156)	(284)	(128)
Interest expense	342	260	(81)
Foreign exchange gain or loss	(6)	(3)	3
Equity in losses (earnings) of an affiliate	100	(404)	(505)
Gain on sales of fixed assets	(63)	(24)	38
Loss on disposal of fixed assets	214	337	123
Gain on sales of securities of an affiliate	(539)	-	539
Loss on sales of securities of an affiliate	-	85	85
Gain on sales of investments for an affiliate	(22)	-	(22)
Gain on sales of investment marketable securities	(0)	(34)	(34)
Loss on sales of investment securities	0	-	(0)
Loss on sales of golf membership rights	-	7	7
Write-down of golf membership rights	3	1	(2)
Gain on transfer of an affiliate	-	(150)	(150)
Loss on countermeasure for environmental preservation	134	-	(134)
Liquidation losses for affiliate	506	-	(506)
Decrease (increase) in notes and accounts receivable	336	(3,036)	(3,373)
Increase in inventories	(1,990)	(1,459)	530
Decrease (increase) in other assets	789	(320)	(1,109)
Increase in notes and accounts payable	58	1,166	1,108
Increase (decrease) in consumption taxes payable	(197)	170	368
Increase in other liabilities	612	344	(268)
Bonuses to director	(80)	(89)	(8)
Subtotal	19,211	17,052	(2,158)
Interest and dividends received	203	325	121
Interest paid	(383)	(291)	92
Income taxes paid	(2,625)	(8,793)	(6,167)
Net cash and cash equivalents provided by operating activities	**16,405**	**8,293**	**(8,112)**
Ⅱ Cash flows from investing activities			
Increase in time deposit	(37)	(1)	35
Decrease in time deposit	12	-	(12)
Purchases of property, plant and equipment	(5,260)	(6,261)	(1,000)
Proceeds from sale of property, plant and equipment	299	130	(168)
Purchases of intangible assets	(136)	(250)	(113)
Proceeds from sale of investments securities	10	-	(10)
Purchases of investment in securities	(402)	(1,023)	(620)
Proceeds from sale of investment securities	1	43	42
Purchase of subsidiary and affiliate stocks	-	(389)	(389)
Proceeds from sales of securities and investments of affiliates	774	127	(646)
Proceeds from transfer of an affiliate	-	150	150
Payment of short-term loans	(48)	-	48
Proceeds from repayment of short-term loans	14	18	3
Expenses from other investing activities	(477)	(179)	298
Income from other investing activities	356	694	338
Net cash and cash equivalents used in investing activities	**(4,896)**	**(6,941)**	**(2,045)**
Ⅲ Cash flows from financing activities			
Increase (decrease) in short-term bank loans	(279)	3,925	4,204
Proceeds from long-term loans	3,000	-	(3,000)
Repayment of long-term loans	(8,692)	(6,905)	1,786
Proceeds from corporate bond issue	-	11,000	11,000
Payments for purchases of treasury stock	(160)	(155)	4
Proceeds from sales of treasury stock	3	196	192
Cash dividends paid	(1,078)	(1,776)	(698)
Cash dividends paid subsidiaries for minority	(65)	(149)	(83)
Net cash and cash equivalents provided by (used in) financing activities	**(7,273)**	**(6,134)**	**13,407**
Ⅳ Effect of exchange rate changes on cash and cash equivalents	**204**	**205**	**0**
Ⅴ Increase or decrease in cash and cash equivalents	**4,440**	**7,692**	**3,251**
Ⅵ Cash and cash equivalents at beginning of year	**14,035**	**18,496**	**4,461**
Ⅶ Increase in cash and cash equivalents from newly consolidated company	**20**	**-**	**(20)**
Ⅷ Cash and cash equivalents at end of year	**18,496**	**26,188**	**7,692**

Segment Information

(1) Segment Information by Business Category

Fiscal Year ended March 31, 2006 (From April 1, 2005 to March 31, 2006)

(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
Ⅰ Net sales and operating income							
Net sales							
(1) External sales	34,242	37,524	39,571	36,088	147,427	-	147,427
(2) Intersegment net sales or transfer	43	504	736	336	1,620	(1,620)	-
Total	**34,285**	**38,029**	**40,307**	**36,425**	**149,048**	**(1,620)**	**147,427**
Operating expenses	28,514	34,505	38,060	33,139	134,220	(1,620)	132,599
Operating Income	5,770	3,524	2,247	3,285	14,828	-	14,828
Ⅱ Assets, Depreciation and amortization and capital expenditure							
Assets	20,380	31,553	32,145	27,412	111,491	35,403	146,894
Depreciation and amortization	1,168	988	1,411	699	4,268	307	4,575
Capital expenditure	1,881	592	1,450	425	4,350	107	4,457

Notes: 1. Business segments above are based on the grouping used internally.

2. Main products by business sector

(1) Precision equipment business:	Precision reduction gears, precision actuators, three-dimensional rapid prototyping equipment, vacuum pumps, vacuum equipments and high-performance heat transfer device
(2) Transportation equipment business:	Railway brake systems, door operating system for railway vehicles, braking systems for commercial vehicles, marine main propulsion control systems
(3) Aircraft and oil hydraulic equipment business:	Aircraft equipments, oil hydraulic motor with reduction gear, yaw drives for wind turbines
(4) Industrial equipment business:	Automatic door units for buildings, automatic filler/sealer, forming machines, machine tools, automobile parts, moulds and jigs

3. All common expenses of operating expenses are allocated to each segment

4. Total assets in “eliminated or entire company” are ￥36,711 million. These include surplus operating fund in the group (cash and deposits) and long-term investments (investment securities, etc).

Fiscal Year ended March 31, 2007 (From April 1, 2006 to March 31, 2007)

(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
Ⅰ Net sales and operating income							
Net sales							
(1) External sales	29,532	45,725	50,003	36,183	161,444	-	161,444
(2) Intersegment net sales or transfer	27	435	749	298	1,511	(1,511)	-
Total	**29,559**	**46,161**	**50,753**	**36,482**	**162,956**	**(1,511)**	**161,444**
Operating expenses	26,016	40,667	47,298	32,545	146,528	(1,511)	145,017
Operating Income	3,542	5,493	3,454	3,936	16,427	-	16,427
Ⅱ Assets, Depreciation and amortization and capital expenditure							
Assets	22,406	33,212	36,480	27,554	119,654	43,568	163,223
Depreciation and amortization	1,385	938	1,640	605	4,569	326	4,896
Capital expenditure	3,087	1,001	2,195	505	6,790	247	7,037

Notes: 1. Business segments above are based on the grouping used internally.

2. Main products by business sector

(1) Precision equipment business:	Precision reduction gears, precision actuators, three-dimensional rapid prototyping equipment, vacuum pumps, vacuum equipments and high-performance heat transfer device
(2) Transportation equipment business:	Railway brake systems, door operating system for railway vehicles, braking systems for commercial vehicles, marine main propulsion control systems
(3) Aircraft and oil hydraulic equipment business:	Aircraft equipments, oil hydraulic motor with reduction gear, yaw drives for wind turbines
(4) Industrial equipment business:	Automatic door units for buildings, automatic filler/sealer, forming machines, machine tools, automobile parts, moulds and jigs

3. All common expenses of operating expenses are allocated to each segment

4. Total assets in “eliminated or entire company” are￥43,983 million. These include surplus operating fund in the group (cash and deposits) and long-term investments (investment securities, etc).

(2) Segment Information by Region

Fiscal Year ended March 31, 2006 (From April 1, 2005 to March 31, 2006)

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

	Japan	Asia	North America	Europe	Total	Eliminations and General Corporate Assets	Consolidated
Ⅰ Net sales and operating income							
Net sales							
(1) External sales	122,790	7,933	8,851	7,853	147,427	-	147,427
(2) Intersegment net sales or transfer	12,083	686	1,129	45	13,945	(13,945)	-
Total	134,873	8,619	9,980	7,898	161,373	(13,945)	147,427
Operating expenses	121,531	7,978	9,364	7,669	146,544	(13,945)	132,599
Operating Income	13,341	640	616	228	14,828	-	14,828
Ⅱ Assets	104,072	5,828	4,209	3,244	117,355	29,539	146,894

Notes: 1. Grouping of countries and regions is based on geographic adjacency.

2. Each geographic segment except Japan covers the following countries or regions:

(1) Asia: Indonesia, China, Thailand, South Korea and Singapore

(2) North America: U.S.A.

(3) Europe: Germany, and Holland

3. All common expenses of operating expenses are allocated to each

4. Total assets in "eliminated or entire company" are ¥36,771 million. These include surplus operating fund in the group (cash and deposits) and long-term investments (investment securities, etc).

Fiscal Year ended March 31, 2007 (From April 1, 2006 to May 31, 2007)

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

	Japan	Asia	North America	Europe	Total	Eliminations and General Corporate Assets	Consolidated
Ⅰ Net sales and operating income							
Net sales							
(1) External sales	134,645	12,038	8,500	6,260	161,444	-	161,444
(2) Intersegment net sales or transfer	12,538	1,273	1,839	80	15,731	(15,731)	-
Total	147,184	13,311	10,339	6,341	177,176	(15,731)	161,444
Operating expenses	133,085	11,930	9,611	6,121	160,748	(15,731)	145,017
Operating Income	14,099	1,380	728	219	16,427	-	16,427
Ⅱ Assets	113,587	6,538	4,427	2,191	126,745	36,478	163,223

Notes: 1. Grouping of countries and regions is based on geographic adjacency.

2. Each geographic segment except Japan covers the following countries or regions:

(1) Asia: Indonesia, China, Thailand, South Korea and Singapore

(2) North America: U.S.A.

(3) Europe: Germany, and Holland

3. All common expenses of operating expenses are allocated to each

4. Total assets in "eliminated or entire company" are ¥43,983 million. These include surplus operating fund in the group (cash and deposits) and long-term investments (investment securities, etc).

(3) Overseas Sales

Fiscal Year ended March 31, 2006 (From April 1, 2005 to March 31, 2006)

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

	Asia	North America	Europe	Other regions	Total
Overseas sales	14,412	10,755	9,732	439	35,340
Consolidated net sales					147,427
Composition to consolidated net sale	9.8	7.3	6.6	0.3	24.0

Notes: 1. Grouping of countries and regions is based on geographic adjacency.

2. Each geographic segment except Japan covers the following countries or regions:

(1) Asia: China, South Korea, India, Singapore and Indonesia

(2) North America: U.S.A.

(3) Europe: Germany, Great Britain, France, Italy and Holland

(4) Other: Australia and New Zealand

3. Overseas sales refer to the Company and its Group’s sales in countries or regions other than Japan.

Fiscal Year ended March 31, 2007 (From April 1, 2006 to March 31, 2007)

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

	Asia	North America	Europe	Other regions	Total
Overseas sales	18,114	10,707	8,468	406	37,697
Consolidated net sales					161,444
Composition to consolidated net sale	11.2	6.6	5.2	0.3	23.3

Notes: 1. Grouping of countries and regions is based on geographic adjacency.

2. Each geographic segment except Japan covers the following countries or regions:

(1) Asia: China, South Korea, India, Singapore and Indonesia

(2) North America: U.S.A.

(3) Europe: Germany, Great Britain, France, Italy and Holland

(4) Other: Australia and New Zealand

3. Overseas sales refer to the Company and its Group’s sales in countries or regions other than Japan.

Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

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

	FY2005 (As of Mar.31, 2006)	FY2006 (As of Mar. 31, 2007)	Increase (Decrease)
<Assets>			
Current assets			
Cash and time deposits	15,664	21,812	6,148
Notes receivable	4,573	4,578	5
Accounts receivable	29,478	34,199	4,720
Products	1,474	1,741	267
Raw materials	4,531	5,634	1,103
Work in progress	5,210	5,118	(91)
Supplies	176	199	23
Advance payment	88	73	(14)
Prepaid expenses	26	127	101
Deferred income taxes	3,247	2,130	(1,117)
Short-term loans receivable	2,357	2,878	521
Other receivables	412	779	367
Other current assets	90	80	(9)
Allowance for doubtful receivables	(1,907)	(1,887)	20
Total	**65,423**	**77,469**	**12,045**
Fixed assets	**59,064**	**62,145**	**3,081**
(1) Property, plant and equipment			
Buildings	11,572	13,175	1,603
Structures	541	663	121
Machinery and equipment	7,131	7,756	624
Vehicle and transportation equipment	32	42	9
Tools, furniture and fixtures	1,948	2,039	90
Land	11,078	11,078	0
Construction in progress	1,241	660	(581)
Total	**33,547**	**35,415**	**1,867**
(2) Intangible assets			
Patents	55	39	(15)
Software	890	801	(89)
Other intangible assets	44	43	(1)
Total	**990**	**883**	**(106)**
(3) Investments and other assets			
Investments in securities	16,433	18,307	1,874
Investments in stock of affiliated company	5,117	5,276	159
Capital contribution for affiliated companies	1,382	1,480	98
Long-term loans receivable	389	1	(387)
Long-term prepaid expenses	316	118	(197)
Other investments and other assets	989	760	(228)
Allowance for doubtful receivables	(102)	(100)	1
Total	**24,526**	**25,846**	**1,319**
Total assets	**124,488**	**139,615**	**15,126**

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

	FY2005 (As of Mar.31, 2006)	FY2006 (As of Mar. 31, 2007)	Increase (Decrease)
<Liabilities>			
Current liabilities			
Trade notes payable	523	574	51
Accounts payable	21,625	24,437	2,811
Short-term bank loans	7,080	11,620	4,540
Current potion of long-term loans	6,820	410	(6,410)
Accounts payable -other	2,865	3,388	523
Accrued expenses	3,315	3,338	22
Income taxes payable	5,041	1,702	(3,339)
Advance received	193	488	294
Deposits received	4,124	4,268	143
Equipment notes payable	12	6	(5)
Reserve for product guarantee	-	791	(791)
Reserve for losses on land improvements	1,158	914	(244)
Other current liabilities	17	14	(3)
Total	**52,778**	**51,953**	**(824)**
Long-term liabilities			
Bonds	-	11,000	11,000
Long-term loans	3,410	3,000	(410)
Deferred tax liabilities	1,607	1,974	367
Retirement allowance	11,237	10,409	(828)
Reserve for directors' retirement accounts	102	155	53
Long-term accounts payable	227	188	(39)
Long-term deposits payable	341	341	-
Total	**16,927**	**27,070**	**10,142**
Total liabilities	**69,705**	**79,024**	**9,318**
<Shareholders' equity>			
Capital stock	10,000	-	-
Capital surplus	29,691	-	-
Capital reserve	24,690	-	-
Other capital surplus	5,000	-	-
Earned surplus	10,728	-	-
Profit reserve	1,076	-	-
Voluntary reserve	19	-	-
Unappropriated retained earnings	9,633	-	-
Net unrealized gains on securities	4,678	-	-
Treasury stock, at cost	(316)	-	-
Total shareholders' equity	**54,782**	**-**	**-**
Total liabilities and shareholders' equity	**124,488**	**-**	**-**
<Net assets>			
Shareholders' equity	-	55,394	-
Capital stock	-	10,000	-
Capital surplus	-	29,620	-
Capital reserve	-	24,690	-
Other capital surplus	-	4,929	-
Earned surplus	-	15,977	-
Profit reserve	-	1,076	-
Other earned surplus	-	14,900	-
Reserve for special depreciation	-	10	-
Reserve for compression of assets	-	18	-
Earned surplus brought forward	-	14,872	-
Treasury stock	-	(203)	-
Valuation and translation adjustments	-	5,197	-
Net unrealized gains on securities	-	5,197	-
Total net assets	**-**	**60,591**	**-**
Total liabilities and net assets	**-**	**139,615**	**-**

(2) Non-consolidated Statements of Income

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

	FY2005 (Apr.1, 2005-Mar.31, 2006)	FY2006 (Apr.1, 2006-Mar.31, 2007)	Increase (Decrease)
Net sales	**108,285**	**121,607**	**13,321**
Cost of sales	85,239	97,832	12,593
Gross profit	**23,046**	**23,774**	**728**
Selling, general and administrative expenses	11,675	12,242	566
Operating income	**11,371**	**11,532**	**161**
Non-operating income			
Interest income	12	38	25
Dividend income	506	772	266
Rents income	303	287	(16)
Other non-operating income	50	79	28
Total	**872**	**1,177**	**304**
Non-operating expenses			
Interest expenses	257	195	(62)
Loss on disposal of inventories	122	75	(46)
Foreign exchange losses	19	108	88
Other non-operating expenses	134	115	(19)
Total	**534**	**494**	**(39)**
Ordinary income	**11,709**	**12,215**	**505**
Extraordinary gains			
Gain on sales of fixed assets	53	24	(29)
Gain on sales of investment securities	-	16	16
Gain on sales of securities of an affiliate	550	41	(508)
Reversal of allowance of doubtful accounts	4	22	17
Total	**608**	**104**	**(504)**
Extraordinary losses			
Loss on disposal of fixed assets	118	290	171
Loss on sales of investment securities	0	-	(0)
Loss on sales of golf membership rights	-	7	7
Write-down of golf membership rights	2	1	(0)
Loss on allowance for doubtful accounts of subsidiary companies	9	-	(9)
Loss on countermeasure for environmental preservation	134	-	(134)
Total	**265**	**299**	**34**
Net income before income taxes	**12,053**	**12,020**	**(32)**
Corporate, resident and business taxes	5,561	3,814	(1,747)
Adjustment for corporate and other taxes	(933)	1,128	2,061
Net income	**7,425**	**7,078**	**(346)**

(3) Non-consolidated Statements of Change in Net Assets

Fiscal Year ended March 31, 2007 (From April 1, 2006 to March 31, 2007)

(Million yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Capital reserve	Other capital surplus	Total capital reserve
Balance at March 31, 2006	10,000	24,690	5,000	29,691
Changes during the year				
Cash dividends				
Directors' bonuses				
Reversal of voluntary reserves				
Addition to voluntary reserves				
Net income				
Purchase of treasury stock				
Depreciation of treasury stock			(71)	(71)
Changes (net) in accounts other than shareholders' equity				
Total changes during the year	-	-	(71)	(71)
Balance at March 31, 2007	10,000	24,690	4,929	29,620

(Million yen)

	Shareholders' equity						
	Earned surplus					Treasury stock	Total shareholders' equity
	Profit reserve	Other earned surplus			Total earned surplus		
		Reserve for special depreciation	Reserve for compression of assets	Earned surplus brought forward			
Balance at March 31, 2006	1,076	-	19	9,633	10,728	(316)	50,104
Changes during the year							
Cash dividends				(1,776)	(1,776)		(1,776)
Bonuses to directors				(53)	(53)		(53)
Reversal of voluntary reserves		(3)	(1)	4	-		-
Addition to voluntary reserves		14		(14)	-		-
Net income				7,078	7,078		7,078
Purchase of treasury stock						(155)	(155)
Depreciation of treasury stock						267	196
Changes (net) in accounts other than shareholders' equity							-
Total changes during the year	-	10	(1)	5,239	5,248	112	5,289
Balance at March 31, 2007	1,076	10	18	14,872	15,977	(203)	55,394

(Million yen)

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities	Total valuation and translation adjustment	
Balance at March 31, 2006	4,678	4,678	54,782
Changes during the year			
Cash dividends			(1,776)
Directors' bonuses			(53)
Reversal of voluntary reserves			-
Addition to voluntary reserves			-
Net income			7,078
Purchase of treasury stock			(155)
Depreciation of treasury stock			196
Changes (net) in accounts other than shareholders' equity	518	518	518
Total changes during the year	518	518	5,808
Balance at March 31, 2007	5,197	5,197	60,591