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, 2008

May 8, 2008

Name of Listed Company:	Nabtesco Corporation	Stock listed on: the First Section of the Tokyo Stock Exchange	
Code Number:	6268	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 24, 2008	Scheduled Date of Dividend Paid:	June 25, 2008
Scheduled Date of Issue of Financial Report:	June 25, 2008		

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

(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, 2008	174,254	7.9	19,429	18.3	20,061	18.9	11,025	12.7
Fiscal year ended March 31, 2007	161,444	9.5	16,427	10.8	16,869	16.5	9,783	19.1

	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, 2008	86.77	86.74	14.7	12.3	11.2
Fiscal year ended March 31, 2007	77.10	77.02	14.3	10.9	10.2

(Notes) Investment profit/loss on equity method:
Fiscal year ended March 31, 2008 973 million yen Fiscal year ended March 31, 2007 404 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, 2008	163,317	82,492	47.4	609.08
Fiscal year ended March 31, 2007	163,223	77,109	44.8	575.19

(Note) Shareholders' equity:
Fiscal year ended March 31, 2008 77,420 million yen Fiscal year ended March 31, 2007 73,053million 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, 2008	18,249	(8,969)	(5,748)	29,722
Fiscal year ended March 31, 2007	8,293	(6,941)	6,134	26,188

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, 2008	8.00	8.00	16.00	2,033	18.4	2.7
Fiscal year ended March 31, 2007	7.00	7.00	14.00	1,778	18.2	2.6
Fiscal year ending March 31, 2009 (Forecast)	9.00	9.00	18.00		20.2	

3. Forecast of Consolidated Operating Results for FY2008 (From April 1, 2008 to March 31, 2009)

	Net sale		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter ending September 2008	87,400	4.0	8,100	(16.0)	8,100	(21.0)	4,800	26.7	37.78
Fiscal year ending March 2009	178,000	2.1	18,400	(5.3)	18,000	(8.3)	11,300	2.5	88.94

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, 2008 127,212,607 shares Fiscal year ended March 31, 2007 127,212,607 shares

b. Treasury stocks at fiscal year end

Fiscal year ended March 31, 2008 102,471 shares Fiscal year ended March 31, 2007 203,914 shares

[Reference] Overview of Non-Consolidated Operating Results

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

(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, 2008	132,796	9.2	13,235	14.8	13,628	11.6	8,768	23.9
Fiscal year ended March 31, 2007	121,607	12.3	11,532	1.4	12,215	4.3	7,078	(4.7)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2008	69.01	68.98
Fiscal year ended March 31, 2007	55.78	55.72

(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, 2008	136,685	62,165	45.5	489.04
Fiscal year ended March 31, 2007	139,615	60,591	43.4	477.04

(Note) Shareholders’ equity:

Fiscal year ended March 31, 2008 62,165 million yen Fiscal year ended March 31, 2007 60,591million yen

2. Forecast of Non-Consolidated Operating Results for FY2008 (From April 1, 2008 to March 31, 2009)

	Net sale		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter ending September 2008	64,700	1.0	5,300	(20.3)	5,300	(23.9)	3,500	(25.4)	27.54
Fiscal year ending March 2009	133,200	3.0	12,600	(4.8)	12,600	(7.5)	8,300	(5.3)	65.32

(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 2008

[Overview]

Looking at the global economic situation during the fiscal year under review, the US economy slowed during the second half of the fiscal year, plagued by the subprime loan problem among others, despite exhibiting a high rate of growth during the first half. In Asia, however, China maintained rapid growth and other countries recorded strong performances centered on exports. Europe saw a boom in external demand complemented by robust internal demand, sustaining its underlying economic strength.

Although Japan's own economy overall gained upward momentum due to expanded capital spending against a backdrop of favorable corporate results and an improving employment situation, the disruptions caused to the international financial and capital markets by ongoing surges in the prices of petroleum and raw materials and the US' subprime loan problem, compounded by other factors such as a stronger yen and weakening stock prices, have made the outlook for the economy uncertain.

Faced with these circumstances, the Group has actively developed markets both inside and outside Japan and launched new products for these markets with the aim of achieving its targets for the final fiscal year of our Mid-Term Business Plan.

The Group has also worked to improve production lines and achieve greater productivity at plants, in particular investing in equipment to enhance capabilities in the hydraulic equipment segment of our aircraft and hydraulic equipment business as well as in our precision equipment business.

As a result, consolidated sales for the term under review were up 7.9% year-on-year to ¥174.2 billion, consolidated operating income up 18.3% to ¥19.4 billion, consolidated ordinary income up 18.9% to ¥20.0 billion and consolidated net income up 12.7% to ¥11.0 billion.

Operating results by business segment were as follows.

[Precision equipment business]
Sales in the precision equipment business were up 11.4% year-on-year to ¥32.9 billion and operating income up 32.2% to ¥4.6 billion.

Sales of our mainstay precision reduction gears for industrial robots turned upwards as the automotive industry’s capital spending finally emerged from an adjustment period, and sales of precision reduction gears for machine tools also remained solid.

[Transport equipment business]
Sales in the transport equipment business rose 7.1% year-on-year to ¥48.9 billion and operating income was up 10.3% to ¥6.0 billion.

Although overseas sales were affected by an easing in sales of railway vehicle products for high-speed trains in China, the domestic market provided increased revenues as full-scale production of N700-series Shinkansen trains got underway and as JR and private railway companies upgraded their trains.

In the automobile-related business, demand for new medium-duty domestic-make trucks prompted by exhaust regulations slowed, with the surge in fuel prices driving demand downward even further, but higher overseas production as well as increased sales of products for export vehicles enabled the Group to achieve sales on par with the previous term.

Sales of marine vessel engine remote control systems also climbed, as new ship construction reached another all-time high worldwide.

[Aircraft and hydraulic equipment business]
Sales in the aircraft and hydraulic equipment business were up 13.3% year-on-year to ¥56.6 billion and operating income up 31.8% to ¥4.5 billion.

Sales of hydraulic equipment benefited from continuing expansion of global demand for hydraulic excavators and mini excavators, and sales of traveling units also grew substantially. Rising interest worldwide in clean energy produced a burgeoning market for, and improved sales of, drive units for wind turbines.

As the private airline industry boomed in the Middle East and Asia, sales of aircraft equipment rose due to greater aircraft production as airlines continued switching over to fuel-saving aircraft as well as an increase in aftermarket demand.

[Industrial equipment business]
Sales in the industrial equipment business fell 1.3% year-on-year to ¥35.7 billion even as operating income rose 5.0% to ¥4.1 billion.

In the automatic doors-related business, sales of general-purpose automatic doors hovered at about the same level as last year, but sales overall increased thanks to growth in sales of unit products (doorway packages, including doors and sashes) and brisk overseas sales of railway platform doors.

Sales of mainstay automatic packaging machines for beverages/prepared food increased in Europe.

Nonetheless, sales in the industrial equipment business on the whole slipped due to the transfer of subsidiary company shares.

(2) Forecasts for fiscal 2008

The world economy will continue to be troubled by the credit uneasiness caused by the subprime loan problem and the associated sharp slowdown in the US economy, the impact of which has reverberated in Japan, Europe and other developed countries. Nevertheless, firm growth is expected in newly emerging economies, in particular the BRIC countries and the petroleum producing countries of the Middle East. While Japanese companies will likely increase exports to these countries, elements of instability such as the global surge in raw material costs and exchange rate fluctuations mandate careful monitoring of the situation.

The business environment in which the Group operates is expected to see continuing demand in the construction machinery industry, a principal user of hydraulic motors, in newly emerging markets; capital spending levels in the automotive industry, a primary user of industrial-use robots, however, give cause for some concern. Taking into account growth-oriented investment as well as anticipated surges in raw material prices and exchange rate fluctuations, consolidated sales for the next term should rise 2.1% to ¥178.0 billion while operating income declines 5.3% to ¥18.4 billion.

To address these circumstances, the Company drafted a new Mid-term Business Plan starting from FY2008. To achieve the plan’s objectives and further enhance profitability and efficiency, the Company will strengthen its business structure to ensure ever-increasing corporate value.

The business outlook by segment is outlined in the following section.

[Precision equipment business]
Sales in the precision equipment business are expected to rise 3.3% year-on-year to ¥34.0 billion and operating income to move slightly upward 0.4% to ¥4.7 billion.

Despite the moderate concern prompted by capital spending levels in the automotive industry, a major user of industrial-use robots, overall demand for robots should stay firm, and continued strong sales in precision reduction gears for machine tools are expected to generate higher revenues.

[Transport equipment business]
Sales in the transport equipment business are expected to fall 1.0% year-on-year to ¥48.5 billion and operating income to decline 2.6% to ¥5.9 billion.

Sales of railway vehicle products will likely decline domestically, despite high levels of production, because of an off-season for product delivery.

Sales of automotive equipment are forecast to decline, while sales of marine vessel engine remote control systems are expected to increase as new ship construction maintains a positive tone worldwide.

[Aircraft and hydraulic equipment business]
Sales in the aircraft and hydraulic equipment are expected to go up 4.2% year-on-year to ¥59.0 billion while operating income drops 10.0% to ¥4.1 billion.

Against a backdrop of expansion in newly emerging markets, sales of hydraulic equipment for construction machinery are expected to proceed smoothly. Market growth and expanded orders are expected for drive units for wind turbines, boosting sales.
Despite delays in B787 aircraft production, private aircraft production on the whole, including B777s on which our mainstay products are installed, should increase, and aftermarket

demand for products should also expand. Nevertheless, exchange rates are expected to have a serious impact, causing revenues to drop.

[Industrial equipment business]
Sales in the industrial equipment business are expected to move up 2.2% year-on-year to ¥36.5 billion although operating income will drop 10.5% to ¥3.7 billion.

Sales of automatic-door-related products are forecast to decline domestically due among other factors to revisions of the Construction Standards Law, and overseas due to exchange rates despite the presence of major orders. At the same time, the industrial equipment business as a whole is expected to see greater sales because of growth in sales of packaging machines for food products both in Japan and abroad.

2. Breakdown of Financial Position

[Consolidated Financial Position FY2007]

Cash and cash equivalents increased by ¥3.5 billion and inventory was augmented by ¥300 million but, with a decrease in the market value of investment securities, etc., total assets remained on par with the previous year at ¥163.3 billion. Bonds/loans payable shrank by ¥3.8 billion to ¥23.1 billion.

[Consolidated Cash Flows FY2007]

Cash flow from operating activities was up ¥18.2 billion, cash flow from investment activities down ¥8.9 billion, and cash flow from financing activities down ¥5.7 billion.

Cash flow indicators on a consolidated basis were as follows.

	Term ended March 2006	Term ended March 2007	Term ended March 2008
Shareholders' equity ratio (%)	43.7	44.8	47.4
Shareholders' equity ratio on a market value basis (%)	126.2	120.6	105.1

Ratio of interest-bearing debt to cash flow	1.2	3.2	1.3
Interest coverage ratio	42.7	28.5	104.7

(Notes) Shareholders' equity ratio: capital/total assets

Shareholders' equity ratio on market value basis: total market value of shares/total assets

Ratio of interest-bearing debt to cash flow: interest-bearing debt/cash flow

Interest coverage ratio: cash flow/interest payments

- All indicators are calculated using consolidated financial figures.
- Total market value of shares is calculated using multiplying the closing market prices at term-end by the number of outstanding shares (excluding treasury stock) at term-end.
- Cash flow utilizes the cash flow from operating activities posted in the consolidated cash flow statement.

  Interest-bearing debt covers all debt in the consolidated balance sheet on which interest is being paid.

  The amount of interest paid listed in the consolidated cash flow statement is used for interest payments.

[Forecast for Consolidated Financial Position at End of FY2008]

Total assets for FY2008 are expected to be ¥173.6 billion, and bonds/loans payable to decrease by ¥3.7 billion to ¥19.3 billion.

Shareholders' equity is projected to increase by ¥7.7 billion to ¥85.1 billion, bringing the equity ratio to 49.0%.

[Consolidated Cash Flows for FY2008]

Cash flow from operating activities is expected to rise by ¥19.3 billion, while cash flow from investment activities declines by ¥9.4 billion.
Cash flow from financing activities is expected to drop ¥6.5 billion due to the repayment of loans, etc.

3. Basic Policy on Shareholder Return and Dividend Payments for the Current and Following Fiscal Years

Based on the performance of the Group as a whole, the Company intends to distribute corporate profits with suitable consideration given to balancing strategic growth investment, financial soundness, and shareholder return.

Year-end dividends are anticipated to be ¥8 per share, representing an annual ¥2 per share increase to ¥16 over the previous fiscal year.

Annual dividends for the next fiscal year are expected to be ¥18 (¥9 mid-term dividend, ¥9 term-end dividend), a ¥2 per share increase over the fiscal year under review.

No changes are planned to the timing of dividends; dividends will continue to be paid out twice per year, with the days of record being September 30 and March 31 each year.

4. Risk Factors Relevant to Nabtesco Group and Its Business

(1) Risks relating to raw material prices and procurement

Rapid rises in the prices of raw materials or supply bottlenecks for certain parts/components in the absence of alternate suppliers could diminish the profitability of products and result in opportunity losses, impacting on the performance and financial standing of the Group.

(2) Risks associated with product quality

The Group manufactures its full lineup of products in line with carefully designed quality control standards to prevent defects, but there is no guarantee that all products are free from defects, possible recall, or issues of product liability in the future.
Product defects leading to a recall or product liability issues could adversely impact the Group’s performance and financial standing.

(3) Exchange rate fluctuations risk

Overseas sales accounted for 27% of the Group’s sales during the fiscal year under review.

The Group also relies on imports of raw materials from overseas and, though it hedges its risks in foreign currency-denominated transactions through forward-exchange contracts, the Group’s performance is nonetheless affected by exchange rate fluctuations. The performance of overseas subsidiaries is also impacted by exchange rate fluctuations when converting to Japanese yen.

2. Management Policy

1. Management Principles

The Nabtesco Group established its Corporate Philosophy in May 2005 and, in accordance therewith, has set forth its Long-term Vision and developed an introductory implementation program ("Mid-Term Business Plan") covering the period from fiscal 2005 to fiscal 2007. The initial targets for fiscal 2007 were ¥155.0 billion in sales, ¥17.0 billion in operating income (operating income ratio of 11.0%), net income of ¥9.5 billion, an ROA of 8.0% and an ROE of 15.0%.

The actual results from FY2007 were sales of ¥174.2 billion, operating income of ¥19.4 billion (operating income ratio of 11.2%), net income of ¥11.0 billion, an ROA of 6.8% and an ROE of 14.7%. While the targets for ROA, ROE and free cash flow were not achieved, those for sales and income in the Mid-Term Business Plan were met.

	FY2007 targets	FY2007 performance
Sales	¥155.0 billion	¥174.2 billion
Operating income	¥17.0 billion	¥19.4 billion
Operating income ratio	11.0%	11.2%
Net income	¥9.5 billion	¥11.0 billion
ROA	8.0%	6.8%
ROE	15.0%	14.7%
FCF (3-year cumulative total)	¥25.0 billion	¥22.1 billion

As its follow-up implementation plan for realizing the Long-term Vision, the Nabtesco Group drafted a new three-year mid-term business plan ("Global Challenge 2010") starting in FY2008.

[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]
A global company group growing with society

Nabtesco Corporation

-Challenge, creation and progress to higher stages-

[Management targets for the end of fiscal 2014]

Sales: ¥260.0 billion

Operating income: ¥36.0 billion

[Mid-Term Management Principles]

“Global Challenge 2010”

-- In pursuit of further growth in the global market --

Commitment to continuing increase in our corporate value through well-prepared business expansion in the growing global market, and stakeholder-oriented management.

1) Pursuing of further opportunities for growth and profit

- Increase in overseas sales and reinforcement of overseas business expansion, particularly in Asia
- Reinforcement and establishment of technological edge and pursuit of innovative next generation technologies
- Promotion of business partnering and M&A to realize business expansion and synergy effects
- Enhancement of domestic productivity and promotion of overseas production, reflecting the emergence of an aging society with a decreasing number of children
- Enrichment of human resources both in quality and quantity

2) Promotion of management responsive to ROA and ROE

- Promotion of business strategy managing both efficient use of resources and profitable growth (higher ROA)
- Appropriate distribution of corporate profit, taking account of well-balanced schemes of profit-oriented investments, retaining sound financing, and profit sharing for stockholders (higher ROE)

3) Invigoration of corporate culture

- Nourishment of corporate environment and culture that encourages having true pride, dreams, and high standards of ethics, developing motivation and CSR, achieving top productivity and quality, and pursuing further growth
- Promotion of product development and business management that helps contribute to energy saving and environmental preservation

2. Business Targets

The Company has established the following mid-term business targets for the period FY2008-FY2010.

1) Pursuing further growth and profitability
   - The targets for FY2010 are ¥210.0 billion in sales, ¥26.0 billion in operating income (operating income ratio of 12.4%), and ¥15.5 billion in net income.
   - Three-year cumulative capital spending of ¥30.0 billion, and three-year cumulative R&D budget of ¥14.0 billion
2) Promoting management conscious of ROA and ROE
   - Achieving an ROA of 7.8% and an ROE of 15.2% at the end of March 2011
3) Appropriately distributing corporate profits in a balanced fashion
   Based on appropriate distribution of corporate profits with due consideration to maintaining a balance among strategic growth investment, financial soundness, and shareholder return, the Company is seeking a 30% dividend payout ratio on a consolidated basis in FY2010, the final year of the Mid-Term Business Plan.

3. Mid-/Long-Term Management Strategy

To realize the aims of the Mid-Term Business Plan, the Group will give priority to achieving growth potential and profitability through business portfolio management, strengthening its comprehensive technological capabilities, and optimally utilizing its human resources and strengthening personnel capabilities. The Group will propose and implement the measures and construct/operate the systems and schemes described below.

1) Achieving growth potential and profitability through business portfolio management
   The Group will proactively invest resources toward further business expansion in growth areas and will utilize core technology to enhance new product development.
   - Boosting production capabilities for construction machinery hydraulic equipment (new construction and upgrades of overseas locations, improvements to domestic plant production capabilities)
   - Enhancing wind turbine equipment business
   - Strengthening global expansion of railway vehicle equipment
   - Developing and launching new products centered on precision reduction gear technology
2) Strengthening comprehensive technological capabilities
   Together with strengthening comprehensive technological capabilities across all areas

of development, manufacture, and quality assurance to provide outstanding products to customers, the Group will endeavor to maintain and improve its superiority in performance, quality, and cost vis-à-vis competitor companies.

- Fostering an organizational climate that will generate ceaseless innovation
- Maintaining and improving cost advantages by reinforcing production technology capabilities
- Strengthening quality improvement systems

3) Optimally utilizing human resources and strengthening personnel capabilities

Recognizing that human resources constitute the foundation of business, the Group will seek to optimally utilize human resources and strengthen personnel capabilities.

- Intensively dedicating human resources to priority strategic businesses
- Strengthening human resources programs

4. Issues to be Addressed by the Company

[Business expansion]

The most important issue to be addressed at the moment is the realization of the most recently drafted Mid-Term Business Plan.

Because maintaining and augmenting the advantages of competitive existing businesses is essential for achieving steady profits, the Company will actively endeavor to boost its competitiveness and to develop new markets.

At the same time, given the maturing of existing businesses, the Company will utilize and restructure Group resources as well as accelerate efforts to foster new businesses and develop new products in order to shift its business portfolio to high growth sectors.

Consolidated Financial Statements
(1) Consolidated Balance Sheets

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

	FY2006 (As of Mar.31 2007)	FY2007 (As of Mar.31 2008)	Increase (Decrease)
<Assets>			
Current assets			
Cash and time deposits	26,534	11,131	(15,402)
Notes and accounts receivable	47,249	46,641	(607)
Marketable securities	-	19,000	19,000
Inventories	18,087	18,421	333
Deferred income taxes	2,919	2,826	(93)
Other current assets	1,052	1,353	300
Allowance for doubtful receivables	(218)	(137)	80
Total	**95,625**	**99,237**	**3,611**
Fixed assets	**67,597**	**64,079**	**(3,518)**
(1) Property, plant and equipment			
Buildings and structures	16,383	15,712	(670)
Machinery and equipment	9,475	9,624	148
Tools, furniture and fixtures	2,461	2,227	(233)
Land	14,477	14,472	(5)
Construction in progress	811	1,308	496
Total	**43,610**	**43,346**	**(264)**
(2) Intangible assets			
Total	**1,074**	**1,382**	**307**
(3) Investments and other assets			
Investments in securities	21,086	16,674	(4,412)
Deferred income taxes	393	1,334	940
Other investments and other assets	1,668	1,559	(108)
Allowance for doubtful receivables	(235)	(271)	18
Total	**22,912**	**19,350**	**(3,562)**
Total assets	**163,223**	**163,317**	**93**

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

	FY2006 (As of Mar.31 2007)	FY2007 (As of Mar.31 2008)	Increase (Decrease)
<Liabilities>			
Current liabilities			
Trade notes and accounts payable	29,452	31,462	2,009
Short-term loans payable	12,437	9,110	(3,327)
Current potion of long-term loans	484	3,004	2,519
Income taxes payable	2,461	3,215	754
Reserve for product guarantee	791	870	79
Reserve for losses on land improvements	914	470	(443)
Other current liabilities	10,556	10,048	(508)
Total	**57,098**	**58,182**	**1,084**
Long-term liabilities			
Bonds	11,000	11,000	-
Long-term loans	3,004	-	(3,004)
Retirement allowance	11,489	10,504	(984)
Reserve for directors' retirement accounts	281	286	4
Deferred tax liabilities	2,337	40	(2,296)
Negative goodwill	361	289	(72)
Other long-term liabilities	541	520	(20)
Total	**29,015**	**22,642**	**(6,372)**
Total liabilities	**86,113**	**80,824**	**(5,288)**
<Net assets>			
Shareholders' equity	65,679	74,777	9,098
Capital stock	10,000	10,000	-
Capital surplus	17,583	17,500	(82)
Earned surplus	38,304	47,412	9,107
Treasury stock	(209)	(135)	73
Valuation and translation adjustments	7,374	2,642	(4,731)
Net unrealized gains on securities	7,498	2,189	(5,308)
Deferred gains or losses on hedges	-	6	6
Translation adjustments	(124)	446	570
Minority interests	4,056	5,071	1,015
Total net assets	**77,109**	**82,492**	**5,382**
Total liabilities and net assets	**163,223**	**163,317**	**93**

(2) Consolidated Statements of Income

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

	FY2006 (Apr. 2006-Mar.2007)	FY2007 (Apr. 2007-Mar.2008)	Increase (Decrease)
Net sales	**161,444**	**174,254**	**12,809**
Cost of sales	123,639	132,641	9,001
Gross profit	**37,804**	**41,612**	**3,807**
Selling, general and administrative expenses	21,377	22,182	805
Operating income	**16,427**	**19,429**	**3,001**
Non-operating income			
Interest income	87	79	(8)
Dividends income	196	226	29
Rents income	234	244	9
Equity in earnings of an affiliate	404	973	568
Other non-operating income	214	303	89
Total	**1,138**	**1,827**	**689**
Non-operating expenses			
Interest expenses	260	176	(83)
Loss on disposal of inventories	99	590	490
Foreign exchange losses	129	287	158
Other non-operating expenses	207	141	(66)
Total	**696**	**1,196**	**499**
Ordinary income	**16,869**	**20,061**	**3,192**
Extraordinary gains			
Gain on sales of fixed assets	24	6	(18)
Gain on sales of investment securities	34	-	(34)
Gain on sales of golf membership rights	-	22	22
Gain on transfer of an affiliate	150	-	(150)
Reversal of allowance for doubtful accounts	45	101	55
Total	**254**	**130**	**(124)**
Extraordinary losses			
Loss on disposal of fixed assets	337	230	(107)
Loss on sales of securities of an affiliate	85	329	243
Write-down of investment securities	-	5	5
Loss on sales of golf membership rights	7	-	(7)
Write-down of golf membership rights	1	3	2
Loss on withdrawal from business	-	499	499
Loss on liquidation of an affiliatee	-	217	217
Loss on transfer of retirement benefits system	-	473	(473)
Total	**432**	**1,758**	**1,325**
Net income before income taxes	**16,691**	**18,432**	**1,741**
Corporate, resident and business taxes	5,433	5,871	438
Adjustment for corporate and other taxes	782	498	(284)
Minority interest income	691	1,037	346
Net income	**9,783**	**11,025**	**1,241**

(3)Consolidated Statements of Change in Net Assets

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

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
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	**-**	**(126)**	**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**

Fiscal Year ended March 31, 2008(From April 1, 2007 to March 31, 2008)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at March 31, 2007	**10,000**	**17,583**	**38,304**	**(209)**	**65,679**
(Changes during the year)					
Cash dividends			(1,905)		(1,905)
Net income			11,025		11,025
Acquisition of treasury stock				(196)	(196)
Disposal of treasury stock		(82)		269	187
Transfer to statutory capital of overseas subsidiary			(11)		(11)
Changes (net) in accounts other than shareholders' equity					-
Total changes during the year	**-**	**(82)**	**9,107**	**73**	**9,098**
Balance at March 31, 2008	**10,000**	**17,500**	**47,412**	**(135)**	**74,777**

(Million yen)

	Valuation/translation adjustments, etc.				Minority interests	Net assets total
	Net unrealized gains on securities	Deferred gains or losses on hedges	Translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2007	**7,498**	**-**	**(124)**	**7,374**	**4,056**	**77,109**
(Changes during the year)						
Cash dividends						(1,905)
Net income						11,025
Acquisition of treasury stock						(196)
Disposal of treasury stock						187
Transfer to statutory capital of overseas subsidiary						(11)
Changes (net) in accounts other than shareholders' equity	(5,308)	6	570	(4,731)	1,015	(3,716)
Total changes during the year	**(5,308)**	**6**	**570**	**(4,731)**	**1,015**	**5,382**
Balance at March 31, 2008	**2,189**	**6**	**446**	**2,642**	**5,071**	**82,492**

(4)Consolidated Statements of Cash Flows

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

	FY2006 (Apr.1, 2006-Mar.31,2007)	FY2007 (Apr.1, 2007-Mar.31,2008)	Increase (Decrease)
Ⅰ Cash follows from operating activities			
Net income before income taxes and adjustments	16,691	18,432	1,741
Depreciation and amortization	4,869	5,215	318
Amortization of goodwill	0	(26)	(26)
Decrease in allowance for doubtful receivables	(131)	(75)	56
Decrease in retirement benefits of employees	(1,025)	(983)	41
Increase in directors' retirement allowance	55	4	(50)
Interest and dividend income	(284)	(305)	(21)
Interest expense	260	176	(83)
Foreign exchange loss (gain)	(3)	0	4
Equity in earnings of an affiliate	(404)	(973)	(568)
Gain on sales of fixed assets	(24)	(6)	18
Loss on disposal of fixed assets	337	230	(107)
Loss on sales of securities of an affiliate	85	329	243
Gain on sales of investment securities	(34)	-	34
Write-down of investment securities	-	5	5
Gain on sales of golf membership rights	-	(22)	(22)
Loss on sales of golf membership rights	7	-	(7)
Write-down of golf membership rights	1	3	2
Loss on withdrawal from business	-	499	499
Gain on transfer of an affiliate	(150)	-	(150)
Liquidation losses for affiliate	-	217	217
Decrease (increase) in notes and accounts receivable	(3,036)	711	3,748
Increase in inventories	(1,459)	(472)	986
Increase in other assets	(320)	(228)	92
Increase in notes and accounts payable	1,166	1,862	695
Increase (decrease) in consumption taxes payable	170	(159)	(330)
Increase (decrease) in other liabilities	344	(1,318)	(1,663)
Bonuses to director	(89)	-	89
Subtotal	17,052	23,116	6,063
Interest and dividend received	325	416	91
Interest paid	(291)	(174)	117
Income taxes paid	(8,793)	(5,109)	3,683
Net cash and cash equivalents provided by operating activities	**8,293**	**18,249**	**9,955**
Ⅱ Cash flows from investing activities			
Increase in time deposit	(1)	(53)	(51)
Purchases of property, plant and equipment	(6,261)	(4,625)	1,636
Proceeds from sales of property, plant and equipment	130	32	(97)
Purchases of intangible fixed assets	(250)	(676)	(426)
Purchases of investments in securities	(1,023)	(3,756)	(2,732)
Proceeds from sales of marketable securities	43	-	(43)
Purchase of subsidiary and affiliate stocks	(389)	(248)	140
Proceeds from sales of securities and investments of affiliates	127	271	144
Proceeds from transfer of an affiliate	150	-	(150)
Proceeds from repayment of short-term loans	18	12	(5)
Expenses from other investing activities	(179)	(200)	(20)
Income from other investing activities	664	273	(420)
Net cash and cash equivalents used in investing activities	**(6,941)**	**(8,969)**	**(2,027)**
Ⅲ Cash flows from financing activities			
Increase (decrease) in short-term bank loans	3,925	(3,330)	(7,255)
Repayment of long-term loans	(6,950)	(484)	6,420
Proceeds from corporate bond issue	11,000	-	(11,000)
Payment from minority shareholders	-	281	281
Payments for purchases of treasury stock	(155)	(196)	(40)
Proceeds from sales of treasury stock	196	187	(9)
Cash dividends paid	(1,766)	(1,905)	(129)
Cash dividends paid subsidiaries for minority	(149)	(299)	(150)
Net cash and cash equivalents provided by financing activities	**6,134**	**(5,748)**	**(1,182)**
Ⅳ Effect exchange rate changes on cash and cash equivalents	**205**	**1**	**(203)**
Ⅴ Increase in cash and cash equivalents	**7,692**	**3,533**	**(4,158)**
Ⅵ Cash and cash equivalents at beginning of year	**18,496**	**26,188**	**7,692**
Ⅶ Cash and cash equivalents at end of year	**26,188**	**29,722**	**3,533**

Segment Information

(1) Segment Information by Business Category

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

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

	Precision Equipment	Transport Equipment	Aircraft and 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	3,963	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	4,893
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. Each segment includes the following products:

(1) Precision equipment business: Precision reduction gears, precision actuators, three-dimensional rapid prototyping equipment, vacuum pumps, vacuum equipment and high-performance heat transfer device.

(2) Transportation equipment business: Railway brake systems, door operating system for railway vehicles, braking systems for commercial vehicles and marine main propulsion control systems.

(3) Aircraft and hydraulic equipment business: Aircraft equipment, hydraulic motors with reduction gears, yaw drives for wind turbines.

(4) Industrial equipment business: Automatic door for buildings, automatic fillers/sealers, forming machines, machine tools, automobile parts, mould and jigs.

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

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

Fiscal Year ended March 31, 2008 (From April 1, 2007 to May 31, 2008)

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

	Precision Equipment	Transport Equipment	Aircraft and Hydraulic Equipment	Industrial Equipment	Total	Eliminations and General Corporate Assets	Consolidated
Ⅰ. Net sales and operating income							
Net sales							
(1) External sales	32,912	48,981	56,634	35,725	174,254	-	174,254
(2) Intersegment net sales or transfer	40	328	868	251	1,489	(1,489)	174,254
Total	**32,953**	**49,309**	**57,502**	**35,977**	**175,743**	**(1,489)**	**174,254**
Operating expenses	28,270	43,249	52,948	31,844	156,313	(1,489)	154,824
Operating Income	4,682	6,060	4,554	4,133	19,429	-	19,429
Ⅱ.Assets, Depreciation and amortization and capital expenditure							
Assets	25,983	34,659	37,999	28,788	127,431	35,885	163,317
Depreciation and amortization	1,369	1,100	1,792	561	4,850	365	5,215
Capital expenditure	769	971	2,501	723	4,966	635	5,601

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

2. Each segment includes the following products:

(1) Precision equipment business: Precision reduction gears, precision actuators, three-dimensional rapid prototyping equipment, vacuum pumps, vacuum equipment and high-performance heat transfer device.

(2) Transportation equipment business: Railway brake systems, door operating system for railway vehicles, braking systems for commercial vehicles, and marine main propulsion control systems.

(3) Aircraft and hydraulic equipment business: Aircraft equipment, hydraulic motors with reduction gears, yaw drives for wind turbines.

(4) Industrial equipment business: Automatic door for buildings, automatic fillers/sealers, forming machines and machine tools.

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

4. Total assets in “eliminated or entire company” are ￥36,686million. These include surplus operating fund in the group (cash and deposits) and long-term investments (investment securities, etc).

5. (Change in accounting guidelines)

As described in “Fundamental Points in Preparing Consolidated Financial Statements” 4. (2) [1], the Company and its domestic consolidated subsidiaries, in line with revisions made to the Corporate Tax Law, will switch from this consolidated fiscal year to a depreciation method based on the revised Corporate Tax Law for tangible fixed assets acquired on or after April 1, 2007. This change will result in reductions in operating incomes of ¥41 million in the precision equipment business, ¥44 million in the transport equipment business, ¥63 million in the aircraft and hydraulic equipment business, and ¥26 million in the industrial equipment business in comparison with figures calculated using the previous method.

6. (Additional information)
As described in “Fundamental Points in Preparing Consolidated Financial Statements” 4. (2) [1], the Company and its domestic consolidated subsidiaries, by applying the depreciation method based on the pre-revision Corporate Tax Law to tangible fixed assets acquired on or prior to March 31, 2007, will uniformly depreciate the difference between 5% of the acquisition price and the memorandum price over a five-year period from the consolidated fiscal year following the consolidated fiscal year in which depreciation reaches 5% of the acquisition price; this will be recorded as depreciation costs. This change will result in reductions in operating incomes of ¥57 million in the precision equipment business, ¥102 million in the transport equipment business, ¥155 million in the aircraft and hydraulic equipment business, and ¥10 million in the industrial equipment business in comparison with figures calculated using the previous method.

7. (Additional information)
As described in “Fundamental Points in Preparing Consolidated Financial Statements” 4. (3) [4], the Company, having abolished its approved retirement annuity system as of April 1, 2007 and transitioned part of its retirement benefits system to a defined contribution pension system, shall from this consolidated fiscal year consolidate the retirement benefits systems inherited from the merged companies TS Corporation and Nabco Ltd., and will use a period of 10 years for the period of disposition of accounting disparities, previously 14 years and 10 years respectively. This change will result in reductions in operating incomes of ¥6 million in the precision equipment business, ¥19 million in the transport equipment business, ¥24 million in the aircraft and hydraulic equipment business, and ¥4 million in the industrial equipment business in comparison with figures calculated using the previous method.

(2) Segment Information by Region

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: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 ￥43,983million. These include surplus operating fund in the group (cash and deposits) and long-term investments (investment securities, etc).

Fiscal Year ended March 31, 2008 (From April 1, 2007 to May 31, 2008)

(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	141,908	14,035	10,321	7,988	174,254	-	174,254
(2) Intersegment net sales or transfer	17,043	1,706	2,239	112	21,103	(21,103)	-
Total	**158,951**	**15,742**	**12,561**	**8,101**	**195,357**	**(21,103)**	**174,254**
Operating expenses	142,900	13,483	11,768	7,775	175,927	(21,103)	154,824
Operating Income	16,051	2,258	793	325	19,429	-	19,429
Ⅱ.Assets	117,817	9,295	4,559	2,842	134,515	28,801	163,317

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 ￥36,686million. These include surplus operating fund in the group (cash and deposits) and long-term investments (investment securities, etc).

5. (Change in accounting guidelines)
As described in “Fundamental Points in Preparing Consolidated Financial Statements” 4. (2) [1], the Company and its domestic consolidated subsidiaries, in line with revisions made to Corporate Tax Law, will switch from this consolidated fiscal year to a depreciation method based on the revised Corporate Tax Law for tangible fixed assets acquired on or after April 1, 2007. This change will result in a reduction in operating income of ¥176 million for “Japan” in comparison with figures calculated using the previous method.

6. (Additional information)
As described in “Fundamental Points in Preparing Consolidated Financial Statements” 4. (2) [1], the Company and its domestic consolidated subsidiaries, by applying the depreciation method based on the pre-revision Corporate Tax Law to tangible fixed assets acquired on or prior to March 31, 2007, will uniformly depreciate the difference between 5% of the acquisition price and the memorandum price over a five-year period from the consolidated fiscal year following the consolidated fiscal year in which depreciation reaches 5% of the acquisition price; this will be recorded as depreciation costs. This change will result in a reduction in operating income of ¥326 million for “Japan” in comparison with figures calculated using the previous method.

7. (Additional information)
As described in “Fundamental Points in Preparing Consolidated Financial Statements” 4. (3) [4], the Company, having abolished its approved retirement annuity system as of April 1, 2007 and transitioned part of its retirement benefits system to a defined contribution pension system, shall from this consolidated fiscal year consolidate the retirement benefits systems inherited from the merged companies TS Corporation and Nabco Ltd., and will use a period of 10 years for the period of disposition of accounting disparities, previously 14 years and 10 years respectively. This change will result in a reduction in operating income of ¥54 million for “Japan” in comparison with figures calculated using the previous method.

(3) Overseas Sales

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.

Fiscal Year ended March 31, 2008 (From April 1, 2007 to March 31, 2008)

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

	Asia	North America	Europe	Other regions	Total
Overseas sales	23,264	12,564	10,711	592	47,132
Consolidated net sales					174,254
Composition to consolidated net sales (%)	13.4	7.2	6.1	0.3	27.0

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, Thailand, South Korea, India and Singapore
(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.

Nabtesco Corporation

Non-onsolidated Financial Statements

(1) Non-consolidated Balance Sheets

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

	FY2006 (As of Mar.31 2007)	FY2007 (As of Mar.31 2008)	Increase (Decrease)
<Assets>			
Current assets			
Cash and time deposits	21,812	4,319	(17,493)
Notes receivable	4,578	4,353	(225)
Accounts receivable	34,199	34,355	156
Marketable securities	-	19,000	19,000
Products	1,741	2,538	797
Raw materials	5,634	5,628	(6)
Work in progress	5,118	3,973	(1,145)
Supplies	199	208	9
Advance payment	73	183	109
Deferred income taxes	2,130	2,112	(18)
Short-term loans receivable	2,878	2,087	(790)
Other receivables	779	1,009	229
Other current assets	208	210	2
Allowance for doubtful receivables	(1,887)	(1,809)	78
Total	**77,469**	**78,172**	**703**
Fixed assets	**62,145**	**58,512**	**(3,632)**
(1) Property, plant and equipment			
Buildings	13,175	12,826	(349)
Structures	663	591	(71)
Machinery and equipment	7,756	7,453	(302)
Vehicle and transportation equipment	42	30	(12)
Tools, furniture and fixtures	2,039	1,811	(227)
Land	11,078	11,078	-
Construction in progress	660	1,032	(372)
Total	**35,415**	**34,823**	**(592)**
(2) Intangible assets			
Patents	39	23	(15)
Software	801	604	(197)
Software suspense account	-	483	483
Other intangible assets	43	42	0
Total	**883**	**1,154**	**270**
(3) Investments and other assets			
Investments in securities	18,307	13,149	(5,158)
Investments in stock of affiliated company	5,276	5,822	545
Capital contribution for affiliated companies	1,480	1,483	3
Long-term loans receivable	1	-	(1)
Long-term prepaid expenses	118	77	(41)
Deferred income taxes	-	1,348	1,348
Other investments and other assets	760	737	(23)
Allowance for doubtful receivables	(100)	(83)	16
Total	**25,846**	**22,535**	**(3,310)**
Total assets	**139,615**	**136,685**	**(2,929)**

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

	FY2006 (As of Mar.31 2007)	FY2007 (As of Mar.31 2008)	Increase (Decrease)
<Liabilities>			
Current liabilities			
Trade notes payable	574	668	93
Accounts payable	24,437	26,190	1,752
Short-term loans payable	11,620	8,300	(3,320)
Current potion of long-term loans	410	3,000	2,590
Accounts payable-other	3,388	2,703	(685)
Income taxes payable	1,702	2,311	609
Accrued expenses	3,338	3,501	163
Advance received	488	414	(73)
Deposits received	4,268	4,500	232
Reserve for product guarantee	791	870	79
Reserve for losses on land improvements	914	470	(443)
Other current liabilities	21	232	210
Total	**51,953**	**53,163**	**1,209**
Long-term liabilities			
Bonds	11,000	11,000	-
Long-term loans	3,000	-	(3,000)
Deferred tax liabilities	1,974	-	(1,974)
Retirement allowance	10,409	9,403	(1,005)
Reserve for directors' retirement accounts	155	156	0
Negative goodwill	-	289	289
Other long-term liabilities	530	508	(22)
Total	**27,070**	**21,356**	**(5,713)**
Total liabilities	**79,024**	**74,520**	**(4,503)**
<Net assets>			
Shareholders' equity	55,394	62,247	6,853
Capital stock	10,000	10,000	-
Capital surplus	29,620	29,537	(82)
Capital reserve	24,690	24,690	-
Other capital surplus	4,929	4,846	(82)
Earned surplus	15,977	22,840	6,862
Profit reserve	1,076	1,076	-
Other earned surplus			
Reserve for special depreciation	10	7	(3)
Reserve for compression of assets	18	17	0
Earned surplus brought forward	14,872	21,739	6,867
Treasury stock	(203)	(130)	73
Valuation and translation adjustments	5,197	(82)	(5,279)
Net unrealized gains on securities	5,197	(89)	(5,286)
Deferred gains or losses on hedges	-	6	6
Total net assets	**60,591**	**62,165**	**1,574**
Total liabilities and net assets	**139,615**	**136,685**	**(2,929)**

(2) Non-consolidated Statements of Income

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

	FY2006 (Apr. 2006-Mar.2007)	FY2007 (Apr. 2007-Mar.2008)	Increase (Decrease)
Net sales	**121,607**	**132,796**	**11,189**
Cost of sales	97,832	106,539	8,706
Gross profit	**23,774**	**26,256**	**2,482**
Selling, general and administrative expenses	12,242	13,021	779
Operating income	**11,532**	**13,235**	**1,702**
Non-operating income			
Interest income	38	19	(18)
Dividends income	772	961	188
Rents income	287	290	3
Other non-operating income	79	203	123
Total	**1,177**	**1,474**	**296**
Non-operating expenses			
Interest expenses	195	194	(0)
Loss on disposal of inventories	75	542	467
Foreign exchange losses	108	245	137
Other non-operating expenses	115	97	(17)
Total	**494**	**1,080**	**586**
Ordinary income	**12,215**	**13,628**	**1,413**
Extraordinary gains			
Gain on sales of fixed assets	24	2	(21)
Gain on sales of investment securities	16	-	(16)
Gain on sales of securities of an affiliate	41	55	14
Gain on sales of golf membership rights	-	22	22
Gain on extinguishment of tie-in shares	-	531	531
Reversal of allowance for doubtful accounts	22	80	57
Total	**104**	**692**	**587**
Extraordinary losses			
Loss on disposal of fixed assets	290	183	(107)
Write-down of securities of an affiliate	-	15	15
Loss on sales of golf membership rights	7	-	(7)
Write-down of golf membership rights	1	3	2
Loss on withdrawal from business	-	499	499
Loss on transfer of retirement benefits system	-	485	(485)
Total	**299**	**1,187**	**888**
Net income before income taxes	**12,020**	**13,133**	**1,112**
Corporate, resident and business taxes	3,814	3,982	168
Adjustment for corporate and other taxes	1,128	382	(745)
Net income	**7,078**	**8,768**	**1,690**

(4)Non-consolidated Statements of Change in Net Assets
Fiscal Year ended March 31, 2007 (From April 1, 2006 to March 31, 2007)

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

	Shareholders' equity			
		Capital surplus		
	Capital stock	Capital reserve	Other capital surplus	Total capital surplus
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: amounts less than one million yen are omitted)

	Shareholders' equity						
	Earned surplus						
		Other earned surplus					
	Profit reserve	Reserve for special depreciation	Reserve for compression of assets	Earned surplus brought forward	Total earned surplus	Treasury stock	Total shareholders' equity
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)
Directors' bonuses				(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: amounts less than one million yen are omitted)

	Valuation and translation adjustments		
	Net unrealized gains on securities	Total valuation and translation adjustments	Total net assets
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**	**6,059**

Fiscal Year ended March 31, 2008 (From April 1, 2007 to March 31, 2008)

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

	Shareholders' equity			
	Capital stock	Capital surplus		
		Capital reserve	Other capital surplus	Total capital surplus
Balance at March 31, 2007	**10,000**	**24,690**	**4,929**	**29,620**
(Changes during the year)				
Cash dividends				
Reversal of voluntary reserves				
Net income				
Purchase of treasury stock				
Depreciation of treasury stock			(82)	(82)
Changes (net) in accounts other than shareholders' equity				
Total changes during the year	**-**	**-**	**(82)**	**(82)**
Balance at March 31, 2008	**10,000**	**24,690**	**4,846**	**29,537**

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

	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, 2007	**1,076**	**10**	**18**	**14,872**	**15,977**	**(203)**	**55,394**
(Changes during the year)							
Cash dividends				(1,905)	(1,905)		(1,905)
Reversal of voluntary reserves		(3)	(0)	4	-		-
Net income				8,768	8,768		8,768
Purchase of treasury stock						(196)	(196)
Depreciation of treasury stock						269	187
Changes (net) in accounts other than shareholders' equity							-
Total changes during the year	**-**	**(3)**	**(0)**	**6,867**	**6,862**	**73**	**6,853**
Balance at March 31, 2008	**1,076**	**7**	**17**	**21,739**	**22,840**	**(130)**	**62,247**

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

	Valuation and translation adjustments			Total net asset
	Net unrealized gains on securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at March 31, 2007	**5,197**	**-**	**5,197**	**60,591**
(Changes during the year)				
Cash dividends				(1,905)
Reversal of voluntary reserves				-
Net income				8,768
Purchase of treasury stock				(196)
Depreciation of treasury stock				187
Changes (net) in accounts other than shareholders' equity	(5,286)	6	(5,279)	(5,279)
Total changes during the year	**(5,286)**	**6**	**(5,279)**	1,574
Balance at March 31, 2008	**(89)**	**6**	**(82)**	**62,165**