

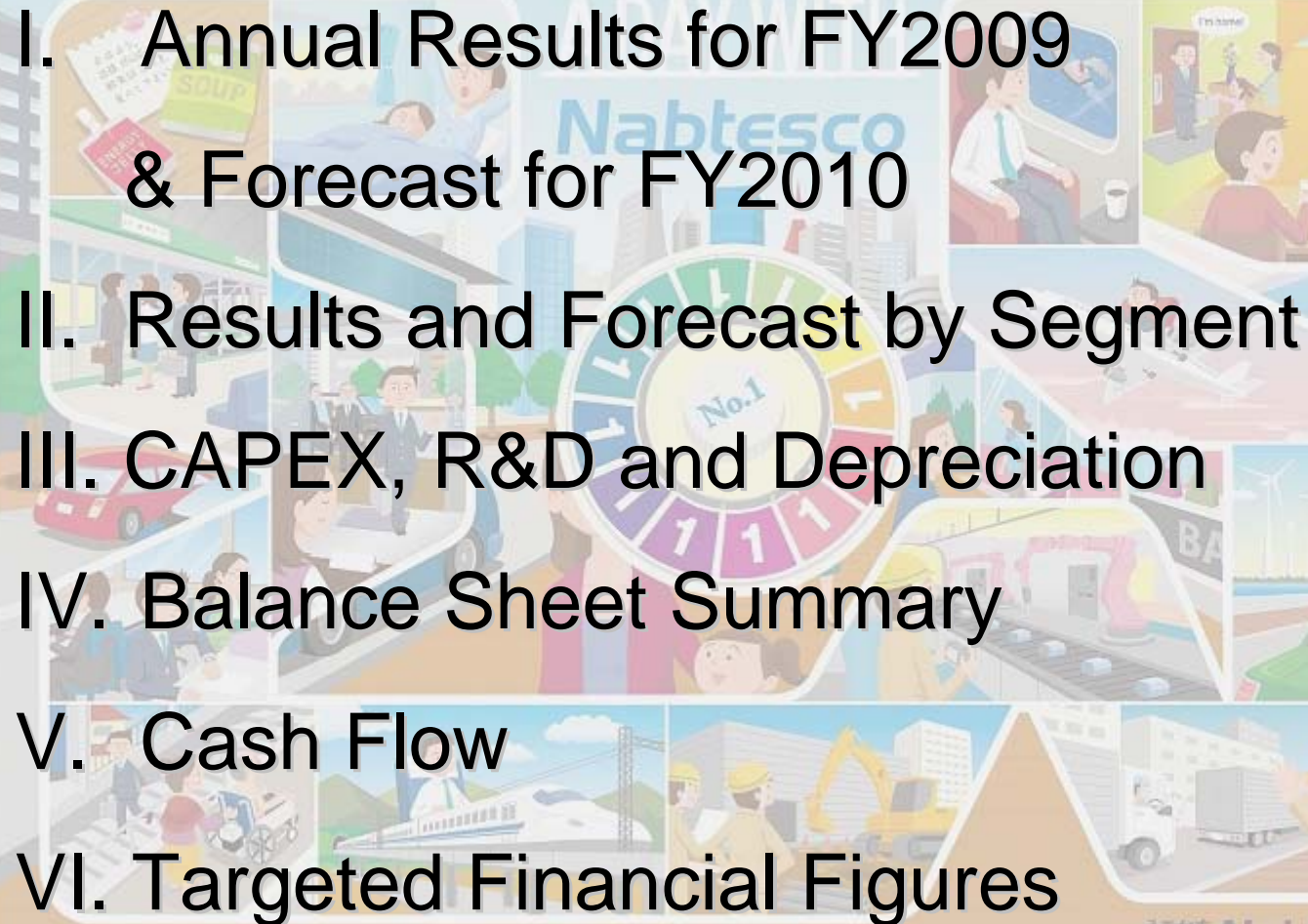
FY 2009 Annual Consolidated Results Briefing

May 2010

Nabtesco Corporation

The forecast data presented herein reflects assumed results based on conditions that are subject to change.

Nabtesco Corporation does not make representations as to, or warrant, in whole or in part, the attainment or realization of any of the forecasted results presented in this document.

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- I. Annual Results for FY2009
& Forecast for FY2010
 - II. Results and Forecast by Segment
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Summary of Results

(Comparison with the same period of the previous fiscal year)



(JPY million)	2009/3	2010/3	Variation	Ratio
Sales	158,170	126,249	-31,921	-20.2%
Operating profit	12,012	7,964	-4,047	-33.7%
(Operating profit margin)	(7.6%)	(6.3%)	—	—
Non-operating profit and loss	986	1,373	386	—
Ordinary profit	12,998	9,337	-3,660	-28.2%
Extraordinary profit and loss	-5,067	-1,326	3,740	—
Profit before taxes	7,931	8,011	79	—
Net profit	4,425	4,017	-408	-9.2%
Net profit per share (Yen)	34.82	31.70	-3.12	

Remark: Sales

● Decrease in sales in FY2010/3 due to business recession from previous year.

Remarks:

Extraordinary profit and loss
(main factor for decrease in profit)

● 2009/3

Appraisal loss of investment securities 4,589

● 2010/3

Loss due to impairment of unused land 401

Restructuring costs in commercial vehicle equipment 759

Allowances for domestic plants & aggregation of hydraulic products 211

Dividend per share (Yen)	13	9 (forecast)	-4
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Remark: Dividend per share

● Original forecast 8 yen

Forecast



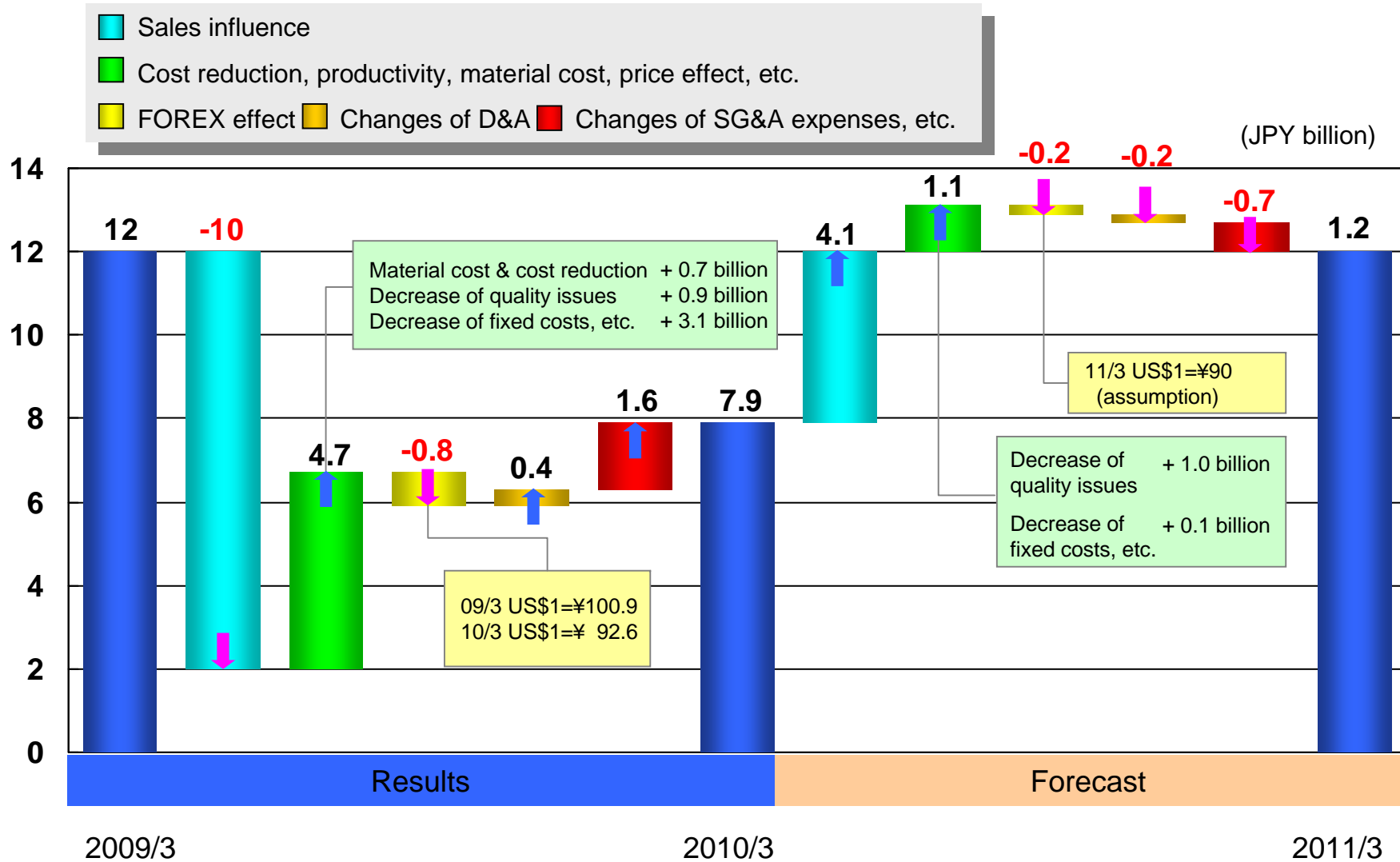
(JPY million)	2010/3 Results	2011/3 forecast	Variation	Ratio
Sales	126,249	141,000	14,750	11.7%
Operating profit	7,964	12,000	4,035	50.7%
Operating profit margin	6.3%	8.5%	—	—
Ordinary profit	9,337	13,400	4,062	43.5%
Net profit	4,017	8,100	4,082	101.6%

Remark: Sales

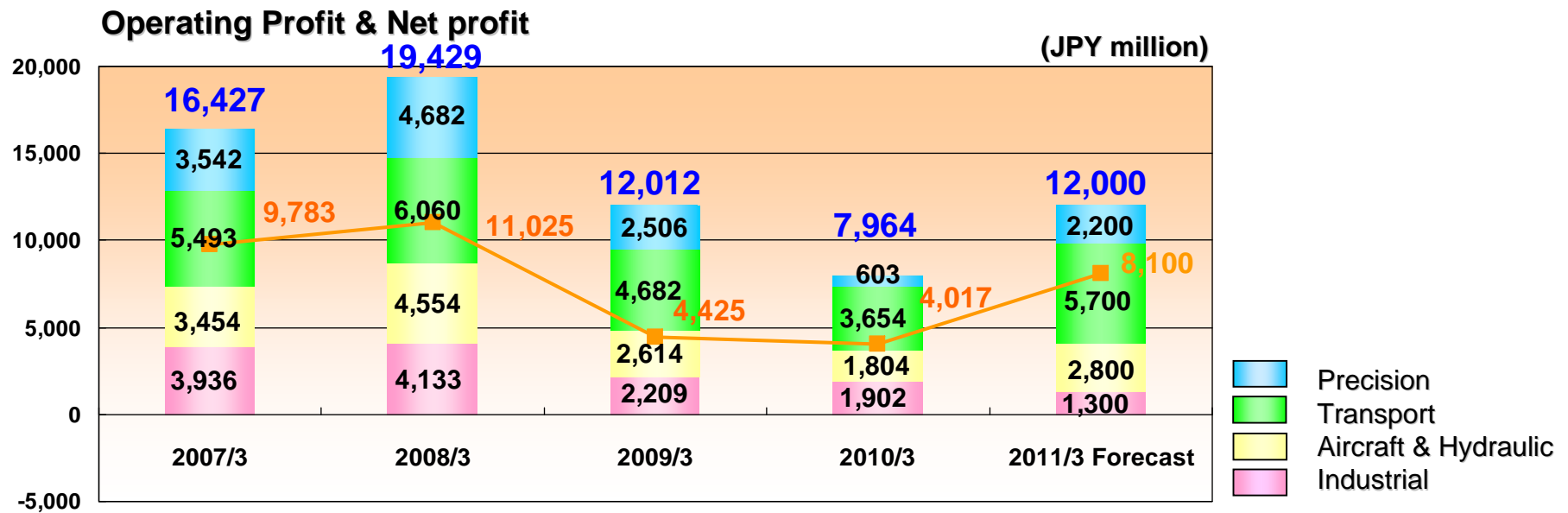
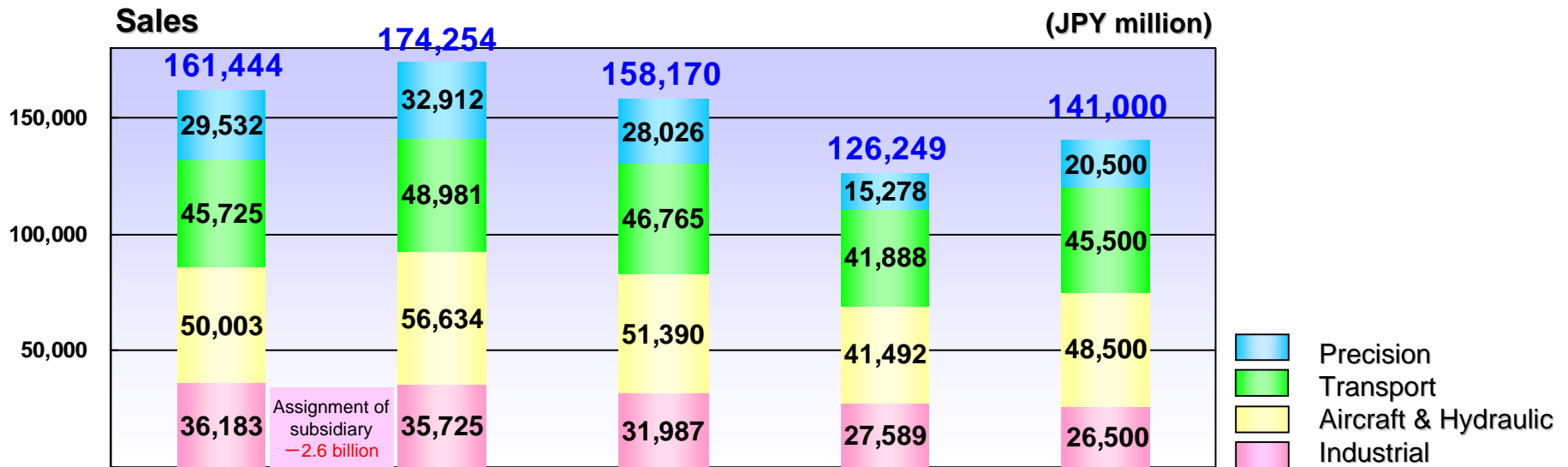
- Because of the strong demand for infrastructure in emerging countries centering on China, an increase in sales is expected in FY2011/3.

Dividend per share (Yen)	9 (forecast)	18 (forecast)	9
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Analysis for the Fluctuation of Operating Profit

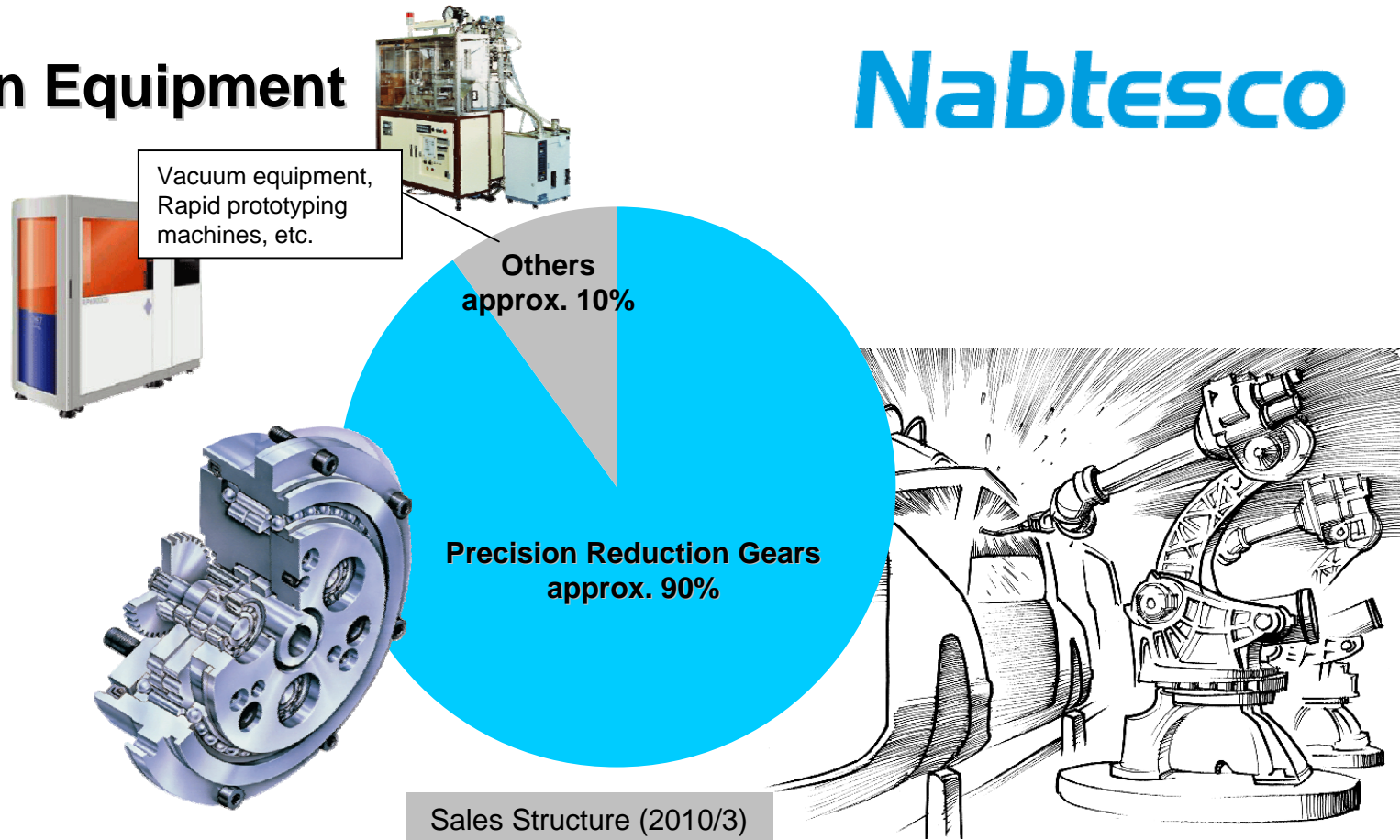


Growth of Consolidated Annual Sales & Profit by Business Segment



Precision Equipment

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Main Products and Customers

Precision reduction gears

Robot: Fanuc, Yaskawa Electric, KUKA (Germany), ABB (Sweden)

Machine tools: Yamazaki Mazak, Okuma, Mori Seiki

SPE: Tokyo Electron

■ **Precision reduction gears**

■ **Industrial robots:**

- ✓ Recovery in capital expenditure of auto industry centering on developing countries. Move onto a growth path.
- ✓ Diversified application of robots (food, medical and logistical areas, etc.).

■ **Machine tools:**

- ✓ Sharply-rising demand from auto industry in Chinese market.
- ✓ Slack recovery in capital expenditure in domestic market.

■ **Solar thermal & Photovoltaic generation:**

- ✓ Massive commercial power projects being planned by a number of countries.

Main efforts in FY2011/3

- Established a precision reduction gears sales company in China (Shanghai). (April)
- Accelerate development of solar tracking system.

Precision Equipment: Changes in Results



Consolidated Results for FY2009

(JPY million)	2009/3	2010/3	Variation	Ratio
Sales	28,026	15,278	-12,748	-45.5%
Operating profit	2,506	603	-1,903	-75.9%
O. P. margin	8.9%	3.9%		

Forecast for FY2010

(JPY million)	2010/3	2011/3	Variation	Ratio
Sales	15,278	20,500	5,221	34.2%
Operating profit	603	2,200	1,596	264.6%
O. P. margin	3.9%	10.7%		

Notes: Precision reduction gears

● Industrial robots

Due to auto industry capital expenditure centering on emerging countries, sales recovered from H2 of FY2010/3.

A general recovery in capital expenditure by the auto industry and other industries is expected in FY2011/3.

● Machine tools

Sales fell significantly in FY2010/3 because of the curb in capital expenditure, mainly in the auto industry.

A recovery of exports to emerging countries including China is expected in FY2011/3.

● SPE

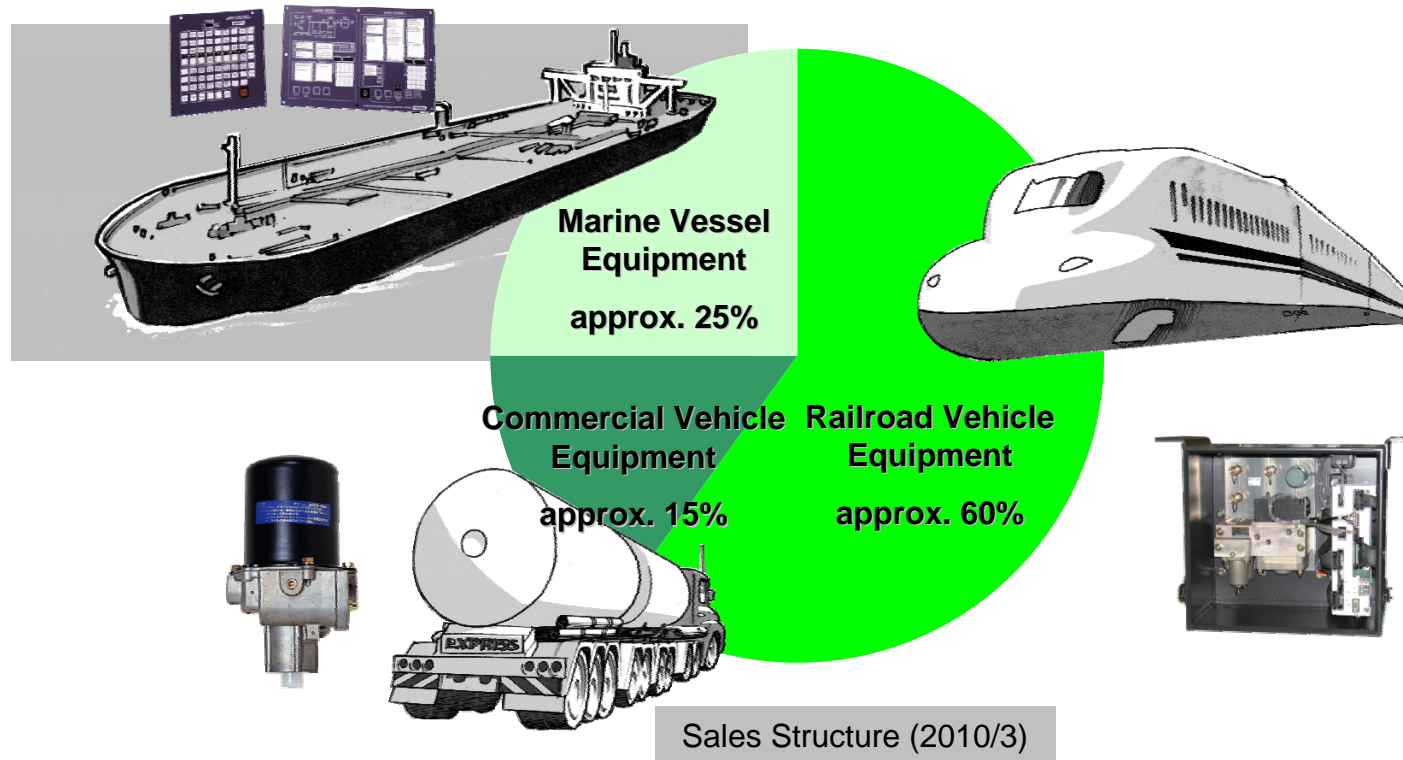
Continuation of the FY2010/3's recovery is expected in FY2011/3. However the impact on the segment will be limited due to the small absolute sales amount.

● Decrease in profit in FY2010/3 due to the significant drop in sales caused by the world recession.

Increase in profit forecast for FY2011/3 due to the recovery in capital expenditure centering on emerging countries.

Transport Equipment

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Main Products and Customers

Railroad vehicle equipment (brake systems, door operating units)

JR companies, Private railway companies, KHI, Bullet train and subway projects in China, etc.

Marine vessel equipment (remote control systems for marine diesel engines)

KHI, Mitsui Engineering & Shipbuilding, Hitachi Zosen Diesel & Engineering, Diesel United, Hyundai Heavy Industries (Korea), MAN Diesel (Denmark)

Commercial vehicle equipment (air brake peripherals)

Isuzu, Hino, Mitsubishi Fuso Truck & Bus, UD Trucks

■ Railroad vehicle equipment:

- ✓ Continuing expansion of high-speed railways and urban transportation systems in China.
Other emerging countries are also increasing railway investment.
- ✓ Ongoing modal shift to railways in developed countries.

■ Marine vessel equipment:

- ✓ Numbers of newly-built vessels to keep decreasing until around 2014.
- ✓ Full-scale demand for new products for electronic marine engines to be delayed until 2015 or later.

■ Commercial vehicle equipment:

- ✓ Despite the recovery seen in the domestic market, continuity of new car demand still uncertain after Japan's scrap incentive policy expired.
- ✓ Increasing demand in Southeast Asia, Middle East, etc.

Main efforts in FY2011/3

- Railroad vehicle equipment: Expand sales in Chinese market through the establishment of a JV company with a local partner.
- Marine vessel equipment: Expansion of after-sales service business.
- Commercial vehicle equipment: Improve profitability by partly transferring production to a subsidiary company in Thailand.

Transport Equipment: Changes in Results



Consolidated Results for FY2009

(JPY million)	2009/3	2010/3	Variation	Ratio
Sales	46,765	41,888	-4,876	-10.4%
Operating profit	4,682	3,654	-1,028	-22.0%
O. P. margin	10.0%	8.7%		

Forecast for FY2010

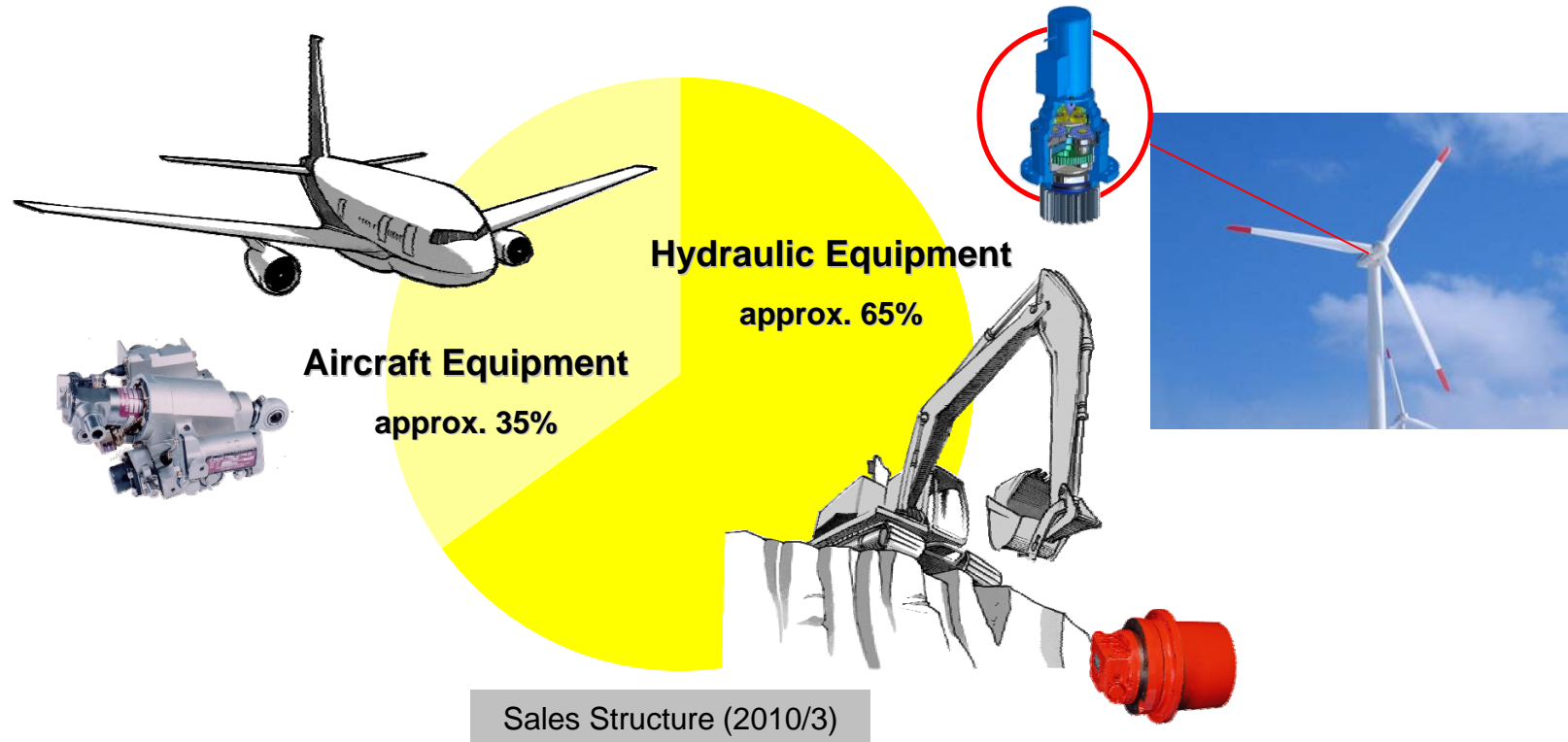
(JPY million)	2010/3	2011/3	Variation	Ratio
Sales	41,888	45,500	3,611	8.6%
Operating profit	3,654	5,700	2,045	56.0%
O. P. margin	8.7%	12.5%		

Notes:

- Railroad vehicle equipment
Sales flat in FY2010/3 in both domestic and overseas markets.
Despite decrease in domestic demand, increase in sales forecast for FY2011/3 due to expansion of Chinese business.
- Marine vessel equipment
Decrease in sales due to delayed delivery and order cancellations of newly-built vessels in FY2010/3.
Continued decrease in sales forecast for FY2011/3 because of weak shipbuilding demand.
- Commercial vehicle equipment
Decrease in sales in FY2010/3 due to decelerating demand in domestic market and lower truck exports.
Increase in sales forecast for FY2011/3 due to demand recovery.
- Decreased profit in FY2010/3 due to the development costs for overseas market penetration of railroad vehicle equipment and sales decrease of marine vessel and commercial vehicle equipment.
Increase in profit forecast for FY2011/3 due to expansion of railroad vehicle equipment in China and the effects of restructuring in commercial vehicle equipment, despite continued sales decrease of marine vessel equipment.

Aircraft & Hydraulic Equipment

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Main Products and Customers

Hydraulic products

Traveling motors: Komatsu, Kobelco Construction Machinery, Sumitomo Construction Machinery Manufacturing, Guangxi Yuchai Heavy Industry Company (China), Sany Heavy Machine (China), Liu Gong (China), Doosan (Korea)

Drive units for wind turbine generators: MHI, Others

Aircraft products

Flight control actuation systems: Boeing, KHI, MHI, IHI, Ministry of Defense, Singapore Airlines

Aircraft & Hydraulic Equipment: Medium-term Market Trends



■ Hydraulic Equipment:

- ✓ Increase in hydraulic excavator demand led by continuous infrastructure investment in China.
- ✓ Hydraulic excavator demand in other emerging countries also on a recovery trend.

■ Drive units for wind turbine generators:

- ✓ Wind power demand to increase globally over long-term.
Market recovery in USA expected from 2011.
- ✓ Acceleration in development of large and offshore wind turbines.

■ Aircraft Equipment:

- ✓ Production of B787 and B747-8 to be launched, while B777 production declined (for approx. 1 year).
- ✓ Increase in after-sales service demand due to passenger and cargo recovery.

Main efforts in FY2011/3

- Hydraulic Equipment: Investment for production capacity increase in Shanghai plant. Consolidation and rationalization of two domestic plants into one.
- Aircraft Equipment: Commercial production for B787 and B747-8 start. Preparations for transferring part of production to a US subsidiary.

Aircraft & Hydraulic Equipment: Changes in Results **Nabtesco**

Consolidated Results for FY2009

(JPY million)	2009/3	2010/3	Variation	Ratio
Sales	51,390	41,492	-9,898	-19.3%
Operating profit	2,614	1,804	-809	-31.0%
O.P. margin	5.1%	4.3%		

Forecast for FY2010

(JPY million)	2010/3	2011/3	Variation	Ratio
Sales	41,492	48,500	7,007	16.9%
Operating profit	1,804	2,800	995	55.2%
O.P. margin	4.3%	5.8%		

Notes:

◆ Hydraulic Equipment
Construction machinery: Decreased sales in FY2010/3 despite rapid recovery in China and gradual recovery in developed countries. Increase in sales forecast for FY2011/3 due to growth in China and other emerging countries.

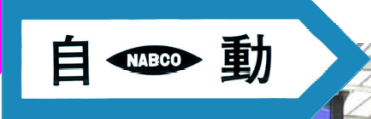
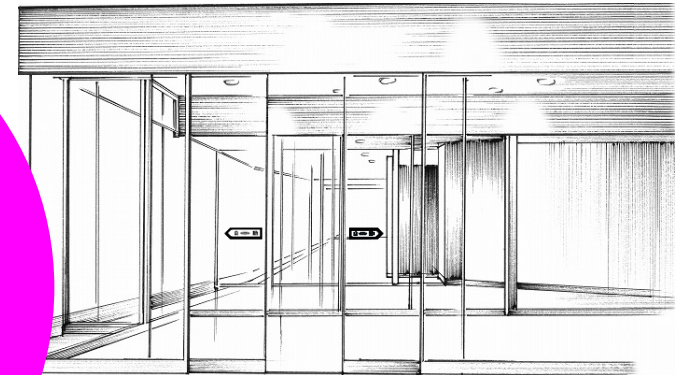
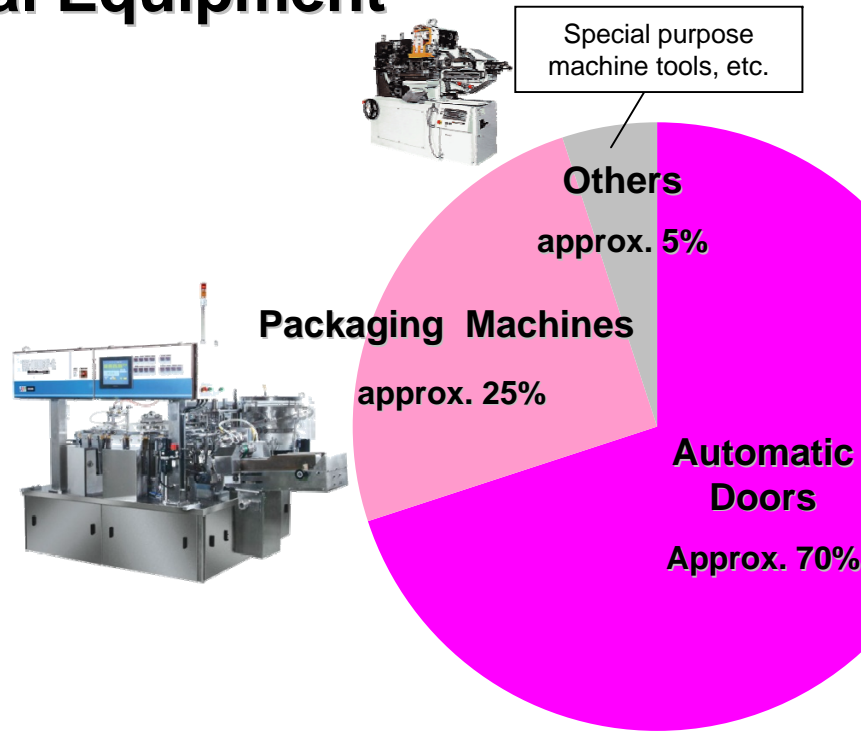
Drive units for wind turbine generators: Decreased sales in 2010/3 because of financial crisis and FOREX effect. Flat sales forecast for FY2011/3.

◆ Aircraft Equipment
Decline in sales in FY2010/3 due to decrease in civil aviation demand, although increase in defense-related demand. Increase in sales due to increase in both defense- and civil aviation-related demand forecast for FY2011/3.

◆ Decreased profits in FY2010/3, due to sales decline mainly in hydraulic equipment. Increase in profits forecast for FY2011/3, because of sales growth of hydraulic equipment in emerging countries and new programs, etc. in aircraft equipment.

Industrial Equipment

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Sales Structure (2010/3)

Main Products and Customers

Automatic doors

Automatic doors for buildings: Major general contractors, Tostem, etc.

Platform doors: Shenyang Subway (China), Shenzhen Subway (China), MTR (Hong Kong), Seoul Metro (Korea)

Packaging machines (Toyo Jidoki Co., Ltd.)

Ajinomoto, Mizkan, Mannan Life, Shiseido, P&G, Mars (France), Dole (USA)

■ **Automatic Doors:**

- ✓ Continuous gradual decline in domestic construction demand.
- ✓ Increase of platform door demand for railway stations in Asia and Japan.

■ **Packaging Machines:**

- ✓ Recovery trend of CAPEX by major domestic food makers.
Aggressive investment in Asia region for capacity expansion.
- ✓ Recovery of CAPEX in frozen food and pet food industries in USA and Europe.

■ **Special purpose machine tools:**

- ✓ Recovery of demand due to increase of automotive industry's CAPEX in emerging countries.

Main efforts in FY2011/3

- Automatic Doors: Review of supply chains in domestic and overseas operations.
Strengthening business in USA and China.
- Packaging Machines: Expansion of global sales and domestic dry products market.

Industrial Equipment: Change in Results



Consolidated Results for FY2009

(JPY million)	2009/3	2010/3	Variation	Ratio
Sales	31,987	27,589	-4,397	-13.8%
Operating profit	2,209	1,902	-306	-13.9%
O. P. margin	6.9%	6.9%		

Forecast for FY2010

(JPY million)	2010/3	2011/3	Variation	Ratio
Sales	27,589	26,500	-1,089	-4.0%
Operating profit	1,902	1,300	-602	-31.7%
O.P. margin	6.9%	4.9%		

Notes:

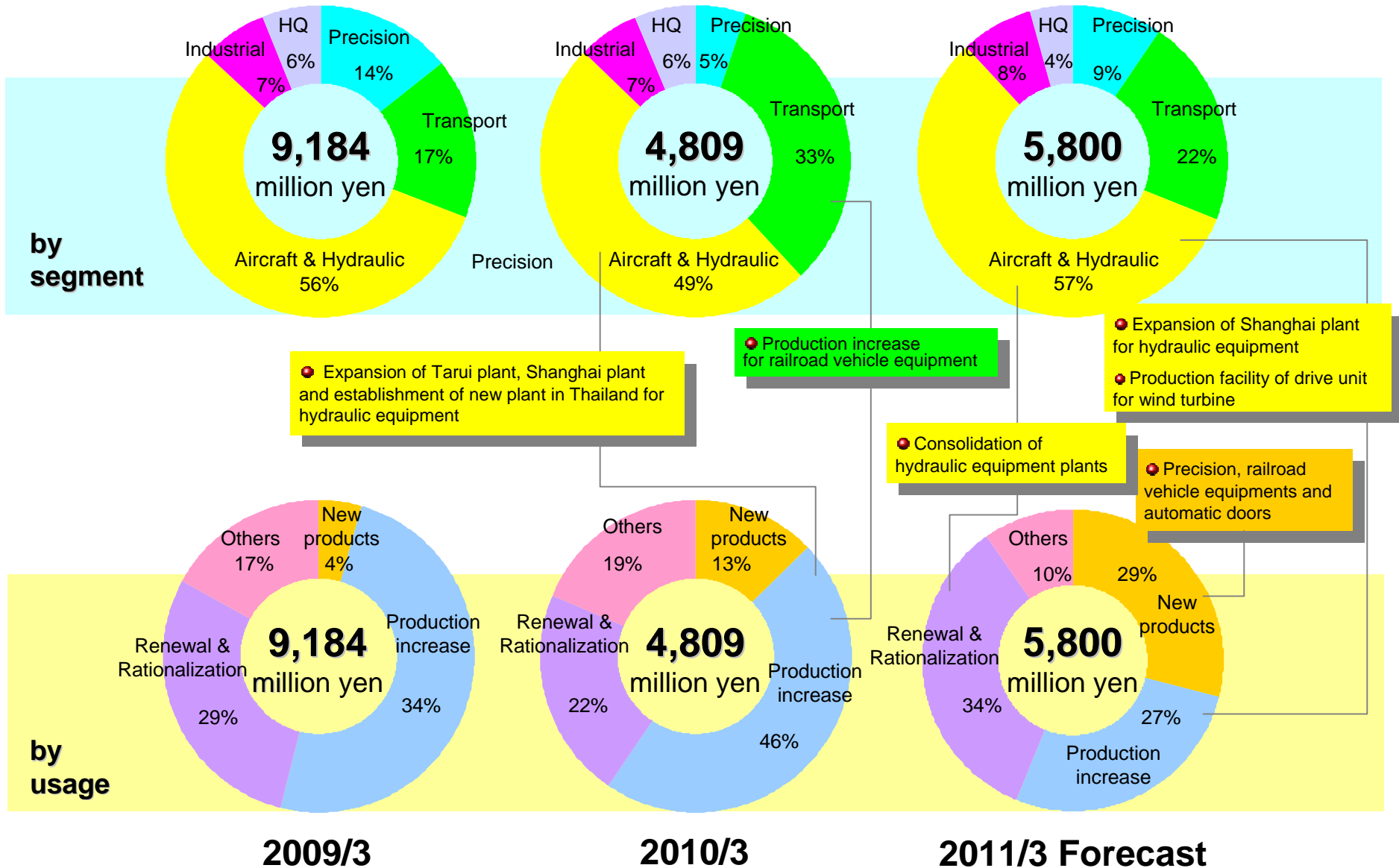
- Automatic doors
Decrease in sales due to decline of construction demand in both FY2010/3 and FY2011/3.
- Packaging machines
Decrease in sales in FY2010/3 because of decline in overseas markets.
Slight increase in sales forecast for FY2011/3 due to recovery trend in both domestic and overseas markets.
- Special purpose machine tools
Decrease in sales in FY2010/3 due to reduced CAPEX of automotive industry.
Increase in sales forecast for FY2011/3 through expansion of sales in emerging countries.
- Decrease in profit in FY2010/3 because of sales decrease in each business, though profit of automatic doors increased as a result of improved product-mix.
Decrease in profit forecast for FY2011/3 because no sufficient sales recovery anticipated in any business.

CAPEX, R&D and Depreciation



(JPY million)	2009/3 Results	2010/3 Results	2011/3 Forecast
CAPEX	9,184	4,809	5,800
R&D expenses	4,107	3,746	3,700
Depreciation	5,867	5,485	5,700

CAPEX Breakdown

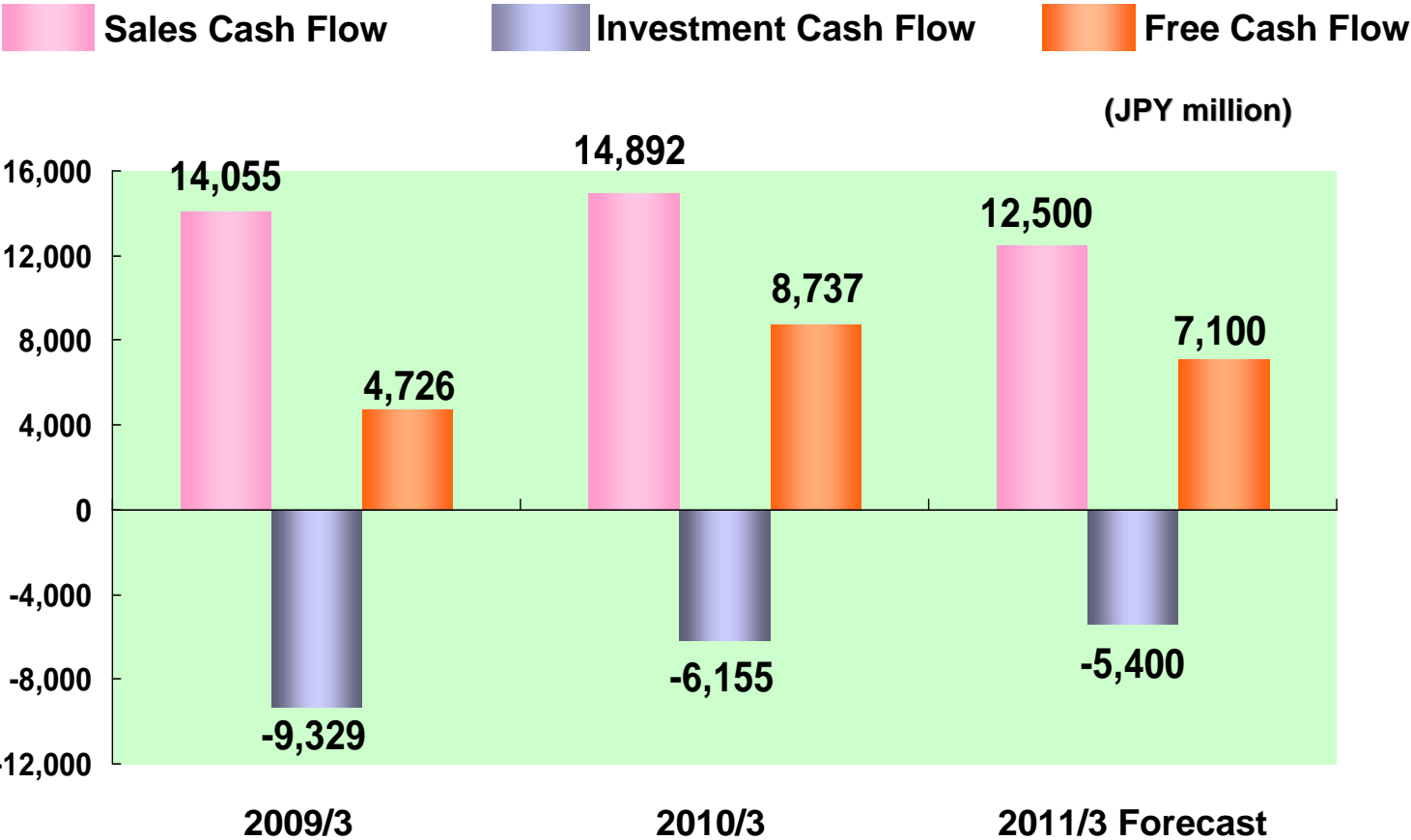


Balance Sheet Summary



(JPY million)	2009/3	2010/3	Variation	2011/3 Forecast
Assets	144,685	149,480	4,795	154,106
(Cash and time deposits)	27,422	35,540	8,117	36,268
(Accounts receivable)	35,159	36,117	958	39,293
Receivable turnover period	94	103	-9 days	98
(Inventory)	16,493	15,266	-1,226	15,084
Inventory turnover period	51	59	-8 days	52
(Fixed assets)	45,206	44,102	-1,104	45,142
Liabilities	62,968	64,313	1,344	63,922
(Interest-bearing debt)	19,160	19,920	760	19,863
Net assets	81,716	85,167	3,450	90,184
(Minority interests)	5,239	5,689	449	6,125
Equity ratio:	52.9%	53.1%		54.7%

Cash Flow



Targeted Financial Figures



(JPY billion)	2010/3 Results	2011/3 Forecast	2011/3 Mid-Term
Sales	126	141	210
Operating profit	7.9	12	26
O.P. margin	6.3%	8.5%	12.4%
Net profit	4	8.1	15.5
ROA	2.7%	5.3%	7.8%
ROE	5.2%	9.9%	15.2%
FCF	8.7	7.1	-

Nabtesco
moving it. stopping it.