

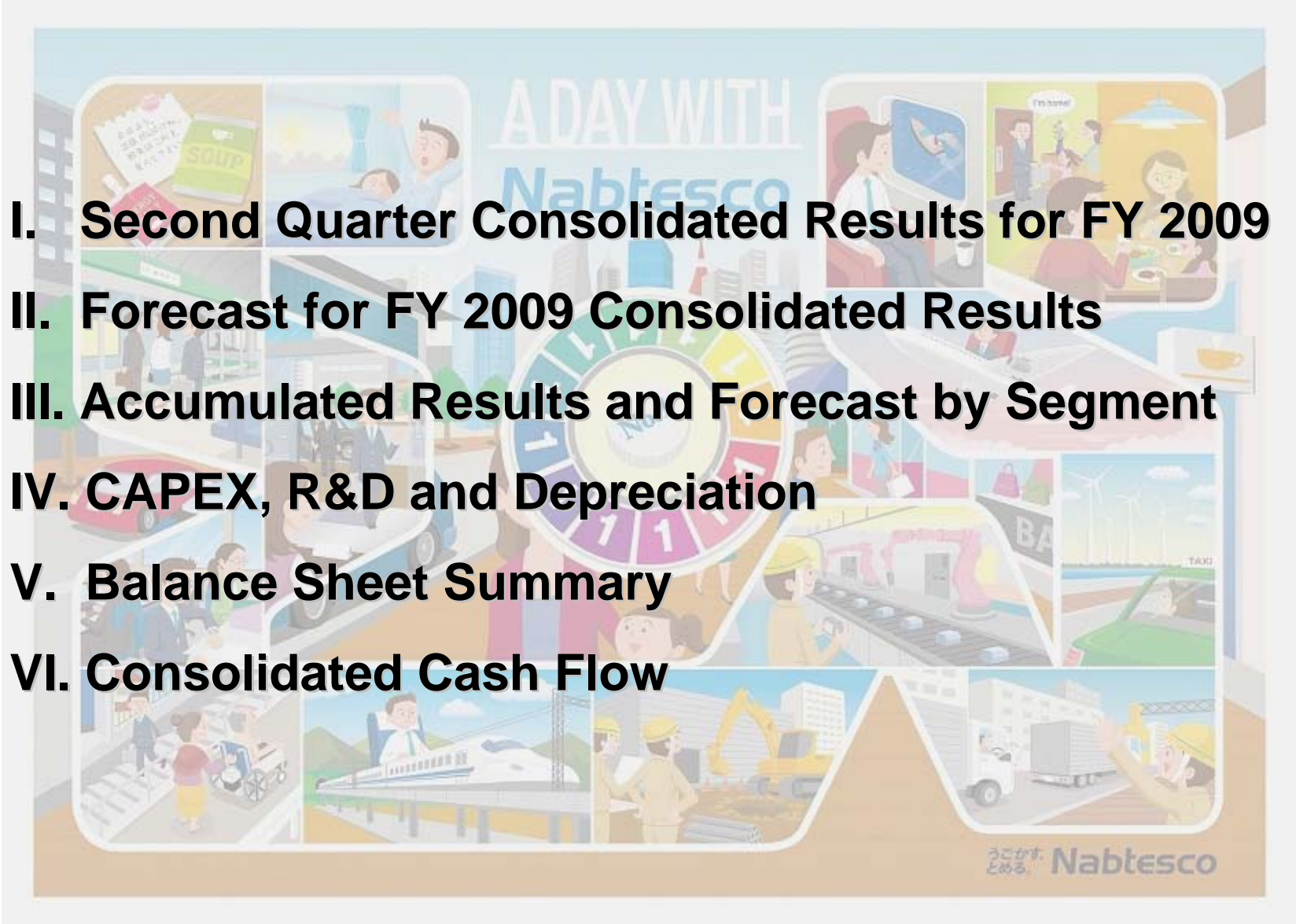
FY 2009 Second Quarter Results Briefing

November 2009

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. Second Quarter Consolidated Results for FY 2009**
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 - III. Accumulated Results and Forecast by Segment**
 - IV. CAPEX, R&D and Depreciation**
 - V. Balance Sheet Summary**
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Consolidated Profit & Loss Summary for the Interim (Comparison with the same period of the previous fiscal year)

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(the period from Apr. to Sep.)

(JPY million)	2008/9	2009/9 (original forecast)	2009/9	Variation	Ratio
Sales	86,813	59,000	58,724	-28,089	-32.4%
Operating profit	8,201	1,000	2,482	-5,719	-69.7%
Non-operating profit and loss	730	-	334	-396	-54.2%
Ordinary profit	8,932	1,200	2,816	-6,115	-68.5%
Extraordinary profit and loss	-579	-	-431	148	25.6%
Profit before taxes	8,354	-	2,385	-5,968	-71.5%
Net profit	4,853	600	612	-4,241	-87.4%
Net profit per share (Yen)	38.19	4.72	4.83	-33.36	

Dividend per share (Yen)	9	4	4	-5
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Variation Analysis

■ Sales

Decreased due to shrinking capital expenditure mainly in the automotive industry and deterioration of infrastructure investment.

■ Operating Profit

Fluctuation of sales	-9.2 billion
FOREX effect	-0.3 billion
Material/cost decrease	0.3 billion
Decrease in quality issues	0.5 billion
Decrease in fixed costs	2.1 billion
Decrease in SG&A expenses	0.9 billion
Total	-5.7 billion

Remark:

Non-operating profit and loss
(main factor of decrease in profit)

- Decrease in equity in profit of affiliates **-347 million**

Remark:

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

- Loss due to impairment of unused land **-401 million**

Consolidated Profit & Loss Forecast (the whole financial year)



(JPY million)	2009/3	2010/3 (original forecast)	2010/3	Variation	Ratio
Sales	158,170	124,000	123,000	-35,170	-22.2%
Operating profit	12,012	5,000	5,700	-6,312	-52.6%
Ordinary profit	12,998	5,500	6,400	-6,598	-50.8%
Net profit	4,425	3,000	2,300	-2,125	-48.0%

Dividend per share (Yen)	13	8	8 (forecast)	-5
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ROA	2.9%	2.1%	1.6%	-1.3point
ROE	5.8%	3.9%	3.0%	-2.8point

Remarks:

Decrease in net profit

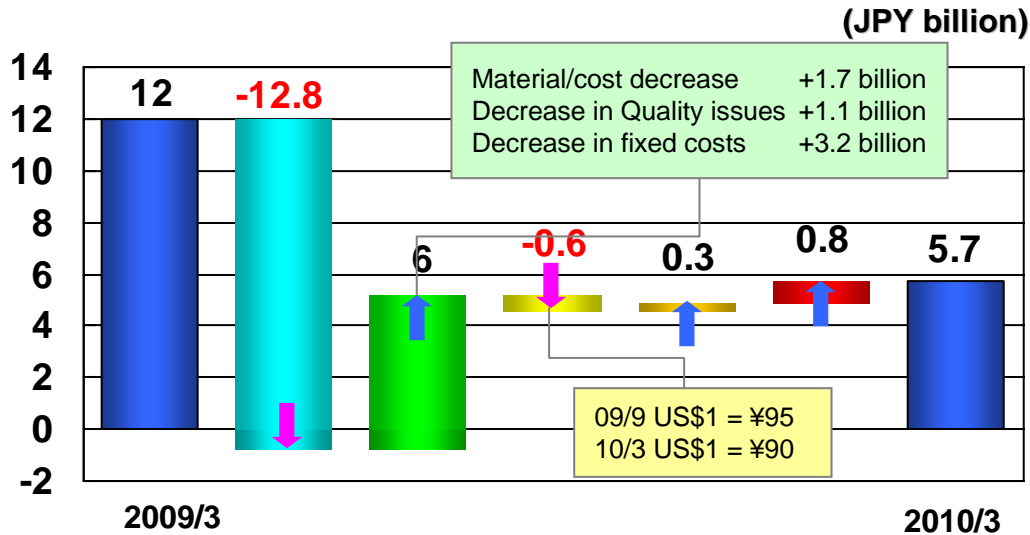
Mainly from extraordinary loss

- Loss due to impairment of unused land 0.4 billion
- Restructuring cost in commercial vehicle equipment 1 billion

Analysis of Operating Profit Forecast

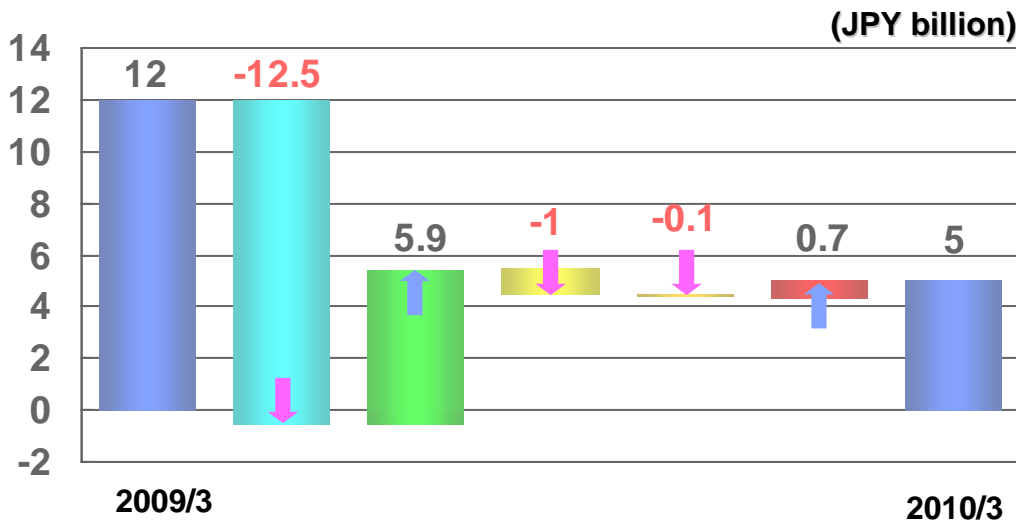


Analysis of Operating Profit Variation (revision)

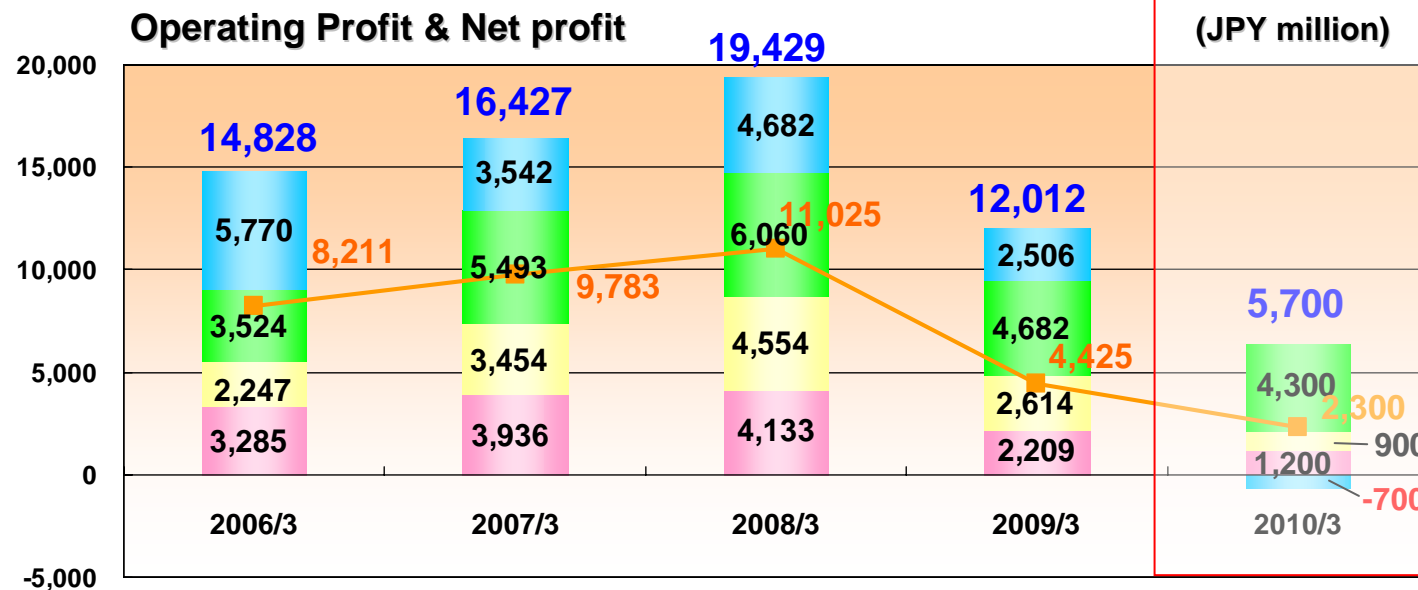
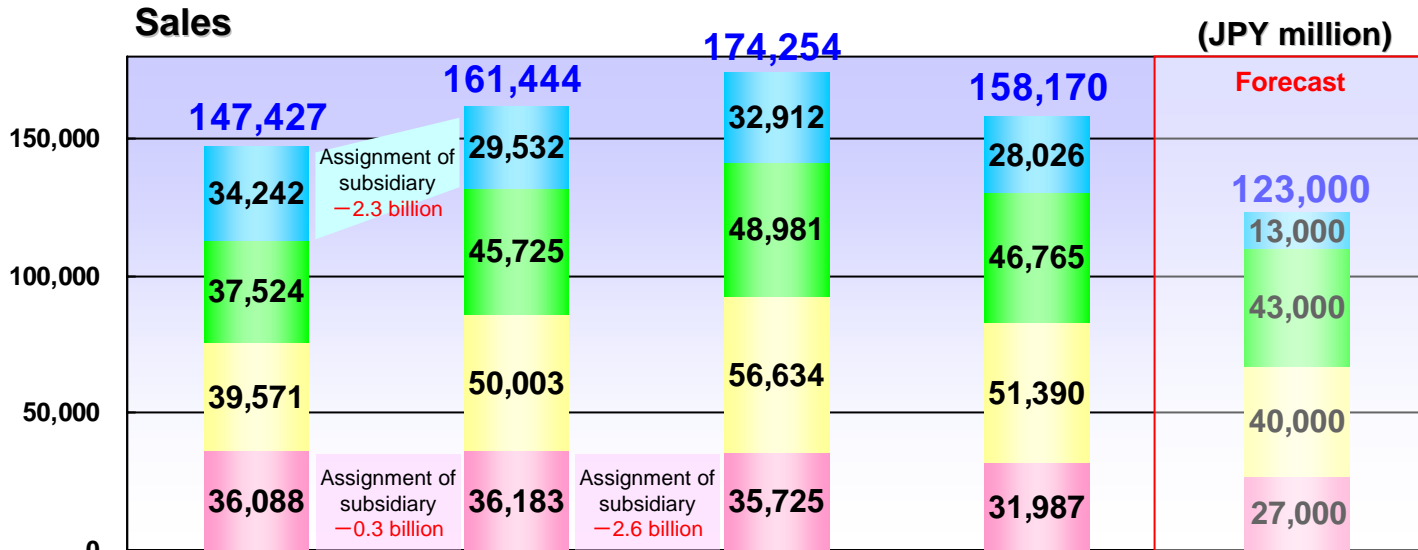


- Sales influence
- Cost reduction, productivity, material cost, price effect, etc.
- FOREX effect
- Decrease in D&A
- Decrease in SG&A expenses, etc.

Analysis of Operating Profit Variation (original)



Growth of Consolidated Annual Sales & Profit by Business Segment



- Precision
- Transport
- Aircraft & Hydraulic
- Industrial

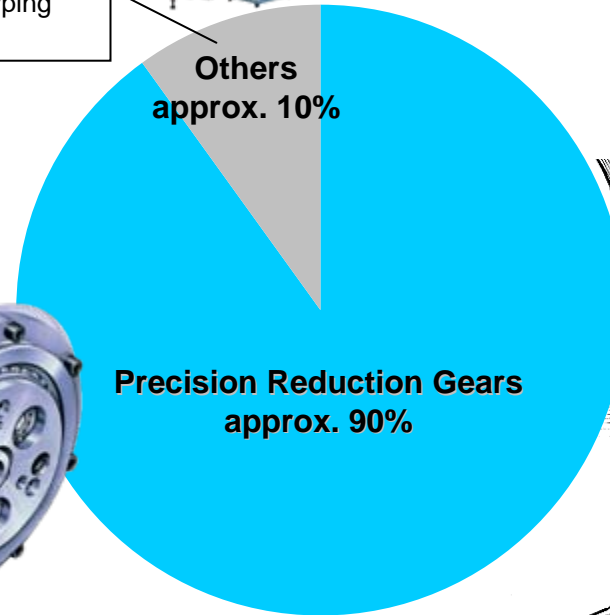
- Precision
- Transport
- Aircraft & Hydraulic
- Industrial

Precision Equipment

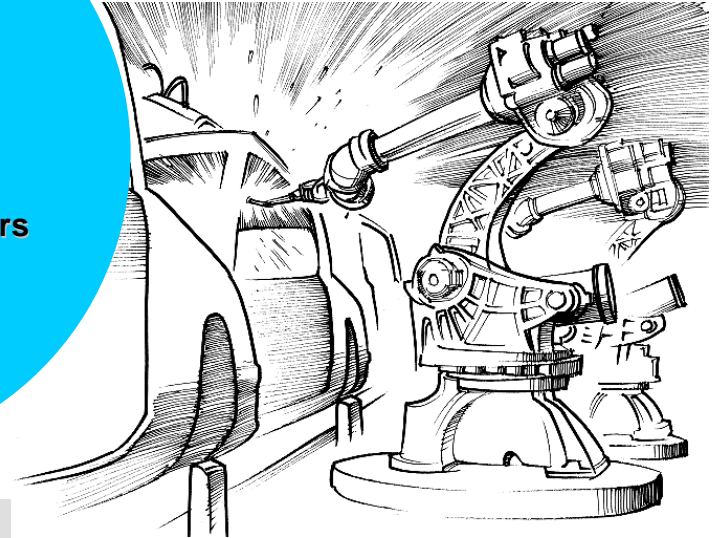
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Vacuum equipment,
Rapid prototyping
machine, etc.



Sales Structure (2009/9)



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 Equipment : changes in results



Results for the Interim

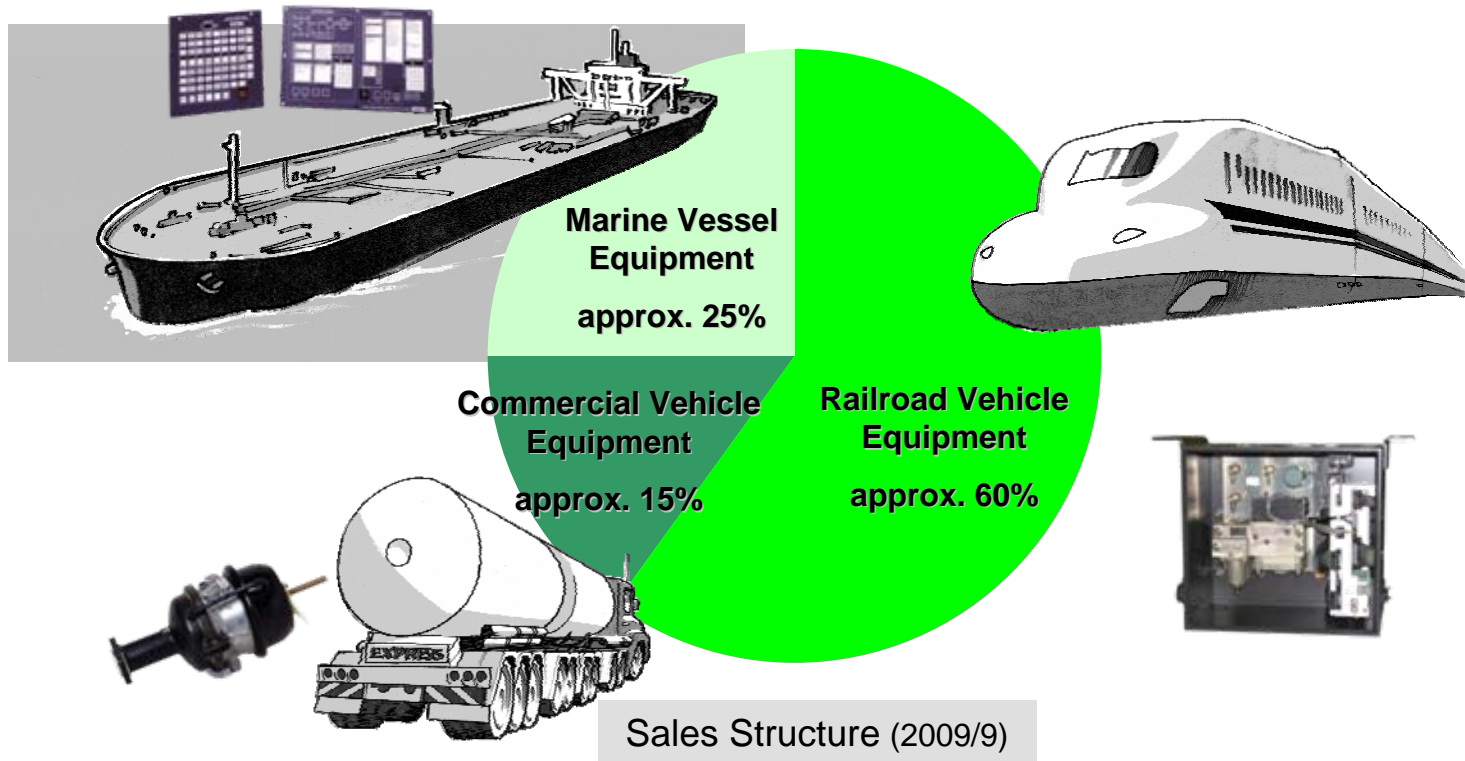
(JPY million)	2008/9	2009/9 (original forecast)	2009/9	Variation	Ratio
Sales	16,390	5,500	5,623	-10,767	-65.7%
Operating profit	2,081	-1,100	-819	-2,900	-139.4%
O. P. margin	12.7%	-20.0%	-14.6%		

Notes: Precision reduction gears

- Industrial robots: Sharp decrease in sales due to shrinking capital expenditure mainly in the automotive industry. Slowly recovering from H2 of this fiscal year.
- Machine tools: The same as Industrial robots, decrease in sales because of the dependence on automotive industry.
- SPE: Weak, but a sign of recovery is shown in Q2 of this fiscal year.
- Despite the reduction in fixed costs, decrease in profit due to the decrease in sales. For the whole fiscal year, down in deficit in comparison with the original forecast because of the recovery of Industrial robots.

Forecast for FY 2009

(JPY million)	2009/3	2010/3 (original forecast)	2010/3	Variation	Ratio
Sales	28,026	12,000	13,000	-15,026	-53.6%
Operating profit	2,506	-1,200	-700	-3,206	-127.9%
O. P. margin	8.9%	-10.0%	-5.4%		



Main Products and Customers

Railroad vehicle equipment (brake system, door operating units)

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

Commercial vehicle equipment (air brake peripherals)

Hino, Isuzu, Mitsubishi Fuso Truck & Bus, Nissan Diesel Motor

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

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

Transport Equipment : changes in results



Results for the Interim

(JPY million)	2008/9	2009/9 (original forecast)	2009/9	Variation	Ratio
Sales	24,326	21,000	20,639	-3,687	-15.2%
Operating profit	2,350	1,800	1,771	-579	-24.6%
O. P. margin	9.7%	8.6%	8.6%		

Notes:

- Railroad vehicle equipment: Increase in sales for the whole fiscal year due to expansion of China business. Despite the quality issues, increase in profit and sales.
- Commercial vehicle equipment: Although a sign of recovery is shown, decrease in sales because of the weak demand for trucks in both domestic and overseas. Advancing with the restructuring to strengthen competitiveness.
- Marine vessel equipment: Decrease in sales due to order cancellations and pushing back the delivery of newly-built vessels.
- Decrease in profit because the increase in railroad vehicle is unable to cover the decrease in both commercial vehicle and marine vessel.

Forecast for FY 2009

(JPY million)	2009/3	2010/3 (original forecast)	2010/3	Variation	Ratio
Sales	46,765	44,000	43,000	-3,765	-8.1%
Operating profit	4,682	4,500	4,300	-382	-8.2%
O. P. margin	10.0%	10.2%	10.0%		

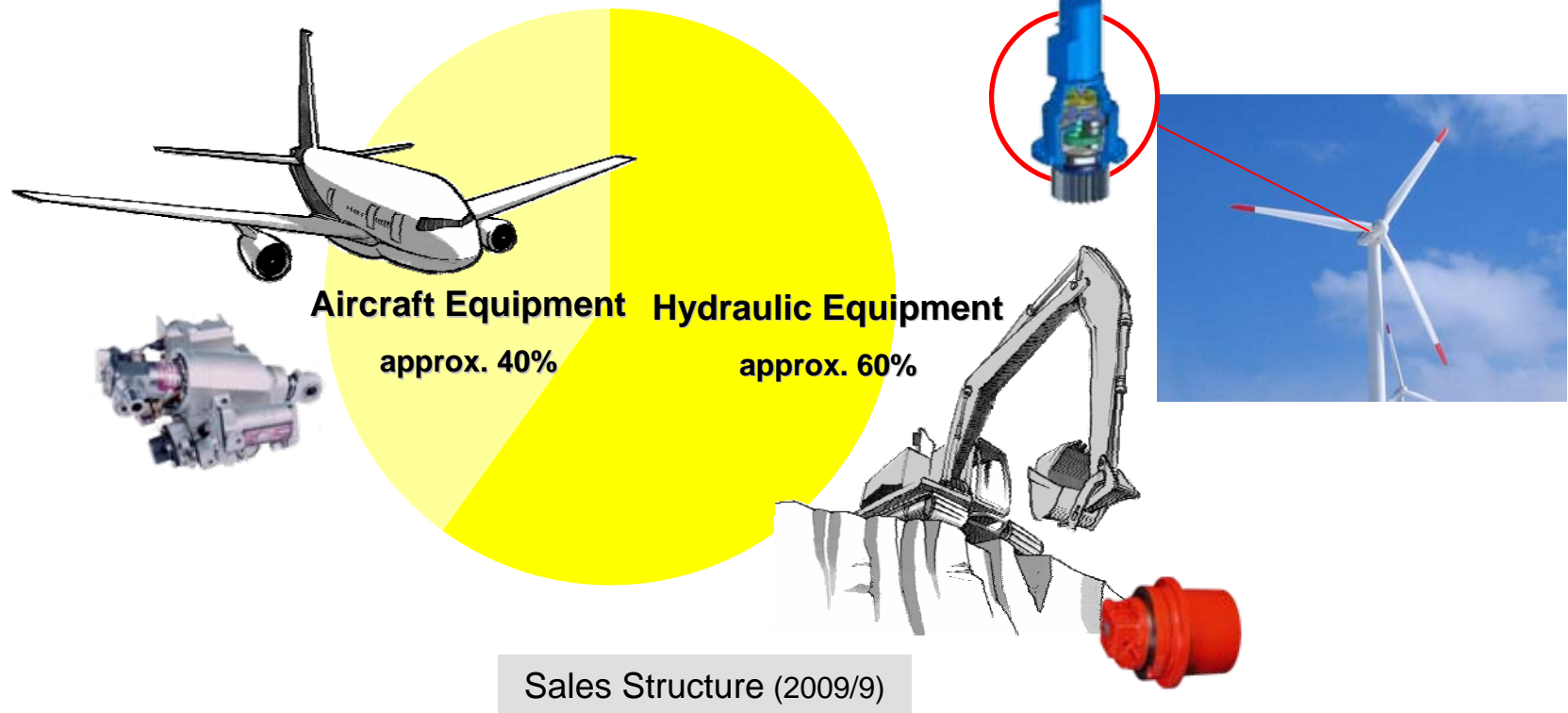
Remarks:

Restructuring in commercial vehicle equipment business

- Purpose: Improvement in profit performance.
- Operate this business as a consolidated subsidiary.
- Withdraw from the unprofitable aluminum casting business.
- Approx. 1 billion of extraordinary loss to be expected due to the restructuring.

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

Results for the Interim

(JPY million)	2008/9	2009/9 (original forecast)	2009/9	Variation	Ratio
Sales	30,258	19,000	19,592	-10,666	-35.3%
Operating profit	2,797	-200	811	-1,986	-71.0%
O. P. margin	9.2%	1.1%	4.1%		

Notes:

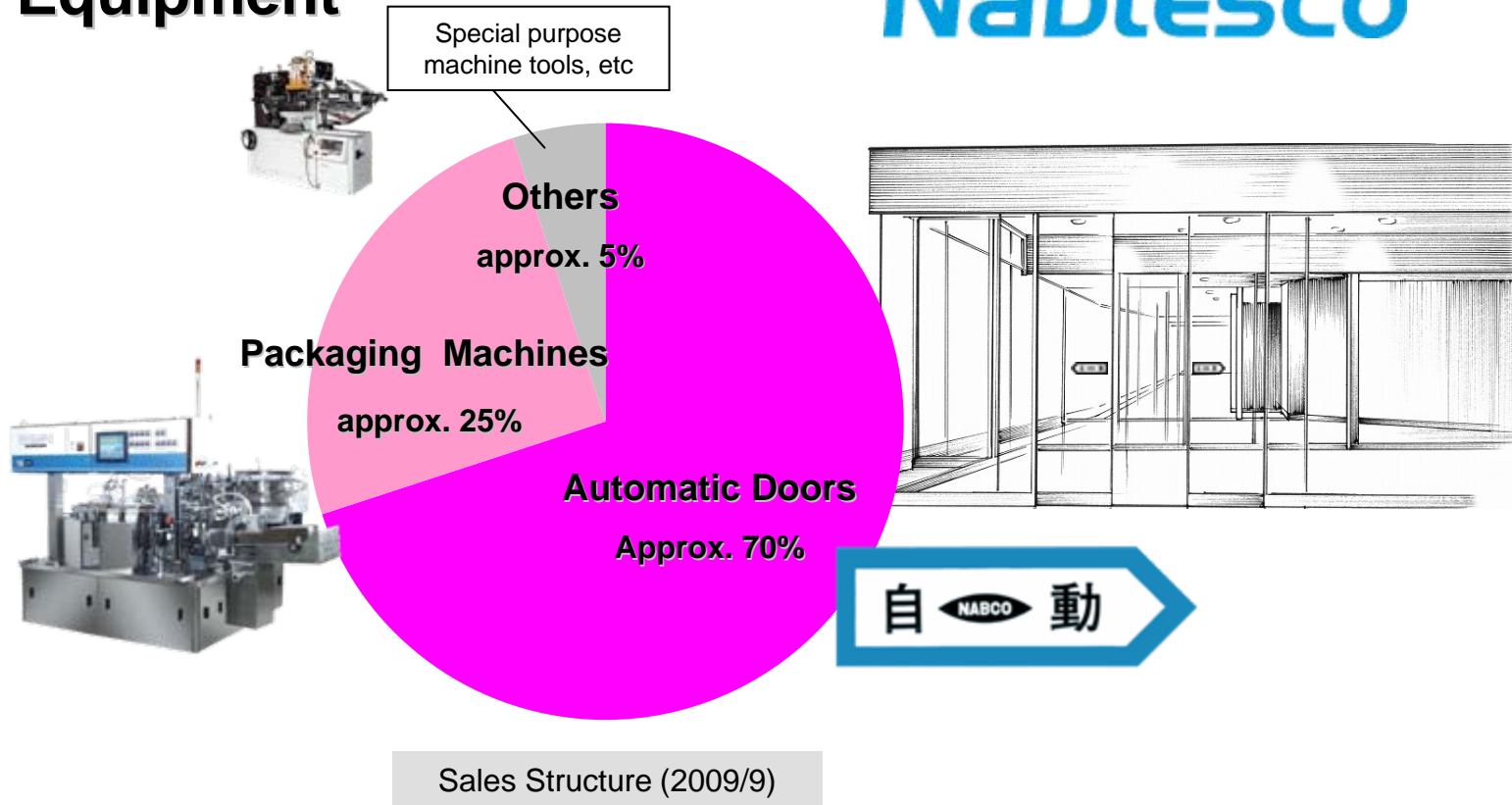
- Hydraulic Equipment: Construction machinery: Demand in the China market showed recovery, but decreased sales is to be expected for the whole fiscal year because of the uncertainty in world demand recovery.
- Drive units for wind turbine generators: Decrease in sales due to decline in USA market from financial shrinkage.
- Aircraft equipment: The defense demand has increased, but total sales still decrease because of significant decline in civil aviation demand.
- Decrease in profit due to the whole sales decrease and forex effect.

Forecast for FY 2009

(JPY million)	2009/3	2010/3 (original forecast)	2010/3	Variation	Ratio
Sales	51,390	40,000	40,000	-11,390	-22.2%
Operating profit	2,614	300	900	-1,714	-65.6%
O. P. margin	5.1%	0.8%	2.3%		

Industrial Equipment

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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, S&B Foods, Kao, Lion, Mars (France), Dole (USA)

Industrial Equipment: change in results



Results for the interim

(JPY million)	2008/9	2009/9 (original forecast)	2009/9	Variation	Ratio
Sales	15,839	13,500	12,867	-2,972	-18.8%
Operating profit	972	500	719	-253	-26.0%
O.P. margin	6.1%	3.7%	5.6%		

Notes:

- Automatic doors: Sales is decreased due to continuous decline in domestic construction demand.
- Packaging machines: Decrease in sales because of conservative food industry investment, both domestic and overseas.
- Special purpose machine tools: Decrease in sales due to falling CAPEX in automotive industry.
- Each of the above drops in sales decreased the profit.

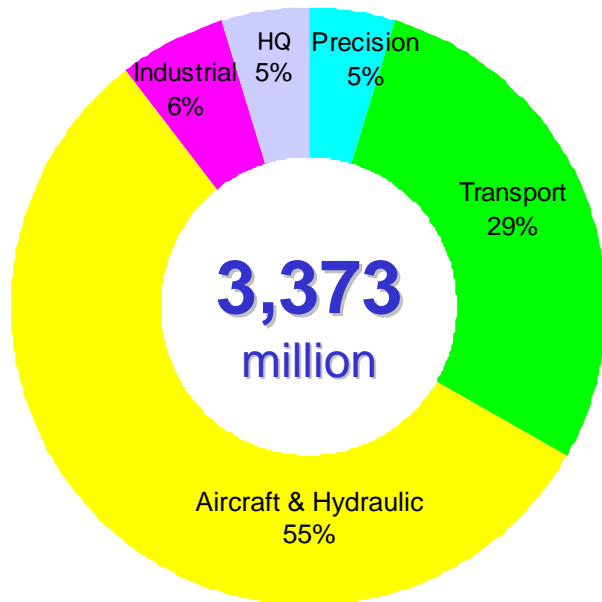
Forecast for FY 2009

(JPY million)	2009/3	2010/3 (original forecast)	2010/3	Variation	Ratio
Sales	31,987	28,000	27,000	-4,987	-15.6%
Operating profit	2,209	1,400	1,200	-1,009	-45.7%
O.P. margin	6.9%	5.0%	4.4%		

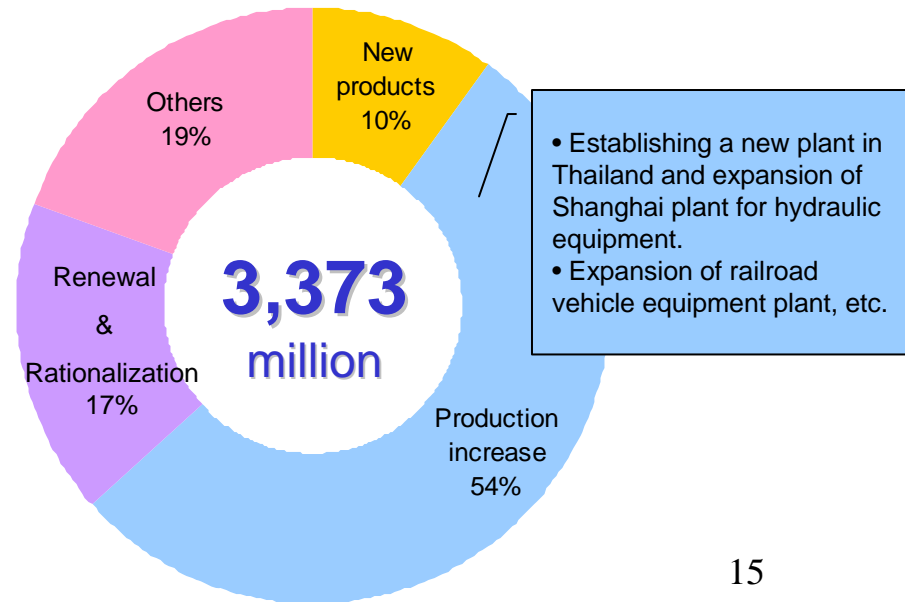
CAPEX, R&D and Depreciation

(JPY million)	2008/9	2009/9	2010/3 Forecast
CAPEX	3,948	3,373	5,700
R&D expenses	2,081	1,793	3,600
Depreciation	2,647	2,604	5,600

CAPEX by Segment



CAPEX by Usage



Balance Sheet Summary



(JPY million)	2009/3	2009/9	Variation
Assets	144,685	140,706	-3,978
(Cash and time deposits)	27,422	28,138	717
(Accounts receivable)	35,159	31,598	-3,561
Receivable turnover period	94	104	10
(Inventory)	16,493	16,092	-400
Inventory turnover period	51	65	14
(Fixed assets)	45,206	45,985	778
Liabilities	62,968	58,526	-4,442
(Interest-bearing debt)	19,160	19,595	435
Net assets	81,716	82,180	463
(Minority interests)	5,239	5,471	232
※ Equity ratio :	52.9%	54.5%	

Remarks:

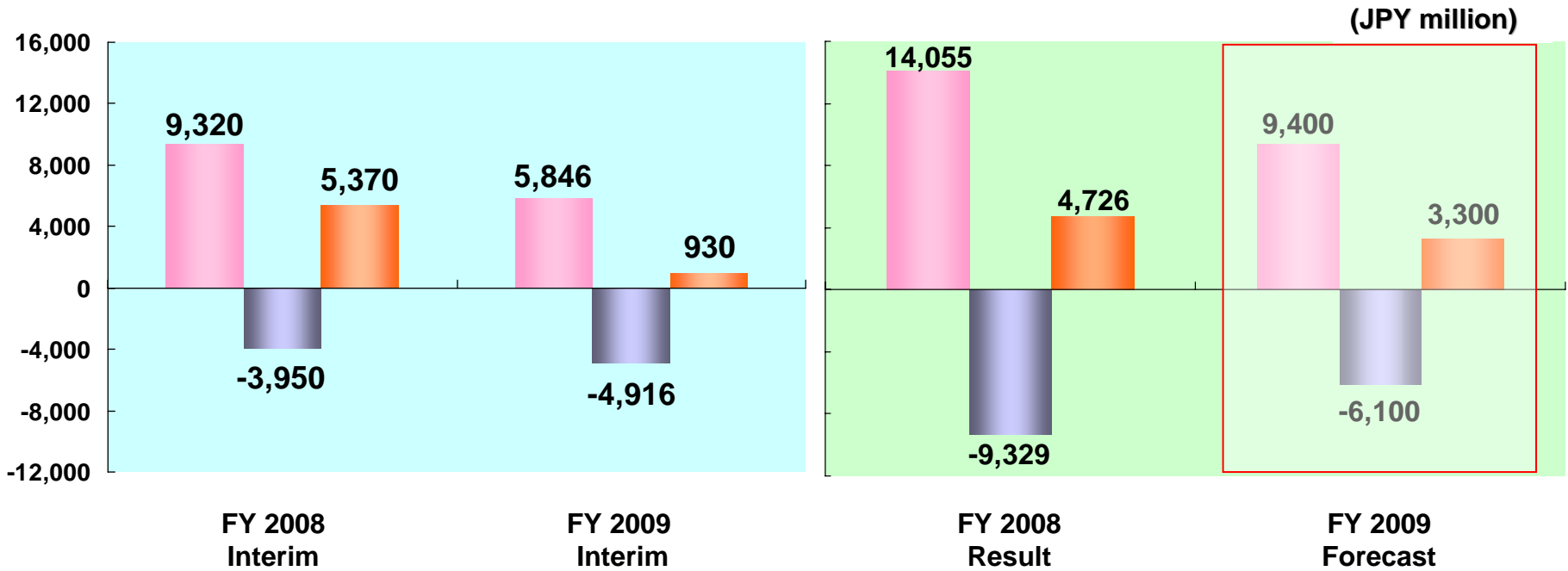
Due to decrease in sales

Due to decrease in trade notes & accounts payable

Consolidated Cash Flow



■ Sales Cash Flow
 ■ Investment Cash Flow
 ■ Free Cash Flow



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moving it. stopping it.