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

Summary of Financial Statements for the First Quarter of Fiscal Year Ending March 31, 2010

July 30, 2009

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 and CEO Name: Kazuyuki Matsumoto
Inquiries: Title: General Manager, General Administration Div. Name: Osamu Matsuo TEL (03) 3578 - 7070
Scheduled Filing Date: August 11, 2009
Scheduled Dividend Payment Date: —

(Amounts less than one million yen have been rounded down)

1. Consolidated Results for the First Quarter of FY 2009 (From April 1, 2009 to June 30, 2009)

(1) Consolidated Operating Results

(Percentages indicate the year-on-year increase (decrease))

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Quarter, FY 2009	27,402	(33.8)	884	(79.7)	1,080	(77.3)	301	(88.1)
First Quarter, FY 2008	41,378	—	4,365	—	4,757	—	2,539	—

	Net income per share	Diluted net income per share
	Yen	Yen
First Quarter, FY 2009	2.38	2.38
First Quarter, FY 2008	19.98	19.98

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2009	141,902	82,207	54.0	605.57
As of March 31, 2009	144,685	81,716	52.9	601.75

(Reference) Shareholders' Equity: As of June 30, 2009: ¥76,563 million As of March 31, 2009: ¥76,476 million

2. Dividends

	Dividends per share				
(Base date)	End of First Quarter	End of Second Quarter	End of Third Quarter	Year End	Full Year
	Yen	Yen	Yen	Yen	Yen
FY 2008	—	9.00	—	4.00	13.00
FY 2009	—	―――	―――	―――	―――
FY 2009 (Forecast)	―――	4.00	―――	4.00	8.00

(Note) Revision of dividends forecast in the first quarter: None

3. Forecast of Consolidated Operating Results for FY 2009 (From April 1, 2009 to March 31, 2010)

(Percentages indicate the year-on-year increase (decrease))

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six-month period, FY 2009	59,000	(32.0)	1,000	(87.8)	1,200	(86.6)	600	(87.6)	4.72
FY 2009	124,000	(21.6)	5,000	(58.4)	5,500	(57.7)	3,000	(32.2)	23.60

(Note) Revision of consolidated results forecast in the first quarter: None

4. Other

(1) Changes in significant subsidiaries during the first quarter, FY 2009 (changes in specified subsidiaries associated with change in the scope of consolidation): None

Newly added: — (Company name:) Excluded: — (Company name:)

(2) Application of simplified accounting procedures or of distinctive accounting procedures for the preparation of quarterly consolidated financial statements: Yes

(Note) Please see [Qualitative Information, Financial Statements, etc.] “4. Other” on page 5 for details.

(3) Changes in accounting principles, accounting procedures and presentation methods related to preparation of quarterly consolidated financial statements (Changes to be stated in the section “Changes in significant matters providing the basis for preparation of quarterly consolidated financial statements”):

1) Changes involving amendments and revisions to accounting standards: Yes

2) Changes other than those included in the above 1): Yes

(Note) Please see [Qualitative Information, Financial Statements, etc.] “4. Other” on page 5 for details.

(4) Shares outstanding (Common shares)

1) Number of shares outstanding (including treasury stock)

As of June 30, 2009:	127,212,607 shares	As of March 31, 2009:	127,212,607 shares

2) Number of treasury stock

As of June 30, 2009:	781,044 shares	As of March 31, 2008:	121,722 shares

3) Average number of shares

First quarter, FY 2009:	126,761,224 shares	First quarter, FY 2008:	127,105,976 shares

* Explanation of the proper use of forecasts of operating results, other items of special note

The forecast figures posted above represent an outlook determined on the basis of information available at present, and include several elements of uncertainty. Actual performance may differ from the above forecast figures due to changes in operating results and other factors.

[Qualitative Information, Financial Statements, etc.]

1. Qualitative information on consolidated operating results

The world economy in the first quarter of the consolidated fiscal year ending March 31, 2010 remained in recession, reflecting the worsening financial crisis triggered by bankruptcies among U.S. financial institutions.

The Japanese economy also faced serious conditions including significantly deteriorating corporate revenues due to a decline in exports, which continued from the previous fiscal year.

Under these circumstances, operating results of the Group for the first quarter of consolidated FY 2009 suffered a sharp decline in net sales on a year-on-year basis, on the back of shrinking capital expenditure mainly in the automotive industry, despite signs of recovery in demand for construction machinery in China. Operating income, ordinary income and net income for the first quarter of FY 2009 ended drastically lower than the same period last year, affected by the decreased net sales and additional measures taken to counter some quality problems of railroad vehicle equipment.

(1) Net sales and operating income

Net sales for the first quarter of consolidated FY 2009 decreased by ¥13,976 (down 33.8%) compared with the same period last year, to ¥27,402 million, and operating income fell by ¥3,480 million (down 79.7%), to ¥884 million. The operating income to net sales ratio dropped by 7.3 points from a year earlier, to 3.2%.

Operating results by business segment were as follows:

[Precision Equipment]

Net sales in the precision equipment business declined by 62.3% year on year, to ¥2,873 million, with operating income ending in a deficit of ¥436 million.

Sales of our precision reduction gears shrank significantly due to the impact of reduction and postponement of capital expenditure, primarily by automakers, which continued from the second half of the previous fiscal year. Operating income fell into the red as a result of a significant decline in net sales, despite our efforts to cut fixed expenses.

[Transport Equipment]

Net sales in the transport equipment business dropped by 21.2% year on year, to ¥9,513 million, while operating income fell by 45.4%, to ¥653 million.

Sales of railroad vehicle equipment remained steady, but turned out to be less than the same period last year. On the other hand, sales of automobile equipment were heavily hit by the slump in demand. Marine engine remote-control systems suffered a fall in sales due to the decrease in new shipbuilding orders.

[Aircraft and Hydraulic Equipment]

Net sales in the aircraft and hydraulic equipment business fell 38.0% year on year, to ¥9,464 million, and operating income decreased 66.1%, to ¥499 million.

Our hydraulic equipment business recorded a significant drop in sales due to the continued shrinking of global demand from autumn last year, despite an upward trend in China thanks to the strong demand for construction machinery. Sales of aircraft equipment decreased slightly in line with demand in both the private and defense sectors.

[Industrial Equipment]

Net sales in the industrial equipment business slipped 13.8% year on year, to ¥5,550 million, and operating income fell 29.1%, to ¥168 million.

Sales in the automatic door business fell due to further declines in domestic construction demand. Packaging machines for export posted lower sales, and sales in special-purpose machine tools slipped significantly compared with the same period last year due to a reduction in capital expenditure by automakers.

(2) Ordinary income

Ordinary income for the first quarter of consolidated FY 2009 was down ¥3,677 million (77.3%) year on year, to ¥1,080 million.

The principal reason for this downturn was, as mentioned above, the year-on-year decline in operating income of ¥3,480 million (79.7%). Non-operating income mainly from dividends income and rent income stood at ¥276 million, while non-operating expenses mainly from interest expenses and foreign exchange losses totaled ¥80 million.

(3) Net income

Net income for the first quarter of consolidated FY 2009 fell ¥2,238 million (down 88.1% year on year), to ¥301 million.

Extraordinary gains fell by ¥16 million year on year, to ¥33 million, due to the reversal of allowance for doubtful accounts, etc., while extraordinary losses decreased by ¥345 million from a year earlier, to ¥15 million, resulting from a loss of ¥322 million on the liquidation of affiliated companies, etc. recorded in the previous fiscal year, despite a loss on disposal of fixed assets. Consequently, income before income taxes plunged ¥3,348 million year on year, to ¥1,098 million.

Income taxes were down ¥1,064 million year on year, to ¥581 million, while minority interest income fell only ¥45 million to ¥215 million, supported by the higher profits of consolidated subsidiaries.

2. Qualitative information on consolidated financial position

(1) Assets, Liabilities and Net Assets

(Assets)

Current assets and fixed assets as of the end of the first quarter of consolidated FY 2009 were ¥79,617 million and ¥62,284 million, respectively, representing total assets of ¥141,902 million, a decrease of ¥2,783 million from the end of the previous consolidated fiscal year. The main positive factors were an increase of ¥1,846 million in tangible fixed assets as a result of capital expenditure, and a buildup of ¥960 million in inventories. Meanwhile, the main negative factors included a drop of ¥3,365 million in cash and cash equivalents (cash and deposits, and securities) and a decrease of ¥2,686 million in notes and accounts receivable, etc.

(Liabilities)

Current liabilities and long-term liabilities as of the end of the first quarter of consolidated FY 2009 were ¥38,525 million and ¥21,169 million, respectively, representing total liabilities of ¥59,694 million, a decrease of ¥3,274 million from the end of the previous consolidated fiscal year. The decrease was mainly attributable to a drop of ¥2,770 million in trade notes and accounts payable, and a decline of ¥562 million in retirement allowance due to the payment of retirement benefits to mandatory retirees.

(Net assets)

Total net assets at the end of the first quarter of consolidated FY 2009 stood at ¥82,207 million with shareholders' equity of ¥76,563 million, an increase of ¥86 million from the end of the previous consolidated fiscal year. The increase was mainly attributable to a growth in earned surplus, reflecting net income of ¥301 million and an increase of ¥589 million in translation adjustments of overseas subsidiaries due to fluctuations of foreign exchange rates. On the other hand, the principal negative factor was a ¥508 million decrease in earned surplus due to the payment of dividends, etc.

(2) Cash Flows

Cash and cash equivalents (hereinafter, "funds") as of the end of the first quarter of consolidated FY 2009 were ¥23,933 million, attributable to ¥341 million in funds generated from operating activities and application of the funds mainly to capital expenditure, dividend payments, etc.

(Cash flows from operating activities)

Our operations in the first quarter of consolidated FY 2009 generated net cash of ¥341 million. The main positive factors were decreases in income before income taxes and notes and accounts receivable, while the principal negative factors included a decrease in accounts payable, an increase in inventory, and a decrease in allowance for retirement benefits, etc.

(Cash flows from investing activities)

Net cash used in investing activities in the first quarter of consolidated FY 2009 amounted to ¥3,440 million. This was mainly due to the acquisition of tangible fixed assets and investment in securities, etc.

(Cash flows from financing activities)

Financing activities recorded a net cash outflow of ¥413 million in the first quarter of consolidated FY 2009 due principally to the payment of dividends, etc.

3. Qualitative information on forecasts of consolidated operating results

The consolidated operating results for the first quarter ended June 30, 2009 were approximately in line with our earlier forecasts. There is no revision to the consolidated forecast for the six-month period and the full fiscal year ending March 31, 2010 that we had announced on May 8, 2009.

4. Other

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

(2) Application of simplified accounting procedures or of distinctive accounting procedures for the preparation of quarterly consolidated financial statements

1) Simplified accounting procedures

Inventory at the end of the consolidated fiscal quarter has been calculated in a reasonable manner on the basis of physical inventory at the end of the previous consolidated fiscal year.

2) Distinctive accounting procedures for the preparation of quarterly consolidated financial statements

In determining tax expenses, the effective tax rate after application of tax effect accounting for the income before income taxes for the consolidated fiscal year, inclusive of the first quarter of consolidated FY 2009, has been estimated in a rational manner; and tax expenses have been calculated by multiplying the quarterly income before income taxes and adjustments by this estimated effective tax rate.

Adjustments for income taxes have been included and presented in income and other taxes.

(3) Changes to accounting principles, accounting procedures and presentation methods for preparation of quarterly consolidated financial statements

1) Changes in accounting standards for recognition of construction revenues and cost of completed work

With regard to accounting standards employed for the recognition of revenues resulting from construction work undertaken for customers, we previously recognized the total lump-sum amount of the completed contract values at completion, using the completed-contract method. However, with effect from this first quarter, the “Accounting Standards for Construction Contracts” (ASBJ Statement No. 15, issued on December 27, 2007) and the “Guidance on Application of Accounting Standards for Construction Contracts” (ASBJ Guidance No. 18, issued on December 27, 2007) have been applied to construction contracts. The percentage-of-completion method is applied to construction contracts that meet the following criteria: construction had started within the reporting period; and the percentage of construction already completed by the end of the reporting period can be estimated fairly reliably. (The estimation is based on the proportion of direct costs incurred for each work phase as compared with the estimated total cost for the entire contract.) Other than the above-mentioned construction contracts, the completed-contract method has been applied.

There was no effect of this change on the profit and loss, as we had no construction works to which the percentage-of-completion method applied in the first quarter of consolidated FY 2009.

2) Changes in accounting standards for recognition of loss on disposal of inventories

Loss on disposal of inventories was formerly stated separately under non-operating expenses. However, in line with the accounting practice by which loss on revaluation of inventory due to downward revision of the book value as a result of lower profitability is recognized as cost of sales, we have recognized loss on disposal of inventories under cost of sales from the first quarter of FY 2009, if such loss on disposal of inventories is attributable to lower profitability. Consequently, operating income for the first quarter of FY 2009 decreased by ¥29 million compared with the amount calculated by the previous method.

The impact of this on segment data has been noted in the corresponding sections.

3) Changes in presentation method

In the first quarter of consolidated FY 2008, “Tangible fixed assets” included in fixed assets were stated all together. However, as “Buildings and structures” and “Land” under Tangible fixed assets exceeded 10/100 of total assets, such items are stated separately from the first quarter of FY 2009, as well as “Machinery and transport equipment,” “Tools, apparatus and furniture” and “Construction in progress.” For information, “Buildings and structures,” Machinery and transport equipment,” “Tools, apparatus and furniture,” “Land” and “Construction in progress” under “Tangible fixed assets” for the first quarter of consolidated FY 2008 were ¥15,868 million, ¥9,734 million, ¥2,321 million, ¥14,527 million and ¥1,254 million, respectively.

5. [First Quarter Consolidated Financial Statements]

(1) [First Quarter Consolidated Balance Sheets]

(Million yen)

	End of the First quarter of consolidated FY 2009 (as of June 30, 2009)	Condensed consolidated balance sheet at the end of previous consolidated accounting fiscal year (as of March 31, 2009)
Assets		
Current assets		
Cash and time deposits	8,558	9,422
Notes and accounts receivable	32,472	35,159
Marketable securities	15,498	18,000
Goods and products	3,693	2,923
Products in progress	6,351	5,781
Raw materials and stored goods	7,409	7,788
Other current assets	5,684	5,323
Allowance for doubtful receivables	(49)	(92)
Total current assets	79,617	84,306
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	17,617	15,608
Machinery and transport equipment (net)	11,420	11,077
Tools, apparatus and furniture (net)	2,153	2,062
Land	14,734	14,709
Construction in progress	1,127	1,749
Total tangible assets	47,053	45,206
Intangible fixed assets	1,365	1,447
Investments and other assets		
Investments in securities	11,912	11,543
Other investments and other assets	2,197	2,416
Allowance for doubtful receivables	(244)	(235)
Total investments In securities and other assets	13,865	13,724
Total fixed assets	62,284	60,379
Total assets	141,902	144,685
Liabilities		
Current liabilities		
Trade notes and accounts payable	19,558	22,329
Short-term loans payable	8,291	8,160
Income taxes payable	601	404
Allowance for product warranty	1,352	1,280
Other current liabilities	8,721	9,035
Total current liabilities	38,525	41,209
Long-term liabilities		
Bonds	11,000	11,000
Retirement allowance	8,694	9,256
Allowance for retirement bonus for directors	252	261
Allowance for environmental measures	515	519
Negative goodwill	198	216
Other long-term liabilities	507	505
Total long-term liabilities	21,169	21,759
Total liabilities	59,694	62,968

(Million yen)

	End of the first quarter of consolidated FY 2009 (as of June 30, 2009)	Condensed consolidated balance sheet at the end of previous consolidated accounting fiscal year (as of March 31, 2009)
Net assets		
Shareholders’ equity		
Capital stock	10,000	10,000
Capital surplus	17,477	17,477
Earned surplus	49,461	49,668
Treasury stock	(643)	(146)
Total shareholders’ equity	76,294	76,999
Valuation and translation adjustments		
Net unrealized gains on other securities	1,227	1,047
Deferred gains or losses on hedges	5	(14)
Translation adjustments	(965)	(1,554)
Total valuation and translation adjustments	268	(522)
Minority interests	5,644	5,239
Total net assets	82,207	81,716
Total liabilities and net assets	141,902	144,685

(2) [First Quarter Consolidated Statements of Income]
(First Quarter of Consolidated FY 2009)

(Million yen)

	First quarter of FY 2008 (April 1, 2008 to June 30, 2008)	First quarter of FY 2009 (April 1, 2009 to June 30, 2009)
Net sales	41,378	27,402
Cost of sales	31,531	21,397
Gross profit	9,847	6,005
Selling, general and administrative expenses	5,482	5,120
Operating income	4,365	884
Non-operating income		
Interest income	14	28
Dividends income	100	79
Rent income	67	65
Equity in earnings of an affiliate	218	46
Other non-operating income	124	55
Total	525	276
Non-operating expenses		
Interest expenses	43	28
Loss on disposal of inventories	25	－
Foreign exchange losses	24	15
Other non-operating expenses	38	36
Total	132	80
Ordinary income	4,757	1,080
Extraordinary gains		
Gain on sales of fixed assets	33	1
Gain on sale of investment in securities	－	1
Reversal of allowance for doubtful accounts	17	30
Total	50	33
Extraordinary losses		
Loss on disposal of fixed assets	37	15
Write-down of golf membership rights	2	－
Loss on liquidation of an affiliates	322	－
Total	361	15
Income before income taxes and adjustments	4,447	1,098
Corporate, resident and business taxes	1,645	581
Minority interest income	261	215
Net income	2,539	301

(3) [First Quarter Consolidated Statements of Cash Flows]

(Million yen)

	First quarter of FY 2008 (April 1, 2008 to June 30, 2008)	First quarter of FY 2009 (April 1, 2009 to June 30, 2009)
Cash flows from operating activities		
Income before income taxes and adjustments	4,447	1,098
Depreciation and amortization	1,224	1,243
Amortization of goodwill	(18)	(18)
Increase (decrease) in allowance for doubtful receivables	(246)	(34)
Increase (decrease) in retirement benefits of employees	(534)	(562)
Interest and dividend income	(147)	(108)
Interest expenses	43	28
Equity in (earnings) losses of an affiliate	(218)	(46)
Loss (gain) on sales of fixed assets	(33)	(1)
Loss (gain) on disposal of fixed assets	37	15
Loss (gain) on sale of investment in securities	–	(1)
Write-down of golf membership rights	2	–
Loss on liquidation of an affiliates	322	–
Decrease (increase) in notes and accounts receivable	1,307	2,896
Increase (increase) in inventories	(1,638)	(714)
Increase (decrease) in notes and accounts payable	704	(2,917)
Others	578	(301)
Subtotal	5,830	576
Interest and dividend received	221	182
Interest paid	(53)	(29)
Corporate, resident and business taxes paid	(3,180)	(387)
Net cash and cash equivalents provided by operating activities	2,817	341
Cash flows from investing activities		
Increase in time deposits	–	(1)
Purchases of property, plant and equipment	(1,362)	(2,941)
Proceeds from sales of property, plant and equipment	39	4
Purchases of intangible fixed assets	(149)	(44)
Purchases of investments in securities	(489)	(531)
Proceeds from sale of investment in securities	–	3
Others	63	70
Net cash and cash equivalents used in investing activities	(1,898)	(3,440)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans	(2)	128
Repayments of long-term loans	(2)	–
Payments for purchases of treasury stock	(15)	(5)
Proceeds from sales of treasury stock	2	0
Cash dividends paid	(1,016)	(508)
Cash dividends paid to minority shareholders	(45)	(28)
Net cash and cash equivalents provided by financing activities	(1,080)	(413)
Effect exchange rate changes on cash and cash equivalents	(527)	146
Increase (decrease) in cash and cash equivalents	(688)	(3,365)
Cash and cash equivalents at beginning of period	29,722	27,299
Cash and cash equivalents at end of period	29,033	23,933

(4) Notes Relating to the Going Concern Assumption
None

(5) Segment Information
[Segment Information by Business Category]
First Quarter of Consolidated FY 2008 (From April 1, 2008 to June 30, 2008)

(Million yen)

	Precision Equipment	Transport Equipment	Aircraft and Hydraulic Equipment	Industrial Equipment	Total	Eliminations and General Corporate Assets	Consolidated
Net sales							
(1) External sales	7,618	12,067	15,256	6,435	41,378	–	41,378
(2) Inter-segment net sales or transfer	11	59	194	80	345	[345]	–
Total	7,629	12,127	15,450	6,515	41,724	[345]	41,378
Operating income	1,458	1,196	1,471	237	4,365	–	4,365

(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 devices.
(2) Transport 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 doors for buildings, automatic fillers/sealers, forming machines, machine tools, automotive parts, molds and jigs.
3 All common expenses of operating expenses are allocated to each segment.
4 (Changes in accounting policies)
As described in “Changes in significant matters providing the basis for preparation of quarterly consolidated financial statements” 1. (1), the “Accounting Standards for Valuation of Inventory” (ASBJ Statement No. 9) applies from the current consolidated fiscal year. As a result, operating income for the first quarter of consolidated FY 2008 decreased by ¥4 million in the “Precision equipment business,” ¥89 million in the “Transport equipment business,” ¥10 million in the “Aircraft and hydraulic equipment business” and ¥1 million in the “Industrial equipment business” compared with the amounts calculated by the previous method.
5 (Additional information)
As described in “Additional Information,” the Company and its domestic consolidated subsidiaries changed, from the first quarter of the current consolidated fiscal year, the useful life of machinery and equipment following the revision of the Corporation Tax Act. As a result, operating income for the first quarter of consolidated FY 2008 increased by ¥17 million in the “Precision equipment business,” decreased by ¥12 million in the “Transport equipment business,” increased by ¥14 million in the “Aircraft and hydraulic equipment business,” and decreased by ¥1 million in the “Industrial equipment business,” compared with the amounts calculated by the previous method.

First Quarter of Consolidated FY 2009 (From April 1, 2009 to June 30, 2009)

(Million yen)

	Precision Equipment	Transport Equipment	Aircraft and Hydraulic Equipment	Industrial Equipment	Total	Eliminations and General Corporate Assets	Consolidated
Net sales							
(1) External sales	2,873	9,513	9,464	5,550	27,402	−	27,402
(2) Inter-segment net sales or transfer	0	44	55	45	146	[146]	−
Total	2,873	9,558	9,519	5,596	27,548	[146]	27,402
Operating income	(436)	653	499	168	884	−	884

(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 devices.

(2) Transport 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 doors for buildings, automatic fillers/sealers, forming machines, machine tools, automotive parts, molds and jigs.

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

4 (Changes in accounting policies)

As described in “Qualitative Information, Financial Statements, etc.” 4. (3) 2), loss on disposal of inventories was formerly stated separately under non-operating expenses. However, in line with the accounting practice by which loss on revaluation of inventory due to downward revision of the book value as a result of lower profitability is recognized as cost of sales, we have recognized loss on disposal of inventories under cost of sales from the first quarter of FY 2009, if such loss on disposal of inventories is attributable to lower profitability. Consequently, operating income for the first quarter of FY 2009 decreased by ¥0 million in “Precision equipment business,” ¥17 million in “Transport equipment business,” ¥6 million in “Aircraft and hydraulic equipment business” and ¥4 million in “Industrial equipment business” compared with the amount calculated by the previous method.

[Segment Information by Region]
First Quarter of Consolidated FY 2008 (From April 1, 2008 to June 30, 2008)

(Million yen)

	Japan	Asia	North America	Europe	Total	Eliminations and General Corporate Assets	Consolidated
Net sales							
(1) External sales	32,008	5,152	2,544	1,672	41,378	－	41,378
(2) Inter-segment net sales or transfer	4,745	506	435	20	5,708	[5,708]	－
Total	36,754	5,658	2,980	1,693	47,086	[5,708]	41,378
Operating income	3,199	901	172	92	4,365	－	4,365

(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, the Netherlands
3 All common expenses of operating expenses are allocated to each segment.
4 (Changes in accounting policies)
As described in “Changes in significant matters providing the basis for preparation of quarterly consolidated financial statements” 1. (1), the “Accounting Standards for Valuation of Inventory” (ASBJ Statement No. 9) applies from the current consolidated fiscal year. As a result, operating income for the first quarter of consolidated FY 2008 decreased by ¥105 million in Japan, compared with the amounts calculated by the previous method.
5 (Additional information)
As described in “Additional Information,” the Company and its domestic consolidated subsidiaries changed, from the first quarter of the current consolidated fiscal year, the useful life of machinery and equipment following the revision of the Corporation Tax Act. As a result, operating income for the first quarter of consolidated FY 2008 increased by ¥18 million in Japan, compared with the amounts calculated by the previous method.

First Quarter of Consolidated FY 2009 (From April 1, 2009 to June 30, 2009)

(Million yen)

	Japan	Asia	North America	Europe	Total	Eliminations and General Corporate Assets	Consolidated
Net sales							
(1) External sales	20,364	3,932	1,959	1,145	27,402	－	27,402
(2) Inter-segment net sales or transfer	2,381	210	256	10	2,859	[2,859]	－
Total	22,746	4,143	2,216	1,156	30,261	[2,859]	27,402
Operating income	105	645	137	(4)	884	－	884

(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, the Netherlands
3 All common expenses of operating expenses are allocated to each segment.
4 (Changes in accounting policies)
As described in “Qualitative Information, Financial Statements, etc.” 4. (3) 2), loss on disposal of inventories was formerly stated separately under non-operating expenses. However, in line with the accounting practice by which loss on revaluation of inventory due to downward revision of the book value as a result of lower profitability is recognized as cost of sales, we recognize loss on disposal of inventories under cost of sales from the first quarter of FY 2009, if such loss on disposal of inventories is attributable to lower profitability. Consequently, operating income for the first quarter of FY 2009 decreased by ¥29 million in Japan, compared with the amount calculated by the previous method.

[Overseas Sales]

First Quarter of Consolidated FY 2008 (From April 1, 2008 to June 30, 2008)

		Asia	North America	Europe	Other regions	Total
I	Overseas Sales (Million yen)	7,421	2,922	2,163	119	12,627
II	Consolidated net sales (Million yen)					41,378
III	Composition to consolidated net sales (%)	17.9	7.1	5.2	0.3	30.5

(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 the Netherlands
(4) Other regions ················ Australia and New Zealand

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

First Quarter of Consolidated FY 2009 (From April 1, 2009 to June 30, 2009)

		Asia	North America	Europe	Other regions	Total
I	Overseas Sales (Million yen)	5,032	2,229	1,434	88	8,785
II	Consolidated net sales (Million yen)					27,402
III	Composition to consolidated net sales (%)	18.4	8.2	5.2	0.3	32.1

(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 the Netherlands
(4) Other regions ················ Australia and New Zealand

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

(6) Explanatory note on significant fluctuations in shareholders' equity

None

6. Other Information

[Production, Orders and Sales]

(1) Production
Production per business category in the first quarter of consolidated FY 2009 is shown below.

Segment by business category	Output (Million yen)	Year-on-year comparison (%)
Precision Equipment	2,902	(63.6)
Transport Equipment	9,901	(14.7)
Aircraft and Hydraulic Equipment	9,868	(35.4)
Industrial Equipment	6,371	(13.2)
Total	29,045	(31.2)

(Notes) 1 Amounts shown above are stated based on selling price, and do not include consumption or other taxes.
2. Inter-segment transactions have been eliminated from the amounts shown above.

(2) Orders
Amounts of orders received per business category in the first quarter of consolidated FY 2009 are shown below.

Segment by business category	Amount of Orders Received (Million yen)	Year-on-year comparison (%)	Order Backlog (Million yen)	Year-on-year comparison (%)
Precision Equipment	2,292	(70.5)	2,217	(65.4)
Transport Equipment	8,050	(39.8)	20,024	(1.1)
Aircraft and Hydraulic Equipment	8,163	(49.2)	23,042	(11.0)
Industrial Equipment	5,411	(31.2)	7,682	(29.0)
Total	23,918	(47.0)	52,966	(16.4)

(Notes) 1 Amounts shown above are stated based on selling price, and do not include consumption or other taxes.
2. Inter-segment transactions have been eliminated from the amounts shown above.

(3) Sales
Sales by business category in the first quarter of consolidated FY 2009 are shown below.

Segment by business category	Sales (Million yen)	Year-on-year comparison (%)
Precision Equipment	2,873	(62.3)
Transport Equipment	9,513	(21.2)
Aircraft and Hydraulic Equipment	9,464	(38.0)
Industrial Equipment	5,550	(13.8)
Total	27,402	(33.8)

(Notes) 1 Amounts shown above are stated based on selling price, and do not include consumption or other taxes.
2. Inter-segment transactions have been eliminated from the amounts shown above.
3. No single client accounts for 10% or more of the total sales.