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 Second Quarter of Fiscal Year Ending March 31, 2010

October 30, 2009

Name of Listed Company: Nabtesco Corporation
Stock listed on: the First Section of the Tokyo Stock Exchange
Code Number: 6268
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Scheduled Filing Date: November 13, 2009
Scheduled Dividend Payment Date: December 8, 2009

(Amounts less than one million yen have been discarded)

1. Consolidated Results for the Six-month Period of FY 2009 (From April 1, 2009 to September 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	%
Six-month Period, FY 2009	58,724	(32.4)	2,482	(69.7)	2,816	(68.5)	612	(87.4)
Six-month Period, FY 2008	86,813	—	8,201	—	8,932	—	4,853	—

	Net income per share	Diluted net income per share
	Yen	Yen
Six-month Period, FY 2009	4.83	4.83
Six-month Period, FY 2008	38.19	38.18

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2009	140,706	82,180	54.5	606.55
As of March 31, 2009	144,685	81,716	52.9	601.75

(Reference) Shareholders' Equity: As of September 30, 2009: ¥76,689 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	—	4.00			
FY 2009 (Forecast)			—	4.00	8.00

(Note) Revision of dividends forecast in the second quarter of consolidated FY 2009: None

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

(Percentages indicate 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
FY 2009	123,000	(22.2)	5,700	(52.5)	6,400	(50.8)	2,300	(48.0)	18.14

(Note) Revision of consolidated results forecast in the second quarter: Yes

4. Other

(1) Changes in significant subsidiaries during the second quarter of consolidated 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 6 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 6 for details.

(4) Shares outstanding (Common shares)

1) Number of shares outstanding (including treasury stock)

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

2) Number of treasury stock

As of September 30, 2009: 776,144 shares As of March 31, 2008: 121,722 shares

3) Average number of shares

Six-month period of consolidated FY 2009: 126,763,674 shares

Six-month period of consolidated FY 2008: 127,102,773 shares

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

1. 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.

2. Please refer to the “Notification of Differences between the Financial Forecast and Actual Results for the Six-month Period Ended September 30, 2009 as well as Revisions to the Forecast for the Fiscal Year Ending March 31, 2010” announced on October 30, 2009 for details of consolidated business results for the fiscal year ending March 31, 2010.

[Qualitative Information, Financial Statements, etc.]

1. Qualitative information on consolidated operating results

The world economy during the six-month period ended September 30, 2009 remained beset with difficulties. The global recession that was triggered last fall continued, even though the economy showed signs of having bottomed out and financial uncertainty began to ease thanks to measures by governments and financial authorities around the world to stabilize the financial system and stimulate the economy.

The Japanese economy also continued to face harsh conditions including further reductions in capital expenditure by domestic companies and normalization of the yen appreciation despite signs of a recovery in exports.

Under these circumstances, operating results of the Group for the six-month period of consolidated FY 2009 saw a sharp fall in net sales on a year-on-year basis, on the back of shrinking capital expenditure mainly in the automotive industry. Operating income, ordinary income and net income for the six-month period of consolidated FY 2009 ended drastically lower than the same period last year, affected by the decrease in net sales which could not be offset by our efforts to boost productivity while reducing costs and expenses, in addition to the influence of measures taken to counter some quality problems with railroad vehicle equipment.

(1) Net sales and operating income

Net sales for the six-month period of consolidated FY 2009 decreased by ¥28,089 million (down 32.4%) compared with the same period last year, to ¥58,724 million, and operating income fell by ¥5,719 million (down 69.7%), to ¥2,482 million. The operating income to net sales ratio dropped by 5.2 points from a year earlier, to 4.2%.

Operating results by business segment were as follows:

[Precision Equipment]

Net sales in the precision equipment business declined by 65.7% year-on-year, to ¥5,623 million, with operating income ending with a deficit of ¥819 million.

Sales of our precision reduction gears shrank significantly due to a sharp decrease in sales for industrial robots and machine tools, which are our core products in this segment, as a result of the impact of stagnant capital expenditure, primarily among automakers, which continued from the second half of the previous fiscal year.

[Transport Equipment]

Net sales in the transport equipment business dropped by 15.2% year-on-year, to ¥20,639 million, while operating income fell by 24.6%, to ¥1,771 million.

Sales of railroad vehicle equipment remained steady, almost unchanged from the same period last year. On the other hand, sales of automobile equipment were heavily hit by the slump in demand for commercial vehicles. Marine engine remote-control systems suffered a fall in sales due to cancellations and postponements in new shipbuilding orders.

[Aircraft and Hydraulic Equipment]

Net sales in the aircraft and hydraulic equipment business fell 35.3% year-on-year, to ¥19,592 million, and operating income decreased 71.0%, to ¥811 million.

Our hydraulic equipment business recorded a significant drop in sales due to the continued shrinking of global demand, despite an upward trend in China thanks to the strong demand for construction machinery as a result of economic stimulus measures by the government. Sales of aircraft equipment decreased slightly due to a decrease in demand in the private sector despite strong demand in the defense sector.

[Industrial Equipment]

Net sales in the industrial equipment business slipped 18.8% year-on-year, to ¥12,867 million, and operating income fell 26.0%, to ¥719 million.

Sales in the automatic door business fell due to continued declines in domestic construction demand. Automatic packaging machines for both domestic and overseas market posted lower sales. Sales of 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 six-month period of consolidated FY 2009 was down ¥6,115 million (68.5%) year-on-year, to ¥2,816 million.

The principal reason for this downturn was, as mentioned above, the year-on-year decline in operating income of ¥5,719 million (69.7%). Non-operating income decreased by ¥452 million from a year earlier to ¥538 million due to factors including a decrease in equity method investment gain as a result of the weak performance by an affiliated company producing synthetic textile machinery, while non-operating expenses mainly from interest expenses and foreign exchange losses were down ¥56 million year-on-year, to ¥205 million.

(3) Net income

Net income for the six-month period of consolidated FY 2009 fell ¥4,241 million (down 87.4% year-on-year), to ¥612 million.

Extraordinary income fell by ¥38 million year-on-year, to ¥35 million. Extraordinary loss decreased by ¥185 million from a year earlier, to ¥466 million, despite a ¥401 million impairment loss on land, etc., classified as idle facilities, because the same period last year recorded an extra loss of ¥322 million on the liquidation of affiliated companies and a ¥201 million loss on valuation of investment securities. Consequently, income before income taxes plunged ¥5,968 million year-on-year, to ¥2,385 million.

Income taxes were down ¥1,466 million year-on-year, to ¥1,386 million, while minority interest income fell only ¥260 million to ¥386 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 second quarter of consolidated FY 2009 were ¥79,537 million and ¥61,169 million, respectively, representing total assets of ¥140,706 million, a decrease of ¥3,978 million from the end of the previous consolidated fiscal year. The main positive factors were an increase of ¥999 million in securities and a buildup of ¥778 million in tangible fixed assets as a result of capital expenditure among other factors. Meanwhile, the main negative factors included a decrease of ¥3,561 million in notes and accounts receivable and a drop of ¥400 million in inventories.

(Liabilities)

Current liabilities and long-term liabilities as of the end of the second quarter of consolidated FY 2009 were ¥37,253 million and ¥21,273 million, respectively, representing total liabilities of ¥58,526 million, a decrease of ¥4,442 million from the end of the previous consolidated fiscal year. The decrease was mainly attributable to a drop of ¥4,183 million in trade notes and accounts payable, and a decline of ¥453 million in retirement allowance due to the payment of retirement benefits, etc.

(Net assets)

Total net assets at the end of the second quarter of consolidated FY 2009 stood at ¥82,180 million with shareholders' equity of ¥76,689 million, an increase of ¥212 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 ¥612 million and an increase of ¥538 million in translation adjustments of overseas subsidiaries due to fluctuations of foreign exchange rates. On the other hand, the principal negative factors were a ¥508 million decrease in earned surplus due to the payment of dividends and a drop of ¥489 million in treasury stock, etc.

(2) Cash Flows

Cash and cash equivalents (hereinafter, "funds") as of the end of the second quarter of consolidated FY 2009 were ¥27,991 million, attributable to ¥5,865 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 six-month period of consolidated FY 2009 generated net cash of ¥5,865 million. The main positive factors were decreases in income before income taxes and notes and accounts receivable, while the principal negative factors included decreases in accounts payable and allowance for retirement benefits, etc.

(Cash flows from investing activities)

Net cash used in investing activities in the six-month period of consolidated FY 2009 amounted to ¥4,916 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 ¥415 million in the six-month period of consolidated FY 2009 due principally to the payment of dividends, etc.

3. Qualitative information on forecasts of consolidated operating results

Taking into consideration the consolidated operating results for the six-month period ended September 30, 2009 as well as trends for the future, etc., we have revised our forecast for the full fiscal year ending March 31, 2010 (which had been announced on May 8, 2009 along with the announcement of earnings results for the fiscal year ended March 31, 2009).

Please refer to the "Notification of Differences between the Financial Forecast and Actual Results for the Six-month Period Ended September 30, 2009 as well as Revisions to the Forecast for the Fiscal Year Ending March 31, 2010" announced on October 30, 2009 for details.

The following chart summarizes differences between the revised forecast and the consolidated forecast for the fiscal year ending March 31, 2010 announced on May 8, 2009.

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	124,000	5,000	5,500	3,000	23.60
Current forecast (B)	123,000	5,700	6,400	2,300	18.14
Change (B – A)	(1,000)	700	900	(700)	—
Change (%)	(0.8)	14.0	16.4	(23.3)	—
Actual results for the previous fiscal year ended March 31, 2009	158,170	12,012	12,998	4,425	34.82

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 second 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 the first quarter of consolidated FY 2009, 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.

This change had no effect on the profit and loss, as we had no construction works to which the percentage-of-completion method applied in the six-month period of consolidated FY 2009.

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

Although loss on disposal of inventories was formerly stated separately under non-operating expenses, we have recognized the amount under cost of sales from the first quarter of consolidated FY 2009. As a result of reinforced monitoring of lower profitability of inventories throughout the previous consolidated fiscal year, we have improved the system to promptly determine the necessity of disposal of inventories from the first quarter of consolidated FY 2009, and also enhanced the system to recognize valuation loss on a timely basis. Therefore, we have ensured consistency in line with the existing 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. Consequently, operating income for the six-month period of consolidated FY 2009 decreased by ¥164 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 second 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 have been stated separately, 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 second quarter of consolidated FY 2008 were ¥15,798 million, ¥10,570 million, ¥2,435 million, ¥14,533 million and ¥941 million, respectively.

4) Additional information

(Abolition of the retirement benefits system for directors)

As we abolished the retirement benefits system for directors upon the conclusion of our Ordinary General Meeting of Shareholders held on June 24, 2009, an allowance of ¥153 million for retirement benefits for directors which is applicable for the period until the General Meeting of Shareholders is stated under “Others” of fixed liabilities as long-term accounts payable.

5. Second Quarter Consolidated Financial Statements

(1) Second Quarter Consolidated Balance Sheets

(Million yen)

	End of the second quarter of consolidated FY 2009 (as of September 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	9,139	9,422
Notes and accounts receivable	31,598	35,159
Marketable securities	18,999	18,000
Goods and products	3,444	2,923
Products in progress	5,740	5,781
Raw materials and stored goods	6,907	7,788
Other current assets	3,773	5,323
Allowance for doubtful receivables	(66)	(92)
Total current assets	79,537	84,306
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	17,315	15,608
Machinery and transport equipment (net)	11,247	11,077
Tools, apparatus and furniture (net)	2,173	2,062
Land	14,411	14,709
Construction in progress	837	1,749
Total tangible assets	45,985	45,206
Intangible fixed assets	1,319	1,447
Investments and other assets		
Investments in securities	11,687	11,543
Other investments and other assets	2,417	2,416
Allowance for doubtful receivables	(240)	(235)
Total investments In securities and other assets	13,864	13,724
Total fixed assets	61,169	60,379
Total assets	140,706	144,685

(Million yen)

	End of the second quarter of consolidated FY 2009 (as of September 30, 2009)	Condensed consolidated balance sheet at the end of previous consolidated accounting fiscal year (as of March 31, 2009)
Liabilities		
Current liabilities		
Trade notes and accounts payable	18,146	22,329
Short-term loans payable	8,595	8,160
Income taxes payable	837	404
Allowance for product warranty	1,050	1,280
Other current liabilities	8,623	9,035
Total current liabilities	37,253	41,209
Long-term liabilities		
Bonds	11,000	11,000
Retirement allowance	8,803	9,256
Allowance for retirement bonus for directors	123	261
Allowance for environmental measures	512	519
Negative goodwill	180	216
Other long-term liabilities	653	505
Total long-term liabilities	21,273	21,759
Total liabilities	58,526	62,968
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	17,471	17,477
Earned surplus	49,765	49,668
Treasury stock	(636)	(146)
Total shareholders' equity	76,600	76,999
Valuation and translation adjustments		
Net unrealized gains on other securities	1,095	1,047
Deferred gains or losses on hedges	10	(14)
Translation adjustments	(1,016)	(1,554)
Total valuation and translation adjustments	89	(522)
Subscription rights to shares	18	—
Minority interests	5,471	5,239
Total net assets	82,180	81,716
Total liabilities and net assets	140,706	144,685

(2) Six-month Period Consolidated Statements of Income
(Six-month Period of Consolidated FY 2009)

(Million yen)

	Six-month period of consolidated FY 2008 (April 1, 2008 to September 30, 2008)	Six-month period of consolidated FY 2009 (April 1, 2009 to September 30, 2009)
Net sales	86,813	58,724
Cost of sales	67,440	46,008
Gross profit	19,373	12,716
Selling, general and administrative expenses	11,171	10,233
Operating income	8,201	2,482
Non-operating income		
Interest income	34	52
Dividends income	176	79
Rent income	132	135
Equity in earnings of an affiliate	422	75
Other non-operating income	226	195
Total	991	538
Non-operating expenses		
Interest expenses	86	55
Loss on disposal of inventories	49	—
Foreign exchange losses	42	90
Other non-operating expenses	82	59
Total	261	205
Ordinary income	8,932	2,816
Extraordinary gains		
Gain on sales of fixed assets	39	4
Gain on sale of investment in securities	—	1
Reversal of allowance for doubtful accounts	34	29
Total	73	35
Extraordinary losses		
Loss on disposal of fixed assets	121	62
Impairment loss	—	401
Loss on valuation of investment securities	201	3
Write-down of golf membership rights	2	—
Loss on liquidation of affiliates	322	—
Provision for loss on guarantees	6	—
Total	652	466
Income before income taxes and adjustments	8,354	2,385
Corporate, resident and business taxes	2,853	1,386
Minority interest income	646	386
Net income	4,853	612

(Second Quarter of Consolidated FY 2009)

(Million yen)

	Second quarter of consolidated FY 2008 (July 1, 2008 to September 30, 2008)	Second quarter of consolidated FY 2009 (July 1, 2009 to September 30, 2009)
Net sales	45,434	31,321
Cost of sales	35,909	24,611
Gross profit	9,525	6,710
Selling, general and administrative expenses	5,689	5,112
Operating income	3,836	1,597
Non-operating income		
Interest income	19	23
Dividends income	75	0
Rent income	64	69
Equity in earnings of an affiliate	204	28
Other non-operating income	102	140
Total	466	262
Non-operating expenses		
Interest expenses	42	26
Loss on disposal of inventories	24	—
Foreign exchange losses	17	75
Other non-operating expenses	44	23
Total	128	125
Ordinary income	4,174	1,735
Extraordinary gains		
Gain on sales of fixed assets	6	2
Reversal of allowance for doubtful accounts	16	—
Total	23	2
Extraordinary losses		
Loss on disposal of fixed assets	84	46
Impairment loss	—	401
Loss on valuation of investment securities	201	3
	6	—
Total	291	450
Income before income taxes and adjustments	3,906	1,287
Corporate, resident and business taxes	1,207	805
Minority interest income	385	170
Net income	2,313	310

(3) Second Quarter Consolidated Statements of Cash Flows

(Million yen)

	Six-month period of consolidated FY 2008 (April 1, 2008 to September 30, 2008)	Six-month period of consolidated FY 2009 (April 1, 2009 to September 30, 2009)
Cash flows from operating activities		
Income before income taxes and adjustments	8,354	2,385
Depreciation and amortization	2,647	2,604
Amortization of goodwill	(36)	(36)
Share-based compensation expenses	—	18
Increase (decrease) in allowance for doubtful receivables	(41)	(21)
Increase (decrease) in retirement benefits of employees	(746)	(453)
Interest and dividend income	(275)	(131)
Interest expenses	86	55
Equity in (earnings) losses of an affiliate	(422)	(75)
Loss (gain) on sales of fixed assets	(39)	(4)
Loss (gain) on disposal of fixed assets	121	62
Impairment loss	—	401
Loss (gain) on sale of investment in securities	—	(1)
Loss on valuation of investment securities	201	3
Write-down of golf membership rights	2	—
Loss on liquidation of affiliates	322	—
Decrease (increase) in notes and accounts receivable	29	3,623
Increase (increase) in inventories	(134)	605
Increase (decrease) in notes and accounts payable	1,185	(4,369)
Others	1,557	329
Subtotal	12,810	4,993
Interest and dividend received	349	208
Interest paid	(89)	(58)
Income taxes (paid) refund	(3,749)	721
Net cash and cash equivalents provided by operating activities	9,320	5,865
Cash flows from investing activities		
Increase in time deposits	—	(25)
Purchases of property, plant and equipment	(3,013)	(4,210)
Proceeds from sales of property, plant and equipment	71	8
Purchases of intangible fixed assets	(357)	(107)
Purchases of investments in securities	(706)	(533)
Proceeds from sale of investment in securities	—	3
Others	54	(51)
Net cash and cash equivalents used in investing activities	(3,950)	(4,916)

(Million yen)

	Six-month period of consolidated FY 2008 (April 1, 2008 to September 30, 2008)	Six-month period of consolidated FY 2009 (April 1, 2009 to September 30, 2009)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans	(324)	423
Repayments of long-term loans	(4)	—
Proceeds from stock issuance to minority shareholders	398	—
Payments for purchases of treasury stock	(60)	(14)
Proceeds from sales of treasury stock	28	11
Cash dividends paid	(1,016)	(508)
Cash dividends paid to minority shareholders	(415)	(328)
Net cash and cash equivalents provided by financing activities	(1,394)	(415)
Effect of exchange rate changes on cash and cash equivalents	(137)	159
Increase (decrease) in cash and cash equivalents	3,837	692
Cash and cash equivalents at beginning of period	29,722	27,299
Cash and cash equivalents at end of period	33,559	27,991

(4) Notes Relating to the Going Concern Assumption
None

(5) Segment Information
[Segment Information by Business Category]
Second Quarter of Consolidated FY 2008 (From July 1, 2008 to September 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	8,771	12,258	15,001	9,403	45,434	—	45,434
(2) Inter-segment net sales or transfer	12	61	183	82	339	[339]	—
Total	8,783	12,320	15,185	9,485	45,774	[339]	45,434
Operating income	622	1,153	1,326	734	3,836	—	3,836

Six-month Period of Consolidated FY 2008 (From April 1, 2008 to September 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	16,390	24,326	30,258	15,839	86,813	—	86,813
(2) Inter-segment net sales or transfer	23	121	378	162	685	[685]	—
Total	16,413	24,447	30,636	16,001	87,499	[685]	86,813
Operating income	2,081	2,350	2,797	972	8,201	—	8,201

(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 (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 first quarter of consolidated FY 2008. As a result, operating income for the six-month period of consolidated FY 2008 decreased by ¥15 million in the “Precision equipment business,” ¥100 million in the “Transport equipment business,” ¥15 million in the “Aircraft and hydraulic equipment business” and ¥20 million in the “Industrial equipment business” compared with the amounts calculated by the previous method.

4 (Additional information)

As described in “Additional Information,” the Company and its domestic consolidated subsidiaries changed, from the first quarter of consolidated FY 2008, the useful life of machinery and equipment following the revision of the Corporation Tax Act. As a result, operating income for the six-month period of consolidated FY 2008 increased by ¥41 million in the “Precision equipment business,” decreased by ¥29 million in the “Transport equipment business,” increased by ¥34 million in the “Aircraft and hydraulic equipment business,” and decreased by ¥3 million in the “Industrial equipment business,” compared with the amounts calculated by the previous method.

Second Quarter of Consolidated FY 2009 (From July 1, 2009 to September 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	2,750	11,126	10,128	7,317	31,321	—	31,321
(2) Inter-segment net sales or transfer	1	57	59	30	148	[148]	—
Total	2,751	11,183	10,188	7,347	31,470	[148]	31,321
Operating income	(382)	1,117	312	551	1,597	—	1,597

Six-month Period of Consolidated FY 2009 (From April 1, 2009 to September 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	5,623	20,639	19,592	12,867	58,724	—	58,724
(2) Inter-segment net sales or transfer	1	102	114	76	294	[294]	
Total	5,625	20,741	19,707	12,944	59,019	[294]	58,724
Operating income	(819)	1,771	811	719	2,482	—	2,482

(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 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 consolidated FY 2009, if such loss on disposal of inventories is attributable to lower profitability. Consequently, operating income for the six-month period of consolidated FY 2009 decreased by ¥5 million in “Precision equipment business,” ¥135 million in “Transport equipment business,” ¥11 million in “Aircraft and hydraulic equipment business” and ¥12 million in “Industrial equipment business” compared with the amounts calculated by the previous method.

[Segment Information by Region]

Second Quarter of Consolidated FY 2008 (From July 1, 2008 to September 30, 2008)

(Million yen)

	Japan	Asia	North America	Europe	Total	Eliminations and General Corporate Assets	Consolidated
Net sales							
(1) External sales	35,468	5,215	2,339	2,412	45,434	—	45,434
(2) Inter-segment net sales or transfer	4,539	648	504	16	5,708	[5,708]	—
Total	40,007	5,863	2,843	2,428	51,143	[5,708]	45,434
Operating income	2,694	805	226	110	3,836	—	3,836

Six-month Period of Consolidated FY 2008 (From April 1, 2008 to September 30, 2008)

(Million yen)

	Japan	Asia	North America	Europe	Total	Eliminations and General Corporate Assets	Consolidated
Net sales							
(1) External sales	67,477	10,367	4,883	4,085	86,813	—	86,813
(2) Inter-segment net sales or transfer	9,284	1,154	940	37	11,416	[11,416]	—
Total	76,762	11,522	5,823	4,122	98,230	[11,416]	86,813
Operating income	5,894	1,706	398	202	8,201	—	8,201

(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 (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 first quarter of consolidated FY 2008. As a result, operating income for the six-month period of consolidated FY 2008 decreased by ¥151 million in Japan compared with the amount calculated by the previous method.

4 (Additional information)

As described in “Additional Information,” the Company and its domestic consolidated subsidiaries changed, from the first quarter of consolidated fiscal FY 2008, the useful life of machinery and equipment following the revision of the Corporation Tax Act. As a result, operating income for the six-month period of consolidated FY 2008 increased by ¥42 million in Japan compared with the amount calculated by the previous method.

Second Quarter of Consolidated FY 2009 (From July 1, 2009 to September 30, 2009)

	Japan	Asia	North America	Europe	Total	Eliminations and General Corporate Assets	Consolidated
Net sales							
(1) External sales	25,199	3,793	1,675	653	31,321	—	31,321
(2) Inter-segment net sales or transfer	1,999	343	317	15	2,675	[2,675]	—
Total	27,198	4,137	1,992	668	33,996	[2,675]	31,321
Operating income	1,072	486	72	(33)	1,597	—	1,597

Six-month Period of Consolidated FY 2009 (From April 1, 2009 to September 30, 2009)

(Million yen)

	Japan	Asia	North America	Europe	Total	Eliminations and General Corporate Assets	Consolidated
Net sales							
(1) External sales	45,564	7,725	3,634	1,799	58,724	—	58,724
(2) Inter-segment net sales or transfer	4,380	554	574	25	5,534	[5,534]	—
Total	49,944	8,280	4,208	1,824	64,258	[5,534]	58,724
Operating income	1,178	1,132	209	(37)	2,482	—	2,482

(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 consolidated FY 2009, if such loss on disposal of inventories is attributable to lower profitability. Consequently, operating income for the six-month period of consolidated FY 2009 decreased by ¥164 million in Japan, compared with the amount calculated by the previous method.

[Overseas sales]

Second Quarter of Consolidated FY 2008 (From July 1, 2008 to September 30, 2008)

		Asia	North America	Europe	Other regions	Total
I	Overseas sales (Million yen)	7,767	3,031	2,859	165	13,825
II	Consolidated net sales (Million yen)					45,434
III	Composition to consolidated net sales (%)	17.1	6.7	6.3	0.3	30.4

Six-month Period of Consolidated FY 2008 (From April 1, 2008 to September 30, 2008)

		Asia	North America	Europe	Other regions	Total
I	Overseas sales (Million yen)	15,189	5,954	5,023	285	26,452
II	Consolidated net sales (Million yen)					86,813
III	Composition to consolidated net sales (%)	17.5	6.9	5.8	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.

Second Quarter of Consolidated FY 2009 (From July 1, 2009 to September 30, 2009)

		Asia	North America	Europe	Other regions	Total
I	Overseas sales (Million yen)	6,049	2,313	930	88	9,381
II	Consolidated net sales (Million yen)					31,321
III	Composition to consolidated net sales (%)	19.3	7.4	3.0	0.3	30.0

Six-month Period of Consolidated FY 2009 (From April 1, 2009 to September 30, 2009)

		Asia	North America	Europe	Other regions	Total
I	Overseas sales (Million yen)	11,082	4,542	2,364	176	18,167
II	Consolidated net sales (Million yen)					58,724
III	Composition to consolidated net sales (%)	18.9	7.7	4.0	0.3	30.9

(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 six-month period of consolidated FY 2009 is shown below.

Segment by business category	Output (Million yen)	Year-on-year comparison (%)
Precision Equipment	5,893	(63.3)
Transport Equipment	20,914	(12.1)
Aircraft and Hydraulic Equipment	19,813	(33.4)
Industrial Equipment	13,255	(17.4)
Total	59,877	(30.1)

(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 six-month period 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	5,657	(64.9)	2,831	(52.6)
Transport Equipment	18,144	(29.6)	18,992	(6.8)
Aircraft and Hydraulic Equipment	19,809	(31.0)	24,560	4.5
Industrial Equipment	13,161	(18.6)	8,114	(16.5)
Total	56,773	(34.5)	54,499	(8.5)

(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 six-month period of consolidated FY 2009 are shown below.

Segment by business category	Sales (Million yen)	Year-on-year comparison (%)
Precision Equipment	5,623	(65.7)
Transport Equipment	20,639	(15.2)
Aircraft and Hydraulic Equipment	19,592	(35.2)
Industrial Equipment	12,867	(18.8)
Total	58,724	(32.4)

(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. No single client accounts for 10% or more of the total sales.