



Summary of Financial Statements for the Year ended March 31, 2010

May 7, 2010

Name of Listed Company: Nabtesco Corporation Stock listed on: 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: Toshio Yoshikawa TEL (03) 3578 - 7070
 Scheduled Date of Annual Shareholders Meeting: June 24, 2010 Scheduled Date of Dividend Payment: June 25, 2010
 Scheduled Date of Issue of Financial Report: June 25, 2010

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

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

(1) Consolidated Operating Results (Percentages indicate the year-over-year increase (decrease))

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2009	126,249	(20.2)	7,964	(33.7)	9,337	(28.2)	4,017	(9.2)
FY 2008	158,170	(9.2)	12,012	(38.2)	12,998	(35.2)	4,425	(59.9)

	Net income per share	Diluted net income per share	Return on shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY 2009	31.70	31.70	5.2	6.3	6.3
FY 2008	34.82	34.82	5.8	8.4	7.6

(Reference) Investment profit/loss on equity method:

FY 2009: ¥756 million FY 2008: ¥629 million

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
FY 2009 (as of March 31, 2010)	149,480	85,167	53.1	628.29
FY 2008 (as of March 31, 2009)	144,685	81,716	52.9	601.75

(Reference) Shareholders' equity:

As of March 31, 2010: ¥79,404 million As of March 31, 2009: ¥76,476 million

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at fiscal year-end
	Million yen	Million yen	Million yen	Million yen
FY 2009	14,892	(6,155)	(684)	35,425
FY 2008	14,055	(9,329)	(6,189)	27,299

2. Dividends

(Base date: as of end of the period)	Dividends per share					Total dividends paid (Annual)	Payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Year End	Full Year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY 2008	—	9.00	—	4.00	13.00	1,652	37.3	2.1
FY 2009	—	4.00	—	5.00	9.00	1,143	28.4	1.5
FY 2010 (year ending March 31, 2011 (Forecast))	—	9.00	—	9.00	18.00		28.2	

3. Forecast of Consolidated Operating Results for FY 2010 (From April 1, 2010 to March 31, 2011)

(Percentages indicate the year-over-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 ending September 2010	70,000	19.2	5,800	133.6	6,500	130.8	4,000	553.4	31.56
FY 2010	141,000	11.7	12,000	50.7	13,400	43.5	8,100	101.6	63.91

4. Others

(1) Changes in significant subsidiaries during the fiscal year (Changes in specified subsidiaries associated with change in scope of consolidation): None
Newly added: None (Name of company: —); Excluded: None (Name of company: —)

(2) Changes in accounting principles, accounting procedures and presentation methods related to the preparation of consolidated financial statements (Changes to be stated in the section "Changes in significant matters providing the basis for preparing consolidated financial statements")

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

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

(Note) For details, please refer to "Significant matters providing the basis for preparing consolidated financial statements" on pages 19 through 24, and "Changes in significant matters providing the basis for preparing consolidated financial statements" on page 25.

(3) Shares outstanding (Common shares)

1) Shares outstanding at fiscal year end (including treasury stocks)

As of March 31, 2010: 127,212,607 shares

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

2) Treasury stocks at fiscal year end

As of March 31, 2010: 832,184 shares

As of March 31, 2009: 121,722 shares

(Note) Please refer to "Per Share Information" on page 51 for the number of shares, based upon which net income per share (consolidated) was calculated.

[Reference] Overview of Non-Consolidated Operating Results

1. Non-Consolidated Operating Results for FY 2009 (From April 1, 2009 to March 31, 2010)

(1) Non-Consolidated Operating Results

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2009	90,984	(21.3)	4,549	(29.0)	6,177	(21.9)	2,835	227.8
FY 2008	115,547	(13.0)	6,410	(51.6)	7,912	(41.9)	865	(90.1)

	Net income per share		Diluted net income per share	
	Yen		Yen	
FY 2009	22.32		22.31	
FY 2008	6.81		6.81	

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
FY 2009 (as of March 31, 2010)	119,277	62,871	52.6	494.31
FY 2008 (as of March 31, 2009)	119,668	60,586	50.6	476.69

(Note) Shareholders' equity:

As of March 31, 2010: ¥62,797 million

As of March 31, 2009: ¥60,586 million

2. Forecast of Non-Consolidated Operating Results for FY 2010 (From April 1, 2010 to March 31, 2011)

(Percentages indicate the year-over-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 ending September 2010	47,000	14.3	3,900	314.4	4,800	153.1	3,100	280.2	24.40
Fiscal year ending March 2011	95,000	4.4	8,300	82.5	9,700	57.0	6,300	122.2	49.58

* Description concerning proper use of the forecast of operating results and other remarks:

(Caution concerning forward-looking statements about the future performance)

The information stated above is based on various assumptions. This summary does not constitute an assurance or guarantee that the company will achieve its numerical targets or necessarily implement the strategies outlined.

1. Operating Results

(1) Analysis of Consolidated Operating Results

(Consolidated Operating Results for FY 2009)

The world economy showed signs of gradual recovery during the consolidated fiscal year ended March 31, 2010 as governments and financial authorities around the world took steps to stabilize the financial system and stimulate their economies in response to the economic recession triggered by the financial crisis that unravelled during the fall of 2008. However, the future of the world economy remains uncertain with no clear evidence of a full-fledged recovery in demand.

Amid this operating environment, while the Group promoted various efforts including productivity improvements and cost reductions, both net sales and operating income during the year under review decreased in each business segment owing to the reduced capital expenditure in the respective markets.

1) Net sales and operating income

Net sales and operating income for consolidated FY 2009 decreased by ¥31,921 million (down 20.2%) and ¥4,047 million (down 33.7%) on a year-on-year basis, to ¥126,249 million and ¥7,964 million, respectively. Operating margins fell 1.3 points to 6.3% over the same period.

Operating results by business segment were as follows:

[Precision Equipment]

Both net sales and operating income in the precision equipment business declined by 45.5% and 75.9% year on year, to ¥15,278 million and ¥603 million, respectively.

Sales of precision reduction gears shrank due to the significant reduction of capital expenditure by automakers which continued until the first half of the current fiscal year, despite a rebound in the second half of the fiscal year in sales of gears for industrial robots which are our core products.

[Transport Equipment]

Net sales in the transport equipment business dropped by 10.4% year on year to ¥41,888 million, while operating income fell by 22.0% to ¥3,654 million.

Sales of railroad vehicle equipment remained steady, almost unchanged from the previous fiscal year.

Marine equipment suffered a fall in sales due to the reduction in shipbuilding orders and postponements in delivery.

Sales of automobile equipment also declined as a result of reduced production by truck manufacturers.

[Aircraft and Hydraulic Equipment]

Net sales and operating income in the aircraft and hydraulic equipment business stood at ¥41,492 million (down 19.3% year on year) and ¥1,804 million (down 31.0% year on year), respectively.

Aircraft equipment suffered a decline in sales reflecting a decrease in demand from the private sector, in contrast to robust demand from the defense sector. Our hydraulic equipment business for construction machinery recorded a drop in sales due to the continuing decline in global demand for hydraulic excavators and mini excavators, despite an upturn in demand for construction machinery in China. Sales for drive units for wind power generator dropped due to the cancellations and postponements of projects as a result of the financial crunch in the U.S.

[Industrial Equipment]

Net sales and operating income decreased to ¥27,589 million (down 13.8% year on year) and ¥1,902 million (down 13.9% year on year), respectively.

Sales in the automatic door business fell due to the continuing decrease in domestic construction demand.

Automatic packaging machines posted lower sales owing to sluggish demand overseas and sales for special-purpose machine tools also slipped compared with a year earlier due to the curtailed capital expenditure by automakers among others.

2) Ordinary income

Ordinary income for the current consolidated fiscal year was ¥9,337 million, a decrease of ¥3,660 million (28.2%) from a year earlier.

The principal reason for this downturn was, as mentioned above, the year-on-year decline in operating income of ¥4,047 million (33.7%). Non-operating income dropped by ¥269 million from a year earlier to ¥1,623 million mainly due to a decrease in dividends received. Non-operating expenses were down ¥655 million year on year to ¥250 million, the result of a range of factors, including the fact that the foreign exchange loss posted during the first half of the current fiscal year ended up as foreign exchange gain.

3) Net income

Net income for the current consolidated fiscal year fell ¥408 million (down 9.2% year on year) to ¥4,017 million.

Extraordinary gains increased by ¥174 million compared with the previous year to ¥298 million due to gains on the sale of investment securities, etc. Extraordinary losses decreased by ¥3,566 million from a year earlier to ¥1,625 million, as a result of recognizing an impairment loss of ¥401 million on land, etc., classified as idle facilities, and business structure improvement expenses of ¥970 million for the improvement of the business structure of automobile-related equipment and the cost of restructuring the domestic production system for hydraulic equipment, in addition to a ¥4,589 million loss on investment in securities recorded in the first half of the current fiscal year. As a result, income before income taxes increased by ¥79 million to ¥8,011 million.

Income taxes were up ¥494 million year on year to ¥3,271 million, while minority interests fell ¥6 million from a year earlier to ¥722 million.

(Projection for consolidated fiscal year ending March 31, 2011)

The prospects for the world economy in the months ahead remain uncertain, although a gradual recovery is expected centered on emerging countries, especially China where the market is likely to expand backed by infrastructure demand as a result of economic stimulus measures.

The domestic business environment surrounding the Group is forecast to remain sluggish due to reduced capital expenditure, particularly by companies in the automobile industry. However, the Company expects growth in the Chinese market for railroad vehicle equipment, hydraulic equipment, and precision equipment. As a consequence, we anticipate net sales of ¥141,000 million (up 11.7% year on year), and operating income of ¥12,000 million (up 50.7% year on year) for the consolidated fiscal year ending March 31, 2011.

Forecasts for operating results by business segment are as follows:

[Precision Equipment]

The Company anticipates net sales of ¥20,500 million (up 34.2% year on year), and an operating income of ¥2,200 million for the precision equipment business.

Sales of precision reduction gears, particularly for industrial robots, which are our core products, are forecast to grow on the back of an expected increase in demand in the Chinese market, although the likelihood of a full-fledged recovery in capital expenditure, especially by automakers, remains uncertain.

[Transport Equipment]

Net sales and operating income in the transport equipment business are expected to be ¥45,500 million (up 8.6% year on year) and ¥5,700 million, respectively.

For railroad vehicle equipment, sales are forecast to increase from the previous fiscal year as the production of railroad vehicles is expected to grow significantly in China while demand in the domestic market will remain at almost the same level as in the previous fiscal year.

We anticipate that sales of marine equipment will decline year on year because of a decrease in new shipbuilding orders.

Sales for automobile-related equipment are likely to decrease due to the withdrawal from the metal casting business despite signs of recovery in demand.

[Aircraft and Hydraulic Equipment]

Net sales and operating income in the aircraft and hydraulic equipment business are anticipated to be ¥48,500 million (up 16.9% year on year) and ¥2,800 million, respectively.

Sales of hydraulic equipment will increase, reflecting the booming construction machinery market in China as well as strong demand expected to continue in other emerging countries.

We anticipate that sales of aircraft equipment will grow compared with the previous fiscal year, as demand in both the defense and private sectors is expected to be robust with the start of mass-production of the B787, etc.

[Industrial Equipment]

The Company anticipates that net sales and operating income in the industrial equipment business will decrease to ¥26,500 million (down 4.0% year on year) and ¥1,300 million, respectively.

Sales in the automatic door business will fall as the operating environment is expected to remain difficult due to the continued slump of the domestic construction market. While sales of automatic packaging machines and special-purpose machine tools are on a recovery trend, they are unlikely to offset the decrease in sales in the automatic door business. As a consequence, we anticipate that overall sales of industrial equipment will decline.

(2) Analysis of Financial Position**1) Status of assets, liabilities and net assets****(Assets)**

Total assets as of March 31, 2010 were ¥149,480 million, an increase of ¥4,795 million compared with March 31, 2009, consisting of ¥89,893 million in current assets and ¥59,587 million in fixed assets. Primary positive factors included an increase of ¥1,617 million in cash and time deposits and an increase of ¥6,499 million in marketable securities. On the other hand, negative factors consisted mainly of a decrease of ¥1,226 million in inventories, a decrease of ¥1,359 million in current assets and others due to income tax refund receivable, and a drop of ¥1,104 million in tangible fixed assets principally attributable to the disposal of facilities.

(Liabilities)

Total liabilities as of March 31, 2010 were ¥64,313 million, an increase of ¥1,344 million from the same time last year, consisting of ¥43,610 million in current liabilities and ¥20,702 million in long-term liabilities. The increase was mainly attributable to a rise of ¥2,117 million in trade notes and accounts payable and ¥760 million in short-term loans payable. On the other hand, main negative factors included a decrease of ¥1,255 million in retirement allowance due to the payment of retirement benefits, etc.

(Net Assets)

Net assets as of March 31, 2010 stood at ¥85,167 million, of which shareholders' equity totalled ¥79,404 million, an increase of ¥2,927 million from a year earlier. Primary positive factors included an increase in earned surplus reflecting net income of ¥4,017 million. On the other hand, principal negative factors consisted of a decrease of ¥1,016 million in earned surplus due to dividend payment and a drop of ¥548 million owing to an increase in treasury stock, etc.

2) Status of cash flows

Cash and cash equivalents (hereinafter, "funds") as of March 31, 2010 amounted to ¥35,425 million, an increase of ¥8,126 million from a year earlier, as a result of having applied ¥14,892 million generated from operating activities, to capital expenditures and dividend payments, etc.

(Cash flow from operating activities)

Net cash generated from operating activities for the current consolidated fiscal year totalled ¥14,892 million. Principal positive factors included a decrease in income before income taxes and inventories, and an increase in notes and accounts payable, etc. Meanwhile, negative factors consisted mainly of a decrease in retirement allowance and an increase in trade notes and accounts receivable, etc.

(Cash flow from investing activities)

Net cash used in investing activities for the current consolidated fiscal year amounted to ¥6,155 million, mainly due to the acquisition of tangible fixed assets and purchase of investments in securities.

(Cash flow from financing activities)

Net cash used in financing activities for the current consolidated fiscal year was ¥684 million, reflecting both an increase in short-term loans payable and the payment of dividends.

Cash flow indicators on a consolidated basis were as follows.

	FY 2007 (From April 1, 2007 to March 31, 2008)	FY 2008 (From April 1, 2008 to March 31, 2009)	FY 2009 (From April 1, 2009 to March 31, 2010)
Shareholders' equity ratio (%)	47.4	52.9	53.1
Shareholders' equity ratio on a market value basis (%)	105.1	59.7	105.3
Ratio of interest-bearing debt to cash flow	1.3	1.4	1.3
Interest coverage ratio	104.7	82.4	145.9

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

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

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

Interest coverage ratio: cash flow/interest payments

* All indicators are calculated using consolidated financial figures.

* Total market value of shares is calculated using multiplying the closing market prices at term-end by the number of outstanding shares (excluding treasury stock) at term-end.

* Cash flow utilizes the cash flow from operating activities posted in the consolidated cash flow statement.

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

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

(3) Basic Policy Concerning Profit Sharing and Dividends for the Current and Next Fiscal Year

The Company intends to appropriately distribute its corporate earnings based on the operating performance of the Group as a whole, and taking into consideration strategic growth investments, financial soundness, appropriate balance of return to shareholders and stable dividend payment.

As for cash dividends for the current fiscal year, the total annual amount will be ¥9 per share, bringing the pay-out ratio on a consolidated basis to 28.4%. As the interim dividend of ¥4 per share was already paid, the term-end cash dividend will be ¥5 per share.

The annual cash dividend for the next fiscal year will be ¥18 per share (interim dividend of ¥9 plus term-end dividend of ¥9 per share).

The Company will continue to pay cash dividends twice a year, of which the base dates will be September 30 and March 31 of each year.

(4) Operational Risk

Principal risks relevant to the business activities of the Group and deemed significant are as follows.

Note that the risks regarding future contents included in the matters described below were based on the judgment of the Company as of the end of the current consolidated fiscal year.

1) Risks relevant to the economy and markets

The businesses of the Group are related directly and indirectly to industries such as automobiles, construction machinery, railroads, construction and industrial machinery. Market fluctuations and trends in capital expenditure in these industries may affect the operating results and financial position of the Group.

2) Risks relevant to overseas operations

In pursuit of further growth and profitability, the Group actively conducts business in Asia, North America and Europe. However, political turmoil and unforeseeable amendments to laws and regulations, etc. may occur in countries, which may affect the markets for particular products. Such events are likely to have an impact on the operating results of the overseas business of the Group.

3) Exchange rate fluctuations risk

Overseas sales accounted for 30.0% of the Group's sales during the consolidated fiscal year under review. The Group also relies on imports of raw materials from overseas and, though it hedges its risks in foreign currency-denominated transactions through forward-exchange contracts, the Group's performance is nonetheless affected by exchange rate fluctuations. The performance of overseas subsidiaries is also impacted by exchange rate fluctuations when converting to Japanese yen.

4) Risks relevant to procurement

The Group purchases raw materials and components, etc. from a wide range of trading partners. However, if the supply of certain parts were to become insufficient and alternative suppliers could not be found, the Group's performance and financial standing could be adversely impacted by lower sales margins on products and loss of business opportunities.

5) Risks relevant to product quality

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

6) Risks relevant to competition

The Group has a wide lineup of products with high market shares in the domestic and overseas markets. If the market shares of its products were to fall, the Group's performance and financial standing could be adversely impacted.

2. Status of the Nabtesco Group

The Nabtesco Group consists of the Company, 30 subsidiaries and eight affiliates. Each company under the respective segment by business category is listed below.

(1) Relationship of the Company, subsidiaries and affiliates with the respective segments by business category

Segment by business category	Japan	Overseas
Precision Equipment Business	Nabtesco Corporation	Nabtesco Precision Europe GmbH *1
	Diavac Limited *1	Nabtesco Motion Control Inc. *1
	TS Heatronics Co., Ltd. *1	Harmonic Drive L.L.C. *2
	CMET, Inc. *1	
	Harmonic Drive Systems Inc. *2, 4	
Transport Equipment Business	Nabtesco Corporation	NABMIC B.V. *1
	Nabtesco Automotive Corporation *1	Nabtesco Marine Service Singapore Pte Ltd *1
	Nabtesco Service Co., Ltd. *1	Nabtesco Marinotec Co., Ltd. *1
	Nabtesco Marine Service Co., Ltd. *1	Nabtesco Automotive Products (Thailand) Co., Ltd. *1
	Shikoku Marine Customer Service Co., Ltd. *1	Nabtesco Railroad Products (Beijing) Co., Ltd. *1
	NABTEC Co., Ltd. *1	Nabtesco Marine Control Systems (Shanghai) Co., Ltd. *1
	Dairiki Tekko Co., Ltd. *2	Taiwan Nabtesco Service Co., Ltd. *1
	Takato Electronics Co., Ltd. *2	NS Autotech Co., Ltd. *2
Aircraft and Hydraulic Equipment Business	Nabtesco Corporation	Nabtesco Aerospace Inc. *1
		Nabtesco USA Inc. *1
		Shanghai Nabtesco Hydraulic Co., Ltd. *1
		Nabtesco Power Control (Thailand) Co., Ltd. *1
Industrial Equipment Business	Nabtesco Corporation	NABCO ENTRANCES, INC. *1
	Toyo Jidoki Co., Ltd. *1	NABCO ENGINEERING LIMITED *1
	TS Precision Co., Ltd. *1	NABCO Auto Door (Beijing) Co., Ltd. *1
	TSTM Co., Ltd. *1	
	T.S. Mechatech Co., Ltd. *1	
	Aishin Kikoo Co., Ltd. *1	
	NABCO DOOR Ltd. *1 *3	
	TMT Machinery Co., Ltd. *2	
	Nabco System Co., Ltd. *2	
	Kyokko Denki Co., Ltd. *2	
Total of subsidiaries and affiliates: 38	Japan: 20 companies	Overseas: 18 companies

*1 Consolidated subsidiary

*2 Equity method-applied affiliate

*3 Shares of NABCO DOOR Ltd. are listed on the Second Section of the Osaka Securities Exchange.

*4 Shares of Harmonic Drive Systems Inc. are listed on the JASDAQ Section of the Osaka Securities Exchange.

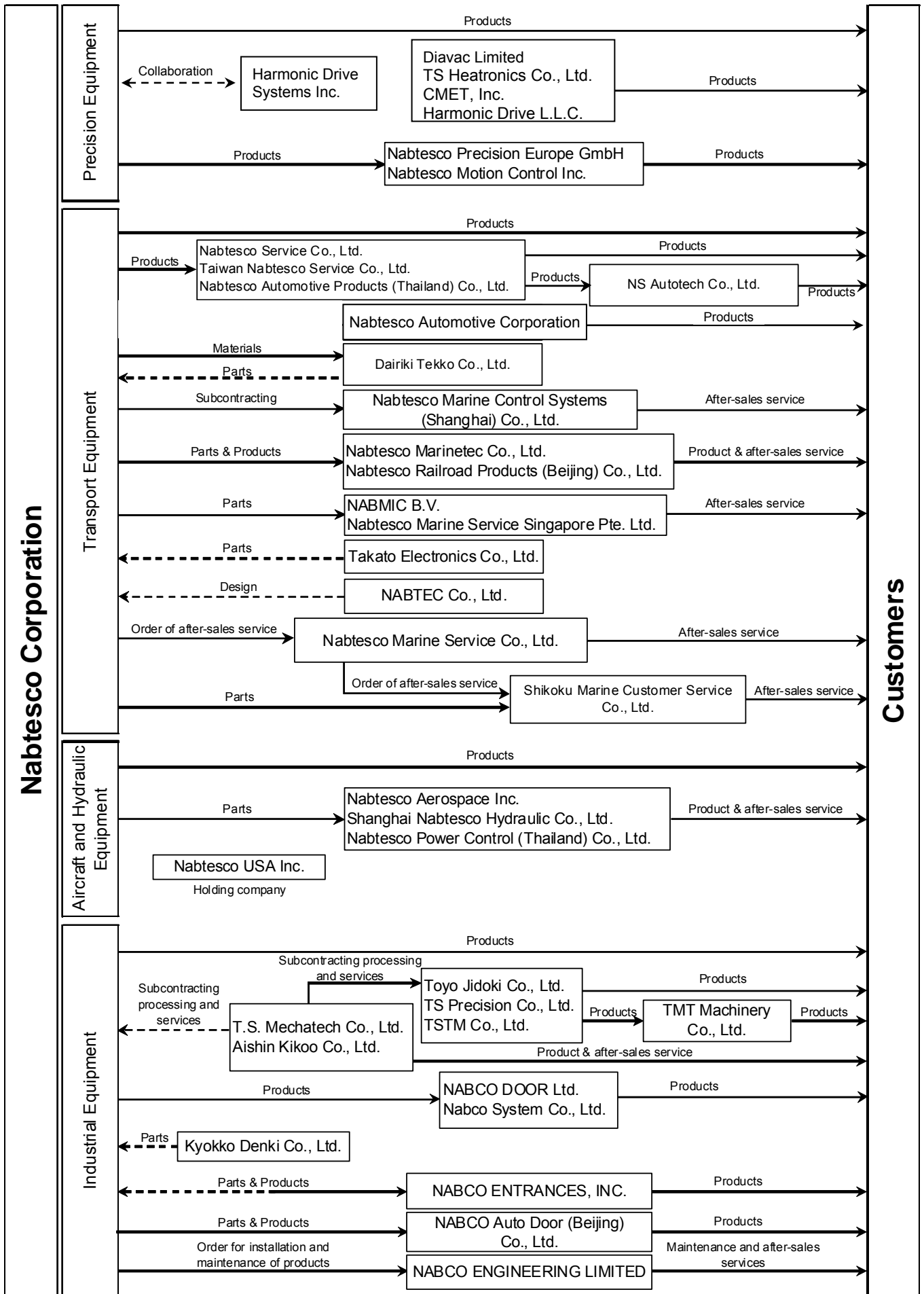
(Notes) 1. Harmonic Drive Systems Inc. has been included within the scope of equity-method application because the holding ratio of voting rights had reached 20% as a result of the acquisition of additional shares by the Company.

2. Nabtesco Automobile Corporation has been newly established and included within the scope of consolidation.

3. Vacuum Service Co., Ltd. has been excluded from the scope of consolidation as a result of the completion of the liquidation process.

4. N. Uemura Co., Ltd. has been excluded from the scope of equity-method application because N. Uemura resolved at its Board of Directors' Meeting held on March 31, 2010 to dissolve the company.

(2) Diagram of Businesses of Nabtesco Group



3. Management Policy

(1) Basic Policy of the Management of the Company

The Group established its "Corporate Philosophy" in May 2005, under which the "Long-term Vision" was formulated. "Global Challenge 2010," a three-year mid-term management plan starting from the consolidated fiscal year ended March 31, 2009 was set up and announced as a plan for implementing the second step for achieving the long-term vision.

[Corporate Philosophy]

The Nabtesco Group, with our unique motion control technology, will provide safety, comfort and a sense of security in daily lives as well as any form of transportation.

[Long-term Vision]

A global company group growing with society
—Challenge, creation and progress to higher stages—
[Management targets for fiscal 2014]
Net Sales: ¥260.0 billion
Operating income: ¥36.0 billion

[Mid-term Management Plan]

"Global Challenge 2010"
—In pursuit of further growth in the global market—
Commitment to continuing increase in our corporate value through well-prepared business expansion in the growing global market, and stakeholder-oriented management.

1) Pursuing further opportunities for growth and profit

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

2) Promotion of management responsive to ROA and ROE

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

3) Invigoration of corporate culture

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

(2) Target Management Indices

The global economic downturn which started at the beginning of 2008 entered its worst phase during the first half of 2009 following the financial crisis epitomized by the "Lehman Shock." The Group's sales were significantly affected by the worldwide recession both in the fiscal year ended March 31, 2009 and the fiscal year ended March 31, 2010. While income is expected to grow during the fiscal year ending March 31, 2011, the Company anticipates that income for the fiscal year ending March 31, 2011 will be substantially lower than the management indices for the year included as targets in the mid-term management plan formulated in 2008. The Group will formulate a new three-year mid-term management plan during the fiscal year ending March 31, 2011 as the third step of the Group's long-term vision.

(Billion yen)

	Actual results for FY 2008	Plan for FY 2009	Actual results for FY 2009	Forecast for FY 2010	Plan for FY 2010
Net sales	158.2	124.0	126.2	141.0	210.0
Operating income	12.0	5.0	7.9	12.0	26.0
Operating margin (%)	7.6%	4.0%	6.3%	8.5%	12.4%
Net income	4.4	3.0	4.0	8.1	15.5
ROA (%)	2.9%	2.1%	2.7%	5.3%	7.8%
ROE (%)	5.8%	3.9%	5.2%	9.8%	15.2%

(3) Mid- to Long-Term Management Strategies

Under the current economic environment, while the economic recovery in developed countries such as Japan, the U.S. and Europe has been slow and the recovery process is likely to take a significant time, the economy is expected to continue to grow rapidly in emerging countries including China, India, and ASEAN nations on the back of the strong infrastructure investment and an increase in consumer spending. In addition, industries have been experiencing mid- to long-term transformation on a significant scale, including a shift from the internal-combustion engine to the electric motor, as well as the development and permeation of green energy against the backdrop of international efforts toward the low-carbon society with the aim of reducing dependency on finite resources such as fossil fuels and cutting greenhouse gas emissions. In light of these developments, the Group has defined "Achieving growth potential and profitability through business portfolio management," "Strengthening comprehensive technological capabilities," and "Optimally utilizing human resources and strengthening personnel capabilities" as its top priorities from the mid- to long-term perspectives. Toward this end, the Company will implement the following measures:

1) Achieving growth potential and profitability through business portfolio management

The Group will proactively invest resources toward further business expansion in growth areas and will utilize core technology to enhance new product development.

- Further reinforcement and expansion of overseas operations in the infrastructure improvement-related businesses mainly in China and other emerging countries (railroad business-related equipment and hydraulic equipment for construction machinery)
- Further reinforcement and expansion of the environment-related business (wind power generator-related equipment, solar power generator-related equipment, etc.)
- Reinforcement and expansion of the door business for construction and railroad vehicles both in the domestic and overseas markets
- Strengthening the foundation of the precision equipment business and the commercial vehicle equipment business in China and other Asian emerging countries

2) Strengthening comprehensive technological capabilities

Together with strengthening comprehensive technological capabilities across all areas of development, manufacture, and quality assurance to provide outstanding products to customers, the Group will endeavor to maintain and improve its superiority in performance, quality, and cost vis-à-vis competitor companies.

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

3) Optimally utilizing human resources and strengthening personnel capabilities

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

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

(4) Challenges Facing the Company

We will focus on addressing the following significant issues faced by the Company in the foreseeable future:

- Improving profitability and securing free cash flows in order to ensure stable business operations and enhancement of quality
- Steady reinforcement and expansion of overseas business, strengthening the management and administrative capabilities of overseas operations in order to adequately control risk, the development and reinforcement of global human resources, and the strengthening of organizational structures to promote domestic and overseas projects
- Product development and the promotion of new businesses in line with changes in industries and markets
- Reducing the number of quality claims by improving the development and manufacturing operational processes

4. [Consolidated Financial Statements]**(1) [Consolidated Balance Sheets]**

(Million yen)

	FY 2008 (As of March 31, 2009)	FY 2009 (As of March 31, 2010)
Assets		
Current assets		
Cash and time deposits	9,422	11,040
Notes and accounts receivable	35,159	36,117
Marketable securities	18,000	24,499
Goods and products	2,923	3,160
Products in progress	5,781	5,473
Raw materials and stored goods	7,788	6,632
Deferred income taxes	3,037	2,115
Other current assets	2,286	926
Allowance for doubtful accounts	(92)	(73)
Total current assets	84,306	89,893
Fixed assets		
Tangible fixed assets		
Buildings and structures	39,603	41,738
Accumulated depreciation	(23,995)	(24,416)
Buildings and structures (net)	15,608	17,322
Machinery and equipment	48,341	46,043
Accumulated depreciation	(37,264)	(35,941)
Machinery and equipment (net)	11,077	10,101
Tools, furniture and fixtures	17,853	16,807
Accumulated depreciation	(15,791)	(14,998)
Tools, furniture and fixtures (net)	2,062	1,808
Land	14,709	14,393
Construction in progress	1,749	475
Total tangible fixed assets	45,206	44,102
Intangible fixed assets	1,447	1,192
Investments and other assets		
Investments in securities	*1 11,543	*1 12,302
Deferred tax assets	887	490
Other investments and other assets	1,529	1,687
Allowance for doubtful accounts	(235)	(187)
Total investments and other assets	13,724	14,292
Total fixed assets	60,379	59,587
Total assets	144,685	149,480

(Million yen)

	FY 2008 (As of March 31, 2009)	FY 2009 (As of March 31, 2010)
Liabilities		
Current liabilities		
Trade notes and accounts payable	22,329	24,447
Short-term loans payable	8,160	8,920
Income taxes payable	404	851
Reserve for product guarantee	1,280	822
Other current liabilities	9,035	8,569
Total current liabilities	41,209	43,610
Long-term liabilities		
Corporate bonds	11,000	11,000
Retirement allowance	9,256	8,000
Reserve for directors' retirement accounts	261	143
Reserve for environmental measures	519	572
Deferred tax liabilities	27	232
Negative goodwill	216	144
Other long-term liabilities	478	608
Total long-term liabilities	21,759	20,702
Total liabilities	62,968	64,313
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	17,477	17,467
Earned surplus	49,668	52,662
Treasury stock	(146)	(695)
Total shareholders' equity	76,999	79,434
Valuation and translation adjustments		
Net unrealized gains on securities	1,047	1,290
Deferred gains or losses on hedges	(14)	(1)
Translation adjustments	(1,554)	(1,319)
Total valuation and translation adjustments	(522)	(30)
Subscription rights to shares	–	73
Minority interests	5,239	5,689
Total net assets	81,716	85,167
Total liabilities and net assets	144,685	149,480

(2) [Consolidated Statements of Income]

(Million yen)

	FY 2008 (From April 1, 2008 to March 31, 2009)	FY 2009 (From April 1, 2009 to March 31, 2010)
Net sales	158,170	126,249
Cost of sales	*1,*3 124,040	*1,*3 97,817
Gross profit	34,129	28,432
Selling, general and administrative expenses	*2,*3 22,117	*2,*3 20,467
Operating income	12,012	7,964
Non-operating income		
Interest income	65	92
Dividends income	287	96
Rent income	263	273
Equity in earnings of an affiliate	629	756
Foreign exchange gains	-	97
Other non-operating income	647	306
Total non-operating income	1,892	1,623
Non-operating expenses		
Interest expenses	154	109
Loss on disposal of inventories	129	-
Foreign exchange losses	451	-
Other non-operating expenses	171	140
Total non-operating expenses	906	250
Ordinary income	12,998	9,337
Extraordinary gains		
Gain on sales of fixed assets	*4 67	*4 82
Gain on sale of investment in securities	3	189
Reversal of allowance for doubtful accounts	53	26
Total extraordinary gains	124	298
Extraordinary losses		
Loss on disposal of fixed assets	*5 232	*5 143
Impairment loss	-	*6 401
Loss on sales of investment securities	-	4
Revaluation loss on investment securities	4,589	40
Write-down of golf membership rights	9	1
Loss on cancellation of leases	38	-
Loss on liquidation of an affiliated company	149	-
Provision for reserve for environmental measures	172	64
Business structure improvement expenses	-	*7 970
Total extraordinary losses	5,191	1,625
Income before income taxes	7,931	8,011
Income taxes	1,767	1,916
Adjustment for corporate and other taxes	1,010	1,354
Total corporate and other taxes	2,777	3,271
Minority interest	728	722
Net income	4,425	4,017

(3) [Consolidated Statements of Change in Net Assets]

(Million yen)

	FY 2008 (From April 1, 2008 to March 31, 2009)	FY 2009 (From April 1, 2009 to March 31, 2010)
Shareholders' equity		
Capital stock		
Balance at end of the previous term	10,000	10,000
Change during the term		
Total change during the term	-	-
Balance at end of the term	10,000	10,000
Capital surplus		
Balance at end of the previous term	17,500	17,477
Change during the term		
Disposal of treasury stock	(23)	(9)
Total change during the term	(23)	(9)
Balance at end of the term	17,477	17,467
Earned surplus		
Balance at end of the previous term	47,412	49,668
Change during the term		
Cash dividends	(2,160)	(1,016)
Net income	4,425	4,017
Employees' welfare fund for overseas subsidiaries	(8)	(7)
Total change during the term	2,255	2,993
Balance at end of the term	49,668	52,662
Treasury stock		
Balance at end of the previous term	(135)	(146)
Change during the term		
Acquisition of treasury stock	(73)	(89)
Disposal of treasury stock	62	33
Increase (decrease) in treasury stock resulted from the change in holding ratio of equity-method companies	-	(492)
Total change during the term	(11)	(548)
Balance at end of the term	(146)	(695)
Total shareholders' equity		
Balance at end of the previous term	74,777	76,999
Change during the term		
Cash dividends	(2,160)	(1,016)
Net income	4,425	4,017
Acquisition of treasury stock	(73)	(89)
Disposal of treasury stock	38	23
Increase (decrease) in treasury stock resulted from the change in holding ratio of equity-method companies	-	(492)
Employees' welfare fund for overseas subsidiaries	(8)	(7)
Total change during the term	2,221	2,435
Balance at end of the term	76,999	79,434

(Million yen)

	FY 2008 (From April 1, 2008 to March 31, 2009)	FY 2009 (From April 1, 2009 to March 31, 2010)
Valuation/translation adjustments, etc.		
Net unrealized gains on securities		
Balance at end of the previous term	2,189	1,047
Change during the term		
Changes in items other than shareholders' equity during the term (net)	(1,141)	243
Total change during the term	(1,141)	243
Balance at end of the term	1,047	1,290
Unrealized deferred gain or loss on hedges		
Balance at end of the previous term	6	(14)
Change during the term		
Changes in items other than shareholders' equity during the term (net)	(21)	13
Total change during the term	(21)	13
Balance at end of the term	(14)	(1)
Translation adjustments		
Balance at end of the previous term	446	(1,554)
Change during the term		
Changes in items other than shareholders' equity during the term (net)	(2,000)	235
Total change during the term	(2,000)	235
Balance at end of the term	(1,554)	(1,319)
Total valuation and translation adjustments		
Balance at end of the previous term	2,642	(522)
Change during the term		
Changes in items other than shareholders' equity during the term (net)	(3,164)	491
Total change during the term	(3,164)	491
Balance at end of the term	(522)	(30)
Subscription rights to shares		
Balance at end of the previous term	–	–
Change during the term		
Changes in items other than shareholders' equity during the term (net)	–	73
Total change during the term	–	73
Balance at end of the term	–	73
Minority interests		
Balance at end of the previous term	5,071	5,239
Change during the term		
Changes in items other than shareholders' equity during the term (net)	168	449
Total change during the term	168	449
Balance at end of the term	5,239	5,689

(Million yen)

	FY 2008 (From April 1, 2008 to March 31, 2009)	FY 2009 (From April 1, 2009 to March 31, 2010)
Total net assets		
Balance at end of the previous term	82,492	81,716
Change during the term		
Cash dividends	(2,160)	(1,016)
Net income	4,425	4,017
Acquisition of treasury stock	(73)	(89)
Disposal of treasury stock	38	23
Increase (decrease) in treasury stock resulted from the change in holding ratio of equity-method companies	–	(492)
Employees' welfare fund for overseas subsidiaries	(8)	(7)
Changes in items other than shareholders' equity during the term (net)	(2,996)	1,014
Total change during the term	(775)	3,450
Balance at end of the term	81,716	85,167

(4) [Consolidated Statements of Cash Flows]

(Million yen)

	FY 2008 (From April 1, 2008 to March 31, 2009)	FY 2009 (From April 1, 2009 to March 31, 2010)
Cash flows from operating activities		
Income before income taxes	7,931	8,011
Depreciation and amortization	5,867	5,485
Amortization of goodwill	(72)	(72)
Share-based compensation expenses	–	73
Increase (decrease) in allowance for doubtful accounts	(17)	(66)
Increase (decrease) in retirement allowance	(1,241)	(1,256)
Increase (decrease) in reserve for directors' retirement accounts	(24)	(117)
Interest and dividend income	(455)	(189)
Interest expenses	154	109
Foreign exchange loss (gain)	0	0
Equity loss (gain) in earnings of an affiliate	(629)	(756)
Loss (gain) on sales of fixed assets	(67)	(82)
Loss (gain) on disposal of fixed assets	232	143
Impairment loss	–	401
Loss (gain) on sales of marketable securities and investments in securities	(3)	(185)
Loss (gain) on revaluation of marketable securities and investments in securities	4,589	40
Write-down of golf membership rights	9	1
Loss on cancellation of leases	38	–
Loss on liquidation of an affiliates	149	–
Business structure improvement expenses	–	970
Decrease (increase) in notes and accounts receivable	10,408	(1,037)
Decrease (increase) in inventories	1,135	1,345
Decrease (increase) in other assets	469	(59)
Increase (decrease) in notes and accounts payable	(8,083)	2,041
Increase (decrease) in consumption taxes payable	(229)	458
Increase (decrease) in other liabilities	(547)	(13)
Subtotal	19,613	15,244
Interest and dividend received	584	329
Interest paid	(170)	(102)
Business reorganization costs	–	(533)
Income taxes refunded (paid)	(5,972)	(46)
Net cash and cash equivalents provided by operating activities	14,055	14,892

(Million yen)

	FY 2008 (From April 1, 2008 to March 31, 2009)	FY 2009 (From April 1, 2009 to March 31, 2010)
Cash flows from investing activities		
Increase in time deposits	(29)	(25)
Proceeds from withdrawal from time deposits	300	2
Purchases of tangible fixed assets	(8,225)	(5,880)
Proceeds from sales of tangible fixed assets	121	114
Purchases of intangible fixed assets	(539)	(171)
Purchases of investments in securities	(996)	(539)
Proceeds from sale of investment in securities	7	465
Loans to affiliated companies	(12)	
Proceeds from repayment of short-term loans	3	31
Other payments	(130)	(380)
Other proceeds	171	228
Net cash and cash equivalents used in investing activities	(9,329)	(6,155)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans	(946)	752
Repayments of long-term loans	(3,004)	–
Proceeds from minority shareholders	398	–
Payments for purchases of treasury stock	(73)	(89)
Proceeds from sales of treasury stock	38	23
Cash dividends paid	(2,160)	(1,016)
Cash dividends paid to minority shareholders	(441)	(354)
Net cash and cash equivalents used in financing activities	(6,189)	(684)
Effect exchange rate changes on cash and cash equivalents	(959)	74
Increase (decrease) in cash and cash equivalents	(2,423)	8,126
Cash and cash equivalents at beginning of term	29,722	27,299
Cash and cash equivalents at end of term	**1 27,299	**1 35,425

(Segment Information)1 Segment Information by Business Category
FY 2008 (From April 1, 2008 to March 31, 2009)

(Million yen)

	Precision Equipment	Transport Equipment	Aircraft and Hydraulic Equipment	Industrial Equipment	Total	Eliminations and General Corporate Assets	Consolidated
I Net sales and operating income							
Net sales							
(1) External sales	28,026	46,765	51,390	31,987	158,170	–	158,170
(2) Intersegment net sales or transfer	51	250	573	332	1,207	[1,207]	–
Total	28,077	47,016	51,964	32,319	159,378	[1,207]	158,170
Operating expenses	25,571	42,334	49,350	30,109	147,365	[1,207]	146,158
Operating income	2,506	4,682	2,614	2,209	12,012	–	12,012
II Assets, Depreciation and amortization and capital expenditure							
Assets	18,150	31,243	33,813	25,814	109,021	35,664	144,685
Depreciation and amortization	1,308	1,315	2,047	583	5,255	612	5,867
Capital expenditure	1,307	1,531	5,147	639	8,626	557	9,184

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

2. Each segment includes the following products:

- (1) Precision equipment business Precision reduction gears, precision actuators, three-dimensional rapid prototyping equipment, vacuum pumps, vacuum equipment and high-performance heat transfer device.
- (2) 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 door for buildings, automatic fillers/sealers, forming machines, machine tools, automotive parts, mould and jigs.

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

4. Total assets in "Eliminations and General Corporate Assets" are ¥36,221 million. These include surplus operating funds in the Company (cash and deposits) and long-term investments (investment securities, etc.).

5. (Change in accounting guidelines)

As described in "Fundamental Points in Preparing Consolidated Financial Statements" 4. (1) [4], the Company and its consolidated subsidiaries have applied from this consolidated fiscal year the "Accounting Standard Concerning Valuation of Inventories" (Accounting Standard No. 9). This change resulted in reductions in operating income of ¥20 million in the precision equipment business, ¥85 million in the transport equipment business, ¥21 million in the aircraft and hydraulic equipment business, and ¥47 million in the industrial equipment business in comparison with figures calculated using the previous method.

6. (Additional information)

As described in "Fundamental Points in Preparing Consolidated Financial Statements" 4. (2) [1], the Company and its domestic consolidated subsidiaries have, from this consolidated fiscal year, changed the useful life of machinery and equipment based on the revised Corporation Tax Act. This change resulted in increases in operating income of ¥96 million in the precision equipment business, a decrease of ¥71 million in the transport equipment business, an increase of ¥82 million in the aircraft and hydraulic equipment business, and a decrease of ¥9 million in the industrial equipment business in comparison with figures calculated using the previous method.

FY 2009 (From April 1, 2009 to March 31, 2010)

(Million yen)

	Precision Equipment	Transport Equipment	Aircraft and Hydraulic Equipment	Industrial Equipment	Total	Eliminations and General Corporate Assets	Consolidated
I Net sales and operating income							
Net sales							
(1) External sales	15,278	41,888	41,492	27,589	126,249	–	126,249
(2) Intersegment net sales or transfer	12	239	273	171	697	[697]	–
Total	15,290	42,128	41,765	27,761	126,946	[697]	126,249
Operating expenses	14,687	38,474	39,961	25,858	118,981	[697]	118,284
Operating income	603	3,654	1,804	1,902	7,964	–	7,964
II Assets, Depreciation and amortization, loss of impaired assets and capital expenditure							
Assets	17,401	28,497	37,278	25,971	109,150	40,330	149,480
Depreciation and amortization	1,038	1,395	2,006	481	4,920	565	5,485
Loss of impaired assets	–	401	–	–	401	–	401
Capital expenditure	258	1,565	2,364	318	4,506	302	4,809

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

2. Each segment includes the following products:

- (1) Precision equipment business Precision reduction gears, precision actuators, three-dimensional rapid prototyping equipment, vacuum pumps, vacuum equipment and high-performance heat transfer device.
- (2) 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 door for buildings, automatic fillers/sealers, forming machines, machine tools, automotive parts, mould and jigs.

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

4. Total assets in "Eliminations and General Corporate Assets" are ¥41,146 million. These include surplus operating fund in the Company (cash and deposits) and long-term investments (investment securities, etc.).

5. (Change in accounting standard)

As described in "Fundamental Points in Preparing Consolidated Financial Statements," loss on disposal of inventories was formerly stated separately under non-operating expenses. However, the Company and its consolidated subsidiaries have recognized the amount under cost of sales from this consolidated fiscal year. 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 since the first quarter of consolidated fiscal year ended March 31, 2010, and also enhanced the system to recognize valuation loss on a timely basis. Therefore, we have ensured consistency 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. This change resulted in reductions in operating income of ¥94 million in the precision equipment business, ¥198 million in the transport equipment business, ¥36 million in the aircraft and hydraulic equipment business, and ¥75 million in the industrial equipment business in comparison with figures calculated using the previous method.

2 Segment Information by Region
 FY 2008 (From April 1, 2008 to March 31, 2009)

(Million yen)

	Japan	Asia	North America	Europe	Total	Eliminations and General Corporate Assets	Consolidated
I Net sales and operating income							
Net sales							
(1) External sales	124,927	16,682	9,190	7,369	158,170	–	158,170
(2) Intersegment net sales or transfer	15,107	1,944	1,812	76	18,939	[18,939]	–
Total	140,034	18,626	11,003	7,446	177,110	[18,939]	158,170
Operating expenses	131,396	16,284	10,234	7,182	165,098	[18,939]	146,158
Operating income	8,638	2,342	768	263	12,012	–	12,012
II Assets	100,051	9,669	3,983	2,174	115,879	28,806	144,685

(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. Total assets in "Eliminations and General Corporate Assets" are ¥36,221 million. These include surplus operating fund in the Company (cash and deposits) and long-term investments (investment securities, etc.).

5. (Change in accounting guidelines)

As described in "Fundamental Points in Preparing Consolidated Financial Statements" 4. (1) [4], the Company and its consolidated subsidiaries have applied from this consolidated fiscal year the "Accounting Standard Concerning Valuation of Inventories" (Accounting Standard No. 9). This change resulted in a reduction in operating income of ¥173 million in the geographic segment of "Japan," in comparison with figures calculated using the previous method.

6. (Additional information)

As described in "Fundamental Points in Preparing Consolidated Financial Statements" 4. (2) [1], the Company and its domestic consolidated subsidiaries have, from this consolidated fiscal year, changed the useful life of machinery and equipment based on the revised Corporation Tax Act. This change resulted in an increase in operating incomes of ¥98 million in the geographic segment of "Japan," in comparison with figures calculated using the previous method.

FY 2009 (From April 1, 2009 to March 31, 2010)

(Million yen)

	Japan	Asia	North America	Europe	Total	Eliminations and General Corporate Assets	Consolidated
I Net sales and operating income							
Net sales							
(1) External sales	99,759	16,471	6,804	3,213	126,249	–	126,249
(2) Intersegment net sales or transfer	11,371	1,266	1,323	60	14,022	[14,022]	–
Total	111,131	17,737	8,128	3,273	140,271	[14,022]	126,249
Operating expenses	105,486	15,773	7,741	3,305	132,307	[14,022]	118,284
Operating income	5,645	1,964	387	(32)	7,964	–	7,964
II Assets	96,690	13,227	4,201	1,768	115,887	33,593	149,480

(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. Total assets in "Eliminations and General Corporate Assets" are ¥41,146 million. These include surplus operating fund in the Company (cash and deposits) and long-term investments (investment securities, etc.).

5. (Change in accounting standard)

6. (Additional information)

As described in "Fundamental Points in Preparing Consolidated Financial Statements," loss on disposal of inventories was formerly stated separately under non-operating expenses. However, the Company and its consolidated subsidiaries have recognized the amount under cost of sales from this consolidated fiscal year. 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 since the first quarter of consolidated fiscal year ended March 31, 2010, and also enhanced the system to recognize valuation loss on a timely basis. Therefore, we have ensured consistency 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. This change resulted in reductions in operating incomes of ¥396 million in the geographic segment of "Japan" and ¥7 million in the geographic segment of "Asia," in comparison with figures calculated using the previous method.

3 Overseas Sales

FY 2008 (From April 1, 2008 to March 31, 2009)

(Million yen)

	Asia	North America	Europe	Other regions	Total
I Overseas Sales	26,346	11,434	9,464	612	47,856
II Consolidated net sales					158,170
III Composition to consolidated net sale (%)	16.7	7.2	6.0	0.4	30.3

(Notes) 1. Grouping of countries and regions is based on geographic adjacency.

2. Each geographic segment except Japan covers the following countries or regions:

- (1) Asia China, 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.

FY 2009 (From April 1, 2009 to March 31, 2010)

(Million yen)

	Asia	North America	Europe	Other regions	Total
I Overseas Sales	24,574	8,656	4,264	374	37,870
II Consolidated net sales					126,249
III Composition to consolidated net sale (%)	19.5	6.8	3.4	0.3	30.0

(Notes) 1. Grouping of countries and regions is based on geographic adjacency.

2. Each geographic segment except Japan covers the following countries or regions:

- (1) Asia China, Thailand, South Korea, India and Singapore
- (2) North America U.S.A.
- (3) Europe Germany, Great Britain, France, Italy and 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.

5. [Non-consolidated Financial Statements]**(1) [Non-consolidated Balance Sheets]**

(Million yen)

	FY 2008 (As of March 31, 2009)	FY 2009 (As of March 31, 2010)
Assets		
Current assets		
Cash and time deposits	3,919	3,111
Notes receivable	2,339	*1 1,420
Accounts receivable	*1 26,142	*1 25,462
Marketable securities	18,000	24,499
Goods and products	1,193	1,295
Work in progress	4,374	4,056
Raw materials and stored goods	4,981	3,929
Advance payment	61	-
Deferred income taxes	2,432	1,456
Short-term loans receivable	*1 1,502	*1 3,214
Other receivables	1,870	459
Other current assets	255	755
Allowance for doubtful accounts	(1,351)	(1,352)
Total current assets	65,723	68,309
Fixed assets		
Tangible fixed assets		
Buildings	31,300	30,377
Accumulated depreciation	(18,630)	(17,490)
Buildings (net)	12,669	12,886
Structures	3,129	2,408
Accumulated depreciation	(2,546)	(1,875)
Structures (net)	583	533
Machinery and equipment	42,826	36,154
Accumulated depreciation	(34,692)	(29,790)
Machinery and equipment (net)	8,133	6,363
Vehicles and transportation equipment	199	172
Accumulated depreciation	(175)	(147)
Vehicles and transportation equipment (net)	23	24
Tools, furniture and fixtures	16,248	12,736
Accumulated depreciation	(14,610)	(11,500)
Tools, furniture and fixtures (net)	1,638	1,235
Land	11,147	10,367
Construction in progress	1,144	105
Total tangible fixed assets	35,339	31,518
Intangible fixed assets		
Patents	13	-
Software	1,169	916
Software suspense account	4	-
Other intangible fixed assets	44	43
Total intangible fixed assets	1,232	960

(Million yen)

	FY 2008 (As of March 31, 2009)	FY 2009 (As of March 31, 2010)
Investments and other assets		
Investments in securities	7,644	5,190
Investments in stock of affiliated companies	6,731	10,672
Capital contribution for affiliated companies	1,483	1,483
Long-term prepaid expenses	40	273
Deferred income taxes	826	266
Other investments and other assets	729	682
Allowance for doubtful accounts	(83)	(79)
Total investments and other assets	17,372	18,489
Total fixed assets	53,945	50,967
Total assets	119,668	119,277
Liabilities		
Current liabilities		
Trade notes payable	175	141
Accounts payable	*1 18,013	*1 18,082
Short-term loans payable	7,800	7,800
Accounts payable-other	2,533	2,587
Income taxes payable	115	184
Accrued expenses	2,932	2,494
Advance received	491	150
Deposits received	*1 5,201	*1 5,145
Reserve for product guarantee	1,276	782
Other current liabilities	38	17
Total current liabilities	38,579	37,386
Long-term liabilities		
Corporate bonds	11,000	11,000
Retirement allowance	8,145	6,713
Reserve for directors' retirement accounts	154	-
Reserve for environmental measures	519	572
Negative goodwill	216	144
Other long-term liabilities	465	589
Total long-term liabilities	20,501	19,019
Total liabilities	59,081	56,405

(Million yen)

	FY 2008 (As of March 31, 2009)	FY 2009 (As of March 31, 2010)
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus		
Capital reserve	24,690	24,690
Other capital surplus	4,823	4,813
Total capital surplus	29,513	29,504
Earned surplus		
Profit reserve	1,076	1,076
Other earned surplus		
Reserve for special depreciation	3	–
Reserve for compression of assets	16	16
Earned surplus brought forward	20,448	22,271
Total earned surplus	21,544	23,363
Treasury stock	(141)	(197)
Total shareholders' equity	60,917	62,670
Valuation and translation adjustments		
Net unrealized gains on securities	(315)	128
Deferred gains or losses on hedges	(14)	(1)
Total valuation and translation adjustments	(330)	126
Subscription rights to shares		73
Total net assets	60,586	62,871
Total liabilities and net assets	119,668	119,277

(2) [Non-consolidated Statements of Income]

(Million yen)

	FY 2008 (From April 1, 2008 to March 31, 2009)	FY 2009 (From April 1, 2009 to March 31, 2010)
Net sales	*1 115,547	*1 90,984
Cost of sales		
Inventories of products at beginning of the term	2,538	1,193
Production cost during the term	*2,*4 94,855	*2,*4 74,318
Subtotal	97,393	75,511
Inventories of products at end of the term	1,193	1,295
Patent royalties paid	267	327
Total cost of sales	96,467	74,543
Gross profit	19,079	16,441
Selling, general and administrative expenses	*3,*4 12,669	*3,*4 11,892
Operating income	6,410	4,549
Non-operating income		
Interest income	5	61
Dividend income	*1 1,139	*1 1,304
Rent income	*1 305	*1 304
Foreign exchange gains	14	-
Other non-operating income	427	176
Total non-operating income	1,892	1,847
Non-operating expenses		
Interest expenses	173	110
Loss on disposal of inventories	117	-
Foreign exchange losses	-	11
Other non-operating expenses	97	96
Total non-operating expenses	389	219
Ordinary income	7,912	6,177
Extraordinary gains		
Gain on sales of fixed assets	*5 66	*5 81
Gain on sales of investment securities	2	41
Reversal of allowance for doubtful accounts	103	22
Total extraordinary gains	172	145
Extraordinary losses		
Loss on disposal of fixed assets	*6 212	*6 123
Impairment loss	-	*7 401
Loss on sale of investment securities	-	4
Revaluation loss on investment securities	5,486	70
Write-down of golf membership rights	6	0
Business structure improvement expenses	-	*8 972
Loss on business transfer	-	*9 117
Loss on liquidation of affiliated companies	199	-
Loss on cancellation of leases	38	-
Provision for reserve for doubtful accounts from affiliates	-	20
Provision for reserve for environmental measures	172	64
Total extraordinary losses	6,117	1,774

(Million yen)

	FY 2008 (From April 1, 2008 to March 31, 2009)	FY 2009 (From April 1, 2009 to March 31, 2010)
Income before income taxes	1,968	4,548
Income taxes	113	338
Adjustment for corporate and other taxes	990	1,374
Total corporate and other taxes	1,103	1,712
Net income	865	2,835

(3) [Non-consolidated Statements of Change in Net Assets]

(Million yen)

	FY 2008 (From April 1, 2008 to March 31, 2009)	FY 2009 (From April 1, 2009 to March 31, 2010)
Shareholders' equity		
Capital stock		
Balance at end of the previous term	10,000	10,000
Change during the term		
Total change during the term	-	-
Balance at end of the term	10,000	10,000
Capital surplus		
Capital reserve		
Balance at end of the previous term	24,690	24,690
Change during the term		
Total change during the term	-	-
Balance at end of the term	24,690	24,690
Other capital surplus		
Balance at end of the previous term	4,846	4,823
Change during the term		
Disposal of treasury stock	(23)	(9)
Total change during the term	(23)	(9)
Balance at end of the term	4,823	4,813
Total capital surplus		
Balance at end of the previous term	29,537	29,513
Change during the term		
Disposal of treasury stock	(23)	(9)
Total change during the term	(23)	(9)
Balance at end of the term	29,513	29,504
Earned surplus		
Profit reserve		
Balance at end of the previous term	1,076	1,076
Change during the term		
Total change during the term	-	-
Balance at end of the term	1,076	1,076
Other earned surplus		
Reserve for special depreciation		
Balance at end of the previous term	7	3
Change during the term		
Transfer from reserve for special depreciation	(3)	(3)
Total change during the term	(3)	(3)
Balance at end of the term	3	-
Reserve for compression of assets		
Balance at end of the previous term	17	16
Change during the term		
Transfer from reserve for compression of assets	(0)	(0)
Total change during the term	(0)	(0)
Balance at end of the term	16	16

(Million yen)

	FY 2008 (From April 1, 2008 to March 31, 2009)	FY 2009 (From April 1, 2009 to March 31, 2010)
Earned surplus brought forward		
Balance at end of the previous term	21,739	20,448
Change during the term		
Cash dividends	(2,160)	(1,016)
Transfer from reserve for special depreciation	3	3
Transfer from reserve for compression of assets	0	0
Net income	865	2,835
Total change during the term	(1,291)	1,823
Balance at end of the term	20,448	22,271
Total earned surplus		
Balance at end of the previous term	22,840	21,544
Change during the term		
Cash dividends	(2,160)	(1,016)
Transfer from reserve for special depreciation	–	–
Transfer from reserve for compression of assets	–	–
Net income	865	2,835
Total change during the term	(1,295)	1,818
Balance at end of the term	21,544	23,363
Treasury stock		
Balance at end of the previous term	(130)	(141)
Change during the term		
Purchase of treasury stock	(73)	(89)
Disposal of treasury stock	62	33
Total change during the term	(11)	(55)
Balance at end of the term	(141)	(197)
Total shareholders' equity		
Balance at end of the previous term	62,247	60,917
Change during the term		
Cash dividends	(2,160)	(1,016)
Net income	865	2,835
Purchase of treasury stock	(73)	(89)
Disposal of treasury stock	38	23
Total change during the term	(1,330)	1,753
Balance at end of the term	60,917	62,670

(Million yen)

	FY 2008 (From April 1, 2008 to March 31, 2009)	FY 2009 (From April 1, 2009 to March 31, 2010)
Valuation and translation adjustments		
Net unrealized gains on securities		
Balance at end of the previous term	(89)	(315)
Change during the term		
Changes in items other than shareholders' equity during the term (net)	(226)	444
Total change during the term	(226)	444
Balance at end of the term	(315)	128
Unrealized deferred gain or loss on hedges		
Balance at end of the previous term	6	(14)
Change during the term		
Changes in items other than shareholders' equity during the term (net)	(21)	13
Total change during the term	(21)	13
Balance at end of the term	(14)	(1)
Total valuation and translation adjustments		
Balance at end of the previous term	(82)	(330)
Change during the term		
Changes in items other than shareholders' equity during the term (net)	(247)	457
Total change during the term	(247)	457
Balance at end of the term	(330)	126
Subscription rights to shares		
Balance at end of the previous term	–	–
Change during the term		
Changes in items other than shareholders' equity during the term (net)	–	73
Total change during the term	–	73
Balance at end of the term	–	73
Total net assets		
Balance at end of the previous term	62,165	60,586
Change during the term		
Cash dividends	(2,160)	(1,016)
Net income	865	2,835
Purchase of treasury stock	(73)	(89)
Disposal of treasury stock	38	23
Changes in items other than shareholders' equity during the term (net)	(247)	531
Total change during the term	(1,578)	2,284
Balance at end of the term	60,586	62,871

6. Other information

[Consolidated Status of Output, Orders Received and Sales]

(1) Output

Segment by business category	FY 2008 (From April 1, 2008 to March 31, 2009)		FY 2009 (From April 1, 2009 to March 31, 2010)	
	Amount (million yen)	% to total	Amount (million yen)	% to total
Precision Equipment	27,388	17.8	16,085	12.4
Transport Equipment	45,555	29.5	43,244	33.5
Aircraft and Hydraulic Equipment	50,375	32.7	41,814	32.3
Industrial Equipment	30,864	20.0	28,114	21.8
Total	154,183	100.0	129,259	100.0

(Note 1) Amounts shown above are stated based on selling price, and do not include consumption or other taxes.

(2) Orders Received

Segment by business category	FY 2008 (From April 1, 2008 to March 31, 2009)		FY 2009 (From April 1, 2009 to March 31, 2010)	
	Amount (million yen)	% to total	Amount (million yen)	% to total
Precision Equipment	24,558	15.9	17,775	13.9
Transport Equipment	49,326	31.8	43,006	33.6
Aircraft and Hydraulic Equipment	50,658	32.7	39,687	31.0
Industrial Equipment	30,426	19.6	27,440	21.5
Total	154,969	100.0	127,909	100.0

(Note 1) Amounts shown above are stated based on selling price, and do not include consumption or other taxes.

(3) Order Backlog

Segment by business category	FY 2008 (From April 1, 2008 to March 31, 2009)		FY 2009 (From April 1, 2009 to March 31, 2010)	
	Amount (million yen)	% to total	Amount (million yen)	% to total
Precision Equipment	2,797	5.0	5,294	9.1
Transport Equipment	21,487	38.1	22,605	38.9
Aircraft and Hydraulic Equipment	24,343	43.1	22,539	38.8
Industrial Equipment	7,821	13.8	7,671	13.2
Total	56,450	100.0	58,110	100.0

(Note 1) Amounts shown above are stated based on selling price, and do not include consumption or other taxes.

(4) Net Sales

Segment by business category	FY 2008 (From April 1, 2008 to March 31, 2009)		FY 2009 (From April 1, 2009 to March 31, 2010)	
	Amount (million yen)	% to total	Amount (million yen)	% to total
Precision Equipment	28,026	17.7	15,278	12.1
Transport Equipment	46,765	29.6	41,888	33.2
Aircraft and Hydraulic Equipment	51,390	32.5	41,492	32.9
Industrial Equipment	31,987	20.2	27,589	21.8
Total	158,170	100.0	126,249	100.0

(Note 1) Amounts shown above are stated based on selling price, and do not include consumption or other taxes.

[Summary Material of Business Results for FY 2009]**(1) Operating Results**

(Million yen)

	FY 2008 (From April 1, 2008 to March 31, 2009)		FY 2009 (From April 1, 2009 to March 31, 2010)	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Net sales	158,170	115,547	126,249	90,984
Operating income	12,012	6,410	7,964	4,549
Ordinary income	12,998	7,912	9,337	6,117
Net income	4,425	865	4,017	2,835

(2) Consolidated Segment Information

1) Net Sales

Segment by business category	FY 2008 (From April 1, 2008 to March 31, 2009)		FY 2009 (From April 1, 2009 to March 31, 2010)	
	Amount (million yen)	% to total	Amount (million yen)	% to total
Precision Equipment	28,026	17.7	15,278	12.1
Transport Equipment	46,765	29.6	41,888	33.2
Aircraft and Hydraulic Equipment	51,390	32.5	41,492	32.9
Industrial Equipment	31,987	20.2	27,589	21.8
Total	158,170	100.0	126,249	100.0

2) Operating Income

Segment by business category	FY 2008 (From April 1, 2008 to March 31, 2009)		FY 2009 (From April 1, 2009 to March 31, 2010)	
	Amount (million yen)	Margin (%)	Amount (million yen)	Margin (%)
Precision Equipment	2,506	8.9	603	3.9
Transport Equipment	4,682	10.0	3,654	8.7
Aircraft and Hydraulic Equipment	2,614	5.1	1,804	4.3
Industrial Equipment	2,209	6.9	1,902	6.9
Total	12,012	7.6	7,964	6.3

(3) Investments, Finance and Personnel

(Million yen)

	FY 2008 (From April 1, 2008 to March 31, 2009)		FY 2009 (From April 1, 2009 to March 31, 2010)	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
1. Capital expenditure	9,184	5,739	4,809	3,154
[Tangible fixed assets included in the above amount]	[8,644]	[5,241]	[4,637]	[3,032]
2. Depreciation and amortization	5,867	4,958	5,485	4,466
[Tangible fixed assets included in the above amount]	[5,411]	[4,540]	[5,057]	[4,082]
3. R&D expense	4,107	3,627	3,746	3,319
4. Corporate bonds and loans payable	19,160	18,800	19,920	18,800
5. Financial account balance	198	970	79	1,254
[Dividend income included in the above amount]	[287]	[1,139]	[96]	[1,304]
6. Number of employees at end of the period	3,989 persons	2,249 persons	3,998 persons	2,006 persons

[Forecast of Operating Results for FY 2010]

(1) Operating Results (Forecast)

(Million yen)

	Forecast for the 1st half of FY 2010 (From April 1, 2010 to September 30, 2010)		Forecast for FY 2010 (From April 1, 2010 to March 31, 2011)	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Net sales	70,000	47,000	141,000	95,000
Operating income	5,800	3,900	12,000	8,300
Ordinary income	6,500	4,800	13,400	9,700
Net income	4,000	3,100	8,100	6,300

(2) Consolidated Segment Information (Forecast)

1) Net Sales

Segment by business category	Forecast for the 1st half of FY 2010 (From April 1, 2010 to September 30, 2010)		Forecast for FY 2010 (From April 1, 2010 to March 31, 2011)	
	Amount (million yen)	% to total	Amount (million yen)	% to total
Precision Equipment	10,000	14.3	20,500	14.5
Transport Equipment	22,500	32.1	45,500	32.3
Aircraft and Hydraulic Equipment	24,500	35.0	48,500	34.4
Industrial Equipment	13,000	18.6	26,500	18.8
Total	70,000	100.0	141,000	100.0

2) Operating Income

Segment by business category	Forecast for the 1st half of FY 2010 (From April 1, 2010 to September 30, 2010)		Forecast for FY 2010 (From April 1, 2010 to March 31, 2011)	
	Amount (million yen)	Margin (%)	Amount (million yen)	Margin (%)
Precision Equipment	1,000	10.0	2,200	10.7
Transport Equipment	2,700	12.0	5,700	12.5
Aircraft and Hydraulic Equipment	1,400	5.7	2,800	5.8
Industrial Equipment	700	5.4	1,300	4.9
Total	5,800	8.3	12,000	8.5