

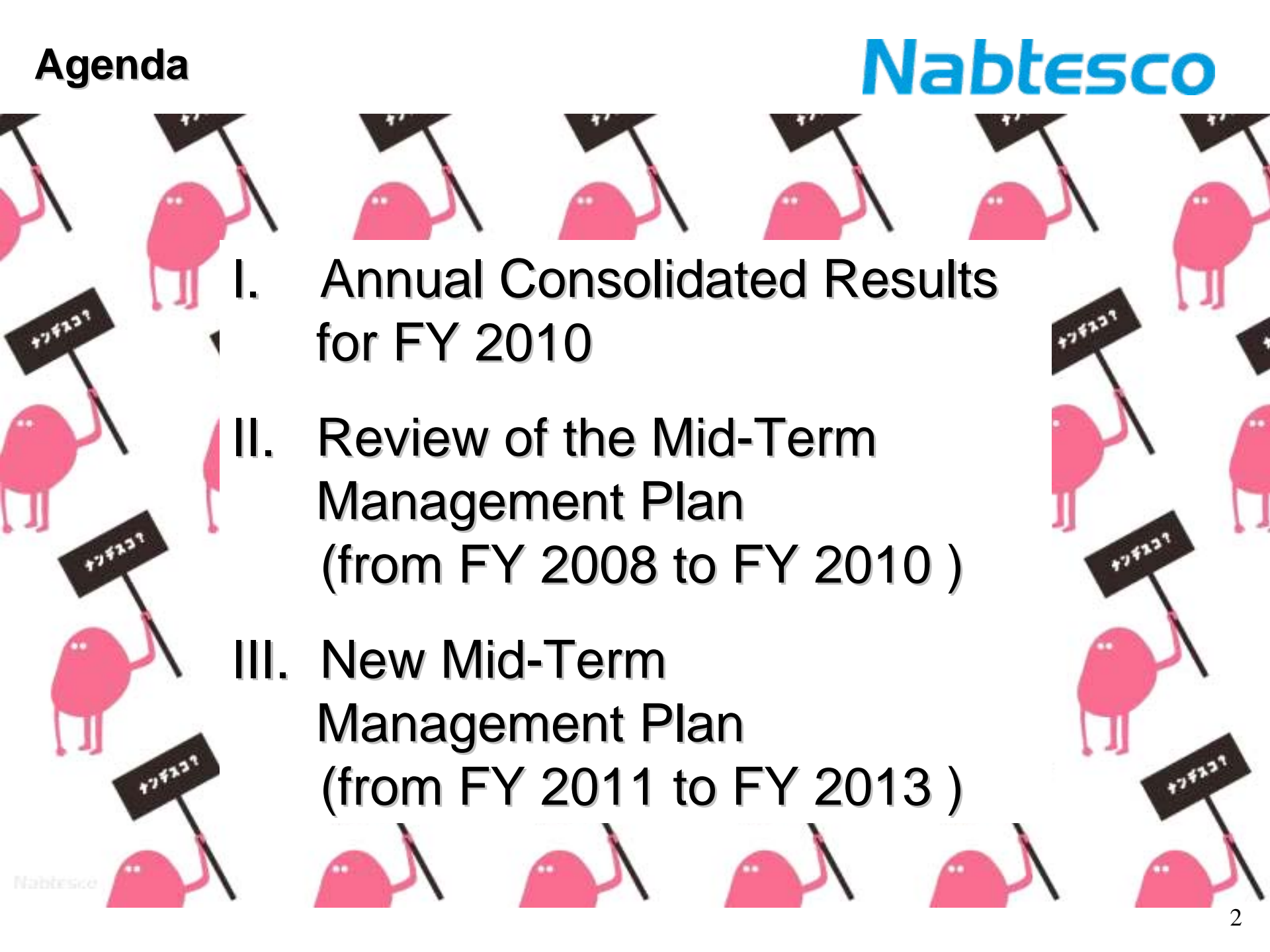
Briefing on Annual Results for FY 2010 and the New Mid-Term Management Plan

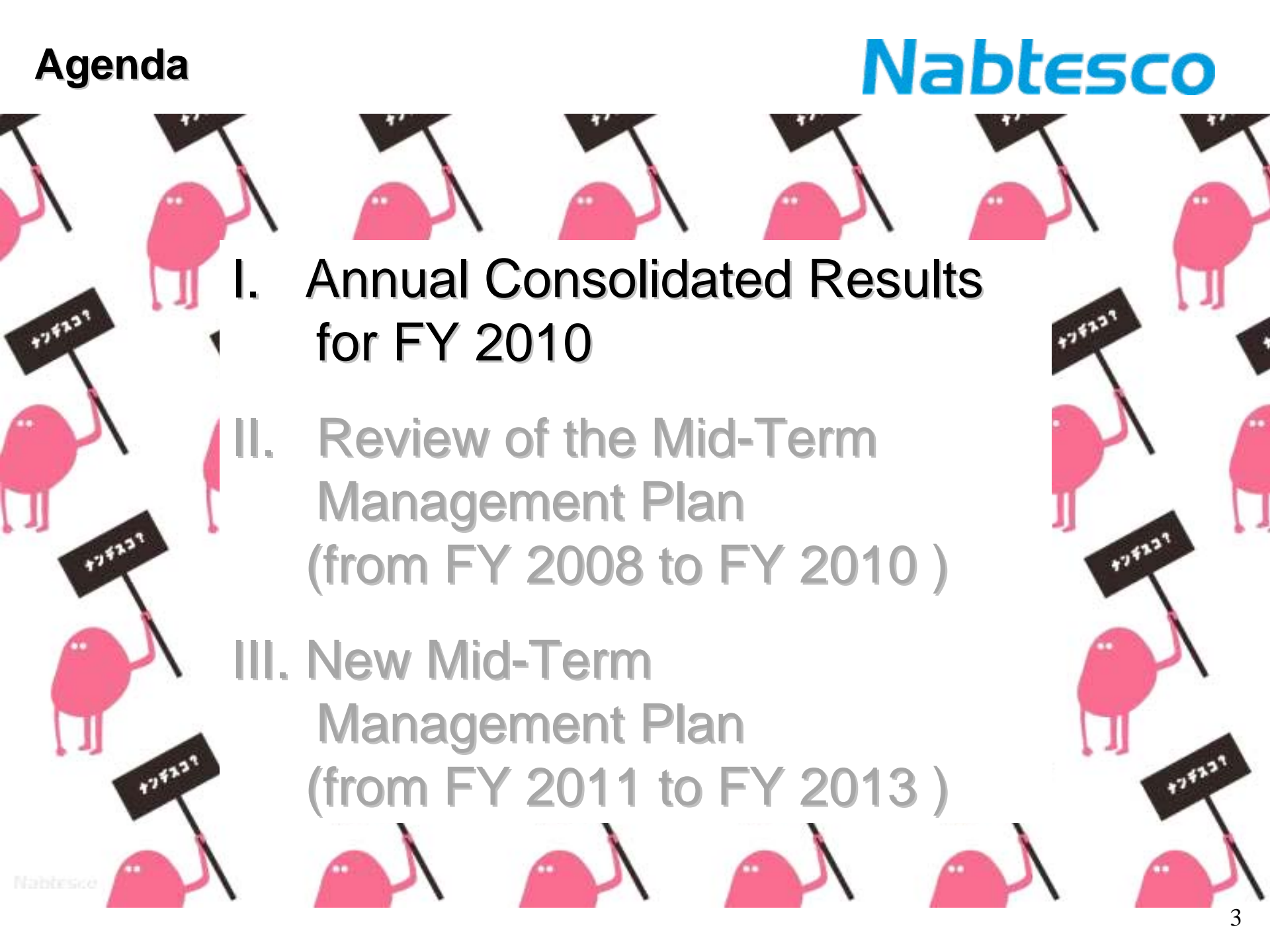
May 2011

Nabtesco Corporation

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

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

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- I. Annual Consolidated Results for FY 2010
 - II. Review of the Mid-Term Management Plan (from FY 2008 to FY 2010)
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Summary of Results

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

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(JPY million)	2010/3	2011/3	Variation	Ratio
Sales	126,249	169,303	43,054	34.1%
Operating profit	7,964	20,212	12,247	153.8%
(Operating profit margin)	(6.3%)	(11.9%)	—	—
Non-operating profit and loss	1,373	2,153	780	—
Ordinary profit	9,337	22,365	13,027	139.5%
Extraordinary profit and loss	-1,326	-411	915	—
Profit before taxes	8,011	21,954	13,942	—
Net profit	4,017	13,387	9,370	233.2%
Net profit per share (Yen)	31.70	105.88	74.18	

Remark: Sales

- Increase in sales in FY2010, due to a sharp recovery in the demand for industrial robots and increased demand for construction machinery in emerging countries, including China.

Remark:

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

- 2010/3
 - Loss due to impairment of unused land 401
 - Restructuring costs in commercial vehicle equipment 759
 - Allowance for domestic plants & aggregation of hydraulic products 210
- 2011/3
 - Cancellation compensation for the aircraft equipment 221

Dividend per share (Yen)	9	25 (forecast)	16
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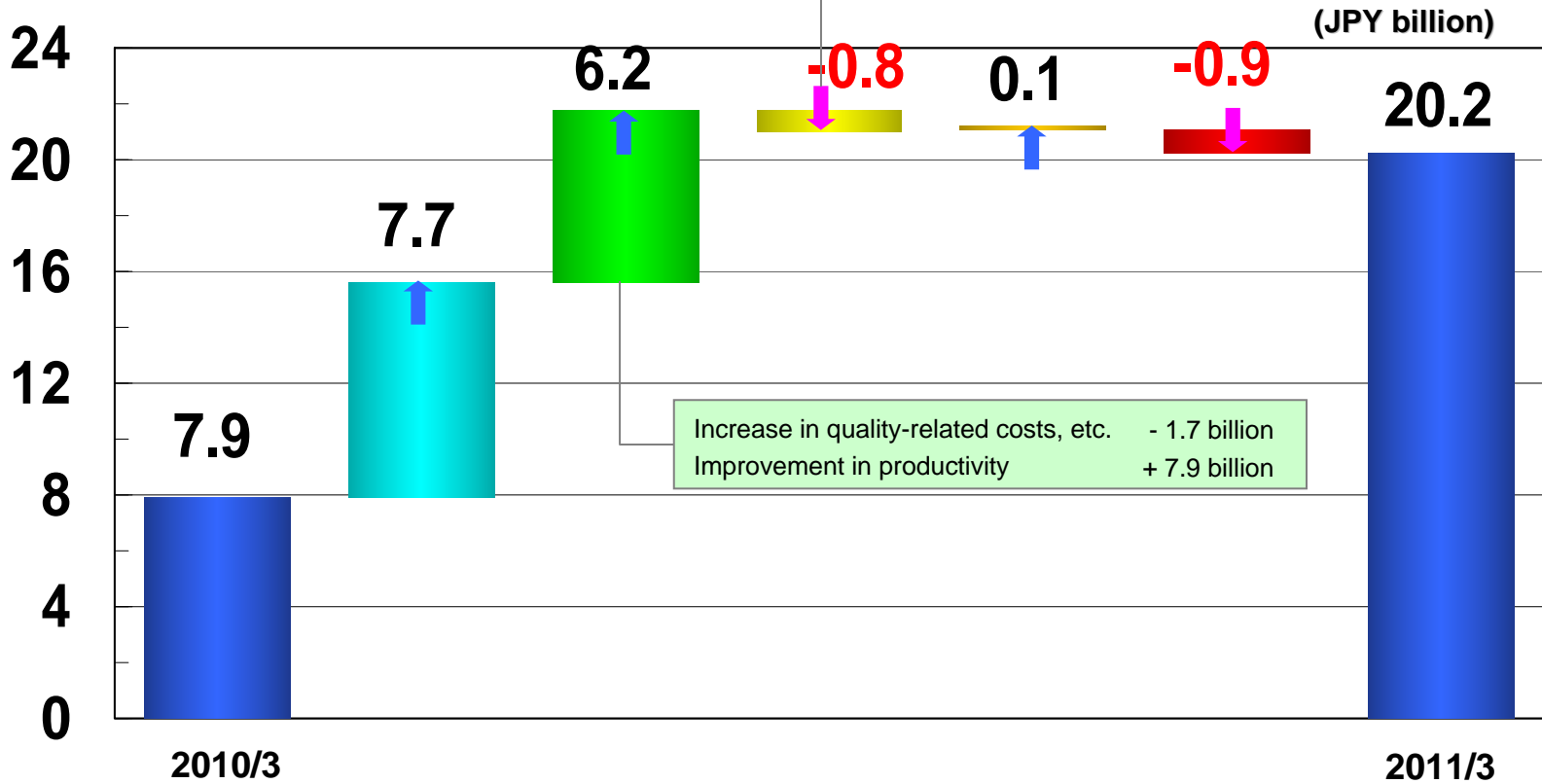
Remark: dividend per share

- Original forecast 18 yen

Analysis of Changes in Operating Profit

- Increase in sales
- Improvements in productivity, increase in quality-related costs, etc.
- FOREX effect ■ Decrease in D&A ■ Increase in SG&A expenses, etc.

2010/3 (result) US\$1=¥92.61 RMB1=13.7
 2011/3 (result) US\$1=¥85.22 RMB1=12.9

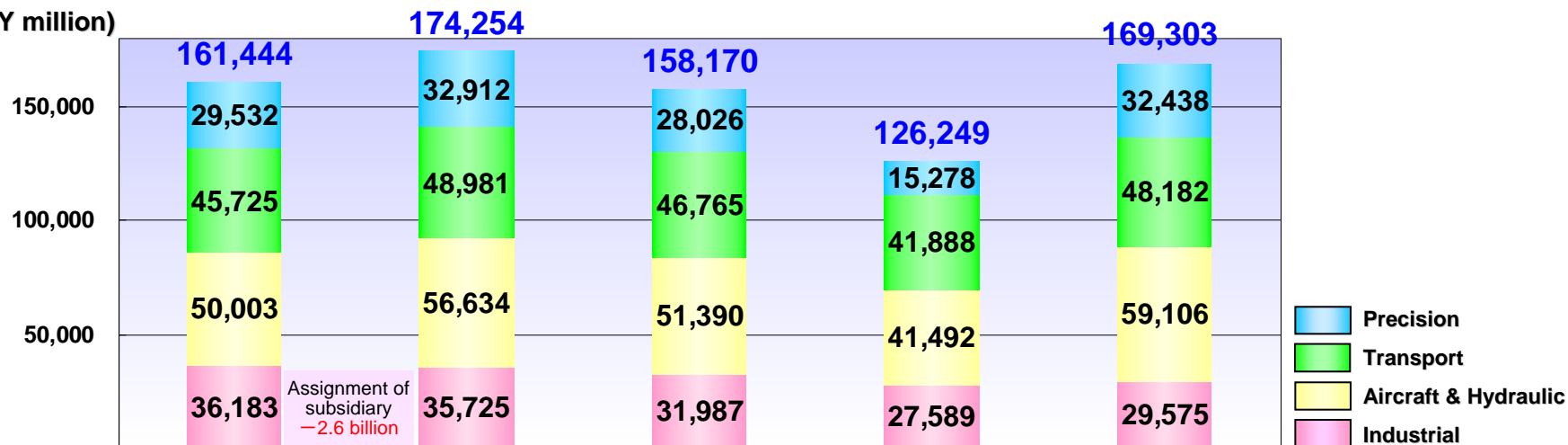


Growth of Consolidated Annual Sales & Profit by Business Segment



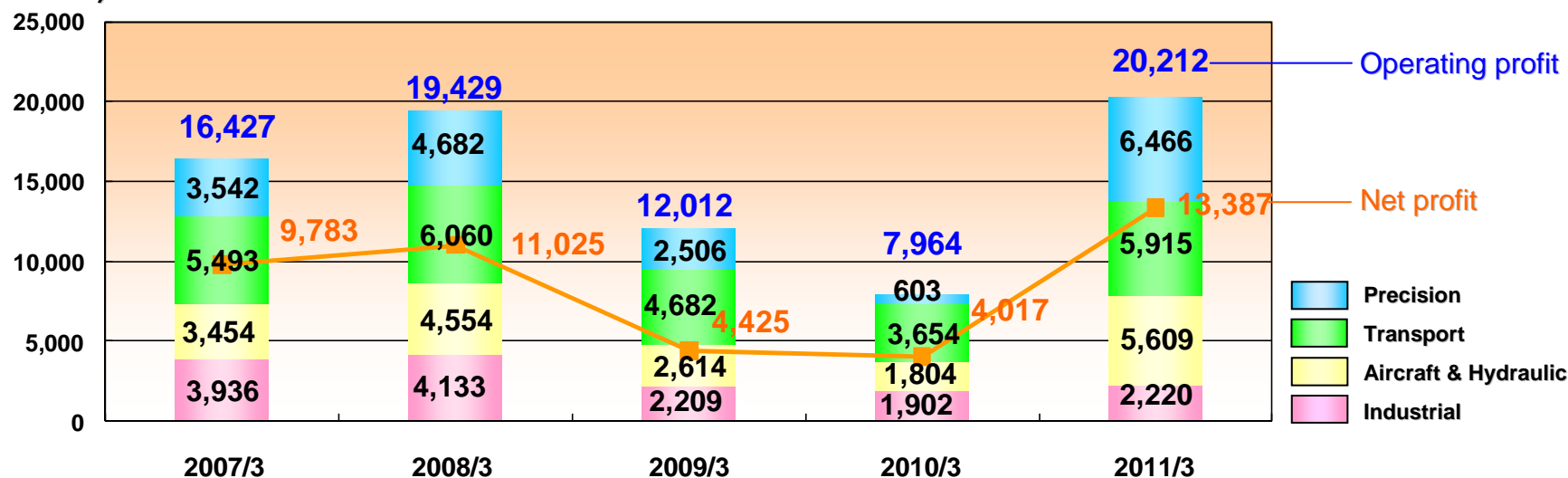
Sales

(JPY million)



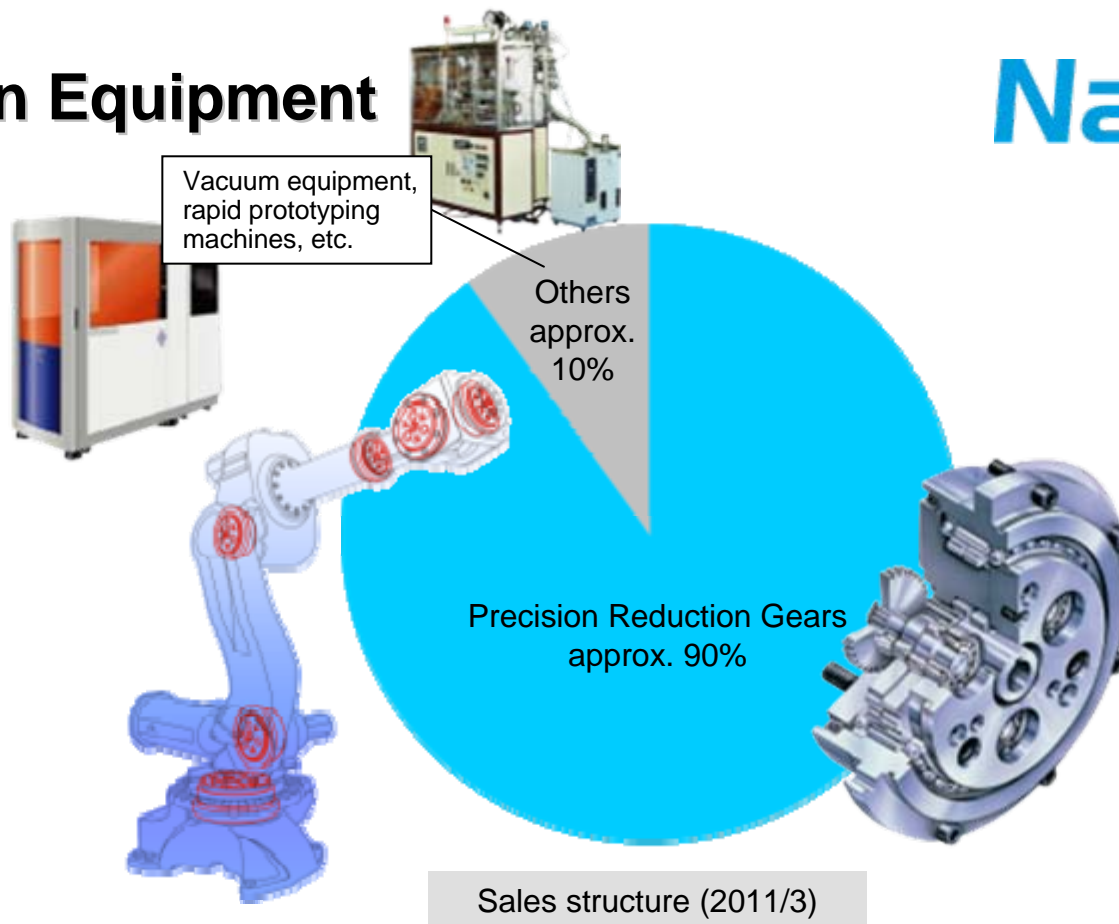
Operating Profit & Net Profit

(JPY million)



Precision Equipment

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Main Products and Customers

- Precision reduction gears

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

Machine tools: Yamazaki Mazak, Okuma, Mori Seiki

SPE: Tokyo Electron

Results for 2011/3

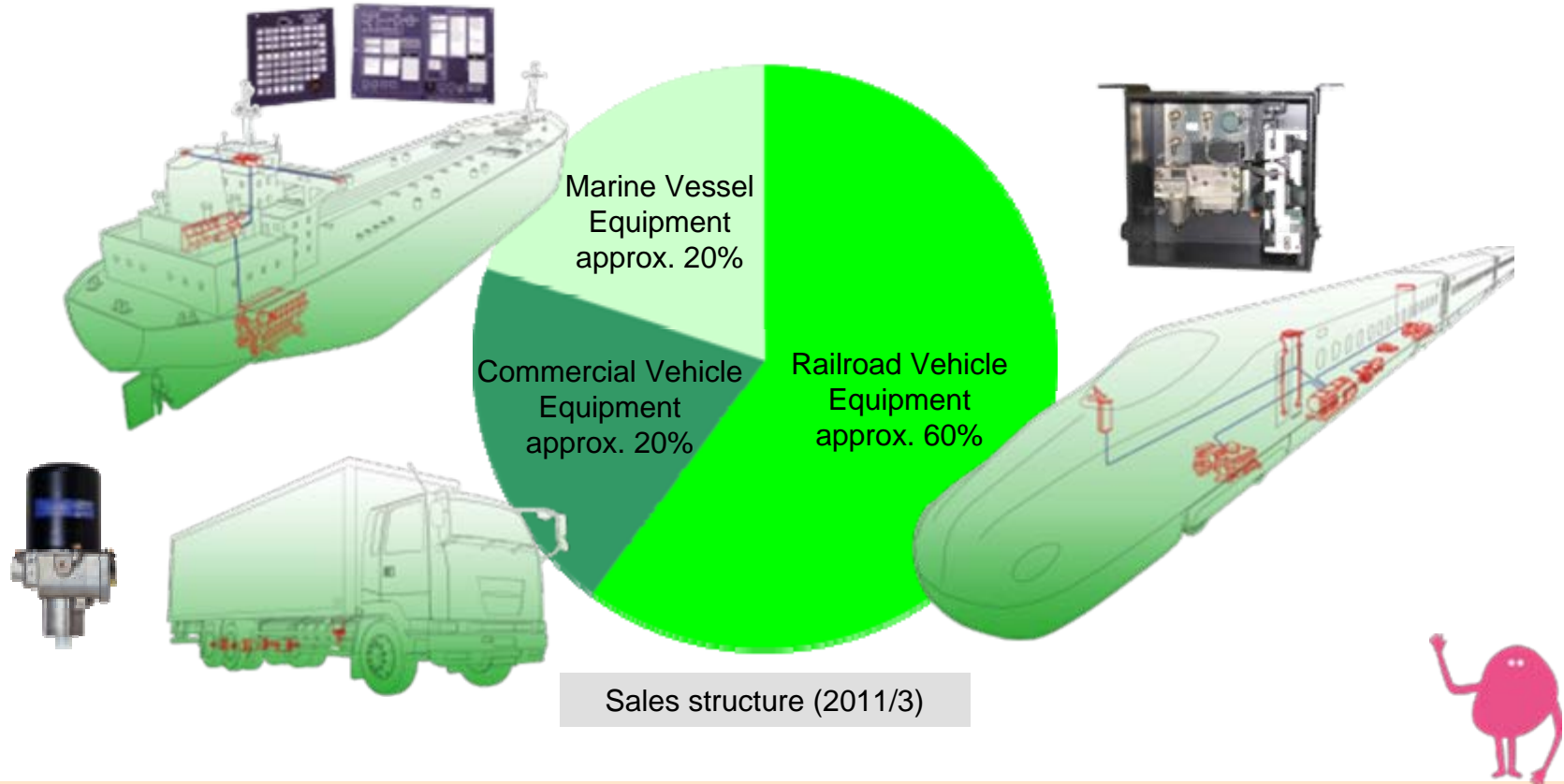
(JPY million)	2010/3	2011/3	Variation	Ratio
Sales	15,278	32,438	17,160	112.3%
Operating profit	603	6,466	5,863	971.7%
O.P. margin	3.9%	19.9%		

Notes: Precision reduction gears

- Industrial robots: Significant increase in sales due to the sharp recovery of capital expenditure by Japanese and overseas automotive industries.
- Machine tools: Despite the recovery of demand from emerging countries beginning with China, still behind the peak time.
- Large increase in profit because of improved manufacturing costs and sharp market recovery. The O.P. margin in Q4 dropped significantly due to increased production and the occurrence of costs related to delivery time.

Transport Equipment

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Main Products and Customers

- **Railroad vehicle equipment (brake systems, door operating units)**
JR companies, Private railway companies, KHI, Bullet train and subway projects in China, etc.
- **Marine vessel equipment (remote control systems for marine diesel engines)**
KHI, Mitsui Engineering & Shipbuilding, Hitachi Zosen, MHI, Diesel United, Hyundai Heavy Industries (Korea), MAN Diesel (Denmark)
- **Commercial vehicle equipment (Nabtesco Automotive Corporation)**
Isuzu, Mitsubishi Fuso Truck & Bus, Hino, UD Trucks

Results for 2011/3

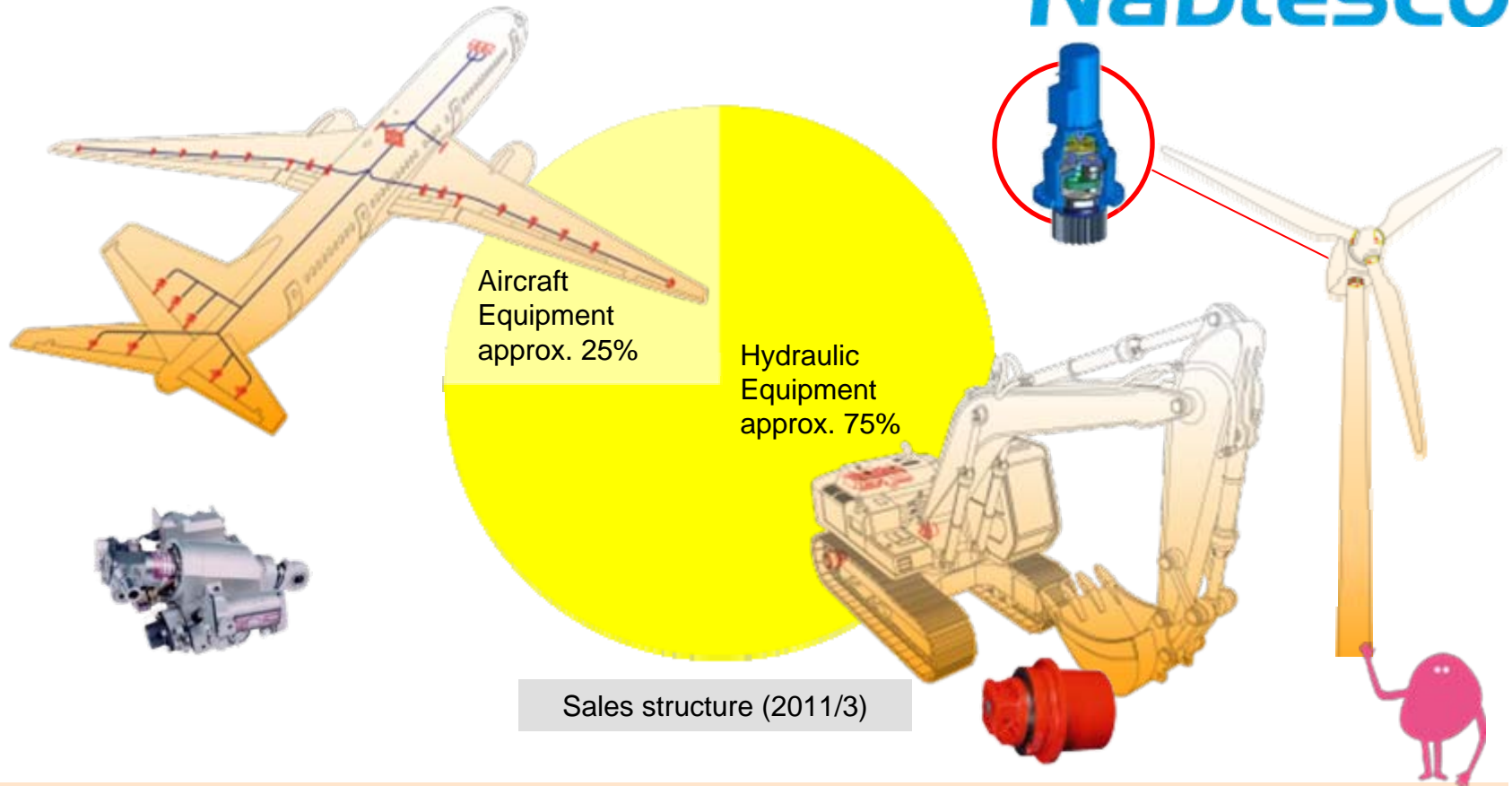
(JPY million)	2010/3	2011/3	Variation	Ratio
Sales	41,888	48,182	6,294	15.0%
Operating profit	3,654	5,915	2,261	61.9%
O.P. margin	8.7%	12.3%		

Notes:

- Railroad vehicle equipment: Although demand in Japan remained unchanged, increase in sales due to expansion of Chinese market.
- Marine vessel equipment: Despite an increase in the number of newly-built vessels, sales decreased because of a decline in selling prices due to the strong yen.
- Commercial vehicle equipment: Increase in sales, supported by the recovery of Japan's demand in 1H due to government subsidies and the expansion of truck exports.
- Despite the continuing accrual of quality costs in railroad vehicle equipment, profit increased because of increased sales and the effects of restructuring in commercial vehicle equipment.

Aircraft & Hydraulic Equipment

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Main Products and Customers

- Hydraulic equipment

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

Drive units for wind turbine generators: MHI, Others

- Aircraft equipment

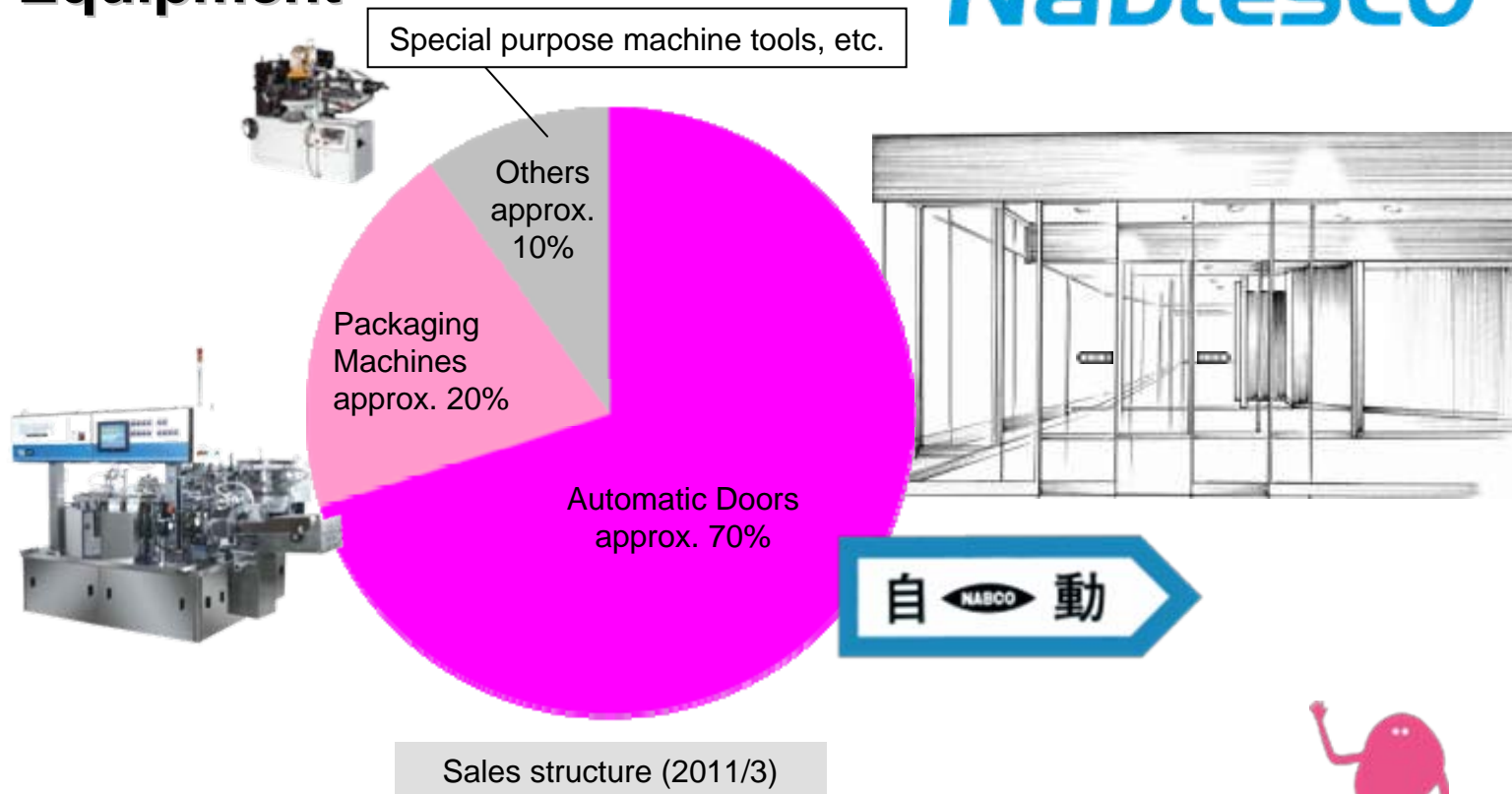
Flight control actuation systems: Boeing, MHI, KHI, IHI, Ministry of Defense, ANA, Singapore Airlines

Results for 2011/3

(JPY million)	2010/3	2011/3	Variation	Ratio
Sales	41,492	59,106	17,614	42.5%
Operating profit	1,804	5,609	3,805	210.9%
O.P. margin	4.3%	9.5%		

Notes:

- Hydraulic equipment: Sales for construction machinery increased due to the growth of sales in China and the recovery of demand in other emerging markets. Sales for drive units for wind turbine generators decreased due to the downturn in the US market.
- Aircraft equipment: Despite decrease in sales in civil aviation due to the temporary output cut of main aircraft, increase in sales because of special defense-related demand.
- Increase in profit because of sharp increase in sales of hydraulic equipment.



Main Products and Customers

- Automatic doors

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

Platform doors: Shenzhen Subway (China), Beijing Subway (China), Chongqin Subway (China), Tianjing Subway (China), Shin Bundang Line (Korea)

- Packaging machines (Toyo Jidoki Co., Ltd.)

Ajinomoto, Nihon Shokken, Ezaki Glico, P&G, Lion, Mars (France), Dole (USA)



Results for 2011/3

(JPY million)	2010/3	2011/3	Variation	Ratio
Sales	27,589	29,575	1,985	7.2%
Operating profit	1,902	2,220	317	16.7%
O.P. margin	6.9%	7.5%		

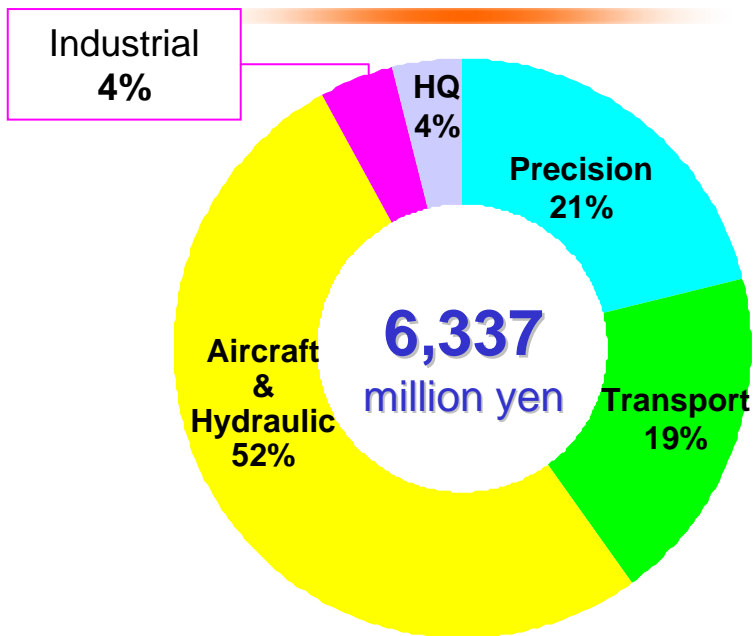
Notes:

- Automatic doors: Sales increased slightly since market conditions recovered moderately.
- Packaging machines: Sales remained almost unchanged because of food industry's conservative investment, both Japan and overseas.
- Special purpose machine tools: Increase in sales driven by the increased demand in China and Korea.
- Profit increased since special purpose machine tools reported a net profit.

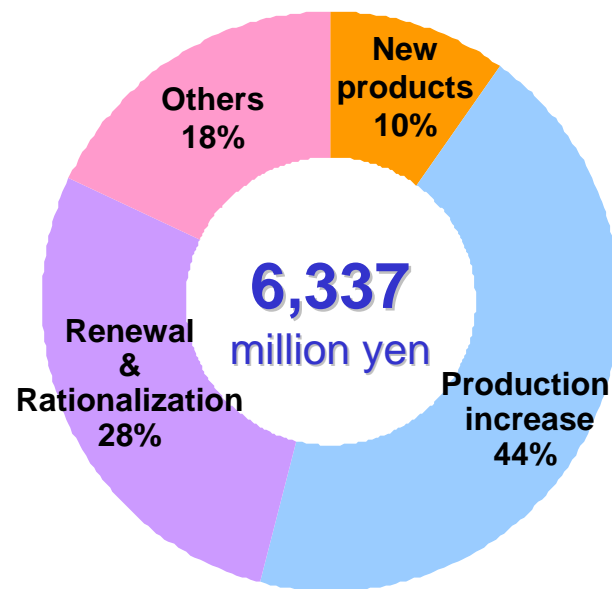
CAPEX, R&D and Depreciation


(JPY million)	2010/3	2011/3	Variation
CAPEX	4,809	6,337	1,527
R&D	3,746	3,911	165
Depreciation	5,485	5,391	-94

CAPEX by Segment



CAPEX by Usage



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Achievement of Main Management Indicators



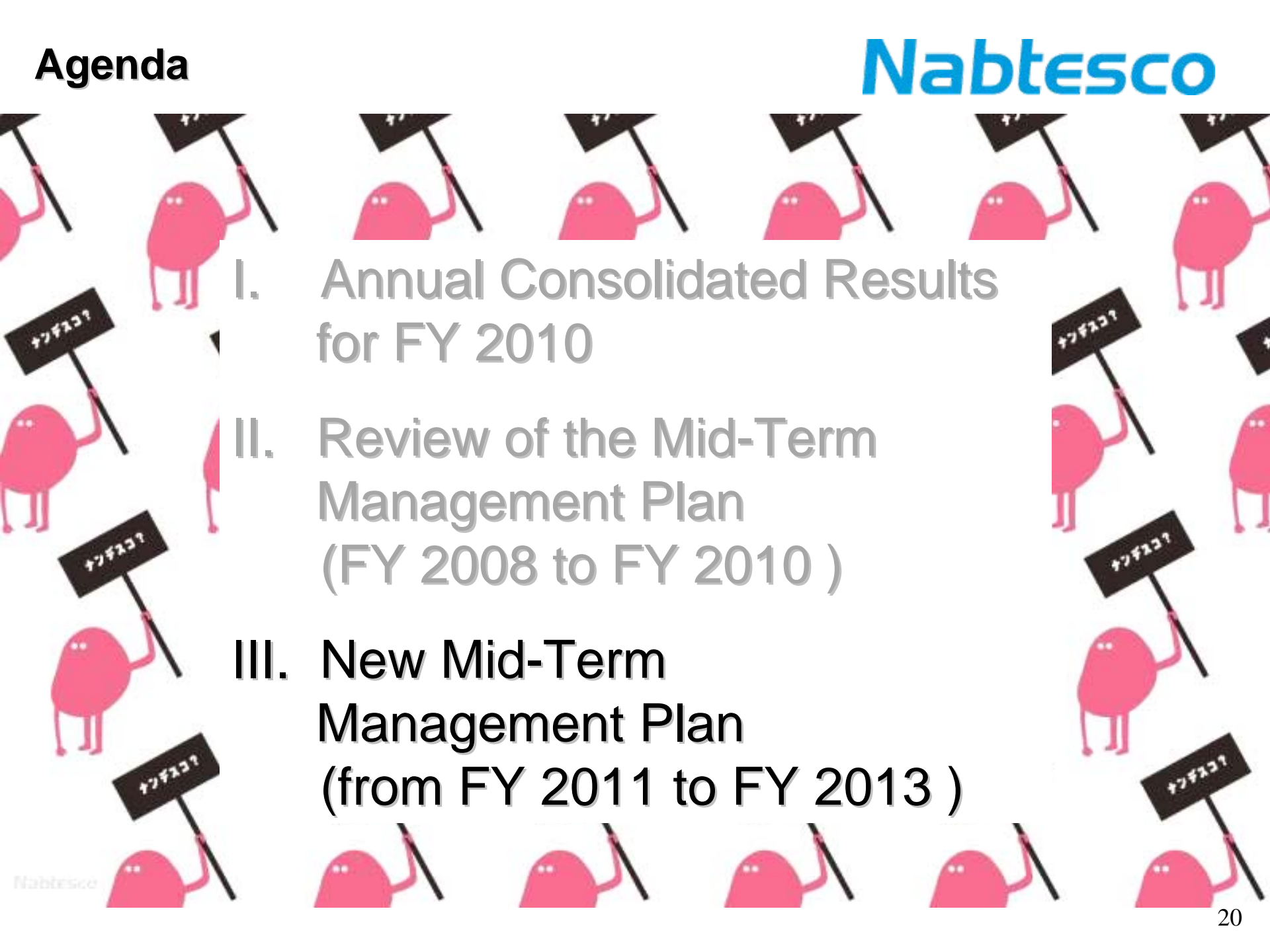
(JPY billion)	2008/3 <Actual>	2011/3 <Mid-Term Plan>	2011/3 <Actual>
Sales	174.2	210	169.3
Operating profit	19.4	26	20.2
O.P. margin	11.2%	12.4%	11.9%
Net profit	11	15.5	13.3
ROA	6.8%	7.8%	8.1%
ROE	14.7%	15.2%	15.8%
Payout ratio		Last FY: 30%	23.6%

Comparison of Planned and Actual Figures by Segment for the 2011/3

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(JPY million)

Segment	Item	Mid-Term Plan	Actual	Achievement Rate	Comments
Precision equipment	Sales	37,000	32,438	88%	<ul style="list-style-type: none"> Sales decreased in the 2010/3 term since mainly automotive industry curtailed capital expenditure. Manufacturing costs were significantly improved.
	Operating profit	5,000	6,466	129%	
Transport equipment	Sales	58,000	48,182	83%	<ul style="list-style-type: none"> Increase in quality cost in railroad vehicle equipment Weak demand in Japan for commercial vehicles Carryover and cancellation of orders for newly-built vessels in the 2010/3 term
	Operating profit	9,400	5,915	63%	
Aircraft & Hydraulic equipment	Sales	76,000	59,106	78%	<ul style="list-style-type: none"> Sharp decrease in demand for construction machinery in advanced countries in the 2010/3 term Decrease in sales of civil aircraft
	Operating profit	7,200	5,609	78%	
Industrial equipment	Sales	39,000	29,575	76%	<ul style="list-style-type: none"> Decrease in demand for construction Decrease in overseas demand for packaging machines Decrease in capital expenditure by automotive industry in the 2010/3 term
	Operating profit	4,400	2,220	50%	
Consolidated	Sales	210,000	169,303	81%	
	Operating profit	26,000	20,212	78%	

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Global Challenge: Advance to the Next Stage

**—In pursuit of further growth
in the global expanding market —**

Aiming at surviving the global mega-competition and continuing to increase our corporate value through enhancement and expansion of our overseas business, promotion of global management, and enhancement of domestic business bases

-  **Development and training of global human resources**
-  **Development of emerging markets (further enhancement and expansion of overseas business)**
-  **Further enhancement of strong domestic business bases**
-  **Promotion of new business in response to structural changes (in industries and society)**
-  **Establishment of a global consolidated management system**

Targeted Financial Figures

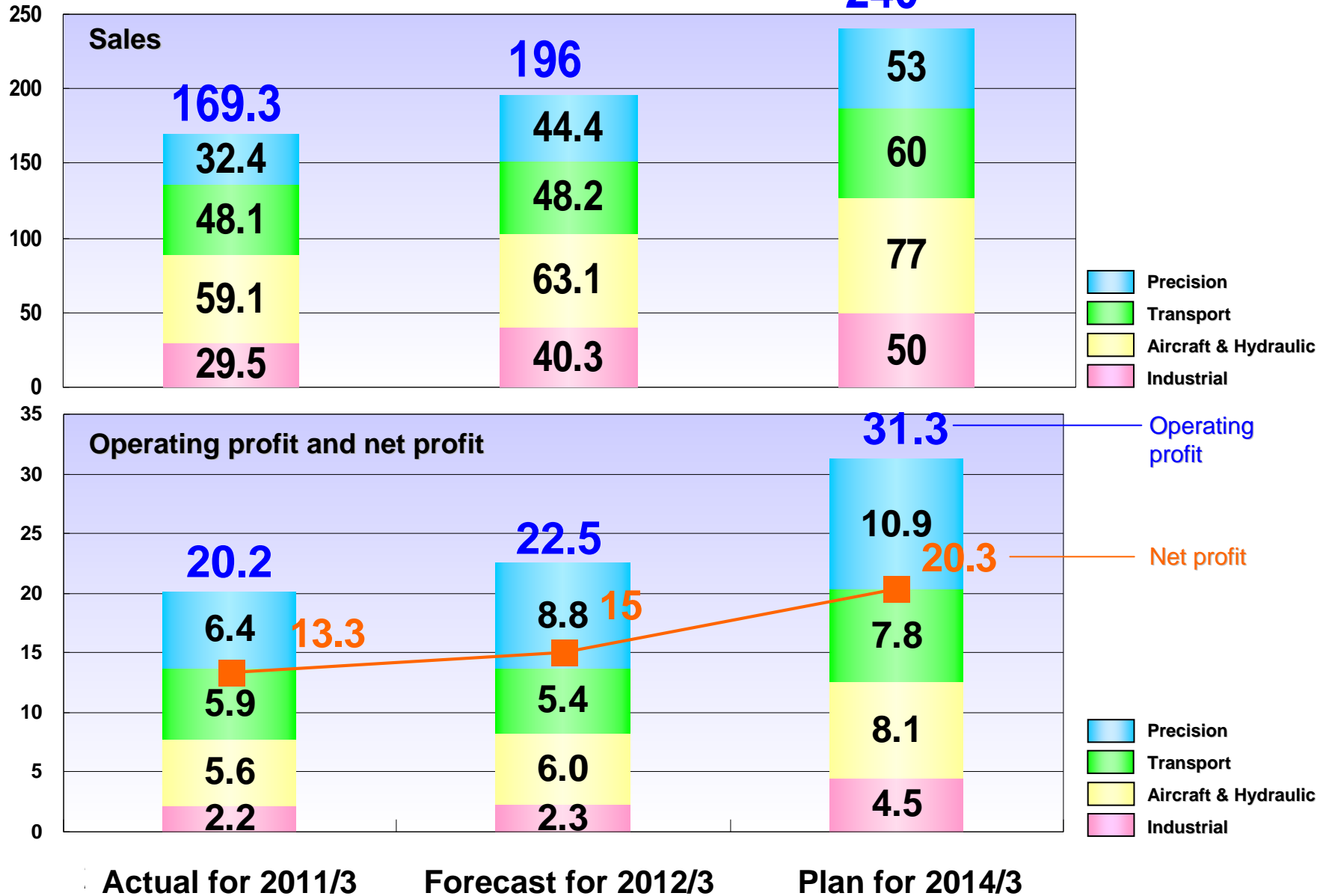


(JPY billion)	2011/3 <Actual>	2012/3 <Forecast>	2014/3 <Plan>
Sales	169.3	196	240
Operating profit	20.2	22.5	31.3
O.P. margin	11.9%	11.5%	13.0%
Net profit	13.3	15	20.3
Payout ratio	23.6%	28.7%	30%
ROA	8.1%	8.0%	9.5%
ROE	15.8%	15.7%	17.0%

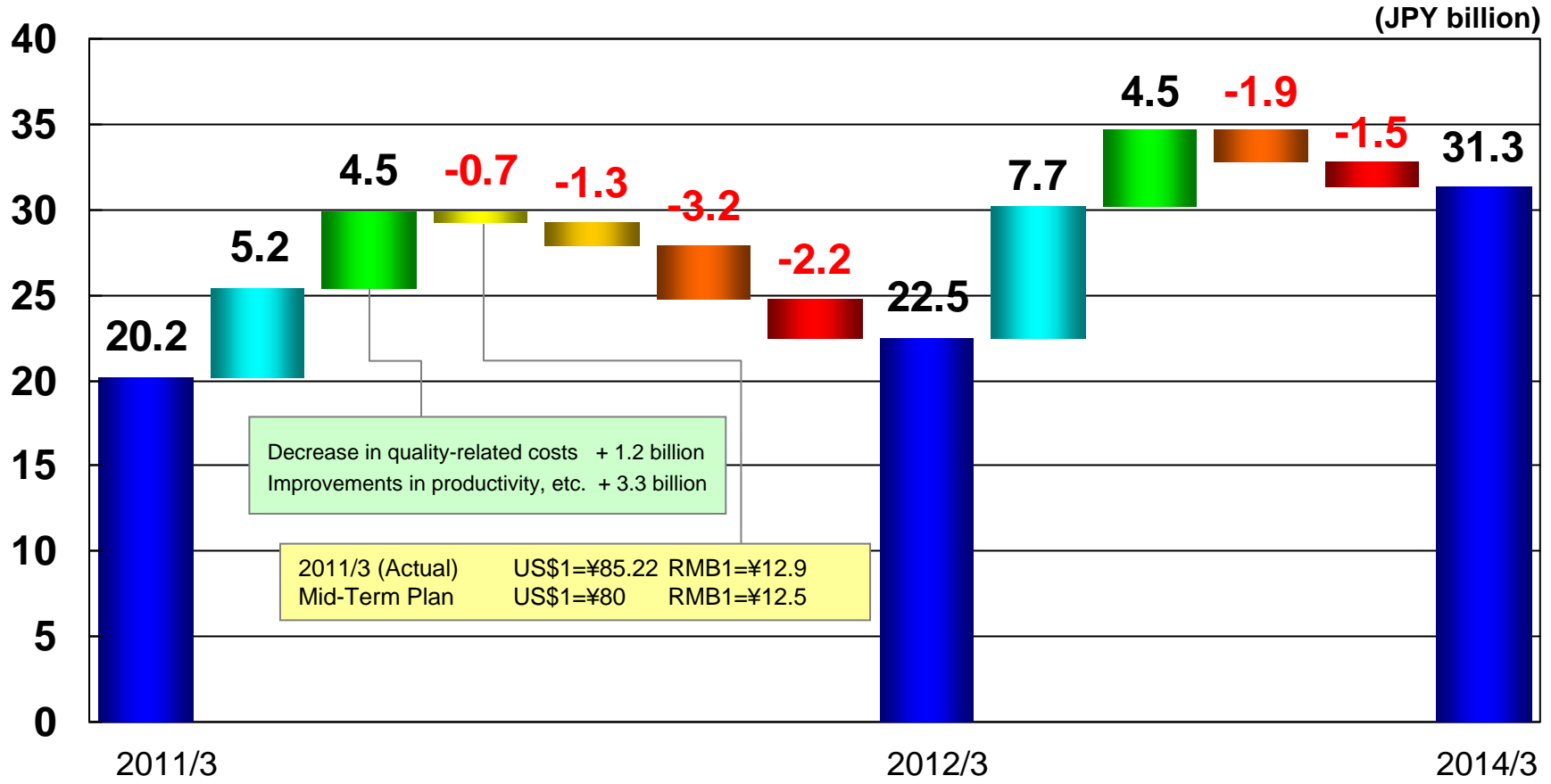
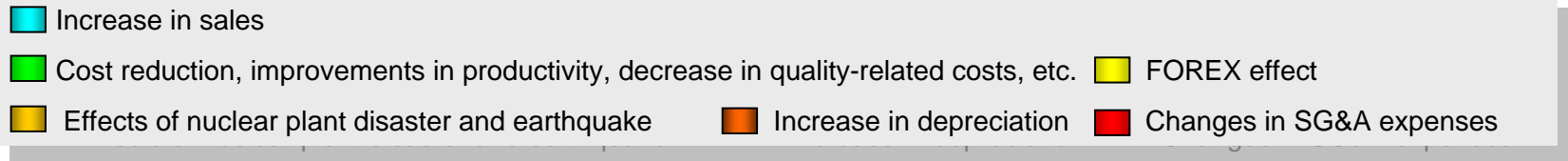
Targeted Financial Figures by Segment



(JPY billion)



Targeted Figures: Factor Analysis of Changes in Operating Profit



* FOREX sensitivity in O.P. (US\$): JPY 70 million, (RMB): JPY 365 million

(This is the effect on operating profit if the exchange rate fluctuates by one yen.)

CAPEX, R&D, Depreciation, etc.

(JPY billion)	Three Year Total
CAPEX	38
Business expansion investment *	30
R&D	15
Depreciation	29

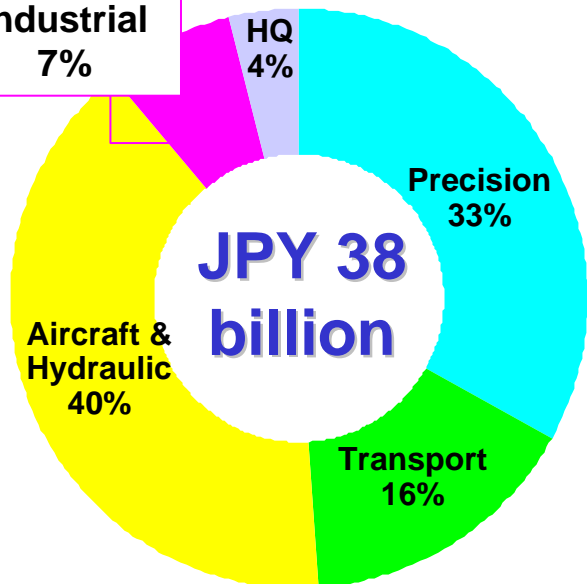
* Investment for the establishment of group companies, M&A, alliance, etc.

CAPEX by Segment

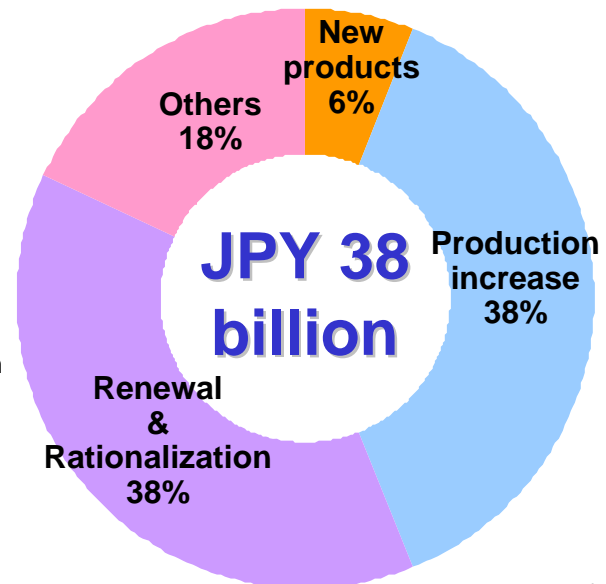
Major CAPEX Plans

CAPEX by Usage

Industrial
7%



- Precision reduction gears: Capacity expansion and facility renewal
- Railroad vehicle equipment: New products
- Marine vessels equipment: New products
- Commercial vehicles equipment: New products and automation
- Hydraulic equipment: Establishment of a new plant in China
- Capacity expansion of domestic plants and addition of automation facility
- Capacity expansion of plants in Shanghai and Thailand
- Aircraft equipment: Facility renewal and automation
- Automatic doors: Expansion of sales networks



Business Environment for Precision Reduction Gears

Industrial robots:

- Demand will begin to grow due to the increase in capital expenditure for automobile production facilities mainly in emerging countries.
- Uses of robots in general industries in both advanced and emerging countries will expand.

Machine tools:

- Demand from automobile industries in emerging markets will increase sharply.
- Domestic capital expenditure will recover only moderately.

Solar thermal power generation:

- Large-scale commercial power generation projects in North America and Europe will move from the stage of demonstration tests to actual production.

Main Strategies

- Expand production capacity of Tsu Plant
- Accelerate development of solar tracking system
- Enhance global sales bases (in Japan, the U.S., Europe and China)

Business Environment

Railroad vehicle equipment:

- The high-speed railway system and urban transport systems in China will continue to expand. Railway investment in other emerging countries will also increase.
- Modal shift to railways will also be accelerated in advanced countries.

Marine vessel equipment:

- The tonnage of newly-built vessels will remain stable. Demand for newly-built vessels will recover in and after 2015.
- Demand for new products for new (computer-controlled) engines will become strong in and after 2014.

Commercial vehicle equipment:

- The possibility of growth in the Japanese market will be slim. Demand in emerging countries will increase sharply.

Main Strategies

- Railroad vehicle equipment: Expand sales in China and participate in European market by joint-venture companies
- Marine vessel equipment: Expand MRO* business and increase sales in Chinese and Korean markets
- Commercial vehicle equipment: Expand MRO business in Japan and increase sales of new products

*MRO: Maintenance, Repair and Overhaul

Topics: Establishment of Joint Venture Company for Railway-Related Business in China

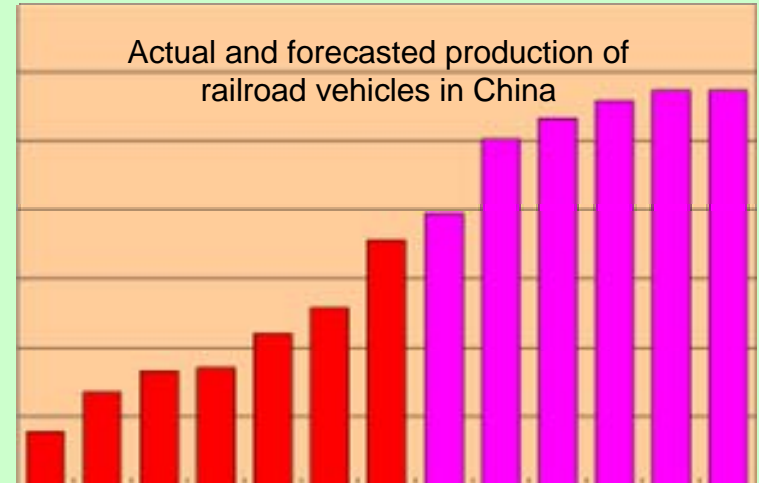
- Name of the company: Jiangsu Nabtesco KTK Railroad Products Co., Ltd.
- Address: Changzhou, Jiangsu province, China
- Business: Manufacture and sales of brakes and door operating units for urban railroad vehicles
- Purpose of establishment: Expansion of sales to urban traffic systems in China
- Capital: 1.8 billion yen
- Our investment ratio: 50%
(This company is a consolidated subsidiary)
- Scheduled time of commencement of production: January 2012



● Sales forecast:

2013/3 1.5 billion yen
2014/3 8.5 billion yen

Number of vehicles



(Nabtesco survey)

Business Environment

Hydraulic equipment:

- Demand for hydraulic shovels will remain strong in emerging countries, including China.

Drive units for wind turbine generators:

- The Chinese market will expand. The North American market will begin to recover in 2012.
- Wind turbine systems will become larger and more units will be installed at sea.

Aircraft equipment:

- Defense-related demand will remain firm.
- Production of the B777 will be increased, and the B787 and B747-8 will be mass-produced.
- Scheduled first flight of Mitsubishi Regional Jet: June 2012

Main Strategies

- Hydraulic equipment: Expand capacity of global production sites (in Japan, China and Thailand)
- Aircraft equipment: Expand the MRO business, transfer part of production capacity to the U.S., and drastically reform the production system by investing in automation

Business Environment

Automatic doors:

- Japan's construction demand will remain weak, but demand in emerging countries is expected to grow.
- Demand for platform door systems at railroad stations in Japan and Asia will become strong.

Packaging machines:

- The domestic market is saturated, but demand for chemical products will increase.
- Investment environments in Europe and the U.S. will begin to recover, but remain weak.
- Investment environments in Southeast Asia and China will remain strong.

Special purpose machine tools:

- Demand will recover due to an increase in capital expenditure by automobile manufacturers in emerging countries.

Main Strategies

- Automatic doors: Review Japanese and overseas supply chains. Enhancement of business operation in the world's four large markets as a result of integration with Gilgen
- Packaging machines: Expand market share in China by establishing a subsidiary (production site) in Dalian, China
- Special purpose machine tools: Launch customized products and expand market share

Topics: Integrated Company for Automatic Door Business

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- New corporate name: Gilgen Door Systems AG - Member of the Nabtesco Group -
- Head office: Switzerland
- Business: Automatic doors for buildings, platform doors for railroad stations, etc.
- Production sites: Switzerland, England and China
- Share in the world market after integration:
22% for automatic doors for buildings, and 35% for platform doors for railroad stations
- Purpose of integration: Enhancement of business in the world's four large markets (Japan, the U.S., Europe and China)
- Investment amount: 18.0 billion yen
- Goodwill value and amortization: Approx. 13.7 billion yen (amortized over 20 years)



● Sales forecast:

2012/3	11.0 billion yen
2013/3	15.0 billion yen
2014/3	15.0 billion yen

Moving it. Stopping it.

Nabtesco

