

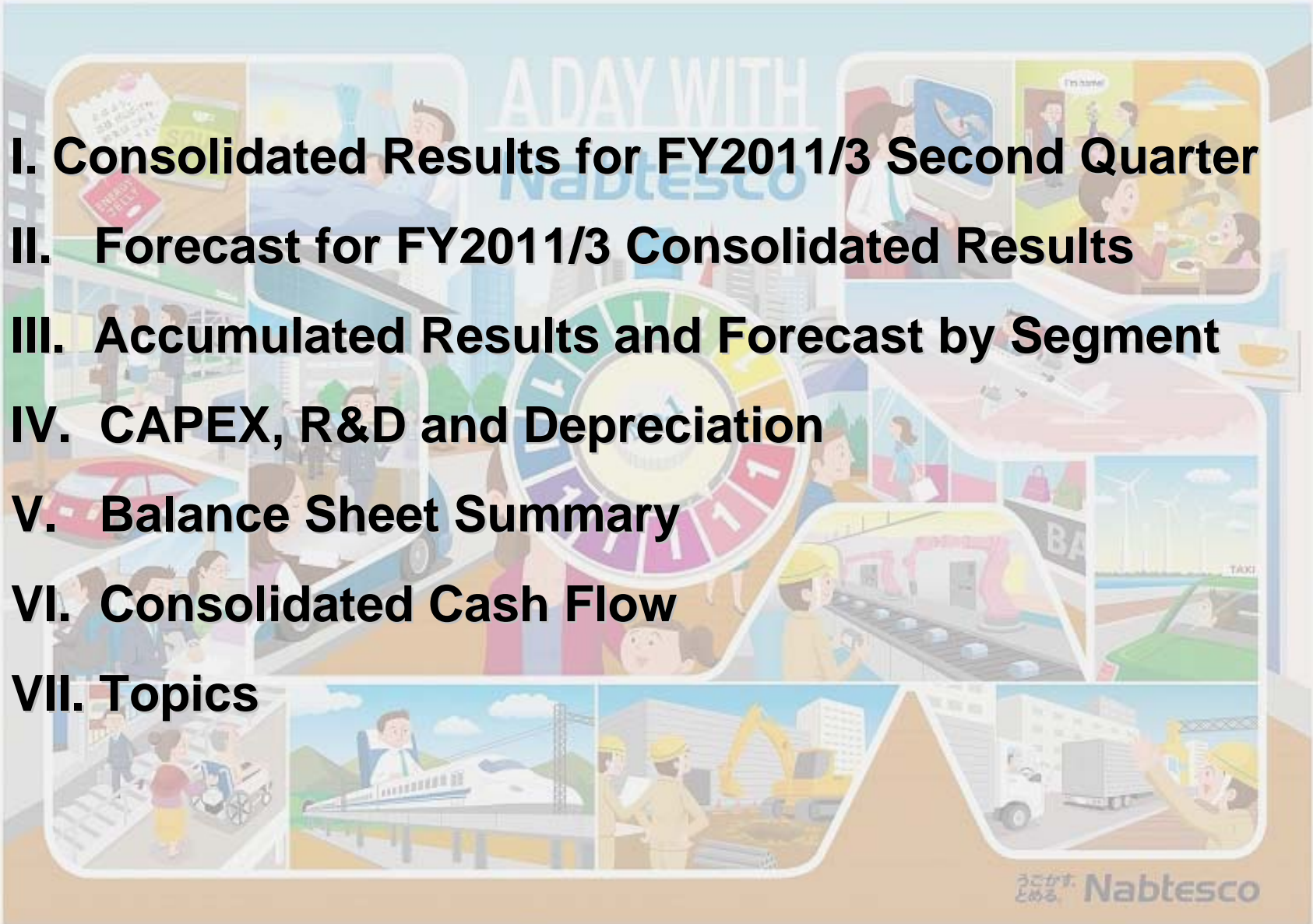
FY2011/3 Second Quarter Results Briefing

November 2010

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. Consolidated Results for FY2011/3 Second Quarter**
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Consolidated Profit & Loss Summary for the First Half (Comparison with the same period of the previous fiscal year)



| (JPY million) | 2010/3 H1 | 2011/3 H1 (revised forecast in Q1) | 2011/3 H1 | Variation | Ratio |
|--------------------------------------|--------------|--|--------------|-----------|--------|
| Sales | 58,724 | 77,000 | 79,096 | 20,371 | 34.7% |
| Operating profit | 2,482 | 8,600 | 9,457 | 6,974 | 280.9% |
| Non-operating profit and loss | 333 | - | 863 | 529 | 158.7% |
| Ordinary profit | 2,816 | 9,400 | 10,320 | 7,504 | 266.4% |
| Extraordinary profit and loss | -431 | - | -297 | 77 | - |
| Profit before taxes | 2,385 | - | 10,023 | 7,638 | 320.2% |
| Net profit | 612 | 5,500 | 5,914 | 5,302 | 866.1% |
| Net profit per share | 4.83 | 43.52 | 46.79 | 41.96 | |

| | | | | |
|---------------------------|---|---|---|---|
| Dividend per share | 4 | 9 | 9 | 5 |
|---------------------------|---|---|---|---|

Variation Analysis

■ Sales

Increased due to the recovery of capital expenditure mainly in the automotive industry and infrastructure investment in emerging countries.

■ Operating Profit

| | |
|----------------------------------|--------------------|
| Fluctuation of sales | 7.5 billion |
| FOREX effect | -0.2 billion |
| Decrease in D&A | 0.1 billion |
| Increase in quality-related cost | -0.6 billion |
| Decrease in fixed costs | 0.2 billion |
| Increase in SG&A expenses | -0.1 billion |
| Total | 6.9 billion |

Remark: Main factors of non-operating profit and loss (main factors for increase in profit)

- Increase in equity method income 978million
- Increase in foreign exchange loss -366 million

Consolidated Profit & Loss Forecast (the whole financial year)



| (JPY million) | 2010/3 results | 2011/3 forecast | Variation | Ratio |
|------------------|----------------|-----------------|-----------|--------|
| Sales | 126,249 | 160,000 | 33,750 | 26.7% |
| Operating profit | 7,964 | 17,700 | 9,735 | 122.2% |
| Ordinary profit | 9,337 | 19,600 | 10,262 | 109.9% |
| Net profit | 4,017 | 11,600 | 7,582 | 188.7% |

| | | | |
|--------------------|---|---------------|---|
| Dividend per share | 9 | 18 (forecast) | 9 |
|--------------------|---|---------------|---|

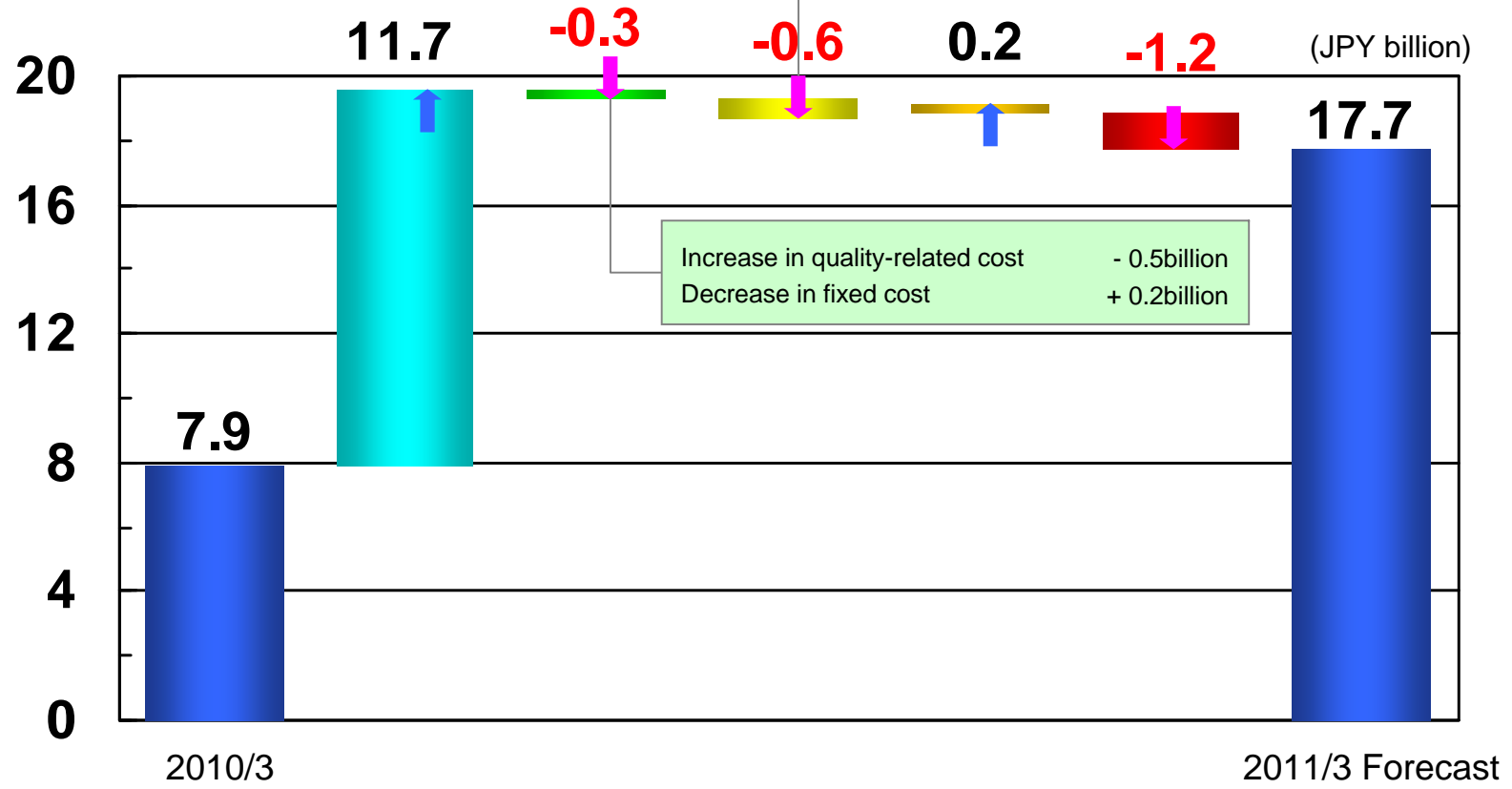
| | | | |
|-----|------|-------|----------|
| ROA | 2.7% | 7.2% | 4.5Point |
| ROE | 5.2% | 13.8% | 8.6point |

Analysis of Operating Profit Forecast



- Sales influence
- Quality-related & fixed cost
- FOREX effect
- Changes of D&A
- Changes of SG&A expenses, etc.

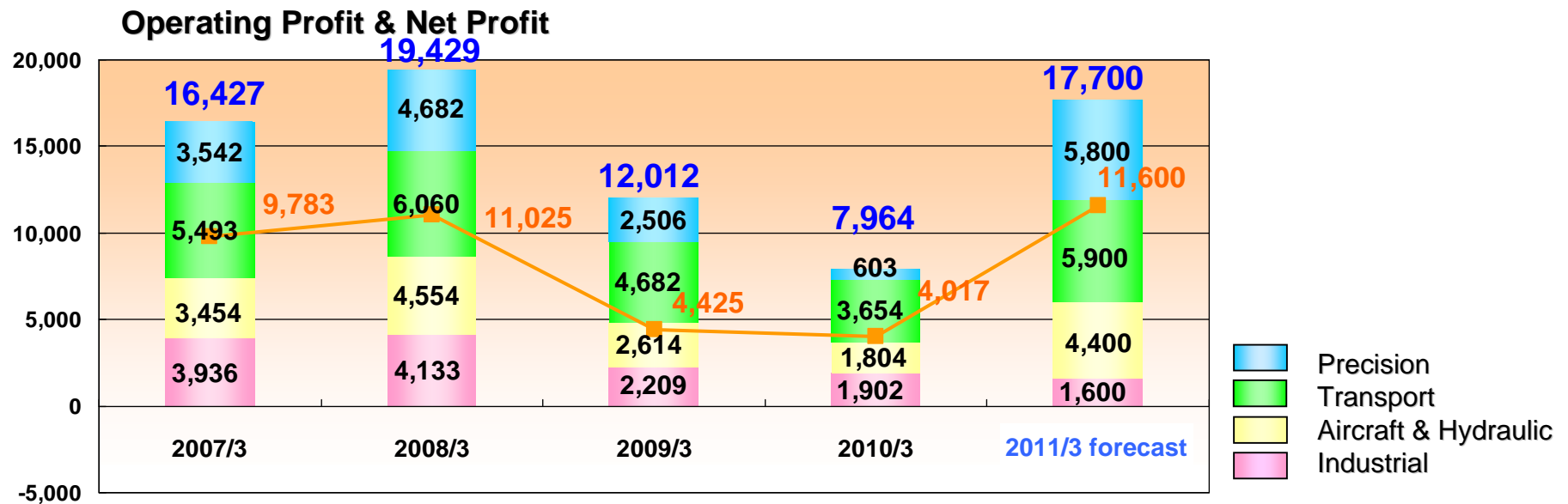
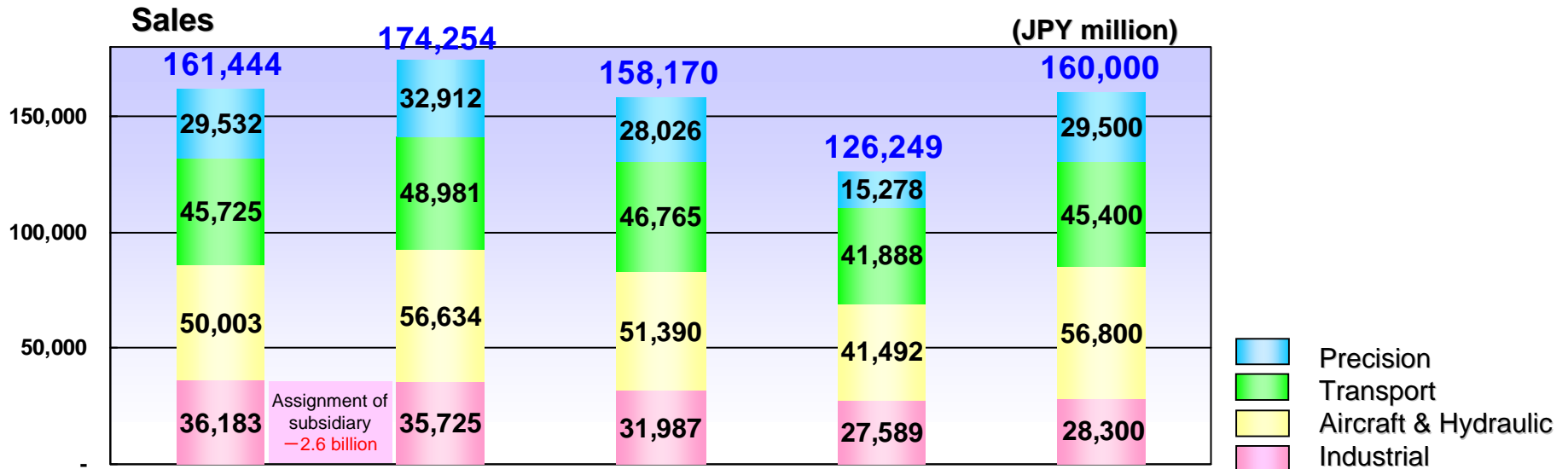
10/9 (result) US\$1=JPY88.16
 11/3 (assumption) US\$1=JPY80



Increase in quality-related cost - 0.5billion
 Decrease in fixed cost + 0.2billion

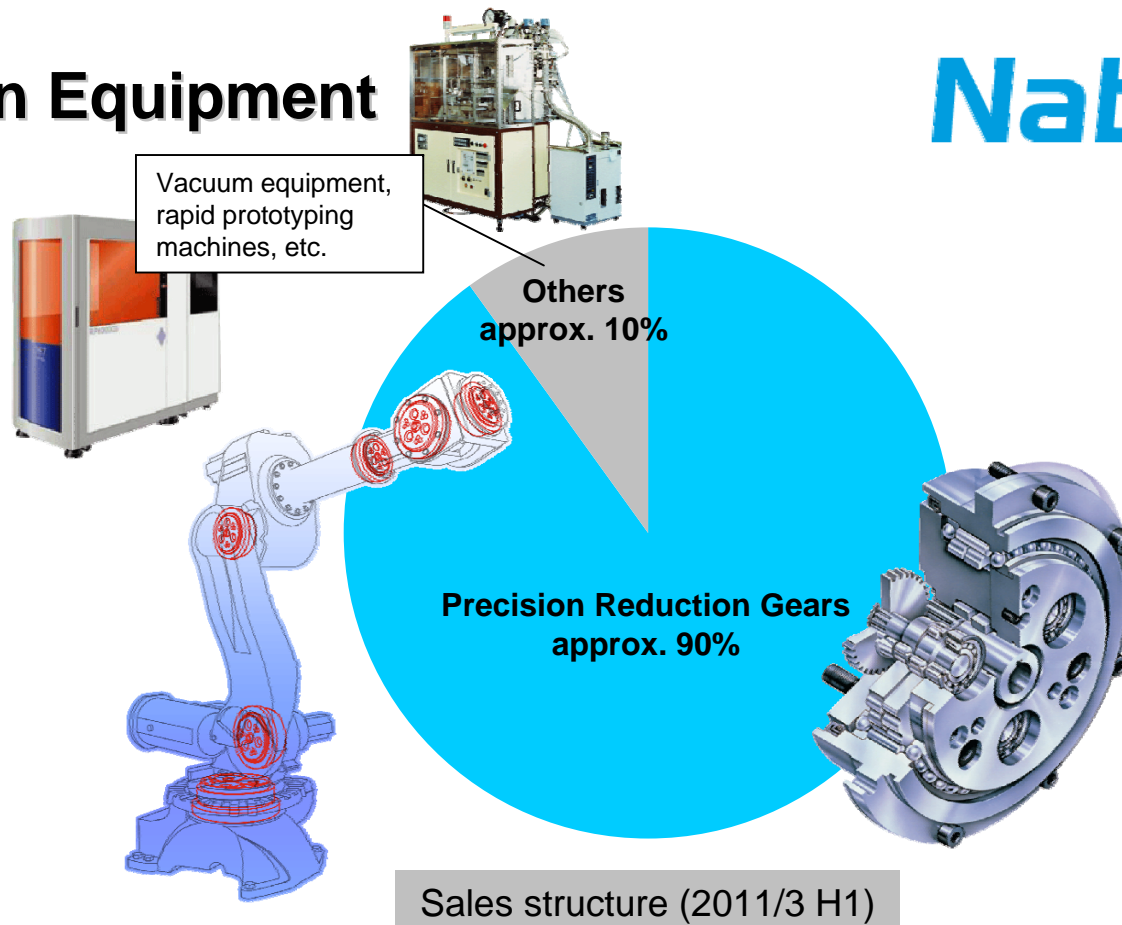
※FOREX sensitivity in O.P. (US\$):JPY 70million

Growth of Consolidated Annual Sales & Profit by Business Segment



Precision Equipment

Nabtesco



Main Products and Customers

Precision reduction gears

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

Machine tools: Yamazaki Mazak, Okuma, Mori Seiki

SPE: Tokyo Electron

Precision Equipment : Changes in results



Results for FY2011/3 H1

| (JPY million) | 2009/9 | 2010/9 (revised forecast in Q1) | 2010/9 | Variation | Ratio |
|------------------|--------|---------------------------------------|--------|-----------|--------|
| Sales | 5,623 | 13,300 | 14,507 | 8,883 | 158.0% |
| Operating profit | -819 | 2,700 | 3,195 | 4,014 | - |
| O. P. margin | -14.6% | 20.3% | 22.0% | | |

Notes: Precision reduction gears

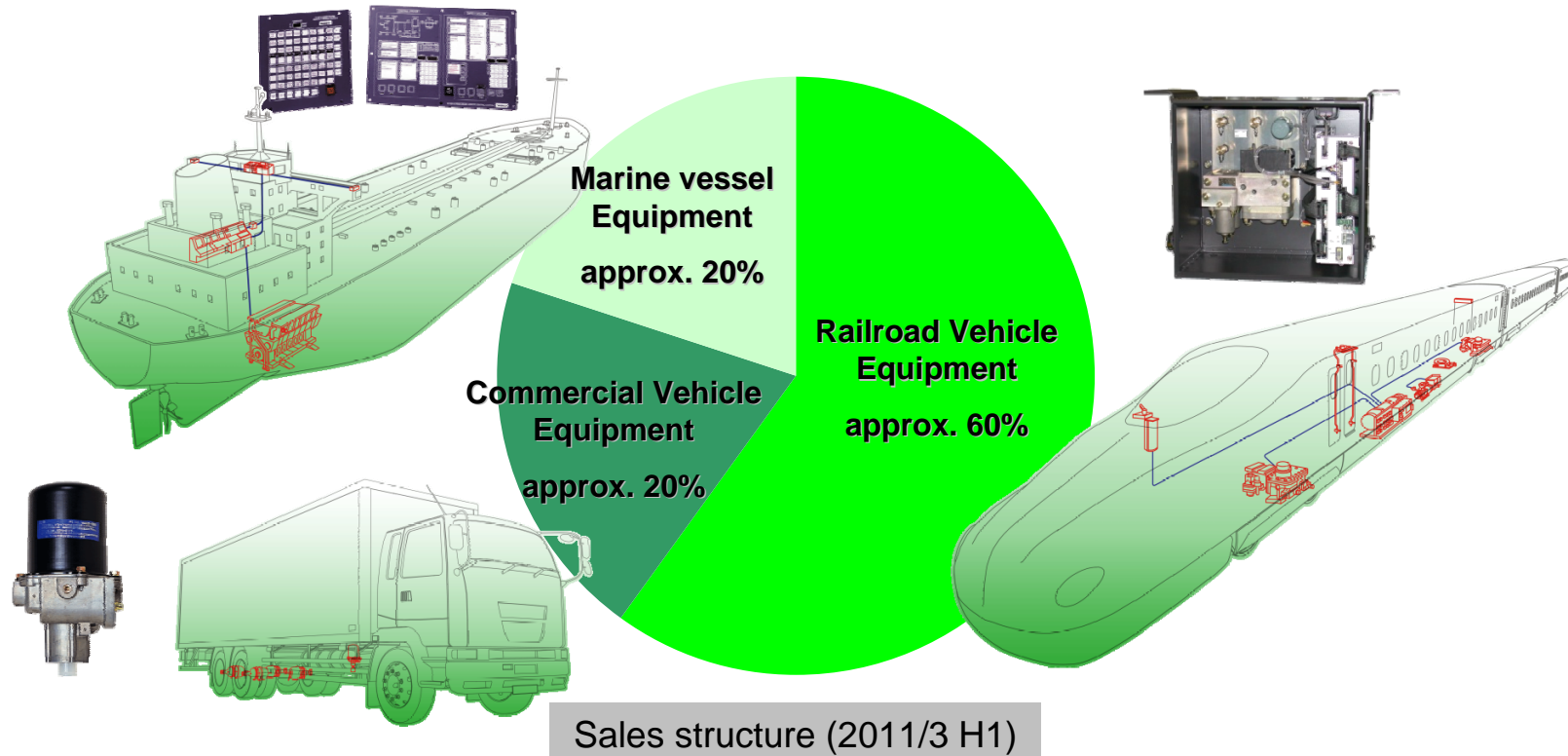
- Industrial robots:
Increase in sales due to the recovery of capital expenditure in the auto and non-auto industry mainly in emerging countries. Stability to be regained in order situation from Q3.
- Machine tools:
Despite the recovery of demand from emerging countries beginning with China, still behind the peak time.
- Large increase in profit because of improved manufacturing cost and sharp market recovery.

Forecast for FY2011/3

| (JPY million) | 2010/3 | 2011/3 | Variation | Ratio |
|------------------|--------|--------|-----------|--------|
| Sales | 15,278 | 29,500 | 14,221 | 93.1% |
| Operating profit | 603 | 5,800 | 5,196 | 861.3% |
| O. P. margin | 3.9% | 19.7% | | |

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 Diesel & Engineering, MHI, Diesel United, Hyundai Heavy Industries (Korea), MAN Diesel (Denmark)

Commercial vehicle equipment (air brake peripherals)

Isuzu, Hino, Mitsubishi Fuso Truck & Bus, UD Trucks

Transport Equipment : Changes in results



Results for FY2011/3 H1

| (JPY million) | 2009/9 | 2010/9 (revised forecast in Q1) | 2010/9 | Variation | Ratio |
|------------------|--------|---------------------------------------|--------|-----------|-------|
| Sales | 20,639 | 22,600 | 22,606 | 1,966 | 9.5% |
| Operating profit | 1,771 | 2,800 | 2,681 | 910 | 51.4% |
| O. P. margin | 8.6% | 12.4% | 11.9% | | |

Notes:

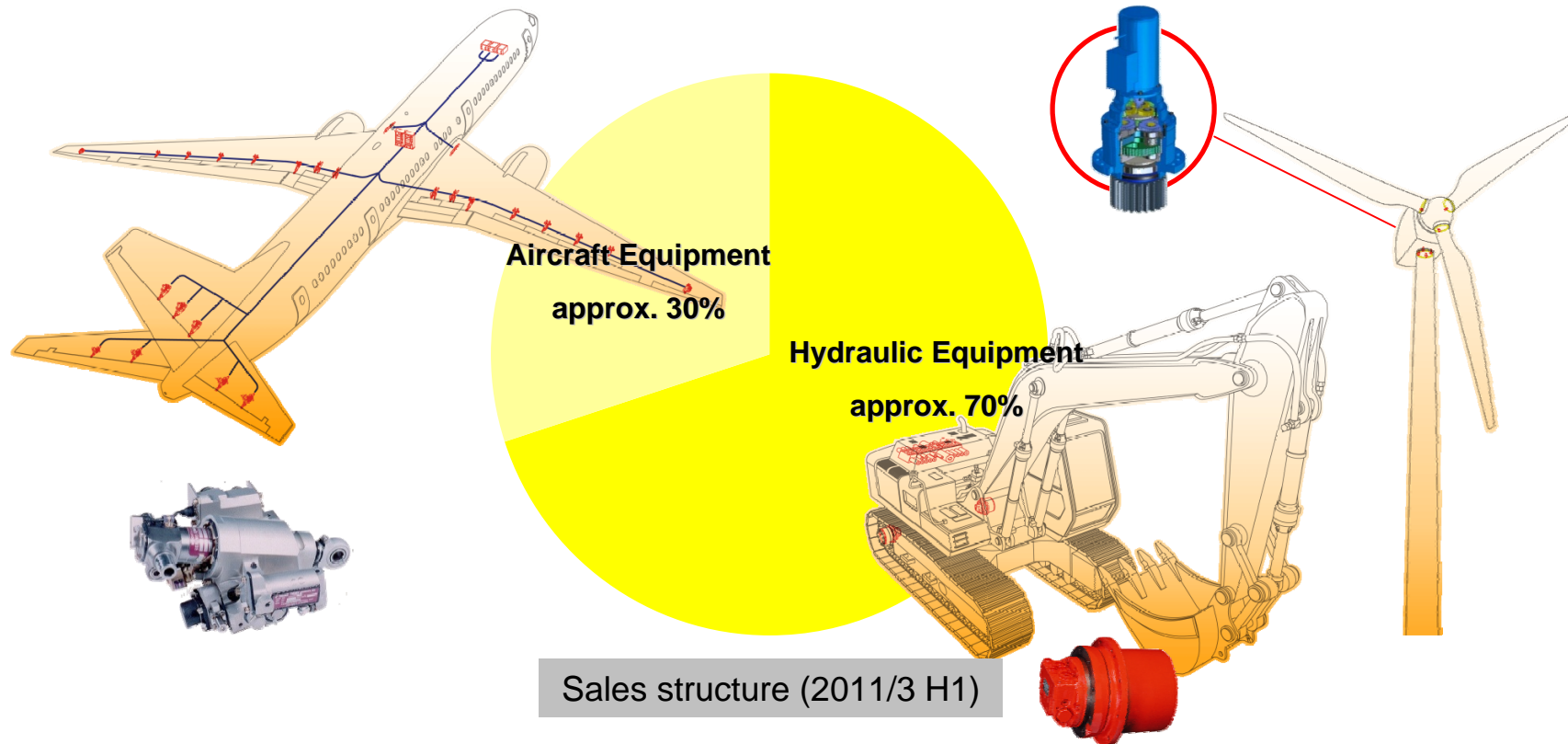
- Railroad vehicle equipment: Despite slight decrease in domestic market, increase in sales forecast because of expansion of Chinese market.
- Marine vessel equipment: Despite a sign of recovery seen in orders of newly-built vessels, decrease in sales without a full-fledged recovery.
- Commercial vehicle equipment: Increase in sales because of the recovery of domestic demand due to government subsidy and expansion of truck exports
- Despite the continuing accrual of quality cost in railroad vehicle equipment, increase in profit forecast because of sales increase and the effects of restructuring in commercial vehicle equipment.

Forecast for FY2011/3

| (JPY million) | 2010/3 | 2011/3 | Variation | Ratio |
|------------------|--------|--------|-----------|-------|
| Sales | 41,888 | 45,400 | 3,511 | 8.4% |
| Operating profit | 3,654 | 5,900 | 2,245 | 61.5% |
| O. P. margin | 8.7% | 13.0% | | |

Aircraft & Hydraulic Equipment

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Main Products and Customers

Hydraulic products

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 products

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

Aircraft & Hydraulic Equipment: Changes in results



Results for FY2011/3 H1

| (JPY million) | 2009/9 | 2010/9 (revised forecast in Q1) | 2010/9 | Variation | Ratio |
|------------------|--------|---------------------------------------|--------|-----------|--------|
| Sales | 19,592 | 27,900 | 28,610 | 9,017 | 46.0% |
| Operating profit | 811 | 2,300 | 2,822 | 2,010 | 247.9% |
| O. P. margin | 4.1% | 8.2% | 9.9% | | |

Notes:

● Hydraulic Equipment:
Construction machinery: Increase in sales because of full-fledged recovery in the Chinese market.

Drive units for wind turbine generators:
Decrease in sales due to downturn in USA 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.

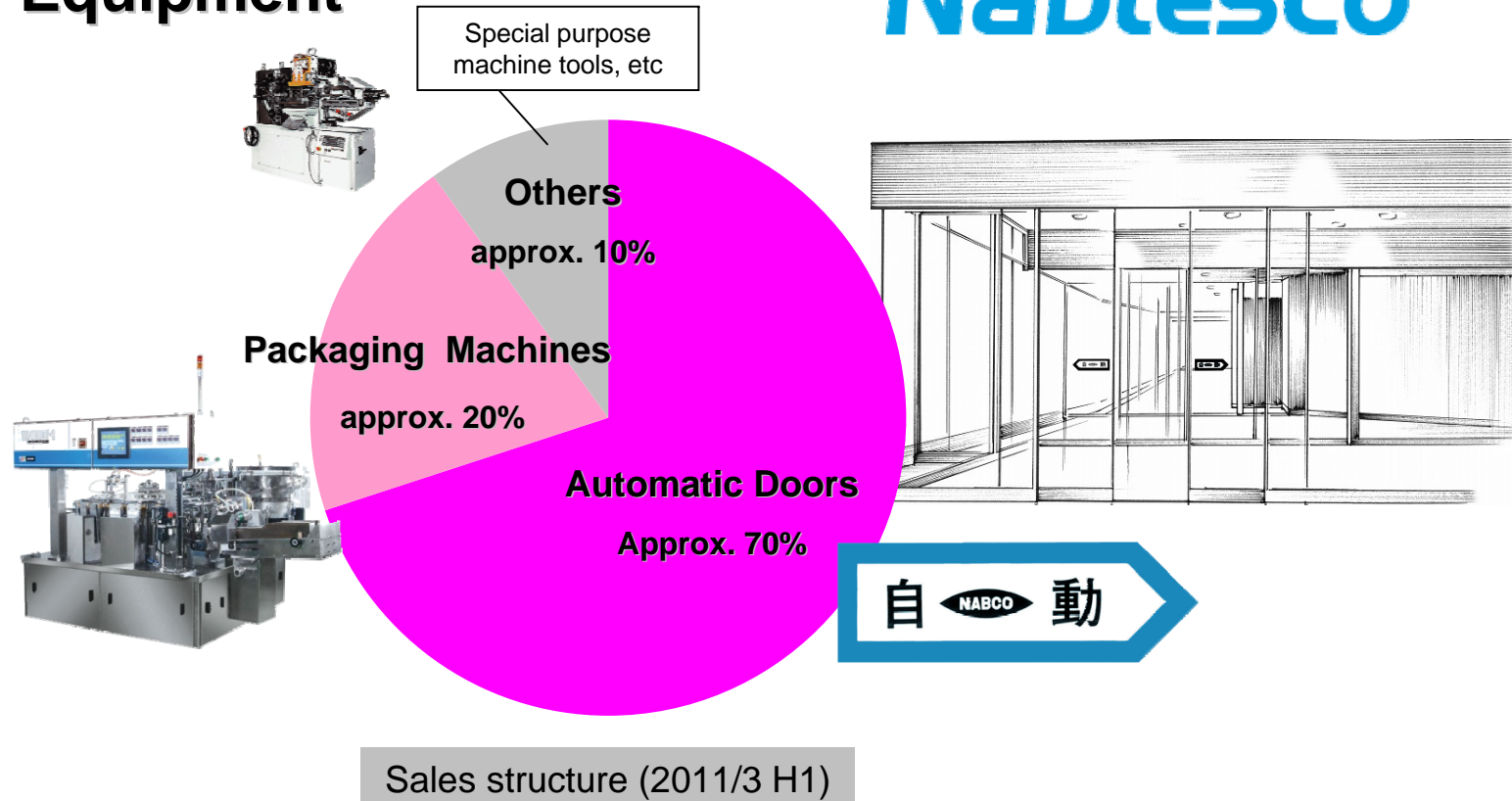
● Increase in profit because of sharp increase in sales of hydraulic equipment.

Forecast for FY2011/3

| (JPY million) | 2010/3 | 2011/3 | Variation | Ratio |
|------------------|--------|--------|-----------|--------|
| Sales | 41,492 | 56,800 | 15,307 | 36.9% |
| Operating profit | 1,804 | 4,400 | 2,595 | 143.9% |
| O. P. margin | 4.3% | 7.7% | | |

Industrial Equipment

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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), Shin Bundang Line(Korea), Incheon Metro (Korea)

Packaging machines (Toyo Jidoki Co., Ltd.)

Ajinomoto, Mizkan, Nihon Shokken, P&G, Kao, Lion, Mars (France), Dole (USA)

Industrial Equipment: Changes in results



Results for FY2011/3 H1

| (JPY million) | 2009/9 | 2010/9 (revised forecast in Q1) | 2010/9 | Variation | Ratio |
|------------------|--------|---------------------------------------|--------|-----------|-------|
| Sales | 12,867 | 13,200 | 13,372 | 504 | 3.9% |
| Operating profit | 719 | 800 | 757 | 38 | 5.3% |
| O. P. margin | 5.6% | 6.1% | 5.7% | | |

Forecast for FY2011/3

| (JPY million) | 2010/3 | 2011/3 | Variation | Ratio |
|------------------|--------|--------|-----------|--------|
| Sales | 27,589 | 28,300 | 710 | 2.6% |
| Operating profit | 1,902 | 1,600 | -302 | -15.9% |
| O. P. margin | 6.9% | 5.7% | | |

Notes:

- Automatic doors:
Despite the temporary increase in response to a decrease in inventory in Q1, decrease in sales due to continuous downturn in domestic construction demand.
- Packaging machines:
Decrease in sales because of food industry's conservative investment, both domestic and overseas.
- Special purpose machine tools:
Increase in sales driven by the increased demand in China and Korea.
- Decrease in profit because profit expected in the segment of special purpose machine tools is unable to cover the decrease in the sales of automatic doors due to unfavorable product mix.

CAPEX, R&D and Depreciation



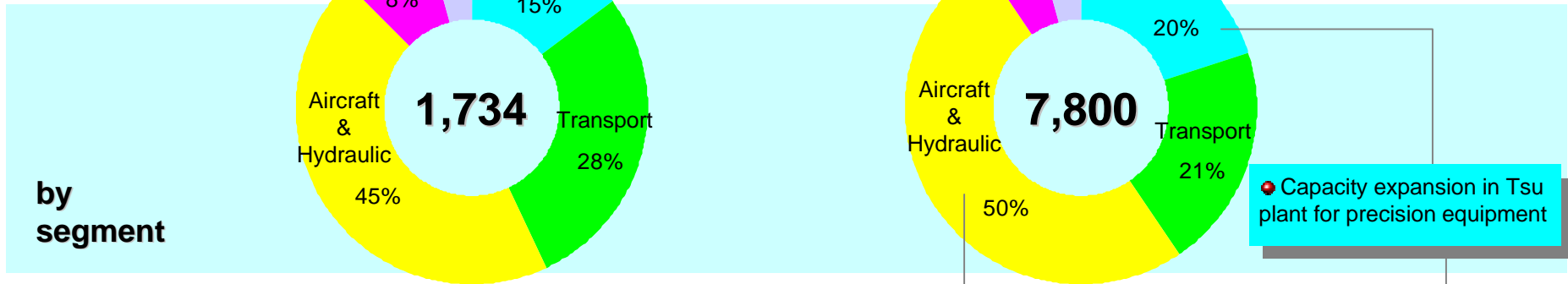
| (JPY million) | 2010/3 H1 results | 2011/3 H1 results |
|---------------|-------------------|-------------------|
| CAPEX | 3,373 | 1,734 |
| R&D expenses | 1,793 | 1,954 |
| Depreciation | 2,604 | 2,563 |

| 2010/3 results | 2010/3 (original forecast) | 2011/3 forecast |
|----------------|----------------------------|-----------------|
| 4,809 | 5,800 | 7,800 |
| 3,746 | 3,700 | 4,000 |
| 5,485 | 5,700 | 5,300 |

CAPEX Breakdown

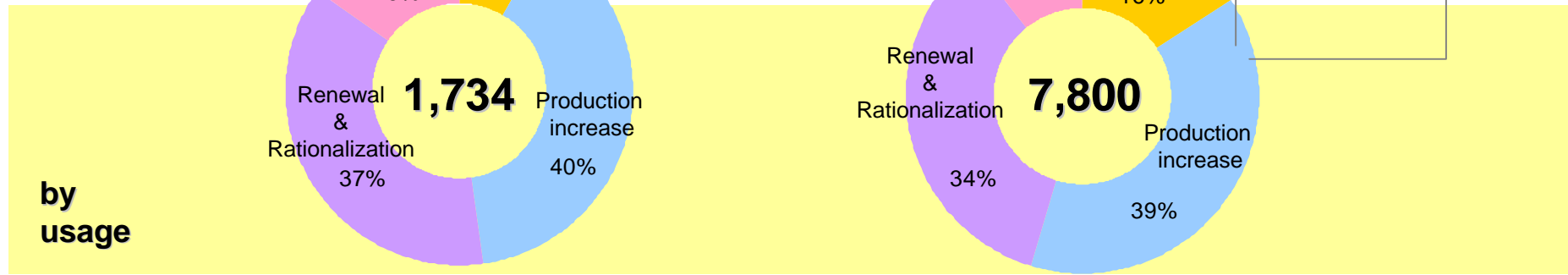


(JPY million)



● Capacity expansion in Tsu plant for precision equipment

● Capacity expansion in Tarui plant, Shanghai plant and Thailand plant for hydraulic equipment



2011/3 H1 result

2011/3 forecast

Balance Sheet Summary

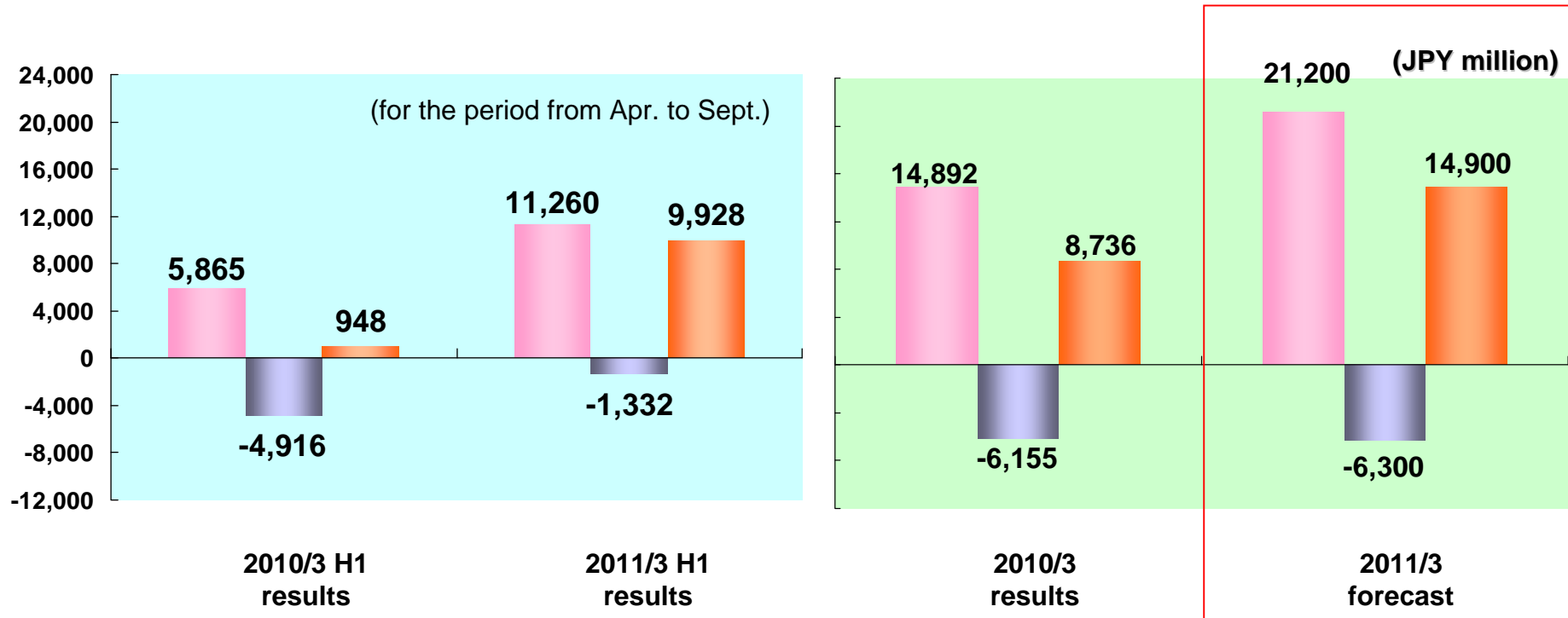


| (JPY million) | 2010/3 | 2010/9 | Variation |
|----------------------------|----------------|----------------|---------------|
| Assets | 149,480 | 161,058 | 11,577 |
| (Cash and time deposits) | 35,540 | 44,319 | 8,778 |
| (Accounts receivable) | 36,117 | 38,778 | 2,660 |
| Receivable turnover period | 103 | 86 | 17 |
| (Inventory) | 15,266 | 16,420 | 1,153 |
| Inventory turnover period | 59 | 49 | 10 |
| (Fixed assets) | 44,102 | 43,070 | -1,032 |
| Liabilities | 64,313 | 71,221 | 6,908 |
| (Interest-bearing debt) | 19,920 | 20,057 | 137 |
| Net assets | 85,167 | 89,836 | 4,669 |
| (Minority interests) | 5,689 | 5,821 | 132 |
| ※ Equity ratio : | 53.1% | 52.1% | |

Consolidated Cash Flow



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



■ Aircraft & Hydraulic Equipment:

✓ Conclusion of long-term repair contracts with leading airlines.

■ Commercial vehicle equipment:

✓ Development of new product “Electric Vacuum Pump” for EV.
(Planning to commercialize in summer 2011.)

■ Lower the trading unit:

✓ Lower the trading unit from 1,000 to 100 for the liquidation of stocks and increase of individual shareholders.(1st October)

■ Selected for inclusion in “FTSE4GOOD” for the second time in a row :

✓ Selected for inclusion in the benchmark Index Series for SRI
“ FTSE4GOOD ” for the second time in a row.

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moving it. stopping it.