



## Summary of Consolidated Financial Statements for the First Quarter of Fiscal Year Ending March 31, 2011 (Japanese GAAP)

July 30, 2010

Name of Listed Company: Nabtesco Corporation

Code Number: 6268

Representative: Title: President and CEO

Inquiries: Title: General Manager, General Administration Div.

Scheduled Date for Filing of Quarterly Report: August 11, 2010

Quarterly material to supplement the financial results: None.

Quarterly financial results conference: None.

Stock listed on: the First Section of the Tokyo Stock Exchange

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

### 1. Consolidated Results for the First Quarter of FY 2010 (April 1, 2010 to June 30, 2010)

#### (1) Consolidated Operating Results

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Quarter of FY 2010	37,079	35.3	4,312	387.3	4,966	359.7	2,859	848.6
First Quarter of FY 2009	27,402	(33.8)	884	(79.7)	1,080	(77.3)	301	(88.1)

	Net income per share		Diluted net income per share	
	Yen		Yen	
First Quarter of FY 2010	22.62		22.62	
First Quarter of FY 2009	2.38		2.38	

#### (2) Consolidated Financial Position

	Total assets		Net assets		Shareholders' equity ratio	Net assets per share
	Million yen		Million yen		%	Yen
As of June 30, 2010	155,785		87,427		52.2	643.74
As of March 31, 2010	149,480		85,167		53.1	628.29

(Reference) Shareholders' Equity: As of June 30, 2010: ¥81,368 million

As of March 31, 2010: ¥79,404 million

### 2. Dividends

	Dividends per share				
	End of First Quarter	End of Second Quarter	End of Third Quarter	Year End	Full Year
	Yen	Yen	Yen	Yen	Yen
FY 2009	—	4.00	—	5.00	9.00
FY 2010	—				
FY 2010 (Forecast)		9.00	—	9.00	18.00

(Note) Revision of dividends forecast in the first quarter of consolidated FY 2010: None

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

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six-month period of FY 2010	77,000	31.1	8,600	246.5	9,400	233.8	5,500	798.7	43.52
Full year	160,000	26.7	17,700	122.3	19,600	109.9	11,600	188.8	91.78

(Note) Revision to consolidated results forecast in the first quarter: Yes

4. Other (For details, please see "Other Information" on page 5 of the attached document.)

(1) Changes in significant subsidiaries during the first quarter of consolidated FY 2010: None

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

Note: Changes in specified subsidiaries associated with changes in the scope of consolidation.

(2) Application of simplified accounting procedures and distinctive accounting procedures: Yes

Note: Application of simplified accounting procedures and distinctive accounting procedures for the preparation of quarterly consolidated financial statements.

(3) Changes in accounting principles and procedures, and presentation methods:

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

2) Changes other than those included in the 1) above: None

Note: Changes in accounting principles and procedures, and presentation methods concerning the preparation of quarterly consolidated financial statements as provided for in the "Changes in significant matters, etc. as basis for the preparation of quarterly consolidated financial statements."

(4) Shares outstanding (Common shares)

1) Number of shares outstanding (including treasury stock)

2) Number of treasury stock

3) Average number of shares (April 1, 2010 to June 30, 2010)

As of end of 1Q FY 2010	127,212,607 shares	As of end of FY 2009	127,212,607 shares
As of end of 1Q FY 2010	814,339 shares	As of end of FY 2009	832,184 shares
April 1, 2010 to June 30, 2010	126,389,346 shares	April 1, 2009 to June 30, 2009	126,761,224 shares

Notes:

\* This summary of the quarterly financial results is not in conformity with the quarterly review procedures as provided for under the Financial Instruments and Exchange Act. As of the date on which this summary of quarterly financial results has been released as a summary report, the above-mentioned procedures concerning the quarterly review have not been completed.

\* The forecast figures posted above have been determined based on currently available information and assumptions that we consider as reasonable. Therefore, actual performance may differ significantly from the above forecast figures due to several factors. Please refer to "(3) Qualitative Information on the Forecast for Consolidated Operating Results" on page 4 of the attached document for conditions used as the basis of forecasts, and notes for using the forecasts.

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## 1. Qualitative Information on Consolidated Operating Results, etc. for the First Quarter of FY 2010

### (1) Qualitative information on consolidated operating results

Amid the risks of renewed economic recession, such as financial uncertainty triggered by the weakening Euro, the world economy in the first quarter of the consolidated fiscal year ending March 31, 2011, showed signs of recovery, driven by the robust capital expenditure by the automotive industry and expanding infrastructures, mainly in emerging countries.

At the same time, the Japanese economy witnessed a growth in exports to emerging countries, as well as in private consumption, etc. supported by the government's economic stimulus measures, although there was little movement in domestic capital expenditure.

Under these circumstances, the Group's sales for the first quarter of FY 2010 saw growth on a year-on-year basis due to the recovery in demand for industrial robots, and an increase in the demand for construction machinery in tandem with the expansion of infrastructure. Operating income, ordinary income, and net income also increased.

#### 1) Net sales and operating income

Net sales for the three-month period of consolidated FY 2010 increased by ¥9,677 million (up 35.3%) over the same period last year, to ¥37,079 million, and operating income surged by ¥3,427 million (up 387.3%) to ¥4,312 million, despite additional expenditure in connection with quality improvement measures for railroad vehicle equipment. Operating margin rose 8.4 points year-on-year, to 11.6%.

Operating results by business segment were as follows:

##### [Precision Equipment]

Net sales in the precision equipment business grew by 123.0% year-on-year, to ¥6,406 million, with operating income improving significantly from a deficit of ¥436 million in the same period last year, to ¥1,484 million.

Sales of precision reduction gears expanded as the domestic and overseas demand for industrial robots in general recovered.

##### [Transport Equipment]

Net sales in the transport equipment business increased by 18.0% year-on-year, to ¥11,229 million, while operating income showed a 96.2% rise year-on-year, to ¥1,282 million.

Sales of railroad vehicle equipment expanded, driven by an increase in orders received from China. Also, sales of automobile equipment increased due to enhanced production by truck manufacturers for the domestic and overseas markets. On the other hand, sales of marine equipment fell due to cancellation of orders for new shipbuilding as well as postponement of delivery dates.

##### [Aircraft and Hydraulic Equipment]

Net sales in the aircraft and hydraulic equipment business increased by 42.3% year-on-year, to ¥13,468 million, and operating income surged 152.1%, to ¥1,258 million.

Our hydraulic equipment business recorded a growth in sales reflecting a robust recovery in demand for construction machinery in China. Sales of aircraft equipment rose slightly from a year earlier, supported by growth in demand in the defense sector.

##### [Industrial Equipment]

Net sales in the industrial equipment business improved 7.7% year-on-year, to ¥5,976 million, and operating income increased by 70.4%, to ¥287 million.

Sales in the automatic door business rose due to a rebound from fiscal year-end inventory adjustments by our customers.

Automatic packaging machinery posted higher sales as domestic demand slightly recovered. Sales of special-purpose machine tools rose compared with the same period last year as demand from the Chinese and Korean markets recovered.

#### 2) Ordinary income

Ordinary income for the three-month period of consolidated FY 2010 surged by ¥3,885 million (359.7%) year-on-year, to ¥4,966 million.

The principal reason for this increase was, as mentioned above, the year-on-year growth in operating income. Non-operating income expanded by ¥573 million from a year earlier to ¥849 million due to factors including an improvement in the business performance of equity method-applied affiliates, while non-operating expenses rose ¥114 million year-on-year, to ¥195 million, reflecting the fluctuations in foreign exchange rates.

#### 3) Net income

Net income for the three-month period of consolidated FY 2010 soared ¥2,557 million (848.6%) compared with the same period last year, to ¥2,859 million.

Extraordinary income decreased by ¥3 million year-on-year, to ¥30 million, while extraordinary losses increased by ¥57 million from a year earlier, to ¥73 million, as a result of recognizing losses on adjustment for changes in accounting standards for asset retirement obligations to an amount of ¥26 million. Consequently, income before taxes increased by ¥3,825 million year-on-year, to ¥4,923 million.

Income taxes increased by ¥1,216 million year-on-year, to ¥1,797 million, while minority interests in income rose ¥50 million to ¥266 million.

## (2) Qualitative information on consolidated financial position

### 1) Assets, Liabilities and Net Assets

#### (Assets)

Current assets and fixed assets as of the end of the first quarter of consolidated FY 2010 were ¥96,498 million and ¥59,287 million, respectively, resulting in total assets of ¥155,785 million, an increase of ¥6,304 million over the end of the previous consolidated fiscal year. The main positive factors included increases of ¥1,420 million in cash and time deposits, ¥1,637 million in notes and accounts receivable, ¥2,000 million in marketable securities and ¥1,429 million in inventories.

#### (Liabilities)

Current liabilities and long-term liabilities as of the end of the first quarter of consolidated FY 2010 were ¥48,148 million and ¥20,209 million, respectively, representing total liabilities of ¥68,357 million, an increase of ¥4,044 million from the end of the previous consolidated fiscal year. The increase was mainly attributable to a rise of ¥2,816 million in trade notes and accounts payable and ¥877 million in income taxes payable.

#### (Net assets)

Total net assets at the end of the first quarter of consolidated FY 2010 stood at ¥87,427 million with shareholders' equity of ¥81,368 million, an increase of ¥1,964 million from the end of the previous consolidated fiscal year. The increase was mainly attributable to a growth in earned surplus, reflecting net income of ¥2,859 million. On the other hand, the principal negative factors included a ¥635 million decrease in earned surplus due to the payment of dividends.

### 2) Cash Flows

Cash and cash equivalents (hereinafter, "funds") as of the end of the first quarter of consolidated FY 2010 were ¥38,847 million, attributable to ¥4,505 million in funds generated from operating activities and application of the funds mainly due to capital expenditure, dividend payments, etc.

#### (Cash flows from operating activities)

Our operations in the three-month period of consolidated FY 2010 generated net cash of ¥4,505 million. The main positive factors were increases in income before income taxes and accounts payable, while the principal negative factors included increases in accounts receivable and inventories.

#### (Cash flows from investing activities)

Net cash outflow in investing activities in the three-month period of consolidated FY 2010 amounted to ¥596 million. This was mainly due to the acquisition of tangible fixed assets.

#### (Cash flows from financing activities)

Financing activities recorded a net cash outflow of ¥509 million in the three-month period of consolidated FY 2010, mainly reflecting the payment of dividends.

**(3) Qualitative information on forecasts of consolidated operating results**

Based on the consolidated operating results for the first quarter of FY 2010 and the expected future business trend, we have revised the forecasts for the six-month period and the full-year of the consolidated FY 2010 (announced on May 7, 2010).

For details, please refer to "Notice on the Revision of Forecasts of Operating Results," announced on July 30, 2010.

The difference between this forecast and that announced on May 7, 2010 is as follows:

## Revision of the forecasts of operating results for the first six-month period of consolidated FY 2010

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previously announced forecast (A)	Million yen 70,000	Million yen 5,800	Million yen 6,500	Million yen 4,000	Yen 31.56
<b>Revised forecast (B)</b>	<b>77,000</b>	<b>8,600</b>	<b>9,400</b>	<b>5,500</b>	<b>43.52</b>
Change (B – A)	7,000	2,800	2,900	1,500	—
Rate of change (%)	10.0	48.3	44.6	37.5	—
Actual result for consolidated FY 2009	58,724	2,482	2,816	612	4.83

## Revision of the forecasts of operating results for the consolidated FY 2010

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previously announced forecast (A)	Million yen 141,000	Million yen 12,000	Million yen 13,400	Million yen 8,100	Yen 63.91
<b>Revised forecast (B)</b>	<b>160,000</b>	<b>17,700</b>	<b>19,600</b>	<b>11,600</b>	<b>91.78</b>
Change (B – A)	19,000	5,700	6,200	3,500	—
Rate of change (%)	13.5	47.5	46.3	43.2	—
Actual result for consolidated FY 2009	126,249	7,964	9,337	4,017	31.70

## 2. Other Information

### (1) Outline of Changes in Significant Subsidiaries

None.

### (2) Outline of Simplified Accounting Procedures and Distinctive Accounting Procedures

- 1) Simplified accounting procedures  
Inventory at the end of the consolidated fiscal quarter has been calculated in a reasonable manner on the basis of physical inventory at the end of the previous consolidated fiscal year.
- 2) Distinctive accounting procedures for the preparation of quarterly consolidated financial statements  
In determining tax expenses, the effective tax rate after application of tax effect accounting for income before income taxes for the consolidated fiscal year, inclusive of the first quarter of consolidated FY 2010, has been estimated in a rational manner; and tax expenses have been calculated by multiplying the quarterly income before income taxes and adjustments by this estimated effective tax rate.  
Adjustments for income taxes have been included and presented in income and other taxes.

### (3) Outline of Changes to Accounting Principles and Procedures, and Presentation Method, etc.

1. Changes to matters concerning accounting treatment standards
  - 1) Application of "Accounting Standards for Equity Method" and "Practical Solution on Accounting Treatment Applied to Affiliates Accounted for Using the Equity Method"  
Starting from the first quarter of consolidated FY 2010, the Company has applied the "Accounting Standards for Equity Method" (Accounting Standards Board of Japan [ASBJ] Statement No. 16, issued on March 10, 2008) and the "Practical Solution on Accounting Treatment Applied to Affiliates Accounted for Using the Equity Method" (ASBJ PITF No. 24, issued on March 10, 2008).  
There is no impact on the Company's consolidated financial statements for the quarter as a result of this change.
  - 2) Application of Accounting Standards for Asset Retirement Obligations  
Starting from the first quarter of consolidated FY 2010, the Company has applied the "Accounting Standards for Asset Retirement Obligations" (ASBJ Statement No. 18, issued on March 31, 2008) and the "Application Guidance on Accounting Standards for Asset Retirement Obligations" (ASBJ Application Guidance No. 21, issued on March 31, 2008).  
As a result, operating income and ordinary income each decreased by ¥1 million, and income before income taxes fell by ¥27 million. The change in asset retirement obligations due to this application was ¥10 million.
2. Changes in presentation method  
Following the application of the "Cabinet Office Ordinance Regarding Partial Amendment to the Regulations Concerning the Terminology, Forms, and Preparation Methods of Financial Statements (Cabinet Office Ordinance No. 5, issued on March 24, 2009) based on the "Accounting Standards Concerning Consolidated Financial Statements" (ASBJ Statement No. 22 issued on December 26, 2008), the Company presents an accounting item of "Income before minority interests" in the first quarter of the consolidated FY 2010.

**3. First Quarter Consolidated Financial Statements**

(1) First Quarter Consolidated Balance Sheets

(Million yen)

	End of the first quarter of consolidated FY 2010 (as of June 30, 2010)	Condensed consolidated balance sheet at the end of previous consolidated accounting fiscal year (as of March 31, 2010)
<b>Assets</b>		
Current assets		
Cash and time deposits	12,460	11,040
Notes and accounts receivable	37,754	36,117
Marketable securities	26,499	24,499
Goods and products	3,928	3,160
Products in progress	5,738	5,473
Raw materials and stored goods	7,029	6,632
Deferred tax assets	2,136	2,115
Other current assets	1,025	926
Allowance for doubtful accounts	(75)	(73)
Total current assets	96,498	89,893
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	17,085	17,322
Machinery and transport equipment (net)	10,190	10,101
Tools, apparatus and furniture (net)	1,904	1,808
Land	14,404	14,393
Construction in progress	189	475
Total tangible assets	43,774	44,102
Intangible fixed assets	1,125	1,192
Investments and other assets		
Investments in securities	12,463	12,302
Deferred tax assets	492	490
Other investments and other assets	1,622	1,687
Allowance for doubtful receivables	(192)	(187)
Total investments in securities and other assets	14,386	14,292
Total fixed assets	59,287	59,587
Total assets	155,785	149,480



(Million yen)

	End of the first quarter of consolidated FY 2010 (as of June 30, 2010)	Condensed consolidated balance sheet at the end of previous consolidated accounting fiscal year (as of March 31, 2010)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	27,263	24,447
Short-term loans payable	9,102	8,920
Income taxes payable	1,728	851
Allowance for product warranty	972	822
Other current liabilities	9,080	8,569
Total current liabilities	48,148	43,610
Long-term liabilities		
Bonds	11,000	11,000
Retirement allowance	7,755	8,000
Allowance for retirement bonus for directors	97	143
Allowance for environmental measures	572	572
Deferred tax liabilities	60	232
Negative goodwill	126	144
Other long-term liabilities	597	608
Total long-term liabilities	20,209	20,702
Total liabilities	68,357	64,313
<b>Net assets</b>		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	17,461	17,467
Earned surplus	54,885	52,662
Treasury stock	(675)	(695)
Total shareholders' equity	81,672	79,434
Valuation and translation adjustments		
Net unrealized gains on other securities	941	1,290
Deferred gains or losses on hedges	-	(1)
Translation adjustments	(1,245)	(1,319)
Total valuation and translation adjustments	(304)	(30)
Subscription rights to shares	94	73
Minority interests	5,965	5,689
Total net assets	87,427	85,167
Total liabilities and net assets	155,785	149,480

(2) Three-month Period Consolidated Statements of Income  
(Three-month Period of Consolidated FY 2010)

(Million yen)

	Three-month period of consolidated FY 2009 (April 1, 2009 to June 30, 2009)	Three-month period of consolidated FY 2010 (April 1, 2010 to June 30, 2010)
Net sales	27,402	37,079
Cost of sales	21,397	27,723
Gross profit	6,005	9,356
Selling, general and administrative expenses	5,120	5,044
Operating income	884	4,312
Non-operating income		
Interest income	28	17
Dividends income	79	45
Rent income	65	64
Equity in earnings of an affiliate	46	610
Other non-operating income	55	110
Total	276	849
Non-operating expenses		
Interest expenses	28	22
Foreign exchange losses	15	148
Other non-operating expenses	36	24
Total	80	195
Ordinary income	1,080	4,966
Extraordinary gains		
Gain on sales of fixed assets	1	23
Gain on sales of investment securities	1	-
Reversal of allowance for doubtful accounts	30	6
Total	33	30
Extraordinary losses		
Loss on disposal of fixed assets	15	45
Write-down of golf club membership	-	0
Loss on adjustment for changes in accounting standards for asset retirement obligations	-	26
Total	15	73
Income before income taxes and adjustments	1,098	4,923
Corporate, resident and business taxes	581	1,797
Income before minority interests	-	3,125
Minority interests in income	215	266
Net income	301	2,859

## (3) First Quarter Consolidated Statements of Cash Flows

(Million yen)

	Three-month period of consolidated FY 2009 (April 1, 2009 to June 30, 2009)	Three-month period of consolidated FY 2010 (April 1, 2010 to June 30, 2010)
<b>Cash flows from operating activities</b>		
Income before income taxes and adjustments	1,098	4,923
Depreciation and amortization	1,243	1,240
Amortization of goodwill	(18)	(18)
Share-based compensation expenses	-	27
Increase (decrease) in allowance for doubtful receivables	(34)	6
Increase (decrease) in retirement benefits of employees	(562)	(246)
Interest and dividend income	(108)	(63)
Interest expenses	28	22
Equity in (earnings) losses of an affiliate	(46)	(610)
Loss (gain) on sales of fixed assets	(1)	(23)
Loss (gain) on disposal of fixed assets	15	45
Loss (gain) on sales of investment in securities	(1)	-
Write-down of golf club membership	-	0
Loss on adjustment for changes in accounting standards for asset retirement obligations	-	23
Decrease (increase) in notes and accounts receivable	2,896	(895)
Decrease (increase) in inventories	(714)	(1,402)
Increase (decrease) in notes and accounts payable	(2,917)	2,737
Others	(301)	(534)
Subtotal	576	5,233
Interest and dividend received	182	100
Interest paid	(29)	(32)
Income taxes paid	(387)	(795)
Net cash and cash equivalents provided by operating activities	341	4,505
<b>Cash flows from investing activities</b>		
Increase in time deposits	(1)	(0)
Proceeds from withdrawal of time deposits	-	2
Purchases of property, plant and equipment	(2,941)	(517)
Proceeds from sales of property, plant and equipment	4	54
Purchases of intangible fixed assets	(44)	(26)
Purchases of investments in securities	(531)	(2)
Proceeds from sale of investment in securities	3	-
Purchase of stocks of subsidiaries and affiliates	-	(150)
Others	70	43
Net cash and cash equivalents used in investing activities	(3,440)	(596)

(Million yen)

	Three-month period of consolidated FY 2009 (April 1, 2009 to June 30, 2009)	Three-month period of consolidated FY 2010 (April 1, 2010 to June 30, 2010)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term loans payable	128	146
Payments for purchases of treasury stock	(5)	(9)
Proceeds from sales of treasury stock	0	15
Cash dividends paid	(508)	(635)
Cash dividends paid to minority shareholders	(28)	(27)
<b>Net cash and cash equivalents provided by financing activities</b>	<b>(413)</b>	<b>(509)</b>
Effect of exchange rate change on cash and cash equivalents	146	21
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(3,365)</b>	<b>3,421</b>
Cash and cash equivalents at beginning of period	27,299	35,425
<b>Cash and cash equivalents at end of period</b>	<b>23,933</b>	<b>38,847</b>

**(4) Notes Relating to the Going Concern Assumption**

None

**(5) Segment Information**

[Segment Information by Business Category]

Three-month period of consolidated FY 2009 (April 1, 2009 to June 30, 2009)

(Million yen)

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

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

2 Each segment includes the following products:

- (1) Precision equipment business..... Precision reduction gears, precision actuators, three-dimensional rapid prototyping equipment, vacuum equipment and high-performance heat transfer devices.
- (2) Transport equipment business ..... Railway brake systems, door operating system for railway vehicles, air brake systems for commercial vehicles and marine main propulsion control systems.
- (3) Aircraft and hydraulic equipment business ..... Aircraft equipment, hydraulic motors with reduction gears, yaw drives for wind turbines.
- (4) Industrial equipment business ..... Automatic doors for buildings, automatic fillers/sealers, forming machines and machine tools.

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

4 (Changes in accounting policies)

Loss on disposal of inventories was formerly stated separately under non-operating expenses. However, in line with the accounting practice by which a loss on revaluation of inventories due to downward revision of the book values as a result of lower profitability is recognized as cost of sales, we recognize the loss on disposal of inventories under cost of sales from the first quarter of consolidated FY 2009, if such loss on disposal of inventories is attributable to lower profitability. As a result, operating income for the three-month period of consolidated FY 2009 decreased by ¥0 million in the "Precision equipment business," ¥17 million in the "Transport equipment business," ¥6 million in the "Aircraft and hydraulic equipment business" and ¥4 million in the "Industrial equipment business" compared with the amounts calculated by the previous method.

## [Segment Information by Region]

Three-month period of consolidated FY 2009 (April 1, 2009 to June 30, 2009)

(Million yen)

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

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

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

(1) Asia ..... China, Thailand, South Korea and Singapore

(2) North America ..... U.S.A.

(3) Europe ..... Germany and the Netherlands

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

4 (Changes in accounting policies)

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

## [Overseas sales]

Three-month period of consolidated FY 2009 (April 1, 2009 to June 30, 2009)

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

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

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

(1) Asia ..... China, Thailand, South Korea, India and Singapore

(2) North America ..... U.S.A.

(3) Europe ..... Germany, Great Britain, France, Italy and the Netherlands

(4) Other regions ..... Australia and New Zealand

3 Overseas sales refer to sales by the Company and its consolidated subsidiaries in countries or regions other than Japan.

## [Segment Information]

## (Additional information)

Starting with the first quarter of FY 2010, the Company has applied the “Accounting Standards Concerning the Disclosure of Segment Information, etc.” (ASBJ Statement No. 17, issued on March 27, 2009) and the “Application Guidelines for the Accounting Standard Concerning the Disclosure of Segment Information, etc.” (Application Guidelines for ASBJ Statement No. 20, issued on March 31, 2008).

## 1. Outline of Reportable Segment Information

The Company’s reportable segments are constituents of the Group for which separate financial information are available, and which the Board of Directors review on a regular basis in order to determine distribution of management resources and evaluate business results.

The Group is engaged in manufacturing and sale of products using its core motion control technology, and the business consists of four reportable segments of “Precision business,” “Transport equipment business,” “Aircraft and hydraulic equipment business” and “Industrial equipment business.”

In the “Precision equipment business,” the Group manufactures precision reduction gears, precision actuators, three-dimensional rapid prototyping equipment, vacuum equipment, high-performance heat transfer devices, etc. “Transport equipment business” focuses on the manufacturing of railway vehicle brake and door systems, air brake systems for commercial vehicles, marine engine control systems, etc. In the “Aircraft and hydraulic equipment business,” the Group manufactures aircraft equipment, traveling motors for construction machinery, yaw drives for wind turbines, etc. Main products of the “Industrial equipment business” include automatic doors for buildings, platform door system for railway stations, automatic food fillers, and special-purpose machine tools.

## 2. Information regarding sales and income by reportable segment

Three-month period of consolidated FY 2010 (April 1, 2010 to June 30, 2010)

(Million yen)

	Reportable segments					Adjustments (Note 1)	Quarterly consolidated income statement amounts (Note 2)
	Precision Equipment	Transport Equipment	Aircraft and Hydraulic Equipment	Industrial Equipment	Total		
Net sales							
(1) External sales	6,406	11,229	13,468	5,976	37,079	—	37,079
(2) Inter-segment net sales or transfer	4	60	108	155	328	[328]	—
Total	6,411	11,289	13,576	6,131	37,407	[328]	37,079
Operating income	1,484	1,282	1,258	287	4,312	—	4,312

Notes: 1 The amount of adjustments to segment income is minus ¥328 million through elimination of inter-segment transactions.

2 Segment income is adjusted with operating income stated in the quarterly consolidated income statement.

**(6) Notes in Case of Any Significant Change in the Amount of Shareholders’ Equity**

None.

## 4. Supplementary Information

### (1) Production, Orders Received and Sales

#### 1) Production

Production per business category in the three-month period of consolidated FY 2010 is shown below.

Segment by business category	Output (Million yen)	Year-on-year comparison (%)
Precision Equipment	6,545	125.5
Transport Equipment	11,874	19.9
Aircraft and Hydraulic Equipment	13,740	39.2
Industrial Equipment	6,376	0.1
Total	38,537	32.7

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

#### 2) Orders received

Amounts of orders received per business category in the three-month period of consolidated FY 2010 are shown below.

Segment by business category	Amount of Orders Received (Million yen)	Year-on-year comparison (%)	Order Backlog (Million yen)	Year-on-year comparison (%)
Precision Equipment	8,222	258.6	7,110	220.7
Transport Equipment	13,486	67.5	24,863	24.2
Aircraft and Hydraulic Equipment	15,609	91.2	24,680	7.1
Industrial Equipment	6,642	22.7	8,337	8.5
Total	43,960	83.8	64,991	22.7

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

#### 3) Sales

Sales by business category in the three-month period of consolidated FY 2010 are shown below.

Segment by business category	Sales (Million yen)	Year-on-year comparison (%)
Precision Equipment	6,406	123.0
Transport Equipment	11,229	18.0
Aircraft and Hydraulic Equipment	13,468	42.3
Industrial Equipment	5,976	7.7
Total	37,079	35.3

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



**(2) Overseas sales**

Three-month period of consolidated FY 2010 (April 1, 2010 to June 30, 2010)

	Asia	North America	Europe	Other regions	Total
I Overseas sales (Million yen)	8,942	2,052	1,593	100	12,688
II Consolidated net sales (Million yen)					37,079
III Composition to consolidated net sales (%)	24.1	5.5	4.3	0.3	34.2

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 sales by the Company and its consolidated subsidiaries in countries or regions other than Japan.