



## Summary of Consolidated Financial Statements for the Second Quarter of Fiscal Year Ending March 31, 2012 (Japanese GAAP)

October 31, 2011

Name of Listed Company: Nabtesco Corporation

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

Code Number: 6268

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Scheduled Date for Filing of Quarterly Report: November 14, 2011

Scheduled Dividend Payment Date: December 8, 2011

Quarterly material to supplement the financial results: Yes

Quarterly financial results conference: Yes (for institutional investors and financial analysts)

(Amounts less than 1 million yen have been rounded down)

### 1. Consolidated Results for the Six-month Period of FY 2011 (April 1, 2011 to September 30, 2011)

#### (1) Consolidated Operating Results

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six-month Period, FY 2011	97,671	23.5	12,234	29.4	13,201	27.9	8,351	41.2
Six-month Period, FY 2010	79,096	34.7	9,457	280.9	10,320	266.4	5,914	866.1

(Note) Comprehensive income: Six-month period of FY 2011: ¥10,646 million (91.1%)

Six-month period of FY 2010: ¥5,569 million (- %)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six-month Period, FY 2011	66.06		66.03	
Six-month Period, FY 2010	46.79		46.77	

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2011	206,411	104,886	47.4	774.18
As of March 31, 2011	180,729	96,531	49.9	713.77

(Reference) Shareholders' Equity: As of September 30, 2011: ¥97,878 million

As of March 31, 2011: ¥90,241 million

#### 2. Dividends

	Dividends per share				
	End of First Quarter	End of Second Quarter	End of Third Quarter	Year End	Full Year
FY 2010	Yen -	Yen 9.00	Yen -	Yen 16.00	Yen 25.00
FY 2011	-	17.00			
FY 2011 (Forecast)			-	17.00	34.00

(Note) Revisions to the latest dividend forecasts: None

#### 3. Forecast of Consolidated Operating Results for FY 2011 (April 1, 2011 to March 31, 2012)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	200,900	18.7	22,900	13.3	24,900	11.3	15,100	12.8	119.43

(Note) Revisions to the latest forecast of operating results: Yes

4. Other

- (1) Changes in significant subsidiaries during the second quarter of consolidated FY 2011 (Changes in specified subsidiaries resulting in a change in the scope of consolidation): None  
Newly added: — (Company name: ) Excluded: — (Company name: )
- (2) Application of distinctive accounting procedures for preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, accounting estimates and restatement of corrections
- 1) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: Yes
  - 2) Other changes in accounting policies: None
  - 3) Changes in accounting estimates: None
  - 4) Restatement of corrections: None
- (4) Shares outstanding (Common shares)
- 1) Number of shares outstanding (including treasury stock) as of the end of the term
  - 2) Amount of treasury stock
  - 3) Average number of shares during the term

As of September 30, 2011	127,212,607 shares	As of March 31, 2011	127,212,607 shares
As of September 30, 2011	784,296 shares	As of March 31, 2011	783,586 shares
April 1, 2011 to September 30, 2011	126,428,666 shares	April 1, 2010 to September 30, 2010	126,408,387 shares

Notes:

Presentation of status of implementation of the quarterly review process

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 is released as a summary report, the abovementioned procedures concerning the quarterly review have not been completed.

Explanation of proper use of forecasts of operating results and other matters of special note

The forecast figures included above have been determined based on currently available information and assumptions that we consider reasonable. Actual performance may differ significantly from the above forecast figures due to several factors. Please refer to “(3) Qualitative Information on Forecasts of Consolidated Operating Results” on page 4 of the attached document for conditions upon which the forecasts were based and notes on using the forecasts.

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## 1. Qualitative Information on Consolidated Operating Results for the Six Months Ended September 30, 2011

### (1) Qualitative Information on Consolidated Operating Results

The business environment surrounding the Group in the six-month period of consolidated FY 2011 was favorable, with continued economic growth centered on emerging countries such as China. However, warning signs regarding the potential impact on the global economy from fiscal issues and financial problems in European countries, and fiscal tightening in China, etc. started to be seen.

The Japanese economy, on the other hand, remained in a difficult situation due to the yen hovering at record high levels and other factors, although the supply chains of products and parts disrupted by the impact of the Great East Japan Earthquake saw quick recoveries.

Under these circumstances, the Group's consolidated net sales for the six-month period of consolidated FY 2011 grew on a year-on-year basis. This was primarily attributable to greater demand for industrial robots and an increase in demand for construction machinery in China in tandem with a boost in infrastructure investment. Operating income, ordinary income and net income also increased.

#### 1) Net sales and operating income

Consolidated net sales for the first six-month period of FY 2011 increased by ¥18,575 million (23.5%) year on year to ¥97,671 million while operating income leaped up ¥2,777 million (29.4%) to ¥12,234 million. Operating margin rose 0.5 percentage points year on year to 12.5%.

Operating results by business segment were as follows:

##### [Precision Equipment]

Net sales in the precision equipment business jumped 46.8% year on year to ¥21,293 million while operating income increased by 23.5% year on year to ¥3,946 million.

Sales of precision reduction gears also grew, reflecting additional demand for industrial robots at home and abroad.

##### [Transport Equipment]

Net sales in the transport equipment business increased by 3.9% year-on-year, to ¥23,489 million while operating income showed a 17.0% year-on-year rise to ¥3,136 million.

Railroad vehicle equipment remained flat due partly to a delay in deliveries caused by the Great East Japan Earthquake, whereas sales in the Chinese market were robust. Sales of commercial vehicle equipment grew reflecting the post-quake recovery of output by truck manufacturers and an increase in demand from emerging countries. Marine equipment sales rose on the back of an increase in business in China.

##### [Aircraft and Hydraulic Equipment]

Net sales in the aircraft and hydraulic equipment business increased by 21.8% year on year to ¥34,838 million while operating income leaped 38.3% to ¥3,903 million.

Our hydraulic equipment business recorded higher sales reflecting increased demand for construction machinery in China, however, sales of aircraft equipment fell due to the influence of unfavorable foreign exchange rates and a postponement of deliveries for the defense sector to the next fiscal term, despite robust growth from the private sector.

##### [Industrial Equipment]

Net sales in the industrial equipment business improved 35.0% year on year to ¥18,050 million while operating income increased by 64.7% to ¥1,248 million.

Automatic-door-related equipment saw an increase in sales, which was attributable to the acquisition of Gilgen DoorSystems AG of Switzerland, although domestic demand remained unchanged. Automatic packaging machinery posted higher sales on the back of the recovery of capital expenditure by domestic food producers.

#### 2) Ordinary income

Consolidated ordinary income for the first six months of FY 2011 jumped ¥2,881 million (27.9%) year on year to ¥13,201 million.

This was mainly attributable to an increase in operating income, as described above. Non-operating income shrank ¥74 million on a year-on-year basis to ¥1,358 million due partly to a deterioration in the business performance of an equity-method affiliate. Non-operating expenses decreased by ¥178 million year on year to ¥391 million due to a decrease in foreign exchange loss.

#### 3) Net income

Consolidated net income for the first six months of FY 2011 leaped by ¥2,437 million (41.2%) compared with the same period last year to reach ¥8,351 million.

Extraordinary gains increased by ¥283 million compared with the same period of the previous year to ¥375 million, attributable to ¥49 million recorded as a gain on the revision of the retirement benefit plan of the Group companies, and ¥131 million in compensation income in the Group companies. Extraordinary losses decreased by ¥316 million from a year earlier to ¥72 million as a result of having recognized a total of ¥26 million as the impact of application of the accounting standards for asset retirement obligations in the previous fiscal year, and ¥221 million as compensation for cancellation in the previous fiscal year. Consequently, income before income taxes increased ¥3,481 million year on year to ¥13,505 million.

Income taxes were up ¥748 million year on year to ¥4,269 million, while minority interests grew ¥295 million from a year earlier to ¥883 million.

## (2) Qualitative Information on Consolidated Financial Position

### 1) Assets, Liabilities and Net Assets

#### (Assets)

Total assets as of September 30, 2011 were ¥206,411 million, an increase of ¥25,681 million from March 31, 2011, consisting of ¥124,205 million in current assets and ¥82,205 million in fixed assets. The primary positive factors included increases of ¥5,836 million in notes and accounts receivable, ¥9,999 million in marketable securities, ¥4,956 million in inventories and ¥17,288 million in goodwill, respectively. Negative factors consisted mainly of a decrease of ¥16,610 million in cash and time deposits.

#### (Liabilities)

Total liabilities as of September 30, 2011 were ¥101,524 million, an increase of ¥17,326 million from March 31, 2011, consisting of ¥82,028 million in current liabilities and ¥19,495 million in long-term liabilities. The increase was mainly attributable to rises of ¥3,387 million in trade notes and accounts payable, ¥2,471 million in short-term loans payable and ¥10,000 million in long-term loans payable, respectively. Meanwhile, the decrease was mainly due to a fall of ¥2,767 million in income taxes payable.

#### (Net assets)

Consolidated total net assets at the end of the second quarter of FY 2011 stood at ¥104,886 million, with shareholders' equity of ¥97,878 million, an increase of ¥7,637 million from the end of the previous fiscal year. The increase was mainly attributable to a growth in earned surplus, reflecting net income of ¥8,351 million. The principal negative factors included a ¥2,033 million decrease in earned surplus due to the payment of dividends.

### 2) Cash flows

Cash and cash equivalents (hereinafter, "funds") as of September 30, 2011 were ¥49,702 million, a decrease of ¥6,868 million from March 31, 2011. This result was mainly attributable to an acquisition of shares in a Swiss subsidiary using funds available at end of the previous consolidated fiscal year, and the application of ¥6,500 million in funds provided by operating activities mainly to capital expenditure and dividend payment.

#### (Net cash provided by operating activities)

Net cash inflow from operating activities during the six-month period of consolidated FY 2011 totalled ¥6,500 million. Positive factors included growth in income before income taxes, and notes and accounts payable-trade. Negative factors were principally attributable to income taxes paid, an increase in notes and accounts receivable-trade, and an increase in inventories.

#### (Net cash used in investing activities)

Net cash outflow from investing activities during the six-month period of consolidated FY 2011 was ¥21,232 million. This was mainly utilized in the purchase of shares of subsidiaries and affiliates, and the purchase of property, plant and equipment.

#### (Net cash provided by financing activities)

Net cash inflow from financing activities during the six-month period of the consolidated FY 2011 was ¥7,813 million. The major contribution came from ¥10,000 million in proceeds from long-term loans payable. Meanwhile, cash outflow was mainly due to ¥2,030 million in cash dividends paid.

**(3) Qualitative Information on Forecasts of Consolidated Operating Results**

Despite risks such as the possible contraction of demand for construction machinery in China due to the impact of fiscal tightening, and revisions to the business plans of Chinese railways subsequent to the high-speed railway accident, we have decided to make upward revisions to the full-year forecasts of the consolidated operating results for FY 2011 announced on May 10, 2011, taking into consideration the results for the six-month period of consolidated FY 2011.

For further details, please refer to the "Announcement on Revision of Financial Forecasts" released on October 31, 2011. The differences from the forecasts announced on May 10, 2011 are as follows:

## Revision of the Forecasts for Consolidated Operating Results for FY 2011

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	yen
Previously announced forecast (A)	196,000	22,500	24,700	15,000	118.67
<b>Revised forecast (B)</b>	<b>200,900</b>	<b>22,900</b>	<b>24,900</b>	<b>15,100</b>	<b>119.43</b>
Change (B-A)	4,900	400	200	100	-
Percentage change (%)	2.5	1.8	0.8	0.7	-
Previous-year results	169,303	20,212	22,365	13,387	105.91

## **2. Notes regarding Summary Information (Others)**

### **(1) Changes in Significant Subsidiaries during the Second Quarter of Consolidated FY 2011**

None

### **(2) Application of Distinctive Accounting Procedures for the Preparation of Quarterly Consolidated Financial Statements**

Determination of tax payment

In determining tax payment, the effective tax rate after application of tax effect accounting for income before income taxes for the consolidated fiscal year, inclusive of the second quarter of consolidated FY 2011, has been estimated in a rational manner. The tax bill has then been calculated by multiplying the quarterly income before income taxes and adjustments by this estimated effective tax rate.

### **(3) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections**

Changes in Accounting Policies

From the beginning of the first quarter of consolidated FY 2011, we have applied "Accounting Standard for Net Income Per Share" (Accounting Standards Board of Japan (hereinafter, "ASBJ") Statement No. 2 of June 30, 2010) and "Guidance on Accounting Standard for Net Income Per Share" (ASBJ Guidance No. 4 of June 30, 2010).

In calculating diluted net income per share, we have changed the calculation method relating to stock options of which the relevant right is vested after service of a certain period of time, to include at fair value the portion which the Company will receive in future payment, upon exercise of the rights.

### **(4) Additional Information**

Application of the "Accounting Standard for Accounting Changes and Error Corrections" and others

For the accounting changes and error corrections made in and after the beginning of the first quarter of the year ending March 31, 2012, we have applied the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No.24 of December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24 of December 4, 2009).

### 3. Quarterly Consolidated Financial Statements

#### (1) First Quarter Consolidated Balance Sheets

	(Million yen)	
	End of consolidated FY 2010 (as of March 31, 2011)	End of 2Q of consolidated FY 2011 (as of September 30, 2011)
<b>Assets</b>		
Current assets		
Cash and time deposits	41,705	25,094
Notes and accounts receivable	40,894	46,730
Marketable securities	14,999	24,999
Goods and products	3,572	3,567
Products in progress	6,279	9,689
Raw materials and stored goods	7,165	8,717
Deferred tax assets	3,288	3,410
Other current assets	1,167	2,185
Allowance for doubtful accounts	(70)	(188)
Total current assets	119,003	124,205
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	16,444	16,876
Machinery and transport equipment (net)	11,541	13,431
Tools, apparatus and furniture (net)	1,618	2,224
Land	14,341	14,534
Construction in progress	496	635
Total tangible assets	44,442	47,702
Intangible fixed assets		
Goodwill	-	17,288
Other	1,073	1,145
Total intangible fixed assets	1,073	18,434
Investments and other assets		
Investments in securities	14,549	14,028
Deferred tax assets	404	411
Other investments and other assets	1,426	1,792
Allowance for doubtful receivables	(169)	(163)
Total investments in securities and other assets	16,210	16,068
Total fixed assets	61,726	82,205
Total assets	180,729	206,411



(Million yen)

	End of consolidated FY 2010 (as of March 31, 2011)	End of 2Q of consolidated FY 2011 (as of September 30, 2011)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	33,591	36,978
Short-term loans payable	9,157	11,628
Current portion of bonds	11,000	11,000
Income taxes payable	7,094	4,326
Allowance for product warranty	1,847	1,435
Other current liabilities	12,200	16,658
<b>Total current liabilities</b>	<b>74,891</b>	<b>82,028</b>
Long-term liabilities		
Long-term loans payable	–	10,000
Retirement allowance	7,550	7,377
Allowance for retirement bonus for directors	133	146
Allowance for environmental measures	320	104
Deferred tax liabilities	655	325
Negative goodwill	72	36
Other long-term liabilities	572	1,506
<b>Total long-term liabilities</b>	<b>9,306</b>	<b>19,495</b>
<b>Total liabilities</b>	<b>84,197</b>	<b>101,524</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	17,448	17,445
Earned surplus	64,263	70,450
Treasury stock	(645)	(590)
<b>Total shareholders' equity</b>	<b>91,066</b>	<b>97,305</b>
Accumulated other comprehensive income		
Net unrealized gains on other securities	1,512	785
Deferred gains or losses on hedges	(0)	0
Translation adjustments	(2,336)	(211)
<b>Total accumulated other comprehensive income</b>	<b>(824)</b>	<b>573</b>
Subscription rights to shares	159	150
Minority interests	6,130	6,858
<b>Total net assets</b>	<b>96,531</b>	<b>104,886</b>
<b>Total liabilities and net assets</b>	<b>180,729</b>	<b>206,411</b>

**(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**

Quarterly Consolidated Statements of Income  
For the six-month period ended September 30, 2011

(Million yen)

	First six-month period of consolidated FY 2010 (April 1, 2010 to September 30, 2010)	First six-month period of consolidated FY 2011 (April 1, 2011 to September 30, 2011)
Net sales	79,096	97,671
Cost of sales	59,320	72,581
Gross profit	19,775	25,090
Selling, general and administrative expenses	10,317	12,856
Operating income	9,457	12,234
Non-operating income		
Interest income	39	34
Dividend income	46	49
Rent income	125	124
Equity in earnings of affiliates	1,053	1,009
Other non-operating income	168	140
Total	1,433	1,358
Non-operating expenses		
Interest expenses	42	61
Foreign exchange losses	456	60
Contribution	–	172
Other non-operating expenses	70	95
Total	569	391
Ordinary income	10,320	13,201
Extraordinary gains		
Gain on sales of fixed assets	75	159
Gain on sales of investment securities	–	2
Reversal of allowance for doubtful accounts	16	–
Gain on transfer of business	–	32
Gain on revision of retirement benefit plan	–	49
Compensation income	–	131
Total	91	375
Extraordinary losses		
Loss on disposal of fixed assets	73	69
Loss on sales of investment securities	–	0
Loss on valuation of investment securities	0	–
Write-down of golf club membership	2	2
Provision for environmental measures	64	–
Loss on adjustment for changes in accounting standards for asset retirement obligations	26	–
Compensation for cancellation	221	–
Total	388	72
Income before income taxes and adjustments	10,023	13,505
Corporate, resident and business taxes	3,521	4,269
Income before minority interests	6,502	9,235
Minority interests in income	587	883
Net income	5,914	8,351

Quarterly Consolidated Statements of Comprehensive Income  
For the six-month period ended September 30, 2011

(Million yen)

	First six-month period of consolidated FY 2010 (April 1, 2010 to September 30, 2010)	First six-month period of consolidated FY 2011 (April 1, 2011 to September 30, 2011)
Income before minority interests	6,502	9,235
Other comprehensive income		
Valuation difference on available-for-sale securities	(302)	(719)
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	(605)	2,149
Share of other comprehensive income of associates accounted for using equity method	(26)	(20)
Total other comprehensive income	(932)	1,410
Comprehensive income	5,569	10,646
[Comprehensive income attributable to:]		
Shareholders of parent company	5,100	9,750
Minority interests	469	895

**(3) Quarterly Consolidated Statements of Cash Flows**

(Million yen)

	First six-month period of consolidated FY 2010 (April 1, 2010 to September 30, 2010)	First six-month period of consolidated FY 2011 (April 1, 2011 to September 30, 2011)
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes	10,023	13,505
Depreciation and amortization	2,563	2,853
Amortization of goodwill	(36)	178
Share-based compensation expenses	44	43
Increase (decrease) in allowance for doubtful accounts	0	105
Increase (decrease) in provision for retirement benefits	(139)	(123)
Interest and dividends income	(85)	(83)
Interest expenses	42	61
Equity in (earnings) losses of affiliates	(1,053)	(1,009)
Loss (gain) on sales of noncurrent assets	(75)	(159)
Loss (gain) on disposal of noncurrent assets	73	69
Loss (gain) on sales of investment securities	–	(2)
Loss (gain) on valuation of investment securities	0	–
Loss on valuation of golf club memberships	2	2
Loss on adjustment for changes in accounting standard for asset retirement obligations	26	–
Compensation for cancellation	221	–
Gain on revision of retirement benefit plan	–	(49)
Increase (decrease) in notes and accounts receivable-trade	(2,681)	(1,819)
Increase (decrease) in inventories	(1,317)	(1,507)
Increase (decrease) in notes and accounts payable-trade	5,193	2,013
Other	(441)	(698)
<b>Subtotal</b>	<b>12,362</b>	<b>13,379</b>
Interest and dividends income received	310	387
Interest expenses paid	(54)	(102)
Compensation for cancellation paid	(64)	–
Income taxes paid	(1,293)	(7,165)
<b>Net cash provided by (used in) operating activities</b>	<b>11,260</b>	<b>6,500</b>
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(0)	(253)
Proceeds from withdrawal of time deposits	13	–
Purchase of property, plant and equipment	(1,351)	(2,987)
Proceeds from sales of property, plant and equipment	153	248
Purchase of intangible assets	(86)	(177)
Proceeds from sales of intangible assets	–	0
Purchase of investment securities	(6)	(6)
Proceeds from sales of investment securities	–	5
Purchase of shares of subsidiaries and affiliates	(150)	(11)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(17,619)
Other	94	(432)
<b>Net cash provided by (used in) investing activities</b>	<b>(1,332)</b>	<b>(21,232)</b>

(Million yen)

	First six-month period of consolidated FY 2010 (April 1, 2010 to September 30, 2010)	First six-month period of consolidated FY 2011 (April 1, 2011 to September 30, 2011)
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	152	(1)
Proceeds from long-term loans payable	-	10,000
Proceeds from stock issuance to minority shareholders	-	270
Purchase of treasury stock	(19)	(1)
Proceeds from sales of treasury stock	54	0
Cash dividends paid	(635)	(2,030)
Cash dividends paid to minority shareholders	(330)	(423)
<b>Net cash provided by (used in) financing activities</b>	<b>(777)</b>	<b>7,813</b>
Effect of exchange rate changes on cash and cash equivalents	(357)	50
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>8,794</b>	<b>(6,868)</b>
Cash and cash equivalents at beginning of period	35,425	56,570
<b>Cash and cash equivalents at end of period</b>	<b>44,219</b>	<b>49,702</b>

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

None

**(5) Segment Information**

[Segment Information]

I. For the six months ended September 30, 2010 (April 1, 2010 to September 30, 2010)

## 1. Information on Sales and Income (Loss) by Reportable Segment

(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							
Sales to external customers	14,507	22,606	28,610	13,372	79,096	–	79,096
Inter-segment sales or transfer	11	118	212	235	577	[577]	–
Total	14,518	22,724	28,822	13,608	79,673	[577]	79,096
Segment income	3,195	2,681	2,822	757	9,457	–	9,457

Notes: 1 Adjustments relating to the inter-segment sales or transfer amounted to negative ¥577 million in the elimination of inter-segment transactions.

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

## 2. Information concerning Impairment Loss from Fixed Assets, Goodwill and Other Items by Reportable Segment

None

## II. For the six months ended September 30, 2011 (April 1, 2011 to September 30, 2011)

## 1. Information on Sales and Income (Loss) by Reportable Segment

(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							
Sales to external customers	21,293	23,489	34,838	18,050	97,671	–	97,671
Inter-segment sales or transfer	17	99	319	624	1,061	[1,061]	–
Total	21,310	23,589	35,158	18,674	98,733	[1,061]	97,671
Segment income	3,946	3,136	3,903	1,248	12,234	–	12,234

Notes: 1 Adjustments relating to the inter-segment sales or transfer amounted to negative ¥1,061 million in the elimination of inter-segment transactions.

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

## 2. Information concerning Impairment Loss from Fixed Assets, Goodwill and Other Items by Reportable Segment (Significant change in the amount of goodwill)

In the industrial equipment business, the Company acquired the automatic door business of Kaba Holding AG, a Swiss company, through acquisition of the stock of Kaba Gilgen AG (currently, Gilgen Door Systems AG), a subsidiary of Kaba Holding AG. The acquisition procedures were completed on April 1, 2011.

The increase in goodwill attributable to this event amounted to ¥17,288 million for the first six-month period of the consolidated FY 2011.

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

Not applicable.

## 4. Supplementary Information

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

#### 1) Production

Consolidated production per segment in the first six months of FY 2011 is shown below.

Segment	Output (Million yen)	Year-on-year comparison (%)
Precision Equipment	21,564	45.6
Transport Equipment	24,047	1.3
Aircraft and Hydraulic Equipment	35,153	20.5
Industrial Equipment	18,338	32.1
Total	99,104	21.5

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

#### 2) Orders received

Consolidated orders received per segment in the first six months of FY 2011 are shown below.

Segment	Amount of Orders Received (Million yen)	Year-on-year comparison (%)	Order Backlog (Million yen)	Year-on-year comparison (%)
Precision Equipment	23,850	29.1	12,116	30.8
Transport Equipment	19,746	(21.6)	18,941	(24.8)
Aircraft and Hydraulic Equipment	35,457	14.5	29,289	17.6
Industrial Equipment	24,032	69.1	14,301	68.1
Total	103,087	16.0	74,648	10.0

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

Consolidated sales by segment in the first six months of FY 2011 are shown below.

Segment	Sales (Million yen)	Year-on-year comparison (%)
Precision Equipment	21,293	46.8
Transport Equipment	23,489	3.9
Aircraft and Hydraulic Equipment	34,838	21.8
Industrial Equipment	18,050	35.0
Total	97,671	23.5

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



**(2) Overseas Sales**

The first six months of consolidated FY 2011 (April 1, 2011 to September 30, 2011)

	Asia	North America	Europe	Other regions	Total
I Overseas sales (Million yen)	29,694	4,426	10,457	259	44,838
II Consolidated sales (Million yen)					97,671
III Contribution to consolidated sales (%)	30.4	4.5	10.7	0.3	45.9

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

2 The geographic groupings (excluding Japan) consist of 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.

**(3) Forecasts for Consolidated Operating Results for FY 2011 (Segment Information)**

(Net income)

(Million yen)

	Precision Equipment	Transport Equipment	Aircraft and Hydraulic Equipment	Industrial Equipment	Total
Previously announced forecast (A) (Announced on May 10, 2011)	44,400	48,200	63,100	40,300	196,000
<b>Revised forecast (B)</b>	<b>44,500</b>	<b>48,900</b>	<b>66,300</b>	<b>41,200</b>	<b>200,900</b>
Change (B-A)	100	700	3,200	900	4,900
Percentage change (%)	0.2	1.5	5.1	2.2	2.5
Previous-year results	32,438	48,182	59,106	29,575	169,303

(Operating income)

(Million yen)

	Precision Equipment	Transport Equipment	Aircraft and Hydraulic Equipment	Industrial Equipment	Total
Previously announced forecast (A) (Announced on May 10, 2011)	8,800	5,400	6,000	2,300	22,500
[Operating margin]	[19.8%]	[11.2%]	[9.5%]	[5.7%]	[11.5%]
<b>Revised forecast (B)</b>	<b>8,200</b>	<b>6,300</b>	<b>5,900</b>	<b>2,500</b>	<b>22,900</b>
[Operating margin]	[18.4%]	[12.9%]	[8.9%]	[6.1%]	[11.4%]
Change (B-A)	(600)	900	(100)	200	400
Percentage change (%)	(6.8)	16.7	(1.7)	8.7	1.8
Previous-year results	6,466	5,915	5,609	2,220	20,212