



Summary of Consolidated Financial Statements for the First Quarter of Fiscal Year Ending March 31, 2013 (Japanese GAAP)

July 31, 2012

Name of Listed Company: Nabtesco Corporation
Code Number: 6268
Representative: Title: Representative Director, President & CEO
Inquiries: Title: General Manager, General Administration Div.
Scheduled Date for Filing of Quarterly Report: August 10, 2012
Scheduled Dividend Payment Date: –
Quarterly material to supplement the financial results: Yes
Quarterly financial results conference: None

Stock listed on: the First Section of the Tokyo Stock Exchange
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(Amounts less than 1 million yen have been rounded down)

1. Consolidated Results for the First Three-month Period of FY 2012 (April 1, 2012 to June 30, 2012)

(1) Consolidated Operating Results

(Percentages indicate the year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three-month Period, FY 2012	44,727	(1.0)	3,774	(38.1)	4,418	(34.5)	2,533	(35.3)
Three-month Period, FY 2011	45,181	21.9	6,096	41.4	6,744	35.8	3,916	37.0

(Note) Comprehensive income: First three-month period of FY 2012: ¥5,137 million (11.2%)

First three-month period of FY 2011: ¥4,617 million (59.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three-month Period, FY 2012	20.04	20.04
Three-month Period, FY 2011	30.97	30.97

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2012	206,943	110,824	49.1	803.80
As of March 31, 2012	208,092	107,466	47.6	784.12

(Reference) Shareholders' Equity: As of June 30, 2012: ¥101,588 million

As of March 31, 2012: ¥99,092 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 2011	–	17.00	–	17.00	34.00
FY 2012	–				
FY 2012 (Forecast)		18.00	–	21.00	39.00

(Note) Revisions to the latest dividend forecasts: None

3. Forecast of Consolidated Operating Results for FY 2012 (April 1, 2012 to March 31, 2013)

(Percentages indicate the year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six-month Period FY 2012	98,000	0.3	9,600	(21.5)	10,200	(22.7)	6,300	(24.6)	49.84
Full year	210,000	5.8	24,200	5.9	26,100	5.9	16,800	13.8	132.91

(Note) Revisions to the latest forecast of operating results: None

* Matters of note:

- (1) Changes in significant subsidiaries during the first quarter of consolidated FY 2012 (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: Yes

4) Restatement of corrections: None

(Note) Changes in the depreciation method during this period correspond to changes in accounting policies which are difficult to distinguish from changes in accounting estimates. For more information, please refer to "2. Matters Related to Summary Information (Notes), (3) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections" on page 4 of the attachment.

- (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 June 30, 2012	127,212,607	As of March 31, 2012	127,212,607
As of June 30, 2012	827,809	As of March 31, 2012	837,579
April 1, 2012 to June 30, 2012	126,379,913	April 1, 2011 to June 30, 2011	126,452,314

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 3 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 Three Months Ended June 30, 2012

(1) Qualitative Information on Consolidated Operating Results

In the first three-month period of consolidated FY 2012, the global business environment surrounding the Company witnessed alarming signs such as the debt crisis in Europe and the economic deceleration in China. In particular, demand for construction machinery plunged significantly in China.

At the same time, the Japanese economy remained in a difficult situation due to prolonged appreciation of the yen and other factors, although restoration from the impact of the Great East Japan Earthquake progressed gradually.

Under these circumstances, regarding business results for the first three months of consolidated FY 2012, net sales decreased on a year on year basis due to the impact of weaker demand for construction machinery in China despite an increase in sales driven by the acquisition of Gilgen Door Systems AG of Switzerland. Operating income, ordinary income and net income also declined.

1) Net sales and operating income

Consolidated net sales for the first three-month period of FY 2012 fell ¥453 million (1.0%) year on year to ¥44,727 million, while operating income also decreased ¥2,322 million (38.1%) to ¥3,774 million. Operating margin slipped 5.1 percentage points year on year to 8.4%.

Operating results by business segment were as follows:

[Precision Equipment]

Net sales in the precision equipment business increased 1.3% year on year to ¥9,777 million, while operating income decreased by 45.8% year on year to ¥1,019 million.

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

[Transport Equipment]

Net sales in the transport equipment business grew by 1.4% year on year to ¥11,646 million, while operating income shrank 9.8% year on year to ¥1,569 million.

Sales of railroad vehicle equipment saw a decline in Japan, as the domestic market was out of season for launching new vehicles. Sales of commercial vehicle equipment rose, reflecting growing demand for trucks from emerging countries. Marine equipment sales fell on the back of a stagnant vessel market.

[Aircraft and Hydraulic Equipment]

Net sales in the aircraft and hydraulic equipment business decreased by 26.8% year on year to ¥12,802 million, while operating income also shrank 60.4% to ¥818 million.

Our hydraulic equipment business witnessed lower sales reflecting weaker demand for construction machinery in China. Sales of aircraft equipment grew due to robust demand for aircraft in the private sector.

[Industrial Equipment]

Net sales in the industrial equipment business soared by 60.4% year on year to ¥10,500 million, whereas operating income fell 9.5% to ¥367 million.

Domestic demand for automatic-doors remained on a recovery trend, with increased sales helped by sales growth attributable to the acquisition of Gilgen Door Systems AG of Switzerland. Automatic packaging machinery posted higher sales on the back of the expanded sales in overseas markets.

2) Ordinary income

Consolidated ordinary income for the first three months of FY 2012 sank ¥2,325 million (34.5%) year on year to ¥4,418 million.

This was mainly attributable to a decrease in operating income as described above. Non-operating income shrank ¥52 million on a year on year basis to ¥805 million due partly to foreign exchange losses that worsened from foreign exchange gains. Non-operating expenses decreased by ¥49 million year on year to ¥162 million due to a decrease in donations.

3) Net income

Consolidated net income for the first three months of FY 2012 fell ¥1,383 million (35.3%) compared with the same period last year, to ¥2,533 million.

Extraordinary gains decreased by ¥39 million on a year on year basis to ¥42 million, due mainly to ¥49 million in gains following revision of the retirement benefit plan that had been recorded by some of the Group companies in the previous fiscal year, whereas extraordinary losses increased by ¥28 million year on year to ¥68 million, reflecting the impact of ¥51 million in share exchange-related expenses accounted for by some Group companies.

To sum up, income before tax and adjustments decreased by ¥2,393 million year on year to ¥4,392 million. Income tax dropped ¥743 million from the previous year to ¥1,702 million, and minority interests in income were ¥157 million, a year on year decrease of ¥266 million.

(2) Qualitative Information on Consolidated Financial Position

1) Assets, Liabilities and Net Assets

(Assets)

Total assets as of June 30, 2012 were ¥206,943 million, a decrease of ¥1,149 million from March 31, 2012, consisting of ¥119,852 million in current assets and ¥87,090 million in fixed assets. Primary positive contributing factors included increases of ¥1,746 million in inventories, ¥1,896 million in tangible fixed assets, and ¥1,234 million in increased goodwill as a result of translation adjustment as of June 30, 2012. Negative factors consisted mainly of decreases of ¥1,703 million in notes and accounts receivable and ¥4,998 million in marketable securities due to a change of cash management.

(Liabilities)

Total liabilities as of June 30, 2012 were ¥96,119 million, a decrease of ¥4,506 million from March 31, 2012, consisting of ¥66,699 million in current liabilities and ¥29,419 million in long-term liabilities. The decrease was mainly attributable to a fall of ¥1,234 million in trade notes and accounts payable, ¥766 million in short-term loans payable and ¥2,163 million in income tax payable.

(Net assets)

Consolidated total net assets as of June 30, 2012 stood at ¥110,824 million, including shareholders' equity of ¥101,588 million, an increase of ¥2,495 million from the end of the previous consolidated fiscal year. The increase was mainly attributable to growth in earned surplus reflecting net income of ¥2,533 million, and a rise of ¥2,578 million in foreign currency translation adjustment of overseas subsidiaries. On the other hand, primary negative contributing factors included a ¥2,159 million decrease in earned surplus due to dividend payments.

(3) Qualitative Information on Forecasts of Consolidated Operating Results

The Company leaves unrevised the forecasts for the consolidated operating results for the six-month period ending September 30, 2012 and the full year ending March 31, 2013, released on May 10, 2012. However, actual results may fall short of the forecasts due to the prolonged economic deceleration in China.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the First Quarter of Consolidated FY 2012

Not applicable.

(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 first quarter of consolidated FY 2012, 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 which are difficult to distinguish from changes in accounting estimates

Effective from the first quarter of the consolidated fiscal year ending March 31, 2013, the Company and its consolidated subsidiaries have changed their depreciation method for tangible fixed assets acquired on or after April 1, 2012, in accordance with the revised Corporation Tax Act.

As a result, operating income, ordinary income and income before taxes and minority interests for this first quarter each increased 17 million yen compared with the values obtained using the previous method. The impact of this change on the segment information is described in respective sections of this document.

3. Quarterly Consolidated Financial Statements

(1) First Quarter Consolidated Balance Sheets

	(Million yen)	
	End of consolidated FY 2011 (as of March 31, 2012)	End of 1Q of consolidated FY 2012 (as of June 30, 2012)
Assets		
Current assets		
Cash and time deposits	15,505	16,133
Notes and accounts receivable	47,539	45,835
Marketable securities	34,998	29,999
Goods and products	3,263	4,400
Products in progress	7,776	8,551
Raw materials and stored goods	9,070	8,904
Deferred tax assets	2,910	2,950
Other current assets	3,038	3,265
Allowance for doubtful accounts	(173)	(190)
Total current assets	123,929	119,852
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	16,407	16,470
Machinery and transport equipment (net)	17,174	18,558
Tools, apparatus and furniture (net)	2,420	2,506
Land	14,411	14,458
Construction in progress	1,095	1,412
Total tangible assets	51,509	53,405
Intangible fixed assets		
Goodwill	14,570	15,804
Other	1,267	1,323
Total intangible fixed assets	15,838	17,127
Investments and other assets		
Investments in securities	14,930	14,614
Deferred tax assets	388	391
Other investments and other assets	1,639	1,690
Allowance for doubtful receivables	(142)	(140)
Total investments in securities and other assets	16,816	16,556
Total fixed assets	84,163	87,090
Total assets	208,092	206,943

(Million yen)

	End of consolidated FY 2011 (as of March 31, 2012)	End of 1Q of consolidated FY 2012 (as of June 30, 2012)
Liabilities		
Current liabilities		
Trade notes and accounts payable	34,601	33,367
Short-term loans payable	11,412	10,646
Income taxes payable	4,471	2,307
Allowance for product warranty	1,541	1,388
Provision for loss on order received	80	76
Other current liabilities	18,789	18,913
Total current liabilities	70,897	66,699
Long-term liabilities		
Bonds	10,000	10,000
Long-term loans payable	10,281	10,345
Retirement allowance	7,335	6,972
Allowance for retirement bonus for directors	171	160
Deferred tax liabilities	915	758
Other long-term liabilities	1,024	1,182
Total long-term liabilities	29,728	29,419
Total liabilities	100,625	96,119
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	17,445	17,443
Earned surplus	74,815	75,189
Treasury stock	(753)	(740)
Total shareholders' equity	101,507	101,892
Accumulated other comprehensive income		
Net unrealized gains on other securities	1,022	553
Deferred gains or losses on hedges	(0)	0
Translation adjustments	(3,436)	(857)
Total accumulated other comprehensive income	(2,414)	(304)
Subscription rights to shares	208	225
Minority interests	8,165	9,010
Total net assets	107,466	110,824
Total liabilities and net assets	208,092	206,943

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

Quarterly Consolidated Statements of Income

For the three-month period ended June 30, 2012

(Million yen)

	First three-month period of consolidated FY 2011 (April 1, 2011 to June 30, 2011)	First three-month period of consolidated FY 2012 (April 1, 2012 to June 30, 2012)
Net sales	45,181	44,727
Cost of sales	33,532	33,555
Gross profit	11,649	11,172
Selling, general and administrative expenses	5,552	7,397
Operating income	6,096	3,774
Non-operating income		
Interest income	14	33
Dividend income	47	39
Rent income	63	67
Equity in earnings of affiliates	492	498
Foreign exchange losses	180	—
Other non-operating income	60	167
Total	858	805
Non-operating expenses		
Interest expenses	19	65
Foreign exchange losses	—	46
Contribution	168	0
Other non-operating expenses	24	50
Total	211	162
Ordinary income	6,744	4,418
Extraordinary gains		
Gain on sales of fixed assets	0	34
Gain on negative goodwill	—	7
Gain on transfer of business	32	—
Gain on revision of retirement benefit plan	49	—
Total	82	42
Extraordinary losses		
Loss on disposal of fixed assets	37	14
Loss on valuation of investment securities	—	1
Write-down of golf club membership	2	—
Share exchange-related expenses	—	51
Total	40	68
Income before income taxes and adjustments	6,786	4,392
Corporate, resident and business taxes	2,446	1,702
Income before minority interests	4,340	2,690
Minority interests in income	423	157
Net income	3,916	2,533

Quarterly Consolidated Statements of Comprehensive Income
For the three-month period ended June 30, 2012

(Million yen)

	First three-month period of consolidated FY 2011 (April 1, 2011 to June 30, 2011)	First three-month period of consolidated FY 2012 (April 1, 2012 to June 30, 2012)
Income before minority interests	4,340	2,690
Other comprehensive income		
Valuation difference on available-for-sale securities	(240)	(452)
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	500	2,868
Share of other comprehensive income of associates accounted for using equity method	17	29
Total other comprehensive income	277	2,446
Comprehensive income	4,617	5,137
[Comprehensive income attributable to:]		
Shareholders of parent company	4,093	4,643
Minority interests	524	494

(3) Notes Relating to the Going Concern Assumption

None

(4) Segment Information

[Segment Information]

I. For the three months ended June 30, 2011 (April 1, 2011 to June 30, 2011)

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

	Reportable segments					Adjustments (Note 1)	(Million yen) Quarterly consolidated income statement amounts (Note 2)
	Precision Equipment	Transport Equipment	Aircraft and Hydraulic Equipment	Industrial Equipment	Total		
Net sales							
Sales to external customers	9,654	11,483	17,496	6,546	45,181	—	45,181
Inter-segment sales or transfer	8	47	158	53	268	[268]	—
Total	9,663	11,531	17,655	6,599	45,449	[268]	45,181
Segment income	1,882	1,739	2,068	406	6,096	—	6,096

Notes: 1 Adjustments relating to the inter-segment sales or transfer amounted to negative ¥268 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 changes 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 Kaba Gilgen AG stock (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 ¥15,707 million for the first three-month period of consolidated FY 2012.

II. For the three months ended June 30, 2012 (April 1, 2012 to June 30, 2012)

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	9,777	11,646	12,802	10,500	44,727	–	44,727
Inter-segment sales or transfer	3	38	230	26	300	[300]	–
Total	9,781	11,684	13,033	10,527	45,027	[300]	44,727
Segment income	1,019	1,569	818	367	3,774	–	3,774

Notes: 1 Adjustments relating to the inter-segment sales or transfer amounted to negative ¥300 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
Not applicable.

3. Matters related to changes in reportable segments

As stated in “Changes in accounting policies which are difficult to distinguish from changes in accounting estimates” above, effective from the first quarter of the consolidated fiscal year ending March 31, 2013, the Company and its consolidated subsidiaries have changed their depreciation method for tangible fixed assets acquired on or after April 1, 2012, in accordance with the revised Corporation Tax Act.

As a result, segment income increased in “Precision Equipment” by ¥9 million, “Transport Equipment” by ¥1 million, “Aircraft and Hydraulic Equipment” by ¥5 million, and “Industrial Equipment” by ¥0 million, compared with the values obtained using the previous method.

(5) 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 three months of FY 2012 is shown below.

Segment	Output (Million yen)	Year-on-year comparison (%)
Precision Equipment	10,537	5.6
Transport Equipment	12,346	0.9
Aircraft and Hydraulic Equipment	13,429	(24.7)
Industrial Equipment	11,172	57.2
Total	47,486	0.7

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

Consolidated orders received per segment in the first three months of FY 2012 are shown below.

Segment	Amount of Orders Received (Million yen)	Year-on-year comparison (%)	Order Backlog (Million yen)	Year-on-year comparison (%)
Precision Equipment	9,672	(18.5)	12,522	6.4
Transport Equipment	9,938	(9.2)	17,731	(19.9)
Aircraft and Hydraulic Equipment	16,167	(15.9)	27,620	(9.2)
Industrial Equipment	11,852	67.2	16,002	80.6
Total	47,630	(3.0)	73,875	1.0

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 three months of FY 2012 are shown below.

Segment	Sales (Million yen)	Year-on-year comparison (%)
Precision Equipment	9,777	1.3
Transport Equipment	11,646	1.4
Aircraft and Hydraulic Equipment	12,802	(26.8)
Industrial Equipment	10,500	60.4
Total	44,727	(1.0)

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 No single client accounts for 10% or more of total sales.

(2) Overseas Sales

The first three months of consolidated FY 2012 (April 1, 2012 to June 30, 2012)

	Asia	North America	Europe	Other regions	Total
I Overseas sales (Million yen)	9,586	2,458	7,533	73	19,651
II Consolidated sales (Million yen)					44,727
III Contribution to consolidated sales (%)	21.4	5.5	16.8	0.2	43.9

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.