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News Release

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### **Nabtesco to establish a hydraulic equipment joint venture in Thailand**

Nabtesco Corporation (headquarters: Minato-ku, Tokyo; President & CEO: Kazuyuki Matsumoto) is pleased to announce that it entered into an agreement today with Komatsu Ltd. (headquarters: Minato-ku, Tokyo; President & CEO: Mr. Kunio Noji) and its wholly owned subsidiary, Komatsu Asia & Pacific Pte Ltd (headquarters: Singapore; President & Managing Director: Mr. Hisashi Miyazaki), for the establishment of a joint venture for the manufacture and sale of traveling and swing motors for hydraulic excavators. The new venture is tentatively named Nabtesco Power Control (Thailand) Co., Ltd., and located in the Amata Nakorn Industrial Estate in southeast Thailand. It is scheduled to be incorporated in February 2008 and start sales operations in January 2009.

While Nabtesco has been manufacturing traveling motors and swing motors for hydraulic excavators at the Tarui Plant and the Seishin Plant in Japan and Shanghai Nabtesco Hydraulic Co., Ltd. in China, reinforcement of the supply capacity of hydraulic equipment has become necessary due to a worldwide rise in demand for construction machinery.

In particular, demand for hydraulic excavators is expected to grow further in newly developing regions such as India, Southeast Asia, the Middle and Near East and Russia, thus providing the grounds for our decision to establish a new business in Thailand.

Nabtesco will endeavor to ensure stable supply of products with reinforced production capacity with four hydraulic equipment plants in Japan and overseas.

■ Overview of the New Company

Corporate Name: Nabtesco Power Control (Thailand) Co., Ltd. (tentative)  
Address: Amata Nakorn Industrial Estate, Chonburi, Thailand  
Incorporation: February 2008 (scheduled)  
Capital: 700,000,000 baht (2,450 million yen, \*1 baht = 3.5 yen)  
Capital Contribution Ratio: Nabtesco Corporation: 70%; Komatsu Asia & Pacific Pte Ltd: 30%  
Production Capacity: About 15,000 units for fiscal 2009 (aggregate of traveling motors and swing motors)  
Capital Investment: About 3,500 million yen (aggregate for three years)  
Employees: 90 at the time of starting operation

End