

December 11, 2008

To whom it may concern

Company name: Nabtesco Corporation
Representative: Kazuyuki Matsumoto, President & CEO
(Code: 6268 TSE 1st Section)
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Nabtesco to include Harmonic Drive Systems as an equity-method affiliate
by acquiring additional shares

Nabtesco Corporation (hereinafter, "Company") is pleased to announce that it resolved at a board meeting today to acquire additional shares in Harmonic Drive Systems Inc. (hereinafter, "HDS") to make it an equity-method affiliate.

1. Purpose of the change

The Company and HDS established a joint venture in the United States in December 2005, and have since worked together in expanding its Harmonic Drive type reduction gear business in the North American market. The Company and HDS recently agreed on the acquisition of additional shares in HDS by the Company. The additional share acquisition is intended to expand the cooperation of the two companies into all areas of motion control and enhance their corporate values by creating new markets with the powerful combination of their motion control technologies.

2. Overview of HDS (as of November 30, 2008)

- 1) Name: Harmonic Drive Systems Inc.
- 2) President and Representative Director: Masakatsu Sasahara
- 3) Head office: 6-25-3 Minami-Oi, Shinagawa-ku, Tokyo 141-0013 JAPAN
- 4) Capital stock: 1,610.5 million yen
- 5) Major businesses: Manufacturing and sales of precision speed reducers
- 6) Relationship with the Company:
(Capital relationship)

HDS holds 3,265,000 shares of the Company's stock.

The Company holds 20,088 shares of HDS's stock.

(Business relationship)

The volume of business between the Company and HDS is negligible.

3. Number of shares to be acquired and status of shareholding before and after the change

1) Number of shares held by the Company before the change: 20,088 shares (Percentage of the number of outstanding voting shares: 19.74%)

2) Number of shares to be acquired (Planned): 268 shares

3) Number of shares held by the Company after the change: 20,365 shares (Percentage of the number of outstanding voting shares: 20.00%)

(Note) Percentage of the number of outstanding voting shares is calculated based on the number of outstanding voting shares (101,775 shares) obtained by deducting the number of non-voting shares (3,502 shares) from the number of shares issued and outstanding as of September 30, 2008 (105,277 shares).

4. Method of acquisition

Purchase on the Nasdaq Securities Exchange

5. Schedule

To be completed by the end of February 2009(Planned)

6. Impact on future outlook

The impact of this change on the Company's consolidated financial outlook for this fiscal year is insignificant.