

Restructuring of the Automobile Related Equipment Business

Nabtesco Corporation (“the Company”) had been deliberating on the restructuring of the Automobile Related Equipment Business (“Automotive Products Company”), which is experiencing a severe management climate due to a rapid decrease in demand, in order to restore its profitability as soon as possible and secure its future competitiveness.

The Company resolved at the board meeting, held on August 31, 2009, to implement a restructuring program that includes, as its main pillars, the spin-off of Automotive Products Company and the withdrawal of Automotive Products Company from the Aluminum Casting Business. The latest information regarding the restructuring is provided below.

1. Background of the Restructuring

Amid the worldwide slowdown in demand affecting the automobile industry, the commercial vehicle industry, the main market for Automotive Products Company, has also been suffering a significant decrease in demand. It is expected that any recovery will be limited and will take considerable time.

Therefore, the Company is determined to implement a thorough restructuring in order to secure stable profits, even in these conditions, where only a limited recovery is expected for its sales in the foreseeable future.

2. Outline of the Restructuring

1) Spin-off of Automotive Products Company

(1) The Company will promote the restructuring of its group business structure by spinning off Automotive Products Company in order to optimize labor size and reduce costs, thereby establishing the solid competitive edge necessary to survive increasingly intensified and global competition with reduced sales.

(2) A new wholly-owned subsidiary of the Company will be established on December 1, 2009 and the Automobile Related Equipment Business will be assigned to the new company on March 1, 2010.

2) Withdrawal from the Aluminum Casting Business

The Company is determined to withdraw from the Aluminum Casting Business, finding that it is no longer sustainable as a business due to sluggish orders and falling prices, although the Company had made numerous efforts to improve the Business’s profitability in such a severe business environment.

3. Impact on Financial Forecasts

The Company will announce the impact of this restructuring program on the consolidated financial forecasts for the fiscal year ending March 31, 2010 as soon as details of the restructuring program are finalized and the scope and degree of its impact are identified.

4. Other Information

The Company will announce the details of the restructuring program and the corporate profile of the new company as soon as they are finalized.

* The Company's Automotive Products Company engages in the manufacture and sale of automobile related equipment such as air-brake products for commercial vehicles. Automotive Products Company's major operating site is the Yamagata Plant in Yamagata prefecture and the Company's subsidiaries involved in the Automobile Related Equipment Business are Nabtesco Automotive Products (Thailand) Co., Ltd.