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To whom it may concern:

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Announcement on Establishment of a Joint Venture

Nabtesco Corporation (hereinafter, the “Company”) hereby announces that it has today decided to sign a joint venture agreement to establish a joint venture in China as described below.

1. Objective of the establishment of the joint venture

The Company, which produces railway brake and door systems at two of its plants in Japan (Kobe and Seishin), has decided to establish a joint venture with KTK Group Co., Ltd., a manufacturer of rolling stock components that has a large number of sales channels in China. This project matches the Chinese government’s policy to drive the rapid expansion of urban transport networks and promote the local procurement of rolling stock components.

2. Overview of the joint venture

Company name: Jiangsu Nabtesco KTK Railroad Products Co., Ltd.
Representative: TBD
Location: Changzhou, Jiangsu Province, China
Establishment: February 2011 (planned)
Capital: JPY 1.8 billion
Investment ratio: Nabtesco Corporation: 50%, KTK Group Co., Ltd.: 50%
Business: Production and sale of railway brake and door systems

3. Overview of the project partner

Company name: KTK Group Co., Ltd.
Location: Changzhou, Jiangsu Province, China
Establishment: 1988
Capital: RMB 160 million
Business: Design and manufacture of interiors, lighting and electric equipment for rolling stock, as well as railway systems

4. Impact on financial performance

The joint venture is planned to become a consolidated subsidiary from the fiscal year ending March 2011.

The impact of the establishment of the joint venture on this fiscal year’s financial performance is expected to be minor as of today. Any change in this expectation will be promptly announced by the Company.