



Summary of Consolidated Financial Statements for the Third Quarter of Fiscal Year Ending March 31, 2015 (Japanese GAAP)

January 30, 2015

Name of Listed Company: Nabtesco Corporation

Code Number: 6268

Representative: Title: President and CEO

Inquiries: Title: General Manager, General Administration Div.

Scheduled Date for Filing of Quarterly Report: February 13, 2015

Scheduled Dividend Payment Date: —

Quarterly material to supplement the financial results: Yes

Quarterly financial results conference: Yes (Teleconference for institutional investors and financial analysts)

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 Nine-month Period of FY 2014 (April 1, 2014 to December 31, 2014)

(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	%
Nine-month Period, FY 2014	158,880	12.0	17,329	35.4	20,617	28.1	13,701	39.0
Nine-month Period, FY 2013	141,806	6.6	12,794	24.6	16,098	32.4	9,860	9.7

(Note) Comprehensive income: First nine-month period of FY 2014: ¥ 15,464 million [(7.6%)]

First nine-month period of FY 2013: ¥ 16,730 million [83.4%]

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine-month Period, FY 2014	108.28		108.14	
Nine-month Period, FY 2013	77.66		77.57	

(2) Consolidated Financial Position

	Total assets		Net assets		Shareholders' equity ratio	
	Million yen		Million yen		%	
As of December 31, 2014	231,684		150,004		61.2	
As of March 31, 2014	233,984		139,471		56.0	

(Reference) Shareholders' Equity: As of December 31, 2014: ¥141,816 million

As of March 31, 2014: ¥131,043 million

2. Dividends

	Dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year End	Full Year
	Yen				
FY 2013	—	18.00	—	20.00	38.00
FY 2014	—	20.00	—		
FY 2014 (Forecast)			—	20.00	40.00

(Note) Revisions to the latest dividend forecasts: None

3. Forecast of Consolidated Operating Results for FY 2014 (April 1, 2014 to March 31, 2015)

(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
FY 2014	217,000	7.3	23,000	14.5	26,100	7.7	17,200	14.8	135.92

(Note) Revisions to the latest forecast of operating results: Yes

* Matters of note:

- (1) Changes in significant subsidiaries during the third quarter of consolidated FY 2014 (Changes in specified subsidiaries resulting in a change in the scope of consolidation): None
 Newly added: 0 (Company name:) Excluded: 0 (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: Yes
 3) Changes in accounting estimates: Yes
 4) Restatement of corrections: None

Note: The Company has changed its depreciation method from the first quarter of the current fiscal year, and this change is applicable to "a case in which it is difficult to distinguish between a change in accounting policies and a change in an accounting estimate." For details, please refer to "2. Matters Related to Summary Information (Notes), (3) Changes in Accounting Policies, Accounting Estimates and Restatements of Corrections," on page 6 of the attached document.

- (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 December 31, 2014	128,265,799	As of March 31, 2014	128,265,799
As of December 31, 2014	1,710,533	As of March 31, 2014	1,736,737
April 1, 2014 to December 31, 2014	126,542,164	April 1, 2013 to December 31, 2013	126,983,395

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

Forward-looking statements in this document concerning future figures including forecasts for operating results, etc. are based on currently available information and certain assumptions that the Company considers reasonable, and are not intended to guarantee the achievement of such forecasts. Actual results may vary significantly from such forecasts due to a variety of factors. Please refer to "1. Qualitative Information on Consolidated Operating Results for the Nine Months Ended December 31, 2014, (3) Explanation on information concerning future projections such as forecasts for consolidated operating results" on page 5 of the attached document.

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1. Qualitative Information on Consolidated Operating Results for the Nine Months Ended December 31, 2014

(1) Analysis of Consolidated Operating Results

The global economy during the nine-month period of consolidated FY 2014 witnessed a moderate recovery trend overall on the back of relatively strong U.S. economy which was boosted by robust employment conditions and consumer spending, despite some signs of weakness such as a disparity in strength by market in China whose economy continued to decelerate as well as the stagnant economies of the emerging markets mainly in Southeast Asian countries and the slowdown of the European economy.

In the Japanese economy, a trend of recovery continued with an increase in capital expenditure as corporate earnings expanded thanks to the effects of the economic policy of the government, the financial policy of the Bank of Japan and an improvement in export environment due to the depreciation of the yen.

Under these circumstances, the consolidated operating results of the Group for the nine-month period ended December 31, 2014 recorded not only year-on-year growth in net sales in the precision reduction gears, railroad vehicle equipment and marine vessels equipment businesses, but also a favorable foreign exchange effect in the automatic doors and aircraft equipment businesses, although sales in the hydraulic equipment business decreased and in the commercial vehicle equipment and packaging machinery businesses remained unchanged on a year-on-year basis. As a result, operating income, ordinary income and net income increased.

1) Amount of orders received, net sales and operating income

The amount of orders received for the nine-month period of consolidated FY 2014 recorded a year-on-year increase of ¥7,810 million (up 4.7%) to ¥ 173,852 million. Net sales grew ¥17,073 million (up 12.0%) year on year to ¥158,880 million, while operating income jumped ¥4,534 million (up 35.4%) year on year to ¥17,329 million. Operating margin rose 1.9 points year on year to 10.9%.

Operating results by business segment were as follows:

[Amount of orders received]

	First nine-month period of consolidated FY 2013 (April 1, 2013 to December 31, 2013)	First nine-month period of consolidated FY 2014 (April 1, 2014 to December 31, 2014)	Change (%)
Precision equipment	35,944	40,733	13.3
Transport equipment	42,908	49,369	15.1
Aircraft and hydraulic equipment	41,605	38,643	(7.1)
Industrial equipment	45,584	45,106	(1.0)
Total	166,042	173,852	4.7

(Million yen)

Note: As the balance sheet date of overseas consolidated subsidiaries is December 31, there has been a cut-off error for three months.

[Net sales]

	First nine-month period of consolidated FY 2013 (April 1, 2013 to December 31, 2013)	First nine-month period of consolidated FY 2014 (April 1, 2014 to December 31, 2014)	Change (%)
Precision equipment	29,966	37,619	25.5
Transport equipment	36,938	45,191	22.3
Aircraft and hydraulic equipment	38,047	36,550	(4.0)
Industrial equipment	36,853	39,519	7.2
Total	141,806	158,880	12.0

(Million yen)

Note: As the balance sheet date of overseas consolidated subsidiaries is December 31, there has been a cut-off error for three months.

[Operating income]

	First nine-month period of consolidated FY 2013 (April 1, 2013 to December 31, 2013)	First nine-month period of consolidated FY 2014 (April 1, 2014 to December 31, 2014)	Change (%)
Precision equipment	4,208	6,214	47.7
Transport equipment	4,326	8,713	101.4
Aircraft and hydraulic equipment	2,385	1,131	(52.6)
Industrial equipment	1,873	1,268	(32.3)
Total	12,794	17,329	35.4

(Million yen)

Note: As the balance sheet date of overseas consolidated subsidiaries is December 31, there has been a cut-off error for three months.

[Precision Equipment]

The amount of orders received for precision equipment increased by 13.3% year on year to ¥40,733 million. Net sales recorded year-on-year growth of 25.5% to ¥37,619 million, resulting in a boost in operating income of 47.7% year on year to ¥6,214 million.

Sales of precision reduction gears rose, reflecting an increase in sales for industrial robots applications.

[Transport Equipment]

The amount of orders received for transport equipment saw year-on-year growth of 15.1% to ¥49,369 million. Net sales advanced 22.3% year on year to ¥45,191 million, and operating income jumped 101.4%, to ¥8,713 million.

In the railroad vehicle equipment business, sales expanded due to growth in overseas sales as well as increased demand for repair parts. In the commercial vehicle equipment business, growth in sales remained unchanged due to robust domestic demand for trucks despite a drop in overseas demand. In the vessel equipment business, sales increased, reflecting a recovery in the shipbuilding market.

[Aircraft and Hydraulic Equipment]

The amount of orders received for aircraft equipment and hydraulic equipment shrank 7.1% year on year to ¥38,643 million. Net sales declined 4.0% year on year to ¥36,550 million, resulting in a 52.6% decrease in operating income to ¥1,131 million.

In the aircraft equipment business, sales advanced on the back of an expansion in sales for aircraft in the private sector as well as due to benefit from the effect of foreign exchange. In the hydraulic equipment business, sales fell due to decreased demand for construction machinery in China.

[Industrial Equipment]

The amount of orders received for industrial equipment showed a year-on-year decrease of 1.0% to ¥45,106 million. Net sales rose 7.2% to ¥39,519 million, whereas operating income fell 32.3% to ¥1,268 million.

In the automatic doors business, sales grew owing to positive impact from foreign exchange. In the packaging machinery business, sales remained flat due partly to a difference in the cut-off date of some transactions.

Reference: Information by region**[Net sales]**

(Million yen)

	First nine-month period of consolidated FY 2013 (April 1, 2013 to December 31, 2013)	First nine-month period of consolidated FY 2014 (April 1, 2014 to December 31, 2014)	Change (%)
Japan	81,643	88,454	8.3
Asia	27,765	31,985	15.2
North America	10,987	13,132	19.5
Europe	21,002	24,810	18.1
Other areas	408	497	21.8
Total	141,806	158,880	12.0

- Notes: 1. Net sales are classified by country or region based on the location of the buyer.
 2. The growth in sales to Asia consists mainly of an increase in railroad vehicle equipment, precision reduction gears and marine vessels equipment.
 3. The increase in net sales for North America largely reflects the growth of aircraft equipment and automatic doors sales.
 4. The increase in net sales in Europe is mainly attributable to a rise in sales of precision reduction gears and automatic doors.

2) Ordinary income

Consolidated ordinary income for the first nine months of FY 2014 grew ¥ 4,519 million (up 28.1%) on a year-on-year basis to ¥20,617 million.

The main growth factor was the increase in operating income, as mentioned earlier. At the same time, non-operating income declined ¥109 million year on year to ¥3,542 million, reflecting a decrease in investment gains from equity-method affiliates. Non-operating expense also diminished ¥94 million year on year to ¥254 million due to a decrease in interest expenses.

3) Net income

Net income for the first nine-month period of the consolidated fiscal year under review increased ¥ 3,840 million (up 39.0%) year on year to ¥13,701 million. Net income before income tax and adjustments increased by ¥5,137 million year on year to ¥20,538 million. Corporate taxes expanded ¥1,447 million versus the same period a year earlier to ¥6,752 million, and minority interests in income came to ¥150 million, a year-on-year decrease of ¥84 million.

(2) Analysis of Financial Position

1) Assets, Liabilities and Net Assets

(Million yen)

	As of the End of the Previous Consolidated Fiscal Year (March 31, 2014)	As of the End of the First Nine-month Period of the Current Consolidated Fiscal Year (December 31, 2014)	Change
Total assets	233,984	231,684	(2,300)
Liabilities	94,513	81,679	(12,833)
Net assets	139,471	150,004	10,533

(Assets)

Total assets as of December 31, 2014 were ¥231,684 million, a decrease of ¥2,300 million from March 31, 2014, reflecting ¥128,552 million in current assets and ¥103,131 million in fixed assets. Key contributing positive factors included increases of ¥4,640 million in inventories, ¥4,311 million in notes and accounts receivable and ¥3,375 million in investment securities, while the primary contributing negative factor was a decrease of ¥12,999 million in securities.

(Liabilities)

Total liabilities as of December 31, 2014 were ¥81,679 million, a decrease of ¥12,833 million from March 31, 2014, consisting of ¥59,919 million in current liabilities and ¥21,760 million in fixed liabilities. The increase was mainly attributable to a rise of ¥1,616 million in deferred tax liabilities, while the decrease was mainly attributable to a decrease of ¥10,073 million in the current portion of long-term loans payable.

(Net assets)

Total net assets as of December 31, 2014 stood at ¥150,004 million, including ¥141,816 million in shareholders' equity, an increase of ¥10,533 million from March 31, 2014. The increase was mainly attributable to a growth in retained earnings arising from net income of ¥13,701 million. The primary negative contributing factor was a ¥5,088 million decrease in earned surplus due to dividend payments.

(3) Explanation on Information Concerning Future Projections Such as Forecasts for Consolidated Operating Results

Taking into consideration the consolidated financial results for the first nine-month period of the consolidated fiscal year ending March 31, 2015 and future developments in its business performance, etc., the Company has revised its consolidated financial forecasts for the full-year, which was announced on October 31, 2014.

For details, please refer to "Announcement on Revisions to Financial Forecasts" released on January 30, 2015.

The differences between the revised forecasts and the previous forecasts announced on October 31, 2014 are as follows.

Revision to the full-year financial forecasts for the consolidated fiscal year ending March 31, 2015

	Net sales	Operating income	Ordinary income	Net income	Net income per share	
	Million yen	Million yen	Million yen	Million yen	Yen	
Previously announced forecast (A)	216,000	216,000	24,400	15,500	122	49
Revised forecast (B)	217,000	23,000	26,100	17,200	135	92
Change (B-A)	1,000	1,400	1,700	1,700	—	—
Rate of change (%)	0.5	6.5	7.0	11.0	—	—
Previous year's results	202,292	20,092	24,227	14,978	117	95

1) Net sales

(Million yen)

	Precision equipment	Transport equipment	Aircraft and hydraulic equipment	Industrial equipment	Total
Previously announced forecast (A) (Announced on October 31, 2014)	48,000	60,700	49,000	58,300	216,000
Revised forecast (B)	50,200	60,300	47,900	58,600	217,000
Change (B-A)	2,200	(400)	(1,100)	300	1,000
Rate of change (%)	4.6	(0.7)	(2.2)	0.5	0.5
Previous year's results	42,853	52,641	52,533	54,264	202,292

2) Operating income

(Million yen)

	Precision equipment	Transport equipment	Aircraft and hydraulic equipment	Industrial equipment	Total
Previously announced forecast (A) (Announced on October 31, 2014)	6,800	10,200	1,100	3,500	21,600
Revised forecast (B)	7,800	10,800	1,200	3,200	23,000
Change (B-A)	1,000	600	100	(300)	1,400
Rate of change (%)	14.7	5.9	9.1	(8.6)	6.5
Previous year's results	6,359	6,344	3,862	3,526	20,092

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Third Quarter of Consolidated FY 2014

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 third quarter of consolidated FY 2014, 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 Restatements of Corrections

(Changes in Accounting Policies)

Effective from the three-month period ended June 30, 2014, the Company and its subsidiaries have adopted the Article 35 of the "Accounting Standard for Retirement Benefits" (ASBJ Statement No.26 of May 17, 2012; hereinafter, the "Accounting Standard") and Article 67 of the "Guidance on the Accounting Standard for Retirement Benefits," (ASBJ Guidance No.25 of May 17, 2012; hereinafter, the "Guidance"), based on which the calculation method for retirement benefit obligation and service costs has been changed. The attribution method for estimated retirement benefits has been changed from the straight line basis to the benefit formula basis, and the method of determining the discount rate has been revised.

With respect to application of the Accounting Standard, in accordance with transitional accounting treatments as stated in Article 37 of the Accounting Standard, the effect of the changes in calculation method for retirement benefit obligations and service costs has been reflected in earned surplus at the beginning of the nine-month period ended December 31, 2014.

As a result, liabilities concerning retirement benefits decreased ¥1,150 million whereas earned surplus increased ¥677 million at the beginning of the nine-month period ended December 31, 2014. Each of operating income, ordinary income and income before income taxes for the first nine-month period of the consolidated fiscal year under review decreased by ¥8 million, respectively.

(Change in accounting policy which is difficult to distinguish from a change in accounting estimate)

The Company and its domestic consolidated subsidiaries previously applied the declining-balance method for depreciation of tangible fixed assets other than buildings. The accounting method was changed to the straight-line method for all items of tangible fixed assets at the beginning of the first three-month period of the consolidated fiscal year under review.

This change in the depreciation method was determined based on our judgment that the adoption of the straight-line method for the depreciation of tangible fixed assets would reflect our status of management more properly, as a result of considering an ideal method of depreciation. In formulating the Medium-Term Management Plan starting from the consolidated fiscal year under review, the Company examined the operating conditions of tangible fixed assets of the Company and its consolidated domestic subsidiaries, and it was estimated that future operations of the domestic production facilities were likely to stabilize by further promoting local production in the overseas markets.

Consequently, compared with applying the conventional method, operating income for the first nine-month period of the consolidated fiscal year under review increased ¥916 million, and each of ordinary income and income before income taxes rose ¥919 million, respectively.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	End of consolidated FY 2013 (as of March 31, 2014)	End of 3Q of consolidated FY 2014 (as of December 31, 2014)
Assets		
Current assets		
Cash and time deposits	25,726	22,819
Notes and accounts receivable	52,840	57,151
Marketable securities	27,999	15,000
Goods and products	5,366	5,833
Products in progress	7,906	11,293
Raw materials and stored goods	8,961	9,748
Deferred tax assets	2,904	2,982
Other current assets	2,664	3,871
Allowance for doubtful accounts	(209)	(146)
Total current assets	134,159	128,552
Fixed assets		
Tangible fixed assets		
Buildings and structures	47,047	48,121
Accumulated depreciation	(28,890)	(29,733)
Buildings and structures (net)	18,157	18,388
Machinery and transport equipment	65,009	66,303
Accumulated depreciation	(46,189)	(47,800)
Machinery and transport equipment (net)	18,820	18,503
Tools, apparatus and furniture	23,384	24,149
Accumulated depreciation	(20,709)	(21,036)
Tools, apparatus and furniture (net)	2,675	3,113
Land	14,634	14,650
Construction in progress	937	895
Total tangible fixed assets	55,225	55,551
Intangible fixed assets		
Goodwill	18,538	17,270
Other	2,854	3,777
Total intangible fixed assets	21,393	21,048
Investments and other assets		
Investments in securities	21,184	24,560
Deferred tax assets	556	492
Other investments and other assets	1,657	1,573
Allowance for doubtful receivables	(192)	(93)
Total investments in securities and other assets	23,205	26,531
Total fixed assets	99,824	103,131
Total assets	233,984	231,684

	End of consolidated FY 2013 (as of March 31, 2014)	End of 3Q of consolidated FY 2014 (as of December 31, 2014)
Liabilities		
Current liabilities		
Trade notes and accounts payable	35,265	36,572
Short-term loans payable	5,825	5,599
Current portion of long-term loans payable	10,119	45
Income taxes payable	5,862	3,160
Allowance for product warranty	1,087	896
Provision for loss on order received	-	9
Other current liabilities	15,001	13,635
Total current liabilities	73,161	59,919
Long-term liabilities		
Bonds	10,000	10,000
Long-term loans payable	259	164
Allowance for retirement bonus for directors	207	198
Liabilities concerning retirement benefit	7,111	6,134
Deferred tax liabilities	1,475	3,092
Other long-term liabilities	2,296	2,171
Total long-term liabilities	21,351	21,760
Total liabilities	94,513	81,679
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	19,011	18,989
Earned surplus	94,225	103,509
Treasury stock	(2,987)	(2,926)
Total shareholders' equity	120,248	129,572
Accumulated other comprehensive income		
Net unrealized gains on securities	1,783	2,962
Deferred gains or losses on hedges	(1)	(0)
Translation adjustments	9,321	9,375
Accumulated adjustments concerning retirement benefits	(309)	(92)
Total accumulated other comprehensive income	10,794	12,244
Subscription rights to shares	306	357
Minority interests	8,121	7,830
Total net assets	139,471	150,004
Total liabilities and net assets	233,984	231,684

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

For the nine months ended December 31, 2014 (April 1, 2014 to December 31, 2014)

	First nine-month period of consolidated FY 2013 (April 1, 2013 to December 31, 2013)	First nine-month period of consolidated FY 2014 (April 1, 2014 to December 31, 2014)
Net sales	141,806	158,880
Cost of sales	104,422	114,592
Gross profit	37,384	44,288
Selling, general and administrative expenses	24,589	26,959
Operating income	12,794	17,329
Non-operating income		
Interest income	105	131
Dividend income	67	121
Rent income	175	138
Equity in earnings of affiliates	2,477	1,993
Foreign exchange losses	549	856
Other non-operating income	276	299
Total	3,652	3,542
Non-operating expenses		
Interest expenses	163	145
Other non-operating expenses	184	108
Total	348	254
Ordinary income	16,098	20,617
Extraordinary gains		
Gain on sales of fixed assets	192	15
Gain on sales of investment securities	-	0
Gain on sales of investments	38	-
Gain on step acquisitions	104	-
Total	335	15
Extraordinary losses		
Loss on disposal of fixed assets	96	58
Loss on valuation of golf club membership	0	-
Loss on revision of retirement benefit plan	837	36
Loss on environmental measures	65	-
Loss on change in equity	33	-
Total	1,032	94
Income before income taxes and adjustments	15,401	20,538
Corporate, resident and business taxes	5,305	6,752
Income before minority interests	10,095	13,786
Minority interests in income	235	84
Net income	9,860	13,701

Quarterly Consolidated Statements of Comprehensive Income

For the nine months ended December 31, 2014 (April 1, 2014 to December 31, 2014)

	First nine-month period of consolidated FY 2013 (April 1, 2013 to December 31, 2013)	First nine-month period of consolidated FY 2014 (April 1, 2014 to December 31, 2014)
Income before minority interests	10,095	13,786
Other comprehensive income		
Valuation difference on available-for-sale securities	710	1,169
Deferred gains or losses on hedges	(11)	0
Foreign currency translation adjustment	5,789	195
Adjustments concerning retirement benefits	–	216
Share of other comprehensive income of associates accounted for using equity method	146	97
Total other comprehensive income	6,634	1,678
Comprehensive income	16,730	15,464
[Comprehensive income attributable to:]		
Shareholders of parent company	15,529	15,151
Minority interests	1,200	313

(3) Notes Relating to the Quarterly Consolidated Financial Statements

[Notes Relating to the Going Concern Assumption]

None

[Notes in Case of Any Significant Change in the Amount of Shareholders' Equity]

None

[Segment Information]

I. For the nine months ended December 31, 2013 (April 1, 2013 to December 31, 2013)

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	29,966	36,938	38,047	36,853	141,806	—	141,806
Inter-segment sales or transfer	37	117	863	61	1,079	[1,079]	—
Total	30,004	37,056	38,911	36,914	142,886	[1,079]	141,806
Segment income	4,208	4,326	2,385	1,873	12,794	—	12,794

Notes: 1 Adjustments relating to the inter-segment sales or transfer amounted to negative ¥1,079 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
Not applicable.

II. For the nine months ended December 31, 2014 (April 1, 2014 to December 31, 2014)

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	37,619	45,191	36,550	39,519	158,880	—	158,880
Inter-segment sales or transfer	44	142	930	148	1,265	[1,265]	—
Total	37,663	45,333	37,480	39,667	160,145	[1,265]	158,880
Segment income	6,214	8,713	1,131	1,268	17,329	—	17,329

Notes: 1 Adjustments relating to the inter-segment sales or transfer amounted to negative ¥1,265 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

(Application of the "Accounting Standard for Retirement Benefits" etc.)

As stated under "Changes in Accounting Policies," the calculation method for retirement benefit obligation and service costs have been changed, effective from the three-month period ended June 30, 2014. Accordingly, the calculation method for retirement benefit obligation and service costs for each business segment has been changed in the same manner.

As a result of the relevant changes, the segment income for the nine-month period under review for the precision equipment business, the transport equipment business, the aircraft and hydraulic equipment business and the industrial equipment business decreased by ¥1 million, ¥2 million, ¥2 million and ¥2 million, respectively, compared with results that would have been generated by applying the previous method.

(Change in Depreciation Method)

As stated under "Change in accounting policy which is difficult to distinguish from a change in accounting estimate," the Company and its domestic consolidated subsidiaries previously applied the declining-balance method for depreciation of tangible fixed assets other than buildings, but at the beginning of the first three-month period of the consolidated fiscal year under review, the accounting method was changed to the straight-line method for all items of tangible fixed assets.

As a result of the relevant changes, the segment income for the nine-month period under review of the precision equipment business, the transport equipment business, the aircraft and hydraulic equipment business and the industrial equipment business increased by ¥385 million, ¥174 million, ¥297 million and ¥59 million, respectively, compared with results that would have been generated by applying the previous method.

4. Other Information

(1) Output and Order Backlog by Business Segment

1) Output

Reportable Segments	First nine-month period of consolidated FY 2013 (April 1, 2013 to December 31, 2013)		First nine-month period of consolidated FY 2014 (April 1, 2014 to December 31, 2014)	
	Amount (million yen)	% to total	Amount (million yen)	% to total
Precision Equipment	29,980	20.6	37,345	22.7
Transport Equipment	37,562	25.8	47,282	28.7
Aircraft and Hydraulic Equipment	39,836	27.3	37,967	23.0
Industrial Equipment	38,319	26.3	42,253	25.6
Total	145,699	100.0	164,849	100.0

Note: As the balance sheet date of overseas consolidated subsidiaries is December 31, there has been a cut-off error for three months.

2) Order Backlog

Reportable Segments	As of the end of the first nine-month period of consolidated FY 2013 (December 31, 2013)		As of the end of the first nine-month period of consolidated FY 2014 (December 31, 2014)	
	Amount (million yen)	% to total	Amount (million yen)	% to total
Precision Equipment	14,825	15.9	13,577	14.2
Transport Equipment	22,339	23.9	24,937	26.1
Aircraft and Hydraulic Equipment	31,263	33.5	30,292	31.7
Industrial Equipment	24,929	26.7	26,676	28.0
Total	93,358	100.0	95,484	100.0

Note: As the balance sheet date of overseas consolidated subsidiaries is December 31, there has been a cut-off error for three months.