

Enhancing Production Capacity to Lay the Foundation for Future Growth of the Aircraft Equipment Business

Nabtesco Corporation (Headquarters: Chiyoda-ku, Tokyo, President & CEO: Kazuaki Kotani) will construct new production facilities within the Gifu Plant (Tarui-cho, Fuwa-gun, Gifu Prefecture) to enhance its production capacity for aircraft equipment, for which demand is expected to expand in the future.

In the aircraft equipment business, Nabtesco mainly manufactures flight control actuation systems (FCASs) and various other aircraft equipment items. In order to mass-produce products to be mounted on the Boeing 737 MAX, the Boeing 777X, and the Mitsubishi Regional Jet (MRJ) on a full scale in and after 2017, the company will construct new production facilities within the Gifu Plant, to be launched in fiscal 2016. Sales of the products to be used in civil aircraft are expected to double by the early 2020s, including increased sales due to the expansion of demand for after-sale services for the aforementioned aircraft models, which are now under development. These sales increases will greatly contribute to the long-term overall growth of Nabtesco.

To lay the foundation for the future growth of the aircraft equipment business, Nabtesco will specifically construct within the Gifu Plant a new building to be used exclusively for the mass production of its own developed EHSVs*, which represent one of the core FCAS components. Moreover, the surface treatment facility located within the Tarui Plant, which traditionally manufactures hydraulic equipment, will be transferred to another new building to be constructed within the Gifu Plant for the establishment of an integrated production system in the Plant. The company will construct these new plant buildings with a focus on improving production quality and productivity while also proactively adopting advanced environmental technologies to reduce CO2 emissions by at least 50%, thereby dramatically improving the Plant's environmental performance.

Nabtesco will invest a total of 10 billion yen to further expand the aircraft equipment business, including investments in the above two new plant buildings, thereby honing the quality manufacturing ability that is the company's strength toward the achievement of its medium- to long-term growth.

EHSV: Electro Hydraulic Servovalve