



February 26, 2016

To whom it may concern,

Company name: Nabtesco Corporation
Representative: Kazuaki Kotani, Representative Director, President & CEO
(Code: 6268, 1st Section of TSE)
Contact: Toshihiro Matsumoto, General Manager, General Administration Dept.
(Telephone: 03-5213-1133)

**Notice Regarding the Acquisition of Shares in NABCO Systems Co., Ltd.
(to Convert into a Consolidated Subsidiary)**

Nabtesco Corporation (hereinafter, the “Company”) hereby announces that it resolved at its Board of Directors’ meeting held on February 26, 2016 to acquire additional shares in NABCO Systems Co., Ltd. (hereinafter, “NABCO Systems”), an equity-method affiliate of the Company, to convert it into a consolidated subsidiary.

1. Purpose of the acquisition of shares

With its business policy for further enhancement of domestic business foundations and the expansion of global businesses in the automatic doors business, the Company has focused its efforts on “Profitable growth.” In April 2011, the Company secured a bridgehead in the European market by acquiring Kaba Gilgen AG (currently, Gilgen Door Systems AG), an automatic doors business company in Switzerland. In North America, the Company expanded business by acquiring interest in a series of sales companies, establishing business structures in the four major automatic doors markets of Japan, Europe, North America and China. On the other hand, in Japan, the Company has formed NABCO Group, which covers all regions nationwide under the Company’s brand of “NABCO” for the automatic doors business, together with the three mega sales companies of NABCO Systems Co., Ltd., NABCO DOOR Ltd. and Orient Industries, Co., Ltd., which engage in the sale of automatic doors to customers as well as construction and after-sales service. The NABCO Group has a market share exceeding 50% and the Company positions the Japanese market as the most vital market and basis of its automatic doors business.

The Company has promoted unification of its value chain by converting NABCO DOOR Ltd., the mega sales company responsible for the west Japan region (excluding Kyushu and Okinawa region), into a wholly owned subsidiary in August 2012. For the purpose of further expanding such efforts to realize “Profitable growth” on a long-term basis, it was necessary for the Company to implement the unification of the value chain by adding NABCO Systems, another mega sales company responsible for the east Japan region, and establish a system for quick decision-making as well as improve business execution capability. The Company has decided to convert NABCO Systems, an equity-method affiliate, into a consolidated subsidiary by acquiring additional shares in NABCO Systems with a view to further strengthening the business relationship between the two companies and accelerating the movement of unification of value chains across the country. Based on the view that such measures will contribute to the further development of the automatic doors business, the agreement was reached between the Company and Mr. Taizo Yamamura, as a major shareholder of NABCO Systems Co., Ltd., and Taiei Limited Liability Company, of which Mr. Taizo Yamamura is a major shareholder, respectively, to the effect that shares in NABCO Systems Co., Ltd. will be transferred to the Company.

Through the above-mentioned acquisition of shares, the Company will meet the expectations of its shareholders and all customers in the automatic doors business with the aim of responding more swiftly to market needs as well as toward the realization of more efficient management based on the unification of production and sales operations.

2. Outline of the target company

(1)	Company name	NABCO Systems Co., Ltd.		
(2)	Location	22-15 Toranomom 1-chome, Minato-ku, Tokyo		
(3)	Representative's name and title	Nozomu Yamamura, Representative Director and President		
(4)	Business line	Sale, design, construction and maintenance of construction-related products centering on automatic doors.		
(5)	Capital	300 million yen		
(6)	Date of establishment	November 7, 1957		
(7)	Major shareholders and ownership ratio	Taizo Yamamura: 38.55% Nabtesco Corporation: 37.25%		
(8)	Relationship with NABCO Systems Co., Ltd.	Capital relationship	The Company owns 223,520 shares of common stock in NABCO Systems Co., Ltd. (shareholding ratio: 37.25%), which is its equity-method affiliate.	
		Personnel relationship	One Director and one employee of the Company concurrently serve as Directors of NABCO Systems Co., Ltd..	
		Business relationship	NABCO Systems Co., Ltd. purchases automatic doors from the Company.	
(9)	Non-consolidated operating results for the past three years			
	Fiscal year-end	January, 2013	January, 2014	January, 2015
	Net assets	4,909 million yen	5,601 million yen	6,303 million yen
	Total assets	11,168 million yen	12,572 million yen	13,402 million yen
	Net assets per share	8,323 yen	9,495 yen	10,685 yen
	Net sales	18,795 million yen	19,061 million yen	19,892 million yen
	Operating income	916 million yen	1,078 million yen	1,367 million yen
	Ordinary income	940 million yen	1,139 million yen	1,424 million yen
	Net income	451 million yen	795 million yen	820 million yen
	Net income per share	830 yen	1,409 yen	1,497 yen
	Dividend per share	175 yen	200 yen	200 yen

Note: Non-consolidated operating results and financial position are shown above because NABCO Systems does not prepare consolidated financial statements.

3. Outline of the companies from which shares will be acquired

(1)	Company name	Taizo Yamamura
(2)	Location	Suginami-ku, Tokyo
(3)	Relationship with the Company	There are no capital, personnel or business relationships to be reported.

(1)	Company name	Taiei Limited Liability Company	
(2)	Location	9-1 Izumi 2-chome Suginami-ku, Tokyo	
(3)	Relationship with the Company	Capital relationship	Not applicable.
		Personnel relationship	Not applicable.
		Business relationship	Not applicable.
		Falling under the category of related party or not	Not applicable.

4. Number of shares to be acquired, acquisition price and the status of shares held before and after the acquisition

(1) Number of shares held before transfer	Number of shares of common stock: 223,520 (Number of voting rights: 223,520) (Percentage of voting right held: 37.9%)
(2) Number of shares to be acquired	Number of shares of common stock: 249,120 (Number of voting rights: 249,120) Out of which, the number of shares to be acquired from Taizo Yamura: 231,270 (Number of voting rights: 231,270) Number of shares to be acquired from Taiiei Limited Liability Company: 17,850 (Number of voting rights: 17,850)
(3) Acquisition price	3,239 million yen
(4) Number of shares held after transfer	Number of shares of common stock: 472,640 (Number of voting rights: 472,640) (Percentage of voting rights: 80.1%)

5. Schedule

(1) Board resolution	February 26, 2016
(2) Signing date	February 26, 2016
(3) Date of transfer	April 1, 2016 (planned)

6. Future prospect

The Company is now examining possible impacts of the acquisition of shares on its consolidated business performance and financial position. In the event that any matter that should be published will occur, the Company will make an announcement quickly.

[Reference]

Forecast of Consolidated Operating Results for FY2016 (announced on February 12, 2016) and Consolidated Operating Results for FY2015

(Million yen)

	Net sales	Operating income	Ordinary income	Net income attributable to shareholders of the parent company
Forecast of Consolidated Operating Results for FY2016 (ending December 2016)	250,000	25,500	27,000	18,900
Consolidated Operating Results for FY2015 (ended December 2015)	187,000	15,294	16,418	11,059

Forecast by Business Segment of Consolidated Operating Results for FY2016 (announced on February 12, 2016)

(Million yen)

	Precision equipment	Transport equipment	Aircraft and hydraulic equipment	Industrial equipment
Net sales	61,000	65,500	47,400	76,100
Operating income	8,800	11,200	0	5,500

Note: The consolidated fiscal year ended December 2015 was a transitional period for a change in accounting period in which the full-year consolidated operating results covered nine months (April 1, 2015 to December 31, 2015) for companies that closed their accounts in March, as opposed to 12 months (January 1, 2015 to December 31, 2015) for companies that closed their accounts in December.