

July 31, 2014

To whom it may concern,

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Announcement on Revisions to Financial Forecasts

Nabtesco Corporation (hereinafter, “the Company”) hereby announces that it has revised the full-year financial forecasts (consolidated) announced on May 9, 2014 based on recent developments in its business performance. The details are as follows:

1. Revision to financial forecasts

(1) Revision to forecasts for the first six-month period of the consolidated FY 2014 (April 1, 2014 to September 30, 2014) (Million yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previously announced forecast (A) (Announced on May 9, 2014)	106,000	9,100	10,900	5,900	46.46
Revised forecast (B)	107,000	9,800	11,600	6,400	50.58
Change (B-A)	1,000	700	700	500	-
Rate of change (%)	0.9	7.7	6.4	8.5	-
(Reference) Previous year's results	93,458	7,938	9,673	5,037	39.52

(2) Revision to the full-year forecast for consolidated FY 2014 (April 1, 2014 to March 31, 2015) (Million yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previously announced forecast (A) (Announced on May 9, 2014)	216,000	21,600	24,400	15,500	122.06
Revised forecast (B)	216,000	21,600	24,400	15,500	122.49
Change (B-A)	0	0	0	0	-
Rate of change (%)	0.0	0.0	0.0	0.0	-
(Reference) Previous year's results	202,292	20,092	24,227	14,978	117.95

(3) Reason for the revision

As to the financial forecast for the first six-month period of the consolidated fiscal year ending March 31, 2015, it is expected that the hydraulic equipment business will be affected by the decrease in demand for construction machinery in China, which will be offset by the increases in sales of precision reduction gears for industrial robots manufacturers as well as marine vessels equipment. Therefore, the Company expects that the performance of the Group as a whole will surpass the financial forecast announced previously.

Similarly on a full-year basis, the Group's performance is estimated to deteriorate in the hydraulic equipment business reflecting the continued decrease in demand for construction machinery in China. However, the full-year performance is anticipated to remain almost at the same level of the forecast announced previously owing mainly to the improvement of the performance of precision reduction gear and marine vessel equipment businesses.

With respect to the non-consolidated performance, there is no revision to the forecasts announced on May 9, 2014.

2. Reference

Segment information by business category for the first six-month period of the consolidated FY 2014 (April 1, 2014 to September 30, 2014)

[Net sales]	(Million yen)				
	Precision Equipment	Transport Equipment	Aircraft and Hydraulic Equipment	Industrial Equipment	Total
Previously announced forecast (A) (Announced on May 9, 2014)	22,700	29,400	27,800	26,100	106,000
Revised forecast (B)	25,000	30,000	26,100	25,900	107,000
Change (B-A)	2,300	600	(1,700)	(200)	1,000
Rate of change (%)	10.1%	2.0%	(6.1%)	(0.8%)	0.9%
(Reference) Previous year's results	19,513	23,960	26,538	23,445	93,458

[Operating income]	(Million yen)				
	Precision Equipment	Transport Equipment	Aircraft and Hydraulic Equipment	Industrial Equipment	Total
Previously announced forecast (A) (Announced on May 9, 2014) [Operating margin]	3,100 [13.7%]	4,200 [14.3%]	1,200 [4.3%]	600 [2.3%]	9,100 [8.6%]
Revised forecast (B) [Operating margin]	3,600 [14.4%]	4,700 [15.7%]	1,000 [3.8%]	500 [1.9%]	9,800 [9.2%]
Change (B-A)	500	500	(200)	(100)	700
Rate of change (%)	16.1%	11.9%	(16.7%)	(16.7%)	7.7%
(Reference) Previous year's results	2,665	2,581	1,840	851	7,938

Segment information by business category for the full-year consolidated financial forecast for FY 2014 (April 1, 2014 to March 31, 2015)

[Net sales]	(Million yen)				
	Precision Equipment	Transport Equipment	Aircraft and Hydraulic Equipment	Industrial Equipment	Total
Previously announced forecast (A) (Announced on May 9, 2014)	45,800	58,300	54,000	57,900	216,000
Revised forecast (B)	48,000	59,200	50,500	58,300	216,000
Change (B-A)	2,200	900	(3,500)	400	0
Rate of change (%)	4.8%	1.5%	(6.5%)	0.7%	0.0%
(Reference) Previous year's results	42,853	52,641	52,533	54,264	202,292

[Operating income]	(Million yen)				
	Precision Equipment	Transport Equipment	Aircraft and Hydraulic Equipment	Industrial Equipment	Total
Previously announced forecast (A) (Announced on May 9, 2014) [Operating margin]	6,800 [14.8%]	8,000 [13.7%]	2,800 [5.2%]	4,000 [6.9%]	21,600 [10.0%]
Revised forecast (B) [Operating margin]	7,300 [15.2%]	8,800 [14.9%]	1,700 [3.4%]	3,800 [6.5%]	21,600 [10.0%]
Change (B-A)	500	800	(1,100)	(200)	0
Rate of change (%)	7.4%	10.0%	(39.3%)	(5.0%)	0.0%
(Reference) Previous year's results	6,359	6,344	3,862	3,526	20,092

(Note) The above figures are forecasts based on the information available to management as of the date hereof. Actual results may differ significantly from these forecasts due to various factors.