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To whom it may concern,

Company name: Nabtesco Corporation
 Representative: Katsuhiko Teramoto, Representative Director, President & CEO
 (Code: 6268, 1st Section of TSE)
 Contact: Toshihiro Matsumoto, General Manager, General Admin. Dept.
 (Telephone: +81-3-5213-1133)

Announcement on Disparities between Forecast and Results for the First Six-month, and Revisions of Financial and Dividend Forecasts

Nabtesco Corporation (hereinafter, “the Company”) hereby announces that it has disparate between consolidated forecast and result for the first six-month announced on April 28th 2017, and between non-consolidated forecast and result for the first six-month announced on February 10th 2017. Moreover the full-year financial forecast (consolidated) announced on April 28th 2017, the full-year financial forecast (non-consolidated) announced on February 10th 2017 and dividend forecast based on recent developments in its business performance. The details are as follows:

1. Disparity between result and forecast for the first six-month period of FY2017 (January 1, 2017 to June 30, 2017)

(1) Consolidated forecast and result

(Million yen)

	Net sales	Operating income	Income before tax	Net Income attributable to owners of the parent	Total basic earnings per share (yen)
Previously announced forecast (A) (Announced on April 28, 2017)	124,000	10,600	14,000	10,900	88.24
Actual result (B)	133,359	13,761	16,993	12,497	101.23
Change (B-A)	9,359	3,161	2,998	1,597	-
Rate of change (%)	7.5	29.8	21.4	14.7	-

(2) Non-consolidated forecast and result

(Million yen)

	Net sales	Ordinary income	Net Income attributable to owners of the parent	Total basic earnings per share (yen)
Previously announced forecast (A) (Announced on February 10, 2017)	68,000	9,200	7,000	56.37
Actual result (B)	77,656	12,244	9,611	77.44
Change (B-A)	9,656	3,044	2,611	-
Rate of change (%)	14.2	33.1	37.3	-

(3) Reasons for the disparities

Consolidated and non-consolidated result for the first six-month exceed previous forecast, due to the strong demand for industrial robots and automation needs in production facilities in precision reduction gear business and the steady demand for construction machinery in the Chinese market in hydraulic equipment business.

2. Revision of financial forecast of FY2017 (January 1, 2017 to December 31, 2017)

(1) Revision of consolidated full-year forecast

(Million yen)

	Net sales	Operating income	Income before tax	Net Income attributable to owners of the parent	Total basic earnings per share (yen)
Previously announced forecast (A) (Announced on April 28, 2017)	260,000	26,000	30,000	22,500	182.14
Revised forecast (B)	273,000	28,400	32,100	23,900	193.60
Change (B-A)	13,000	2,400	2,100	1,400	-
Rate of change (%)	5.0	9.2	7.0	6.2	-

(2) Revision of non-consolidated full-year forecast

(Million yen)

	Net sales	Ordinary income	Net Income attributable to owners of the parent	Total basic earnings per share (yen)
Previously announced forecast (A) (Announced on February 10, 2017)	142,000	17,600	13,500	108.71
Revised forecast (B)	155,000	20,500	15,800	127.31
Change (B-A)	13,000	2,900	2,300	-
Rate of change (%)	9.2	16.5	17.0	-

(3) Reasons for the revision

Although continuity risk of order delay for high-speed train in China in railroad vehicle equipment and depreciation increase by PPA due to the acquisition of OVALO GmbH, strong trend in precision reduction gears and hydraulic equipment will continue.

For the reason, we have decided to revise our full-year consolidated and non-consolidated forecast for FY 2017

3. Revision of dividend forecast of FY2017 (January 1, 2017 to December 31, 2017)

(1) Revision of dividend

(yen)

Record rate	Dividend per share		
	Second quarter	Year end	Full year
Previously announced forecast (Announced on February 10, 2017)	28	28	56
Revised forecast	-	34	68
Current year's result	34	-	-

(2) Reasons for the revision

Both second quarter and year-end dividend are revised up by 6 yen per share based on the payout policy which is announced in medium term management plan.

4. Referential information

Consolidated segment information for FY2017 (January 1, 2017 to December 31, 2017)

(Sales)

	Component Solutions	Transport Solutions	Accessibility Solutions	Others (MFR)	Elimination or Corporation	Total
Previously announced forecast (A) (Announced on April 28, 2017)	89,000	82,200	71,100	17,700	-	260,000
Revised forecast (B)	103,600	80,600	71,100	17,700	-	273,000
Change (B-A)	14,600	(1,600)	-	-	-	13,000
Rate of change (%)	16.4	(1.9)	-	-	-	5.0

(Operating Profit)

	Component Solutions	Transport Solutions	Accessibility Solutions	Others (MFR)	Elimination or Corporation	Total
Previously announced forecast (A) (Announced on April 28, 2017)	13,700	11,500	5,800	1,600	(6,600)	26,000
Revised forecast (B)	18,200	10,200	5,800	1,600	(7,400)	28,400
Change (B-A)	4,500	(1,300)	-	-	(800)	2,400
Rate of change (%)	32.8	(11.3)	-	-	-	9.2

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