

FY2024/12 Q1 Results Briefing

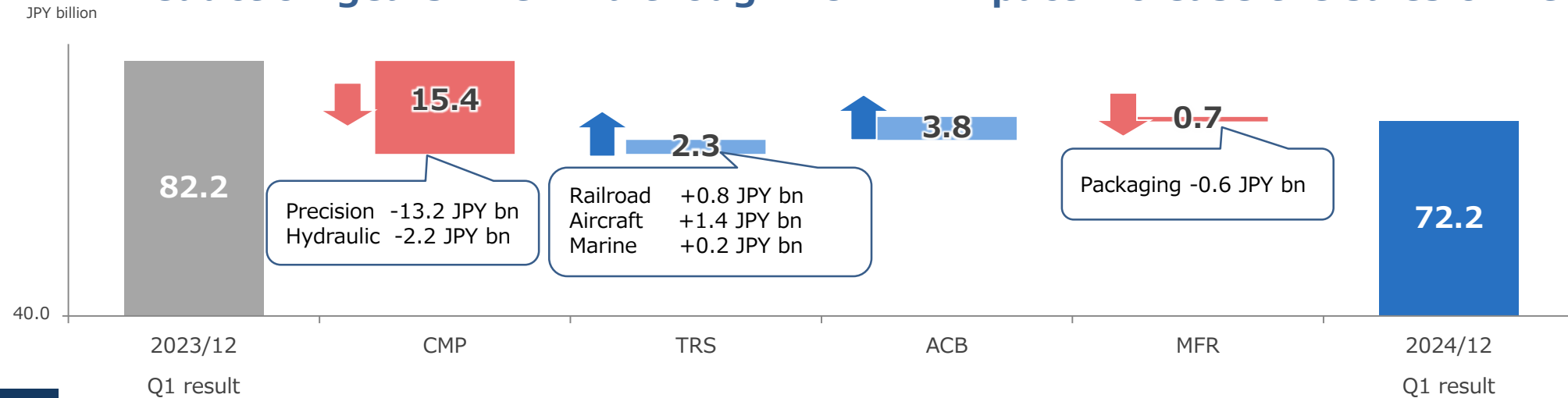
Nabtesco Corporation
April 30, 2024

The forecast data presented herein reflects assumed results based on conditions that are subject to change. Nabtesco Corporation does not make representations as to, or warrant, in whole or in part, the attainment or realization of any of the forecasted results presented in this document. Numerical figures presented herein are rounded down to the nearest whole unit for monetary value and rounded off to one decimal place for percentage. Unauthorized copying and replication of this material including text and image are prohibited.

FY2024/12 Q1 Results

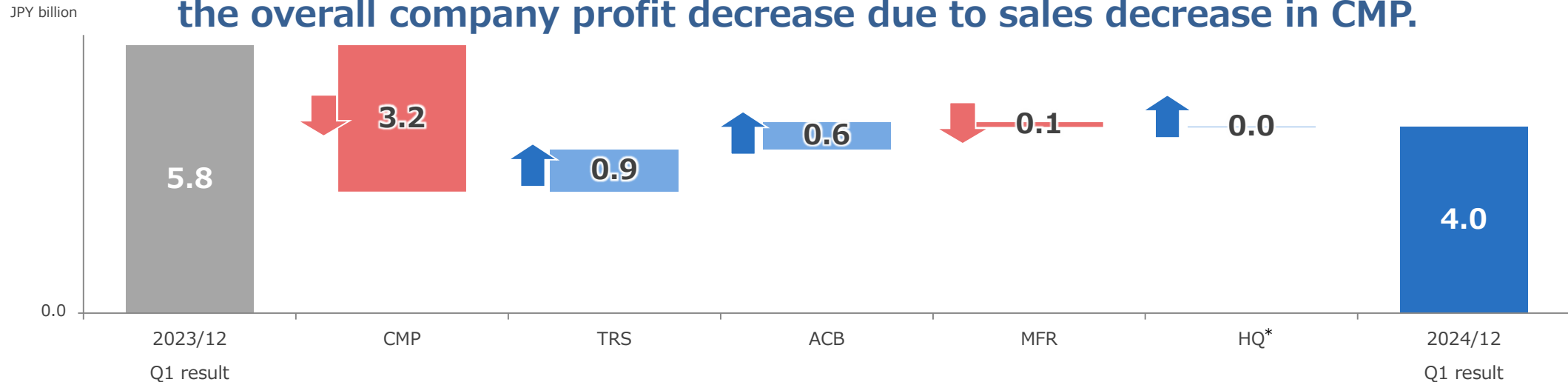
Sales

- The entire company sales decrease due to the weak demand in precision reduction gears in CMP although FOREX impact increase the sales of ACB.



O.P.

- Despite increased profits due to sales increase in TRS and FOREX impact in ACB, the overall company profit decrease due to sales decrease in CMP.



* Headquarter or Elimination

Revision of FY2024 Forecast

Revision of Full-year Plan

■ **Sales 323.7 JPY billion** (Change from initial plan +3.1 JPY billion in H1 and +1.7 JPY billion in full-year)

- Sales increase due to FOREX impact
- Change in the timing of sales recognition in the automatic door business during the fiscal year (From H2 to H1)

■ **Operating Profit 13.5 JPY billion** (Change from initial plan +2.5 JPY billion in H1 and +0.7 JPY billion in full-year)

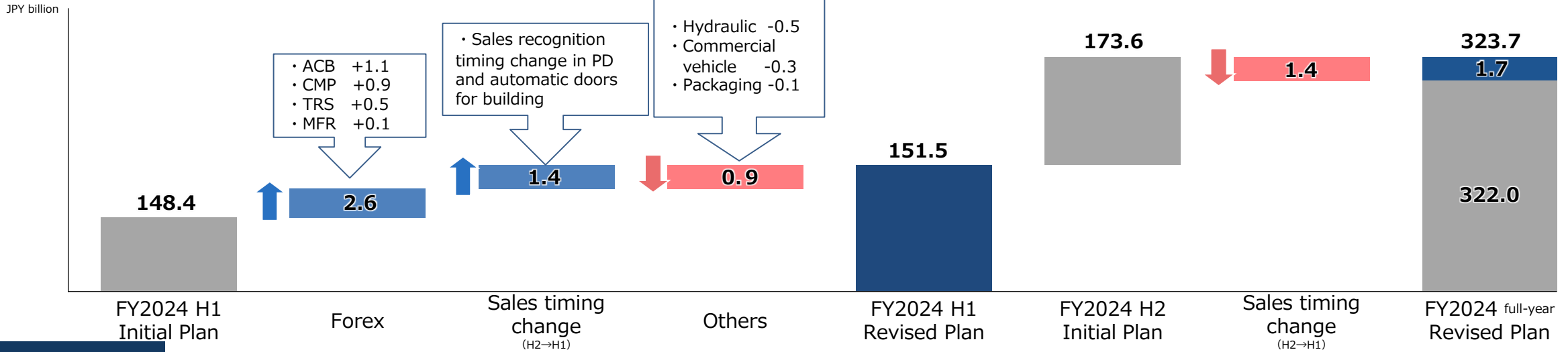
- H1 profit increase due FOREX impact
- H1 profit increase due to delay in cost recognition, profit from higher operation and others

Forecast for Market Environment

- No market environment change in most businesses compared to initial forecast

Sales

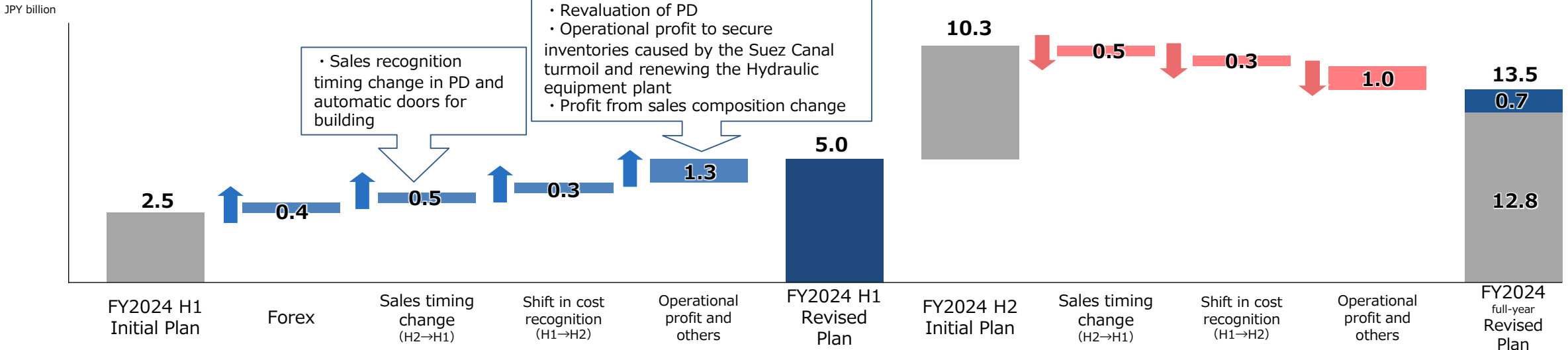
Revised initial plan due to FOREX impact and sales delay



PD: Platform Doors

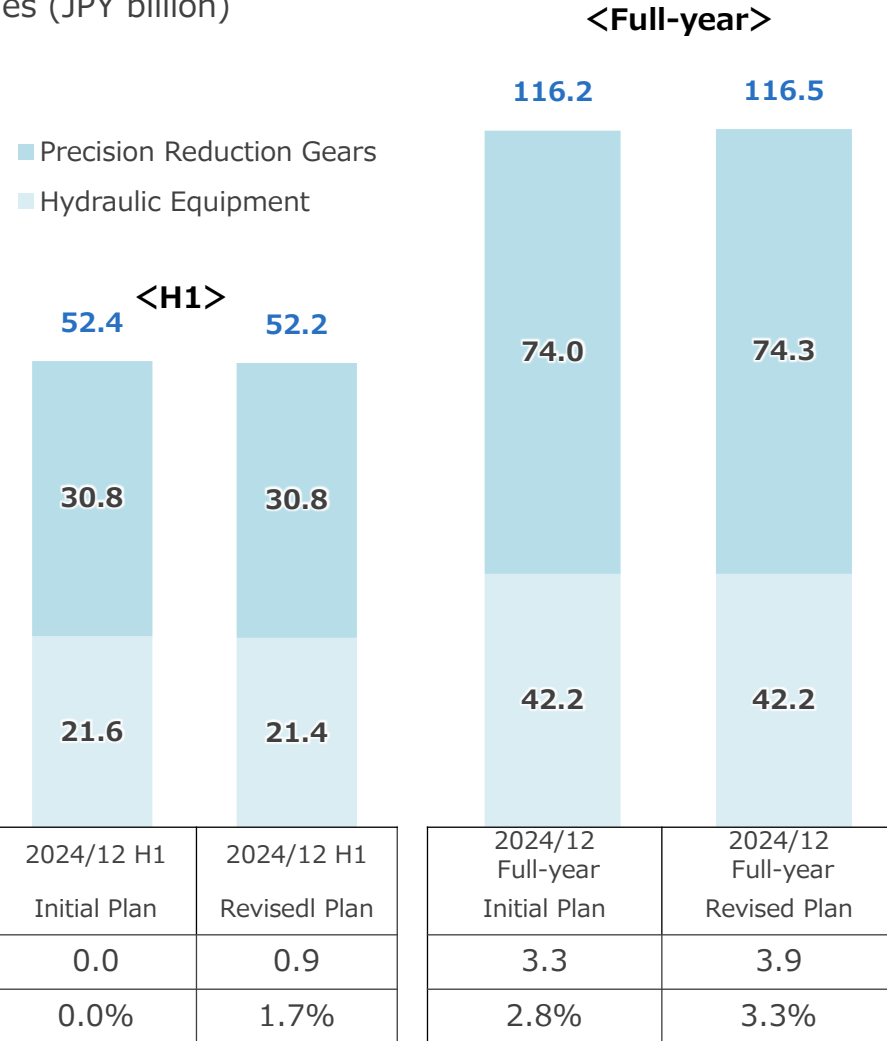
O.P.

Revised initial plan due to FOREX impact and others



Component Solutions Segment (CMP)

Sales (JPY billion)



Business Environment

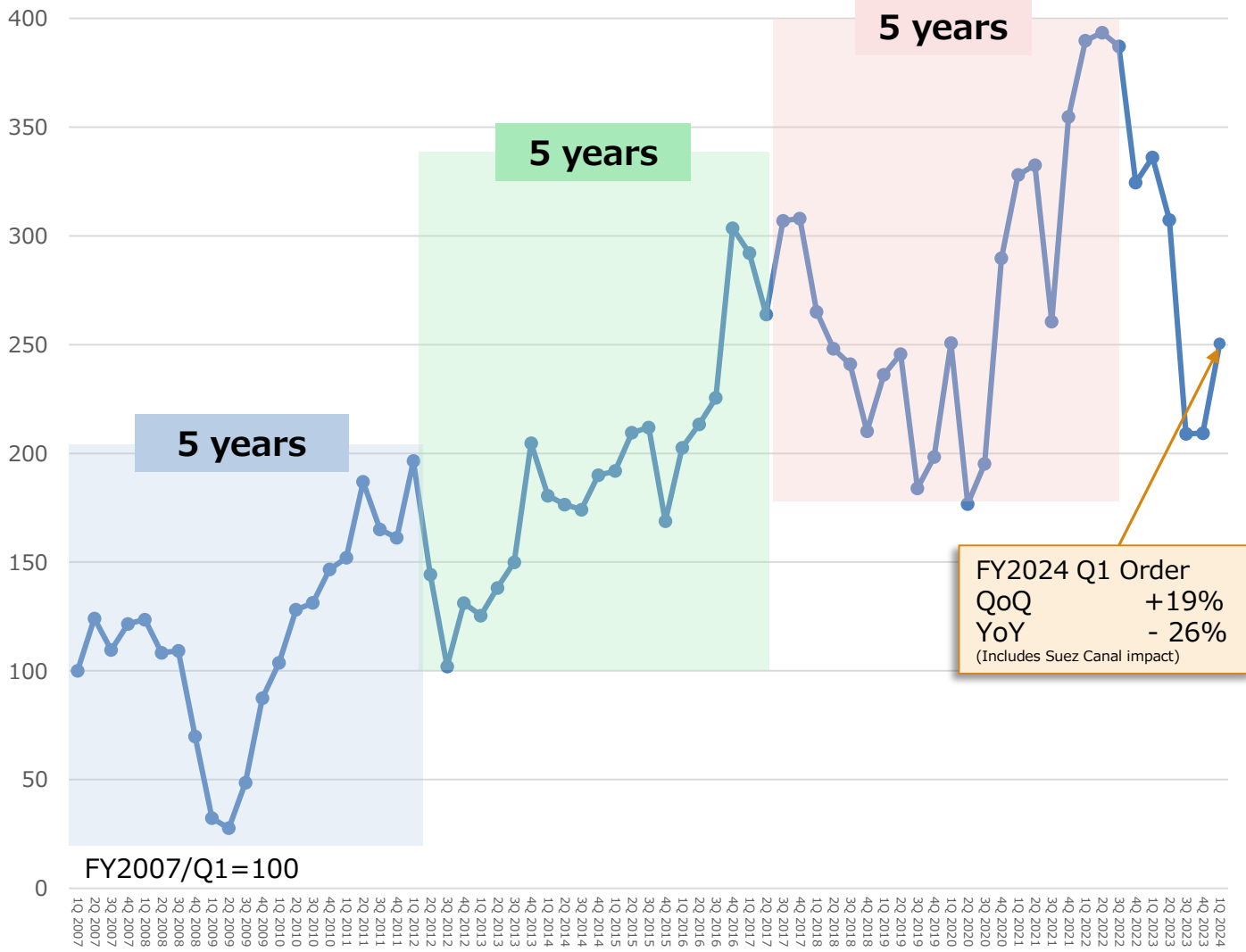
Business Unit	Market Situation	Trend in FY2024
Precision Reduction Gears	Industrial robots: Signs of a bottoming out of orders, although demand remains sluggish due to weak EV capital investment and stagnant industrial robot inventories	
	FA: Machine tool orders continued to decline YoY. Investment in semiconductor-related business is beginning to pick up.	
Hydraulic Equipment	China Market : Demand decrease continued FY2024/Q1 Number of construction machinery units sold in China:*1 YoY-13.1%	
	Outside of China Market: Sluggish demand in non-Japanese market while Japan market is steady 2024 Jan.-Feb. amount of sales of construction machinery in Japan *2 (domestic & export): YoY-8.6%	

*1Source : China Construction Machinery Association *2Source : Japan Construction Equipment Manufacturers Association

Revision of Full-year Plan

- ✓ Orders for Q1 have exceeded the initial expectations due to requests to secure inventories caused by the Suez Canal turmoil.
- ✓ Estimation of H2 demand recovery forecast remains unchanged.
- ✓ Project 10: Profitability improvement actions toward 2026 are steadily underway.

《Order Trend in Precision Reduction Gears》

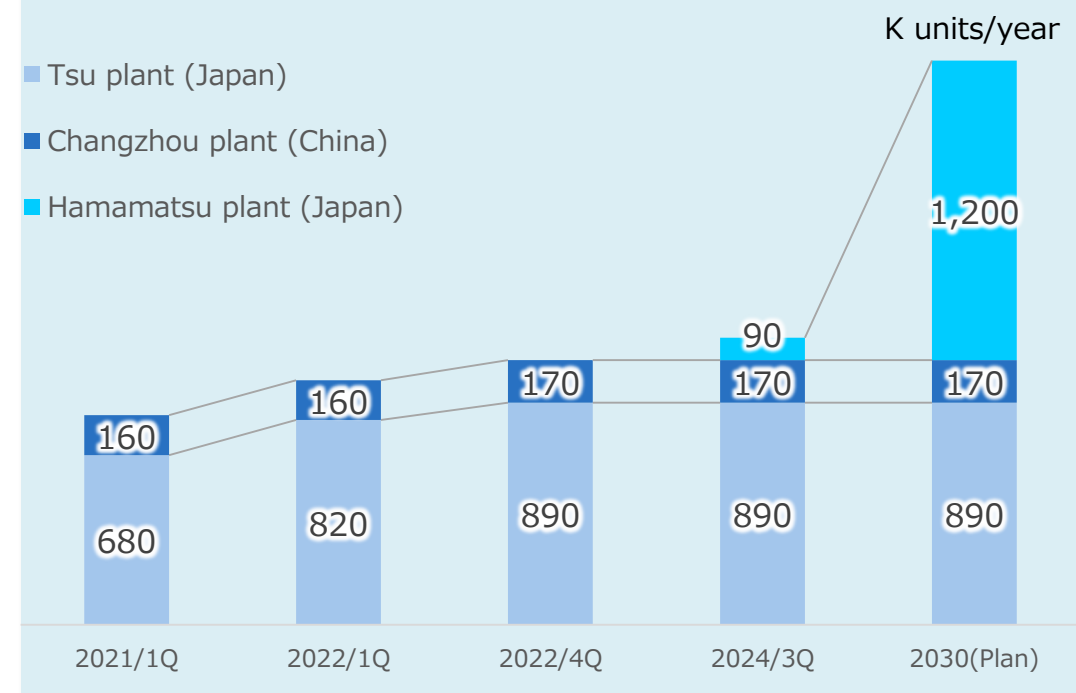


Annual production capacity in global: 1.06 million Units. As of FY2024Q1

【Utilization ratio】

- Japan (Tsu) Plant: 50% (@890K units/year)
- China Plant: 65% (@170K units/year)

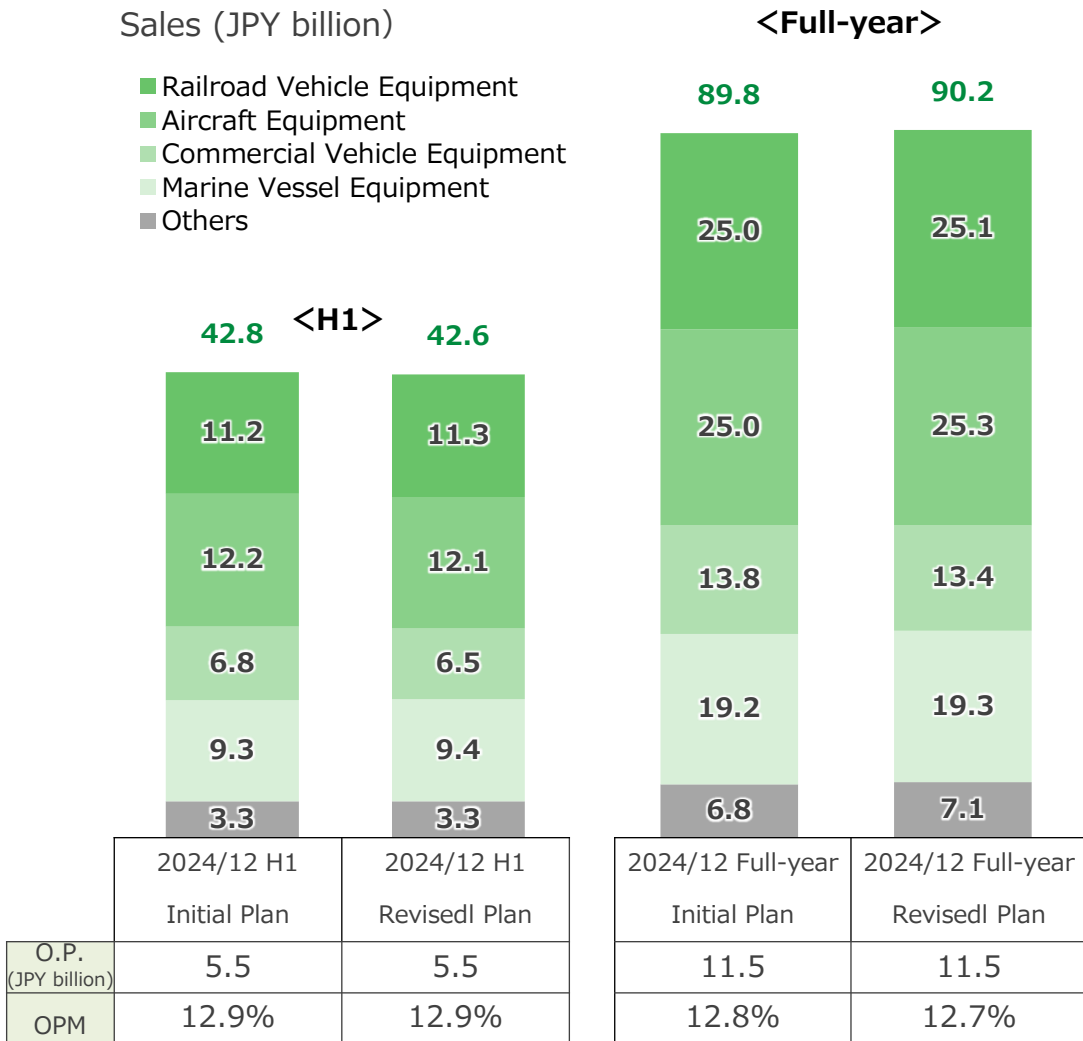
Start operation of Hamamatsu Plant from August 2024 to improve profitability



Transport Solutions Segment (TRS)

Sales (JPY billion)

- Railroad Vehicle Equipment
- Aircraft Equipment
- Commercial Vehicle Equipment
- Marine Vessel Equipment
- Others



Business Environment

Business Unit	Market Situation	Trend in FY2024
Railroad Vehicle Equipment	Favorable investment for new vehicle in 2024 and steady demand for MRO	
Aircraft Equipment	Commercial Aircraft: High demand continues due to the recovery in aircraft traffic - Worldwide RPK* increased 21.5% YoY in Feb. 2024. (exceeding pre-COVID level)	
	Defense: Growing demand due to expansion of defense budget	
Commercial Vehicle Equipment	Japanese market: steady demand Southeast Asian market: demand decreases due to economic downturn	
Marine Vessel Equipment	New shipbuilding: Global shipyards have ample order backlog	
	MRO: High demand continues	
	Deep Sea: Inline with guidance	

**RPK: Revenue Passenger Kilometers Source: IATA

Revision of Full-year Plan

No significant change from initial plan

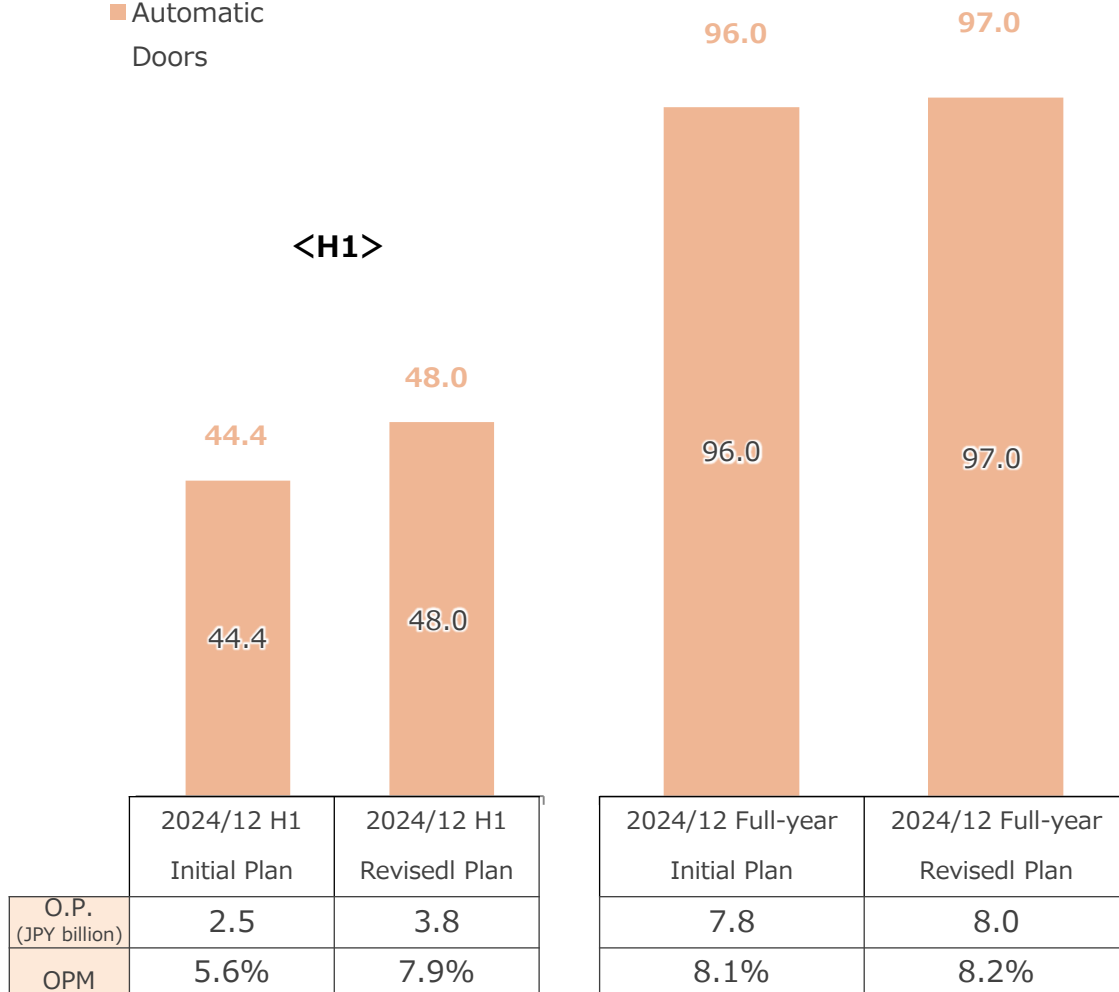
Accessibility Solutions Segment (ACB)

Sales (JPY billion)

■ Automatic Doors

<H1>

<Full-year>



Business Environment

Business Unit	Market Situation	Trend in FY2024
Automatic Doors	Japan: Strong demand for new buildings	
	Europe & U.S.: Market growth slowdown due to economic downturn	
Platform Doors (PD)	Japan: Sales increase due to the impact of projects brought forward in Q1	

Revision of Full-year Plan

- ✓ Reflect FOREX impact in Q1 (CHF ⇔ JPY) and shift in delivery date in PD
- ✓ No significant change from initial plan

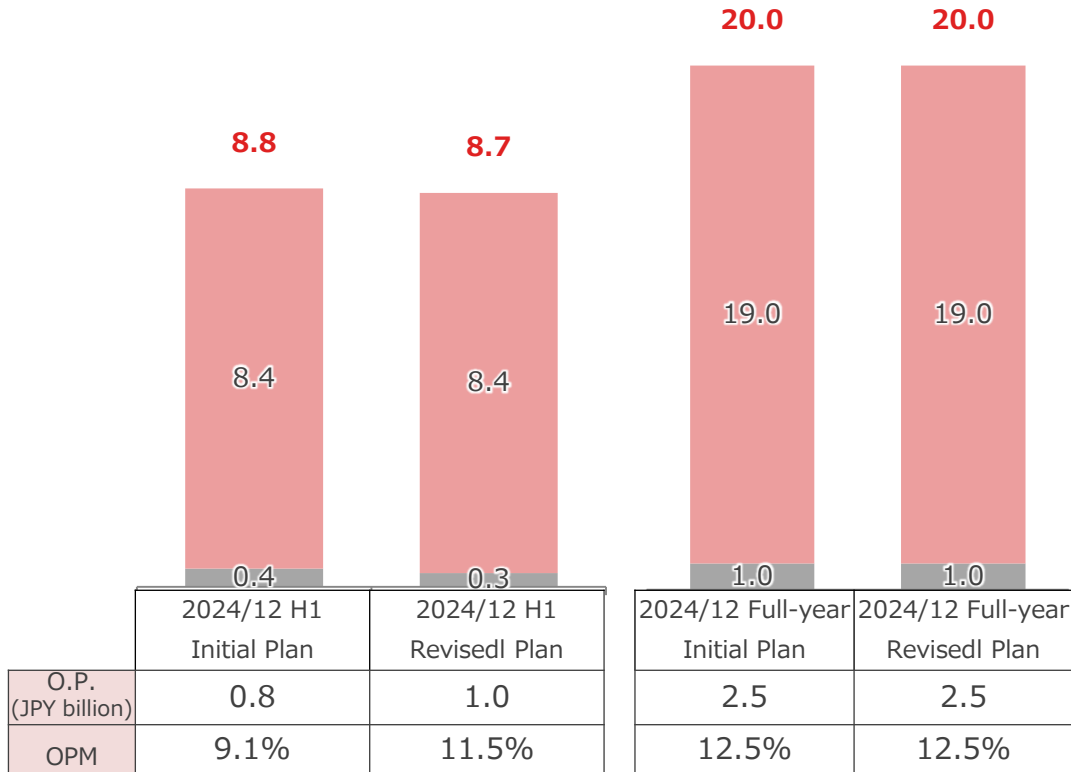
Manufacturing Solutions Segment (MFR)

Sales (JPY billion)

■ Packaging Machines
■ Others

<Full-year>

<H1>





Business Environment

Business Unit	Market Situation	Trend in FY2024
Packaging Machines	Although there is a lull in capital investment demand for pet food, orders for food products in Japan and overseas are strong.	

Revision of Full-year Plan

No significant change from initial plan

Topics

Business	Topics	Detail
<p>Marine Vessel Equipment</p>	<p>“Cassandra,” a solution for vessels that utilizes AI, acquired ClassNK's Innovation Endorsement for Products & Solutions certification</p> <div data-bbox="282 558 779 625" style="border: 1px solid #f08080; border-radius: 10px; padding: 5px; background-color: #ffe6e6;"> <p>Our challenges in mid-term management plan</p> </div> <div data-bbox="282 639 779 761" style="border: 1px solid #f08080; border-radius: 10px; padding: 5px; background-color: #ffe6e6;"> <p>Attain highly efficient and environmentally friendly manufacturing through automation and DX</p> </div>	<p>Product: “Cassandra” It is combines vessel performance-data with state-of-the-art AI techniques to enable vessel conditions to be visualized and monitored in real time.</p> <p>Institution issue the certification: ClassNK (Nippon Kaiji Kyokai). Type of certification: Certification of Innovation Endorsement for Products & Solutions</p> <p>Features: It is designed to be able to monitor fuel-consumption, CO₂ emissions, and ship and engine conditions from shore by operating on a cloud platform. AI Machine-Learning can be used to precisely analyze the impact of fouling on fuel-consumption, contributing to better vessel performances.</p> <div data-bbox="2099 489 2448 758" style="border: 1px solid #0056b3; padding: 5px;">  </div>
<p>Automatic Doors</p>	<p>Launch of Advertisement Distribution Service Using Digital Signage-Integrated Automatic Doors</p> <div data-bbox="282 1105 779 1172" style="border: 1px solid #f08080; border-radius: 10px; padding: 5px; background-color: #ffe6e6;"> <p>Our challenges in mid-term management plan</p> </div> <div data-bbox="282 1186 779 1253" style="border: 1px solid #f08080; border-radius: 10px; padding: 5px; background-color: #ffe6e6;"> <p>Create new “intangible things” through IoT and data solution</p> </div>	<p>Date of sales : April 2024 Customers : University, commercial and public transportation facilities,</p> <p>Toward the launch of the advertisement distribution service, Nabtesco started to sell digital signage displays for integrated use with automatic doors on March 1, 2024.</p> <div data-bbox="1727 953 2456 1279" style="border: 1px solid #ccc; padding: 10px;">  <p>Expressions with movements are also possible</p> <p>Displays</p> </div> <p style="text-align: center;">Illustrative image of LED displays</p>

Appendix

(JPY billion)	2024/12 Initial plan (A)	2024/12 Revised plan (B)	Variation (B-A)
Sales	322.0	323.7	1.7
O.P.	12.8	13.5	0.7
(OPM)	4.0%	4.2%	0.2pt
Financial Income and cost	-0.3	0.2	0.5
Equity in earnings of affiliates	1.0	1.0	0.0
Income before tax	13.5	14.7	1.2
Net profit*	8.8	9.3	0.5
Earnings per share (JPY yen)	73.31	77.47	4.16

*Net income attributable to owners of the parent

■ Exchange rate

	2023/12 Q1 result	2024/12 Q1 result	2024/12 Plan
USD	133.44	149.88	135.00
RMB	19.41	21.00	18.50
EUR	143.96	162.15	150.00
CHF	144.30	170.19	155.00

■ FOREX sensitivity (This represents the effect to be expected on operating profit if the exchange rate fluctuates by one yen.)

(JPY million)

	2024/12	
	Q1 result	
	Sales	Operating profit
USD	36	14
RMB	367	27
EUR	17	Minimal
CHF	62	Minimal

	2024/12	
	Plan	
	Sales	Operating profit
	227	63
	1,651	29
	90	22
	266	Minimal

(JPY billion)	2023/12	2024/12	2024/12
	Q1 result	Q1 result	Full-year plan
	(A)	(B)	(C)
CAPEX	7.5	6.3	27.5
R&D	2.7	2.8	14.0
Depreciation	3.7	3.9	15.6

Variation	Rate of progress
(B-A)	(B/C)
-1.1	23%
0.1	20%
0.3	25%

2023/12
Full-year result
29.7
11.0
15.5

(JPY billion)	End of FY2023/12 As of December 31, 2023	End of 2024/12 Q1 As of March 31, 2024	Variation
Assets	422.1	425.6	3.6
(Cash and cash equivalents)	77.8	73.3	-4.5
(Trade receivable)	82.7	76.3	-6.4
(Inventories)	51.0	57.3	6.3
(Other non-current financial assets)	201.2	206.6	5.4
Liabilities	146.2	147.6	1.4
(Bonds and borrowings)	21.6	29.2	7.6
Total equities	275.9	278.1	2.2
(Treasury shares)	-3.9	-3.8	0.1
(Non-controlling interests)	15.4	16.4	1.0
Equity attributable to owners of parent	260.5	261.7	1.2
Ratio of equity attributable to owners of parent :	61.7%	61.5%	

Component Solutions Segment (CMP)

【Precision reduction gears】

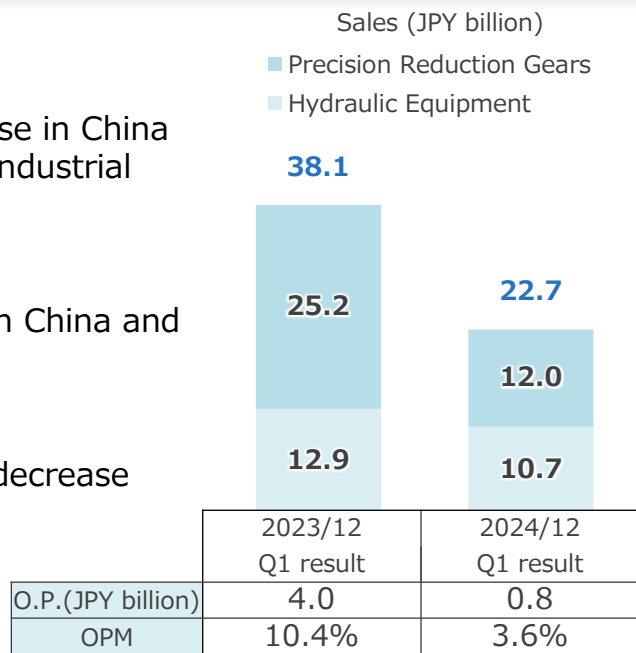
Sales decrease due to demand decrease in China and other market, and inventories of industrial robot

【Hydraulic equipment】

Sales decrease due to weak demand in China and European market

【Operating Profit】

Profit decrease due to utilization rate decrease



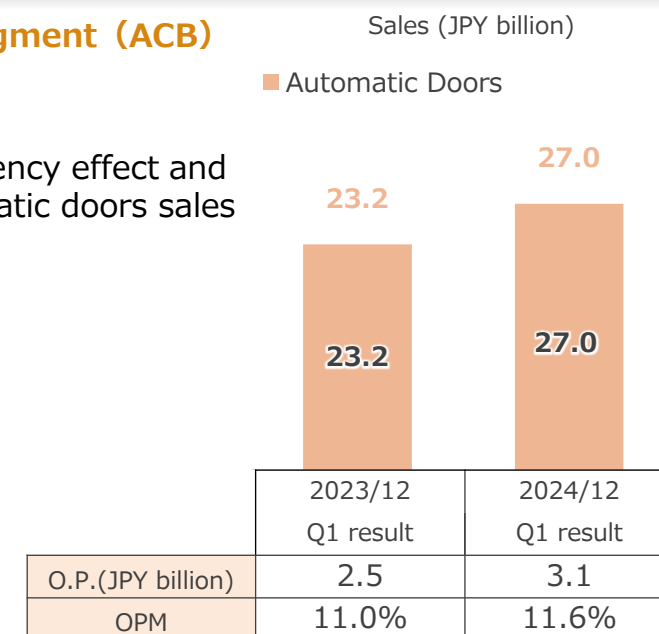
Accessibility Solutions Segment (ACB)

【Sales】

Sales increase due to currency effect and early recognition of automatic doors sales in Japan

【Operating Profit】

Revaluation of PD project



Transport Solutions Segment (TRS)

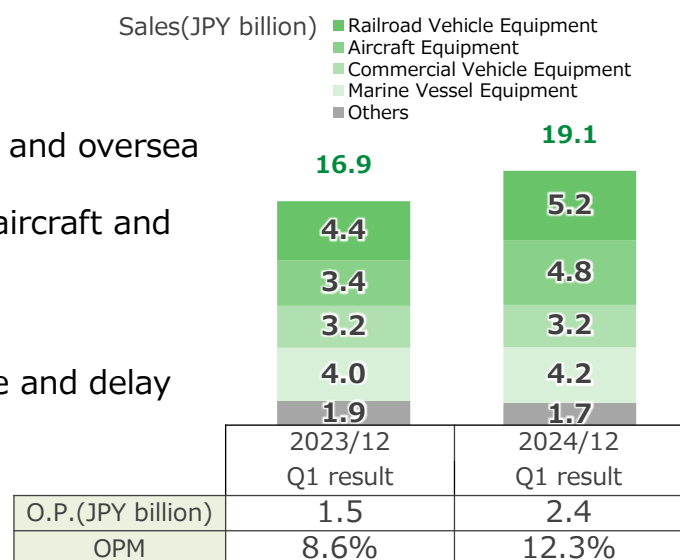
【Sales】

Steady MRO demand both in Japan and oversea in Railroad vehicle equipment

Sales increase in both commercial aircraft and defense in Aircraft equipment

【Operating Profit】

Profit increase due to sales increase and delay in cost



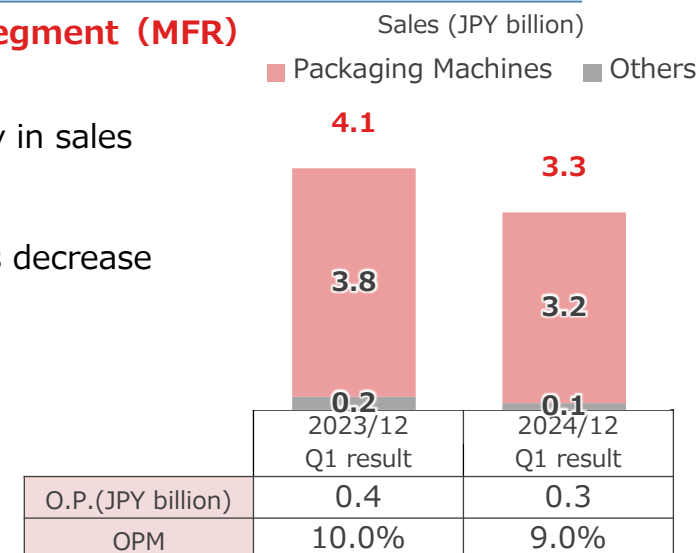
Manufacturing Solutions Segment (MFR)

【Sales】

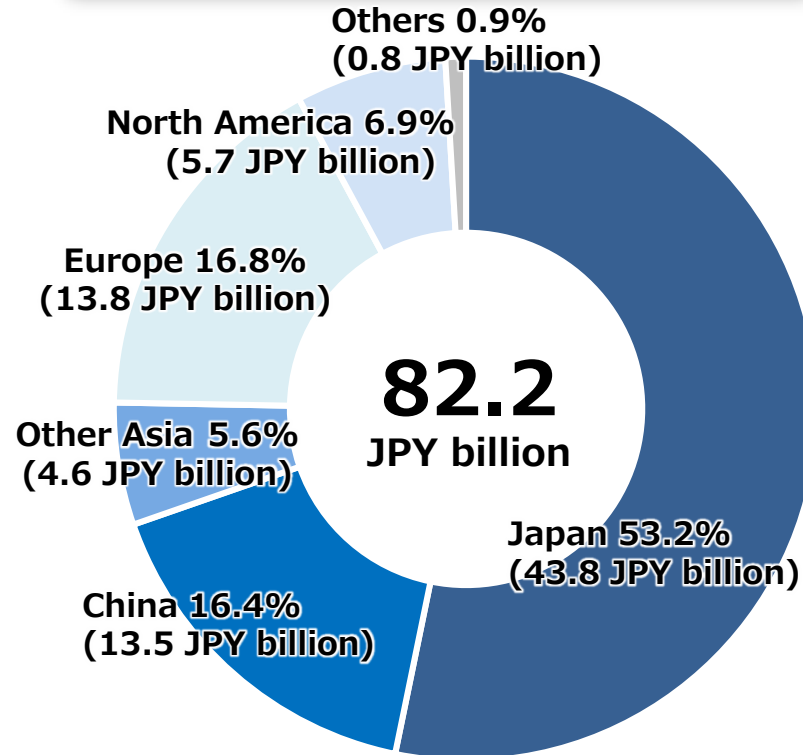
Sales decrease due to delay in sales

【Operating Profit】

Profit decrease due to sales decrease

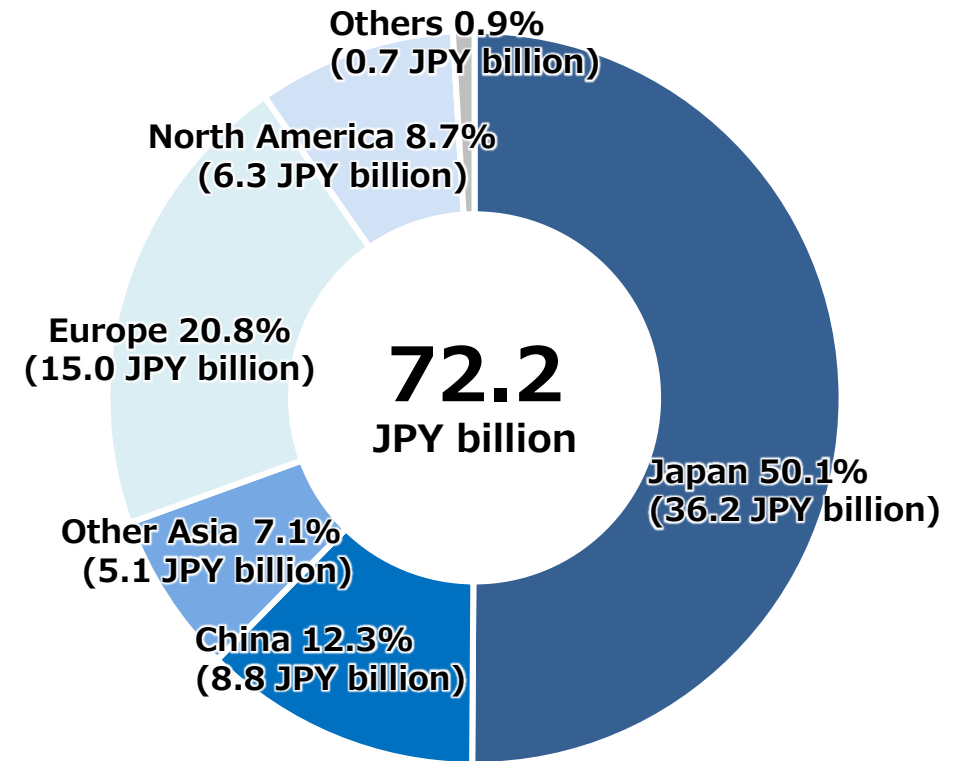


2023/12 Q1 result



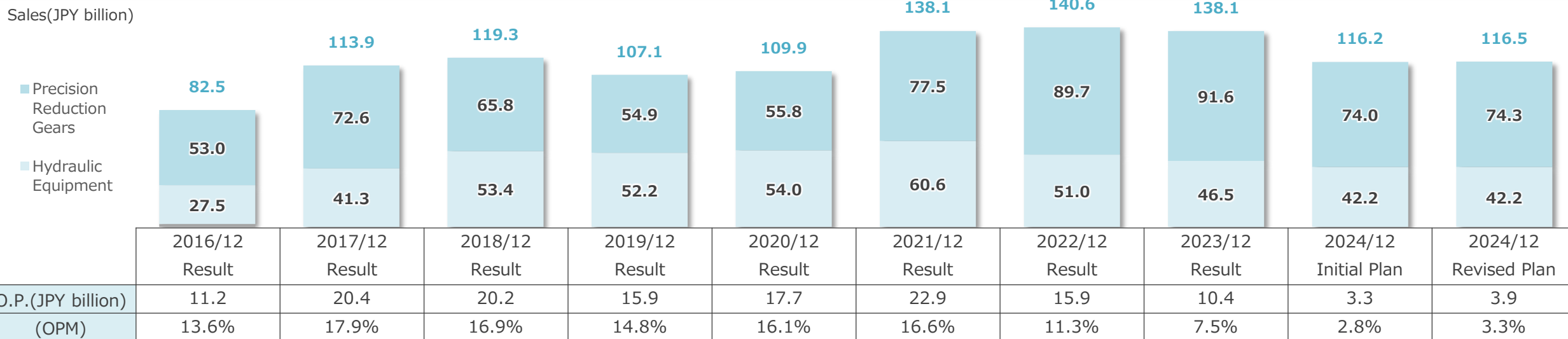
Overseas Sales	38.4 JPY billion
Overseas Sales ratio	46.8%

2024/12 Q1 result

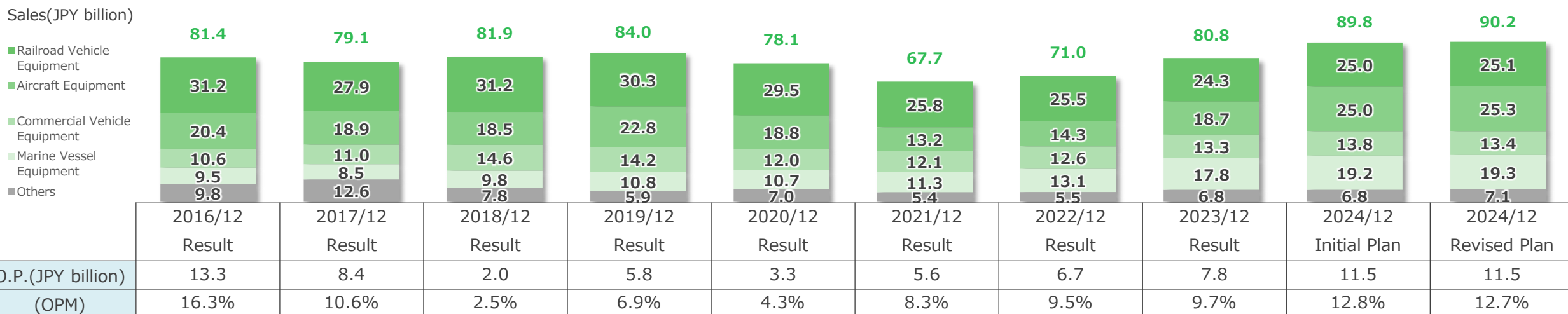


Overseas Sales	36.0 JPY billion
Overseas Sales ratio	49.9%

Component Solutions Segment (CMP)



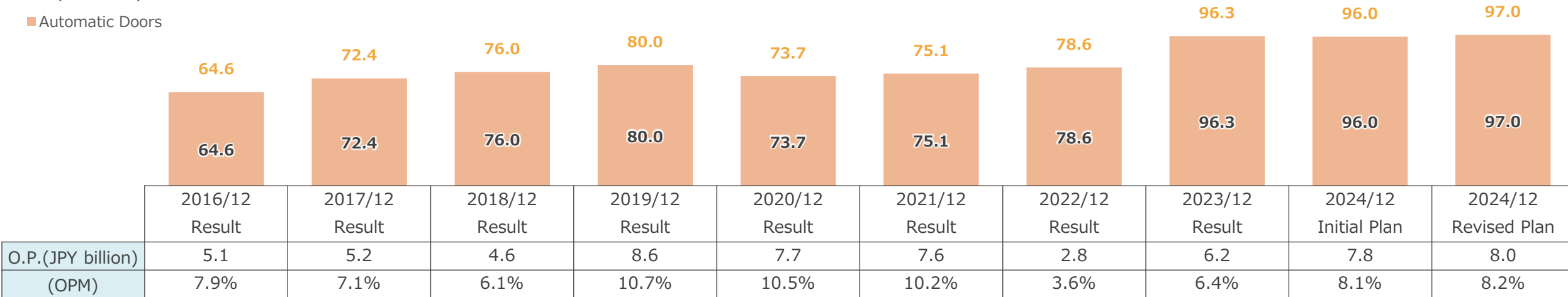
Transport Solutions Segment (TRS)



Accessibility Solutions Segment (ACB)

Sales(JPY billion)

■ Automatic Doors

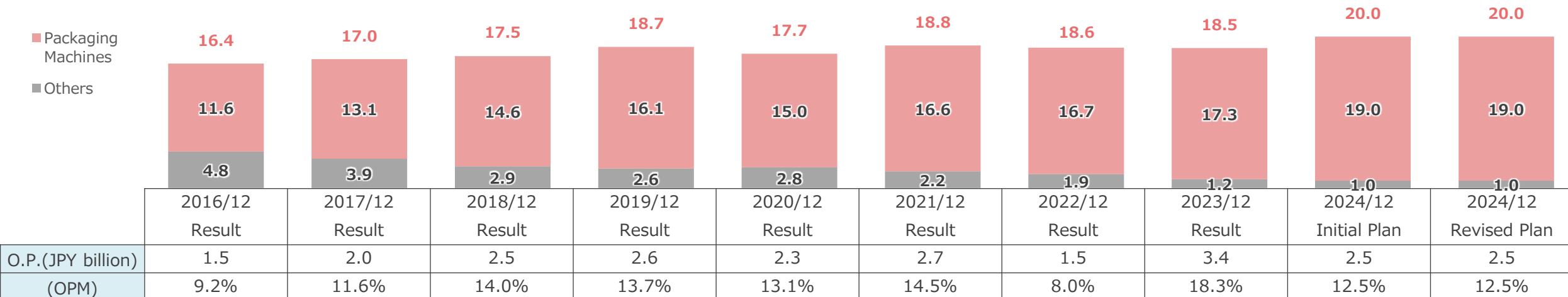


Manufacturing Solutions Segment (MFR)

Sales(JPY billion)

■ Packaging
Machines

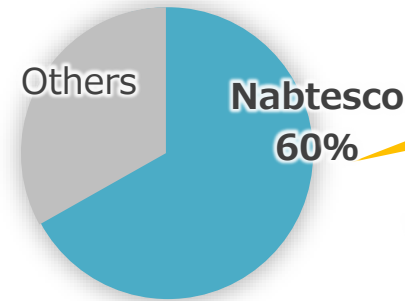
■ Others



The market share is estimated by Nabtesco

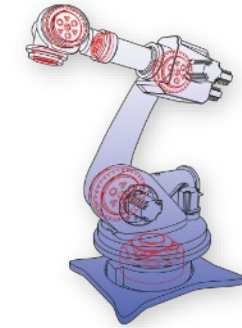
Precision Reduction Gears

- Joints of Medium and Large Size Industrial Robots



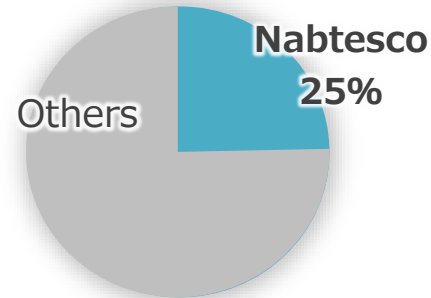
No.1

Approx. **60%**
World Market Share

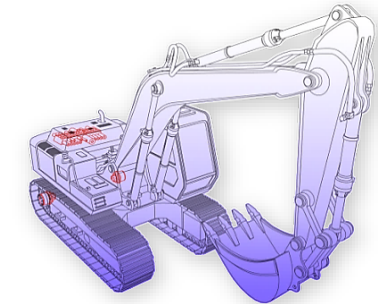


Hydraulic Equipment

- Traveling Units for Hydraulic Excavators



Approx. **25%**
World Market Share



Main Customers

■ Precision Reduction Gears

Industrial Robots: Fanuc, Yaskawa Electric, KHI, KUKA Roboter (Germany), ABB Robotics (Sweden)

Machine Tools: Yamazaki Mazak, Okuma, DMG Mori Seiki

■ Hydraulic Equipment

Traveling Units: Komatsu, Sumitomo Construction Machinery, Kobelco Construction Machinery, Sany (China), XCMG (China), Liu Gong (China)

The market share is estimated by Nabtesco

Railroad Vehicle Equipment

■ Brake Systems



No.1

Approx. **50%** Domestic Market Share

■ Door Operating Systems



No.1

Approx. **60%** Domestic Market Share



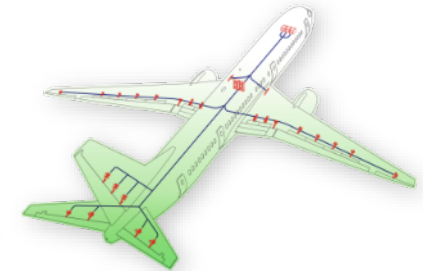
Aircraft Equipment

■ Flight Control Actuation Systems (FCA)



No.1

Approx. **100%** Market Share for Domestically-produced Aircrafts



Main Customers

■ Railroad Vehicle Equipment

JR Companies, Private railway companies, Hitachi, KHI, Bullet train and subway projects in China

■ Aircraft Equipment

Boeing, KHI, MHI, IHI, Japanese Ministry of Defense, Airline operators

The market share is estimated by Nabtesco

Commercial Vehicle Equipment

■ Wedge Chambers

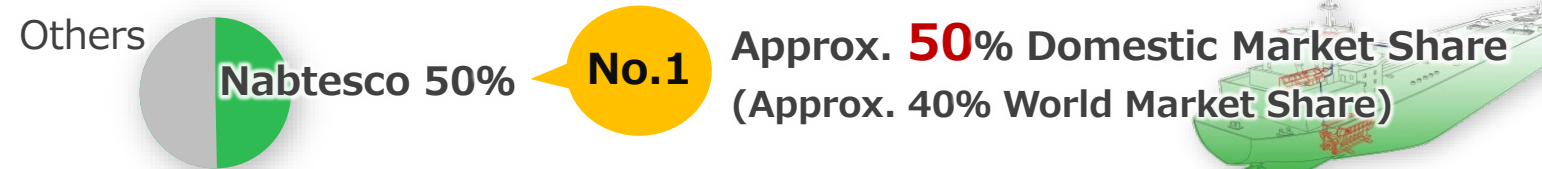


■ Air Dryers



Marine Vessel Equipment

■ 2ST Main Engine Control Systems



Main Customers

■ Commercial Vehicle Equipment

Isuzu, Hino, Mitsubishi Fuso Truck & Bus, UD Trucks

■ Marine Vessel Equipment

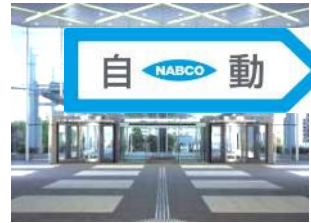
Japan Engine Corporation, KHI, Makita Corporation, Hitachi Zosen Marine Engine Co., Ltd., Mitsui Engineering & Shipbuilding, Hyundai Heavy Industries (Korea), Hudong Heavy Machinery (China), HSD Engine Co., Ltd. (Korea)

Main Products: Accessibility Solution Segment (ACB)

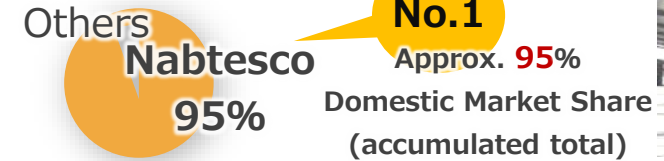
The market share is estimated by Nabtesco

Automatic Doors

Automatic Doors



Platform Screen Doors



Main Customers

Automatic Doors for buildings: Major general contractors, sash manufacturers, hospitals, banks, public institutions, etc.
Platform Doors: JR Companies, Private railway companies, Subway projects in various countries

Main Products: Manufacturing Solutions Segment (MFR)

Packaging Machines

Packaging Machines for Retort Pouch Foods



Main Customers

Packaging Machines

Mitsui DM Sugar, Ajinomoto, Marudai Food Co., Ltd., ARIAKE Japan, KENKO Mayonnaise, P&G, Kao, Lion, beverage companies in North America, food companies in China

Nabtesco

moving it. stopping it.

