



(English Translation)

July 31, 2025

To whom it may concern

Company name: Nabtesco Corporation
Representative:, Representative: Kazumasa Kimura, Representative Director,
President & CEO
(Securities code: 6268;
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**Notice Concerning the Company Split (Simplified Absorption-Type Company Split)
of the Hydraulic Equipment Business and
the Execution of the Share Purchase Agreement and the Shareholders' Agreement
with Comer Industries S.p.A.**

Nabtesco Corporation (the “Company”) hereby announces that on July 31, 2025, the Company’s Board of Directors resolved to execute the following agreements with Comer Industries S.p.A. (“Comer”): (i) the share purchase agreement, which stipulates that the Company will transfer (a) the Hydraulic Equipment Business (the “Business”) to a wholly-owned subsidiary to be newly incorporated by the Company (the “New Company”) by way of absorption-type company split (the “Absorption-Type Company Split”, and the relevant agreement is referred to as the “Absorption-Type Company Split Agreement”) to consolidate the Business into the New Company, and (b) 70% of the issued shares in the New Company to Comer (the “Share Transfer”) (the “Share Purchase Agreement”); and (ii) the shareholder’s agreement related to the New Company (the “Shareholders’ Agreement”).

The Absorption-Type Company Split is a simplified absorption-type company split in which the New Company, a wholly owned subsidiary of the Company will be the succeeding company. Therefore, certain disclosure items and details have been omitted.

Particulars

I. Purpose of the Absorption-Type Company Split, the Share Transfer, and the execution of the Shareholders’ Agreement

In the New Medium-term Management Plan presented on February 12, 2025, the Company announced that it will revive its profitability by Project 10 (“Reviving Potential”) and evolve its technology toward “smart motion control” (“Evolving Excellence”) to deliver the value of its products and services, with the aim of becoming a “Leaders in Innovation for the Future,” as set out in its Long-term Vision for fiscal 2030. Based on this New Medium-term Management Plan, the Company seeks to optimize the portfolio balance based on its vision and profitability (ROIC) and aims to build a

resilient corporate foundation that enables stability and growth.

The Business has a diverse product lineup for small to large scale models, among which its traveling units for hydraulic excavators account for a global market share of approximately 25% (the Company's estimate), and many customers in Japan and overseas have adopted our products. However, in recent years, the rise of Chinese local hydraulic equipment manufactures and the shift to in-house production by construction equipment manufacturers have resulted in a severe competitive environment, and the recovery of profitability in the Business has become an issue. For this reason, the Company has been comprehensively examining the future shape of the Business, including partnering, from the perspective of the continuous growth of the Business and the Company's Long-term Vision. As a result, the Company has determined that the Comer, which has a sales network, technology and product lineup that the Company's group does not have, could become the best owner for the continuous growth of the Business, and has decided to execute the Share Purchase Agreement, which stipulates the Share Transfer after implementing the Absorption-Type Company Split, and the Shareholders' Agreement.

To date, Comer has developed a strategy that takes advantage of its broad product lineup, established through its efforts in high value-added technologies and products. The Company is confident that we will be able to provide higher value to more customers than ever before by capturing new market opportunities through the complementary sales networks of the Business and Comer, and by fostering the proposal capabilities through supplement of product lineup.

The Company will use the consideration obtained from the Share Transfer to invest in its priority areas, including smart motion control, to realize the Long-term Vision, and seek to increase its corporate value over the medium to long term.

II. Outline of the Absorption-Type Company Split, the Share Transfer, and the Shareholders' Agreement

The Company executes the Share Purchase Agreement, which stipulates that the Company will transfer (a) the Business to the New Company by way of absorption-type company split to consolidate the Business into the New Company, and (b) 70% of the issued shares in the New Company to Comer. The Business includes (x) all of the equity interests held by the Company in Shanghai Nabtesco Hydraulic Co., Ltd., a subsidiary of the Company in China, (y) all of the equity interests held by the Company in Nabtesco Power Control (Thailand) Co., Ltd., a subsidiary of the Company in Thailand, and (z) all of the equity interests in Nabtesco Power Control Europe GmbH, a wholly owned subsidiary (sub-subsidiary company) of the Company in Germany.

In addition, the Company executes the Shareholder Agreement, which set forth the terms and conditions for the operation of the New Company.

III. Timetable for the Absorption-Type Company Split and the Share Transfer

Date of the Board of Directors' resolution	July 31, 2025
Date of the execution of the Share Purchase Agreement and the Shareholders' Agreement	July 31, 2025
Date of the execution of the Absorption-Type Company Split Agreement	September 2025 (scheduled)
Effective Date of the Absorption-Type Company Split	October 2025 (scheduled)
Closing Date of the Share Transfer	October 2025 (scheduled)

Note: The Absorption-Type Company Split will be implemented without obtaining approval thereof by a resolution of the Company's shareholders' meeting, as it is a simplified absorption-type company split for the Company as stipulated in Article 784, paragraph 2 of the Companies Act of Japan.

IV. Details of the Absorption-Type Company Split

1. Summary of the Absorption-Type Company Split

(1) The Method of the Absorption-Type Company Split

An absorption-type company split (a simplified absorption-type company split) in which the Company shall be splitting company and the New Company shall be the succeeding company

(2) Allotments relating to the Absorption-Type Company Split

The New Company will deliver 1 share in the New Company to the Company as consideration upon the Absorption-type Company Split.

(3) The Treatment of Share Option and Bond with Share Options in connection with the Absorption-Type Company Split

Not applicable.

(4) The Increase or Decrease in the Stated Capital due to the Absorption-Type Company Split

There will be no increase or decrease in the Company's stated capital due to the Absorption-Type Company Split.

(5) The Rights and Obligations to be Succeeded by the Succeeding Company

On the effective date of the Absorption-Type Company Split, the New Company will succeed the rights and obligations stipulated in the Absorption-type Company Split Agreement.

(6) The Prospect of Performance of the Obligations

The Company has concluded that there will be no problems with the prospects of performance of the obligations to be assumed by the New Company on and after the effective date of the Absorption-Type Company Split.

2. Overview of the Splitting Company (the Company) (as of December 31, 2024)

(1)	Name	Nabtesco Corporation
(2)	Location	JA Kyosai Building.,7-9, Hirakawacho 2-chome, Chiyoda-ku, Tokyo
(3)	Job title and Name of Representative	Kazumasa Kimura, Representative Director, President & CEO
(4)	Description of business (including the Company's group companies)	Manufacture and sales of precision reduction gears, hydraulic equipment, railroad vehicle equipment, aircraft equipment, commercial vehicle equipment, marine vessel equipment, automatic doors, packaging machines, etc.
(5)	Stated capital	JPY 10,000 million
(6)	Date of incorporation	September 29, 2003
(7)	Number of issued shares	121,064,099 shares
(8)	Fiscal year-end	December 31
(9)	Major shareholders and	The Master Trust Bank of Japan (Trust Account): 15.19%

	shareholding ratios	Custody Bank of Japan (Trust Account): 9.58% Central Japan Railway Company: 4.29% BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1: 4.28% FANUC CORPORATION: 3.12% BNYM AS AGT/CLTS NON TREATY JASDEC: 2.74% Harmonic Drive Systems Inc.: 2.71% BBH (LUX) FOR FIDELITY FUNDS-GLOBAL TECHNOLOGY POOL: 2.44%. STATE STREET BANK WEST CLIENT-TREATY 505234: 1.89% STATE STREET BANK AND TRUST COMPANY 505001: 1.59%
(10)	Financial position and operating results at the end of the previous fiscal year (Consolidated)	
	Accounting Period	The fiscal year ended December 31, 2024
	Total capital	JPY 287,278 million
	Total assets	JPY 445,544 million
	Equity attributable to owners of the parent per share	JPY 2,248.31
	Sales	JPY 323,384 million
	Operating profit	JPY 14,788 million
	Profit attributable to owners of the parent	JPY 10,119 million
	Basic earnings per share	JPY 84.25
	Dividends per share	JPY 80.00

3. Overview of the Succeeding Company (the New Company) (scheduled)

(1)	Name	Comtesco Corporation
(2)	Location	Tarui-cho, Fuwa-gun, Gifu
(3)	Job title and Name of Representative	Kiyoshi Ando, Representative Director & CEO
(4)	Description of business	Manufacture and sales of construction machinery equipment, etc.
(5)	Stated capital	To be determined
(6)	Date of incorporation	September 2025
(7)	Number of issued shares	99 shares (at the time of incorporation)
(8)	Fiscal year end	December 31
(9)	Major shareholders and shareholding ratios	Nabtesco Corporation: 100% (at the time of incorporation)
(10)	Relationship between the Company and the New Company	
	Capital relationship	The Company will own 100% of the issued shares of the New Company.
	Personnel relationship	To be determined
	Business relationship	Not applicable
	Related party relationship	The New Company is a consolidated subsidiary of the Company, and it constitutes a related party of the Company.

Note: The New Company is scheduled to be incorporated in September 2025. Therefore, it has not yet completed a fiscal year.

4. Overview of the Business Division to be Split

(1) Description of Business of the Division to be Split and Reportable Segment

(a) Description of Business

Research, development, manufacture and sales of hydraulic equipment such as traveling units for hydraulic excavator

(b) Reportable Segment

Component Solutions Business

(2) Operating Results of the Business including the Division to be Split (fiscal year ended December 31, 2024)

	Result of the Business
Sales	JPY 44,624 million

(3) Items and Amounts of Assets and Liabilities of the Business, including the Division to be Split (fiscal year ended December 31, 2024)

	Result of the Business
Total assets	JPY 34,318 million
Total liabilities	JPY 10,825 million

Note: The operating results of the Business including the division to be split and the amounts of assets and liabilities of the Business including the division to be split are internally managed figures calculated based on certain assumptions and are non-audit reference figures. Each item and amount of the assets and liabilities to be split is based on the Company's consolidated balance sheet as of December 31, 2024, and therefore will differ from the actual amounts to be split (the amounts adjusted for any increases or decreases up to the effective date).

5. Status after the Absorption-Type Company Split

There will be no change to the name, location, job title and name of representative, description of business (excluding the Business to be split by the Absorption-Type Company Split), stated capital, and fiscal year-end of the Company after the effective date of the Absorption-Type Company Split. The outline of the New Company after the Absorption-Type Company Split has not yet been determined.

V. Details of the Share Transfer

1. Overview of the New Company whose Shares will be Transferred by the Share Transfer

Please refer to "3. Overview of the Succeeding Company (the New Company) (scheduled)" in "IV. Details of the Absorption-Type Company Split."

2. Overview of the Subsidiaries to be Transferred due to the Share Transfer (as of December 31, 2024)

(1)	Name	Shanghai Nabtesco Hydraulic Co., Ltd
(2)	Location	No.905 East Rong Le Road, Songjiang District, Shanghai, 201613
(3)	Job title and Name of Representative	Ge Zhi-Wei, Chairman of the Board

(4)	Description of business	Manufacture and sale of hydraulic equipment for construction machinery		
(5)	Stated capital	USD 14,500 thousand		
(6)	Date of incorporation	March 1996		
(7)	Major shareholders and shareholding ratios	The Company: 55.0%		
(8)	Relationship between the Company and the relevant company			
	Capital relationship	The Company owns 55.0% of voting rights of the relevant company.		
	Personnel relationship	The Company dispatches 4 directors and 1 auditor the relevant company. Several employees of the Company are seconded to the relevant company.		
	Business relationship	The Company sells parts and finished products of hydraulic equipment for construction machinery to the relevant company. The Company also procures parts from the relevant company and sells them for Japan.		
(9)	Financial position and Operating results for the past 3 years (Unit: CNY thousand)			
Accounting period		Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Total capital		457,375	450,743	495,401
Total assets		583,918	537,116	622,584
Sales		935,341	739,868	816,892

Note: From the viewpoint of business strategy, partial descriptions of “(9) Financial position and Operating results for the past 3 years” are omitted.

(1)	Name	Nabtesco Power Control (Thailand) Co, Ltd
(2)	Location	700/905 Moo.5, Amatanakorn Industrial Estate, Tambol Nongkakha, Amphur Panthong, Chonburi 20160, Thailand
(3)	Job title and Name of Representative	Hironobu Yamada, President
(4)	Description of business	Manufacture and sale of hydraulic equipment for construction machinery, mainly for Southeast Asia
(5)	Stated capital	THB 700,000 thousand
(6)	Date of incorporation	February 2008
(7)	Major shareholders and shareholding ratios	The Company: 70.0%
(8)	Relationship between the Company and the relevant company	
	Capital relationship	The Company owns 70.0% of the issued shares of the relevant company.
	Personnel relationship	The Company dispatches 3 directors to the relevant company. Several employees of the Company are seconded to the relevant company.
	Business relationship	The Company sells parts of hydraulic equipment for construction machinery to the relevant company.

(9)	Financial position and Operating results for the past 3 years (Unit: THB thousands)		
Accounting Period	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Total capital	832,330	777,445	715,606
Total assets	1,017,932	934,782	894,695
Sales	1,102,120	925,818	1,136,746

Note: From the viewpoint of business strategy, partial descriptions of “(9) Financial position and Operating results for the past 3 years” are omitted.

3. Overview of the Counterparty to the Share Transfer (as of December 31, 2024)

(1)	Name	Comer Industries S.p.A.
(2)	Location	Via Magellano, 27, 42046 Reggio (RE), Italy
(3)	Job title and Name of Representative	Matteo Storchi, President & CEO
(4)	Description of business	Manufacture and sales of motors and transmissions for agricultural machinery, construction machinery, wind power generation, and electric vehicle
(5)	Stated capital	EUR 18,487,338.60
(6)	Date of incorporation	1970
(7)	Previous fiscal year (fiscal year ended December 31, 2024 (consolidated))	
	Net assets	EUR 544 million
	Total assets	EUR 1,123 million
(8)	Major shareholders and shareholding ratios	Eagles Oak srl: 51.05%
(9)	Relationship between the Company and the counterparty	
	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	The Company sells parts of hydraulic equipment for construction machinery to the counterparty.
	Related party relationship	Not applicable

4. Number of Shares to be Transferred, the Share Purchase Price, and Status of Shares Ownership before and after the Share Transfer

Number of shares owned by the Company before the Share Transfer	100 shares (the ownership ratio of voting rights: 100%)
Number of shares to be transferred	70 shares
Share purchase price	JPY 14.2 billion
Number of shares owned by the Company after the Share Transfer	30 shares (the ownership ratio of voting rights: 30%)

Note: The final share purchase price will be determined after the price adjustments, etc. as stipulated in the Share Purchase Agreement.

VI. Future Outlook

For the impact of the Absorption-Type Company Split and the Share Transfer on the Company's operating results for the current fiscal year, please refer to "Notice of the Differences between FY2025 First Six-month of Financial Forecasts and its Financial Results and the Revision to FY2025 Financial Forecast," which we announce today.

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