

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
July 31, 2025

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.

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Vision for 2030

Long-term Vision

Leaders in Innovation for
the Future

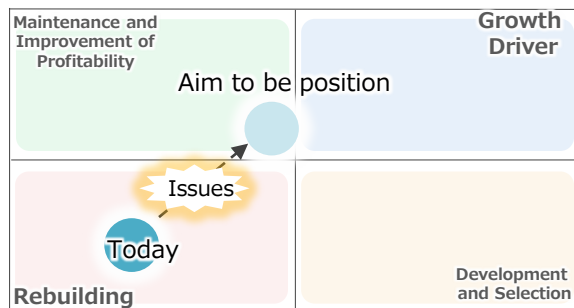
Innovation In Action

Mid-term Management Plan (2025-2027)

“Reviving Potential”
and “Evolving Excellence”

- Improve profitability
- Optimizing the balance of portfolio
- Evolving to smart motion control

The position of Hydraulic Equipment Business on the portfolio



- Limited accomplishments in the development of new markets and applications in Europe and the U.S. which have been addressed since the previous medium-term plan.
- Limited room for growth within Nabtesco group

■ **Not maximizing its potential**

【Current situation】

- Construction equipment market in China has deteriorate since 2022
- Chinese construction equipment manufacturers shift to in-house production and Chinese hydraulic Competition will intensify due to the emergence of equipment manufacturers
- Profitability deteriorated due to inflation

- Market has entered a mature phase with limited organic growth
- Delay in the development of the new markets and applications

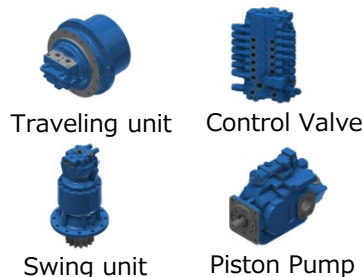
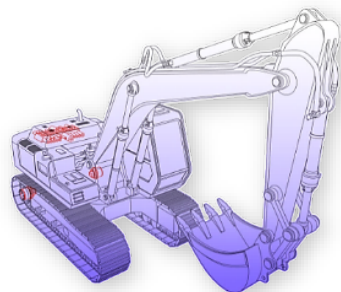
■ **Need a strategic partner**

- Explore to **Best Owner** to maximize the potential for Hydraulic business unit
- Concentrate to SMC items with our limited resources

*SMC : Smart Motion Control

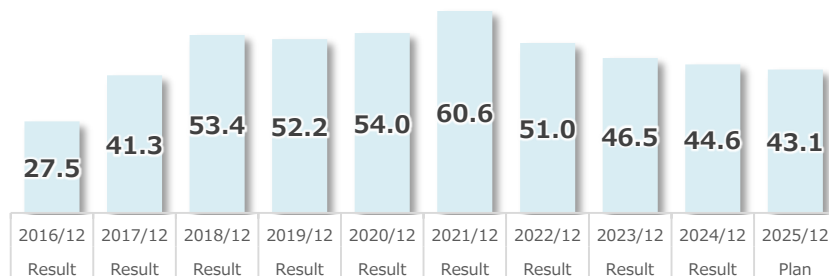
Hydraulic Equipment business under Component Solutions Segment

Product Lineup



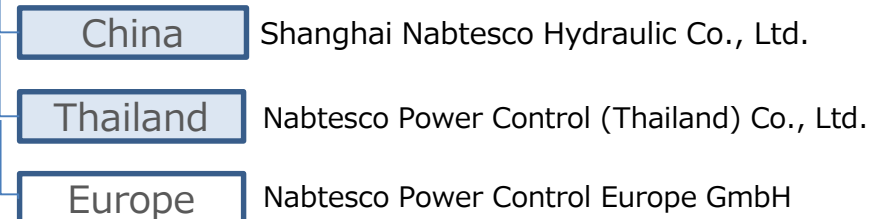
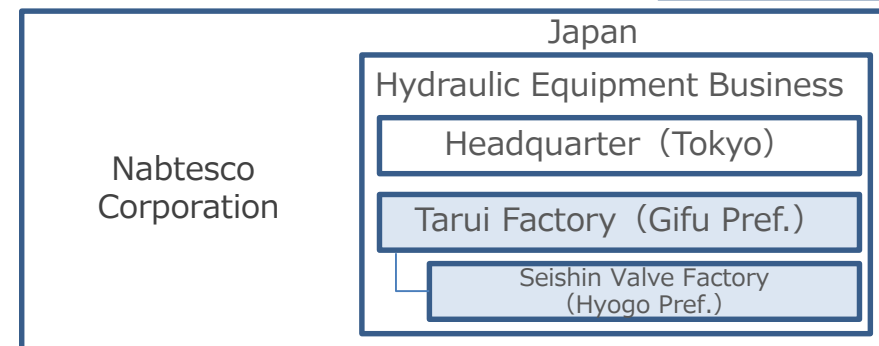
Sales achievement and forecast for Hydraulic Equipment

JPY billion



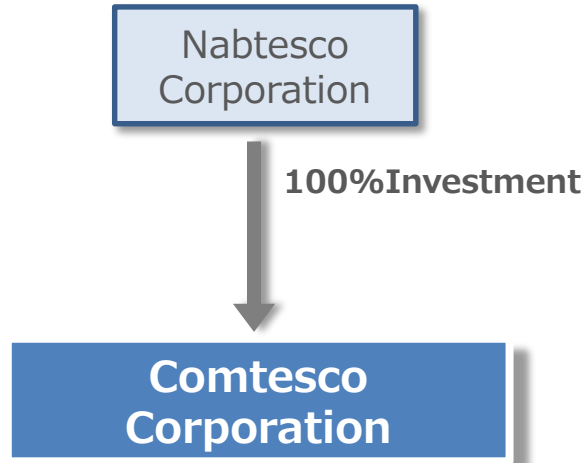
Office and Plants for Power Control Company

Manufacturing

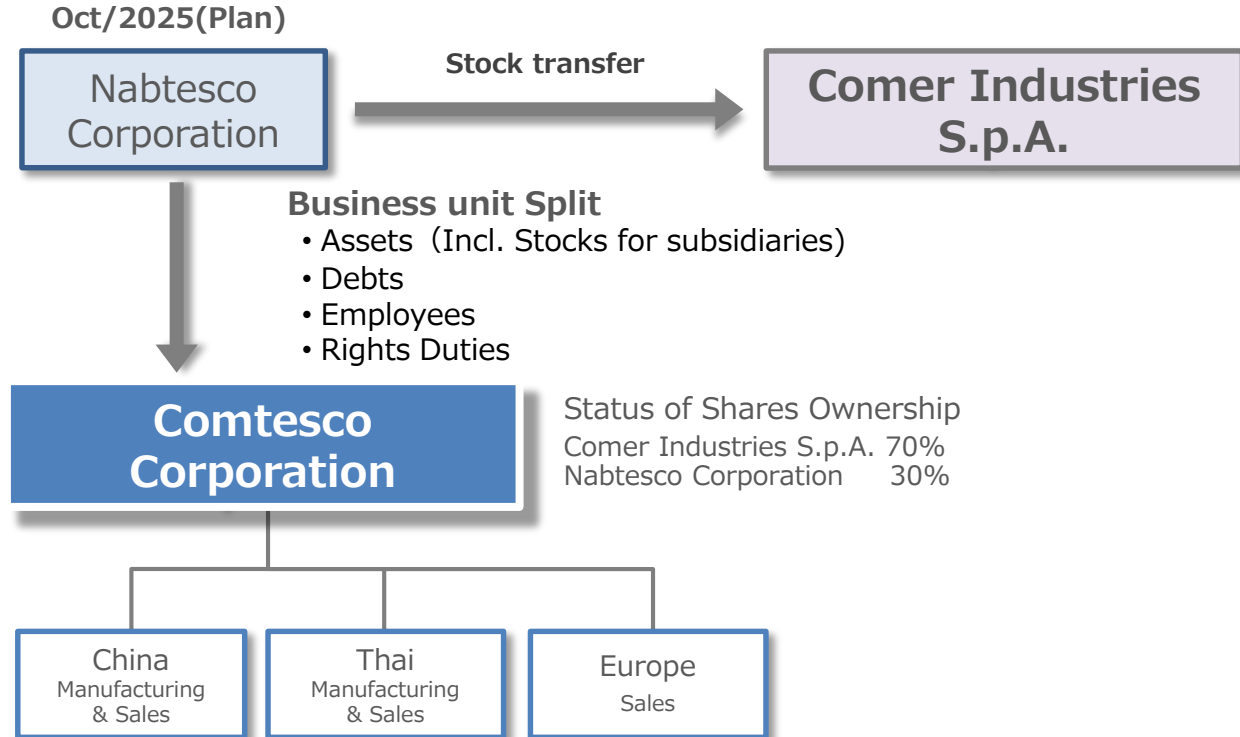


No. of H/C : 308, Consolidated No. of H/C : 669
As of the end of 2024

1st STEP



2nd STEP



● Company Profile



Entity name	Comer Industries S.p.A.
Sector	Manufacturing
Representative	Matteo Storch, President & CEO
Address	Via Magellano, 27, 42046 Reggiolo, Italy
URL	https://www.comerindustries.com
Established	1970
Date of Listed	March 13, 2019
Main stock market	Euronext, Milan
Capital stock	18M € (2024/12)
Sales	949M€ (2024/12)
No. of H/C	3,171 (2024/12 end, Consolidated)

● Business Relations between Comer and Nabtesco since 2017年



Nabtesco
Hydraulic Motor

Comer
Reduction Gear

● Product and Applications

✓ Component : Gearbox, Drive shaft, Axles, Planetary gears, Electric component etc.



✓ Applications
Grass mower



Cultivator



Tractor



Concrete Mixer



Road Roller



Forestry forwarder



Aerial Work Platform



● Network



■ Manufacturing

- ✓ Comer | Italy 5, China 1, India 1
- ✓ e-comer | Italy 2
- ✓ Walterscheid | Germany 3, US 1, Brazil 1
- ✓ Powertrain Rockford | US 1

■ Sales

- ✓ Comer | US 1, England 1, Brazil 1
- ✓ Walterscheid | Japan 1 (JV with Matsui manufacturing)

■ After Service

- ✓ Walterscheid | Austria 1, Netherland 1, France 1, Sweden 1, England 1, Russia 1
- ✓ Off-Highway Powertrain Services | Germany 7

FY2025 plan

(JPY billion)

	2025/12 Initial Plan As of Feb. 12 (A)	2025/12 Revised Plan As of Jul. 31 Include Hydraulic Business (B)	2025/12 Revised Plan As of Jul. 31 Exclude Hydraulic Business (C)
Sales	336.0	344.0	300.7
Operating Profit	18.7	22.3	20.8
(OPM)	5.6%	6.5%	6.9%
Profit before tax	19.7	22.4	20.8
Net profit attributable to owners of the parents	13.1	14.6	14.9
Earning per share (yen)	109.07	122.43	124.95
ROIC	4.1%	4.9%	4.6%

Compare to Initial Plan Variation (C-A)	Compare to Revised Plan Variation (C-B)
-35.3	-43.3
2.1	-1.5
1.3pt	0.4pt
1.1	-1.6
1.8	0.3
15.88	2.52
0.5pt	-0.3pt

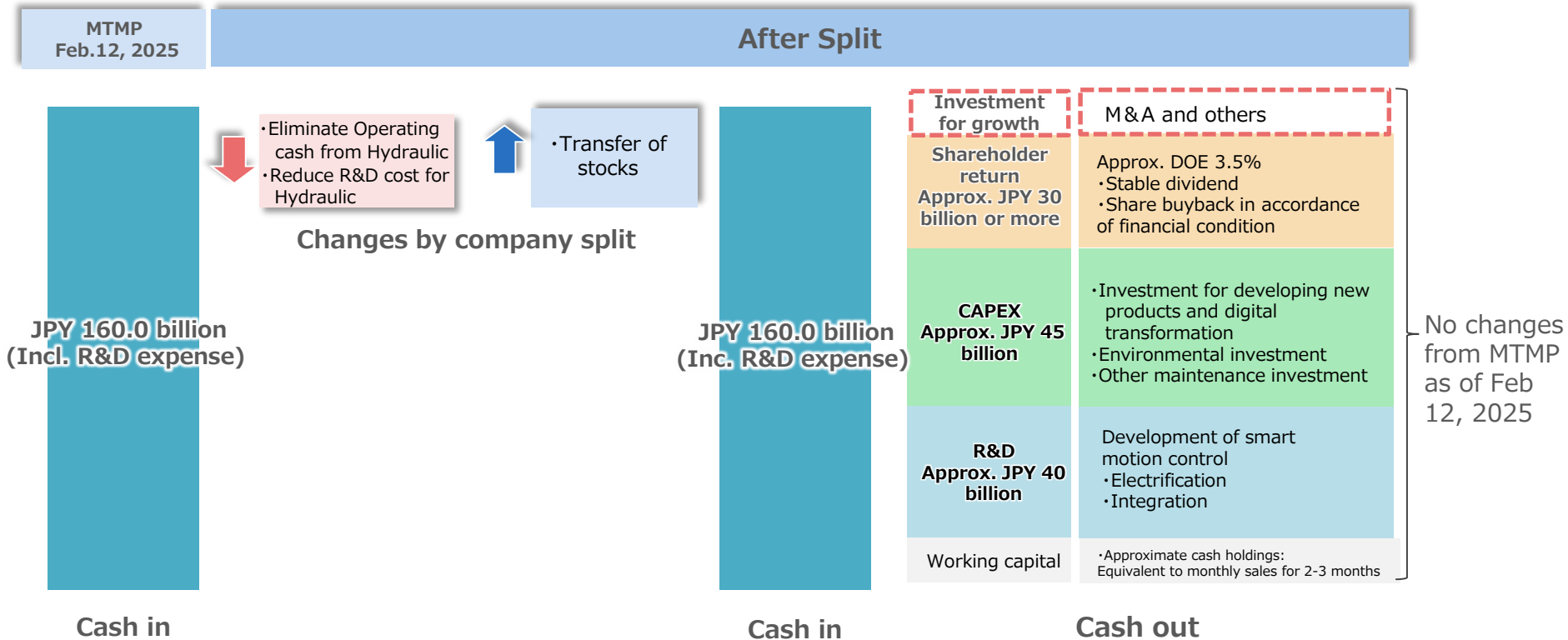
*1(B) The plan incorporates the gains and losses associated with the relevant company split, and, in accordance with IFRS 5, classifies the business in question as a discontinued operation. Accordingly, net sales, operating profit, and profit before tax have been restated to reflect only the amounts related to continuing operations, excluding discontinued operations. Profit attributable to owners of the parent is presented as the total of both continuing and discontinued operations. Therefore, net sales, operating profit, and profit before tax for the hydraulic equipment business from January to December have been excluded, and from November onward, when the change in the equity interest ratio is scheduled, the share of profit or loss of Comtesco Corporation. under the equity method is recognized.

*2Earnings per share are calculated on the assumption of the share repurchase announced today.

Cash Allocation ~before and after~

Cash in : No change in total amount during the period of the medium-term management plan (MTMP) after implementation this action.

Cash out : All items to be implemented have been covered and there are no changes to the growth investment plan.



■ Expected output from this program

Qualitative effect

- The hydraulic equipment business has the potential for further growth under new ownership
- Promote optimization of portfolio balance and build a resilient corporate foundation
- Concentrate resources to promote smart motion control to realize the long-term vision

Quantitative Effects

- Improve consolidated OPM
 - FY2025 Consolidated OPM Before 6.5%⇒ After 6.9%
 - FY2025 CMP segment OPM Before 6.1%⇒ After 6.8%
- Asset Reduction Total asset : End of 2Q JPY 448.3 billion⇒ After JPY 426.0 billion

Nabtesco

moving it. stopping it.

