

# **FY2025/12 H1 Results Briefing**

**Nabtesco Corporation**  
**August 6, 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. Unauthorized copying and replication of this material including text and image are prohibited.

Nabtesco announced “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.” on July 31.

This presentation mainly explain without the impact of the company split.

There are a referential numbers from the impact from page 16 thru 23 which is the chapter of “Company split of the Hydraulic Equipment Business”

We will disclose the Hydraulic Equipment as a discontinued business from the 2025/Q3 onward

## FY2025/12 H1 result (consolidated)

### Sales and O.P. increase in year on year

Sales : JPY 165.6 billion(+ 8.6%) O.P. : JPY 10.6 billion (+65%)

- Sales increase : PRG (+ JPY 5.9bn) Railroad (+JPY 3.2bn) Marine (+JPY2.0bn)
- O.P. increase : TRS (+JPY 1.7bn) CMP(+JPY 1.2bn)

## FY2025/12 Full-year plan (consolidated)

\*No impact from the company split

### Sales and O.P. increase compare to initial plan and revised up the plan

Sales : JPY 344.0 billion (+ 2.4% compare to initial plan)

O.P. : JPY 22.3 billion (+19.3% compare to initial plan)

- Sales increase : PRG (+ JPY 4.0bn) Marine (+JPY 2.2bn)
- O.P. increase : CMP(+JPY 1.7bn) TRS (+JPY1.6bn)

## Highlights

- Project 10 is inline with our plan
- Limited impact from U.S. tariff
- Decided share purchase and cancellation because of favorable result
- Impact from company split of hydraulic equipment will be appeared in 2025/Q3 result

**[Abbreviation for Business Segment in slides ]**

CMP: Component Solutions Segment Precision Reduction Gears(PRG), Hydraulic Equipment ACB: Accessibility Solutions Segment Automatic Doors and others

TRS: Transport Solutions Segment Railroad Vehicle Equipment, Aircraft Equipment, Commercial Vehicle Equipment, Marin Vessel Equipment and others MFR: Manufacturing Solutions Segment Packaging Machines and others

# FY2025/12 H1 Result

- Sales and profits increase YoY and compare to plan. Profitability significantly improve because of MRO sales increase and execution of profitability improvement plan “Project 10”

(JPY billion)	FY2024/12 H1 (A)	FY2025/12 H1 Plan (As of Feb. 12) (B)	FY2025/12 H1 result (C)
Sales	152.5	161.0	165.6
O.P.	6.4	6.8	10.6
Operating profit margin	4.2%	4.2%	6.4%
Finance Income and Cost	1.0	-0.3	-0.5 <sup>*1</sup>
Equity in earnings of affiliates	0.4	0.8	-0.0 <sup>*2</sup>
Profit before tax	7.8	7.3	10.1
Net profit attributable to owners of the parent	4.2	4.3	6.5
Total basic earnings per share(JPY Yen)	35.01	35.80	54.20
Dividends per share (JPY Yen)	40	40	40

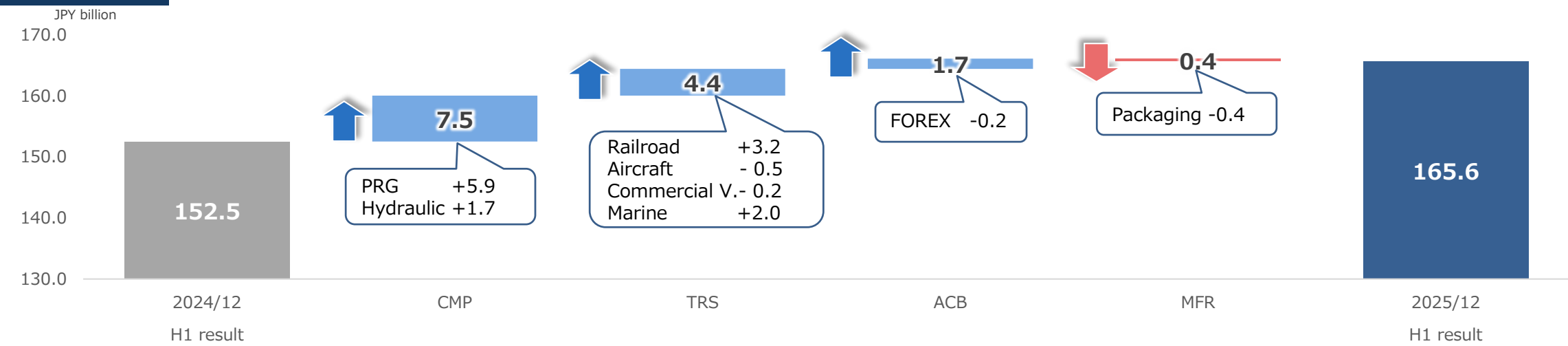
YoY Variation (C-A)	H1 result vs plan Variation (C-B)
13.1	4.6
4.2	3.8
2.2pt	2.2pt
-1.5	-0.2
-0.5	-0.8
2.2	2.8
2.3	2.2

\*1 Financial cost is mainly due to the FOREX

\*2 Equity in earnings of affiliates decrease due to the negative impact from TMT MACHINERY, INC.

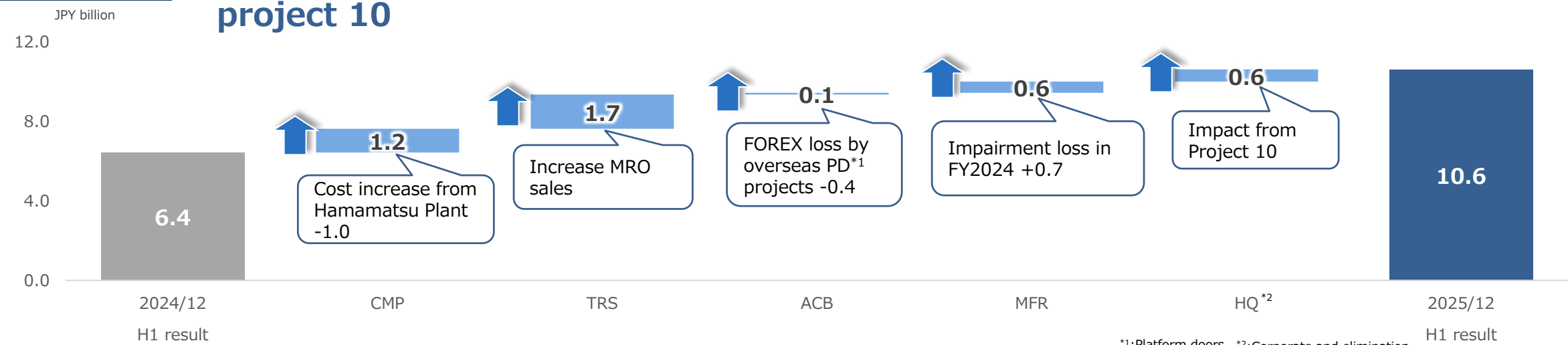
## Sales

■ Sales increase due to the Demand increase in CMP, TRS and ACB



## O.P.

■ O.P. increase due to sales increase and profitability improvement by executing project 10



\*1: Platform doors \*2: Corporate and elimination

























- No big changes in B/S. Cash increase is due to the working capital increase and borrowing increase for dividend payment

(JPY billion)	FY2024/12 As of December 31, 2024	FY2025/12 H1 As of June 30, 2025	Variation
<b>Assets</b>	445.5	448.3	2.7
(Cash and cash equivalents)	74.5	87.2	12.7
(Trade receivable)	92.1	74.9	-17.2
(Inventories)	53.4	58.6	5.2
(Non-current assets)	216.5	218.4	1.9
<b>Liabilities</b>	158.3	161.1	2.8
(Borrowings)	31.9	44.1	12.2
<b>Total equities</b>	287.3	287.2	-0.1
(Non-controlling interests)	17.2	16.3	-0.9
<b>Equity attributable to owners of parent</b>	270.1	270.9	0.8
<b>Ratio of equity attributable to owners of parent :</b>	60.6%	60.4%	

# FY2025/12 Revision Plan



■ No major changes in market environment, but it remains uncertainty due to the U.S. tariff policy

Business			Market Environment	Trend (Feb F/C)⇒ (July F/C)
CMP	Precision Reduction Gears		Demand for industrial robots is partly EV-related investment in China Expect demand recovery in H2 as tariff rate negotiations in major countries were settled	 ⇒ 
	Hydraulic Equipment		China market bottomed out and export sales were strong from China, but demand stagnated in the European market	 ⇒ 
TRS	Railroad Vehicle Equipment		For Japan market, demand for new vehicles recovered. New projects outside of Japan also increased. There is a trend toward vehicle life extension in various regions, and MRO demand is also strong	 ⇒ 
	Aircraft Equipment		For defense, demand increased significantly due to the expansion of the defense budget For civilian aircraft, demand was strong for both new aircraft and MRO	 ⇒ 
	Commercial Vehicle Equipment		Japan market is stagnant due to driver shortages in the logistics industry, etc. Southeast Asian market is declining due to economic stagnation	 ⇒ 
	Marine Vessel Equipment		Strong new ship build in China and Korea. High demand for maritime transport have led to strong MRO demand	 ⇒ 
ACB	Automatic Doors		Building Doors: Strong demand continues in Japan market due to redevelopment of urban area, Stagnant in the U.S. and Europe markets due to slowing economics growth, but renewal demand for doors shows strong Platform Doors (PD): Demand remains strong in Japan, thanks to the Barrier-Free Access Act.	 ⇒ 
MFR	Packaging Machines		Although there are high needs for automation and labor saving mainly among food manufacturers, overseas demand is sluggish due to deteriorating business confidence caused by the impact of the U.S. tariffs.	 ⇒ 

- Upward revision of full year plan because of favorable H1 result. The company has decided to purchase own shares to improve its capital efficiency

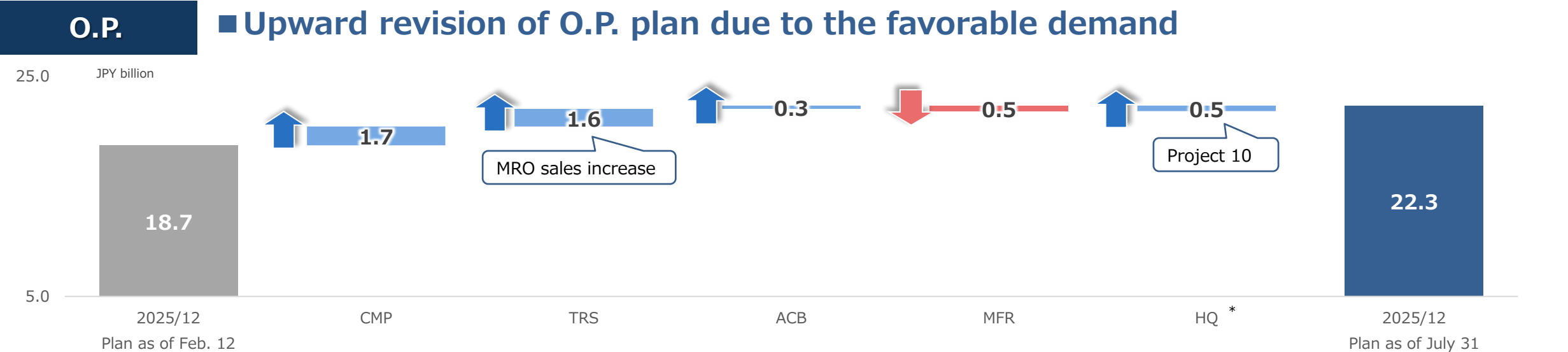
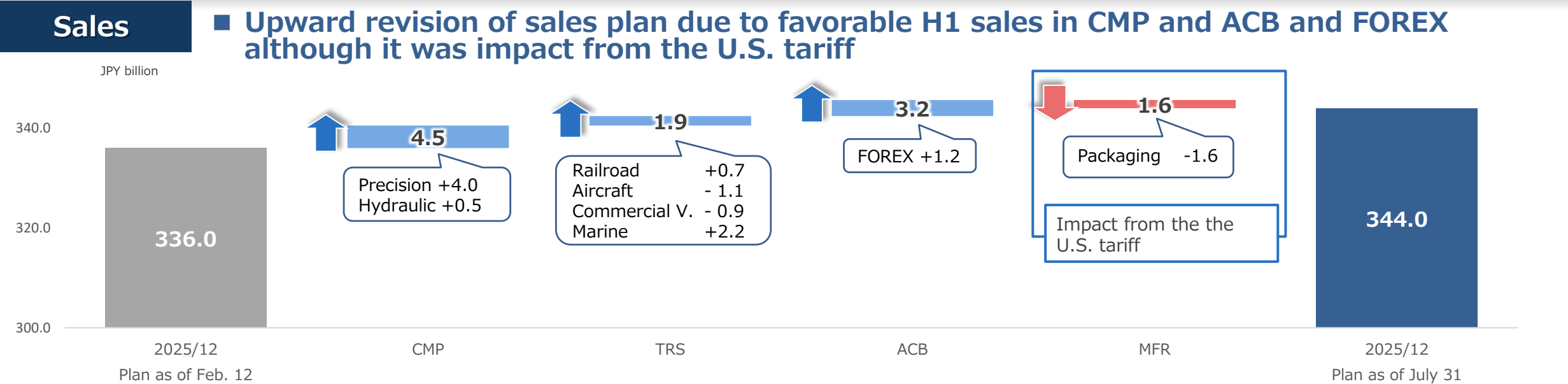
(JPY billion)	2024/12 Result (A)	2025/12 Plan as of Feb. 12 (B)	2025/12 Plan as of July 31 (C)
<b>Sales</b>	323.4	336.0	344.0
<b>O.P.</b>	14.8	18.7	22.3
<b>Operating profit margin</b>	4.6%	5.6%	6.5%
<b>Finance Income and Cost</b>	0.2	-0.7	-1.0
<b>Equity in earnings of affiliates</b>	0.7	1.7	1.1
<b>Profit before tax</b>	15.7	19.7	22.4
<b>Net profit attributable to owners of the parent</b>	10.1	13.1	14.6
<b>Total basic earnings per share(JPY Yen)</b>	84.25	109.07	122.43
<b>ROIC</b>	3.4%	4.1%	5.0%
<b>Dividends per share (JPY Yen)</b>	80.00	80.00	80.00
<b>DOE</b>	3.6%	3.6%	3.7%
<b>(Payout ratio)</b>	95.0%	73.3%	65.3%

YoY Variation (C-A)	July 31 vs Feb. 12 Variation (C-B)
20.6	8.0
7.5	3.6
1.9pt	0.9pt
-1.2	-0.3
0.4	-0.6
6.7	2.7
4.5	1.5
38.13	13.36

※The above plan does not included the impact for company split but include the impact for acquisition of own shares

Summary of FY2025/12 Full-year Plan (Feb.12 vs July 31)

*Innovation In Action*  
Vision 2030



- Raised profit plan due to cost optimization and additional price pass-through on the top of sales increase
- Impact of U.S. tariffs (10%/2Q, 15%/August~) will be limited to a maximum of 300 million yen by price pass-through and changes in commercial distribution



## Shareholder's Return Policy during Medium-term Management Plan

**Approx. DOE\* 3.5%** with stable dividend and share buyback in accordance of financial condition

### Reasons

1. Increase in operating cash flow due to the favorable business performance  
Approx. JPY 7.5bn increases compare to initial plan
2. Excess cash increase in the end of this fiscal year due to the investment cash flow decrease by improve the efficiency of investment  
Approx. JPY 2.5bn increase compare to initial plan in the end of FY2025/12

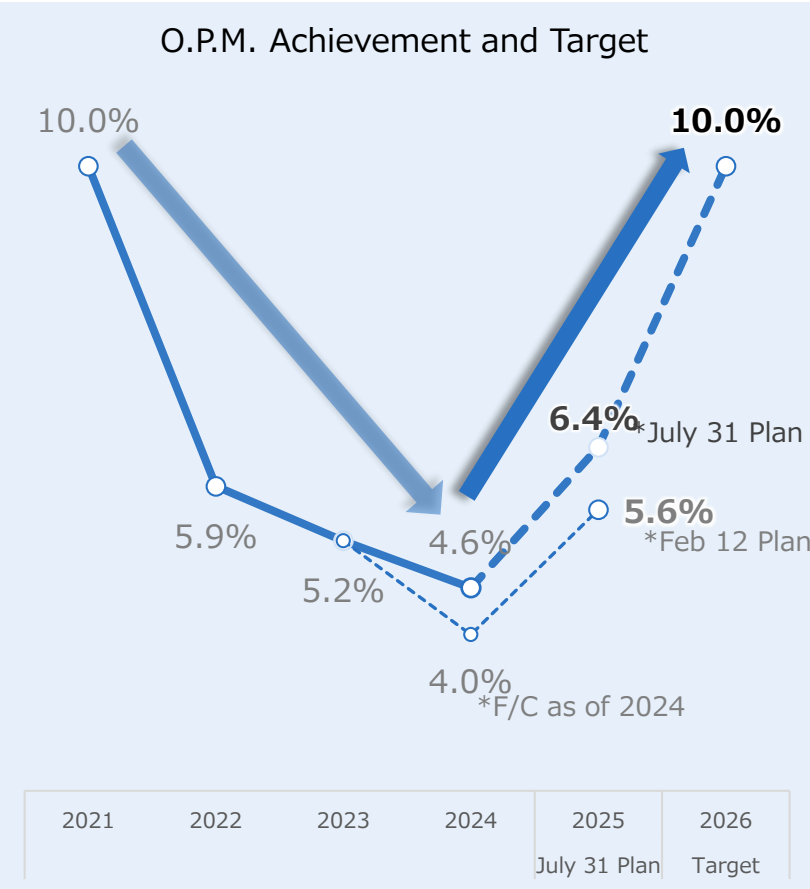
Total JPY10.0bn  
as excess cash

### Details

- Acquisition period: August 1, 2025, through to December 30, 2025
  - Total amount of share acquisition cost: Up to JPY 10 billion
  - Total number of shares which can be acquired: Up to 4 million shares
  - Method of acquisition: Open market purchase on the Tokyo Stock Exchange
- ※All the shares acquired this will be cancelled with in this fiscal year

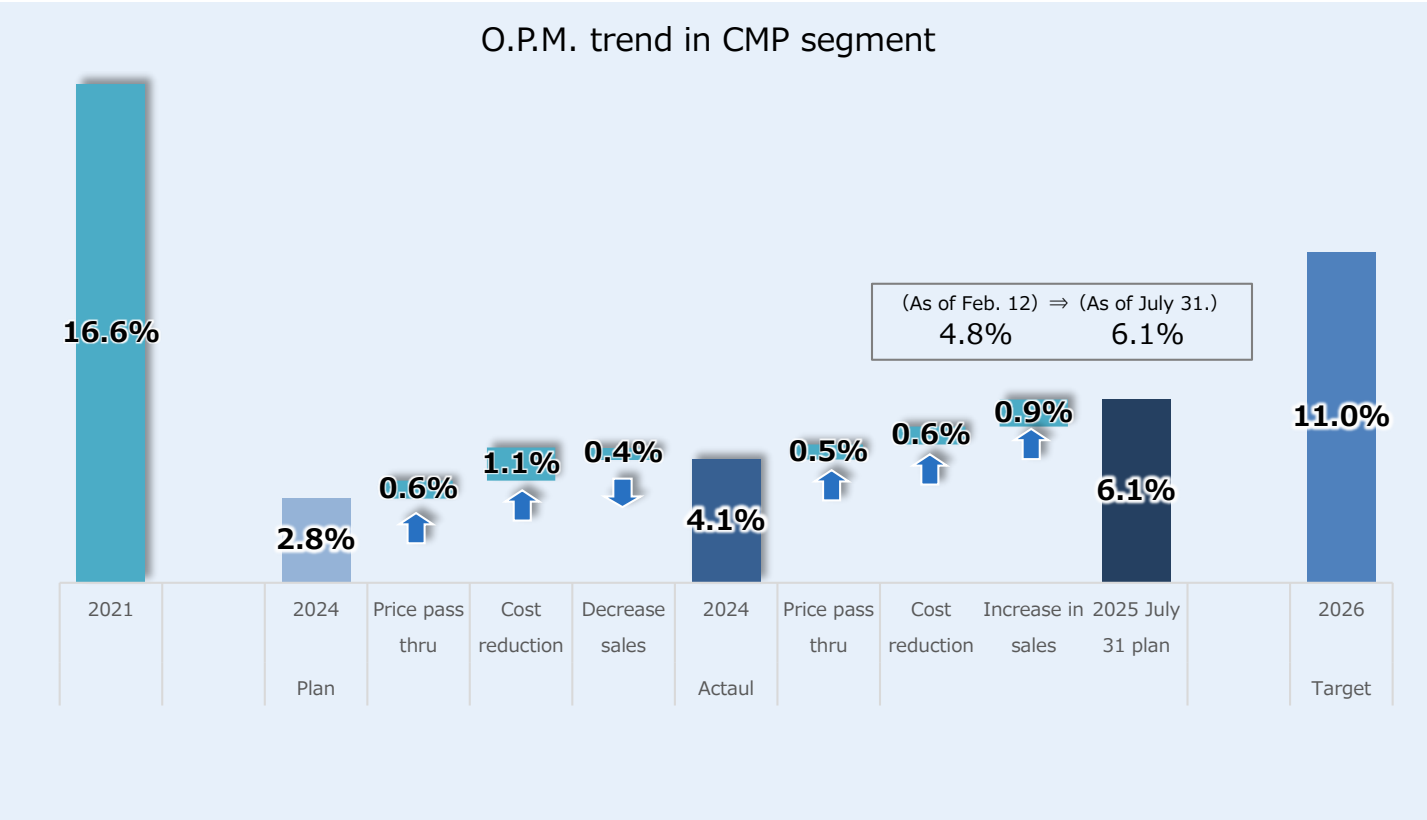
## Entire Company

The revised plan for FY2025 in July 31 plan is expected an operating income margin of 6.4%, up 0.8% from the initial plan in Feb.12 plan



## Component Solution Segment

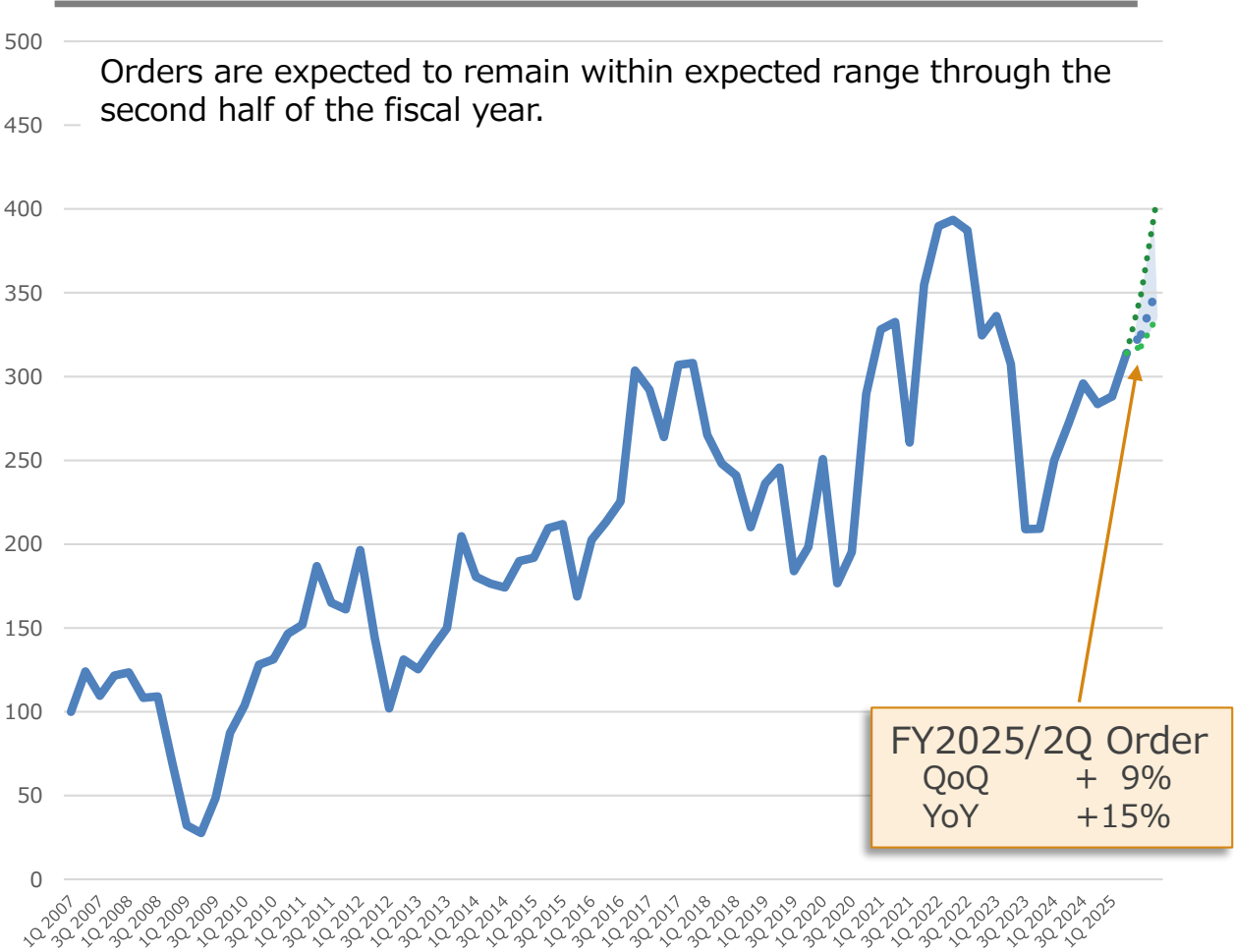
CMP operating profit in July 31 plan is expected to be 6.1%, up 1.3% from Feb. 12 plan, due to impact for price pass-through and cost reductions. It is not including the Company split. (OPM will be 6.8% in 2025 plan as of July 31. due to the company split)



\*Sales increase include productivity improvement

■ Orders in FY2025/2Q recovered for the second consecutive quarter  
Expect full-fledged recovery in the second half of the year

《 Order Trend in Precision Reduction Gears 》

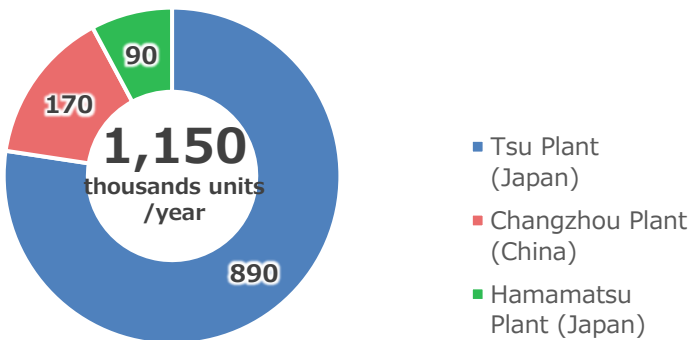


FY2007/q1=100

《Production capacity and Utilization ratio in PRG》

■ Production capacity

2024/3Q onward



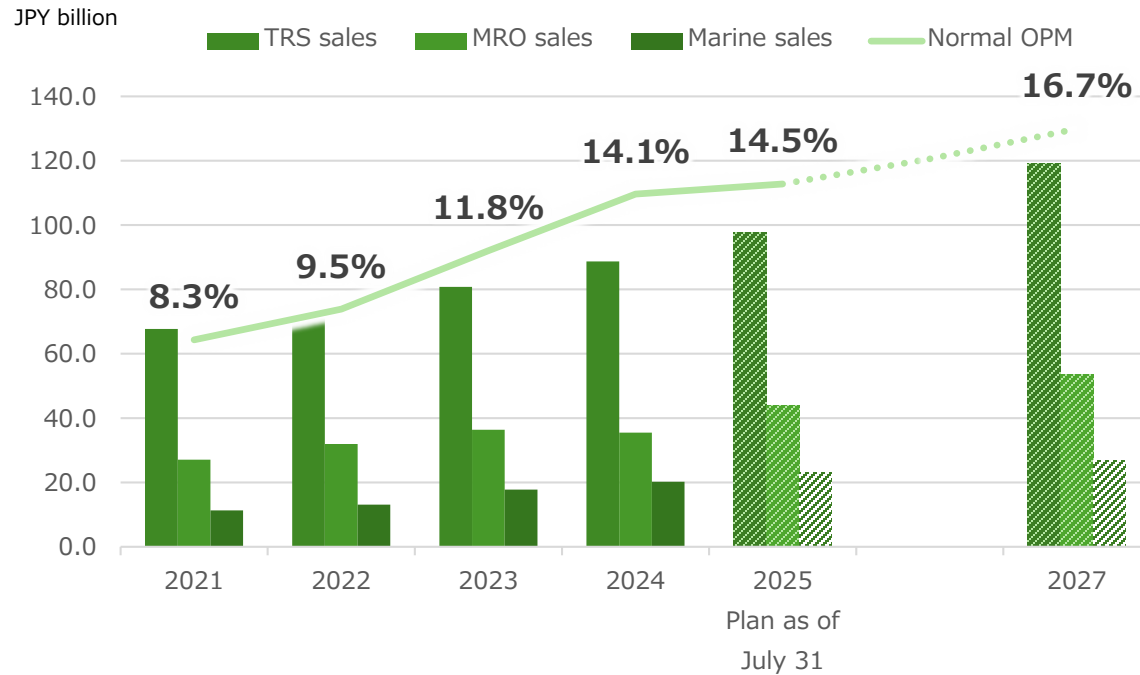
■ Utilization ratio for each plant

Factory	Utilization Ratio	
	25/1Q	25/2Q
Tsu (Japan)	60%	65%
Changzhou (China)	95%	110%
Hamamatsu (Japan)	Gradually increasing production volume	

↑ UP !  
↑ UP !

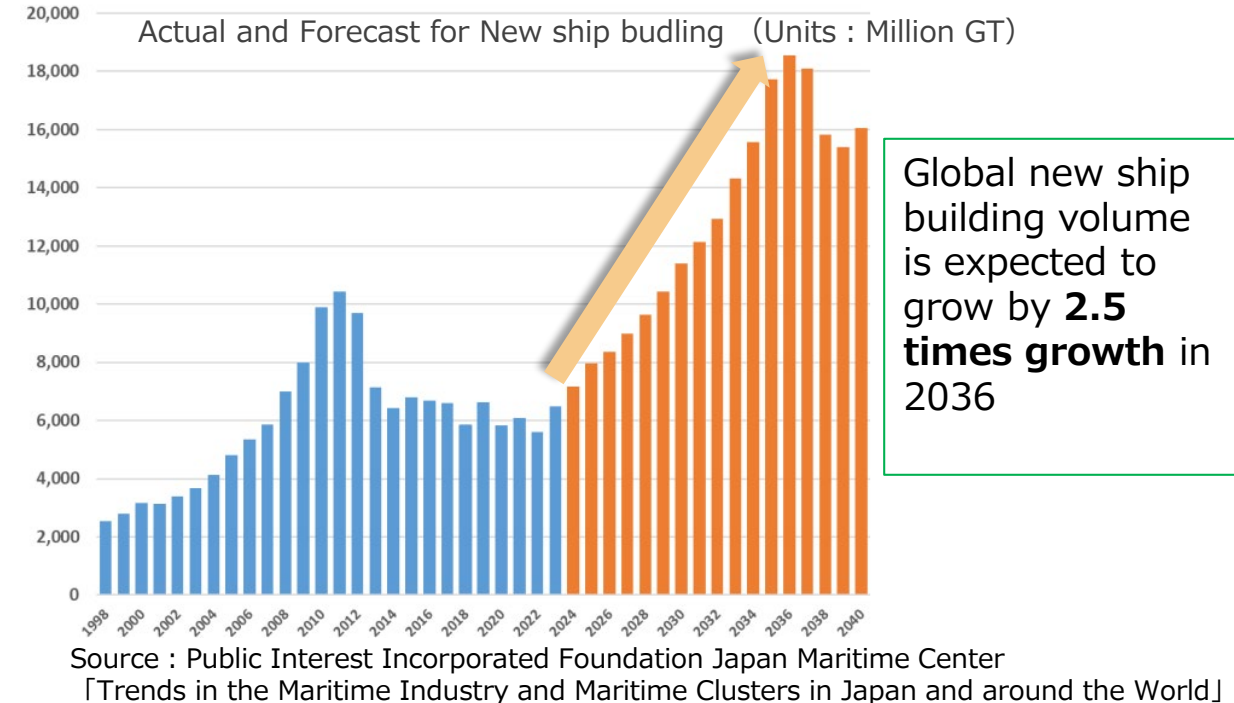
※The above ratio is formulated by 3 shifts per day, 20 working days per month

## TRS Sales, MRO Sales and O.P.M.



- CAGR for TRS sales 10%
- CAGR for Marine Vessel Equipment Sales 15%

## Market Environment for Marine Vessel



### ■ Growth Strategy for Marine Vessel Equipment Business

- Establish product structure in major shipbuilding countries (Japan, China and Korea) in line with market growth
- Steadily expand sales by expanding product lineup to meet market changes, such as environmental regulations, and plant seeds for MRO acquisition
- Establishment of a service system capable of responding for 24/7 through the establishment of our own offices and a global network of distributors



# The company Split of Hydraulic Equipment Business

## Vision for 2030

### Long-term Vision

Leaders in Innovation for the Future

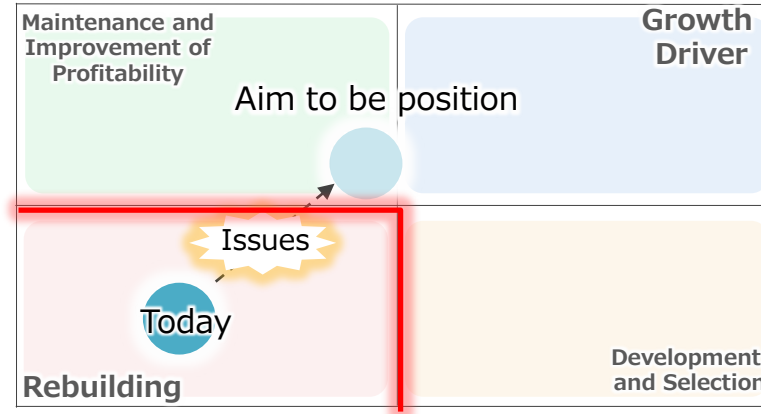
*Innovation In Action*

### 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

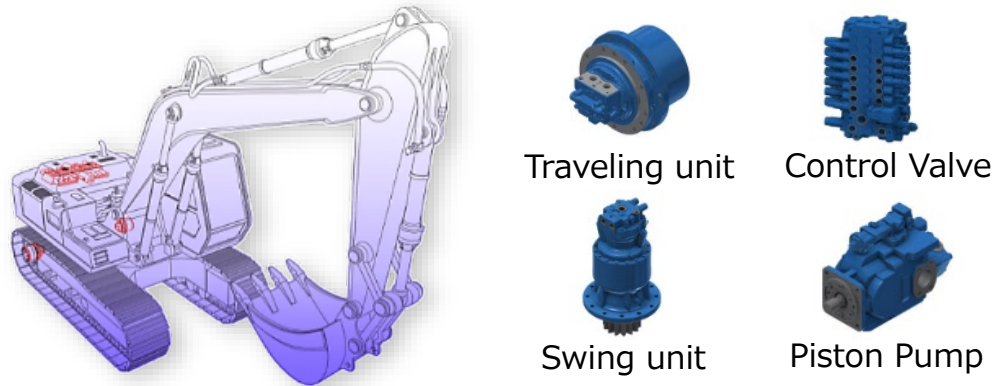
■ **Need a strategic partner**

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

\*SMC : Smart Motion Control

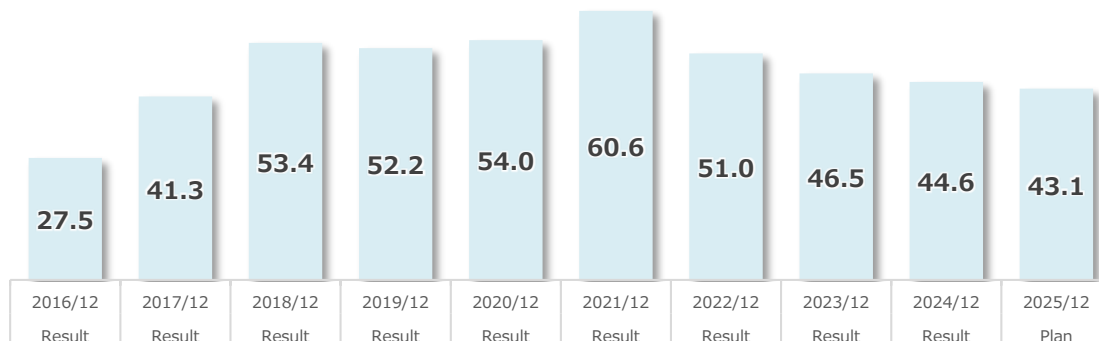
## Hydraulic Equipment business under Component Solutions Segment

### Product Lineup

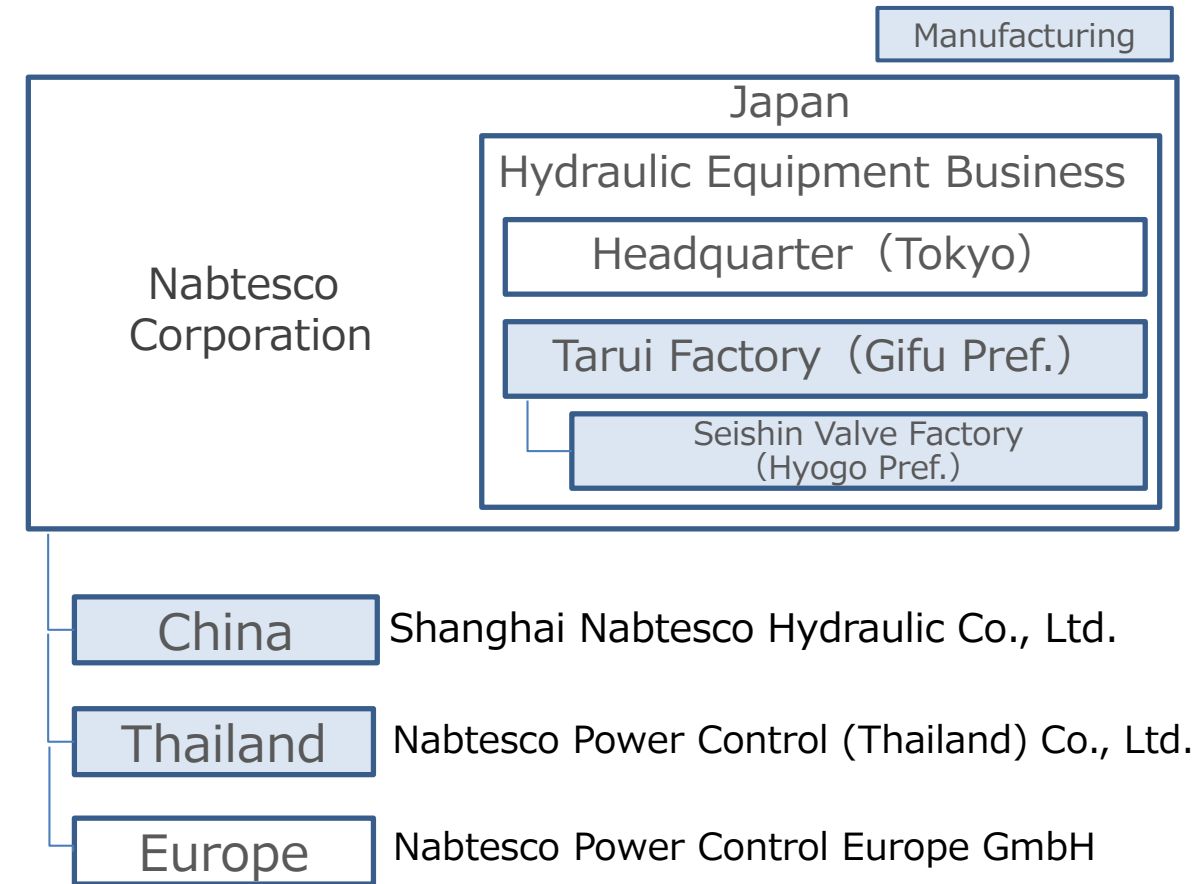


### Sales achievement and forecast for Hydraulic Equipment

JPY billion

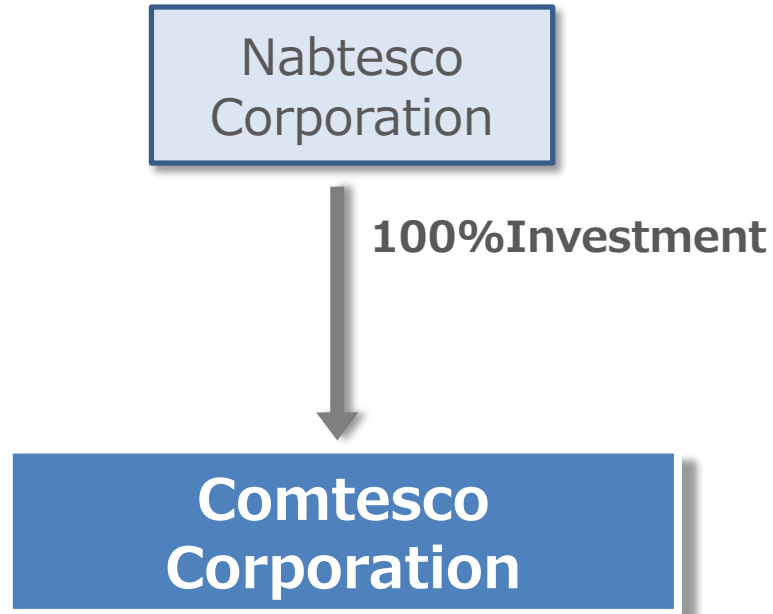


### Office and Plants for Power Control Company

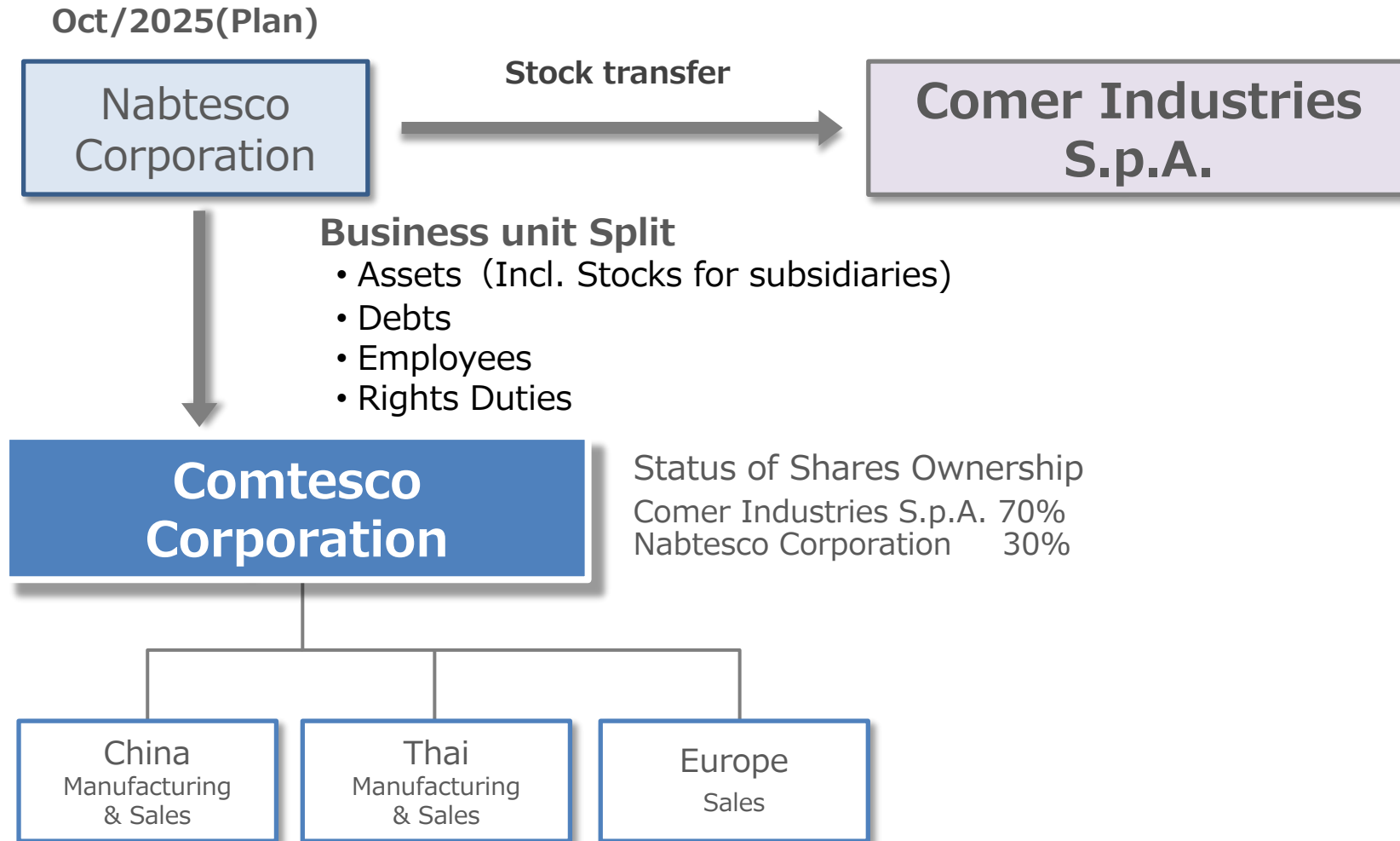


No. of H/C : 308, Consolidated No. of H/C : 669  
As of the end of 2024

## 1<sup>st</sup> STEP



## 2<sup>nd</sup> STEP



● Company Profile



Entity name	Comer Industries S.p.A.
Sector	Manufacturing
Representative	Matteo Storch, President & CEO
Address	Via Magellano, 27, 42046 Reggio, Italy
URL	<a href="https://www.comerindustries.com">https://www.comerindustries.com</a>
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



● Product and Applications

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



● 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	2025/12	2025/12	Compare to Initial Plan	Compare to Revised Plan
	Initial Plan As of Feb. 12	Revised Plan As of Jul. 31 Include Hydraulic Business	Revised Plan As of Jul. 31 Exclude Hydraulic Business	Variation	Variation
	(A)	(B)	(C)	(C-A)	(C-B)
<b>Sales</b>	336.0	344.0	300.7	-35.3	-43.3
<b>Operating Profit</b>	18.7	22.3	20.8	2.1	-1.5
<b>(OPM)</b>	5.6%	6.5%	6.9%	1.3pt	0.4pt
<b>Profit before tax</b>	19.7	22.4	20.8	1.1	-1.6
<b>Net profit attributable to owners of the parents</b>	13.1	14.6	14.9	1.8	0.3
<b>Earning per share (yen)</b>	109.07	122.43	124.95	15.88	2.52
<b>ROIC</b>	4.1%	5.0%	4.6%	0.5pt	-0.4pt

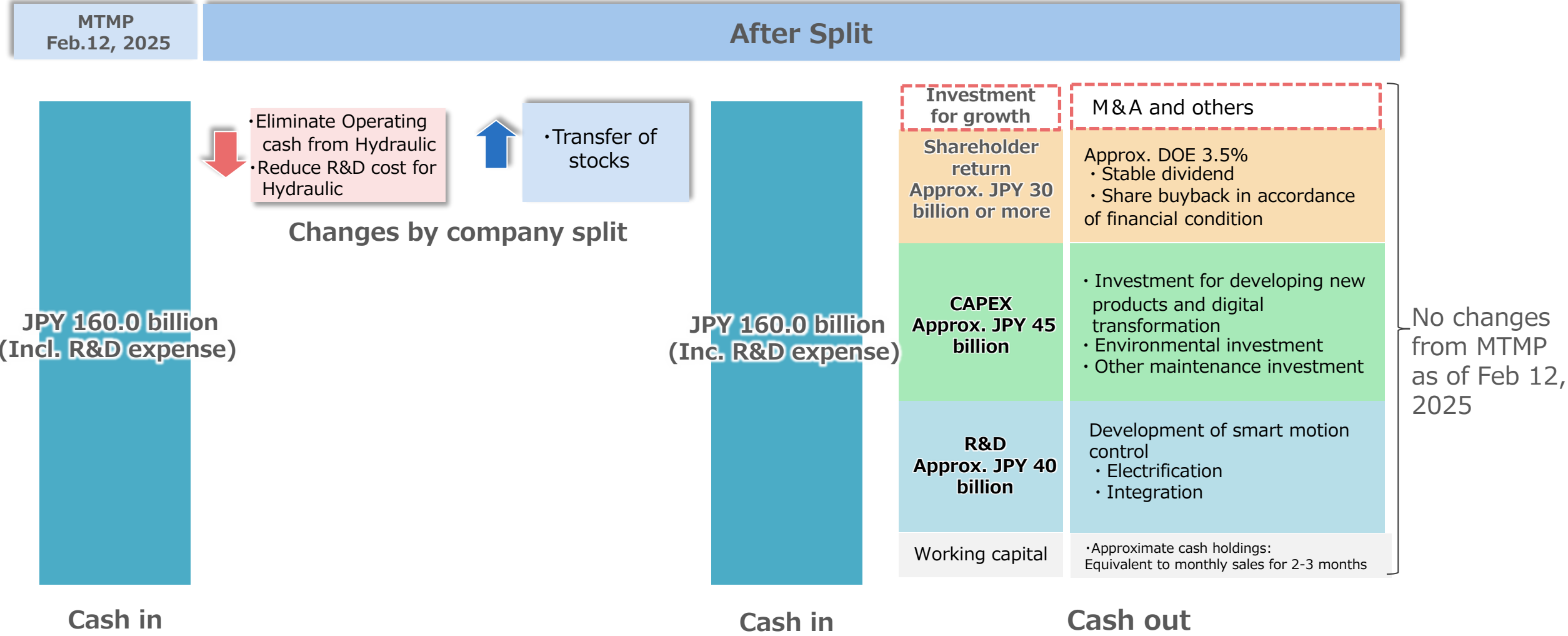
\*1(B) The plan incorporates the gains and losses associated with the relevant company split, and, in accordance with IFRS 5, classifies the business in question as a discontinued operation. Accordingly, net sales, operating profit, and profit before tax have been restated to reflect only the amounts 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 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

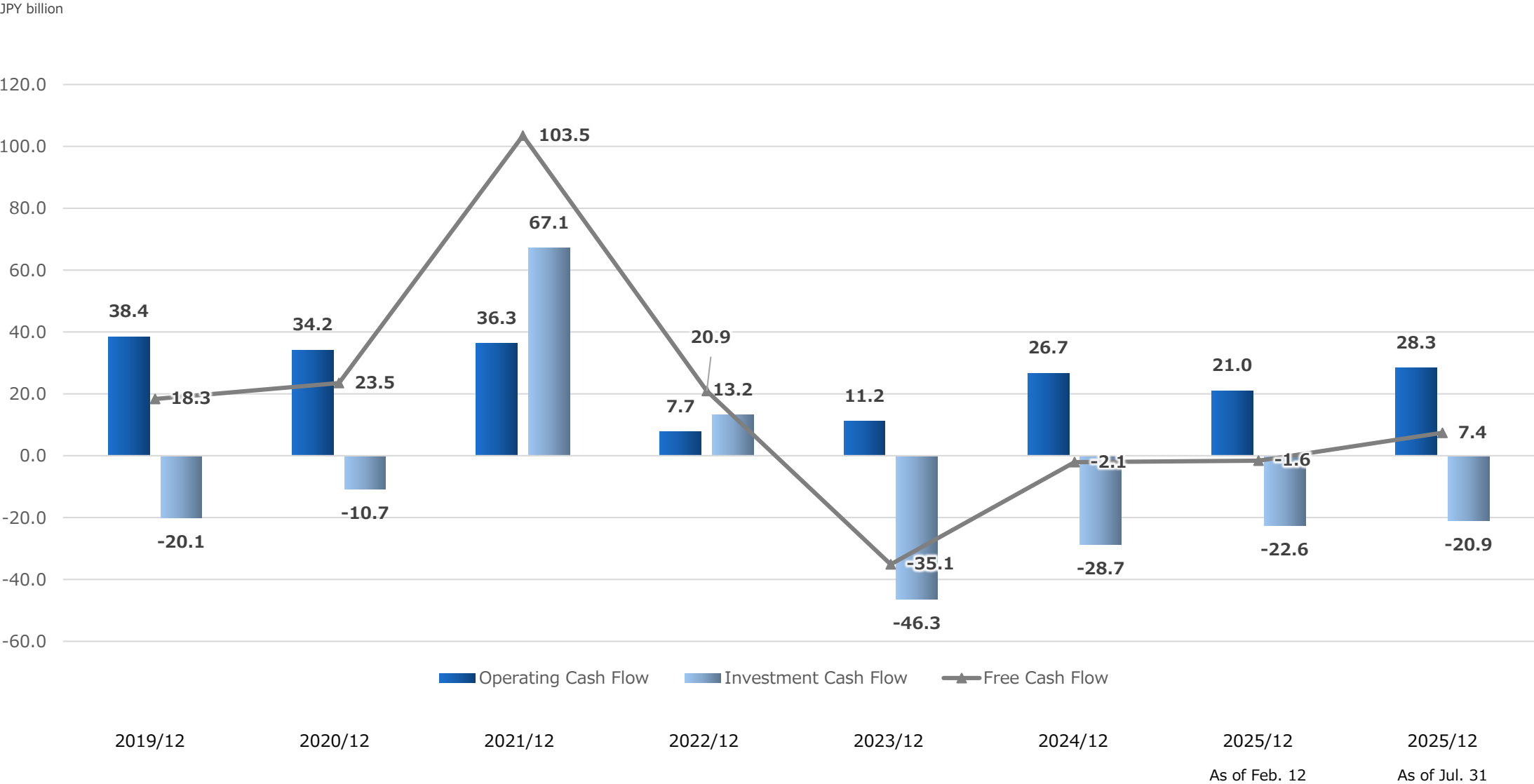
## ■ Business portfolio management going forward

- Focus on achieving the mid-term plan for major businesses
- Non-major businesses that have not yet met internal evaluation criteria based on ROIC continue to consider plans to achieve them



# Appendix

■ Free cash flow is expected to be positive for the first time in three fiscal years

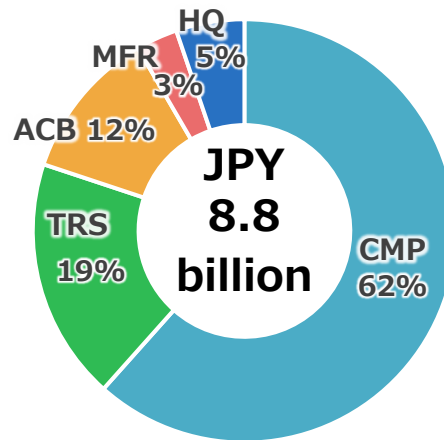


■ No change of capex compare to initial plan

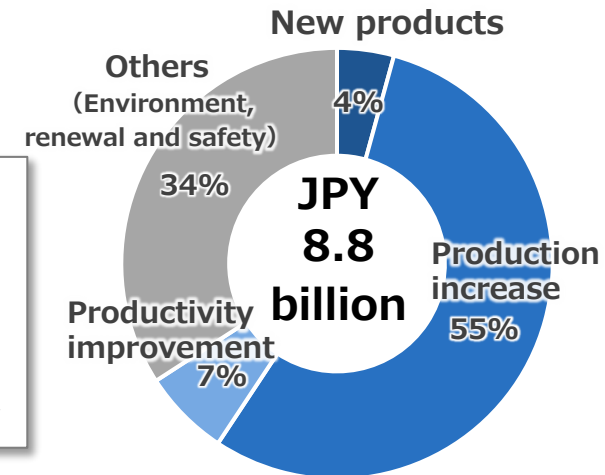
(JPY billion)	2024/12	2025/12	YoY
	H1	H1	(B-A)
	(A)	(B)	
Capex	10.3	6.9	-3.4
R&D	5.6	5.6	0.0
Depreciation	7.8	8.8	1.0

2025/12	2025/12~2027/12
Plan	MTMP
As of July 31	
18.0	45.0
13.5	40.0
17.3	53.0

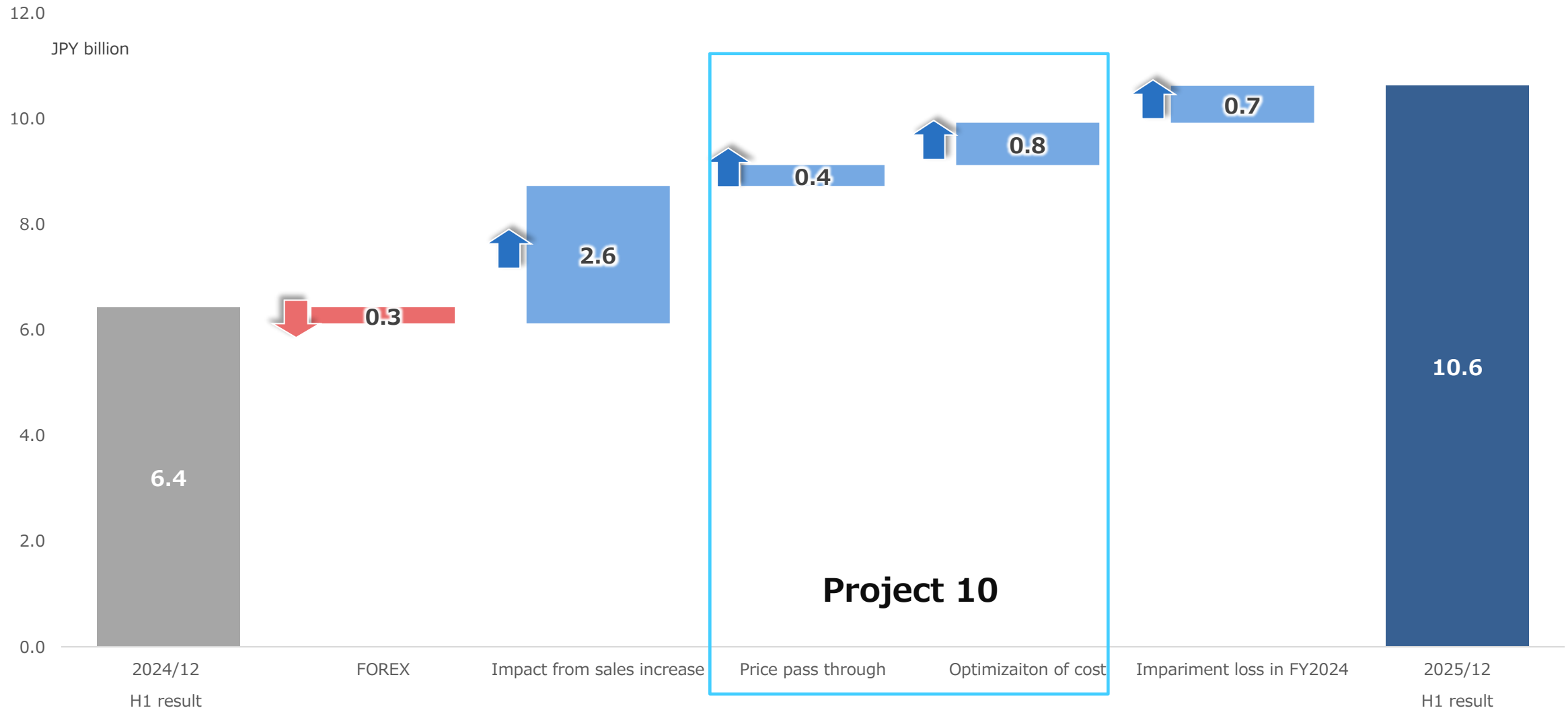
## 2025/12 H1 result



- Precision Reduction Gears
  - Facility for Hamamatsu (Delay from FY2024)
  - Renewal of facility
- Hydraulic Equipment
  - Rebuilding the Japan plant
  - Installation of environmentally friendly facility

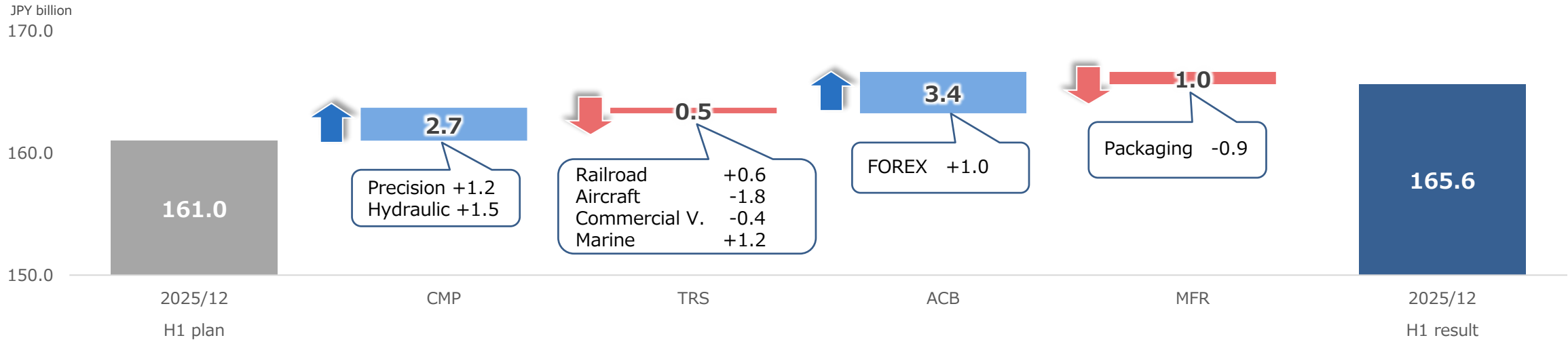


## ■ O.P. increase due to sales increase and profitability improvement by executing project 10



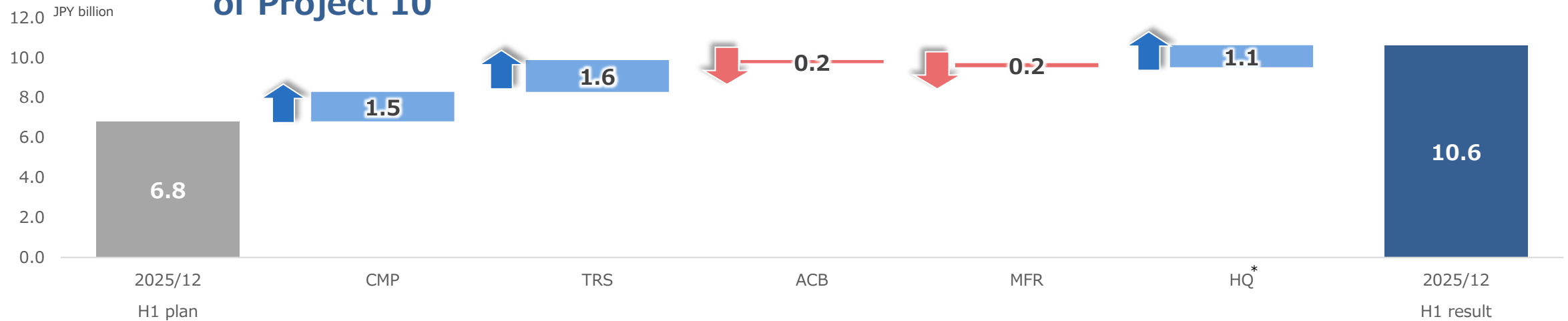
## Sales

### ■ Demand increase in CMP and ACB



## O.P.

### ■ O.P. increase due to sales increase and profitability improvement by execution of Project 10

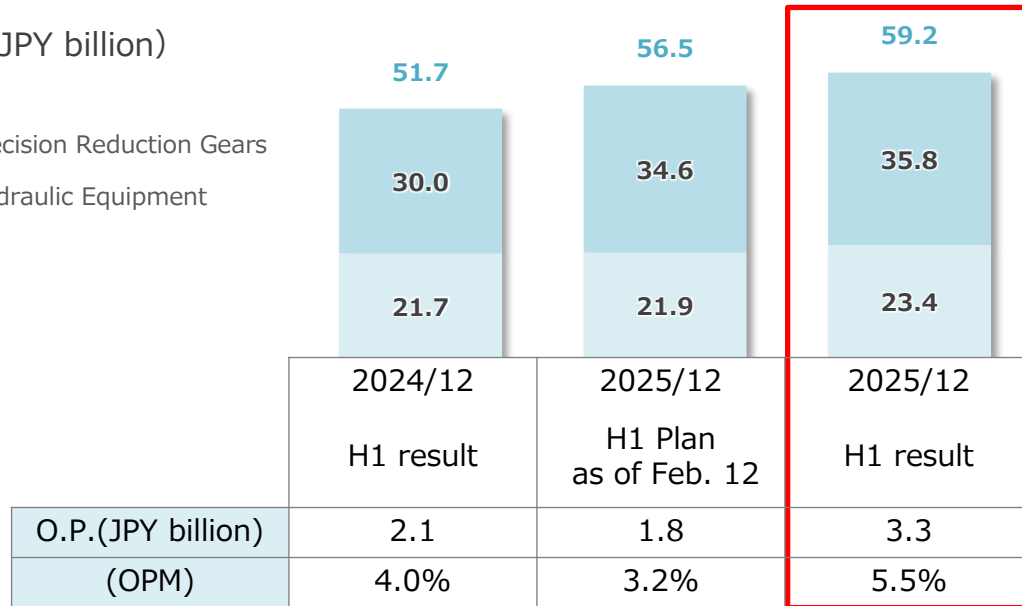


\*:Corporate or elimination

## Component Solutions Segment (CMP)

Sales(JPY billion)

- Precision Reduction Gears
- Hydraulic Equipment



### 【Sales】

#### • Precision Reduction Gears :

Sales increase due to the favorable industrial robotics demand in China and FOREX

#### • Hydraulic Equipment :

Excavator export demand from China was favorable

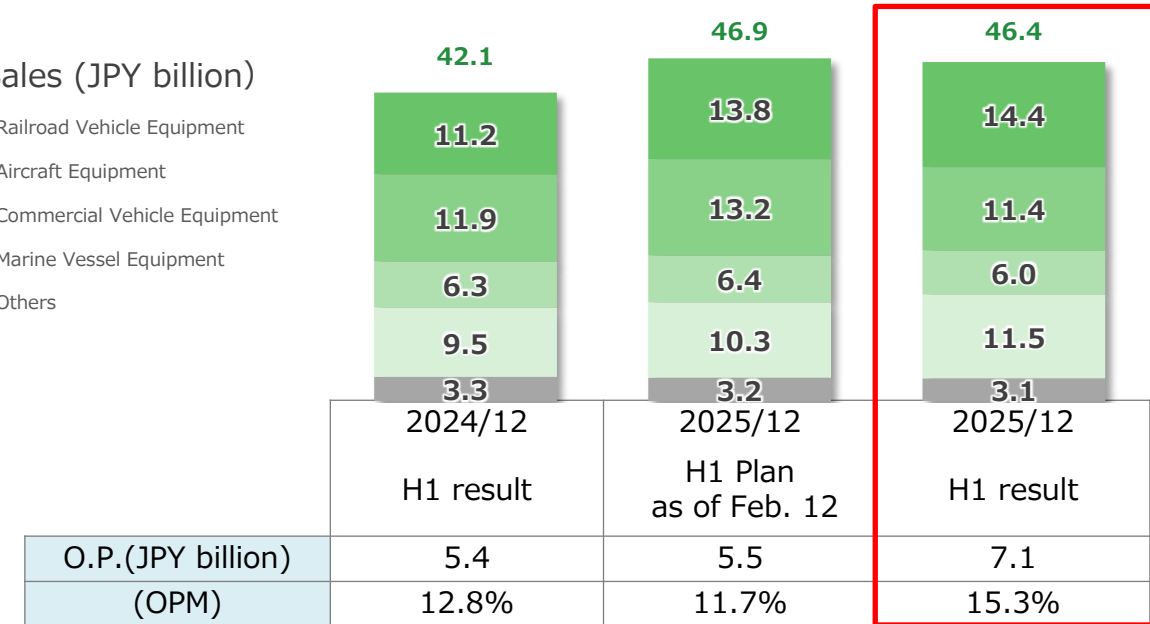
### 【O.P.】

O.P. increase due to sales increase and project 10

## Transport Solutions Segment (TRS)

Sales (JPY billion)

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



### 【Sales】

#### • Railroad Vehicle Equipment :

Sales increase due to the strong demand in MRO in Japan and overseas

#### • Aircraft Equipment :

Sales decrease due to the procurement delay

#### • Commercial Vehicle Equipment :

Sales decrease due to the weak demand in Southeast Asia

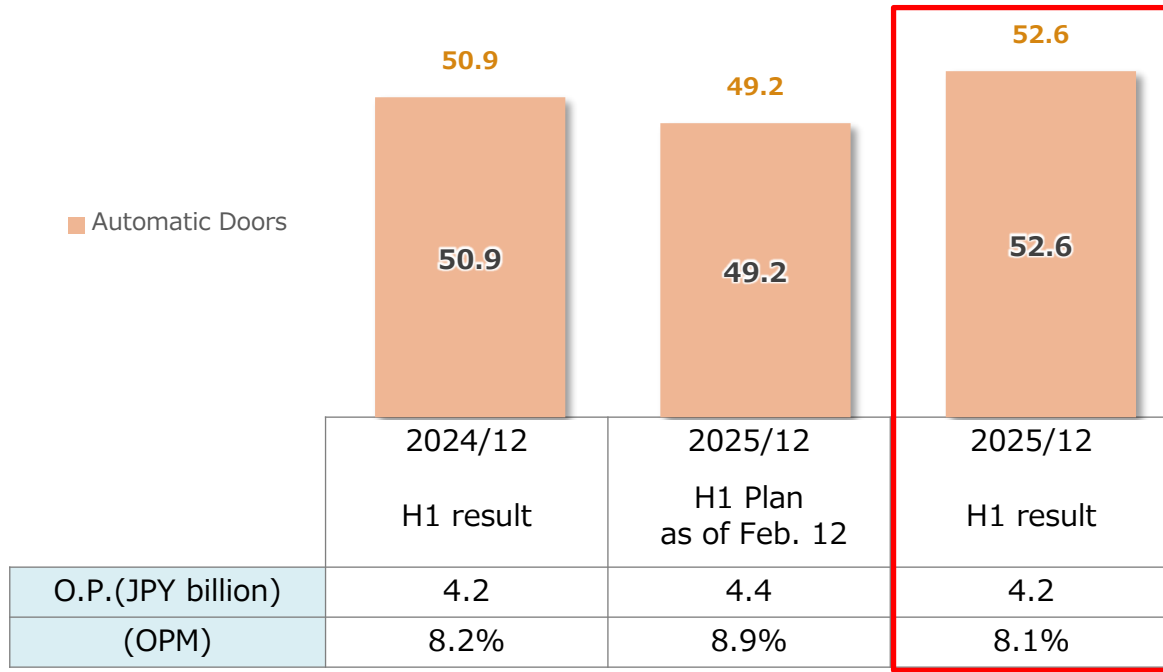
#### • Marine Vessels Equipment :

Sales increase due to steady demand in new shipbuilding and MRO

### 【O.P.】

O.P. increase due to sales increase, change in sales composition and project 10

## Accessibility Solutions Segment (ACB)



### 【Sales】

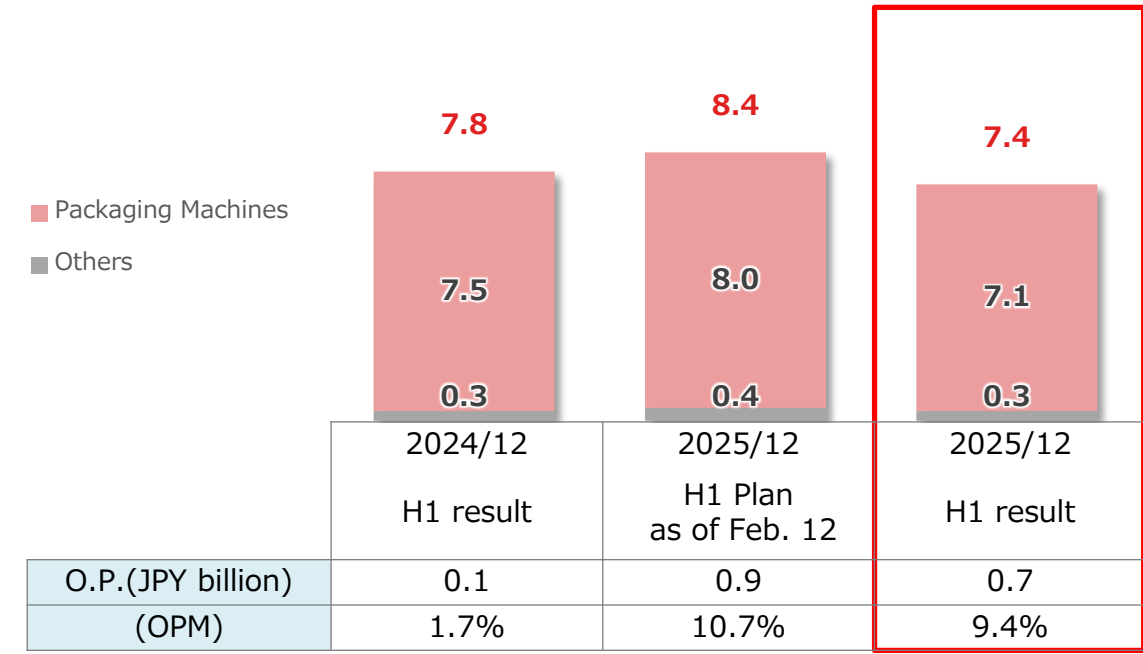
#### • Automatic Doors :

Sales increase due to FOREX, steady demand in automatic doors for building including redevelopment project and demand in platform doors

### 【O.P.】

Profit decrease due to evaluation loss of overseas Platform Doors project by strong CHF to HKD, GBP, EUR and AUD

## Manufacturing Solutions Segment (MFR)



### 【Sales】

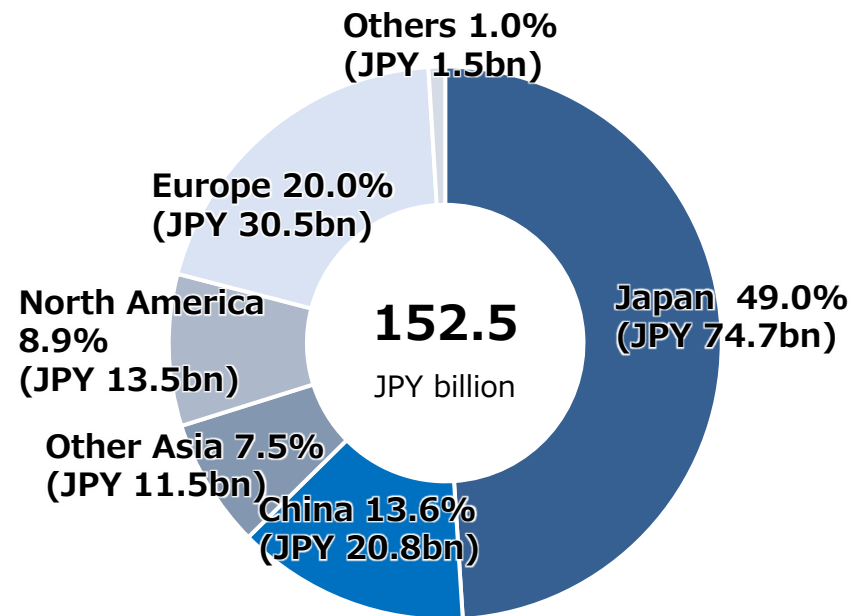
#### • Packaging machines :

Sales decrease due to the reviewing investment timing at customers and MRO capability short.

### 【O.P.】

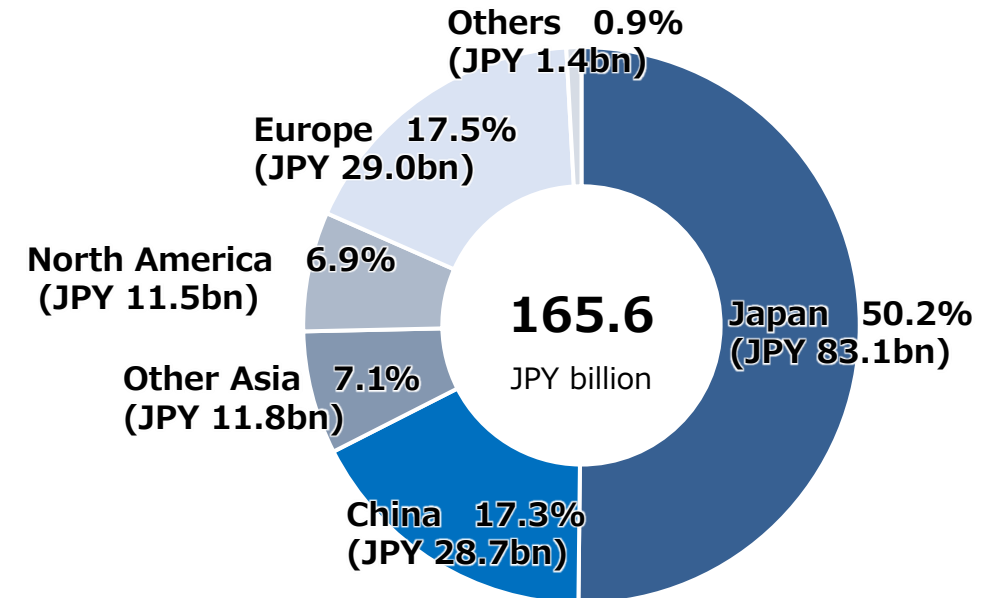
O.P. decrease due to sales decrease

## 2024/12 H1 Result



Overseas sales	JPY 77.8bn
Overseas sales ratio	51.0%

## 2025/12 H1 Result



Overseas sales	JPY 82.5bn
Overseas sales ratio	49.8%



## ■ FOREX

(yen)	2024/12 H1 result	2025/12 H1 result	2025/12 Full-year Plan as of Feb. 12	2025/12 Full-year Plan as of July 31	2025/12 H2 plan
<b>USD</b>	154.06	147.48	140.00	143.74	140.00
<b>RMB</b>	21.52	20.47	19.50	19.99	19.50
<b>EUR</b>	166.12	162.24	150.00	158.62	155.00
<b>CHF</b>	172.57	172.51	160.00	168.76	165.00

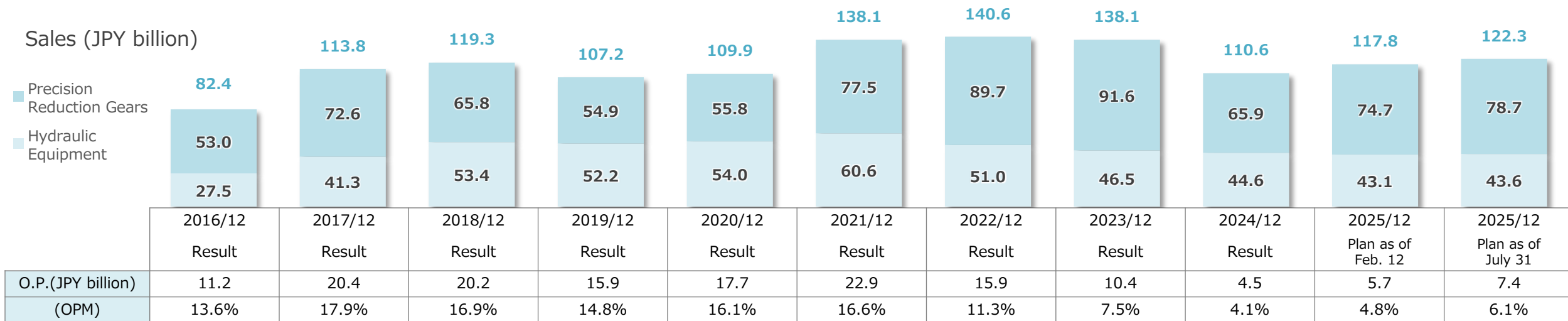
## ■ FOREX sensitivity (This represents the effect to be expected on operating profit if the exchange rate fluctuates by one yen.)

(million yen)	2025/12 H1 result	
	Sales	O.P.
<b>USD</b>	69	24
<b>RMB</b>	1,075	90
<b>EUR</b>	38	Minimal
<b>CHF</b>	116	Minimal

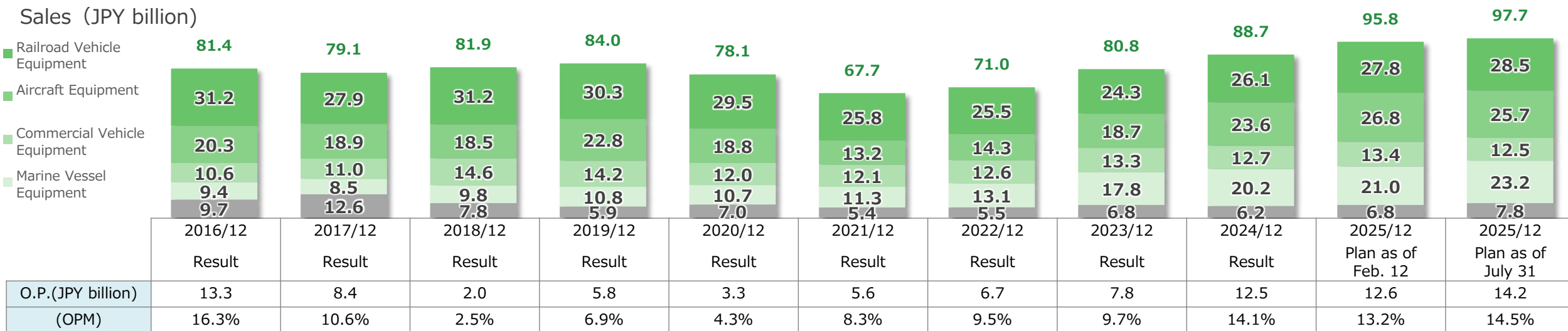
2025/12 Full-year plan as of July 31	
Sales	O.P.
183	51
2,051	107
79	16
253	11

# Component Solutions Segment (CMP)

*Innovation In Action*  
Vision 2030



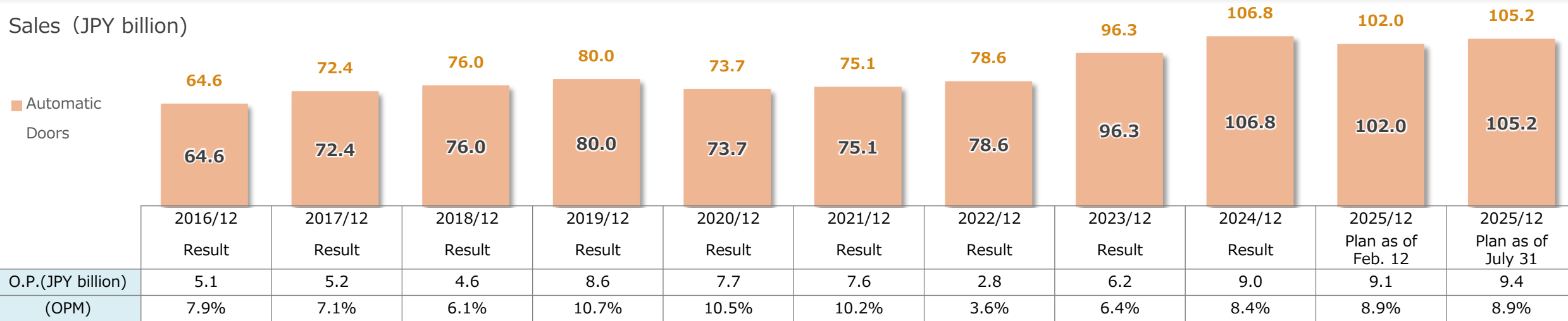
# Transport Solutions Segment (TRS)



# Accessibility Solution Segment (ACB)

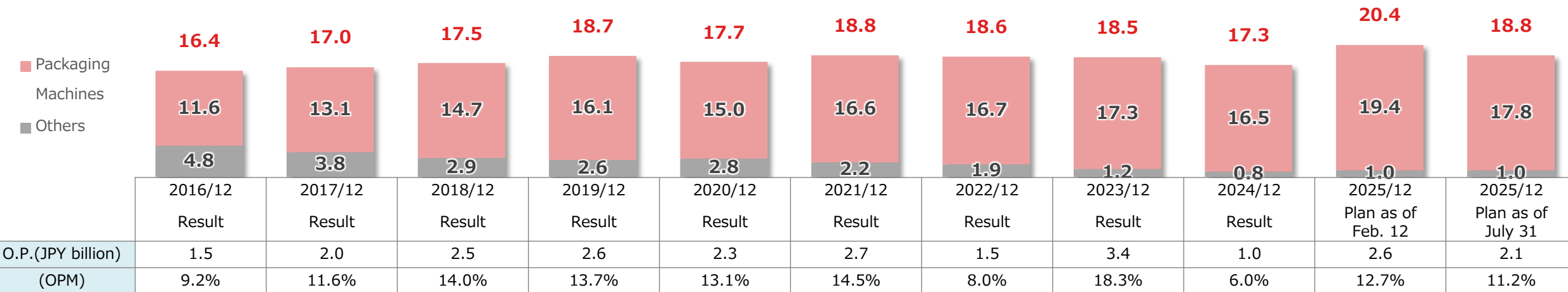
*Innovation In Action*  
Vision 2030

Sales (JPY billion)



# Manufacturing Solutions Segment (MFR)

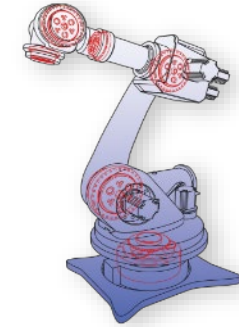
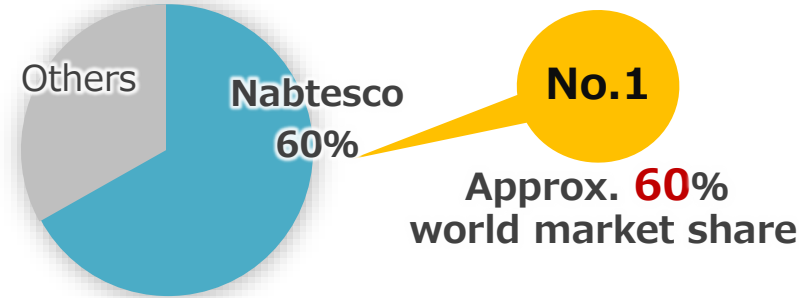
Sales (JPY billion)



The market share is estimated by Nabtesco

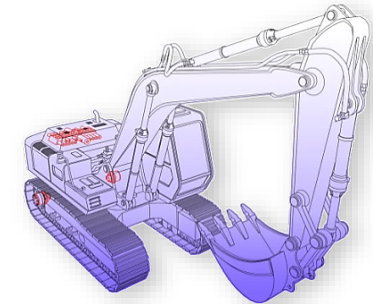
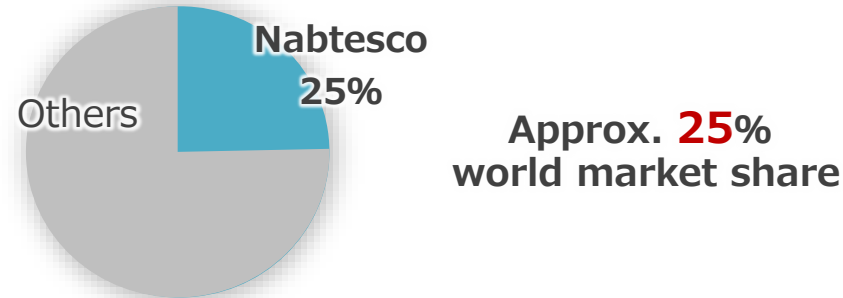
## Precision Reduction Gears

- Joints of Medium and Large Size Industrial Robots



## Hydraulic Equipment

- Traveling Units for Hydraulic Excavators



## 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)

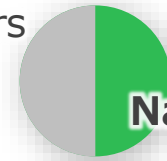
## Railroad Vehicle Equipment

### ■ Brake Systems

### ■ Door Operating Systems

The market share is estimated by Nabtesco

Others

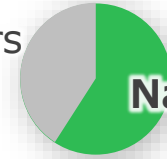


Nabtesco 50%

**No.1**

Approx. **50%** Domestic Market Share

Others



Nabtesco 60%

**No.1**

Approx. **60%** Domestic Market Share



## Aircraft Equipment

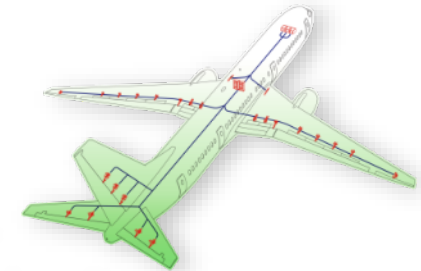
### ■ Flight Control Actuation Systems (FCA)

**No.1**



Nabtesco  
100%

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

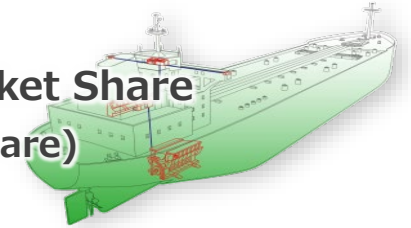


### ■ Air Dryers



## Marine Vessel Equipment

### ■ 2ST Main Engine Control Systems



## Main Customers

### ■ Commercial Vehicle Equipment

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

### ■ Marine Vessel Equipment

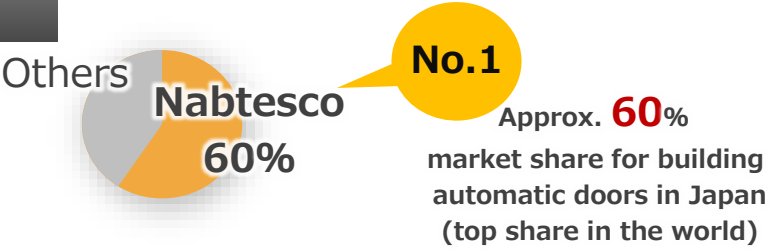
Japan Engine Corporation, KHI, Makita Corporation, Hitachi Zosen Marine Engine Co., Ltd., Mitsui Engineering & Shipbuilding, Hyundai Heavy Industries (Korea), Hudong Heavy Machinery (China), HSD Engine Co., Ltd. (Korea)



# Main Products: Accessibility Solutions Segment (ACB)

## Automatic Doors

■ Automatic Doors



The market share is estimated by Nabtesco



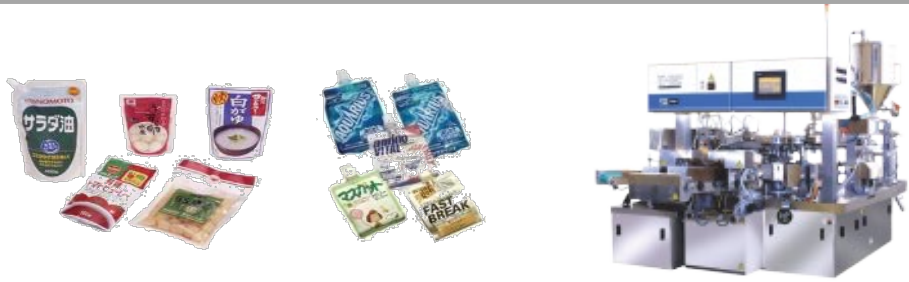
## Main Customers

**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

うごかす、とめる。

# Nabtesco

