

FY2024/12 Q3 Results Briefing

Nabtesco Corporation
October 31, 2024

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2024/12 Q1-Q3 result

- Consolidated sales :
229.8 billion yen (YoY -5.6%)
- Operating Profit : 9.6 billion yen (YoY -25.6%)

2024/12 Full-year plan

- No change

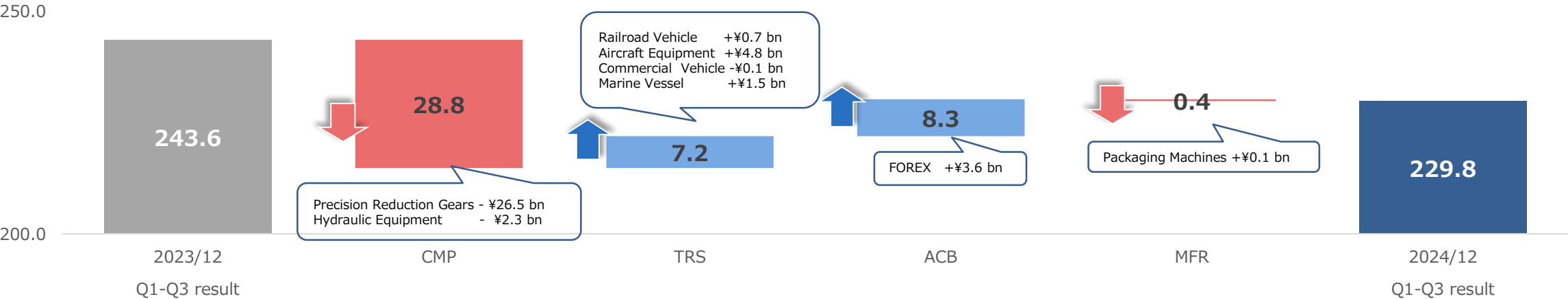
Progress for full-year plan

Sales	71.0%
Operating profit	71.4%

Sales

billion yen

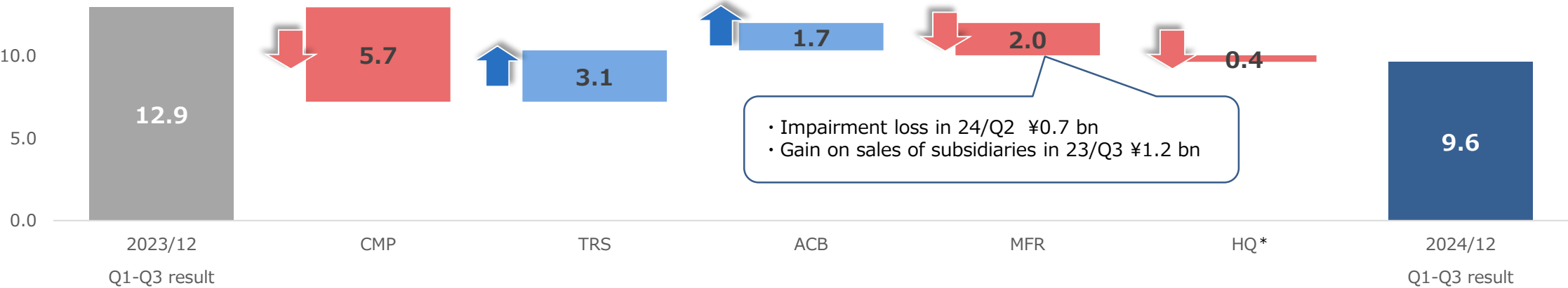
■ Although favorable demand increased the sales of TRS and ACB, overall sales decreased mainly because of weak demand in Precision Reduction Gears.



O.P.

billion yen

■ Although profit increased in TRS and ACB, overall profit decreased due to CMP sales decrease and impairment loss in MFR.



*:Corporate or Elimination

■ Both sales and operating profit decreased YoY. The Progress to full year plan was generally favorable.

(JPY billion)	2023/12 Q1-Q3 (A)	2024/12 Q1-Q3 (B)	Variation (B-A)
Sales	243.6	229.8	-13.8
Operating Profit	12.9	9.6	-3.3
(OPM)	5.3%	4.2%	-1.1pt
Financial Income and Cost	4.7	-0.2	-4.9
(Ravaluation share of HDS*¹)	3.5	-	-
Equity in earnings of affiliates	3.4	0.5	-2.9
Profit before tax	21.1	9.9	-11.1
Net profit*²	13.3	5.7	-7.6
Total basic earnings per share (Yen)	110.74	47.12	-63.62

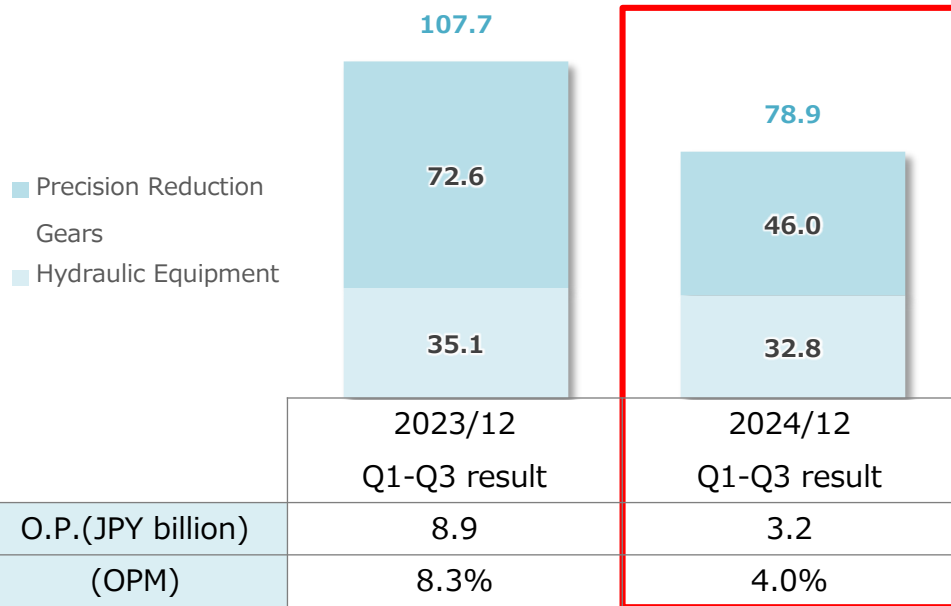
2024/12 Full-year plan (C)	Progress (C/B)
323.7	71.0%
13.5	71.4%
4.2%	

*1 HDS : Harmonic Drive Systems

*2 Net income attributable to owners of the parent

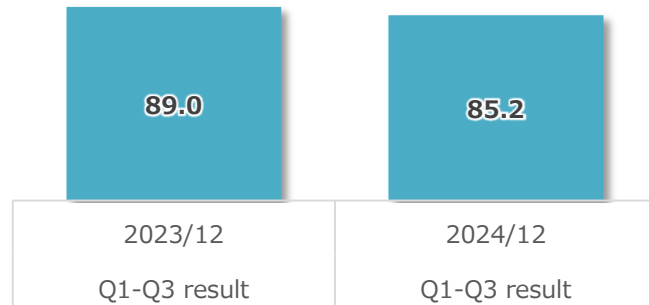
Component Solution Segment (CMP)

Sales (JPY billion)



Orders

(JPY billion)



Segment Result (YoY)



Business	Result	
Precision Reduction Gears (PRG)	For industrial robots	Sales decreased because capital expenditure demand including EV was stagnant and finished robots inventory adjustment prolonged
	For factory automation	Sales decreased due to weak capital expenditure
Hydraulic Equipment (HE)	China	Sales decreased due to sluggish Chinese demand
	Other regions	Sales decreased due to stagnant in Europe and north American market
O.P.	Profit decreased due to sales decrease	

Full-year forecast



Business	Market Environment
PRG	No changed for plan Inventory adjustment prolonged and actual recovery of demand is expected in 2025
HE	Chinese market demand seems to be bottoming out (Construction machinery sales in China from Jan. to Sept. in 2024*1 : YoY -1%)

*1 China Construction Machinery Association

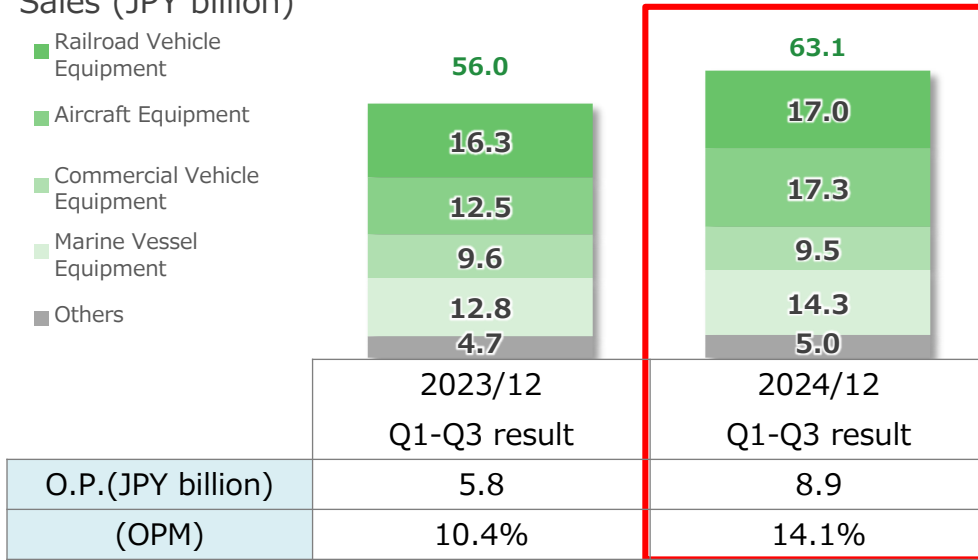
Progress in Project 10

- Price pass-through negotiations concluded as Project 10 Contribution in 2024 is limited due to a decrease in sales volume
- Hamamatsu plant has been in operation since August 2024 Productivity improvement through automation is in progress
- Improving business efficiency through the integration of manufacturing and sales organizations in Chinese subsidiaries of Hydraulic Equipment

Transport Solution Segment (TRS)

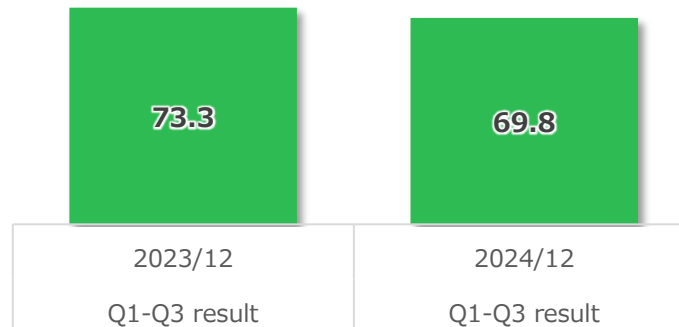
Sales (JPY billion)

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



Orders

(JPY billion)



Segment Result (YoY)



Business	Result
Railroad Vehicle Equipment	Sales increased due to new vehicle demand increase in Japan and MRO sales increased in overseas
Aircraft Equipment	Sales for commercial aircraft increased due to the production rate increase and MRO expansion Sales for Japan defense increased due to budget increase
Commercial Vehicle Equipment	Sales remained at the same level as last year due to steady domestic demand despite sluggish demand in Southeast Asia
Marine Vessel Equipment	Sales increased due to favorable demand in the marine transportation and new shipbuilding markets
O.P.	O.P. increased due to sales increase and cost realization delay (from Q3 to Q4)

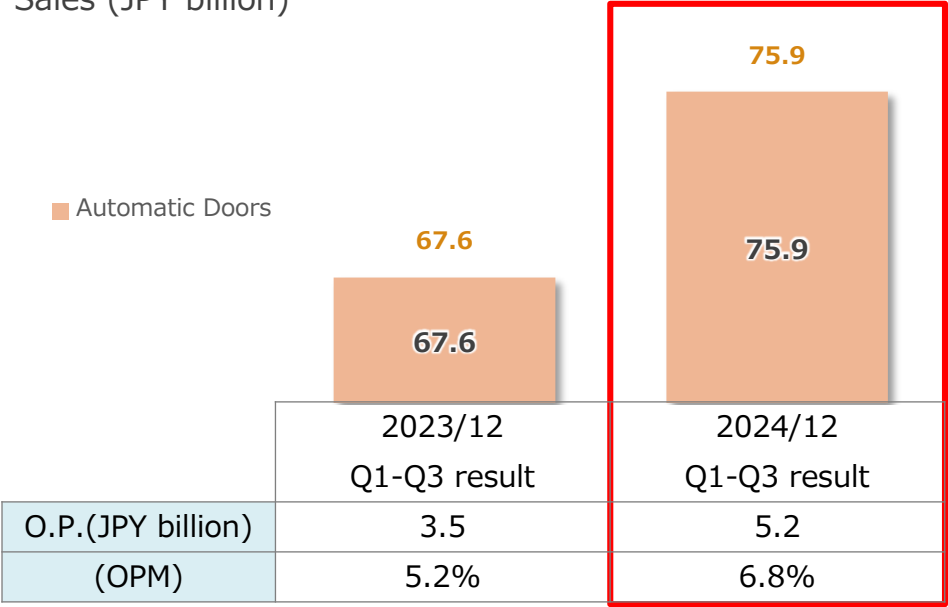
Full-year forecast



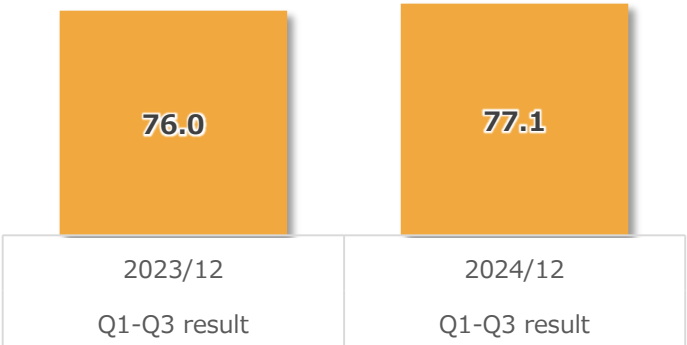
Business	Market Environment
Railroad Vehicle Equipment	Favorable demand environment in line with our plan
Aircraft Equipment	Production rates of commercial aircraft may change at some point
Commercial Vehicle Equipment	Domestic production may decrease due to the shortage of drivers among other factors
Marine Vessel Equipment	Favorable demand environment in line with our plan

Accessibility Solution Segment (ACB)

Sales (JPY billion)



Orders
(JPY billion)



Segment Result (YoY)



Business	Result
Automatic Doors	Japan: Sales increased due to favorable demand for new installation in redevelopment project and MRO expansion
	Overseas: Sales increased due to steady demand for new installation and MRO in Europe, as well as FOREX effect, despite weak demand in North America due to its monetary policy
PD (Platform doors)	Sales increased due to projects progressing well both domestically and overseas
O.P.	O.P. increased due to the effects of reorganizational in Europe, among other factors

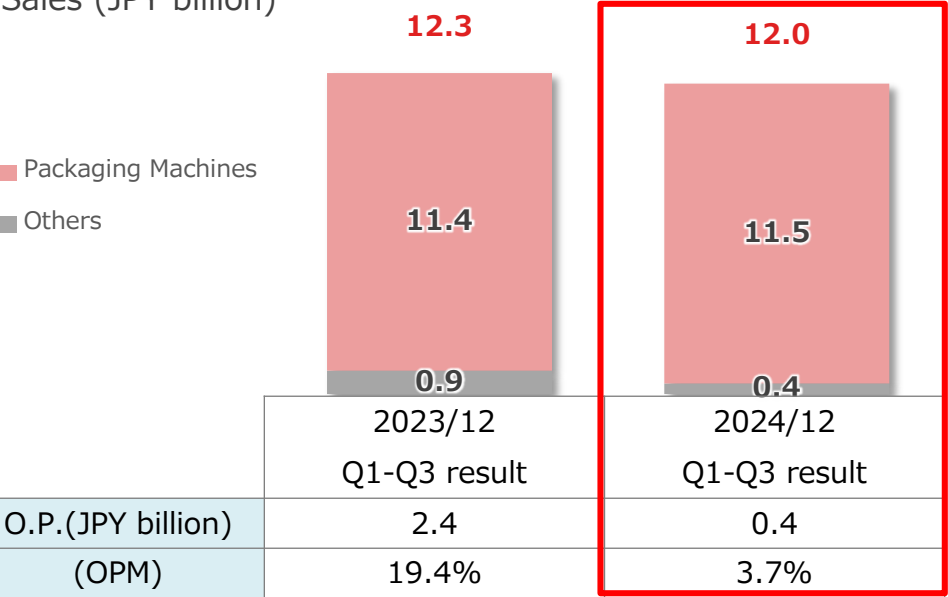
Full-year forecast



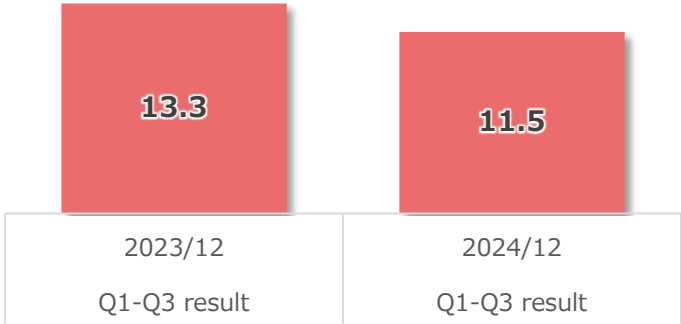
Business	Market Environment
Automatic Doors	Japan: Favorable progress as planned. More redevelopment projects are expected
	Overseas: The economic downturn continues in Europe. The North American market will experience a moderated recovery trend after the presidential election
PD (Platform doors)	Japan: New construction projects are increasing, supported by Barrier-Free laws
	Overseas: Although there are various potential projects, we scrutinize the projects based on their profitability

Manufacturing Solution Segment (MFR)

Sales (JPY billion)



Orders
(JPY billion)



Segment Result (YoY)



Business	Result
Packaging Machines	Sales increased due to the increase in MRO, despite a decrease in overseas projects
O.P.	O.P. decreased due to a gain on the sales of subsidiary in 2023 (approx. 1.2 billion yen) and an impairment loss in Q2 2024 (approx. 0.7 billion yen)

Full-year forecast





Business	Market Environment
Packaging Machines	Projects are delayed from Q3 to Q4 onward both domestically and overseas Demand for the food-related industry is increasing, and an increase in automation investment is expected from 2025 onward

■ Assets have increased due to capital expenditure for the Hamamatsu plant

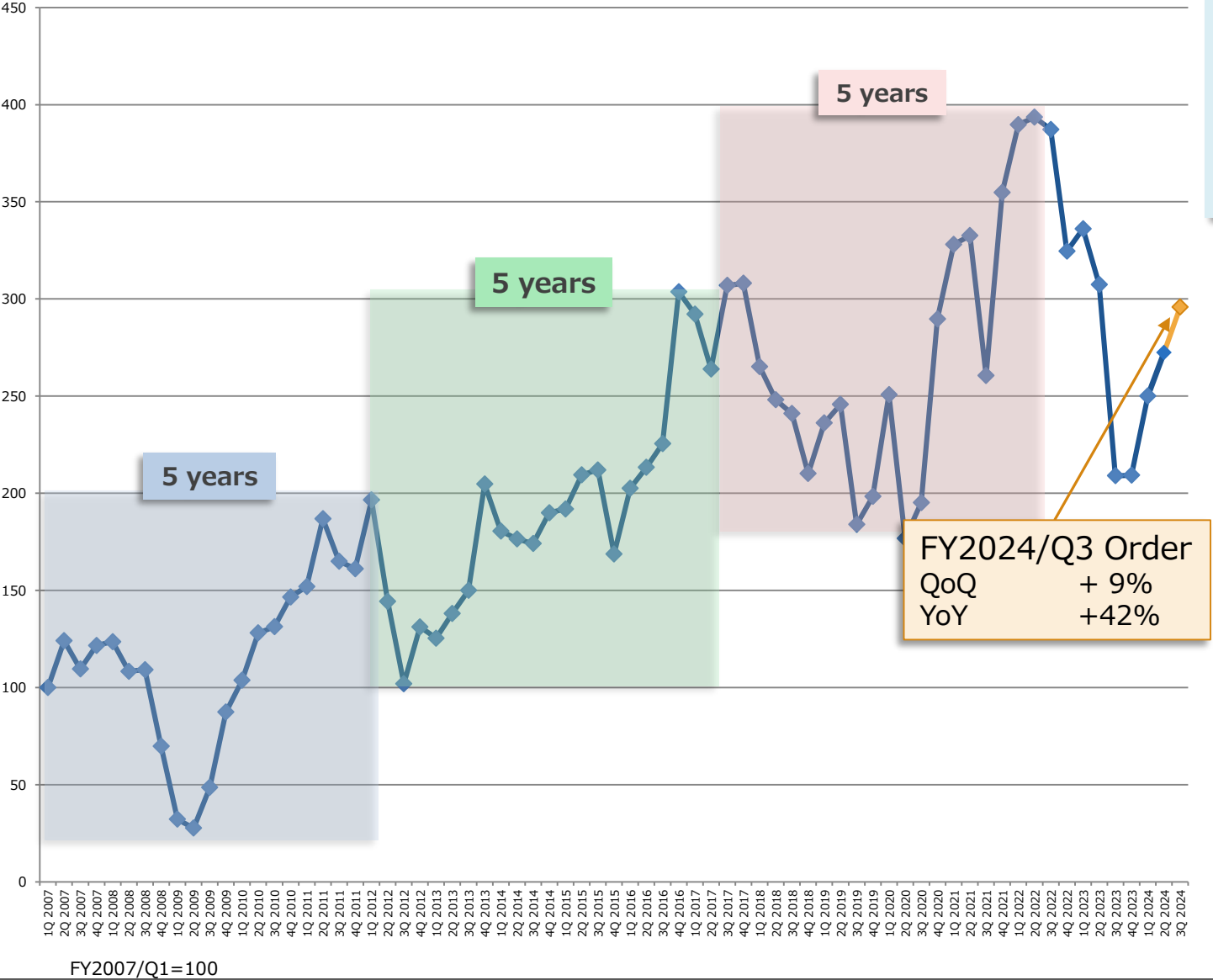
(JPY billion)	FY2023/12 As of December 31, 2023	FY2024/12 Q3 As of September 30, 2024	Variation
Assets	422.1	418.3	-3.8
(Cash and cash equivalents)	77.8	68.3	-9.5
(Trade receivable)	82.8	74.0	-8.7
(Inventories)	51.0	58.0	7.0
(Non-current assets)	201.2	208.8	7.6
Liabilities	146.2	143.9	-2.2
(Borrowings)	21.6	30.9	9.3
Total equities	275.9	274.4	-1.5
(Treasury shares)	-3.9	-3.6	0.3
(Non-controlling interests)	15.4	15.8	0.4
Equity attributable to owners of parent	260.5	258.5	-1.9
Ratio of equity attributable to owners of parent :	61.7%	61.8%	

Decrease in cash and increase in non-current assets due to the investment in the Hamamatsu plant

Business	Topics	Detail
ACB	Start the operation of light-type platform door which was innovated collaboratively (June 2024)	<p>We collaboratively developed a light-type platform door with the JR West Group*¹. Due to the lightness of doors, it successfully reduces both equipment and construction costs and contribute to the safe development of community through widespread use of platform doors.</p> <p>(* 1 : West Japan Railway Company and West Japan Railway Techsia Co.,Ltd.)</p> 
Precision Reduction Gears	Adoption of drive units for AGV/AMR (September 2024)	<p>Our RVW series of drive units for AGV/AMR*² was adopted by Shimizu Corporation in the "Stage-Scaffold Movable Cart". The cart can move freely within the work floor without disassembly.</p> <p>We will contribute the labor savings and work efficiency in construction industry through those activities going forward.</p> <p>(*2:AGV : Automatic Guided Vehicle AMR : Autonomous Mobile Robot)</p> 

Appendix

《 Order Trend in Precision Reduction Gears 》

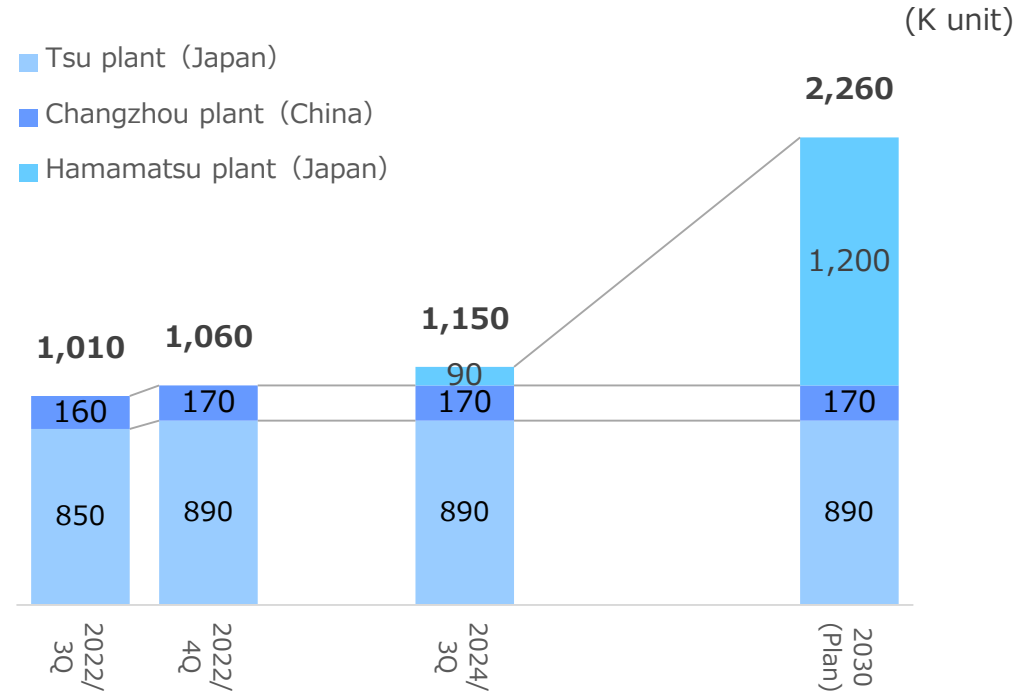


《Production capacity in precision reduction gears》

Globally:1.15million units per year as of FY2024/Q3
[Utilization ratio]

- Japan (Tsu) Plant:60% (@890K units/year)
- China Plant : 95% (@170K units/year)

Hamamatsu plant start its operation from August 2024 at the aim of profitability improvement



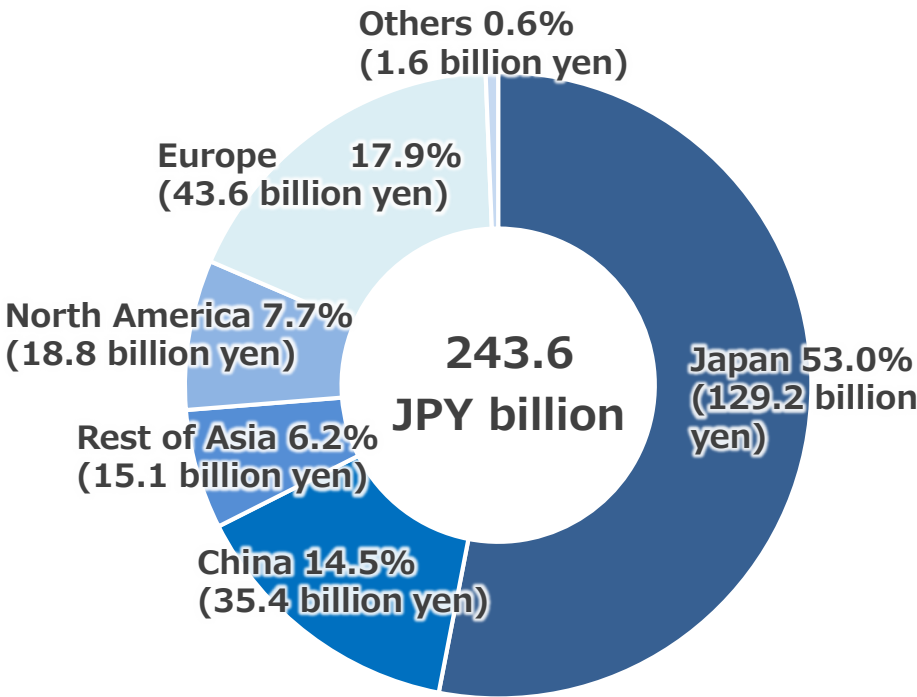
- Main CAPEX for this year is Hamamatsu plant for precision reduction gears

	2023/12	2024/12	Variation
(JPY billion)	Q1-Q3 result	Q1-Q3 result	(B-A)
	(A)	(B)	
CAPEX	22.1	14.4	-7.7
R&D	8.1	8.8	0.7
Depreciation	11.4	12.1	0.7

2024/12
Full-yeer plan
progress
52%
63%
77%

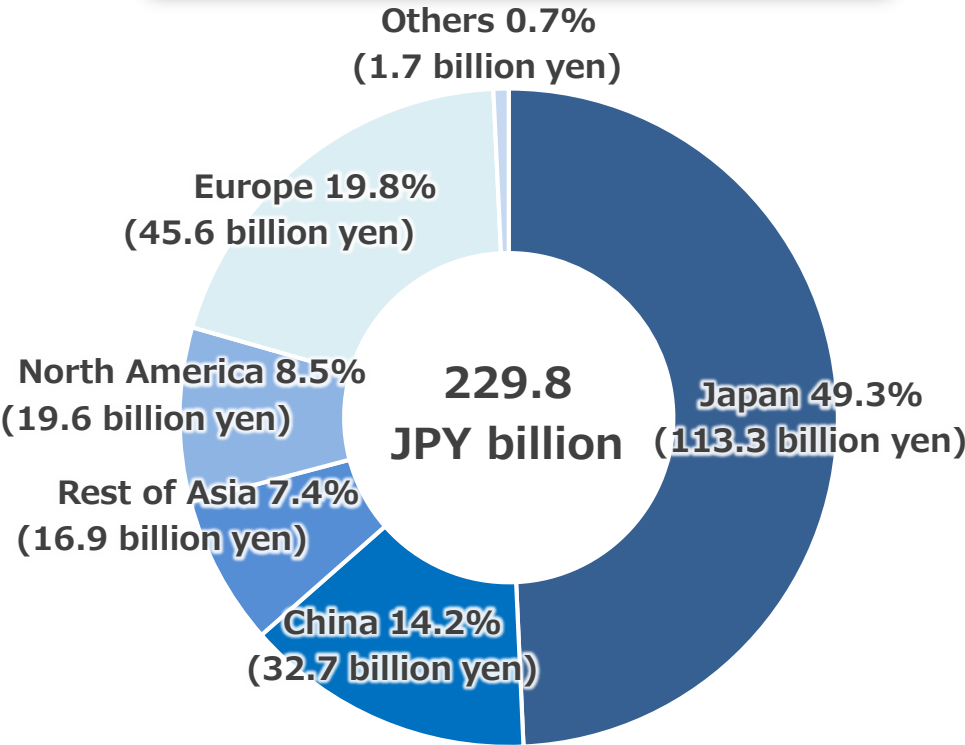
2024/12	2023/12
full-year plan	Result
27.5	29.7
14.0	11.0
15.6	15.5

2023/12 Q1-Q3 result



Oversea sales	114.4 JPY billion
Ratio	47.0%

2024/12 Q1-Q3 result



Oversea sales	116.6 JPY billion
Ratio	50.7%

■ Exchange rate

(yen)	FY2023/12 Q1-Q3	FY2024/12 Q1-Q3	FY2024/12 Plan as of July 31	2024/12 H2 Plan
USD	139.55	151.59	149.53	145.00
RMB	19.74	21.24	20.76	20.00
EUR	151.20	164.61	160.56	155.00
CHF	154.49	172.09	166.28	160.00

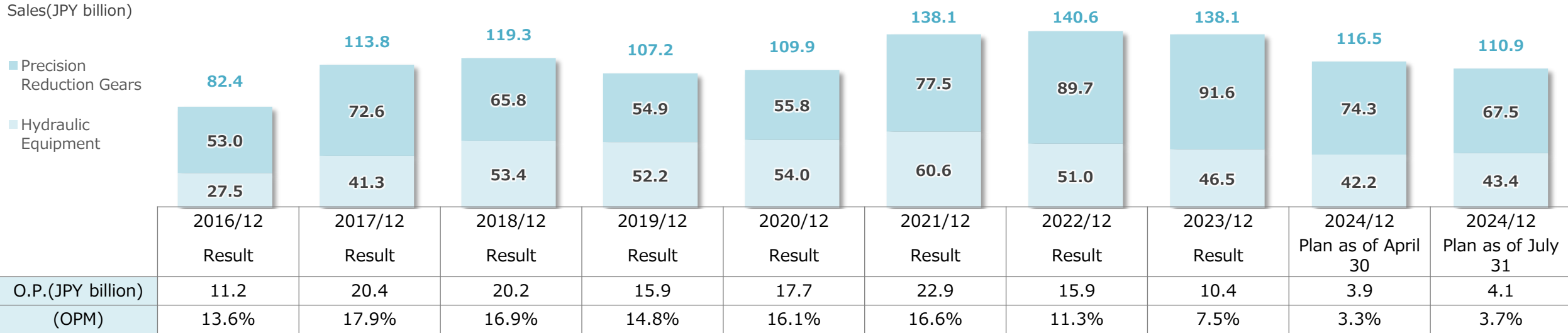
■ FOREX sensitivity (This represents the effect to be expected on operating profit if the exchange rate fluctuates by one yen.)

(JPY million)	FY2024/12 Q1-Q3	
	Sales	O.P.
USD	111	49
RMB	1,257	62
EUR	51	minimal
CHF	181	minimal

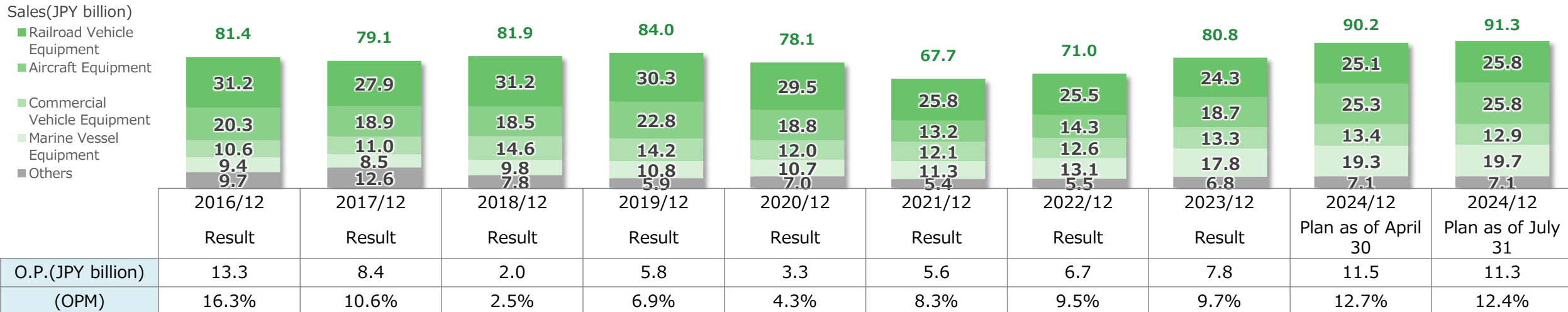
FY2024/12 Plan as of July 31	
Sales	O.P.
194	61
1,675	53
84	minimal
259	minimal

Component Solutions Segment (CMP)

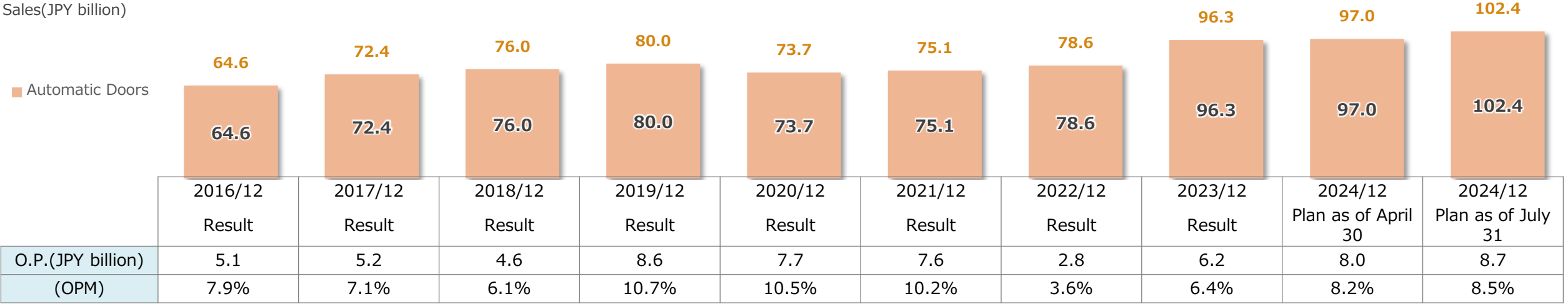
Innovation In Action
Vision 2030



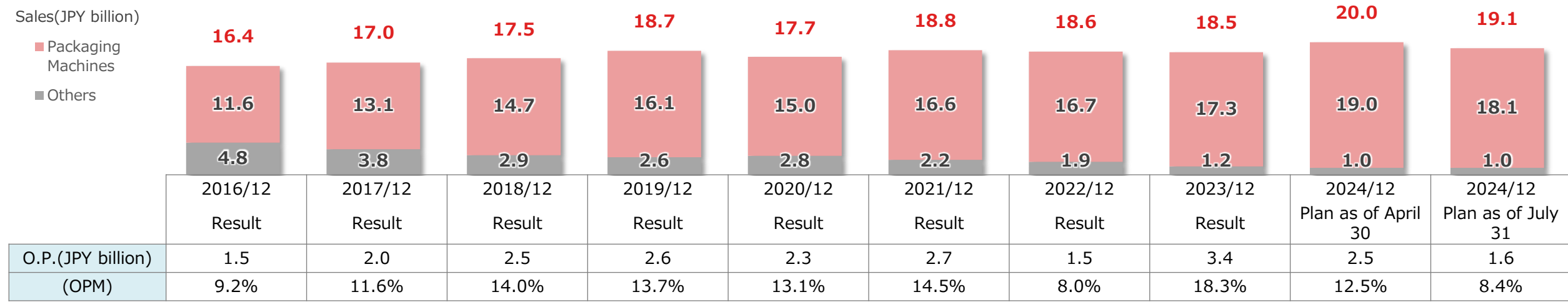
Transport Solutions Segment (TRS)



Accessibility Solutions Segment (ACB)



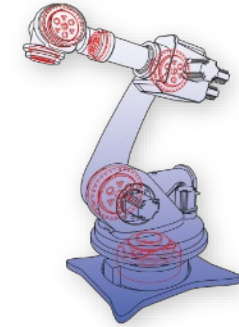
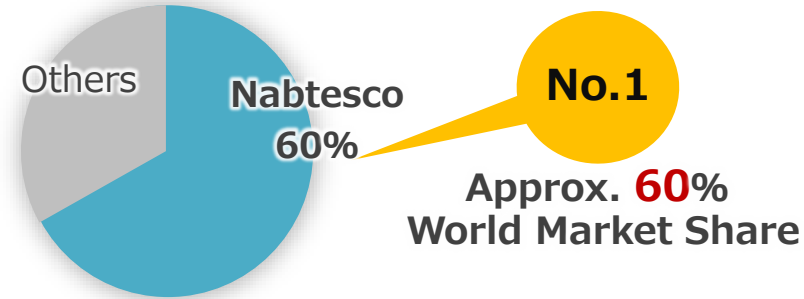
Manufacturing Solutions Segment (MFR)



The market share is estimated by Nabtesco

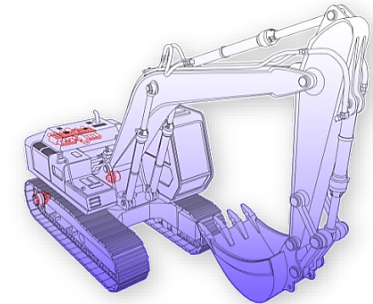
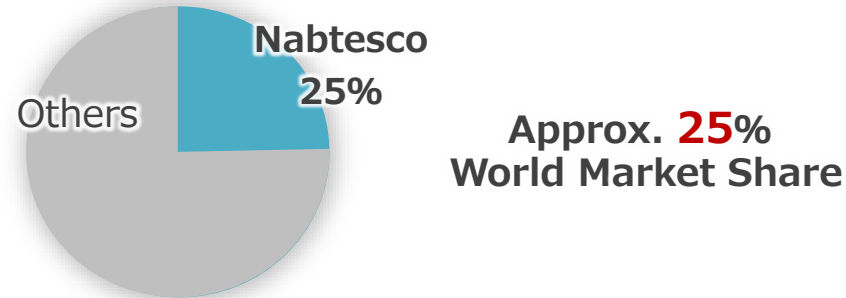
Precision Reduction Gears

- 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

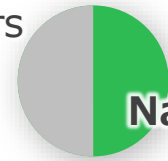
Traveling Units: Komatsu, Sumitomo Construction Machinery, Kobelco Construction Machinery, Sany (China), XCMG (China), Liu Gong (China)

Railroad Vehicle Equipment

The market share is estimated by Nabtesco

■ Brake Systems

Others



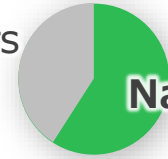
Nabtesco 50%

No.1

Approx. **50%** Domestic Market Share

■ Door Operating Systems

Others



Nabtesco 60%

No.1

Approx. **60%** Domestic Market Share



Aircraft Equipment

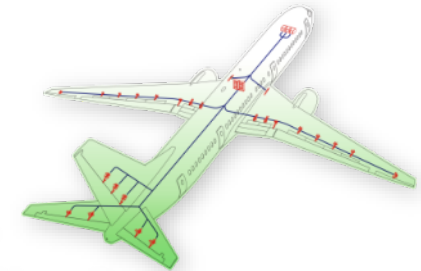
■ Flight Control Actuation Systems (FCA)



Nabtesco
100%

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

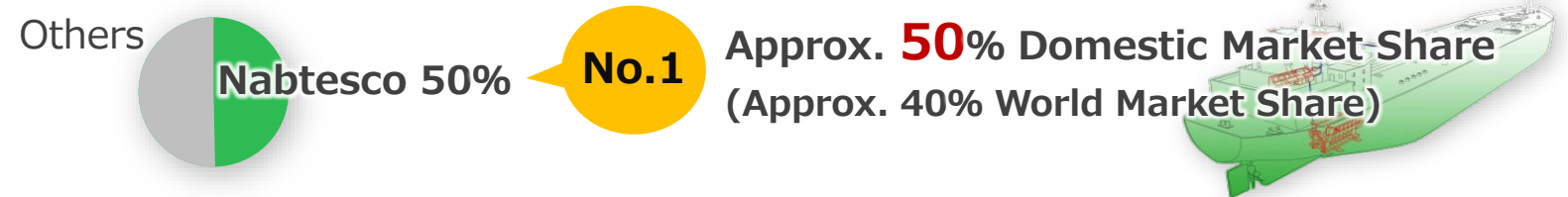


■ Air Dryers



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 E&S, HD Hyundai Heavy Industries (Korea), Hudong Heavy Machinery (China), Hanwha Engine (Korea)

Automatic Doors

■ Automatic Doors

Others

Nabtesco

No.1

Approx. 55%

55% market share for building automatic doors in Japan (top share in the world)

The market share is estimated by Nabtesco

■ Platform Screen Doors

Others

Nabtesco

No.1

Approx. 95%

95% Domestic Market Share (accumulated total)

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

Others

Nabtesco

No.1

Approx. 85%

85% Domestic Market Share

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.

