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半 期 報 告 書

Semiannual Report

(The First Six-month of 23rd Fiscal Period)

ナブテスコ 株式会社
Nabtesco Corporation

(Translation)

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Semiannual Report

1. This document prints out the semiannual report based on Article 27-30-2 of the Financial Instruments and Exchange Law with the contents and pages attached to the data submitted using the electronic information processing system (EDINET) for disclosure.
2. This report contains the Interim Review Report at the end of this report attached to the semiannual report submitted in accordance with the above method and the Confirmation Report submitted in conjunction with the above-mentioned semiannual report.

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Semiannual Review Report

Confirmation Report

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[Cover]

[Filing] Semiannual Report

[Articles of Basis] Item 1 on the table in Article 24-5-1 of the Financial Instruments and Exchange Act

[Submit to] Kanto Finance Bureau

[Submission date] August 8, 2025

[Semiannual accounting period] The First Six-month of 23rd fiscal period (From January 1, 2025 to June 30, 2025)

[Company name] Nabtesco Corporation

[English translation name] Nabtesco Corporation

[Title of Representative] Kazumasa Kimura, representative director

[Location of the head office] 7-9, Hirakawacho 2-chome, Chiyoda-ku, Tokyo

[Phone No.] +81-3-5213-1134

[Name of administrative liaison] Yasushi Minegishi, General Manager, Corporate Communications Dept.

[Near contact location] 7-9, Hirakawacho 2-chome, Chiyoda-ku, Tokyo

[Phone No.] +81-3-5213-1134

[Name of administrative liaison] Yasushi Minegishi, General Manager, Corporate Communications Dept.

[Locations for Public Inspection] Tokyo Stock Exchange, Inc.
(2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo)

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Part one 【Corporate Information】

No.1 【Overview of the Company】

1 【Transition in Major Management Indicators】

Fiscal period		First six-month of 22nd consolidated fiscal period	First six-month of 23rd consolidated fiscal period	22st consolidated fiscal period
Accounting period		From January 1, 2024 to June 30, 2024	From January 1, 2025 to June 30, 2025	From January 1, 2024 to December 31, 2024
Net sales	(Million yen)	152,491	165,616	323,384
Income before income taxes	(Million yen)	7,839	10,054	15,747
Net income attributable to owners of the parent	(Million yen)	4,204	6,513	10,119
Net income	(Million yen)	4,881	7,257	11,696
Comprehensive income attributable to owners of the parent	(Million yen)	12,378	5,388	19,145
Comprehensive income	(Million yen)	14,542	5,112	21,969
Equity attributable to owners of the parent	(Million yen)	268,085	270,934	270,093
Total assets	(Million yen)	433,343	448,267	445,544
Total basic earnings per share	(Yen)	35.01	54.20	84.25
Diluted earnings per share	(Yen)	35.01	54.20	84.24
Ratio of equity attributable to owners of the parent	(%)	61.9	60.4	60.6
Cash flows from operating activities	(Million yen)	13,055	20,327	26,650
Cash flows from investing activities	(Million yen)	(19,291)	(10,253)	(28,733)
Cash flows from financing activities	(Million yen)	2,984	4,509	(4,137)
Cash and cash equivalents at fiscal year or interim end	(Million yen)	78,175	87,174	74,476

(NOTE) 1 Since Nabtesco Corporation (hereinafter, the Company) prepared the summary of interim financial statements, the Company does not provide the transition of non-consolidated management indicators.

2 Figures are rounded to the nearest unit.

3 Consolidated financial statements and summary of interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS)

2 【Description of Business】

There have been no significant changes in the content of the business conducted by our group (the Company and our subsidiary companies) during the first six-month of the current fiscal year.

There are no changes in major affiliated companies.

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No.2 【Business Situation】

1 【Business Risks】

During the first six-month of the current fiscal year, there have been no significant changes in the status of business and accounting described in this semiannual report that could have a significant impact on the decisions of investors or Business and Other Risks described in the annual report for the previous fiscal year.

There were no significant events which company should report.

2 【Management's Analysis of Financial Condition, Results of Operations and Cash Flows】

(1) Analysis of Operating Results

(Sales and Operating Income)

During the first six-month period under review, showed an increase in demand for component solutions, transport solutions and accessibility solutions business. As a result, the Group's net sales increased 8.6% year-on-year to ¥165,616 million. Operating income increased 65.0% to ¥10,605 million due to the increased in sales in component solutions and transport solutions business, as well as the effects of profitability improvement activities under Project 10. Operating income to net sales was 6.4%

Operating results by business segment were as follows:

① Component Solutions Business

Sales increased by ¥7,511 million, or 14.5% to ¥59,186 million and operating income increased by ¥1,192 million or 57.3% to ¥3,271 million.

Sales of precision reduction gears increased significantly year-on-year due to industrial robot inventories, which had been prolonged, reached an appropriate level.

Sales of hydraulic equipment increased year-on-year due to increase demand in China, although sluggish demand continued in the European market.

② Transport Solutions Business

Sales increased by ¥4,370 million, or 10.4% to ¥46,447 million and operating income increased by ¥1,723 million, or 32.1% to ¥7,093 million.

Sales of railroad vehicle equipment increased year-on-year due to favorable demand for new railroad vehicles and MRO (Maintenance, Repair, and Overhaul) both domestically and internationally.

Sales of aircraft equipment decreased year-on-year due to a temporary decline in MRO demand for commercial aircraft, despite the continuous demand expansion by MOD budget increase.

Sales of commercial vehicle equipment decreased year-on-year due to continued sluggish demand in the Southeast Asian market.

Sales of marine vessels equipment increased year-on-year due to favorable demand for new shipbuilding and MRO.

③ Accessibility Solutions Business

Sales increased by ¥1,667 million, or 3.3% to ¥52,584 million and operating income increased by ¥87 million, or 2.1% to ¥4,247 million.

Sales of the automatic doors business increased year-on-year due to domestic demand for building automatic doors and platform doors remained strong.

④ Others

Sales decreased by ¥422 million, or 5.4% to ¥7,399 million and operating income increased by ¥561 million, or 411.7% to ¥697 million.

Sales of Packaging Machines decreased year-on-year due to postponement of overseas capital investment.

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(Income before tax)

Financial income came to ¥246 million. Financial costs were ¥757 million mainly due to loss on valuation of derivatives. Equity in loss of affiliates was ¥40 million. As a result, quarterly profit before tax increased by ¥2,215 million year-on-year to ¥10,054 million.

(Net income attributable to owners of the parent)

As a result, net income attributable to owners of the parent, after deducting income tax expense of ¥2,796 million and net income attributable to non-controlling interests of ¥744 million, increased by ¥2,309 million year-on-year to ¥6,513 million.

Basic earnings per share increased by ¥19.20 to ¥54.20.

(2) Analysis of Financial Position

(Million yen)			
	As of the end of the previous consolidated fiscal year (December 31, 2024)	As of the end of the first six-month period of the current consolidated fiscal year (June 30, 2025)	Change
Total assets	445,544	448,267	2,722
Liabilities	158,267	161,080	2,814
Equities	287,278	287,186	(91)

① Assets

Total assets as of June 30, 2025 were ¥448,267 million, an increase of ¥2,722 million from December 31, 2024, consisting of ¥229,859 million in current assets and ¥218,408 million in non-current assets. The key contributing positive factors were an increase of ¥12,698 million in cash and cash equivalents, an increase of ¥5,218 million in inventories. The main contributing negative factor was a decrease of ¥16,786 million in trade receivables.

② Liabilities

Total liabilities as of June 30, 2025 were ¥161,080 million, an increase of ¥2,814 million from December 31, 2024, reflecting ¥119,521 million in current liabilities and ¥41,559 million in non-current liabilities. The main contributing positive factor was a rise of ¥12,253 million in borrowings under non-current assets. The main contributing negative factors were a decrease of ¥6,297 million in operating payables.

③ Equity

Total equity as of June 30, 2025 stood at ¥287,186 million. Equity attributable to owners of the parent was ¥270,934 million, an increase of ¥841 million from December 31, 2024. The main contributing positive factors were ¥6,513 million in net income attributable to owners of the parent. The main decreasing factor was a decrease in retained earnings of ¥4,826 million due to dividend payment and an increase of 1,329 million in exchange differences on foreign operations.

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(3) Status of cash flows

	(Million yen)	
	First six-month period of consolidated FY2024 (January 1, 2024 to June 30, 2024)	First six-month period of consolidated FY2025 (January 1, 2025 to June 30, 2025)
Cash flow from operating activities	13,055	20,327
Cash flow from investing activities	(19,291)	(10,253)
Free cash flow	(6,236)	10,074
Cash flow from financing activities	2,984	4,509

Cash and cash equivalents (hereinafter, “cash”) on a consolidated basis as of June 30, 2025 totaled ¥87,174 million, an increase of ¥12,698 million from December 31, 2024, as cash gained from operating activities was mainly appropriated to capital expenditure and dividend payments.

① Cash flow from operating activities

Net cash generated from operating activities for the first six-month period of the current fiscal year totaled ¥20,327 million. The main factors for increases were operating income, other non-cash profit/losses including depreciation and amortization, and decrease in trade receivables. The main factors for decreases included an increase in inventories, decrease in operating payables, and the payment of the income tax.

② Cash flow from investing activities

Net cash used in investing activities for the first six-month period of the current fiscal year amounted to ¥10,253 million. The main factors for decreases were payments for the purchase of property, plant, and equipment.

③ Cash flow from financing activities

Net cash used in financing activities for the first six-month period of the current fiscal year totaled ¥4,509 million. The main factors for increase was proceeds from long-term borrowings. The main factors for decrease was dividend payments.

(4) Issues to be addressed in Business and Finance

During the first six-month period of the fiscal year under review, there were no significant changes or new issues to be addressed by the Group.

(5) R&D activities

Research and development expenses for the first six-month period of the current fiscal year were ¥5,647 million.

3 【Significant Management Contracts】

Nabtesco Corporation’s Board of Directors resolved to execute the following agreements with Comer Industries S.p.A. (“Comer”) on July 31, 2025: the share purchase agreement, which stipulates that the Company will transfer 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 70% of the issued shares in the New Company to Comer (the “Share Transfer”) (the “Share Purchase Agreement”); and the shareholder’s agreement related to the New Company (the “Shareholders’ Agreement”).

Please refer “No.4 【Accounting Status】 , 1 【Summary of Interim Consolidated Financial Statement】 Note 13.Significant subsequent events for more detail.

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No.3 【Status of the Company Submitting the Report】

1 【Status of Shares】

(1) 【Total Number of Shares】

① 【Total number of shares】

Type	Total number of authorized shares (Share)
Common stock	400,000,000
Total	400,000,000

② 【Shares outstanding】

Type	Number of shares outstanding (shares) As of June 30, 2025	Number of shares outstanding (shares) as of the date of filing As of August 8, 2025	Name of stock exchange listings	Content
Common shares	121,064,099	121,064,099	Tokyo Stock Exchange Prime section	The number of shares per unit is 100 shares.
Total	121,064,099	121,064,099	—	—

(NOTE) The "Number of shares outstanding as of the filing date" column does not include the number of shares issued upon the exercise of stock acquisition rights to shares from August 1, 2025 to the filing date of this Semiannual Report.

(2) 【Status of Stock Acquisition Rights】

① 【Details of stock option plan】

Not applicable.

② 【Status of other stock acquisition rights】

Not applicable.

(3) 【Status of Exercise of Bonds with Stock Acquisition Rights with Exercise Price Adjustment, etc.】

Not applicable.

(4) 【Changes in the number of issued shares, capital stock, etc.】

Date	Number of shares outstanding increase/decrease	Number of shares outstanding as the end of term.	Change in capital (Million yen)	Balance of capital (Million yen)	Change in legal capital surplus (Million yen)	Balance of legal capital surplus (Million yen)
June 30, 2025	—	121,064,099	—	10,000	—	26,274

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(5) 【Major Shareholders】

As of June 30, 2025

Shareholders	Address	Number of Shares Held (thousands shares)	Shareholding ratio to number of shares outstanding (excluding treasury stock) (%)
The Master Trust Bank of Japan (Trust Account)	8-1 Akasaka 1-chome, Minato-ku, Tokyo AKASAKA INTERCITY AIR	18,627	15.44
Custody Bank of Japan (Trust Account)	8-12 Harumi 1-chome, Chuo-ku, Tokyo	11,517	9.55
Central Japan Railway Company	1-4 Meieki 1-chome, Nakamura-ku, Nagoya-shi, Aichi	5,171	4.29
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1 (Standing agent) MUFG Bank, Ltd.	VERTIGO BUILDING-POLARIS 2-4 RUE EUGENE RUPPERT L-2453 LUXEMBOURG GRAND DUCHY OF LUXEMBOURG 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo	4,709	3.90
BBH (LUX) FOR FIDELITY FUNDS- GLOBAL TECHNOLOGY POOL (Standing agent) MUFG Bank, Ltd.	2A RUE ALBERT BORSCHETTE LUXEMBOURG L-1246 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo	4,609	3.82
FANUC CORPORATION	3580 Shibokusa, Oshinomura, Minamitsuru-gun, Yamanashi	3,760	3.12
JPMorgan Chase & Co.	7-3 Marunouchi 2-chome, Chiyoda-ku, Tokyo Tokyo Building	2,515	2.08
STATE STREET BANK WEST CLIENT- TREATY 505234 (Standing agent) Mizuho Bank, Ltd.	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. 15-1, Konan 2-chome, Minato-ku, Tokyo Shinagawa Intercity Tower A	2,372	1.97
STATE STREET BANK WEST CLIENT- TREATY 505103 (Standing agent) Mizuho Bank, Ltd.	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS 15-1, Konan 2-chome, Minato-ku, Tokyo Shinagawa Intercity Tower A	1,675	1.39
GOLDMAN SACHS INTERNATIONAL (Standing agent) Goldman Sachs Japan Co., Ltd.	PLUMTREE COURT, 25 SHOE LANE, LONDON EC4A 4AU, U.K. 6-1 Toranomom 2-chome, Minato-ku, Tokyo Toranomom Hills Station Tower	1,633	1.35
Total	—	56,586	46.90

(NOTE) 1 Number of shares held is rounded to the nearest thousand.

2 The following corporation submitted a report on the change of 6,277 thousand shares by a company on February 7, 2025. However, as the number of shares beneficially owned in the name of the said corporation cannot be confirmed as of June 30, 2025, it is not included in the above "Status of Major Shareholders."

1) FIL Investments (Japan) Limited

3 The following corporation submitted a report on the change of 8,449 thousand shares by three companies on May 9, 2025. However, as the number of shares beneficially owned in the name of the said corporation cannot be confirmed as of June 30, 2025, it is not included in the above "Status of Major Shareholders."

1) Nomura Securities Co., Ltd.

2) Nomura International PLC

3) Nomura Asset Management Co., Ltd.

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(6) 【Status of voting rights】

① 【Shares outstanding】

As of June 30, 2025

Classification	Number of shares	Number of voting rights	Content
Non-voting stock	—	—	—
Shares with restricted voting rights (Treasury stocks)	—	—	—
Shares with restricted voting rights (other)	—	—	—
Shares with full voting rights (treasury stock, etc.)	(Treasury stock held) Common shares 421,000	—	—
	(Mutually Held Shares) Common shares 15,000	—	—
Shares with full voting rights (other)	Common shares 120,499,400	1,204,994	—
Shares less than one unit	Common shares 128,699	—	Shares less than one unit (100 shares)
Number of shares outstanding	121,064,099	—	—
Voting rights of all shareholders	—	1,204,994	—

(NOTE) 1 Common shares in the "Shares less than one unit" column include 44 shares of treasury stock owned by the Company and 12 shares of our stock owned by Japan Custody Bank, Ltd. (Trust Account E) as trust assets under the "Stock Benefit Trust (BBT)" plan.

2 "Shares with full voting rights (other)" column includes 6,000 shares (60 voting rights) in the name of the Japan Securities Depository Center, Inc. and 458,900 shares (4,589 voting rights) of ours owned by the Japan Custody Bank, Ltd. (Trust Account E) as trust assets for the "Stock Benefit Trust (BBT)" plan. The 4,589 voting rights are not exercised.

② 【Treasury stock】

As of June 30, 2025

Owner's name	Address of the holder	Number of treasury stock	Number of shares held in the name of others	Total number of shares to be own	Ratio of shares held to total number of shares outstanding (%)
(Treasury stock held) Nabtesco Corporation	7-9, Hirakawacho 2-chome, Chiyoda-ku, Tokyo	421,000	—	421,000	0.35
(Mutually Held Shares) Kyokko Denki Co., Ltd.	2-4 Aratamacho 1-chome, Hyogo-ku, Kobe-shi, Hyogo	15,000	—	15,000	0.00
Total	—	436,000	—	436,000	0.36

(NOTE) The above numbers of shares held do not include 458,900 shares of our company owned by Japan Custody Bank, Ltd. (Trust Account E) as trust assets under the "Stock Benefit Trust (BBT)" plan.

2 【Status of Management】

Not applicable.

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No.4 【Accounting Status】

1. Preparation of summary of interim consolidated financial statements

- (1) In accordance with the provisions of Article 312 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976; hereinafter referred to as the "Ordinance on Consolidated Financial Statements"), we have prepared the interim consolidated financial statements in accordance with International Accounting Standards No. 34, "Interim Financial Reporting" (hereinafter referred to as "IAS No. 34") because they meet all of the requirements of "Designated International Accounting Standards Designated Companies" stipulated in Article 1-2, Item 2 of the Ordinance on Consolidated Financial Statements. Our summary of interim consolidated financial statements are Class one interim consolidated financial statements.
- (2) The summary of interim consolidated financial statements have been rounded to the nearest unit.

2. Audit Certification

Pursuant to Article 193-2-1 of the Financial Instruments and Exchange Act, we have received an interim review of the summary of interim consolidated financial statements for the first six-month of fiscal year (January 1, 2025 to June 30, 2025) by KPMG AZSA LLC.

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1 【Summary of Interim Consolidated Financial Statement】

(1) 【Summary of Interim Consolidated Financial Position】

(Million yen)

	Note No.	End of consolidated FY2024 (as of December 31, 2024)	End of the first six-month period of consolidated FY2025 (as of June 30, 2025)
Assets			
Current assets			
Cash and cash equivalents		74,476	87,174
Trade receivables		88,932	72,147
Contract assets		3,212	2,767
Other receivables		1,361	1,624
Inventories		53,387	58,605
Other financial assets	10	698	2,697
Other current assets		7,016	4,845
Total current assets		229,083	229,859
Non-current assets			
Property, plant and equipment		114,340	113,909
Intangible assets		12,955	13,162
Right-of-use asset		12,122	12,450
Goodwill		26,259	27,234
Investment property		9,309	9,196
Investments accounted for using the equity method		21,000	20,312
Other financial assets	10	14,648	16,066
Deferred tax assets		2,364	2,522
Other non-current assets		3,464	3,556
Total non-current assets		216,461	218,408
Total assets		445,544	448,267

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(Million yen)

	Note No.	End of consolidated FY2024 (as of December 31, 2024)	End of the first six-month period of consolidated FY2025 (as of June 30, 2025)
Liabilities and equity			
Liabilities			
Current liabilities			
Operating payables		51,178	44,881
Contract liabilities		11,463	10,206
Borrowings	10	21,817	34,070
Other payables		16,030	14,480
Income taxes payables		2,461	2,565
Provision		2,233	1,978
Lease liabilities		3,319	3,409
Other financial liabilities	10	28	—
Other current liabilities		8,582	7,933
Total current liabilities		117,111	119,521
Non-current liabilities			
Borrowings	10	10,067	10,052
Lease liabilities		10,634	10,954
Liabilities concerning retirement benefit		8,144	8,132
Deferred tax liabilities		6,799	7,335
Other financial liabilities	10	670	719
Other non-current liabilities		4,844	4,367
Total non-current liabilities		41,156	41,559
Total liabilities		158,267	161,080
Equity			
Capital stock		10,000	10,000
Share premium		14,998	15,077
Retained earnings		223,333	225,220
Treasury shares		(3,638)	(3,434)
Other components of equity		25,400	24,071
Equity attributable to owners of the parent		270,093	270,934
Non-controlling interests		17,185	16,252
Total equity		287,278	287,186
Total liabilities and equity		445,544	448,267

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(2) 【Summary of Interim Consolidated Statements of Income】

【First six-month of consolidated financial period】

(Million yen)

	Note No.	First six-month period of consolidated FY2024 (January 1, 2024 to June 30, 2024)	First six-month period of consolidated FY2025 (January 1, 2025 to June 30, 2025)
Net sales	5, 6	152,491	165,616
Cost of sales		(110,626)	(119,836)
Gross profit		41,864	45,780
Other income		496	670
Selling, general and administrative expense		(34,977)	(35,725)
Other expenses	7	(957)	(120)
Operating income	5	6,426	10,605
Financial income		1,586	246
Financial costs		(584)	(757)
Equity in earnings of affiliates		410	(40)
Profit (loss) before tax		7,839	10,054
Income tax expenses		(2,957)	(2,796)
Net income (loss)		4,881	7,257

Net income (loss) attributable to			
Owners of the parent		4,204	6,513
Non-controlling interests		677	744
Net income (loss)		4,881	7,257

Net income (loss) per share			
Basic earnings (loss) per share (Yen)	9	35.01	54.20
Diluted earnings (loss) per share (Yen)	9	35.01	54.20

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(3) 【Summary of Interim Consolidated Statement of Comprehensive Income】

【First six-month of consolidated financial period】

(Million yen)

	Note No.	First six-month period of consolidated FY2024 (January 1, 2024 to June 30, 2024)	First six-month period of consolidated FY2025 (January 1, 2025 to June 30, 2025)
Net income (loss)		4,881	7,257
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net changes in financial assets measured at fair value through other comprehensive income		552	890
Total components that will not be reclassified to profit or loss		552	890
Components that will be reclassified to profit or loss			
Exchange differences on foreign operations		9,109	(3,036)
Total components that will be reclassified to profit or loss		9,109	(3,036)
Other comprehensive income after taxes		9,661	(2,145)
Total comprehensive income		14,542	5,112

Comprehensive income attributable to			
Owners of the parent		12,378	5,388
Non-controlling interests		2,164	(276)
Total comprehensive income		14,542	5,112

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(4) 【Summary of Interim Consolidated Statement of Changes in Equity for the First Six-month Period】

First six-month period of current consolidated fiscal year (January 1, 2024 to June 30, 2024)

(Million yen)

	Note No.	Capital stock	Share premium	Retained earnings	Treasury shares	Other components of equity	
						Exchange differences on foreign operations	Valuation difference due to change in fair value
Balance as of January 1, 2024		10,000	15,139	220,495	(3,943)	15,133	3,646
Net income (loss)		—	—	4,204	—	—	—
Other comprehensive income		—	—	—	—	7,629	546
Total comprehensive income		—	—	4,204	—	7,629	546
Acquisition, sales, etc. of Treasury shares	8	—	—	(34)	305	—	—
Dividends		—	—	(4,825)	—	—	—
Increase (decrease) in non-controlling interests due to capital increase of subsidiaries		—	—	—	—	—	—
Transfer from other components of equity to retained earnings		—	—	37	—	—	(37)
Share-based compensation transactions		—	(209)	—	—	—	—
Total transactions with owners, etc.		—	(209)	(4,822)	305	—	(37)
Balance as of June 30, 2024		10,000	14,930	219,877	(3,637)	22,761	4,154

	Note No.	Other components of equity		Total equity attributable to owners of the parent	Non-controlling interests	Total equity
		Remeasurements of net defined benefit liability (asset)	Total			
Balance as of January 1, 2024		—	18,778	260,470	15,424	275,894
Net income (loss)		—	—	4,204	677	4,881
Other comprehensive income		—	8,174	8,174	1,487	9,661
Total comprehensive income		—	8,174	12,378	2,164	14,542
Acquisition, sales, etc. of Treasury shares	8	—	—	271	—	271
Dividends		—	—	(4,825)	(448)	(5,273)
Increase (decrease) in non-controlling interests due to capital increase of subsidiaries		—	—	—	181	181
Transfer from other components of equity to retained earnings		—	(37)	—	—	—
Share-based compensation transactions		—	—	(209)	—	(209)
Total transactions with owners, etc.		—	(37)	(4,763)	(267)	(5,030)
Balance as of June 30, 2024		—	26,915	268,085	17,321	285,406

(Translation)

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First six-month period of current consolidated fiscal year (January 1, 2025 to June 30, 2025)

(Million yen)

	Note No.	Capital stock	Share premium	Retained earnings	Treasury shares	Other components of equity	
						Exchange differences on foreign operations	Valuation difference due to change in fair value
Balance as of January 1, 2025		10,000	14,998	223,333	(3,638)	20,653	4,747
Net income (loss)		—	—	6,513	—	—	—
Other comprehensive income		—	—	—	—	(2,008)	882
Total comprehensive income		—	—	6,513	—	(2,008)	882
Acquisition, sales, etc. of Treasury shares	8	—	—	(3)	204	—	—
Dividends		—	—	(4,826)	—	—	—
Change in scope of consolidation		—	—	—	—	—	—
Changes in ownership interest in subsidiaries		—	28	—	—	—	—
Transfer from other components of equity to retained earnings		—	—	204	—	—	(204)
Share-based compensation transactions		—	51	—	—	—	—
Total transactions with owners etc.		—	79	(4,626)	204	—	(204)
Balance as of June 30, 2025		10,000	15,077	225,220	(3,434)	18,646	5,425

	Note No	Other components of equity		Total equity attributable to owners of the parent	Non-controlling interests	Total equity
		Remeasurements of net defined benefit liability (asset)	Total			
Balance as of January 1, 2025		—	25,400	270,093	17,185	287,278
Net income (loss)		—	—	6,513	744	7,257
Other comprehensive income		—	(1,126)	(1,126)	(1,020)	(2,145)
Total comprehensive income		—	(1,126)	5,388	(276)	5,112
Acquisition, sales, etc. of Treasury shares	8	—	—	200	—	200
Dividends		—	—	(4,826)	(720)	(5,546)
Change in scope of consolidation		—	—	—	130	130
Changes in ownership interest in subsidiaries		—	—	28	(67)	(39)
Transfer from other components of equity to retained earnings		—	(204)	—	—	—
Share-based compensation transactions		—	—	51	—	51
Total transactions with owners etc.		—	(204)	(4,546)	(657)	(5,203)
Balance as of June 30, 2025		—	24,071	270,934	16,252	287,186

(Translation)

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(5) 【Summary of Consolidated Statements of Cash Flows for the First Six-month Period】

(Million yen)

	Note No.	First six-month period of consolidated FY2024 (January 1, 2024 to June 30, 2024)	First six-month period of consolidated FY2025 (January 1, 2025 to June 30, 2025)
Cash flow from operating activities			
Net income (loss)		4,881	7,257
Depreciation and amortization		7,809	8,837
Impairment loss	7	656	—
Increase (decrease) in assets and liabilities concerning retirement benefits		(97)	(24)
Interest and dividend income		(224)	(246)
Interest expenses		362	383
Loss (gain) on valuation of investment securities		26	3
Equity in (earnings) losses of affiliates		(410)	40
Loss (gain) on sales and disposal of non-current assets		64	2
Income tax expense		2,957	2,796
Decrease (increase) in trade receivables, contract assets and contract liabilities		8,055	14,871
Decrease (increase) in inventories		(5,083)	(5,534)
Increase (decrease) in trade payables		(4,292)	(5,683)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable		2,009	886
Other		(616)	(1,094)
Subtotal		16,096	22,495
Interest received		169	178
Dividend received		1,047	437
Interest paid		(358)	(363)
Income taxes paid		(3,899)	(2,420)
Cash flow from operating activities		13,055	20,327
Cash flow from investing activities			
Decrease (increase) in time deposits		(712)	(2,005)
Purchase of property, plant and equipment		(16,639)	(7,020)
Purchase of intangible assets		(1,538)	(1,309)
Payments for acquisition of subsidiaries resulting in change in the scope of consolidation		—	(269)
Other		(403)	350
Cash flow from investing activities		(19,291)	(10,253)
Cash flow from financing activities			
Net increase (decrease) in short-term loans payable		(379)	12,088
Income of long-term loans payable		10,090	—
Repayment of long-term loans payable		(118)	(117)
Payments for lease liabilities		(1,589)	(1,941)
Net decrease (increase) in treasury shares		72	66
Dividends paid	8	(4,822)	(4,824)
Proceeds from transfers from non-controlling interests		181	—
Dividends paid to non-controlling interests		(452)	(678)
Other		—	(86)
Cash flow from financing activities		2,984	4,509
Increase (decrease) in cash and cash equivalents		(3,252)	14,583
Cash and cash equivalents at beginning of term		77,835	74,476
Effect of exchange rate changes on cash and cash equivalents		3,592	(1,885)
Cash and cash equivalents at end of term		78,175	87,174

(Translation)

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【Notes on the Summary of Interim Consolidated Financial Statements】

1. Reporting company

The Company is a company located in Japan. Our summary of interim consolidated financial statements are composed of the interests in us and our subsidiaries (together, the "Group") and affiliates, with an ended date of June 30, 2025. Our main businesses are Component Solutions Business, Transport Solutions Business, and Accessibility Solutions Business. The details are described in Note "5. Business Segments."

2. Basis of preparation

(1) Compliance with IFRS

The condensed interim consolidated financial statements have been prepared in accordance with IAS No. 34 under the provisions of Article 312, as they meet all the requirements of "Designated International Accounting Standards Designated Companies" stipulated in Article 1-2, Item 2 of the Regulations for Consolidated Financial Statements.

The summary of interim consolidated financial statements were approved by Kazumasa Kimura, representative director, on August 8, 2025.

(2) Basis for measurement

The summary of interim consolidated financial statements of our group have been prepared on a historical cost basis, except for financial instruments measured at fair value, as described in Note 3, "Significant Accounting Policies," below.

(3) Functional and presentation currencies

The summary of interim consolidated financial statements of our group represent the Japanese yen, which is our functional currency.

3. Important accounting policies

The significant accounting policies that our group applies in this condensed interim consolidated financial statements are the same as those applied in the consolidated financial statements for the previous fiscal year.

Income tax expense for the first six-month of the current fiscal year is calculated using the estimated average annual effective tax rate.

4. Critical accounting judgments, estimates and assumptions

The preparation of summary of interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the estimates change and in future periods affected.

Judgments that involve significant accounting estimates and estimates in these summary of interim consolidated financial statements are, in principle, the same as the consolidated financial statements for the previous fiscal year.

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5. Business Segments

(1) Summary of reportable segments

The Group's reportable segments are components of the Group about which separate financial statement is available that is evaluated regularly at the Board of Directors' meetings in deciding how to allocate the management resources and in assessing performance.

The Group classifies its business segments into the following three reportable segments, based on the similarity of business models: 1) the "Component Solutions Business;" 2) the "Transport Solutions Business;" and 3) the "Accessibility Solutions Business."

The main lines of business of each reportable segment are as below.

Business segment	Main lines of business
Component Solutions Business	The design, manufacture, sale, maintenance and repair of industrial robot components and equipment for construction machinery and its components
Transport Solutions Business	The design, manufacture, sale, maintenance and repair of brake systems and automatic door operating systems for railroad vehicles, aircraft components, brake systems and drive control units for vehicles, control systems for marine vessels, and components thereof
Accessibility Solutions Business	The design, manufacture, sale, installation, maintenance and repair of automatic door operating systems for buildings and general industry, platform safety systems, and components thereof

(2) Information on reportable segments

The accounting policies of the reportable segments are the same as the accounting policies of our group described in "3. Important accounting policies" in the notes.

Intersegment sales and transfers are based on prevailing market prices.

I. First six-month period ended June 30, 2024 (January 1, 2024 to June 30, 2024)

(Million yen)

	Reportable Segments				Others	Total	Adjustments	Amount stated in summary of consolidated statements of income
	Component Solutions	Transport Solutions	Accessibility Solutions	Total				
Net sales								
Sales to external customers	51,675	42,077	50,917	144,670	7,821	152,491	—	152,491
Inter-segment sales	1,548	1,001	4	2,554	20	2,574	(2,574)	—
Total sales	53,223	43,078	50,922	147,223	7,841	155,065	(2,574)	152,491
Segment income (Operating income)	2,079	5,370	4,160	11,609	136	11,745	(5,319)	6,426
Financial income	-							1,586
Financial costs	-							(584)
Equity in earnings of affiliates	-							410
Income before tax	-							7,839

Notes: 1. "Others" is a business segment that is not a reportable segment and consists of businesses that are engaged in the design, manufacture, sale, maintenance and repair of packaging machines, three-dimensional model production device and components thereof.

2. Adjustment to sales is as a result of eliminations of inter-segment transactions.

3. Adjustment to segment income (operating income) is total profit/loss, etc. that are not allocated to the respective segments.

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First six-month period ended June 30, 2025 (January 1, 2025 to June 30, 2025)

(Million yen)

	Reportable Segments				Others	Total	Adjustments	Amount stated in summary of consolidated statements of income
	Component Solutions	Transport Solutions	Accessibility Solutions	Total				
Net sales								
Sales to external customers	59,186	46,447	52,584	158,217	7,399	165,616	—	165,616
Inter-segment sales	1,467	825	3	2,296	12	2,308	(2,308)	—
Total sales	60,654	47,272	52,587	160,513	7,411	167,924	(2,308)	165,616
Segment income (Operating income)	3,271	7,093	4,247	14,611	697	15,308	(4,704)	10,605
Financial income	-							246
Financial costs	-							(757)
Equity in loss of affiliates	-							(40)
Income before tax	-							10,054

- Notes: 1. “Others” is a business segment that is not a reportable segment and consists of businesses that are engaged in the design, manufacture, sale, maintenance and repair of packaging machines, three-dimensional model production devices and components thereof.
2. Adjustment to sales is as a result of eliminations of inter-segment transactions.
3. Adjustment to segment income (operating income) is total profit/loss, etc. that are not allocated to the respective segments.

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6. Revenue from contracts with customers

Our businesses are comprised of Component Solutions Business, Transport Solutions Business, Accessibility Solutions Business and Other Businesses, and are subject to periodic review by our Board of Directors to determine the allocation of management resources and assess performance.

In our group, revenues earned through these businesses are presented as net sales. Net sales are broken down by major products. The relation between these disaggregated net sales and net sales by segment as described in Note "5. Business Segments" is as follows:

There is no obligation to perform as an agent for our group.

(Million yen)			
Business segment	Major products	First six-month period of consolidated FY2024 (January 1, 2024 to June 30, 2024)	First six-month period of consolidated FY2025 (January 1, 2025 to June 30, 2025)
Component Solutions Business	Precision Reduction Gears	29,964	35,822
	Hydraulic Equipment	21,711	23,364
	Subtotal	51,675	59,186
Transport Solutions Business	Railroad Vehicle Equipment	11,158	14,365
	Aircraft Equipment	11,912	11,417
	Commercial Vehicle Equipment	6,268	6,025
	Marine Vessels Equipment	9,465	11,507
	Others	3,273	3,133
	Subtotal	42,077	46,447
Accessibility Solutions Business	Automatic Door	50,917	52,584
	Subtotal	50,917	52,584
Others	Packaging Machines	7,541	7,091
	Others	280	307
	Subtotal	7,821	7,399
Total		152,491	165,616

(NOTE) Amounts are expressed as external sales.

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7. Impairment of non-financial assets

Previous interim consolidated fiscal year (January 1, 2024, to June 30, 2024)

(Millions of yen)

Reportable Segments	Type of asset	Impairment loss
Others	Goodwill	656
Total		656

As of the end of the previous interim consolidated accounting period, we tested goodwill of our consolidated subsidiary Engilico Engineering Solutions NV and its subsidiaries for impairment. As the recoverable amount was less than the carrying amount, we recognized an impairment loss related to this goodwill.

The impairment loss is included in "Other expense" in the condensed interim consolidated statements of operations and is recognized in Others. The recoverable amount is measured at value in use (pre-tax discount rate: 14.6%).

Current interim consolidated fiscal year (January 1, 2025, to June 30, 2025)

Not applicable

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8. Cash dividends

(1) Cash dividends paid were as follows:

Previous interim consolidated fiscal year (January 1, 2024, to June 30, 2024)

Resolution	Total dividends (Millions of yen)	Dividends per share (yen)	Record Date	Effective date
March 26, 2024 Annual Shareholders' Meeting	4,825	40	December 31, 2023	March 27, 2024

(NOTE) The total amount of dividends declared by resolution of the Ordinary General Meeting of Shareholders on March 26, 2024 includes dividends of 24 million yen on our shares held by the trust account (re-trustee: Japan Custody Bank, Ltd. (Trust Account E)) of Mizuho Trust & Banking Co., Ltd. related to the stock benefit trust (BBT).

Current interim consolidated fiscal year (January 1, 2025, to June 30, 2025)

Resolution	Total dividends (Millions of yen)	Dividends per share (yen)	Record Date	Effective date
March 26, 2025 Annual Shareholders' Meeting	4,826	40	December 31, 2024	March 27, 2025

(NOTE) The total amount of dividends declared by resolution of the Ordinary General Meeting of Shareholders on March 26, 2025 includes dividends of 21 million yen on our shares held by the trust account (re-trustee: Japan Custody Bank, Ltd. (Trust Account E)) of Mizuho Trust & Banking Co., Ltd. related to the stock benefit trust (BBT).

(2) Dividends for which the base date belongs to the current interim consolidated fiscal year and for which the effective date of distribution falls in the end of interim consolidated fiscal year

Previous interim consolidated fiscal year (January 1, 2024, to June 30, 2024)

Resolution	Total dividends (Millions of yen)	Dividends per share (yen)	Record Date	Effective date
July 31, 2024 Board of Directors' Meeting	4,826	40	June 30, 2024	August 30, 2024

(NOTE) Total dividends declared by resolution of the Board of Directors on July 31, 2024 include dividends of 21 million yen on our shares held by the Trust Account (re-trustee: Japan Custody Bank, Ltd. (Trust Account E)) of Mizuho Trust & Banking Co., Ltd. related to the Share Benefit Trust (BBT).

Current interim consolidated fiscal year (January 1, 2025, to June 30, 2025)

Resolution	Total dividends (Millions of yen)	Dividends per share (yen)	Record Date	Effective date
July 31, 2025 Board of Directors' Meeting	4,826	40	June 30, 2025	August 29, 2025

(NOTE) Total dividends declared by resolution of the Board of Directors on July 31, 2025 include dividends of 18 million yen on our shares held by the Trust Account (re-trustee: Japan Custody Bank, Ltd. (Trust Account E)) of Mizuho Trust & Banking Co., Ltd. related to the Share Benefit Trust (BBT).

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9. Earnings per shares

(1) Basis for calculating basic earnings per share (first six-month period)

Basic earnings per share and the calculation basis are as follows

(First six-month of consolidated financial period)

		First six-month period of consolidated FY2024 (January 1, 2024 to June 30, 2024)	First six-month period of consolidated FY2025 (January 1, 2025 to June 30, 2025)
Profit attributable to owners of the parent	(Millions of yen)	4,204	6,513
Weighted average number of shares of common stock	(Thousands of shares)	120,084	120,159
Basic earnings per share	(Yen)	35.01	54.20

(2) Basis for calculating diluted earnings per share

Diluted earnings per share and the calculation basis are as follows:

(First six-month of consolidated financial period)

		First six-month period of consolidated FY2024 (January 1, 2024 to June 30, 2024)	First six-month period of consolidated FY2025 (January 1, 2025 to June 30, 2025)
Diluted net income attributable to owners of the parent	(Millions of yen)	4,204	6,513
Weighted average number of shares of common stock	(Thousands of shares)	120,084	120,159
Effect of stock options using the stock acquisition rights method	(Thousands of shares)	3	2
Diluted weighted average shares for common stock	(Thousands of shares)	120,087	120,161
Diluted earnings per share	(Yen)	35.01	54.20

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10. Financial instruments

(1) Fair Value Measurements

① Financial assets measured at amortized cost

Other financial assets

Fair values of other financial assets are primarily valued based on the present value of these assets discounted at a rate adjusted for credit risk, segregated by certain time periods.

② Financial assets measured at fair value through profit or loss

a Golf membership

The fair value of golf memberships is valued based on quoted prices and other factors. Golf membership is included in "Other Financial Assets" in the Summary of Interim Consolidated Statements of Financial Position

b Derivative financial assets

The fair value of foreign currency forward contracts is calculated based on forward exchange rates and other factors. Note that derivative financial assets are included in "other financial assets" in the Summary of Interim Consolidated Financial Statement.

c Investment securities

Debt instruments, which consist primarily of corporate bonds held for non-trading purposes, are calculated using valuation techniques based on quoted market prices of similar companies. Investment securities are included in "other financial assets" in the Summary of Interim Consolidated Financial Statement.

③ Financial assets measured at fair value through other comprehensive income

Investment securities

Equity instruments consisting primarily of stocks held for non-trading purposes. Listed stocks are calculated using quoted market prices on exchanges, and unlisted stocks are calculated using valuation techniques based on market prices of similar companies and valuation techniques based on net asset value. Investment securities are included in "other financial assets" in the Summary of Interim Consolidated Financial Statement.

④ Financial liabilities measured at amortized cost

Borrowings

The fair value of borrowings is calculated based on the present value of the sum of principal and interest discounted at the interest rate assumed for new similar borrowings.

⑤ Financial liabilities measured at fair value through profit or loss

a Derivative financial liabilities

The fair value of foreign currency forward contracts is calculated based on forward exchange rates and other factors. The fair values of foreign currency swap agreements and interest rate swap agreements are calculated based on prices provided by counterparty financial institutions, etc. Derivative financial liabilities are included in "Other financial liabilities" in the summary of interim consolidated statements of financial position.

b Contingent consideration

The fair value of the financial liabilities for contingent consideration is calculated based on the present value of future payments calculated using a Monte Carlo simulation, primarily based on forecasts of performance and other factors. Financial liabilities related to contingent consideration are included in "Other financial liabilities" in the Summary of Interim Consolidated Statements of Financial Position.

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(2) Carrying amounts and fair values of each class of financial instruments

The carrying amounts and fair values of financial assets and financial liabilities in the summary of interim consolidated statements of financial position are as follows:

(Million yen)

	End of consolidated FY2024 (as of December 31, 2024)		End of the first six-month period of consolidated FY2025 (as of June 30, 2025)	
	Book value	Fair value	Book value	Fair value
Financial assets				
Financial assets measured at amortized cost				
Other financial assets	3,630	3,630	5,664	5,664
Total financial assets measured at amortized cost	3,630	3,630	5,664	5,664
Financial assets measured at fair value through profit or loss				
Golf membership	122	122	122	122
Derivative financial assets	—	—	8	8
Investment securities	—	—	102	102
Total of financial assets measured at fair value through profit or loss	122	122	232	232
Financial assets measured at fair value through other comprehensive income				
Investment securities	11,594	11,594	12,867	12,867
Total financial assets measured at fair value through other comprehensive income	11,594	11,594	12,867	12,867
Total of financial assets	15,346	15,346	18,763	18,763
Financial Liabilities				
Financial liabilities measured at amortized cost				
Borrowings	31,884	31,764	44,122	44,004
Other financial liabilities	31,884	31,764	44,122	44,004
Financial Liabilities measure at fair value through profit or loss				
Derivative financial liabilities	667	667	688	688
Contingent consideration	30	30	31	31
Total financial liabilities measure at fair value through profit or loss	697	697	719	719
Total financial liabilities	32,581	32,461	44,841	44,723

At initial recognition, the Company did not hold any financial assets or financial liabilities that were irrevocably elected to be designated as financial assets and financial liabilities measured at fair value through profit or loss. Cash and cash equivalents, trade receivables, contract assets, other receivables, trade payables, and other payables, which are financial instruments measured at amortized cost, are not included in the table above because their carrying amounts approximate fair value due to their short-term maturities.

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(3) Level-based classification of the fair value hierarchy

The recurring fair values of financial assets and financial liabilities are measured and analyzed as follows: These fair value amounts are categorized into three fair value hierarchies (levels 1 through 3) based on the inputs to the valuation techniques used (available market data). Each level is defined as follows:

Level 1: Fair values measured at quoted prices in actively traded markets

Level 2: Fair values calculated using observable prices, either directly or indirectly, other than Level 1

Level 3: Fair values derived from valuation techniques that include unobservable inputs

Transfers between levels of the fair value hierarchy are recognized on the date that the events or changes in circumstances that give rise to the transfer occur.

The following table presents the fair value hierarchy for financial assets and financial liabilities measured at fair value on a recurring basis:

(Million yen)

End of the previous consolidated fiscal year (As of December 31, 2024)	Level 1	Level 2	Level 3	Total
Other financial assets				
Financial assets to be measured at fair value through profit or loss	—	122	—	122
Financial assets measured at fair value through other comprehensive income	4,872	—	6,723	11,594
Other financial liabilities				
Financial liabilities measured at fair value through profit or loss	—	667	30	697

(Million yen)

End of the first six-month period of consolidated FY2025 (as of June 30, 2025)	Level 1	Level 2	Level 3	Total
Other financial assets				
Financial assets to be measured at fair value through profit or loss	—	130	102	232
Financial assets measured at fair value through other comprehensive income	5,989	—	6,878	12,867
Other financial liabilities				
Financial liabilities measured at fair value through profit or loss	—	688	31	719

The fair value hierarchy for financial instruments measured at amortized cost, which is disclosed in "(2) Carrying amounts and fair values of each class of financial instruments," is categorized principally in Level 3.

There were no transfers between Levels 1 and 2 and 3 in the previous fiscal year or the first three-month of current fiscal year.

There were no significant assets or liabilities measured at fair value on a nonrecurring basis at the end of the previous or first six-month of current fiscal year.

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(4) Information on Level 3 fair value measurements

① Valuation techniques and inputs

Level 3 other financial assets and other financial liabilities consist primarily of unlisted equity securities and contingent consideration. The fair value of unlisted equity securities is determined using valuation techniques based on quoted market prices for comparable companies and valuation techniques based on net asset value. The fair value of the financial liabilities for contingent consideration is calculated based on the present value of future payments calculated using a Monte Carlo simulation, primarily based on forecasts of performance and other factors.

② Evaluation process

Fair value measurements for Level 3 financial instruments are performed in accordance with relevant internal rules. When measuring fair value, the Company uses valuation techniques and inputs that most appropriately reflect the nature, characteristics and risks of the underlying financial instruments.

③ Level 3 sensitivity information for recurring fair value measurements

Significant unobservable inputs for measuring the fair value of Level 3 financial instruments measured at fair value on a recurring basis are EBIT multiples, illiquidity discounts, and other inputs based on financial projections. Fair value is increased (decreased) by an increase (decrease) in EBIT multiples and decreased (increased) by an increase (decrease) in illiquidity discounts.

For instruments classified as Level 3, the increase or decrease in fair value of the change in the inputs that are not observable to reasonably possible alternative assumptions would not be material.

④ Reconciliation of financial instruments classified as Level 3 from the beginning of the period to the ending balance

(Million yen)

	First six-month period of consolidated FY2024 (January 1, 2024 to June 30, 2024)		First six-month period of consolidated FY2025 (January 1, 2025 to June 30, 2025)	
	Financial assets	Financial Liabilities	Financial assets	Financial Liabilities
Balance at beginning of period	5,514	28	6,723	30
Total gains and losses	675	3	157	1
Net Income (Loss) (Note 1)	(26)	3	(3)	1
Other comprehensive income (Note 2)	701	—	160	—
Purchase	618	—	101	—
Balance at end of period	6,806	31	6,981	31

(NOTE) 1 Gains and losses recognized in profit or loss primarily represent unrealized gains and losses on financial instruments sold in the first six-month of current fiscal year and are included in "Financial income and loss" in the Summary of Interim Consolidated Statements of Income.

2 Gains and losses recognized in other comprehensive income are included in "Net changes in financial assets measured at fair value through other comprehensive income" in the summary of Interim Consolidated Statements of Comprehensive Income.

(Translation)

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11. Business Combination

First six-month period of consolidated FY2024 (From January 1, 2024 to June 30, 2024)

Not applicable

First six-month period of consolidated FY2025 (From January 1, 2025 to June 30, 2025)

Not applicable

12. Commitment

Significant commitments contractually committed to the acquisition of property, plant and equipment are as follows:

(Million yen)

	End of consolidated FY2024 (as of December 31, 2024)	End of the first six-month period of consolidated FY2025 (as of June 30, 2025)
Commitment	5,554	1,984

13. Subsequent events

(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's (the "Company") Board of Directors resolved to execute the following agreements with Comer Industries S.p.A. ("Comer") on July 31, 2025: (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 Company will classify the Hydraulic Equipment Business as a discontinued operation business under the IFRS No.5 due to the Company Split.

(1) 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.

(Translation)

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(2) 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 the Business to the New Company by way of absorption-type company split to consolidate the Business into the New Company, and 70% of the issued shares in the New Company to Comer. The Business includes all of the equity interests held by the Company in Shanghai Nabtesco Hydraulic Co., Ltd., a subsidiary of the Company in China, all of the equity interests held by the Company in Nabtesco Power Control (Thailand) Co., Ltd., a subsidiary of the Company in Thailand, and 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.

(3) Overview of the Business Division to be Split

(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

(4) 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.

(5) The Share Purchase Price JPY 14.2 billion

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

(6) Impact on Consolidated Result

The expected impact on full-year result due to the transactions above is currently under review.

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(Acquisition of Own Shares and Cancellation of Treasury Shares)

The Company's Board of Directors, at a meeting held on July 31, 2025, resolved to set the maximum allowance for acquisition of own shares, pursuant to Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of the same act and to cancel treasury shares pursuant to Article 178 of the Companies Act.

(1) Reasons for the Acquisition of Treasury Shares increase the shareholder value per share and to improve capital efficiency

The Company has decided to acquire its own shares and cancel its treasury shares in order to increase the shareholder value per share and to improve capital efficiency.

(2) Details of the Acquisition

- | | | |
|-----|--|--|
| (a) | Class of shares to be acquired | Common shares of the Company |
| (b) | Total number of shares which can be acquired | Up to 4 million shares
(Ratio of outstanding shares (excluding treasury shares): 3.32%) |
| (c) | Total amount of share acquisition cost | Up to JPY 10 billion |
| (d) | Acquisition period | August 1, 2025, through to December 30, 2025 |
| (e) | Method of acquisition | Open market purchase on the Tokyo Stock Exchange |

(3) Details of the Cancellation

- | | | |
|-----|-------------------------------------|----------------------------------|
| (a) | Class of shares to be canceled | Common shares of the Company |
| (b) | Number of shares to be canceled | All the shares acquired as above |
| (c) | Scheduled date for the cancellation | To be determined |

(Translation)

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2 【Others】

With regard to the interim dividend for the 23rd fiscal period (from January 1, 2025 to December 31, 2025), at the Board of Directors meeting held on July 31, 2025, the Company resolved to pay an interim dividend to shareholders or registered pledgees of record as of June 30, 2025 as follows.

- | | |
|---|-----------------|
| ① Total interim dividend | ¥4,826 million |
| ② Dividend for first six-month | 40 yen |
| ③ Effective Date and Commencement Date of Payment | August 29, 2025 |

(Translation)

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Part two 【Information on Assurance Companies, etc. of Submitting Companies】

Not applicable

(Translation)

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SEMIANNUAL REVIEW REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF INDEPENDENT AUDITORS

August 8, 2025

Nabtesco Corporation

To the Board of Directors

KPMG AZSA LLC.

Tokyo Office

Designated Limited
Liability Partners Certified Public
Partners administering Accountant Takeharu Kirikae
the affairs

Designated Limited
Liability Partners Certified Public
Partners administering Accountant Daisuke Toyama
the affairs

Auditor's conclusion

Pursuant to the provisions of Article 193-2-1 of the Financial Instruments and Exchange Act, we have reviewed the Nabtesco Corporation's interim consolidated financial statements for the period from January 1, 2025 to December 31, 2025 (January 1, 2025 to June 30, 2025), which consist of the summary of interim consolidated statements of financial position, summary of interim consolidated statements of income, summary of interim consolidated statements of comprehensive income, condensed interim consolidated statements of changes in equity, summary of interim consolidated statements of cash flows and notes thereto, all of which are listed in "Accounting."

In our review of the period, we did not believe in all material respects that the condensed interim consolidated financial statements referred to above did not present fairly, in all material respects, the financial position of Nabtesco Corporation and its consolidated subsidiaries as of June 30, 2025, the results of their operations for the interim period then ended, and their cash flows for the interim period in accordance with International Accounting Standards 34, Interim Financial Reporting, as defined by Section 312 of the Regulations Concerning Terminology, Forms and Preparation Methods of Consolidated Financial Statements.

Basis for the auditor's conclusion

We conducted our interim review in accordance with the standards of the interim review generally accepted in our country. Our responsibility under the criteria for the interim review is set forth under the caption "Auditor's Responsibility in Review of Condensed Interim Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of the Code of Professional Ethics in Japan, which include the provisions applicable to the audit of financial statements of entities with high social impact, and we fulfill our other ethical responsibilities as an auditor. We believe that the evidence upon which we base our conclusions is obtained.

Emphasis of Matter

As stated in Note 13 to the Condensed Consolidated Interim Financial Statements, the company resolved at the Board of Directors meeting held on July 31, 2025, to consolidate the hydraulic equipment business of the company and its consolidated subsidiaries into a newly established wholly-owned subsidiary (hereinafter referred to as the "New Company") through an absorption-type company split. Subsequently, the company entered into a share transfer agreement with Comer Industries S.p.A. to transfer 70% of the issued shares of the New Company to Comer Industries S.p.A., and the agreement was concluded on the same date.

This matter does not affect the conclusion of our audit firm.

Responsibility of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Summary of Interim Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the summary of interim consolidated financial statements in accordance with International Accounting Standards 34, Interim Financial Reporting. This includes establishing and operating such internal control as management deems necessary for the preparation and fair presentation of the summary of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the summary of interim consolidated financial statements, management is responsible for evaluating whether it is appropriate to prepare the summary of interim consolidated financial statements based on the going concern assumption and for disclosing matters related to a going concern in accordance with International Accounting Standards No. 1, Presentation of Financial Statements, Item 4.

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The responsibility of the Audit & Supervisory Board Members and Audit & Supervisory Board is to monitor the execution of directors' duties in the development and operation of the financial reporting process.

Auditor's Responsibility for Review of Summary of Interim Consolidated Financial Statements during the Period

The auditor's responsibility is to independently express a conclusion on the condensed interim consolidated financial statements in the interim review report based on the interim review performed by the auditor.

In accordance with the standards of the interim review generally accepted in Japan, the auditor shall, through the course of the medium-term review, make judgments as a professional expert and conduct the following with professional skepticism:

- Conduct questions, analytical procedures, and other interim review procedures primarily for management, financial, and accounting personnel. The interim review procedures are limited compared with the audits of financial statements for the fiscal year conducted in accordance with auditing standards generally accepted in Japan.
- If the auditor determines that there is significant uncertainty with respect to events or circumstances that raise substantial doubt about the Company's ability to continue as a going concern, the auditor will conclude, based on the evidence obtained, whether there are any matters in the summary of interim consolidated financial statements that would cause the auditor to believe that they are not fairly presented in accordance with International Accounting Standards No. 1, Presentation of Financial Statements, Item 4. In addition, if there is material uncertainty regarding the Company's ability to continue as a going concern, the auditor is required to alert the notes to the summary of interim consolidated financial statements in the Review Report during the period, or if the notes to the summary of interim consolidated financial statements for material uncertainty are not appropriate, to express a limited conclusion or a negative conclusion on the summary of interim consolidated financial statements. The auditor's conclusion is based on evidence obtained through the date of the interim review report; however, future events and circumstances may prevent the entity from continuing as a going concern
- Evaluate whether the presentation, composition and content of the summary interim consolidated financial statements, including the related notes, as well as whether there are any matters that cause the auditor to believe that the presentation and notes to the interim consolidated financial statements are not in accordance with International Accounting Standards 34, Interim Financial Reporting, and whether there are any matters that cause the auditor to believe that the summary of interim consolidated financial statements do not fairly present the underlying transactions and accounting events.
- Obtain evidence regarding the financial information of the Company and its consolidated subsidiaries that forms the basis for expressing a conclusion on the condensed interim consolidated financial statements. The auditor is responsible for directing, supervising and inspecting the interim review of the summary of interim consolidated financial statements. The auditor is solely responsible for the auditor's conclusions.

The auditor shall report to the Audit & Supervisory Board Members and Audit & Supervisory Board on the scope of the planned interim review and the timing of its implementation, as well as important findings for the interim review.

The auditors shall report to the Audit & Supervisory Board Members and Audit & Supervisory Board on compliance with the provisions of professional ethics in Japan regarding independence, matters that are reasonably likely to affect the auditor's independence, and in cases where countermeasures are taken to eliminate impediments or safeguards are applied to reduce the impediments to an acceptable level.

Interest

There is no interest between the Company and its Consolidated Subsidiaries and the Auditing Corporation or its Operating Partners that should be stated pursuant to the provisions of the Certified Public Accountants Act.

The end

(NOTE) 1 The original report of the above interim review report is maintained separately by the Company (the company submitting the interim report).

2 XBRL are not included in the scope of auditing.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act.

(Translation)

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[Cover]

[Filing] Confirmation Report

[Articles of Basis] Item 1 on the table in Article 24-5-1 of the Financial Instruments and Exchange Act

[Submit to] Kanto Finance Bureau

[Submission date] August 8, 2025

[Semiannual accounting period] The First Six-month of 23rd fiscal period (From January 1, 2025 to June 30, 2025)

[Company name] Nabtesco Corporation

[English translation name] Nabtesco Corporation

[Title of Representative] Kazumasa Kimura, representative director

[Location of the head office] 7-9, Hirakawacho 2-chome, Chiyoda-ku, Tokyo

[Phone No.] +81-3-5213-1134

[Name of administrative liaison] Yasushi Minegishi, General Manager, Corporate Communications Dept.

[Near contact location] 7-9, Hirakawacho 2-chome, Chiyoda-ku, Tokyo

[Phone No.] +81-3-5213-1134

[Name of administrative liaison] Yasushi Minegishi, General Manager, Corporate Communications Dept.

[Locations for Public Inspection] Tokyo Stock Exchange, Inc.
(2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo)

(Translation)

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1. [Matters Concerning the Adequacy of the Content of the Semiannual Report]

Kazumasa Kimura, the representative director of our company, has confirmed that the content of the semiannual report for the first six months of 23rd accounting period (from January 1, 2025, to June 30, 2025) is accurately stated in accordance with the Financial Instruments and Exchange Act. 2

2. [Special Matters] There are no notable matters to report upon confirmation.