

Summary of Consolidated Financial Statements for the Third Quarter of Fiscal Year Ending December 31, 2024 (IFRS)



October 31, 2024

Name of listed company: Nabtesco Corporation

Stock listed on: Prime Section of the Tokyo Stock Exchange

Code number: 6268

URL: <https://www.nabtesco.com>

Representative: Title: President and CEO

Name: Kazumasa Kimura

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Scheduled dividend payment date: –

Quarterly material to supplement the financial results: Yes

Quarterly financial results conference: Yes (Teleconference for institutional investors and financial analysts)

(Amounts rounded to the nearest million)

1. Consolidated Results for the First Nine-month Period of FY2024 (January 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year change)

	Net sales		Operating income		Income before tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Nine-month period, FY2024	229,830	(5.6)	9,634	(25.6)	9,940	(52.8)	6,682	(53.3)	5,659	(57.4)	8,986	(61.5)
First Nine-month period, FY2023	243,584	11.3	12,948	12.7	21,072	24.7	14,323	19.3	13,293	25.1	23,352	(2.4)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
First Nine-month period, FY2024	47.12		47.12	
First Nine-month period, FY2023	110.74		110.73	

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
As of September 30, 2024	418,288	274,353	258,537	61.8
As of December 31, 2023	422,065	275,894	260,470	61.7

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
FY2023	–	40.00	–	40.00	80.00
FY2024	–	40.00	–	–	–
FY2024 (Forecast)	–	–	–	40.00	80.00

(Note) Revisions to the latest dividend forecasts: None

3. Forecast of Consolidated Operating Results for FY2024 (January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year change for full year)

	Net sales		Operating income		Income before tax		Net income attributable to owners of the parent		Total basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	323,700	(3.0)	13,500	(22.3)	14,700	(42.6)	9,300	(36.1)	77.47

(Note) Revisions to the latest forecast of operating results: None

* Matters of note:

(1) Changes in significant subsidiaries during the first nine-month period of FY2024: None
Newly added: 0 (Company name: -) Excluded: 0 (Company name: -)

(2) Changes in accounting policies and accounting estimates
1) Changes in accounting policies required by IFRS: None
2) Other changes in accounting policies: None
3) Changes in accounting estimates: None

(3) Shares outstanding (Common shares)

- 1) Number of shares outstanding (including treasury stock) as of the end of the term
- 2) Amount of treasury stock
- 3) Average number of shares during the term

1)	As of September 30, 2024	121,064,099	As of December 31, 2023	121,064,099
2)	As of September 30, 2024	939,759	As of December 31, 2023	1,025,536
3)	January 1, 2024 to September 30, 2024	120,096,304	January 1, 2023 to September 30, 2023	120,033,554

* Current status of audit procedures: None

* Description concerning proper use of the forecast of operating results and other remarks:

Descriptions in this document concerning future figures including forecasts for operating results, etc. are based on currently available information and certain assumptions that the Company considers reasonable. Actual results may vary significantly from such forecasts due to a variety of factors.

(Translation)

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1. Qualitative Information on Consolidated Operating Results for the First Nine-month Ended September 30, FY2024

(1) Analysis of Consolidated Operating Results

During the first nine-month period under review, showed favorable demand for automatic door and the effects of exchange rates, as well as strong demand in aircraft equipment and marine vessels equipment. Meanwhile, in precision reduction gears, capital expenditure related to EV decline and demand for construction machinery in hydraulic equipment declined. As a result, the Group's net sales were ¥229,830 million. Operating income was ¥9,634 million due to the decrease in sales in component solutions business, despite the increase in operating income resulting from the increase in sales in transport solutions and accessibility solutions businesses. Income before taxes was ¥9,940 million and net income attributable to owners of the parent was ¥5,659 million.

1) Amount of orders received, net sales and operating income

Orders received for the period under review decreased by ¥7,922 million, or 3.1% year-on-year, to ¥243,629 million. Net sales decreased by ¥13,754 million, or 5.6% year-on-year, to ¥229,830 million. Operating income decreased by ¥3,315 million, or 25.6% year-on-year, to ¥9,634 million. The ratio of operating income to net sales was 4.2%.

Operating results by business segment were as follows:

[Amount of orders received]

(Million yen)			
Business segment	First nine-month period of consolidated FY2023 (January 1, 2023 to September 30, 2023)	First nine-month period of consolidated FY2024 (January 1, 2024 to September 30, 2024)	Change (%)
Component Solutions	89,041	85,239	(4.3)
Transport Solutions	73,259	69,802	(4.7)
Accessibility Solutions	75,957	77,061	1.5
Others	13,293	11,527	(13.3)
Total	251,551	243,629	(3.1)

[Net sales]

(Million yen)			
Business segment	First nine-month period of consolidated FY2023 (January 1, 2023 to September 30, 2023)	First nine-month period of consolidated FY2024 (January 1, 2024 to September 30, 2024)	Change (%)
Component Solutions	107,661	78,857	(26.8)
Transport Solutions	55,955	63,141	12.8
Accessibility Solutions	67,622	75,875	12.2
Others	12,345	11,957	(3.1)
Total	243,584	229,830	(5.6)

[Operating income]

(Million yen)			
Business segment	First nine-month period of consolidated FY2023 (January 1, 2023 to September 30, 2023)	First nine-month period of consolidated FY2024 (January 1, 2024 to September 30, 2024)	Change (%)
Component Solutions	8,891	3,150	(64.6)
Transport Solutions	5,805	8,928	53.8
Accessibility Solutions	3,533	5,194	47.0
Others	2,400	437	(81.8)
Corporate or elimination	(7,681)	(8,076)	–
Total	12,948	9,634	(25.6)

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[Component solutions business]

Orders received for component solutions decreased by ¥3,803 million, or 4.3% year-on-year, to ¥85,239 million. Net sales decreased by ¥28,804 million, or 26.8% year-on-year, to ¥78,857 million, and operating income decreased by ¥5,741 million, or 64.6% year-on-year, to ¥3,150 million.

Sales of precision reduction gears decreased significantly year-on-year due to a decline in automotive related capital expenditures worldwide, as well as prolonged inventory adjustment of industrial robots.

Sales of hydraulic equipment for construction machinery decreased year-on-year due to continued sluggish demand in Europe, the U.S. and Southeast Asia, despite signs of bottoming out in the stagnant Chinese market.

[Transport solutions business]

Orders received for transport solutions decreased by ¥3,457 million, or 4.7% year-on-year, to ¥69,802 million. Net sales increased by ¥7,186 million, or 12.8% year-on-year, to ¥63,141 million, and operating income increased by ¥3,123 million, or 53.8% year-on-year, to ¥8,928 million.

Sales of railroad vehicle equipment increased year-on-year due to demand increase in new railroad vehicles in the Japanese market and MRO (Maintenance, Repair, Overhaul) in overseas.

Sales of aircraft equipment increased substantially year-on-year due to an expansion in demand resulting from increased defense budgets and a favorable demand for commercial aircraft.

Sales of commercial vehicle equipment remained at the same level as the same period of the previous fiscal year due to steady demand from domestic customers, despite a decline in demand in the Southeast Asian market.

Sales of marine vessels equipment increased year-on-year due to strong demand for new vessels and MRO, as well as expanded sales of new type of main engine remote-control system and as a result of making company Deep Sea a consolidated subsidiary.

[Accessibility solutions business]

Orders received for accessibility solutions increased by ¥1,104 million, or 1.5% year-on-year, to ¥77,061 million. Net sales increased by ¥8,253 million, or 12.2% year-on-year, to ¥75,875 million, and operating income increased by ¥1,661 million, or 47.0% year-on-year, to ¥5,194 million.

Sales from the automatic doors business increased year-on-year due to strong demand for doors for domestic and overseas buildings and platform doors, as well as foreign exchange effects.

[Others]

Orders received for other businesses decreased by ¥1,766 million, or 13.3% year-on-year, to ¥11,527 million. Net sales decreased by ¥389 million, or 3.1% year-on-year, to ¥11,957 million, and operating income decreased by ¥1,963 million, or 81.8% year-on-year, to ¥437 million.

Sales of packaging machines remained at the same level as the same period of the previous fiscal year due to strong sales of MRO, despite a delay in deliveries in Japan and overseas.

During the first six-month period, the company recorded an impairment loss of ¥656 million on goodwill related to Engilico, a consolidated subsidiary in Europe.

Reference: Information by region

[Net sales]

(Million yen)

	First nine-month period of consolidated FY2023 (January 1, 2023 to September 30, 2023)	First nine-month period of consolidated FY2024 (January 1, 2024 to September 30, 2024)	Change (%)
Japan	129,197	113,271	(12.3)
China	35,360	32,727	(7.4)
Other Asia	15,052	16,926	12.4
North America	18,836	19,625	4.2
Europe	43,579	45,566	4.6
Other areas	1,561	1,715	9.9
Total	243,584	229,830	(5.6)

(Note) Net sales are classified by country or region based on the location of the buyer.

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2) Income before tax

Financial income came to ¥381 million. Financial costs were ¥581 million. Equity in earnings of affiliates was ¥507 million. As a result, income before tax ended at ¥9,940 million, down ¥11,132 million, or 52.8% year-on-year.

3) Net income attributable to owners of the parent

In total, net income attributable to owners of the parent decreased by ¥7,634 million, or 57.4% year-on-year to ¥5,659 million, net of income tax expenses of ¥3,258 million and net income attributable to non-controlling interests of ¥1,023 million.

Total basic earnings per share decreased by ¥63.62 year on year to ¥47.12.

(2) Analysis of Financial Position

1) Assets, liabilities and equity

(Million yen)

	As of the end of the previous consolidated fiscal year (December 31, 2023)	As of the end of the first nine-month period of the current consolidated fiscal year (September 30, 2024)	Change
Assets	422,065	418,288	(3,777)
Liabilities	146,171	143,935	(2,236)
Equity	275,894	274,353	(1,541)

[Assets]

Total assets as of September 30, 2024 were ¥418,288 million, a decrease of ¥3,777 million from December 31, 2023, consisting of ¥209,518 million in current assets and ¥208,771 million in non-current assets. The key contributing positive factors were an increase of ¥7,018 million in inventories, an increase of ¥4,511 million in tangible fixed assets. The main contributing negative factors included a decrease of ¥9,547 million in cash and cash equivalents, a decrease of ¥8,846 million in trade receivables.

[Liabilities]

Total liabilities as of September 30, 2024 were ¥143,935 million, a decrease of ¥2,236 million from December 31, 2023, reflecting ¥106,082 million in current liabilities and ¥37,853 million in non-current liabilities. The main contributing positive factor was a rise of ¥9,904 million in bonds and borrowings under non-current assets. The main contributing negative factors were a decrease of ¥10,056 million in other financial liabilities and a decrease of ¥2,897 million in operating payables.

[Equity]

Total equity as of September 30, 2024 stood at ¥274,353 million. Equity attributable to owners of the parent was ¥258,537 million, a decrease of ¥1,933 million from December 31, 2023. The main contributing positive factors were the net income attributable to owners of the parent of ¥5,659 million and an increase of ¥1,926 million in other components of equity due to exchange differences on foreign operations. Meanwhile, the main decreasing factor was a decrease in retained earnings of ¥9,651 million due to dividend payment.

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2) Status of cash flows

(Million yen)

	First nine-month period of consolidated FY2023 (January 1, 2023 to September 30, 2023)	First nine-month period of consolidated FY2024 (January 1, 2024 to September 30, 2024)
Cash flow from operating activities	8,096	18,910
Cash flow from investing activities	(41,595)	(25,397)
Free cash flow	(33,499)	(6,487)
Cash flow from financing activities	(12,956)	(3,732)

Cash and cash equivalents (hereinafter, "cash") on a consolidated basis as of September 30, 2024 totaled ¥68,288 million, a decrease of ¥9,547 million from December 31, 2023, as cash gained from operating activities and long-term borrowings was mainly appropriated to capital expenditure and dividend payments.

[Cash flows from operating activities]

Net cash generated from operating activities for the first nine-month period of the current fiscal year totaled ¥18,910 million. The main factors for increases were decreases in operating profits, depreciation and amortization, other non-cash profit/losses, and trade receivables. The main factors for decreases included an increase in inventories, decrease in operating payables, and the payment of the income tax.

[Cash flows from investing activities]

Net cash used in investing activities for the first nine-month period of the current fiscal year amounted to ¥25,397 million. The main factors for decreases were payments for the purchase of property, plant, and equipment.

[Cash flows from financing activities]

Net cash used in financing activities for the first nine-month period of the current fiscal year totaled ¥3,732 million. The main factors for increase was proceeds from long-term borrowings. The main factors for decrease was dividend payments.

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2. Summary of Consolidated Financial Statements for the First Nine-month Period and Notes Thereto

(1) Summary of Consolidated Statement of Financial Position for the First Nine-month Period

(Million yen)

	Note No.	End of consolidated FY2023 (as of December 31, 2023)	End of the first nine-month period of consolidated FY2024 (as of September 30, 2024)
Assets			
Current assets			
Cash and cash equivalents		77,835	68,288
Trade receivables		79,196	70,349
Contract assets		3,554	3,688
Other receivables		1,682	1,372
Inventories		50,969	57,987
Other financial assets		616	1,622
Other current assets		6,995	6,212
Total current assets		220,847	209,518
Non-current assets			
Property, plant and equipment		107,527	112,038
Intangible assets		11,624	12,248
Right-of-use assets		8,908	10,455
Goodwill		25,750	25,496
Investment property		10,394	10,312
Investments accounted for using the equity method		21,139	20,712
Other financial assets		12,550	14,288
Deferred tax assets		2,313	2,386
Other non-current assets		1,013	836
Total non-current assets		201,218	208,771
Total assets		422,065	418,288

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(Million yen)

	Note No.	End of consolidated FY2023 (as of December 31, 2023)	End of the first nine-month period of consolidated FY2024 (as of September 30, 2024)
Liabilities and equity			
Liabilities			
Current liabilities			
Operating payables		50,783	47,886
Contract liabilities		8,053	8,042
Bonds and borrowings		21,400	20,828
Other payables		23,392	13,336
Income taxes payable		3,018	1,759
Provisions		2,720	2,214
Lease liabilities		2,799	2,879
Other current liabilities		7,327	9,137
Total current liabilities		119,491	106,082
Non-current liabilities			
Bonds and borrowings		173	10,077
Lease liabilities		8,060	9,499
Liabilities concerning retirement benefit		8,736	8,756
Deferred tax liabilities		7,045	6,870
Other financial liabilities		516	561
Other non-current liabilities		2,149	2,089
Total non-current liabilities		26,679	37,853
Total liabilities		146,171	143,935
Equity			
Capital stock		10,000	10,000
Share premium		15,139	14,964
Retained earnings		220,495	216,506
Treasury shares		(3,943)	(3,638)
Other components of equity		18,778	20,704
Equity attributable to owners of the parent		260,470	258,537
Non-controlling interests		15,424	15,816
Total equity		275,894	274,353
Total liabilities and equity		422,065	418,288

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(2) Summary of Consolidated Statements of Income and Consolidated Statements of Comprehensive Income for the First Nine-month Period

Summary of Consolidated Statements of Income

First Nine-month Period

(Million yen)

	Note No.	First nine-month period of consolidated FY2023 (January 1, 2023 to September 30, 2023)	First nine-month period of consolidated FY2024 (January 1, 2024 to September 30, 2024)
Net sales	3	243,584	229,830
Cost of sales		(183,735)	(167,208)
Gross profit		59,849	62,622
Other income		1,850	853
Selling, general and administrative expense		(48,391)	(52,700)
Other expenses		(360)	(1,142)
Operating income	3	12,948	9,634
Financial income		5,457	381
Financial costs		(780)	(581)
Equity in earnings of affiliates		3,446	507
Income before tax		21,072	9,940
Income tax expense		(6,749)	(3,258)
Net income		14,323	6,682

Net income attributable to			
Owners of the parent		13,293	5,659
Non-controlling interests		1,030	1,023
Net income		14,323	6,682

Net income per share			
Basic earnings per share (yen)		110.74	47.12
Diluted earnings per share (yen)		110.73	47.12

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Summary of Consolidated Statements of Comprehensive Income

First Nine-month Period

(Million yen)

	Note No.	First nine-month period of consolidated FY2023 (January 1, 2023 to September 30, 2023)	First nine-month period of consolidated FY2024 (January 1, 2024 to September 30, 2024)
Net income		14,323	6,682
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		822	846
Total components that will not be reclassified to profit or loss		822	846
Components that will be reclassified to profit or loss			
Exchange differences on foreign operations		8,206	1,458
Total components that will be reclassified to profit or loss		8,206	1,458
Other comprehensive income after taxes		9,028	2,304
Total comprehensive income		23,352	8,986
Comprehensive income attributable to			
Owners of the parent		21,342	7,622
Non-controlling interests		2,010	1,364
Total comprehensive income		23,352	8,986

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(3) Summary of Consolidated Statement of Changes in Equity for the First Nine-month Period

First nine-month period of previous consolidated fiscal year (January 1, 2023 to September 30, 2023)

(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, 2023		10,000	15,048	215,670	(4,646)	9,361	3,263
Net income		–	–	13,293	–	–	–
Other comprehensive income		–	–	–	–	7,232	817
Total comprehensive income		–	–	13,293	–	7,232	817
Acquisition, sales, etc. of treasury shares		–	–	(16)	142	–	–
Dividends		–	–	(9,506)	–	–	–
Transfer from other components of equity to retained earnings		–	–	509	–	–	(509)
Share-based compensation transactions		–	41	–	–	–	–
Total transactions with owners, etc.		–	41	(9,012)	142	–	(509)
Balance as of September 30, 2023		10,000	15,089	219,950	(4,505)	16,594	3,570

	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, 2023		–	12,624	248,696	14,532	263,228
Net income		–	–	13,293	1,030	14,323
Other comprehensive income		–	8,049	8,049	979	9,028
Total comprehensive income		–	8,049	21,342	2,010	23,352
Acquisition, sales, etc. of treasury shares		–	–	126	–	126
Dividends		–	–	(9,506)	(1,477)	(10,983)
Transfer from other components of equity to retained earnings		–	(509)	–	–	–
Share-based compensation transactions		–	–	41	–	41
Total transactions with owners, etc.		–	(509)	(9,339)	(1,477)	(10,816)
Balance as of September 30, 2023		–	20,164	260,699	15,065	275,764

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First nine-month period of current consolidated fiscal year (January 1, 2024 to September 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		–	–	5,659	–	–	–
Other comprehensive income		–	–	–	–	1,124	839
Total comprehensive income		–	–	5,659	–	1,124	839
Acquisition, sales, etc. of treasury shares		–	–	(34)	305	–	–
Dividends		–	–	(9,651)	–	–	–
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		–	(175)	–	–	–	–
Total transactions with owners, etc.		–	(175)	(9,648)	305	–	(37)
Balance as of September 30, 2024		10,000	14,964	216,506	(3,638)	16,257	4,447

	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		–	–	5,659	1,023	6,682
Other comprehensive income		–	1,963	1,963	340	2,304
Total comprehensive income		–	1,963	7,622	1,364	8,986
Acquisition, sales, etc. of treasury shares		–	–	271	–	271
Dividends		–	–	(9,651)	(1,157)	(10,808)
Increase (decrease) in non-controlling interests due to capital increase of subsidiaries		–	–	–	185	185
Transfer from other components of equity to retained earnings		–	(37)	–	–	–
Share-based compensation transactions		–	–	(175)	–	(175)
Total transactions with owners, etc.		–	(37)	(9,556)	(971)	(10,527)
Balance as of September 30, 2024		–	20,704	258,537	15,816	274,353

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(4) Summary of Consolidated Statements of Cash Flows for the First Nine-month Period

(Million yen)

	Note No.	First nine-month period of consolidated FY2023 (January 1, 2023 to September 30, 2023)	First nine-month period of consolidated FY2024 (January 1, 2024 to September 30, 2024)
Cash flow from operating activities			
Net income (loss)		14,323	6,682
Depreciation and amortization		11,397	12,085
Impairment loss		–	656
Increase (decrease) in assets and liabilities concerning retirement benefits		457	19
Interest and dividend income		(299)	(294)
Interest expenses		380	536
Loss (gain) on valuation of investment securities		(3,559)	(3)
Loss (gain) on sales of stocks of affiliates		(1,144)	–
Equity in (earnings) losses of affiliates		(3,446)	(507)
Loss (gain) on sales and disposal of non-current assets		185	161
Income tax expense		6,749	3,258
Decrease (increase) in trade receivables, contract assets and contract liabilities		8,761	9,012
Decrease (increase) in inventories		(7,822)	(6,726)
Increase (decrease) in trade payables		(2,579)	(3,212)
Other		(477)	2,150
Subtotal		22,925	23,817
Interest received		236	236
Dividend received		888	1,048
Interest paid		(374)	(552)
Income taxes paid		(15,580)	(5,639)
Cash flow from operating activities		8,096	18,910
Cash flow from investing activities			
Decrease (increase) in time deposits		16	(1,058)
Purchase of property, plant and equipment		(19,121)	(21,648)
Purchase of intangible assets		(1,965)	(2,455)
Payments for acquisition of shares of subsidiaries resulting in change in the scope of consolidation		(11,619)	–
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation		1,686	–
Payments for settlement of selling price of investment securities		(9,752)	–
Other		(841)	(235)
Cash flow from investing activities		(41,595)	(25,397)
Cash flow from financing activities			
Net increase (decrease) in short-term loans payable		2,563	(674)
Income of long-term loans payable		–	10,090
Repayment of long-term loans payable		(2,327)	(179)
Payments for lease liabilities		(2,218)	(2,498)
Net decrease (increase) in treasury shares		(2)	71
Dividends paid		(9,494)	(9,639)
Proceeds from transfers from non-controlling interests		–	185
Dividends paid to non-controlling interests		(1,477)	(1,088)
Cash flow from financing activities		(12,956)	(3,732)
Increase (decrease) in cash and cash equivalents		(46,456)	(10,218)
Cash and cash equivalents at beginning of term		124,413	77,835
Effect of exchange rate changes on cash and cash equivalents		3,091	671
Cash and cash equivalents at end of term		81,048	68,288

(Translation)

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(5) Notes on the Summary of Consolidated Financial Statements for the First Nine-month Period

1. Notes Relating to the Going Concern Assumption
None

2. Critical Accounting Policies

The accounting policies that our group applies in this condensed quarterly consolidated financial statements are the same as those applied in the consolidated financial statements for the previous fiscal year, except for the following:

Income tax expense for the third quarter of the current fiscal year is calculated using the estimated average annual effective tax rate.

In addition, our group continues to apply a temporary exception to the recognition and disclosure of deferred tax assets and liabilities related to the International Tax Reform-Pillar 2 Model Rule of IAS No. 12, Income Taxes, which has no impact on our condensed quarterly consolidated financial statements.

3. 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

(Translation)

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(2) Information on reportable segments

For the first nine-month ended September 30, 2023 (January 1, 2023 to September 30, 2023)

	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	107,661	55,955	67,622	231,239	12,345	243,584	—	243,584
Inter-segment sales	2,192	1,320	12	3,524	257	3,781	(3,781)	—
Total sales	109,853	57,275	67,634	234,762	12,602	247,365	(3,781)	243,584
Segment income (Operating income)	8,891	5,805	3,533	18,229	2,400	20,629	(7,681)	12,948
Financial income				—				5,457
Financial costs				—				(780)
Equity in earnings of affiliates				—				3,446
Income before tax				—				21,072

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, machine tools, 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.

For the first nine-month ended September 30, 2024 (January 1, 2024 to September 30, 2024)

	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	78,857	63,141	75,875	217,873	11,957	229,830	—	229,830
Inter-segment sales	2,277	1,520	9	3,805	30	3,836	(3,836)	—
Total sales	81,134	64,662	75,883	221,679	11,987	233,665	(3,836)	229,830
Segment income (Operating income)	3,150	8,928	5,194	17,272	437	17,709	(8,076)	9,634
Financial income				—				381
Financial costs				—				(581)
Equity in earnings of affiliates				—				507
Income before tax				—				9,940

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.

(Translation)

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3. Other Information

(1) Order Backlog by Business Segment

Reportable segments	As of the end of the first nine-month period of consolidated FY2023 (September 30, 2023)		As of the end of the first nine-month period of consolidated FY2024 (September 30, 2024)	
	Amount (million yen)	% to total	Amount (million yen)	% to total
Component Solutions	21,882	13.3	21,485	12.7
Transport Solutions	76,969	46.9	85,862	50.8
Accessibility Solutions	55,150	33.6	53,039	31.4
Others	10,043	6.2	8,640	5.1
Total	164,044	100.0	169,026	100.0