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



February 12, 2025

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

Inquiries: Title: General Manager, Corporate Communication Div.

Name: Yasushi Minegishi

TEL: +81-3-5213-1134

Scheduled Date of Annual Shareholders Meeting: March 26, 2025

Scheduled Date of Dividend Payment: March 27, 2025

Scheduled Date of Issue of Financial Report: March 27, 2025

Material to supplement the financial results: Yes

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

(Amounts rounded to the nearest million)

1. Consolidated Results for FY2024 (January 1, 2024 to December 31, 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	%
FY2024	323,384	(3.1)	14,788	(14.9)	15,747	(38.6)	11,696	(28.8)	10,119	(30.5)	21,969	(6.6)
FY2023	333,631	8.1	17,376	(4.0)	25,629	62.6	16,430	44.3	14,554	53.8	23,519	14.7

	Total basic earnings per share		Diluted earnings per share		Return on net income attributable to owners of the parent		Ratio of income before tax to total assets		Ratio of operating income to net sales	
	Yen	%	Yen	%	Yen	%	Yen	%	Yen	%
FY2024	84.25		84.24		3.8		3.6		4.6	
FY2023	121.25		121.23		5.7		5.8		5.2	

(Reference) Equity in earnings of affiliates: FY2024: 737 million yen FY2023: 4,141 million yen

(2) Consolidated Financial Position

	Total assets		Total equity		Equity attributable to owners of the parent		Ratio of equity attributable to owners of the parent		Equity attributable to owners of the parent per share	
	Million yen	%	Million yen	%	Million yen	%	Yen	%	Yen	%
As of December 31, 2024	445,544		287,278		270,093	60.6	2,248.31		2,248.31	
As of December 31, 2023	422,065		275,894		260,470	61.7	2,169.52		2,169.52	

(3) Consolidated Cash Flows

	Cash flow from operating activities		Cash flow from investing activities		Cash flow from financing activities		Cash and cash equivalents at fiscal year-end	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2024	26,650		(28,733)		(4,137)		74,476	
FY2023	11,177		(46,295)		(13,482)		77,835	

2. Dividends

	Dividends per share					Total dividends paid (Annual)	Payout ratio (Consolidated)	Dividend on equity attributable to owners of the parent ratio (Consolidated)
	First quarter	Second quarter	Third quarter	Year end	Full year			
FY2023	Yen -	Yen 40.00	Yen -	Yen 40.00	Yen 80.00	Million yen 9,638	% 66.0	% 3.8
FY2024	-	40.00	-	40.00	80.00	9,651	95.0	3.6
FY2025 (Forecast)	-	40.00	-	40.00	80.00		73.3	

3. Forecast of Consolidated Operating Results for FY2025 (January 1, 2025 to December 31, 2025)

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

	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	%
Six-month period ending June 2025	161,000	5.6	6,800	5.8	7,300	(6.9)	4,300	2.3	35.80	
FY2025	336,000	3.9	18,700	26.5	19,700	25.1	13,100	29.5	109.07	

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* Matters of note:

- (1) Changes in significant subsidiaries during the FY2024 (Changes in specified subsidiaries resulting in a change in the scope of consolidation): 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 December 31, 2024	121,064,099	As of December 31, 2023	121,064,099
2)	As of December 31, 2024	939,894	As of December 31, 2023	1,025,536
3)	FY2024	120,102,748	FY2023	120,034,740

[Reference] Overview of Non-Consolidated Operating Results

1. Non-Consolidated Operating Results for FY2024 (January 1, 2024 to December 31, 2024)

(1) Non-Consolidated Operating Results (Percentages indicate the year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2024	155,923	(11.6)	(2,253)	—	6,422	(44.9)	7,581	(48.4)
FY2023	176,334	5.3	3,095	(39.2)	11,653	(40.6)	14,694	(61.1)

	Net income per share		Fully diluted net income per share	
	Yen		Yen	
FY2024	63.12		63.12	
FY2023	122.41		122.39	

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2024 (as of December 31, 2024)	274,395	173,831	63.3	1,446.96
FY2023 (as of December 31, 2023)	275,540	174,818	63.4	1,455.98

(Reference) Shareholders' equity: As of December 31, 2024: 173,814 million yen

As of December 31, 2023: 174,773 million yen

2. Forecast of Non-Consolidated Operating Results for FY2025 (January 1, 2025 to December 31, 2025)

(Percentages indicate the year-on-year changes)

	Net sales		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Six-month period ending June 2025	82,600	15.2	4,000	(46.2)	4,000	(42.4)	33.31
Fiscal year ending December 2025	171,000	9.7	4,400	(31.5)	4,400	(42.0)	36.64

Notes:

* The Summary of Consolidated Financial Statements is not subject to audit by a certified public accountant or an audit firm.

* 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. Please refer to "1. Qualitative Information on Consolidated Operating Results for FY2024, etc. (4) Future Outlook" on page 6 for earning forecast assumptions and notes upon the use of earnings forecasts.
- The Company will hold a financial results presentation meeting on February 20, 2025 for institutional investors and financial analysts. Images and details of the meeting (audio) together with the financial materials distributed at the meeting will be posted on the website immediately after the meeting.

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1. Qualitative Information on Consolidated Operating Results for FY2024

(1) Analysis of Consolidated Operating Results

During the consolidated fiscal year 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, a global decline in automotive related capital expenditures and demand for construction machinery in hydraulic equipment declined. As a result, the Group's consolidated net sales came to ¥323,384 million.

Operating income was ¥14,788 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 ¥15,747 million and net income attributable to owners of the parent was ¥10,119 million.

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

Orders received for the current fiscal year increased by 0.7% year-on-year, to ¥335,069 million. Net sales decreased by 3.1% year-on-year, to ¥323,384 million, while operating income decreased by 14.9% year-on-year, to ¥14,788 million. The ratio of operating income to net sales was 4.6%.

Operating results by business segment were as follows:

[Amount of orders received]

(Million yen)			
Business Segments	Previous fiscal year (ended December 2023) (Consolidated basis)	Current fiscal year (ended December 2024) (Consolidated basis)	Change (%)
Component Solutions	112,690	114,229	1.4
Transport Solutions	100,323	100,845	0.5
Accessibility Solutions	101,313	102,244	0.9
Others	18,454	17,751	(3.8)
Total	332,780	335,069	0.7

[Net sales]

(Million yen)			
Business Segments	Previous fiscal year (ended December 2023) (Consolidated basis)	Current fiscal year (ended December 2024) (Consolidated basis)	Change (%)
Component Solutions	138,089	110,571	(19.9)
Transport Solutions	80,787	88,727	9.8
Accessibility Solutions	96,275	106,771	10.9
Others	18,480	17,315	(6.3)
Total	333,631	323,384	(3.1)

[Operating income or loss]

(Million yen)			
Business Segments	Previous fiscal year (ended December 2023) (Consolidated basis)	Current fiscal year (ended December 2024) (Consolidated basis)	Change (%)
Component Solutions	10,376	4,523	(56.4)
Transport Solutions	7,828	12,502	59.7
Accessibility Solutions	6,167	9,003	46.0
Others	3,385	1,043	(69.2)
Elimination or Corporate	(10,380)	(12,282)	-
Total	17,376	14,788	(14.9)

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[Component solutions business]

Orders received for component solutions increased by 1.4% year-on-year, to ¥114,229 million. Net sales decreased by 19.9% year-on-year, to ¥110,571 million, and operating income decreased by 56.4% year-on-year, to ¥4,523 million.

Sales of precision reduction gears decreased year-on-year due to a slow recovery in EV related capital investment as well as prolonged inventory adjustment of industrial robots.

Sales of hydraulic equipment decreased year-on-year due to continued sluggish demand in the U.S. and European markets, despite an increase in demand for Southeast Asia.

[Transport solutions business]

Orders received for transport solutions increased by 0.5% year-on-year, to ¥100,845 million. Net sales increased by 9.8% year-on-year, to ¥88,727 million, and operating income increased by 59.7% year-on-year, to ¥12,502 million.

Sales of railroad vehicle equipment increased year-on-year due to solid demand for new railroad vehicles in Japan and MRO (Maintenance, Repair, Overhaul) demand in overseas.

Sales of aircraft equipment increased year-on-year due to growth in demand resulting from increased defense-related expenditures and favorable demand for MRO in commercial aircraft.

Sales of commercial vehicle equipment decreased year-on-year due to weak demand from Southeast Asian and domestic markets.

Sales of marine vessel equipment increased year-on-year due to strong demand for new vessels and MRO, as well as a result of consolidation of Deep Sea as a subsidiary.

[Accessibility solutions business]

Orders received for accessibility solutions increased by 0.9% year-on-year, to ¥102,244 million. Net sales increased by 10.9% year-on-year, to ¥106,771 million, and operating income increased by 46.0% year-on-year, to ¥9,003 million.

Sales of the automatic doors business increased year-on-year due to favorable demand of automatic doors for building and platform doors both in domestic and overseas, as well as foreign exchange effects.

[Others]

Orders received for others businesses decreased by 3.8% year-on-year, to ¥17,751 million. Net sales decreased by 6.3% by year-on-year, to ¥17,315 million, and operating income decreased by 69.2% year-on-year to ¥1,043 million.

Sales of packaging machines decreased year-on-year due to the postponement of capital expenditures and the impact of delays in the timing of product deliveries both domestically and overseas, despite the strong performance of MRO.

In the fiscal year under review, the company recorded an impairment loss of ¥656 million on goodwill related to Engilico, a consolidated subsidiary in Europe.

[Corporate or elimination]

During the fiscal year under review, the Company recorded an impairment loss of 976 million yen on non-business related real estate (investment property).

Reference: Information by region

[Net sales]

(Million yen)

	Previous fiscal year (ended December 2023) (Consolidated basis)	Current fiscal year (ended December 2024) (Consolidated basis)	Change (%)
Japan	176,094	160,643	(8.8)
China	48,085	48,197	0.2
Other Asia	21,413	23,791	11.1
North America	26,016	26,274	1.0
Europe	59,902	62,300	4.0
Other areas	2,121	2,180	2.8
Total	333,631	323,384	(3.1)

(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 ¥1,140 million due to foreign exchange gains, etc. Financial costs were ¥918 million due to the recording of interest expenses and other expenses. Equity in earnings of affiliates was ¥737 million.

As a result, income before tax decreased by 38.6% year-on-year to ¥15,747 million.

3) Net income attributable to owners of the parent

In total, net income attributable to owners of the parent decreased by 30.5% year-on-year to ¥10,119 million, net of income tax expenses of ¥4,051 million and net income attributable to non-controlling interests of ¥1,577 million.

Total basic earnings per share decreased by ¥37.00 year-on-year to ¥84.25.

(2) Analysis of Financial Position

	As of the end of the previous consolidated fiscal year (December 31, 2023)	As of the end of the current consolidated fiscal year (December 31, 2024)	Change
Total assets (million yen)	422,065	445,544	23,479
Liabilities (million yen)	146,171	158,267	12,096
Equities (million yen)	275,894	287,278	11,384
Ratio of equity attributable to owners of the parent (%)	61.7	60.6	(1.1)
ROA (%)	3.3	2.3	(1.0)
ROE (%)	5.7	3.8	(1.9)

[Assets]

Total assets as of December 31, 2024 were ¥445,544 million, an increase of ¥23,479 million from December 31, 2023, consisting of ¥229,083 million in current assets and ¥216,461 million in non-current assets. The key contributing positive factors were an increase of ¥9,737 million in trade receivables, an increase of ¥2,417 million in inventories, an increase of ¥6,814 million in tangible fixed assets, and an increase of ¥3,214 million in right of use assets. The key contributing negative factor was a decrease of ¥3,359 million in cash and cash equivalents.

[Liabilities]

Total liabilities as of December 31, 2024 were ¥158,267 million, an increase of ¥12,096 million from December 31, 2023, reflecting ¥117,111 million in current liabilities and ¥41,156 million in non-current liabilities. The key contributing positive factors were an increase of ¥10,312 million in borrowings, an increase of ¥3,410 million in contractual liabilities, an increase of ¥3,094 million in lease liabilities and an increase of ¥2,695 million in other non-current liabilities. The key contributing negative factors was a decrease of ¥7,362 million in other payables.

[Equities]

Total equity as of December 31, 2024 stood at ¥287,278 million. Equity attributable to owners of the parent was ¥270,093 million, an increase of ¥9,623 million from December 31, 2023. The key contributing positive factors were an increase in net income attributable to owners of the parent of ¥10,119 million and an increase of ¥6,622 million in other capital caused by factors such as exchange differences on foreign operations. Meanwhile, the main contributing negative factor was a decrease of ¥9,651 million in retained earnings due to dividend payment.

As a result of the above, the ratio of equity attributable to owners of the parent was 60.6% and equity attributable to owners of the parent per share was ¥2,248.31.

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(3) Overview of Cash Flows for the Period under Review

(Million yen)

	Previous fiscal year (ended December 2023) (Consolidated basis)	Current fiscal year (ended December 2024) (Consolidated basis)
Cash flows from operating activities	11,177	26,650
Cash flows from investing activities	(46,295)	(28,733)
Free cash flow	(35,118)	(2,083)
Cash flows from financing activities	(13,482)	(4,137)

Cash and cash equivalents (hereinafter, "cash") on a consolidated basis as of December 31, 2024 totaled at ¥74,476 million, a decrease of ¥3,359 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 fiscal year ended December 31, 2024 totaled ¥26,650 million. The principal positive factors included increases in net income, depreciation and amortization. Meanwhile, the main negative factors were an increase in trade receivables and the payment of income taxes.

[Cash flows from investing activities]

Net cash used in investing activities for the fiscal year ended December 31, 2024 amounted to ¥28,733 million. The main factor for decrease was payments for the purchase of property, plant, and equipment.

[Cash flows from financing activities]

Net cash used in financing activities for the fiscal year ended December 31, 2024 under review was ¥4,137 million. The main factor for increase was proceeds from long-term borrowings. The main factor for decrease was dividend payments.

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(4) Future Outlook

For the next consolidated fiscal year, the group anticipates sales for the next fiscal year are expected to increase by 3.9% year-on-year, to ¥336,000 million, based on an expected recovery in demand for precision reduction gears and increased demand in the transport solution business and packaging machines. In addition, operating income is forecast to increase by 26.5% year-on-year, to ¥18,700 million yen due mainly to the increase in income resulting from the increase in sales in Component Solutions business.

Overview by segment is as follows.

Forecasts for the fiscal year ending December 2025 by business segment

[Net sales]

(Million yen)

Business Segments	Result for the current fiscal year (ended December 2024)	Forecast for the next fiscal year (ending December 2025)	Change (%)
Component Solutions	110,571	117,800	6.5
Transport Solutions	88,727	95,800	8.0
Accessibility Solutions	106,771	102,000	(4.5)
Others	17,315	20,400	17.8
Total	323,384	336,000	3.9

Business Segments	Forecast for the first six-month period of the next fiscal year (January 1, 2025 to June 30, 2025)		Forecast for the next fiscal year (January 1, 2025 to December 31, 2025)	
	Amount (Million yen)	Composition ratio (%)	Amount (Million yen)	Composition ratio (%)
Component Solutions	56,500	35.1	117,800	35.1
Transport Solutions	46,900	29.1	95,800	28.5
Accessibility Solutions	49,200	30.6	102,000	30.4
Others	8,400	5.2	20,400	6.0
Total	161,000	100.0	336,000	100.0

[Operating income]

(Million yen)

Business Segments	Result for the current fiscal year (ended December 2024)	Forecast for the next fiscal year (ending December 2025)	Change (%)
Component Solutions	4,523	5,700	26.0
Transport Solutions	12,502	12,600	0.8
Accessibility Solutions	9,003	9,100	1.1
Others	1,043	2,600	149.2
Corporate or Elimination	(12,282)	(11,300)	—
Total	14,788	18,700	26.5

Business Segments	Forecast for the first six-month period of the next fiscal year (January 1, 2025 to June 30, 2025)		Forecast for the next fiscal year (January 1, 2025 to December 31, 2025)	
	Amount (Million yen)	Operating margin (%)	Amount (Million yen)	Operating margin (%)
Component Solutions	1,800	3.2	5,700	4.8
Transport Solutions	5,500	11.7	12,600	13.2
Accessibility Solutions	4,400	8.9	9,100	8.9
Others	900	10.7	2,600	12.7
Corporate or Elimination	(5,800)	—	(11,300)	—
Total	6,800	4.2	18,700	5.6

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[Component solutions business]

Net sales and operating income for the component solutions business are expected to increase by 6.5% year-on-year, to ¥117,800 million and by 26.0% year-on-year, to ¥5,700 million, respectively.

Sales of precision reduction gears are expected to increase compared with the previous fiscal year due to a recovery in capital investment, especially in the automotive industry, and the expectation that inventories of industrial robots, which have been on a prolonged downtrend, will reach an appropriate level.

Sales of hydraulic equipment are expected to decline compared with the previous fiscal year due to sluggish demand in the United States and European markets and a severe competitive environment, while a gradual recovery in demand is expected in the Chinese market.

[Transport solutions business]

Net sales and operating income for the transport solutions business are expected to increase by 8.0% year-on-year to ¥95,800 million and by 0.8% year-on-year to ¥12,600 million, respectively.

Sales of railroad vehicle equipment are expected to increase year-on-year because solid demand for new vehicles is expected both in domestic and overseas market.

Sales of aircraft equipment are expected to increase compared with the previous fiscal year due to the anticipated recovery in demand for commercial aircraft in addition to the continued expansion of Japan defense expenditures led the demand increase.

Sales of commercial vehicle equipment are expected to increase compared with the previous fiscal year due to the prospect of a gradual recovery in demand in Southeast Asia and the domestic market.

Sales of marine vessel equipment are expected to increase compared with the previous fiscal year, as demand for new vessels and MRO demand continue to be firm, and synergies with Deep Sea are expected.

[Accessibility solutions business]

Net sales for the accessibility solutions business is expected to decrease by 4.5% year-on-year, to ¥102,000 million and operating income is expected to increase by 1.1% year-on-year, to ¥9,100 million, respectively.

Sales in the automatic doors business are expected steady demand for doors for domestic and overseas buildings and domestic platform doors. On the other hand, net sales are expected to decrease compared with the previous fiscal year due to the anticipated decline in sales associated with the completion of some overseas platform door projects and the anticipated appreciation of the Japanese yen.

[Others]

Net sales and operating income in other businesses are expected to increase by 17.8% year-on-year, to ¥20,400 million and by 149.2% year-on-year, to ¥2,600 million, respectively.

Packaging machines are expected to increase compared with the previous fiscal year due to the anticipated robust demand from mainly food Industry both in domestic and overseas market and sales expansion of system-related products.

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2. Management Policy

(1) Basic Policy of the Management of the Company

Based on its corporate philosophy, the Nabtesco Group has formulated a new three year medium-term management plan starting in 2025 to realize our long-term vision for 2030, which was announced in February 2021.

[Corporate Philosophy]

The Nabtesco Group, with our unique motion control technology, will provide safety, comfort and a sense of security in daily lives as well as any form of transportation.

[Long-term Vision]

Leaders in Innovation for the Future

[Basic Policy of the New Medium-Term Management Plan]

“Reviving Potential, Evolving Excellence.”

Reviving Potential; Reviving our profitability by executing Project 10

Evolving Excellence; Evolving our technology from “motion control” to “smart motion control” to provide new value that meets the needs of society

(2) Management Targets

The Nabtesco Group has set the targets for the new medium-term management plan for 2025 to 2027 as follows.

【The targets for the medium-term management plan】

ROIC : 10% or over

Return to shareholders : Maintain about DOE 3.5%

with stable dividend and share buyback in accordance of financial condition

Environmental Target : Reduce CO₂ Emissions by 50% in 2027

(Baseline year: FY2015 / aligned with the SBT 1.5 degree Celsius target)

(3) Medium- to Long-term Management Strategies

Nabtesco is reviving profitability by executing Project 10 (Reviving Potential) and evolving our technology toward smart motion control (Evolving Excellence) to deliver the value of our products and services, ultimately achieving our long-term vision of becoming a “leaders in innovation for the future.”

- 1) Regain earning power and profitability by executing Project 10
Enhance profits through business growth, cost reduction, and optimization of fixed costs.
- 2) Smart Motion Control
Our core competence in component technology is evolving from “motion control” to “smart motion control,” including electrification, integration and data solutions. This will create new value to address societal challenges in our business fields.
- 3) Build a resilient corporate foundation
Optimize our portfolio based on our vision (smart motion control) and profitability (ROIC)

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3. Basic Concept on the Selection of Accounting Standards

The Group has applied IFRS on a voluntary basis to enhance the comparability of financial information in the capital markets on a global basis, as well as to improve the accuracy of management administration within the Group by unifying the accounting standards and accounting periods.

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4. Consolidated Financial Statements and Notes on the Consolidated Financial Statement

(1) Consolidated Statement of Financial Position

(Million yen)

	Note No.	End of consolidated FY2023 (as of December 31, 2023)	End of consolidated FY2024 (as of December 31, 2024)
Assets			
Current assets			
Cash and cash equivalents		77,835	74,476
Trade receivables		79,196	88,932
Contract assets		3,554	3,212
Other receivables		1,682	1,361
Inventories		50,969	53,387
Other financial assets		616	698
Other current assets		6,995	7,016
Total current assets		220,847	229,083
Non-current assets			
Property, plant and equipment		107,527	114,340
Intangible assets		11,624	12,955
Right-of-use assets		8,908	12,122
Goodwill		25,750	26,259
Investment property		10,394	9,309
Investments accounted for using the equity method		21,139	21,000
Other financial assets		12,550	14,648
Deferred tax assets		2,313	2,364
Other non-current assets		1,013	3,464
Total non-current assets		201,218	216,461
Total assets		422,065	445,544

(Translation)

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(Million yen)

	Note No.	End of consolidated FY2023 (as of December 31, 2023)	End of consolidated FY2024 (as of December 31, 2024)
Liabilities and equity			
Liabilities			
Current liabilities			
Operating payables		50,783	51,178
Contract liabilities		8,053	11,463
Borrowings		21,400	21,817
Other payables		23,392	16,030
Income taxes payable		3,018	2,461
Provisions		2,720	2,233
Lease liabilities		2,799	3,319
Other financial liabilities		—	28
Other current liabilities		7,327	8,582
Total current liabilities		119,491	117,111
Non-current liabilities			
Borrowings		173	10,067
Lease liabilities		8,060	10,634
Liabilities concerning retirement benefit		8,736	8,144
Deferred tax liabilities		7,045	6,799
Other financial liabilities		516	670
Other non-current liabilities		2,149	4,844
Total non-current liabilities		26,679	41,156
Total liabilities		146,171	158,267
Equity			
Capital stock		10,000	10,000
Share premium		15,139	14,998
Retained earnings		220,495	223,333
Treasury shares		(3,943)	(3,638)
Other components of equity		18,778	25,400
Equity attributable to owners of the parent		260,470	270,093
Non-controlling interests		15,424	17,185
Total equity		275,894	287,278
Total liabilities and equity		422,065	445,544

(Translation)

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(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Million yen)

	Note No.	Previous fiscal year (January 1, 2023 to December 31, 2023) (Consolidated basis)	Current fiscal year (January 1, 2024 to December 31, 2024) (Consolidated basis)
Net sales	2	333,631	323,384
Cost of sales		(250,970)	(236,255)
Gross profit		82,661	87,129
Other income		6,517	1,196
Selling, general and administrative expense		(66,861)	(71,167)
Other expenses		(4,941)	(2,370)
Operating income	2	17,376	14,788
Financial income		5,202	1,140
Financial costs		(1,090)	(918)
Equity in earnings of affiliates		4,141	737
Income before tax		25,629	15,747
Income tax expense		(9,199)	(4,051)
Net income		16,430	11,696
Net income attributable to			
Owners of the parent		14,554	10,119
Non-controlling interests		1,876	1,577
Net income		16,430	11,696
Net income per share			
Basic earnings per share (Yen)	3	121.25	84.25
Diluted earnings per share (Yen)	3	121.23	84.24

(Translation)

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Summary of Consolidated Statements of Comprehensive Income

(Million yen)

	Note No.	Previous fiscal year (January 1, 2023 to December 31, 2023) (Consolidated basis)	Current fiscal year (January 1, 2024 to December 31, 2024) (Consolidated basis)
Net income		16,430	11,696
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liabilities (assets)		(162)	2,326
Net changes in financial assets measured at fair value through other comprehensive income		917	1,219
Total components that will not be reclassified to profit or loss		755	3,546
Components that will be reclassified to profit or loss			
Exchange differences on foreign operations		6,334	6,727
Total components that will be reclassified to profit or loss		6,334	6,727
Other comprehensive income after taxes		7,089	10,273
Total comprehensive income		23,519	21,969
Comprehensive income attributable to			
Owners of the parent		21,064	19,145
Non-controlling interests		2,455	2,824
Total comprehensive income		23,519	21,969

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(3) Consolidated Statement of Changes in Equity

FY2023 (January 1, 2023 to December 31, 2023)

(Million yen)

	Note No.	Equity attributable to owners of the parent					
		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		—	—	14,554	—	—	—
Other comprehensive income		—	—	—	—	5,771	911
Total comprehensive income		—	—	14,554	—	5,771	911
Acquisition, sales, etc. of treasury shares		—	—	(579)	704	—	—
Dividends		—	—	(9,506)	—	—	—
Transfer from other components of equity to retained earnings		—	—	356	—	—	(529)
Share-based compensation transactions		—	91	—	—	—	—
Total transactions with owners, etc.		—	91	(9,729)	704	—	(529)
Balance as of December 31, 2023		10,000	15,139	220,495	(3,943)	15,133	3,646

	Note No.	Equity attributable to owners of the parent			Non-controlling interests	Total equity
		Other components of equity		Total equity attributable to owners of the parent		
		Remeasurements of net defined benefit liability (asset)	Total			
Balance as of January 1, 2023		—	12,624	248,696	14,532	263,228
Net income		—	—	14,554	1,876	16,430
Other comprehensive income		(173)	6,510	6,510	579	7,089
Total comprehensive income		(173)	6,510	21,064	2,455	23,519
Acquisition, sales, etc. of treasury share		—	—	125	—	125
Dividends		—	—	(9,506)	(1,563)	(11,069)
Transfer from other components of equity to retained earnings		173	(356)	—	—	—
Share-based compensation transactions		—	—	91	—	91
Total transactions with owners, etc.		173	(356)	(9,290)	(1,563)	(10,854)
Balance as of December 31, 2023		—	18,778	260,470	15,424	275,894

(Translation)

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FY2024 (January 1, 2024 to December 31, 2024)

(Million yen)

	Note No.	Equity attributable to owners of the parent					
		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		—	—	10,119	—	—	—
Other comprehensive income		—	—	—	—	5,521	1,213
Total comprehensive income		—	—	10,119	—	5,521	1,213
Acquisition, sales, etc. of treasury shares		—	—	(34)	304	—	—
Dividends		—	—	(9,651)	—	—	—
Increase (decrease) in non-controlling interests due to capital increase of subsidiaries		—	—	—	—	—	—
Transfer from other components of equity to retained earnings		—	—	2,404	—	—	(112)
Share-based compensation transactions		—	(142)	—	—	—	—
Total transactions with owners, etc.		—	(142)	(7,281)	304	—	(112)
Balance as of December 31, 2024		10,000	14,998	223,333	(3,638)	20,653	4,747

	Note No.	Equity attributable to owners of the parent			Non-controlling interests	Total equity
		Other components of equity		Total equity attributable to owners of the parent		
		Remeasurements of net defined benefit liability (asset)	Total			
Balance as of January 1, 2024		—	18,778	260,470	15,424	275,894
Net income		—	—	10,119	1,577	11,696
Other comprehensive income		2,293	9,026	9,026	1,247	10,273
Total comprehensive income		2,293	9,026	19,145	2,824	21,969
Acquisition, sales, etc. of treasury shares		—	—	270	—	270
Dividends		—	—	(9,651)	(1,249)	(10,900)
Increase (decrease) in non-controlling interests due to capital increase of subsidiaries		—	—	—	185	185
Transfer from other components of equity to retained earnings		(2,293)	(2,404)	—	—	—
Share-based compensation transactions		—	—	(142)	—	(142)
Total transactions with owners, etc.		(2,293)	(2,404)	(9,522)	(1,063)	(10,586)
Balance as of December 31, 2024		—	25,400	270,093	17,185	287,278

(Translation)

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(4) Consolidated Statements of Cash Flows

(Million yen)

	Note No.	FY2023 (January 1, 2023 to December 31, 2023)	FY2024 (January 1, 2024 to December 31, 2024)
Cash flows from operating activities			
Net income		16,430	11,696
Depreciation and amortization		15,469	16,469
Impairment Loss		6,153	1,632
Increase (decrease) in liabilities concerning retirement benefits		84	(249)
Interest and dividend income		(463)	(456)
Interest expenses		569	733
Decrease (Increase) in valuation on investment securities		(3,569)	33
Loss (gain) on sale of shares of subsidiaries and associates		(1,144)	—
Equity loss (gain) in earnings of affiliates		(4,141)	(737)
Loss (gain) on sales of fixed assets		282	358
Loss (gain) on exchange of land and buildings		(4,243)	—
Expenses of income tax		9,199	4,051
Decrease (increase) in trade receivables, contract assets and contract liabilities		207	(3,696)
Decrease (increase) in inventories		197	(755)
Increase (decrease) in operating payables		(7,055)	(1,168)
Others		(1,407)	1,757
Subtotal		26,569	29,669
Interest received		375	356
Dividend received		901	1,069
Interest paid		(574)	(736)
Subsidy received		—	2,759
Income taxes refunded (paid)		(16,093)	(6,468)
Cash flows from operating activities		11,177	26,650
Cash flows from investing activities			
Decrease (Increase) in time deposits		318	(100)
Purchases of property, plant and equipment		(22,578)	(24,898)
Purchases of intangible assets		(3,021)	(3,453)
Payments for acquisition of shares of subsidiaries resulting in a change in the scope of consolidation		(11,619)	—
Proceeds from sales of subsidiaries resulting in a change in the scope of consolidation		1,686	—
Payments for acquisition of investment securities		(1,694)	(1,128)
Proceeds from sale of investment securities		12	749
Payments for settlement of sales price on investment securities		(9,752)	—
Other		353	99
Cash flows from investing activities		(46,295)	(28,733)
Cash flows from financing activities			
Increase (decrease) in short-term bank loans		3,000	82
Proceeds from long-term loans payable		32	10,092
Repayment of long-term loans payable		(2,384)	(240)
Payments of lease liabilities		(3,060)	(3,424)
Decrease (Increase) in treasury shares		(3)	69
Cash dividends paid		(9,503)	(9,653)
Proceeds from payments from non-controlling interests		—	185
Dividends paid to non-controlling interests		(1,563)	(1,249)
Cash flows from financing activities		(13,482)	(4,137)
Increase (decrease) in cash and cash equivalents		(48,600)	(6,220)
Cash and cash equivalents at beginning of term		124,413	77,835
Effect of exchange rate changes on cash and cash equivalents		2,021	2,861
Cash and cash equivalents at end of term		77,835	74,476

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(5) Notes on the Summary of Consolidated Financial Statements

1. Notes Relating to the Going Concern Assumption

None

2. 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

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(2) Information on reportable segments

I. FY2023 (January 1, 2023 to December 31, 2023)

(Million yen)

	Reportable segments				Others	Total	Adjustments	Amount stated in summary of consolidated statements of income
	Component	Transport	Accessibility	Total				
Net sales								
Sales to external customers	138,089	80,787	96,275	315,151	18,480	333,631	—	333,631
Inter-segment sales	3,072	1,902	15	4,989	314	5,303	(5,303)	—
Total sales	141,161	82,689	96,290	320,139	18,794	338,934	(5,303)	333,631
Segment income (Operating income)	10,376	7,828	6,167	24,371	3,385	27,756	(10,380)	17,376
Financial income				—				5,202
Financial costs				—				(1,090)
Equity in earnings of affiliates				—				4,141
Income before tax				—				25,629
Other items								
Depreciation and amortization	6,158	3,870	3,264	13,292	526	13,818	1,651	15,469
Impairment loss	—	1,761	4,392	6,153	—	6,153	—	6,153
Segment assets	137,412	87,987	101,190	326,588	14,262	340,850	81,215	422,065
Increasing in tangible fixed assets and intangible fixed assets	22,834	2,624	1,941	27,399	701	28,100	1,574	29,673

- 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 machinery, three-dimensional model production device, 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.
4. Adjustment to depreciation and amortizations is total depreciation and amortization that are not allocated to the respective segments.
5. Total assets of the Company included in adjustment to segment assets, and not allocated to the respective reportable segments are ¥81,215 million, consisting mainly of surplus operating funds in the Company (cash and deposits, etc.) and long-term investments (investment securities, etc.).
6. Adjustment to increase in tangible fixed assets and intangible fixed assets is total capex that are not allocated to the respective segments.

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II. FY2024 (January 1, 2024 to December 31, 2024)

(Million yen)

	Reportable segments				Others	Total	Adjustments	Amount stated in summary of consolidated statements of income
	Component	Transport	Accessibility	Total				
Net sales								
Sales to external customers	110,571	88,727	106,771	306,069	17,315	323,384	—	323,384
Inter-segment sales	3,050	2,299	11	5,360	42	5,402	(5,402)	—
Total sales	113,622	91,026	106,782	311,430	17,356	328,786	(5,402)	323,384
Segment income (Operating income)	4,523	12,502	9,003	26,027	1,043	27,071	(12,282)	14,788
Financial income				—				1,140
Financial costs				—				(918)
Equity in earnings of affiliates				—				737
Income before tax				—				15,747
Other items								
Depreciation and amortization	6,736	3,836	3,824	14,396	465	14,861	1,608	16,469
Impairment loss	—	—	—	—	656	656	976	1,632
Segment assets	145,190	91,875	114,177	351,242	11,648	362,890	82,654	445,544
Increases in tangible fixed assets and intangible fixed assets	13,898	2,591	2,243	18,732	405	19,137	988	20,125

- 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 machinery, 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.
4. Adjustment to depreciation and amortizations is total depreciation and amortization that are not allocated to the respective segments.
5. Adjustment to impairment loss is total impairment loss that are not allocated to the respective segments.
6. Total assets of the Company included in adjustment to segment assets, and not allocated to the respective reportable segments are ¥82,654 million, consisting mainly of surplus operating funds in the Company (cash and deposits, etc.) and long-term investments (investment securities, etc.).
7. Adjustment to increase in tangible fixed assets and intangible fixed assets is total capex that are not allocated to the respective segments

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3. Per share information

(Yen)

	Previous fiscal year (Consolidated basis) (January 1, 2023 to December 31, 2023)	Current fiscal year (Consolidated basis) (January 1, 2024 to December 31, 2024)
Total basic earnings per share	121.25	84.25
Diluted earnings per share	121.23	84.24
Equity attributable to owners of the parent per share	2,169.52	2,248.31

Note 1: Total basic earnings per share and diluted earnings per share were calculated on the basis of the following data.

	Previous fiscal year (Consolidated basis) (January 1, 2023 to December 31, 2023)	Current fiscal year (Consolidated basis) (January 1, 2024 to December 31, 2024)
Total basic earnings per share		
Net income attributable to owners of the parent (million yen)	14,554	10,119
Amount not attributable to shareholders of common stock (million yen)	—	—
Net income used to calculate total basic earnings per share (million yen)	14,554	10,119
Average number of common shares during the term (shares)	120,034,740	120,102,748
Diluted earnings per share		
Adjustment to net income attributable to owners of the parent (million yen)	—	—
Number of additional common stock shares (shares)	20,192	6,398
(Of which, share acquisition rights)	(20,192)	(6,398)
Outline of dilutive shares not included in the calculation of diluted earnings per share due to lack of dilutive effect	—	—

Note 2: Equity attributable to owners of the parent per share was calculated on the basis of the following data.

	Previous fiscal year (Consolidated basis) (As of December 31, 2023)	Current fiscal year (Consolidated basis) (As of December 31, 2024)
Total equity (million yen)	275,894	287,278
Amounts deducted from total equity (million yen)	15,468	17,201
(Of which, share acquisition rights)	(44)	(16)
(Of which, non-controlling interests)	(15,424)	(17,185)
Equity used to calculate equity attributable to owners of the parent per share (million yen)	260,426	270,076
Number of shares of common stock as of end of the term used to calculate equity attributable to owners of the parent per share (shares)	120,038,563	120,124,205

4. Significant subsequent events

None

(Translation)

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5. Other Information

(1) Output and Order Backlog by Business Segment

1) Output

Business Segments	Previous fiscal year (Consolidated basis) (January 1, 2023 to December 31, 2023)		Current fiscal year (Consolidated basis) (January 1, 2024 to December 31, 2024)	
	Amount (Million yen)	% to total	Amount (Million yen)	% to total
Component Solutions	137,220	41.1	111,372	34.0
Transport Solutions	81,792	24.5	91,572	28.0
Accessibility Solutions	96,485	28.9	107,877	32.9
Others	18,557	5.5	16,776	5.1
Total	334,054	100.0	327,596	100.0

2) Order Backlog

Business Segments	Previous fiscal year (Consolidated basis) (As of December 31, 2023)		Previous fiscal year (Consolidated basis) (As of December 31, 2024)	
	Amount (Million yen)	% to total	Amount (Million yen)	% to total
Component Solutions	15,103	9.7	18,760	11.2
Transport Solutions	79,201	51.0	91,319	54.7
Accessibility Solutions	51,853	33.4	47,326	28.4
Others	9,069	5.9	9,506	5.7
Total	155,226	100.0	166,911	100.0

(2) Status of Capital Expenditure and Employees

	Previous fiscal year (Consolidated basis) (January 1, 2023 to December 31, 2023)	Current fiscal year (Consolidated basis) (January 1, 2024 to December 31, 2024)
Capital expenditure (million yen)	29,673	20,125
Depreciation (million yen)	15,469	16,469
R&D expense (million yen)	10,999	12,051
Number of employees at end of the term (persons)	8,158	8,227