Nabtesco
moving it. stopping it.

Securities Code: 6268

FY2017/12 Results Briefing (IFRS)

February 19, 2018

Nabtesco Corporation

The forecast data presented herein reflects assumed results based on conditions that are subject to change.
Nabtesco Corporation does not make representations as to, or warrant, in whole or in part, the attainment or realization of any of the forecasted results presented in this document.
Numerical figures presented herein are rounded down.

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1. Annual Consolidated Results for FY2017/12

2. Forecast for FY2018/12

3. Progress in Mid-Term Management Plan

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1. Annual Consolidated Results for FY2017/12

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Result for FY2017/12（IFRS）

■ Led by good result of CMP, both sales and profits increased on a year-on-year basis and compared with and the plan (as of Jul. 31, 2017) achieving the highest sales and profits in history.

(JPY million)	2016/12 Result (A)	2017/12 Revised Plan (As of Jul. 31, 2017) (B)	2017/12 Result (C)	Ratio of Variation ((C-A)/A)	Ratio of Variation ((C-B)/B)
Sales	244,968	273,000	282,422	15.3%	3.5%
Core O.P. *2	25,165	28,400	29,155	15.9%	2.7%
(Core OPM)	10.3%	10.4%	10.3%	-	-
O.P.	25,982	28,400	29,468	13.4%	3.8%
(OPM)	10.6%	10.4%	10.4%	-	-
Finance Income and Cost	-237	-	523	-	-
Equity in earnings of affiliates	1,034	-	4,915	-	-
Income before tax	26,779	32,100	34,907	30.4%	8.7%
Net profit *3	18,606	23,900	25,146	35.2%	5.2%

Earnings per share (JPY Yen)	150.64	193.60	203.85
DPS (JPY Yen)	50	68(Plan)	72(Plan)
Payout ratio	33.2%	35.1%	35.3%

*1 CMP : Component Solutions Segment
*2 Core operating profit is net sales less cost of sales and selling, general and administrative expenses.
*3 Net profit attributable to owners of the parent

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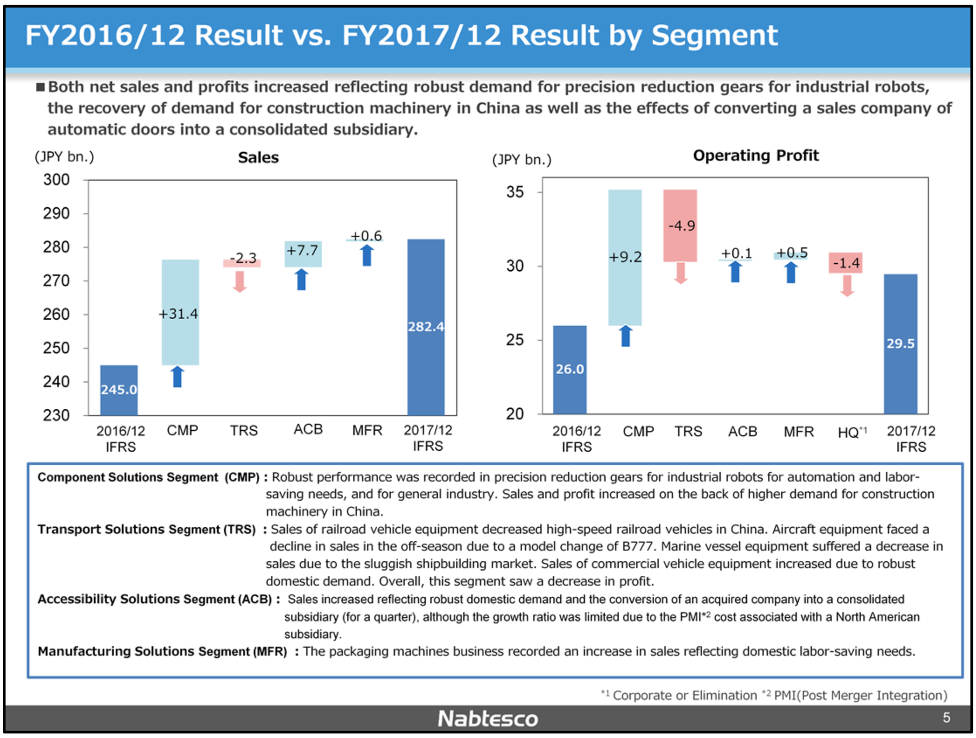
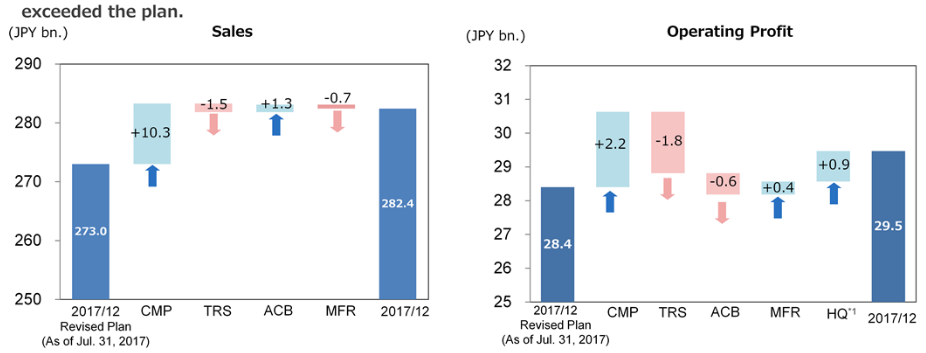
In FY 2017, net sales and operating profit increased 15.3% and 13.4% year-on-year, respectively. There was an exceptional factor that drove net profit up 35.2%, a much higher growth rate than operating profit. (The acquisition of a subsidiary by Harmonic Drive Systems pushed up net profit by 3,800 million yen.)
We plan to pay a dividend of 72 yen per share. The payout ratio will be 35.3% (we promised a 35.0% or higher payout ratio).



We make a year-on-year comparison of net sales and operating profit by business segment.
Net sales in the CMP and ACB segments increased a little more than 30.0 billion yen and 7.7 billion yen, respectively. The CMP segment contributed to a higher growth of operating profit. Meanwhile, the TRS segment saw operating profit decrease.
The fall in operating profit in the TRS segment was caused by a sharp decrease in sales for high-speed railroad vehicles in China. The Aircraft Equipment business faced a decline in sales due to the temporarily weaker demand associated with the switch from B777 to B777X.

Revised Plan(As of Jul. 31, 2017) vs. FY2017/12 Result by Segment

■The CMP segment was also robust in the second half of the fiscal year, and both sales and profits exceeded the plan.



Component Solutions Segment (CMP) : Continued from the first half of the fiscal year, both sales and profit increased reflecting strong demand for precision reduction gears for industrial robots and general industry, and demand for construction machinery in China.

Transport Solutions Segment (TRS) : Sales decreased in both railroad vehicle equipment and aircraft equipment due to a decline in after-sales-services business (MRO *2). Marine vessel equipment remained in line with the plan. Commercial vehicle equipment suffered a decrease in sales due to a delay in sales expansion. In sum, this segment recorded a decrease in profit due to a decline in sales.

Accessibility Solutions Segment (ACB) : Profits decreased due to a delay of PMI*3 of a North American subsidiary despite sales growth reflecting an increase in domestic sales and the impact of favorable currency movements.

Manufacturing Solutions Segment (MFR) : Sales in MRF decreased due to a delay in sales expansion in other subsidiaries despite robust performance. (In the packaging machines business, sales increased reflecting robust demand due to domestic labor-saving needs.) In sum, this segment recorded an increase in profit.

*1 Corporate or Elimination * *2 Maintenance, Repair and Overhaul *3 PMI(Post Merger Integration)

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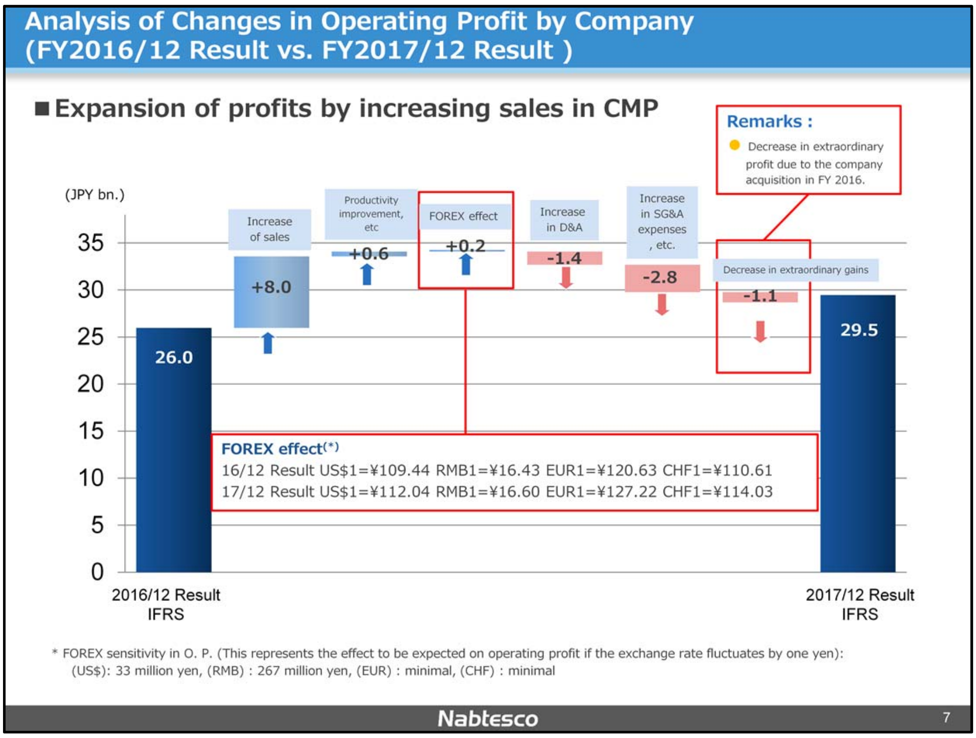
We compare the revised plan for FY 2017 with actual results for FY 2017.
Net sales in the CMP segment exceeded the plan by 10.0 billion yen, while the TRS segment saw net sales fall short of the plan. The increase in operating profit in the CMP segment made up for a decline in the TRS segment, resulting in the growth of overall operating profit over the revised plan.



We analyze factors for an increase in operating profit.
Operating profit grew due to a rise in net sales, the improvement in productivity, and the yen depreciation, but depreciation and selling and general administrative expenses rose since we conducted capital expenditures as scheduled.
Extraordinary gains decreased in FY 2017, since gains from the acquisition of NABCO SYSTEMS were included in FY 2016.

Balance sheet (2016/12 Result vs. 2017/12 Result)

■ **Balance sheet remained sound during implementation of steady investments for growth.**

(JPY million)	2016/12 (as of December 31, 2016)	2017/12 (as of December 31, 2017)	Variation
Assets	256,973	301,557	44,584
(Cash and cash equivalents)	41,780	44,121	2,341
(Trade receivable)	65,569	76,874	11,305
(Inventories)	32,704	40,298	7,594
(Tangible fixed assets)	63,155	70,700	7,545
Liabilities	101,070	124,556	23,486
(Bonds and borrowings)	16,949	27,720	10,771
Total equities	155,904	177,002	21,098
(Non-controlling interests)	7,974	9,465	1,491
Equity attributable to owners of parent	147,929	167,537	19,607
*Ratio of equity attributable to owners of parent:	57.6%	55.6%	-

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The ratio of equity attributable to owners of parent changed to 55.6% at the end of FY 2017 from 57.6% at the end of FY 2016. The ratio did not change substantially. We maintain a healthy balance sheet.

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1. Annual Consolidated Results for FY2017/12

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3. Progress in Mid-Term Management Plan

Forecast for FY2018/12（IFRS）

■Targeting exceeding 10% OPM on the back of a robust performance in the CMP segment are anticipated.

(JPY million)	2017/12 Result (A)	2018/12 Plan (B)	Variation (B-A)	Ratio of Variation ((B-A)/A)
Sales	282,422	308,000	25,578	9.1%
O.P.	29,468	32,600	3,132	10.6%
(OPM)	10.4%	10.6%	0.2pt	-
Income before tax	34,907	35,900	993	2.8%
Net profit *	25,146	25,700	554	2.2%

DPS (JPY Yen)	72(Plan)	73(Plan)
Payout ratio	35.3%	35.0%

Remarks :
- Increase in demand for precision reduction gears for industrial robots and general industry.
- Increase in sales in Hydraulic Equipment business due to expected growth in demand for construction machinery.

Remarks :
- Ratio of variation in net profit is 15% excluding 28 billion yen gained by equity in earnings of affiliates.

* Net profit attributable to owners of the parent

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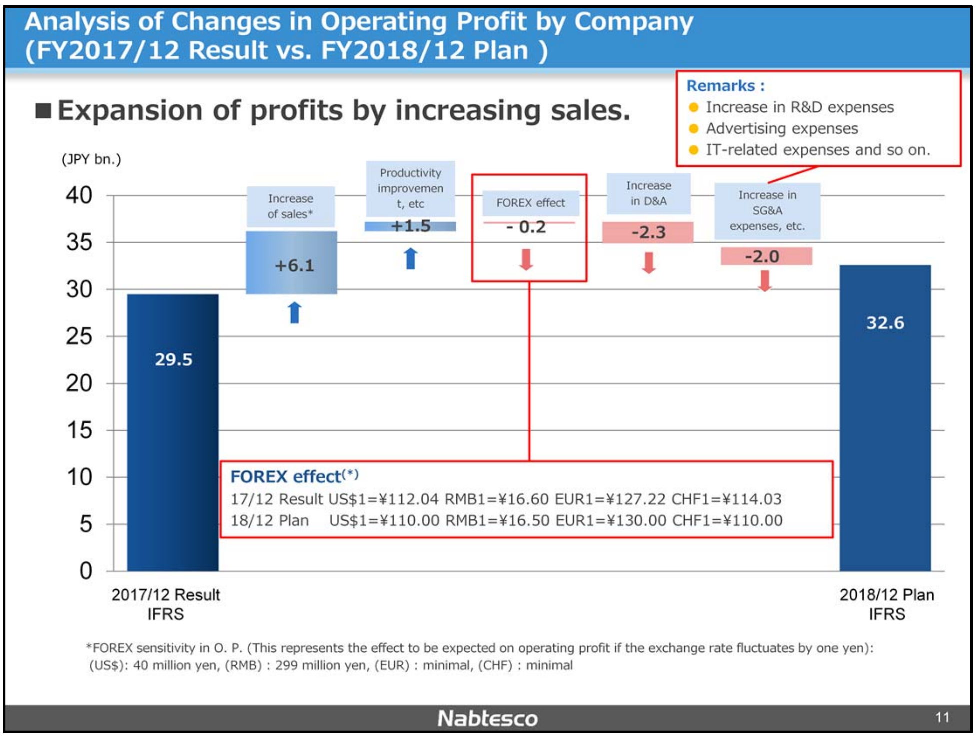
We will celebrate the 16th anniversary in FY 2018. Net sales exceeded 200,000 million yen in FY 2014 and are expected to reach 308,000 million yen in FY 2018.
We plan to post operating profit of 32,600 million yen and net profit of 25,700 million yen and pay a dividend of 73 yen per share, a 1-yen increase from the previous year (resulting in a payout ratio of 35.0%).
Although a 2.2% growth in net profit looks small, net profit is forecast to jump 15.0% on an actual basis. This is because net profit in FY 2017 included 2,800 million yen from equity in net gain of affiliated companies.
This investment profit is extraordinary gains from the acquisition of Harmonic Drive Systems’ subsidiary in Germany.
We aim to grow 10% on an operating profit basis.

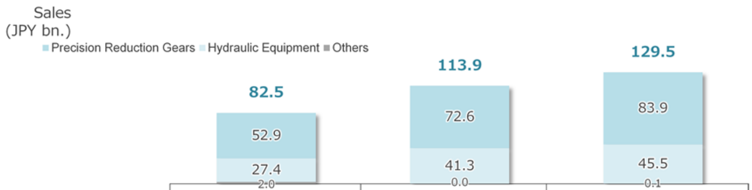


We plan to boost operating profit by 6.1 billion yen through sales increase, while trying to improve productivity. Our assumed exchange rate is 110 yen to the US dollar. Depreciation will increase. We aim to post operating profit of 32.6 billion yen.

Component Solutions Segment (CMP)

■ **Sales and profit are anticipated to grow reflecting an increase in demand for precision reduction gears for industrial robots and general industry, and global demand for construction machinery.**

Result and Plan



	2016/12 Result	2017/12 Result	2018/12 Plan
O.P.(JPY bn.)	11.2	20.4	23.8
(OPM)	13.6%	17.9%	18.4%

FY2017/12 Result vs. FY2018/12 Plan

Precision Reduction Gears : Sales are expected to grow reflecting an increase in demand for precision reduction gears for industrial robots and general industry on the back of automation and labor-saving demand in the automobile industry and general industry.

Hydraulic Equipment : Sales are anticipated to increase due to expected growth in global demand for construction machinery.

O.P. : Expansion of profits by increasing sales.

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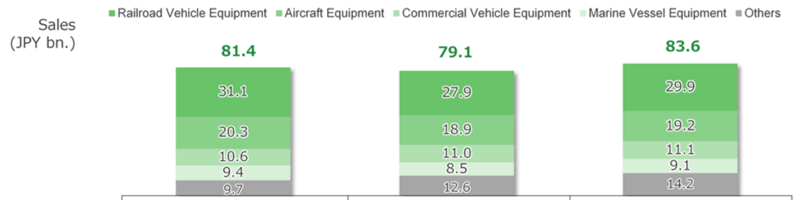
In the CMP segment, net sales and operating profit are forecast to increase from the previous year. Sales staff on the front line reported demand would be strong. Furthermore, in the meetings to exchange New Year’s greetings at the beginning of 2018 (The Japan Robot Association and The Japan Construction Equipment Manufacturers Association), we heard that demand will continue to expand. (For details, please refer to Page 32.)

Transport Solutions Segment (TRS)

■ **Sales and profit are anticipated to grow in TRS.**

Result and Plan



	2016/12 Result	2017/12 Result	2018/12 Plan
O.P.(JPY bn.)	13.3	8.4	9.3
(OPM)	16.3%	10.6%	11.1%

FY2017/12 Result vs. FY2018/12 Plan

Railroad Vehicle Equipment : Sales growth is anticipated through meeting robust domestic demand and expanding order receipts from subway projects in China.
Aircraft Equipment : Expected to remain flat on the back of the continued off-season for aircraft in the civil aviation sector.
Commercial Vehicle Equipment : Expected to remain flat reflecting continued robust demand in Japan and Southeast Asia.
Marine Vessel Equipment : Sales growth is anticipated reflecting the gradual recovery of the marine transport market.
O.P. : An increase is expected driven by sales growth and proactive expansion of MRO.

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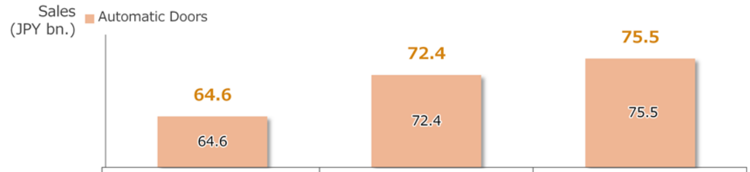
In the TRS segment, we plan to increase net sales to 83.6 billion yen in FY 2018 from 79.1 billion yen in FY 2017.
In the Railroad Vehicle Equipment business, we project to post net sales of 29.9 billion yen by increasing orders from subway projects. In the Aircraft Equipment business, we forecast net sales will remain flat due to the temporarily weaker demand associated with the model change.

Accessibility Solution Segment (ACB)

■Sales and profit are anticipated to grow by meeting demand for domestic and overseas building automatic doors.

Result and Plan



	2016/12 Result	2017/12 Result	2018/12 Plan
O.P.(JPY bn.)	5.1	5.2	6.0
(OPM)	7.9%	7.1%	7.9%

FY2017/12 Result vs. FY2018/12 Plan

Automatic Doors : Sales are anticipated to grow by meeting demand for domestic and overseas building automatic doors and domestic platform doors.

O.P. : Profits are expected to increase as the PMI[*1] cost in a North American subsidiary will come to an end, although strategic investment is planning.

[*1] PMI(Post Merger Integration)

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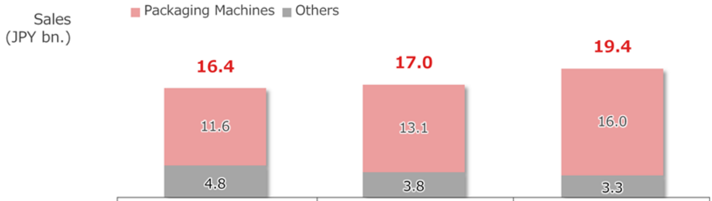
In the ACB segment, net sales are expected to grow supported by robust demand for building automatic doors and platform doors. Operating profit is likely to increase slightly.
Operating profit margin decreased in FY 2017 due to costs of Post Merger Integration in a North America's subsidiary and an investment project for future growth. Operating profit margin is expected to recover to the level of FY 2016.

Manufacturing Solutions Segment (MFR)

■ **Sales and profit are expected to increase due to robust both in domestic and overseas demand from the food industry.**

Result and Plan



	2016/12 Result	2017/12 Result	2018/12 Plan
O.P.(JPY bn.)	1.5	2.0	2.3
(OPM)	9.2%	11.6%	11.9%

FY2017/12 Result vs. FY2018/12 Plan

Packaging Machines : Sales are expected to increase due to robust demand from the food industry on the back of labor-saving and automation need as well as sales expansion in Southeast Asia.

O.P. : Expansion of profits by increasing sales.

Sales, mainly packaging machines, have grown steadily supported by needs for labor-saving and automation in recent years.

CAPEX, R&D and Depreciation

■ **Capital expenditure was implemented centering on precision reduction gears and aircraft equipment for future growth.**

Precision reduction gears : Enhancing the production capacity of plants in Japan and China.
Aircraft equipment : Capacity expansion built for new programs.

(JPY bn.)	2016/12 Result	2017/12 Result	2018/12 Plan
CAPEX	14.5	15.5	30.4
R&D	7.4	8.7	10.2
Depreciation	7.4	9.0	11.2

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In FY 2018, we plan to double capital expenditure from FY 2017. This is mainly due to capacity expansion at plants of precision reduction gears and aircraft equipment.

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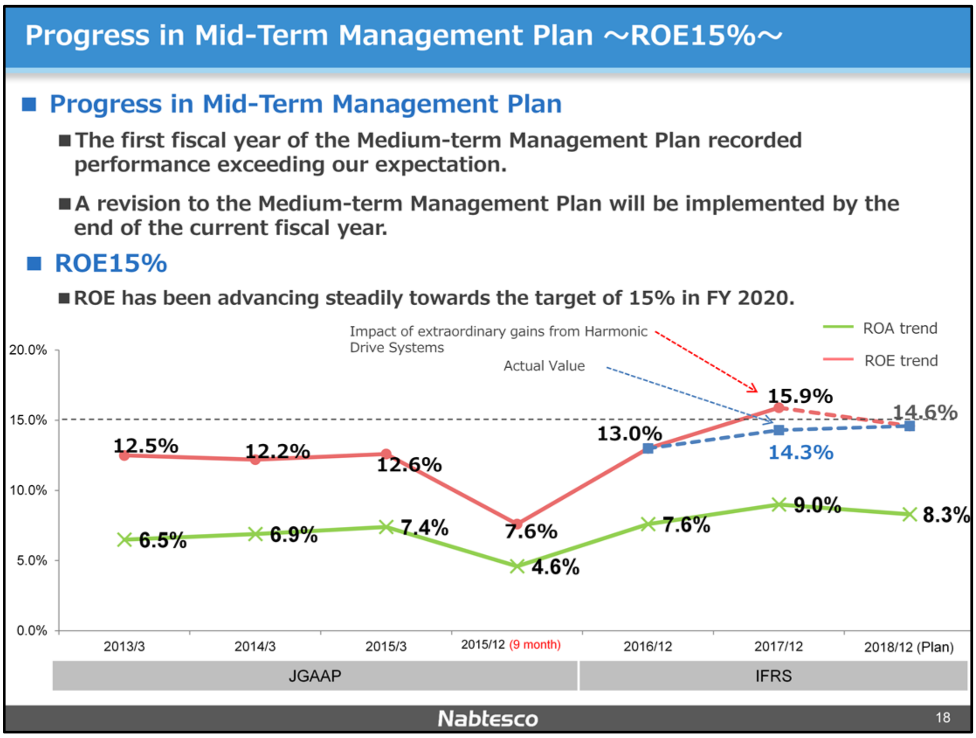


Net sales and operating profit have grown steadily in the initial year of the Mid-term Management Plan.

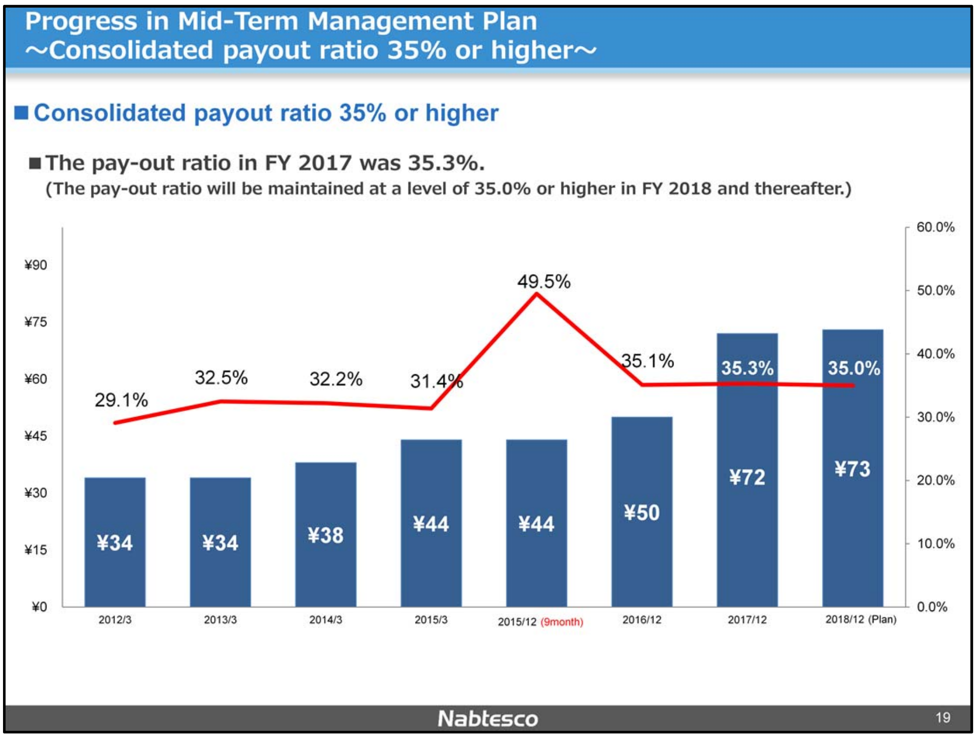
After seeing performance in FY 2017 and 2018, we may revise the plan. On Page 23, we explain our commitment to each maneuver.

For Market Creation, we conducted overseas deployment, including setting up a European management company, an after-sales service business base for Southeast Asia, and a business base in India.

For Technology Innovation, we brought together bases of the Technology Headquarters located in many places to Kyoto.

For Operation Excellence, we set up the Production Reform Promotion Office and unified the commencement date of the new management system with that of the fiscal year (starting from January).

In FY 2017, ROE stood at 15.9%, since we recorded extraordinary gains of 2.8 billion yen. ROE was 14.3% excluding extraordinary gains.



As we paid a dividend of 72 yen per share in FY2017, the pay-out ratio stood at 35.3%. In FY 2018, we plan to pay a dividend of 73 yen per share (a pay-out ratio of 35.0%).

Progress in Mid-Term Management Plan
～Focus on solving ESG issues～

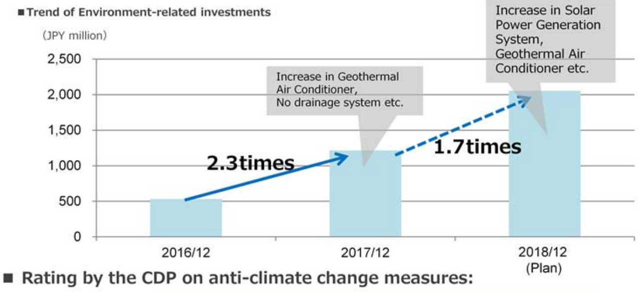
■Focus on solving ESG issues

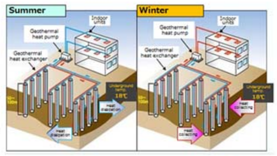
■Received the 2016 Boeing Supplier of the Year (Award in the environmental category)

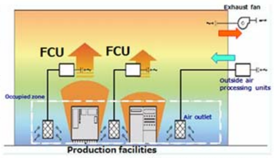
■The Company's carbon dioxide reduction target was approved by the Science Based Targets (SBT) Initiative

(compared with FY 2015)	2030	2050
Reduction of CO_2 emissions	-30%	-80%

■Proactive investment for Environment-related investments







FCU : Fan Control Unit

■ Rating by the CDP on anti-climate change measures:

Rated item	Result
Climate change	A
Water resource management	A-

■Named to 「The Supplier Climate A List 2018」(Best evaluation of supplier dealing with climate change)

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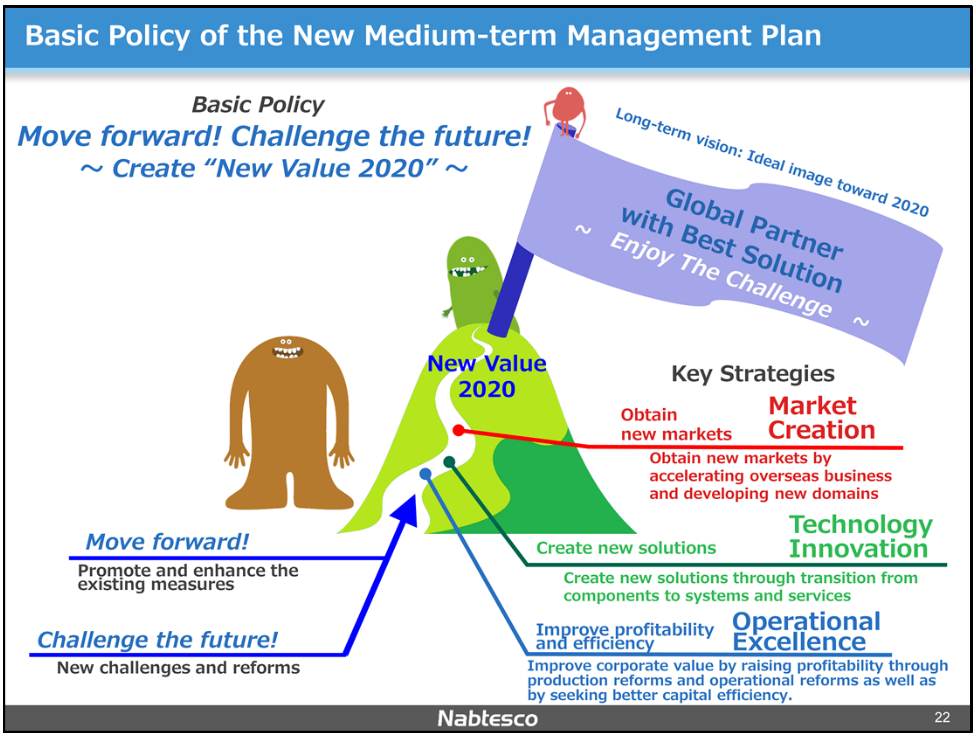
To solve ESG issues, we have made environment-related investments. In FY 2018, we plan to implement environment-related investments, such as photovoltaic power generation panels and geothermal air conditioners.

Appendix



Basic Policy of the New Medium-term Management Plan
Basic Policy
Move forward! Challenge the future!
～ Create "New Value 2020" ～
Long-term vision: Ideal image toward 2020
Global Partner
with Best Solution
～ Enjoy The Challenge ～
New Value
2020
Key Strategies
Obtain
new markets
Market
Creation
Obtain new markets by
accelerating overseas business
and developing new domains
Move forward!
Promote and enhance the
existing measures
Create new solutions
Technology
Innovation
Create new solutions through transition from
components to systems and services
Challenge the future!
New challenges and reforms
Improve profitability
and efficiency
Operational
Excellence
Improve corporate value by raising profitability through
production reforms and operational reforms as well as
by seeking better capital efficiency.
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Effort to Mid-Term Management Plan in 2017

■ **Market Creation・・・Obtain new markets by accelerating overseas business and developing new domains**

— A European management company was established to reinforce the operation base with overall management of entry into European markets and our existing businesses in Europe.
— In the railroad vehicle equipment business, the acquisition of certifications is being sought aiming at entry into the European market.
— In the railroad vehicle equipment business, businesses for the Chinese subway project were expanded.
— An after-sales-service business base for Southeast Asia was established in Thailand.
— The import, sale and after-sales-service business in India was commenced by a local subsidiary.

■ **Technology Innovation・・・Create new solutions through transition from components to systems and services.**

— OVALO GmbH of Germany was acquired in order to obtain technologies related to systemaization and mechatronization.
— A unified research and development management system was set up by establishing “Nabtesco R&D Center.”
— In the hydraulic equipment business, a new product jointly developed with Hyest Corporation, which was acquired in 2015, was launched.

■ **Operational Excellence・・・Improve corporate value by raising profitability through production reforms and operational reforms as well as by seeking better capital efficiency.**

— Activities for improvement of productivity (+10% by 2020) by highly automating production and introducing robots were commenced.
— An automated tool was introduced for miscellaneous operations.
— The commencement date of the new management system was unified with that of fiscal year to further clarify the operational accountability.

Our commitments in the New Medium-term Management Plan

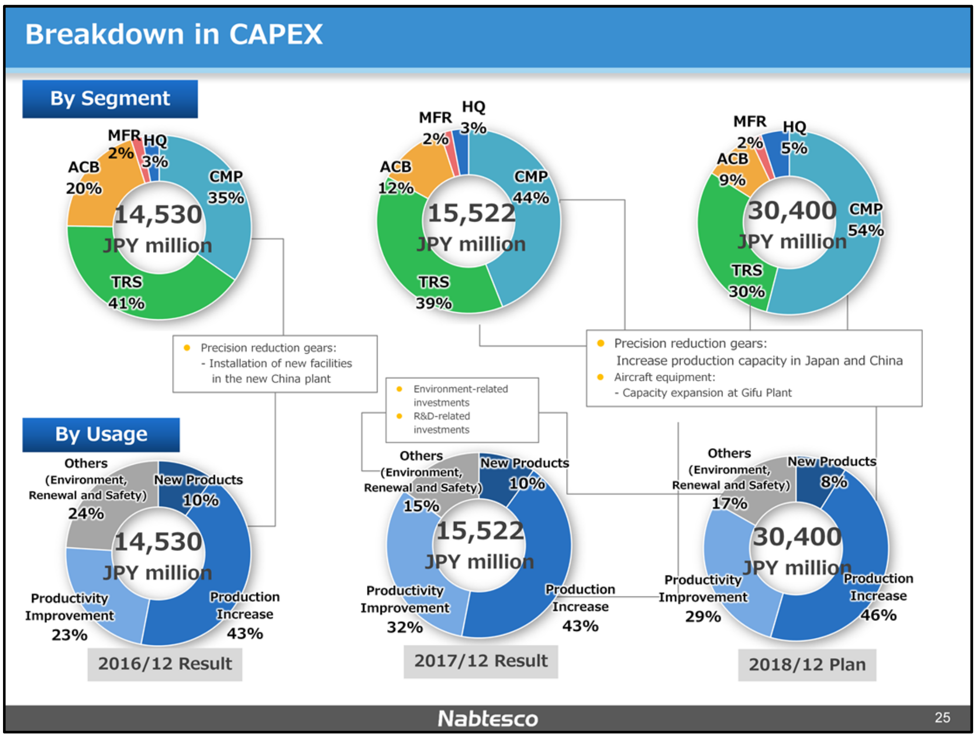
ROE : 15%

Consolidated payout ratio:

35% or over

Focus on solving

ESG issues



Breakdown in CAPEX
By Segment
MFR 2%
HQ 3%
ACB 20%
CMP 35%
14,530 JPY million
TRS 41%
MFR 2%
HQ 3%
ACB 12%
CMP 44%
15,522 JPY million
TRS 39%
MFR 2%
HQ 5%
ACB 9%
30,400 JPY million
CMP 54%
TRS 30%
Precision reduction gears:
- Installation of new facilities in the new China plant
Precision reduction gears:
Increase production capacity in Japan and China
Aircraft equipment:
- Capacity expansion at Gifu Plant
Environment-related investments
R&D-related investments
By Usage
Others (Environment, Renewal and Safety) 24%
New Products 10%
14,530 JPY million
Productivity Improvement 23%
Production Increase 43%
2016/12 Result
Others (Environment, Renewal and Safety) 15%
New Products 10%
15,522 JPY million
Productivity Improvement 32%
Production Increase 43%
2017/12 Result
Others (Environment, Renewal and Safety) 17%
New Products 8%
30,400 JPY million
Productivity Improvement 29%
Production Increase 46%
2018/12 Plan
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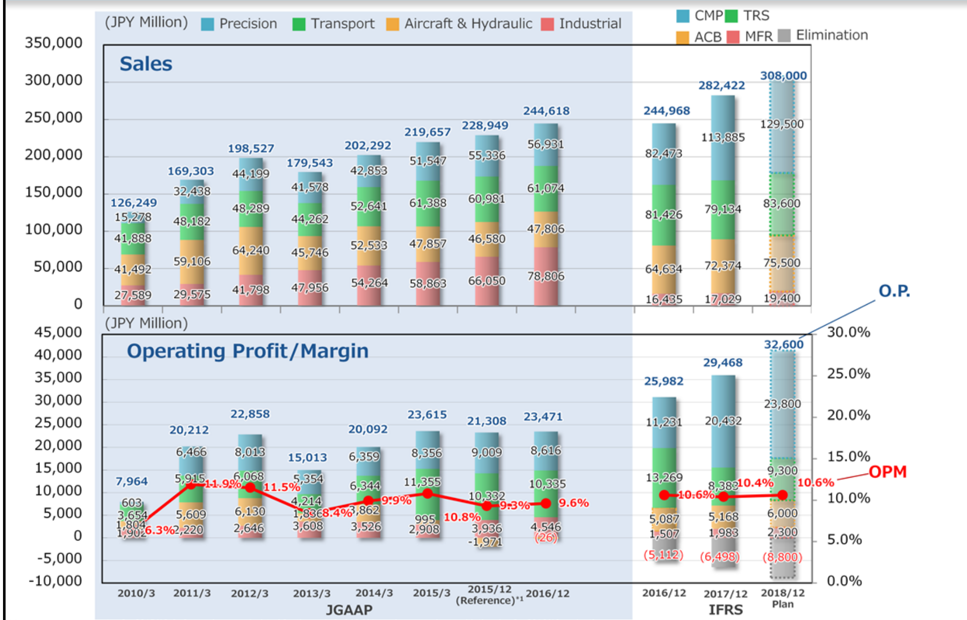
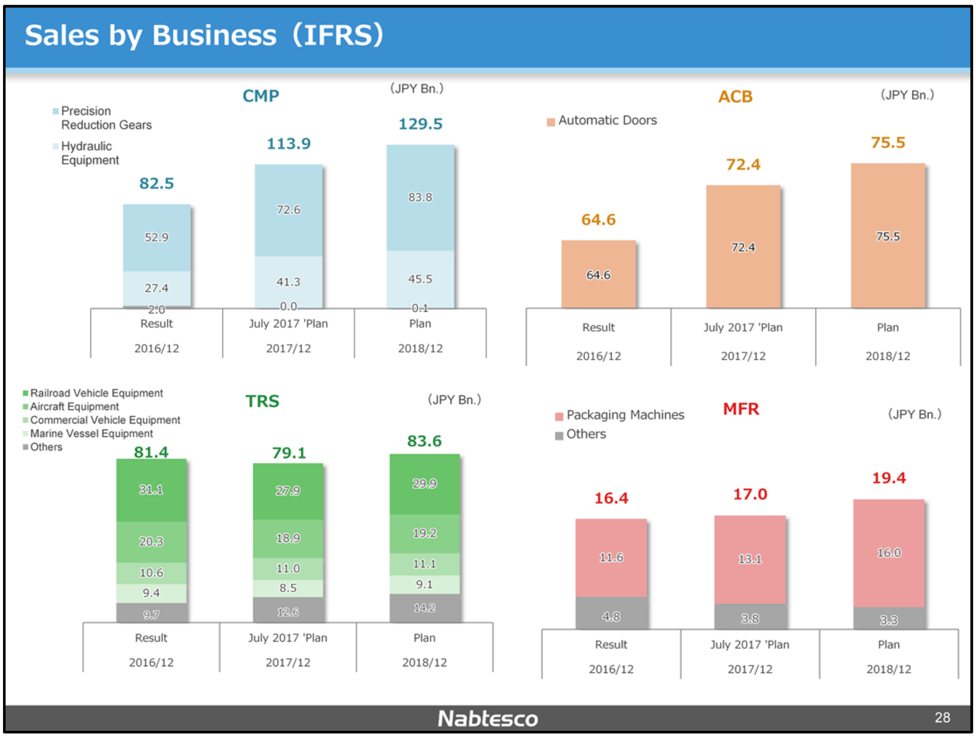
Result and Forecast for Sales and Operating Profit by Business Segment



*1 Please note that estimates for 2015/12 (reference) were calculated for the period of 12 M to make comparisons with the plan for 2016/12 under the same conditions.

Full-year Segment Sales and O.P.

(JPY million) Segment	Term	2016/12 Result	2017/12 Jul.2017 plan	2017/12 Result	2018/12 Plan	2020/12 Mid-term reference
Component Solutions (CMP)	Sales	82,473	103,600	113,885	129,500	118,400
	O.P. (OPM)	11,231 (13.6%)	18,200 (17.6%)	20,432 (17.9%)	23,800 (18.4%)	22,200 (18.8%)
Transport Solutions (TRS)	Sales	81,426	80,600	79,134	83,600	104,400
	O.P. (OPM)	13,269 (16.3%)	10,200 (12.7%)	8,383 (10.6%)	9,300 (11.1%)	17,200 (16.5%)
Accessibility Solutions (ACB)	Sales	64,634	71,100	72,374	75,500	79,200
	O.P. (OPM)	5,087 (7.9%)	5,800 (8.2%)	5,168 (7.1%)	6,000 (7.9%)	7,900 (10.0%)
Manufacturing Solutions (MFR)	Sales	16,435	17,700	17,029	19,400	27,700
	O.P. (OPM)	1,507 (9.2%)	1,600 (9.0%)	1,983 (11.6%)	2,300 (11.9%)	3,200 (11.6%)
Other Profit or Loss		-5,112	-7,400	-6,498	-8,800	-8,500
Total	Sales	244,968	273,000	282,422	308,000	330,000
	O.P. (OPM)	25,982 (10.6%)	28,400 (10.4%)	29,468 (10.4%)	32,600 (10.6%)	42,000



Sales by Business（IFRS）
CMP
(JPY Bn.)
Precision Reduction Gears
Hydraulic Equipment
82.5
113.9
129.5
52.9
27.4
2.0
72.6
41.3
0.0
83.8
45.5
0.1
Result
2016/12
July 2017 'Plan
2017/12
Plan
2018/12
ACB
(JPY Bn.)
Automatic Doors
64.6
72.4
75.5
64.6
72.4
75.5
Result
2016/12
July 2017 'Plan
2017/12
Plan
2018/12
TRS
(JPY Bn.)
Railroad Vehicle Equipment
Aircraft Equipment
Commercial Vehicle Equipment
Marine Vessel Equipment
Others
81.4
79.1
83.6
31.1
20.3
10.6
9.4
9.7
27.9
18.9
11.0
8.5
12.6
29.9
19.2
11.1
9.1
14.2
Result
2016/12
July 2017 'Plan
2017/12
Plan
2018/12
MFR
(JPY Bn.)
Packaging Machines
Others
16.4
17.0
19.4
11.6
4.8
13.1
3.8
16.0
3.3
Result
2016/12
July 2017 'Plan
2017/12
Plan
2018/12
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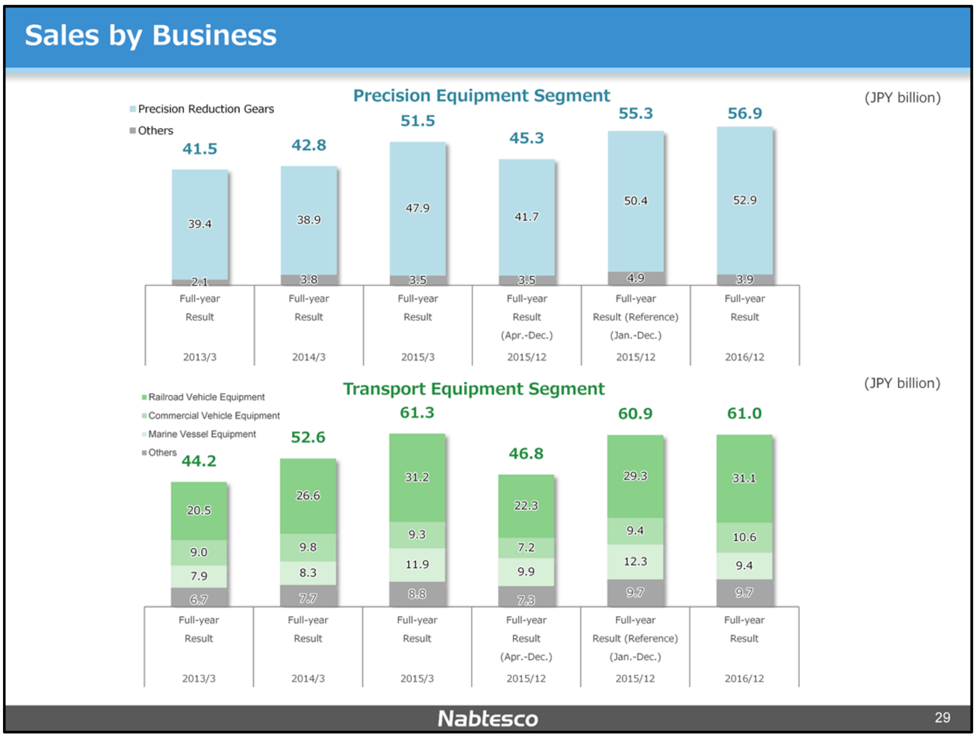

Sales by Business
Precision Equipment Segment
(JPY billion)
Precision Reduction Gears
Others
41.5
39.4
2.1
42.8
38.9
3.8
51.5
47.9
3.5
45.3
41.7
3.5
55.3
50.4
4.9
56.9
52.9
3.9
Full-year Result 2013/3
Full-year Result 2014/3
Full-year Result 2015/3
Full-year Result (Apr.-Dec.) 2015/12
Full-year Result (Reference) (Jan.-Dec.) 2015/12
Full-year Result 2016/12
Transport Equipment Segment
(JPY billion)
Railroad Vehicle Equipment
Commercial Vehicle Equipment
Marine Vessel Equipment
Others
44.2
20.5
9.0
7.9
6.7
52.6
26.6
9.8
8.3
7.7
61.3
31.2
9.3
11.9
8.8
46.8
22.3
7.2
9.9
7.3
60.9
29.3
9.4
12.3
9.7
61.0
31.1
10.6
9.4
9.7
Full-year Result 2013/3
Full-year Result 2014/3
Full-year Result 2015/3
Full-year Result (Apr.-Dec.) 2015/12
Full-year Result (Reference) (Jan.-Dec.) 2015/12
Full-year Result 2016/12
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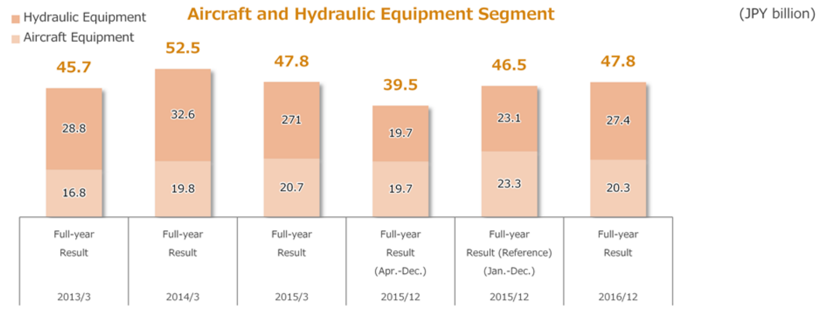
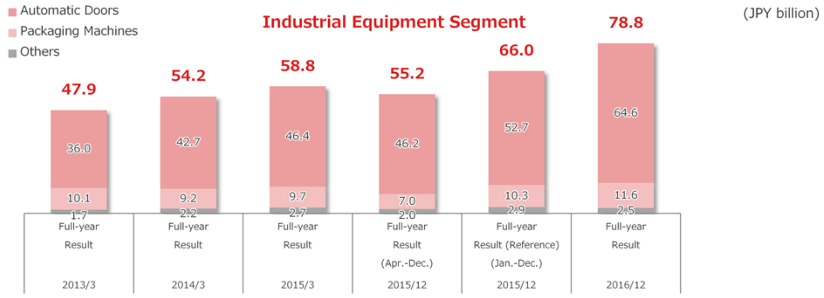
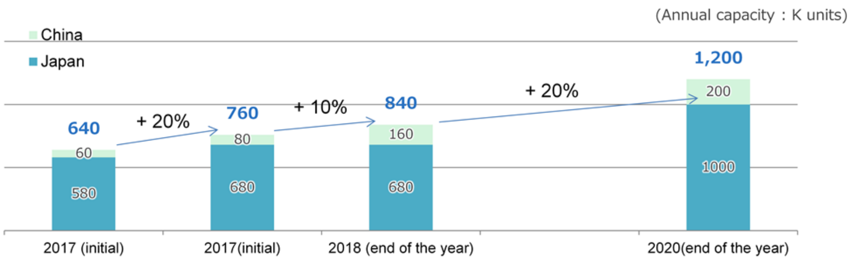
Sales by Business





Production capacity

Precision reduction gears : Production capacity (ordinary)



■ **Production capacity is going to be expanded to 1.2 million units per year adding up Japan plant and China plant by 2020.**

Overview of Market Conditions in 2017 and 2018

CMP : Precision Reduction Gears

According to the Japan Robot Association, sales of robots during the period of July-September 2017 amounted to 189.0 billion yen, a year-on-year increase of 34%. As to the full-year forecast for 2018, sales are expected to reach 1 trillion yen, a 10% increase from the previous year. Mr. Inaba, Chairman of the association, concurrently serving as the Chairman of FANUC CORPORATION, emphasizes that the expansion of demand for robots will continue for more than five years, and that sales of 2 trillion yen will be just a milestone.

(28th Jan. 2018. Nikkei Veritas)

CMP : Hydraulic Equipment

The Japan Construction Equipment Manufacturers Association announced on January 31 that the shipment value of construction machinery in 2017 (total amount including supplemental parts) reached 2,551.3 billion yen, a 19.1% increase year on year, representing the first increase in three years. Overseas demand including North America and Asia contributed to the overall growth driven by the increase in demand for construction machinery on the back of infrastructure construction and housing, while last-minute purchase also expanded prior to the enforcement of stricter emissions control in Japan. Shipments have increased to a wide range of destinations outside Japan spurred by world-wide economic growth. While a large volume of construction machinery is produced locally in China, the Chinese market turned upward since the end of 2016, and demand remained robust and steady throughout the year of 2017. “Sales of construction machinery have maintained high growth in China,” said Mr. Yasuhiro Inagaki, Senior Executive Officer of Komatsu Ltd., in a telephone interview on January 31.

(1st, Feb. 2018 The Nikkei)

Mr. Tetsuo Katsurayama, Executive Officer and Director of Hitachi Construction Machinery Co., Ltd. was quoted as saying that in the next fiscal year the momentum of Chinese demand growth will continue up to June.

(31st, Jan. 2018 The Nikkei)

TRS : Marine Vessel Equipment

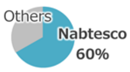
Shipping firms consider the Chinese environmental regulation as a favorable drive. Chinese steel makers increased the use of Brazilian and Australian iron ore of higher quality, resulting in the brisk movement of freight. The average Baltic Dry Index, a freight index of bulk resource carriers, for 2017 recorded its highest level in four years.

(4th Feb. 2018. Nikkei Veritas)

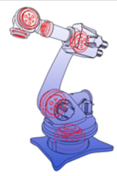
Main Products: Component Solutions Segment (CMP)

Precision Reduction Gears

■ Joints of Industrial Robots



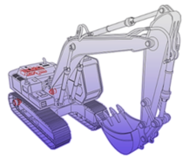
No.1
Approx. 60%
world market share



Hydraulic Equipment

■ Traveling Unit for Hydraulic Excavators

Approx.25%
world market share



■ Drive Units for Wind Turbines

Main Customers

■ Precision Reduction Gears

Industrial Robots: Fanuc, Yaskawa Electric, KHI, KUKA Roboter (Germany), ABB Robotics (Sweden)
Machine Tools: Yamazaki Mazak, Okuma, DMG Mori Seiki

■ Hydraulic Equipment

Traveling Units: Japan: Komatsu, Kobelco Construction Machinery, Kubota, Sumitomo Contruction Machinery
China: Sany, Zoomlion, XCMG, Liu Gong

Drive Units for Wind Turbines: MHI, Hitachi, Ltd., Others

Main Products: Transport Solutions Segment (TRS)

Railroad Vehicle Equipment

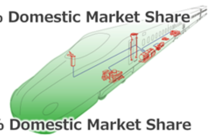
■ **Brake Systems**

No.1

Approx. **50**% Domestic Market Share

■ **Door Operating Systems**

No.1



Approx. **70**% Domestic Market Share

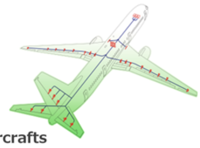
Aircraft Equipment

■ **Flight Control Actuation Systems (FCA)**

- One of the four major world players for FCA systems (major FCA supplier to Boeing Company)
- Expanding business into engine accessories and power supply systems

No.1

Approx. **100**% market share for domestically-produced aircrafts



Main Customers

■ **Railroad Vehicle Equipment**

JR Companies, Private railway companies, KHI, Bullet train and subway projects in China

■ **Aircraft Equipment**

Boeing, KHI, MHI, IHI, Japanese Ministry of Defense, Airlines

Main Products: Transport Solutions Segment (TRS)

Commercial Vehicle Equipment

- **Wedge Chambers**

  Others / Nabtesco 70% — No.1

  Approx. 70% Domestic Market Share

- **Air Dryers**

  Others / Nabtesco 75% — No.1

  Approx. 75% Domestic Market Share

Marine Vessel Equipment

- **2ST Main Engine Control Systems**

  Others / Nabtesco 50% — No.1

  Approx. 50% Domestic Market Share
  (Approx. 40% World Market Share)

Main Customers

- **Commercial Vehicle Equipment**

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

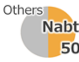
- **Marine Vessel Equipment**

  KHI, Mitsui Engineering & Shipbuilding, MHI, Hitachi Zosen, Hyundai Heavy Industries (Korea), Doosan Engine (Korea), Hudong Heavy Machinery (China), MAN Diesel (Denmark)

Main Products: Accessibility Solution Segment (ACB)

Automatic Doors

■ Automatic Doors



No.1
Approx. 50% market share for building automatic doors (top share in the world)

■ Platform Screen Doors

No.1
Approx. 95% domestic market share (accumulated total)

Main Customers

■ Automatic Doors

Automatic Doors for buildings: Major general contractors, sash manufacturers, hospitals, banks, public insititutions, etc.

Platform Doors : Subway projects in France and China, others

Main Products: Manufacturing Solutions Segment (MFR)

Packaging Machines

■ Packaging Machines for Retort Pouch Foods

No.1
Approx. 85% domestic market share

Main Customers

■ Packaging Machines

Mitsui Sugar, Ajinomoto, Marudai Food Co., Ltd., ARIAKE Japan, KENKO Mayonnaise, P&G, Kao, Lion, beverage companies in North America, food companies in China

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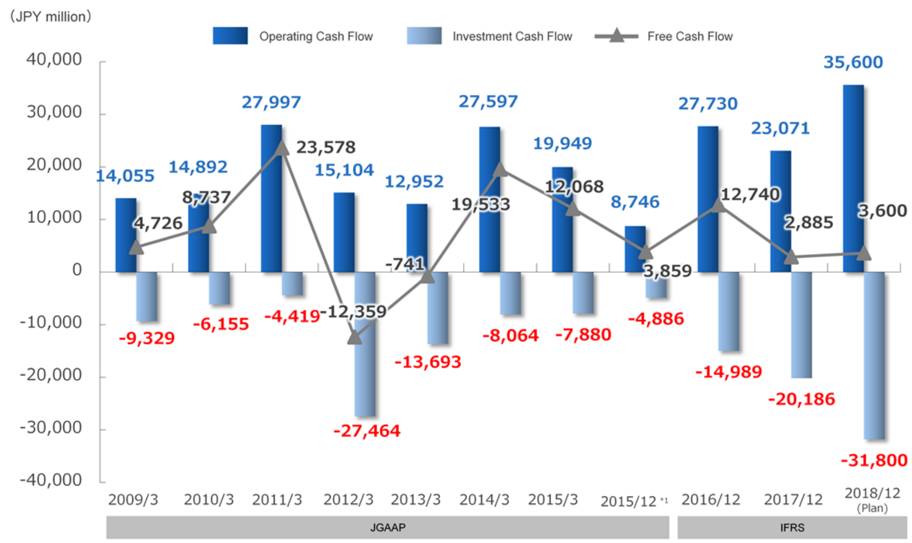
Consolidated Cash Flow



*1 Please note that the estimates for FY2015/12 (Reference) were calculated for the period of 12 months to make comparisons with the result for FY2016/12 under the same conditions.

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moving it. stopping it.