

FY2019/12 Q3 Results Briefing

October 31, 2019

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 to the nearest whole unit for monetary value and rounded off to one decimal place for percentage.

Consolidated Results for the FY2019/12 Q3 (IFRS)

(JPY million)	2018/12 Q1-Q3 result(A)	2019/12 Q1-Q3 result(B)	Variation (B-A)
Sales	210,843	211,428	585
O.P.	12,605	18,378	5,773
(OPM)	6.0%	8.7%	2.7pt
Income before tax	20,234	19,593	-641
Net profit*1	13,253	12,254	-999

2019/12 Full year plan (As of Feb)(C)	2019/12 Full year plan (As of Oct.)(D)	Variation (D-C)
313,000	288,500	-24,500
30,000	24,100	-5,900
9.6%	8.4%	-1.2pt
33,600	25,300	-8,300
22,900	16,800	-6,100

*1 Net profit attributable to owners of the parent

Notes

FOREX rate	18/12 3Q(Result)	US\$1=¥109.63	RMB1=¥16.78	EUR1=¥130.62	CHF1=¥112.98
	19/12 3Q(Result)	US\$1=¥109.20	RMB1=¥15.93	EUR1=¥122.36	CHF1=¥109.69

FOREX sensitivity in O.P.(This represents the effect to operating profit if the exchange rate fluctuates by one yen)

18/12 3Q(Result)	(US\$)	minimal	(RMB)	JPY 418million	(EUR)	minimal	(CHF)	minimal
19/12 3Q(Result)	(US\$)	JPY 55million	(RMB)	JPY 451million	(EUR)	minimal	(CHF)	minimal

FOREX rate	19/12 (Plan as of Feb)	US\$1=¥105.00	RMB1=¥16.00	EUR1=¥125.00	CHF1=¥105.00
	19/12 (Revised plan)	US\$1=¥107.91	RMB1=¥15.51	EUR1=¥120.27	CHF1=¥108.19

FOREX sensitivity in O.P.(This represents the effect to operating profit if the exchange rate fluctuates by one yen)

19/12 (Plan as of Feb)	(US\$)	JPY 48million	(RMB)	JPY 863million	(EUR)	minimal	(CHF)	minimal
19/12 (Revised plan)	(US\$)	JPY 73million	(RMB)	JPY 634million	(EUR)	minimal	(CHF)	minimal

Consolidated Results for the FY2019/12 Q3 by Business Segment (IFRS)

(JPY million)

Segment	Term	2018/12	2019/12	Variation
		Q1-Q3 result(A)	Q1-Q3 result(B)	(B-A)
Component Solutions (CMP)	Sales	87,746	81,084	-6,662
	O.P.	15,101	11,716	-3,385
	(OPM)	17.2%	14.4%	-2.8pt
Transport Solutions (TRS)	Sales	56,926	60,600	3,674
	O.P.	-1,374	5,033	6,407
	(OPM)	-2.4%	8.3%	10.7pt
Accessibility Solutions (ACB)	Sales	53,803	57,519	3,716
	O.P.	2,734	5,541	2,807
	(OPM)	5.1%	9.6%	4.6pt
Manufacturing Solutions (MFR)	Sales	12,369	12,226	-143
	O.P.	1,776	1,484	-292
	(OPM)	14.4%	12.1%	-2.2pt
Elimination or Corporate		-5,632	-5,396	236
Total	Sales	210,843	211,428	585
	O.P.	12,605	18,378	5,773
	(OPM)	6.0%	8.7%	2.7pt

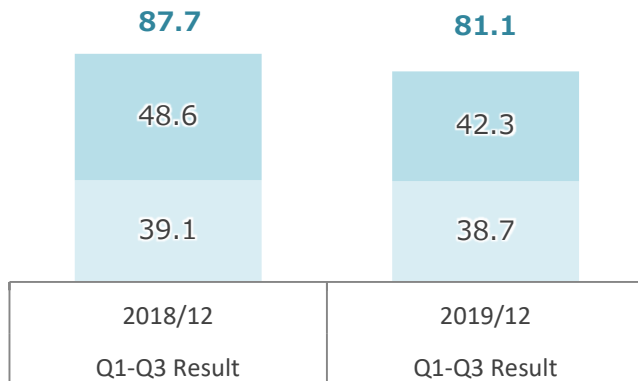
2019/12	2019/12	Variation
Full year plan (As of Feb)(C)	Full year plan (As of Oct.)(D)	(D-C)
125,800	106,900	-18,900
21,600	15,100	-6,500
17.2%	14.1%	-3.0pt
89,600	83,900	-5,700
8,100	7,200	-900
9.0%	8.6%	-0.5pt
77,400	78,300	900
6,500	7,200	700
8.4%	9.2%	0.8pt
20,200	19,400	-800
2,700	2,600	-100
13.4%	13.4%	0.0pt
-8,900	-8,000	900
313,000	288,500	-24,500
30,000	24,100	-5,900
9.6%	8.4%	-1.2pt

Sales by Business units for the FY2019/12 3Q (IFRS)

(JPY billion)

Component Solution Segment(CMP)

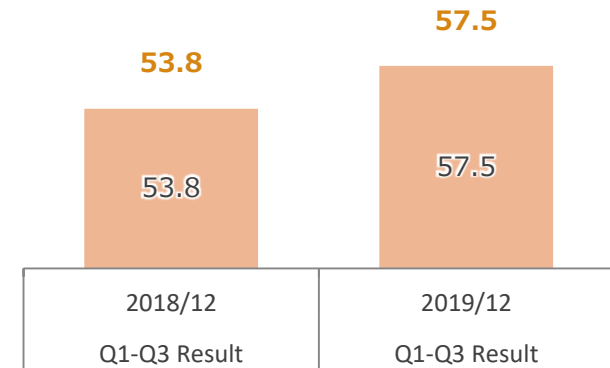
■ Precision Reduction Gears ■ Hydraulic Equipment ■ Others



Accessibility Solutions Segment(ACB)

(JPY billion)

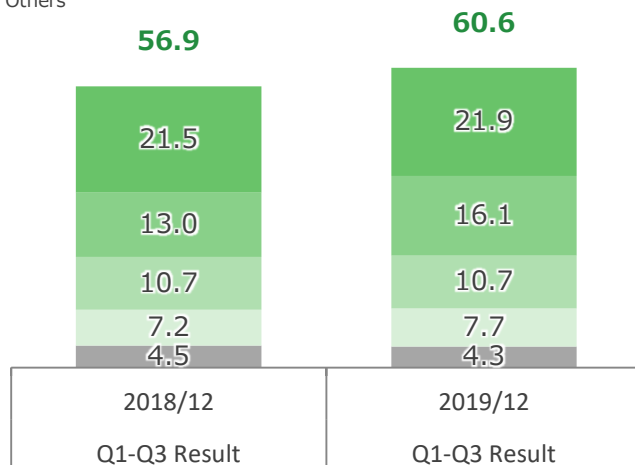
■ Automatic Doors



Transport Solution Segment(TRS)

(JPY billion)

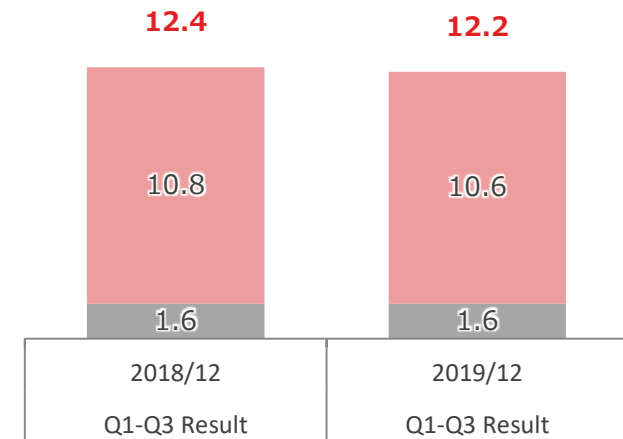
■ Railroad Vehicle Equipment ■ Aircraft Equipment
 ■ Commercial Vehicle Equipment ■ Marine Vessel Equipment
 ■ Others



Manufacturing Solution Segment(MFR)

(JPY billion)

■ Packaging Machines ■ Others



Summary for Balance Sheet for the FY2019 as of Sep.30,2019

(JPY million)	2018/12 4Q (As of December 31, 2018)	2019/12 Q3 As of Sep. 30, 2019	Variation
Assets	328,568	339,475	10,907
(Cash and cash equivalents)	54,039	60,014	5,975
(Trade receivable)	76,602	66,057	-10,545
(Inventories)	43,592	46,186	2,594
(Tangible fixed assets)	80,573	85,455	4,882
Liabilities	139,313	148,142	8,829
(Bonds and borrowings)	45,310	47,766	2,456
Total equities	189,255	191,333	2,078
(Non-controlling interests)	10,553	10,870	317
Equity attributable to owners of parent	178,702	180,463	1,761

Ratio of equity attributable to owners of parent

54.4%

53.2%

-1.2pt

CAPEX, R&D and Depreciation

- Depreciation increased due to the adoption of lease accounting standard (IFRS 16)

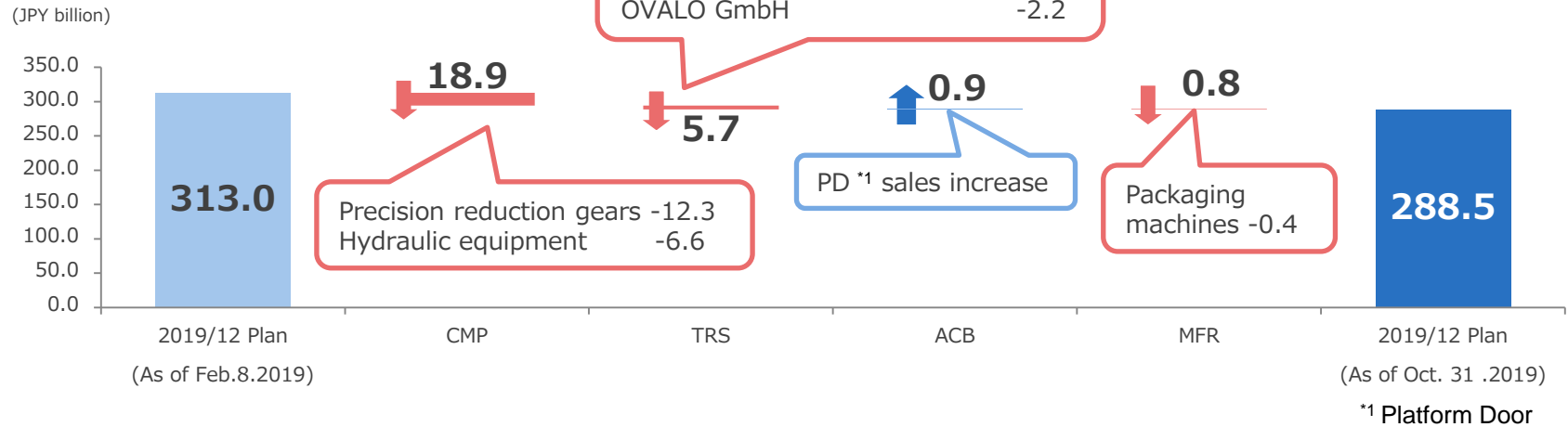
(JPY billion)	2018/12 Q3 result (A)	2019/12 Q3 result (B)	2019/12 Revised Full year plan (C)
CAPEX	16.3	12.3	20.1
R&D	7.8	7.2	10.6
Depreciation	7.5	9.6	12.7

Variation (B-A)	Rate of progress (B/C)
-4	61%
-0.6	68%
----- None lease accounting in FY2018	-----

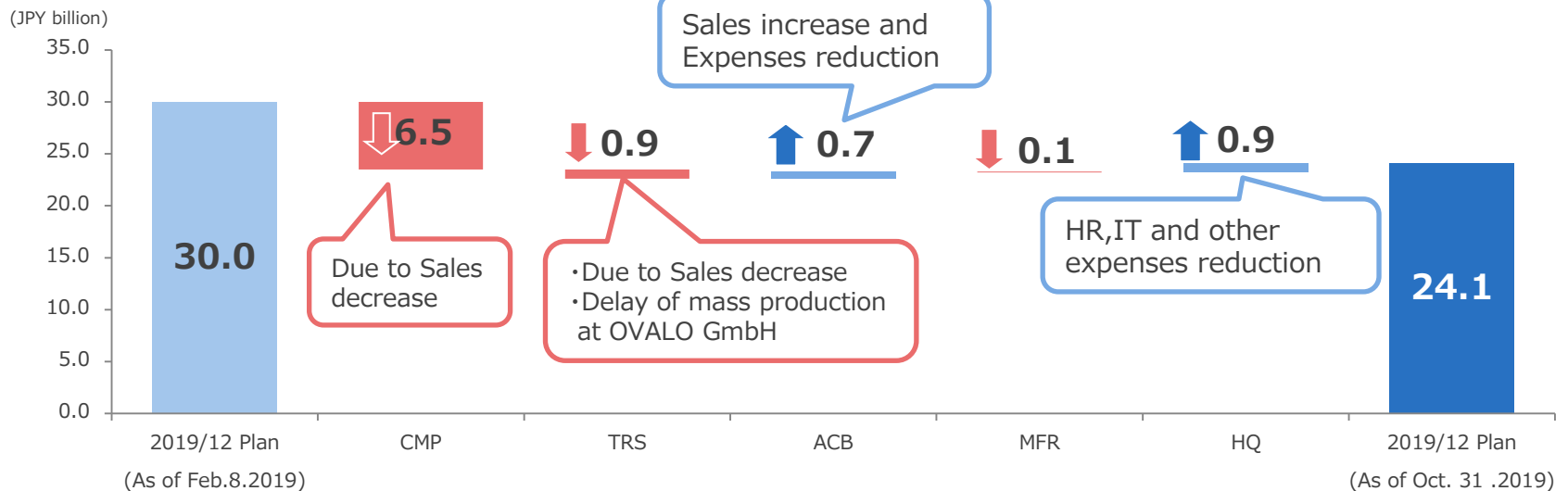
2018/12 Full year result	2019/12 Full year plan (as of Feb)
20.3	30.6
10.2	10.6
10.0	13.4

Summary of Revised Plan for the FY2019/12 as of Oct.31

Sales Comparison



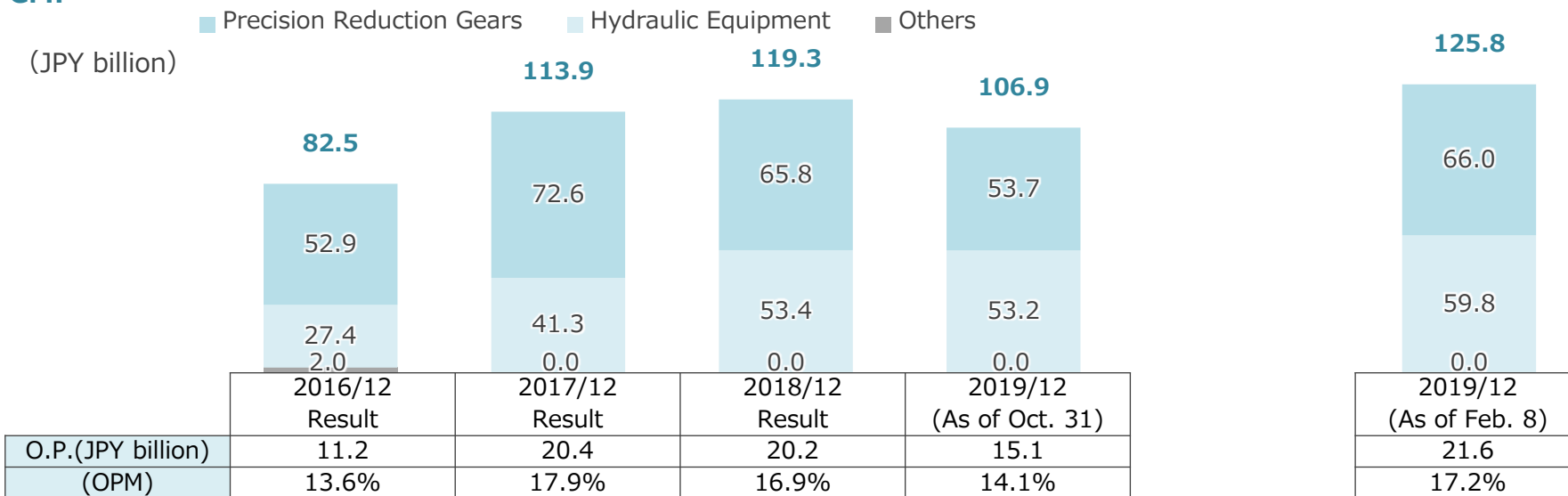
O.P. Comparison



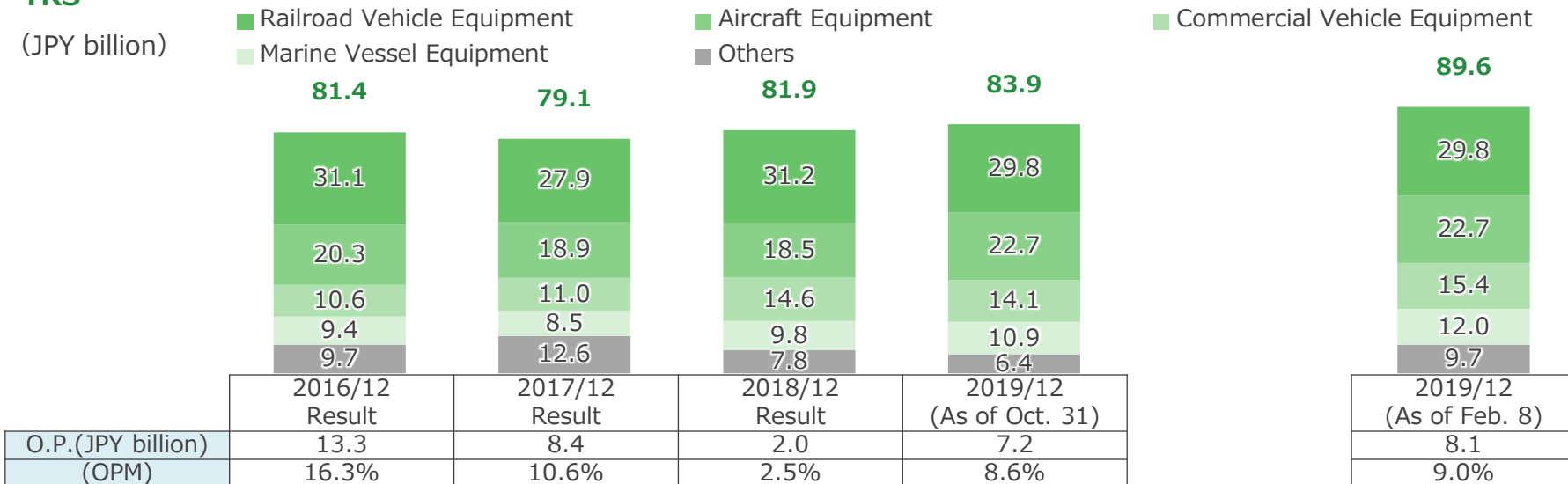
Appendix

Sales & O.P by business sub-segment

CMP



TRS

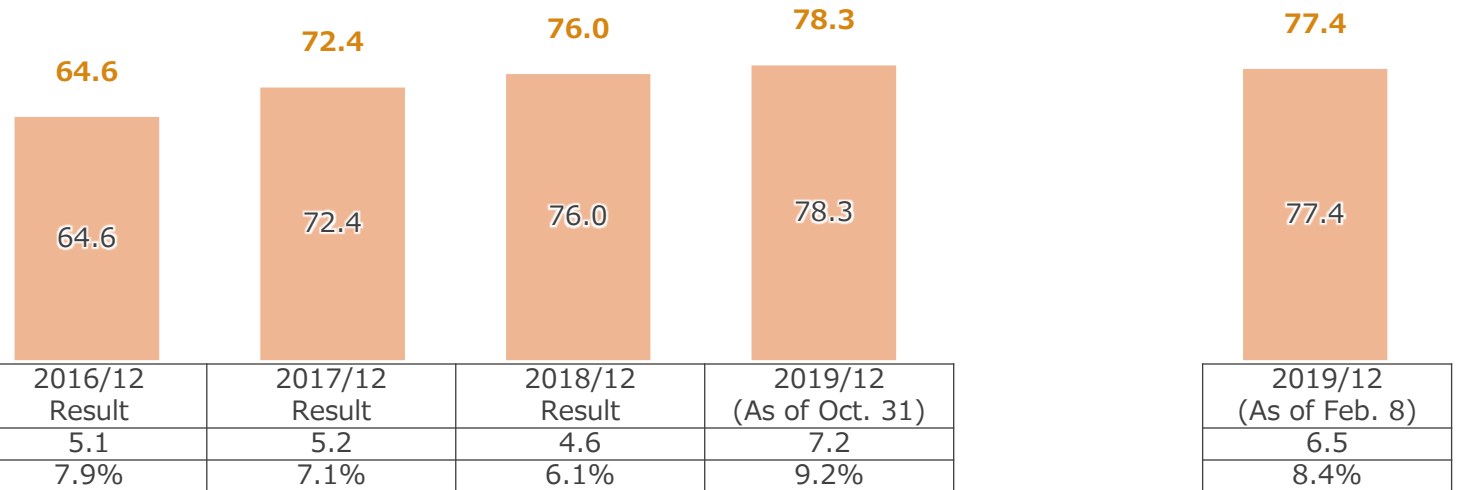


Sales & O.P by business sub-segment

ACB

Automatic Doors

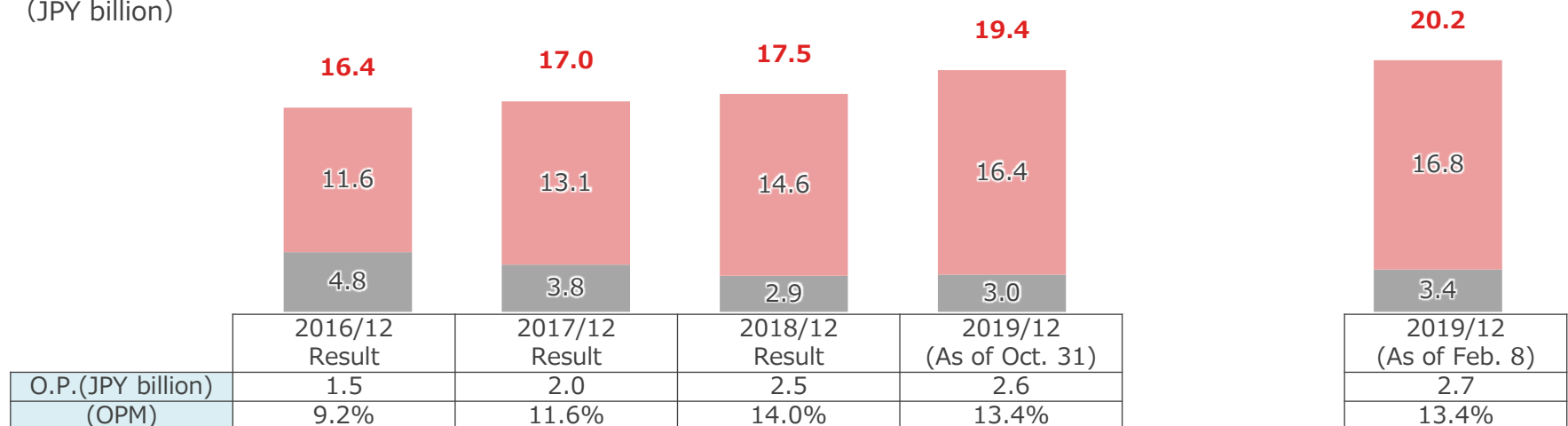
(JPY billion)



MFR

Packaging Machines Others

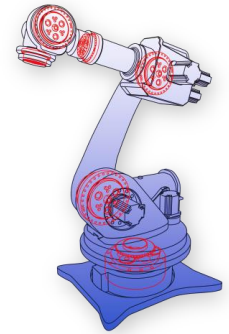
(JPY billion)



Main Products: Component Solutions Segment (CMP)

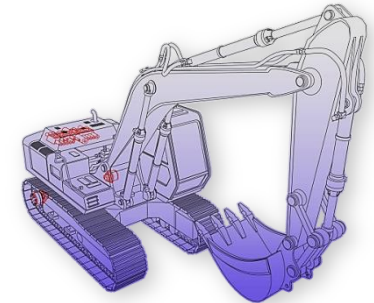
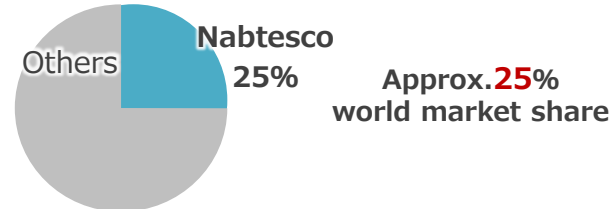
Precision Reduction Gears

■ Joints of medium to heavy payload industrial Robots



Hydraulic Equipment

■ Traveling Unit for Hydraulic Excavators



Main Customers

■ Precision Reduction Gears

Industrial Robots: Fanuc, Yaskawa Electric, KHI, KUKA Roboter (Germany), ABB Robotics (Sweden)

Machine Tools: Yamazaki Mazak, Okuma, DMG Mori Seiki

■ Hydraulic Equipment

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

Main Products: Transport Solutions Segment (TRS)

Railroad Vehicle Equipment

■ Brake Systems



No.1

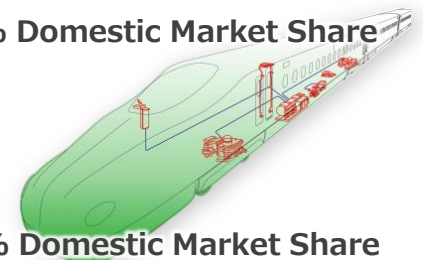
Approx. **50%** Domestic Market Share

■ Door Operating Systems



No.1

Approx. **70%** Domestic Market Share



Aircraft Equipment

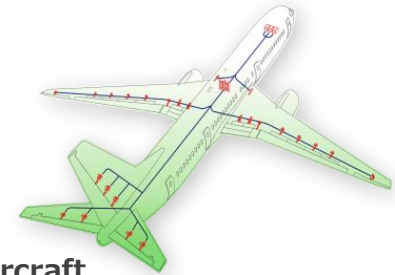
■ Flight Control Actuation Systems (FCA)

- 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 aircraft



Main Customers

■ Railroad Vehicle Equipment

JR Companies, private railway companies, KHI, and bullet train and subway projects in China

■ Aircraft Equipment

Boeing, KHI, MHI, IHI, Japan Ministry of Defense, airlines

Main Products: Transport Solutions Segment (TRS)

Commercial Vehicle Equipment

■ Wedge Chambers



Approx. **70%** Domestic Market Share



■ Air Dryers



Approx. **75%** Domestic Market Share

Marine Vessel Equipment

■ 2ST Main Engine Control Systems



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

Main Products: Accessibility Solution Segment (ACB)

Automatic Doors

Automatic Doors



Platform Screen Doors



Main Customers

Automatic Doors

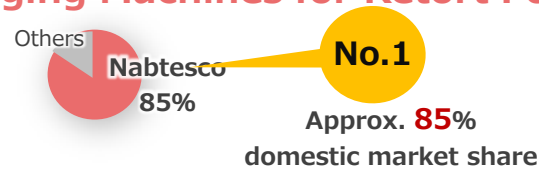
Automatic Doors for buildings: Major general contractors, sash manufacturers, hospitals, banks, public institutions, etc.

Platform Doors : Subway projects in France and China, others

Main Products: Manufacturing Solutions Segment (MFR)

Packaging Machines

Packaging Machines for Retort Pouch Foods



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

Nabtesco
moving it. stopping it.