

FY2020/12 Q1 Results Briefing

April 30, 2020

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 FY2020/12 Q1

(JPY million)	2019/12	2020/12	Variation	2020/12
	Q1 result(A)	Q1 result(B)	(B-A)	Full year plan (As of Feb.7th)
Sales	70,272	68,616	-1,656	303,000
Operating Income	6,155	8,184	2,029	32,000
(OPM)	8.8%	11.9%	3.2pt	10.6%
Financial Income and costs	104	-717	-821	-
Equity in earnings of affiliates	1,128	695	-433	-
Profit before tax	7,387	8,162	775	34,000
Net income^{*1}	4,084	5,100	1,016	23,100
Net income per share^{*2}	32.93	41.09	8.16	186.15

*1 Net profit attributable to owners of the parent

*2 Basic earning per share.

Notes

FOREX rate	19/12 Q1(result)	US\$1=¥110.27	RMB1=¥16.43	EUR1=¥125.27	CHF1=¥110.68
	20/12 Q1(result)	US\$1=¥109.11	RMB1=¥15.61	EUR1=¥120.06	CHF1=¥112.91
FOREX sensitivity in O.P.(This represents the effect to operating profit if the exchange rate fluctuates by one yen)					
	19/12 Q1(result)	USD: 12million yen	RMB: 217million yen	EUR:minimal	CHF:minimal
	20/12 Q1(result)	USD: 16million yen	RMB: 183million yen	EUR:minimal	CHF:minimal

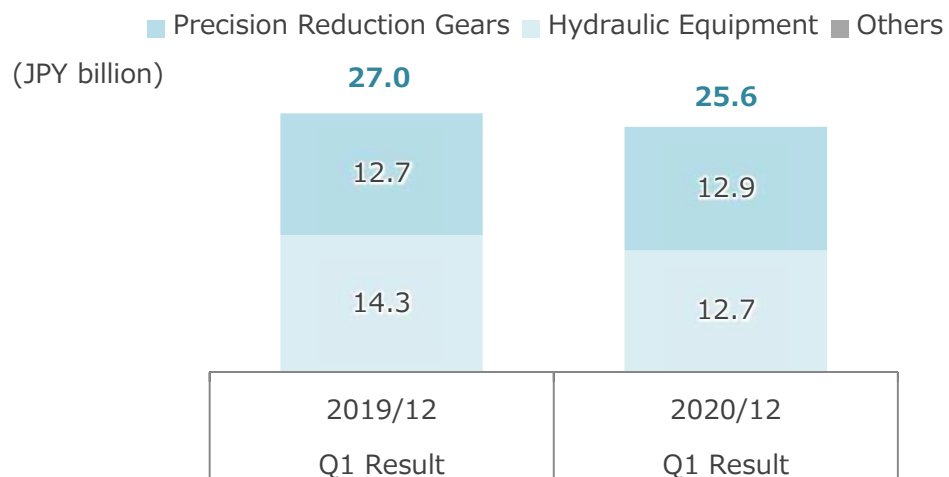
Consolidated Results for the FY2020/12 Q1 by Business Segment

(JPY million)

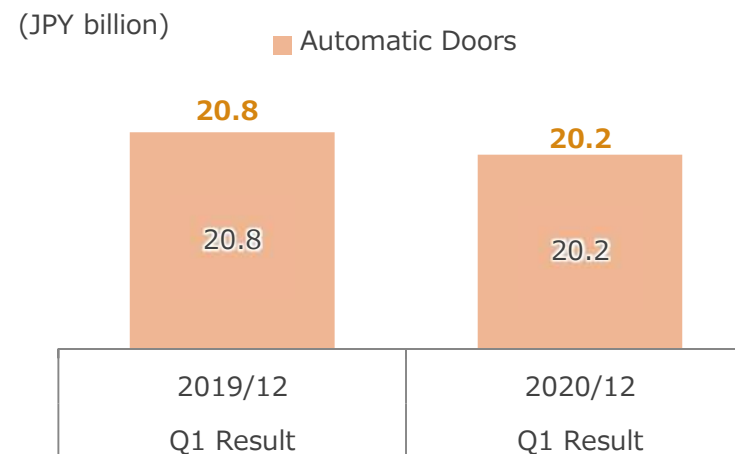
Segment	Term	2019/12	2020/12	Variation	2020/12
		Q1 result(A)	Q1 result(B)	(B-A)	Full year plan (As of Feb.7th)
Component Solutions (CMP)	Sales	27,043	25,611	-1,432	116,000
	O.P. (OPM)	4,038 14.9%	3,898 15.2%	-140 0.3pt	18,300 15.8%
	Sales	18,729	18,862	133	90,300
Transport Solutions (TRS)	O.P. (OPM)	1,298 6.9%	1,666 8.8%	368 1.9pt	10,200 11.3%
	Sales	20,788	20,209	-579	75,700
Accessibility Solutions (ACB)	O.P. (OPM)	2,185 10.5%	2,423 12.0%	238 1.5pt	7,500 9.9%
	Sales	3,713	3,934	221	21,000
Manufacturing Solutions (MFR)	O.P. (OPM)	513 13.8%	445 11.3%	-68 -2.5pt	3,000 14.3%
	Corporate or elimination	-1,880	-248	1,632	-7,000
Total	Sales	70,272	68,616	-1,656	303,000
	O.P. (OPM)	6,155 8.8%	8,184 11.9%	2,029 3.2pt	32,000 10.6%

Sales by Business units for the FY2020/12 Q1

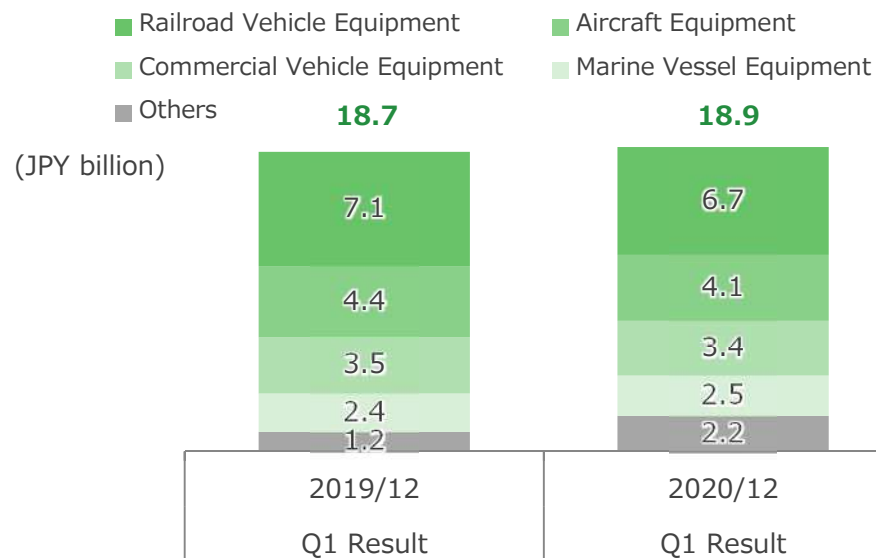
Component Solution Segment (CMP)



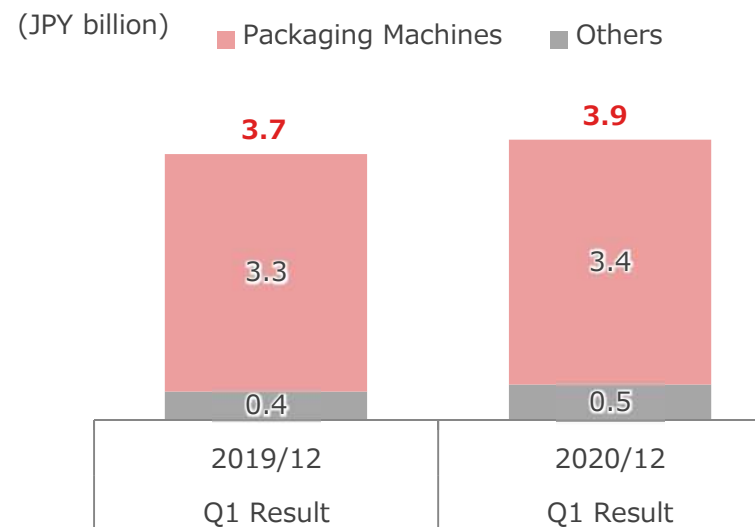
Accessibility Solutions Segment (ACB)



Transport Solution Segment (TRS)



Manufacturing Solution Segment (MFR)



Summary for Balance Sheet for the FY2020 as of March 31, 2020

(JPY million)	2019/12 4Q As of December 31, 2019	2020/12 Q1 As of March 31, 2020	Variation
Assets	344,558	340,835	-3,722
(Cash and cash equivalents)	58,686	53,360	-5,326
(Trade receivable)	70,175	68,771	-1,403
(Inventories)	41,257	42,991	1,734
(Property, plant and equipment)	87,083	91,548	4,466
Liabilities	145,424	143,921	-1,504
(Bonds and borrowings)	43,936	42,499	-1,437
Total equity	199,133	196,915	-2,218
(Non-controlling interests)	11,735	10,697	-1,038
Equity attributable to owners of the parent	187,398	186,218	-1,180
Ratio of equity attributable to owners of the parent	54.4%	54.6%	0.2pt

CAPEX, R&D and Depreciation

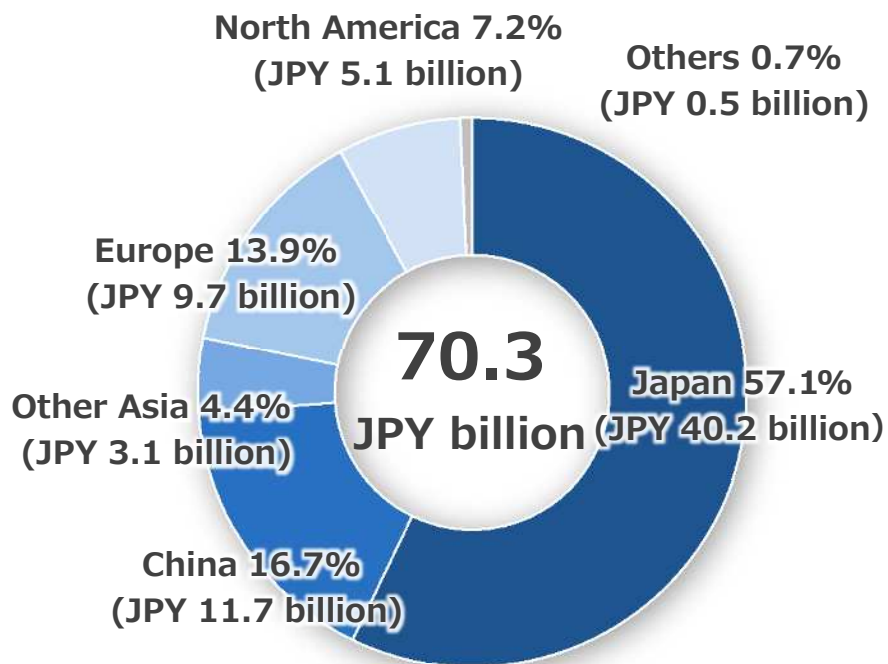
CAPEX was increased mainly due to purchase of the land for new factory of precision reduction gears.

(JPY billion)	2019/12	2020/12	2020/12	Variation (B-A)	Rate of progress (B/C)	2019/12 Full year result
	Q1 result (A)	Q1 result (B)	Full year plan (C)			
CAPEX	5.3	7.6	24.1	2.3	31.5%	16.4
R&D	2.5	2.3	11.5	-0.2	20.0%	9.9
Depreciation	3.2	3.3	13.5	0.1	24.4%	13.1

Appendix

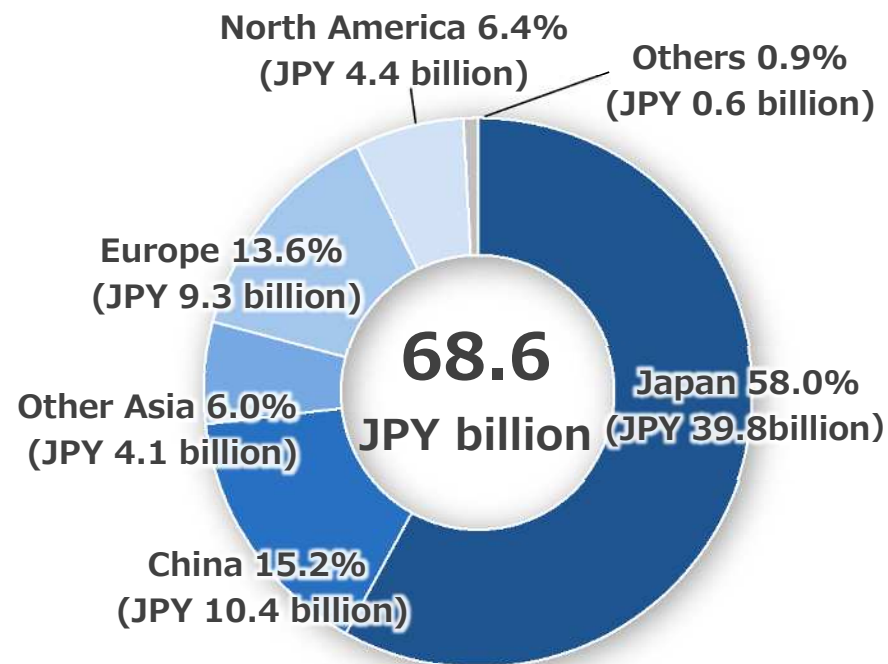
Sales by Geographic Segment

2019/12 Q1 Result



Overseas Sales	JPY 30.1billion
Ratio	42.8%

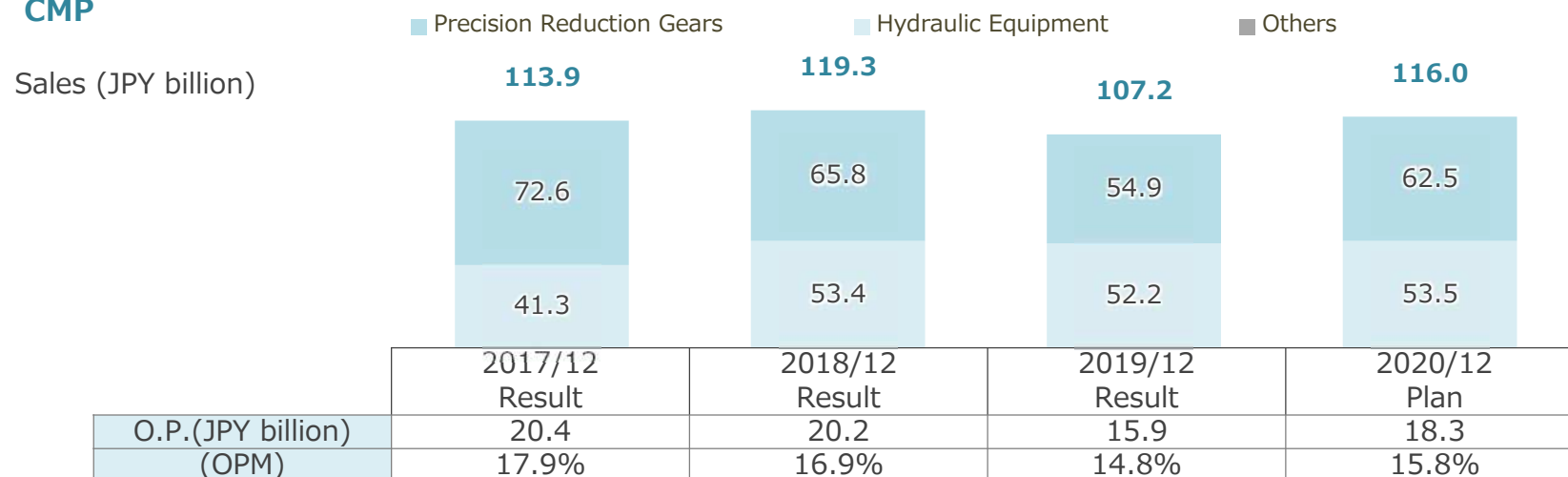
2020/12 Q1 Result



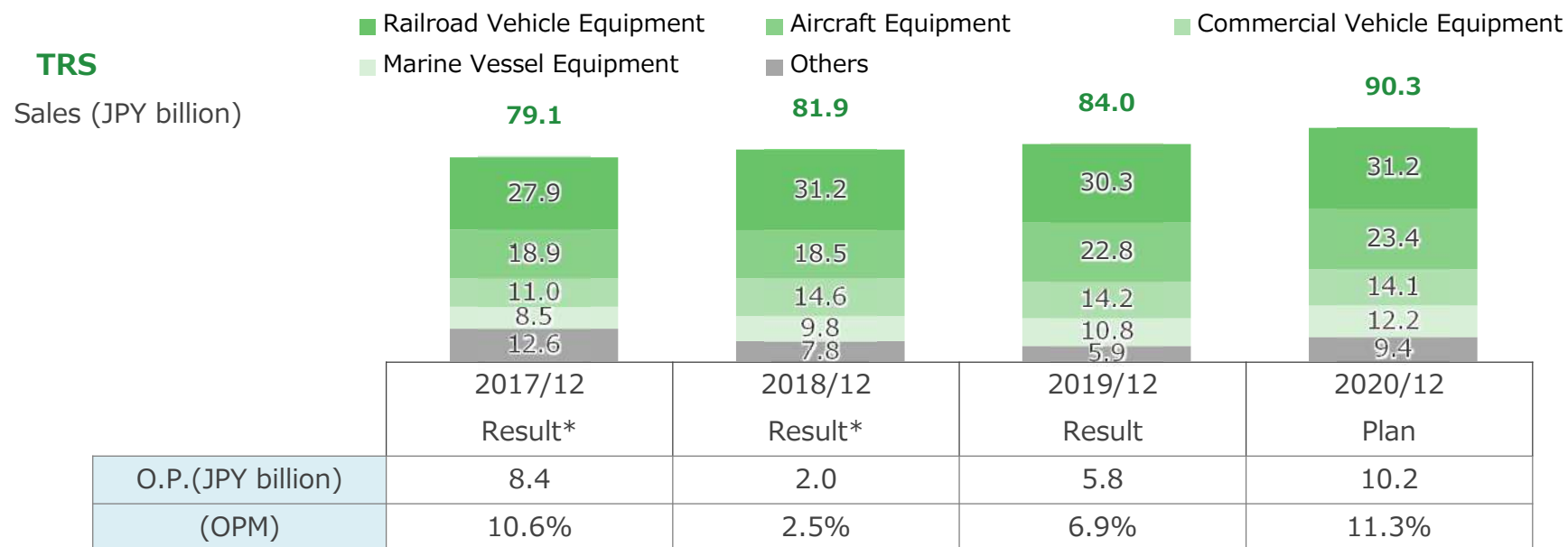
Overseas Sales	JPY 28.8 billion
Ratio	42.0%

Sales & O.P by business sub-segment

CMP



TRS



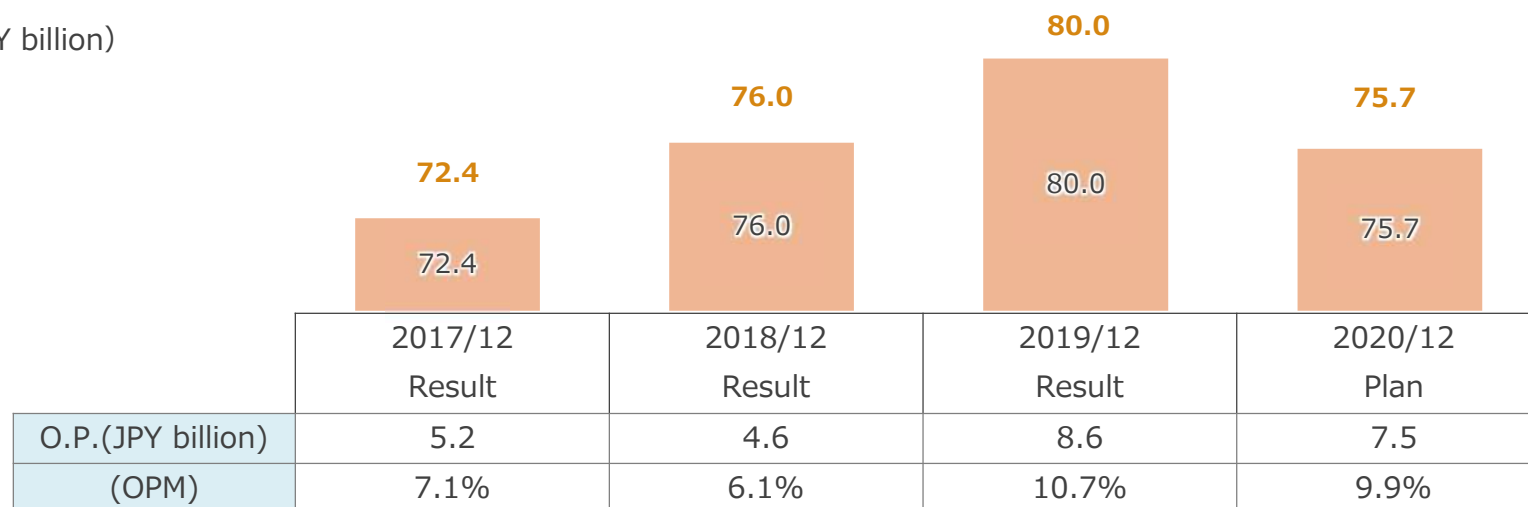
*For Sales in and before 2017/12 are not comparable due to the method differences.

Sales & O.P by business sub-segment

ACB

Automatic Doors

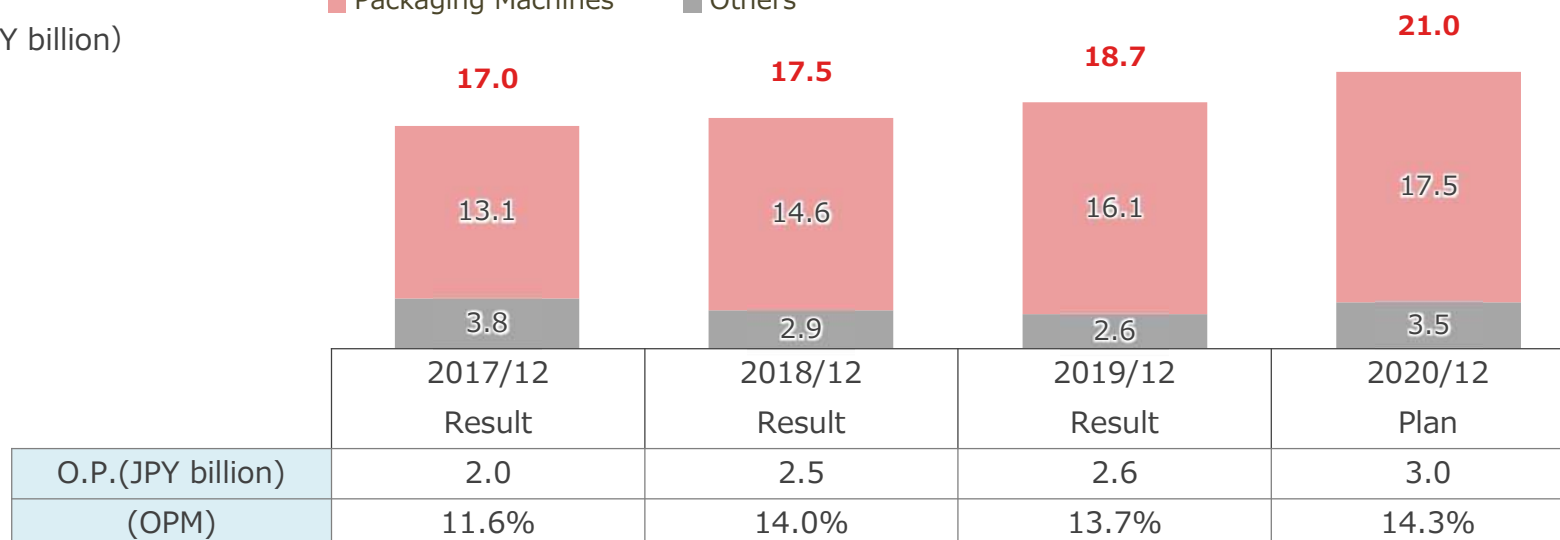
(JPY billion)



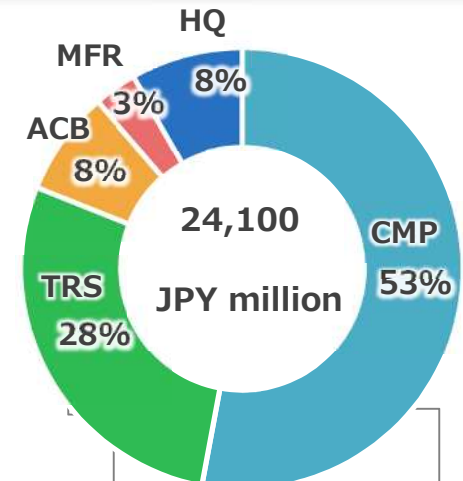
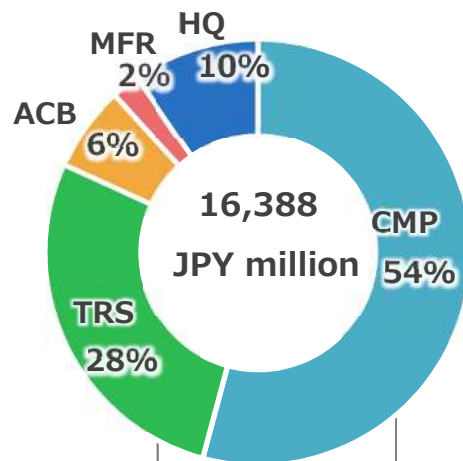
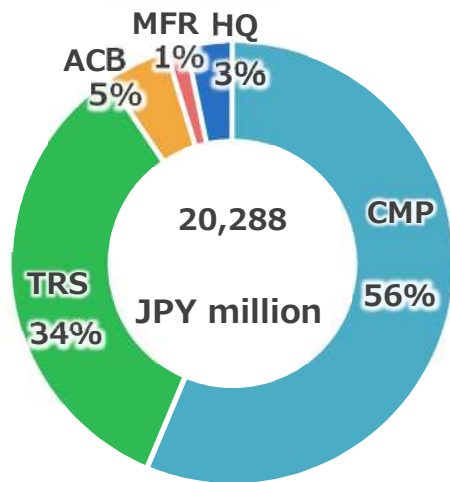
MFR

Packaging Machines Others

(JPY billion)

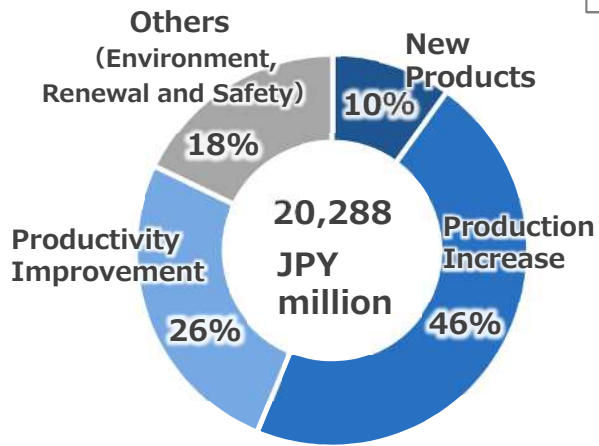


Breakdown of CAPEX

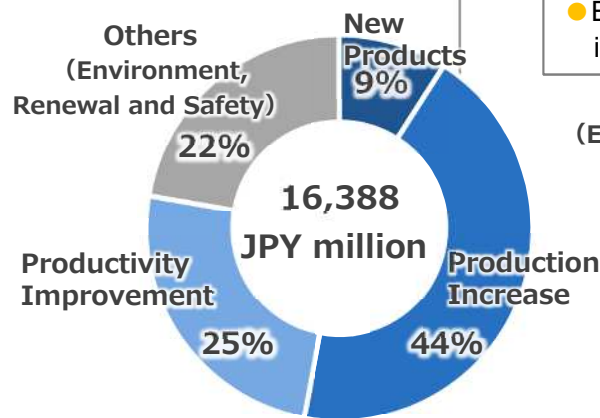


- Precision Reduction Gears: Increase production capacity in Tsu plant
- Aircraft Equipment: Capacity expansion at Gifu Plant

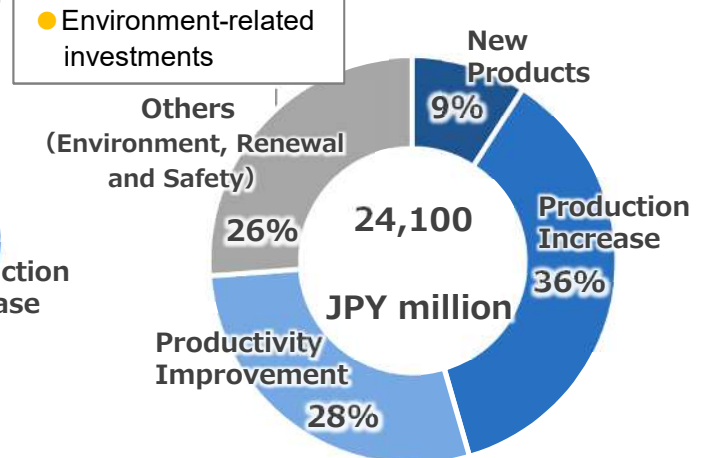
- Precision Reduction Gears: Purchase land in Shizuoka pref.
- OVALO GmbH
Mass production for new products



2018/12 Result



2019/12 Result



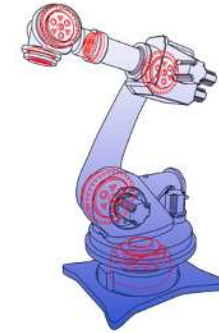
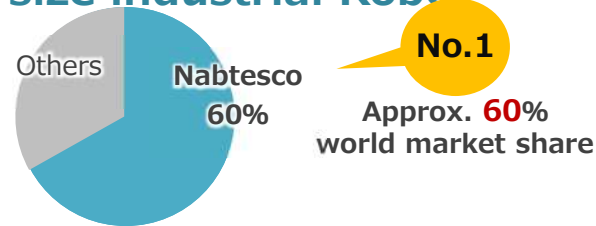
2020/12 Plan

- Environment-related investments

Main Products: Component Solutions Segment (CMP)

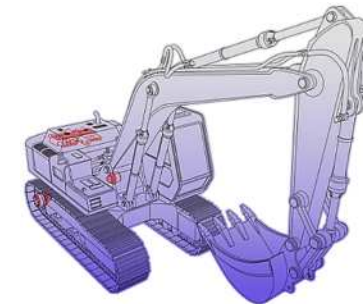
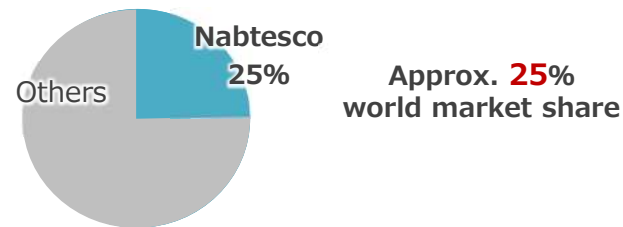
Precision Reduction Gears

■ Joints of Medium and Large size industrial Robot



Hydraulic Equipment

■ Traveling Units for Hydraulic Excavator



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: Komatsu, Sumitomo Construction Machinery, Kobelco Construction Machinery, Sany(China), XCMG(China), Liu Gong(China)

Main Products: Transport Solutions Segment (TRS)

Railroad Vehicle Equipment

■ Brake Systems



■ Door Operating Systems



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 to include engine accessories and power supply systems in the product lineup



Main Customers

■ Railroad Vehicle Equipment

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

■ Aircraft Equipment

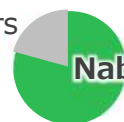
Boeing, KHI, MHI, IHI, Japanese Ministry of Defense, Airline operators

Main Products: Transport Solutions Segment (TRS)

Commercial Vehicle Equipment

■ Wedge Chambers

Others



Nabtesco 80%

No.1

Approx. **80%** Domestic Market Share



■ Air Dryers

Others



Nabtesco 70%

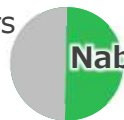
No.1

Approx. **70%** 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

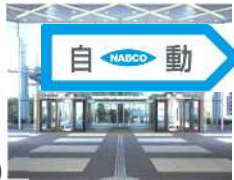
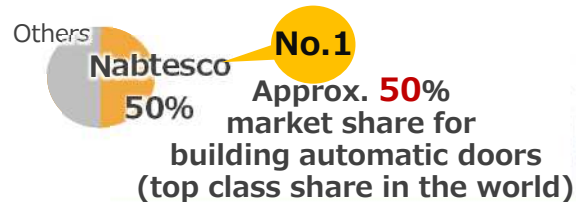
■ Marine Vessel Equipment

KHI, Makita Corporation, Hitachi Zosen, Mitsui Engineering & Shipbuilding, Japan Engine Corporation, Hyundai Heavy Industries(Korea), HSD Engine Co., Ltd.(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.