

Summary of Consolidated Financial Statements for the Second Quarter of Fiscal Year Ending December 31, 2019 (IFRS)



July 31, 2019

Name of listed company: Nabtesco Corporation

Stock listed on: First Section of the Tokyo Stock Exchange

Code number: 6268

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

Representative: Title: President and CEO

Name: Katsuhiko Teramoto

Inquiries: Title: General Manager, Corporate Communication Div.

Name: Akihito Kurosu

TEL: +81-3-5213-1134

Scheduled date for filing of quarterly report: August 9, 2019

Scheduled dividend payment date: August 30, 2019

Quarterly material to supplement the financial results: Yes

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

(Amounts rounded to the nearest million)

1. Consolidated Results for the First Six-month Period of FY 2019 (January 1, 2019 to June 30, 2019)

(1) Consolidated Operating Results

(Percentages indicate year-on-year change)

	Net sales		Operating income		Income before tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First six-month period, FY 2019	142,292	(0.2)	12,011	88.1	13,488	3.5	8,752	(0.5)	7,706	(2.3)	7,535	(2.0)
First six-month period, FY 2018	142,555	6.9	6,387	(53.6)	13,038	(23.3)	8,792	(32.5)	7,886	(36.9)	7,692	(46.1)

	Total basic earnings per share	Diluted earnings per share
	Yen	Yen
First six-month period, FY 2019	62.11	62.10
First six-month period, FY 2018	63.62	63.58

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
As of June 30, 2019	337,603	191,630	180,927	53.6
As of December 31, 2018	328,568	189,255	178,702	54.4

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
FY 2018	–	36.00	–	37.00	73.00
FY 2019	–	36.00	–	37.00	73.00
FY 2019 (Forecast)	–	–	–	37.00	73.00

(Note) Revisions to the latest dividend forecasts: None

3. Forecast of Consolidated Operating Results for FY 2019 (January 1, 2019 to December 31, 2019)

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

	Net sales		Operating income		Income before tax		Net income attributable to owners of the parent		Total basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	313,000	6.2	30,000	37.1	33,600	12.1	22,900	8.9	184.74

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

* Matters of note:

- (1) Changes in significant subsidiaries during the first six-month period of FY 2019 (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: Yes
 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 June 30, 2019	125,133,799	As of December 31, 2018	125,133,799
2)	As of June 30, 2019	1,012,990	As of December 31, 2018	1,154,403
3)	January 1, 2019 to June 30, 2019	124,066,153	January 1, 2018 to June 30, 2018	123,944,062

Notes:

- ※Quarterly summary of financial statements is not subject to quarterly reviews by a certified public accountant or an audit firm.
- ※Explanation of proper use of forecasts of operating results and other matters of special note
 - Forward-looking statements 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, and are not intended to guarantee the achievement of such forecasts. Actual results may vary significantly from such forecasts due to a variety of factors.

Table of Contents of Attached Documents

1. Qualitative Information on Consolidated Operating Results for the Six Months Ended June 30, 2019	2
(1) Analysis of Consolidated Operating Results	2
(2) Analysis of Financial Position	4
2. Summary of Quarterly Consolidated Financial Statements and Notes Thereto	5
(1) Summary of Quarterly Consolidated Statement of Financial Position	5
(2) Summary of Consolidated Statements of Income and Consolidated Statements of Comprehensive Income ..	7
(3) Consolidated Statement of Changes in Equity	9
(4) Consolidated Statements of Cash Flows	11
(5) Notes on the Summary of Quarterly Consolidated Financial Statements	12
3. Other Information	14
(1) Order Backlog by Business Segment	14

1. Qualitative Information on Consolidated Operating Results for the Six Months Ended June 30, 2019

(1) Analysis of Consolidated Operating Results

The consolidated operating results of the Group for the period under review recorded net sales of ¥142,292 million, operating income of ¥12,011 million, income before tax of ¥13,488 million, and net income attributable to owners of the parent of ¥7,706 million. These results reflected the continued sluggish demand for precision reduction gears, despite strong sales posted in the automatic door business mainly in the Japanese market.

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

The amount of orders received for the period under review increased by ¥6,172 million, or 4.2% year-on-year, to ¥151,733 million. Net sales decreased by ¥263 million, or 0.2% year-on-year, to ¥142,292 million. Operating income rose by ¥5,625 million, or 88.1% year-on-year, to ¥12,011 million. The ratio of operating income to net sales was 8.4%.

Operating results by business segment were as follows:

[Amount of orders received]

	First six-month period of consolidated FY 2018 (January 1, 2018 to June 30, 2018)	First six-month period of consolidated FY 2019 (January 1, 2019 to June 30, 2019)	Change (%)
Component Solutions	59,029	58,418	(1.0)
Transport Solutions	41,363	45,075	9.0
Accessibility Solutions	36,302	38,302	5.5
Others	8,867	9,938	12.1
Total	145,560	151,733	4.2

[Net sales]

	First six-month period of consolidated FY 2018 (January 1, 2018 to June 30, 2018)	First six-month period of consolidated FY 2019 (January 1, 2019 to June 30, 2019)	Change (%)
Component Solutions	59,814	56,211	(6.0)
Transport Solutions	38,045	40,055	5.3
Accessibility Solutions	36,076	38,221	5.9
Others	8,620	7,805	(9.5)
Total	142,555	142,292	(0.2)

[Operating income (loss)]

	First six-month period of consolidated FY 2018 (January 1, 2018 to June 30, 2018)	First six-month period of consolidated FY 2019 (January 1, 2019 to June 30, 2019)	Change (%)
Component Solutions	10,587	8,544	(19.3)
Transport Solutions	(2,938)	3,027	—
Accessibility Solutions	1,463	3,359	129.7
Others	1,278	868	(32.1)
Corporate or Elimination	(4,003)	(3,786)	—
Total	6,387	12,011	88.1

[Component solutions business]

The amount of orders received for component solutions decreased by ¥611 million, or 1.0% year-on-year, to ¥58,418 million. Net sales dropped by ¥3,603 million, or 6.0%, to ¥56,211 million, and operating income plunged by ¥2,044 million, or 19.3%, to ¥8,544 million.

Sales of precision reduction gears decreased from the same period of the previous year, as demand for robots did not recover due to the cooling down of capital investment on a global scale. Sales of hydraulic equipment saw a year-on-year increase as the demand for construction machinery continued to rise steadily in the Chinese market.

[Transport solutions business]

The amount of orders received for transport solutions increased by ¥3,712 million, or 9.0% year-on-year, to ¥45,075 million. Net sales rose by ¥2,009 million, or 5.3% year-on-year, to ¥40,055 million, and operating income increased by ¥5,965 million to ¥3,027 million due to the absence of impairment loss of ¥5,249 million on goodwill related to the consolidated subsidiary OVALO GmbH, among other factors.

Railroad vehicle equipment saw net sales unchanged from the same period of the previous year as growth in demand from Chinese subways covered a decline in order intake for high-speed railways in China.

Sales of aircraft equipment increased year-on-year reflecting increased production of private-sector aircraft.

Sales of commercial vehicle equipment remained flat from the same period of the previous year due to the steady domestic market.

Marine vessel equipment saw a net sales increase year-on-year due to the mild recovery trend in the market.

[Accessibility solutions business]

The amount of orders received for accessibility solutions increased by ¥2,000 million, or 5.5% year-on-year, to ¥38,302 million. Net sales increased by ¥2,145 million, or 5.9% year-on-year, to ¥38,221 million, and operating income increased by ¥1,896 million, or 129.7% year-on-year, to ¥3,359 million.

Sales from the automatic door business increased compared to the same period of the previous year, reflecting brisk domestic demand.

[Others]

The amount of orders received for others increased by ¥1,070 million, or 12.1% year-on-year, to ¥9,938 million. Net sales decreased by ¥815 million, or 9.5% year-on-year, to ¥7,805 million, while operating income declined by ¥410 million, or 32.1% year-on-year, to ¥868 million.

Sales of packaging machinery decreased from the same period of the previous year, due partly to a delay in the cut-off date of some transactions, despite the continuation of robust demand.

Reference: Information by region

[Net sales]

(Million yen)

	First six-month period of consolidated FY 2018 (January 1, 2018 to June 30, 2018)	First six-month period of consolidated FY 2019 (January 1, 2019 to June 30, 2019)	Change (%)
Japan	78,233	79,491	1.6
China	22,892	23,909	4.4
Other Asia	10,324	7,477	(27.6)
North America	9,545	10,558	10.6
Europe	20,942	19,992	(4.5)
Other areas	620	866	39.7
Total	142,555	142,292	(0.2)

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

2) Income before tax

Finance income was ¥410 million, and finance costs were ¥660 million mainly reflecting the incurrence of foreign exchange losses. Equity in earnings of affiliates was ¥1,726 million, a ¥5,248 million (75.2%) year-on-year decrease, mainly reflecting the absence of profit during the period under review from a significant increase in net assets due to the issuance of new shares by said equity method affiliate during the same period of the previous year. Income before tax, based on operating income after adjusting the aforementioned profit and losses, ended at ¥13,488 million, an increase of ¥450 million, or 3.5% year-on-year.

3) Net income attributable to owners of the parent

In sum, net income attributable to owners of the parent was ¥7,706 million, a decrease of ¥180 million, or 2.3% year-on-year, net of expenses of income tax of ¥4,736 million and net income attributable to non-controlling interests of ¥1,046 million.

Total basic earnings per share were ¥62.11, a decrease of ¥1.51 year-on-year.

(2) Analysis of Financial Position

1) Assets, liabilities and equity

(Million yen)

	As of the end of the previous consolidated fiscal year (December 31, 2018)	As of the end of the first six-month period of the current consolidated fiscal year (June 30, 2019)	Change
Total assets	328,568	337,603	9,035
Liabilities	139,313	145,973	6,661
Equity	189,255	191,630	2,375

[Assets]

Total assets as of June 30, 2019 were ¥337,603 million, an increase of ¥9,035 million from December 31, 2018, consisting of ¥176,409 million in current assets and ¥161,193 million in non-current assets. The key contributing positive factor was the increase of ¥9,277 million in right-of-use assets as a result of the commencement of adoption of IFRS 16 "Leases."

[Liabilities]

Total liabilities as of June 30, 2019 were ¥145,973 million, an increase of ¥6,661 million from December 31, 2018, reflecting ¥112,023 million in current liabilities and ¥33,950 million in non-current liabilities. The main contributing positive factor was the rise of ¥8,684 million in lease liabilities as a result of the commencement of adoption of IFRS 16 "Leases." Meanwhile, the key contributing negative factor was the decrease of operating payables of ¥1,781 million.

[Equity]

Total equity as of June 30, 2019 stood at ¥191,630 million. Equity attributable to owners of the parent was ¥180,927 million, an increase of ¥2,225 million from December 31, 2018. The key contributing positive factor was the increase in retained earnings due to net income attributable to owners of the parent of ¥7,706 million. Meanwhile, the main contributing negative factors included a decrease of ¥4,597 million in retained earnings due to dividend payment.

2) Status of cash flows

(Million yen)

	First six-month period of consolidated FY 2018 (January 1, 2018 to June 30, 2018)	First six-month period of consolidated FY 2019 (January 1, 2019 to June 30, 2019)
Cash flow from operating activities	13,379	17,755
Cash flow from investing activities	(10,492)	(9,007)
Free cash flow	2,887	8,748
Cash flow from financing activities	(3,606)	(7,263)

Cash and cash equivalents (hereinafter, "capital") on a consolidated basis at the end of the first six-month period of FY 2019 stood at ¥54,956 million, an increase of ¥917 million from the end of consolidated FY 2018, reflecting ¥17,755 million in capital gained from operating activities, which was mainly used for capital expenditure and dividend payments.

[Cash flow from operating activities]

Net cash provided by operating activities during the six-month period under review totaled ¥17,755 million. Principal positive factors included net income and a decrease in trade receivables. Meanwhile, key negative factors consisted of an increase in inventories and income tax payments.

[Cash flow from investment activities]

Net cash used in investment activities for the six-month period under review amounted to ¥9,007 million, due mainly to payments for the acquisition of tangible fixed assets.

[Cash flow from financing activities]

Net cash used in financing activities for the six-month period under review totaled ¥7,263 million. The main negative factor was dividend payments.

2. Summary of Quarterly Consolidated Financial Statements and Notes Thereto**(1) Summary of Quarterly Consolidated Statement of Financial Position**

(Million yen)

	Note No.	End of consolidated FY 2018 (as of December 31, 2018)	End of the first six-month period of consolidated FY 2019 (as of June 30, 2019)
Assets			
Current assets			
Cash and cash equivalents		54,039	54,956
Trade receivables		74,952	70,453
Contract assets		1,650	1,606
Other receivables		1,643	718
Inventories		43,592	46,022
Other financial assets		280	200
Other current assets		2,969	2,454
Total current assets		179,124	176,409
Non-current assets			
Property, plant and equipment		80,573	83,801
Intangible assets		5,076	4,840
Right-of-use assets		–	9,277
Goodwill		15,512	15,253
Investment property		5,382	3,965
Investments accounted for using the equity method		29,641	30,878
Other financial assets		9,558	10,004
Deferred tax assets		2,012	2,156
Other non-current assets		1,690	1,018
Total non-current assets		149,443	161,193
Total assets		328,568	337,603

(Million yen)

	Note No.	End of consolidated FY 2018 (as of December 31, 2018)	End of the first six-month period of consolidated FY 2019 (as of June 30, 2019)
Liabilities and equity			
Liabilities			
Current liabilities			
Operating payables		50,297	48,516
Contract liabilities		5,232	7,117
Bonds and borrowings		34,067	33,092
Other payables		11,809	10,517
Income taxes payable		3,479	2,735
Provisions		1,625	1,393
Lease liabilities		–	2,180
Other current liabilities		6,048	6,474
Total current liabilities		112,558	112,023
Non-current liabilities			
Bonds and borrowings		11,243	11,137
Lease liabilities		–	6,504
Liabilities concerning retirement benefit		9,142	9,199
Deferred tax liabilities		4,881	5,133
Other non-current liabilities		1,490	1,977
Total non-current liabilities		26,755	33,950
Total liabilities		139,313	145,973
Equity			
Capital stock		10,000	10,000
Share premium		15,096	14,874
Retained earnings		155,133	158,234
Treasury shares		(2,903)	(2,535)
Other components of equity		1,377	353
Equity attributable to owners of the parent		178,702	180,927
Non-controlling interests		10,553	10,703
Total equity		189,255	191,630
Total liabilities and equity		328,568	337,603

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

Summary of Consolidated Statements of Income
First Six-month Period

(Million yen)

	Note No.	First six-month period of consolidated FY 2018 (January 1, 2018 to June 30, 2018)	First six-month period of consolidated FY 2019 (January 1, 2019 to June 30, 2019)
Net sales	2	142,555	142,292
Cost of sales		(104,592)	(104,699)
Gross profit		37,963	37,593
Other income		893	1,033
Selling, general and administrative expense		(26,871)	(26,151)
Other expenses		(5,598)	(464)
Operating income	2	6,387	12,011
Financial income		499	410
Financial costs		(822)	(660)
Equity in earnings of affiliates		6,974	1,726
Profit before tax		13,038	13,488
Income tax expense		(4,246)	(4,736)
Net income		8,792	8,752

Net income attributable to			
Owners of the parent		7,886	7,706
Non-controlling interests		906	1,046
Net income		8,792	8,752

(Yen)

Net income per share			
Basic earnings per share		63.62	62.11
Diluted earnings per share		63.58	62.10

Summary of Consolidated Statements of Comprehensive Income
First Six-month Period

(Million yen)

	Note No.	First six-month period of consolidated FY 2018 (January 1, 2018 to June 30, 2018)	First six-month period of consolidated FY 2019 (January 1, 2019 to June 30, 2019)
Net income		8,792	8,752
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net changes in financial assets measured at fair value through other comprehensive income		58	101
Share of other comprehensive income for equity method affiliates		1,131	262
Total components that will not be reclassified to profit or loss		1,189	364
Components that will be reclassified to profit or loss			
Exchange differences on foreign operations		(2,289)	(1,581)
Total components that will be reclassified to profit or loss		(2,289)	(1,581)
Other comprehensive income after taxes		(1,100)	(1,217)
Total comprehensive income		7,692	7,535
Comprehensive income attributable to			
Owners of the parent		7,080	6,711
Non-controlling interests		612	824
Total comprehensive income		7,692	7,535

(3) Consolidated Statement of Changes in Equity

First six-month period of previous consolidated fiscal year (January 1, 2018 to June 30, 2018)

(Million yen)

	Note No.	Capital stock	Share premium	Retained earnings	Treasury shares	Other components of equity	
						Exchange differences on foreign operations	Valuation difference due to change in fair value
Balance as of January 1, 2018		10,000	14,956	143,349	(3,600)	(773)	3,604
Net income		–	–	7,886	–	–	–
Other comprehensive income		–	–	–	–	(1,990)	1,161
Total comprehensive income		–	–	7,886	–	(1,990)	1,161
Acquisition, sales, etc. of treasury shares		–	–	(30)	201	–	–
Dividends		–	–	(4,720)	–	–	–
Transfer from other components of equity to retained earnings		–	–	23	–	–	–
Share-based compensation transactions		–	26	–	–	–	–
Others		–	–	–	496	–	–
Total transactions with owners, etc.		–	26	(4,727)	698	–	–
Balance as of June 30, 2018		10,000	14,982	146,508	(2,902)	(2,763)	4,765

	Note No.	Other components of equity		Total equity attributable to owners of the parent	Non-controlling interests	Total equity
		Remeasurements of net defined benefit liability (asset)	Total			
Balance as of January 1, 2018		–	2,831	167,537	9,465	177,002
Net income		–	–	7,886	906	8,792
Other comprehensive income		23	(806)	(806)	(294)	(1,100)
Total comprehensive income		23	(806)	7,080	612	7,692
Acquisition, sales, etc. of treasury share		–	–	171	–	171
Dividends		–	–	(4,720)	(326)	(5,046)
Transfer from other components of equity to retained earnings		(23)	(23)	–	–	–
Share-based compensation transactions		–	–	26	–	26
Others		–	–	496	–	496
Total transactions with owners, etc.		(23)	(23)	(4,026)	(326)	(4,353)
Balance as of June 30, 2018		–	2,003	170,590	9,751	180,340

First six-month period of current consolidated fiscal year (January 1, 2019 to June 30, 2019)

(Million yen)

	Note No.	Capital stock	Share premium	Retained earnings	Treasury shares	Other components of equity	
						Exchange differences on foreign operations	Valuation difference due to change in fair value
Balance as of January 1, 2019		10,000	15,096	155,133	(2,903)	(2,887)	4,264
Net income		–	–	7,706	–	–	–
Other comprehensive income		–	–	–	–	(1,354)	362
Total comprehensive income		–	–	7,706	–	(1,354)	362
Acquisition, sales, etc. of treasury shares		–	–	(35)	368	–	–
Dividends		–	–	(4,597)	–	–	–
Transfer from other components of equity to retained earnings		–	–	28	–	–	(31)
Share-based compensation transactions		–	(221)	–	–	–	–
Total transactions with owners, etc.		–	(221)	(4,604)	368	–	(31)
Balance as of June 30, 2019		10,000	14,874	158,234	(2,535)	(4,241)	4,594

	Note No.	Other components of equity		Total equity attributable to owners of the parent	Non-controlling interests	Total equity
		Remeasurements of net defined benefit liability (asset)	Total			
Balance as of January 1, 2019		–	1,377	178,702	10,553	189,255
Net income		–	–	7,706	1,046	8,752
Other comprehensive income		(3)	(995)	(995)	(222)	(1,217)
Total comprehensive income		(3)	(995)	6,711	824	7,535
Acquisition, sales, etc. of treasury shares		–	–	333	–	333
Dividends		–	–	(4,597)	(674)	(5,272)
Transfer from other components of equity to retained earnings		3	(28)	–	–	–
Share-based compensation transactions		–	–	(221)	–	(221)
Total transactions with owners, etc.		3	(28)	(4,486)	(674)	(5,160)
Balance as of June 30, 2019		–	353	180,927	10,703	191,630

(4) Consolidated Statements of Cash Flows

(Million yen)

	Note No.	First six-month period of consolidated FY 2018 (January 1, 2018 to June 30, 2018)	First six-month period of consolidated FY 2019 (January 1, 2019 to June 30, 2019)
Cash flows from operating activities			
Net income		8,792	8,752
Depreciation and amortization		4,898	6,427
Impairment loss		5,249	–
Increase (decrease) in assets and liabilities concerning retirement benefits		7	64
Interest and dividend income		(138)	(165)
Interest expenses		53	115
Equity loss (gain) in earnings of affiliates		(6,974)	(1,726)
Loss (gain) on sales of fixed assets		53	214
Expenses of income tax		4,246	4,736
Decrease (increase) in trade receivables, contract assets, and contract liabilities		5,709	5,431
Decrease (increase) in inventories		(4,923)	(2,908)
Increase (decrease) in operating payables		(458)	(1,296)
Other		759	2,752
Subtotal		17,273	22,396
Interest and dividend received		643	815
Interest paid		(45)	(103)
Income taxes refunded (paid)		(4,493)	(5,353)
Net cash and cash equivalents provided by operating activities		13,379	17,755
Cash flows from investing activities			
Decrease (increase) in time deposits		(170)	81
Purchases of tangible fixed assets		(9,565)	(9,034)
Proceeds from sales of tangible fixed assets		143	157
Purchases of intangible fixed assets		(348)	(327)
Purchase of subscription rights to shares		(626)	–
Other		74	116
Cash flows from investing activities		(10,492)	(9,007)
Cash flows from financing activities			
Increase (decrease) in short-term bank loans		1,549	(701)
Repayment of long-term loans payable		(135)	(117)
Payments of lease liabilities		–	(1,222)
Decrease (increase) in treasury shares		19	43
Cash dividends paid		(4,712)	(4,591)
Cash dividends paid to minority shareholders		(326)	(674)
Cash flows from financing activities		(3,606)	(7,263)
Increase (decrease) in cash and cash equivalents		(720)	1,485
Cash and cash equivalents at beginning of term		44,121	54,039
Effect of exchange rate changes on cash and cash equivalents		(542)	(568)
Cash and cash equivalents at end of term		42,859	54,956

(5) Notes on the Summary of Quarterly 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

(2) Information on reportable segments

I. For the six months ended June 30, 2018 (January 1, 2018 to June 30, 2018)

(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	59,814	38,045	36,076	133,936	8,620	142,555	–	142,555
Inter-segment sales	1,201	239	5	1,445	132	1,576	(1,576)	–
Total sales	61,015	38,284	36,081	135,380	8,751	144,132	(1,576)	142,555
Segment income or loss (Operating income or loss)	10,587	(2,938)	1,463	9,112	1,278	10,390	(4,003)	6,387
Finance income				–				499
Finance costs				–				(822)
Equity in earnings of affiliates				–				6,974
Income before tax				–				13,038

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 or loss (operating income or loss) is total profit/loss, etc. that are not allocated to the respective segments.

II. For the six months ended June 30, 2019 (January 1, 2019 to June 30, 2019)

(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	56,211	40,055	38,221	134,487	7,805	142,292	–	142,292
Inter-segment sales	1,308	344	3	1,655	148	1,802	(1,802)	–
Total sales	57,519	40,399	38,224	136,142	7,953	144,095	(1,802)	142,292
Segment income (Operating income)	8,544	3,027	3,359	14,930	868	15,797	(3,786)	12,011
Finance income				–				410
Finance costs				–				(660)
Equity in earnings of affiliates				–				1,726
Income before tax				–				13,488

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.

3. Other Information

(1) Order Backlog by Business Segment

Reportable Segments	As of the end of the first six-month period of consolidated FY 2018 (June 30, 2018)		As of the end of the first six-month period of consolidated FY 2019 (June 30, 2019)	
	Amount (million yen)	% to total	Amount (million yen)	% to total
Component Solutions	27,795	22.7	26,223	20.3
Transport Solutions	54,401	44.5	61,030	47.3
Accessibility Solutions	32,034	26.2	30,839	23.9
Others	8,122	6.6	10,896	8.5
Total	122,352	100.0	128,989	100.0