

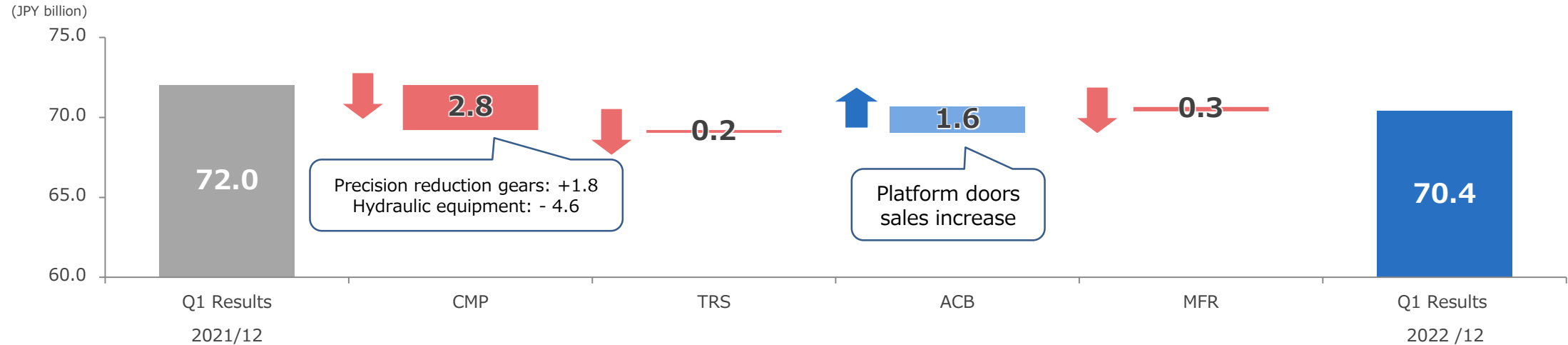
# FY2022/12 Q1 Results Briefing

**Nabtesco Corporation**  
**April 28, 2022**

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. Unauthorized copying and replication of this material including text and image are prohibited.

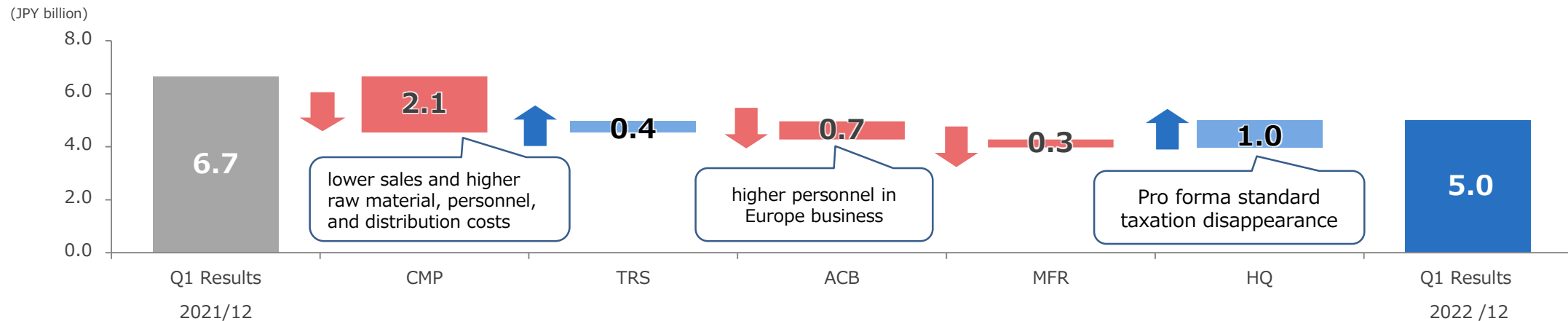
## Sales

- FY22 Q1 sales declined YoY due to decreased demand in hydraulic equipment business, although demand for precision reduction gears business was strong.



## O.P.

- Declined due to lower sales and higher raw material, personnel, distribution and other costs.



CMP: Component Solution Segment TRS: Transport Solution Segment ACB: Accessibility Solution Segment MFR: Manufacturing Solution Segment

■ Financial Income and cost decreased due to revaluation of HDS\*1 shares. (¥4,860/share→¥4,220/share)

(JPY billion)	2021 /12 Q1results(A)	2022/12 Q1results(B)	Variation (B-A)	2021/12 Full year Results (C)	2022/12 Full year plan(D)	Variation (D-C)
<b>Sales</b>	72.0	70.4	-1.6	299.8	320.0	20.2
<b>O.P.</b>	6.7	5.0	-1.7	30.0	33.0	3.0
<b>(OPM)</b>	9.2%	7.1%	-2.1pt	10.0%	10.3%	0.3pt
<b>Financial Income and cost</b>	117.2	-10.9	-128.1	69.9	0.1	-69.8
<b>Equity in earnings of affiliates</b>	0.6	0.8	0.2	2.1	19	-2
<b>Income before tax</b>	124.5	-5.1	-129.6	102.0	35.0	-67.0
<b>Net profit*2</b>	80.1	-4.4	-84.4	64.8	23.4	-41.4
<b>Earnings pre share(JPY yen)</b>	647.79	-36.57	-684.36	534.67	194.57	-340.10

\*1 HDS: Harmonic Drive Systems Inc.

\*2 Net profit = Net profit attributable to owners of the parent

## Notes

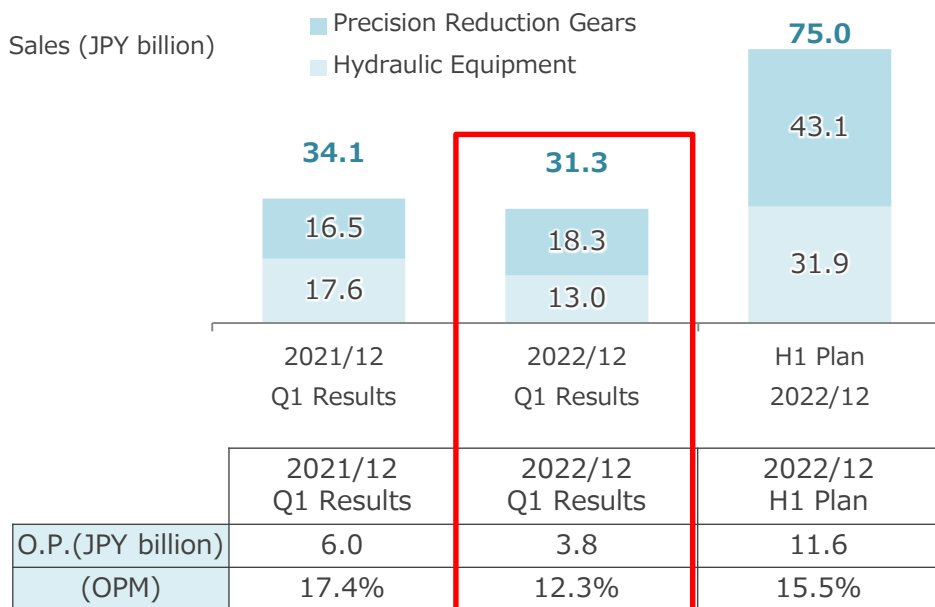
### FOREX rate (results)

22/12 1Q: US\$1=¥117.79 RMB1=¥18.54 EUR1=¥131.57 CHF1=¥127.13  
21/12 1Q: US\$1=¥107.15 RMB1=¥16.45 EUR1=¥128.48 CHF1=¥117.43

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

22/12 1Q: (US\$) minimal (RMB) JPY 126 million (EUR) minimal (CHF) minimal

## Component Solution Segment (CMP)



- **Precision Reduction Gears:**

Sales increased YOY due to strong demand for industrial robots and machine tools due to strong capital investments for EV and related sectors, as well as high demand for semiconductor manufacturing equipment and other products.

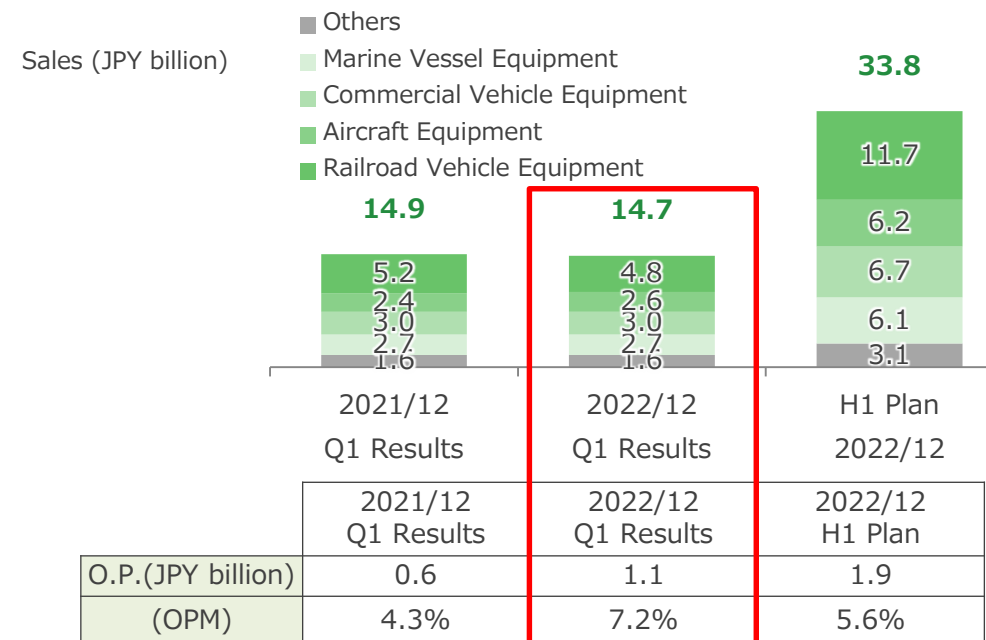
- **Hydraulic Equipment:**

Although demands were strong in Europe, the U.S. and Southeast Asia, demands fell sharply in China, resulting in a YOY decline in sales.

- **O.P.:**

Decreased due to lower sales and higher personnel/distribution etc. costs

## Transport Solution Segment (TRS)



- **Railroad Vehicle Equipment:**

Sales declined YoY due to lower demand for new vehicles in the domestic and Chinese markets, despite of the strong sales of MRO.

- **Aircraft Equipment :**

Moderate recovery in demand for commercial aircraft led to an increase in sales YoY.

- **Commercial Vehicle Equipment:**

Despite the impact of production cut due to customers' production adjustments, sales remained at the same level as the previous year due to the recovery of the Southeast Asian market.

- **Marine Vessel Equipment:**

Shipbuilding and marine transportation markets remained strong, and sales remained at the same level as the previous year.

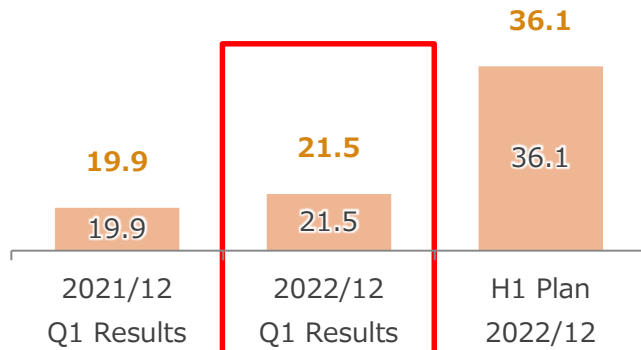
- **O.P. :**

Increased YoY due to recovery in Aircraft Equipment despite of the decrease in sales.

## Accessibility Solution Segment (ACB)

Automatic Doors

Sales (JPY billion)



	2021/12 Q1 Results	2022/12 Q1 Results	2022/12 H1 Plan
O.P.(JPY billion)	3.0	2.3	3.3
(OPM)	14.9%	10.6%	9.1%

• **Automatic Doors:**

Sales increased YOY due to the steady growth in both domestic and overseas markets

• **O.P.:**

Decreased YoY due to the higher personnel costs resulting from the covid-19 impacts, as well as lower profitability resulting from differences in product mix.

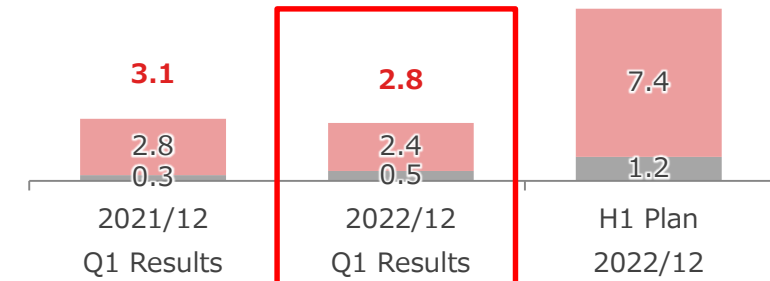
## Manufacturing Solution Segment (MFR)

Sales (JPY billion)

Packaging Machines

Others

8.6



	2021/12 Q1 Results	2022/12 Q1 Results	2022/12 H1 Plan
O.P.(JPY billion)	0.2	-0.1	0.8
(OPM)	7.0%	-2.6%	9.3%

• **Packaging Machines:**

Both product sales and MRO sales declined YoY due to the difficulties in procuring electronic components and other items.

• **O.P.:**

Decreased YoY due to higher costs for electronic components and lower MRO projects.

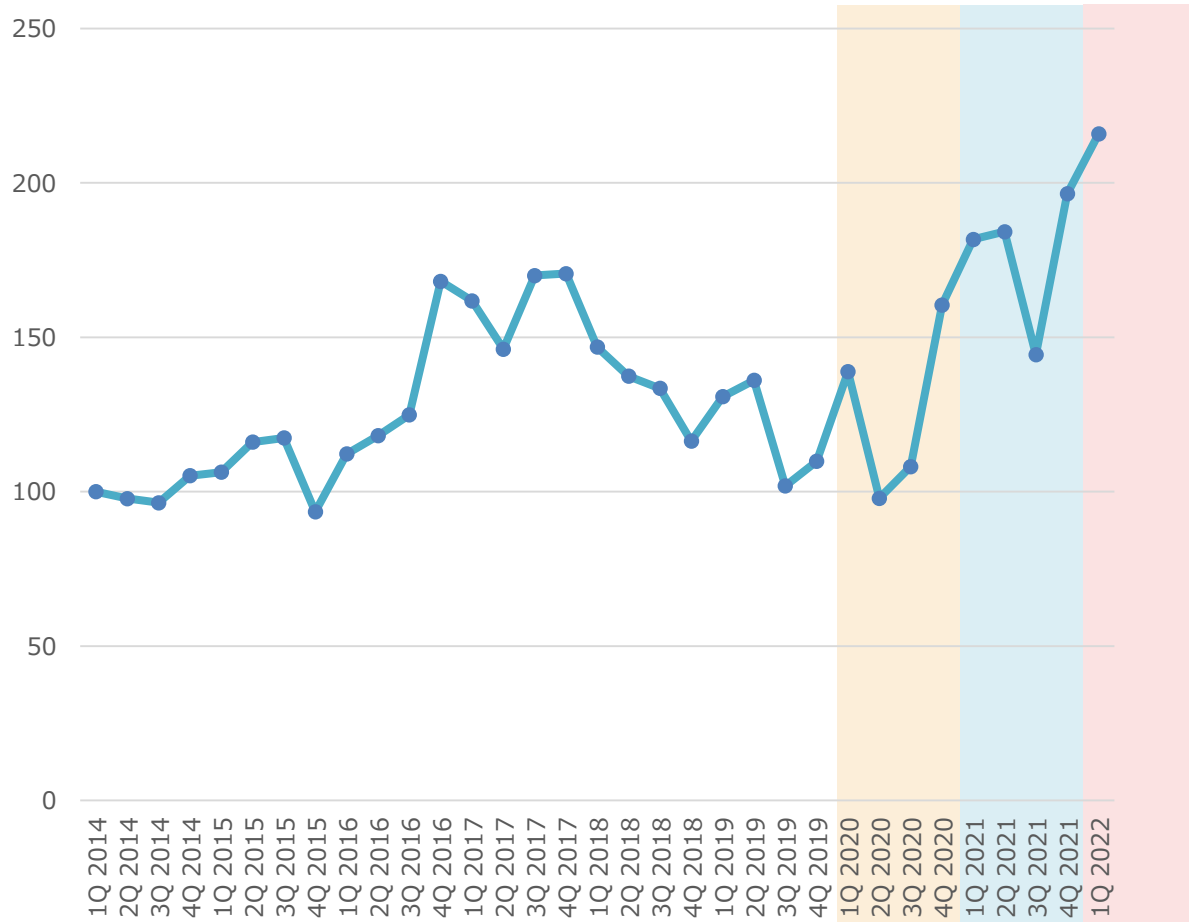
- “Cash and cash equivalents” decreased due to the payment of “income taxes payable and Deferred tax liabilities.”

(JPY billion)	2021/12 Q4 (As of December 31, 2021)	2022/12 Q1 (As of March 31, 2022)	Variation
<b>Assets</b>	481.7	461.9	-19.8
(Cash and cash equivalents)	112.8	99.3	-13.4
(Trade receivable)	77.0	70.2	-6.8
(Inventories)	41.9	48.7	6.8
(Assets held for sale)	44.5	38.7	-5.9
(Investments accounted for using the equity method)	15.5	16.1	0.6
(Other non-current financial assets)	53.9	48.2	-5.7
<b>Liabilities</b>	226.7	213.9	-12.8
(Bonds and borrowings)	17.6	15.3	-2.3
(Other non-current financial liabilities)	77.9	77.9	0.1
(Income taxes payable and Deferred tax liabilities)	33.7	13.1	-20.6
<b>Total equities</b>	255.0	248.0	-7.0
(Retained earnings)	214.8	205.7	-9.1
(Non-controlling interests)	15.1	13.3	-1.8
<b>Equity attributable to owners of parent</b>	239.9	234.8	-5.2
Ratio of equity attributable to owners of parent :	49.8%	50.8%	

Risk	Matters	Affected business	Measures	Estimated impacts
Shanghai lockdown	Suspension of plant operations in the Shanghai area	Hydraulic equipment Precision reduction gears Marine vessel equipment	Alternative production in Japan, Thailand, etc.	JPY 3 billion (in April)
	Shanghai port delays and congestion		Logistics route not via Shanghai	
Ukraine-Russia Situations	Suspension of Russia business	Automatic doors Hydraulic equipment Packaging machines	Limited sales in Russia	Under JPY 1 billion
	Rise in raw material costs and economic downturn due to prolonged war	All businesses	Negotiating pass-through the increased costs of raw materials to customers	Medium
Components shortage	Difficulty in procuring components including semiconductors, motors and electronic board etc.	All businesses	Minimize impacts through substitutions and design changes  In-house production of some outsourcing components	Medium
Exchange	Depreciation of the yen	Hydraulic equipment (RMB) Automatic doors (CHF) Aircraft equipment (USD)	Short term: positive effect on consolidated sales and profit  Mid-long term: risk of economic downturn	Low

## FY2022/12 Q1 Consolidated orders

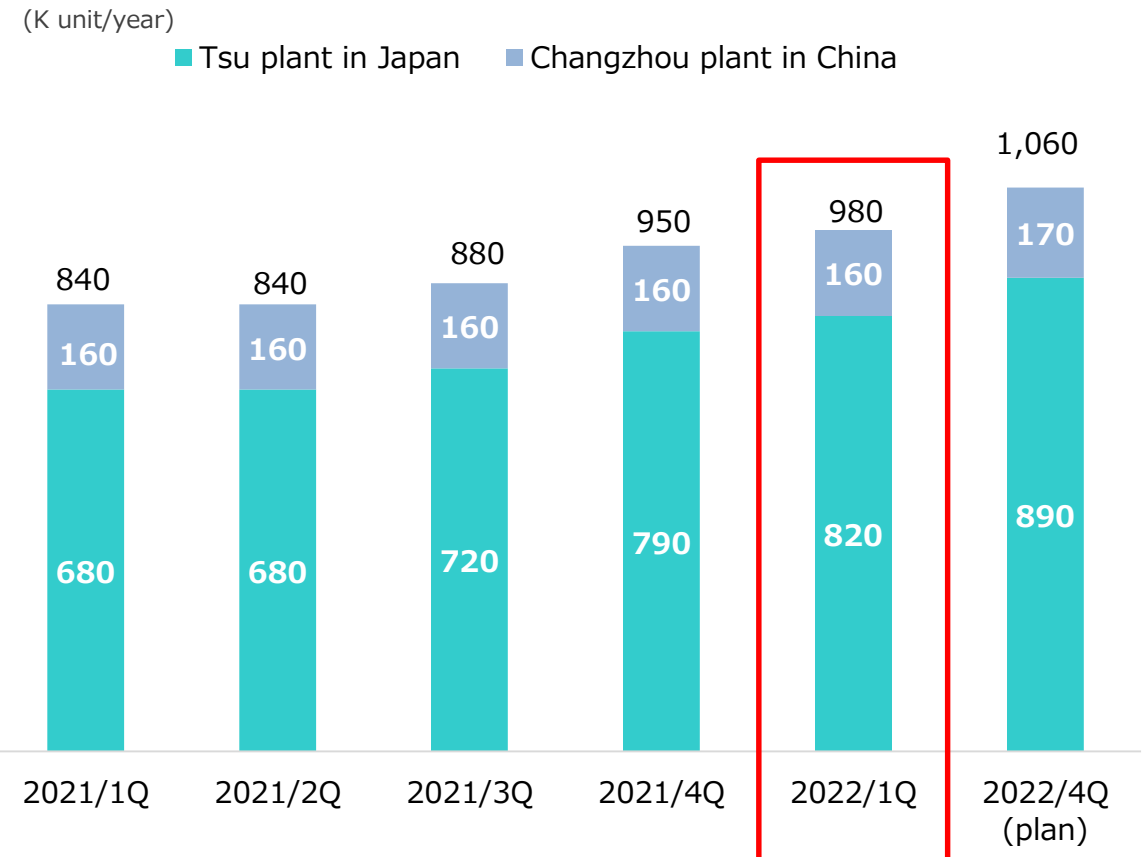
Record-high orders for two quarters in a row following FY2021/Q4.  
QoQ +10%, YoY +19%



2014年1Q=100

## FY2022/Q1 Production capacity

Annual production capacity in Japan (Tsu plant) achieved 820,000 at FY2022/Q1.





**March 2022**

## **Newly Appointed Outside Director, Mr. Toshiya Takahata - Creating New Value -**

Mr. Takahata will oversee and advise the Company based on his expertise in digital transformation in order to create the “New Motion Control” set forth in the new medium-term management plan.

Mr. Takahata’s expertise: corporate management and DX



**March 2022**

## **Decision to Commence Reconstruction Work on Tarui Plant - Toward Carbon-Free -**

Soil contamination countermeasures at Tarui Plant have been completed and reconstruction work has been decided to begin. Toward "highly efficient and environmentally friendly manufacturing" set forth in the new medium-term management plan. Aiming to achieve carbon-free production by 2030 by making full use of energy conservation, energy creation, and renewable energy procurement.



**April 2022**

## **Opening of Indonesia Office - Strengthening Global Network -**

In light of the strengthening of our overseas bases set forth in our new medium-term management plan, we have opened a representative office in Jakarta, the largest city in the Republic of Indonesia, where economic growth is expected. Activities will start on May 1, mainly for the purpose of gathering information.

**April 2022**

## **Received orders for platform doors and movable steps on the Tokyo Metro Tozai Line and Hanzomon Line -**

Received orders for platform doors and movable steps from 11 stations on the Tozai line and 3 stations on the Hanzomon line from Tokyo Metro. Improve passenger safety by providing movable steps in addition to platform doors.



# Appendix

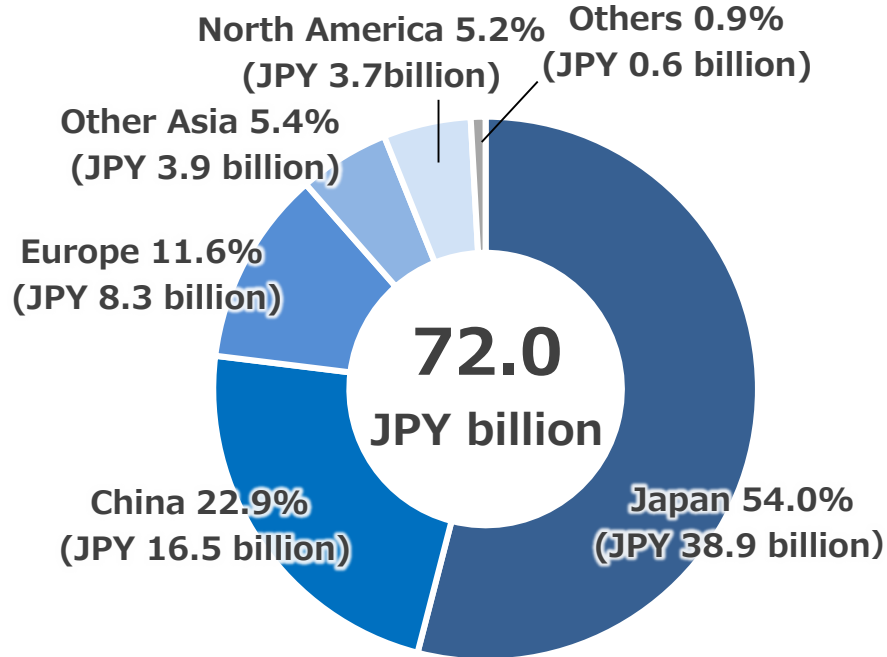
# Consolidated results for FY2022/12 Q1 by Business Segment

(JPY billion)

Segment	Term	2021/12	2022/12	Variation
		Q1 results(A)	Q1 results(B)	(B-A)
Component Solutions (CMP)	Sales	34.1	31.3	-2.8
	O.P.	6.0	3.8	-2.1
	(OPM)	17.4%	12.3%	-5.2pt
Transport Solutions (TRS)	Sales	14.9	14.7	-0.2
	O.P.	0.6	1.1	0.4
	(OPM)	4.3%	7.2%	2.9pt
Accessibility Solutions (ACB)	Sales	19.9	21.5	1.6
	O.P.	3.0	2.3	-0.7
	(OPM)	14.9%	10.6%	-4.3pt
Manufacturing Solutions (MFR)	Sales	3.1	2.8	-0.3
	O.P.	0.2	-0.1	-0.3
	(OPM)	7.0%	-2.6%	-9.6pt
Corporate or elimination		-3.1	-2.1	1.0
Total	Sales	72.0	70.4	-1.6
	O.P.	6.7	5.0	-1.7
	(OPM)	9.2%	7.1%	-2.1pt

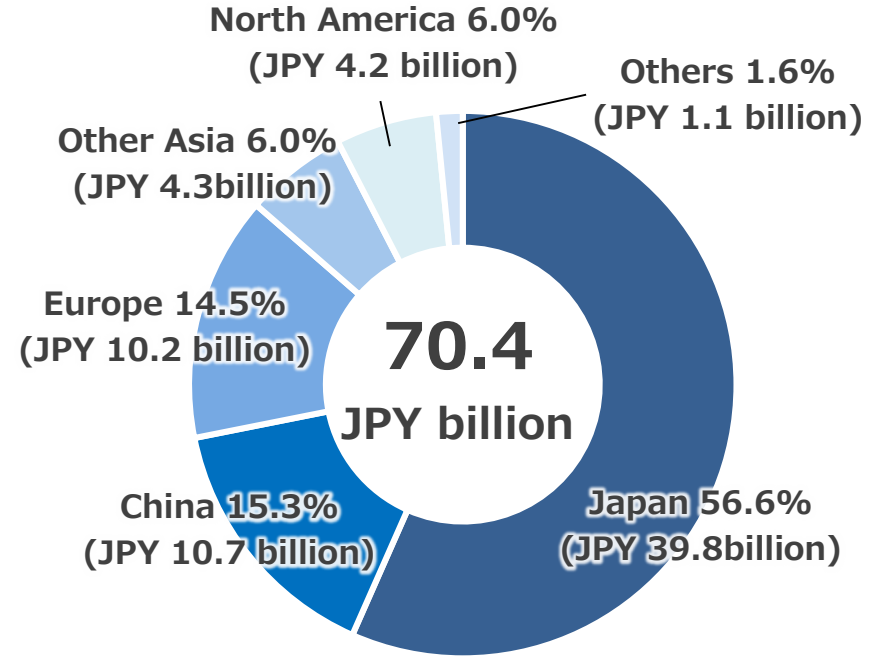
H1 Plan	Progress rate	Plan
2022/12 (C)	(B/C)	2022/12
75.0	41.7%	151.8
11.6	33.1%	26.4
15.5%	-	17.4%
33.8	43.5%	73.2
1.9	55.8%	6.6
5.6%	-	9.0%
36.1	59.7%	73.3
3.3	69.1%	7.1
9.1%	-	9.7%
8.6	33.0%	21.7
0.8	-9.4%	2.9
9.3%	-	13.4%
-4.2	50.1%	-10.0
153.0	46.0%	320.0
13.4	37.3%	33.0
8.8%	-	10.3%

## 2021/12 Q1 Results



Overseas Sales	JPY 33.1 billion
Ratio	46.0%

## 2022/12 Q1 Results



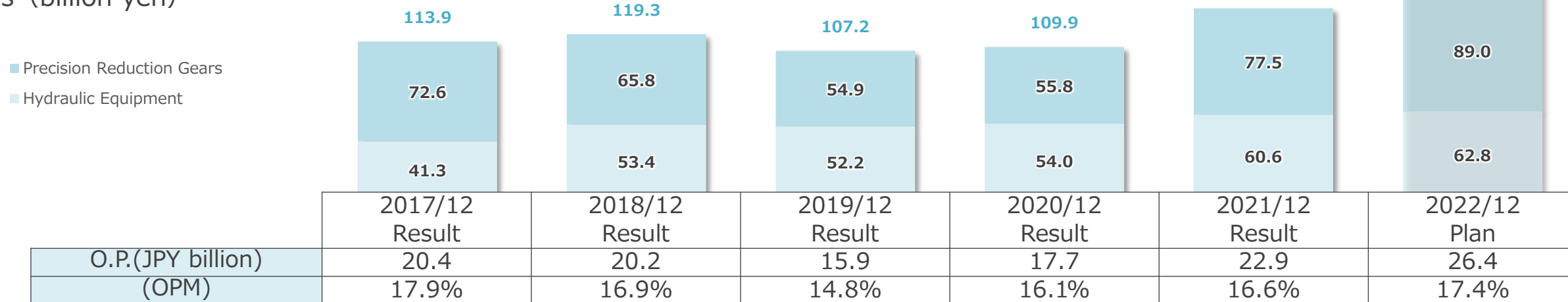
Overseas Sales	JPY 30.5 billion
Ratio	43.4%

- Increase in CAPEX was due to the investment to production capacity expansion of precision reduction gears.

(JPY billion)	2021/12	2022/12	2021/12	Variation	Rate of progress	2021/12
	Q1 results	Q1 results	Plan			
	(A)	(B)	(C)	(B-A)	(B/C)	Full year results
CAPEX	2.8	4.5	36.1	1.7	12%	9.6
R&D	2.3	2.6	11.4	0.3	23%	9.6
Depreciation	3.3	3.5	14.3	0.1	24%	13.3

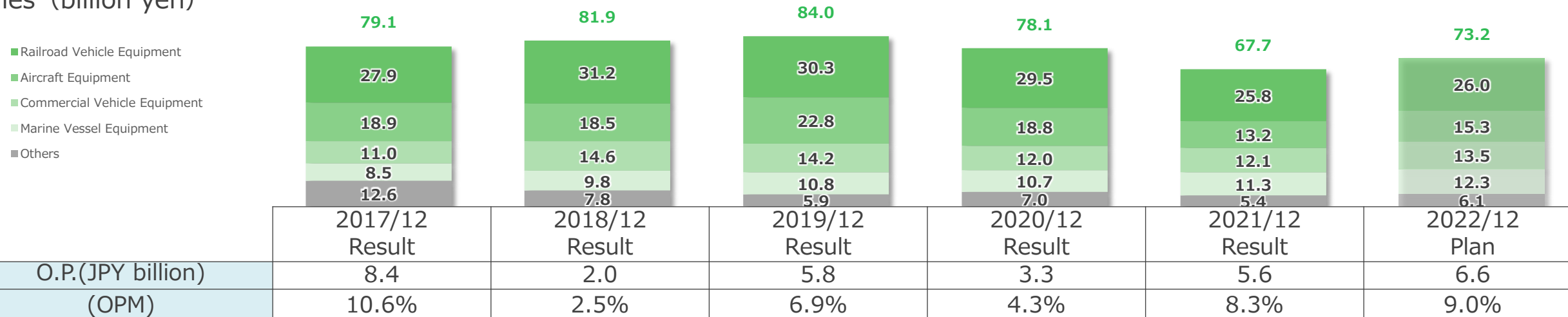
# Component Solutions Segment (CMP)

Sales (billion yen)



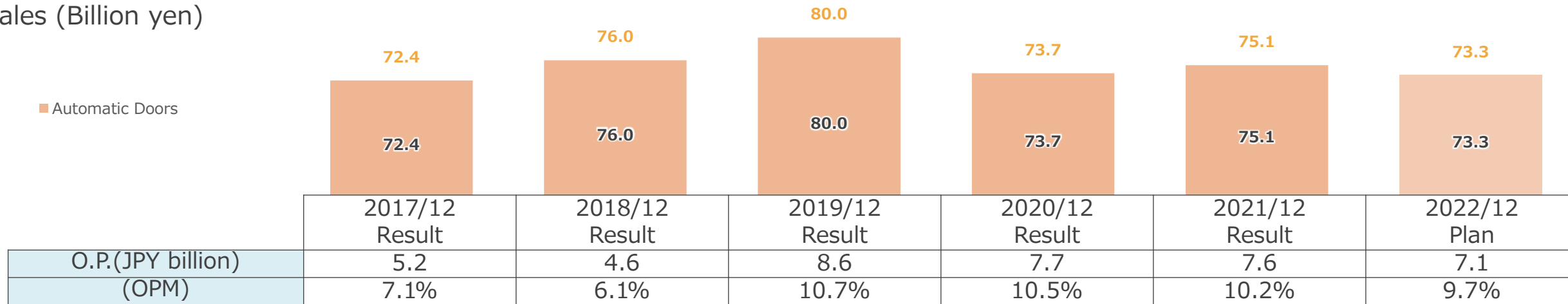
# Transport Solutions Segment (TRS)

Sales (billion yen)



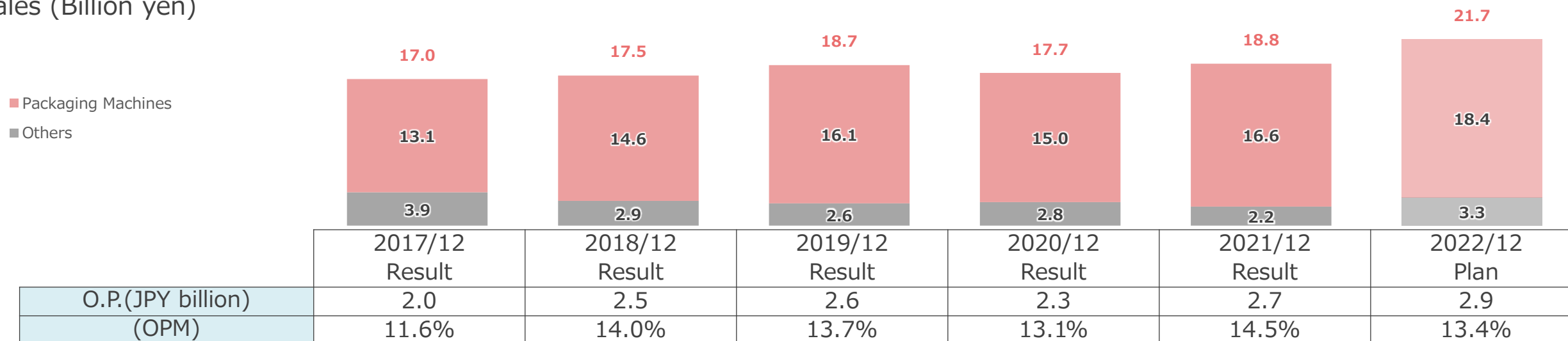
# Accessibility Solutions Segment (ACB)

Sales (Billion yen)



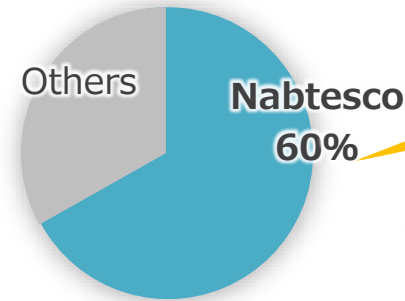
# Manufacturing Solutions Segment (MFR)

Sales (Billion yen)



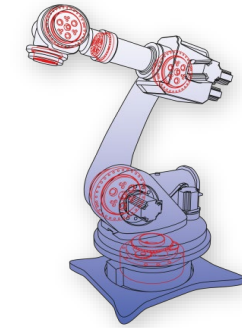
## Precision Reduction Gears

- Joints of Medium and Large Size Industrial Robots



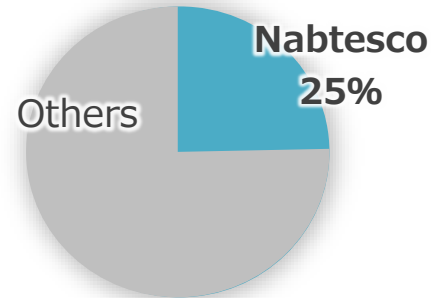
**No.1**

Approx. **60%** world market share

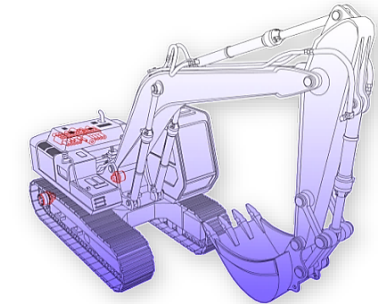


## Hydraulic Equipment

- Traveling Units for Hydraulic Excavators



Approx. **25%** world market share



## 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

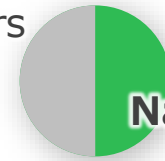
**Traveling Units:** Komatsu, Sumitomo Construction Machinery, Kobelco Construction Machinery, Sany (China), XCMG (China), Liu Gong (China)



## Railroad Vehicle Equipment

### ■ Brake Systems

Others



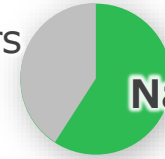
Nabtesco 50%

**No.1**

Approx. **50%** Domestic Market Share

### ■ Door Operating Systems

Others



Nabtesco 60%

**No.1**

Approx. **60%** Domestic Market Share



## Aircraft Equipment

### ■ Flight Control Actuation Systems (FCA)

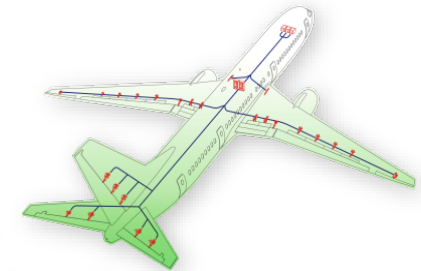
- One of the four major world players for FCA systems (major FCA supplier to Boeing Company)
- Expanding businesses including engine accessories and power supply systems in the product lineup



Nabtesco  
100%

**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, Airline operators

## Commercial Vehicle Equipment

### ■ Wedge Chambers

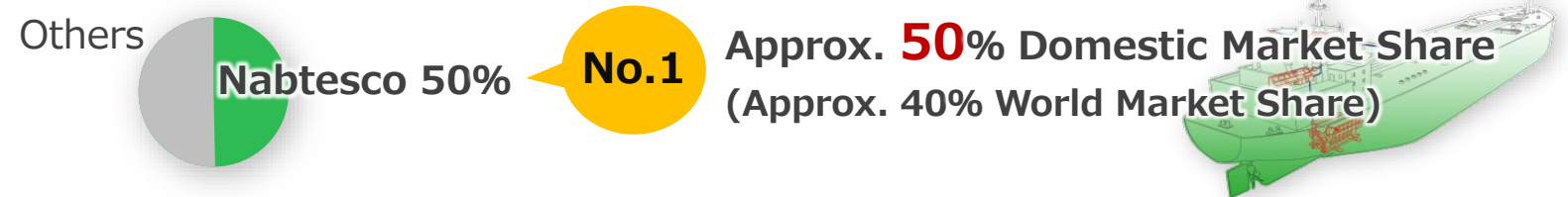


### ■ Air Dryers



## Marine Vessel Equipment

### ■ 2ST Main Engine Control Systems



## 主要顧客 (敬称略)

### ■ Commercial Vehicle Equipment

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

### ■ Marine Vessel Equipment

KHI, Hitachi Zosen, Makita Corporation, Japan Engine Corporation, Mitsui Engineering & Shipbuilding, Hyundai Heavy Industries (Korea), HSD Engine Co., Ltd. (Korea), Hudong Heavy Machinery (China), MAN Diesel (Denmark)

## Automatic Doors

### ■ Automatic Doors

Others

Nabtesco  
55%

No.1

Approx. **55%**  
market share for  
building automatic doors  
(top share in the world)



### ■ Platform Screen Doors

Others

Nabtesco  
95%

No.1

Approx. **95%**  
domestic market share  
(accumulated total)



## Main Customers

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

**Platform Doors :** Subway projects in France, China and others

# Main Products: Manufacturing Solutions Segment (MFR)

## Packaging Machines

### ■ Packaging Machines for Retort Pouch Foods

Others

Nabtesco  
85%

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

# Nabtesco

*moving it. stopping it.*

