

FY2020/12 Q3 Results Briefing

October 30th, 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-Q3

(JPY million)

	2019/12	2020/12	Variation
	Q1-Q3 result (A)	Q1-Q3 result (B)	(B-A)
Sales	211,428	199,800	-11,628
O.P.	18,378	18,838	460
(OPM)	8.7%	9.4%	0.7pt
Financial income and cost	-915	-486	428
Equity in earnings of affiliates	2,129	2,387	258
Income before tax	19,593	20,739	1,146
Net profit^{*1}	12,254	13,022	768
Earnings per share^{*2}	98.76	104.90	6.15

*1 Net profit attributable to owners of the parent

*2 Basic earning per share.

2019/12	2020/12	Variation
Full year Result(C)	Revised plan(D) (As of July 31)	(D-C)
289,808	277,000	-12,808
25,320	25,300	-20
8.7%	9.1%	0.4pt
-205	—	—
2,864	—	—
27,979	27,000	-979
17,931	17,300	-631
144.50	139.37	-5.13

Notes

FOREX rate 19/12 Q1-Q3 (result) US\$1=¥109.20 RMB1=¥15.93 EUR1=¥122.36 CHF1=¥109.69

20/12 Q1-Q3 (result) US\$1=¥107.25 RMB1=¥15.35 EUR1=¥121.13 CHF1=¥113.30

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

19/12 Q1-Q3 (result) USD: 55million yen RMB: 451million yen EUR: minimal CHF: minimal

20/12 Q1-Q3 (result) USD: 38million yen RMB: 618million yen EUR: minimal CHF: minimal

Consolidated Results for the FY2020/12 Q1-Q3 by Business Segment

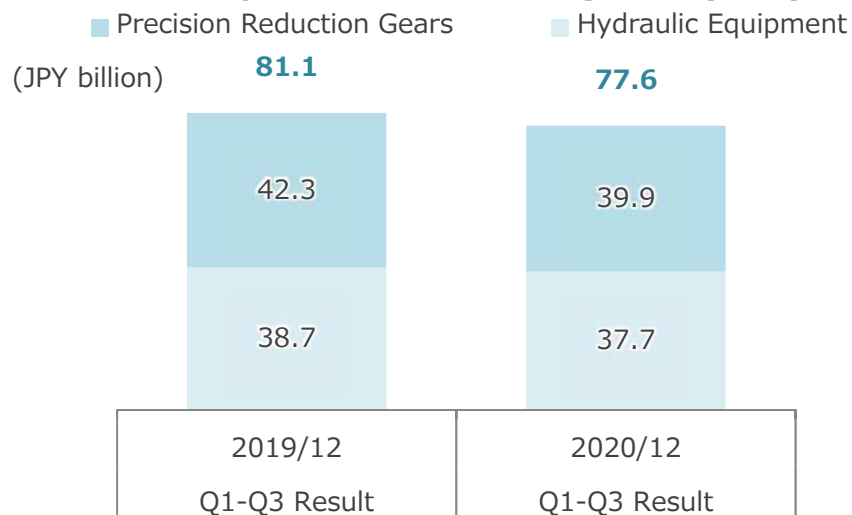
(JPY million)

Segment	Term	2019/12 Q1-Q3 result(A)	2020/12 Q1-Q3 result(B)	Variation (B-A)
Component Solutions (CMP)	Sales	81,084	77,582	-3,502
	O.P.	11,716	11,867	151
	(OPM)	14.4%	15.3%	0.8pt
Transport Solutions (TRS)	Sales	60,600	57,306	-3,294
	O.P.	5,033	4,720	-313
	(OPM)	8.3%	8.2%	-0.1pt
Accessibility Solutions (ACB)	Sales	57,519	53,046	-4,473
	O.P.	5,541	4,913	-628
	(OPM)	9.6%	9.3%	-0.4pt
Manufacturing Solutions (MFR)	Sales	12,226	11,866	-360
	O.P.	1,484	1,148	-336
	(OPM)	12.1%	9.7%	-2.5pt
Corporate or elimination		-5,396	-3,810	1,586
Total	Sales	211,428	199,800	-11,628
	O.P.	18,378	18,838	460
	(OPM)	8.7%	9.4%	0.7pt

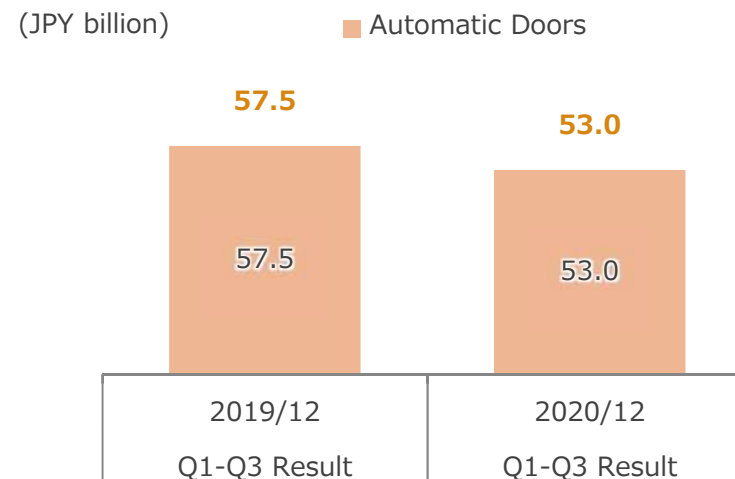
2019/12 Full year Result(C)	2020/12 Revised plan (D) (As of July 31)	Variation (D-C)
107,188	107,500	312
15,897	16,200	303
14.8%	15.1%	0.2pt
83,994	78,000	-5,994
5,778	6,100	322
6.9%	7.8%	0.9pt
79,971	73,200	-6,771
8,565	6,900	-1,665
10.7%	9.4%	-1.3pt
18,654	18,300	-354
2,551	2,500	-51
13.7%	13.7%	0.0pt
-7,470	-6,400	1,070
289,808	277,000	-12,808
25,320	25,300	-20
8.7%	9.1%	0.4pt

Sales by Business units for the FY2020/12 Q1-Q3

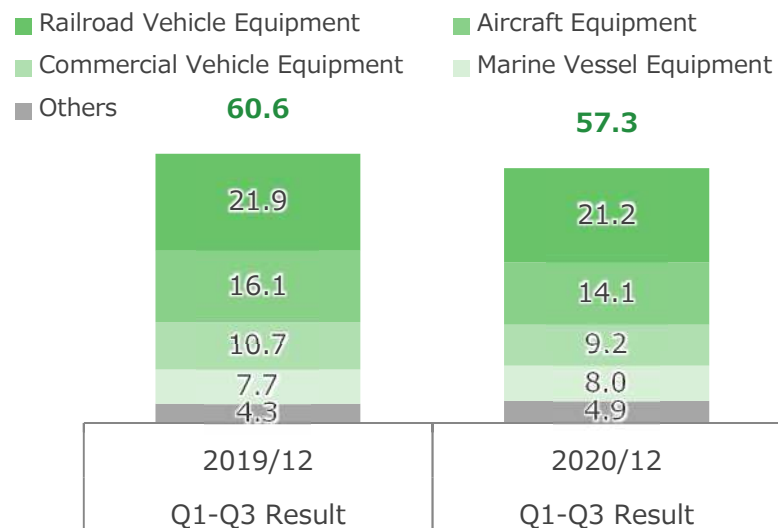
Component Solutions Segment (CMP)



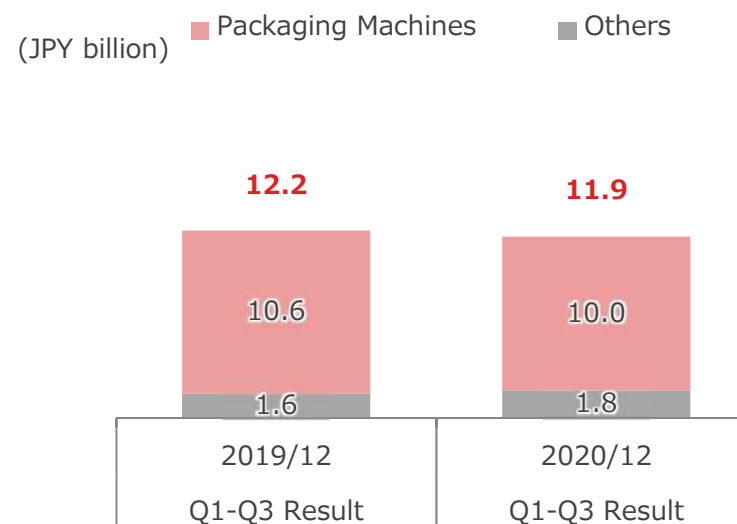
Accessibility Solutions Segment (ACB)



Transport Solutions Segment (TRS)



Manufacturing Solutions Segment (MFR)



Note: In Commercial Vehicle Equipment business, Nabtesco Automotive Corporation sold 100% share of Nabtesco ITG GmbH on September 30, 2020.

Summary for Balance Sheet for the FY2020 as of September 30, 2020

(JPY million)	2019/12 4Q	2020/12 Q3	Variation
	(As of December 31, 2019)	(As of September 30, 2020)	
Assets	344,558	333,796	-10,762
(Cash and cash equivalents)	58,686	55,661	-3,025
(Trade receivable)	70,175	62,040	-8,135
(Inventories)	41,257	41,932	675
(Tangible fixed assets)	87,083	90,850	3,767
Liabilities	145,424	131,699	-13,726
(Bonds and borrowings)	43,936	40,488	-3,447
Total equities	199,133	202,097	2,964
(Non-controlling interests)	11,735	12,147	412
Equity attributable to owners of parent	187,398	189,950	2,552

Ratio of equity attributable
to owners of parent

54.4%

56.9%

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	Rate of progress	2019/12 Full year result
	Q1-Q3 result (A)	Q1-Q3 result (B)	Revised plan (As of July 31)(C)			
CAPEX	12.3	12.8	19.3	0.6	67%	16.4
R&D	7.2	6.7	10.5	-0.6	64%	9.9
Depreciation	9.6	10.3	13.2	0.7	---	13.1

Announcement for the Amendment of Medium Term Management Plan

Current Medium Term Management Plan

FY2017~FY2020



FY2017~**FY2021**

One year extension

Reason for the extend

Nabtesco could not execute some crucial actions that decided as the part of current Medium Term Management Plan due to the negatively affected business environment by the spread of COVID-19 that have been spread from 2020. The company extend current Medium Term Management Plan for one year to pursue the plan and prepare for the next Medium Term Management Plan.

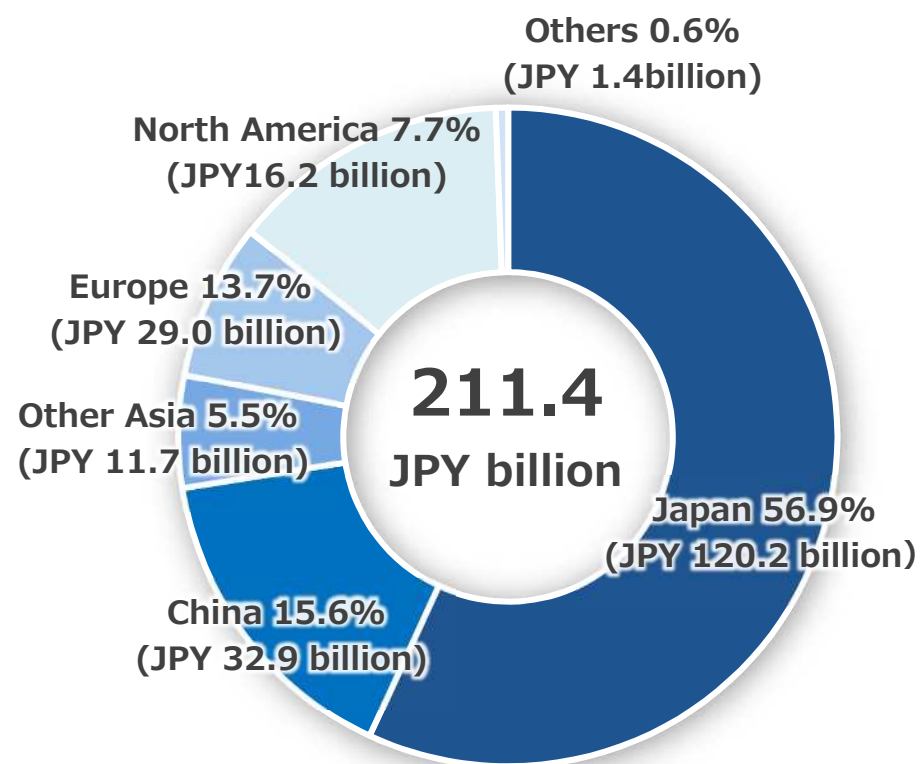
Long-term vision

The new Long-term vision from FY2021 to FY2031 will announce in February 2021.

Appendix

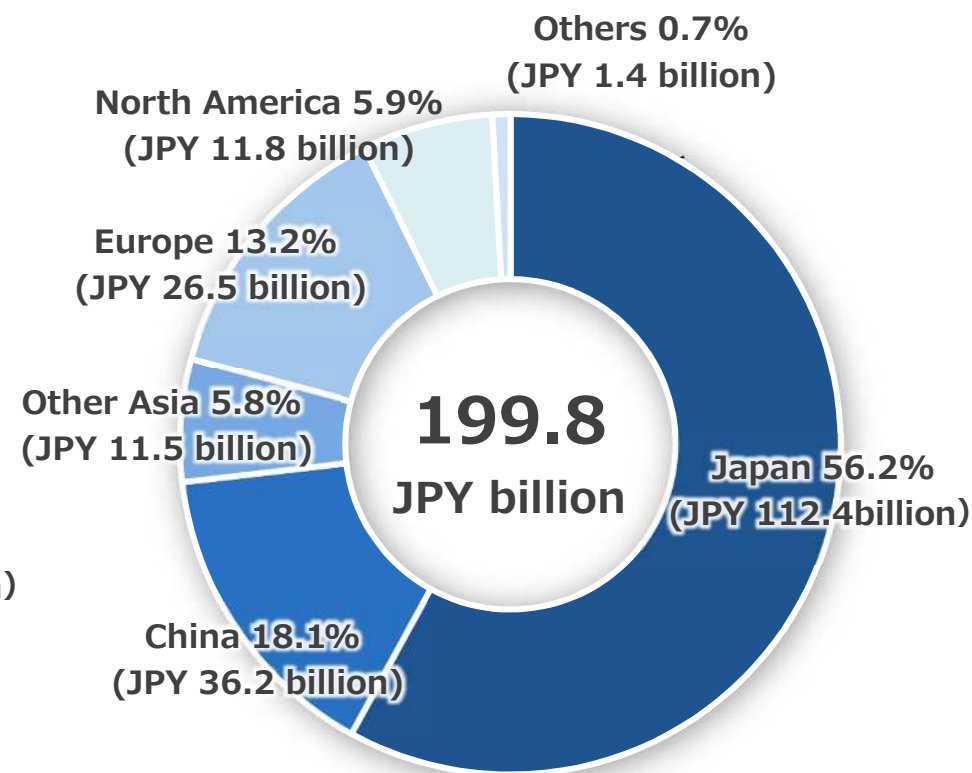
Sales by Geographic Segment

2019/12 Q1-Q3 Result



Overseas Sales	JPY 91.2billion
Ratio	43.1%

2020/12 Q1-Q3 Result



Overseas Sales	JPY 87.4 billion
Ratio	43.8%

Sales & O.P by business sub-segment

CMP

Sales (JPY billion)

■ Precision Reduction Gears

■ Hydraulic Equipment

113.9

119.3

107.2

107.5

72.6

65.8

54.9

56.2

41.3

53.4

52.2

51.3

2017/12
Result

2018/12
Result

2019/12
Result

2020/12
Revised Plan

O.P.(JPY billion)

20.4

20.2

15.9

16.2

(OPM)

17.9%

16.9%

14.8%

15.1%

TRS

Sales (JPY billion)

■ Railroad Vehicle Equipment

■ Aircraft Equipment

■ Commercial Vehicle Equipment

79.1

81.9

84.0

78.0

27.9

31.2

30.3

29.7

18.9

18.5

22.8

19.5

11.0

14.6

14.2

11.7

8.5

9.8

10.8

10.7

12.6

7.8

5.9

6.4

2017/12
Result

2018/12
Result

2019/12
Result

2020/12
Revised Plan

O.P.(JPY billion)

8.4

2.0

5.8

6.1

(OPM)

10.6%

2.5%

6.9%

7.8%

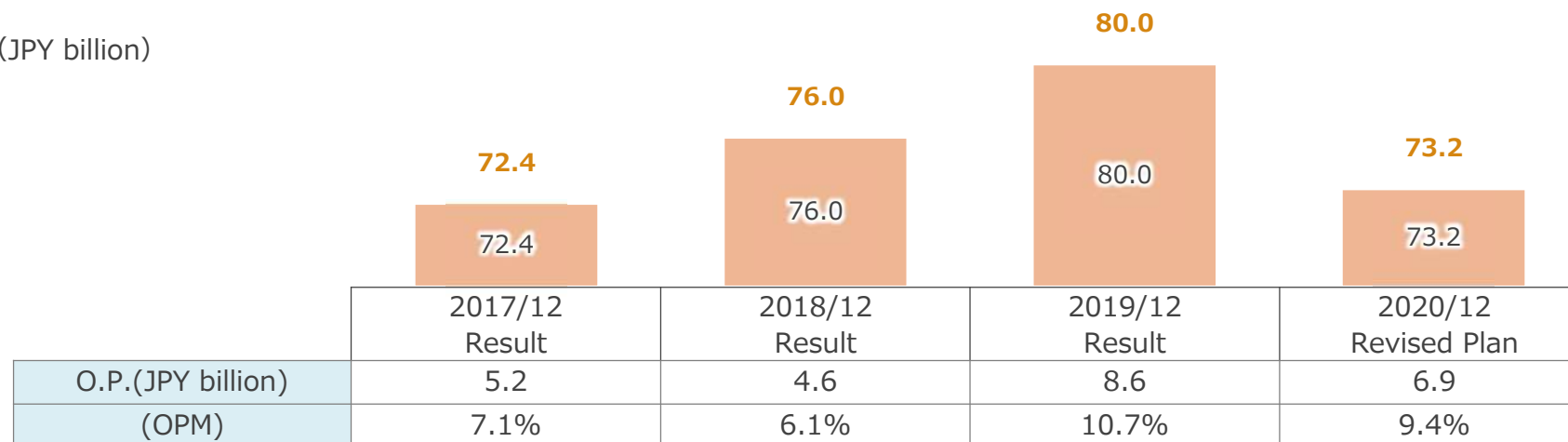
*For Sales in and before 2017/12 are not comparable due to the method differences.

Sales & O.P by business sub-segment

ACB

Automatic Doors

(JPY billion)

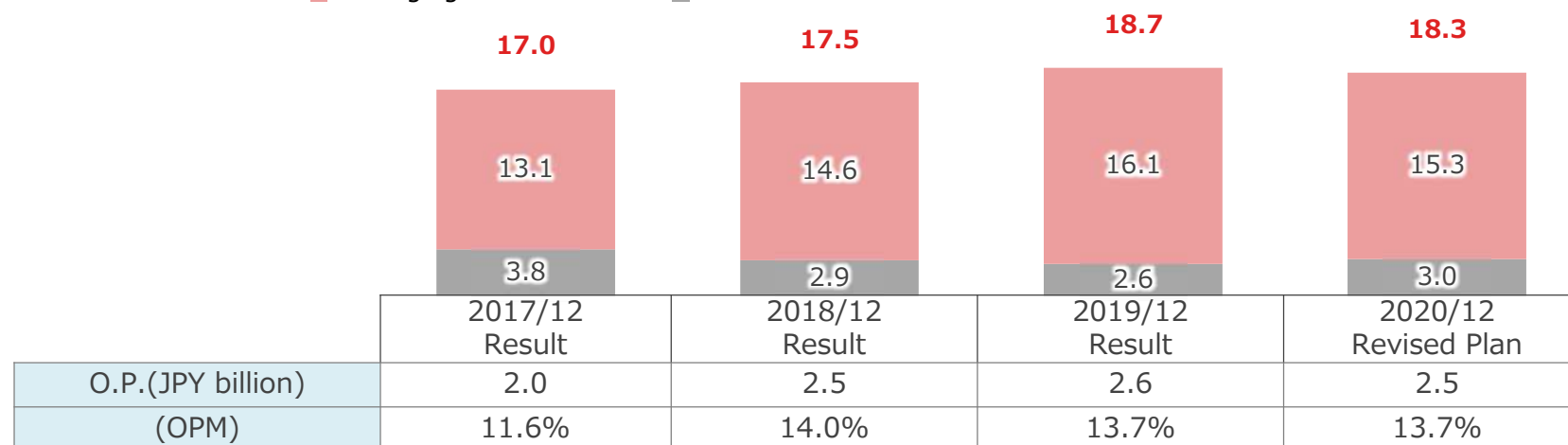


MFR

(JPY billion)

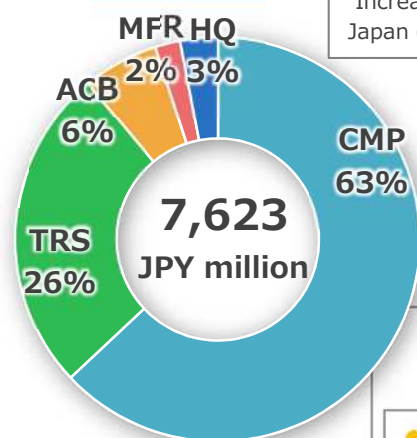
Packaging Machines

Others

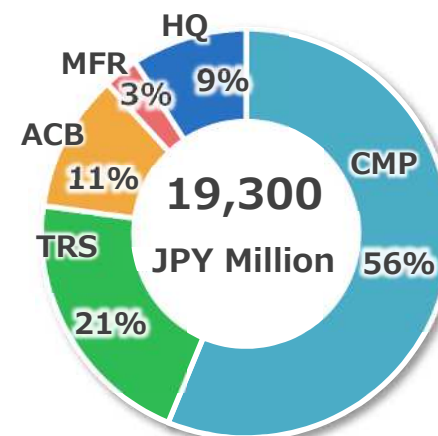
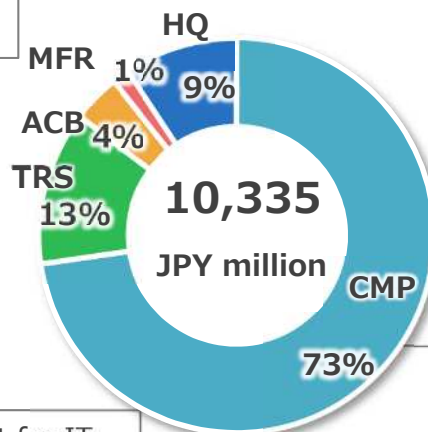


CAPEX

By segment

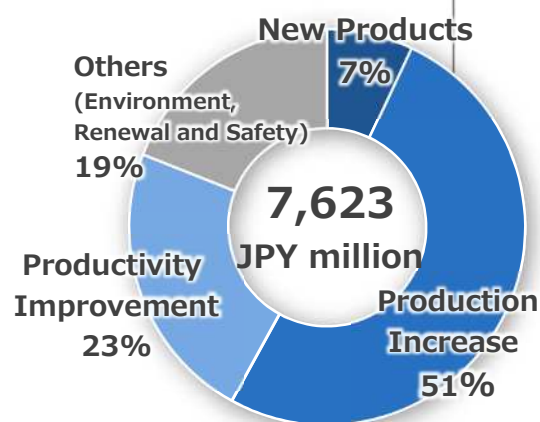


● Precision reduction gears:
Increased capacity in Japan (Building)

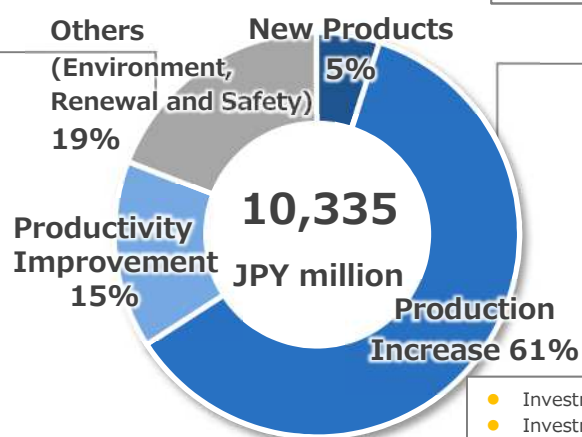


● Precision reduction gears:
Purchased land in Hamamatsu

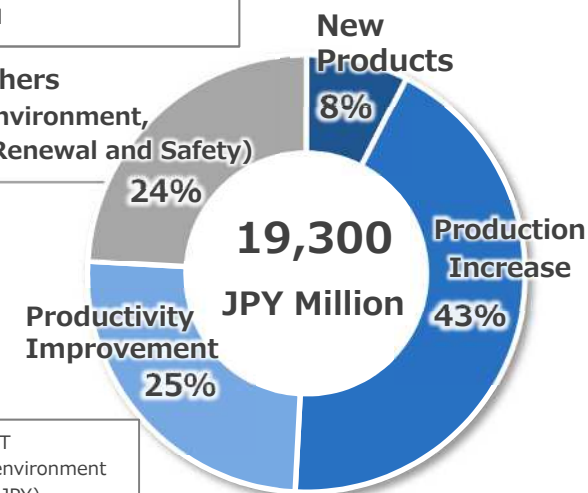
By Usage



2019/12 /H1 Result



2020/12/H1Result



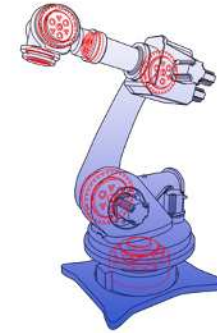
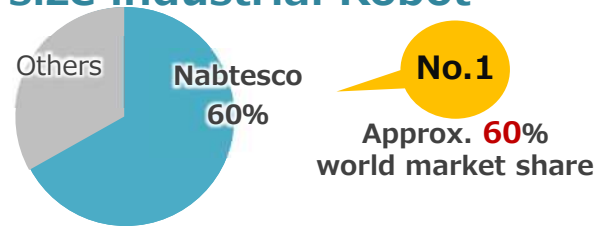
2020/12 Revised plan

● Investment for IT
● Investment for environment
(Approx. 1.6 bn JPY)

Main Products: Component Solutions Segment (CMP)

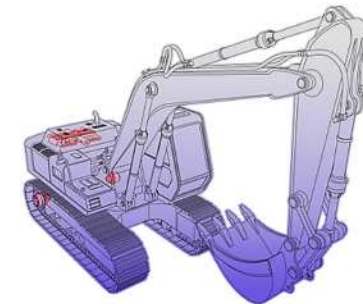
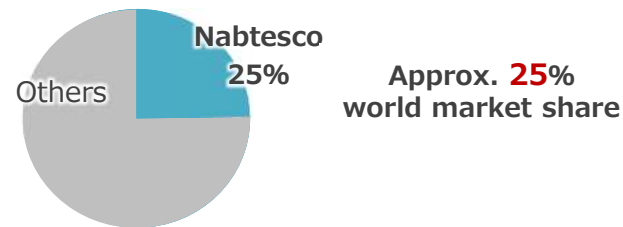
Precision Reduction Gears

■ 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

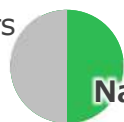
Traveling Units: Komatsu, Sumitomo Construction Machinery, Kobelco Construction Machinery, Sany (China), XCMG (China), Liu Gong (China)

Main Products: Transport Solutions Segment (TRS)

Railroad Vehicle Equipment

■ Brake Systems

Others



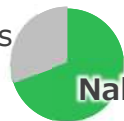
Nabtesco 50%

No.1

Approx. **50%** Domestic Market Share

■ Door Operating Systems

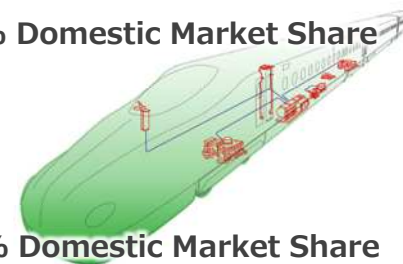
Others



Nabtesco 70%

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

No.1



Nabtesco 100%

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

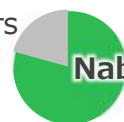
Boeing, KHI, MHI, IHI, Japanese Ministry of Defense, Airline operators

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

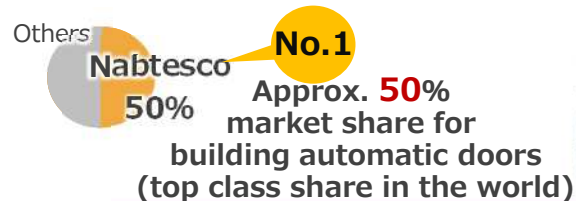
■ Marine Vessel Equipment

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)

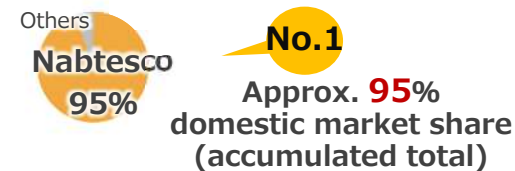
Main Products: Accessibility Solution Segment (ACB)

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.