

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



October 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: November 14, 2019

Scheduled dividend payment date: —

Quarterly material to supplement the financial results: Yes

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

(Amounts rounded to the nearest million)

1. Consolidated Results for the First Nine-month Period of FY 2019 (January 1, 2019 to September 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 nine-month period, FY 2019 | 211,428 | 0.3 | 18,378 | 45.8 | 19,593 | (3.2) | 13,685 | (6.2) | 12,254 | (7.5) | 11,703 | (20.5) |
| First nine-month period, FY 2018 | 210,843 | 4.0 | 12,605 | (41.7) | 20,234 | (22.5) | 14,593 | (26.2) | 13,253 | (29.5) | 14,727 | (33.0) |

| | Total basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------------|----------------------------|
| | Yen | Yen |
| First nine-month period, FY 2019 | 98.76 | 98.71 |
| First nine-month period, FY 2018 | 106.92 | 106.81 |

(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 September 30, 2019 | 339,475 | 191,333 | 180,463 | 53.2 |
| 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 | — | — | — |
| 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 | 288,500 | (2.1) | 24,100 | 10.1 | 25,300 | (15.6) | 16,800 | (20.1) | 135.39 |

(Note) Revisions to the latest forecast of operating results: Yes

* Matters of note:

- (1) Changes in significant subsidiaries during the first nine-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 September 30, 2019 | 125,133,799 | As of December 31, 2018 | 125,133,799 |
| 2) | As of September 30, 2019 | 1,013,084 | As of December 31, 2018 | 1,154,403 |
| 3) | January 1, 2019 to September 30, 2019 | 124,082,540 | January 1, 2018 to September 30, 2018 | 123,954,752 |

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. Please refer to “1. Qualitative Information on Consolidated Operating Results for the Nine Months Ended September 30, 2019, (3) Explanation on Information Concerning Future Projections Such as Forecasts for Consolidated Operating Results” on page 5 of the attached document.

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1. Qualitative Information on Consolidated Operating Results for the Nine Months Ended September 30, 2019

(1) Analysis of Consolidated Operating Results

The consolidated operating results of the Group for the period under review recorded net sales of ¥211,428 million, operating income of ¥18,378 million, income before tax of ¥19,593 million, and net income attributable to owners of the parent of ¥12,254 million. These results reflected the sluggish demand for construction machinery in the Southeast Asian market in addition to a decline in demand for precision reduction gears due to a slump in capital investment caused by the prolonged trade friction between the United States and China, despite strong sales posted in the automatic door business in Japan.

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

The amount of orders received for the period under review decreased by ¥4,396 million, or 2.0% year-on-year, to ¥219,477 million. Net sales increased by ¥585 million, or 0.3% year-on-year, to ¥211,428 million. Operating income rose by ¥5,773 million, or 45.8% year-on-year, to ¥18,378 million. The ratio of operating income to net sales was 8.7%.

Operating results by business segment were as follows:

[Amount of orders received]

| | (Million yen) | | |
|-------------------------|--|--|------------|
| | First nine-month period of consolidated FY 2018 (January 1, 2018 to September 30, 2018) | First nine-month period of consolidated FY 2019 (January 1, 2019 to September 30, 2019) | Change (%) |
| Component Solutions | 87,610 | 84,202 | (3.9) |
| Transport Solutions | 66,296 | 62,866 | (5.2) |
| Accessibility Solutions | 56,524 | 59,039 | 4.4 |
| Others | 13,444 | 13,370 | (0.5) |
| Total | 223,873 | 219,477 | (2.0) |

[Net sales]

| | (Million yen) | | |
|-------------------------|--|--|------------|
| | First nine-month period of consolidated FY 2018 (January 1, 2018 to September 30, 2018) | First nine-month period of consolidated FY 2019 (January 1, 2019 to September 30, 2019) | Change (%) |
| Component Solutions | 87,746 | 81,084 | (7.6) |
| Transport Solutions | 56,926 | 60,600 | 6.5 |
| Accessibility Solutions | 53,803 | 57,519 | 6.9 |
| Others | 12,369 | 12,226 | (1.2) |
| Total | 210,843 | 211,428 | 0.3 |

[Operating income (loss)]

| | (Million yen) | | |
|--------------------------|--|--|------------|
| | First nine-month period of consolidated FY 2018 (January 1, 2018 to September 30, 2018) | First nine-month period of consolidated FY 2019 (January 1, 2019 to September 30, 2019) | Change (%) |
| Component Solutions | 15,101 | 11,716 | (22.4) |
| Transport Solutions | (1,374) | 5,033 | — |
| Accessibility Solutions | 2,734 | 5,541 | 102.7 |
| Others | 1,776 | 1,484 | (16.4) |
| Corporate or Elimination | (5,632) | (5,396) | — |
| Total | 12,605 | 18,378 | 45.8 |

[Component solutions business]

The amount of orders received for component solutions decreased by ¥3,407 million, or 3.9% year-on-year, to ¥84,202 million. Net sales dropped by ¥6,662 million, or 7.6%, to ¥81,084 million, and operating income plunged by ¥3,385 million, or 22.4%, to ¥11,716 million.

Sales of precision reduction gears decreased from the same period of the previous year, as demand diminished due to sluggish capital investment resulting from the prolonged trade friction between the United States and China. Sales of hydraulic equipment saw a year-on-year decrease as demand plunged in the Southeast Asian market.

[Transport solutions business]

The amount of orders received for transport solutions decreased by ¥3,430 million, or 5.2% year-on-year, to ¥62,866 million. Net sales rose by ¥3,674 million, or 6.5% year-on-year, to ¥60,600 million, and operating income increased by ¥6,407 million to ¥5,033 million due to the absence of impairment loss of ¥5,248 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 demand from Chinese subways remained brisk.

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 as strong domestic market offset the decline in the Southeast Asian market.

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

[Accessibility solutions business]

The amount of orders received for accessibility solutions increased by ¥2,515 million, or 4.4% year-on-year, to ¥59,039 million. Net sales increased by ¥3,716 million, or 6.9% year-on-year, to ¥57,519 million, and operating income increased by ¥2,807 million, or 102.7% year-on-year, to ¥5,541 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 decreased by ¥74 million, or 0.5% year-on-year, to ¥13,370 million. Net sales decreased by ¥143 million, or 1.2% year-on-year, to ¥12,226 million, while operating income declined by ¥292 million, or 16.4% year-on-year, to ¥1,484 million.

Sales of packaging machinery remained unchanged from the same period of the previous year, due to robust domestic demand.

Reference: Information by region

[Net sales]

| | First nine-month period of consolidated FY 2018 (January 1, 2018 to September 30, 2018) | First nine-month period of consolidated FY 2019 (January 1, 2019 to September 30, 2019) | (Million yen) Change (%) |
|---------------|--|--|-----------------------------|
| Japan | 115,676 | 120,213 | 3.9 |
| China | 34,333 | 32,939 | (4.1) |
| Other Asia | 15,212 | 11,711 | (23.0) |
| North America | 14,588 | 16,173 | 10.9 |
| Europe | 30,116 | 29,022 | (3.6) |
| Other areas | 918 | 1,370 | 49.3 |
| Total | 210,843 | 211,428 | 0.3 |

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

2) Income before tax

Finance income was ¥471 million, and finance costs were ¥1,385 million mainly reflecting the incurrence of foreign exchange losses. Equity in earnings of affiliates was ¥2,129 million, a ¥5,725 million (72.9%) 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 ¥19,593 million, a decrease of ¥641 million, or 3.2% year-on-year.

3) Net income attributable to owners of the parent

In sum, net income attributable to owners of the parent was ¥12,254 million, a decrease of ¥999 million, or 7.5% year-on-year, net of expenses of income tax of ¥5,908 million and net income attributable to non-controlling interests of ¥1,431 million.

Total basic earnings per share were ¥98.76, a decrease of ¥8.16 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 nine-month period of the current consolidated fiscal year (September 30, 2019) | Change |
|--------------|---|--|--------|
| Total assets | 328,568 | 339,475 | 10,907 |
| Liabilities | 139,313 | 148,142 | 8,830 |
| Equity | 189,255 | 191,333 | 2,078 |

[Assets]

Total assets as of September 30, 2019 were ¥339,475 million, an increase of ¥10,907 million from December 31, 2018, consisting of ¥175,989 million in current assets and ¥163,486 million in non-current assets. The key contributing positive factor was the increase of ¥8,996 million in right-of-use assets as a result of the commencement of adoption of IFRS 16 "Leases."

[Liabilities]

Total liabilities as of September 30, 2019 were ¥148,142 million, an increase of ¥8,830 million from December 31, 2018, reflecting ¥112,122 million in current liabilities and ¥36,020 million in non-current liabilities. The main contributing positive factor was the rise of ¥8,434 million in lease liabilities as a result of the commencement of adoption of IFRS 16 "Leases."

[Equity]

Total equity as of September 30, 2019 stood at ¥191,333 million. Equity attributable to owners of the parent was ¥180,463 million, an increase of ¥1,761 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 ¥12,254 million. Meanwhile, the main contributing negative factors included a decrease of ¥9,074 million in retained earnings due to dividend payment.

(3) Explanation on Information Concerning Future Projections Such as Forecasts for Consolidated Operating Results

Based on the consolidated business performance for the first nine-month period of the fiscal year ending December 31, 2019 and future developments, etc., we have decided to revise our consolidated full-year forecast for FY 2019, which was announced on February 8, 2019.

For details, please refer to the "Announcement on Revisions to Financial Forecasts for FY2019" announced on October 31, 2019.

The differences between the consolidated financial forecasts announced on February 8, 2019 are as follows:

Revision to the full-year forecast for consolidated FY 2019 (January 1, 2019 to December 31, 2019)

| | Net sales | Operating income | Income before tax | Net income attributable to owners of the parent | Total basic earnings per share |
|-----------------------------------|------------------------|-----------------------|-----------------------|---|--------------------------------|
| Previously announced forecast (A) | Million Yen 313,000 | Million Yen 30,000 | Million Yen 33,600 | Million Yen 22,900 | Yen 184.74 |
| Revised forecast (B) | 288,500 | 24,100 | 25,300 | 16,800 | 135.39 |
| Change (B - A) | (24,500) | (5,900) | (8,300) | (6,100) | - |
| Rate of change (%) | (7.8) | (19.7) | (24.7) | (26.6) | - |

(Segment information)

1) Net sales

(Million yen)

| | Component solutions | Transport solutions | Accessibility solutions | Others | Corporate or elimination | Total |
|-----------------------------------|---------------------|---------------------|-------------------------|--------|--------------------------|----------|
| Previously announced forecast (A) | 125,800 | 89,600 | 77,400 | 20,200 | - | 313,000 |
| Revised forecast (B) | 106,900 | 83,900 | 78,300 | 19,400 | - | 288,500 |
| Change (B - A) | (18,900) | (5,700) | 900 | (800) | - | (24,500) |
| Rate of change (%) | (15.0) | (6.4) | 1.2 | (4.0) | - | (7.8) |

2) Operating income

(Million yen)

| | Component solutions | Transport solutions | Accessibility solutions | Others | Corporate or elimination | Total |
|-----------------------------------|---------------------|---------------------|-------------------------|--------|--------------------------|---------|
| Previously announced forecast (A) | 21,600 | 8,100 | 6,500 | 2,700 | (8,900) | 30,000 |
| Revised forecast (B) | 15,100 | 7,200 | 7,200 | 2,600 | (8,000) | 24,100 |
| Change (B - A) | (6,500) | (900) | 700 | (100) | 900 | (5,900) |
| Rate of change (%) | (30.1) | (11.1) | 10.8 | (3.7) | - | (19.7) |

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 nine-month period of consolidated FY 2019 (as of September 30, 2019) |
|---|----------|---|---|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 54,039 | 60,014 |
| Trade receivables | | 74,952 | 64,331 |
| Contract assets | | 1,650 | 1,726 |
| Other receivables | | 1,643 | 654 |
| Inventories | | 43,592 | 46,186 |
| Other financial assets | | 280 | 170 |
| Other current assets | | 2,969 | 2,907 |
| Total current assets | | 179,124 | 175,989 |
| Non-current assets | | | |
| Property, plant and equipment | | 80,573 | 85,455 |
| Intangible assets | | 5,076 | 4,752 |
| Right-of-use assets | | – | 8,996 |
| Goodwill | | 15,512 | 15,049 |
| Investment property | | 5,382 | 3,947 |
| Investments accounted for using the equity method | | 29,641 | 31,427 |
| Other financial assets | | 9,558 | 10,429 |
| Deferred tax assets | | 2,012 | 2,314 |
| Other non-current assets | | 1,690 | 1,118 |
| Total non-current assets | | 149,443 | 163,486 |
| Total assets | | 328,568 | 339,475 |

(Million yen)

| | Note No. | End of consolidated FY 2018 (as of December 31, 2018) | End of the first nine-month period of consolidated FY 2019 (as of September 30, 2019) |
|--|----------|---|---|
| Liabilities and equity | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Operating payables | | 50,297 | 46,013 |
| Contract liabilities | | 5,232 | 6,225 |
| Bonds and borrowings | | 34,067 | 34,547 |
| Other payables | | 11,809 | 11,203 |
| Income taxes payable | | 3,479 | 1,720 |
| Provisions | | 1,625 | 1,328 |
| Lease liabilities | | – | 2,150 |
| Other financial liabilities | | – | 10 |
| Other current liabilities | | 6,048 | 8,927 |
| Total current liabilities | | 112,558 | 112,122 |
| Non-current liabilities | | | |
| Bonds and borrowings | | 11,243 | 13,219 |
| Lease liabilities | | – | 6,285 |
| Liabilities concerning retirement benefit | | 9,142 | 9,297 |
| Deferred tax liabilities | | 4,881 | 5,312 |
| Other non-current liabilities | | 1,490 | 1,907 |
| Total non-current liabilities | | 26,755 | 36,020 |
| Total liabilities | | 139,313 | 148,142 |
| Equity | | | |
| Capital stock | | 10,000 | 10,000 |
| Share premium | | 15,096 | 14,886 |
| Retained earnings | | 155,133 | 158,306 |
| Treasury shares | | (2,903) | (2,535) |
| Other components of equity | | 1,377 | (194) |
| Equity attributable to owners of the parent | | 178,702 | 180,463 |
| Non-controlling interests | | 10,553 | 10,870 |
| Total equity | | 189,255 | 191,333 |
| Total liabilities and equity | | 328,568 | 339,475 |

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

Summary of Consolidated Statements of Income

First Nine-month Period

(Million yen)

| | Note No. | First nine-month period of consolidated FY 2018 (January 1, 2018 to September 30, 2018) | First nine-month period of consolidated FY 2019 (January 1, 2019 to September 30, 2019) |
|---|----------|--|--|
| Net sales | 2 | 210,843 | 211,428 |
| Cost of sales | | (153,940) | (155,382) |
| Gross profit | | 56,903 | 56,046 |
| Other income | | 1,014 | 1,368 |
| Selling, general and administrative expense | | (39,626) | (38,506) |
| Other expenses | | (5,686) | (530) |
| Operating income | 2 | 12,605 | 18,378 |
| Financial income | | 542 | 471 |
| Financial costs | | (767) | (1,385) |
| Equity in earnings of affiliates | | 7,854 | 2,129 |
| Profit before tax | | 20,234 | 19,593 |
| Income tax expense | | (5,641) | (5,908) |
| Net income | | 14,593 | 13,685 |

| | | | |
|----------------------------|--|--------|--------|
| Net income attributable to | | | |
| Owners of the parent | | 13,253 | 12,254 |
| Non-controlling interests | | 1,340 | 1,431 |
| Net income | | 14,593 | 13,685 |

(Yen)

| | | | |
|----------------------------|--|--------|-------|
| Net income per share (yen) | | | |
| Basic earnings per share | | 106.92 | 98.76 |
| Diluted earnings per share | | 106.81 | 98.71 |

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

(Million yen)

| | Note No. | First nine-month period of consolidated FY 2018 (January 1, 2018 to September 30, 2018) | First nine-month period of consolidated FY 2019 (January 1, 2019 to September 30, 2019) |
|---|----------|--|--|
| Net income | | 14,593 | 13,685 |
| 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 | | 182 | 265 |
| Share of other comprehensive income for equity method affiliates | | 973 | 420 |
| Total components that will not be reclassified to profit or loss | | 1,155 | 685 |
| Components that will be reclassified to profit or loss | | | |
| Exchange differences on foreign operations | | (1,020) | (2,667) |
| Total components that will be reclassified to profit or loss | | (1,020) | (2,667) |
| Other comprehensive income after taxes | | 135 | (1,982) |
| Total comprehensive income | | 14,727 | 11,703 |
| Comprehensive income attributable to | | | |
| Owners of the parent | | 13,726 | 10,712 |
| Non-controlling interests | | 1,001 | 991 |
| Total comprehensive income | | 14,727 | 11,703 |

(3) Consolidated Statement of Changes in Equity

First nine-month period of previous consolidated fiscal year (January 1, 2018 to September 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 | | – | – | 13,253 | – | – | – |
| Other comprehensive income | | – | – | – | – | (680) | 1,131 |
| Total comprehensive income | | – | – | 13,253 | – | (680) | 1,131 |
| Acquisition, sales, etc. of treasury shares | | – | – | (30) | 201 | – | – |
| Dividends | | – | – | (9,193) | – | – | – |
| Transfer from other components of equity to retained earnings | | – | – | 23 | – | – | – |
| Share-based compensation transactions | | – | 137 | – | – | – | – |
| Others | | – | – | – | 496 | – | – |
| Total transactions with owners, etc. | | – | 137 | (9,200) | 697 | – | – |
| Balance as of September 30, 2018 | | 10,000 | 15,093 | 147,401 | (2,902) | (1,453) | 4,734 |

| | 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 | | – | – | 13,253 | 1,340 | 14,593 |
| Other comprehensive income | | 23 | 473 | 473 | (338) | 135 |
| Total comprehensive income | | 23 | 473 | 13,726 | 1,001 | 14,727 |
| Acquisition, sales, etc. of treasury share | | – | – | 171 | – | 171 |
| Dividends | | – | – | (9,193) | (326) | (9,519) |
| Transfer from other components of equity to retained earnings | | (23) | (23) | – | – | – |
| Share-based compensation transactions | | – | – | 137 | – | 137 |
| Others | | – | – | 496 | – | 496 |
| Total transactions with owners, etc. | | (23) | (23) | (8,389) | (326) | (8,716) |
| Balance as of September 30, 2018 | | – | 3,282 | 172,873 | 10,140 | 183,013 |

First nine-month period of current consolidated fiscal year (January 1, 2019 to September 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 | | – | – | 12,254 | – | – | – |
| Other comprehensive income | | – | – | – | – | (2,223) | 683 |
| Total comprehensive income | | – | – | 12,254 | – | (2,223) | 683 |
| Acquisition, sales, etc. of treasury shares | | – | – | (35) | 368 | – | – |
| Dividends | | – | – | (9,074) | – | – | – |
| Transfer from other components of equity to retained earnings | | – | – | 29 | – | – | (32) |
| Share-based compensation transactions | | – | (209) | – | – | – | – |
| Total transactions with owners, etc. | | – | (209) | (9,080) | 368 | – | (32) |
| Balance as of September 30, 2019 | | 10,000 | 14,886 | 158,306 | (2,535) | (5,110) | 4,915 |

| | 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 | | – | – | 12,254 | 1,431 | 13,685 |
| Other comprehensive income | | (3) | (1,542) | (1,542) | (440) | (1,982) |
| Total comprehensive income | | (3) | (1,542) | 10,712 | 991 | 11,703 |
| Acquisition, sales, etc. of treasury shares | | – | – | 333 | – | 333 |
| Dividends | | – | – | (9,074) | (674) | (9,748) |
| Transfer from other components of equity to retained earnings | | 3 | (29) | – | – | – |
| Share-based compensation transactions | | – | – | (209) | – | (209) |
| Total transactions with owners, etc. | | 3 | (29) | (8,951) | (674) | (9,625) |
| Balance as of September 30, 2019 | | – | (194) | 180,463 | 10,870 | 191,333 |

(4) 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 nine months ended September 30, 2018 (January 1, 2018 to September 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 | 87,746 | 56,926 | 53,803 | 198,474 | 12,369 | 210,843 | – | 210,843 |
| Inter-segment sales | 1,802 | 401 | 6 | 2,209 | 210 | 2,419 | (2,419) | – |
| Total sales | 89,548 | 57,327 | 53,809 | 200,684 | 12,579 | 213,262 | (2,419) | 210,843 |
| Segment income or loss (Operating income or loss) | 15,101 | (1,374) | 2,734 | 16,461 | 1,776 | 18,237 | (5,632) | 12,605 |
| Finance income | | | | – | | | | 542 |
| Finance costs | | | | – | | | | (767) |
| Equity in earnings of affiliates | | | | – | | | | 7,854 |
| Income before tax | | | | – | | | | 20,234 |

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 nine months ended September 30, 2019 (January 1, 2019 to September 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 | 81,084 | 60,600 | 57,519 | 199,203 | 12,226 | 211,428 | – | 211,428 |
| Inter-segment sales | 2,007 | 695 | 4 | 2,706 | 217 | 2,923 | (2,923) | – |
| Total sales | 83,091 | 61,295 | 57,523 | 201,909 | 12,442 | 214,351 | (2,923) | 211,428 |
| Segment income (Operating income) | 11,716 | 5,033 | 5,541 | 22,290 | 1,484 | 23,774 | (5,396) | 18,378 |
| Finance income | | | | – | | | | 471 |
| Finance costs | | | | – | | | | (1,385) |
| Equity in earnings of affiliates | | | | – | | | | 2,129 |
| Income before tax | | | | – | | | | 19,593 |

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 nine-month period of consolidated FY 2018 (September 30, 2018) | | As of the end of the first nine-month period of consolidated FY 2019 (September 30, 2019) | |
|-------------------------|---|------------|---|------------|
| | Amount (million yen) | % to total | Amount (million yen) | % to total |
| Component Solutions | 28,444 | 21.5 | 27,135 | 21.3 |
| Transport Solutions | 60,454 | 45.7 | 58,276 | 45.7 |
| Accessibility Solutions | 34,529 | 26.1 | 32,278 | 25.3 |
| Others | 8,950 | 6.7 | 9,908 | 7.7 |
| Total | 132,377 | 100.0 | 127,597 | 100.0 |