

Summary of Consolidated Financial Statements for the Third Quarter of Fiscal Year Ending December 31, 2022 (IFRS)



October 31, 2022

Name of listed company: Nabtesco Corporation

Stock listed on: Prime Section of the Tokyo Stock Exchange

Code number: 6268

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

Representative: Title: President and CEO

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Scheduled date for filing of quarterly report: November 14, 2022

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 2022 (January 1, 2022 to September 30, 2022)

(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 2022	218,932	2.2	11,484	(44.8)	16,892	(83.4)	12,003	(81.7)	10,622	(83.2)	23,928	(65.5)
First nine-month period, FY 2021	214,117	7.2	20,808	10.5	101,743	390.6	65,435	341.6	63,078	384.4	69,438	403.9

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
First nine-month period, FY 2022	88.52		88.51	
First nine-month period, FY 2021	518.71		518.61	

(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, 2022	414,545		266,690		251,950		60.8	
As of December 31, 2021	481,718		254,995		239,910		49.8	

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Year end	Full year
	Yen				
FY 2021	—	38.00	—	39.00	77.00
FY 2022	—	39.00	—		
FY 2022 (Forecast)				39.00	78.00

(Note) Revisions to the latest dividend forecasts: None

3. Forecast of Consolidated Operating Results for FY 2022 (January 1, 2022 to December 31, 2022)

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

	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	308,000	2.7	21,000	(30.0)	30,600	(70.0)	20,500	(68.4)	170.84

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

“Income before tax” and “Net Income attributable to owners of the parent” in Forecast of Consolidated Operating Results as noted above fluctuated widely because of the recording of valuation gain due to the exclusion of Harmonic Drive Systems Inc. from application of the equity-method in the previous fiscal year (FY 2021).

* Matters of note:

- (1) Changes in significant subsidiaries during the first nine-month period of FY 2022 (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: None
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, 2022	121,064,099	As of December 31, 2021	121,064,099
2)	As of September 30, 2022	1,058,320	As of December 31, 2021	1,091,211
3)	January 1, 2022 to September 30, 2022	119,995,369	January 1, 2021 to September 30, 2021	121,605,124

* Current status of audit procedures

- This “Summary of Consolidated Financial Statements” is not subject to audit procedures as stipulated under the Financial Instruments and Exchange Act, and the audit procedures based on the said Act have not been completed as of the date of publication of this summary.

* Description concerning proper use of the forecast of operating results and other remarks:

- Descriptions 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. Actual results may vary significantly from such forecasts due to a variety of factors.
- For information on preconditions for future projections and matter of notes in using the future projections, please refer to “1. Qualitative Information on Consolidated Operating Results for the Nine Months Ended September 30, 2022, (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, 2022

(1) Analysis of Consolidated Operating Results

During the nine-month period under review, demand for hydraulic equipment used in construction machinery continued to be sluggish in the Chinese market, while demand for precision reduction gears for industrial robots remained at a high level. As a result, the Group's net sales amounted to ¥218,932 million. Operating income was ¥11,484 million mainly due to the impact of soaring raw material prices and logistics costs in the component solutions business and to decreased sales of hydraulic equipment in China. Also, in the accessibility solutions business, the pandemic caused delays in the platform door projects implemented outside Japan, which led to a rise in the project costs. Income before tax was ¥16,892 million, reflecting the valuation gain on the sale of the shares of Harmonic Drive Systems Inc. (hereinafter, "Harmonic"), and net income attributable to owners of the parent was ¥10,622 million.

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

The amount of orders received for the period under review increased by ¥31,590 million, or 14.2% year on year, to ¥254,700 million. Net sales increased by ¥4,815 million, or 2.2% year on year, to ¥218,932 million. Operating income dropped by ¥9,324 million, or 44.8% year on year, to ¥11,484 million. The ratio of operating income to net sales was 5.2%.

Operating results by business segment were as follows:

[Amount of orders received]

(Million yen)			
Business segment	First nine-month period of consolidated FY 2021 (January 1, 2021 to September 30, 2021)	First nine-month period of consolidated FY 2022 (January 1, 2022 to September 30, 2022)	Change (%)
Component Solutions	104,795	113,623	8.4
Transport Solutions	45,958	59,079	28.5
Accessibility Solutions	55,981	68,026	21.5
Others	16,375	13,972	(14.7)
Total	223,110	254,700	14.2

[Net sales]

(Million yen)			
Business segment	First nine-month period of consolidated FY 2021 (January 1, 2021 to September 30, 2021)	First nine-month period of consolidated FY 2022 (January 1, 2022 to September 30, 2022)	Change (%)
Component Solutions	100,198	101,520	1.3
Transport Solutions	47,869	48,360	1.0
Accessibility Solutions	52,913	57,159	8.0
Others	13,137	11,892	(9.5)
Total	214,117	218,932	2.2

[Operating income]

(Million yen)			
Business segment	First nine-month period of consolidated FY 2021 (January 1, 2021 to September 30, 2021)	First nine-month period of consolidated FY 2022 (January 1, 2022 to September 30, 2022)	Change (%)
Component Solutions	16,703	11,290	(32.4)
Transport Solutions	3,728	3,823	2.5
Accessibility Solutions	5,193	2,136	(58.9)
Others	1,801	565	(68.6)
Corporate or Elimination	(6,617)	(6,331)	-
Total	20,808	11,484	(44.8)

[Component solutions business]

The amount of orders received for component solutions increased by ¥8,828 million, or 8.4% year on year, to ¥113,623 million. Net sales increased by ¥1,322 million, or 1.3% year on year, to ¥101,520 million, and operating income declined by ¥5,413 million, or 32.4% year on year, to ¥11,290 million.

Sales of precision reduction gears recorded a year-on-year increase as demand for precision reduction gears used in industrial robots remained robust, and there was also strong demand for precision reduction gears used in semiconductor manufacturing equipment and EV manufacturing equipment.

Sales of hydraulic equipment for construction machinery saw a year-on-year decrease because of continued sluggish demand in the Chinese market and to the temporary suspension of operations by a Chinese subsidiary due to COVID-19 lockdowns in Shanghai in the second quarter of the fiscal year under review.

[Transport solutions business]

The amount of orders received for transport solutions increased by ¥13,121 million, or 28.5% year on year, to ¥59,079 million. Net sales increased by ¥492 million, or 1.0% year on year, to ¥48,360 million, and operating income increased by ¥94 million, or 2.5% year on year, to ¥3,823 million.

Railroad vehicle equipment saw a year-on-year decrease in sales due to sluggish demand for equipment used in new railroad vehicles in the Japanese and overseas markets, despite brisk demand for MRO (Maintenance, Repair, Overhaul).

Sales of aircraft equipment were on par with the sales recorded for the same period of the previous year because of the gradual recovery of demand for equipment used in private-sector aircraft, although a delay in delivery of procurement items to the Ministry of Defense had an impact on sales.

Sales of commercial vehicle equipment were at the level of the same period last year reflecting the recovery of the Southeast Asian market, despite the negative effects of production cuts as a result of production adjustment by customers.

Sales of marine vessel equipment increased year on year, reflecting brisk demand from the shipbuilding and shipping markets.

[Accessibility solutions business]

The amount of orders received for accessibility solutions increased by ¥12,045 million, or 21.5% year on year, to ¥68,026 million. Net sales rose by ¥4,246 million, or 8.0% year on year, to ¥57,159 million, while operating income shrank by ¥3,057 million, or 58.9% year on year, to ¥2,136 million.

Sales from the automatic door business increased year on year as demand remained brisk both in Japan and abroad and also due to the weak yen.

[Others]

The amount of orders received for others fell by ¥2,403 million, or 14.7% year on year, to ¥13,972 million. Net sales decreased by ¥1,245 million, or 9.5% year on year, to ¥11,892 million, and operating income dropped by ¥1,235 million, or 68.6% year on year, to ¥565 million.

Sales of packaging machines recorded a year-on-year decrease, both in terms of product sales and MRO, due to a continued delay in delivery of procurement items such as electronic components.

Reference: Information by region**[Net sales]**

(Million yen)

	First nine-month period of consolidated FY 2021 (January 1, 2021 to September 30, 2021)	First nine-month period of consolidated FY 2022 (January 1, 2022 to September 30, 2022)	Change (%)
Japan	115,609	115,705	0.1
China	42,956	36,970	(13.9)
Other Asia	13,360	15,449	15.6
North America	11,522	15,558	35.0
Europe	29,128	33,105	13.7
Other areas	1,543	2,144	39.0
Total	214,117	218,932	2.2

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

2) Income before tax

Financial income came to ¥3,369 million due to the recording of a valuation gain of ¥1,437 million for shares in Harmonic (balance of a valuation gain of ¥4,872 million on the sale of a part of the shares and a decrease of 3,435 million in financial income posted for the remaining shares in the company as of the end of September 30, 2022) and of foreign exchange gains. Financial costs came to ¥157 million. Return on investment by the equity method was ¥2,195 million.

As a result, income before tax came to ¥16,892 million, a decrease of ¥84,852 million or 83.4% year on year. The main reasons behind the year-on-year decline in income before tax include the recording of a valuation gain (financial income) of ¥125,107 million for the same period last year due to the exclusion of Harmonic from application of the equity method and a year-on-year decrease of ¥44,519 million in valuation loss (financial costs) as a result of the stock price fluctuations of Harmonic's shares.

3) Net income attributable to owners of the parent

In total, the Group recorded a net income attributable to owners of the parent of ¥10,622 million, net of income tax expenses of ¥4,889 million and net income attributable to non-controlling interests of ¥1,381 million, a decrease of ¥52,456 million or 83.2% year on year.

Total basic earnings per share were ¥88.52, down by ¥430.19 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, 2021)	As of the end of the first nine-month period of the current consolidated fiscal year (September 30, 2022)	Change
Assets	481,718	414,545	(67,173)
Liabilities	226,723	147,856	(78,868)
Equity	254,995	266,690	11,695

[Assets]

Total assets as of September 30, 2022 were ¥414,545 million, a decrease of ¥67,173 million from December 31, 2021, consisting of ¥210,906 million in current assets and ¥203,639 million in non-current assets. The key contributing positive factor was an increase of ¥12,875 million in inventories. The main contributing negative factors included a decrease of ¥72,990 million in assets following the completion of the sale of part of the shares in Harmonic (a decrease of ¥21,972 million in cash and cash equivalents, a decrease of ¥44,519 million in assets held for sale, and a decrease of ¥6,499 million in other financial assets[current assets]). Other contributing negative factors included a decrease of ¥9,128 million in trade receivables.

[Liabilities]

Total liabilities as of September 30, 2022 were ¥147,856 million, a decrease of ¥78,868 million from December 31, 2021, reflecting ¥112,266 million in current liabilities and ¥35,590 million in non-current liabilities. The main contributing negative factor was an increase of ¥6,092 million in other liabilities. The main contributing positive factors were a decrease of ¥77,862 million in other financial liabilities due to the sale of part of the shares in Harmonic and a decrease of ¥18,381 million in income taxes payable.

[Equity]

Total equity as of September 30, 2022 stood at ¥266,690 million. Equity attributable to owners of the parent was ¥251,950 million, an increase of ¥12,039 million from December 31, 2021. The key contributing positive factor was an increase in retained earnings due to the income attributable to owners of the parent of ¥10,622 million and to an increase of ¥10,402 million in other components of equity reflecting exchange differences on foreign operations, among others. Meanwhile, the main contributing negative factors included a decrease in retained earnings due to dividend payment of 9,385 million, among others.

(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, 2022 and future developments, etc., we have decided to revise our consolidated full-year forecast for FY2022, which was announced on July 29, 2022.

For details, please refer to the "Notice of Revision to FY2022 Financial Forecast" published on October 31, 2022.

The differences between the revised forecast and the previous consolidated financial forecasts announced on July 29, 2022 are as follows.

Revision to the full-year forecast for consolidated FY 2022 (January 1, 2022 to December 31, 2022)

	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 310,000	Million yen 26,000	Million yen 35,000	Million yen 23,400	Yen 195.02
Revised forecast (B)	308,000	21,000	30,600	20,500	170.84
Change (B-A)	(2,000)	(5,000)	(4,400)	(2,900)	–
Rate of change (%)	(0.6)	(19.2)	(12.6)	(12.4)	–

(Segment Information)

1) Net sales

(Million yen)

	Component Solutions	Transport Solutions	Accessibility Solutions	Others	Corporate or Elimination	Total
Previously announced forecast (A)	145,000	71,700	74,100	19,200	–	310,000
Revised forecast (B)	143,000	71,700	74,100	19,200	–	308,000
Change (B-A)	(2,000)	–	–	–	–	(2,000)
Rate of change (%)	(1.4)	–	–	–	–	(0.6)

2) Operating income

(Million yen)

	Component Solutions	Transport Solutions	Accessibility Solutions	Others	Corporate or Elimination	Total
Previously announced forecast (A)	22,600	5,800	5,400	2,100	(9,900)	26,000
Revised forecast (B)	18,100	5,800	4,900	1,800	(9,600)	21,000
Change (B-A)	(4,500)	–	(500)	(300)	300	(5,000)
Rate of change (%)	(19.9)	–	(9.3)	(14.3)	–	(19.2)

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 2021 (as of December 31, 2021)	End of the first nine-month period of consolidated FY 2022 (as of September 30, 2022)
Assets			
Current assets			
Cash and cash equivalents		112,771	78,432
Trade receivables		74,957	65,829
Contract assets		2,065	3,604
Other receivables		1,300	1,233
Inventories		41,880	54,755
Other financial assets		7,821	1,829
Other current assets		3,588	5,224
Total		244,382	210,906
Assets held for sale		44,519	—
Total current assets		288,900	210,906
Non-current assets			
Property, plant and equipment		89,020	96,715
Intangible assets		4,251	5,260
Right-of-use assets		8,877	10,187
Goodwill		16,184	18,390
Investment property		2,162	2,105
Investments accounted for using the equity method		15,475	17,189
Other financial assets		53,860	50,300
Deferred tax assets		1,997	2,210
Other non-current assets		992	1,283
Total non-current assets		192,818	203,639
Total assets		481,718	414,545

(Million yen)

	Note No.	End of consolidated FY 2021 (as of December 31, 2021)	End of the first nine-month period of consolidated FY 2022 (as of September 30, 2022)
Liabilities and equity			
Liabilities			
Current liabilities			
Operating payables		51,974	54,007
Contract liabilities		5,704	8,132
Borrowings		14,690	19,210
Other payables		10,776	16,868
Income taxes payable		19,788	1,407
Provisions		1,206	1,551
Lease liabilities		2,158	2,600
Other financial liabilities		77,878	69
Other current liabilities		7,139	8,420
Total current liabilities		191,315	112,266
Non-current liabilities			
Borrowings		2,897	421
Lease liabilities		7,575	8,507
Liabilities concerning retirement benefit		9,079	9,190
Deferred tax liabilities		13,922	15,287
Other non-current liabilities		1,936	2,185
Total non-current liabilities		35,408	35,590
Total liabilities		226,723	147,856
Equity			
Capital stock		10,000	10,000
Share premium		14,961	15,003
Retained earnings		214,791	216,248
Treasury shares		(4,784)	(4,646)
Other components of equity		4,942	15,344
Equity attributable to owners of the parent		239,910	251,950
Non-controlling interests		15,084	14,740
Total equity		254,995	266,690
Total liabilities and equity		481,718	414,545

(2) Summary of Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive IncomeSummary of Consolidated Statements of Income
First Nine-month Period

(Million yen)

	Note No.	First nine-month period of consolidated FY 2021 (January 1, 2021 to September 30, 2021)	First nine-month period of consolidated FY 2022 (January 1, 2022 to September 30, 2022)
Net sales	2	214,117	218,932
Cost of sales		(155,532)	(165,392)
Gross profit		58,585	53,540
Other income		866	881
Selling, general and administrative expense		(38,318)	(42,760)
Other expenses		(324)	(176)
Operating income	2	20,808	11,484
Financial income		126,622	3,369
Financial costs		(47,187)	(157)
Equity in earnings of affiliates		1,500	2,195
Income before tax		101,743	16,892
Income tax expense		(36,308)	(4,889)
Net income		65,435	12,003

Net income attributable to			
Owners of the parent		63,078	10,622
Non-controlling interests		2,357	1,381
Net income		65,435	12,003

(Yen)

Net income per share			
Basic earnings per share		518.71	88.52
Diluted earnings per share		518.61	88.51

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

(Million yen)

	Note No.	First nine-month period of consolidated FY 2021 (January 1, 2021 to September 30, 2021)	First nine-month period of consolidated FY 2022 (January 1, 2022 to September 30, 2022)
Net income		65,435	12,003
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		454	362
Total components that will not be reclassified to profit or loss		454	362
Components that will be reclassified to profit or loss			
Exchange differences on foreign operations		3,549	11,563
Total components that will be reclassified to profit or loss		3,549	11,563
Other comprehensive income after taxes		4,003	11,925
Total comprehensive income		69,438	23,928
Comprehensive income attributable to			
Owners of the parent		66,310	21,254
Non-controlling interests		3,128	2,674
Total comprehensive income		69,438	23,928

(3) Summary of Quarterly Consolidated Statement of Changes in Equity

First nine-month period of current consolidated fiscal year (January 1, 2021 to September 30, 2021)

(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, 2021		10,000	14,998	173,988	(2,471)	(3,348)	4,863
Net income		–	–	63,078	–	–	–
Other comprehensive income		–	–	–	–	2,784	448
Total comprehensive income		–	–	63,078	–	2,784	448
Acquisition, sales, etc. of treasury shares		–	–	(23)	(20,706)	–	–
Cancellation of treasury shares		–	–	(18,394)	18,394	–	–
Dividends		–	–	(8,800)	–	–	–
Transfer from other components of equity to retained earnings		–	–	1,833	–	–	(1,833)
Share-based compensation transactions		–	(94)	–	–	–	–
Total transactions with owners, etc.		–	(94)	(25,385)	(2,311)	–	(1,833)
Balance as of September 30, 2021		10,000	14,904	211,682	(4,782)	(564)	3,478

	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, 2021		–	1,515	198,031	13,610	211,641
Net income		–	–	63,078	2,357	65,435
Other comprehensive income		–	3,232	3,232	771	4,003
Total comprehensive income		–	3,232	66,310	3,128	69,438
Acquisition, sales, etc. of treasury shares		–	–	(20,728)	–	(20,728)
Cancellation of treasury shares		–	–	–	–	–
Dividends		–	–	(8,800)	(2,883)	(11,684)
Transfer from other components of equity to retained earnings		–	(1,833)	–	–	–
Share-based compensation transactions		–	–	(94)	–	(94)
Total transactions with owners, etc.		–	(1,833)	(29,623)	(2,883)	(32,506)
Balance as of September 30, 2021		–	2,914	234,718	13,855	248,572

First nine-month period of current consolidated fiscal year (January 1, 2022 to September 30, 2022)

(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, 2022		10,000	14,961	214,791	(4,784)	1,874	3,069
Net income		–	–	10,622	–	–	–
Other comprehensive income		–	–	–	–	10,277	355
Total comprehensive income		–	–	10,622	–	10,277	355
Acquisition, sales, etc. of treasury shares		–	–	(10)	138	–	–
Dividends		–	–	(9,385)	–	–	–
Transfer from other components of equity to retained earnings		–	–	(230)	–	–	(230)
Share-based compensation transactions		–	42	–	–	–	–
Total transactions with owners, etc.		–	42	(9,165)	138	–	(230)
Balance as of September 30, 2022		10,000	15,003	216,248	(4,646)	12,150	3,194

	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, 2022		–	4,942	239,910	15,084	254,995
Net income		–	–	10,622	1,381	12,003
Other comprehensive income		–	10,632	10,632	1,293	11,925
Total comprehensive income		–	10,632	21,254	2,674	23,928
Acquisition, sales, etc. of treasury shares		–	–	128	–	128
Dividends		–	–	(9,385)	(3,018)	(12,403)
Transfer from other components of equity to retained earnings		–	(230)	–	–	–
Share-based compensation transactions		–	–	42	–	42
Total transactions with owners, etc.		–	(230)	(9,215)	(3,018)	(12,233)
Balance as of September 30, 2022		–	15,344	251,950	14,740	266,690

(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, 2021 (January 1, 2021 to September 30, 2021)

(Million yen)

	Reportable segments				Others	Total	Adjustments	Amount stated in summary of consolidated statements of income
	Component Solutions	Transport Solutions	Accessibility Solutions	Total				
Net sales								
Sales to external customers	100,198	47,869	52,913	200,980	13,137	214,117	–	214,117
Inter-segment sales	1,849	853	2	2,705	295	3,000	(3,000)	–
Total sales	102,047	48,722	52,915	203,684	13,432	217,116	(3,000)	214,117
Segment income (Operating income)	16,703	3,728	5,193	25,625	1,801	27,425	(6,617)	20,808
Finance income				–				126,622
Finance costs				–				(47,187)
Equity in earnings of affiliates				–				1,500
Income before tax				–				101,743

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 machines, 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.

II. For the nine months ended September 30, 2022 (January 1, 2022 to September 30, 2022)

(Million yen)

	Reportable segments				Others	Total	Adjustments	Amount stated in summary of consolidated statements of income
	Component Solutions	Transport Solutions	Accessibility Solutions	Total				
Net sales								
Sales to external customers	101,520	48,360	57,159	207,039	11,892	218,932	–	218,932
Inter-segment sales	1,903	1,058	2	2,963	217	3,180	(3,180)	–
Total sales	103,423	49,418	57,161	210,002	12,109	222,112	(3,180)	218,932
Segment income (Operating income)	11,290	3,823	2,136	17,250	565	17,815	(6,331)	11,484
Financial income				–				3,369
Financial costs				–				(157)
Equity in earnings of affiliates				–				2,195
Income before tax				–				16,892

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 machines, three-dimensional model production devices, 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 2021 (September 30, 2021)		As of the end of the first nine-month period of consolidated FY 2022 (September 30, 2022)	
	Amount (million yen)	% to total	Amount (million yen)	% to total
Component Solutions	36,132	25.8	46,363	27.1
Transport Solutions	52,000	37.2	62,858	36.8
Accessibility Solutions	41,400	29.6	49,403	28.9
Others	10,406	7.4	12,213	7.2
Total	139,937	100.0	170,838	100.0