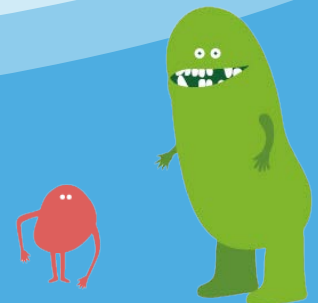
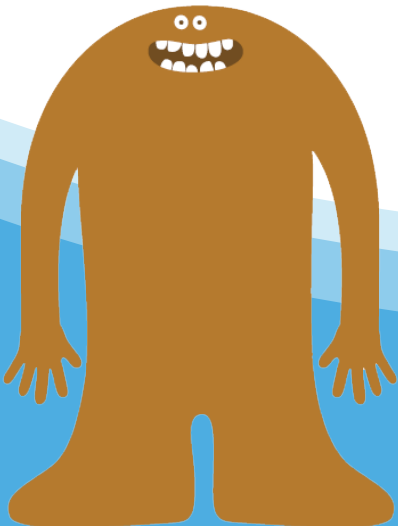


FY2016/12 Results Briefing and the New Mid-Term Management Plan

February 17, 2017

Nabtesco Corporation



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.

1. Annual Consolidated Results for 2016/12

2. Review of the Previous Mid-Term Management Plan (2015/3~2017/3*)

3. The New Mid-Term Management Plan (2017/12~2020/12)



* Since the Company changed the account closing date in June 2015, the figures for the Medium-term Management Plan which were originally set as targets for the FY2017/3 are now applied as target figures for the FY2016/12.

Result for FY2016/12 (JGAAP)

- Both sales and profits increased comparing with the reference values for the previous fiscal year due to robust demand for industrial robots.
- Dividends will be also raised from the previous fiscal year.

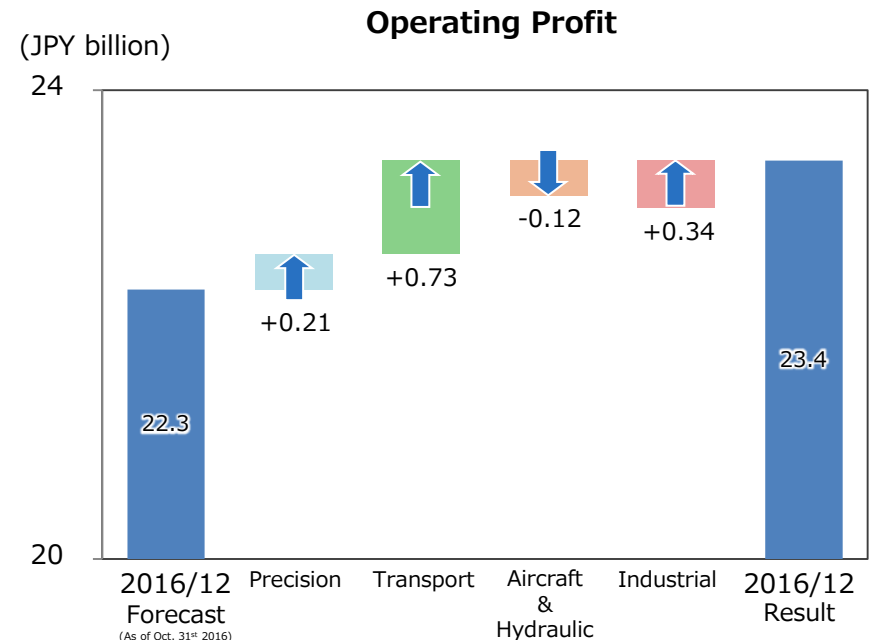
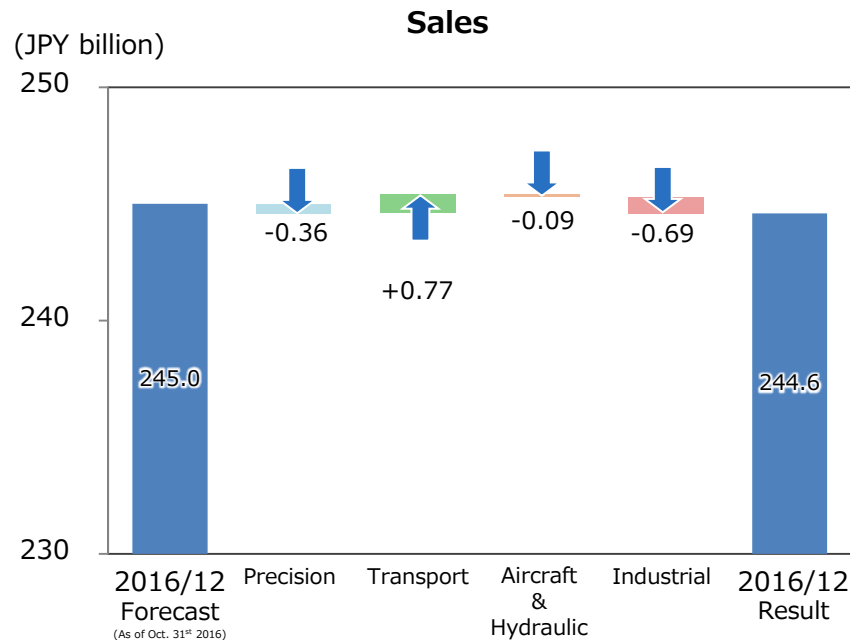
(JPY million)	2016/12 Result	2016/12 Plan (As of Oct. 31 st 2016)	2015/12 Result (Reference) ^{Note1}
Sales	244,618	245,000	228,949
Operating Profit	23,471	22,300	21,308
(OPM)	9.6%	9.1%	9.3%
Non-operating profit and loss	1,259	-	-
Ordinary profit	24,731	21,900	22,387
Extraordinary profit and loss	1,391	-	-
Net profit*	17,584	16,000	14,796
Net profit per share (Yen)	142.37	129.54	-
DPS (Yen)	50 (Plan)	50 (Plan)	44
Payout ratio	35.1% (Plan)	38.6% (Plan)	

Note1 : Reference values for the FY2015/12 should be read solely as reference since the numbers were calculated based on various assumptions for the purpose of comparison with the actual results for the FY2016/12, and are not subject to audit.

**Net income refers to "Net income attributable to owners of the parent."

Result for FY2016/12 (Comparisons with the Forecast)

- Operating profit exceeded the forecast due to robust performance in the transport equipment segment.



Precision : Precision reduction gears showed performance in line with the forecast due to robust demand for industrial robots.

Transport : Railroad vehicle equipment recorded increased sales and profits reflecting MRO* which exceeded the forecast.

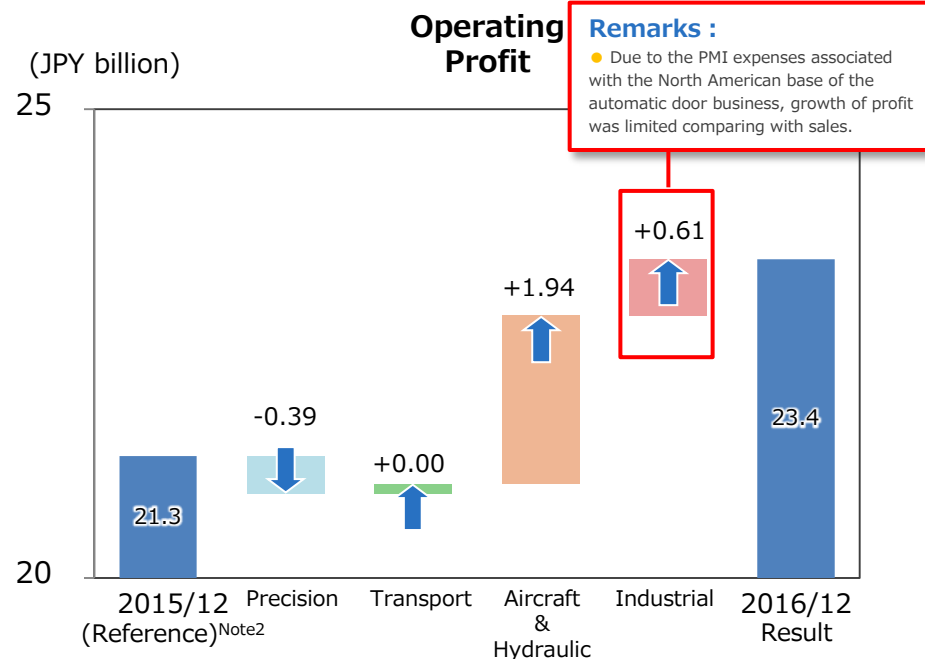
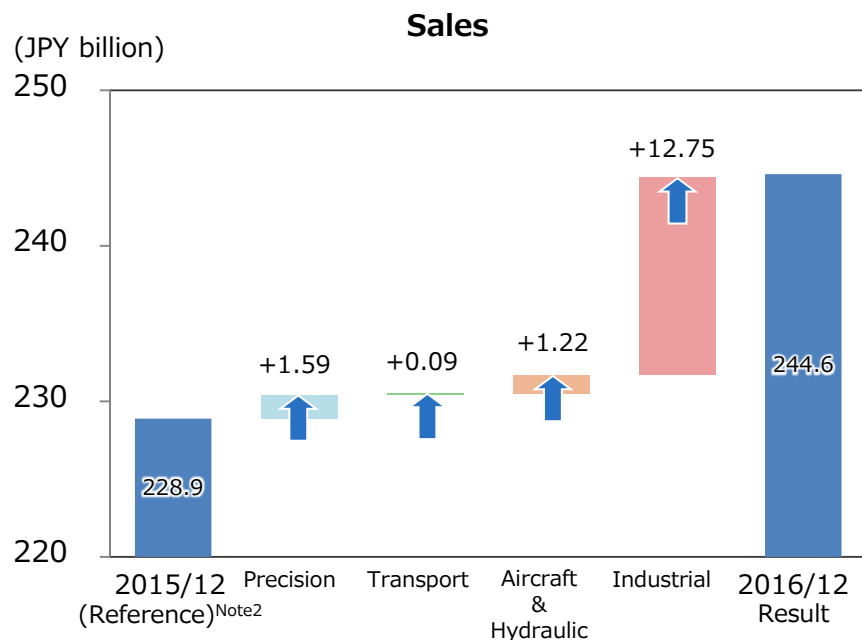
Aircraft and hydraulic : The aircraft equipment business failed to achieve the forecast of sales to the Ministry of Defense despite steady demand for hydraulic equipment in China.

Industrial : While demand for automatic doors remained weak, profits increased reflecting the revisions to the retirement benefit pension plans of the Swiss subsidiary.

*Maintenance, Repair and Overhaul

Result for FY2016/12 (Comparisons with FY2015/12 12M reference)

- Sales increased on the back of strong demand for precision reduction gears for industrial robots as well as due to the effects of consolidation of a sales company of automatic doors.
- Profits grew as a result of structural reforms of the hydraulic equipment business in China.



Precision : Precision reduction gears steadily growth in sales due to strong demand for industrial robots, etc.

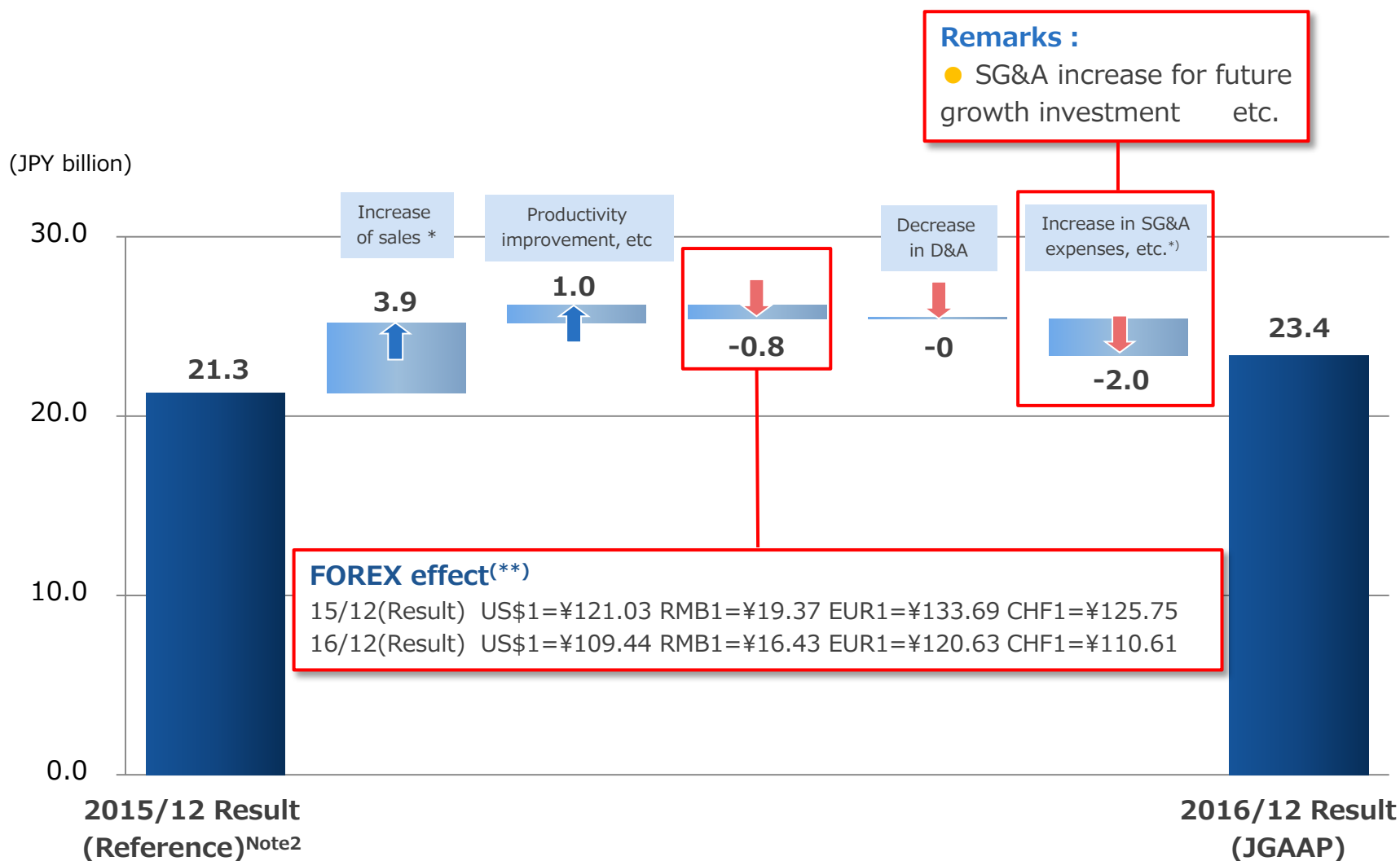
Transport : The performance of the railroad vehicle business was strong in China whereas the marine vessel equipment business recorded only a slight increase affected by sluggish shipbuilding and shipping market.

Aircraft and hydraulic : Sales increased reflecting the effects of structural reforms in the hydraulic equipment business and a rise in demand for construction equipment in China.

Industrial : Sales expanded due to the consolidation of a sales company of automatic doors. The packaging machine business also recorded a historical high in sales.

Note2 : Please note that the estimates for FY2015/12 (Reference) were calculated for the period of 12 months to make comparisons with the plan for FY2016/12 under the same conditions.

Consolidated Profit & Loss Result (Analysis of Changes in Operating Profit)



* * Fluctuations in operating profit owing to the increase of sales and SG&A expenses are based on the calculation without FOREX effect.

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

(US\$): 91 million, (RMB) : minimal, (EUR) : minimal, (CHF): minimal

Note2 : Please note that the estimates for FY2015/12 (Reference) were calculated for the period of 12 months to make comparisons with the plan for FY2016/12 under the same conditions.

■ Asset increased as a result of making a company into a consolidated subsidiary in the automatic door business.

(JPY million)	2015/12 As of Dec. 31, 2015	2016/12 As of Dec. 31, 2016	Variation
Assets	233,381	258,946	25,565
(Cash and time deposits)	35,068	41,945	6,877
(Accounts receivable)	59,750	65,712	5,961
(Inventory)	28,421	32,618	4,197
(Tangible fixed assets)	55,916	67,822	11,906
Liabilities	84,456	100,425	15,968
(Interest-bearing debt)	15,333	16,995	1,661
Net assets	148,924	158,521	9,596
(Stock acquisition right)	379	466	86
(Minority interests)	6,476	7,933	1,456
Equity capital	142,068	150,121	8,053

※ Equity ratio :

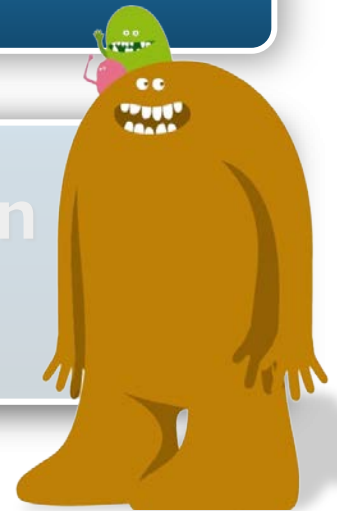
60.9%

58.0%

1. Annual Consolidated Results for 2016/12

2. Review of the Previous Mid-Term Management Plan (2015/3~2017/3*)

3. The New Mid-Term Management Plan (2017/12~2020/12)



* Since the Company changed the account closing date in June 2015, the figures for the Medium-term Management Plan which were originally set as targets for the FY2017/3 are now applied as target figures for the FY2016/12.

Review of the Previous Mid-Term Management Plan

- Our business has grown steadily in developed countries, whereas businesses in emerging countries have been sluggish reflecting the economic deceleration in China and Southeast Asian countries. Profitability shrank in contrast to expanded sales.
- The payout ratio is maintained at 30% and over in line with the Plan.

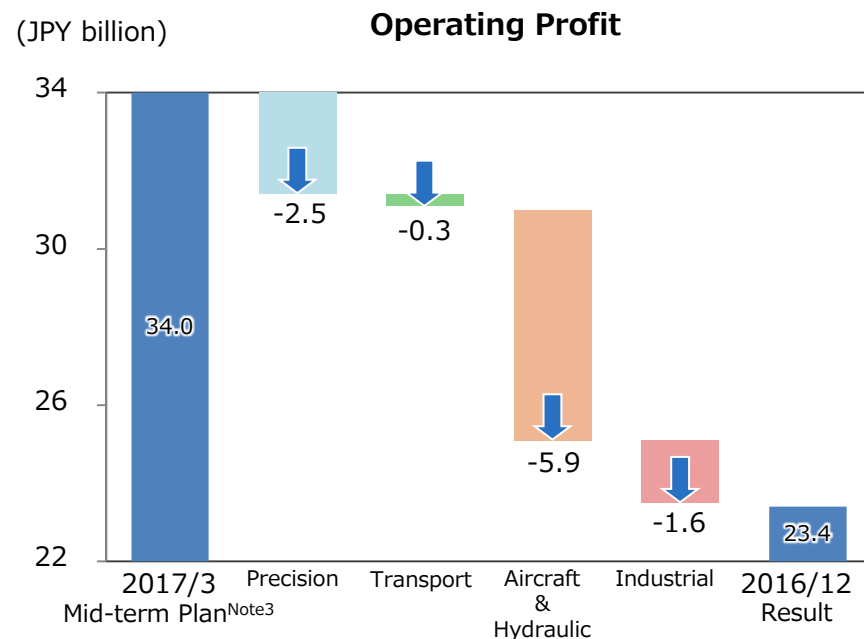
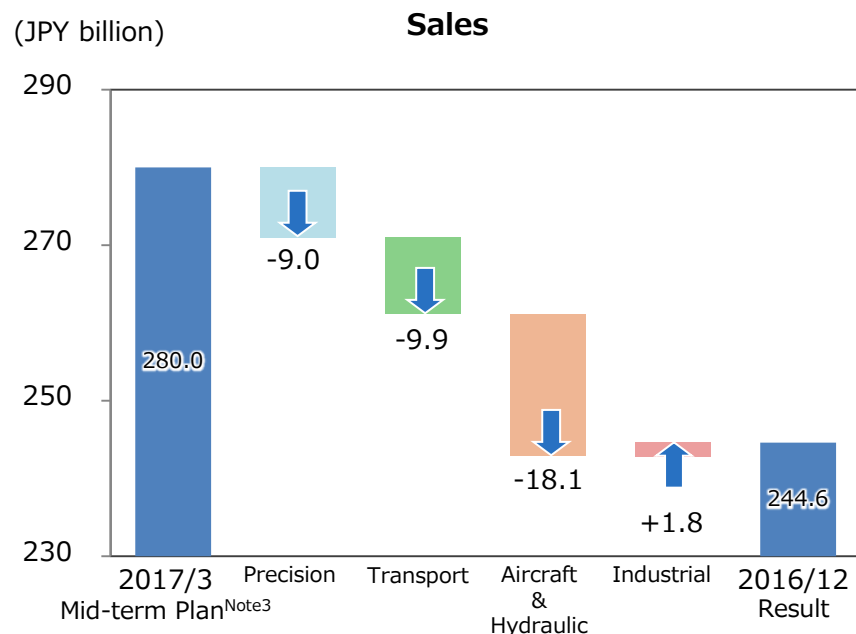
(JPY million)	2014/3 Result	2017/3 Mid-term Management Plan ^{Note3}	2016/12 Result
Sales	202.2	280.0 ±5%	244.6
Operating Profit	20.0	34.0	23.4
OPM	9.9%	12.0%	9.6%
Net profit*	14.9	24.0	17.5
EPS (Yen)	117.95	190	142.37
ROA	6.9%	7.5%	7.1%
ROE	12.2%	15.0%	12.0%
Payout ratio	32.2%	30% or over	35.1% (Plan)

Note3: Since the Company changed the account closing date in June 2015, the figures for the Medium-term Management Plan which were originally set as targets for the FY2017/3 are now applied as target figures for the FY2016/12.

*Net income refers to "Net income attributable to owners of the parent."

Review of the Previous Mid-Term Management Plan

- Steady growth was observed on the back of strong demand for precision reduction gears for industrial robots and the favorable effects of M&A in the automatic doors business despite a deteriorated business environment in China as well as sluggish demand in emerging countries affecting the hydraulic equipment business.



Precision : In contrast to precision reduction gears showing robust performance, sales of new energy equipment failed to grow due to the delayed start of the solar thermal power market.

Transport : Development of emerging markets including Southeast Asia delayed for the railroad vehicle equipment and commercial vehicle equipment businesses. The marine vessel equipment business was negatively affected by the sluggish shipbuilding and shipping market.

Aircraft and hydraulic : The Chinese market decelerated mainly in hydraulic equipment.

Industrial : Sales in the automatic doors business achieved the target by means of M&A, etc.

Note3: Since the Company changed the account closing date in June 2015, the figures for the Medium-term Management Plan which were originally set as targets for the FY2017/3 are now applied as target figures for the FY2016/12.

1. Annual Consolidated Results for 2016/12

2. Review of the Previous Mid-Term Management Plan(2015/3~2017/3*)

**3. The New Mid-Term Management Plan
(2017/12~2020/12)**



* Since the Company changed the account closing date in June 2015, the figures for the Medium-term Management Plan which were originally set as targets for the FY2017/3 are now applied as target figures for the FY2016/12.

ROE : 15%

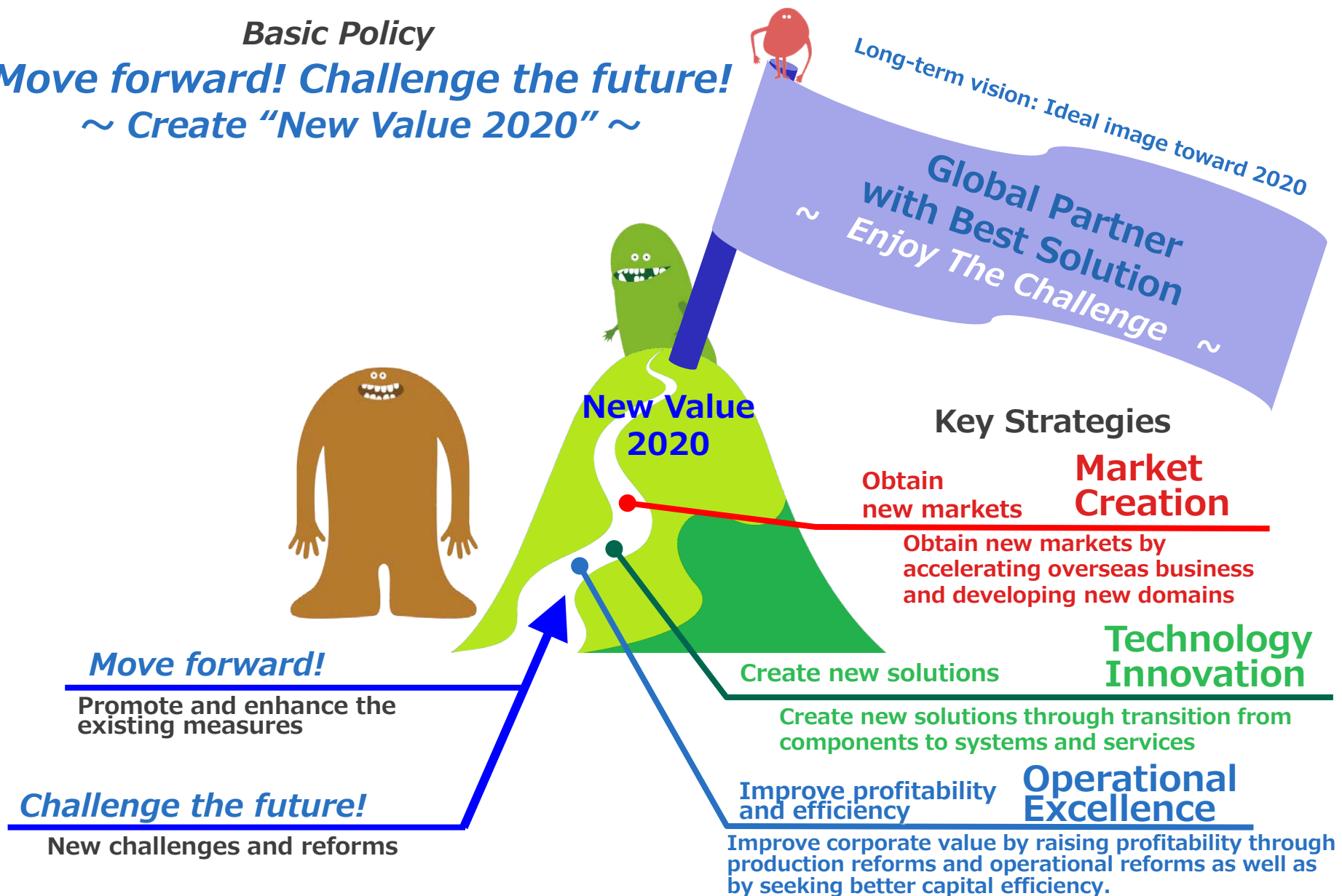
**Consolidated payout ratio:
35% or over**

**Focus on solving
ESG issues**

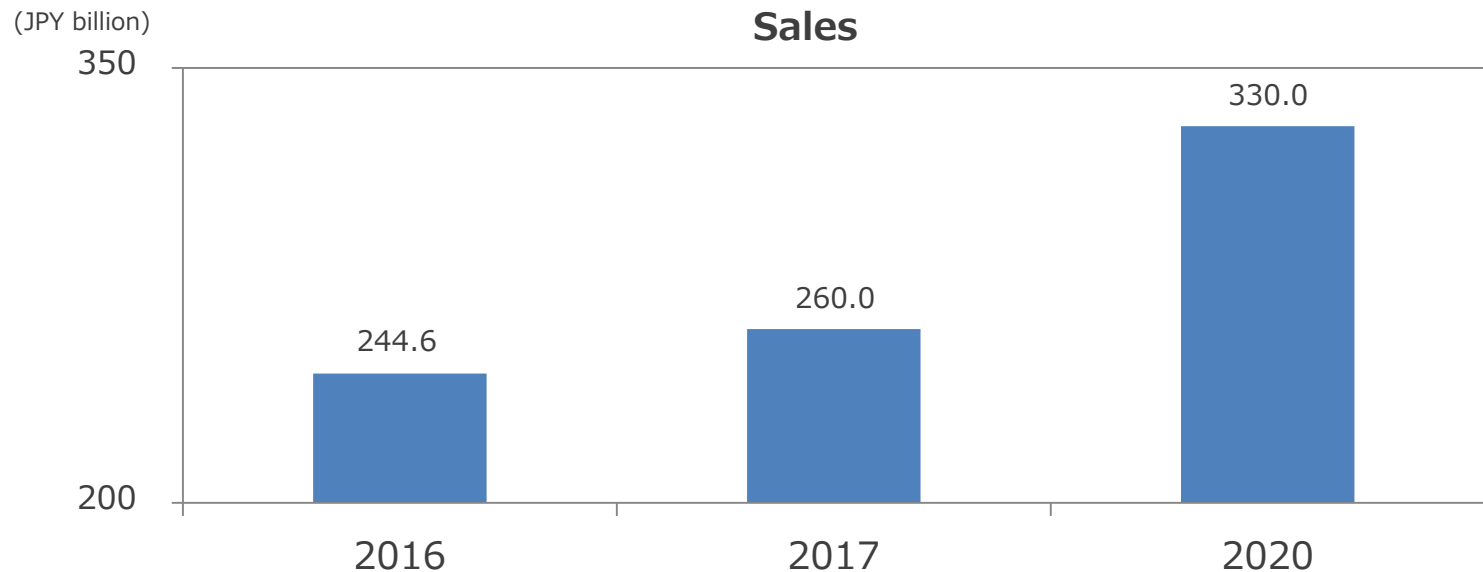
Basic Policy of the New Medium-term Management Plan

Basic Policy

Move forward! Challenge the future!
~ Create "New Value 2020" ~



Mid-Term Management Plan (Reference)



(JPY billion)	2016/12 Result (Reference for IFRS) ^{Note4}	2017/12 Plan (IFRS)	2020/12 Reference (IFRS)
Sales	244.6	260	330
Core Operating profit*	25.1	26	42
Operating Profit	26.9	26	42
Net Profit**	19.4	19.7	30

*Core operating profit: Calculated the sum of operating income year ended December 2016(JGAAP), goodwill amortization and others.

*Net Profit : Net profit attributable to owners of the parent

Note 4: Actual figures for FY2016/12 (IFRS) represent referential values prepared for the purpose of comparison with the forecast for FY2017/12. Therefore, they are subject to change after auditing.

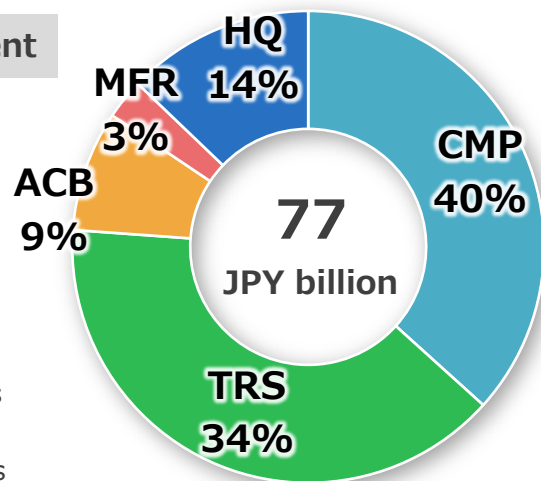
Investment for the further growth

■ Invest for further organic growth and other strategies for growth

(JPY billion)	Previous mid-term plan period accumulated 15/3,15/12(9M),16/12	New mid-term plan period accumulated 17/12~20/12
CAPEX	31	77
R&D	20	40
M&A etc.	10	30

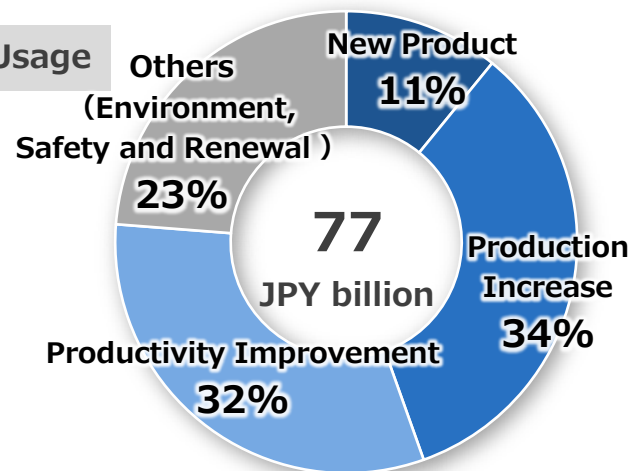
New mid-term plan (4 years accumulation)

By Segment



CMP: Component Solutions
 TRS: Transport Solutions
 ACB: Accessibility Solutions
 MFR: Manufacturing Solutions

By Usage



- **Realizing highly efficient production, highly environmental functions and a comfortable working environment by introducing smart factory systems.**

Reduce burden on the environment.

- Reduce CO2 emissions
- Promote zero emission efforts
- Reduce the use of toxic substances

- **Establishing overwhelming competitive superiority based on “Manufacturing Innovation.”**

Manufacturing Innovation

- Realize sophisticated automatization and promote smart production management by effective use of IoT and AI technologies
- Develop proprietary production technologies
- Optimize the “Make & Buy” balance, and promote reforms in procurement and logistics

Growth Strategy by Business Segment

Achieve growth based on individual business-oriented strategy on top of organic growth.

Growth with market growth

Technology superiority strategy

Precision reduction gears Aircraft equipment

- Strategies to maintain competitive superiority

Reinforcement of business bases

Company-wide basis:

- Reinforce business bases through operational and organizational reforms.
- Enhance financial strategy (by introducing ROIC as an administrative index).



Growth based on each market-oriented strategy

(1) Expansion of regional market share

Automatic doors

- Expand market shares by region-centered strategies
- Improve profitability through value chain model

(2) Penetration into new markets

Railroad vehicle equipment Packaging machines

- Develop markets in Europe, China and Southeast Asia

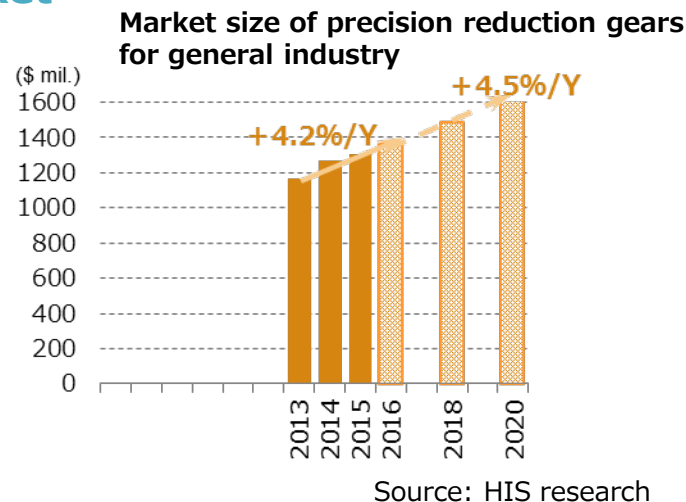
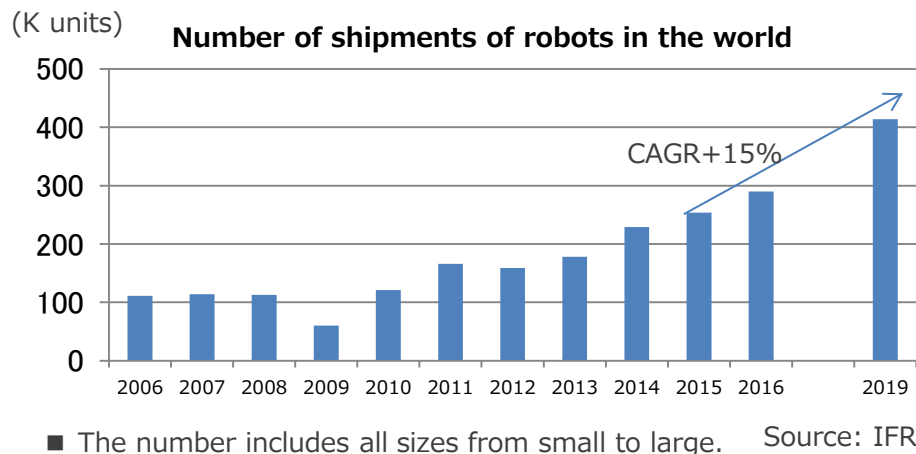
(3) Expansion of product line-up

Hydraulic equipment Commercial vehicle equipment Marine vessel equipment

- Expand product line-up.
- Respond to systematization and modularization.

Component Solutions (CMP): Precision Reduction Gears

- Maintain competitive superiority in precision reduction gears for industrial robots as our business base
- Expand sales in the general industry market



Technology Innovation

Maintain competitive superiority based on overwhelming technologies and a wide range of products

Operational Excellence

Pursue automatization and labor saving to build highly efficient factories and expand productivity

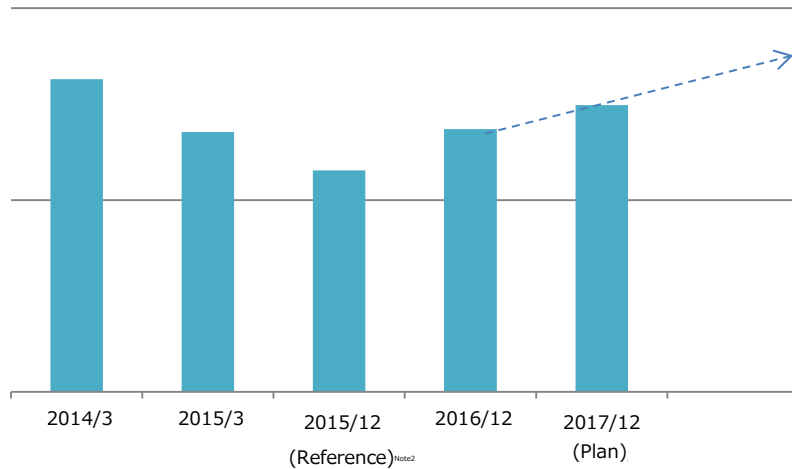
Market Creation

Develop high value-added products targeted at the expansion of sales to non-robotics industries.

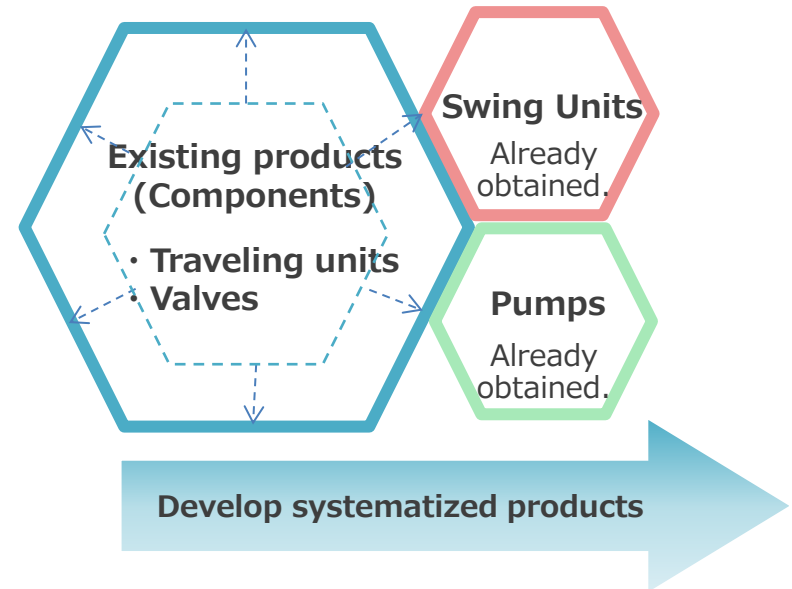
Component Solutions (CMP): Hydraulic Equipment

■ Expand product line-up and respond to systematization and modularization

Trend of net sales



Note 2: Please note that the estimates for FY2015/12 (Reference) were calculated for the period of 12 months to make comparisons with the plan for FY2016/12 under the same conditions.



Technology Innovation

Enhancement of competitive edge of the existing products, and development of next-generation systematized products

Operational Excellence

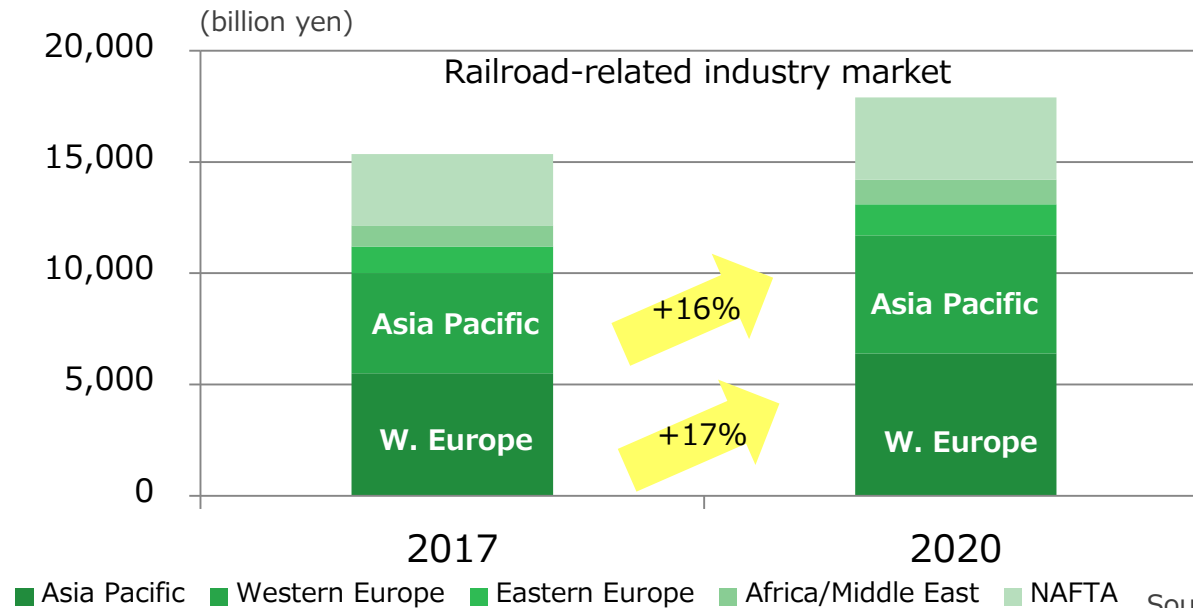
Further reinforcement of the global production system

Market Creation

Sales and development of uses of systematized products

Transport Solutions (TRS): Railroad Vehicle Equipment

■ Penetration into the European and Southeast Asian markets



■ Europe

Expand into the European market by launching strategic products

■ Southeast Asia

Expand sales in MRO through a subsidiary in Thailand

Technology Innovation

Launch of systematized products

Operational Excellence

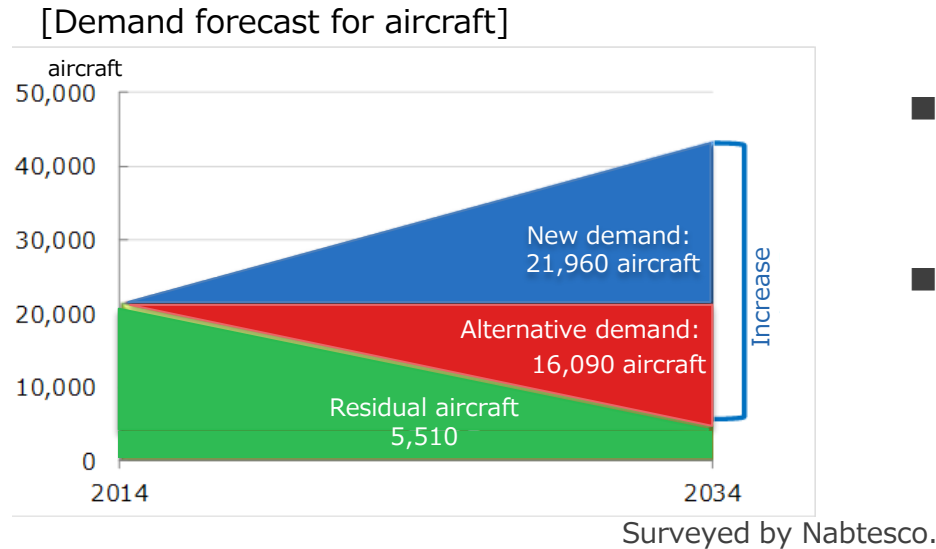
Promote automatization in logistics and inspection processes

Market Creation

Expand sales in the European market

Transport Solutions (TRS): Aircraft Equipment

■ Provide creative customer value to realize growth in the commercial aircraft business



■ Business for the Ministry of Defense Stable

■ New programs for commercial aircraft B737MAX (Operation will start in 2017) B777X (Operation will start in 2020)

Technology Innovation

Promote continuous innovations

Operational Excellence

Improve productivity and reduce burden on the environment

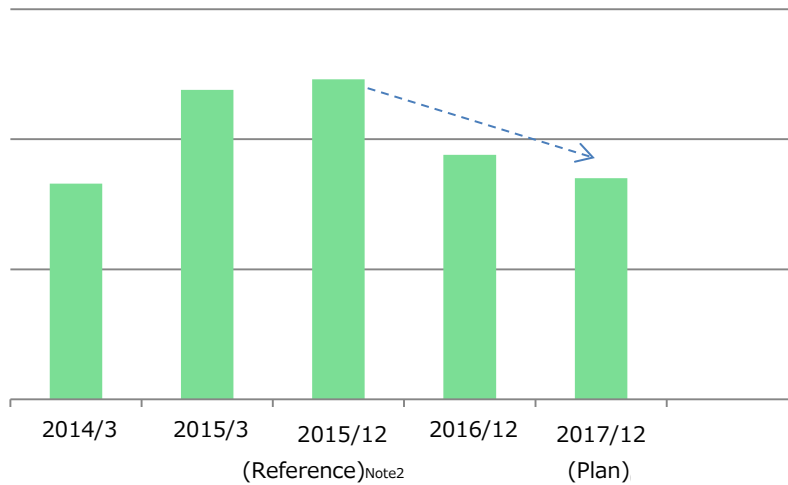
Market Creation

Promote proposal-based MRO business to improve added value for customers

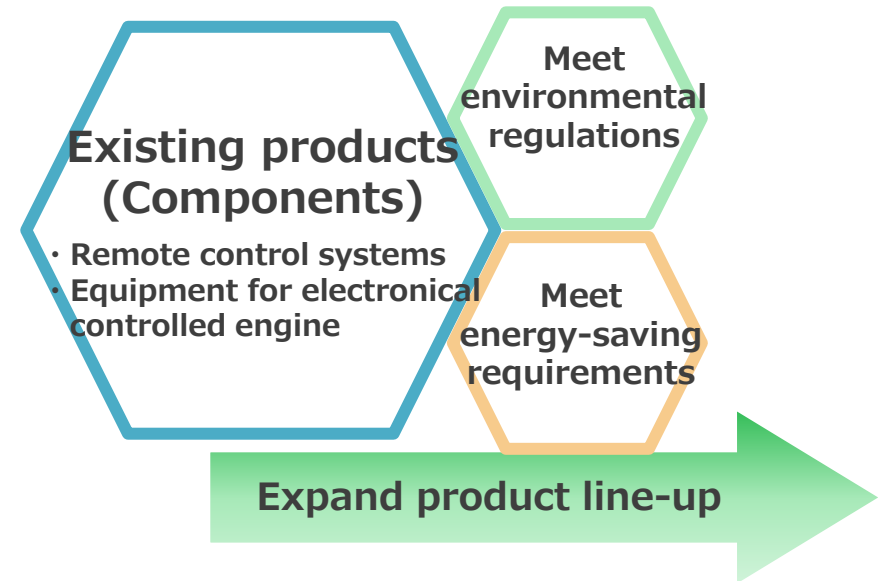
Transport Solutions (TRS): Marine Vessel Equipment

■ Increase profits by expanding product line-up and service menu

Trend of net sales



Note 2: Please note that the estimates for FY2015/12 (Reference) were calculated for the period of 12 months to make comparisons with the plan for FY2016/12 under the same conditions.



Technology Innovation

Develop products that meet environmental regulations and energy-saving requirements

Operational Excellence

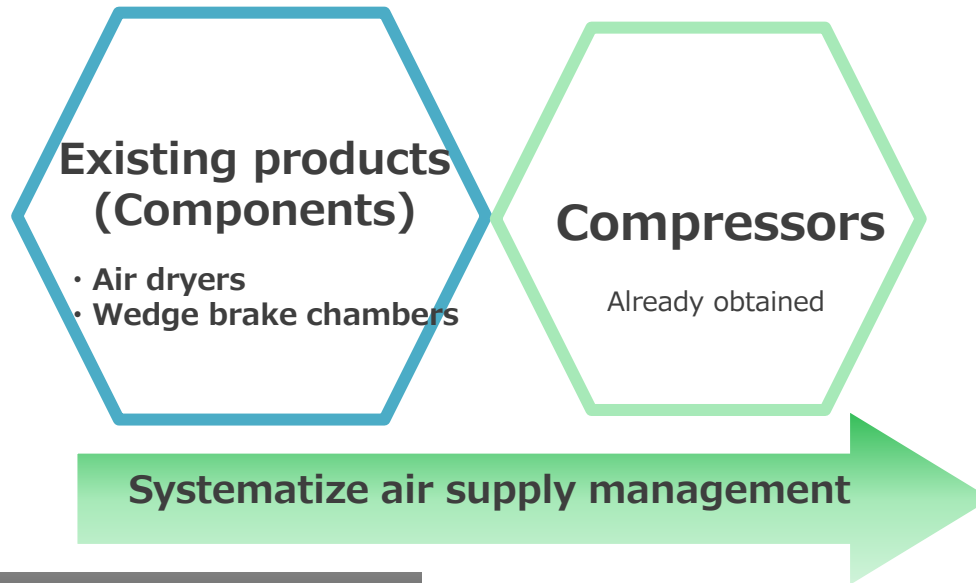
Improve efficiency in SCM by effective use of IoT and AI

Market Creation

Enhance proposal-based sales activities by effective use of ICT and IoT

Transport Solutions (TRS): Commercial Vehicle Equipment

- Develop systematized products and expand business in Europe



Technology Innovation

Shift from components to systematized products

Operational Excellence

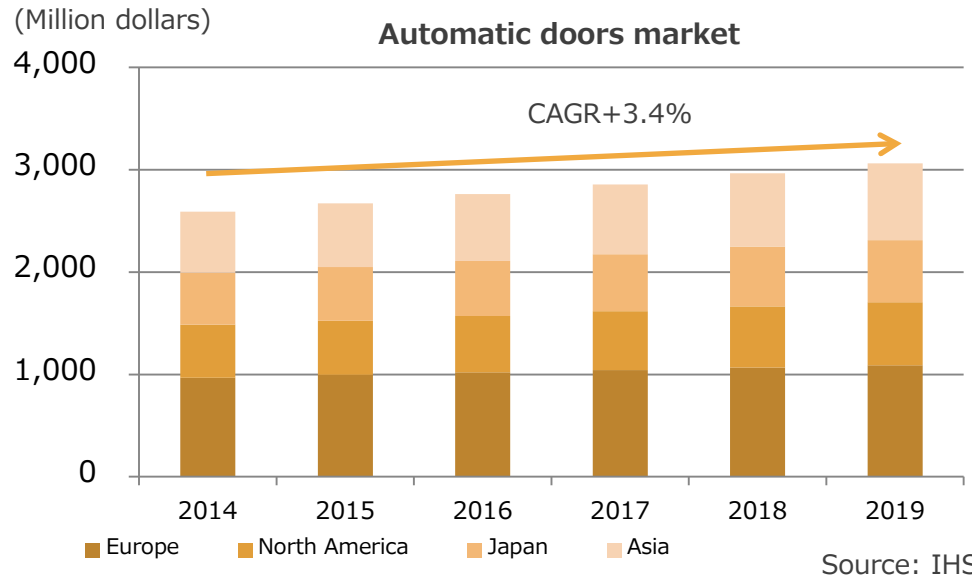
Implement globally optimum production locations strategy

Market Creation

Expand business in Europe and India by utilizing the Group's business bases

Accessibility Solutions (ACB): Automatic Doors

■ Enhance the value chain business bases, and expand market shares by means of region-focused business.



■ Target of CAGR: 5% or higher

- Enhance value-chain models (including the use of M&A)
- Enhance the capability of solutions.

Technology Innovation

Develop and provide high value-added maintenance services.

Operational Excellence

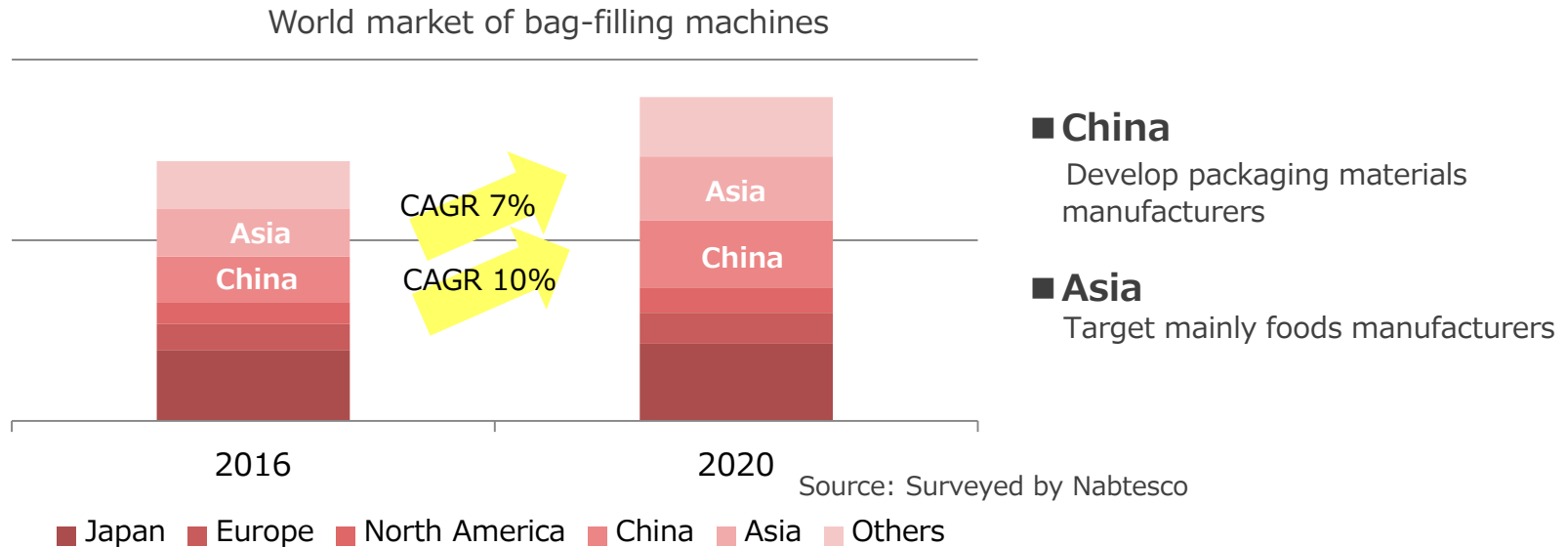
Improve profitability by means of reforms of SCM.

Market Creation

Further promote the regional value chain model.

Manufacturing Solutions (MFR): Packaging Machines

■ Penetrate into emerging markets including China and Southeast Asia, etc.



Technology Innovation

Expand product domains

Operational Excellence

Shorten the production lead time by introducing common platforms

Market Creation

Enhance sales expansion in Europe, the United States and Asia

Growth Investments and Promotion of Reinforcement of Business Base up to the Previous Med-term Management Plan

Precision reduction gears

- Construction of a new factory in China
- Expand and reinforce the mother factory in Japan

Aircraft equipment

- Investments in a new factory for a new program (totaling 10 billion yen)

Hydraulic equipment

- Reorganization of the factories in China
- Expansion of product line-up. (Acquisition of Hyst Corporation)

Automatic doors

- M&A mainly in the United States

Railroad vehicle equipment

- Incorporation of a sales subsidiary in Thailand
- Acquisition of a production base in Europe (Nabtesco Oclap)

Technology and R&D Division

- Acquisition of OVALO to promote the introduction of mechatronics

Commercial vehicle equipment

- Acquisition of a German manufacturer of compressors

Incorporation of a subsidiary in India; and Relocation and expansion of Nabtesco Digital Engineering Center

Forecast for FY2017/12 (IFRS)

(JPY million)	2016/12 Result (Reference for IFRS) ^{Note4}	2017/12 Plan (IFRS)	Variation
Sales	244,618	260,000	15,382
Core Operating Profit*	25,175	26,000	825
O.P.	26,938	26,000	-938
Net Profit*	19,445	19,700	255
Net profit per share	157.43	159.49	2.06
ROA	7.9%	7.3%	-0.6pt
ROE	13.5%	12.7%	-0.8pt

Remarks :

- Steady demand from Precision reduction gears for Industrial robots.
- Consolidation of automatic door business subsidiary (3M)

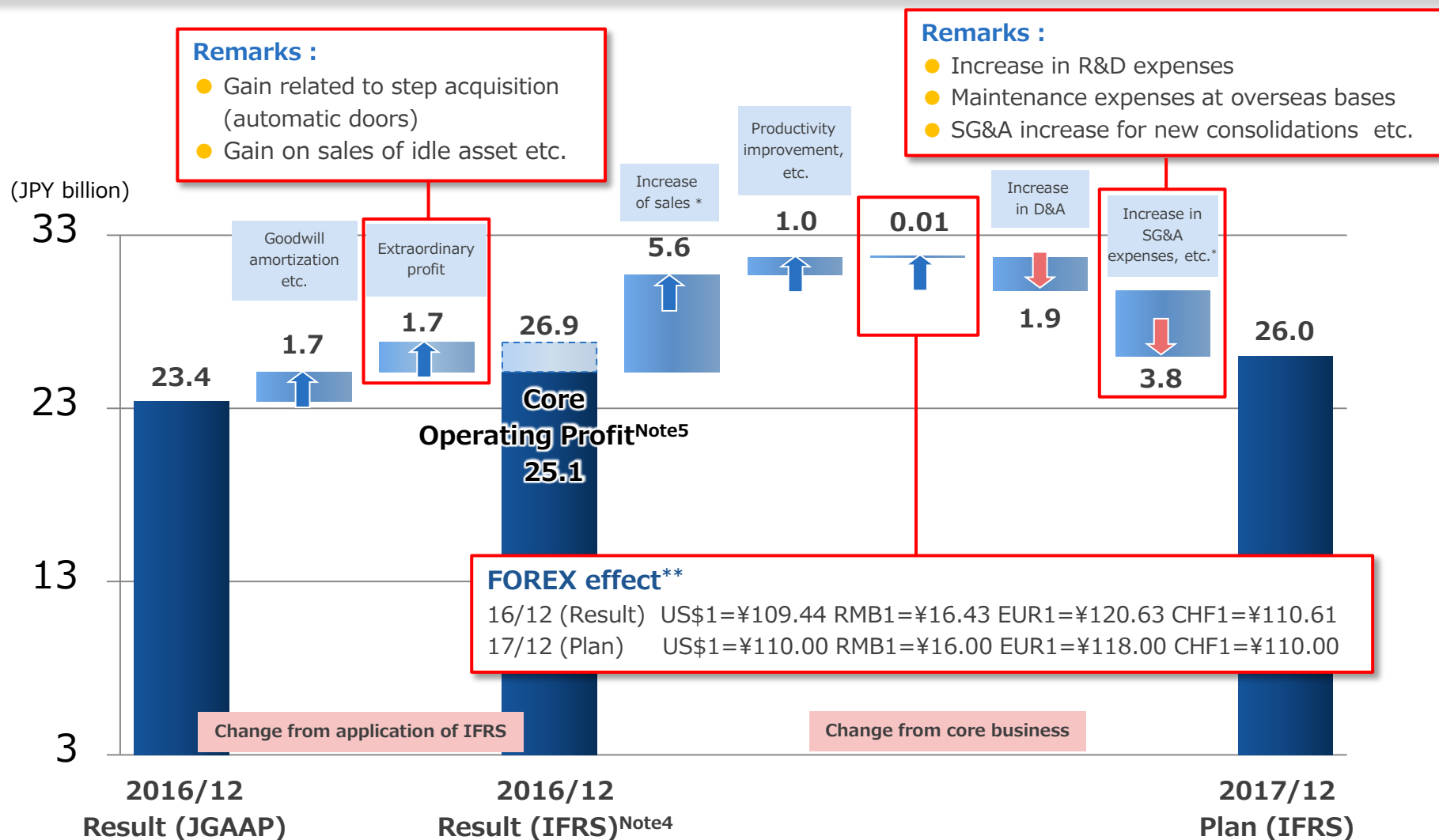
Dividend per share (Yen)	50(Plan)	56(Plan)	6
Payout Ratio	31.8%(Plan)	35.1%(Plan)	3.3pt

Note4 : Actual figures for FY2016 (IFRS) represent referential values prepared for the purpose of comparison with the forecast for FY2017. Therefore, they are subject to change after auditing.

*Core operating profit: Calculated the sum of operating income year ended December 2016(JGAAP), goodwill amortization and others.

*Net Profit : Net profit attributable to owners of the parent

Consolidated Profit & Loss Result (Analysis of Changes in Operating Profit)



* Fluctuations in operating profit owing to the increase of sales and SG&A expenses are based on the calculation without FOREX effect.

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

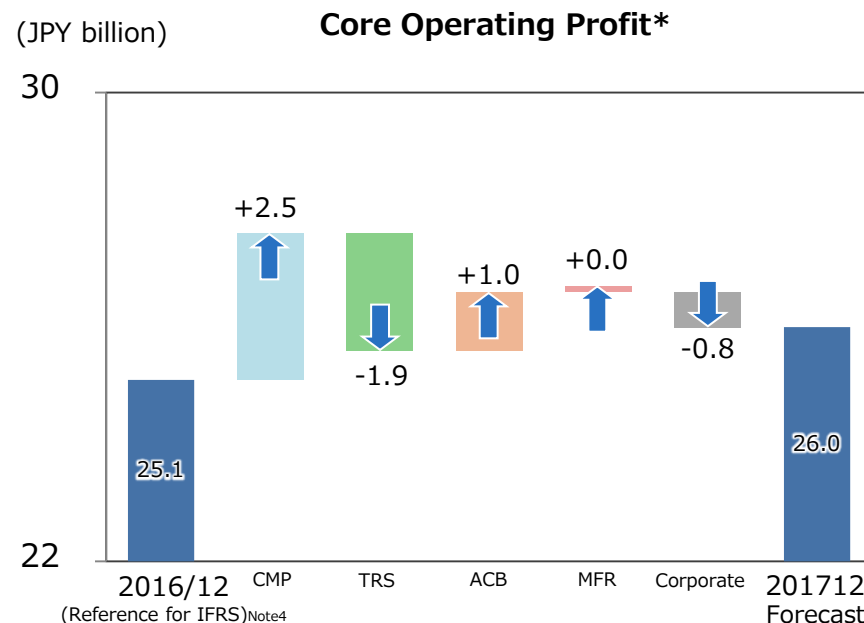
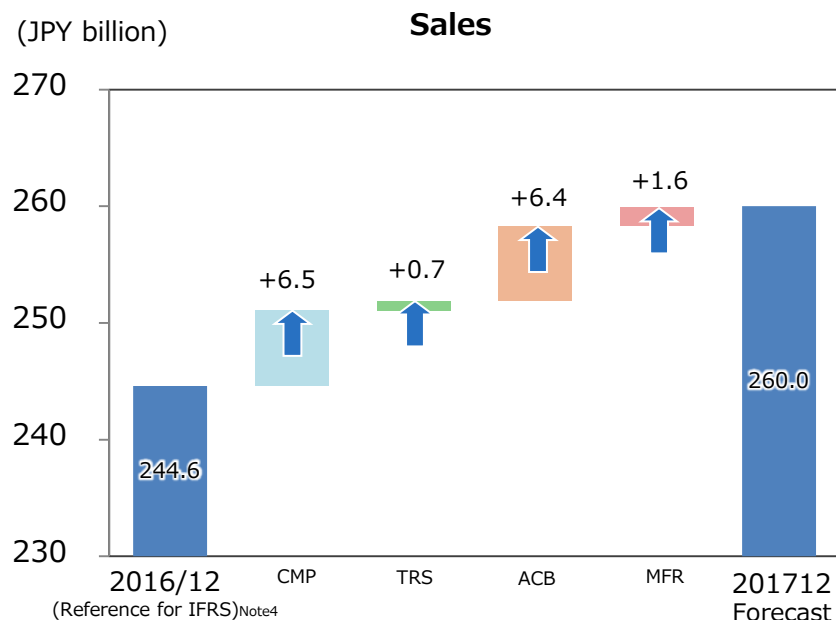
(USD) : JPY 54 million (RMB) : JPY 45 million (EUR) : minimal (CHF) : minimal

Note4 : Actual figures for FY2016 (IFRS) represent referential values prepared for the purpose of comparison with the forecast for FY2017. Therefore, they are subject to change after auditing.

Note5 : Core operating profit: Calculated the sum of operating income year ended December 2016(JGAAP), goodwill amortization and others.

Forecast for FY2017/12 (IFRS)

■ Both sales and profits increased reflecting strong demand for precision reduction gears and the effects of consolidation of an automatic door sales company



CMP: Strong demand for precision reduction gears for industrial robots and an increase in demand for hydraulic equipment in emerging countries

TRS: Decrease in demand due to the influence of development of China's proprietary high-speed railroad vehicle models

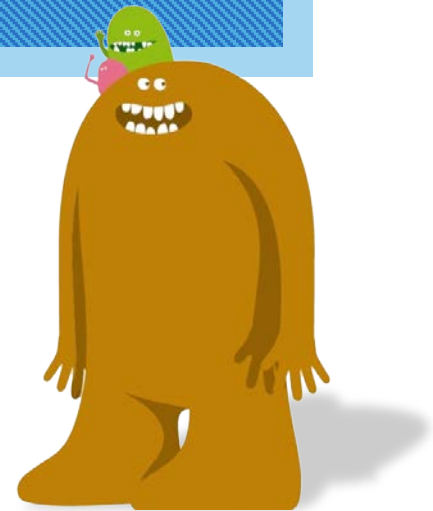
ACB: Favorable effects of the consolidation implemented in the previous fiscal year of an automatic door sales company (One quarter effect)

MFR: Expansion of overseas sales of packaging machines

Note4 : Actual figures for FY2016 (IFRS) represent referential values prepared for the purpose of comparison with the forecast for FY2017. Therefore, they are subject to change after auditing.

*Core operating profit: Calculated the sum of operating income year ended December 2016(JGAAP), goodwill amortization and others.

Appendix



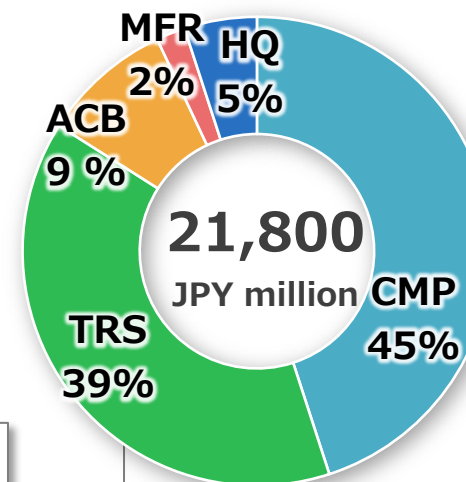
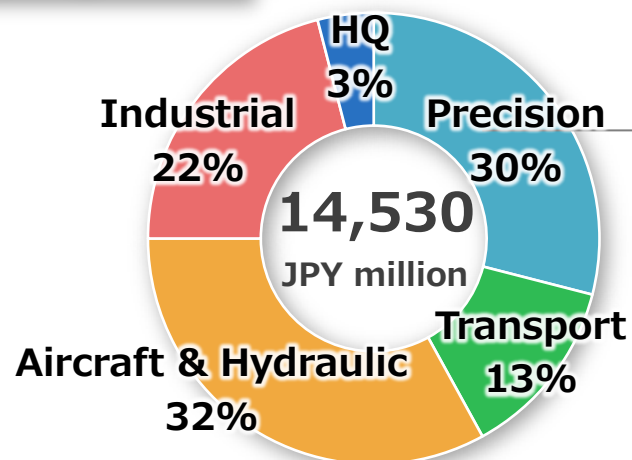
CAPEX, R&D and Depreciation

(JPY million)	2016/12 Result	2017/12 Plan	2015/12 Result (Reference)*
CAPEX	14,530	21,800	10,291
R&D	7,362	8,700	7,265
Depreciation	7,406	9,300	7,399

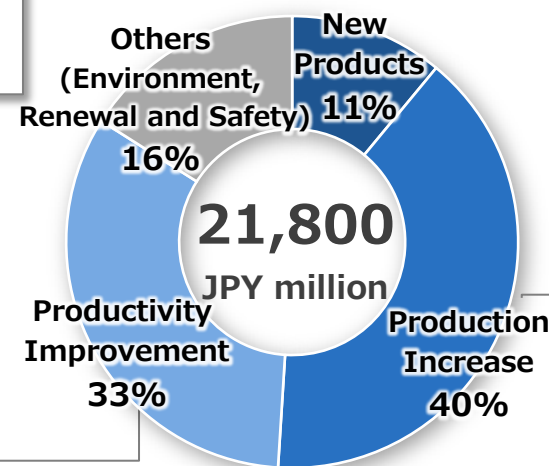
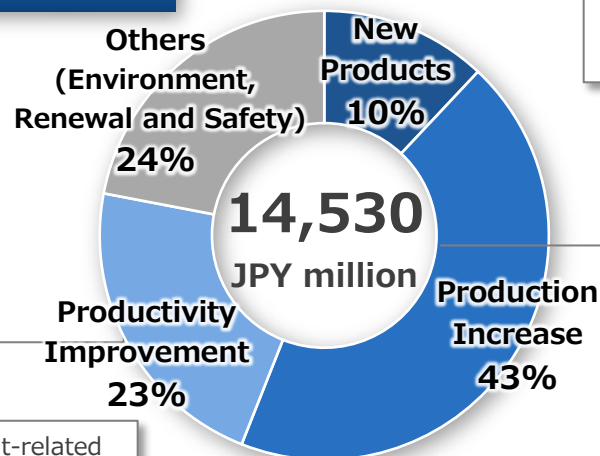
* Please note that the estimates for FY2015/12 (Reference) were calculated for the period of 12 months to make comparisons with the plan for FY2016/12 under the same conditions.

Breakdown in CAPEX

By Segment



By Usage



- Precision reduction gears:
 - Installation of new facilities in the new China plant
- Aircraft equipment:
 - Capacity expansion at Gifu Plant

- Environment-related investments
- R&D-related investments

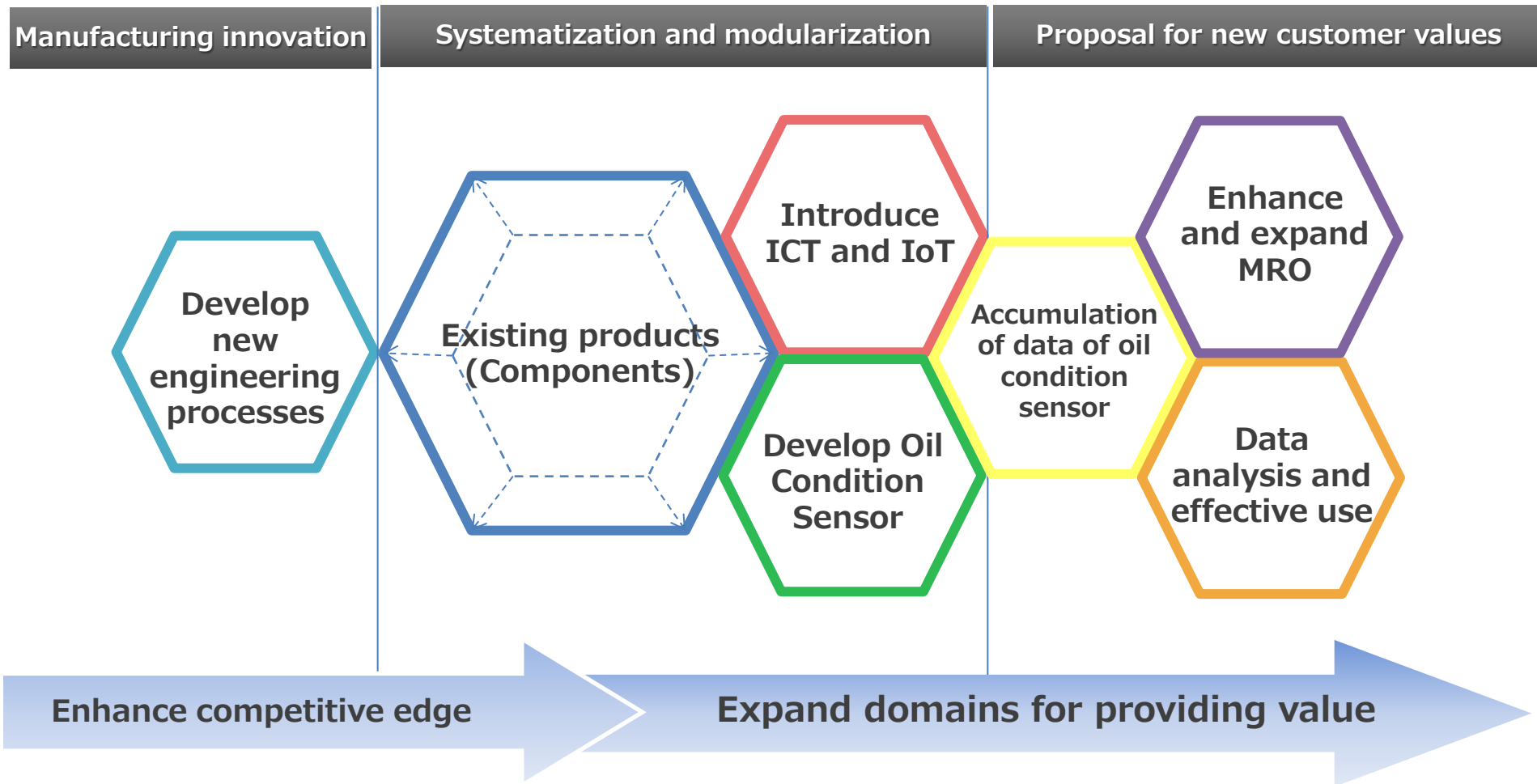
- Modernization of plants incl. facility replacement in Japan and abroad

2016/12 Result

2017/12 Plan

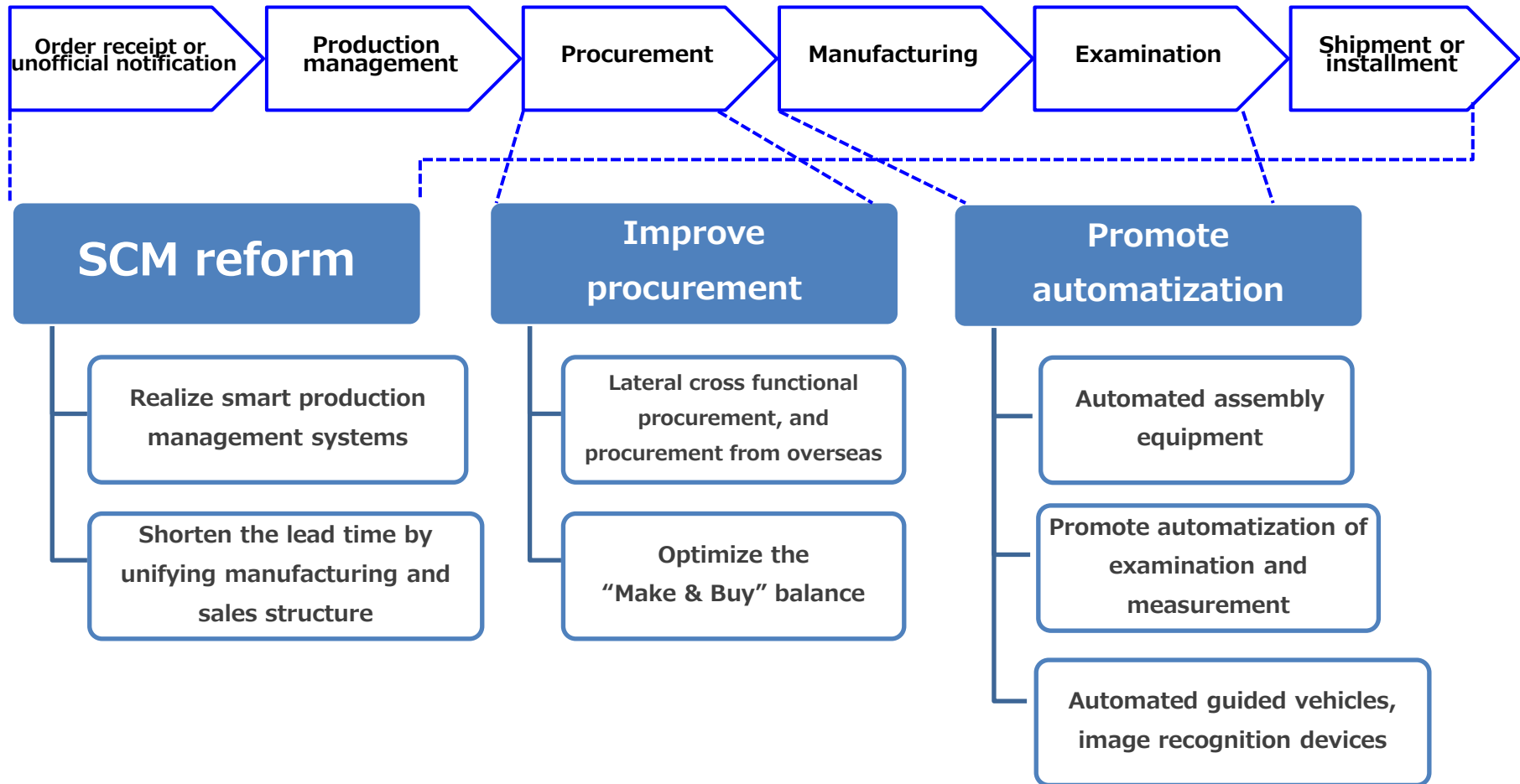
Market Creation/Technology Innovation

- Enhance competitive edge of existing products by means of “Development of new engineering processes”
- Expand business domains for providing value through shifting to becoming a solution provider



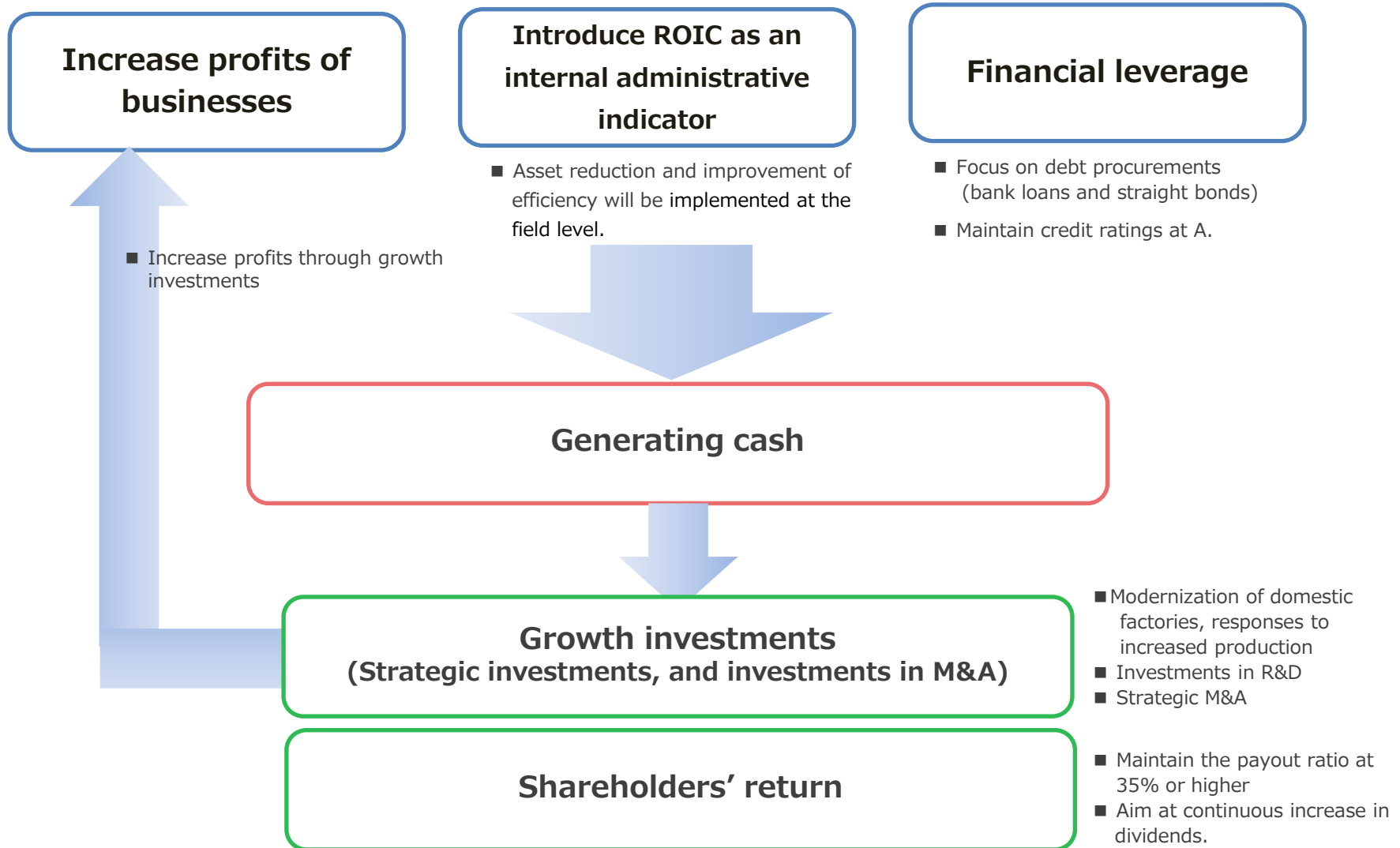
Operational Excellence

■ Improve profitability through production reforms (improving efficiency in manufacturing)



Operational Excellence

- Increase profitability by means of production reforms and operational reforms, and improve corporate value by further boosting capital efficiency.



Non-financial Efforts: Provision of Value to Stakeholders

■ Implement sustainable management with the aim of solving the ESG issues

Shareholders

- Improve governance.
- Enhance risk management.
- Enhance the transmission of ESG information.

Customers

- Pursue customer satisfaction.
- Secure high quality and safety.

Employees

- Working-style reform.
- Promote human resources development and diversity.
- Secure safe workplaces.

Business partners

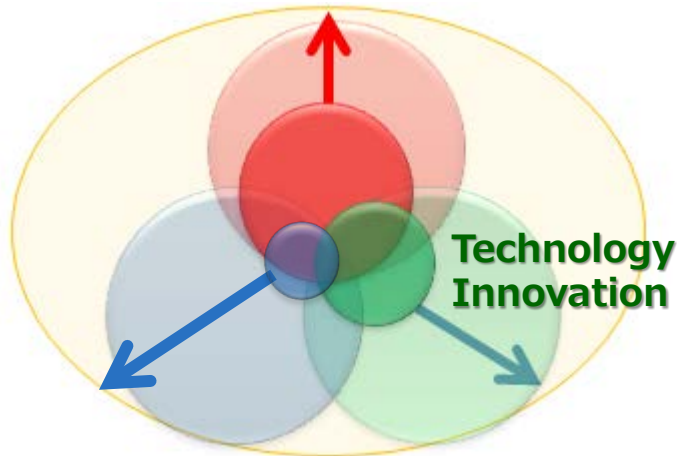
- Responsible procurement activities

The environment and society

- Response to climate change issue
- Environmentally conscious manufacturing
- Development of local communities.

Non-financial Efforts: Reinforcement of Management Base to Support the Basic Strategy

Market Creation



Operational Excellence

■ Reinforce the operational base by means of structural and operational reforms.

- Improve corporate governance
 - Accelerate decision-making procedures by delegation of power.
 - Enhance regional control functions and monitoring systems.
- Activate organizations and sophisticate the use of human resources.
 - Promote working-style reform.
 - Implement further measures for employees' health.
 - Promote diversity.

■ Reinforce the management base toward the acceleration of overseas business development

- Cultivate human resources capable of engaging globally, and hire personnel specializing in electronics and electric fields.
- Establish internal control, compliance and risk management structures on a global basis.
 - The Compliance Committee and Risk Management Committee were established. (December 2016)
 - Code of Ethics of the Nabtesco Group was established. (Respect for human rights; prevention of bribery, etc.)

■ Realize highly efficient production and high environment functions and a comfortable working environment by introducing smart factory systems.

■ Establish overwhelming competitive superiority based on Manufacturing Innovation.

- Reduction of burdens on the environment:
 - Long-term targets:

(compared with FY 2015)	2030	2050
Reduction of CO ₂ emissions	-30%	-80%

Medium-term targets:

(compared with FY 2015)	2020
Reduction of CO ₂ emissions: <ul style="list-style-type: none"> • Reduce global sales cost unit. • Reduce total domestic emissions. 	<ul style="list-style-type: none"> • -9% or lower • Maintain the FY2015 level
Promote zero-emissions initiatives.	Zero landfill disposal
Reduce the use of toxic substances.	Maintain the sales cost unit recorded in FY 2016

- Manufacturing Innovation:
 - Realize sophisticated automatization and promote smart production management by effective use of IoT and AI technologies.
 - Develop proprietary production technologies.
 - Optimize the "Make & Buy" balance, and promote reforms in procurement and logistics.









Non-financial Efforts: Enhance CSR toward Responsible Corporate Behavior

■ Promote systematization of CSR activities

- The CSR Committee was established. (August 2016)
- The basic policy on CSR was established:

By practicing The Nabtesco Way, the Nabtesco Group strives to ensure management transparency, provide safety, comfort and a sense of security, and fulfill its corporate social responsibilities, thereby contributing to solving environmental and social issues and seeking to enhance corporate value on a sustainable basis..”

- Re-examination of materiality (material CSR Issues)

General Category	ESG Category	Materiality (Material CSR Issues)	Major SDGs of Relevance
Ensure management transparency	Governance (G)	●Strengthen corporate governance	 
		●Promote risks management and compliance behavior	
		●Ensure proactive dialogue with stakeholders	
Provide safety, comfort and a sense of security	Society (S)	●Enhance customer satisfaction Ensure quality and safety	 
		●Develop human capital and promote workplace diversity ●Provide safe and comfortable workplaces	
		●Respect human rights Prevent corruption	
		●Fair, proper and transparent procurement activities	
		●Local community development	
		●Countermeasures for climate change	
	Environment (E)	●Environmentally friendly manufacturing	 
		●Environmentally friendly manufacturing	
		●Environmentally friendly manufacturing	
		●Reduction of environmental impact	
			 

Non-financial Efforts: External Recognition of Achievements

■ Promoting dialogues with stakeholders through active transmissions of ESG information.

■ Integrated Report

- Selected as "Excellent" by "Nikkei Annual Report Awards 2016"



(https://www.nabtesco.com/library/annual_report/oir2015_12/eng/index.html)

■ Inclusion in major external assessment and ESG-related indices for FY 2016

- DJSI World Index
- FTSE4Good Index Series
- MSCI Global Sustainability Index
- STOXX Global ESG LEADERS INDICES
- JPX-NIKKEI 400
- CDP's Climate A List
- CDP's Supplier Climate A List

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM



FTSE4Good

MSCI



2016 Constituent
MSCI Global
Sustainability Indexes

Member 2016/2017

STOXX

ESG LEADERS INDICES



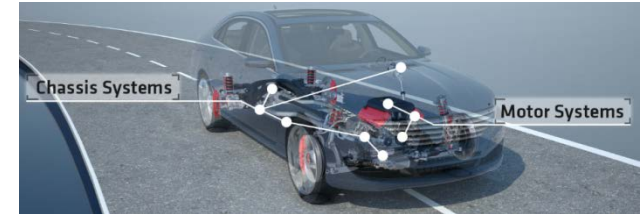
JPX-NIKKEI 400



Topic: Acquisition for Promoting Mechatronics

OVALO GmbH/adcos GmbH

	OVALO GmbH	adcos GmbH
Location	Limburg an der Lahn (Germany)	Köln (Germany)
Line of merchandise	Chassis system, and engine system products	ECU* for development, and software
Non-consolidated net sales (Forecast for FY2016/12)	Approx. 20 million euros	Approx. 2 million euros
Acquisition value	Approx. 82 million euros (including the acquisition price of claimable assets)	



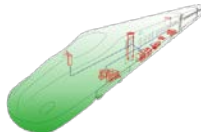
*ECU (Electric Control Unit) for development; Computers dedicated to development used in RCP (Rapid Control Prototyping) before designing and manufacturing computers loaded on actual equipment.

*RCP: A development technique for checking and improving software, etc. reproduced in the model-based design by downloading to a computer dedicated to development, and by actually operating it.

Expected synergies

Technology Innovation

Utilizing capability of development of unified motor and control units, we will systematize and introduce mechatronics to various products



Market Creation



To be used as the new development and production base in Europe

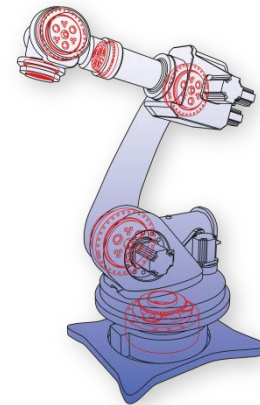
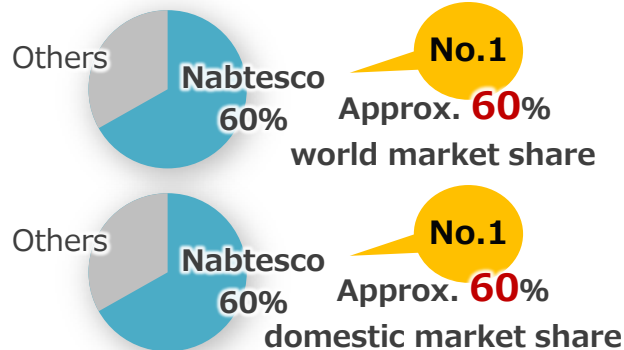
Main Products: Precision Equipment Segment

Precision Reduction Gears

■ Joints of Industrial Robots

■ Machine Tool ATCs

(ATC = Automatic Tool Changer)

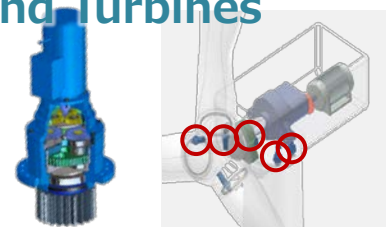


New Energy Equipment

■ Solar Tracking Equipment



■ Drive Units for Wind Turbines



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

■ New Energy Equipment

Solar Tracking Equipment: Cobra Thermosolar Plant (Spain)

Drive Units for Wind Turbines: MHI, Hitachi, Ltd., Others

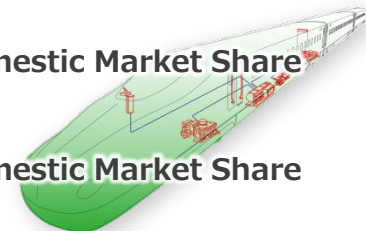
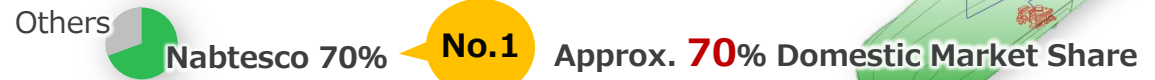
Main Products: Transport Equipment Segment

Railroad Vehicle Equipment

■ Brake Systems

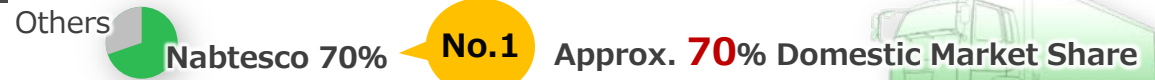


■ Door Operating Systems



Commercial Vehicle Equipment

■ Wedge Chambers



■ Air Dryers



Marine Vessel Equipment

■ 2ST Main Engine Control Systems



Main Customers

■ Railroad Vehicle Equipment

JR Companies, Private railway companies, KHI, Bullet train and subway projects in China

■ Commercial Vehicle Equipment

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

■ Marine Vessel Equipment

KHI, Mitsui Engineering & Shipbuilding, MHI, Hitachi Zosen, Makita, Hyundai Heavy Industries (Korea), Doosan Engine (Korea), Hudong Heavy Machinery (China), MAN Diesel (Denmark)

Main Products: Aircraft & Hydraulic Segment

Aircraft Equipment

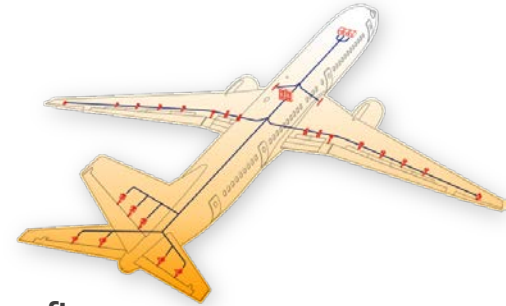
■ Flight Control Actuation Systems (FCA)

- One of the four major world players for FCA systems (major FCA supplier to Boeing Company)
- Expanding business into engine accessories and power supply systems



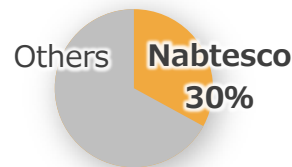
No.1

Approx. **100%** market share for domestically-produced aircrafts



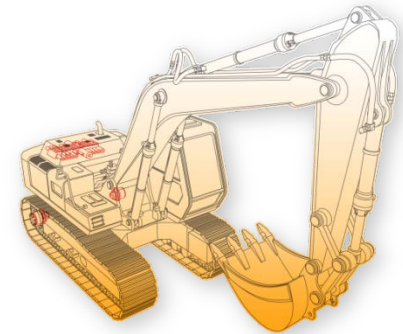
Hydraulic Equipment

■ Traveling Units for Hydraulic Excavators



No.1

Approx. **30%** world market share



Main Customers

■ Aircraft Equipment

Boeing, KHI, MHI, IHI, Japanese Ministry of Defense, Airlines

■ Hydraulic Equipment

Komatsu, Kobelco Construction Machinery, Kubota, Sumitomo Construction Machinery, Hitachi Construction Machinery, Sany, Zoomlion, XCMG, LiuGong

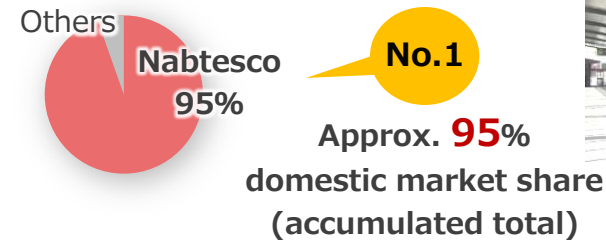
Main Products: Industrial Equipment Segment

Automatic Doors

■ Automatic Doors

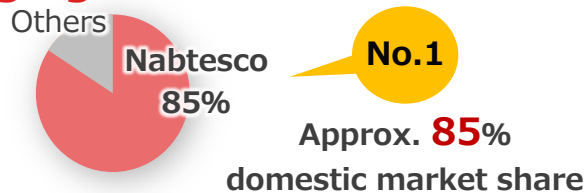


■ Platform Screen Doors



Packaging Machines

■ Packaging Machines for Retort Pouch Foods



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

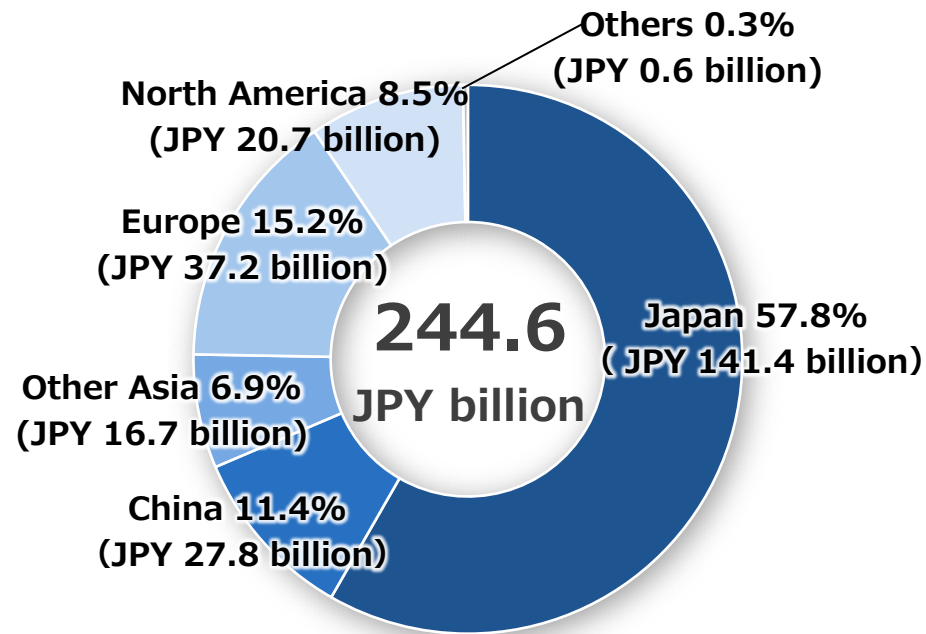
■ Packaging Machines

Mitsui Sugar, Ajinomoto, Marudai Food Co., Ltd., ARIAKE Japan, KENKO Mayonnaise, P&G, Kao, Lion, beverage companies in North America, food companies in China

Sales by Geographic Segment

2016/12 result

(12-month period for both domestic and overseas companies)

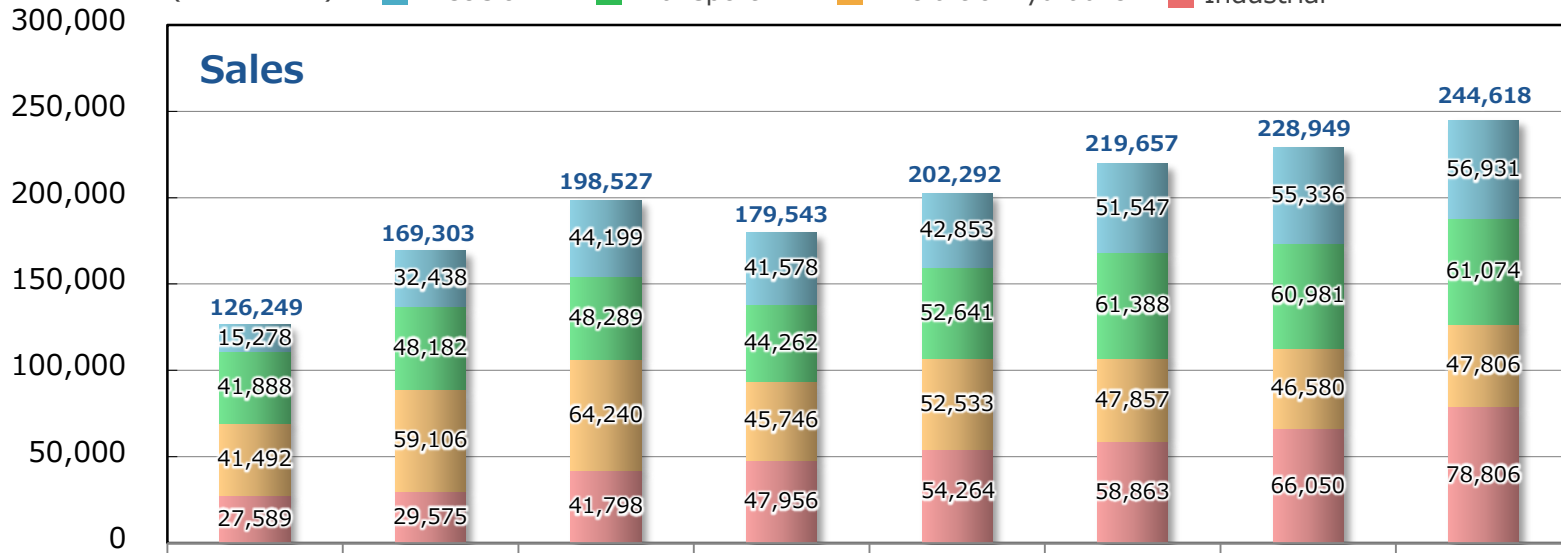


Oversea sales	JPY 103.2 billion
Ratio	42.2%

Result for Sales and Operating Profit by Business Segment

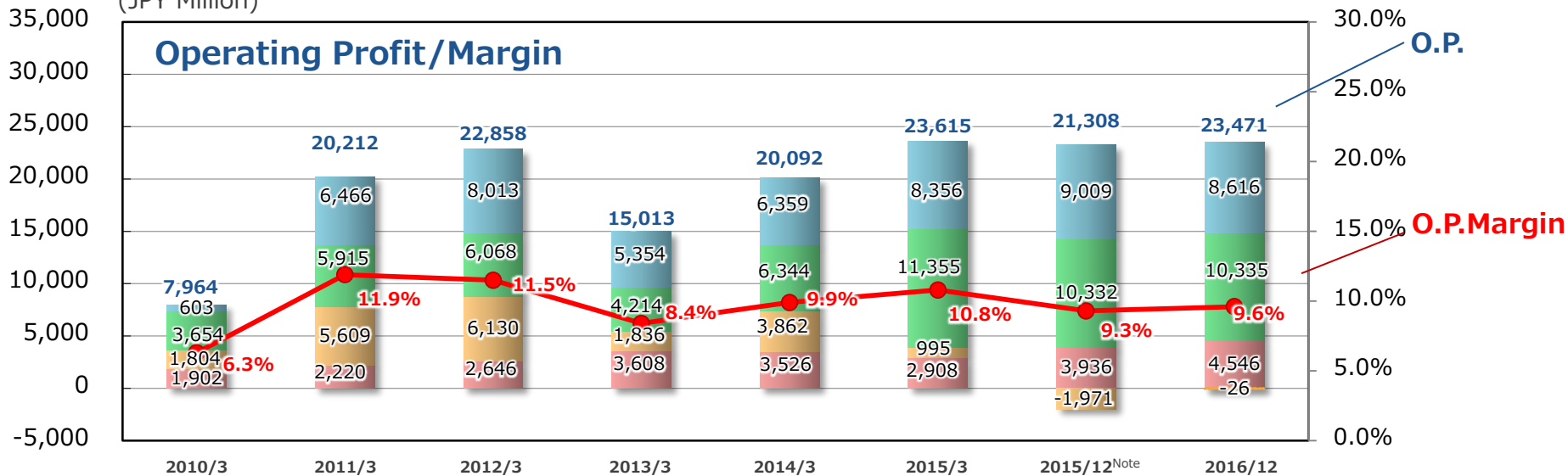
(JPY Million) Precision Transport Aircraft & Hydraulic Industrial

Sales



(JPY Million)

Operating Profit/Margin



Note : Please note that the estimates for FY2015/12 (Reference) were calculated for the period of 12 months to make comparisons with the plan for FY2016/12 under the same conditions.

Segment Sales and O.P. (Previous Segmentation : JGAAP)

(JPY million)

Segment	Term	2016/12 Result	2016/12 plan (As of 31 st Oct.)	2015/12 Result (Reference) ^{Note2}
Precision	Sales	56,931	57,300	55,336
	O.P. (OPM)	8,616 (15.1%)	8,400 (14.7%)	9,009 (16.3%)
Transport	Sales	61,074	60,300	60,981
	O.P. (OPM)	10,335 (16.9%)	9,600 (15.9%)	10,332 (16.9%)
Aircraft & Hydraulic	Sales	47,806	47,900	46,580
	O.P. (OPM)	-26 (-0.1%)	100 (0.2%)	-1,971 (-4.2%)
Industrial	Sales	78,806	79,500	66,050
	O.P. (OPM)	4,546 (5.8%)	4,200 (5.3%)	3,936 (6.0%)

Note2 : Please note that the estimates for FY2015/12 (Reference) were calculated for the period of 12 months to make comparisons with the plan for FY2016/12 under the same conditions.

Segment Sales and O.P. (New Segmentation : IFRS)

(JPY million)

Segment	Term	2016/12 Result ^{note4} (IFRS)	2017/12 Plan (IFRS)	2020/12 Mid-term plan Reference
Component Solutions (CMP)	Sales	82,473	89,000	118,400
	Core O.P. (Core OPM)	11,200 (13.6%)	13,700 (15.4%)	22,200 (18.8%)
Transport Solutions (TRS)	Sales	81,425	82,200	104,400
	Core O.P. (Core OPM)	13,409 (16.5%)	11,500 (14.0%)	17,200 (16.5%)
Accessibility Solutions (ACB)	Sales	64,634	71,100	79,200
	Core O.P. (Core OPM)	4,726 (7.3%)	5,800 (8.2%)	7,900 (10.0%)
Manufacturing Solutions (MFR)	Sales	16,086	17,700	27,700
	Core O.P. (Core OPM)	1,591 (9.9%)	1,600 (9.0%)	3,200 (11.6%)
Corporate	Sales	0	0	300
	Corporate or Elimination	- 5,751	-6,600	-8,500
Other Profit or Loss		1,763	0	0

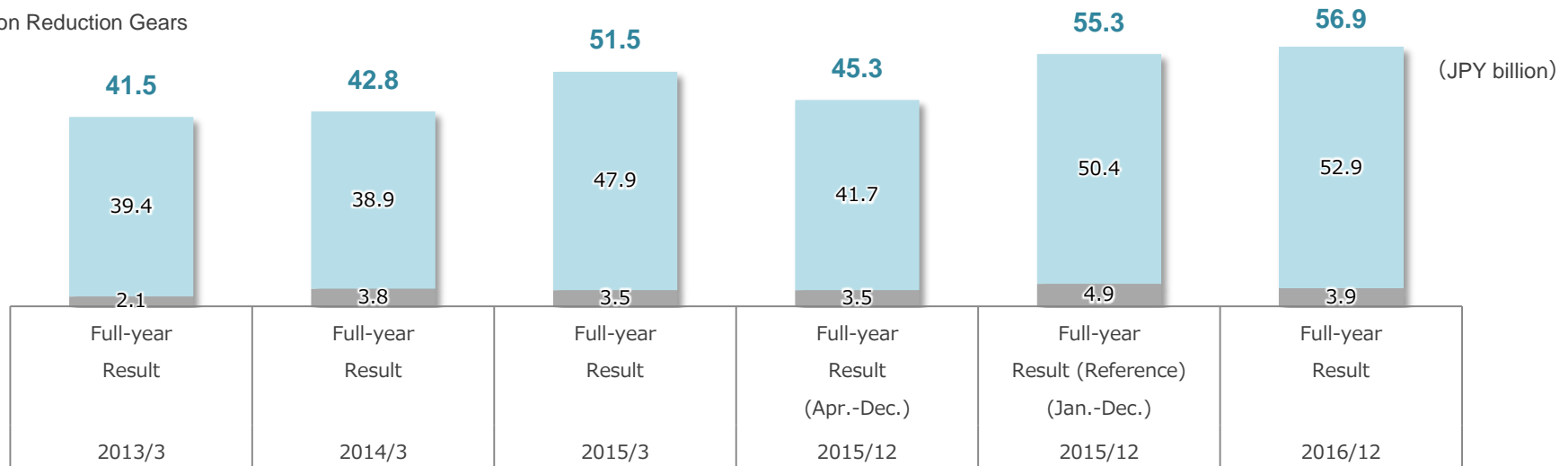
Note4 : Actual figures for FY2016 (IFRS) represent referential values prepared for the purpose of comparison with the forecast for FY2017. Therefore, they are subject to change after auditing.

*Core operating profit: Calculated the sum of operating income year ended December 2016(JGAAP), goodwill amortization and others.

Result for Sales by Business (JGAAP)

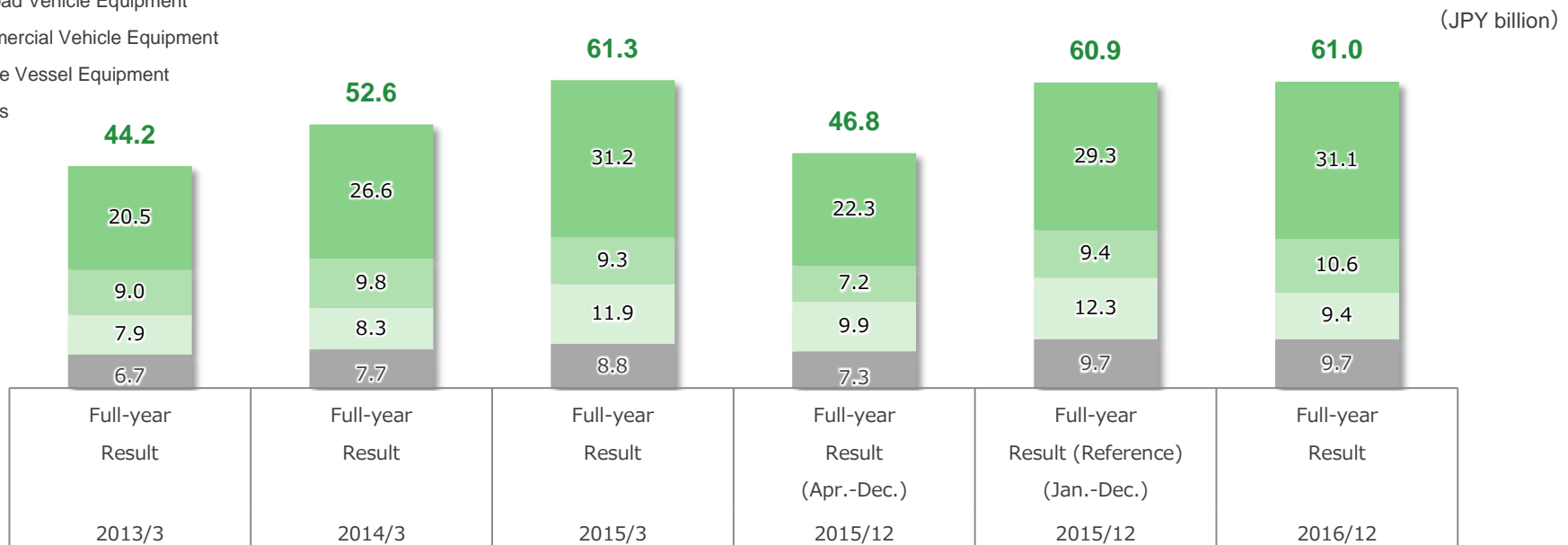
Precision Equipment Segment

- Precision Reduction Gears
- Others



Transport Equipment Segment

- Railroad Vehicle Equipment
- Commercial Vehicle Equipment
- Marine Vessel Equipment
- Others



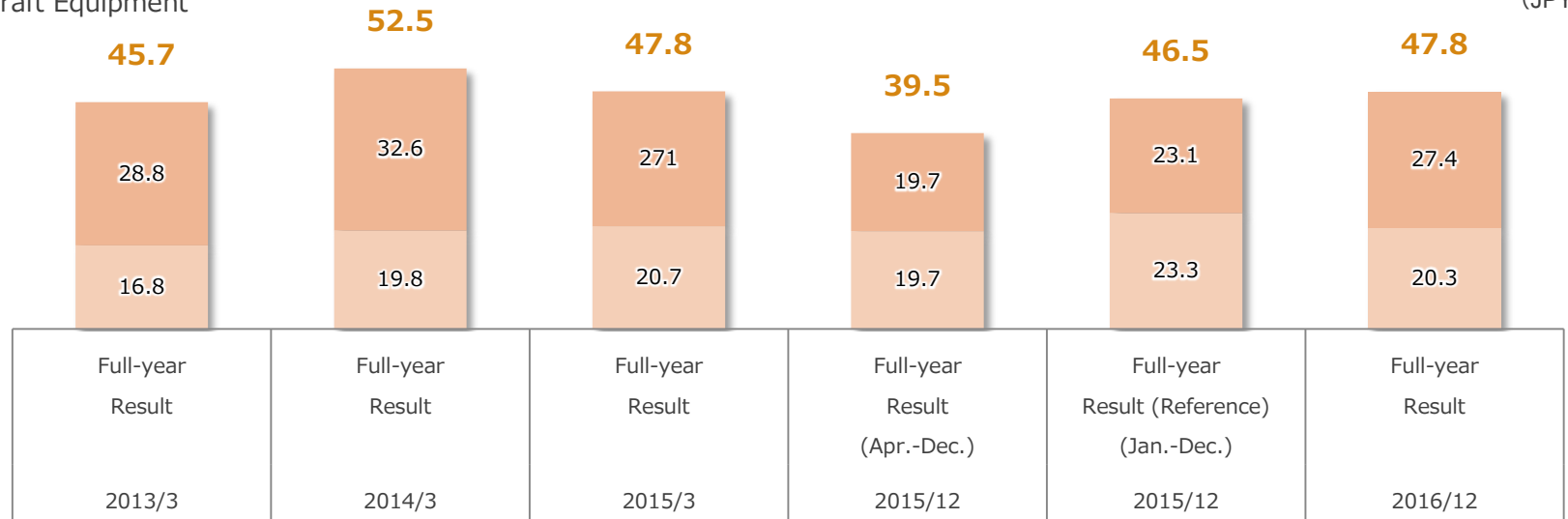
Result for Sales by Business (JGAAP)

Hydraulic Equipment

Aircraft Equipment

Aircraft and Hydraulic Equipment Segment

(JPY billion)



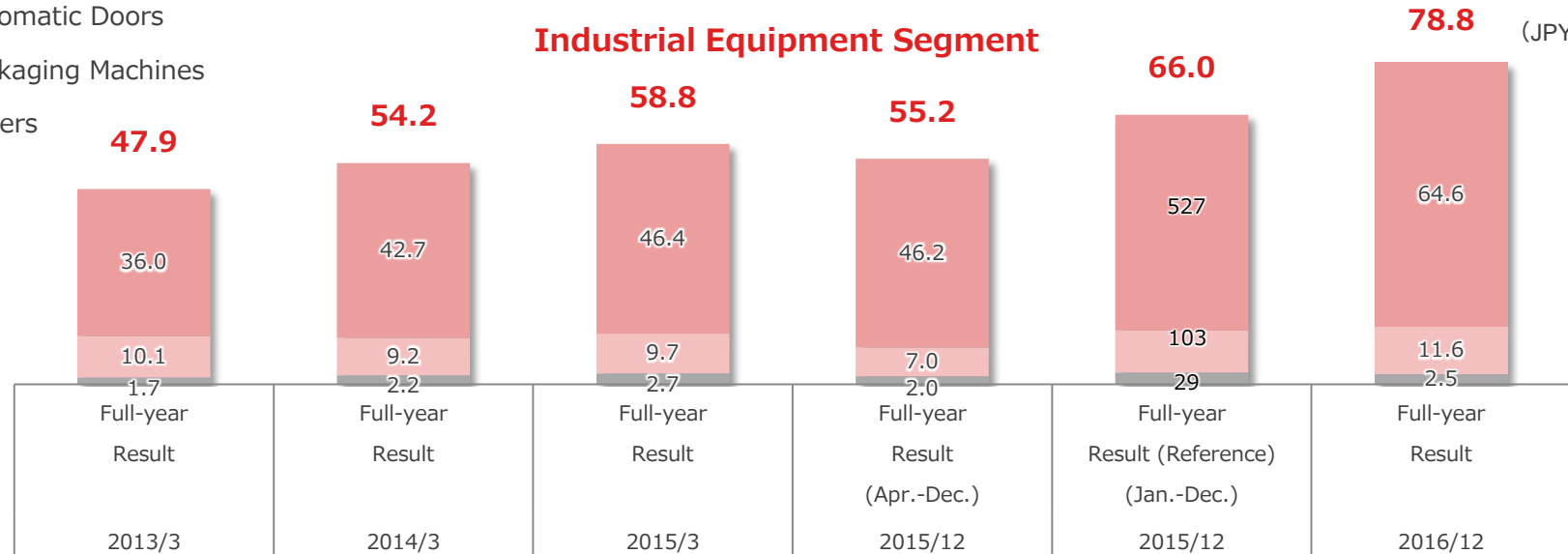
Automatic Doors

Packaging Machines

Others

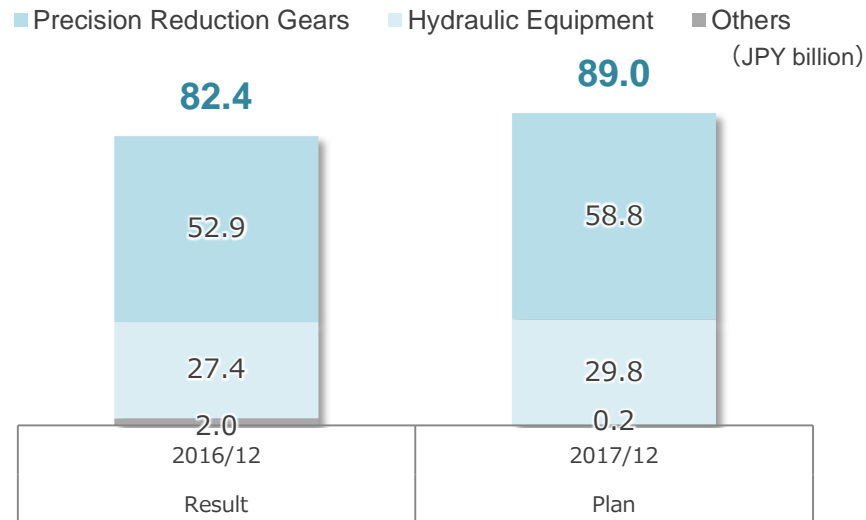
Industrial Equipment Segment

(JPY billion)

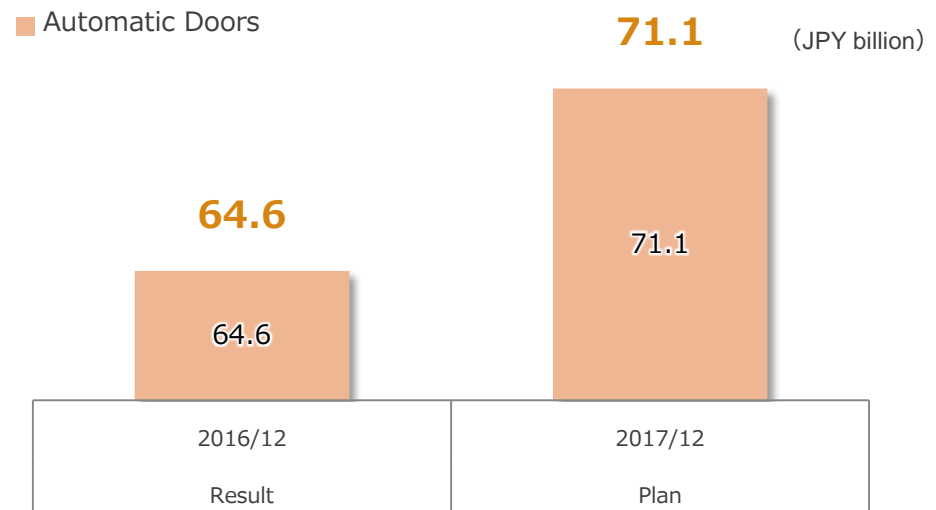


Result and Forecast for Sales by Business (IFRS)

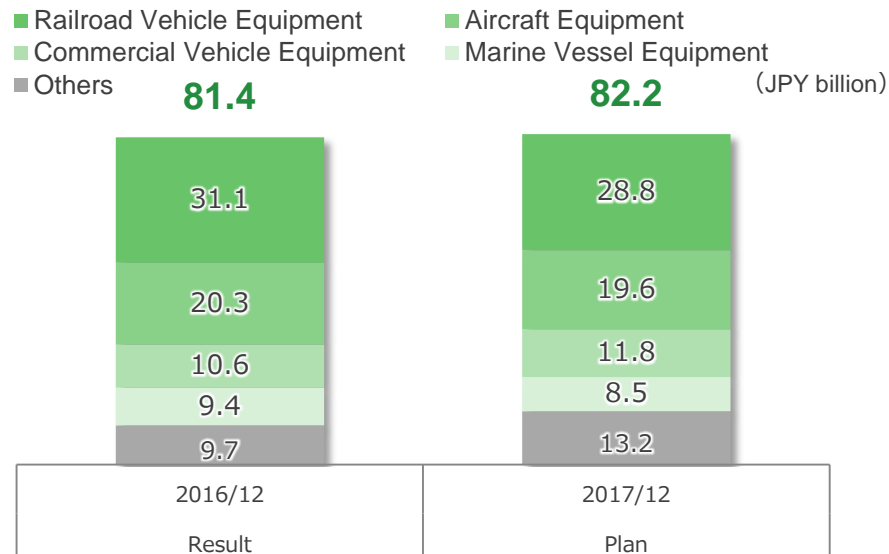
Component Solutions Segment (CMP)



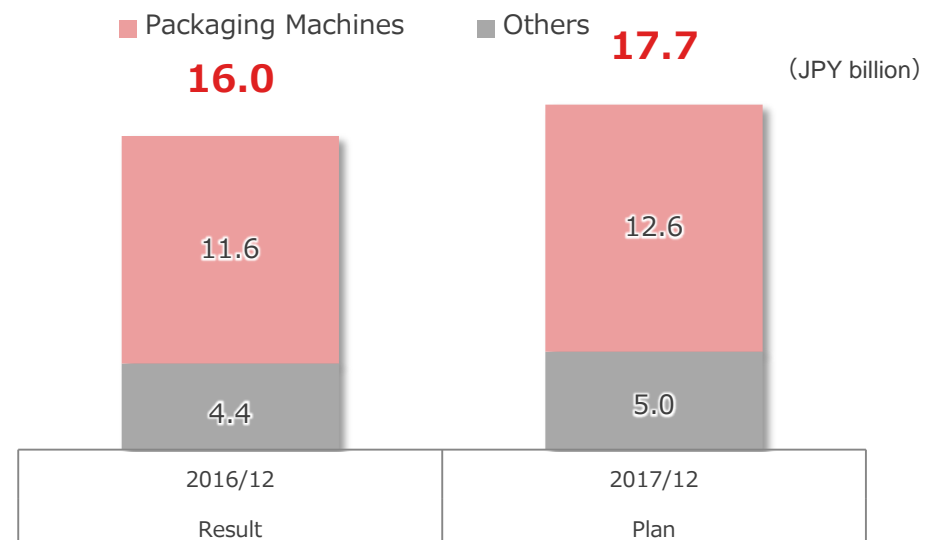
Accessibility Solutions Segment (ACB)



Transport Solutions Segment (TRS)



Manufacturing Solutions Segment (MFR)



Actual figures for FY2016 (IFRS) represent referential values prepared for the purpose of comparison with the forecast for FY2017. Therefore, they are subject to change after auditing.

Segmentation Change

■ Segmentation change from FY2017/12

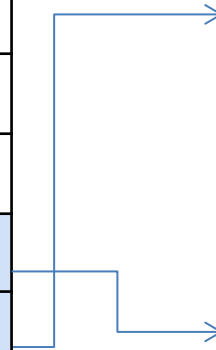
Technology similarity to Business model similarity

[Current Segmentation]

Segment	Main business
Precision Equipment	Precision Reduction Gears
	New Energy Equipment
Transport Equipment	Railroad Vehicle Equipment
	Commercial Vehicle Equipment
	Marine Vessel Equipment
Aircraft & Hydraulic Equipment	Aircraft Equipment
	Hydraulic Equipment
Industrial Equipment	Automatic Doors
	Packaging Machines

[New Segmentation]

Segment	Main business
Component Solutions	Precision Reduction Gears
	New Energy Equipment
	Hydraulic Equipment
Transport Solutions	Railroad Vehicle Equipment
	Commercial Vehicle Equipment
	Marine Vessel Equipment
	Aircraft Equipment
Accessibility Solutions	Automatic Doors
Manufacturing Solutions (Others)	Packaging Machines



Segmentation Change : Other Subsidiaries

Segment	Main Other Subsidiaries
Component Solutions	<p>Changzhou Nabtesco Precision Machinery (Manufacturing and sales of gear wheels for reduction gear)</p> <p>T.S. Mechatech (Machining and sales of machinery and appliances)</p>
Transport Solutions	<p>Nabtesco Service (Sales, installation, and maintenance of hydraulic and railroad vehicle equipment)</p> <p>Taiwan Nabtesco Service (Sales and after-sales service for Nabtesco Corporation's Railroad vehicle equipment)</p> <p>NABTEC (Subcontractor for design of products and production equipment for various machinery)</p>
Accessibility Solutions	
Manufacturing Solutions (Others)	<p>TS Precision (Sales and Manufacturing constant velocity joint groove processing machines and others)</p> <p>CMET (Sales and Manufacturing rapid prototyping systems)</p> <p>DIAVAC (Sales and Manufacturing vacuum machinery and others)</p>

Nabtesco

moving it. stopping it.

