

Summary of Consolidated Financial Statements for the Fiscal Year Ended December 31, 2020 (IFRS)



February 10, 2021

Name of listed company: Nabtesco Corporation

Code number: 6268

Representative: Title: President and CEO

Inquiries: Title: General Manager, Corporate Communication Div.

Scheduled Date of Annual Shareholders Meeting: March 23, 2021

Scheduled Date of Issue of Financial Report: March 24, 2021

Quarterly material to supplement the financial results: Yes

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

Stock listed on: First Section of the Tokyo Stock Exchange

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

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Scheduled Date of Dividend Payment: March 24, 2021

(Amounts rounded to the nearest million)

1. Consolidated Results for FY 2020 (January 1, 2020 to December 31, 2020)

(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	%
FY 2020	279,358	(3.6)	28,533	12.7	33,718	20.5	23,512	17.9	20,505	14.4	23,291	19.7
FY 2019	289,808	(1.6)	25,320	15.7	27,979	(6.6)	19,951	(13.1)	17,931	(14.7)	19,459	(7.3)

	Total basic earnings per share	Diluted earnings per share	Return on net income attributable to owners of the parent	Ratio of income before tax to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY 2020	165.18	165.09	10.6	9.7	10.2
FY 2019	144.50	144.42	9.8	8.3	8.7

(Reference) Equity in earnings of affiliates: FY 2020:3,467million yen FY2019: 2,864 million yen

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity attributable to owners of the parent per share
	Million yen	Million yen	Million yen	%	Yen
FY2020	351,723	211,641	198,031	56.3	1,594.10
FY2019	344,558	199,133	187,398	54.4	1,508.53

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at fiscal year-end
	Million yen	Million yen	Million yen	Million yen
FY 2020	34,203	(10,710)	(17,497)	64,665
FY 2019	38,433	(20,086)	(13,365)	58,686

2. Dividends

	Dividends per share					Total dividends paid (Annual)	Payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	First quarter	Second quarter	Third quarter	Year end	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY 2019	—	36.00	—	37.00	73.00	9,078	50.5	5.0
FY 2020	—	41.00	—	34.00	75.00	9,327	45.4	4.8
FY 2021 (Forecast)	—	38.00	—	39.00	77.00		8.2	

3. Forecast of Consolidated Operating Results for FY 2021 (January 1, 2021 to December 31, 2021)

(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
Six-month period ending June 2021	139,000	1.8	10,800	(21.0)	144,400	882.8	99,000	954.1	824.06
FY 2021	286,000	2.4	29,000	1.6	163,000	383.4	112,200	447.2	933.93

Forecast of consolidated operating results as noted above includes the valuation gain due to the exclusion of Harmonic Drive Systems Inc. from application of the equity-method, as described in P17 "(5)Notes on the Summary of Consolidated Financial Statements 4. Material Subsequent events".

* Matters of note:

(1) Changes in significant subsidiaries during the FY 2020 (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 December 31, 2020	125,133,799	As of December 31, 2019	125,133,799
2)	As of December 31, 2020	990,749	As of December 31, 2019	1,013,362
3)	FY2020	124,136,943	FY2019	124,091,307

[Reference] Overview of Non-Consolidated Operating Results

1. Non-Consolidated Operating Results for FY 2020 (January 1, 2020 to December 31, 2020)

(1) Non-Consolidated Operating Results (Percentages indicate the year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2020	150,145	(5.7)	9,535	(8.3)	15,486	3.4	12,068	176.0
FY 2019	159,180	(5.7)	10,399	(25.4)	14,973	(15.6)	4,373	(72.4)

	Net income per share		Fully diluted net income per share	
	Yen		Yen	
FY 2020	97.21		97.16	
FY 2019	35.24		35.22	

(2) Non-Consolidated Financial Position

	Total assets		Net assets		Shareholders' equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
FY 2020 (as of December 31, 2020)	222,942		118,755		53.2		955.52	
FY 2019 (as of December 31, 2019)	223,288		117,106		52.4		942.20	

(Reference) Shareholders' equity:

As of December 31, 2020: 118,622 million yen

As of December 31, 2019: 116,947 million yen

2. Forecast of Non-Consolidated Operating Results for FY 2021 (January 1, 2021 to December 31, 2021)

(Percentages indicate the year-on-year changes)

	Net sales		Ordinary income		Net income		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Yen	
Six-month period ending June 2021	76,200	0.1	11,500	0.9	61,500	421.2	511.92	
Fiscal year ending December 2021	155,600	3.6	18,100	16.9	66,800	453.5	556.03	

This forecast includes extraordinary gain due to partial sale of HDS Shares as noted in "Announcement on Recording of Extraordinary Gains in the Individual Settlement Accounts (Japanese GAAP) associated with the Partial Sale of Shares Held by Nabtesco Corporation" dated February 10, 2021 for details Please refer to this announcement.

* The Summary of Consolidated Financial Statements is not subject to audit by a certified public accountant or an audit firm.

*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. Please refer to "1. Overview of Consolidated Operating Results, etc. (4) Future Outlook" for earning forecast assumptions and notes upon the use of earnings forecasts.

The Company will hold a financial results presentation meeting on February 18, 2021 for institutional investors and financial analysts. Images and details of the meeting (audio) together with the financial materials distributed at the meeting will be posted on the website immediately after the meeting

1. Qualitative Information on Consolidated Operating Results for FY 2020

(1) Analysis of Consolidated Operating Results

- 1) Amount of orders received, net sales and operating income
Operating results by business segment were as follows:

[Amount of orders received]

(Million yen)

Reportable Segment	Previous fiscal year (ended December 2019) (Consolidated basis)	Current fiscal year (ended December 2020) (Consolidated basis)	Change (%)
Component Solutions	110,919	113,643	2.5
Transport Solutions	84,326	75,659	(10.3)
Accessibility Solutions	81,318	79,893	(1.8)
Others	17,861	16,944	(5.1)
Total	294,423	286,138	(2.8)

[Net sales]

(Million yen)

Reportable Segment	Previous fiscal year (ended December 2019) (Consolidated basis)	Current fiscal year (ended December 2020) (Consolidated basis)	Change (%)
Component Solutions	107,188	109,855	2.5
Transport Solutions	83,994	78,090	(7.0)
Accessibility Solutions	79,971	73,665	(7.9)
Others	18,654	17,747	(4.9)
Total	289,808	279,358	(3.6)

[Operating income or loss]

(Million yen)

Reportable Segment	Previous fiscal year (ended December 2019) (Consolidated basis)	Current fiscal year (ended December 2020) (Consolidated basis)	Change (%)
Component Solutions	15,897	17,673	11.2
Transport Solutions	5,778	3,338	(42.2)
Accessibility Solutions	8,565	7,733	(9.7)
Others	2,551	2,329	(8.7)
Elimination or Corporate	(7,470)	(2,540)	—
Total	25,320	28,533	12.7

Reference: Information by region
[Net sales]

(Million yen)

	Previous fiscal year (ended December 2019) (Consolidated basis)	Current fiscal year (ended December 2020) (Consolidated basis)	Change (%)
Japan	163,626	155,159	(5.2)
China	45,273	52,868	16.8
Other Asia	16,892	15,300	(9.4)
North America	21,985	16,374	(25.5)
Europe	39,922	37,655	(5.7)
Other areas	2,109	2,002	(5.0)
Total	289,808	279,358	(3.6)

Notes: 1. Net sales are classified by country or region based on the location of the buyer.

(2) Analysis of Financial Position

Overview of Financial Position for the Period under Review

	As of the end of the previous consolidated fiscal year (December 31, 2019)	As of the end of the current consolidated fiscal year (December 31, 2020)	Change
Total assets (million yen)	344,558	351,723	7,166
Liabilities (million yen)	145,424	140,083	(5,342)
Equities (million yen)	199,133	211,641	12,507
Ratio of equity attributable to owners of the parent (%)	54.4	56.3	1.9
ROA (%)	5.3	5.9	0.6
ROE (%)	9.8	10.6	0.8

(3) Overview of Cash Flows for the Period under Review

(Million yen)

	Previous fiscal year (ended December 2019) (Consolidated basis)	Current fiscal year (ended December 2020) (Consolidated basis)
Cash flows from operating activities	38,433	34,203
Cash flows from investing activities	(20,086)	(10,710)
Free cash flow	18,347	23,492
Cash flows from financing activities	(13,365)	(17,497)

(4) Forecasts for the fiscal year ending December 2021 by business segment

[Net sales]

(Million yen)

Reportable segment	Result for the current fiscal year (ended December 2020)	Forecast for the next fiscal year (ending December 2021)	Change (%)
Component Solutions	109,855	122,800	11.8
Transport Solutions	78,090	70,600	(9.6)
Accessibility Solutions	73,665	72,400	(1.7)
Others	17,747	20,200	13.8
Total	279,358	286,000	2.4

Reportable segment	Forecast for the first six-month period of the next fiscal year (January 1, 2021 to June 30, 2021)		Forecast for the next fiscal year (January 1, 2021 to December 31, 2021)	
	Amount (Million yen)	Composition ratio (%)	Amount (Million yen)	Composition ratio (%)
Component Solutions	60,400	43.5	122,800	42.9
Transport Solutions	33,800	24.3	70,600	24.7
Accessibility Solutions	35,900	25.8	72,400	25.3
Others	8,900	6.4	20,200	7.1
Total	139,000	100.0	286,000	100.0

[Operating income]

(Million yen)

Reportable segment	Result for the current fiscal year (ended December 2020)	Forecast for the next fiscal year (ending December 2021)	Change (%)
Component Solutions	17,673	20,400	15.4
Transport Solutions	3,338	6,600	97.7
Accessibility Solutions	7,733	7,300	(5.6)
Others	2,329	2,900	24.5
Corporate or Elimination	(2,540)	(8,200)	—
Total	28,533	29,000	1.6

Reportable segment	Forecast for the first six-month period of the next fiscal year (January 1, 2021 to June 30, 2021)		Forecast for the next fiscal year (January 1, 2021 to December 31, 2021)	
	Amount (Million yen)	Operating margin (%)	Amount (Million yen)	Operating margin (%)
Component Solutions	9,100	15.1	20,400	16.6
Transport Solutions	2,000	5.9	6,600	9.3
Accessibility Solutions	3,000	8.4	7,300	10.1
Others	1,000	11.2	2,900	14.4
Corporate or Elimination	(4,300)	—	(8,200)	—
Total	10,800	7.8	29,000	10.1

2. Consolidated Financial Statements and Notes on the Consolidated Financial Statement

(1) Consolidated Statement of Financial Position

(Million yen)

	Note No.	End of consolidated FY 2019 (as of December 31, 2019)	End of consolidated FY 2020 (as of December 31, 2020)
Assets			
Current assets			
Cash and cash equivalents		58,686	64,665
Trade receivables		69,175	74,632
Contract assets		1,000	1,230
Other receivables		1,300	1,114
Inventories		41,257	36,505
Other financial assets		4,752	2,582
Other current assets		2,984	2,382
Total current assets		179,154	183,110
Non-current assets			
Property, plant and equipment		87,083	89,522
Intangible assets		5,127	3,905
Right-of-use assets		9,004	7,558
Goodwill		14,161	14,658
Investment property		3,928	2,192
Investments accounted for using the equity method		31,952	34,887
Other financial assets		11,210	12,646
Deferred tax assets		1,868	2,016
Other non-current assets		1,072	1,230
Total non-current assets		165,404	168,614
Total assets		344,558	351,723

(Million yen)

	Note No.	End of consolidated FY 2019 (as of December 31, 2019)	End of consolidated FY 2020 (as of December 31, 2020)
Liabilities and equity			
Liabilities			
Current liabilities			
Operating payables		45,021	44,838
Contracts liabilities		5,579	5,763
Bonds and borrowings		30,719	37,001
Other payables		14,405	9,723
Income taxes payable		4,040	6,700
Provisions		1,162	1,065
Lease liabilities		2,236	2,209
Other financial liabilities		13	—
Other current liabilities		6,439	6,362
Total current liabilities		109,614	113,662
Non-current liabilities			
Bonds and borrowings		13,217	2,865
Lease liabilities		6,568	6,291
Liabilities concerning retirement benefit		9,569	10,211
Deferred tax liabilities		4,540	4,949
Other financial liabilities		—	69
Other non-current liabilities		1,916	2,035
Total non-current liabilities		35,810	26,421
Total liabilities		145,424	140,083
Equity			
Capital stock		10,000	10,000
Share premium		14,932	14,998
Retained earnings		163,794	173,988
Treasury shares		(2,536)	(2,471)
Other components of equity		1,208	1,515
Equity attributable to owners of the parent		187,398	198,031
Non-controlling interests		11,735	13,610
Total equity		199,133	211,641
Total liabilities and equity		344,558	351,723

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

Consolidated Statements of Income

(Million yen)

	Note No.	Previous fiscal year (ended December 2019) (January 1, 2019 to December 31, 2019) (Consolidated basis)	Current fiscal year (ended December 2020) (January 1, 2020 to December 31, 2020) (Consolidated basis)
Net sales	2	289,808	279,358
Cost of sales		(212,105)	(206,166)
Gross profit		77,703	73,192
Other income		1,795	6,515
Selling, general and administrative expense		(51,998)	(50,655)
Other expenses		(2,180)	(519)
Operating income	2	25,320	28,533
Financial income		766	2,291
Financial costs		(971)	(573)
Equity in earnings of affiliates		2,864	3,467
Profit (loss) before tax		27,979	33,718
Income tax expense		(8,028)	(10,206)
Net income		19,951	23,512

Net income attributable to			
Owners of the parent		17,931	20,505
Non-controlling interests		2,020	3,008
Net income		19,951	23,512

Net income per share			
Basic earnings per share (Yen)	3	144.50	165.18
Diluted earnings per share (Yen)	3	144.42	165.09

Summary of Consolidated Statements of Comprehensive Income

(Million yen)

	Note No.	Previous fiscal year (ended December 2019) (Consolidated basis)	Current fiscal year (ended December 2020) (Consolidated basis)
Net income		19,951	23,512
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans(assets)		(189)	(578)
Net changes in financial assets measured at fair value through other comprehensive income		288	(528)
Share of other comprehensive income for equity method affiliates		328	516
Total components that will not be reclassified to profit or loss		427	(590)
Components that will be reclassified to profit or loss			
Exchange differences on foreign operations		(919)	368
Total components that will be reclassified to profit or loss		(919)	368
Other comprehensive income after taxes		(492)	(222)
Total comprehensive income		19,459	23,291
Comprehensive income attributable to			
Owners of the parent		17,602	20,201
Non-controlling interests		1,856	3,090
Total comprehensive income		19,459	23,291

(3) Consolidated Statement of Changes in Equity

FY 2019 (January 1, 2019 to December 31, 2019)

(Million yen)

	Note No.	Equity attributable to owners of the parent					
		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		—	—	17,931	—	—	—
Other comprehensive income		—	—	—	—	(752)	615
Total comprehensive income		—	—	17,931	—	(752)	615
Acquisition, sales, etc. of treasury shares		—	—	(35)	367	—	—
Dividends		—	—	(9,074)	—	—	—
Transfer from other components of equity to retained earnings		—	—	(160)	—	—	(32)
Share-based compensation transactions		—	(164)	—	—	—	—
Total transactions with owners, etc.		—	(164)	(9,270)	367	—	(32)
Balance as of December 31, 2019		10,000	14,932	163,794	(2,536)	(3,639)	4,847

	Note No.	Equity attributable to owners of the parent			Non-controlling interests	Total equity
		Other components of equity		Total equity attributable to owners of the parent		
		Remeasurements of net defined benefit liability (asset)	Total			
Balance as of January 1, 2019		—	1,377	178,702	10,553	189,255
Net income		—	—	17,931	2,020	19,951
Other comprehensive income		(192)	(329)	(329)	(163)	(492)
Total comprehensive income		(192)	(329)	17,602	1,856	19,459
Acquisition, sales, etc. of treasury share		—	—	332	—	332
Dividends		—	—	(9,074)	(674)	(9,748)
Transfer from other components of equity to retained earnings		192	160	—	—	—
Share-based compensation transactions		—	—	(164)	—	(164)
Total transactions with owners, etc.		192	160	(8,906)	(674)	(9,580)
Balance as of December 31, 2019		—	1,208	187,398	11,735	199,133

FY 2020 (January 1, 2020 to December 31, 2020)

(Million yen)

	Note No.	Equity attributable to owners of the parent					
		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, 2020		10,000	14,932	163,794	(2,536)	(3,639)	4,847
Net income		—	—	20,505	—	—	—
Other comprehensive income		—	—	—	—	291	14
Total comprehensive income		—	—	20,505	—	291	14
Acquisition, sales, etc. of treasury shares		—	—	—	65	—	—
Dividends		—	—	(9,700)	—	—	—
Transfer from other components of equity to retained earnings		—	—	(610)	—	—	2
Share-based compensation transactions		—	66	—	—	—	—
Total transactions with owners, etc.		—	66	(10,310)	65	—	2
Balance as of December 31, 2020		10,000	14,998	173,988	(2,471)	(3,348)	4,863

	Note No.	Equity attributable to owners of the parent			Non-controlling interests	Total equity
		Other components of equity		Total equity attributable to owners of the parent		
		Remeasurements of net defined benefit liability (asset)	Total			
Balance as of January 1, 2020		—	1,208	187,398	11,735	199,133
Net income		—	—	20,505	3,008	23,512
Other comprehensive income		(609)	(304)	(304)	82	(222)
Total comprehensive income		(609)	(304)	20,201	3,090	23,291
Acquisition, sales, etc. of treasury shares		—	—	65	—	65
Dividends		—	—	(9,700)	(1,215)	(10,915)
Transfer from other components of equity to retained earnings		609	610	—	—	—
Share-based compensation transactions		—	—	66	—	66
Total transactions with owners, etc.		609	610	(9,568)	(1,215)	(10,783)
Balance as of December 31, 2020		—	1,515	198,031	13,610	211,641

(4) Consolidated Statements of Cash Flows

(Million yen)

	Note No.	FY 2019 (January 1, 2019 to December 31, 2019)	FY 2020 (January 1, 2020 to December 31, 2020)
Cash flows from operating activities			
Net income		19,951	23,512
Depreciation and amortization		13,093	13,730
Impairment loss		1,268	3,885
Increase (decrease) in liabilities concerning retirement benefits		151	79
Interest and dividend income		(302)	(301)
Interest expenses		269	205
Equity loss (gain) in earnings of affiliates		(2,864)	(3,467)
Loss (gain) on sales of fixed assets		400	104
Decrease (Increase) in sales on investment property		—	(4,892)
Decrease (Increase) in valuation on investment securities		(459)	(1,983)
Expenses of income tax		8,028	10,206
Decrease (increase) in trade receivables		5,972	(5,242)
Decrease (increase) in inventories		2,015	4,613
Decrease (increase) in operating payables		(4,888)	(223)
Others		2,589	132
Subtotal		45,226	40,358
Interest and dividend received		1,230	1,141
Interest paid		(256)	(190)
Income taxes refunded (paid)		(7,767)	(7,106)
Net cash and cash equivalents provided by operating activities		38,433	34,203
Cash flows from investing activities			
Increase (decrease) in time deposits (Increase)		(4,535)	2,163
Purchases of tangible fixed assets		(13,743)	(17,148)
Proceeds from sales of tangible fixed assets		206	112
Purchases of intangible fixed assets		(1,020)	(1,549)
Proceeds from sales on investment property		—	6,585
Other		(994)	(872)
Cash flows from investing activities		(20,086)	(10,710)
Cash flows from financing activities			
Increase (decrease) in short-term bank loans		(3,106)	(3,805)
Proceeds from long-term loans payable		2,152	60
Repayment of long-term loans payable		(232)	(310)
Payments of lease liabilities		(2,477)	(2,547)
Increase in treasury shares		42	12
Cash dividends paid		(9,071)	(9,691)
Cash dividends paid to minority shareholders		(674)	(1,215)
Cash flows from financing activities		(13,365)	(17,497)
Increase (decrease) in cash and cash equivalents		4,982	5,995
Cash and cash equivalents at beginning of term		54,039	58,686
Effect of exchange rate changes on cash and cash equivalents		(335)	(16)
Cash and cash equivalents at end of term		58,686	64,665

(5)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. FY 2019 (January 1, 2019 to December 31, 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	107,188	83,994	79,971	271,153	18,654	289,808	—	289,808
Inter-segment sales	2,668	1,396	7	4,070	289	4,359	(4,359)	—
Total sales	109,856	85,389	79,978	275,223	18,943	294,167	(4,359)	289,808
Segment income (Operating income)	15,897	5,778	8,565	30,239	2,551	32,790	(7,470)	25,320
Financial income				—				766
Financial costs				—				(971)
Equity in earnings of affiliates				—				2,864
Income before tax				—				27,979
Other items								
Depreciation and amortization	4,409	4,688	2,217	11,314	422	11,736	1,357	13,093
Impairment loss	—	1,268	—	1,268	—	1,268	—	1,268
Segment assets	106,910	82,304	81,544	270,758	16,981	287,739	56,819	344,558
Increases in tangible fixed assets and intangible fixed assets	8,882	4,520	1,320	14,723	348	15,071	1,575	16,646

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.

4. Adjustment to depreciation and amortizations is total depreciation and amortization that are not allocated to the respective segments.

5. Total assets of the Company included in adjustment to segment assets, and not allocated to the respective reportable segments are ¥56,819 million, consisting mainly of surplus operating funds in the Company (cash and deposits, etc.) and long-term investments (investment securities, etc.).

6. Adjustment to increase in tangible fixed assets and intangible fixed assets is total capex that are not allocated to the respective segments.

II. FY 2020 (January 1, 2020 to December 31, 2020)

(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	109,855	78,090	73,665	261,610	17,747	279,358	—	279,358
Inter-segment sales	2,014	1,110	9	3,133	266	3,399	(3,399)	—
Total sales	111,869	79,200	73,675	264,743	18,014	282,757	(3,399)	279,358
Segment income (Operating income)	17,673	3,338	7,733	28,744	2,329	31,073	(2,540)	28,533
Financial income				—				2,291
Financial costs				—				(573)
Equity in earnings of affiliates				—				3,467
Income before tax				—				33,718
Other items								
Depreciation and amortization	4,771	4,757	2,160	11,688	441	12,129	1,601	13,730
Impairment loss	—	3,885	—	3,885	—	3,885	—	3,885
Segment assets	120,468	74,493	83,270	278,232	16,813	295,045	56,678	351,723
Increases in tangible fixed assets and intangible fixed assets	9,470	2,697	1,178	13,345	279	13,624	1,434	15,059

- 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.
4. Adjustment to depreciation and amortizations is total depreciation and amortization that are not allocated to the respective segments.
5. Total assets of the Company included in adjustment to segment assets, and not allocated to the respective reportable segments are ¥56,678 million, consisting mainly of surplus operating funds in the Company (cash and deposits, etc.) and long-term investments (investment securities, etc.).
6. Adjustment to increase in tangible fixed assets and intangible fixed assets is total capex that are not allocated to the respective segments

3. Per share information

(Yen)

	FY 2019 (Consolidated basis) (January 1, 2019 to December 31, 2019)	FY 2020 (Consolidated basis) (January 1, 2020 to December 31, 2020)
Total basic earnings per share	144.50	165.18
Diluted earnings per share	144.42	165.09
Equity attributable to owners of the parent per share	1,508.53	1,594.10

1. Total basic earnings per share and diluted earnings per share were calculated on the basis of the following data

	FY 2019 (Consolidated basis) (January 1, 2019 to December 31, 2019)	FY 2020 (Consolidated basis) (January 1, 2020 to December 31, 2020)
Total basic earnings per share		
Net income attributable to owners of the parent (Million yen)	17,931	20,505
Amount not attributable to shareholders of common stock (million yen)	—	—
Net income used to calculate total basic earnings per share (million yen)	17,931	20,505
Average number of common shares during the term	124,091,307	124,136,943
Diluted earnings per share		
Adjustment to net income attributable to owners of the parent (million yen)	—	—
Number of additional common stock shares	71,478	62,081
(Of which, share acquisition rights)	(71,478)	(62,081)
Outline of dilutive shares not included in the calculation of diluted earnings per share due to lack of dilutive effect	—	—

2. Equity attributable to owners of the parent per share was calculated on the basis of the following data.

	FY 2019(Consolidated basis) (January 1, 2019 to December 31, 2019)	FY 2020(Consolidated basis) (January 1, 2020 to December 31, 2020)
Total equity (million yen)	199,133	211,641
Amounts deducted from total equity (million yen)	11,894	13,744
(Of which, share acquisition rights)	(159)	(134)
(Of which, non-controlling interests)	(11,735)	(13,610)
Equity used to calculate equity attributable to owners of the parent per share (million yen)	187,239	197,897
Number of shares of common stock as of end of the term used to calculate equity attributable to owners of the parent per share	124,120,437	124,143,050

4. Material Subsequent events

(Change in Equity-method Affiliates (exclusion))

Nabtesco (herein after "The Company")'s Board of Directors, at a meeting held on January 29, 2021, resolved to dissolve the cooperative relationship with Harmonic Drive Systems Inc. (hereinafter, as "HDS") and without exercising the #1 share options issued by HDS, to request HDS to purchase all of them in accordance with the subscription contract. The company exercised the options on that day.

According to the above, HDS will be excluded from the Company's equity-method affiliates due to the decrease of HDS's voting rights and lose the power for HDS. The Company expects to record valuation gains of approximately JPY 125.1 billion (based on the closing price of the exclusion day) from HDS's 18,320,400 shares (Ratio to the total number of issued shares: 19.03%) held by the Company in the consolidated settlement of accounts for the 1st quarter of the fiscal year ending December 31, 2021.

When the company exercise the right to request HDS to purchase the share options, the Company expects to record financial cost of JPY 2.5 billion for the 1st quarter of the fiscal year ending December 31, 2021 to reverse the accumulated valuation gains which recorded in the past years .

The sales of HDS's shares on February 10, 2021 does not recognized as the transfer of risks and economical value of the HDS's shares from the Company to purchaser in the consolidated settlement of accounts (IFRS) and the HDS shares held by the Company will be revaluated based on the share price as of the end of each quarter, and the difference in valuation is expected to be recorded as valuation gains and losses (financial income or financial expenses) from the settlement of accounts for the 1st quarter of the fiscal year ending December 31, 2021,

(Setting the Maximum Allowance for Acquisition of Own Shares and Cancellation of Treasury Shares)

The Company's Board of Directors, at a meeting held on January 29, 2021, resolved to set the maximum allowance for acquisition of own shares, pursuant to Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of the same act and to cancel treasury shares pursuant to Article 178 of the Companies Act.

1. Reasons for the Acquisition of Treasury Shares

The Company has decided to acquire its own shares and cancel its treasury shares in order to increase the shareholder value per share and to improve capital efficiency by implementing a flexible profit return to shareholders.

2. Details of the Acquisition

(1) Class of shares to be acquired	Common shares of the Company
(2) Total number of shares which can be acquired	Up to 4.4 million shares (Ratio of outstanding shares (excluding treasury shares): 3.54%)
(3) Total amount of share acquisition cost	Up to JPY 20 billion
(4) Acquisition period	February, 1, 2021, through to December 30, 2021
(5) Method of acquisition	Open market purchase on the Tokyo Stock Exchange

3. Details of the Cancellation

(1) Class of shares to be canceled	Common shares of the Company
(2) Number of shares to be canceled	all the shares acquired as per 2 above
(3) Scheduled date for the cancellation	December 30, 2021

5. Other Information

(1) Output and Order Backlog by Business Segment

1) Output

Reportable Segments	FY 2019 (From January 1, 2019 to December 31, 2019)		FY 2020 (From January 1, 2020 to December 31, 2020)	
	Amount (Million yen)	% to total	Amount (Million yen)	% to total
Component Solutions	105,958	36.5	111,920	40.2
Transport Solutions	85,602	29.5	76,271	27.4
Accessibility Solutions	79,323	27.4	72,797	26.1
Others	19,061	6.6	17,570	6.3
Total	289,944	100.0	278,557	100.0

2) Order Backlog

Reportable Segments	FY 2019 (As of December 31, 2019)		FY 2020 (As of December 31, 2020)	
	Amount (Million yen)	% to total	Amount (Million yen)	% to total
Component Solutions	27,747	22.3	31,535	24.1
Transport Solutions	56,342	45.4	53,910	41.2
Accessibility Solutions	32,104	25.9	38,331	29.3
Others	7,971	6.4	7,168	5.4
Total	124,163	100.0	130,944	100.0

(2) Status of Capital Expenditure, Financial Account Balance and Employees

	FY 2019 (From January 1, 2019 to December 31, 2019)	FY 2020 (From January 1, 2020 to December 31, 2020)
	Consolidated	Consolidated
Capital expenditure (Million yen)	16,388	15,059
Depreciation and amortization (Million Yen)	13,093	13,730
R&D expense (Million Yen)	9,919	8,968
Number of employees at end of the term	7,736	7,717