



(Translated)

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To whom it may concern

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### **Notice of Recording Extraordinary Loss and the Differences of Non-consolidated Financial Results as Compared to the Financial Forecast**

Nabtesco Corporation (hereinafter, “the Company”) hereby announces the recognition of extraordinary loss for the non-consolidated financial result for the FY2020.

Additionally the company announces that there are differences between FY2020 full-year non-consolidated forecast and the result as follows;

#### 1. Summary of extraordinary loss

Nabtesco Corporation has recorded an extraordinary loss of JPY 5,016 million on valuation of investments in capital of subsidiaries and affiliates in its non-consolidated financial statements for FY 2020 because the investments in capital of the Company’s consolidated company, Nabtesco Europe GmbH had a significant decrease in their material value of the investments in capital from book value. The significant decrease in their material value mainly caused by the influence of a sequence of non-current asset impairment loss of OVALO GmbH which include as the consolidated company of the European holding company, Nabtesco Europe GmbH.

There will be no impact on the consolidated statements as the loss on valuation of investments in capital of subsidiaries and affiliates will be eliminated on the consolidated financial statements.

#### 2. Differences between FY2020 full-year forecast and the result (non-consolidated)

(1) Differences between FY2020 full-year forecast and the result (non-consolidated)

(Million yen)

	Sales	Ordinary income	Net income	Net income per share (Yen)
Previously announced forecast (A) (Announced on Feb.7th, 2020)	169,000	17,000	15,600	125.71
<b>Result (B)</b>	<b>150,145</b>	<b>15,486</b>	<b>12,068</b>	<b>97.21</b>
Change (B-A)	(18,855)	(1,514)	(3,532)	-
Rate of Change (%)	(11.2)	(8.9)	(22.6)	-

(2)Reason for the Differences

Sales and profit was decreased because the COVID-19 pandemic made the world economy decelerated and brought the demand decrease for each business. Moreover, as mentioned above, the Company recorded the loss on valuation of investments in capital of subsidiaries and affiliates, the company prospects lower net income than previous announced forecast for FY2020 non-consolidated financial statements.