

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

Name: Kazumasa Kimura

Inquiries: Title: General Manager, Corporate Communication Div.

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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	Yen	Yen	Yen	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)

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
	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: None

“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 6 of the attached document.

1. Qualitative Information on Consolidated Operating Results for the Nine Months Ended September 30, 2022

(1) Analysis of Consolidated Operating Results

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

[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)

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) 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	(66,736)
Liabilities	226,723	147,856	(78,868)
Equity	254,995	266,690	11,695

(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 parents	Total basic earnings per share (Yen)
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced forecast (A)	310,000	26,000	35,000	23,400	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) 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

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

Summary of 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) 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