

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



April 28, 2022

Name of listed company: Nabtesco Corporation

Stock listed on: Prime Section of the Tokyo Stock Exchange

Code number: 6268

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

Representative: Title: President and CEO

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Scheduled date for filing of quarterly report: May 13, 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 Three-month Period of FY 2022 (January 1, 2022 to March 31, 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 three-month period, FY 2022 | 70,386      | (2.3) | 4,995            | (24.9) | (5,069)           | — | (3,912)     | — | (4,388)   | — | 652                        | (99.2) |
| First three-month period, FY 2021 | 72,028      | 5.0   | 6,655            | (18.7) | 124,494           | — | 81,115      | — | 80,058  | — | 84,268                     | —      |

|                                   | Basic earnings per share |  | Diluted earnings per share |  |
|-----------------------------------|--------------------------|--|----------------------------|--|
|                                   | Yen                      |  | Yen                        |  |
| First three-month period, FY 2022 | (36.57)                  |  | (36.57)                    |  |
| First three-month period, FY 2021 | 647.79                   |  | 647.75                     |  |

### (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 March 31, 2022    | 461,904      | 248,036      | 234,750                                     | 50.8   |
| 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            | —                   | —              | —             | —        | —         |
| FY 2022 (Forecast) | —                   | 39.00          | —             | 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 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                            |
| First six-month period ending June 30, 2022 | 153,500     | 5.3 | 13,400           | (8.3) | 14,400            | (86.7) | 7,700   | (88.7) | 64.03                          |
| Full year                                   | 320,000     | 6.7 | 33,000           | 9.9   | 35,000            | (65.7) | 23,400  | (63.9) | 194.57                         |

(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 the first three-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 March 31, 2022              | 121,064,099 | As of December 31, 2021           | 121,064,099 |
| 2) | As of March 31, 2022              | 1,079,069   | As of December 31, 2021           | 1,091,211   |
| 3) | January 1, 2022 to March 31, 2022 | 119,979,545 | January 1, 2021 to March 31, 2021 | 123,585,587 |

\* 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.

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# 1. Qualitative Information on Consolidated Operating Results for the Three Months Ended March 31, FY 2022

## (1) Analysis of Consolidated Operating Results

During the three-month period under review, the Group saw a decrease in demand for railroad vehicle equipment both in the Japanese and Chinese markets due to the effects of COVID-19, in addition to a significant decline in demand for hydraulic equipment in China, while demand for precision reduction gears for industrial robots remained at a high level. As a result, the Group's net sales and operating income were ¥70,386 million and ¥4,995 million, respectively. Loss before tax was ¥5,069 million, reflecting the valuation loss on the shares of Harmonic Drive Systems Inc. (hereinafter, "Harmonic") due to stock price fluctuations. Net loss attributable to owners of the parent was ¥4,388 million.

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

The amount of orders received for the period under review increased by ¥7,271 million, or 9.0% year on year, to ¥88,095 million. Net sales decreased by ¥1,642 million, or 2.3% year on year, to ¥70,386 million. Operating income dropped by ¥1,659 million, or 24.9% year on year, to ¥4,995 million. The ratio of operating income to net sales was 7.1%.

Operating results by business segment were as follows:

[Amount of orders received]

|                         | First three-month period of consolidated FY 2021<br>(January 1, 2021 to March 31, 2021) | First three-month period of consolidated FY 2022<br>(January 1, 2022 to March 31, 2022) | Change (%) |
|-------------------------|---|---|------------|
| Component Solutions     | 40,998  | 38,666  | (5.7)      |
| Transport Solutions     | 14,798  | 18,238  | 23.2       |
| Accessibility Solutions | 19,560  | 25,740  | 31.6       |
| Others                  | 5,468   | 5,450   | (0.3)      |
| Total                   | 80,824  | 88,095  | 9.0        |

[Net sales]

|                         | First three-month period of consolidated FY 2021<br>(January 1, 2021 to March 31, 2021) | First three-month period of consolidated FY 2022<br>(January 1, 2022 to March 31, 2022) | Change (%) |
|-------------------------|---|---|------------|
| Component Solutions     | 34,103  | 31,293  | (8.2)      |
| Transport Solutions     | 14,893  | 14,716  | (1.2)      |
| Accessibility Solutions | 19,917  | 21,536  | 8.1        |
| Others                  | 3,115   | 2,841   | (8.8)      |
| Total                   | 72,028  | 70,386  | (2.3)      |

[Operating income (loss)]

|                          | First three-month period of consolidated FY 2021<br>(January 1, 2021 to March 31, 2021) | First three-month period of consolidated FY 2022<br>(January 1, 2022 to March 31, 2022) | Change (%) |
|--------------------------|---|---|------------|
| Component Solutions      | 5,950   | 3,835   | (35.6)     |
| Transport Solutions      | 638   | 1,060   | 66.0       |
| Accessibility Solutions  | 2,970   | 2,280   | (23.2)     |
| Others                   | 218   | (75)  | —          |
| Corporate or Elimination | (3,122)   | (2,105)   | —          |
| Total                    | 6,655   | 4,995   | (24.9)     |

**[Component solutions business]**

The amount of orders received for component solutions decreased by ¥2,332 million, or 5.7% year on year, to ¥38,666 million. Net sales dropped by ¥2,810 million, or 8.2% year on year, to ¥31,293 million, and operating income declined by ¥2,115 million, or 35.6% year on year, to ¥3,835 million.

Sales of precision reduction gears recorded a year-on-year increase as demand for industrial robots and machine tools remained brisk as well as strong demand for semiconductor manufacturing equipment.

Sales of hydraulic equipment for construction machinery saw a year-on-year decrease due to a significant decline in demand in China, despite brisk demand in the U.S., Europe, and Southeast Asia.

**[Transport solutions business]**

The amount of orders received for transport solutions increased by ¥3,440 million, or 23.2% year on year, to ¥18,238 million. Net sales decreased by ¥177 million, or 1.2% year on year, to ¥14,716 million, and operating income soared by ¥422 million, or 66.0% year on year, to ¥1,060 million.

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

Sales of aircraft equipment posted a year-on-year increase as demand for private-sector aircraft recovered moderately.

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

Sales of marine vessel equipment remained virtually unchanged from the same period of the previous year reflecting strong shipbuilding and shipping markets.

**[Accessibility solutions business]**

The amount of orders received for accessibility solutions increased by ¥6,181 million, or 31.6% year on year, to ¥25,740 million. Net sales rose by ¥1,619 million, or 8.1% year on year, to ¥21,536 million, while operating income shrank by ¥690 million, or 23.2% year on year, to ¥2,280 million.

Sales from the automatic door business increased year on year as demand remained brisk both in Japan and abroad.

**[Others]**

The amount of orders received for others fell by ¥18 million, or 0.3% year on year, to ¥5,450 million. Net sales decreased by ¥274 million, or 8.8% year on year, to ¥2,841 million, and operating income dropped by ¥293 million year on year to an operating loss of ¥75 million.

Sales of packaging machines recorded a year-on-year decrease, both in terms of product sales and MRO, mainly due to the difficulty in procuring electronic components.

Reference: Information by region

[Net sales]

(Million yen)

|               | First three-month period of consolidated FY 2021<br>(January 1, 2021 to March 31, 2021) | First three-month period of consolidated FY 2022<br>(January 1, 2022 to March 31, 2022) | Change (%) |
|---------------|---|---|------------|
| Japan         | 38,909  | 39,847  | 2.4        |
| China         | 16,517  | 10,742  | (35.0)     |
| Other Asia    | 3,885   | 4,258   | 9.6        |
| North America | 3,740   | 4,220   | 12.8       |
| Europe        | 8,344   | 10,219  | 22.5       |
| Other areas   | 632   | 1,101   | 74.3       |
| Total         | 72,028  | 70,386  | (2.3)      |

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

## 2) Loss before tax

Income before tax decreased by ¥129,563 million year on year to a loss before tax of ¥5,069 million as a valuation loss of ¥11,725 million was recorded as financial costs as a result of the stock price fluctuations of Harmonic's shares.

The main reasons behind the year-on-year decline in income before tax of ¥129,563 million include the recording of a valuation gain (financial income) of ¥125,107 million for the same period last year due to the exclusion of Harmonic from application of the equity method and a year-on-year increase of ¥5,313 million in valuation loss (financial costs) as a result of the stock price fluctuations of Harmonic's shares.

## 3) Net loss attributable to owners of the parent

In total, net income attributable to owners of the parent decreased by ¥84,446 million year on year to a net loss attributable to owners of the parent of ¥4,388 million, net of income tax expenses of ¥(1,157) million and net income attributable to non-controlling interests of ¥476 million.

Total basic earnings per share decreased by ¥684.36 year on year to a total basic net loss per share of ¥36.57.

**(2) Analysis of Financial Position**

## 1) Assets, liabilities and equity

(Million yen)

|              | As of the end of the previous consolidated fiscal year<br>(December 31, 2021) | As of the end of the first three-month period of the current consolidated fiscal year<br>(March 31, 2022) | Change   |
|--------------|---|---|----------|
| Total assets | 481,718   | 461,904   | (19,814) |
| Liabilities  | 226,723   | 213,869   | (12,855) |
| Equity       | 254,995   | 248,036   | (6,959)  |

**[Assets]**

Total assets as of March 31, 2022 were ¥461,904 million, a decrease of ¥19,814 million from December 31, 2021, consisting of ¥268,958 million in current assets and ¥192,946 million in non-current assets. The key contributing positive factor was an increase of ¥6,820 million in inventories. The main contributing negative factors included a decrease of ¥13,439 million in cash and cash equivalents, a decrease of ¥7,464 in trade receivables, and a decrease of ¥11,725 million in assets as a result of the stock price fluctuations of Harmonic's shares (a decrease of ¥5,863 million in assets held for sale and a decrease of ¥5,863 million in other financial assets).

**[Liabilities]**

Total liabilities as of March 31, 2022 were ¥213,869 million, a decrease of ¥12,855 million from December 31, 2021, reflecting ¥180,840 million in current liabilities and ¥33,029 million in non-current liabilities. The main contributing positive factor was a rise of ¥4,322 million in other payables. The main contributing negative factor was a decrease of ¥17,071 million in income taxes payable.

**[Equity]**

Total equity as of March 31, 2022 stood at ¥248,036 million. Equity attributable to owners of the parent was ¥234,750 million, a decrease of ¥5,161 million from December 31, 2021. The key contributing positive factor was the increase of ¥3,846 million in other components of equity reflecting a rise of ¥3,734 million in exchange differences on foreign operations, among others. Meanwhile, the main contributing negative factors included the posting of a net loss attributable to owners of the parent of ¥4,388 million and a decrease in retained earnings due to dividend payment of ¥4,692 million, among others.

**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<br>(as of December 31, 2021) | End of the first three-month period of consolidated FY 2022<br>(as of March 31, 2022) |
|---|----------|--|---|
| <b>Assets</b>                                     |          |  |   |
| Current assets                                    |          |  |   |
| Cash and cash equivalents                         |          | 112,771  | 99,332  |
| Trade receivables                                 |          | 74,957   | 67,493  |
| Contract assets                                   |          | 2,065  | 2,740   |
| Other receivables                                 |          | 1,300  | 1,248   |
| Inventories                                       |          | 41,880   | 48,700  |
| Other financial assets                            |          | 7,821  | 5,857   |
| Other current assets                              |          | 3,588  | 4,932   |
| <b>Total</b>                                      |          | <b>244,382</b>   | <b>230,302</b>  |
| Assets held for sale                              |          | 44,519   | 38,656  |
| <b>Total current assets</b>                       |          | <b>288,900</b>   | <b>268,958</b>  |
| Non-current assets                                |          |  |   |
| Property, plant and equipment                     |          | 89,020   | 91,299  |
| Intangible assets                                 |          | 4,251  | 4,946   |
| Right-of-use assets                               |          | 8,877  | 9,998   |
| Goodwill  |          | 16,184   | 16,750  |
| Investment property                               |          | 2,162  | 2,148   |
| Investments accounted for using the equity method |          | 15,475   | 16,112  |
| Other financial assets                            |          | 53,860   | 48,159  |
| Deferred tax assets                               |          | 1,997  | 2,116   |
| Other non-current assets                          |          | 992  | 1,417   |
| <b>Total non-current assets</b>                   |          | <b>192,818</b>   | <b>192,946</b>  |
| <b>Total assets</b>                               |          | <b>481,718</b>   | <b>461,904</b>  |

(Million yen)

|   | Note No. | End of consolidated<br>FY 2021<br>(as of December 31, 2021) | End of the first three-month<br>period of consolidated FY 2022<br>(as of March 31, 2022) |
|---|----------|---|--|
| Liabilities and equity                      |          |   |  |
| Liabilities                                 |          |   |  |
| Current liabilities                         |          |   |  |
| Operating payables                          |          | 51,974  | 52,463   |
| Contract liabilities                        |          | 5,704   | 7,865  |
| Borrowings                                  |          | 14,690  | 12,269   |
| Other payables                              |          | 10,776  | 15,098   |
| Income taxes payable                        |          | 19,788  | 2,718  |
| Provisions                                  |          | 1,206   | 1,240  |
| Lease liabilities                           |          | 2,158   | 2,414  |
| Other financial liabilities                 |          | 77,878  | 77,936   |
| Other current liabilities                   |          | 7,139   | 8,838  |
| Total current liabilities                   |          | 191,315   | 180,840  |
| Non-current liabilities                     |          |   |  |
| Borrowings                                  |          | 2,897   | 2,985  |
| Lease liabilities                           |          | 7,575   | 8,474  |
| Liabilities concerning retirement benefit   |          | 9,079   | 9,152  |
| Deferred tax liabilities                    |          | 13,922  | 10,324   |
| Other non-current liabilities               |          | 1,936   | 2,094  |
| Total non-current liabilities               |          | 35,408  | 33,029   |
| Total liabilities                           |          | 226,723   | 213,869  |
| Equity                                      |          |   |  |
| Capital stock                               |          | 10,000  | 10,000   |
| Share premium                               |          | 14,961  | 14,989   |
| Retained earnings                           |          | 214,791   | 205,704  |
| Treasury shares                             |          | (4,784)   | (4,732)  |
| Other components of equity                  |          | 4,942   | 8,789  |
| Equity attributable to owners of the parent |          | 239,910   | 234,750  |
| Non-controlling interests                   |          | 15,084  | 13,286   |
| Total equity                                |          | 254,995   | 248,036  |
| Total liabilities and equity                |          | 481,718   | 461,904  |



**(2) Summary of Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**

Summary of Consolidated Statements of Income

First Three-month Period

(Million yen)

|   | Note No. | First three-month period of consolidated FY 2021<br>(January 1, 2021 to March 31, 2021) | First three-month period of consolidated FY 2022<br>(January 1, 2022 to March 31, 2022) |
|---|----------|---|---|
| Net sales                                   | 2        | 72,028  | 70,386  |
| Cost of sales                               |          | (51,979)  | (52,184)  |
| Gross profit                                |          | 20,049  | 18,202  |
| Other income                                |          | 349   | 350   |
| Selling, general and administrative expense |          | (13,666)  | (13,487)  |
| Other expenses                              |          | (78)  | (70)  |
| Operating income                            | 2        | 6,655   | 4,995   |
| Financial income                            |          | 126,222   | 889   |
| Financial costs                             |          | (9,000)   | (11,764)  |
| Equity in earnings of affiliates            |          | 618   | 811   |
| Profit (loss) before tax                    |          | 124,494   | (5,069)   |
| Income tax expense                          |          | (43,379)  | 1,157   |
| Net income (loss)                           |          | 81,115  | (3,912)   |

|                                   |  |        |         |
|-----------------------------------|--|--------|---------|
| Net income (loss) attributable to |  |        |         |
| Owners of the parent              |  | 80,058 | (4,388) |
| Non-controlling interests         |  | 1,057  | 476     |
| Net income (loss)                 |  | 81,115 | (3,912) |

(Yen)

|                                   |  |        |         |
|-----------------------------------|--|--------|---------|
| Net income (loss) per share       |  |        |         |
| Basic earnings (loss) per share   |  | 647.79 | (36.57) |
| Diluted earnings (loss) per share |  | 647.75 | (36.57) |

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

(Million yen)

|  | Note No. | First three-month period of consolidated FY 2021<br>(January 1, 2021 to March 31, 2021) | First three-month period of consolidated FY 2022<br>(January 1, 2022 to March 31, 2022) |
|--|----------|---|---|
| Net income (loss)  |          | 81,115  | (3,912)   |
| Other comprehensive income   |          |   |   |
| Items that will not be reclassified to profit or loss                                    |          |   |   |
| Net change in financial assets measured at fair value through other comprehensive income |          | 444   | 115   |
| Total components that will not be reclassified to profit or loss                         |          | 444   | 115   |
| Components that will be reclassified to profit or loss                                   |          |   |   |
| Exchange differences on foreign operations   |          | 2,709   | 4,448   |
| Total components that will be reclassified to profit or loss                             |          | 2,709   | 4,448   |
| Other comprehensive income after taxes   |          | 3,152   | 4,564   |
| Total comprehensive income   |          | 84,268  | 652   |
| Comprehensive income attributable to   |          |   |   |
| Owners of the parent   |          | 82,594  | (539)   |
| Non-controlling interests  |          | 1,674   | 1,190   |
| Total comprehensive income   |          | 84,268  | 652   |

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

First three-month period of previous consolidated fiscal year (January 1, 2021 to March 31, 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 (loss)   |          | —             | —             | 80,058            | —               | —  | —  |
| Other comprehensive income                                    |          | —             | —             | —                 | —               | 2,092                                      | 444  |
| Total comprehensive income                                    |          | —             | —             | 80,058            | —               | 2,092                                      | 444  |
| Acquisition, sales, etc. of treasury shares                   |          | —             | —             | —                 | (8,587)         | —  | —  |
| Dividends   |          | —             | —             | (4,228)           | —               | —  | —  |
| Transfer from other components of equity to retained earnings |          | —             | —             | 1,674             | —               | —  | (1,674)  |
| Share-based compensation transactions                         |          | —             | (69)          | —                 | —               | —  | —  |
| Total transactions with owners, etc.                          |          | —             | (69)          | (2,554)           | (8,587)         | —  | (1,674)  |
| Balance as of March 31, 2021                                  |          | 10,000        | 14,929        | 251,492           | (11,058)        | (1,256)                                    | 3,633  |

|   | 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 (loss)   |          | —   | —       | 80,058  | 1,057                     | 81,115       |
| Other comprehensive income                                    |          | —   | 2,536   | 2,536   | 617                       | 3,152        |
| Total comprehensive income                                    |          | —   | 2,536   | 82,594  | 1,674                     | 84,268       |
| Acquisition, sales, etc. of treasury share                    |          | —   | —       | (8,587)   | —                         | (8,587)      |
| Dividends   |          | —   | —       | (4,228)   | (2,876)                   | (7,104)      |
| Transfer from other components of equity to retained earnings |          | —   | (1,674) | —   | —                         | —            |
| Share-based compensation transactions                         |          | —   | —       | (69)  | —                         | (69)         |
| Total transactions with owners, etc.                          |          | —   | (1,674) | (12,884)  | (2,876)                   | (15,759)     |
| Balance as of March 31, 2021                                  |          | —   | 2,377   | 267,740   | 12,408                    | 280,149      |

First three-month period of current consolidated fiscal year (January 1, 2022 to March 31, 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 (loss)   |          | —             | —             | (4,388)           | —               | —  | —  |
| Other comprehensive income                                    |          | —             | —             | —                 | —               | 3,734                                      | 115  |
| Total comprehensive income                                    |          | —             | —             | (4,388)           | —               | 3,734                                      | 115  |
| Acquisition, sales, etc. of treasury shares                   |          | —             | —             | (10)              | 52              | —  | —  |
| Dividends   |          | —             | —             | (4,692)           | —               | —  | —  |
| Transfer from other components of equity to retained earnings |          | —             | —             | 3                 | —               | —  | (3)  |
| Share-based compensation transactions                         |          | —             | 28            | —                 | —               | —  | —  |
| Total transactions with owners, etc.                          |          | —             | 28            | (4,700)           | 52              | —  | (3)  |
| Balance as of March 31, 2022                                  |          | 10,000        | 14,989        | 205,704           | (4,732)         | 5,607                                      | 3,181  |

|   | 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 (loss)   |          | —   | —     | (4,388)   | 476                       | (3,912)      |
| Other comprehensive income                                    |          | —   | 3,849 | 3,849   | 715                       | 4,564        |
| Total comprehensive income                                    |          | —   | 3,849 | (539)   | 1,190                     | 652          |
| Acquisition, sales, etc. of treasury shares                   |          | —   | —     | 42  | —                         | 42           |
| Dividends   |          | —   | —     | (4,692)   | (2,989)                   | (7,681)      |
| Transfer from other components of equity to retained earnings |          | —   | (3)   | —   | —                         | —            |
| Share-based compensation transactions                         |          | —   | —     | 28  | —                         | 28           |
| Total transactions with owners, etc.                          |          | —   | (3)   | (4,622)   | (2,989)                   | (7,611)      |
| Balance as of March 31, 2022                                  |          | —   | 8,789 | 234,750   | 13,286                    | 248,036      |

**(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 three months ended March 31, 2021 (January 1, 2021 to March 31, 2021)**

(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       | 34,103              | 14,893    | 19,917        | 68,913 | 3,115  | 72,028 | —           | 72,028  |
| Inter-segment sales               | 570                 | 226       | 0             | 797    | 121    | 918    | (918)       | —   |
| Total sales                       | 34,673              | 15,119    | 19,917        | 69,709 | 3,236  | 72,946 | (918)       | 72,028  |
| Segment income (Operating income) | 5,950               | 638       | 2,970         | 9,559  | 218    | 9,776  | (3,122)     | 6,655   |
| Financial income                  |                     |           |               | —      |        |        |             | 126,222   |
| Financial costs                   |                     |           |               | —      |        |        |             | (9,000)   |
| Equity in earnings of affiliates  |                     |           |               | —      |        |        |             | 618   |
| Income before tax                 |                     |           |               | —      |        |        |             | 124,494   |

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.

## II. For the three months ended March 31, 2022 (January 1, 2022 to March 31, 2022)

(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       | 31,293              | 14,716    | 21,536        | 67,544 | 2,841  | 70,386 | —           | 70,386  |
| Inter-segment sales               | 584                 | 300       | 0             | 885    | 48     | 933    | (933)       | —   |
| Total sales                       | 31,877              | 15,016    | 21,536        | 68,429 | 2,890  | 71,319 | (933)       | 70,386  |
| Segment income (Operating income) | 3,835               | 1,060     | 2,280         | 7,175  | (75)   | 7,100  | (2,105)     | 4,995   |
| Financial income                  |                     |           |               | —      |        |        |             | 889   |
| Financial costs                   |                     |           |               | —      |        |        |             | (11,764)  |
| Equity in earnings of affiliates  |                     |           |               | —      |        |        |             | 811   |
| Loss before tax                   |                     |           |               | —      |        |        |             | (5,069)   |

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. not allocated to the respective segments.

### 3. Other Information

#### (1) Order Backlog by Business Segment

| Reportable Segments     | As of the end of the first three-month period<br>of consolidated FY 2021<br>(March 31, 2021) |            | As of the end of the first three-month period<br>of consolidated FY 2022<br>(March 31, 2022) |            |
|-------------------------|--|------------|--|------------|
|                         | Amount (million yen)   | % to total | Amount (million yen)   | % to total |
| Component Solutions     | 38,430   | 27.5       | 41,633   | 27.3       |
| Transport Solutions     | 53,815   | 38.5       | 55,662   | 36.4       |
| Accessibility Solutions | 37,974   | 27.2       | 42,741   | 28.0       |
| Others                  | 9,521  | 6.8        | 12,742   | 8.3        |
| Total                   | 139,741  | 100.0      | 152,779  | 100.0      |