

July 31, 2020

To whom it may concern,

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## Announcement for the revision to FY2020 financial and dividend forecast

Nabtesco Corporation (hereinafter, “the Company”) hereby announces the revision to FY2020 financial and dividend forecast which have announced on February 7, 2020 based on the current condition of world economy influenced by the spread of the novel coronavirus (COVID-19).

### 1. The revision to financial forecast

(1) Revision to the full-year forecast for consolidated FY2020 (January 1, 2020 to December 31, 2020).  
 (Million yen)

	Sales	Operating income	Income before tax	Net income attributable to parent company shareholders	Total basic earnings per share (Yen)
Previously announced forecast(A) (announced on Feb.7, 2020)	303,000	32,000	34,000	23,100	Yen 186.15
<b>Revised forecast (B)</b>	<b>277,000</b>	<b>25,300</b>	<b>27,000</b>	<b>17,300</b>	<b>139.37</b>
Change (B–A)	(26,000)	(6,700)	(7,000)	(5,800)	–
Rate of Change (%)	(8.6)	(20.9)	(20.6)	(25.1)	–
(Reference) Previous year's results	289,808	25,320	27,979	17,931	144.50

(2) Reason for the revision

The Company has revised to decrease sales and profits of our forecast due to the slowdown of world economy brought on by the spread of COVID-19.

Component Solutions Segment revises to decrease the forecast because of slow recovery of demand for precision reduction gear for industrial robot markets and stagnation of demand for hydraulic equipment in developed country and Southeast Asia market despite gradual recovery of demand in China. Transport Solutions Segment revises to decline the forecast because of the weak demand for equipment for civil aircraft market and for commercial vehicle market in Japan and Southeast Asia, among other things. Accessibility Solutions Segment revises to the forecast due to stagnation of demand in domestic and overseas market.

### 2. The revision of dividend forecast

(1) Revision of the dividend forecast for FY2020

Record Date	Dividend per share (Yen)		
	Interim	Year-end	Annual
Previously announced forecast (Announced on Feb.7, 2020)	–	41.00	82.00
<b>Revised forecast</b>	<b>–</b>	<b>34.00</b>	<b>75.00</b>
Results	41.00	–	–
(Reference) Previous year's results	36.00	37.00	73.00

## (2) Reason for the revision

The Company intends to appropriately distribute its corporate earnings based on the operating performance of the Group as a whole, and taking into consideration strategic growth investments, financial soundness, appropriate balance of return to shareholders and stable dividend payment. Moreover, consolidated pay-out ratio during the period of this Medium-term Management Plan is set at 35% or higher, and a continuous rise in dividend per share will be sought without upper limit.

For this fiscal year, in response to the downward revision of the financial forecast reflecting rapid deterioration business environment, the Company has revised the forecast for the year-end dividend to ¥34 per share and for the annual dividend to ¥75 per share.

The Company has raised the annual dividend by ¥2 compared to previous year in order to realize a continuous rise in dividend.

## 2. Reference information

Full year forecast for consolidated FY2020 by each segment (January 1, 2020 through December 31, 2020)

[Net Sales]

(Million yen)

	Component solutions	Transport solutions	Accessibility solutions	Others	Corporate or elimination	Total
Previously announced forecast (A) (Announced on Feb.7 2020)	116,000	90,300	75,700	21,000	—	303,000
<b>Result (B)</b>	<b>107,500</b>	<b>78,000</b>	<b>73,200</b>	<b>18,300</b>	<b>—</b>	<b>277,000</b>
Change (B—A)	(8,500)	(12,300)	(2,500)	(2,700)	—	(26,000)
Rate of Change (%)	(7.3)	(13.6)	(3.3)	(12.9)	—	(8.6)
(Reference) Previous year's results	107,188	83,994	79,971	18,654		289,808

[Operating income]

(Million yen)

	Component solutions	Transport solutions	Accessibility solutions	Others	Corporate or elimination	Total
Previously announced forecast (A) (Announced on Feb.7 2020)	18,300	10,200	7,500	3,000	(7,000)	32,000
<b>Result (B)</b>	<b>16,200</b>	<b>6,100</b>	<b>6,900</b>	<b>2,500</b>	<b>(6,400)</b>	<b>25,300</b>
Change (B—A)	(2,100)	(4,100)	(600)	(500)	600	(6,700)
Rate of Change (%)	(11.5)	(40.2)	(8.0)	(16.7)	—	(20.9)
(Reference) Previous year's results	15,897	5,778	8,565	2,551	(7,470)	25,320

(Note) The above figures are forecasts based on the information available to management as of the date hereof. Actual results may differ from these forecasts due to various factors.