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For Immediate Release

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**Notice of Revisions to Consolidated Financial Results Forecast,  
 Dividends of Surplus (Interim Dividend) and Dividend Forecast  
 for the Fiscal Year Ending December 31, 2020**

Okabe Co., Ltd. (the “Company”) hereby announces its consolidated financial results forecast, dividends of surplus (interim dividend) and dividends forecast for the fiscal year ending December 31, 2020, which were left undecided as announced in the “Notice of Revisions to Forecasts for the Consolidated Financial Results and Dividends for the Fiscal Year Ending December 31, 2020” as of May 20, 2020. Please note that in the tables below, comparisons with the initial forecast announced on February 14, 2020 are also indicated. Details are as follows.

**1. Revisions to consolidated financial results forecast for the fiscal year ending December 31, 2020**

**(1) Revision of consolidated performance forecast for the fiscal year ending December 31, 2020 (Jan. 1, 2020 – Dec. 31, 2020)**

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
Initial forecast (A) (announced on February 14, 2020)	Million yen 66,000	Million yen 5,600	Million yen 5,700	Million yen 3,500	Yen 70.24
Previous forecast (announced on May 20, 2020)	—	—	—	—	—
Revised forecast (B)	63,100	4,050	4,250	1,850	37.55
Change (B-A)	(2,900)	(1,550)	(1,450)	(1,650)	—
Change (%)	(4.4)	(27.7)	(25.4)	(47.1)	—
(Reference) Actual results for previous fiscal year (Fiscal year ended December 31, 2019)	65,409	5,294	5,619	3,342	67.07

## **(2) Reason for the revision**

The Company hereby announces its consolidated financial results forecast for the fiscal year ending December 31, 2020, which were left undecided because reasonable estimates of financial results were made difficult by the spread of COVID-19 infection. The forecast has been formulated by taking into consideration information currently available, including the consolidated results for the first six months of the fiscal year under review and the extent of the impact of COVID-19 at the present time as described below, as well as future prospects based on certain assumptions, including the one that COVID-19 will not be contained by the end of the fiscal year.

### **[Impact of COVID-19 at the present time]**

#### **Construction-related products**

In the domestic business, there have been plan revisions, delays in construction starts, etc. in part of the construction projects, which was a factor for a decline in sales of construction-related products.

In the US business, the spread of COVID-19 is more serious than in Japan and there have been plan revisions, delays in construction starts, etc. in part of the construction projects. However, the impact on construction demand has been limited and there is no material impact on the Company's business results at present time.

#### **Automotive products**

This segment develops, manufactures and markets automotive battery products, etc. in the U.S. and Italy. Demand for automobiles is decreasing worldwide due to COVID-19, which was a factor for a decline in sales of automotive battery products, etc. in the first six months of the fiscal year under review.

Should the Company's business activities be negatively affected by the spread of COVID-19 on a greater than anticipated scale, or should the environment of the construction market and automobile market, the major sources of demand for the Company, deteriorate more than anticipated, the Company may implement another review of its business results forecasts, etc.

## 2. Dividends of surplus (interim dividend) and revision to dividends forecast

The Company announces that at a meeting of the Board of Directors held on July 30, 2020 it resolved to distribute surplus as dividends to shareholders as of June 30, 2020 as the record date. Moreover, it also formulated a year-end dividend forecast for the fiscal year ending December 31, 2020, which was left undecided previously. Details are as follows.

### (1) Interim dividend for the fiscal year ending December 31, 2020

	Amount determined	Immediately preceding dividend forecast (announced on May 20, 2020)	Actual results for previous fiscal year (Interim dividend for the fiscal year ended December 31, 2019)
Record date	June 30, 2020	Same as left	June 30, 2019
Dividend per share	7 yen	Undecided	14 yen
Total dividend	341 million yen	–	698 million yen
Effective date	September 7, 2020	–	September 9, 2019
Source of funds for distribution	Retained earnings	–	Retained earnings

### (2) Revision to year-end dividend forecast for the fiscal year ending December 31, 2020

	Annual dividend per share		
	End of second quarter	End of fiscal year	Total
Initial forecast (announced on February 14, 2020)	14 yen	14 yen	28 yen
Previous forecast (announced on May 20, 2020)	Undecided	Undecided	Undecided
Revised forecast	–	7 yen	14 yen
Actual results for the current year	7 yen	–	–
Actual results for previous fiscal year (Fiscal year ended December 31, 2019)	14 yen	14 yen	28 yen

### (3) Reason for the revision

The Company has left the year-end dividend forecast for the fiscal year ending December 31, 2020 undecided due to the difficulty in formulating earnings projections. However, by taking into consideration the consolidated financial results forecast for the fiscal year under review announced above and from the viewpoint of securing its cash position in order to cope with sudden changes in the environment caused by the spread of COVID-19 in the near future, the Company decided to distribute an interim dividend of 7 yen per share (a decline of 7 yen year on year) and forecasts a year-end dividend of 7 yen per share (a decline of 7 yen year on year) for the fiscal year ending December 31, 2020.

The forecast for annual dividend payout ratio (amount of dividend per share / profit per share) is 37.28%. The forecast for total return ratio, which takes into account the aggregate amount of the treasury share buyback implemented in the fiscal year under review, is 89.50%.

Depending on business results in the future, the situation of COVID-19 and the overall management environment surrounding the Company, the Company may implement another revision of its dividend forecasts.

Moreover, should its share price fall to a level that does not reflect the Company's corporate value fairly, such as a significant decline of Price Earnings Ratio (PER) or Price Book-value Ratio (PBR), it will flexibly review the implementation of treasury share repurchase.