

Consolidated Financial Results

for the First Quarter of Fiscal Year 2012 ending March 31, 2013

Azbil Corporation



* Segment names are abbreviated as follows,

BA: Building Automation
AA: Advanced Automation
LA: Life Automation

* Figures are rounded off.

* From FY2012, some of the businesses that have been categorized into “Other” (the importing, buying-in and marketing of inspection and measurement equipment, etc.) are categorized into “AA” .

Current plans, targets, etc. discussed in this document that are not based on historical fact are projections of future performance. They are based on management's assumptions, intent, and expectations in light of the information currently available to it, and therefore these statements are not guarantees of future performance. Due to various factors, actual results may differ from these projections.

■ Achievements of the 1st quarter (Detailed information P.3~)

Orders received	71.3 billion yen	[Down 14.6 billion yen (17.0%) on the same period last year]
Net sales	47.2 billion yen	[Up 2.6 billion yen (5.8%) on the same period last year]
Operating income	(0.9) billion yen	*Operating loss of 0.6 billion yen was recorded for the same period last year
Ordinary income	(1.0) billion yen	*Ordinary loss of 0.5 billion yen was recorded for the same period last year
Net income	(1.0) billion yen	*Net loss of 0.5 billion yen was recorded for the same period last year

Orders received

In the BA business, orders were placed for large-scale service projects (mainly market testing) that stretch over several years and the total value of these multi-year contracts was recorded as a lump sum for accounting purposes in the same period last year. Owing to this exceptional circumstance, orders totaled 71.3 billion yen, down 17.0% on the same period last year.

Net sales

There was a slight fall in sales for the AA business, but this was more than offset by increased sales both for the BA business – which saw an increase in large-scale projects for new buildings and in energy-saving refurbishment projects for existing buildings – and for the LA business. As a result, net sales were 47.2 billion yen, up 5.8% on the same period last year.

Operating income

While it is true that increased price competition for new building projects impacted profits, increased sales improved segment loss for the BA business. However, because of a fall in the selling price of water meters, the LA business recorded lower profits despite increased sales. The AA business suffered lower sales and thus profits fell. As a result, there was an operating loss of 0.9 billion yen (operating loss for the same period last year was 0.6 billion yen).

■ Forecasts of the 1st half and full year (Detailed information P.10)

Forecast

The forecasts published on May 8, 2012 for the financial results in the first half and the full year remain unchanged.

Consolidated Financial Results



Billions of yen

	FY2010				FY2011				FY2012		
	1Q	2Q	3Q	4Q	1Q (A)	2Q	3Q	4Q	1Q (B)	Year on Year	
										(B)-(A)	% Change
Orders received	69.0	54.2	47.4	46.8	85.9	52.6	46.3	49.1	71.3	(14.6)	(17.0)%
Net sales	44.8	54.5	52.3	67.6	44.6	58.6	51.6	68.7	47.2	2.6	5.8 %
Gross profit	15.4	20.0	18.8	25.5	15.3	21.7	18.6	25.2	15.1	(0.2)	(1.5)%
<i>Gross profit margin</i>	34.4 %	36.7 %	36.0 %	37.7 %	34.4 %	36.9 %	36.1 %	36.7 %	32.0 %	(2.4)	
Operating income	(0.1)	3.9	2.5	8.7	(0.6)	5.4	1.8	7.8	(0.9)	(0.3)	-
<i>Operating margin</i>	(0.3)%	7.2 %	4.7 %	12.8 %	(1.5)%	9.1 %	3.5 %	11.4 %	(2.0)%	(0.5)	
Ordinary income	(0.2)	3.8	2.4	8.8	(0.5)	5.2	2.0	8.0	(1.0)	(0.4)	-
Income before income taxes and minority interests	(0.7)	3.5	2.3	8.7	(0.5)	5.1	1.9	8.4	(1.1)	(0.6)	-
Net income	(0.6)	1.9	1.2	5.4	(0.5)	3.0	0.8	5.3	(1.0)	(0.4)	-

[Effects of seasonality reporting]

Sales for the azbil Group tend to be concentrated in the second quarter and fourth quarter accounting periods, while fixed costs are generated constantly. This means that profits in the first quarter and third quarter accounting periods are typically lower than those in the other two quarters. For historical data on sales and profits for each quarter over the past 3 years, refer to page 11.

Performance by Segment



Billions of yen

		FY2010				FY2011					FY2012		
		1Q	2Q	3Q	4Q	1Q	1Q Segment reclassified base (A)	2Q	3Q	4Q	1Q (B)	Year on Year Segment reclassified base	
												(B)-(A)	% Change
BA	Orders received	37.4	23.3	18.8	17.8	53.4	53.4	22.8	17.8	19.4	38.6	(14.8)	(27.7)%
	Net sales	18.7	23.5	24.8	35.2	17.8	17.8	26.6	23.5	36.0	20.0	2.2	12.1%
	Segment profit	0.2	2.3	2.6	6.6	(0.9)	(0.9)	3.2	1.6	6.5	(0.6)	0.3	-
	%	1.0%	9.9%	10.5%	18.9%	(5.0)%	(5.0)%	12.0%	6.6%	18.0%	(3.0)%	2.0	
AA	Orders received	21.7	21.4	20.4	19.5	23.6	24.5	21.3	19.9	20.9	23.6	(0.9)	(3.7)%
	Net sales	17.1	20.8	18.8	24.3	18.6	19.6	22.3	19.5	23.7	19.3	(0.3)	(1.4)%
	Segment profit	(0.2)	1.3	(0.1)	2.2	0.3	0.3	2.1	0.3	1.4	0.1	(0.2)	(65.3)%
	%	(1.3)%	6.4%	(0.4)%	9.1%	1.6%	1.6%	9.3%	1.4%	5.7%	0.6%	(1.1)	
LA	Orders received	8.9	8.6	7.5	7.7	8.4	8.4	8.2	7.6	8.2	9.4	0.9	11.2%
	Net sales	8.2	8.9	7.9	7.6	7.5	7.5	8.7	7.9	8.5	8.3	0.7	9.9%
	Segment profit	(0.1)	0.2	(0.1)	(0.2)	(0.1)	(0.1)	0.0	(0.1)	(0.0)	(0.4)	(0.4)	-
	%	(0.8)%	2.0%	(1.5)%	(2.9)%	(1.1)%	(1.1)%	0.4%	(0.7)%	(0.3)%	(5.4)%	(4.3)	
Other	Orders received	1.3	1.5	1.1	2.2	1.0	0.0	1.1	1.4	0.8	0.0	(0.0)	(0.7)%
	Net sales	1.2	1.8	1.1	1.1	1.0	0.0	1.5	1.1	1.3	0.0	0.0	0.1%
	Segment profit	(0.0)	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	56.1%
	%	(0.6)%	4.6%	3.9%	2.6%	2.0%	18.0%	4.6%	4.7%	0.3%	28.1%	10.1	
Consolidated	Orders received	69.0	54.2	47.4	46.8	85.9	85.9	52.6	46.3	49.1	71.3	(14.6)	(17.0)%
	Net sales	44.8	54.5	52.3	67.6	44.6	44.6	58.6	51.6	68.7	47.2	2.6	5.8%
	Operating income	(0.1)	3.9	2.5	8.7	(0.6)	(0.6)	5.4	1.8	7.8	(0.9)	(0.3)	-
	Operating margin	(0.3)%	7.2%	4.7%	12.8%	(1.5)%	(1.5)%	9.1%	3.5%	11.4%	(2.0)%	(0.5)	

* Each segment amounts include internal transactions between business segments.

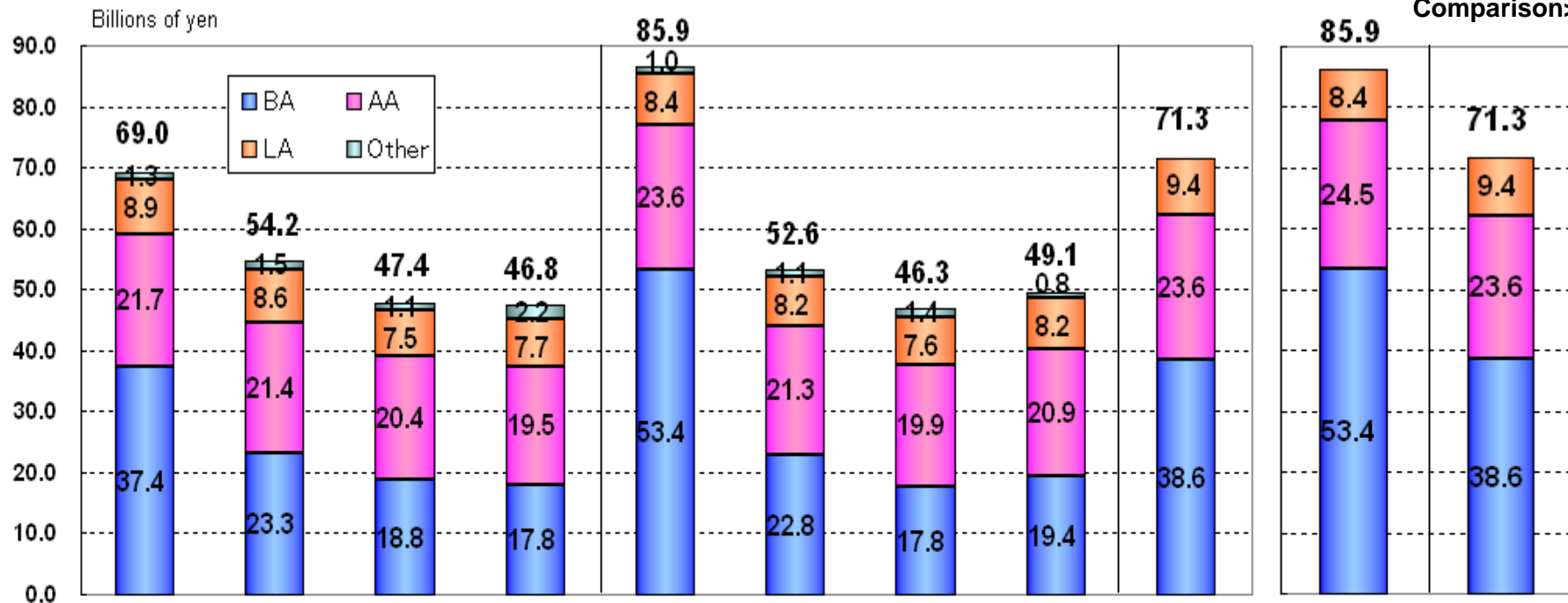
* From FY2012, some of the business that have been categorized into "Other" are categorized into "AA".

[Reference] Orders Received by Segment



< Quarterly transition >

< 1Q segment reclassified base Comparison>



	FY2010				FY2011				FY2012	FY2011	FY2012
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	1Q	1Q
BA	37.4	23.3	18.8	17.8	53.4	22.8	17.8	19.4	38.6	53.4	38.6
AA	21.7	21.4	20.4	19.5	23.6	21.3	19.9	20.9	23.6	24.5	23.6
LA	8.9	8.6	7.5	7.7	8.4	8.2	7.6	8.2	9.4	8.4	9.4
Other	1.3	1.5	1.1	2.2	1.0	1.1	1.4	0.8	0.0	0.0	0.0
Consolidated	69.0	54.2	47.4	46.8	85.9	52.6	46.3	49.1	71.3	85.9	71.3

* Each segment amounts include internal transactions between business segments.

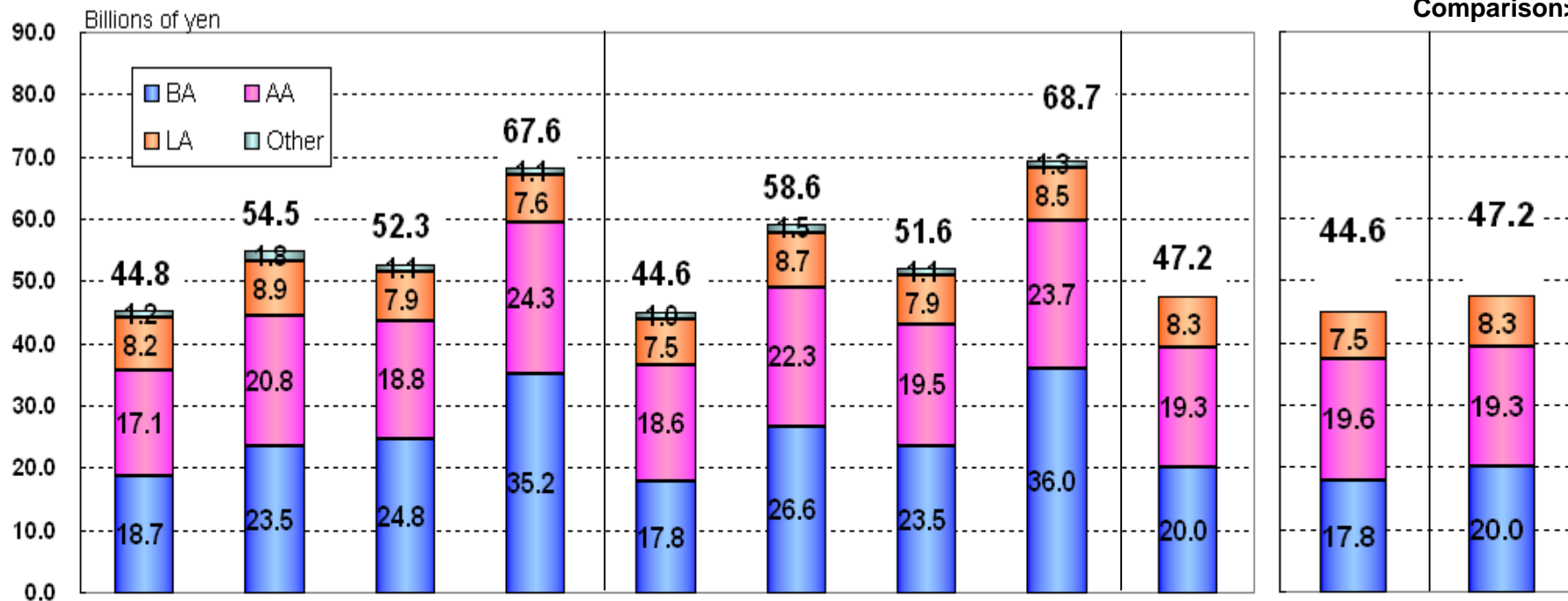
* From FY2012, some of the business that have been categorized into "Other" are categorized into "AA". For the 1Q Segment Comparison (above right), segment data for the first quarter of the previous consolidated cumulative period have been reclassified to take account of the reportable segment divisions newly adopted from the first quarter of the current consolidated cumulative period so as to enable direct comparison.

[Reference] Sales by Segment



< Quarterly transition >

< 1Q segment reclassified base Comparison>



	FY2010				FY2011				FY2012
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
BA	18.7	23.5	24.8	35.2	17.8	26.6	23.5	36.0	20.0
AA	17.1	20.8	18.8	24.3	18.6	22.3	19.5	23.7	19.3
LA	8.2	8.9	7.9	7.6	7.5	8.7	7.9	8.5	8.3
Other	1.2	1.8	1.1	1.1	1.0	1.5	1.1	1.3	0.0
Consolidated	44.8	54.5	52.3	67.6	44.6	58.6	51.6	68.7	47.2

FY2011	FY2012
1Q	1Q
17.8	20.0
19.6	19.3
7.5	8.3
0.0	0.0
44.6	47.2

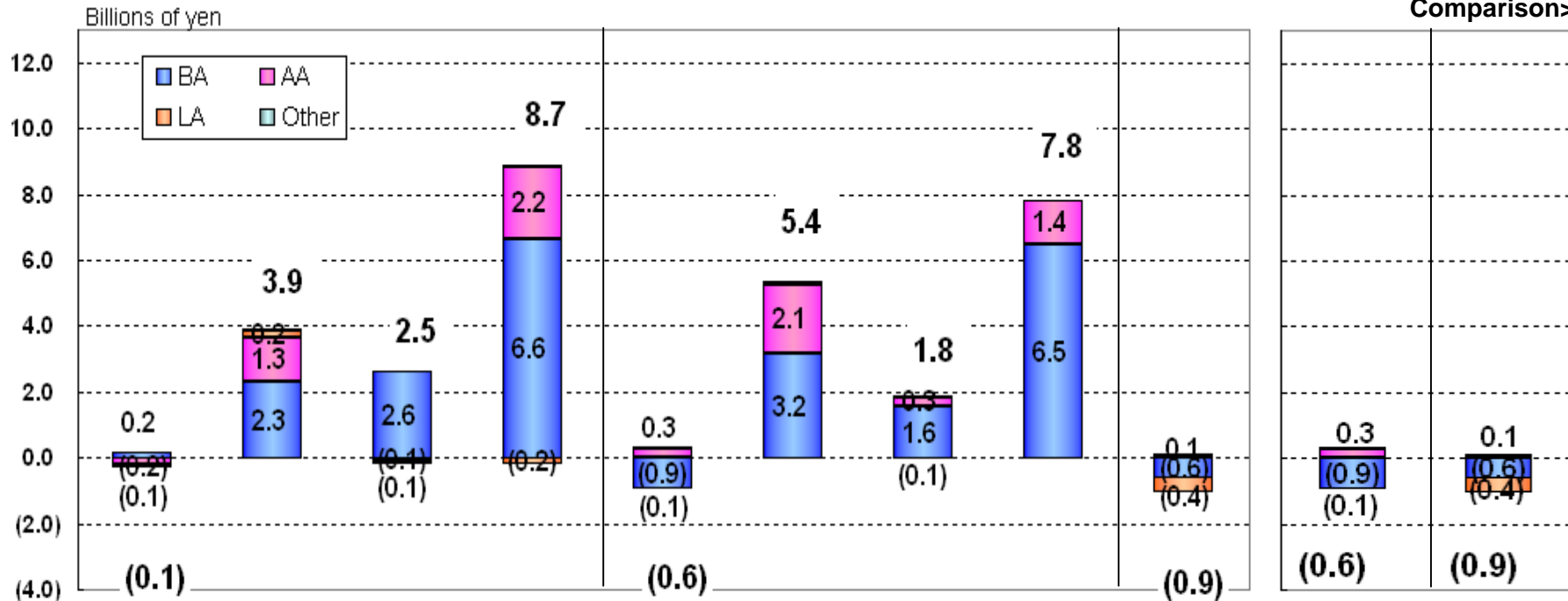
* Each segment amounts include internal transactions between business segments.

* From FY2012, some of the business that have been categorized into "Other" are categorized into "AA". For the 1Q Segment Comparison (above right), segment data for the first quarter of the previous consolidated cumulative period have been reclassified to take account of the reportable segment divisions newly adopted from the first quarter of the current consolidated cumulative period so as to enable direct comparison.

[Reference] Operating Income by Segment *azbil*

< Quarterly transition >

< 1Q segment reclassified base Comparison>

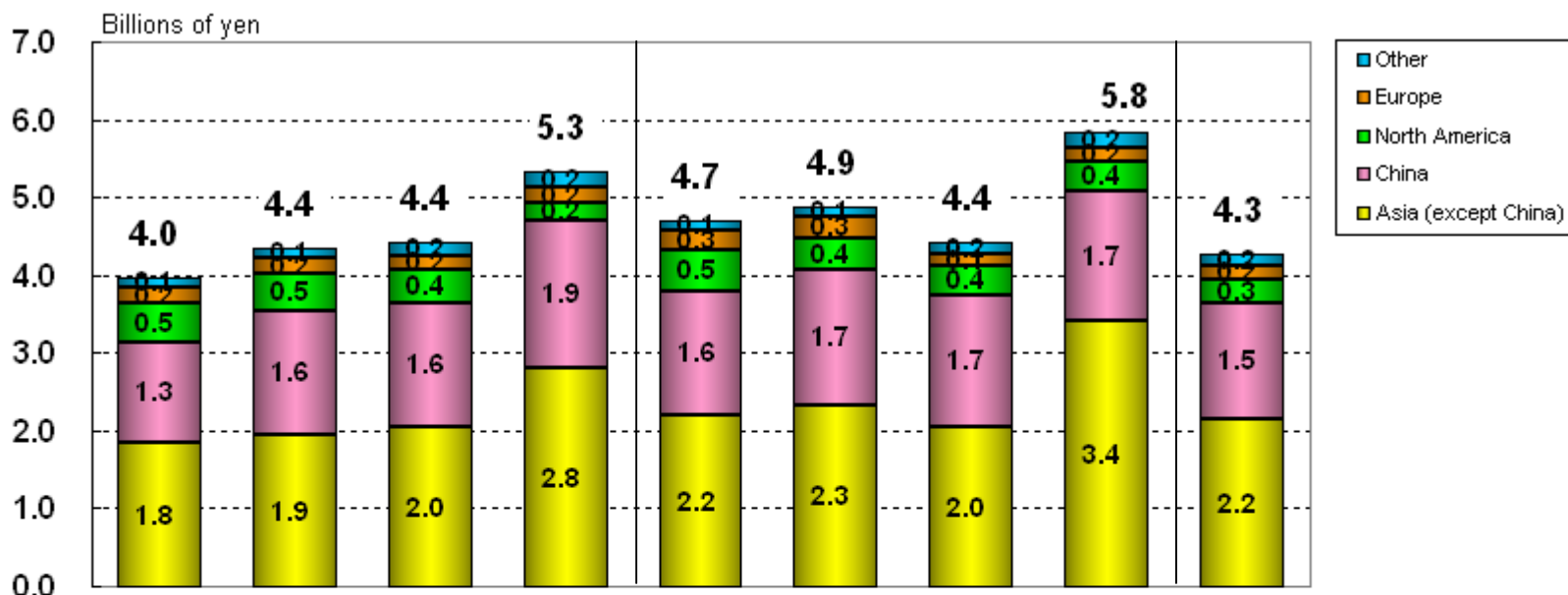


* Each segment amounts include internal transactions between business segments.

* From FY2012, some of the business that have been categorized into "Other" are categorized into "AA". For the 1Q Segment Comparison (above right), segment data for the first quarter of the previous consolidated cumulative period have been reclassified to take account of the reportable segment divisions newly adopted from the first quarter of the current consolidated cumulative period so as to enable direct comparison.

Overseas Sales

< Quarterly transition >



	FY2010				FY2011				FY2012		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	Year on Year	
					(A)				(B)	(B)-(A)	% Change
Asia (except China)	1.8	1.9	2.0	2.8	2.2	2.3	2.0	3.4	2.2	(0.0)	(1.8)%
China	1.3	1.6	1.6	1.9	1.6	1.7	1.7	1.7	1.5	(0.1)	(6.9)%
North America	0.5	0.5	0.4	0.2	0.5	0.4	0.4	0.4	0.3	(0.2)	(42.6)%
Europe	0.2	0.2	0.2	0.2	0.3	0.3	0.1	0.2	0.2	(0.1)	(28.8)%
Other	0.1	0.1	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.0	10.7 %
Total	4.0	4.4	4.4	5.3	4.7	4.9	4.4	5.8	4.3	(0.4)	(9.2)%

* Overseas sales figures include only the sales of overseas affiliates and direct exports; indirect exports are excluded.

* The accounting year used by overseas affiliates mainly ends on December 31.

Consolidated Balance Sheets



Billions of yen

	FY2011		FY2012	Difference	
	1Q (A)	4Q (B)	1Q (C)	(C)-(A)	(C)-(B)
Current assets	154.3	173.0	161.6	7.3	(11.4)
Cash & deposits	47.4	45.1	45.5	(1.9)	0.5
Notes & accounts receivable - trade	63.8	85.5	71.7	8.0	(13.8)
Inventories	17.1	16.1	18.2	1.0	2.0
Other	26.0	26.2	26.2	0.2	(0.1)
Noncurrent assets	52.4	50.5	49.4	(3.0)	(1.1)
Property, plant & equipment	25.2	24.1	23.8	(1.4)	(0.3)
Intangible assets	5.4	4.4	4.8	(0.5)	0.4
Investments & other assets	21.8	21.9	20.7	(1.1)	(1.2)
Total assets	206.7	223.5	211.0	4.3	(12.5)

	FY2011		FY2012	Difference	
	1Q (A)	4Q (B)	1Q (C)	(C)-(A)	(C)-(B)
Liabilities	77.9	88.4	79.3	1.4	(9.1)
Current liabilities	57.2	69.3	60.4	3.2	(8.9)
Notes & accounts payable - trade	31.9	37.2	33.4	1.5	(3.8)
Short-term loans & Bonds	5.6	5.5	5.5	(0.1)	(0.0)
Other	19.8	26.6	21.5	1.7	(5.1)
Noncurrent liabilities	20.7	19.1	19.0	(1.7)	(0.1)
Long-term loans	6.1	4.7	4.7	(1.5)	(0.0)
Other	14.6	14.4	14.3	(0.3)	(0.1)
Net assets	128.8	135.1	131.7	2.9	(3.4)
Shareholders' equity	125.9	132.6	129.3	3.4	(3.4)
Capital stock	10.5	10.5	10.5	—	—
Capital surplus	17.2	17.2	17.2	—	—
Retained earnings	100.8	107.5	104.2	3.4	(3.4)
Treasury stock	(2.6)	(2.6)	(2.6)	(0.0)	(0.0)
Total accumulated other comprehensive income	1.2	0.9	0.6	(0.5)	(0.3)
Subscription rights to shares & Minority interests	1.8	1.5	1.8	0.0	0.2
Total liabilities & net assets	206.7	223.5	211.0	4.3	(12.5)

First Half & Full Year Forecast

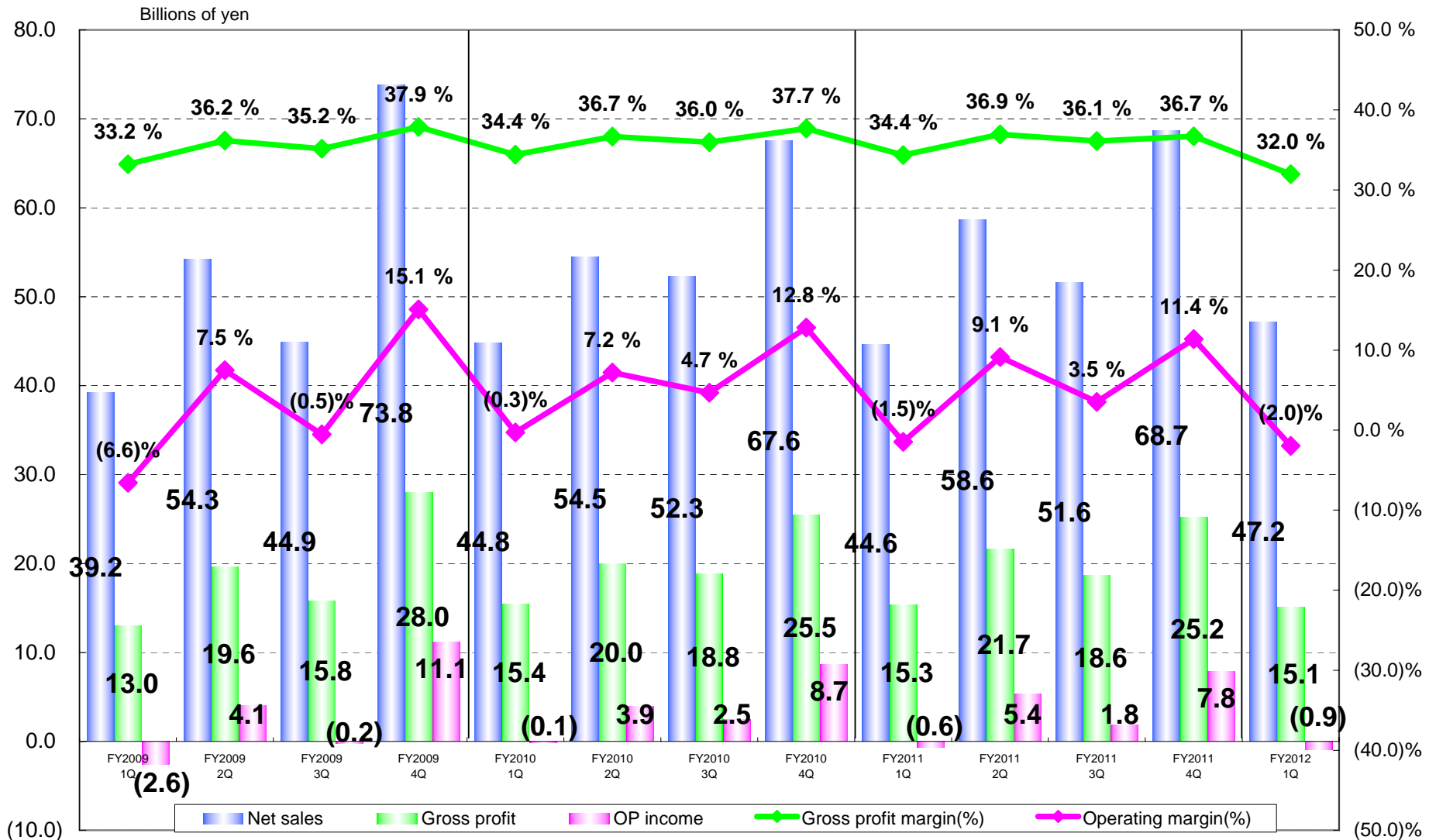


- Consolidated financial results for the first quarter of the current consolidated cumulative period were broadly in line with the initial plan. Consequently, no changes will be made to the forecasts previously published on May 8, 2012 for the first half and the full year.
- While the business environment will remain uncertain, the azbil Group will work toward the steady realization of measures designed to ensure profits, aiming to achieve its earnings forecast. At the same time, pursuing business growth from a medium- to long-term perspective, we will vigorously deploy technology/product-based solutions, and implement global initiatives aimed at expansion into new regions and a qualitative change of focus.

Billions of yen

	FY2011				FY2012					
	1Q	2Q	1H	Full year	1Q	2Q	1H			Full year
	Actual	Actual	Actual (A)	Actual	Actual	Actual	Forecast (2012.5.8)			Forecast (2012.5.8)
							(B)	(B) - (A)	% Change	
Net Sales	44.6	58.6	103.3	223.5	47.2		106.0	2.7	2.7%	230.0
Operating income	(0.6)	5.4	4.7	14.3	(0.9)		3.5	(1.2)	(25.6)%	15.0
Ordinary income	(0.5)	5.2	4.7	14.6	(1.0)		3.3	(1.4)	(29.3)%	14.8
Net income	(0.5)	3.0	2.4	8.5	(1.0)		1.6	(0.8)	(34.6)%	9.0

[Reference] Net Sales, Profit, and Profit Margin (Quarterly)



* Net Sales for the azbil Group tend to be concentrated in the second quarter and fourth quarter accounting periods, while fixed costs are generated constantly. This means that profits in the first quarter and third quarter accounting periods are typically lower than those in the other two quarters.

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azbil Group Philosophy

To realize safety, comfort, and fulfillment in people's lives and contribute to global environmental preservation through "human-centered automation."

