



(Translation)

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Notice of Consolidated Financial Results Forecast
for the Fiscal Year Ending March 31, 2021

Azbil Corporation announces its forecast of consolidated financial results for fiscal year 2020 (ending March 31, 2021), which was stated to be not determined in the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (Based on Japanese GAAP)” announced on May 20, 2020.

1. Consolidated financial results forecast

(1) Forecast for the six months ending September 30, 2020 (from April 1, 2020 to September 30, 2020)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	-	-	-	-	-
Revised forecast (B)	110,000	7,600	7,300	5,400	38.71
(B) – (A)	-	-	-	-	-
% change	-	-	-	-	-
Reference: Results for the same period last year	118,652	8,862	9,007	5,946	41.99
Reference: % change	(7.3)	(14.2)	(19.0)	(9.2)	-

(2) Forecast for fiscal year 2020 (from April 1, 2020 to March 31, 2021)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	-	-	-	-	-
Revised forecast (B)	245,000	24,000	23,500	16,800	120.43
(B) – (A)	-	-	-	-	-
% change	-	-	-	-	-
Reference: Results for FY2019	259,411	27,255	27,712	19,793	140.80
Reference: % change	(5.6)	(11.9)	(15.2)	(15.1)	-

2. Reason for the announcement

In the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (Based on Japanese GAAP),” which was released on May 20, 2020, it was stated that, owing to the difficulties involved in realistically calculating the impact of the spread of the novel coronavirus disease (COVID-19) on the azbil Group’s future performance, the forecast of consolidated financial results for fiscal year 2020 had yet to be determined. Amidst the global COVID-19 pandemic, uncertainty continues in both Japan and abroad regarding our customers’ future capital investment. However, making use of currently available information and certain assumptions deemed to be rational, we have aggregated and extrapolated the effect of the pandemic on companies within the azbil Group. Based on this data, we are announcing our forecast of consolidated financial results for fiscal year 2020.

In the first quarter of fiscal year 2020, operating income was higher than the same period last year. This was due to the success of ongoing measures to strengthen business profitability, and also cost-cutting initiatives. Nevertheless, following the spread of COVID-19 around the world, we have witnessed declining capital investment, temporary construction/service delays, and a negative impact on sales activities. Consequently, orders received fell by 3.6% and net sales by 4.4% on the same period last year.

Many countries have now resumed economic activities, but there are concerns in Japan and overseas about a resurgence of the pandemic. In this regard, the azbil Group has made the following assumptions:

- The global COVID-19 pandemic will be protracted.
- Market uncertainty will continue, as will the difficult business environment for the rest of fiscal year 2020.
- Even amidst this pandemic, the azbil Group’s business operations will continue, and there will be no overall suspension of production or on-site-work such as engineering, installation and service.

Based on the above, for fiscal year 2020, we forecast decreased sales and profits.

Regarding this forecast, we must accept the possibility of unexpected circumstances that may result from the spread or subsidence of the pandemic and other factors such as regional or national economic activities being brought to a standstill by further waves of the COVID-19 pandemic. Consequently, if we expect there to be a major development of this nature, we will promptly revise our forecast.