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On **May 20, 2020**, Azbil Corporation announced earnings results for full-year FY03/20.

Cumulative (JPYmm)	FY03/18				FY03/19				FY03/20				FY03/21 FY Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Sales	54,799	117,890	183,103	260,384	54,803	119,754	185,359	262,054	54,358	118,652	183,048	259,411	-
YoY	-2.4%	0.2%	2.3%	2.2%	0.0%	1.6%	1.2%	0.6%	-0.8%	-0.9%	-1.2%	-1.0%	-
Gross profit	19,067	42,688	67,298	97,480	20,013	44,629	70,873	102,338	20,324	45,572	71,885	103,642	-
YoY	5.3%	7.4%	7.6%	6.5%	5.0%	4.5%	5.3%	5.0%	1.6%	2.1%	1.4%	1.3%	-
Gross profit margin	34.8%	36.2%	36.8%	37.4%	36.5%	37.3%	38.2%	39.1%	37.4%	38.4%	39.3%	40.0%	-
SG&A expenses	17,334	34,952	53,472	73,454	18,236	36,463	55,613	75,648	18,031	36,709	56,229	76,386	-
YoY	0.0%	0.4%	1.6%	3.0%	5.2%	4.0%	4.0%	3.0%	-1.1%	0.7%	1.1%	1.0%	-
SG&A ratio	31.6%	29.6%	29.2%	28.2%	33.3%	30.4%	30.0%	28.9%	33.2%	30.9%	30.7%	29.4%	-
Operating profit	1,732	7,735	13,825	24,026	1,777	8,166	15,260	26,690	2,292	8,862	15,656	27,255	-
YoY	124.4%	57.0%	39.5%	19.3%	2.6%	5.6%	10.4%	11.1%	29.0%	8.5%	2.6%	2.1%	-
Operating profit margin	3.2%	6.6%	7.6%	9.2%	3.2%	6.8%	8.2%	10.2%	4.2%	7.5%	8.6%	10.5%	-
Recurring profit	2,002	8,115	14,465	24,316	2,415	8,889	16,023	27,664	2,434	9,007	16,114	27,712	-
YoY	1064.0%	92.8%	36.7%	18.8%	20.6%	9.5%	10.8%	13.8%	0.8%	1.3%	0.6%	0.2%	-
Recurring profit margin	3.7%	6.9%	7.9%	9.3%	4.4%	7.4%	8.6%	10.6%	4.5%	7.6%	8.8%	10.7%	-
Net income	1,189	5,320	9,413	17,890	1,525	5,833	11,249	18,951	1,470	5,946	11,021	19,793	-
YoY	-	129.5%	41.2%	36.0%	28.3%	9.6%	19.5%	5.9%	-3.6%	1.9%	-2.0%	4.4%	-
Net margin	2.2%	4.5%	5.1%	6.9%	2.8%	4.9%	6.1%	7.2%	2.7%	5.0%	6.0%	7.6%	-

Quarterly (JPYmm)	FY03/18				FY03/19				FY03/20				FY03/21 FY Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Sales	54,799	63,091	65,213	77,281	54,803	64,951	65,605	76,695	54,358	64,294	64,396	76,363	-
YoY	-2.4%	2.6%	6.3%	1.9%	0.0%	2.9%	0.6%	-0.8%	-0.8%	-1.0%	-1.8%	-0.4%	-
Gross profit	19,067	23,621	24,610	30,182	20,013	24,616	26,244	31,465	20,324	25,248	26,313	31,757	-
YoY	5.3%	9.2%	7.9%	4.2%	5.0%	4.2%	6.6%	4.3%	1.6%	2.6%	0.3%	0.9%	-
Gross profit margin	34.8%	37.4%	37.7%	39.1%	36.5%	37.9%	40.0%	41.0%	37.4%	39.3%	40.9%	41.6%	-
SG&A expenses	17,334	17,618	18,520	19,982	18,236	18,227	19,150	20,035	18,031	18,678	19,520	20,157	-
YoY	0.0%	0.8%	4.0%	6.7%	5.2%	3.5%	3.4%	0.3%	-1.1%	2.5%	1.9%	0.6%	-
SG&A ratio	31.6%	27.9%	28.4%	25.9%	33.3%	28.1%	29.2%	26.1%	33.2%	29.1%	30.3%	26.4%	-
Operating profit	1,732	6,003	6,090	10,201	1,777	6,389	7,094	11,430	2,292	6,570	6,794	11,599	-
YoY	124.4%	44.4%	22.2%	-0.3%	2.6%	6.4%	16.5%	12.0%	29.0%	2.8%	-4.2%	1.5%	-
Operating profit margin	3.2%	9.5%	9.3%	13.2%	3.2%	9.8%	10.8%	14.9%	4.2%	10.2%	10.6%	15.2%	-
Recurring profit	2,002	6,113	6,350	9,851	2,415	6,474	7,134	11,641	2,434	6,573	7,107	11,598	-
YoY	1064.0%	51.4%	-0.4%	-0.4%	20.6%	5.9%	12.3%	18.2%	0.8%	1.5%	-0.4%	-0.4%	-
Recurring profit margin	3.7%	9.7%	9.7%	12.7%	4.4%	10.0%	10.9%	15.2%	4.5%	10.2%	11.0%	15.2%	-
Net income	1,189	4,131	4,093	8,477	1,525	4,308	5,416	7,702	1,470	4,476	5,075	8,772	-
YoY	-	73.4%	-5.8%	30.7%	28.3%	4.3%	32.3%	-9.1%	-3.6%	3.9%	-6.3%	13.9%	-
Net margin	2.2%	6.5%	6.3%	11.0%	2.8%	6.6%	8.3%	10.0%	2.7%	7.0%	7.9%	11.5%	-

By segment Quarterly (JPYmm)	FY03/18				FY03/19				FY03/20				FY03/21 FY Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Sales	54,799	63,091	65,213	77,281	54,803	64,951	65,605	76,695	54,358	64,294	64,396	76,363	-
YoY	-2.4%	2.6%	6.3%	1.9%	0.0%	2.9%	0.6%	-0.8%	-0.8%	-1.0%	-1.8%	-0.4%	-
Building Automation	23,374	27,520	30,840	38,499	21,828	27,703	30,292	39,677	22,451	29,662	31,882	39,799	-
YoY	-0.1%	5.6%	5.4%	2.1%	-6.6%	0.7%	-1.8%	3.1%	2.9%	7.1%	5.2%	0.3%	-
Advanced Automation	21,504	24,715	23,998	27,014	22,381	25,401	25,282	26,325	21,933	22,930	22,967	25,326	-
YoY	-5.1%	5.7%	6.7%	0.3%	4.1%	2.8%	5.4%	-2.6%	-2.0%	-9.7%	-9.2%	-3.8%	-
Life Automation	10,190	11,226	10,640	12,152	10,844	12,232	10,546	11,218	10,257	12,065	9,976	11,735	-
YoY	-1.3%	-8.8%	7.0%	5.3%	6.4%	9.0%	-0.9%	-7.7%	-5.4%	-1.4%	-5.4%	4.6%	-
Operating profit	1,732	6,003	6,090	10,201	1,777	6,389	7,094	11,430	2,292	6,570	6,794	11,599	-
YoY	124.4%	44.4%	22.2%	-0.3%	2.6%	6.4%	16.5%	12.0%	29.0%	2.8%	-4.2%	1.5%	-
Operating profit margin	3.2%	9.5%	9.3%	13.2%	3.2%	9.8%	10.8%	14.9%	4.2%	10.2%	10.6%	15.2%	-
Building Automation	-161	2,468	3,691	6,585	-920	2,116	3,706	7,519	-262	3,253	4,055	7,844	-
YoY	-	24.5%	20.0%	-2.6%	-	-14.3%	0.4%	14.2%	-	53.7%	9.4%	4.3%	-
OPM	-0.7%	9.0%	12.0%	17.1%	-4.2%	7.6%	12.2%	19.0%	-1.2%	11.0%	12.7%	19.7%	-
Advanced Automation	1,734	2,787	2,325	3,085	2,290	3,525	3,057	3,339	2,317	2,586	2,516	3,067	-
YoY	71.3%	75.9%	24.7%	12.4%	32.1%	26.5%	31.5%	8.2%	1.2%	-26.6%	-17.7%	-8.1%	-
OPM	8.1%	11.3%	9.7%	11.4%	10.2%	13.9%	12.1%	12.7%	10.6%	11.3%	11.0%	12.1%	-
Life Automation	144	744	81	532	403	757	329	571	231	729	228	678	-
YoY	166.7%	25.5%	42.1%	-25.7%	179.9%	1.7%	306.2%	7.3%	-42.7%	-3.7%	-30.7%	18.7%	-
OPM	1.4%	6.6%	0.8%	4.4%	3.7%	6.2%	3.1%	5.1%	2.3%	6.0%	2.3%	5.8%	-

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Orders Quarterly (JPYmn)	FY03/18				FY03/19				FY03/20			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Orders	83,560	65,866	59,480	57,356	80,265	64,818	59,061	60,108	81,447	63,664	55,767	57,201
YoY	-	-	-	-	-3.9%	-1.6%	-0.7%	4.8%	1.5%	-1.8%	-5.6%	-4.8%
Building Automation	44,738	28,559	24,659	19,855	45,044	30,183	25,810	22,729	47,588	28,924	22,020	24,373
YoY	-	-	-	-	0.7%	5.7%	4.7%	14.5%	5.6%	-4.2%	-14.7%	7.2%
Advanced Automation	26,568	25,665	24,594	24,910	24,900	25,422	24,472	23,537	22,586	22,490	24,670	22,169
YoY	-	-	-	-	-6.3%	-0.9%	-0.5%	-5.5%	-9.3%	-11.5%	0.8%	-5.8%
Life Automation	12,576	11,983	10,543	12,911	10,647	9,550	9,261	14,409	11,599	12,634	9,500	11,073
YoY	-	-	-	-	-15.3%	-20.3%	-12.2%	11.6%	8.9%	32.3%	2.6%	-23.2%

Sales by overseas area Quarterly (JPYbn)	FY03/18				FY03/19				FY03/20			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Overseas	10.2	10.9	11.4	13.2	10.6	13.1	10.9	12.1	10.2	10.4	10.8	12.8
YoY	2.0%	-2.7%	14.0%	9.1%	3.9%	20.2%	-4.4%	-8.3%	-3.8%	-20.6%	-0.9%	5.7%
Asia	4.5	4.8	5.1	5.6	4.3	5.6	4.9	5.6	4.2	4.4	4.5	5.7
YoY	9.8%	-4.0%	8.5%	-0.9%	-4.4%	16.7%	-3.9%	-0.6%	-2.3%	-21.4%	-8.2%	1.2%
China	2.0	2.1	2.4	2.9	2.1	3.1	2.1	2.5	2.7	2.0	2.5	2.6
YoY	0.0%	-12.5%	20.0%	31.8%	5.0%	47.6%	-12.5%	-14.0%	28.6%	-35.5%	19.0%	6.6%
North America	1.0	1.2	0.9	1.1	1.1	1.7	1.4	1.2	0.8	0.8	0.9	1.3
YoY	0.0%	33.3%	-10.0%	1.7%	10.0%	41.7%	55.6%	8.8%	-27.3%	-52.9%	-35.7%	7.0%
Europe	1.8	2.1	2.3	2.9	2.3	2.0	2.0	2.2	1.8	2.5	2.1	2.8
YoY	-14.3%	0.0%	27.8%	19.3%	27.8%	-4.8%	-13.0%	-23.4%	-21.7%	25.0%	5.0%	25.6%
Other	0.6	0.9	0.7	0.9	0.6	0.7	0.5	0.8	0.5	0.8	0.6	0.7
YoY	0.0%	12.5%	40.0%	-10.7%	0.0%	-22.2%	-28.6%	-8.1%	-16.7%	14.3%	20.0%	-11.8%

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

**Quarterly results trends:** Sales tend to be on the low side in Q1, rise over the course of the year, and be at their highest level in Q4. However, fixed expenses are incurred at a fairly constant rate, which means earnings tend to be low in Q1 relative to other quarters.

## Full-year FY03/20 results (out May 20, 2020)

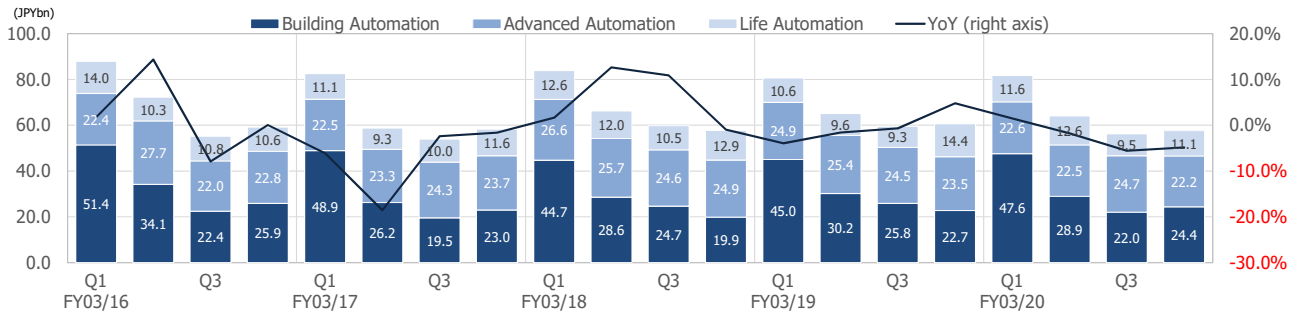
### Results summary

- ▷ FY03/20 full year results: For FY03/20, the company reported sales of JPY259.4bn (-1.0% YoY), operating profit of JPY27.3bn (+2.1% YoY) and net income of JPY19.8bn (+4.4% YoY). The operating profit margin rose to 10.5%, from 10.2% in FY03/19, a new record high for the company. The mainstay Building Automation business achieved YoY 3.6% growth in sales and 19.9% in operating profit, offsetting declines in Advanced Automation (sales -6.3% YoY, operating profit -14.1% YoY) and Life Automation (sales -1.8% YoY, operating profit -9.4% YoY) businesses. For Q4, the company reported sales of JPY76.4bn (-0.4% YoY) and operating profit of JPY11.6bn (+1.5% YoY).
- ▷ The company has not released a forecast for FY03/21. As a result of the novel coronavirus pandemic, global consumption has dropped, economic activities and production have stagnated, capital investment in buildings, plants and factories has declined, and construction work has been delayed. This is expected to have a negative effect on the company's earnings. The company plans to release its FY03/21 outlook following a review of the coronavirus impact on customer capital investment plans and when a reasonable assessment of the outlook becomes possible. However, the company anticipates that demand will be underpinned to some extent by the company's provision of engineering capabilities and services for the maintenance of key customer facilities and its involvement with businesses that maintain the safety and security of social infrastructure. In addition, the company has indicated that, as society adapts to the coexistence with the new virus, there will be new sources of demand such as automation of buildings and production controls, increased autonomy and the acceleration of labor saving initiatives. One example is pressure control in hospitals, enabling alternation between pressurized and depressurized rooms.
- ▷ The Building Automation segment reported orders of JPY122.9bn (-0.7% YoY), sales of JPY123.8bn (+3.6% YoY) and operating profit of JPY15.0bn (+19.9% YoY). Orders fell slightly YoY due to absence of multi-year large service orders received in FY03/19. However, orders related to the sale and construction of equipment and systems for large new building projects grew YoY. Sales increased mainly on business for new large buildings, despite the postponement of follow-on work in Q4. The operating profit margin improved from 10.4% in FY03/19 to 12.0% reflecting steady growth in the service areas and the positive effect of measures to boost profitability. Q4 sales were JPY39.8bn (+0.3% YoY), operating profit was JPY7.8bn (+4.3% YoY) and orders were JPY24.4bn (+7.2% YoY).
- ▷ The Advanced Automation segment reported orders of JPY91.9bn (-6.5% YoY), sales of JPY93.2bn (-6.3% YoY) and operating profit of JPY10.5bn (-14.1% YoY). Weakness in the semiconductor manufacturing equipment market left overall sales and profits down YoY. In 2H FY03/20, however, this market recovered, the company saw rush demand related to procurement concerns in light of the coronavirus situation. It is noteworthy that even in the cyclical slump in sales, the company still managed to keep the segment operating profit margin above 10%. Q4 sales were JPY25.3bn (-3.8% YoY), operating profit was JPY3.1bn (-8.1% YoY), and orders were JPY22.2bn (-5.8% YoY).
- ▷ The Life Automation segment reported orders of JPY44.8bn (+2.1% YoY), sales of JPY44.0bn (-1.8% YoY), and operating profit of JPY1.9bn (-9.4% YoY). On the order front, the company saw a steady stream of new orders from gas and water utilities, and a growing order stream from the life science engineering (LSE) field. The decline in segment sales and operating profit is attributable to a drop in orders from the LSE market in FY03/19. Q4 sales were JPY11.7bn (+4.6% YoY), operating profit was JPY678mn (+18.7% YoY), and orders were JPY11.1bn (-23.2% YoY).
- ▷ Shareholder returns: The annual dividend for FY03/20 is JPY50 per share (dividend payout ratio 35.5%). During FY03/20, the company invested JPY9.9bn in share buybacks (3.7mn shares). The dividend forecast for FY03/21 is JPY50 per share. There has been no change in the company's approach to enhancing corporate value through a balance between "enhancing shareholder returns" "investment for growth" and "a sound financial position." So far, there has been no change in the

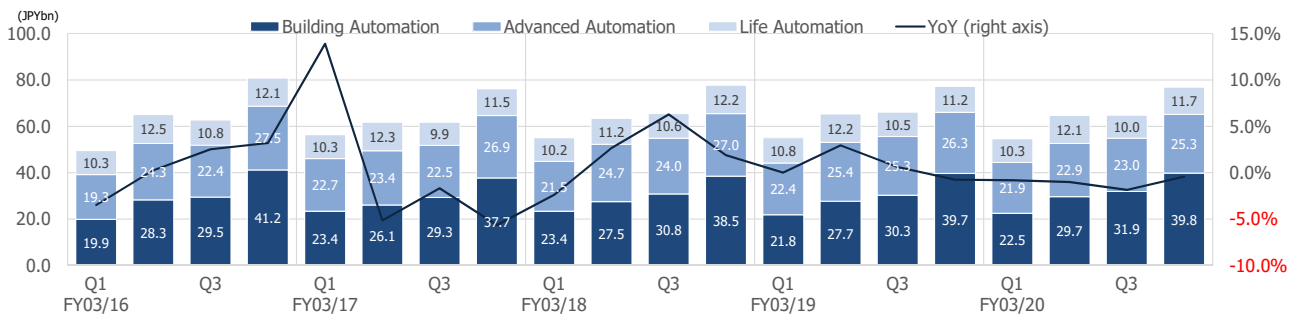
company's policy in respect of holding cash. The company is keen to consider additional initiatives for shareholder returns, taking into consideration the impact of the novel coronavirus and the FY03/21 outlook.

Business names: Building Automation (BA), Advanced Automation (AA), and Life Automation (LA)

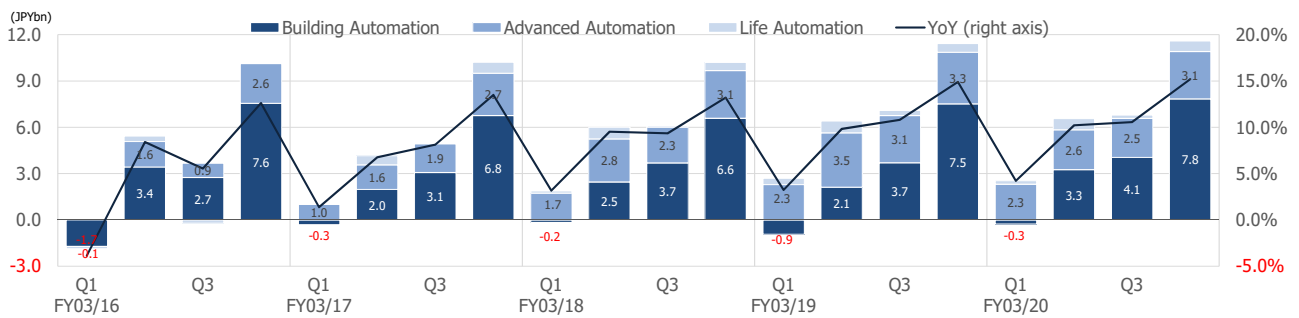
### Breakdown of orders by segment (under old standards)



### Breakdown of sales by segment



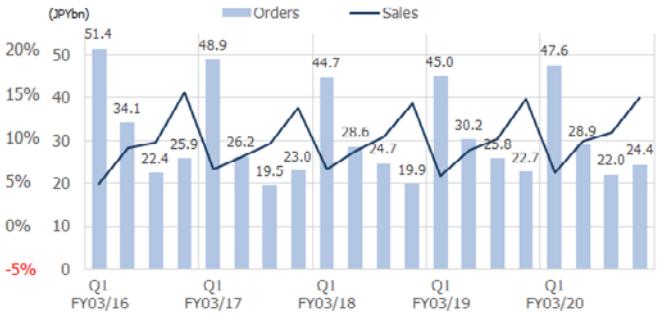
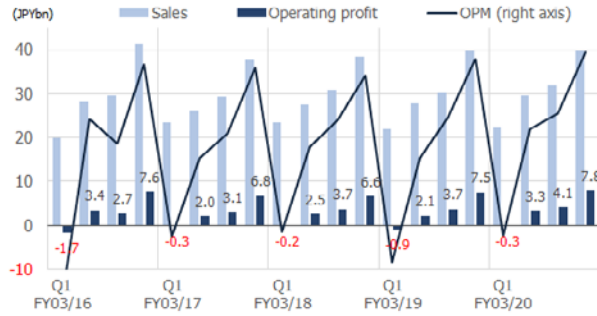
### Breakdown of operating profit by segment



Source: Shared Research based on company data

**Building Automation (BA)**

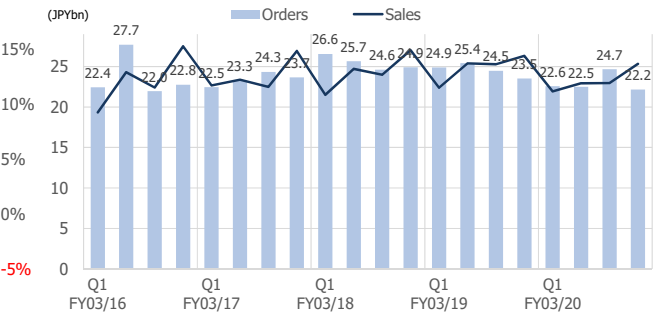
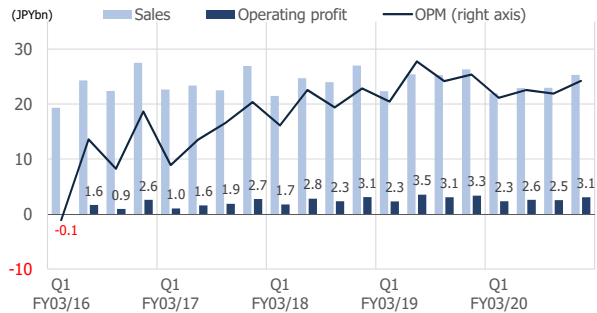
Building Automation Quarterly (JPYmn)	FY03/18				FY03/19				FY03/20				FY03/21 FY Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Orders	44,738	28,559	24,659	19,855	45,044	30,183	25,810	22,729	47,588	28,924	22,020	24,373	
YoY	-	-	-	-	0.7%	5.7%	4.7%	14.5%	5.6%	-4.2%	-14.7%	7.2%	
Sales	23,374	27,520	30,840	38,499	21,828	27,703	30,292	39,677	22,451	29,662	31,882	39,799	-
YoY	-0.1%	5.6%	5.4%	2.1%	-6.6%	0.7%	-1.8%	3.1%	2.9%	7.1%	5.2%	0.3%	-
Operating profit	-161	2,468	3,691	6,585	-920	2,116	3,706	7,519	-262	3,253	4,055	7,844	-
YoY	-	24.5%	20.0%	-2.6%	-	-14.3%	0.4%	14.2%	-	53.7%	9.4%	4.3%	-
Operating profit margin	-0.7%	9.0%	12.0%	17.1%	-4.2%	7.6%	12.2%	19.0%	-1.2%	11.0%	12.7%	19.7%	-



Source: Shared Research based on company data

**Advanced Automation (AA)**

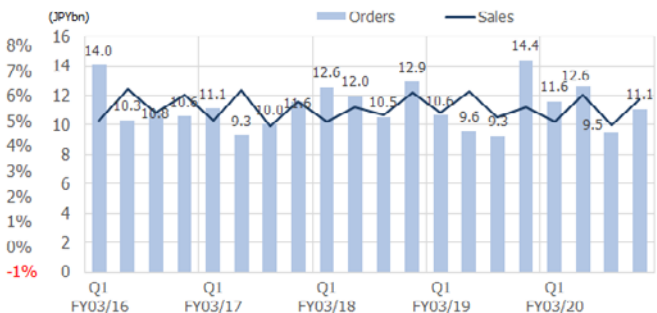
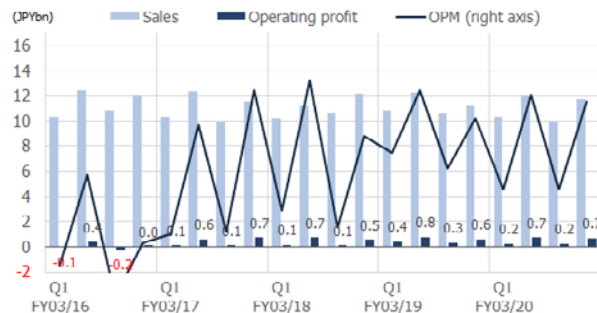
Advance Automation Quarterly (JPYmn)	FY03/18				FY03/19				FY03/20				FY03/21 FY Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Orders	26,568	25,665	24,594	24,910	24,900	25,422	24,472	23,537	22,586	22,490	24,670	22,169	
YoY	-	-	-	-	-6.3%	-0.9%	-0.5%	-5.5%	-9.3%	-11.5%	0.8%	-5.8%	
Sales	21,504	24,715	23,998	27,014	22,381	25,401	25,282	26,325	21,933	22,930	22,967	25,326	-
YoY	-5.1%	5.7%	6.7%	0.3%	4.1%	2.8%	5.4%	-2.6%	-2.0%	-9.7%	-9.2%	-3.8%	-
Operating profit	1,734	2,787	2,325	3,085	2,290	3,525	3,057	3,339	2,317	2,586	2,516	3,067	-
YoY	71.3%	75.9%	24.7%	12.4%	32.1%	26.5%	31.5%	8.2%	1.2%	-26.6%	-17.7%	-8.1%	-
Operating profit margin	8.1%	11.3%	9.7%	11.4%	10.2%	13.9%	12.1%	12.7%	10.6%	11.3%	11.0%	12.1%	-



Source: Shared Research based on company data

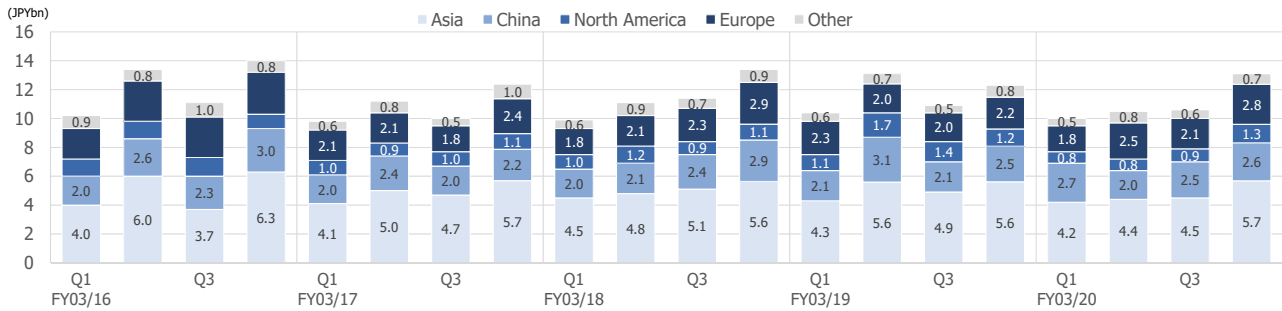
**Life Automation (LA)**

Life Automation Quarterly (JPYmn)	FY03/18				FY03/19				FY03/20				FY03/21 FY Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Orders	12,576	11,983	10,543	12,911	10,647	9,550	9,261	14,409	11,599	12,634	9,500	11,073	
YoY	-	-	-	-	-15.3%	-20.3%	-12.2%	11.6%	8.9%	32.3%	2.6%	-23.2%	
Sales	10,190	11,226	10,640	12,152	10,844	12,232	10,546	11,218	10,257	12,065	9,976	11,735	-
YoY	-1.3%	-8.8%	7.0%	5.3%	6.4%	9.0%	-0.9%	-7.7%	-5.4%	-1.4%	-5.4%	4.6%	-
Operating profit	144	744	81	532	403	757	329	571	231	729	228	678	-
YoY	166.7%	25.5%	42.1%	-25.7%	179.9%	1.7%	306.2%	7.3%	-42.7%	-3.7%	-30.7%	18.7%	-
Operating profit margin	1.4%	6.6%	0.8%	4.4%	3.7%	6.2%	3.1%	5.1%	2.3%	6.0%	2.3%	5.8%	-



Source: Shared Research based on company data

## Overseas sales by region



Source: Shared Research based on company data

## FY03/21 forecast

### FY03/21 forecast overview

(JPYmn)	FY03/19		FY03/20			FY03/21			
	1H	2H	FY	1H	2H	FY	1H Est.	2H Est.	FY Est.
<b>Sales</b>	<b>119,754</b>	<b>142,300</b>	<b>262,054</b>	<b>118,652</b>	<b>140,759</b>	<b>259,411</b>	-	-	-
YoY	1.6%	-0.1%	0.6%	-0.9%	-1.1%	-1.0%	-	-	-
<b>Gross profit</b>	<b>44,629</b>	<b>57,709</b>	<b>102,338</b>	<b>45,572</b>	<b>58,070</b>	<b>103,642</b>	-	-	-
YoY	4.5%	5.3%	5.0%	2.1%	0.6%	1.3%	-	-	-
Gross profit margin	37.3%	40.6%	39.1%	38.4%	41.3%	40.0%	-	-	-
SG&A expenses	36,463	39,185	75,648	36,709	39,677	76,386	-	-	-
YoY	4.3%	1.8%	3.0%	0.7%	1.3%	1.0%	-	-	-
SG&A ratio	30.4%	27.5%	28.9%	30.9%	28.2%	29.4%	-	-	-
<b>Operating profit</b>	<b>8,166</b>	<b>18,524</b>	<b>26,690</b>	<b>8,862</b>	<b>18,393</b>	<b>27,255</b>	-	-	-
YoY	5.6%	13.7%	11.1%	8.5%	-0.7%	2.1%	-	-	-
Operating profit margin	6.8%	13.0%	10.2%	7.5%	13.1%	10.5%	-	-	-
<b>Recurring profit</b>	<b>8,889</b>	<b>18,775</b>	<b>27,664</b>	<b>9,007</b>	<b>18,705</b>	<b>27,712</b>	-	-	-
YoY	9.5%	15.9%	13.8%	1.3%	-0.4%	0.2%	-	-	-
Recurring profit margin	7.4%	13.2%	10.6%	7.6%	13.3%	10.7%	-	-	-
<b>Net income</b>	<b>5,833</b>	<b>13,118</b>	<b>18,951</b>	<b>5,946</b>	<b>13,847</b>	<b>19,793</b>	-	-	-
YoY	9.6%	4.4%	5.9%	1.9%	5.6%	4.4%	-	-	-
Net margin	4.9%	9.2%	7.2%	5.0%	9.8%	7.6%	-	-	-

By segment (JPYmn)	FY03/19		FY03/20			FY03/21			
	1H	2H	FY	1H	2H	FY	1H Est.	2H Est.	FY Est.
<b>Sales</b>	<b>119,754</b>	<b>142,300</b>	<b>262,054</b>	<b>118,652</b>	<b>140,759</b>	<b>259,411</b>	-	-	-
YoY	1.6%	-0.1%	0.6%	-0.9%	-1.1%	-1.0%	-	-	-
Building Automation	49,531	69,969	119,500	52,113	71,681	123,794	-	-	-
YoY	-2.7%	0.9%	-0.6%	5.2%	2.4%	3.6%	-	-	-
Advanced Automation	47,782	51,607	99,389	44,863	48,293	93,156	-	-	-
YoY	3.4%	1.2%	2.2%	-6.1%	-6.4%	-6.3%	-	-	-
Life Automation	23,076	21,764	44,840	22,322	21,711	44,033	-	-	-
YoY	7.8%	-4.5%	1.4%	-3.3%	-0.2%	-1.8%	-	-	-
<b>Operating profit</b>	<b>8,166</b>	<b>18,524</b>	<b>26,690</b>	<b>8,862</b>	<b>18,393</b>	<b>27,255</b>	-	-	-
YoY	5.6%	13.7%	11.1%	8.5%	-0.7%	2.1%	-	-	-
Operating profit margin	6.8%	13.0%	10.2%	7.5%	13.1%	10.5%	-	-	-
Building Automation	1,196	11,225	12,421	2,991	11,899	14,890	-	-	-
YoY	-48.2%	9.2%	-1.3%	150.1%	6.0%	19.9%	-	-	-
OPM	2.5%	21.8%	12.5%	6.7%	24.6%	16.0%	-	-	-
Advanced Automation	5,815	6,396	12,211	4,903	5,583	10,486	-	-	-
YoY	28.6%	18.2%	23.0%	-15.7%	-12.7%	-14.1%	-	-	-
OPM	12.2%	12.4%	12.3%	10.9%	11.6%	11.3%	-	-	-
Life Automation	1,160	900	2,060	960	906	1,866	-	-	-
YoY	30.6%	46.8%	37.2%	-17.2%	0.7%	-9.4%	-	-	-
OPM	5.0%	4.1%	4.6%	4.3%	4.2%	4.2%	-	-	-

Source: Shared Research based on company data

## Historical forecast accuracy

Results vs. Initial Est. (JPYmn)	FY03/12 Cons.	FY03/13 Cons.	FY03/14 Cons.	FY03/15 Cons.	FY03/16 Cons.	FY03/17 Cons.	FY03/18 Cons.	FY03/19 Cons.	FY03/20 Cons.
Sales (Initial Est.)	220,000	230,000	250,000	260,000	263,000	260,000	261,000	267,000	262,000
Sales (Results)	223,499	227,584	248,416	254,469	256,889	254,810	260,384	262,054	259,411
<b>Results vs. Initial Est.</b>	<b>1.6%</b>	<b>-1.1%</b>	<b>-0.6%</b>	<b>-2.1%</b>	<b>-2.3%</b>	<b>-2.0%</b>	<b>-0.2%</b>	<b>-1.9%</b>	<b>-1.0%</b>
Operating profit (Initial Est.)	13,000	15,000	14,200	15,500	18,700	19,000	22,000	26,000	26,500
Operating profit (Results)	14,348	13,410	13,903	15,337	17,135	20,145	24,026	26,690	27,255
<b>Results vs. Initial Est.</b>	<b>10.4%</b>	<b>-10.6%</b>	<b>-2.1%</b>	<b>-1.1%</b>	<b>-8.4%</b>	<b>6.0%</b>	<b>9.2%</b>	<b>2.7%</b>	<b>2.8%</b>
Recurring profit (Initial Est.)	13,000	14,800	13,500	15,000	18,200	18,500	21,500	25,500	26,200
Recurring profit (Results)	14,596	14,569	14,599	17,141	16,627	20,475	24,316	27,664	27,712
<b>Results vs. Initial Est.</b>	<b>12.3%</b>	<b>-1.6%</b>	<b>8.1%</b>	<b>14.3%</b>	<b>-8.6%</b>	<b>10.7%</b>	<b>13.1%</b>	<b>8.5%</b>	<b>5.8%</b>
Net income (Initial Est.)	7,300	9,000	8,000	8,500	11,000	11,500	14,000	17,500	18,500
Net income (Results)	8,518	8,308	7,669	7,168	8,268	13,153	17,890	18,951	19,793
<b>Results vs. Initial Est.</b>	<b>16.7%</b>	<b>-7.7%</b>	<b>-4.1%</b>	<b>-15.7%</b>	<b>-24.8%</b>	<b>14.4%</b>	<b>27.8%</b>	<b>8.3%</b>	<b>7.0%</b>

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

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