

This PDF document is an updated note on the company. A comprehensive version of the report on the company, including this latest update, is available on [our website](#) and various professional platforms.

On September 17, 2020, Azia Co., Ltd. announced revisions to its earnings forecast.

Revised 1H FY03/21 earnings forecast

Revenue:	JPY920mn (previous forecast of JPY835mn)
Operating profit:	JPY150mn (JPY100mn)
Recurring profit:	JPY150mn (JPY105mn)
Net income*:	JPY100mn (JPY73mn)
EPS:	JPY25.27 (JPY18.44)

*Net income attributable to owners of the parent

Reasons for the revisions

In terms of revenue, the Applications segment has been performing well, and the cloud services business in particular. The initial plan assumed that the spread of COVID-19 would lead to a stagnation of business operations, and only included new projects for which orders had already been received. However, routine communication with customers became possible from around June 2020, including through online meetings, and new orders are recovering toward pre-COVID-19 pandemic levels. Since June 2020, the number of new enquiries has also risen to 1.5x the pre-pandemic level, and this trend is ongoing at present.

As well as the impact of higher revenue described above, the profit forecasts have also been increased as a result of lower personnel and recruitment expenses due to changes to the personnel structure in the Consulting segment in anticipation of reduced revenue. Nevertheless, the company forecasts profits to decrease YoY. This is because of expenses incurred in the procurement of laptops with the introduction of remote working, increased stock compensation expenses resulting from the issuance of stock options for executives and staff, and the occurrence of expenses for due diligence and the like in connection to the acquisition of shares in Connecty Holding (to make it a subsidiary).

The company is currently in the process of scrutinizing the impact on earnings of the acquisition of Connecty Holding, disclosed in the “Notice regarding the conclusion of a basic agreement to acquire shares in Connecty Holding—the holding company of Connecty Inc.— to make it a subsidiary for the purpose of building a DX platform” on August 18, 2020.

This note is the most recent addition to the [full report](#).

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