

To all persons concerned

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NOTICE OF REVISED FORECAST

In consideration of our recent business performance, please be informed that we have revised our forecast that was previously announced on April 24, 2020, as follows:

1. Revised Consolidated forecast for the first half of fiscal year 2020 (Apr.2020 – Sep.2020)

(CONSOLIDATED)

(Unit: JPY Million, %)

	Net Sales	Operating Profit	Ordinary Profit	Net income attributable to owners of the parent company	Net income per share (JPY)
Previously Announced Forecast(A)	50,000	2,000	2,500	2,500	33.45
Revised Forecast (B)	53,200	2,600	3,000	2,700	36.15
Change (B minus A)	3,200	600	500	200	
Change (%)	6.4	30.0	20.0	8.0	
Reference: the first half of FY2019 Results	64,874	7,174	7,459	4,679	62.61

2. Revised Unconsolidated forecast for the first half of fiscal year 2020 (Apr.2020 – Sep.2020)

(UNCONSOLIDATED)

(Unit: JPY Million, %)

	Net Sales	Operating Profit	Ordinary Profit	Net income attributable to owners of the parent company	Net income per share (JPY)
Previously Announced Forecast(A)	27,500	1,600	2,400	1,700	22.75
Revised Forecast(B)	28,400	1,800	3,500	2,600	34.81
Change (B minus A)	900	200	1,100	900	
Change (%)	3.3	12.5	45.8	52.9	
Reference: the first half of FY2019 Results	35,672	4,573	5,969	4,202	56.23

3. Reasons for revision

(Forecast for the first half of FY2020)

The COVID-19 state of emergency declared by the Japanese Government had a significant adverse effect on unconsolidated sales and despite the subsequent recovery sales remained weak for a while. However, the decline in sales for Environmental and Clean systems were less than initially expected and as a result, it is anticipated that sales will exceed initial plans. On the other hand, operating profit is also expected to decline year on year due to the impact of lower sales, but it is expected to exceed the initial plans due to (i) the booking relatively high profitable projects in September amid strong expense reduction activities, and (ii) increased dividend income from mainly our subsidiaries.

As for consolidated business performance, group companies in Japan and overseas are expected to experience severe business results due to the impact of worldwide curfews. Sales and profits are expected to decline significantly compared to the same period last year. However, in light of the forecast for unconsolidated Amano and the relatively firm performance of our group companies such as Amano Business Solutions Corporation Japan, engaged in cloud services, and Horoquartz France, engaged in workforce management, we expect to exceed the initial plan. As such we have revised our forecast as above.

(Forecast for the full year of FY2020)

In the initial business plan of April 24, 2020, we envisioned a scenario in which the effects of COVID-19 will gradually be mitigated in the second half amid the lingering effects of the US-China trade conflict. However, going into the second half, business performance for third quarter onwards remains uncertain due to concerns over the global re-emergence of COVID-19. Therefore, at this time, we have decided to leave the full-year forecast for the fiscal year 2020 ending March 2021 announced on April 24, 2020 unchanged. However, if the business environment changes and the business performance is affected, we will disclose it in a timely manner.

(Note) Considerations regarding forecast

Earnings forecast and other forward-looking statements contained in this document are based on information available at the time of this document's preparation and on certain assumptions that deemed to be reasonable. A variety factors could cause actual results to differ significantly from the forecast.

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