Consolidated Financial Results
For Fiscal 2011 Ended March 31, 2012 (Japan GAAP)

May 8, 2012

Company name	:	Azbil Corporation
URL	:	http://www.azbil.com/index.html
Stock exchange listing	:	Tokyo Stock Exchange 1st Section (CODE 6845)
Representative	:	Hirozumi Sone, President and Chief Executive Officer
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Planed date of general shareholders meeting	:	June 26, 2012
Planed date of cash dividends	:	June 27, 2012
Planed date to file annual security report	:	June 26, 2012
Supplementary materials prepared	:	Yes
Financial results information meeting held	:	Yes (for investors and analysts,etc.)

Notes: 1. The Japanese financial accounting standards are applied for this statement of accounts.
2. Amounts indicated are rounded down.

1. Results for fiscal 2011 ended March 31, 2012
(April 1, 2011 to March 31, 2012)
(1) Consolidated financial results

(Percentage shows the increase (decrease) from the previous period.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year 2011	223,499	2.0	14,348	(3.7)	14,596	(2.0)	8,518	7.5
Fiscal year 2010	219,216	3.3	14,896	20.3	14,891	17.8	7,928	27.0

Note : Comprehensive income As of March 31, 2012 8,908 million yen 31.7%
As of March 31, 2011 6,761 million yen (24.2)%

	Net income per share	Diluted net income per share	Net income to shareholders' equity	Ordinary income to total assets	Operating income ratio
	Yen	Yen	%	%	%
Fiscal year 2011	115.35	—	6.5	6.6	6.4
Fiscal year 2010	107.35	—	6.2	6.8	6.8

(2) Consolidated financial position

	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2012	223,476	135,076	59.8	1,808.48
As of March 31, 2011	217,501	131,361	59.6	1,754.86

Note : Shareholders' equity As of March 31, 2012 133,564 million yen
As of March 31, 2011 129,604 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year 2011	5,633	(3,549)	(6,393)	55,355
Fiscal year 2010	15,223	(2,275)	(8,001)	59,843

2. Dividends

	Dividends per share					Total dividends (Annual)	Payout ratio (Consol.)	Dividends on equity (Consol.)
	1Q	2Q	3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year 2010	—	31.50	—	31.50	63.00	4,652	58.7	3.6
Fiscal year 2011	—	31.50	—	31.50	63.00	4,652	54.6	3.5
Fiscal year 2012 (Forecast)	—	31.50	—	31.50	63.00		51.7	

3. Forecast of consolidated financial results for fiscal year ending March 31, 2013
(April 1, 2012 to March 31, 2013)

(Percentage shows the increase (decrease) from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2012	106,000	2.7	3,500	(25.6)	3,300	(29.3)	1,600	(34.6)	21.66
Fiscal year 2012	230,000	2.9	15,000	4.5	14,800	1.4	9,000	5.6	121.86

*** Notes**

(1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries due to changes in the scope of consolidation) : No

(2) Changes in accounting policies, accounting estimates, and retrospective restatements

1. Changes associated with revision in accounting standards : No
2. Other Changes : No
3. Changes in accounting estimates : No
4. Changes in retrospective restatements : No

(3) Number of shares issued (common stock)

1. Number of shares issued (including treasury stock)
   - As of March 31, 2012 75,116,101 shares
   - As of March 31, 2011 75,116,101 shares
2. Number of Treasury stock
   - As of March 31, 2012 1,261,480 shares
   - As of March 31, 2011 1,261,417 shares
3. Average number of shares
   - As of March 31, 2012 73,854,722 shares
   - As of March 31, 2011 73,854,991 shares

* Description of the situation of the procedures for audit results

This financial results is not subject to the audit procedures specified in the Financial Instruments and Exchange Act. As of the disclosure of this financial results, the procedures for auditing consolidated financial statements are in progress.

* Regarding the appropriate use of forecast and other special matters

The projections of azbil Group are based on currently available information and some reasonable assumptions. Due to various factors, actual results may differ from those discussed in this doctment. Please see “Analysis of financial results” on page 2 of the financial results (appendix) for preconditions underlying these projections and precautions to follow in using these projections.

(How to obtain supplementary information on the settlement of accounts)

Supplementary information on the settlement of accounts will be published on the company’s homepage on the same day.

Accompanying Materials

Contents

1.Financial results

(1) Analysis of financial results

1) Financial results for the current fiscal year

On April 1, 2012, our company changed its name to Azbil Corporation, and the other major domestic companies in the azbil Group added “Azbil” to their company names on the same date. Thus, the brand name and names of Group companies, in Japan and overseas, are all now identified with “azbil”. With this we have completed the naming integration of the Group philosophy (azbil, human-centered automation), the Group (the azbil Group), and Group companies. Henceforth, we will focus on strengthening and fostering “azbil” as a global brand. Aiming to thrive as a corporate group that contributes to solving the issues faced by its customers –working side by side with them on-site to create new value through the continuing pursuit of “human-centered automation” – the whole azbil Group will strive to acquire an enhanced, shared awareness of being and acting as a good corporate citizen.

Turning to developments in the current fiscal year, Japan’s economy was severely affected by the Great East Japan Earthquake, but owing to a pickup in exports and manufacturing, there has been a moderate recovery since then. Nevertheless, concerns about a slowdown in overseas economies and the high price of crude oil have meant that the future outlook remains uncertain. Looking overseas, while there has continued to be evidence of recovery in Asia, principally in China, the economic situation has remained volatile as a result of such factors as the financial concerns regarding some European countries and the continuing high level of unemployment in the United States, despite there being some signs of a recovery there too.

While there have been indications of improvement in some markets, within the business environment of the azbil Group there has been a slowdown in capital investment in certain regions and industries, and at certain points in time. Some customers appear to have postponed investment as a result of the uncertain outlook. As regards our Building Automation (BA) business, the market related to new buildings has been sluggish and price pressures have increased.

Faced with this situation, the azbil Group has given priority to activities aimed at securing and expanding sales and profits from orders, as well as taking steps to minimize the impact on our business of the Great East Japan Earthquake and the Fukushima Daiichi nuclear power plant accident.

As a result, azbil Group orders received in the current fiscal year were significantly up on the previous fiscal year, [Note 1] recording 233,921 million yen, an increase of 7.6%. Also, sales were 223,499 million yen, up 2.0% on the previous fiscal year. Turning to profits, despite efforts to expand business and enhance the business structure while rationalizing and curbing expenditures, these gains were more than offset by increased outlays for social insurance premiums (rate changes for employee pensions and health insurance) and retirement benefits, etc., as well as price pressures. As a result there was an operating income of 14,348 million yen (a decrease of 3.7% on the previous fiscal year), and an ordinary income of 14,596 million yen (down 2.0% on the previous fiscal year). Net income was 8,518 million yen (up 7.5% on the previous year); this can be attributed to an extraordinary loss, such as asset retirement obligations and environmental expenses, etc., in the previous fiscal year.

In order to respond swiftly to changes in the business environment and take advantage of such changes, the azbil Group has been engaged in two initiatives: “Creating new businesses (business structural reform)” and “Creating new work styles (business operation reform)”. And in the current fiscal year, it was possible to discern significant progress in production, R&D and international business. First, as regards production, a priority has been the creation of a system that can respond flexibly to changing market conditions. Thus, on April 1, 2012, an absorption merger was completed with Yamatake Control Products Co., Ltd. a wholly owned subsidiary responsible for manufacturing. In research and development, aiming to create new products that accurately meet customer needs and to reduce the time to market, initiatives have been implemented to consolidate R&D and engineering departments, and also to create an integrated product development system that combines the functions of core technology development, product development and process engineering development. In the current fiscal year, in preparing for the launch of the new HP7 Series of general-purpose photoelectric sensors, this approach bore fruit in the form of an automated production line capable of high-quality manufacturing through the replication of human skills and cognition. In addition to product development that harnesses our own technologies, we have been engaged in expanding the product lineup and enhancing the service we provide by forming tie-ups with other companies. For example, to enhance cooling solutions for datacenters, a market that is expected to grow in the coming years, an equity participation agreement was concluded with the US company Degree Controls, Inc., a leading supplier in this field. Also, we have developed and launched the Nurse Phone Security Pendant, a new mobile emergency alert response service for the elderly that uses the Mimamori Phone device of SOFTBANK MOBILE Corp.

We have also been actively engaged in expanding our business overseas. Where needed, we have reinforced the development, production and maintenance functions at overseas affiliates to meet local needs. Also, as an example of how we are pursuing tie-ups with local companies, we have started discussions with Tharawat Development Co. of Saudi Arabia with a view to setting up a joint venture that will contribute to expanding our valve business in the Middle East. In China, as part of ongoing efforts to expand our BA business, a joint company has been set up with CECEP Industry Development Co., Ltd. and we have also agreed on equity participation in Beijing YTYH Intelli-Technology Company Limited (which will be an azbil Group subsidiary). Additionally, the Group company Azbil Kimmon Co., Ltd. (the former Kimmon Manufacturing Co., Ltd.) has, together with Yung Loong Engineering Corporation, set up Azbil Kimmon Technology Corporation; local production and sales of gas meters in Taiwan have already commenced.

Note 1: Reasons for the atypical growth in orders

The principal factor behind the increase in orders is that, in the Building Automation (BA) business, orders are received for large-scale service contracts that cover a period of several years as a result of “market testing”.

Market testing is a government-and-private sector competitive bidding system in Japan. As required by the Act on Reform of Public Services by Introduction of Competitive Bidding, this system ensures that contracts for public services hitherto provided by the government are to be decided by competitive bidding in which public and private operators participate on an equal footing. The contract is awarded to the operator offering the best quality for the best price. As a result of this bidding process, orders are placed for large-scale service projects that stretch over several years, and the total value of a contract for that multi-year period is recorded as a lump sum for accounting purposes. The periods covered by contracts won through such market testing range from 3 to 5 years, and thus the sums involved are quite considerable. Consequently, they account for the bulk of the growth in orders for the BA business in the current fiscal year. Note, however, that the revenue from services rendered in any year is recorded in the sales figures for that fiscal year.

The results for the individual reportable segments are as follows.

Building Automation (BA) Business

In the domestic market, there was a drop in sales for the business related to new buildings as well as for the business targeting existing buildings; in the business for existing buildings there had been several large-scale projects in the previous fiscal year. However, the service business grew steadily and as a result there was an increase in overall sales for the domestic market compared to the previous fiscal year.

In the business related to existing buildings, owing to concerns about possible power supply shortages and increases in the cost of electricity, there has continued to be a strong demand for energy-saving measures; the number of customer inquiries has been correspondingly high. Nevertheless, because of a sense of uncertainty regarding future business conditions there is still a tendency among many customers to postpone large-scale investments aimed at upgrading their facilities. In the service field, however, business performance benefited from staff making proactive energy-saving proposals to generate new projects and also expanding business into new areas.

Abroad, the azbil Group has traditionally had an advantage in the overseas market for factories operated by Japanese companies, but it is now also engaged in developing the non-Japanese market by forming tie-ups with local enterprises, making use of the fact that in Japan the azbil Group has unrivalled experience and energy-saving expertise. This approach has resulted in steady sales growth.

Consequently, BA business sales for the current fiscal year were 103,895 million yen, up 1.7% on the previous fiscal year. Efforts were made to reduce expenditure, but in addition to the effects of falling prices, such factors as increased outlays for social insurance premiums meant that segment profit (operating income) was 10,328 million yen, down 12.1% on the previous fiscal year.

Advanced Automation (AA) Business

In Japan, sales of control products for the factory automation (FA) market took a downward turn, resulting in less sales than the previous fiscal year. It is true that at the start of the fiscal year there was rapid growth in domestic demand in such markets as semiconductor manufacturing equipment; this was helped in part by recovery efforts in the wake of the March 11 disaster. However, midway through the fiscal year, demand fell as a result of a weakening in capital investment and inventory cutbacks. On the other hand, sales increased for such field instruments as transmitters as well as for system products in the energy- and functional materials-related markets. Consequently, in the domestic market as a whole sales grew.

Overseas, there was a fall in sales for control products in the FA market, but sales of valves and field instruments expanded and, despite the negative impact of exchange rates, overall sales increased. With their potential for growth, these overseas markets are of special importance to the azbil Group and it is striving to upgrade local engineering and maintenance capabilities. As part of this initiative, progress has been made in bolstering the valve maintenance facilities at key locations in China, Thailand and Taiwan, as well as in other countries. For example, in October 2011 the Technical Service Centre in Singapore was relocated and enlarged.

As a result, AA business sales in the current fiscal year were 84,133 million yen, an increase of 3.9% on the previous fiscal year. Segment profit (operating income) was 4,006 million yen, up 23.9% on the previous fiscal year, attributable mainly to growth in revenue.

Life Automation (LA) Business

The LA business covers a wide variety of fields closely connected with people's everyday lives: it markets lifeline-related measuring equipment; it provides nursing care and lifestyle support services; and it also sells central air-conditioning systems for homes that ensure a comfortable and healthy environment while contributing to energy saving. Azbil Kimmon Co., Ltd. – a company that plays a central role in the lifeline field and accounts for the bulk of LA business sales – produces and sells gas and water meters. The Fukushima Daiichi nuclear power plant accident did mean that operations at some of the company's production facilities in the Tohoku region had to be temporarily suspended. Although the company's situation has now returned to normal, sales figures fell as a result of the accident and the fact that LP gas meter sales are depressed in the off-demand season.

Turning to the Life Assist field – with its nursing care and emergency alert response services – demand is steadily growing as Japan's population ages. However, with cutbacks in welfare budgets by local governments, etc., the business environment is challenging. In response, various measures have been adopted, such as launching new products, increasing the number of care centers, and expanding the scope of services offered (combining nursing care appliance rental and at-home services). This approach has succeeded in increasing sales.

As regards the market for residential central air-conditioning systems, the sales force has been reinforced and an aggressive strategy targeting both house builders and individual owners has been adopted. As an example of the latter, a showroom (Platz Kikubari) has been set up inside Japan's largest permanent housing exhibition, tvk Housing Plaza Yokohama. These efforts have led to increased sales.

While the March 11 earthquake and ensuing nuclear power plant accident did affect Azbil Kimmon, thanks to vigorous efforts aimed at a quick operational recovery, the impact was relatively small. There was also sales growth in the Life Assist field (nursing care, lifestyle support services, etc.) as well as for residential central air-conditioning systems. As a result, LA business sales in the current fiscal year were almost the same as the previous fiscal year: 32,543 million yen (down 0.2%). Profits were affected by the impact on production of the nuclear power plant accident and by the increased costs associated with marketing central air-conditioning systems for homes. However, thanks to such factors as increased prices for water meters, there was an improvement in segment loss (operating loss), which was 127 million yen (a loss of 227 million yen was recorded for the previous fiscal year).

Others

In others (the importing, buying-in and marketing of inspection and measurement equipment), sales of 4,909 million yen were recorded for the current fiscal year, a decrease of 4.2% compared to the previous fiscal year. Segment profit (operating income) was 142 million yen, down 1.4% compared to the previous fiscal year.

2) Forecast for the next period

As shown in the table below, business performance for the next period is forecast as follows: sales of 230,000 million yen, an increase of 2.9% on the previous fiscal year; operating income of 15,000 million yen (up 4.5%); ordinary income of 14,800 million yen (up 1.4%); and net income of 9,000 million yen (up 5.6%).

Even as economic conditions continue to be challenging, a gradual pickup is envisaged. Nevertheless, there will still be concern regarding the debt crisis in Europe; this, combined with worries about the uncertain US economic recovery and an economic slowdown in China, means that business sentiment will reflect a heightened sense of caution. Moves to correct the high value of the yen have proved to have only a limited effect, and sluggish foreign demand and concerns about the yen appreciating again will serve to dampen any recovery in the performance of Japan's export-related industries. The business environment of the azbil Group will continue to be uncertain. While there are expectations for growth – such as a recovery in capital investment by manufacturing industries in Japan and abroad, and increased investment in energy-saving measures by businesses facing constraints on their power consumption as well as increases in the cost of electricity – it is also expected that severe price pressures will continue to beset the BA business in the market for new buildings.

Taking these conditions into account, and aiming to achieve its earnings forecast for FY2012, the azbil Group will work toward the steady realization of measures designed to ensure profits. Leveraging the achievements already made in the reforms of business and operational structures, we will push forward with the transformation to a robust business structure that can cope with such changes in market structure as downward pressure on prices. And we will aim to expand the scope of our businesses from a global perspective.

These projections 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 those discussed in this document.

(Hundred millions of yen)

		Fiscal year 2011 Actual	Fiscal year 2012 Forecast	Difference	%
Building Automation	Net sales	1,038	1,070	31	3.0
	Operating income	103	105	1	1.7
Advanced Automation	Net sales	841	920	78	9.4
	Operating income	40	50	9	24.8
Life Automation	Net sales	325	330	4	1.4
	Operating income	(1)	(5)	(3)	-
Others	Net sales	49	1	(48)	(98.0)
	Operating income	1	0	(1)	(100.0)
Consolidated	Net sales	2,234	2,300	65	2.9
	Operating income	143	150	6	4.5
	Ordinary income	145	148	2	1.4
	Net income	85	90	4	5.6

* Some of the businesses that have been categorized into “Others” will be categorized into “Advanced Automation” from fiscal 2012 ending March 31, 2013.

(2) Qualitative information on consolidated financial position

(Assets)
Total assets at the end of the current fiscal year were 223,476 million yen, an increase of 5,974 million yen from the previous fiscal year-end. This was mainly due to an increase of 9,496 million yen in notes and accounts receivable-trade.

(Liabilities)
Total liabilities at the end of the current fiscal year were 88,399 million yen, an increase of 2,259 million yen from the previous fiscal year-end. This was primarily due to an increase of 3,239 million yen in notes and accounts payable-trade.

(Net assets)
Net assets at the end of the current fiscal year were 135,076 million yen, an increase of 3,714 million yen from the previous fiscal year-end. This was mainly owing to an increase in retained earnings due to the addition of net income of the current fiscal year.

(Cash flow from operating activities)
Cash and cash equivalents (hereinafter, net cash) provided by operating activities in the fiscal year ended March 31, 2012 were 5,633 million yen, a decrease of 9,589 million yen compared with the previous fiscal year. This was mainly owing to an increase in notes and accounts receivable-trade related to sales growth and the closing day falling on a holiday, as well as an increase in income taxes and other payments.

(Cash flow from investing activities)
Net cash used in investing activities (net increase (decrease)) in the current fiscal year was 3,549 million yen, an increase of 1,273 million yen compared with the previous fiscal year. This was primarily due to a decrease in proceeds from the sales of investment securities.

(Cash flow from financing activities)
Net cash used in financing activities (net increase (decrease)) in the current fiscal year was 6,393 million yen, a decrease of 1,608 million yen compared with the previous fiscal year. This was primarily due to a decrease in cash outflow resulting from the repayment of loans payable.

As a result of the above factors, the balance of cash and cash equivalents at the end of the current fiscal year was 55,355 million yen, a decrease of 4,487 million from the previous fiscal year-end.

(3) Basic policy regarding profit sharing and the dividends for the current and next accounting period

The azbil Group places great importance on the distribution of profits to its shareholders. The management would like to maintain stable dividends while striving to increase its dividends payout, taking into account comprehensively its consolidated performance, levels of ROE (Return On Equity), DOE (Dividends On Equity), as well as retained earnings for strengthening its business base and developing future businesses.

In consideration of the policies outlined above, it is planned to issue an annual dividend for FY2011 of 63 yen per share, as previously announced. For FY2012, an annual dividend of 63 yen per share is projected in order to maintain stable shareholders' return.

As regards the use to which retained earnings will be put, while effectively investing them in strengthening the business base and business expansion – for example, product development based on the state-of-the-art technologies and expertise that are the foundation of the azbil Group, global expansion and the creation of new businesses – as well as in enhancing management, we will also invest in contingency plans to ensure business continuity following natural disasters, etc., thus aiming to realize even greater shareholder value.

2. Activities (Present situation) of the azbil Group

The azbil Group consists of our company, forty-four subsidiaries and three affiliates, and is pursuing “human-centered automation” that aims to realize safety, comfort and fulfillment and contribute to global environmental preservation. The Group operates in three core business segments: Building Automation (BA) business in the building market, Advanced Automation (AA) business in the industrial market, and Life Automation (LA) business in markets closely related to everyday life such as lifelines and healthcare. The BA business develops and manufactures a comprehensive lineup, from building management and security systems to application software, controllers, valves and sensors, and also provides instrumentation design, sales, engineering, maintenance, energy-saving solutions, and operation and management of facilities. The Group also draws on its original environmental control technologies to create comfortable and productive office and factory spaces and to develop business that contributes to environmental load reduction. The AA business is focused on solving issues in the materials industry such as oil, chemical, steel, and pulp and paper, as well as in the processing and assembly industries including automobiles, electrical and electronic, semiconductors and food, through the provision of products, solutions, instrumentation, engineering and maintenance to support the optimum operation of equipment and facilities throughout their lifecycle. The Group develops advanced measurement and control technologies, aims to create production spaces that are safe and enhance human capabilities, and conducts business to create new value through collaboration with customers. The LA business applies measurement, control and metering technologies cultivated over many years in the building and industrial markets, as well as heartfelt, attentive service, to lifelines such as gas and water, and also to lifestyle, nursing and healthcare support. The Group conducts business to support active lifestyles.

As for the above mentioned business contents, our company and other companies are positioned as shown in the following business chart.

Customers in Japan, overseas

【Japan】

Sales

＜Advanced Automation Business/Others >

Yamatake & Co, Ltd.*1,*4
and 1 unconsolidated subsidiary *2
(Sales of control, measurement, testing, safety, environmental equipment)

Royal Controls Co., Ltd. *1,*4
(Instrumentation; sales of control and measurement equipment)

Tem-Tech Lab. *3
(Production, sales and entrusted development of various sensors)

Production, Sales

＜Life Automation Business＞

Yamatake Care-Net Co., Ltd.*1,*5
(Nursing care support service and group home operation for the elderly)

Safety Service Center Co., Ltd.*1,*5
(Sales of emergency alert response service for the elderly)

Kimmon Manufacturing Co., Ltd.
and 10 consolidated subsidiaries *1,*4
(Development, manufacture and sales of gas/water meters and related equipment)

【Overseas】

Engineering, Sales

<Building Automation Business>

Yamatake Environmental Control Technology (Beijing) Co., Ltd. *1
(Instrumentation; sales of control and measurement equipment)

Azbil BioVigilant, Inc *1
(Development, manufacture and sales of microbial detection instrument)

<Advanced Automation Business >

Shanghai Azbil Automation Co., Ltd.*1
(Instrumentation; software development; production and sales of control measurement equipment)

Azbil North America, Inc.*1
(Sales of control and measurement equipment)

Azbil Europe NV *1
(Sales of control equipment)

Yamatake Automation Products (Shanghai) Co., Ltd.*1
(Sales of control equipment)

Azbil Brazil Ltd. *2
(Instrumentation; sales of control and measurement equipment)

<Building Automation Business / Advanced Automation Business>

Azbil Control Solutions (Shanghai) Co., Ltd.*1
Azbil Vietnam Co., Ltd.*1
Azbil Philippines Corporation *1
Azbil Korea Co., Ltd. *1
Azbil Taiwan Co., Ltd. *1
Azbil (Thailand) Co., Ltd. *1
Azbil Malaysia Sdn. Bhd. *1
Azbil Singapore Pte. Ltd. *1
Pt. Azbil Berca Indonesia *1
Azbil India Pvt. Ltd. *2
(Above subsidiaries: Instrumentation; sales of control and measurement equipment)

One other *2

Development・Manufacturing・Sales・Installation・Maintenance

Yamatake Corporation*4, *6

【Japan】

Production

Yamatake Control Products Co., Ltd.*1,*6
(Manufacture of electronic equipment; plastic and die-cast parts)

Taishin Co., Ltd. *1, *4
(Development and manufacture of electronic and precision equipment)

Yamatake Mizuho Co., Ltd. *1, *4
(Manufacture of electronic and precision equipment)

【Overseas】

Production

Azbil Control Instruments (Dalian) Co., Ltd. *1
(Manufacture of electronic and precision equipment)

Azbil Hong Kong Limited *1
(Instrumentation; manufacture of control and measurement equipment)

Azbil Information Technology Center (Dalian) Co., Ltd. *2
(Software development)

Azbil Kimmon Technology Corporation *2

One other *2

Two others *3

Others

Yamatake Friendly Co., Ltd. *2, *4
(Cleaning; safety management; collection and delivery; assembly of control and measurement components)

SecurityFriday Co., Ltd. *2,*4
(Development and sales of software)

*1 Consolidated subsidiary
*2 Unconsolidated companies that are not accounted for by the equity method.
*3 Affiliate companies that are not accounted for by the equity method

*4 On April 1, 2012, Yamatake Corporation, Yamatake & Co., Ltd., Royal Controls Co., Ltd. Kimmon Manufacturing Co., Ltd., Taishin Co., Ltd., Yamatake Mizuho Co., Ltd., Yamatake Friendly Co., Ltd. and SecurityFriday Co., Ltd. were renamed Azbil Corporation, Azbil Trading Co., Ltd., Azbil RoyalControls Co., Ltd., Azbil Kimmon Co., Ltd., Azbil Taishin Co., Ltd., Azbil Kyoto Co., Ltd., Azbil Yamatake Friendly Co., Ltd.and Azbil SecurityFriday Co., Ltd., respectively.

*5 On April 1, 2012, Safety Service Center Co., Ltd. acquired Yamatake Care-Net Co., Ltd. and renamed its corporate name Azbil Care & Support Co., Ltd.

*6 On April 1, 2012, our company merged with Yamatake Control Products Co., Ltd. with our company existing and the other company dissolved.

3.Management Policy

(1) Basic policy for corporate management

The philosophy of the azbil Group is to realize safety, comfort and fulfillment in people's lives and to contribute to global environmental preservation through "human-centered automation." The azbil Group seeks to thrive and grow as a unique corporate consortium through implementing this philosophy. Drawing on considerable technologies and resources – principally for measurement & control – that have been built up over many years, and using them to create high-quality products and services that offer customers safety, peace of mind and high added value, the azbil Group delivers unique solutions for the issues faced by its customers.

Guided by the Group philosophy of "human-centered automation," we adopt a medium- to long-term perspective to managing integrated Group operations in our three business segments: Building Automation (BA), Advanced Automation (AA), and Life Automation (LA). In striving to enhance and maximize enterprise value, we not only satisfy the expectations of all our stakeholders – shareholders, customers, employees and local communities – but we can also play a leading role in realizing a sustainable society.

(2) Management metrics

The azbil Group places great importance on its shareholders, and therefore a basic objective is to enhance consolidated ROE in order to increase shareholder value. By enhancing profitability and capital efficiency, we aim to achieve a consolidated ROE of at least 10% in the medium to long term.

The azbil Group has announced a numerical target for the reduction of environmental load resulting from corporate activities: by FY2013 we are committed to reducing total CO_2 emissions by at least 10% (compared with FY2006 levels).

(3) Medium- to long-term management strategies

Following the basic policy outlined above, and based on the azbil Group philosophy of "human-centered automation", we seek to thrive and grow as a unique corporate group. With this as our goal, we have set long-term targets for the azbil Group, and we have been working steadily towards achieving those targets.

While focusing on automation, we have avoided an overconcentration on single markets, and instead we have created a diverse business portfolio; this is made up of the three businesses (BA, AA, LA), each of which is aligned to a different market structure. And we have been striving to expand our business domain by winning new customers and generating synergies within the Group. Henceforth, we will continue to “firmly establish the foundation” for attaining the Group’s mission and ensuring our future as an enterprise. At the same time, in order to realize further growth, we will strive to enhance our capabilities for providing solutions in the form of “products and collaboration with customers at their site”, from the perspective of business creation. And as a long-term partner for both the customer and the community, we will demonstrate that we can offer unique value that is only available from the azbil Group.

FY2012 marks the halfway point for the Medium-Term Plan designated as the ”period of growth”. Aiming to achieve our FY2013 targets, in the BA and AA businesses we will move ahead with the creation of business opportunities based on an accurate grasp of new market trends associated with energy conservation and the environment. Simultaneously, in order to ensure a strong management foundation that is not susceptible to changes in the business environment, we will actively seek to develop and expand our LA business and also our operations in overseas markets that show potential for growth. Moreover, as a world-class, comprehensive automation manufacturer, we will aim to achieve sustainable development – both for our enterprise and for society – and we will realize CSR management that respects mankind and actively contributes to society, the environment and the economy.

As of April 1, 2012, our company changed its name to Azbil Corporation, while other major domestic companies in the Group added “Azbil” to their company names. Simultaneously, under new leadership we embarked on this fresh chapter in our history as “Azbil Corporation”. The business environment in which we operate continues to be beset by uncertainty, but in the “Basic policy for corporate management”, “Management metrics” and “Management strategies” outlined above we have stated the core commitments in our Medium-Term Plan, and we will strive to extend, strengthen and accelerate these initiatives yet further.

(4) Issues to be tackled

To secure medium- to long-term business growth, the azbil Group is keen to meet the expectations of its shareholders and other stakeholders by striving to continually enhance enterprise value. For this reason, we have set long-term targets for the azbil Group, and we have been working steadily towards achieving those targets. Guided by the Group philosophy of “human-centered automation,” we are “creating new businesses (business structural reform)” and “creating new work styles (business operation reform),” responding swiftly and flexibly to business fluctuations and structural changes in the markets, and striving to implement business structural reforms that can lead to business expansion. In future, emphasizing the priorities listed below, and distributing management resources boldly and effectively, we will endeavor to achieve sustainable growth by accelerating these reform activities and seeing that they are continued over the long term.

1. Our core BA and AA businesses are serving mature industries; however, by recombining business from the viewpoint of the three key elements – customers, value and products/technologies – in different ways, future growth is possible. With each segment pursuing the concept of “human-centered automation,” we will go beyond the conventional business boundaries by developing comprehensive strengths – everything from development and production to sales, installation, maintenance and service. These are uniquely azbil in nature and unavailable from other companies. In this way, we will strive to develop new business models and develop new business fields which azbil has not yet addressed. As one example of this approach, we will proactively offer energy-saving solutions to factories, plants and commercial buildings in Japan, drawing on the combined strengths of the azbil Group that extend above and beyond the established boundaries of the BA and AA business fields. The summer months will see heightened energy-saving needs as operators of such facilities seek to reduce their electrical power consumption. And collectively we can provide the solutions they are looking for, based on the considerable expertise and experience the azbil Group has acquired over the years.
2. Our LA business offers heartfelt, hands-on service with warmth and compassion – as well as measurement and control technologies developed over many years. It operates in the lifeline field, involving gas and water supplies, and thus has a different business cycle to that of the BA and AA businesses. Additionally its activities cover the nursing care and health support fields, which includes the provision of an emergency alert response service for the elderly, and it now also supplies central air-conditioning systems for homes. In many ways, the LA business helps people to lead active, fulfilling lives. As regards the lifeline field, demand is expected to decline over the long term; however, by cooperating with the BA and AA businesses the goal is to achieve continuous growth through expansion of the business field, including the private sector and supply side, as well as initiatives targeting overseas markets. For example, Azbil

Kimmon Co., Ltd. has set up a joint venture in Taiwan for the local production and sales of gas meters. Also, drawing on the HVAC technologies developed by our BA business, we have bolstered our presence in the market for central air-conditioning systems for homes. Other examples of how the LA business helps people to lead active, fulfilling lives include a merger between Safety Service Center Co., Ltd., and Yamatake Care-Net Co., Ltd. (new company name: Azbil Care & Support Co., Ltd.) which will enhance customer service, and the development of the Nurse Phone Security Pendant.

3. In overseas markets with potential for future growth, we will further strengthen the business foundation. While maintaining our ongoing business activities in emerging economies with robust growth – particularly China and other Asian countries – we will aim to extend our global initiatives with expansion into new regions and a qualitative change of focus designed to give impetus to operations that are sensitive to local differences in the business environment. Examples of this approach can be seen in discussions to set up joint ventures in cooperation with local enterprises in China and Saudi Arabia, and also in the azbil Group's equity participation in companies in China and North America, a strategy designed to strengthen our international business.
4. As regards environmental protection and reducing CO_2 emissions, the azbil Group is striving to reduce environmental load resulting from its own corporate activities. At the same time, making maximum use of our measurement and control technologies, we will contribute to solving environmental and energy issues faced by our customers and society as a whole. We are thus working to expand our business in fields where stricter regulations mean that we can reliably predict future growth in demand domestically and internationally. For example, the azbil Group holds energy-saving seminars and takes part in environment-related trade shows and conferences in countries around the world. Also, we are participating in the Ecoriha EV Community car leasing program, and conducting an in-house carbon manager training program.
5. To strengthen our product development capabilities, we have restructured our entire R&D organization and bolstered resources. This supports development that prioritizes products which precisely match customer requirements, allowing us to reduce the time to market. Production too is being enhanced: we are working on further improvements to assure an optimum production system that is flexible and which enables rapid response to global market needs, business fluctuations, other business risks and so on. For example, so we may swiftly respond to the increasingly diversified issues

faced by local customers and meet their diverse specification requirements, we have bolstered local development capabilities for customized products and also enhanced production efficiency through an absorption merger of Yamatake Control Products Co., Ltd., which had been a wholly owned subsidiary.

6. The promotion of CSR management has been set out as a goal in the Medium-Term Plan, and the entire Group is actively engaged in implementing CSR activities. These are divided into 8 priority areas: compliance (corporate ethics & legal compliance); disaster prevention & BCP; information security; financial reporting; labor and safety; quality; environment; management infrastructure and Group governance. This fiscal year, following the Great East Japan Earthquake, we have implemented thoroughgoing contingency measures for critical locations within all of the Group's business premises. At the same time, we have made strenuous efforts to move into buildings that meet the latest standards for earthquake resistance while structurally reinforcing buildings already in use. Moreover, we have further expanded our own social action program; this includes co-sponsoring international eco-friendly marathons and expanding the azbil Honey Bee Club program to encourage voluntary participation in social contribution activities by azbil Group employees. At the same time, in order to contribute to the global environment and society through our core businesses, we are actively promoting business activities that will help realize a reduction in CO_2 emissions using azbil Group technologies.

4. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets		
Cash and deposits	48,566	45,061
Notes and accounts receivable-trade	76,049	85,546
Short-term investment securities	12,900	12,400
Merchandise and finished goods	3,696	4,126
Work in process	4,745	5,525
Raw materials	5,343	6,482
Deferred tax assets	5,486	5,224
Other	7,955	8,914
Allowance for doubtful accounts	(357)	(295)
Total current assets	164,385	172,986
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	38,092	38,072
Accumulated depreciation	(23,668)	(24,622)
Buildings and structures, net	14,423	13,450
Machinery, equipment and vehicles	17,197	17,437
Accumulated depreciation	(14,628)	(15,124)
Machinery, equipment and vehicles, net	2,568	2,313
Tools, furniture and fixtures	19,042	18,809
Accumulated depreciation	(17,191)	(17,011)
Tools, furniture and fixtures, net	1,851	1,797
Land	6,334	6,292
Lease assets	338	343
Accumulated depreciation	(155)	(202)
Lease assets, net	182	140
Construction in progress	350	151
Total property, plant and equipment	25,711	24,146
Intangible assets		
Right of using facilities	145	143
Software	866	721
Goodwill	3,878	2,604
Other	896	935
Total intangible assets	5,787	4,405
Investments and other assets		
Investment securities	12,528	12,872
Long-term loans receivable	241	247
Claims provable in bankruptcy, claims provable in rehabilitation and other	134	71
Deferred tax assets	1,585	1,638
Other	7,614	7,625
Allowance for doubtful accounts	(487)	(517)
Total investments and other assets	21,616	21,937
Total noncurrent assets	53,115	50,489
Total assets	217,501	223,476

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	33,946	37,185
Short-term loans payable	5,625	5,543
Current portion of bonds	60	―
Income taxes payable	5,809	5,104
Advances received	1,760	1,744
Provision for bonuses	8,016	8,097
Provision for directors' bonuses	102	115
Provision for product warranties	566	397
Provision for loss on order received	407	774
Other	9,196	10,327
Total current liabilities	65,493	69,290
Noncurrent liabilities		
Long-term loans payable	6,161	4,686
Deferred tax liabilities	722	662
Deferred tax liabilities for land revaluation	240	210
Provision for retirement benefits	12,354	12,392
Provision for directors' retirement benefits	227	189
Other	939	968
Total noncurrent liabilities	20,646	19,109
Total liabilities	86,139	88,399
Net assets		
Shareholders' equity		
Capital stock	10,522	10,522
Capital surplus	17,197	17,197
Retained earnings	103,677	107,538
Treasury stock	(2,643)	(2,643)
Total shareholders' equity	128,754	132,615
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,119	2,451
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	(1,269)	(1,501)
Total accumulated other comprehensive income	849	948
Subscription rights to shares	2	2
Minority interests	1,754	1,509
Total net assets	131,361	135,076
Total liabilities and net assets	217,501	223,476

(2) Consolidated statements of income and Consolidated statements of comprehensive income
(Consolidated statements of income)

	Fiscal year 2010 (April 1, 2010 to March 31, 2011)	**(Millions of yen)** **Fiscal year 2011 (April 1, 2011 to March 31, 2012)**
Net sales	219,216	223,499
Cost of sales	139,502	142,659
Gross profit	79,713	80,840
Selling, general and administrative expenses	64,817	66,491
Operating income	14,896	14,348
Non-operating income		
Interest income	106	109
Dividends income	469	276
Real estate rent	51	58
Subsidy income	130	149
Other	231	209
Total non-operating income	990	804
Non-operating expenses		
Interest expenses	158	106
Foreign exchange losses	472	38
Commitment fee	76	24
Rent expenses on real estates	89	97
Office transfer expenses	40	15
Provision of allowance for doubtful accounts	－	173
Other	157	100
Total non-operating expenses	995	556
Ordinary income	14,891	14,596
Extraordinary income		
Gain on sales of noncurrent assets	34	69
Compensation income	－	317
Gain on negative goodwill	－	197
Gain on transfer of business	－	184
Gain on sales of investment securities	194	2
Reversal of allowance for doubtful accounts	19	－
Total extraordinary income	248	771
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	92	56
Impairment loss	244	177
Loss on disaster	150	213
Environmental expenses	571	84
Loss on valuation of investment securities	70	27
Loss on sales of investment securities	18	0
Loss on adjustment for changes of accounting standard for asset retirement obligations	265	－
Total extraordinary losses	1,414	560
Income before income taxes and minority interests	13,726	14,807
Income taxes-current	6,076	5,600
Income taxes-deferred	(559)	382
Total income taxes	5,517	5,983
Income before minority interests	8,208	8,823
Minority interests in income	280	305
Net income	7,928	8,518

(Consolidated statements of comprehensive income)

	Fiscal year 2010 (April 1, 2010 to March 31, 2011)	(Millions of yen) Fiscal year 2011 (April 1, 2011 to March 31, 2012)
Income before minority interests	8,208	8,823
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,023)	322
Deferred gains or losses on hedges	(2)	(0)
Foreign currency translation adjustment	(421)	(238)
Total other comprehensive income	(1,446)	84
Comprehensive income	6,761	8,908
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	6,550	8,618
Comprehensive income attributable to minority interests	211	290

(3) Consolidated statements of changes in net assets

	Fiscal year 2010 (April 1, 2010 to March 31, 2011)	(Millions of yen) Fiscal year 2011 (April 1, 2011 to March 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	10,522	10,522
Balance at the end of current period	10,522	10,522
Capital surplus		
Balance at the beginning of current period	17,197	17,197
Changes of items during the period		
Disposal of treasury stock	0	(0)
Transfer to capital surplus from retained earnings	—	0
Total changes of items during the period	0	(0)
Balance at the end of current period	17,197	17,197
Retained earnings		
Balance at the beginning of current period	100,362	103,677
Changes of items during the period		
Dividends from surplus	(4,615)	(4,652)
Net income	7,928	8,518
Change of scope of consolidation	2	(5)
Transfer to capital surplus from retained earnings	—	(0)
Total changes of items during the period	3,314	3,860
Balance at the end of current period	103,677	107,538
Treasury stock		
Balance at the beginning of current period	(2,641)	(2,643)
Changes of items during the period		
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	0	0
Total changes of items during the period	(1)	0
Balance at the end of current period	(2,643)	(2,643)
Total shareholders' equity		
Balance at the beginning of current period	125,441	128,754
Changes of items during the period		
Dividends from surplus	(4,615)	(4,652)
Net income	7,928	8,518
Change of scope of consolidation	2	(5)
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	0	0
Transfer to capital surplus from retained earnings	—	—
Total changes of items during the period	3,313	3,860
Balance at the end of current period	128,754	132,615

	Fiscal year 2010 (April 1, 2010 to March 31, 2011)	(Millions of yen) Fiscal year 2011 (April 1, 2011 to March 31, 2012)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	3,148	2,119
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,029)	332
Total changes of items during the period	(1,029)	332
Balance at the end of current period	2,119	2,451
Deferred gains or losses on hedges		
Balance at the beginning of current period	1	(0)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2)	(0)
Total changes of items during the period	(2)	(0)
Balance at the end of current period	(0)	(0)
Foreign currency translation adjustment		
Balance at the beginning of current period	(923)	(1,269)
Changes of items during the period		
Net changes of items other than shareholders' equity	(345)	(232)
Total changes of items during the period	(345)	(232)
Balance at the end of current period	(1,269)	(1,501)
Total accumulated other comprehensive income		
Balance at the beginning of current period	2,227	849
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,377)	99
Total changes of items during the period	(1,377)	99
Balance at the end of current period	849	948
Subscription rights to shares		
Balance at the beginning of current period	1	2
Changes of items during the period		
Net changes of items other than shareholders' equity	0	0
Total changes of items during the period	0	0
Balance at the end of current period	2	2
Minority interests		
Balance at the beginning of current period	1,607	1,754
Changes of items during the period		
Net changes of items other than shareholders' equity	147	(245)
Total changes of items during the period	147	(245)
Balance at the end of current period	1,754	1,509
Total net assets		
Balance at the beginning of current period	129,277	131,361
Changes of items during the period		
Dividends from surplus	(4,615)	(4,652)
Net income	7,928	8,518
Change of scope of consolidation	2	(5)
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	0	0
Net changes of items other than shareholders' equity	(1,229)	(145)
Total changes of items during the period	2,083	3,714
Balance at the end of current period	131,361	135,076

(4) Consolidated statements of cash flows

	Fiscal year 2010 (April 1, 2010 to March 31, 2011)	Fiscal year 2011 (April 1, 2011 to March 31, 2012)
		(Millions of yen)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	13,726	14,807
Depreciation and amortization	4,460	4,026
Amortization of goodwill	1,328	1,274
Gain on negative goodwill	—	(197)
Increase (decrease) in allowance for doubtful accounts	8	(30)
Increase (decrease) in provision for retirement benefits	(565)	40
Increase (decrease) in provision for bonuses	195	85
Increase (decrease) in provision for directors' bonuses	17	12
Interest and dividends income	(576)	(386)
Interest expenses	158	106
Foreign exchange losses (gains)	327	12
Loss (gain) on sales and retirement of property, plant and equipment	56	(15)
Loss (gain) on sales and valuation of investment securities	(105)	26
Impairment loss	244	177
Environmental expenses	571	84
Loss on adjustment for changes of accounting standard for asset retirement obligations	265	—
Compensation income	—	(317)
Loss on disaster	150	213
Loss (gain) on transfer of business	—	(184)
Decrease (increase) in notes and accounts receivable-trade	(1,610)	(9,574)
Decrease (increase) in inventories	2,500	(2,415)
Increase (decrease) in notes and accounts payable-trade	(906)	3,334
Decrease (increase) in other assets	(287)	(291)
Increase (decrease) in other liabilities	(1,233)	1,031
Subtotal	18,727	11,820
Interest and dividends income received	577	380
Interest expenses paid	(161)	(106)
Payments for loss on disaster	(55)	(207)
Proceeds from compensation	—	49
Income taxes paid	(3,865)	(6,302)
Net cash provided by (used in) operating activities	15,223	5,633
Net cash provided by (used in) investing activities		
Payments into time deposits	(2,990)	(2,760)
Proceeds from withdrawal of time deposits	2,835	2,223
Purchase of trust beneficiary right	(14,081)	(14,444)
Proceeds from sales of trust beneficiary right	13,793	14,468
Purchase of property, plant and equipment	(2,531)	(2,377)
Proceeds from sales of property, plant and equipment	175	150
Purchase of intangible assets	(675)	(339)
Purchase of investment securities	(83)	(346)
Proceeds from sales of investment securities	1,262	5
Payments for investments in capital of subsidiaries and affiliates	(62)	(97)
Purchase of stocks of subsidiaries and affiliates	—	(273)
Proceeds from transfer of business	—	235
Other, net	82	8
Net cash provided by (used in) investing activities	(2,275)	(3,549)

	Fiscal year 2010 (April 1, 2010 to March 31, 2011)	Fiscal year 2011 (April 1, 2011 to March 31, 2012)
		(Millions of yen)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	1,156	1,030
Decrease in short-term loans payable	(9,565)	(1,016)
Proceeds from long-term loans payable	7,050	—
Repayment of long-term loans payable	(1,843)	(1,529)
Redemption of bonds	(50)	(60)
Cash dividends paid	(4,613)	(4,647)
Repayments of lease obligations	(73)	(72)
Cash dividends paid to minority shareholders	(61)	(98)
Purchase of treasury stock	(1)	(0)
Proceeds from sales of treasury stock	0	0
Net cash provided by (used in) financing activities	(8,001)	(6,393)
Effect of exchange rate change on cash and cash equivalents	(466)	(179)
Net increase (decrease) in cash and cash equivalents	4,480	(4,487)
Cash and cash equivalents at beginning of period	55,363	59,843
Cash and cash equivalents at end of period	59,843	55,355

(5) Notes regarding assumptions of continuing operations:

Non applicable

(6) Notes to the consolidated financial statements

(Segment information)

1. The summary of the reportable segments

The reportable segments of the azbil Group – identifiable operating segments of the Group's business structure for which financial information is made separately available – are subject to periodic review by the Board of Directors in order to make decisions on the distribution of management resources and to assess performance.

The azbil Group identifies its operating segments using such criteria as business organization, product lines, service content, and markets. This approach results in three separate reportable segments: the Building Automation business, the Advanced Automation business, and the Life Automation business.

The Building Automation business supplies commercial buildings and production facilities with automatic HVAC control and security systems, including products, engineering and related services. The Advanced Automation business supplies automation control systems, switches and sensors, engineering and maintenance services to industrial plants and factories. The Life Automation business supplies lifeline meters as well as products and services related to nursing care/health support and emergency alert response services – all of which are intimately connected with the daily lives of the general public.

2. Information on sales, profit(loss), assets, liabilities and the other items every segment

Fiscal year 2010 (April 1, 2010 to March 31, 2011) (Millions of yen)

	Reportable segment				Others *1	Total	Adjust-ment *2	Consoli-dated *3
	Building Automation	Advanced Automation	Life Automation	Subtotal				
Net Sales								
Customers	101,871	80,202	32,248	214,322	4,894	219,216	―	219,216
Inter-segment	252	772	372	1,398	229	1,627	(1,627)	―
Total	102,124	80,975	32,620	215,720	5,123	220,843	(1,627)	219,216
Segment Profit(loss)	11,748	3,233	(227)	14,755	144	14,899	(3)	14,896
Segment Assets	55,591	58,307	26,196	140,095	2,137	142,233	75,267	217,501
Other items								
Depreciation and Amortization	1,209	2,345	890	4,444	15	4,460	―	4,460
Increase in Property, plant and equipment, and Intangible assets	1,059	1,619	658	3,337	13	3,350	―	3,350

Note *1.“Others” includes the importing, buying-in and marketing of inspection and measurement equipment.

*2. Details on adjustments are as follows.
(1) The adjustment of "Segment Profit(loss) (3) million yen" is elimination of inter-segment transactions.
(2) The main contents of the adjustment of "Segment Assets 75,267 million yen" are Cash and deposits, Investment securities and so on which are not distributed to every Reportable Segment.
*3. The segment profit is adjusted to operating income stated in the consolidated financial statements.

Fiscal year 2011 (April 1, 2011 to March 31, 2012) (Millions of yen)

	Reportable segment				Others *1	Total	Adjust-ment *2	Consoli-dated *3
	Building Automation	Advanced Automation	Life Automation	Subtotal				
Net sales								
Customers	103,399	83,030	32,266	218,696	4,802	223,499	–	223,499
Inter-segment	495	1,102	276	1,875	106	1,982	(1,982)	–
Total	103,895	84,133	32,543	220,572	4,909	225,481	(1,982)	223,499
Segment Profit(loss)	10,328	4,006	(127)	14,206	142	14,349	(1)	14,348
Segment Assets	61,443	61,959	26,681	150,084	2,279	152,364	71,111	223,476
Other items								
Depreciation and Amortization	1,022	2,149	845	4,017	9	4,026	–	4,026
Increase in Property, plant and equipment, and Intangible assets	740	1,671	593	3,005	3	3,009	–	3,009

Note *1.“Others” includes the importing, buying-in and marketing of inspection and measurement equipment.
*2. Details on adjustments are as follows.
(1) The adjustment of "Segment Profit(loss) (1) million yen" is elimination of inter-segment transactions.
(2) The main contents of the adjustment of "Segment Assets 71,111 million yen" are Cash and deposits, Investment securities and so on which are not distributed to every Reportable Segments.
*3. The segment profit is adjusted to operating income stated in the consolidated financial statements.

[Related Information]

Fiscal year 2010 (April 1, 2010 to March 31, 2011)

1. Information by product and service

The information disclosed is identical to the segment information. It is therefore omitted.

2. Information by region

(1) Sales

Sales to domestic unaffiliated clients exceed 90% of the sales in the consolidated statements of income, so this information is omitted.

(2) Property, plant and equipment

The value of domestic property, plant and equipment exceed 90% of the value of the property, plant and equipment on the consolidated balance sheet, so this information is omitted.

3. Information by principal client

No clients accounted for more than 10% of sales on the consolidated statements of income, so this information is omitted.

Fiscal year 2011 (April 1, 2011 to March 31, 2012)

1. Information by product and service

The information disclosed is identical to the segment information. It is therefore omitted.

2. Information by region

(1) Sales

Sales to domestic unaffiliated clients exceed 90% of the sales in the consolidated statements of income, so this information is omitted.

(2) Property, plant and equipment

The value of domestic property, plant and equipment exceed 90% of the value of the property, plant and equipment on the consolidated balance sheet, so this information is omitted.

3. Information by principal client

No clients accounted for more than 10% of sales on the consolidated statements of income, so this information is omitted.

[Information on impairment loss in noncurrent assets by Reportable segment]

Fiscal year 2010 (April 1, 2010 to March 31, 2011) (Millions of yen)

	Reportable segment				Others	Corporate/ Elimination	Total
	Building Automation	Advanced Automation	Life Automation	Subtotal			
Impairment loss	190	―	54	244	―	―	244

Fiscal year 2011 (April 1, 2011 to March 31, 2012) (Millions of yen)

	Reportable segment				Others	Corporate/ Elimination	Total
	Building Automation	Advanced Automation	Life Automation	Subtotal			
Impairment loss	―	―	177	177	―	―	177

[Information on amortization of goodwill and anamotized balance by Reportable segment]

Fiscal year 2010 (April 1, 2010 to March 31, 2011) (Millions of yen)

	Reportable segment				Others	Corporate/ Elimination	Total
	Building Automation	Advanced Automation	Life Automation	Subtotal			
Amortization of goodwill	39	10	1,279	1,328	―	―	1,328
Balance at end of period	―	35	3,842	3,878	―	―	3,878

Fiscal year 2011 (April 1, 2011 to March 31, 2012) (Millions of yen)

	Reportable segment				Others	Corporate/ Elimination	Total
	Building Automation	Advanced Automation	Life Automation	Subtotal			
Amortization of goodwill	―	10	1,264	1,274	―	―	1,274
Balance at end of period	―	25	2,578	2,604	―	―	2,604

[Information on profits resulting from negative goodwill by Reportable segment]

Fiscal year 2010 (April 1, 2010 to March 31, 2011)

Non applicable

Fiscal year 2011 (April 1, 2011 to March 31, 2012)

With regard to Advanced Automation business, we acquired the additional shares of the consolidated subsidiary Royal Controls Co., Ltd. to make it a 100% consolidated subsidiary. Accordingly, Gain on negative goodwill of 197 million yen is posted for this consolidated fiscal year.

(Per share information)

Fiscal year 2010 (April 1,2010 to March 31, 2011)		Fiscal year 2011 (April 1,2011 to March 31,2012)	
Net assets per share(Yen)	1,754.86	Net assets per share(Yen)	1,808.48
Net income per share(Yen)	107.35	Net income per share(Yen)	115.35

Note 1. Net income per share after adjusting for latent shares is not presented. Although latent shares exist, they have not been stated in the absence of any dilution effects.

2. The basis for calculating net income per share is as follows

Item	Fiscal year 2010 (April 1,2010 to March 31, 2011)	Fiscal year 2011 (April 1,2011 to March 31,2012)
Net income（Millions of yen）	7,928	8,518
Amount not attributable to common stock holders (Millions of Yen)	―	―
Net income relevant to common stock (Millions of Yen)	7,928	8,518
Average number of shares（Thousands of shares）	73,854	73,854

3. The basis for calculating net assets per share is as follows

Item	As of March 31,2011	As of March 31,2012
Total of net assets（Millions of yen）	131,361	135,076
Amount deducted from the total of net assets（Millions of yen）	1,757	1,511
（of which subscription rights to shares（Millions of yen））	(2)	(2)
（of which minority interests（Millions of yen））	(1,754)	(1,509)
Net assets at the end of the consolidated fiscal year relevant to common stock（Millions of yen）	129,604	133,564
Number of shares of common stock used to determine total net assets per share（Thousands of shares）	73,854	73,854

(Events after the reporting period)

Non applicable

5. Others

(1) Management Changes (effective June 26, 2012)

1) Newly Appointed Director（Current title）

Director	Keiichi Fuwa	(Managing Executive Officer)
Director	Masato Iwasaki	(Managing Executive Officer)

2) Retiring Director and Advisor （New title upon appointment）

Director	Kiyofumi Saito	(Advisor)
Director	Masaaki Inozuka	(Advisor)
Advisor	Kozo Edanami	
Advisor	Yukihiko Tsuruta	

[Reference]

Azbil Corporation New Management Structure ＜effective June 26, 2012＞

Position	Name	Changes
Chairman	Seiji Onoki	Reappointed
President and CEO	Hirozumi Sone	Reappointed
Director	Tadayuki Sasaki	Reappointed
〃	Makoto Kawai	Reappointed
〃	Keiichi Fuwa	Newly appointed
〃	Masato Iwasaki	Newly appointed
〃	Makoto Yasuda	Reappointed
〃	Eugene H. Lee	Reappointed
〃	Katsuhiko Tanabe	Reappointed
Full-time Corporate Auditor	Tomohiko Matsuyasu	Uncontested
〃	Kensei Sukizaki	Uncontested
Corporate Auditor	Kinya Fujimoto	Uncontested
〃	Jyunichi Asada	Uncontested
〃	Kazuo Yamamoto	Uncontested

*1.Eugene H. Lee and Katsuhiko Tanabe are candidates to become external directors, as prescribed by Article 2, Item 15 of the Companies Act.

*2. Kinya Fujimoto, Jyunichi Asada and Kazuo Yamamoto are external auditors as prescribed by Article 2, Item 16 of the Companies Act.

*3. According to law, the title of external director does not apply to Makoto Yasuda, but the wealth of management experience and insights he has gained both domestically and overseas in over forty years since leaving this company make him a highly independent director.

(2) Other information

Orders received condition

(Millions of Yen)

Reportable segment	Fiscal year 2010 (April 1,2010 to March 31,2011)		Fiscal year 2011 (April 1,2011 to March 31,2012)		Change	
	Orders received	Backlog	Orders received	Backlog	Orders Received	Backlog
Building Automation	97,257	31,824	113,381	41,310	16,124	9,486
Advanced Automation	82,986	19,300	85,716	20,883	2,729	1,582
Life Automation	32,792	1,850	32,441	1,749	(350)	(101)
Total of reportable segment	213,036	52,975	231,539	63,943	18,503	10,967
Others	6,127	1,715	4,307	1,112	(1,820)	(602)
Elimination	(1,769)	(395)	(1,925)	(338)	(156)	56
Consolidated	217,394	54,295	233,921	64,717	16,526	10,422

Note: No consumption tax is included in the amount stated above.