

Company name: Azbil Corporation
Representative: Hirozumi Sone
President and Chief Executive Officer
Contact: Takayuki Yokota
Managing Executive Officer and
Head of Group Management Headquarters
TEL: +81-3-6810-1031
Stock code: 6845 (Tokyo Stock Exchange 1st Section)

Notice of Introduction of Employee Stock Ownership Plan (J-ESOP)

Azbil Corporation (“the Company”) announces that it has resolved, at the Board of Directors meeting held today, to introduce employee stock ownership plan (hereinafter referred to as “the system”) as an incentive plan for providing employees with the Company’s stocks, to boost the linkage between stock price and business performance of the Company on the one hand, and the benefit received by employees on the other hand, and to enhance the motivation and morale of employees for increasing stock price and business performance of the Company by sharing economic effects with shareholders.

1. Background of the introduction

The Company considered the introduction of employee stock ownership plan (ESOP), which is becoming popular in Japan, with regard to its merits as an incentive for employees, to foster their sense of belonging and motivate them to improve shareholder value. In today’s meeting, the Company decided to introduce the system described below to grant employees with stock of the Company and to help ensure that stock value is reflected in the long-term benefit received by employees.

2. Overview of the system

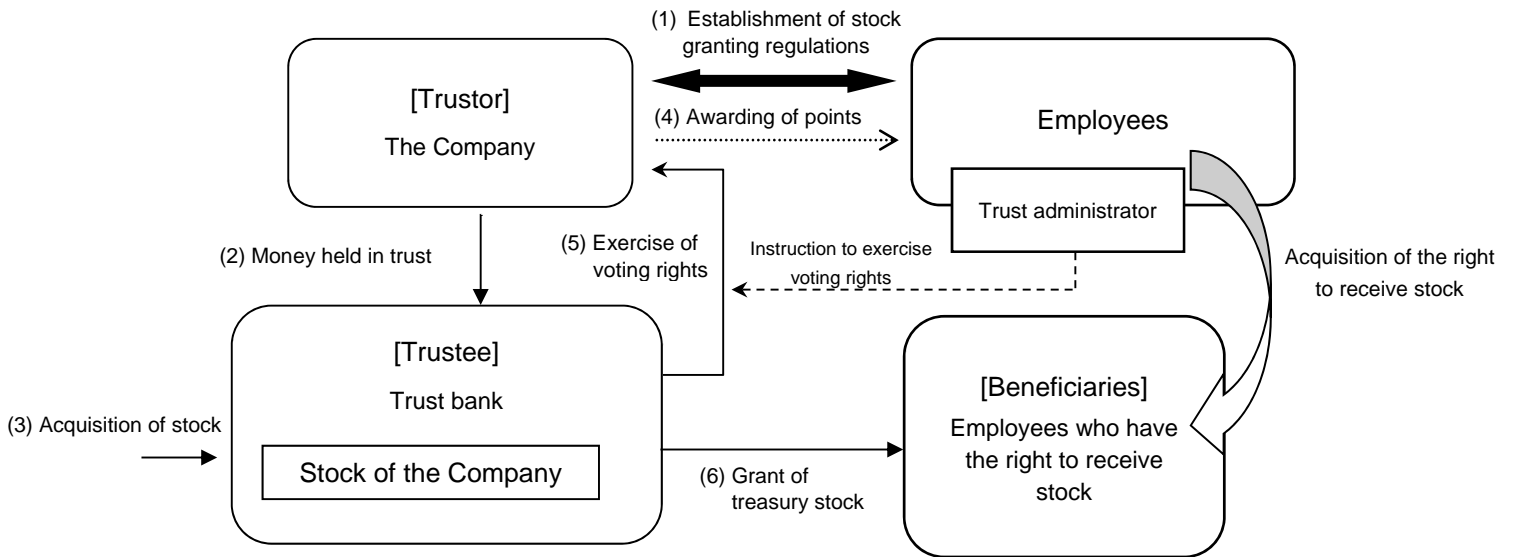
The system will offer stock of the Company to its employees who satisfy certain requirements specified in the Company’s predetermined stock granting regulations.

The Company will award points to employees according to the contribution level of them and will grant stock of the Company proportionate to the awarded points when employees obtain the right to receive stock by meeting certain conditions. The stock to be granted to employees will be acquired with money previously placed in trust, including stock to be granted in the future, and will be separately managed as assets in trust.

This system is expected to heighten the interest of employees in the Company’s stock price and business performance, and motivate them to work.

The Company will announce the date of establishment of the trust for the system, its amount of money, etc., as soon as they are determined.

Schematic Diagram of the System



- (1) The Company will establish the stock granting regulations when the system is introduced.
- (2) In accordance with the stock granting regulations, the Company will place money in trust for acquisition of stock to be received by employees.
- (3) The J-ESOP trust will acquire stock of the Company with the money placed in trust, either through the stock market or by the Company's disposal of its treasury stock.
- (4) The Company will award points to employees in accordance with the stock granting regulations.
- (5) The J-ESOP trust will exercise voting rights based on instructions from trust administrator.
- (6) The J-ESOP trust will provide those who satisfy the requirements for becoming a beneficiary, as specified in the stock granting regulations, with stock of the Company according to the number of points awarded to the beneficiaries.

END