



Making azbil Group philosophy “human-centered automation” the foundation for its business activities, the azbil Group works to fulfill its corporate social responsibility (CSR) by assisting in the continuous development of society. By actively putting people first as we contribute to the economy, environment, and society, we strive to substantialize the values that we hold in common with society, such as the UN’s Sustainable Development Goals (SDGs).

CSR Management of the azbil Group

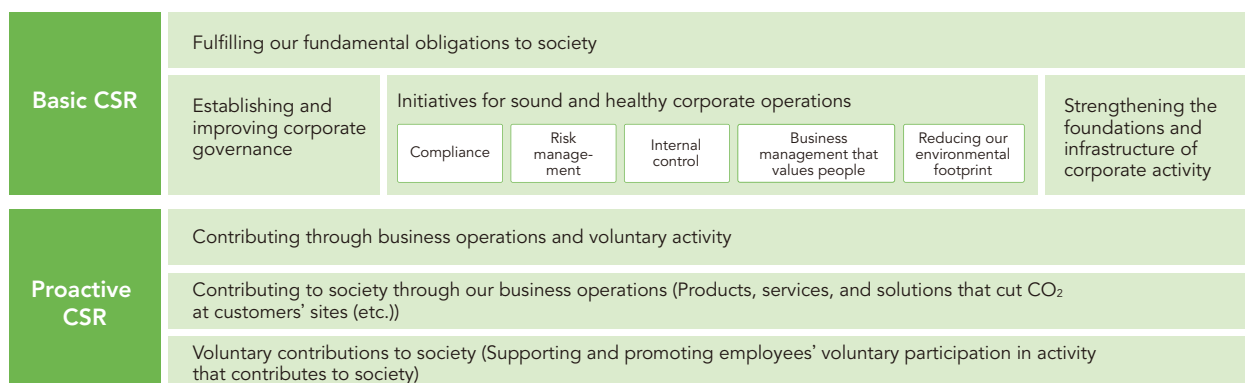
— Infrastructure to Support for Value Creation That Contributing “In Series” to a Sustainable Society

Approach to CSR Management

The azbil Group takes a broad view of the responsibilities that a company should fulfill toward stakeholders and society, and takes a twofold approach to CSR management across the entire Group, as explained in the diagram below. First, there is what we call “basic CSR,” which involves fulfilling the azbil Group’s fundamental obligations as a member of society. This includes thorough compliance with laws and regulations; risk management and preventative measures in such fields as disaster mitigation, information security, product quality, product liability, and accounting; strengthening of risk management measures and internal controls; and improvement of workplace

environments to ensure the welfare of the people who work in them. The azbil Group believes that there are no shortcuts to earning the trust of society, so our aim is to implement fair and honest management and to strengthen our corporate governance. The second approach is what we term “proactive CSR,” which consists of contributions to society through our business operations, as well as employees’ voluntary participation in activity that benefits society, as an outgrowth of the culture and atmosphere of the company. By managing the company on the basis of the Group philosophy, the azbil Group proactively contributes to the development of a sustainable society.

Two Core Management Strategies for Continuous Maximization of Corporate Value

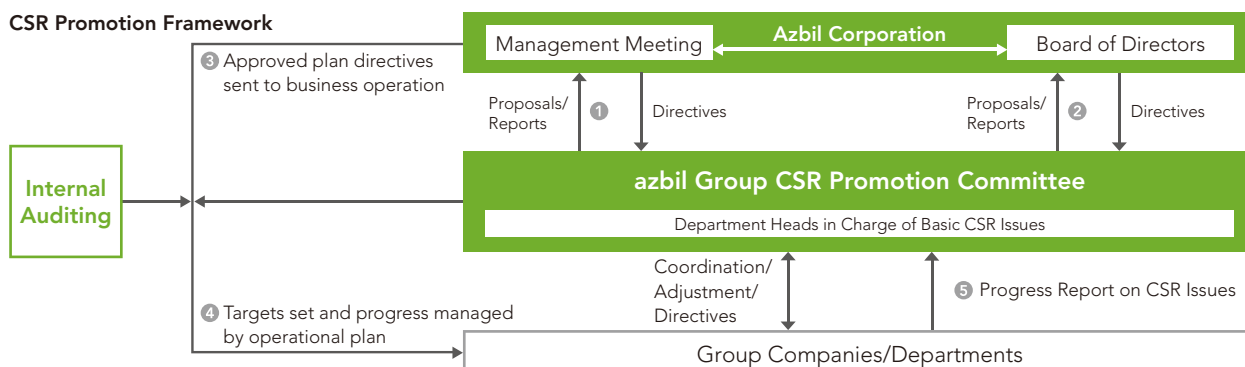


Framework for Promoting CSR

The azbil Group CSR Promotion Committee has been established to promote CSR activities across the entire azbil Group. The committee consists of officers in charge of CSR at each Group company and is led by the executive officer in charge of CSR at Azbil Corporation. In addition to formulating Group-wide action plans and monitoring progress, the committee provides guidance to subsidiaries. Subject to

the approval of Azbil Corporation’s Board of Directors, the committee formulates and implements plans, evaluates and analyzes the results, and reports to management, following a plan-do-check-act (PDCA) cycle. The CSR Promotion Committee, in cooperation with the SDGs Promotion Committee, promotes corporate activities that contribute “in series” to a sustainable society, including initiatives to achieve the Essential Goals of azbil Group for SDGs.

CSR Promotion Framework



Environmental Initiatives

In order to realize the goal of building a sustainable society, we actively contribute to protecting the Earth's environment based on the azbil Group philosophy, reducing the environmental impact of our own business activities, as we actively promote the reduction of CO₂ emissions at customer facilities through our business.

Please visit the link below for more information about our environmental initiatives.

<https://www.azbil.com/csr/basic/environment/index.html>

Overview of Environmental Initiatives



Conscious of global trends such as the adoption of the Sustainable Development Goals (SDGs) and the enactment of the Paris Agreement, we too are looking to identify environmental problems and have taken a long-term perspective to promote the implementation of environmental initiatives.

The azbil Group works to reduce the burden on the environment caused by our own business activities, and at the same time we utilize the technologies and know-how gleaned from those efforts. By harnessing measurement and control technology to help our customers to find solutions for their environmental challenges, we promote greater efforts to conserve the environment through our core businesses, thereby leading to the realization of sustainable society.

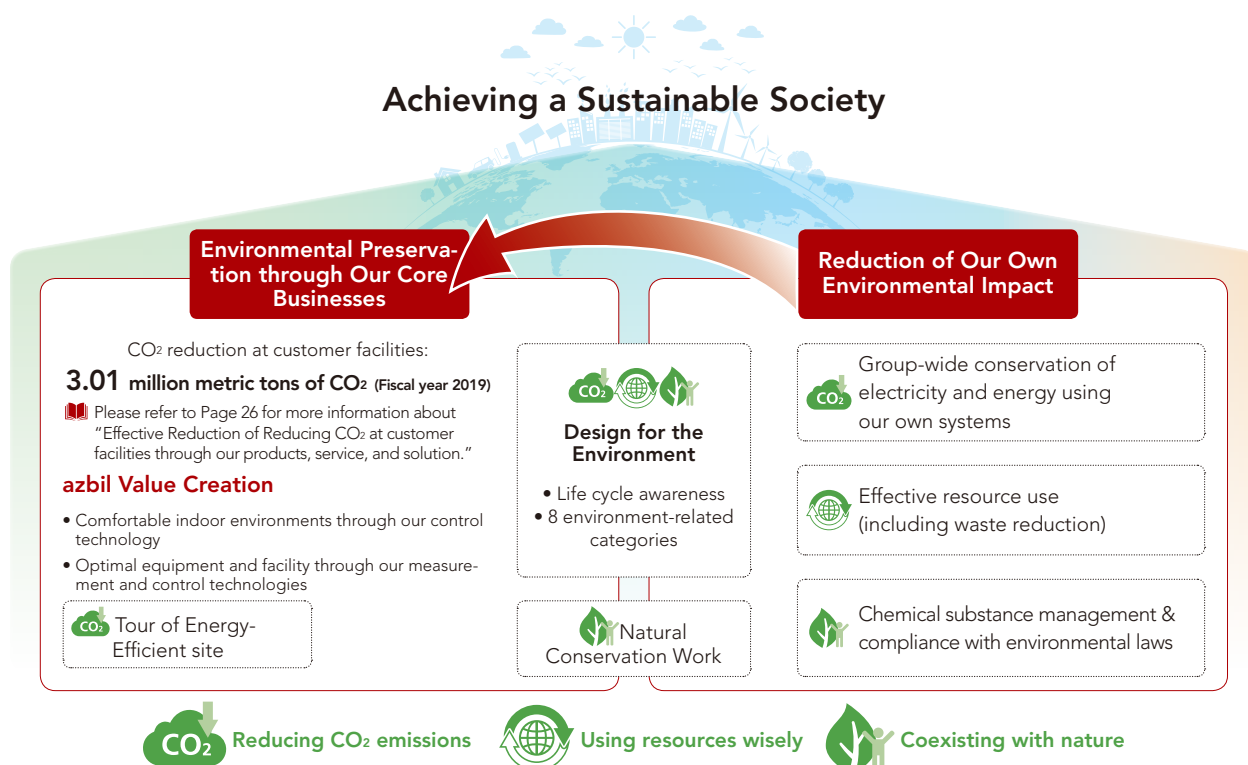
The azbil Group Environmental Committee is convened three times a year as a framework for promoting environmental policy under the eye of the Group's executive officer in charge of the environmental load innovation, and

the relevant offices at each Group company consider risks and opportunities while conducting planning, deliberation, and reviews.

In June 2020, the azbil Group announced its participation in the Japan Business Federation (Keidanren) Challenge Zero proposal aimed at promoting innovation that will contribute to achieve a decarbonized society.* The world has seen many changes in society with the spread of COVID-19, from new ways of living to new ways of working, so we are reviewing and examining how to respond to the changing conditions with measures to deal with energy consumption, solutions to society's problems through products and services, and implementation of environmental conservation activities.

* Visit Keidanren's Challenge Zero website for two examples of our efforts, our virtual power plant (VPP) business, which integrates and controls various energy resources using our automatic demand response system, and our effort to reduce global CO₂ emissions through the development and spread of our RENKEI control technology.

<https://www.challenge-zero.jp/en/>



Efforts to Reduce CO₂ Emissions from Our Business Operations and Throughout the Supply Chain

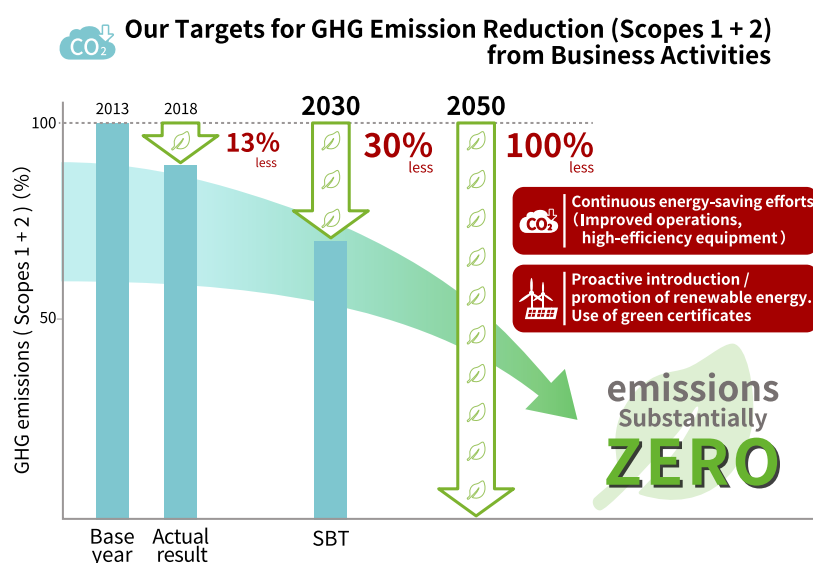


The 2050 Long-term Vision for Reducing Greenhouse Gas Emissions

The azbil Group has formulated a 2050 long-term vision for reducing greenhouse gas emissions, which lays out our goal to achieve substantially zero emissions by 2050 by reducing greenhouse gas (GHG) emissions (Scopes 1+2) within our own companies, and we are participating in the Keidanren proposal titled, "Actions by the

Business Community on Long-term Global Warming Countermeasures up to 2050."

In addition to promoting and bolstering energy-saving measures within the azbil Group, we are reviewing and implementing new measures that include increasing the ratio of our power taken from solar power and other renewable energy sources.



Setting greenhouse gas emission reduction targets for 2030

In order to reach our goal laid out in our 2050 long-term vision for reducing greenhouse gas emissions, we have set emission reduction targets (SBT- certified) for 2030 to reduce greenhouse gas emissions through our entire supply

chain, and concrete efforts have begun.

The reduction targets laid out in the panel on the left were certified as Science Based Targets (SBT) aimed at keeping global temperature rise under 2 degrees Celsius compared to pre-industrial revolution levels by the Science Based Targets initiative (SBTi)*³ in May 2019.

2030 Greenhouse Gas (GHG)*¹ Emission Reduction Targets

- 30% reduction in GHG emissions due to operational activities (Scopes 1+2)*² compared to 2013
- 20% reduction in GHG emissions throughout the entire supply chain (Scope 3)*² compared to 2017

*¹ Greenhouse gases is a generic term for atmospheric gases that increase the greenhouse effect by partially absorbing infrared light reflected from the Earth's surface.

*² Scope 1 refers to direct greenhouse gas emissions from owned or controlled sources (fuel combustion, industrial processes, etc.)
Scope 2 is indirect greenhouse gas emissions produced by the use of electricity, heat, or steam purchased from outside sources.
Scope 3 includes all indirect greenhouse gas emissions (not included in Scopes 1 or 2) that occur in the value chain of the company.

*³ The Science Based Targets initiative (SBTi) is an organization jointly established by the CDP (a coalition of institutional investors that promotes disclosure of information regarding corporate measures taken to address climate change), the World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and the UN Global Compact (UNGC), in order to achieve the greenhouse gas reduction targets delineated above.

Results of CO₂ Emission Reduction Efforts

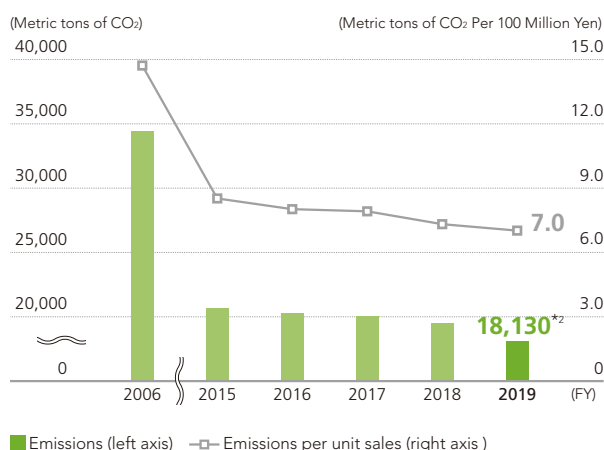
We are working to reduce CO₂ emissions throughout our entire supply chain in line with our 2050 long-term vision for reducing greenhouse gas emissions and our greenhouse gas emission reduction targets for 2030. In addition to evolving and fortifying our conventional energy-saving measures, we are also working on reducing CO₂ emissions through the use of renewable energy and environmentally conscious design for our own products. Our various climate change initiatives, including the efforts above, were given an A- evaluation in the CDP Climate Change 2019 report. Regarding changes in energy consumption due to changes in ways of working due to the spread of COVID-19, our understanding of the impact of these changes on our own company (Scopes 1+2) and total supply chain (Scope 3) is leading to new measures.

► CO₂ emissions from our own business activities (Scopes 1+2)

CO₂ emissions produced by azbil Group bases during our business operations in fiscal year 2019 (ended March 2020) were 18,000 metric tons, a 47% drop from 2006. We are actively introducing energy visualization systems into our operations that run continuously, harnessing many years of accumulated knowledge, and are working on improving both the operational and equipment-related aspects of our business. Through streamlining of the production and development processes and administrative streamlining by changing the ways we work, we are seeking to further reduce energy consumption, introducing renewable energy generation facilities, high-efficiency procurement of renewable energy, and utilization of Green Power Certificates.

CO₂ Emissions (Scope 1+2)*¹ and CO₂ Emissions per Unit Sales

(Azbil Corp., consolidated subsidiaries in Japan, and main manufacturing bases overseas)



*¹ Electric power CO₂ emissions factor is calculated using a constant value of 0.378 kg CO₂/kWh. Totals include values estimated for tenant office air conditioning energy use, etc.

*² We have received third-party verification of CO₂ emissions (Scopes 1+2) since fiscal year 2015.

Initiatives for reducing CO₂ emissions at Azbil Telstar

Sergi Escorihuela Ribas,
Global Industrial & Customer
Services Operations Manager



As part of efforts to reduce CO₂ emissions associated with our own business activities, we began procuring green power for our production plants in Spain starting in 2020. This will lead to a significant reduction in CO₂ emissions. In Spain, regional characteristics such as long sunlight hours are driving the relatively widespread use of green power, thus promoting procurement initiatives. We proactively introduce LED lighting to reduce power consumption. We are also reducing fuel consumption by changing our company cars to hybrid or electric vehicles. In addition, we will install new air conditioners that use refrigerants with low global warming potential. In these ways, we are working to meet our CO₂ emissions reduction targets from 2020 to 2023, which are within the CO₂ emissions reduction framework of the entire azbil Group.

As for reducing CO₂ emissions through our products, our Research and Development Department is spearheading the development of high-efficiency equipment that contributes to reduced energy consumption, the increase in the percentage of recyclable materials, and the use of refrigerants with low global warming potential as much as possible.

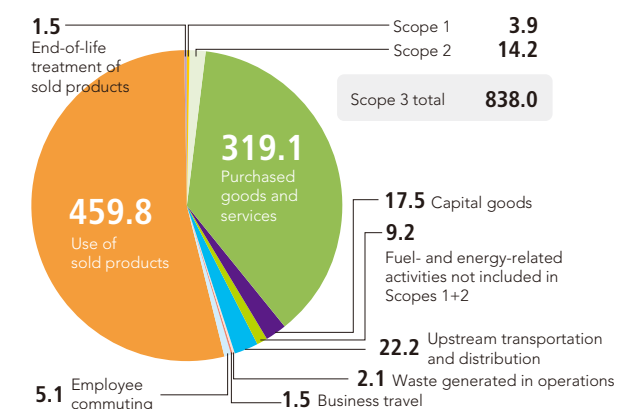
We at Azbil Telstar are fully committed to reducing the environmental impact of our business activities. All employees are working in unison to promote environmental initiatives, as well as to provide customers and society with environmentally friendly products.

► CO₂ emissions for the entire supply chain (Scope 3)

Total CO₂ emissions for the entire supply chain in fiscal year 2019 amounted to 838,000 metric tons. More than 90% of those CO₂ emissions came from the use of products sold and purchased goods and services, so we are focusing on environmentally conscious design aimed at conserving energy and reducing resource use.

CO₂ Emissions (Scopes 1+2+3)* in FY 2019

(Thousand Metric Tons of CO₂)



Range of Calculations

Scopes 1+2: Azbil Corporation, consolidated subsidiaries in Japan, and main manufacturing bases overseas

Scope 3: Azbil Corporation and consolidated subsidiaries

*Third-party verification has been obtained for CO₂ emissions (Scopes 1+2+3)

Initiatives to Implement Environmentally Conscious Design in Products and Services



Environmentally conscious design aims

In order to reduce the environmental impact of products and services throughout the life cycle, the entire azbil Group is working on implementing environmentally conscious design.



Reducing CO₂ emissions

Setting targets for reducing LC-CO₂*¹ throughout the supply chain for all new products



Using resources wisely

Devising and stepping up the use of indexes so numerical targets can be set for reducing resource consumption & increasing resource recycling



Coexisting with nature

Ensuring compliance with chemical substance regulations for products both in Japan and abroad

Environmental assessment and azbil Group Environment Labels

At the product development stage for all new products, we conduct environmental design assessments*² in eight environmental categories, and carry out life-cycle assessments to gain a comprehensive evaluation of the entire life cycle of the product. When an evaluation meets the in-house standards, the product obtains the azbil Group Environmental Label*³ as an environmentally friendly product. Products receiving particularly high evaluations are presented with the azbil Group Environmentally Conscious Design Award.

Environmentally conscious design results for fiscal year 2019 (ended March 2020) saw the overall*⁴ environmental design assessment improve by 20.6%. In addition,

almost 90% of new products have reached azbil Group Environmental Label certification standards. We are also reviewing initiatives to implement environmentally conscious design in finding solutions to difficulties arising from the spread of COVID-19.

*¹ CO₂ emissions throughout the product's life cycle

*² Our own four-step scoring method that results in a comparative evaluation in eight environmental categories relative to equivalent conventional products

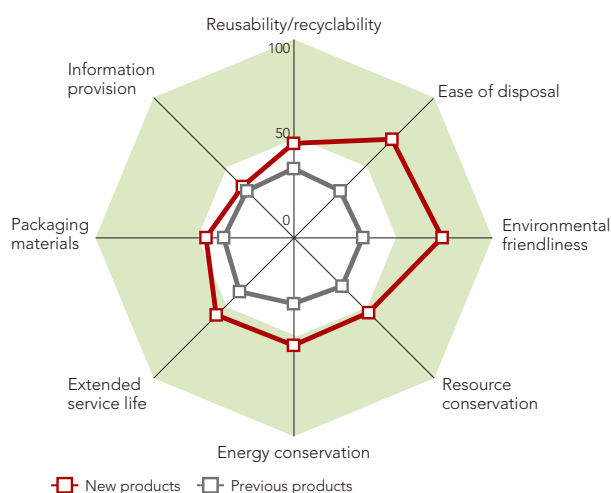
*³ Display of self-declared Type II Environmental Label

*⁴ Sum total of each environmental design assessment



azbil Group
Environmental
Label

Environmental Design Assessment Results (fiscal year 2019)



Example of environmentally conscious design product

Dual Valve TX

Significantly reduced power consumption using a specially designed solenoid



Overall improvement: 33.6%

Energy conservation: up 33.3%
Resource conservation: up 41.4%

LC-CO₂/year: down 51.7%

Mechanical press for clutch/brake control
3-way solenoid Dual Valve TX

Azbil TA's dual valve has undergone a major evolution. The new Dual Valve TX was developed to offer world-class performance and environmentally friendly manufacturing. The newly designed pilot

valve shortens response time, and its unprecedented flow path design produces high-velocity exhaust and low residual pressure during failures. The Dual Valve TX offers even higher performance than before and provides, now more than ever, the reliable stopping ability required for safe press machinery.

In terms of environmentally conscious design, we have reduced weight by 22% by actively utilizing molded plastic and die-cast aluminum in the product, and specially designed solenoids reduce power consumption by as much as 50%.

Since its launch in 1979, our Dual Valve TX has been exported worldwide by Asian press machinery manufacturers. The new Dual Valve TX will contribute to improving customer safety and the global environment with world-leading quality.

Biodiversity Initiatives



We are a promotional partner in the Japan Business Federation's Declaration of Biodiversity by Keidanren and support its revised action policies. Based on our Group philosophy's concept of human-centered automation, we are using the SDGs as guideposts for achieving a sustainable society and are expanding our environment-integrated management policies around the world.

Specific Initiatives

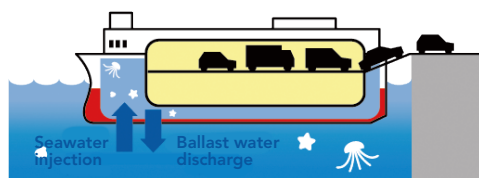
We continue to promote biodiversity conservation through our operations, and work with our partners to promote initiatives throughout the supply chain as a part of our concrete efforts to help build a society that exists in harmony with nature. We are also fortifying our efforts aimed at preserving the natural environment by collaborating with various organizations working on similar efforts around the world.

► Solving Environmental Problems through Our Operations

An example of our work to conserve biodiversity:

Preserving ocean ecosystems

The Ballast Water Management Convention* requires large ships to carry ballast water treatment equipment, and we provide solutions for such equipment using the knowledge and know-how we have gained in the maritime shipping business, providing products that meet ship certification standards.



Ballast Water Use

* Ballast water is seawater stored in the bottom of large ships to stabilize them when empty of cargo. Ballast water can contain marine life such as plankton and fragments of seaweed that can be ejected with ballast water discharge, leading to the theory that ballast water is one of the causes of exotic species migration.

► Developing Biodiversity Conservation Initiatives for Partners

Promoting efforts throughout the supply chain

We distribute to our partners requests related to our initiatives to conserve biodiversity, alongside documents that explain our thinking on biodiversity conservation, the relationship between business activities and biodiversity, concrete examples of efforts taken, and more.

► Preserving the Natural Environment

Collaborating with relevant organizations around the world to take advantage of regional characteristics

We collaborate and cooperate with NPOs, universities, local governments, and other organizations in the familiar communities that are home to azbil Group bases such as Fujisawa in Kanagawa Prefecture and Minamiaizu in Fukushima Prefecture, and we work on natural environment conservation activities at corporate offices such as those of Azbil Kyoto Co., Ltd. A total of 90 employees and their family members participated in five events held at three locations in fiscal year 2019. We are currently reviewing what activities we will implement in response to the spread of COVID-19, including complementary measures based on conventional eco-activities.



Working in a forest in Fujisawa

Addressing Water Risks



The various azbil Group bases used 127 million liters of water in fiscal year 2019, a reduction of 7% over the previous year. We are continuing our efforts in consideration of operational continuity and are conducting risk assessments

using the Aqueduct platform from the World Resources Institute (WRI). The CDP Water 2019 report gave azbil a B- evaluation.

Status of Compliance with Environmental Legal Regulations



In fiscal year 2019, the azbil Group continued its success in violating no important environmental laws, and was the target of no fines, fees, or lawsuits.

CSR Procurement


The azbil Group is working with our business partners to implement purchasing policies throughout the supply chain that are in line with Corporate Social Responsibility (CSR) goals.

Basic Procurement Policies of the azbil Group

Based on the Group philosophy and the azbil Group Guiding Principles, the azbil Group understands and complies with laws and regulations, with due consideration given to human rights and the environment, in order to conduct honest and fair purchasing in Japan and overseas. We help our partners understand the azbil Group Basic Procurement Policies and implement purchasing operations throughout the supply chain in line with our efforts to fulfill our CSR. Our policy covers:

1. The public nature of the company and the fulfillment of our societal responsibilities
2. Compliance with fair commerce
3. Social conduct that respects people
4. Promotion of environmental conservation

Please visit the link below for more information.

 <https://www.azbil.com/corporate/procurement/policy/index.html>

Promoting CSR Procurement with Our Partners

By encouraging and working with our business partners, we engage in CSR-friendly procurement activities throughout the supply chain and contribute to the creation of a sustainable society.

In specific terms, we are working to ensure thorough awareness of our CSR procurement policies by sending our long-term partners and partners from whom we make high-value purchases a document on basic purchasing policy. In addition, we have established provisions for environmental conservation activities and other measures in our basic partner contracts.

When starting a relationship with new partners, we conduct a strict examination of whether or not a working relationship is possible by conducting audits of partner management, financial evaluation, quality, and product chemical substance management systems, and by having them fill out an environmental conservation questionnaire.*1 If the results show that the company does not meet a certain standard, but that improvement is possible, we encourage them to correct the problems in order to be able to conduct fair and proper procurement.

We conduct on-site surveys of our business partners, and when conditions are met, we certify them as cooperating companies. We conduct annual surveys of environmental conservation and societal aspects at cooperating companies, and information security field audits and safety audits are conducted every other year. We recommend corrective actions to partners when required and check that corrections have been implemented.

In addition, cooperating companies are provided technical training on basic air conditioning, adjustment techniques, etc., and we implement awareness-raising and

educational activities on safety patrol reports and other safety-related matters. By so doing, we aim to improve partner productivity and profitability, and by extension, rectify any safety or health issues for employees at partner companies.

As declared in the third point of our Basic Procurement Policy, regarding social conduct that respects people, we ask our partners to avoid any behavior that violates human rights, such as inhumane treatment or illegal employment, including child labor, human trafficking, and forced labor.

Last fiscal year, we recommended that companies without "36 Agreement"*2 or labor regulations, implement such agreements in order to eliminate risks due to long working hours and overwork, and the majority have completed a 36 Agreement, and established working rules.

*1 Survey on management philosophy and policies on the environment, acquisition of ISO 14001 certification, employee training, and construction of an environmental management system.

*2 A labor-management agreement required when a company orders overtime work that exceeds the legal working hour limits (8 hours/day, 40 hours/week).



A lecture for one of azbil's cooperating companies

Supply Chain Response and Risk Management during the Spread of COVID-19

The azbil Group is also working on risk management as part of its CSR efforts.

The damage done by the spread of COVID-19 in 2020 has extended as far as material and parts procurement within the supply chain. Because our supply chain spans the world, international procurement has been particularly affected by national restrictions on social and economic activities in different countries.

When we share information with affiliated domestic production companies in Japan and with partners we deal with directly, we include information gathered from secondary and tertiary partners and partners at our production hubs overseas. We work hard to coordinate with affiliated azbil Group production companies and gain a thorough understanding of conditions everywhere and measures implemented to respond to them, which has enabled us to provide a stable supply of azbil products to our customers.

Although the impact of the current COVID-19 pandemic has been beyond the scope of expectation, we have

reviewed our business continuity plans dealing with impact on production-related facilities and are responding with measures that take into account the situations faced by our partners. We will use this experience to build an even stronger risk management system.

Reforming Work Methods in Partner Operations

We are working not only within the Group but also alongside our partners to implement new ways of working in the azbil Group. We share our ideas and initiatives with our partners, and promote changes based on the Group philosophy of achieving human-centered automation to bring people safety, comfort, and fulfillment and to help restore the Earth's environment. In so doing, we aim to be more productive and more creative than ever before, meeting our customer's expectations and contributing to society.

Promoting Green Procurement

At the azbil Group, in order to provide environmentally friendly products and services to customers, when we procure product materials, parts, and other materials and services, we promote our Green Procurement policy, which prioritizes the selection of environmentally-friendly products that combat global warming and climate

change, and we promote resource recycling and biodiversity conservation. In addition, we also ask our business partners to take measures to reduce their environmental load through implementation of environmental management standards and other efforts. We assess "green" procurement by asking all partners to submit a Green Procurement Evaluation, which covers their efforts towards environmental conservation and their results, and by conducting environmental activity evaluations once every three years. Partners given low marks in the three-rank assessment are asked to acquire official certifications and to implement environmental conservation efforts. We then check the progress of their efforts.

Please visit the link below for more information about CSR Procurement efforts.

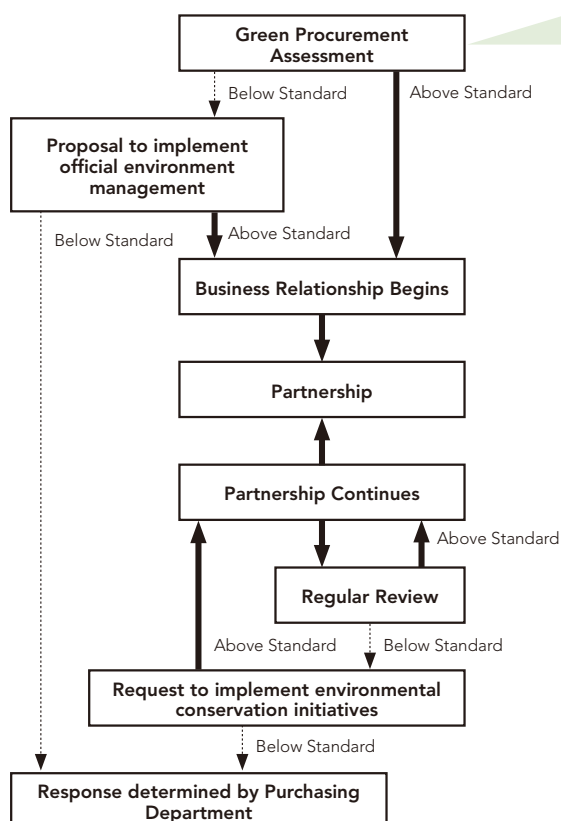
Management of chemical substances in products

<https://www.azbil.com/corporate/procurement/green/hazardous-substances.html>

Policy on conflict minerals

<https://www.azbil.com/corporate/procurement/conflict-minerals/>

Summary of supplier procedures



Main Items in the azbil Group Green Procurement Assessment

■ Status of Efforts Aimed at ISO 14001 and Other Certifications

1) Acquisition of ISO 14001 certification

■ Status of Efforts Aimed at ISO 14001 and Other Certifications

- 2) Environmental philosophy and policies
- 3) Organization/system
- 4) Environmental law management/compliance
- 5) Resources and energy
- 6) Waste treatment
- 7) Environment education and awareness

■ Product Environmental Initiatives

- 8) Resource and energy conservation
- 9) Compliance with chemical substance management requirements
- 10) Resource conservation for product packaging
- 11) Chemical substances in product packaging management/compliance

Please visit the link below for more information.

https://www.azbil.com/corporate/procurement/green/pdf/green_procurement_evaluation_e.pdf

Quality Assurance and Safety of Products and Services

The azbil Group delivers safe and dependable products and services of assured quality to customers globally.

To safeguard the quality, safety, and dependability of our products and services, we established and operate a quality assurance system and work constantly to enhance the quality of our products. Through these activities, we ensure that customers can use the azbil Group's products safely and with a sense of security.

1. The azbil Group's Quality Assurance and Safety System

Two corporate functions of the azbil Group (quality assurance and safety inspection) are utilized to offer guidance, supervision, and auditing of our products and service quality and safety throughout the Group as a whole. We also ensure product safety and security through safety inspections.

2. Quality Assurance and Safety of Group Companies and Business Lines

By establishing a quality assurance system that is directly linked to our business requirements, we are able to guarantee the quality and safety of the products and services we provide.

The Quality of Our Products and Services

The azbil Group Quality Assurance Department, which is independent of the business departments, supervises and monitors the quality improvement activity of the Group as a whole. At the same time, through the azbil Group Quality Assurance Committee, we work to prevent the occurrence or recurrence of quality problems and to establish a crisis management system.

► Prevention of Problems and Recurrence

Incorporating quality is a key point in the process of developing products and providing services. To this end, we check the status of quality targets achieved by each Group

company in each of its businesses. To improve quality, we use "near miss" incidents and other case studies to prevent problems from occurring and to provide guidance on avoiding recurrence. We distribute information on mutually relevant quality improvement matters to all Group companies and businesses as a preventive measure.

► Quality-related Crisis Management

In addition to promoting efforts to prevent quality problems and avoid recurrence, we are building a reporting and response system to anticipate the occurrence of emergencies and accidents, and we are training personnel to ensure the system's effectiveness.

Safety and Dependability of Our Products and Services

To make sure that customers can use our products safely and with a sense of security, our Safe Design Standards document promotes safe designs, and our Risk Assessment and Authorization System supports our product safety efforts.

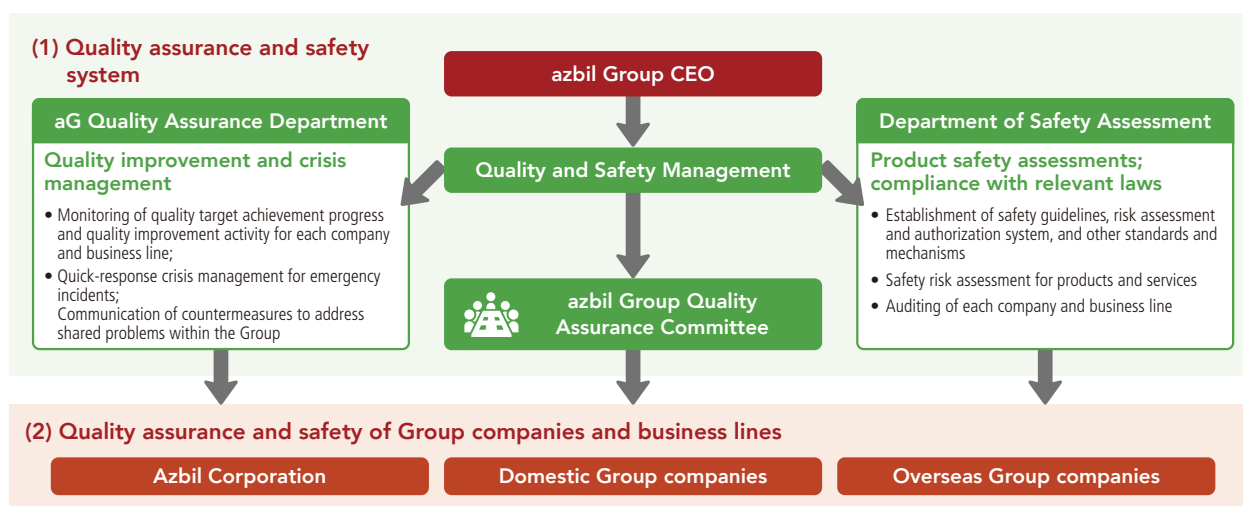
► Safe Design Standards

We have established a set of safety standards to guarantee user safety for the products we deliver to customers, and we are working on risk assessment and risk reduction in the course of product development.

► Safety Assessment

The development and service departments of each business segment conduct product risk assessments. Moreover, the Department of Safety Assessment, which is independent of the business departments, conducts product safety assessments and audits to ensure product safety.

azbil Group Quality Assurance and Safety Efforts



Quality Assurance and Safety of Our Products and Services

In each of the azbil Group companies and business lines, we have established a quality assurance system for legal compliance, quality assurance, and safety assurance, in order to safeguard the quality and safety of the products and services we provide.

1. Design Quality

The quality and safety of our products, which we guarantee as a manufacturer, have their origins already at the product development stage. In addition to incorporating reliability and safety in the product development process, our process design and equipment design procedures prevent the manufacture of products that do not meet our quality and safety standards. Moreover, knowledge obtained during development and design is entered into our design knowledge database and used for new product development.

2. Production Quality

At production sites, we have standard procedures in place for each product, aimed at ensuring that nonconforming parts are not put on the manufacturing line, nonconforming products are not made, and if made they do not enter the marketplace. To this end, we practice continuous quality management and 4M* change management, as do our subcontractors and suppliers, and we implement rigorous quality improvement and daily management efforts at production sites. We have also established process implementation guidelines to ensure correct measurements

using carefully controlled measuring instruments so that inspections are performed properly.

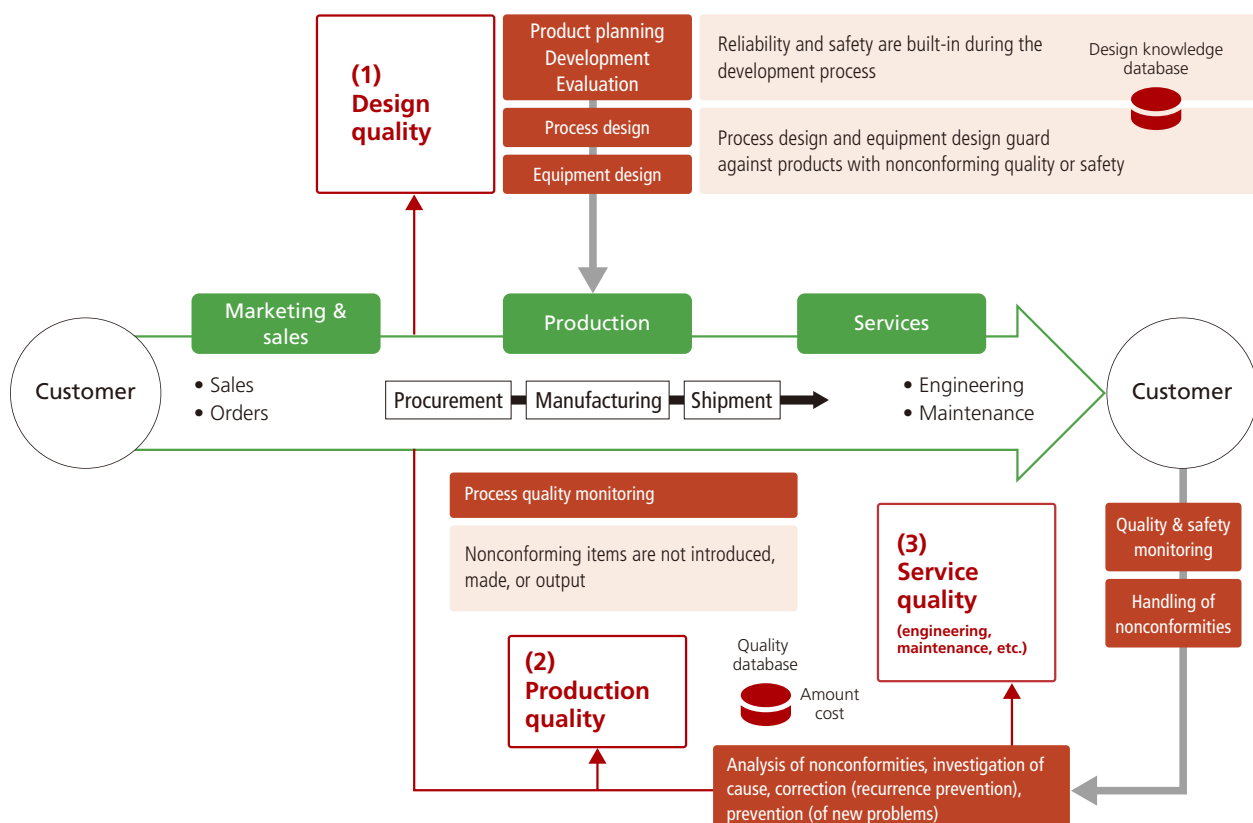
* Man, machine, material, and method

3. Service Quality (Engineering and Other Services)

For engineering and other services, we have established operational standards and quality control systems similar to those for our products, so that nonconforming elements are not introduced or output. At construction sites, for example, when selecting construction materials and designing work processes, we take appropriate measures and conduct internal inspections at appropriate junctures. At the operation stage after a building's completion, we provide maintenance services to ensure comfortable working spaces for building users and also to save energy and ensure safety. In addition, our remote monitoring center monitors our customers' facilities 24 hours a day, 365 days a year, to prevent problems from occurring. We also have a training center that provides regular education and training for engineers so that the aforementioned services are delivered properly.

Our management and business operations are run in a way that links them "in series" to the Sustainable Development Goals and to our efforts toward the achievement of a sustainable society, so even when faced with concerns about COVID-19, we are able to promote greater quality, safety, and security of products and services through the implementation of new ways of working and other initiatives.

Built-in Quality and Safety – From design and production to engineering, conservation and maintenance



Human Resource Initiatives

Our health and well-being management revolves around working style reform and diversity. With these, together with personnel training, the azbil Group is aiming to recreate itself as a place where all employees are able to fully demonstrate their abilities, encouraged by people-focused management.

Health and Well-being Management

People-Focused Management

The azbil Group strives to ensure that our employees are healthy and actively engaged in their work through our efforts to improve the working environment through work style reform—reducing total working hours and preventing harassment, respecting the individuality of all employees, and promoting diversity that makes full use of staff individuality. We call our overall approach “health and well-being management,” and we use it to promote people-focused corporate management. In July 2019, we publicized the azbil Group Health and Well-being Declaration.

Personnel System Reform

We revised our personnel system in fiscal year 2018 to enhance our efforts for work style reform and promoting diversity. Taking inspiration from our Group philosophy, we adopted the “human-centered” idea as the basis for our revised personnel system and established three common concepts by which to rebuild a unified personnel system and training framework that applies to all employees.

Those concepts are: continuous personnel training, maximized demonstration of employee abilities, and enhancing employee lives and retaining personnel.

We are implementing a set of systems to open open positions earlier for younger individuals, to help rehired senior employees flourish, and to evaluate expertise as professionals, and we are revising it to promote personnel

achievements and to help employees gain a better work-life balance.

By increasing awareness and application of the new personnel system, we can implement health and well-being management through our efforts to be a company that never stops learning, and that helps employees flourish and improve their work-life balance.

Work Style Reform

Fiscal year 2016 was our first year of work style reform, and we introduced three Group-wide initiatives: reducing the total working hours of employees; promoting mentally and physically healthy living; and creating a harassment-free workplace.

► Reducing Total Working Hours of Employees

Through our three-year plan starting in fiscal year 2016, we worked to reduce the total working hours of every employee and implement proper time management through such efforts as designating time management levels for each workplace.

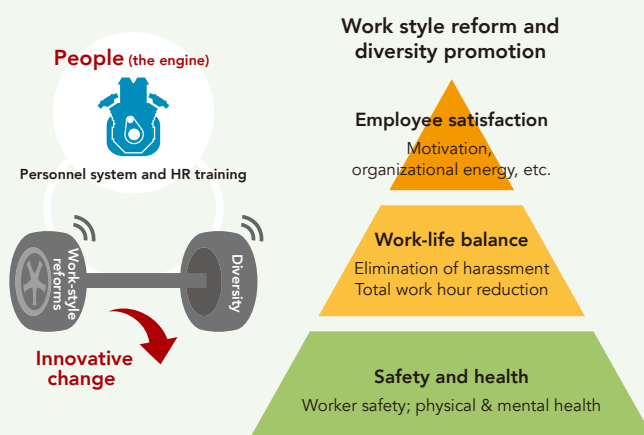
We established our Working Style Reform Headquarters led by the company president, with the goal of ensuring that no employee's monthly overtime ever exceeds 45 hours per month. This effort is spearheaded by management in each business division and department heads in view of improving productivity, balancing manpower, and upgrading personnel system. We have implemented a

The azbil Group Health and Well-being Declaration

The azbil Group works to create healthy, happy, and vibrant workplaces and people, and we recognize that the health of all our employees is an important part of our corporate operational foundation. We believe that we can improve productivity, performance, innovation, and contributions to society by ensuring that all the people who work in our companies can work in a healthy, safe, comfortable, vibrant environment that encourages individual expression, where they can demonstrate their various abilities, and have fulfilling public and private lives. We declare our intention that companies and employees proactively work together to create a comfortable work environment, to enhance the mental and physical health of employees, and to make workplaces and employees healthy, happy, and lively.

July 2019

Health and Well-being Management Overview



wide range of initiatives aimed at overall improvements. We conducted a review of our working system to improve back office functionality at facility sites, improve various systems to improve administrative efficiency, introduce new tools and enable flexible working conditions tailored to customer and site hours, offer support to busy departments and help with staff reinforcement. This allowed us to successfully reduce the number of employees exceeding 45 hours of overtime a month in fiscal year 2019 by 90% over 2016.

In order to make reduced overtime and enhanced work-life balance a part of the corporate culture, Wednesdays and Fridays have been designated "leisure-making days" when employees leave their workplaces at the designated quitting time, and we have established paid vacation incentive days. We also give awards for workplace administrative efficiency improvements, where employees can nominate themselves or others. In addition, we send out Group-wide messages, conduct surveys, and conduct individual follow-up through the Human Resources Department to prevent incorrect overtime reports, and we have a system in place to encourage proper reporting of working hours by logging entry and exit times at all worksites, as well as the amount of time employee computers are turned on.

► Promoting Mentally and Physically Healthy Living

(1) Employee health management

As our Health and Well-being Declaration states, we believe that the health of all our employees is an important part of our corporate operational foundation, and our general industrial physician works with industrial physicians at each operational base, with workplace management, and with our Human Resources Department to promote physical and mental health programs.

In our physical health program, we work with the azbil Group's Health Insurance Union to promote better health among our employees by analyzing data on exercise, diet, smoking status, health checkups, workplace environment surveys, and more to clarify issues that need to be addressed. With regards to lifestyle-related disease prevention, to combat conditions such as hypertension and hyperglycemia, employees who exceed certain levels are actively encouraged to go for treatment through automatically assigned work restrictions. We are also developing seminars and improvement programs to help employees learn what lifestyle habits need revision. We are working to combat cancer primarily by raising the number of employees who have gynecological exams. In addition, we have systems in place to help employees to have peace of mind when affected by an illness. This includes allowing them to work as they are being treated and supporting their return

to the workplace.

In our mental health program, we work hard to detect and prevent mental illness among employees at an early stage through continued training of supervisors to ensure they are aware of any changes among their subordinates as early as possible, and by conducting stress checks, after which employees who have high indicators for stress are contacting by an industrial physician for one-on-one care. As part of our effort to prevent recurrences, we require that reinstatement planning meetings be held before any return to work after leave has been taken, we review the timing of the return and check how work progresses afterward, and we continue to follow up on employee health afterwards.

In order to respond to cases that may be difficult to treat within the corporate structure, we have strengthened our ability to help those dealing with mental illness by utilizing the Employee Assistance Program (EAP), which can be used as an external mental health consultation service for both employees and supervisors. It provides careful support for employees on mental health leave.

These efforts have been well-received outside the company as well, and since 2018, we have been included on the Health and Productivity White 500 list for three years running.

(2) Occupational safety management

Improving azbil Group Health and Safety Standards

The azbil Group's goal of achieving zero occupational accidents is based in our Basic Health and Safety Policy, and we continue to work to improve the health and safety standards in each Group company through the use of the occupational health and safety management system, health and safety education, hazard prediction training, safety drills, and more.

Occupational Health and Safety Management System

We switched our occupational health and safety management system standard from OHSAS to ISO 45001 in fiscal year 2019. By acquiring ISO certification, we have created a work environment with high health and safety awareness, and we are implementing continuous health and safety standard improvements using the Plan, Do, Check and Act (PDCA) cycle.

Percentage of workplaces certified as ISO 45001 (Occupational Health and Safety): 39% in fiscal year 2019

Number of ISO 45001 certified workplaces

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019
Number of workplaces	5	23	27	37	43	44	44	43*

* Amalgamation of production sites in June 2019 led to a decrease in certified workplaces.

Promoting Health and Safety Education

A unique range of courses are offered throughout the azbil Group, including naturally legal education, in addition to courses on how to conduct effective safety patrols and emergency drills. In addition, we always offer health and safety education through e-learning. The e-learning completion rate for Azbil Corporation alone in fiscal year 2019 (ended March 2020) was 87.6%.

In order to prevent occupational accidents, we are working to improve health and safety standards by giving all workers, including temporary staff, the opportunity to take part in e-learning courses.

► Creating Harassment-Free Workplaces

An annual compliance awareness survey is conducted among all employees, as are employee satisfaction surveys and stress checks. The results are all analyzed and evaluated, and countermeasures are taken by workplace management and Human Resources Department to help improve the working environment.

Based on the results of these surveys, we have implemented management education programs to reduce the risk of harassment. During company-wide CSR training conducted in fiscal year, we drew attention to the issues of power harassment, sexual harassment, and second harassment after filing harassment complaints, and reminded attendees of the CSR Hotline, which can be contacted from the workplace or outside of it if an employee experiences harassment. With an understanding of the various labor laws revised to combat harassment, we are conducting various harassment prevention training related to sexual and gender identities in fiscal year 2020.

Diversity Promotion

We work to promote a diverse workforce that capitalizes on employee individuality, based on our human-centered Group philosophy and our Code of Conduct, which respects basic human rights and does not discriminate against people for any reason, whether race, nationality, gender, sexuality, religion, creed, birth, age, or physique.

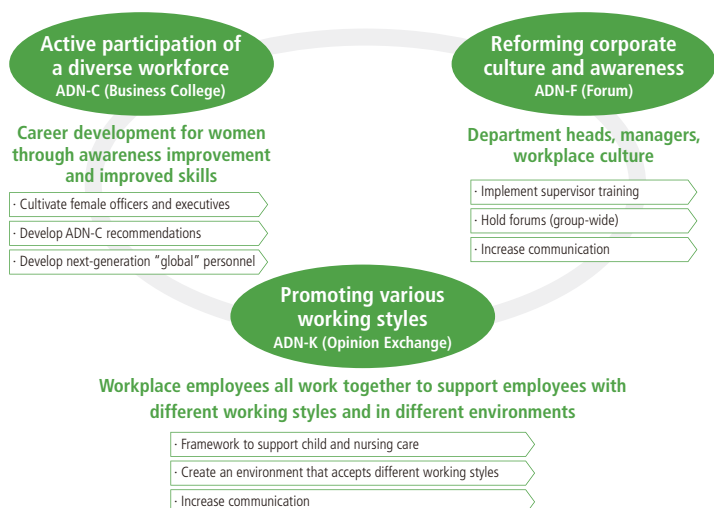
We believe that corporate growth is driven by respecting the individuality of each person, harnessing their uniqueness, and by working vigorously to improve results. In fiscal year 2017 we launched our diversity promotion task force, calling it the Azbil Diversity Network (ADN). The ADN is steadily working toward three goals: reforming corporate culture and awareness, helping a diverse workforce to flourish, and promoting a variety of ways of working.

(1) Initiatives to promote the success of women

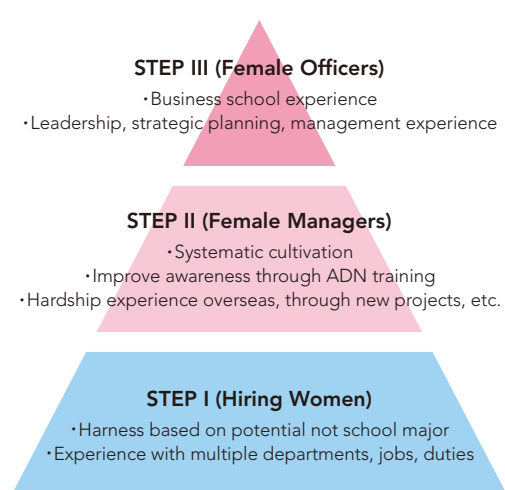
We aim to create a workplace in which women are long-term employees, play more important roles, and assume positions of responsibility. To increase the ratio of female employees and increase the number in positions of authority, we are providing opportunities for women to play more active roles in the Group, including efforts to make female employees and their supervisors aware of opportunities through the ADN. Our goal is to double the number of women in managerial positions as compared with the total of 35 in fiscal year 2014 by fiscal year 2021.

We received the Eruboshi certification's highest mark of three stars in October 2018 from the Minister of Health, Labour and Welfare, as a leading company in promoting the active participation of women in the workplace.

Azbil Diversity Network (ADN) Measures



Promoting the Success of Women



(2) Promoting disability inclusion

We are continuously working to create employment opportunities for individuals with disabilities, and employees with disabilities are already active in engineering, manufacturing, administration, and various other fields.

Azbil Yamatake Friendly Co., Ltd., is a special azbil Group subsidiary that employs individuals with learning disabilities, and it celebrated its 20th anniversary in 2018. Employees are in charge of a wide range of tasks such as organizing offices, cleaning, auxiliary work and precision processing on production lines, supporting experimental data entry, and preparing azbil Group public relations magazines and invoices for delivery; and the range of work is always expanding in variety and number. In fiscal year 2019, 33 employees were in charge of these various tasks, all matched to the job that best harnessed their unique abilities. Our goal is to help build a society in which people with disabilities can play an active role, and we are actively working to increase job opportunities for Azbil Yamatake Friendly employees by featuring them in posters and other materials hung in our company offices.

We will continue to promote the employment of individuals with disabilities and help build a good working environment by offering job opportunities and a place for people to achieve self-growth through work.

Number of employees with disabilities, ratio of employees with disabilities to total workforce

(Azbil Corporation and its major consolidated subsidiaries in Japan)

Fiscal Year	2015	2016	2017	2018	2019
Employees	164	167	169	172	169
Employment Ratio (%)	2.18	2.26	2.29	2.35	2.32

(3) Helping older employees flourish

Under our new personnel system, it is important for our employees over the age of 60 to remain healthy and motivated, and we believe it is important to offer older employees positions and roles that allow them to use their collected know-how and experience, and to demonstrate their abilities to the maximum extent.

When employees reach 55 years of age, we consider it the start of the second stage of their careers, and we have established a framework by which employees who are re-employed after official retirement can smoothly transition into this next career stage. We have introduced a bonus system and other remuneration for employees who continue to be active, to demonstrate their skills, and achieve good results.

(4) Hiring people from different cultures and internal globalization

We actively hire new personnel from within Japan and from overseas, including people of various nationalities and graduates of universities in other countries. By means of a diverse workforce, we are able to create new value and

promote the “globalization” of personnel.

From application to hiring, we respect basic human rights and conduct recruitment activities in compliance with the laws and regulations of each country.

(5) Expanding the diversity of working styles to respond to major life events

We have expanded our support system so employees can balance work with childcare or family care, and can handle the occurrence of various other major life events. We aim to ensure that all employees, regardless of age or gender, can continue to have a comfortable working environment. Since fiscal year 2019, we have been actively supporting employees on childcare leave with monetary gifts and other congratulatory gifts.

We are developing and expanding the following systems to improve work-life balance.

- Accompaniment leave for spouses of employees on overseas transfer
- Leave system for those engaged in self-study
- Expansion of hourly paid leave
- Improvement of the club system

Preventative Response to the Spread of COVID-19

In order to help prevent the spread of COVID-19, we view operational continuity and employee safety to be of the upmost priority, and we have been able to respond by expanding the flexible work system and telecommuting option from what was once a limited number of employees to include almost all employees. In addition, during periods of government-declared emergency, we distribute masks and provide employee lodging to prevent potential transmission to other family members for those in jobs for which telecommuting is difficult, such as engineering services provided to medical facilities or to maintain societal infrastructure, factory manufacturing, etc. In this way, we have managed to continue our business operations and respond to customer needs, all while ensuring safety.

After emergency restrictions were lifted, we adopted a “new working style” that focus on telecommuting and staggered working hours. Through online meetings, supervisors and subordinates can share work progress and status of health, and meetings can be held with other departments, company sites, and customers, and they can be used for business negotiations. Telecommuting is improving and we are working ever harder to increase productivity. While this new method of working is in progress, we regularly survey all employees to make sure no one is suffering from communication or health problems, and in addition to offering access to both internal and external counselling services, we are analyzing and using the results of the surveys to further improve productivity, which will itself lead to even greater working style reform.

Personnel Development

Azbil Academy

In order to flexibly respond to changes in the business environment, the Azbil Academy, a specialized personnel training institution, plays a central role in cultivating personnel around the world who promote operational reforms through creation of new business and new ways of working.

Personnel Development for Business Activities That Contributes “In Series” to a Sustainable Society

As a company that never stops learning, we aim to contribute by solving problems in way that will achieve a sustainable society by our business activities that contribute “in series” to those goals, and at the same time, we work to cultivate the personnel who will make our own sustainable growth possible. That is why all Group companies promote a sense of speed within their own independently implemented training programs, and work to develop common skills that can be deployed throughout the Group, thereby strengthening our essential corporate structure.

Cultivating “Global” Personnel

Group companies in Japan and overseas are working together to promote the cultivation of leaders in international business. We have developed programs tailored to different job levels, including (1) training for managers and other leaders in various languages, (2) global training in English (to train executives in each countries), and (3) business school (attended by CEOs and CFOs in each countries).

In fiscal year 2019, we planned a joint manager training program for overseas subsidiaries in the Philippines and Malaysia, and we plan to implement it in this fiscal year.

In addition, we have run global training programs conducted in English for both Japanese and non-Japanese employees; and to improve the skills of young employees, we are planning implementation for employees at overseas subsidiaries and for Japanese employees using in-house instructors. The inaugural program for employees in Thailand has begun.

► Internships

Azbil Corporation has accepted more than 100 student interns from overseas since 1996.

The student interns from last year will join the Company.

In this way, we are further strengthening our global network with universities by employing students and expanding collaboration with overseas universities through internships.

► Internships at Overseas Subsidiaries

Since fiscal year 2016, we have been providing internships for Japanese students at subsidiaries in other countries through overseas universities. In fiscal year 2019, local subsidiaries in Thailand, Vietnam and the newly added Philippines accepted students from Hokkaido University.

► Overseas Training for Young People

Since fiscal year 2018, to cultivate future global leaders, we have been sending employees who have been with the company for less than ten years and have no overseas study or work experience on three to six-month overseas work experience programs. By working in different cultures, they become better able to reflect upon their own jobs and can start thinking about the next steps they need to take to further their own careers.

In fiscal year 2019, one employee each was sent to Vietnam and Europe. The participants got a taste of what global business really means by experiencing the difference between working in Japan and in other areas of the world.

Cultivating Solutions Personnel

We are advancing and strengthening technology and product education and business skills training to help cultivate the solutions personnel who will be long-term partners with our customers and communities. In addition, we have established an accreditation system for technical professionals to train both top-class engineers and foster younger individuals, and our “Certified Meister” engineers conduct safety and quality audits.

In fiscal year 2019, we conducted the first renewal exam for the four top engineers in our Building Automation (BA) business, and all passed. We have also begun exams for top remote maintenance engineers in our service operations.

► Software Engineer Training

Since fiscal year 2016, we have conducted software engineer training to enable employees to handle the development of products incorporating innovative technology (IoT, AI, big data, etc.), expansion of energy management and remote monitoring services harnessing IT infrastructure, the promotion of IT in improving work efficiency in engineering and design, and more. A total of 600 people including new hires and Group company employees have taken part over the last four years.

New Personnel Development Initiatives

► Training In-house Instructors

Part of our educational efforts should involve the creation of a training system harnessing the in-house know-how and unique information we have accumulated, and traditionally, more than 80% of in-house training has been conducted by in-house instructors, but it has been focused on product and technology training. We have now begun training in-house instructors to promote our own educational framework for level-specific and solutions training available for all employees, as well as instruction to improve the skills of the instructors themselves.

In fiscal year 2019, we trained coaches who can conduct global training in English, instructors for beginner courses teaching the fundamentals of IT for software engineer training, and class managers.*

We flexibly respond to the needs of the company while pursuing a personnel training program unique to azbil.

* Personnel who check on participant progress, split participants into groups, offer counselling, and more.



Software engineer training in-house instructor appointment ceremony

► Next-Generation Personnel

In fiscal year 2019, we started a project to consider what the azbil Group will be like ten years on.

Using internal and external networks, participants analyzed the current situation objectively and were spontaneously asked to draw a picture of the company ten years in the future, and to make recommendations for business reform. It was a unique initiative, and participants were divided into three teams, each coached by a member of the management team. Discussions continued for six months, and presentations were made to the company president on team recommendations.

With an eye on the future of the company, we will continue to plan out personnel training, and conduct it in a way that ensures that personnel will be aware of the requirements for business continuity.

► Initiatives for Training during a Pandemic

With the spread of COVID-19, people's working styles are changing, with many people working from home, and here in the azbil Group, we are also making efforts to conduct training remotely.

We are in the process of transforming our programs from the traditional group training focus in the past, to offering programs that to be accessed regardless of time or place.

One example can be seen in our new employees training for this fiscal year, for which we prepared a networked environment so that all training could be conducted online, except for safety training and practical machinery training.

We have been enhancing our previous e-learning, distance learning, and online self-study tool content to have a more global perspective, and are supporting employee growth by providing a training environment where it is easier to learn, at any time of day, and from any place.

Global Training System

Officers

Business school

Harvard University, Stanford University, etc.

Management

Azbil Globalization Seminar (AGS)

Logical communication and management

Leaders

AGS for Leaders

Management basics (including accounting theory and finance for employees in all job classifications)

Employees

AGS for Employees

Conceptual skills and human skills for workers

New employees

AGS for New Employees

Basic employee training

Technical education:

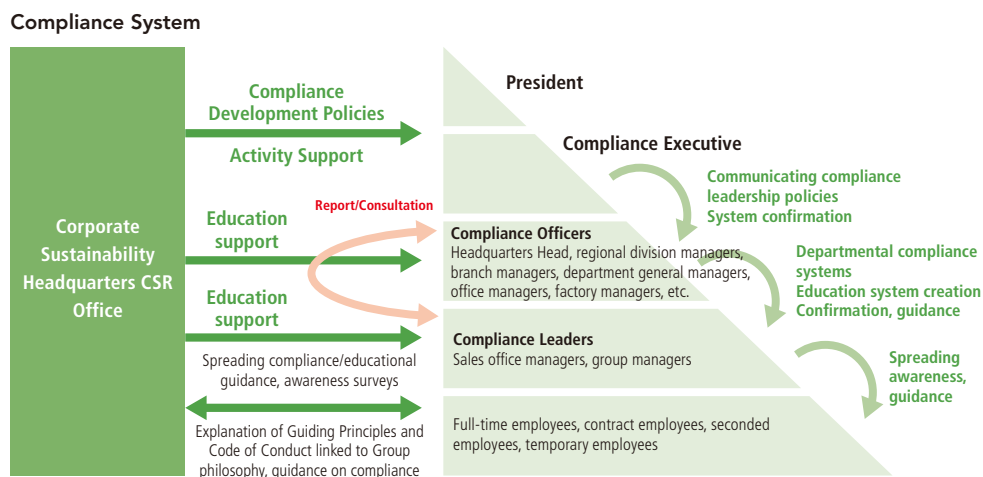
Product knowledge

+

Skills Training

Compliance

A part of our basic CSR as a member of society, we are working to raise awareness of compliance and thoroughly implement compliant conduct and activities in all of our group companies both in Japan and overseas.



System to Protect Compliance

At the azbil Group, compliance efforts are carried out systematically organization-wide by compliance officers and compliance leaders. The most substantial role in this system is played by the compliance leaders, who are responsible for instilling and guiding compliance in the workplace (through development and education on the Group philosophy, Guiding Principles, and Code of Conduct) and for discovering and reporting risks. In addition, they must correctly convey management's thinking to subordinates, and are required to comply with the Code of Conduct which emphasizes the importance of corporate ethics. Moreover, as a link between management and the workplace, they must cultivate in themselves the ability to detect issues through constant communication with subordinates, and are expected to respond quickly when issues arise by reiterating the importance of corporate ethics in the workplace.

Maintaining and Improving Compliance Awareness

The azbil Group conducts annual training for officers and department heads using external specialist instructors, and officers and department heads are responsible for the continued improvement of compliance awareness throughout



The lecture provided to officers and department heads

the Group.

During the lecture provided to officers and department heads by an external specialist lecturer in October 2019, the themes were compliance and the Sustainable Development Goals (SDGs) needed to better respond to the changing world. The lecture was attended by 196 people.

Employee compliance education includes traditional face-to-face education by instructors, in addition to e-learning initiatives. Face-to-face instruction was held 92 times for 3,436 participants, while 6,899 people participated in e-learning.

These efforts allow us to familiarize attendees with the basics, such as the Code of Conduct and other important measures that must be followed, and they also deepen our understanding of the ever-changing issues that arise in connection with compliance.

Compliance Awareness Surveys

We conduct annual surveys among all Group employees on compliance awareness and on the state of internal compliance. Those results give us an understanding of the issues that need to be addressed and allow us to implement countermeasures. In fiscal year 2019 (ended March 2020), approximately 11,000 employees (including temporary workers) were surveyed in Japan and overseas. More than 99% of those surveyed recognized the importance of compliance.

We will continue our efforts to improve compliance awareness.

Internal Control

We aim to expand the internal control system throughout the entire azbil Group. We are striving to raise the standards of management, administration, monitoring, and the internal control system, while working to ensure proper accounting and stronger governance in the Group as a whole.

Efforts to Build the Internal Control System

In building the internal control system, we have clarified the basic policies governing officers and employees with our Basic Policy on Internal Control System Architecture, and we have disclosed a summary of current operational status.

In fiscal year 2019, we planned our Regional CL Conference to increase the skills of compliance leaders (CL) in charge of compliance education at overseas subsidiaries, and the first session was held for subsidiaries in China and Korea.

We will continue to work towards the construction of an efficient, legal, and highly transparent framework through which to improve our internal control system.

Mechanism to Obtain Employee Opinions and Uncover Internal Problems

The azbil Group has established a reporting and consultation system in order to ensure early detection and handling of problems such as compliance violations and working environments that threaten employees, in order to promote our policies on CSR management and health and well-being management.

The system is accessible to Group company officers and full-time employees, temporary employees and other workers employed at Group companies, and to our corporate partners. It can be used to report legal violations, human rights issues, improper accounting, and other actions and behavior that deviate from the azbil Group's Guiding Principles and Code of Conduct, violations of internal rules, harassment and other problems related to the work environment. Inquiries involving the personnel system, employee benefits, etc., are also welcome.

In Japan, we also provide consultation on personal issues and concerns employees have through our CSR Hotline.

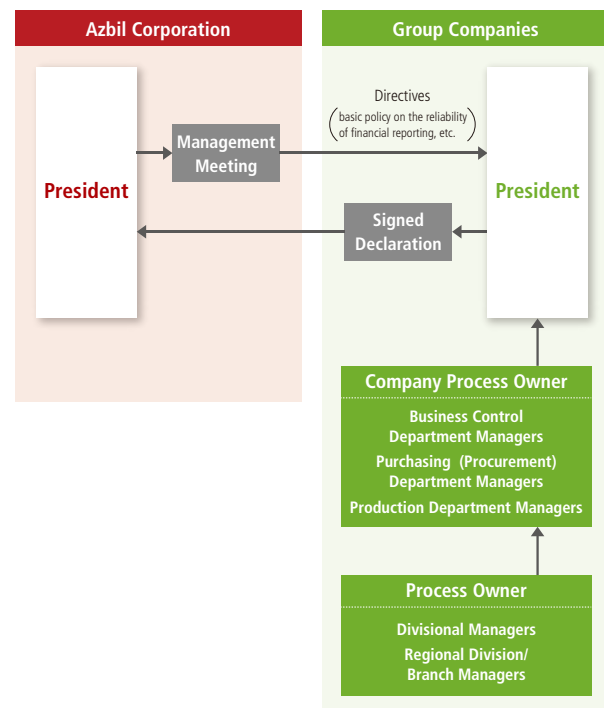
The utmost consideration is given to protecting the identity of those who report problems or ask for counselling, and to the confidentiality of the information communicated. We have also established rules to protect employees from retribution for contacting these services.

The consultation service is well-known throughout the Group, and two contact sites have been established for reporting and counselling, both inside and outside the company, and anonymous inquiries are accepted. We are working to inform our employees that they can make use of the system with complete peace of mind.

The Financial Instruments and Exchange Act, J-SOX Internal Control Reporting System, and Strengthened Accounting Standards

We regularly review the scope of assessment, risk, and control in response to changes in the business environment, and are strengthening our efforts to better respond based on the J-SOX Internal Control Reporting System under the Financial Instruments and Exchange Act. In addition, we are also gradually deploying a central information system at Azbil Corporation at other azbil Group companies with the goal of efficient and more accurate financial reporting. Moreover, we will continue to provide regular training to improve accounting standards among Group employees around the world, and we are striving to improve the standard of the azbil Group's internal control system and its reliability by raising the level of accounting and internal control at overseas subsidiaries.

Group Company Management under J-SOX



Risk Management

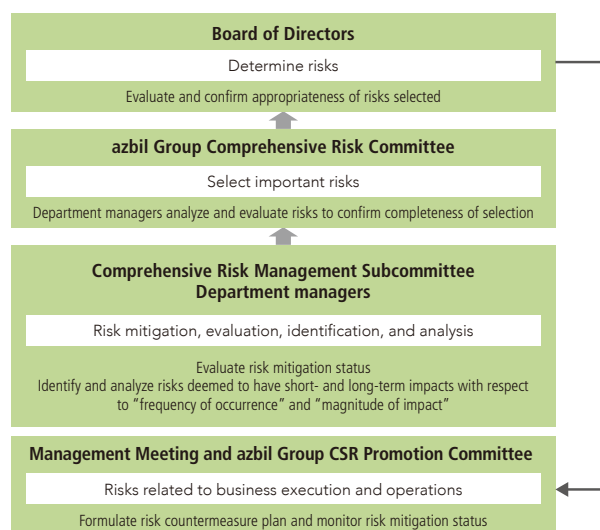
We strive to build systems and take preventative measures to protect against damage to social trust and corporate value.

Risk Management System

The azbil Group faces various risks that may have a significant impact on its operations. These risks are identified by the Comprehensive Risk Management Subcommittee, consisting of the heads of relevant departments. The azbil Group Comprehensive Risk Committee, headed by the executive officer in charge of risk management, then compiles a list of “risks deemed important to the azbil Group,” which may then be determined to be key risks by the Board of Directors.

To minimize the key risks, we are building a management structure extending from the proposal of countermeasures to their implementation—handled by the Management Meeting and azbil Group CSR Promotion Committee—and the reporting of outcomes to the Board of Directors.

In addition to the above, the board of directors of each individual Group company determines its own important risks and implements measures to counteract them.



Business-Related and Other Risks

Risks that may affect the business results and financial position of the azbil Group are summarized below. These risks are discussed by the azbil Group Comprehensive Risk Committee and the Board of Directors, and are addressed by our comprehensive risk management system. We also take measures to mitigate and respond to risks in the related business departments. Information contained in the table that pertains to the future is deemed valid by the Company as of March 31, 2020. In addition, risks stated in the table are described in the 98th Annual Securities Report (“Business-Related and Other Risks”), and each potential risk event has been adequately analyzed, evaluated, and addressed.

Business-Related and Other Risks

Category	Risk Event Awareness
Business environment	<ul style="list-style-type: none"> Risk that changing market conditions in specific regions and key business sectors, including construction and manufacturing, may have an impact on capital investments which, together with major economic recession, could have an adverse impact on the Group's operations, business results, or financial position
Growth in competitive environments	<ul style="list-style-type: none"> Risk that inadequate responses to business opportunities that may arise from changes in societal conditions, technological innovations, and the like could lead to the loss of competitive advantage Risk that the loss of competitiveness—caused by misreading of technological trends, slow R&D progress, or failure to respond to open innovation and technological developments, as well as delays in launching new products, sluggish sales, and the like—could affect the Group's operations or business results
Product quality	<ul style="list-style-type: none"> Risk that costs incurred by defective products, systems, or services and the resulting damage to our corporate reputation could affect the Group's operations, business results, or financial position
Global operations	<ul style="list-style-type: none"> Risk that unforeseen situations, such as regional political and economic upheaval, changes to laws, and terrorism, as well as differences in business practices and the like, could have an effect on the Group's operations, business results, or financial position Risk that delays in planned business expansion due to regional peculiarities and the like could affect the Building Automation (BA) business Risk that sharp foreign exchange fluctuations may impact net sales, prices of raw materials and parts, SG&A expenses, and the like
Securing and developing human resources	<ul style="list-style-type: none"> Risk that obstacles to securing, educating, and smoothly deploying human resources needed to address business structural changes could lead to declines in productivity or other performance indicators Risk that delays in securing, educating, or deploying personnel needed for overseas business development may inhibit achievement of business growth targets
Information leaks and IT security	<ul style="list-style-type: none"> Risk that leaking of confidential business information or personal information due to unforeseen circumstances could affect the Group's business performance or financial position, or cause damage to its corporate reputation Risk that terrorist events or unexpected cyber-attacks could affect the Group's business operations
Environment, climate change, and natural disasters	<ul style="list-style-type: none"> Risk of damage to production and supply of products and services stemming from large-scale disasters or other unforeseen events Risk that events beyond those assumed in the BCP will have a negative impact on business continuation, which could have a major effect on the Group's business results or financial position Risk that climate change could lead to long-term market structural changes and impact the Group's core businesses Risk that long-term market structural changes or decline in sales generated by customers in core businesses could affect the Group's business results
Compliance	<ul style="list-style-type: none"> Risk that violations of laws (antitrust laws, construction industry regulations, labor standards, bribery laws, and the like), including violations resulting from failure to address characteristics of newly entered regions and industries and delays in responding to new laws and revisions of existing laws, may result in administrative penalties and fines; risk that inappropriate acts by the Company and/or its business partners will lead to harmful rumors and damage the Group's reputation

Responses and Risk Mitigation Measures

- Aim for growth in life-cycle business, demand for which is relatively resilient to economic fluctuations, to reduce their impact
- Recognize new risks, develop new subscription models, and the like, and engage in strategic collaborations
- Emphasize business development by forming alliances with other companies, including M&As
- Make appropriate technology R&D investments and build a new organizational structure dedicated to specialized fields, such as IT solutions and cloud services; take action to verify new business models; use the in-house educational organization (Azbil Academy) to help employees change jobs and establish an education-oriented system; continue pursuing M&A opportunities; update and strengthen core information system and roll out across Group; and take other measures to avoid delays in addressing changes in the environment and competitive disadvantages
- Use a dedicated organization to check quality at the product development and manufacturing stages
- Apply production line management and improvement activities to maintain proper inspection work processes; check legal compliance status related to factory operation; strengthen quality control support such as construction management and the like
- In addition to checking at the design and production stages, conduct inspections using a dedicated organization that specializes in safety
- Make preparations using BCP and other tools
- In the BA business, establish bases mainly in Southeast Asia and China; secure in-house engineers and partner companies to establish a robust business execution system; start providing services aimed at launching life-cycle business overseas
- Appropriately hedge against foreign exchange fluctuations and expand overseas production to mitigate risk
- Secure and allocate human resources necessary to address changes in business structure
- Take steps to establish a new personnel system
- Implement measures related to securing and training human resources for overseas business development
- Strengthen bases and engage in other initiatives
- Ensure confidentiality of important information and comply with laws on personal information protection (establish and implement internal regulations and education for employees)
- Develop a strong IT environment and implement employee education and the like
- Establish a new inspection department that specializes in information security
- Decentralize the production network to reduce risk of concentration
- Verify business continuity period (without limiting to specific events); prepare necessary funds, inventories of products and materials, personnel, production equipment, and the like
- Formulate a long-term vision to reduce greenhouse gases associated with business activities to "net zero emissions" by 2050, and reduce our environmental impacts
- Identify various events that may be caused by climate change, as well as the content of such risks and potential impacts on operations; undertake scenario analysis and respond accordingly
- Conduct regular monitoring in Japan and overseas to confirm compliance with laws and internal rules; engage in rigorous compliance education activities
- Placing top priority on compliance, conduct regular monitoring in Japan and overseas to check compliance; strengthen system for concluding contracts; disseminate to and educate all employees

Risk management initiatives

► Improving disaster prevention capabilities and business continuity plan (BCP)

The azbil Group takes various disaster prevention measures to minimize potential damage to its operations and improve its disaster response capabilities. For example, we regularly verify the earthquake resistance levels of our buildings and work to strengthen them. We also conduct hazard inspections, stockpile inspections, and disaster prevention drills, and we are developing an emergency communication infrastructure. Through our BCP, we aim to fulfill our responsibility to society by ensuring that the survival of the entire azbil Group is not threatened, while also preventing serious suspensions and delays in operations, with a top priority of guaranteeing the safety of human life. Our basic policy is to normalize corporate activities without causing delays to the restoration of society. We have created various disaster scenarios, based on which we analyze the current situation and formulate countermeasures for each business, production, and administrative function while conducting relevant training. We have also secured offices, restored important systems and networks, and performed financial simulations. With respect to the COVID-19 pandemic, we are making Group-wide responses based on plans that we have prepared so far, with a top priority on ensuring the safety and security of customers and employees. We will also continue working to improve our BCP responses.



Crisis training session

► Reinforcing our information management system

We are using IT systems in various ways, such as enhancing the environments in which employees can work safely from external locations. Our aim is to maintain high levels of safety and security even for employees working from home. In addition, we conduct information security training annually for all Group employees. We also address information management issues identified via our compliance awareness survey, and we have a system to ensure proper compliance with laws and regulations on the protection of important information, including personal information, in each country/region. In these and other ways, we are working to improve and strengthen our Group-wide information management system.

Corporate Governance

In order to earn the trust of all stakeholders, we not only comply with laws and regulations and our Articles of Incorporation, but also fulfill our social responsibilities and social contribution responsibilities based on corporate ethics. We aim to realize sustainable corporate growth and improve corporate value over the medium to long term through highly transparent and efficient management.

Initiatives to Strengthen Corporate Governance and its Characteristics

We are continuing our efforts to establish a highly transparent, diversified, and effective Board of Directors and corporate governance system.

Outside Directors Play an Important Role in Board of Directors

Independent outside directors play an important role in the framework and operation of corporate governance in the Company. Of the 11 directors five are independent outside directors, and they continue to account for more than one third of the Board of Directors, contributing to the Board's rich diversity, such as in nationality and gender.

Our independent outside directors fulfill their responsibilities in a broad range of ways, such as providing advice on raising corporate value and providing oversight of management activities. They are independent and come from diverse backgrounds. One director possesses outstanding expert viewpoints as a lawyer and insights on management as well as experience as an outside officer at several companies. Another director has experience as an analyst in investment advisory companies and investment banks both in and outside Japan, has a wealth of experience in the consulting business and long-term overseas work experience, and has been involved in management at investment management companies in Japan and abroad. One female director has played a pioneering role in the advancement

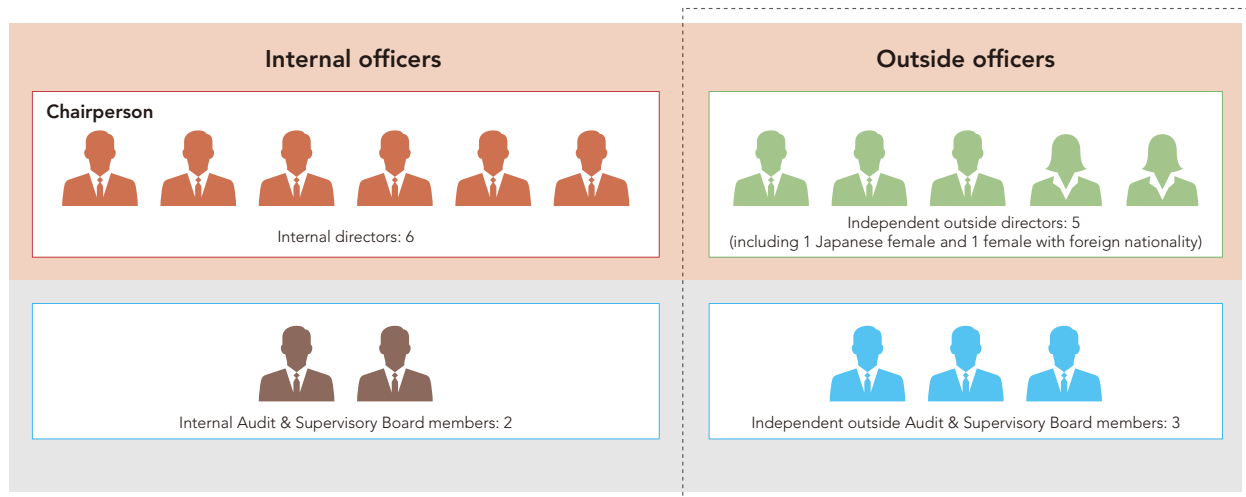
of women and demonstrated leadership as a public prosecutor many years, and, afterward served as a council member at a government agency at which time she also taught a law school. Another director has served in important posts at financial institutions and possesses extensive knowledge on and experience in the financial/ securities sectors and abroad. Lastly, Another female director, who is a foreign national, worked at an international law office as a partner attorney, supporting the conclusion of transaction agreements in international transactions for Japanese companies. She has ample business experience with Japan-based companies, and is familiar with Japanese business customs.

Communication between the independent outside directors and the management team is considered to be very important. We hold monthly meetings in which the independent outside directors exchange opinions with the representative director. Issues raised and suggestions made by the independent outside directors receive careful consideration by the management team and reflected in management practices.

Activities of the Audit & Supervisory Board and

Composition of Board of Directors (outside officers: 8 out of 16 members)

(As of June 24, 2020)





Initiatives to Enhance Its Effectiveness

The Company elected five member of the Audit & Supervisory Board, of whom three are independent outside members, and two are full-time members. The Audit & Supervisory Board members carefully audit, mainly from a legal standpoint, the execution of business by the Board of Directors. We also established the Audit & Supervisory Board Office as an organization to aid the duties of the Audit & Supervisory Board members in their execution of responsibilities.

The Audit & Supervisory Board deliberates on the annual audit plan at the beginning of each fiscal year, submits monthly and quarterly reports of its members' activities during the fiscal year, submits quarterly financial audit reports, provides year-end evaluation of audit activities, and deliberates the assessments of the independent auditor. Furthermore, the Audit & Supervisory Board holds regular discussions with the representative director as well as regular meetings with the independent outside directors to exchange opinions and information, mainly for reporting audit results and exchanging information on management issues. Additionally, an evaluation of the effectiveness of the Audit & Supervisory Board is performed at the end of the term, and in addition to reviewing the Audit & Supervisory Board's auditing activities for the current fiscal term, the evaluation results are reflected in the audit plan for the coming fiscal term, thereby increasing the effectiveness of the Audit & Supervisory Board.

Full-time Audit & Supervisory Board members conduct audit activities including attending Board of Directors and Management meetings, conducting on-site visits of main business locations and subsidiaries and interviews with key divisions, and reviewing important documents such as minutes from important meetings, and share those details when necessary with the outside Audit & Supervisory Board members. In addition to attending Board of Directors meetings and providing their opinions as independent officers, the outside Audit & Supervisory Board members also use their individual knowledge and experience, participating as necessary in visits to main business locations and subsidiaries by the full-time Audit & Supervisory Board members.

The Audit & Supervisory Board members attend regular meetings with the Accounting Auditor and Internal Audit Department, and in addition to sharing the audit plan and key audit items at the start of the fiscal year and the mutual audit results during the fiscal year and at the end of the fiscal year, they coordinate closely with the Audit & Supervisory Board members of the Group companies to confirm audit results for subsidiaries, working to enhance the effectiveness and efficiency of auditing.

Nomination and Remuneration Committee

► Composition and deliberation items of the Nomination and Remuneration Committee

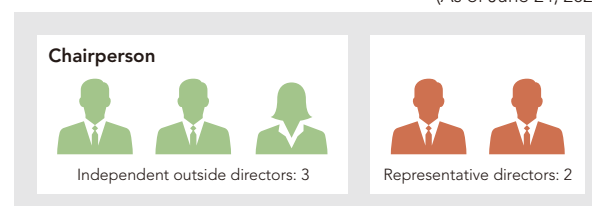
The Company established its Nomination and Remuneration Committee as an optional advisory body to the Board of Directors. This committee fulfills the function of both the Nomination Committee and Remuneration Committee. The role of the Committee is to ensure greater fairness, objectivity, and transparency of processes for nominating and remunerating officers, with the aim of fostering the enduring development of the Company and improving its medium- and long-term profitability and productivity.

The Committee selects candidates for directors and representative director, as well as candidates for president & CEO, chairperson of the Board of Directors, and managing executive officers. It also deliberates on the officer remuneration system and remuneration plan, as well as basic remuneration, individual performance evaluation, progress evaluation of qualitative items, bonus payments to individuals based on the officer remuneration system, and amendments to the director remuneration framework. In addition, it deliberates on matters relating to the dismissal of the president & CEO, directors, and managing executive officers; dismissal of the representative director and chairperson of the Board of Directors; and training of successors.

It is stipulated that independent outside directors make up the majority of Committee members and that an independent outside director is elected as its chairperson by the Committee members. Currently, Katsuhiko Tanabe (independent outside director) serves as chairperson, the other members being Takeshi Itoh (independent outside director), Waka Fujiso (independent outside director), Hirozumi Sone (representative director), and Kiyohiro Yamamoto (representative director). Independent outside directors thus constitute the majority.

Composition of Nomination and Remuneration Committee

(As of June 24, 2020)



► Activities of the Nomination and Remuneration Committee

In fiscal year 2019, the Nomination and Remuneration Committee held five meetings. In May 2019, the Committee evaluated the results of individual performance targets and the amounts of bonuses to be paid to individual directors who concurrently performed executive duties in fiscal year 2018, and deliberated the basic remuneration to be paid to individual directors who concurrently perform executive duties in fiscal year 2019. The Committee also confirmed the state of progress on the plan to develop

successors. The progress in the plan to develop successors was confirmed at subsequent meetings of the Nomination and Remuneration Committee, and at the Committee meeting in February 2020, the structure of the fiscal year 2020 management team was deliberated based on the succession plan and reported to and approved by the Board of Directors. Furthermore, in addition to the specification of the terms of office from the viewpoint of the independence of outside officers, changes to regulations related to executive officers to clarify responsibilities based on position were deliberated at the Committee meeting and approved by the Board of Directors. Additionally, as part of the expansion of our plan to develop successors, the Committee reviewed and reported to the Board of Directors on our new system to respond to our global personnel who will play a part in our overseas business strategy and who exercises excellent capabilities and activities.

Appointment of Directors and Audit & Supervisory Board Members, and Appointment/Dismissal of Senior Management

► Appointment of Directors

The basic criterion for director candidates is to be a person who has excellent character and insight, contributes to the growth of the Company and the Group, and helps improve corporate value. Directors involved in business execution need to have high levels of ability and knowledge about each business segment and important management functions. Outside director candidates must have wide-ranging experiences and excellent expertise and knowledge, as well as having no issues regarding independence. They must also come from diverse backgrounds and have the ability to proactively express opinions and raise issues from outside perspectives. These are our policies for the nomination and appointment of directors. Nomination and election of director candidates and management executives are decided by the Board of Directors after deliberation by the Nomination and Remuneration Committee.

► Appointment of Audit & Supervisory Board members

Candidates for Audit & Supervisory Board members must have the appropriate experience and ability, as well as knowledge about finance, accounting, and legal matters. We also consider independence from the executive side to be another eligibility requirement. For outside Audit & Supervisory Board members, our policy is to first confirm that there are no issues regarding their independence. Among Audit & Supervisory Board member candidates, at least one person must have extensive knowledge of finance and accounting. Such candidates are first discussed by full-time Audit & Supervisory Board members and the representative directors, then considered and agreed upon by the Audit & Supervisory Board, before approval at the Board of Directors meeting.

► Appointment/Dismissal of CEO and Subordinate Officers

With respect to appointing the CEO and subordinate officers (president & CEO, vice president, and the like), the Board of Directors makes decisions, based on selection criteria and the desired composition of the Board of Directors, after deliberation by the Nomination and Remuneration Committee.

(Appointment Criteria)

Candidates must have a full understanding of the Group philosophy, deep knowledge of corporate management, and wide-ranging experiences both inside and outside Japan, as well as good insights on corporate governance, CSR, and compliance. They must meet the following criteria and be capable of leading the Group to sustainable growth.

1. Good character and insights, and selfless attitude, a person who earns the trust of others;
2. The ability to think and judge from a global perspective and from the standpoint of the entire Group;
3. Exceptional insights, the ability to implement change and innovation and predict the future, and the willingness to embrace challenges from a results-oriented approach;
4. Healthy, energetic, physically sound, as well as mentally resilient.

(Dismissal Criteria)

With respect to policies and procedures for dismissing the CEO and subordinate officers (president & CEO, vice president, and the like), the candidate for dismissal undergoes a fair and rigorous process of screening and deliberation by the Nomination and Remuneration Committee, based on the following criteria. If the Nomination and Remuneration Committee judges that the dismissal is appropriate, it will be sent to the Board of Directors for approval. Reasons for proposing dismissal include a serious business problem arising from a violation of the law or the Articles of Incorporation, an event that makes it difficult for the person to perform and continue in the job, and when it becomes evident that the person does not meet the appointment criteria.

Succession Planning that the Board of Directors is Involved in

With regard to succession planning for the Company's senior management, the Nomination and Remuneration Committee deliberates the status of training and selection of successors, and records the results of these deliberations as well as the discussion process itself. This ensures that the succession plan is implemented properly and objectively. The chairperson of the Nomination and Remuneration Committee reports on the Committee's deliberations to the Board of Directors when appropriate. The Board of Directors is thus actively involved in succession planning, a process that is undertaken systematically, ensuring that sufficient time and resources are allocated for the training of successor candidates.

Evaluation and Improvement of the Effectiveness of the Board of Directors

The Board of Directors makes appropriate decisions following open and constructive discussion and strives to improve corporate value over the medium-to long-term. To continue fulfilling its roles and responsibilities properly, the Board of Directors identifies issues and areas requiring improvement with the aim of enhancing the Board's effectiveness. As they did in the previous year, members of the Board of Directors and Audit & Supervisory Board have conducted annual self-evaluations and have collected views on the (1) Size and composition of the Board of Directors; (2) Management status of the Board of Directors; (3) Support systems and communication with outside directors and Audit & Supervisory Board members; and (4) Decision-making process of the Board of Directors. Based on this information, the Board of Directors made an assessment of its current effectiveness, shared information on issues, and engaged in constructive discussions on future action.

As a result, we have confirmed that the Board of Directors overall is performing effectively and appropriately. For example, the size, composition, and operating status of the Board of Directors are appropriate, and the systems are in place to make important management decisions and supervise business execution. Also, members of the Board, both internal and external officers with wide-ranging experience and expertise, have a profound understanding of their roles and engage in open, active, and constructive discussions based on adequate communication.

During fiscal year 2019, in the context of formulating a new management plan for the long-term growth and development of the Company, extensive discussions were conducted regarding the direction of the Group's future growth and the plans for each business. Technology, R&D and HR strategies supporting growth have also been discussed. In addition, to enhance the Group management supervision we regularly compile detailed reports on performance and strategy reviews of the major subsidiaries. Furthermore, the structure of the new management team for fiscal year

2020 and beyond was deliberated and agreed on by the Board of Directors following thorough discussion by the Nomination and Remuneration Committee in accordance with our corporate regulations. This Committee, which is an advisory body of the Board of Directors, features a majority of the independent outside directors, one of whom acts as chairperson.

Aiming to achieve a long-term growth, the Board of Directors has been actively deliberating management plans and business strategies, discussing issues resulting from the spread of COVID-19, such as the qualitative changes to the economic environment, new business opportunities, and business/operational reforms related to the Group's social contribution activities. As well as demonstrating the direction of the Group's management strategy, members of the Board are collectively mindful of the importance of sustained supervisory functions, which include maintaining a keen awareness of the business conditions facing domestic and overseas subsidiaries.

We will continue striving to improve the effectiveness of the Board of Directors so as to achieve sustainable growth and enhance corporate value over the medium to long term.

Compliance with Corporate Governance Code

The Company complies with all of the principles set out in the Corporate Governance Code, which was revised in June 2018. Our Corporate Governance Report clarifies that all principles have been adopted and discloses in detail the 11 basic principles, principles, and supplementary principles require disclosure.

Our Corporate Governance Report is on the Company website.

<https://www.azbil.com/csr/basic/governance.html>

Changes to Improve Corporate Governance of the Company

We have launched initiatives to strengthen corporate governance ahead of other companies. We will continue working to enhance corporate governance in order to ensure the fairness, transparency, and impartiality of management.

Changes to Improve Corporate Governance

Strengthening of oversight and auditing

- Number of independent outside directors increased (1 in 2007 → 2 in 2010 → 3 in 2014 → 4 in 2018 → 5 in 2019)
- Number of independent outside Audit & Supervisory Board members increased (2 in 1994 → 3 in 2011)
- Started evaluating the effectiveness of the Board of Directors (2016)
- Established criteria for judging the independence of outside officers (2016; revised 2020)
- Set an upper limit on the term of office of outside officers (2020)

Strengthening of management transparency and soundness

- Nomination and Remuneration Committee established with independent outside directors as a majority (2016)
- Revised the officer remuneration system; strengthened performance-linking and introduced medium-term business perspectives, etc. (2017)
- Abolished the "counselor and advisor system" (2018)
- Appointed an outside director as chairperson of the Nomination and Remuneration Committee (2018)

Clarification of responsibilities, encouragement of dialogue, etc.

- Introduced the executive officer system (2000)
- Formulated the Corporate Governance Guidelines (2016)
- Appointed executive officer in charge of corporate communications (2016)
- Formulated guidelines on strategic shareholdings (2016; revised 2018)

Executive Remuneration

Policy on Determination:

The Company determines policies on determination of remuneration, etc. for officers at the Board of Directors meeting for the purpose of strengthening corporate governance and achieving sustainable enhancements in corporate value through meeting the azbil Group's management targets. The remuneration of Directors is commensurate to their roles, responsibilities, and accomplishments and designed to contribute to sustainable growth and enhancements in corporate value.

As to the basic remuneration amounts paid to individual Directors and the total amounts of bonuses and the amounts of bonus to be paid to individual Directors who concurrently perform executive duties, the President & CEO (Representative Director), who is delegated by resolution of the Board of Directors, prepares a draft of each remuneration based on Director Remuneration Regulations and Nomination and Remuneration Committee Regulations, within the remuneration limits set at the Ordinary General Meeting and decides after screening by the Nomination and Remuneration Committee. The remuneration of Representative Directors is ruled to be decided after the screening without the Representative Director who is the member of the Nomination and Remuneration Committee.

Composition, Approach and Remuneration Limits for Executive Remuneration:

Remuneration for Directors who concurrently perform executive duties comprises "basic remuneration" that is a fixed remuneration based on their roles and responsibilities and "bonuses" that are linked to business results for the fiscal year and are also determined in consideration of the degree of achievement of medium-term targets. "Basic remuneration" for Directors who concurrently perform executive duties comprised three forms of remuneration: director remuneration, executive position remuneration, and executive responsibility remuneration. The fixed amounts paid to the Representative Directors and Directors are determined in director remuneration. Executive position remuneration comprises fixed amounts determined by individual executive position. Executive responsibility remuneration is the amount of remuneration paid based on the individual responsibility grade that is determined based on the level of duties, scope of role, and quantitative and qualitative evaluations for each fiscal year. Such responsibility grades are revised each year based on a review by the Nomination and Remuneration Committee.

Furthermore, to share interests with the shareholders and to create a continuous incentive to enhance corporate value, for Directors who concurrently perform executive duties, they purchase the Company's stocks in the fixed annual contribution amount proportional with each officer's positions and responsibilities through the officer stock

ownership plan and continually hold these stocks.

Directors who do not concurrently perform executive duties and Outside Directors are paid only basic remuneration that is fixed remuneration to ensure that they perform their management supervision function fully. The Company resolved that the maximum annual remuneration for Directors shall be not more than 450 million yen (for eight (8) Directors, excluding amounts paid as salaries for employees) at the 84th Ordinary General Meeting of Shareholders held on June 29, 2006.

Remuneration for Audit & Supervisory Board Members comprises only basic remuneration that is fixed remuneration considering their duties and responsibilities. The Company resolved that the maximum annual remuneration for Audit & Supervisory Board Members shall be not more than 120 million yen (for five (5) Audit & Supervisory Board Members) at the 85th Ordinary General Meeting of Shareholders held on June 28, 2007, and the individual remuneration amounts are determined through discussion held by the Audit & Supervisory Board Members.

Performance-linked Remuneration:

Directors who concurrently perform executive duties are paid a bonus in consideration of a performance evaluation and qualitative evaluation*¹ as well as the degree of achievement of medium-term targets, etc., and the performance-linked portion of remuneration is designed to contribute to the Company's continuous growth and enhancement of corporate value. In the specific calculations, evaluations are performed from the standpoint of responsibility for the Group's consolidated management based on indicators such as increase in operating income and ratios such as ROE in light of both profitability and capital efficiency. Furthermore, the level of growth in the amount of operating income and other factors have been selected as indicators from the standpoint of working to enhance medium- to long-term corporate value, and performance-linked remuneration is reviewed individually by the Nomination and Remuneration Committee taking comprehensive account of these indicators.

*1: In the qualitative evaluation, the level of achievement for qualitative targets set individually at the beginning of the period based on individual roles, including initiatives in CSR activities and development of succeeding personnel, is considered.

Remuneration of Officers in FY 2019 (ended March 2020)

Category	Amount of remunerations paid (millions of yen)	Total amount by type (millions of yen)				Number of persons remunerated
		Basic remuneration	Performance-linked remuneration	Stock options	Retirement allowance	
Directors (Outside Directors)	411 (61)	318 (61)	93 (—)	—	—	11 (5)
Audit & Supervisory Board Members (Outside Members)	79 (27)	79 (27)	— (—)	—	—	7 (5)
Total (Outside Members)	491 (89)	398 (89)	93 (—)	—	—	18 (10)

* The above includes two Audit & Supervisory Board Members who retired at the conclusion of the 97th Ordinary General Meeting of Shareholders held on June 25, 2019.

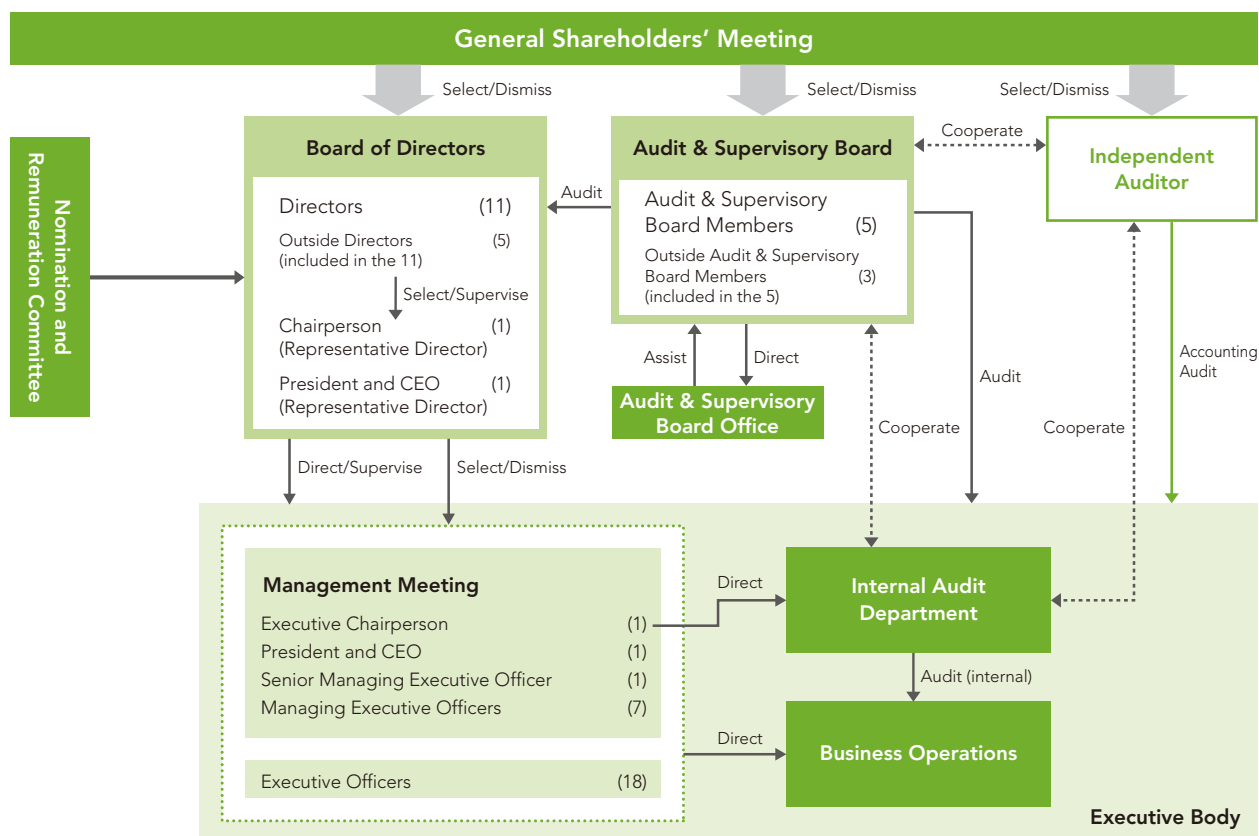
Corporate Governance Framework

The Company has selected the Company with an Audit & Supervisory Board for its corporate governance framework under the Companies Act. The Audit & Supervisory Board sufficiently fulfills its supervisory function for the Board of Directors from the perspective of Audit & Supervisory Board members. The Company's highly independent outside directors interact with the Audit & Supervisory Board and its members to properly monitor the execution of business. In these ways, we are striving to establish

a governance framework with effective checks. In order to respond swiftly to the rapidly changing business environment, we have functionally separated the Board of Directors, which is involved in making important decisions, from the executive officer system, which is in charge of business execution. Thus, we have transferred the business execution process to the executive body, based on resolution of the Board, to create a system that allows fast and efficient management.

Corporate Governance Framework

(As of June 24, 2020)






Contribution of Independent Outside Officers



In addition to the requirements for independent officers stipulated by the Tokyo Stock Exchange, we follow criteria for independence that we have formulated when appointing outside officers as prescribed by the Companies Act. Candidates deemed capable of providing constructive suggestions and accurate observations and advice concerning the Company's business and the improvement of corporate value over the medium to long term are appointed as outside directors. Candidates who are

knowledgeable about key aspects of finance, accounting, legal matters, and auditing and who are independent of company executives are appointed as outside members of the Audit & Supervisory Board. Our outside officers, from their diverse perspectives, are active in asking questions and giving suggestions at Board of Directors meetings, thereby contributing to sustainable corporate growth and the enhancement of corporate value over the medium to long term.




Reasons for appointing outside officers, status of remarks at the Board of Directors meetings, and attendance of Board of Directors and Audit & Supervisory Board meetings in FY2019

Independent Outside Directors

Name	Reasons for appointment and status of remarks at Board of Directors meetings
 <p>Katsuhiko Tanabe</p>	<p>Mr. Katsuhiko Tanabe has outstanding expert viewpoints as a lawyer and insights on management, as he has successively served in important posts in the legal field, and has a record of superior performance in corporate legal affairs of global business based on his expert views. In addition, by utilizing his experience as an outside officer at several companies, at Board of Directors meetings of the Company, he not only supervises business execution but also proactively offers his opinions based on his broad knowledge as a legal expert and keen insight on corporate governance, in order to increase transparency and fairness of management, thus fulfilling such appropriate roles as supervision and advising, etc. on business execution.</p> <p>[Attendance record: 13 of 13 Board of Directors meetings]</p>
 <p>Takeshi Itoh</p>	<p>In addition to management experience and experience as an analyst in investment banks and investment advisory companies, etc. domestically and abroad, with his long-term overseas work experience and experience in the consulting business including fundraising and M&A advice, Mr. Takeshi Itoh has a record of superior performance in advanced corporate analysis, etc. Furthermore, by utilizing his experience as executive officer in investment management companies domestically and abroad, at Board of Directors meetings of the Company, he not only supervises business execution but also proactively offers his opinions based on his advanced knowledge and experience as an expert in the fields of international financing and investment, in order to increase transparency and fairness of management, thus fulfilling such appropriate roles as supervision and advising, etc. on business execution.</p> <p>[Attendance record: 13 of 13 Board of Directors meetings]</p>
 <p>Waka Fujiso</p>	<p>Ms. Waka Fujiso possesses extensive knowledge and experience that she gained mainly during her activities over many years as a public prosecutor, and, after retiring from the position of public prosecutor at the Supreme Public Prosecutors Office, during her service as a council member at a government agency at which time she also taught at a law school. At the Board of Directors meetings of the Company, she not only supervises business execution, but also proactively offers opinions from her extensive knowledge as a legal expert, aiming at more thorough compliance management and risk management as well as the enhancement of management transparency and fairness. In these ways, Ms. Fujiso fulfills such appropriate roles as supervision and advising on business execution.</p> <p>[Attendance record: 13 of 13 Board of Directors meetings]</p>

Name	Reasons for appointment and status of remarks at Board of Directors meetings
 <p>Mitsuhiro Nagahama</p>	<p>Mr. Mitsuhiro Nagahama possesses broad knowledge and extensive experience in the financial/securities sectors and abroad, as he has successively served in important posts at financial institutions. He was appointed as an Outside Audit & Supervisory Board member in 2015, and has audited the Company's overall business with his outstanding insights on corporate governance and ideal way of company management, contributing to the improvement of the Company's corporate governance and internal control from an independent perspective. Furthermore, as an Outside Director since 2019, he has not only supervised business execution, but also proactively offered opinions from wide-ranging perspectives, aiming at enhancing management transparency and fairness. In these ways, Mr. Nagahama fulfills such appropriate roles as supervision and advising on business execution.</p> <p>[Attendance record: 13 of 13 Board of Directors meetings]</p> <p>(He retired from the Audit & Supervisory Board, and he assumed the post of Director, at the conclusion of the 97th Ordinary General Meeting of Shareholders held on June 25, 2019, and the above number includes the number of times he attended Board of Directors meetings until retiring as an Audit & Supervisory Board Member.)</p>
 <p>Anne Ka Tse Hung Married name: Anne Hung Davis</p>	<p>Ms. Anne Ka Tse Hung has worked at an international law office as a partner attorney, and supported the conclusion of transaction agreements in international transactions for Japanese companies in addition to overseas corporate matters. She also has ample business experience with Japan-based companies, is familiar with Japanese business customs, and possesses knowledge in the industry to which the Company belongs. The Company expects that she will utilize her abundant experience, insight, and global knowledge as Outside Director of the Company to offer objective indications and advice for the enhancement of management transparency and fairness from wide-ranging perspectives in addition to supervise business executions at Board of Directors meeting of the Company. As such, the Company appointed Ms. Hung as a new Outside Director.</p>

Independent Outside Audit & Supervisory Board Members

Name	Reasons for appointment and status of remarks at Board of Directors meetings
 <p>Kinya Fujimoto</p>	<p>Mr. Kinya Fujimoto has a wealth of knowledge and experience concerning financial affairs and accounting, having served as a certified public accountant for many years. As such, he possesses the necessary legal knowledge as an Audit & Supervisory Board member. Based on this knowledge and experience, he conducts audits of the Company's overall business from a viewpoint of finance and accounting, from a position of independence. He asks questions and makes recommendations from a perspective of strengthening corporate governance, internal controls, and management of the Company and Group companies.</p> <p>[Attendance record: 13 of 13 Board of Directors meetings; 14 of 14 Audit & Supervisory Board meetings]</p>
 <p>Minoru Sakuma</p>	<p>Mr. Minoru Sakuma has held key positions at a government financial agency and has wide-ranging knowledge about international finance and extensive experience overseas. He also has management experience at an investment company and experience at a business company that develops global activities. He possesses the required knowledge related to finance, accounting, and legal affairs as an Audit & Supervisory Board member. He also conducts audits of the overall Company business from an independent perspective. At the Board of Directors meetings, he raises questions and gives advice from the perspectives of the validity of the Company's business strategy and enhancing the Group's overall corporate governance.</p> <p>[Attendance record: 10 of 10 Board of Directors meetings; 10 of 10 Audit & Supervisory Board meetings]</p> <p>(He was elected at the 97th Ordinary General Meeting of Shareholders held on June 25, 2019. His attendance only applies to Board of Directors meetings and Audit & Supervisory Board meetings held after his appointment.)</p>
 <p>Fumitoshi Sato</p>	<p>Mr. Fumitoshi Sato has held key positions in Japan's central bank and has wide-ranging knowledge and abundant experience in the financial field. He also has work experience and management experience as a director of a company in the manufacturing field, where he served in the department overseeing accounting, legal, and personnel affairs. He possesses the required knowledge related to finance, accounting, and legal affairs as an Audit & Supervisory Board member. He also conducts audits of the overall Company business from an independent perspective. At the Board of Directors meetings of the company, he raises questions and gives advice from the perspectives of the validity of the Company's business and financial strategy and enhancing the Group's overall corporate governance.</p> <p>[Attendance record: 10 of 10 Board of Directors meetings; 10 of 10 Audit & Supervisory Board meetings]</p> <p>(He was elected at the 97th Ordinary General Meeting of Shareholders held on June 25, 2019. His attendance only applies to Board of Directors meetings and Audit & Supervisory Board meetings held after his appointment.)</p>



Comment by an Outside Director

Azbil corporate governance, present and future

Outside Director Waka Fujiso

Under Group philosophy of “human-centered automation” that reflects back to its founding spirit, Azbil has consistently emphasized compliance management and it has striven to create good governance. Since 2007 outside officers have been on the Board of Directors, the composition of which is currently half internal and half external. For matters of particular importance to governance – such as appointing and dismissing officers (including the president and CEO) and deciding on executive compensation – the Nomination and Remuneration Committee deliberates as an advisory body of the Board of Directors. Three of the five members of this committee, including the chairperson, are independent outside directors. What is even more significant is the diversity represented by the outside directors: there are now five, including two women and a foreign national, of varying ages and with differing specialties, careers, and domains of experience. Naturally, they are also unique in their awareness of issues, their perspectives, and their sense of values. When the Board is to meet, they are provided with relevant materials and explanations of issues in advance. They can therefore engage in frank and lively exchanges of opinion with the management and Audit & Supervisory Board members, who on their part benefit from fresh insights reflecting each individual’s knowledge and experience. This encourages the exchange of opinions and recommendations that derive from differing viewpoints and assessments. It can be said that good governance results from the combination of such external voices, representing diverse values, and management that listens attentively to them. Going forward, diversity will continue to be of importance when making appointments.

Embarking on a new fiscal year in the midst of such unprecedented global disruption, the management is facing some difficult challenges. However, it can rely on the strong relationship of trust between management and employees that has been fostered by the “human-centered” Group philosophy. While implementing the governance, compliance, and risk management that form the basis of CSR management, and guided by Sustainable Development Goals, Azbil will continue to develop strategies and implement business activities in line with its Guiding Principles and Code of Conduct, which will foster initiatives for finding solutions to ESG issues. I am confident that Azbil will fully harness its fundamental strengths so as to be able to achieve sustainable growth.

Waka Fujiso

Criteria for Independence of Outside Officers (revised on May 13, 2020)

The Company has formulated its own Criteria for Independence for appointing outside officers. It judges that a person is not independent if any of the items below apply:

1. A person who serves as an executive*¹ of the Company or a consolidated subsidiary of the Company, or who served for ten (10) years prior to being appointed;
2. A person who served as an executive of the Company or a consolidated subsidiary for ten (10) years prior to being appointed as a non-executive director or an Audit & Supervisory Board member of the Company or a subsidiary of the Company;
3. A person who are served as a non-executive director of the Company or its consolidated subsidiary for more than twelve (12) years in principle*²;
4. A person who has served as an Audit & Supervisory Board Member of the Company or its consolidated subsidiary for more than twelve (12) years; three (3) terms in principle*²;
5. A person who serves as an executive of a major business partner of the azbil Group (a business partner that makes a payment in the amount exceeding 2% of its annual consolidated sales for the latest fiscal year or any of the preceding three (3) fiscal years or receives such a payment), or who has served in such a position in the last three (3) years;
6. A person who serves as an executive or an Audit & Supervisory Board member of a major lender*³ of the azbil Group or its parent company or its significant subsidiary, or who served in such a position in the last three (3) years;
7. A related party of the accounting auditor or audit firm, etc. of the azbil Group, or who has served in the last three (3) years in such a position (including those who have already resigned from such a position);
8. A lawyer, certified public accountant, or other consultant who does not fall under item 7 above and who received money and other economic benefits in the annual average amount of 10 million yen or more over the past three (3) years other than executive compensations from the azbil Group;
9. A member, partner, associate, or employee of a law firm or audit firm, etc. who does not fall under items 7 or 8 above where the azbil Group is a major business partner of the said law firm, audit firm, etc. (a company that received a payment from the Company or a consolidated subsidiary in the annual average amount of 2% or more of the consolidated net sales of the company over the past three (3) fiscal years);
10. A person who serves as an executive or an Audit & Supervisory Board member of a current major shareholder of the Company (a shareholder that holds 10% or more of voting rights of the Company), its parent company or its significant subsidiary, or who served in such a position in the last five (5) years;
11. A person who serves as an executive or an Audit & Supervisory Board member of a company that accepts a director seconded from the azbil Group, its parent company or subsidiary;
12. A person who serves as an executive or an Audit & Supervisory Board member of a company in which the Company is a major shareholder;
13. A person who has received as an executive of an organization such as a public interest incorporated foundation, a public interest incorporated association, or a non-profit organization that has received a donation or subsidy from the azbil Group in the annual average of 10 million yen or more over the past three (3) fiscal years; and
14. A spouse, a person within the second degree of consanguinity, or a relative residing in the same household of a person for whom any of above items (1 to 13) are applicable.

*1 "Executive" refers to an executive director, an executive officer, or head of a department and other general employee.

*2 Criteria 3 and 4 above were newly established on May 13, 2020, and will be applied to the future appointment of outside officers.

*3 A "major lender" refers to a financial institution group from which the azbil Group has borrowed funds where the outstanding aggregate of those borrowings exceeds 2% of the consolidated total assets of the azbil Group as of the end of the Company's fiscal year in situations where the azbil Group effectively has loans payable (net balance of loans exceeding current liquidity deposited at such lender).

Board of Directors, Executive Officers, and Audit & Supervisory Board Members

(As of June 24, 2020)



Representative Director, Executive Chairperson

Hirozumi Sone

Chairperson, Responsible for Strengthening Group Governance

Apr 1979 Joined the Company
Apr 1996 Systems Marketing Manager of Systems Development Group, Industrial Systems Division
Oct 1998 Transferred to Yamatake Industries Systems Co., Ltd., as Marketing Manager of the company
Apr 2005 Executive Officer of the company, Manager of the Corporate Planning Department
Apr 2008 Managing Executive Officer
Manager of the Corporate Planning Department
Jun 2010 Director
Apr 2012 Representative Director, President and Chief Executive Officer
Apr 2020 Representative Director, Executive Chairperson, President and Group Chief Executive Officer
Jun 2020 Representative Director, Executive Chairperson (Present post)



Representative Director, President and Group Chief Executive Officer

Kiyohiro Yamamoto

Responsible for Internal Audit Department, Corporate Planning Department

Apr 1989 Joined the Company
Apr 2007 General Manager of Environmental Marketing Department, Marketing Headquarters, Building Systems Company of the Company
Apr 2011 Head of Marketing Headquarters, Building Systems Company
Apr 2012 Senior Officer, Head of Marketing Headquarters, Building Systems Company
Apr 2014 Senior Officer, General Manager of Corporate Planning Department and Head of Marketing Headquarters, Building Systems Company
Apr 2017 Managing Executive Officer, Head of Marketing Headquarters, Building Systems Company
Apr 2018 Executive Vice President
Apr 2020 Representative Director, President and Group Chief Executive Officer (Present post)



Director, Senior Managing Executive Officer

Takayuki Yokota

Assistant to President, Responsible for Corporate Administration (including Corporate Communication, azbil Group CSR, Internal Control), International Business

Apr 1983 Joined The Fuji Bank, Limited (Present: Mizuho Bank, Ltd.)
Nov 2005 General Manager of the Investor Relations Department, Mizuho Financial Group, Inc.
Apr 2010 Executive Officer and General Manager of the Investment Banking Business Management Department, Mizuho Corporate Bank, Limited (Present: Mizuho Bank, Ltd.)
June 2012 Audit & Supervisory Board Member of Mizuho Research Institute Ltd.
Apr 2013 Joined the Company (Senior Officer)
Apr 2014 Executive Officer, Head of Group Management Headquarters
Apr 2016 Managing Executive Officer, Head of Group Management Headquarters
Apr 2017 Managing Executive Officer, Head of Group Management Headquarters and Head of International Business Headquarters
Apr 2018 Managing Executive Officer
Jun 2018 Director (Present post)
Apr 2020 Senior Managing Executive Officer (Present post)



Director, Managing Executive Officer

Masato Iwasaki

Responsible for Life Automation Business, General Manager of Life Science Engineering Department

Apr 1982 Joined the Company
Apr 2003 Manager of Marketing 2nd Department, and Information Systems Department, Advanced Automation Company
Apr 2011 Executive Officer, Manager of Marketing Department, Advanced Automation Company
Apr 2012 Managing Executive Officer,
President of Advanced Automation Company
Jun 2012 Director (Present post)
Apr 2016 Managing Executive Officer
Apr 2018 Managing Executive Officer, General Manager of Life Science Engineering Department (Present post)



Director, Managing Executive Officer

Yoshimitsu Hojo

Responsible for azbil Group (aG) production, aG purchasing, Advanced Automation Business, Production Management Headquarters, President of Advanced Automation Company

Aug 1990 Joined the Company
Apr 2011 Manager of Company Business Control Department, Advanced Automation Company
Apr 2013 Executive Officer, Head of Production Management Headquarters
Apr 2014 Managing Executive Officer of the Company, Head of Production Management Headquarters
Jun 2014 Director (Present post)
Apr 2016 Managing Executive Officer,
President of Advanced Automation Company and Head of Production Management Headquarters
Apr 2019 Managing Executive Officer, President of Advanced Automation Company (Present post)



Director, Managing Executive Officer

Kazuyasu Hamada

Responsible for Building Automation Business, azbil Group Sales Synergy, President of Building Systems Company

Apr 1987 Joined the Company
Aug 2006 General Manager of Security Business Planning Department, Security Business Headquarters, Building Systems Company
Apr 2008 Head of Security Business Headquarters, Building Systems Company
Apr 2011 Head of Security System Headquarters, Building Systems Company
Apr 2013 Executive Officer, Vice Head of Environmental Facility Solution Headquarters, Building Systems Company
Apr 2015 Executive Officer, Head of Environmental Facility Solution Headquarters and General Manager of Environmental Particle Solution Department, Building Systems Company
Apr 2016 Managing Executive Officer, General Manager of Tokyo Head Office, Building Systems Company
Apr 2018 Managing Executive Officer, President of Building Systems Company (Present post)
Jun 2018 Director (Present post)

Audit & Supervisory Board Members

Audit & Supervisory Board Members

Hisaya Katsuta

Tomohiko Matsuyasu

Outside Audit & Supervisory Board Members

Kinya Fujimoto

Minoru Sakuma

Fumitoshi Sato

Managing Executive Officers

Hiroshi Arai

Responsible for azbil Group (aG) IT, aG Information Systems, aG Information Security, aG Cyber Security, IT Development Headquarters, Cloud Operation Center, Information Systems Department, Cyber Security Office, Head of IT Development Headquarters

Junya Nishimoto

Responsible for aG Research and Development, Product Safety, Quality, Environment, Smart Robots, Technology Development Headquarters, Technology Standardization Department, Valve Production Development Department, Document Production Department, AI Solution Department

Akihiko Naruse

Responsible for aG Safety Management (Occupational Health and Safety), Human Resources Department, aG Safety Management Department, Azbil Academy

Tadayoshi Ito

Responsible for aG Marketing, Service Business, Service Headquarters, IT Solution Department, General Manager of Advanced Automation (AA) SS Business*1

Executive Officers

Yoshifumi Suzuki

Responsible for aG Environmental Load Innovation, Department of Safety Assessment, aG Quality Assurance Department, Environment Promotion Department, General Manager of Department of Safety Assessment, General Manager of aG Quality Assurance Department

Masashi Hirano

Responsible for New Business Development of Factory Automation

Takahiro Sakamoto

Head of Technology Development Headquarters

Toshiyasu Sumitomo

Responsible for Business Development in North America

Takashi Imamura

Head of Production Management Headquarters



Outside Director

Katsuhiko Tanabe

Apr 1973 Registered as a Lawyer
 Sep 1979 Established TANABE & PARTNERS (Present post)
 Apr 1995 Deputy Chairperson of Dai-ichi Tokyo Bar Association
 Apr 1997 Vice-Chairperson of Kanto Bar Association
 Apr 1998 Managing Director of Japan Federation of Bar Associations
 Jun 2000 Outside Audit & Supervisory Board Member of Sanwa Shutter Corporation (Present: Sanwa Holdings Corporation)
 Jun 2007 Outside Audit & Supervisory Board Member of the Company
 Jun 2010 Outside Director of the Company (Present post)
 Oct 2010 Outside Director of MIRAIT Holdings Corporation
 Jun 2014 Retired from Outside Director of MIRAIT Holdings Corporation
 Jun 2015 Outside Audit & Supervisory Board Member of JSP Corporation (Present post)
 Jun 2016 Retired from Outside Audit & Supervisory Board Member of Sanwa Holdings Corporation



Outside Director

Takeshi Itoh

Sep 1969 Entered Burnham & Company
 Oct 1983 Director of The First Boston Corporation (Present: Credit Suisse Group AG)
 Oct 1993 Managing Director and Vice Manager of Tokyo Branch, Smith Barney (Present: Citi Group Global Markets Japan Inc.)
 Oct 1998 President of UBS Asset Management Inc. (Present: UBS Asset Management (Japan) Ltd.)
 Dec 2010 Supreme Advisor of Japan Wealth Management Securities, Inc. (Present: Aozora Securities Co., Ltd.)
 Feb 2012 Vice Chairperson and Chief Operating Officer of Aozora Securities Co., Ltd.
 Jun 2013 Senior Advisor of Aozora Securities Co., Ltd.
 Jun 2014 Outside Director of the Company (Present post)
 Jun 2018 Retired from Senior Advisor of Aozora Securities Co., Ltd.



Outside Director

Waka Fujiso

Apr 1980 Public Prosecutor of Tokyo District Public Prosecutor's Office
 Apr 2001 Public Prosecutor of Tokyo High Public Prosecutor's Office
 Dec 2007 Public Prosecutor of Supreme Public Prosecutors Office
 Mar 2008 Retired from Public Prosecutor of Supreme Public Prosecutor's Office
 Apr 2009 Professor of Rikkyo University's Law School
 Sep 2011 Member of the Medical Ethics Council of Ministry of Health, Labor and Welfare
 Mar 2014 Retired from Professor of Rikkyo University's Law School
 Jun 2015 Substitute Audit & Supervisory Board Member of the Company
 Jun 2018 Outside Director of the Company (Present post)
 Oct 2019 Retired from a member of the Medical Ethics Council of Ministry of Health, Labor and Welfare



Outside Director

Mitsuhiro Nagahama

Apr 1976 Joined The Fuji Bank Limited. (Present: Mizuho Bank, Ltd.)
 Mar 2003 Executive Officer and General Manager of Otemachi Corporate Banking Division No. 6 and Otemachi Corporate Banking Division No. 7, Mizuho Corporate Bank, Ltd. (Present: Mizuho Bank, Ltd.)
 Apr 2005 Senior Executive Officer in charge of Corporate Banking, Mizuho Corporate Bank, Ltd.
 Mar 2006 Senior Executive Officer and Head of the Americas, Mizuho Corporate Bank, Ltd.
 Apr 2010 Deputy President and Deputy President-Executive Officer and Head of the Americas, Mizuho Corporate Bank, Ltd.
 Mar 2013 Retired from Mizuho Corporate Bank, Ltd.
 Apr 2013 Chairperson of the Board of Mizuho Securities Co., Ltd. & Mizuho Securities USA Inc.
 Apr 2015 Advisor of Mizuho Securities Co., Ltd.
 Jun 2015 Outside Audit & Supervisory Board Member of the Company
 Mar 2018 Outside Audit & Supervisory Board Member of KURARAY Co., Ltd. (Present post)
 Mar 2019 Outside Director of Tokyo Tatemono Co., Ltd. (Present post)
 Jun 2019 Outside Director of the Company (Present post)
 Representative Director of Japan Economic Research Institute (Present post)
 Mar 2020 Retired from Advisor of Mizuho Securities Co., Ltd.



Outside Director

Anne Ka Tse HUNG

(Married Name: Anne Hung Davis)

Jul 1987 Joined Baker McKenzie
 Jul 1991 Moved to Baker McKenzie Tokyo
 Jul 1999 Partner of the firm
 Jul 2018 Senior Counsel of the firm
 Mar 2019 Retired from Senior Counsel of the firm
 Jun 2020 Outside Director of the Company (Present post)

Kenichi Hayashi

General Manager of the Building Systems Company (BSC) Business Planning Department

Tetsuya Maruyama

Manager of BSC Chubu Regional Division

Tomoyuki Takeda

Manager of BSC Kansai Regional Division

Takashi Sawada

Manager of BSC Tokyo Head Office

Tetsuya Iwasaki

Responsible for aG System Development, Head of BSC Development Headquarters

Kanichiro Tsuruta

Head of BSC Engineering Headquarters

Hiroshi Shimizu

Responsible for aG Advanced Control Business, General Manager of Advanced Solutions Department in Advanced Automation Company (AAC) Engineering Headquarters

Tetsuo Takamura

General Manager of AA CP Business*2

Hideaki Ishii

Responsible for aG production innovation, AA Development and Quality Assurance

Taro Sento

General Manager of AA IAP Business*3

Masatoshi Yamada

Head of Group Management Headquarters

Toshihisa Murayama

Responsible for Building Automation International Business, Head of BSC Marketing Headquarters

Tetsuo Kobayashi

Head of AAC Business Development Headquarters

*1. SS business: Solution and Service business (offering control systems, engineering service, maintenance service, energy-saving solution service, etc.)

*2. CP business: Control Product business (supplying factory automation products such as controllers and sensors)

*3. IAP business: Industrial Automation Product business (supplying process automation products such as differential pressure and pressure transmitters, and control valves)