

Editorial Policy for the *azbil Report* 2026

The *azbil Report* integrates financial and non-financial information to communicate the story of the azbil Group's medium- to long-term growth and value creation to our various stakeholders, including shareholders, investors, customers, business partners, employees, and the communities in which we operate. In editing the *azbil Report*, we have referred to the International Integrated Reporting Framework by the former International Integrated Reporting Council (IIRC, now the IFRS Foundation) and Value Co-creation Guidance from Japan's Ministry of Economy, Trade and Industry. Detailed financial information is available in our Audited Financial Report, and governance information is provided in our *Corporate Governance Report*.

Scope of the *azbil Report*

Azbil Corporation and its consolidated subsidiaries

Period covered by the *azbil Report*

From April 1, 2025, through March 31, 2026 (some information outside this period is included)

Additional notes

The contents of this report are subject to change without prior notice. Plans, objectives, strategies, and other statements in this report that are not facts reflect the forecasts and plans of management at the time of editing based on the information available. Such statements do not guarantee future performance, and outcomes might differ materially depending on various important factors. These factors include, but are not limited to, the following:

1. Economic conditions surrounding the azbil Group, exchange rate fluctuations, and capital investment trends
2. Changes in our ability to continuously provide products and services that are acceptable to our customers amid severe competition and in an environment of rapid technological innovation and global economic development

For information on major risk items and specific risk events, refer to the azbil Group's risk management on pages 60–61.

Note: Financial data and financial statements were previously prepared in accordance with Japanese GAAP. The Company adopted International Financial Reporting Standards (IFRS) from FY2026, so the financial plan for FY2026 was prepared under IFRS. All figures, including environmental data such as CO₂ emissions, are rounded.

Azbil's information disclosure

	Non-financial information	Financial information
Disclosure materials	Integrated Report (<i>azbil Report</i>)	
	Corporate Governance Report ESG Databook	Securities Report* (in Japanese only) Audited Financial Report Summary of financial reports* Medium-term plan Financial results presentation materials Notice of General Meeting of Shareholders*
Dialogue		* Statutory and timely disclosure documents
	Meetings involving outside directors and investors Facility tours ESG briefings	General Meeting of Shareholders Financial results briefings Business strategy briefings IR meetings

· The financial and non-financial information in the above chart delineates the main scope of disclosure. In recent years, our *Securities Report* and other reports feature expanded disclosure of non-financial information.

· The data and details that cannot be included in the Integrated Report are included in the various disclosure documents mentioned above, and are available on our website.

About the cover design

In May 2026, the azbil Group formulated its Purpose: "Expanding Technological Frontiers, Unlocking Human Potential." This Purpose expresses our commitment to unlocking the vast potential inherent in people and society through a broad range of technologies, including automation, and to creating new value at customer sites—realizing "From efficiency to innovation. From impossible to possible."

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Highlights

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A New Purpose and Vision for the Future

Introducing the Purpose and Vision formulated to mark the 120th anniversary of our founding, we showcase our efforts to bring them to life with examples involving data centers, semiconductor manufacturing, and water infrastructure.

pp.16–18

Materiality

In light of the formulation of our Purpose and changes in the business environment, we have reviewed our materiality and newly added “water resources” as a material issue.

pp.21–24

Medium-term Plan, Financial and Capital Management

Under our medium-term plan, for which the key theme is “Evolution and Co-creation,” we present our integrated approach to growth investments, capital management, and the enhancement of capital efficiency.

pp.62–63

Message from the Chairperson of the Board

The independent outside director who assumed the role of the Chairperson of the Board in June 2025 discusses initiatives to enhance board effectiveness and shares his perspectives on the company's medium- to long-term growth.

Principal declarations and initiatives that we have participated in or supported; external evaluations

- Declared support for the Task Force on Climate-related Financial Disclosures (TCFD)
- Signed the United Nations Global Compact
- Endorsed the Climate Change Initiative and the Japan Climate Leaders' Partnership
- Endorsed the disclosure recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and registered as a “TNFD Adopter”
- Chosen by six indices of the Government Pension Investment Fund (GPIF): FTSE Blossom Japan Index, MSCI Japan ESG Select Leaders Index, FTSE Blossom Japan Sector Relative Index, MSCI Japan Empowering Women Index (WIN), S&P/JPX Carbon Efficient Index, and Morningstar Japan ex-REIT Gender Diversity Tilt Index
- CDP 2025: Rated A in Climate Change Report, Rated A- in Water Security Report, Recognized as Supplier Engagement Leader
- Received the highest rating for the Eruboshi certification, which recognizes leading companies based on Japan's Act on Promotion of Women's Participation and Advancement in the Workplace; acquired Platinum Kurumin certification; certified as a Health & Productivity Management Outstanding Organization in 2026 (White 500)
- Selected as an Environmentally Sustainable Enterprise at the 7th ESG Finance Awards Japan
- Selected as a Noteworthy DX Company 2026 in the Digital Transformation Stock Selection program jointly administered by Japan's Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency, Japan
- FTSE4Good Japan Index, JPX-Nikkei Index 400



The azbil Group's DNA and Vision: Our Founder's Spirit Rooted in “Freeing People from Drudgery”



The history of the azbil Group began in 1906, when Takehiko Yamaguchi founded Yamatake Shokai Co., Ltd., with the desire of “freeing people from drudgery.”

Since then, we have carried forward this founding spirit while addressing the societal challenges and customer needs of each era, building a legacy of innovation along the way. Recognizing the potential of automation technology at an early stage, we have continued to pursue the development of innovative products and services that were among the first of their kind in Japan and globally, as well as the creation of proprietary technologies. Through these efforts, we have contributed to Japan's industrial development, energy saving, and the advancement of social infrastructure.

What has been passed down since our founding is not technology itself, but a commitment to continually take on the challenge of solving issues facing people and society. To carry this corporate DNA into the future, we have formulated a new Purpose and Vision.

azbil
Engineering the Impossible

120 Years of Value Creation

1906–1950s

Freeing people from drudgery

Transition from importing industrial instruments to in-house development and domestic production of equipment

For Japan's modernization, the introduction of advanced Western technology was an urgent issue. To further industrialize and develop Japanese industries, demand arose for the domestic production of industrial instruments, which until then had been imported.

1950–1970s

First in control

Contribution to rapid economic growth through automation

With the rapid economic growth of Japan, investment in the expansion and modernization of manufacturing industries, driven by technological innovation, led to increasing demand for measurement and engineering.

1970–2000s

Savemation

Transformation to digital instrumentation to meet growing needs for energy saving, advanced functionality, and higher precision

With the oil crisis of the 1970s, energy saving and labor saving became important issues. Furthermore, demand expanded for the digitalization of industrial instruments as well as advanced instrumentation and software for measurement and control systems.

2000s–

Human-centered automation

Provision of solutions “in series” to meet increasing societal needs and to achieve a sustainable society

In this period, Internet access and usage became truly global. At the same time, population issues, energy shortages, climate change, and other challenges came to the forefront. Automation started playing an increasingly important role in creating a sustainable global environment.

2026

Group's Purpose formulated

Unlocking the vast potential of people and society through automation technology

See p.5 for examples of how our Purpose and Vision are being implemented.

1913

Manufactured flat-disk type water meters and wheel-type meters

1936

Succeeded in manufacturing the first automatic control valves in Japan



1953

Developed Japan's first dry-type LP gas meter Model PI and began production

1959

Achieved the first domestic production of modutrol motors, a compact control motor

1964

Commercialized the world's first cage-type control valve

1975

Sales launch of the world's first electromagnetic flowmeter employing a proprietary square-wave excitation method



1980

Independently developed a total building management system

1999

Sales launch of gas mass flowmeters incorporating a proprietary sensor utilizing microelectromechanical systems (MEMS) technology



2016

Sales launch of an online anomaly detection system

2020

Sales launch of a control valve maintenance support system

(Billions of yen)

300

200

200

150

100

50

0

■ Net sales (left axis)
— Operating income margin (right axis)

1950 1955 1960 1965 1970 1975 1980 1985 1990 1995 2000 2005 2010 2015 2020 2025 (FY)

(%)

18

15

12

9

6

3

0

Note: Owing to a change in the fiscal year-end, FY1994 was an irregular period.