Consolidated Financial Results

For the Second Quarter of Fiscal Year 2012 ending March 31, 2013

(April 1, 2012 to September 30, 2012)

November 1, 2012

Azbil Corporation

Note:

* Segment names are abbreviated as follows.

BA: Building Automation
AA: Advanced Automation
LA: Life Automation

* Figures are rounded off.

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1. FY2012 2nd Quarter Financial Results

* From FY2012, some of the business that have been categorized into “Other” (the importing, buying-in and marketing of inspection and measurement equipment, etc.) are categorized into “AA”. In this material the figures for the same period of the previous year have been reclassified to take account of the new segment divisions so as to enable direct comparison. This makes it possible to trace trends.

Consolidated Financial Results

azbil

《Compared to the same period last year and the business plan》

Orders Received

At 126.8 billion yen, orders were almost unchanged from the same period last year, if one excludes from the comparison those orders placed for large-scale projects* that were included in last year's figures.

* In the BA business, orders were placed for large-scale service projects (mainly market testing) that stretch over several years and the total value of these multi-year contracts was recorded as a lump sum for accounting purposes in the same period last year.

Net Sales

The AA business recorded a fall in sales mainly because of the slow recovery in demand in the market for equipment manufacturers. However, sales grew for the BA and LA businesses, so overall sales increased by 1.5% on the same period last year, to 104.8 billion yen.

Operating Income

Operating income of 3.5 billion yen was recorded, in line with the initial plan. Sales and profits for the AA business fell as a result of reduced demand for products among equipment manufacturers. However, thanks to the BA and LA businesses supplying customers with comprehensive solutions, and the implementation of measures to enhance the business structure, the profit target was met.

[Billions of yen]

	FY2011 1H	FY2012 1H					
	Actual	Actual	Difference		Initial plan (May 8, 2012)	Difference	
	(A)	(B)	(B) - (A)	%	(C)	(B) - (C)	%
Orders received	138.5	126.8	(11.7)	*(8.5)%*			
Net sales	103.3	104.8	1.5	*1.5%*	106.0	(1.2)	*(1.2)%*
Operating income	4.7	3.5	(1.2)	*(24.6)%*	3.5	0.0	*1.4%*
Operating margin	*4.6%*	*3.4%*	*(1.2)*		*3.3%*	*0.1*	
Ordinary income	4.7	3.3	(1.4)	*(29.2)%*	3.3	0.0	*0.2%*
Net income	2.4	1.5	(1.0)	*(39.1)%*	1.6	(0.1)	*(6.8)%*

1. FY2012 2nd Quarter Financial Results
Non-operating Income/Expenses and Extraordinary Income/Loss

《Compared to the same period last year》

In the same period last year extraordinary income and loss items included a gain on transfer of business (0.2 billion yen), and a loss on disaster resulting from the Great East Japan Earthquake (0.2 billion yen).

[Billions of yen]

	FY2011 1H	FY2012 1H		
	Actual	Actual	Difference	
	(A)	(B)	(B) - (A)	%
Operating income	4.7	3.5	(1.2)	*(24.6)%*
Non-operating income	0.4	0.3	(0.1)	*(25.5)%*
Non-operating expenses	0.5	0.6	0.1	*19.6%*
Ordinary income	4.7	3.3	(1.4)	*(29.2)%*
Extraordinary income	0.3	0.0	(0.3)	*(99.1)%*
Extraordinary loss	0.4	0.1	(0.2)	*(62.4)%*
Income before income taxes and minority interests	4.5	3.2	(1.4)	*(30.3)%*
Income taxes	1.9	1.6	(0.4)	*(18.8)%*
Minority interests in income	0.2	0.1	(0.1)	*(34.0)%*
Net income	2.4	1.5	(1.0)	*(39.1)%*

Performance by Segment

《Compared to the same period last year and the business plan》

BA

In the same period last year, there were orders for large-scale service projects with contracts that cover a period of several years and the total value of these multi-year contracts was recorded as a lump sum for accounting purposes. This has meant that orders for the current accounting period fell by 16.1% on the same period last year, to 63.9 billion yen. Sales increased by 2.2% on the same period last year, to 45.3 billion yen, mainly from growth in the overseas business. Segment profit fell by 24.0% on the same period last year as a result of the scaling down of investments caused by the slump in the building market and the negative impact of increased competition on unit prices. Nevertheless, at 1.7 billion yen this exceeded the initial plan, thanks to an improved business structure and proactive energy-saving proposals that served to maintain earnings.

AA

Mainly due to the delayed recovery in the market for equipment manufacturers related to semiconductors and so on, demand for control products was lackluster. As a result, orders were down by 3.3% on the same period last year, at 45.3 billion yen, and sales fell by 1.8% to 42.6 billion yen. Mainly as a result of decreased sales, segment profit was down 21.2% on the same period last year, at 1.9 billion yen.

LA

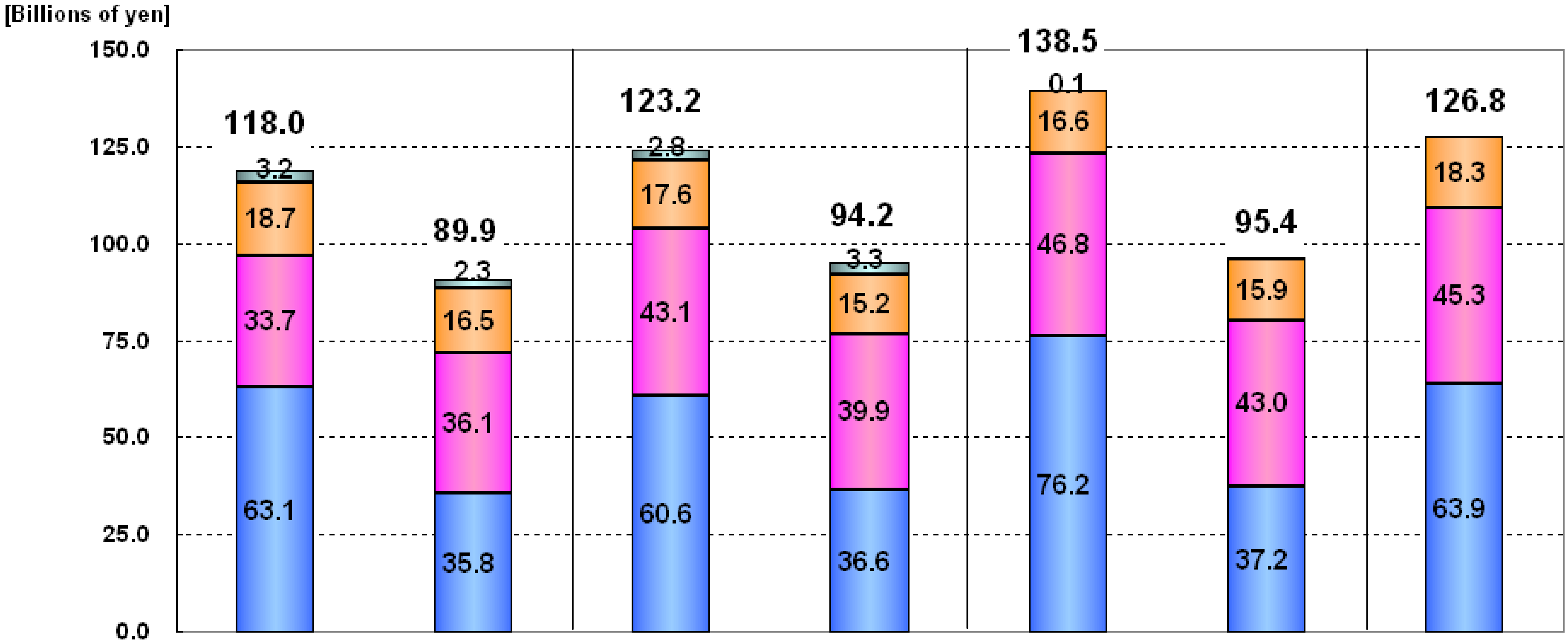
Orders were up by 10.5% on the same period last year, at 18.3 billion yen, and sales rose 8.1% on the same period last year to 17.5 billion yen. This was mainly driven by growth in sales of town gas meters and water meters. Segment loss was 0.1 billion yen (a loss of 0 billion yen was recorded for the same period last year). This includes forward investments made to expand sales of residential central air conditioning systems. The initial plan for the LA business as a whole was loss of 0.2 billion yen, but this was improved on thanks to increased profits from gas meter sales.

[Billions of yen]

		FY2011 1H		FY2012 1H					
		Actual	Actual Seg. reclassified base (A)	Actual (B)	Difference (B) - (A)	Difference %	Initial plan (May 8, 2012) (C)	Difference (B) - (C)	Difference %
BA	Orders received	76.2	76.2	63.9	(12.3)	(16.1)%			
	Sales	44.4	44.4	45.3	1.0	2.2%	46.0	(0.7)	(1.4)%
	Segment profit	2.3	2.3	1.7	(0.5)	(24.0)%	1.5	0.2	15.8%
	%	5.1%	5.1%	3.8%	(1.3)		3.3%	0.6	
AA	Orders received	44.9	46.8	45.3	(1.6)	(3.3)%			
	Sales	41.0	43.4	42.6	(0.8)	(1.8)%	44.0	(1.4)	(3.2)%
	Segment profit	2.4	2.5	1.9	(0.5)	(21.2)%	2.2	(0.3)	(11.6)%
	%	5.8%	5.7%	4.6%	(1.1)		5.0%	(0.4)	
LA	Orders received	16.6	16.6	18.3	1.7	10.5%			
	Sales	16.2	16.2	17.5	1.3	8.1%	17.0	0.5	3.1%
	Segment profit	(0.0)	(0.0)	(0.1)	(0.1)	-	(0.2)	0.1	-
	%	(0.3)%	(0.3)%	(0.8)%	(0.5)		(1.2)%	0.4	
Other	Orders received	2.1	0.1	0.0	(0.0)	(14.8)%			
	Sales	2.5	0.1	0.0	(0.0)	(13.4)%	0.1	(0.1)	(53.0)%
	Segment profit	0.1	0.0	0.0	0.0	118.8%	0.0	0.0	-
	%	3.5%	9.4%	23.8%	14.4		0.0%	23.8	
Consolidated	Orders received	138.5	138.5	126.8	(11.7)	(8.5)%			
	Net sales	103.3	103.3	104.8	1.5	1.5%	106.0	(1.2)	(1.2)%
	Operating income	4.7	4.7	3.5	(1.2)	(24.6)%	3.5	0.0	1.4%
	Operating margin	4.6%	4.6%	3.4%	(1.2)		3.3%	0.1	

* Each segment amounts include internal transactions between business segments.

Orders Received by Segment [Reference]

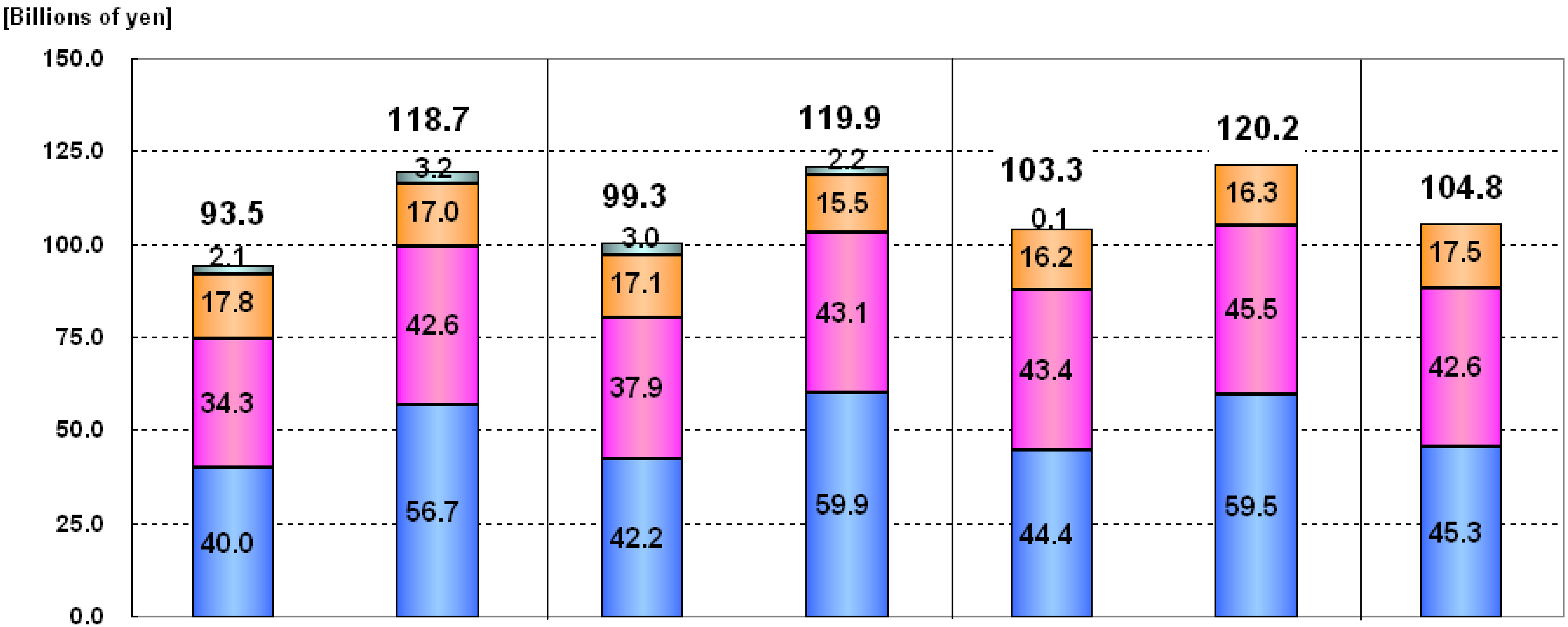


	FY2009 1H	FY2009 2H	FY2010 1H	FY2010 2H	FY2011 1H Seg. reclassified base	FY2011 2H Seg. reclassified base	FY2012 1H
BA	63.1	35.8	60.6	36.6	76.2	37.2	63.9
AA	33.7	36.1	43.1	39.9	46.8	43.0	45.3
LA	18.7	16.5	17.6	15.2	16.6	15.9	18.3
Other	3.2	2.3	2.8	3.3	0.1	0.0	0.0
Consolidated	118.0	89.9	123.2	94.2	138.5	95.4	126.8

* Each segment amounts include internal transactions between business segments.

1. FY2012 2nd Quarter Financial Results

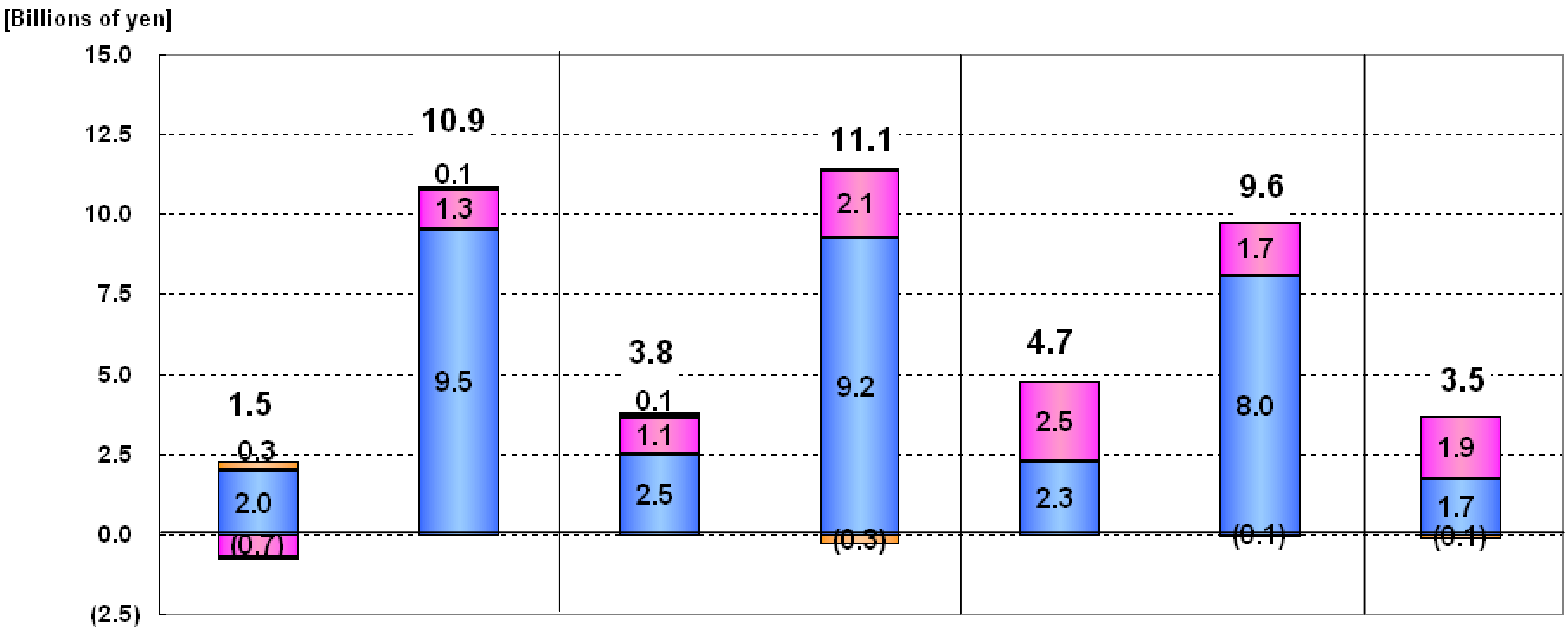
Sales by Segment [Reference]



	FY2009 1H	FY2009 2H	FY2010 1H	FY2010 2H	FY2011 1H Seg. reclassified base	FY2011 2H Seg. reclassified base	FY2012 1H
BA	40.0	56.7	42.2	59.9	44.4	59.5	45.3
AA	34.3	42.6	37.9	43.1	43.4	45.5	42.6
LA	17.8	17.0	17.1	15.5	16.2	16.3	17.5
Other	2.1	3.2	3.0	2.2	0.1	0.0	0.0
Consolidated	93.5	118.7	99.3	119.9	103.3	120.2	104.8

* Each segment amounts include internal transactions between business segments.

Segment Profit (Operating Income) [Reference]

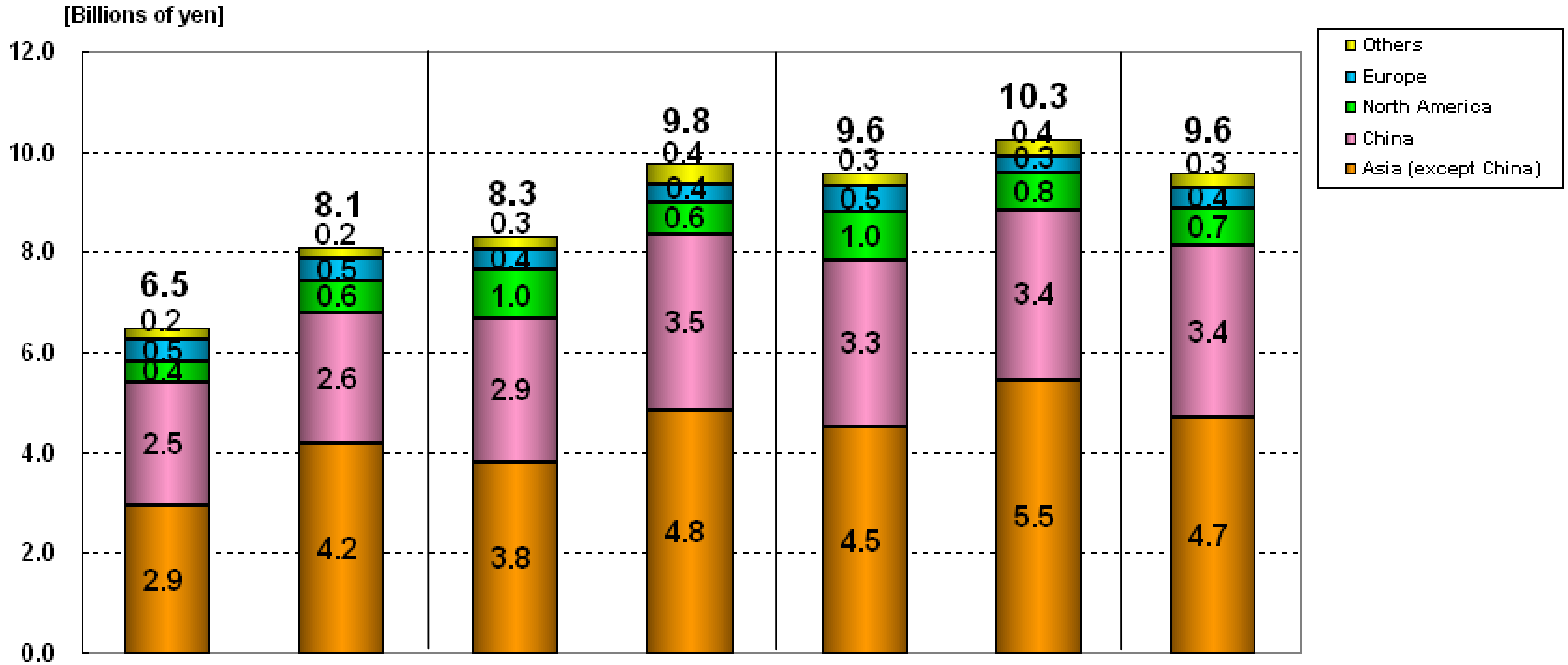


	FY2009 1H	FY2009 2H	FY2010 1H	FY2010 2H	FY2011 1H Seg. reclassified base	FY2011 2H Seg. reclassified base	FY2012 1H
BA	2.0	9.5	2.5	9.2	2.3	8.0	1.7
AA	(0.7)	1.3	1.1	2.1	2.5	1.7	1.9
LA	0.3	0.1	0.1	(0.3)	(0.0)	(0.1)	(0.1)
Other	(0.1)	0.0	0.1	0.1	0.0	(0.0)	0.0
Consolidated	1.5	10.9	3.8	11.1	4.7	9.6	3.5

* Each segment amounts include internal transactions between business segments.

Global Operations (Overseas Sales)

- Since the Lehman Shock, despite the impact of the high value of the yen, steady business growth continued. Recently, however, business has been affected by a decrease in demand from makers of manufacturing equipment for semiconductors, etc.
- For the first half of FY2012 sales were 9.6 billion yen. Compared to the same period last year, the BA business saw an increase in revenue, thanks mainly to large-scale regional development projects that are locally capitalized; and the AA business achieved growth in sales of field instruments and control valves. Together these were able to offset the effects of the high yen and lower demand among equipment manufacturers.



Reference : Average Exchange Rate

	FY2009 1H	FY2009 2H	FY2010 1H	FY2010 2H	FY2011 1H	FY2011 2H	FY2012 1H
Yen-1USD	95.60	93.65	91.36	87.79	82.02	79.79	79.78
Yen-1Euro	127.44	130.36	121.24	116.28	115.05	111.11	103.49

* The average rate for the whole year is applied to 2H.
* Global operations (overseas sales) figures include only the sales of overseas subsidiaries and direct exports; indirect exports are excluded.
* The accounting year used by overseas subsidiaries mainly ends on December 31.

Consolidated Balance Sheets

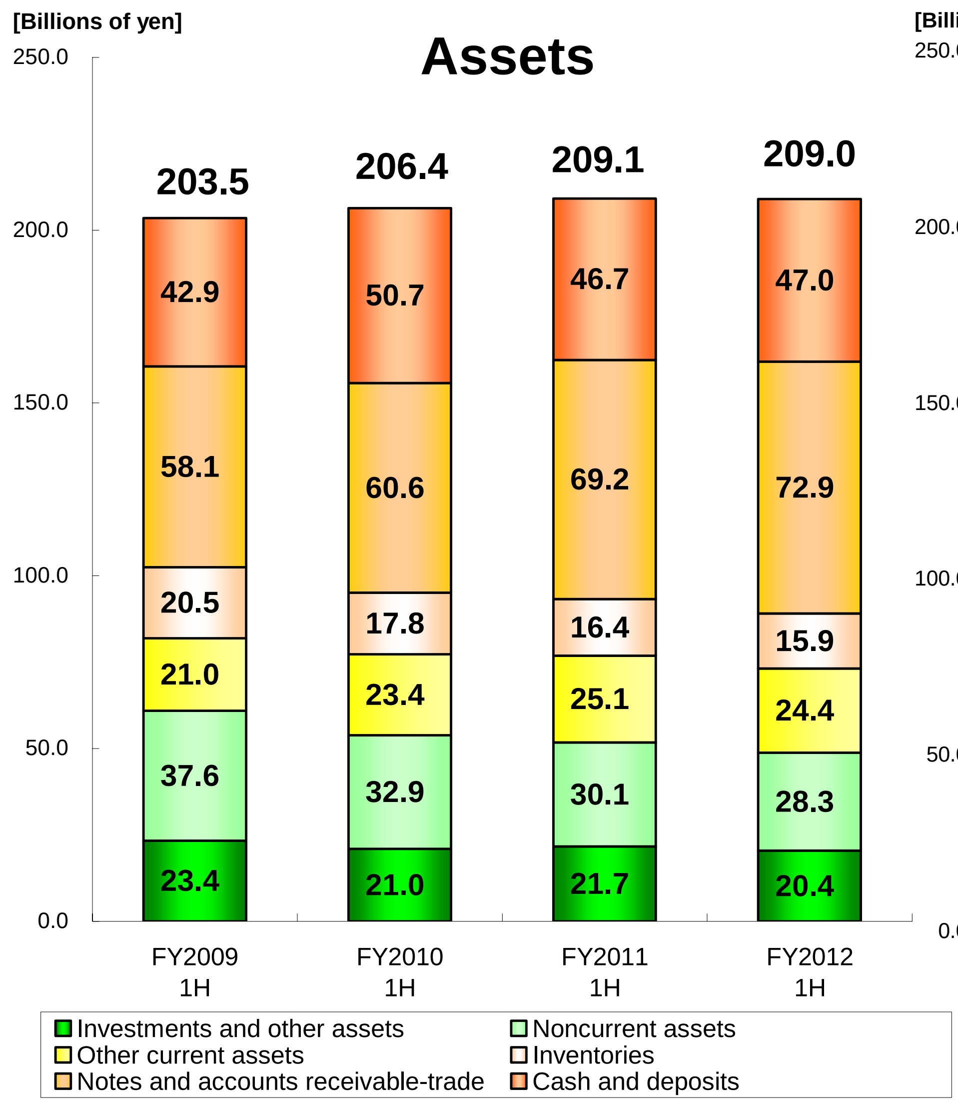
Total assets were 209.0 billion yen, a fall of 14.5 billion yen from the end of the previous fiscal year, mainly due to a decrease in accounts receivable.

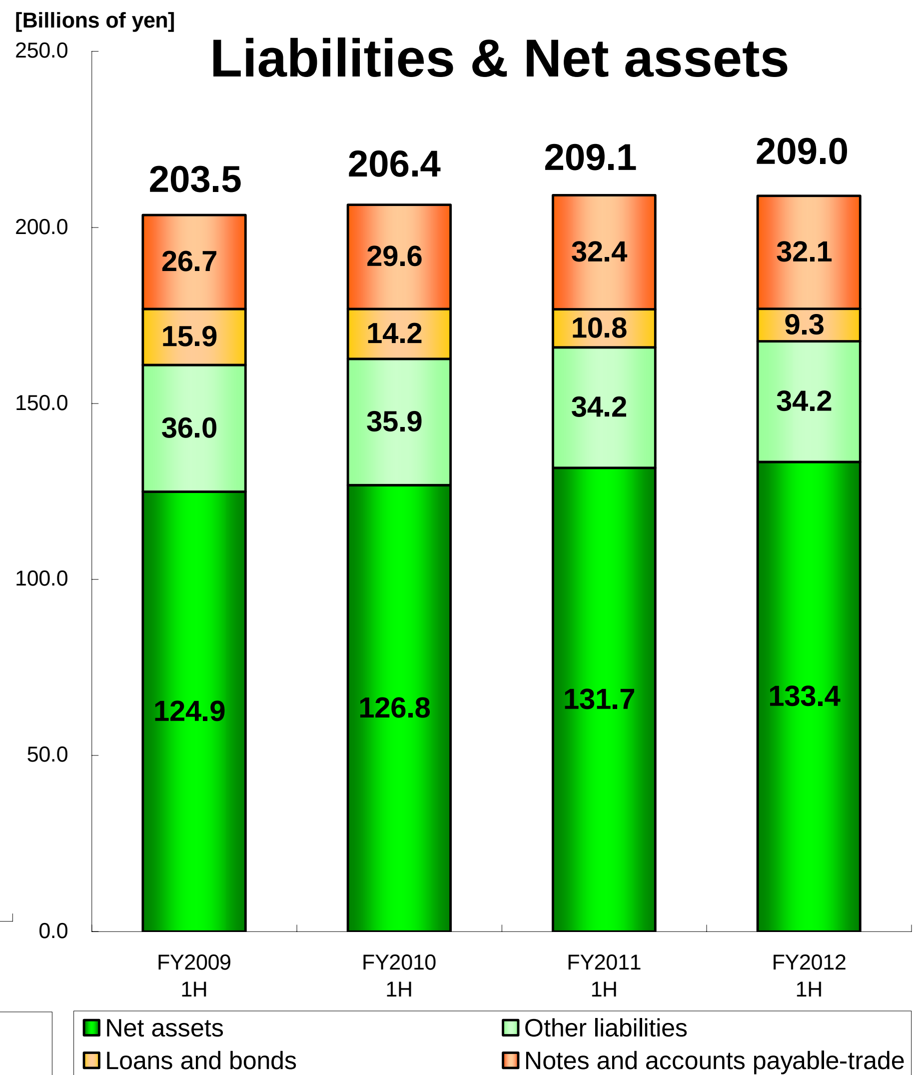
[Billions of yen]

	FY2011 1H (A)	FY2011 2H (B)	FY2012 1H (C)	Difference (C) - (A)	Difference (C) - (B)
Current assets	157.4	173.0	160.2	2.9	(12.8)
Cash and deposits	46.7	45.1	47.0	0.3	1.9
Notes and accounts receivable-trade	69.2	85.5	72.9	3.7	(12.6)
Inventories	16.4	16.1	15.9	(0.5)	(0.2)
Others	25.1	26.2	24.4	(0.7)	(1.9)
Noncurrent assets	51.8	50.5	48.8	(3.0)	(1.7)
Property, plant and equipment	25.0	24.1	23.7	(1.3)	(0.4)
Intangible assets	5.1	4.4	4.6	(0.4)	0.2
Investments and other assets	21.7	21.9	20.4	(1.3)	(1.5)
Total assets	209.1	223.5	209.0	(0.1)	(14.5)

	FY2011 1H (A)	FY2011 2H (B)	FY2012 1H (C)	Difference (C) - (A)	Difference (C) - (B)
Liabilities	77.4	88.4	75.6	(1.9)	(12.8)
Current liabilities	57.2	69.3	57.3	0.0	(12.0)
Notes and accounts payable-trade	32.4	37.2	32.1	(0.4)	(5.1)
Short-term loans and bonds	5.4	5.5	5.4	(0.0)	(0.2)
Others	19.5	26.6	19.9	0.4	(6.7)
Noncurrent liabilities	20.2	19.1	18.3	(1.9)	(0.8)
Long-term loans	5.4	4.7	4.0	(1.5)	(0.7)
Others	14.8	14.4	14.3	(0.4)	(0.1)
Net assets	131.7	135.1	133.4	1.7	(1.6)
Shareholders' equity	128.9	132.6	131.7	2.8	(0.9)
Capital stock	10.5	10.5	10.5	-	-
Capital surplus	17.2	17.2	17.2	-	-
Retained earnings	103.8	107.5	106.6	2.8	(0.9)
Treasury stock	(2.6)	(2.6)	(2.6)	(0.0)	(0.0)
Total accumulated other comprehensive income	1.0	0.9	0.1	(0.9)	(0.9)
Subscription rights to shares and minority interests	1.8	1.5	1.6	(0.2)	0.1
Total liabilities and net assets	209.1	223.5	209.0	(0.1)	(14.5)

Consolidated Balance Sheets [Reference]





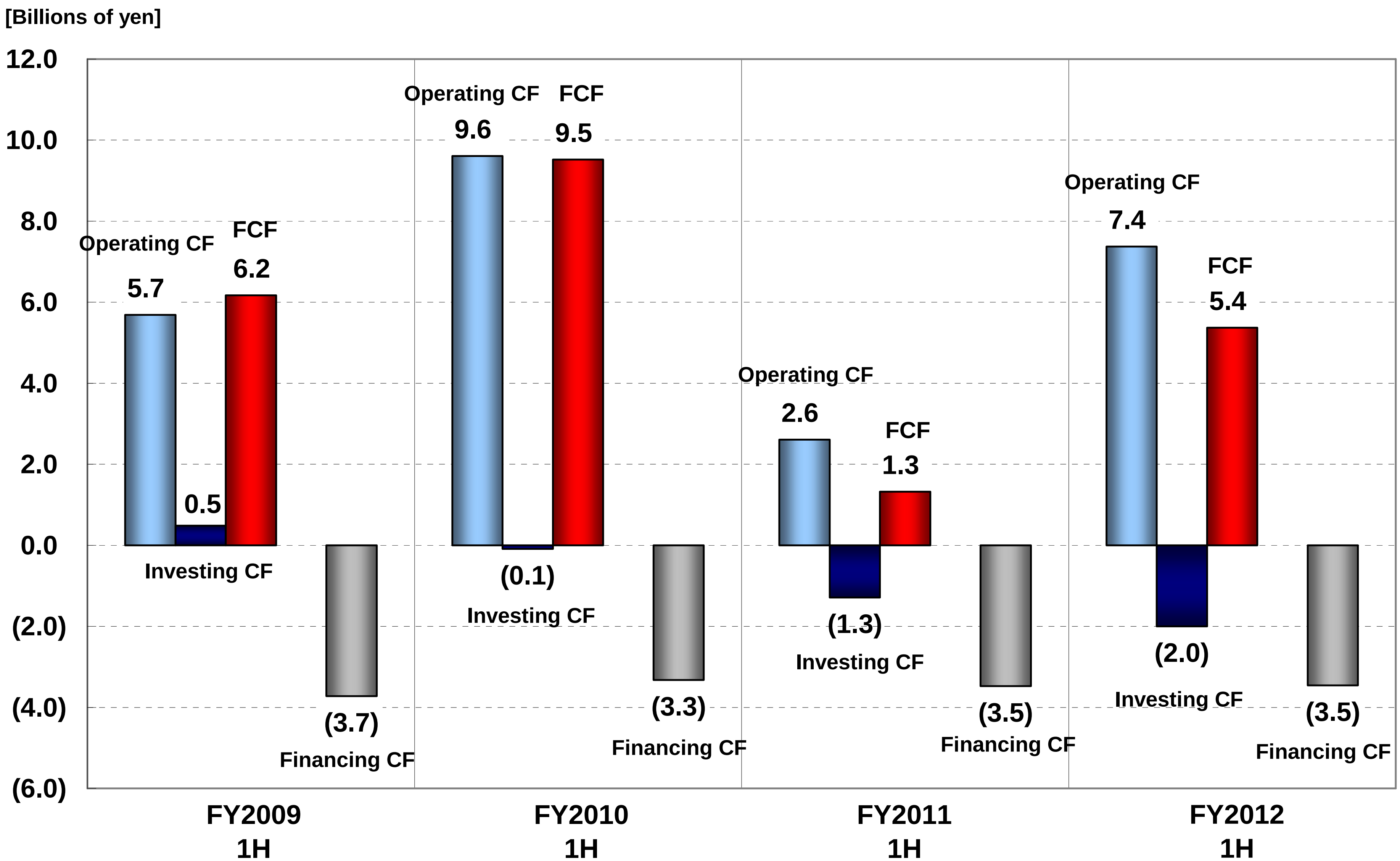
Consolidated Cash Flows

- Despite lower quarterly net income, funds from operating activities were 7.4 billion yen, an increase of 4.8 billion yen over the same period last year, owing to a reduction in note and accounts receivable-trade.
- Funds used for investment activities were 2.0 billion yen (an increase of 0.7 billion yen over the same period last year); this is mainly accounted for the purchase of stocks of subsidiary.
- Funds used for financing activities were 3.5 billion yen, equivalent to the same period last year.

[Billions of yen]

		FY2011 1H	FY2012 1H			FY2011 Full year
		Actual	Actual	Difference		Actual
		(A)	(B)	(B) - (A)	% Change	[Reference]
	Cash flows from operating activities	2.6	7.4	4.8	*182.4 %*	5.6
	Cash flows from investing activities	(1.3)	(2.0)	(0.7)	-	(3.5)
	Free cash flows	1.3	5.4	4.0	*305.5 %*	2.1
	Cash flows from financing activities	(3.5)	(3.5)	0.0	-	(6.4)
	Effect of exchange rate change on cash and cash equivalents	(0.0)	0.0	0.0	-	(0.2)
	Net increase (decrease) in cash and cash equivalents	(2.2)	2.0	4.2	-	(4.5)
	Cash and cash equivalents at end of period	57.7	57.3	(0.3)	*(0.6)%*	55.4
[Reference]	Capital Investments	1.4	1.4	(0.0)	*(3.1)%*	3.0
	Depreciation	1.9	1.7	(0.2)	*(10.3)%*	4.0

Consolidated Cash Flows [Reference]



2. Business Plan for FY2012

* From FY2012, some of the business that have been categorized into “Other” (the importing, buying-in and marketing of inspection and measurement equipment, etc.) are categorized into “AA”. In this material the figures for the same period of the previous year have been reclassified to take account of the new segment divisions so as to enable direct comparison. This makes it possible to trace trends.

* These projections are based on management’s assumptions, intent and expectations In light of the information currently available to it, and therefore these statements are not guarantees of future performance. Due to various factors, actual results may differ from those discussed in this document.

Business environment awareness

Offering customer value over the product and their asset lifecycle and offering energy-related solutions have resulted in some success; however, recently the business environment has grown increasingly challenging and uncertain.

The economic slowdown in Europe and the sense of uncertainty regarding the future outlook has impacted economic development and capital investment in China and other emerging economies. Consequently, the business performance of domestic equipment manufacturers has deteriorated, and this has depressed production in the materials industry. The slowdown in Japan's economy is now more certain.

- **Delayed recovery in the market for equipment manufacturers related to semiconductors and electrical/electronic parts will lead to sluggish demand for control products.**
- **Investment in the building market is trending downwards but demand for energy-saving measures and lifecycle solutions will continue to be robust.**

- **There has been clear progress and achievement from the implementation of the 3 initiatives. These will now be spurred on, as the Group pushes ahead with key measures.**

Aiming to become **a long-term partner for both the customer and the community**, through offering solutions based on azbil's technology and products

Taking the global operations to the next level **Global initiative: Expansion into new regions and a qualitative change of focus**

Implementing organizational reforms to **create a corporate entity that can respond flexibly and continuously** to changes in the business environment

- **Measures designed to enhance the business structure and thus maintain earnings to support the implementation of initiatives will continue to be implemented and intensified.**

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Business Plan for FY2012

Consolidated performance targets for the fiscal year have been revised thus: Net sales to be 225.0 billion yen, a decrease of 5.0 billion yen from the initial plan; and operating income to be 13.5 billion yen, a decrease of 1.5 billion yen.

- **Net sales targets for the full year have been revised to take account of the expected economic slowdown, in Japan and overseas, and the delayed recovery of the business environment during the second half.**
- **Regarding profits, despite the impact of reduced sales, some improvement is expected from measures implemented in the first half to enhance the business structure.**

[Billions of yen]

	FY2011 Full year Actual (A)	FY2012 Full year Revised plan (Nov 1, 2012) (B)	Difference (B) - (A)	Difference %	Full year Initial plan (May 8, 2012) (C)	Difference (B) - (C)	Difference %
Net sales	223.5	225.0	1.5	0.7 %	230.0	(5.0)	(2.2)%
Operating income	14.3	13.5	(0.8)	(5.9)%	15.0	(1.5)	(10.0)%
Operating margin	6.4 %	6.0 %	(0.4)		6.5 %	(0.5)	
Ordinary income	14.6	13.1	(1.5)	(10.2)%	14.8	(1.7)	(11.5)%
Net income	8.5	7.4	(1.1)	(13.1)%	9.0	(1.6)	(17.8)%

Business Plan for FY2012 by Segment

BA

Taking into account overseas sales growth, sales for the full year are estimated at 105.0 billion yen (up 1.1% on the same period last year). Segment profit is estimated at 9.8 billion yen (down 5.1% on the same period last year), benefiting from an improved 2H profit ratio resulting from enhanced project management and steady progress in energy-saving and lifecycle solutions.

AA

Owing to the fact that the recovery in capital investment is delayed, principally in the market for equipment manufacturers, there will continue to be uncertainty regarding the future economic outlook. As a result, sales for the full year are estimated at 88.0 billion yen (down 1.0% on the same period last year). Segment profit is planned at 4.2 billion yen (up 1.0% on the same period last year) in anticipation of a 2H improvement resulting from measures to enhance the business structure.

LA

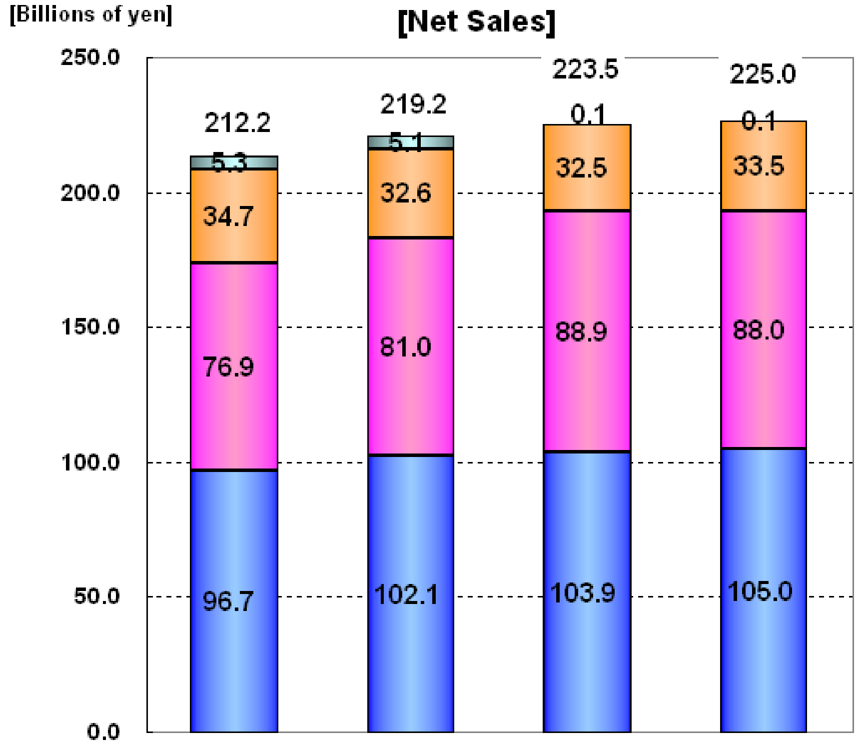
Sales for the full year are forecast to be 33.5 billion yen (up 2.9% on the same period last year), mainly driven by increased sales from town gas meters. The plan sees increased profits from town gas meters, but for the LA business as a whole a segment loss of 0.5 billion yen is forecast (a segment loss of 0.1 billion yen was recorded for the same period last year); this includes forward investments made to expand sales of residential central air conditioning systems.

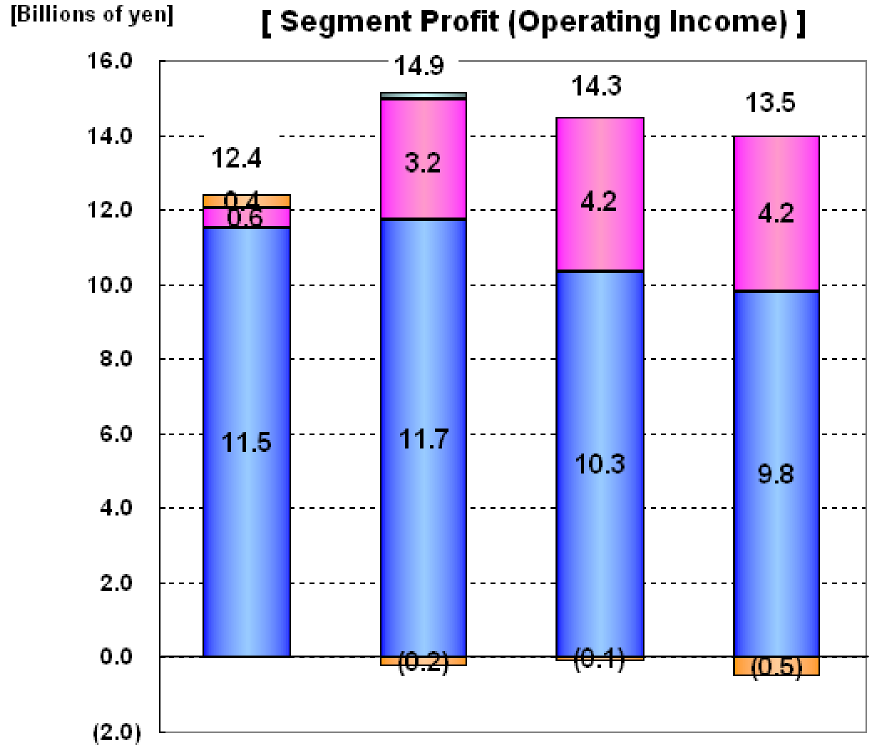
[Billions of yen]

		FY2011		FY2012					
		Full year Actual	Full year Actual Seg. reclassified base (A)	Full year Revised plan (B)	Difference (B) - (A)	Difference %	Full year Initial plan (C)	Difference (B) - (C)	Difference %
BA	Sales	103.9	103.9	105.0	1.1	1.1%	107.0	(2.0)	(1.9)%
	Segment profit	10.3	10.3	9.8	(0.5)	(5.1)%	10.5	(0.7)	(6.7)%
	%	9.9%	9.9%	9.3%	(0.6)		9.8%	(0.5)	
AA	Sales	84.1	88.9	88.0	(0.9)	(1.0)%	92.0	(4.0)	(4.3)%
	Segment profit	4.0	4.2	4.2	0.0	1.0%	5.0	(0.8)	(16.0)%
	%	4.8%	4.7%	4.8%	0.1		5.4%	(0.7)	
LA	Sales	32.5	32.5	33.5	1.0	2.9%	33.0	0.5	1.5%
	Segment profit	(0.1)	(0.1)	(0.5)	(0.4)	-	(0.5)	-	-
	%	(0.4)%	(0.4)%	(1.5)%	(1.1)		(1.5)%	0.0	
Other	Sales	4.9	0.1	0.1	0.0	6.4%	0.1	-	-
	Segment profit	0.1	(0.0)	0.0	0.0	-	0.0	-	-
	%	2.9%	(8.0)%	0.0%	8.0		0.0%	-	
Consolidated	Net sales	223.5	223.5	225.0	1.5	0.7%	230.0	(5.0)	(2.2)%
	Operating income	14.3	14.3	13.5	(0.8)	(5.9)%	15.0	(1.5)	(10.0)%
	Operating margin	6.4%	6.4%	6.0%	(0.4)		6.5%	(0.5)	

* Each segment amounts include internal transactions between business segments.

Results and Business Plan for FY2012 by Segment [Reference]





	FY2009 Actual	FY2010 Actual	FY2011 Actual Seg. reclassified base	FY2012 Revised plan
BA	96.7	102.1	103.9	105.0
AA	76.9	81.0	88.9	88.0
LA	34.7	32.6	32.5	33.5
Other	5.3	5.1	0.1	0.1
Total	212.2	219.2	223.5	225.0

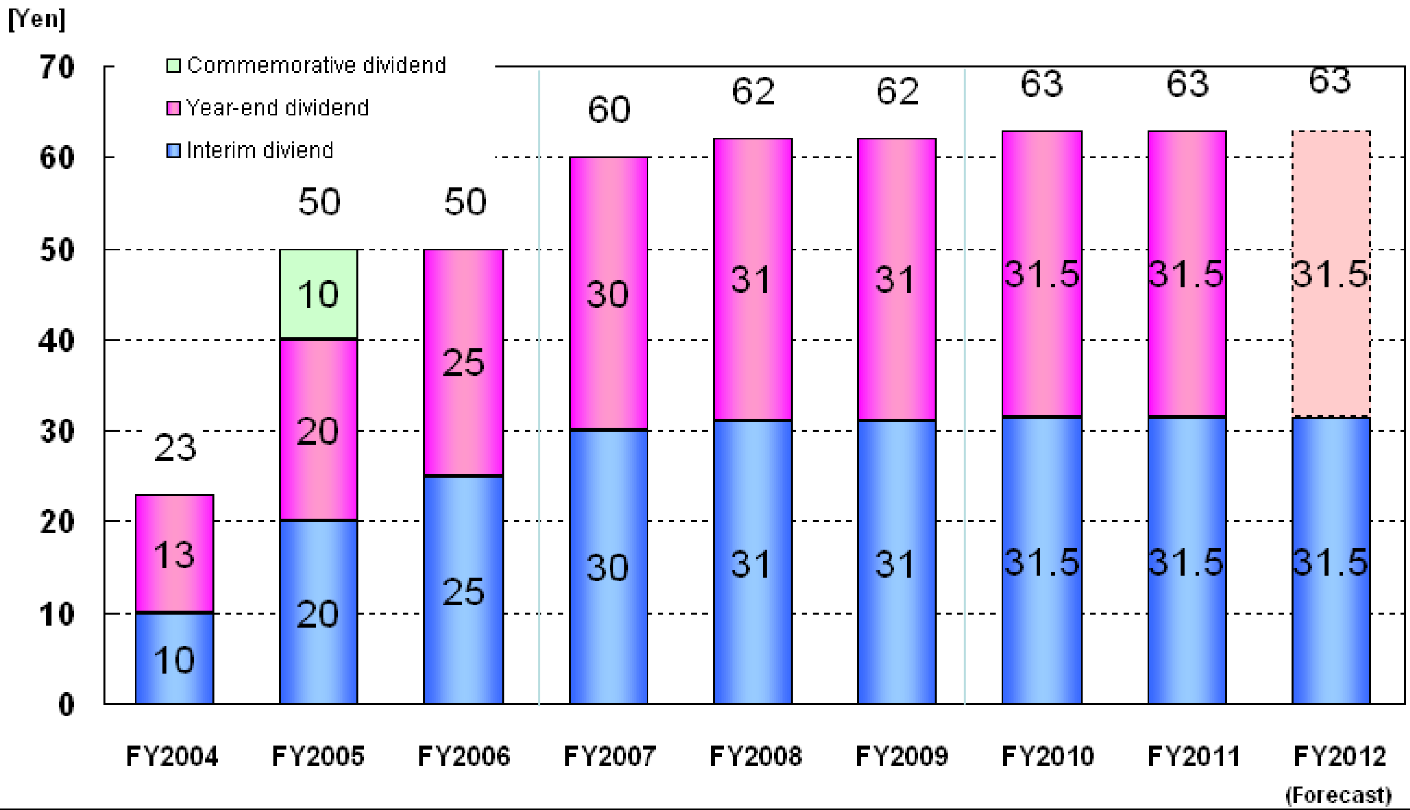
	FY2009 Actual	FY2010 Actual	FY2011 Actual Seg. reclassified base	FY2012 Revised plan
BA	11.5	11.7	10.3	9.8
AA	0.6	3.2	4.2	4.2
LA	0.4	(0.2)	(0.1)	(0.5)
Other	(0.0)	0.1	(0.0)	0.0
Total	12.4	14.9	14.3	13.5

* Each segment amounts include internal transactions between business segments.

3. Return to Shareholders

FY2012 Interim and Year-end Dividends Forecast

- Placing great importance on the profit sharing with shareholders, Azbil is planning to issue interim and year-end dividends of 31.5yen per share. Annual dividends per share will be 63yen.



	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012 (Forecast)
Annual dividends (Yen)	23	50	50	60	62	62	63	63	63
Dividends on equity (%)	1.7	3.5	3.2	3.7	3.7	3.6	3.6	3.5	* 3.4
Payout ratio (%)	45.6	37.6	34.6	41.2	48.5	73.4	58.7	54.6	* 62.9

* Reference

4. Conclusion

Progress of 3 Initiatives

azbil

- Demand will increase globally (overseas and in Japan) for **the lifecycle solution business**.
- As of this moment the business environment grows increasingly challenging and uncertain.
- The Group will vigorously promote **the 3 initiatives** aimed at improving the business structure to maintain earnings and business development.

Initiative 1

Aiming to become a long-term partner for both the customer and the community, through offering solutions based on azbil's technology and products

〜 **There is a full range of products and systems that play a key role in the azbil Group's unique energy management solutions.**

Energy Management Solution

ENEOPT ･･･ **Covering a wide range of projects, from buildings to factories, with the combined strengths of the azbil Group**

- "ENEOPT[TM] pers" , a meteorological data-based power usage guidance package
- Energy Management Systems eligible for BEMS Aggregator Subsidy for small-and medium-scale buildings/factories
- "Web-Infilex" service forenergy/CO2 savings by remote control of HVAC equipment

METI Minister's Awards

Green IT AWARD 2012

Initiative 2

Taking the global operations to the next level

Global initiative: Expansion into new regions and a qualitative change of focus

〜 **Develop a lifecycle solution business that starts with energy-saving and MRO proposals**

- Enhancing the sales structure to expand the control valve business
  〜 Azbil Saudi Arabia Limited (acquisition of sales licenses, start of preparations to build a factory), valve supply alliance with Indian company.
- Equity participation in a local company and establishment of a joint venture company with local capitals for developing the local building market in China
  Beijing YTYH Intelli-Technology Co., Ltd. (now an azbil Group subsidiary, to be included in consolidated profit/loss accounts from 2H), CECEP Building Energy Management Co., Ltd. (start of proactive sales activities)

Left: Hirozumi Sone, President of Azbil Corporation.
Right: Subhi M. Al-Hashem, Vice Chairman and President of Tharawat

Initiative 3

Implementing organizational reforms to **create a corporate entity that can respond flexibly and continuously** to changes in the business environment

〜 **Develop individual/organizational capabilities through upskilling, attention to growth fields**

- Establishment of the "Azbil Academy"
- Functional reorganization within the azbil Group

Actions for and after the 2nd half of FY2012

At the Start of

Fiscal Year 2012

Unified the group philosophy, group name, group company names to "azbil"

Changed its management team

Announced 3 initiatives

（Become a long-term partner for both the customer and the community, Expansion into new regions and qualitative change of focus, Building a corporate entity that can respond flexibly and continuously）

Azbil has been adopted for Group company names, promoting the azbil brand worldwide as a manifestation of our fundamental commitment to fostering a deeper understanding of "human-centered automation" among our customers, receiving their support and growing with them.

While continuing to pursue the basic policy designed to achieve our long-term goals, we have publicly proclaimed our focus on "human-centered automation" and our commitment to implementing the 3 initiatives aimed at enhancing customer relations and value (scope and quality).

In the near future we will intensify and advance our implementation of the 3 initiatives, achieving growth in FY2013. We will also move ahead with measures to mark the 10th anniversary of the establishment of "azbil", making preparations to ensure the necessary flexible organizational operations and optimum allocation of resources.

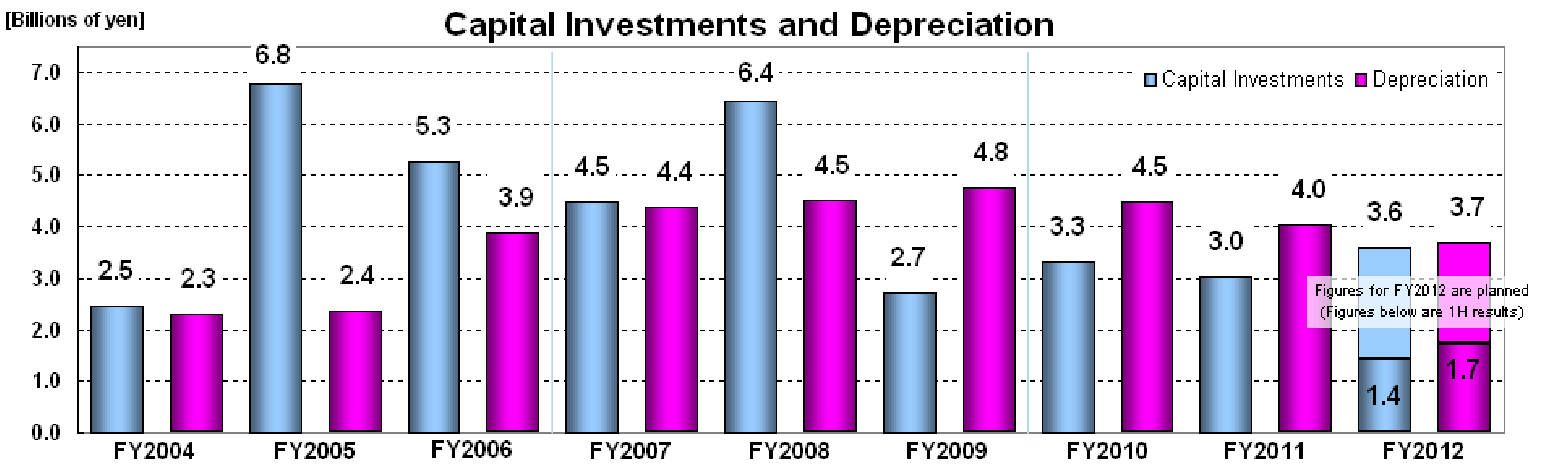
- **Evolve energy management solutions, promote global initiatives**
- **Expand the portfolio of products for solution initiatives**
- **Develop new growth fronts and expand regionally**

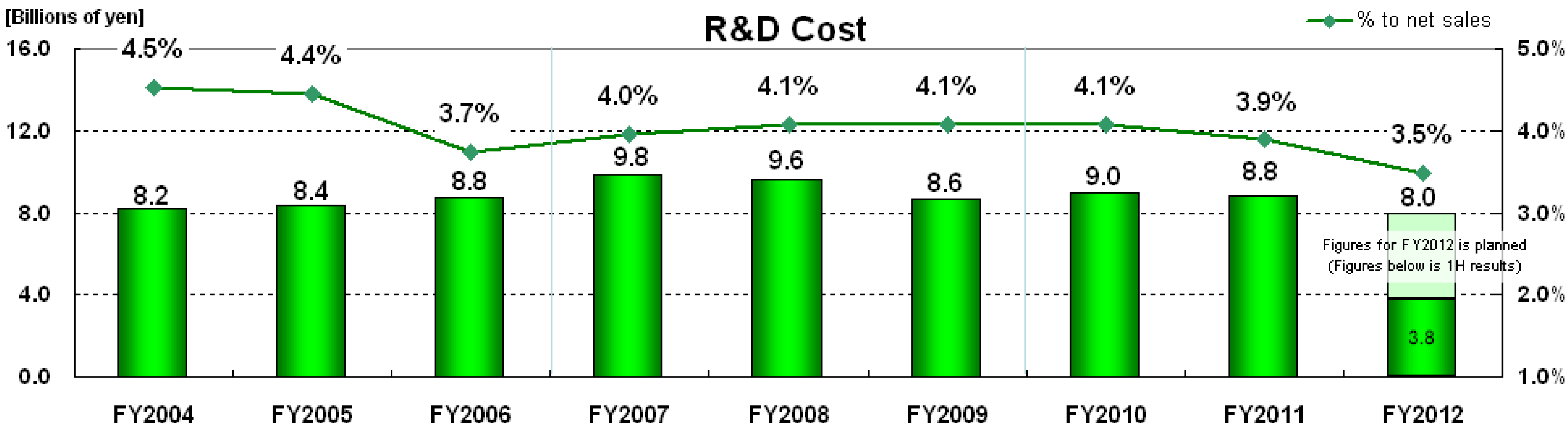
Aiming at offering lifecycle solutions, and making use of the multiple contact points between the azbil Group and its customers, we will strive to occupy a position essential for the customer's value chain, growing with the customer, and at the same time establishing a stable revenue base and optimizing enterprise value.

5. Reference Data

Capital Investments, Depreciation and R&D Cost

azbil





azbil Group Philosophy

To realize safety, comfort, and fulfillment in people's lives and contribute to global environmental preservation through "human-centered automation."