Presentation Materials for the Fiscal Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023
Azbil Corporation
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Highlights

1. Consolidated Financial Results for FY2022

We achieved record financial results for the second consecutive fiscal year, with increased revenue and profits.

- We recorded the highest figures ever for orders received and order backlog (156 billion yen, up 16.2% compared with FY2021).
- Faced with parts shortages and procurement difficulties, we secured sales through initiatives to strengthen procurement and production capabilities.
- Despite price hikes of parts and other factors, thanks to higher revenue and enhanced profitability, operating income topped 30 billion yen, a record high.

2. Consolidated Financial Plan for FY2023

We plan to increase both net sales and operating income for the third consecutive fiscal year.

- Drawing on the improvements we made to procurement and production processes during FY2022, we aim to continue increasing revenue by steadily converting the large order backlog into sales.
- We aim to set a new record for operating income by implementing measures to enhance profitability, such as increasing margins at the point of order receipt and effecting cost pass-through.
- We will continue and expand investment for growth—in R&D, equipment and facilities, DX, and human capital.

3. Returning Profits to Shareholders

- The year-end dividend for FY2022 is to be increased from the previously announced figure by 1 yen, making an annual dividend of 66 yen per share. It is planned to increase the dividend next year, making FY2023 annual dividend 73 yen per share; this would represent the ninth consecutive year of dividend increases. Based on the continuation of stable dividend payments, we aim to further improve the dividend on equity (DOE) ratio (4.4% for FY2022).
- We will repurchase the Company's own stock (up to a maximum of 10 billion yen or 4 million shares) and cancel all of the treasury shares thus acquired.

4. Progress in Implementing the Medium-term Plan

- We are accelerating transformation for growth. To strengthen product competitiveness, we are actively investing in R&D, equipment and facilities, and human capital.

Contents

1. Consolidated Financial Results for FY2022

Consolidated Financial Results

- **Orders received increased for the second consecutive fiscal year. The order backlog also reached a record high, standing at 156 billion yen.**
- **Both net sales and profits exceeded the plan (announced on November 8, 2022), representing a new record for business results.**
- **To cope with parts shortages and procurement difficulties, procurement and production capabilities were strengthened.**

(Billions of yen) (Billions of yen)

	FY2021 (A)	FY2022 (B)	Difference (B) - (A)	% Change	Revised plan (Nov. 8, 2022) (C)	Difference (B) - (C)	% Change
Orders received	286.9	296.9	9.9	3.5			
Net sales	256.5	278.4	21.8	8.5	277.5	0.9	0.3
Japan	204.3	215.7	11.4	5.6			
Overseas	52.1	62.6	10.4	20.0			
Gross profit	105.7	111.9	6.2	5.9			
Margin	41.2	40.2	(1.0)pp				
SG&A	77.4	80.6	3.2	4.1			
Operating income (loss)	28.2	31.2	3.0	10.7	29.8	1.4	4.9
Margin	11.0	11.2	0.2pp		10.7	0.5pp	
Ordinary income (loss)	29.5	32.1	2.6	8.9	31.0	1.1	3.7
Income (loss) before income taxes	30.0	32.1	2.0	6.9			
Net income (loss) attributable to owners of parent	20.7	22.6	1.8	8.8	21.8	0.8	3.7
Margin	8.1	8.1	0.0pp		7.9	0.3pp	

- The impact of foreign exchange rate fluctuations (compared with the previous fiscal year) +6.41 billion yen for net sales, +0.80 billion yen for operating income
  The impact of foreign exchange rate fluctuations is derived from the difference in rates, between the previous and current periods, used to convert overseas subsidiaries' P/L into yen from the local currency.

- In the LA business, provision for product warranties (2.49 billion yen)—to meet anticipated expenses resulting from defects in some of the LP gas meters—was recorded as an extraordinary loss.

Financial Results by Segment

- **Orders received in all three businesses—the BA, AA, and LA—increased from FY2021.**
- **Sales growth was also achieved compared with FY2021 in all three businesses, and the AA and LA businesses exceeded the plan.**
- **While being affected by price hikes of parts, the BA and AA businesses still increased their profits thanks to initiatives to strengthen profitability and increases in revenue. Despite achieving higher revenue, the LA business saw a decrease in profit, mainly due to the impact of inflation.**

(Billions of yen) (Billions of yen)

		FY2021 (A)	FY2022 (B)	Difference (B) - (A)	Difference % Change	Revised plan (Nov. 8, 2022) (C)	Difference (B) - (C)	Difference % Change
BA	**Orders received**	**132.5**	**135.3**	**2.8**	***2.1***			
	Sales	**119.7**	**128.5**	**8.7**	***7.3***	**129.0**	**(0.4)**	***(0.3)***
	Segment profit (loss)	**13.8**	**16.0**	**2.2**	***16.0***	**14.7**	**1.3**	***9.3***
	Margin	***11.6***	***12.5***	***0.9pp***		***11.4***	***1.1pp***	
AA	**Orders received**	**109.5**	**113.9**	**4.4**	***4.0***			
	Sales	**94.2**	**103.9**	**9.7**	***10.3***	**102.0**	**1.9**	***1.9***
	Segment profit (loss)	**13.2**	**14.5**	**1.3**	***10.1***	**14.3**	**0.2**	***2.0***
	Margin	***14.0***	***14.0***	***(0.0)pp***		***14.0***	***0.0pp***	
LA	**Orders received**	**46.8**	**49.6**	**2.8**	***6.0***			
	Sales	**44.2**	**47.9**	**3.6**	***8.3***	**46.5**	**1.4**	***3.0***
	Segment profit (loss)	**1.1**	**0.5**	**(0.5)**	***(48.9)***	**0.8**	**(0.2)**	***(26.4)***
	Margin	***2.6***	***1.2***	***(1.4)pp***		***1.7***	***(0.5)pp***	

Segment Information: BA Business

Our View of the Business Environment

— In the domestic market, demand has continued at a high level for urban redevelopment projects in the Tokyo metropolitan area and for heating, ventilation, and air conditioning (HVAC) control equipment/systems for factories. Demand for the refurbishment of existing buildings, including energy savings and CO_2 reduction, has remained steady.

— There is a growing interest in new solutions that create building environments offering post-pandemic safety and suited to new work styles.

— In overseas markets, we have steadily recovered from the impact of the postponed construction projects and construction delays caused by the COVID-19 pandemic.

- **Thanks to a robust business environment, orders received increased. Sales also increased in the new building, existing building, service, and overseas markets. Although sales results fell just short of the plan, they were up from FY2021. Especially during the second half, results were achieved due to robust sales progress.**
- **Segment profit greatly increased from FY2021. This was due to higher revenue and the success of measures for improving profitability. The latter measures contributed to the achievement of the plan.**

(Billions of yen)

	FY2021 (A)	FY2022 (B)	Difference (B) - (A)	Difference % Change
Orders received	132.5	135.3	2.8	*2.1*
Sales	119.7	128.5	8.7	*7.3*
Segment profit (loss)	13.8	16.0	2.2	*16.0*
Margin	*11.6*	*12.5*	*0.9pp*	

(Billions of yen)

	Revised plan (Nov. 8, 2022) (C)	Difference (B) - (C)	Difference % Change
Orders received			
Sales	129.0	(0.4)	*(0.3)*
Segment profit (loss)	14.7	1.3	*9.3*
Margin	*11.4*	*1.1pp*	

Segment Information: AA Business

Our View of the Business Environment

— Capital investment has continued at a high level in the manufacturing industry as a whole, thanks to the gradual recovery from the COVID-19 pandemic.

— From the third quarter, there was some recoil owing to the number of advance orders that had been received up to the second quarter, and conditions in the semiconductor manufacturing equipment market deteriorated.

— Regarding parts procurement difficulties, a slow recovery has been evident from the second quarter, though the impact of price hikes has continued.

- **Overall orders received increased from FY2021. This was mainly due to a recovery in capital investments in the manufacturing sector as a whole and business growth overseas.**
- **Though there was some impact from parts procurement difficulties, thanks to measures taken in production and procurement, throughout FY2022 sales exceeded the plan, and they were significantly up from FY2021.**
- **Although parts price hikes had an impact throughout FY2022, segment profit was higher than FY2021, and exceeded the plan. This was due to initiatives undertaken to enhance profitability, and increased revenue.**

(Billions of yen)

	FY2021 (A)	FY2022 (B)	Difference (B) - (A)	Difference % Change
Orders received	109.5	113.9	4.4	*4.0*
Sales	94.2	103.9	9.7	*10.3*
Segment profit (loss)	13.2	14.5	1.3	*10.1*
Margin	*14.0*	*14.0*	*(0.0)pp*	

(Billions of yen)

	Revised plan (Nov. 8, 2022) (C)	Difference (B) - (C)	Difference % Change
Orders received			
Sales	102.0	1.9	*1.9*
Segment profit (loss)	14.3	0.2	*2.0*
Margin	*14.0*	*0.0pp*	

Segment Information: LA Business

Our View of the Business Environment

— The Lifeline field, which includes gas (city gas, LP gas) and water meters, depends on demand for meter replacement as required by law. Though demand can be expected to remain basically stable, the market for LP gas meters itself is dependent on cyclical demand which is currently at a low ebb.

— In the Life Science Engineering (LSE: for pharmaceuticals/laboratories) field, investment demand continues for pharmaceutical plant facilities. Inflation is pushing up costs, particularly in the European region, and restructuring of the industry is underway in response to intensifying competition and higher costs.

- **Orders received increased from FY2021, mainly due to an increase in the Lifeline field (city gas meters, water meters).**
- **As regards sales, thanks to growth in the LSE field—reflecting the increase in orders received in FY2021—and an increase in the Lifeline field—which exceeded the plan—overall sales were higher than FY2021.**
- **Segment profit was significantly lower than FY2021 and fell short of the plan. This was due to increased expenses, including personnel expenses, mainly caused by inflation in Europe, as well as price hikes for materials, and higher energy and transportation costs.**

(Billions of yen)

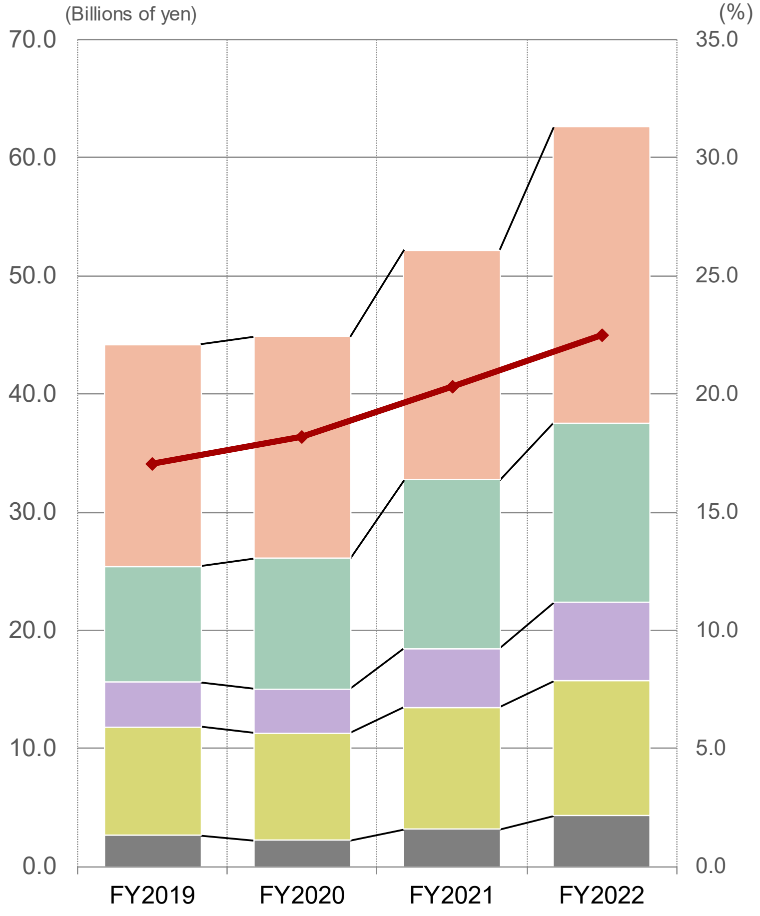
	FY2021 (A)	FY2022 (B)	Difference (B) - (A)	Difference % Change
Orders received	46.8	49.6	2.8	*6.0*
Sales	44.2	47.9	3.6	*8.3*
Segment profit (loss)	1.1	0.5	(0.5)	*(48.9)*
Margin	*2.6*	*1.2*	*(1.4)pp*	

(Billions of yen)

	Revised plan (Nov. 8, 2022) (C)	Difference (B) - (C)	Difference % Change
Orders received			
Sales	46.5	1.4	*3.0*
Segment profit (loss)	0.8	(0.2)	*(26.4)*
Margin	*1.7*	*(0.5)pp*	

Overseas Sales by Region

- **Sales increased in all areas, up 20% from FY2021. The overseas sales now accounts for 22.5% of net sales.**
- **The BA and AA businesses achieved a significant growth in Asia. From the fourth quarter a recovery was observed in China. LA business sales grew in Europe, reflecting an increase in orders received during FY2021.**



(Billions of yen)

	FY2019	FY2020	FY2021	FY2022
Asia (ex-China)	18.7	18.8	19.4	**25.0**
China	9.8	11.0	14.2	**15.1**
North America	3.7	3.7	4.9	**6.6**
Europe	9.1	9.0	10.3	**11.3**
Others	2.6	2.2	3.1	**4.2**
Consolidated	44.1	44.8	52.1	**62.6**

Reference information

		FY2019	FY2020	FY2021	FY2022
Overseas sales / Net sales ratio (%)		*17.0*	*18.2*	*20.3*	***22.5***
Average exchange rate	USD/JPY	109.03	106.77	109.90	**131.64**
	EUR/JPY	122.03	121.88	129.91	**138.15**
	CNY/JPY	15.77	15.48	17.04	**19.50**

* Overseas sales figures include only the sales of overseas subsidiaries and direct exports; indirect exports are excluded.
* The accounting year for most overseas subsidiaries ends on December 31.

Consolidated Financial Position

- **In addition to increases in trade receivables and inventories, there was an increase in property, plant and equipment, such as our R&D base (new facilities within the Fujisawa Technology Center).**
- **Liabilities increased as a result of increases in long-term borrowings (funds for E-Ship*), provision for product warranties, and trade payables.**

(Billions of yen)

	As of Mar. 31, 2022 (A)	As of Mar. 31, 2023 (B)	Difference (B) - (A)
Current assets	**210.7**	**219.7**	**8.9**
Cash and deposits	58.9	62.0	3.0
Trade receivables	86.1	97.0	10.9
Securities	30.8	16.7	(14.1)
Inventories	28.6	37.1	8.4
Other	6.2	6.7	0.5
Non-current assets	**69.2**	**77.1**	**7.9**
Property, plant and equipment	33.1	38.2	5.0
Intangible assets	5.7	6.1	0.4
Investments and other assets	30.3	32.7	2.3
Total assets	**280.0**	**296.8**	**16.8**

	As of Mar. 31, 2022 (A)	As of Mar. 31, 2023 (B)	Difference (B) - (A)
Liabilities	**76.9**	**90.9**	**14.0**
Current liabilities	**69.4**	**79.0**	**9.5**
Trade payables	22.9	24.7	1.7
Short-term borrowings	8.0	8.8	0.7
Other	38.4	45.4	7.0
Non-current liabilities	**7.4**	**11.9**	**4.5**
Long-term borrowings	0.3	3.6	3.3
Other	7.1	8.3	1.2
Net assets	**203.1**	**205.8**	**2.7**
Shareholders' equity	**188.7**	**189.0**	**0.2**
Share capital	10.5	10.5	-
Capital surplus	11.6	11.6	(0.0)
Retained earnings	190.2	199.2	8.9
Treasury shares	(23.6)	(32.3)	(8.7)
Accumulated other comprehensive income	**11.5**	**13.7**	**2.2**
Non-controlling interests	**2.8**	**3.0**	**0.2**
Total liabilities and net assets	**280.0**	**296.8**	**16.8**

ROE (%)	**10.4**	**11.2**	***0.8pp***
Shareholders' equity ratio (%)	**71.5**	**68.3**	***(3.2)pp***

* An incentive plan for all participants in the azbil Group Employee Stock Ownership Association. E-Ship is a registered trademark of Nomura Securities Co., Ltd.

Consolidated Cash Flows

- **Net cash flow provided by operating activities increased due to higher profit and the fact that in FY2021 there had been a transitory increase in the payment of trade payables triggered by a change in payment terms, despite an increase in trade receivables and inventories. Free cash flow was higher than FY2021 due to an increase in net cash flow provided by investing activities following the sale of investment securities.**

(Billions of yen)

	FY2021 (A)	FY2022 (B)	Difference (B) - (A)	Difference % Change
Net cash provided by (used in) operating activities	10.1	13.1	2.9	*29.6*
Net cash provided by (used in) investing activities	(3.9)	(1.9)	2.0	-
Free cash flow	6.1	11.1	5.0	*81.7*
Net cash provided by (used in) financing activities	(20.5)	(19.6)	0.8	-
Effect of exchange rate change on cash and cash equivalents	1.6	1.8	0.2	*12.0*
Net increase (decrease) in cash and cash equivalents	(12.7)	(6.6)	6.1	-
Cash and cash equivalents at beginning of period	90.6	77.8	(12.7)	*(14.1)*
Cash and cash equivalents at end of period	77.8	71.2	(6.6)	*(8.5)*

Reference

Capital expenditure	11.2	10.8	(0.4)	*(3.6)*
Depreciation	4.8	4.9	0.1	*2.2*

2. Consolidated Financial Plan for FY2023

Consolidated Financial Plan

- **We plan to increase both net sales and operating income for the third consecutive fiscal year.**
  - **Capital investment demand in the manufacturing industry is uncertain. However, drawing on the improvements we made to procurement and production processes during FY2022, we aim to continue increasing revenue by steadily converting the large order backlog into sales.**
  - **Despite concerns about the continuing impact of price hikes of parts and inflation, we aim to set a new record for operating income by implementing measures to enhance profitability, such as increasing margins at the point of order receipt and effecting cost pass-through.**
  - **We will continue and expand investment for growth—in R&D, equipment and facilities, DX, and human capital.**

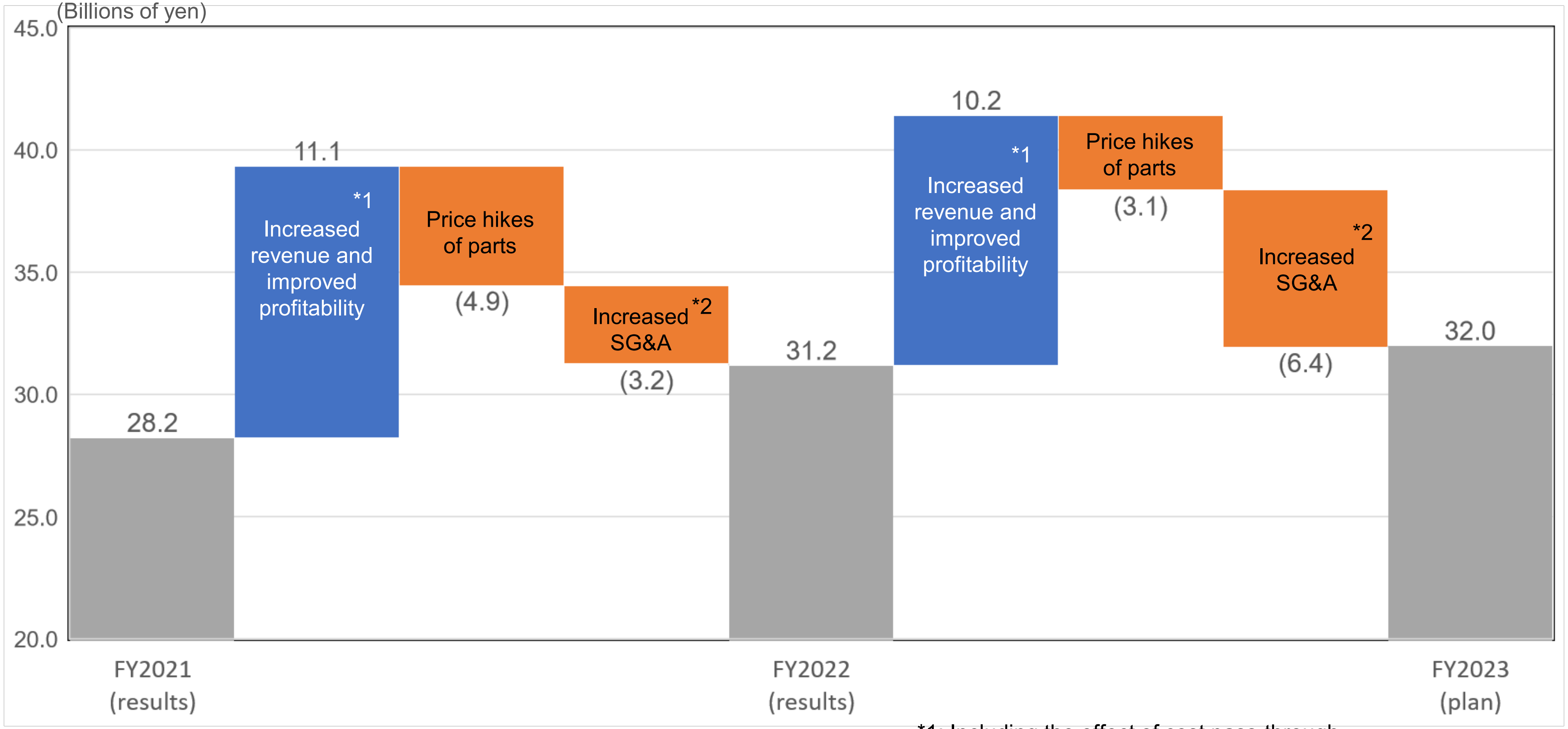
(Billions of yen)

	FY2022 Full year (results) (A)	FY2023 H1 (plan)	H2 (plan)	Full year (plan) (B)	Difference (B) - (A)	% Change
Net sales	**278.4**	**129.3**	**152.7**	**282.0**	**3.5**	*1.3*
Operating income	**31.2**	**9.7**	**22.3**	**32.0**	**0.7**	*2.4*
Margin	*11.2*	*7.5*	*14.6*	*11.3*	*0.1pp*	
Ordinary income	**32.1**	**9.7**	**22.4**	**32.1**	**(0.0)**	*(0.1)*
Net income attributable to owners of parent	**22.6**	**7.6**	**16.2**	**23.8**	**1.1**	*5.3*
Margin	8.1	5.9	10.6	8.4	*0.3pp*	

Reference: Exchange rate
FY2022 USD/JPY: 132, EUR/JPY: 138, CNY/JPY: 19.5
FY2023 USD/JPY: 130, EUR/JPY: 140, CNY/JPY: 19.0

Reference: Progress of Operating Income

- **In FY2023, price hikes of parts will continue to have an impact, and expenses for growth in DX, human capital, and R&D will also increase. Nevertheless, measures to improve profitability including cost pass-through will have an increasing effect, though the extent of this will vary by business.**



*1: Including the effect of cost pass-through
*2: Including the expenses in human capital, R&D, DX, etc.

Financial Plan by Segment (1)

- **The business environment is different for each business, but we plan to increase revenue in the BA and AA businesses by making use of the order backlog existing at the start of FY2023.**
- **Profits for the AA and LA businesses are expected to increase thanks to the effects of cost pass-through and strengthened cost management, in addition to those measures to strengthen profitability already implemented. For the BA business, effects from cost pass-through will be limited, and profits are expected to decrease due to a backlash from the second half of FY2022 in which profits were firm.**

(Billions of yen)

		FY2022 Full year (results) (A)	FY2023 H1 (plan)	FY2023 H2 (plan)	FY2023 Full year (plan) (B)	Difference (B) - (A)	Difference % Change
BA	**Sales**	**128.5**	**54.2**	**75.8**	**130.0**	**1.4**	*1.1*
	Segment profit	**16.0**	**2.3**	**13.3**	**15.6**	**(0.4)**	*(2.9)*
	Margin	*12.5*	*4.2*	*17.5*	*12.0*	*(0.5)pp*	
AA	**Sales**	**103.9**	**51.6**	**54.4**	**106.0**	**2.0**	*1.9*
	Segment profit	**14.5**	**7.0**	**8.5**	**15.5**	**0.9**	*6.3*
	Margin	*14.0*	*13.6*	*15.6*	*14.6*	*0.6pp*	
LA	**Sales**	**47.9**	**24.5**	**23.5**	**48.0**	**0.0**	*0.2*
	Segment profit	**0.5**	**0.4**	**0.5**	**0.9**	**0.3**	*52.8*
	Margin	*1.2*	*1.6*	*2.1*	*1.9*	*0.6pp*	

Financial Plan by Segment (2)

BA

- The domestic market will remain robust. Overseas markets are expected to recover and return to pre-pandemic levels.
- Based on the buildup in the order backlog at the start of FY2023, sales are expected to increase steadily.
- Aiming to improve profit margin, we will continue activities to secure new orders with a view to enhanced profitability, and we will focus on expanding the market for existing buildings.
- In the BA business, many projects are long-term and this has meant the beneficial effect of cost pass-through has been delayed. At the same time, along with a backlash from the second half of FY2022 in which segment profit was firm, a steep rise in subcontracting costs and higher expenses such as for DX are expected.

AA

- Uncertainty will continue in some markets, such as that for semiconductor manufacturing equipment. There will be continued demand for plant maintenance, repairs, etc.
- Drawing on benefits from the improvements implemented in FY2022 to procurement and production processes, we will steadily convert order backlog into sales.
- Thanks to higher revenue and profitability, including cost pass-through, we expect segment profit to increase.

LA

- In the Lifeline field, although there is the periodic lull in demand for LP gas meters, we will capture demand for city gas and water meters and develop the Smart Metering as a Service (SMaaS) market. Amidst restructuring of the industry in the LSE field, pharmaceutical market demand, including that related to COVID-19, will continue.
- In the overall LA business, we plan to improve profitability with cost pass-through, strengthened quality control and project management, including a review of individual business strategies.
- With inflation rising, particularly in Europe, we will address the changing environment by implementing sweeping cost management.

3. Returning Profits to Shareholders

Plan to Further Improve Shareholder Returns in Accordance with the Basic Policy

In accordance with our basic policy—promoting shareholder returns, investment in growth and healthy financial foundation—we will increase dividends, repurchase the Company's own stock and cancel treasury shares while investing in growth, including R&D, capital investment, DX and human capital.

FY2022 dividend

The year-end dividend for FY2022 is to be increased by 1 yen from the initial announcement in May 2022.

The annual dividend will be 66 yen per share.
(+6 yen compared with FY2021)
(A year-end dividend for FY2022 will be paid after the approval of the Ordinary General Meeting of Shareholders on June 27, 2023.)

FY2023 dividend

As regards the annual dividend for FY2023,
the Company plans an annual dividend of 73 yen per share.
(+7 yen compared with FY2022)

Repurchase of own stock and cancellation of treasury shares

Giving due consideration to ensuring a disciplined capital policy and capital efficiency,
we will repurchase the Company's own stock of 10 billion yen (or 4 million shares).
We will also cancel all of the treasury shares thus acquired.

Investments

In order to strengthen product competitiveness, we will strengthen our investments including capital investment and R&D.
We plan to spend 11.1 billion yen in capital investment and 13.2 billion yen in R&D.

Basic policy

We continue to develop well-disciplined capital policies and aim to maintain/enhance the azbil Group's enterprise value while carefully balancing three key elements: promoting shareholder returns, investing in growth, and maintaining a healthy financial foundation.

- To treat the return of profits to shareholders as a management priority.
- To return profits to shareholders mainly via dividends, but also to repurchase the Company's own stock expeditiously.
- In deciding the level of such returns, to give consideration to consolidated financial results, levels of return on equity (ROE), dividend on equity (DOE), and retained earnings required for future business development and strengthening the corporate structure.
- To maintain a stable dividend level while at the same time striving to raise it.

Plan for FY2022 Year-end Dividend and FY2023 Annual Dividend

FY2022 dividend	It is planned to increase the year-end dividend to 33.5 yen per share, to make an annual dividend of 66 yen per share.
FY2023 dividend	It is planned to increase the dividend by 7 yen per share, to make an annual dividend of 73 yen per share.

- **In FY2022, profits achieved a new record high, exceeding the plan announced in November 2022, and since performance has been solid compared both to the plan and to FY2021 results, the year-end dividend is to be increased by 1 yen, to make an annual dividend of 66 yen per share.**
- **Although the outlook for the business environment is uncertain, in FY2023 the plan calls for an increase in revenue and profits compared with FY2022, and with stable and sustainable growth anticipated from a medium- to long-term perspective, it is planned to increase the dividend by 7 yen to 73 yen per share.**
- **Based on the continuation of stable dividend payments, we aim to further improve the dividend on equity (DOE) ratio.**

(Yen)

	FY2022			FY2023		
	Interim	Year-end (plan) *1	Annual (plan)	Interim (plan)	Year-end (plan)	Annual (plan)
Dividend per share	32.5	33.5	66.0	36.5	36.5	73.0
Payout ratio	39.2%			40.3% *2		
Dividend on equity (DOE)	4.4%			4.7% *3		

*1 A year-end dividend for FY2022 will be paid after the approval of the Ordinary General Meeting of Shareholders as an item of appropriation of surplus on June 27, 2023.

*2 The effects of repurchase of own stock in FY2023 are taken into account for a trial calculation of net income per share, and accordingly the dividend payout ratio for FY2023.

*3 The following factors have been taken into account for the trial calculation of dividend on equity (DOE), which is based on shareholders' equity as of March 31, 2023: repurchase of own stock in FY2023, year-end dividends for FY2022, interim dividends for FY2023, and net income attributable to owners of parent for the full year in the consolidated financial plan for FY2023.

Repurchase of Own Stock and Cancellation of Treasury Shares

Repurchase of own stock	**It is planned to repurchase the Company's own stock up to a maximum of 10 billion yen or 4 million shares.**
Cancellation of treasury shares	**It is planned to cancel all the Company's treasury shares thus acquired.**

- **Based on the return on equity (ROE) target in our long-term targets (for FY2030) and in the medium-term plan (FY2021-2024), we are engaging in business expansion and measures to strengthen profitability. At the same time, to execute a disciplined capital policy, improve capital efficiency and provide higher shareholder returns, we will repurchase the Company's own stock.**
- **To allay concerns about dilution, we will cancel all of the treasury shares thus acquired.**

Repurchase of own stock

- Type of stock to be repurchased: Common stock of the Company
- Total number of shares to be repurchased: Up to 4,000,000 shares *
- Total amount of repurchase: Up to 10.0 billion yen
- Period of repurchase: From May 15, 2023 to September 22, 2023
- Method of repurchase: Market transactions on the Tokyo Stock Exchange

* 2.9% of the total number of common shares issued, excluding treasury shares

Cancellation of treasury shares

- Type of stock to be cancelled: Common stock of the Company
- Number of shares to be cancelled: All shares of common stock to be repurchased on the left
- Scheduled cancellation date: October 31, 2023

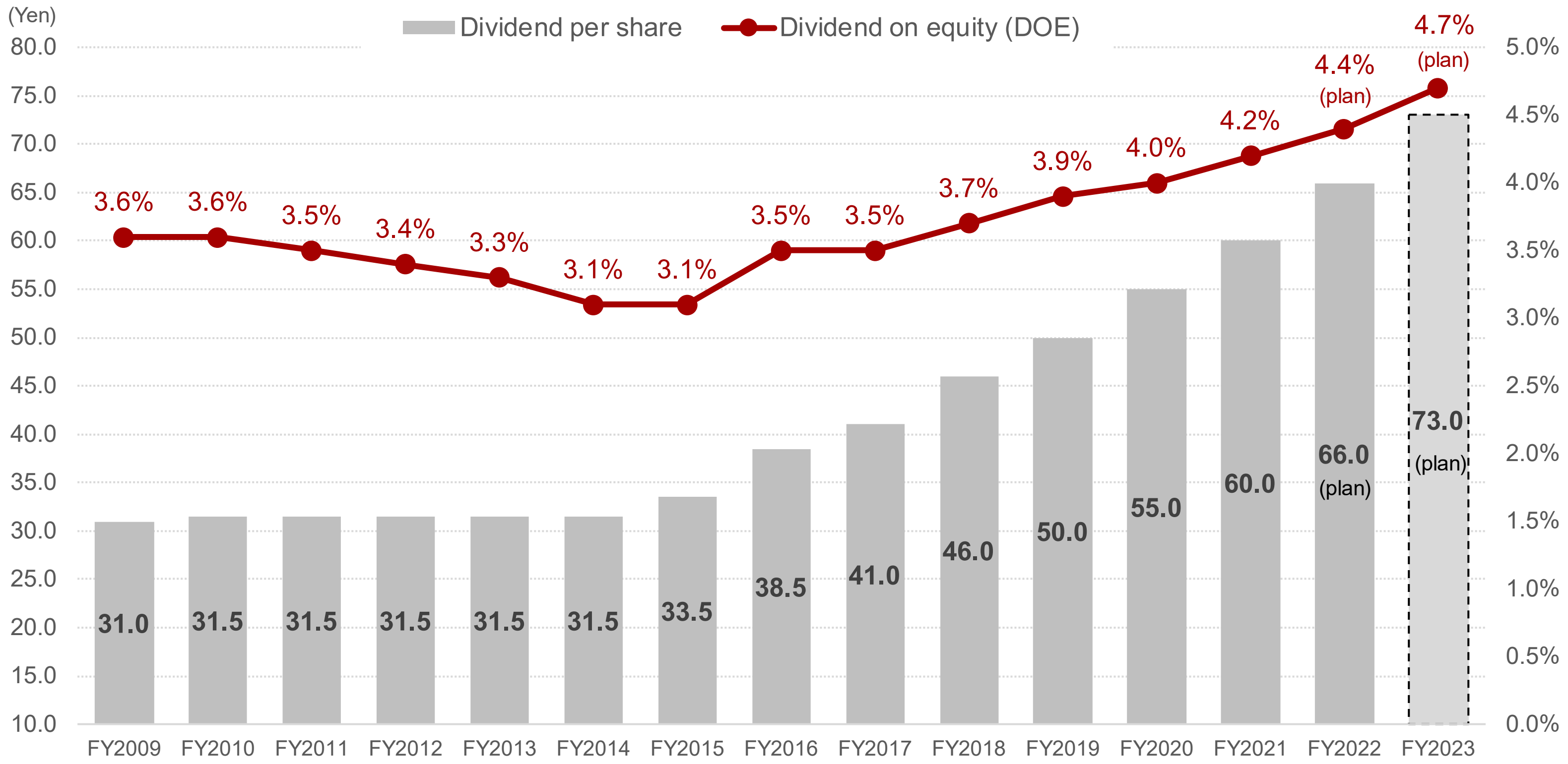
Reference

Status of treasury shares held as of March 31, 2023
- **Total number of issued shares (excluding treasury shares): 136,552,663 shares**
- **Number of treasury shares: 7,148,221 shares**

The number of treasury shares shown on the left does not include shares owned by trust accounts of an employee stock ownership plan, a Trust-Type Employee Shareholding Incentive Plan and stock compensation plan, which owned 2,943,331 shares as of March 31, 2023.

Trend of Shareholder Returns

- **In FY2023 it is planned to increase dividends for the ninth consecutive fiscal year. DOE is expected to be 4.7%.**



Total amount of own stock repurchased (billions of yen)							1.9		2.9	4.9	9.9		9.9	9.9	10.0 (plan)
Number of shares repurchased (millions of shares)							1.20		1.42	1.87	3.71		2.25	2.67	4.00 (plan)

• The dividend per share and the number of treasury shares repurchased have been retroactively revised, taking into account the effects of the 2-for-1 common stock split effective.

4. Progress in Implementing the Medium-term Plan

Long-term Targets and Medium-term Plan

The azbil Group defines three growth fields—new automation, environment and energy, and life-cycle solutions—which share a common foundation of automation technology. Focusing on the growth of these fields, we will achieve growth globally in each of our three businesses: BA, AA and LA.

<Three Growth Fields>

- **New Automation Field**
- **Environment and Energy Field**
- **Life-cycle Solutions Field**

Long-term targets

2030

SDGs

Growth

Transformation

Safety

Period of the Medium-term plan for FY2021-2024

Contribution "in series" to the achievement of a sustainable society
Continuous enhancement of enterprise value

	FY2019	FY2020	FY2021	FY2022 (results)	FY2023*1	FY2024*2	FY2030*2
Net sales	259.4 billion yen	246.8 billion yen	256.5 billion yen	278.4 billion yen	282.0 billion yen	300.0 billion yen	400.0 billion yen range
[Overseas sales]	[44.1 billion yen]	[44.8 billion yen]	[52.1 billion yen]	[62.6 billion yen]	[63.5 billion yen]	[66.0 billion yen]	[100.0 billion yen range]
Operating income	27.2 billion yen	25.7 billion yen	28.2 billion yen	31.2 billion yen	32.0 billion yen	36.0 billion yen	60.0 billion yen range
Margin	10.5%	10.4%	11.0%	11.2%	11.3%	12%	approx. 15%
ROE	10.9%	10.4%	10.4%	11.2%	11.6%	approx. 12%	approx. 13.5%

*1 Plan (as of May 12, 2023) *2 The medium-term plan (as of May 14, 2021)

Initiatives for Continuous Sales Expansion and Strengthened Business Profitability

- **We will actively make R&D/capital investments. Despite the impact of price hikes of parts, we will realize higher profits through implementing measures to strengthen profitability. Inflation is expected to result in increased expenses, but we will work to maintain/improve profitability while continuing to invest in growth, including human capital.**

FY2016	FY2021	FY2022 (results)	FY2023	FY2024 (Final year of the medium-term plan)	FY2030 (Long-term targets)
Operating margin 7.9%	**Operating margin 11.0%**	**Operating margin 11.2%**	**Operating margin 11.3%**	**Operating margin 12%**	**Operating margin approx. 15%**
Net sales: 254.8 billion yen	Net sales: 256.5 billion yen	Net sales: 278.4 billion yen	Net sales: 282.0 billion yen	Net sales: 300.0 billion yen	Net sales: 400.0 billion yen range
Operating income: 20.1 billion yen	Operating income: 28.2 billion yen	Operating income: 31.2 billion yen	Operating income: 32.0 billion yen	Operating income: 36.0 billion yen	Operating income: 60.0 billion yen range

Progress in FY2022

Measures to improve profits

- **Improve business mix**
- **Optimize selling prices**
- **Strengthen job risk management**
- **Upgrade domestic production system (consolidation and elimination of factories)**
- **Expand overseas procurement and production**
- **Assign human resources effectively within the Group (total-sum labor cost control)**

Progress in FY2022:

- **Implement cost pass-through to address soaring parts prices**
- **Improve profit margin by expanding overseas business**
- **Launch high-margin products and services** (mass flow controllers, burner controllers, etc.)
- **Boost operational efficiency using DX and the cloud computing**

→

- **Sound progress with cost pass-through expected to be steadily reflected in profits**
- **Accelerated business growth overseas; expanding production capacity for further business growth**
- **Launch competitive products/services**

Measures to expand business

- **Expand business fields by strengthening product competitiveness**
- **Expand coverage of domestic and overseas customers**
- **Expand stock business**

Progress in FY2022:

- **Products/services and business expansion initiatives for three growth fields**
- **Strengthen business alliances and overseas business development**

→

- **Plan to launch series of new products using AI, MEMS and the cloud technology**
- **Increasing collaboration to strengthen product competitiveness**

Addressing Parts Shortages and Price Hikes

- We have been promoting measures to strengthen our (1) capability to secure and procure parts/materials, (2) production capacity, and (3) profitability.
- In FY2022, profits were secured mainly through increased revenue resulting from production recovery. Progress was also made with cost pass-through initiatives.
- An improvement has been observed in the parts shortage situation, but in FY2023 and beyond prices are expected to rise due to inflation and yen depreciation. To secure profits, we will continue to implement cost reduction and pass-through, while taking care to maintain appropriate business relationships in the supply chain.

	Progress and achievements
(1) Strengthening capability to secure and procure parts/materials	● Expanded procurement routes, facilitate procurement of parts/materials (including alternatives) ● Strengthened capabilities for faster evaluation/selection of alternatives and for implementation of design changes
(2) Strengthening production capacity	● Created flexible production mechanism that can respond to changes in the procurement situation; improved production line utilization rate ● Enhanced production facilities (in the second half of FY2022) and strengthened production capacity to ensure steady conversion of the order backlog to sales.
(3) Strengthening profitability	● Enhanced production efficiency ● Promoted cost pass-through (the most effective timing depends on the inventory situation and type of business)

Growth in Overseas Markets

- **Progress is being made with strengthening sales systems and production systems overseas, and with collaboration overseas to strengthen product competitiveness.**

FY2016	FY2021	FY2022 (results)	FY2023	FY2024 (Final year for the medium-term plan)	FY2030 (Long-term targets)
Overseas sales 43.3 billion yen (17.0%)	Overseas sales 52.1 billion yen (20.3%)	Overseas sales 62.6 billion yen (22.5%)	Overseas sales 63.5 billion yen *1 (22.5%)	Overseas sales 66.0 billion yen (22.0%)	Overseas sales 100.0 billion yen (25.0%)
Asia: 19.5 billion yen China: 8.5 billion yen North America and Europe: 12.4 billion yen	Asia: 19.4 billion yen China: 14.2 billion yen North America and Europe: 15.3 billion yen	Asia: 25.0 billion yen China: 15.1 billion yen North America and Europe: 18.0 billion yen	Asia: 26.8 billion yen China: 17.5 billion yen North America and Europe: 16.2 billion yen	Asia: 27.0 billion yen China: 17.0 billion yen North America and Europe: 21.0 billion yen	Asia: 43.0 billion yen range China: 28.0 billion yen range North America and Europe: 27.0 billion yen range

* Figures in parentheses show overseas sales ratio.

Progress in FY2022

Measures to expand business

- Develop and launch products for overseas markets
- Expand customer coverage; cultivate relationships with leading business operators

- Progress made with strengthening sales system in China and Asia (enhanced staffing, DX utilization).
- Digital twin product development started in Singapore with EDB *2 support.

→

- Established a development organization for global technology development collaboration in the Strategic Planning & Development Office for Southeast Asia (Singapore).
- Started research collaboration with Indian Institute of Technology.

Strengthen the business foundation

- Expanded sales/service network
- Upgraded infrastructure, including remote maintenance
- Establishment of regional strategy promotion system
- Production relocated overseas and strengthened, procurement network built, OUT-OUT expanded

- Strengthening of overseas production bases (new factory building at Dalian production subsidiary in China).
- Regional strategy development by the Strategic Planning & Development Office for Southeast Asia (Singapore).

→

- Decision made to construct a new factory building at our production subsidiary in Thailand, strengthening the overseas production system
- New flow test facilities for a domestic production subsidiary to strengthen manufacture of control valves that meet global standards for the industrial market.

*1 The overseas sales targets for FY2023 are based on the assumption of the exchange rates on page 14.
*2 EDB: Singapore Economic Development Board

Working to Achieve Long-Term Targets and the Medium-Term Plan

Focus points of our Medium-Term Plan

- **Accelerating transformation for further growth**

  We will accelerate transformation to achieve growth by tracking changing customer business models/demand—resulting from structural changes in the business environment—and expanding the three growth fields.

1 **Strengthen product competitiveness** (products and services)

2 **Strengthen technological development capabilities and capital investment**

3 **Promote sustainability management**
Increase investment in human capital

Accelerate transformation, achieve growth

Growth

Transformation

Safety

Medium-term plan for FY2021-2024

Long-term targets

2030
SDGs

Contribution "in series" to the achievement of a sustainable society
Continuous enhancement of enterprise value

(1) Strengthening Product Competitiveness for Business Expansion

● **Developing a system/infrastructure to track market/customer changes and enable rapid product development**

Market/customer changes

Strengthening product competitiveness

Developing/strengthening infrastructure (technology development, human capital)

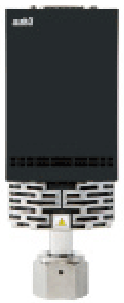
◆ **Issues involved in realizing carbon neutrality (need for further energy savings, energy conversion, expanded adoption of renewable energy, etc.), changing global supply chains, changing customer business models, etc.**

Fields for strengthening product competitiveness	Business portfolio expansion
●Autonomization, wellness ●Energy savings + renewable energy field (ESP) ●Cloud services * Strengthening service infrastructure utilizing DX in parallel.	●Combining AI, big data, and cloud technologies ●Renewable energy, etc. * Actively expanding collaboration, investment, etc.

Strengthening technology development capabilities	Investing in human capital
●MEMS & sensing device technologies ●Actuator-related technologies ●AI, cloud computing * Carrying out development and production structure reforms along with R&D and capital investments	● Securing and training human resources aligned with business strategies for expanding the three growth fields • Experts in advanced technologies • Engineers • Service staff

EXAMPLE
Sapphire Capacitance Diaphragm Gauges

V8C

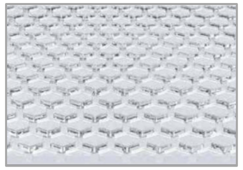


Market/customer changes

As semiconductor manufacturing processes continuously evolve, deposition and etching processes now use a wider variety of gases.

Strengthening product competitiveness

By implemented measures such as forming fine grooves (width of approx. 6 μm) on the surface of the sensor diaphragm using MEMS technology, the amount of zero point shift in this model due to film deposits has been dramatically reduced to one-tenth that of the existing model.



Uneven surface
By making the surface of the pressure-sensitive component of the sensor uneven, the deposited film is split, reducing the effects of stress on the deposit.

Strengthening technology development capabilities

Technology development:
- New FTC building (expanded clean room & MEMS production development facilities)

Organization:
- Strategic Products Development Dept (new)

Human capital:
- MEMS engineers

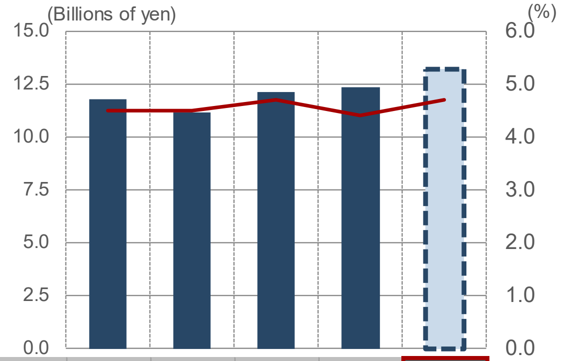
(2) Strengthening Technological Development and Capital Investment

- **We will continue to invest actively in R&D and in equipment and facilities to strengthen the foundation for strengthening product/service competitiveness that will lead to business growth.**

R&D expenses

For FY2023, the plan calls for a 13.2 billion yen investment.

As in the previous fiscal year, extensive investments will be made to ensure that the product launches scheduled for each business are achieved.

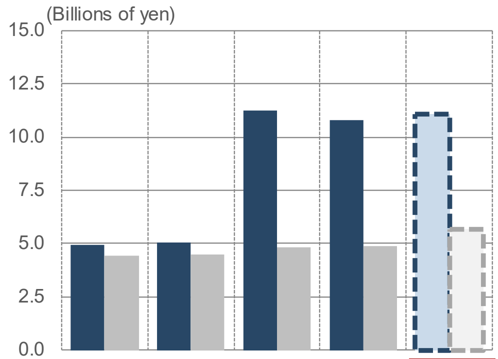


	2019	2020	2021	2022	2023 (plan)
R&D expenses	11.7	11.1	12.1	12.3	**13.2**
R&D expenses / Net sales (%)	4.5	4.5	4.7	4.4	**4.7**

Capital investment

For FY2023, 11.1 billion yen will be invested, continuing active capital investment.

In FY2023, it is planned to continue our capital investments: more than 11 billion yen will be put into upgrading bases for production BCP, expanding production DX, and investing in facilities for the mass production of priority products.



	2019	2020	2021	2022	2023 (plan)
Capital investment	4.9	5.0	11.2	10.8	**11.1**
Depreciation	4.4	4.4	4.8	4.9	**5.7**

(3) Promoting Sustainability Management—Increased Investment in Human Capital—

Promoting sustainability management: azbil Group policy

We are committed to continuously enhancing enterprise value by building relationships of trust with all stakeholders to realize “safety, comfort, and fulfillment in people’s lives” while contributing to the global environment and “in series” to a sustainable society. These are achieved through practicing the azbil Group’s philosophy of human-centered automation and respecting the sense of values of contributing to society for people’s well-being, based on the founding spirit of “freeing people from drudgery.”

Materiality
(Material issues to be tackled over the long term)

- **Climate change**
- **Resource recycling**
- **Innovation**
- **Supply chain**
- **Contribute to local communities**
- **Human rights, safety, and health**
- **Learning and employee development**
- **Product safety and quality**
- **Corporate governance**
- **Compliance**

Investing in human capital

- To expand the three growth fields, we will strengthen the hiring and training of human resources consistent with our business strategy. We will also continue to reform/enhance our employee incentive plans and HR programs in conjunction with financial measures.

Hiring/training of human resources
・Referral and alumni hiring programs
・Qualification motivation program

Incentives
・Azbil’s employee stock ownership plan and stock acquisition support system
・Various allowances

HR system, reforms
・Job-focused recruitment
・Open challenge system

Three Growth Fields

- **New Automation Field :**
  ・Fostering skills required by advanced technology developers and finding optimal posts for them in the organization
  ・Joint research/development with universities and research institutions
  → Harnessing TMS (Talent Management System)

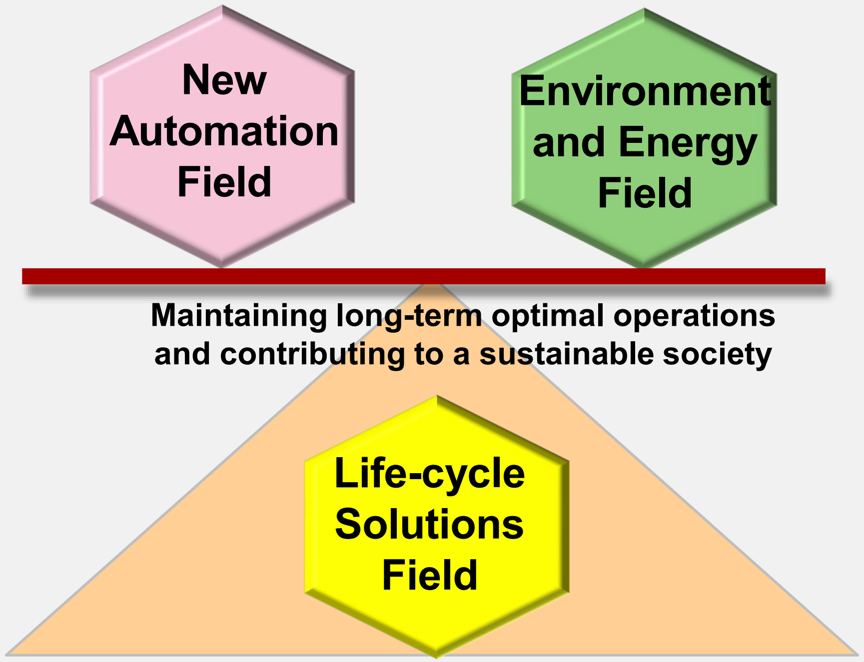
- **Environment and Energy Field :**
  ・Training engineers to create carbon-neutral solutions
  ・Exchanging human resources with partner companies
  → Professional/Meister system for engineers

- **Life-cycle Solutions Field :**
  ・HR training/reskilling centered on DX
  → Harnessing LMS (Learning Management System)

Initiatives in Three Growth Fields & Application to Each Business Segment

Three Growth Fields

Providing distinctive solutions through our business in the three growth fields in which the azbil Group possesses key strengths



New Automation Field

- **Expanding sales by providing solutions that meet new demands**

BA : Emerging needs for building environments offering post-pandemic safety and facilitating new work styles (wellness)
AA : Higher productivity and safe, stable operation of equipment
LA : Providing IoT support for different meter types (smart meter) and collecting big data

Environment and Energy Field

- **Expanding sales by delivering new value with existing products**

BA : Expanding business opportunities for realizing carbon neutrality and wellness at the same time
AA : Increasing demand for ways to save energy and reduce greenhouse gas emissions in production facilities
LA : Emerging needs for supporting customers' decarbonization through the use of measured big data

Life-cycle Solutions Field

- **Ensuring the quality, performance, and productivity of customer assets (factories, office buildings, lifelines) for the long-term; high added value and DX to increase profitability**

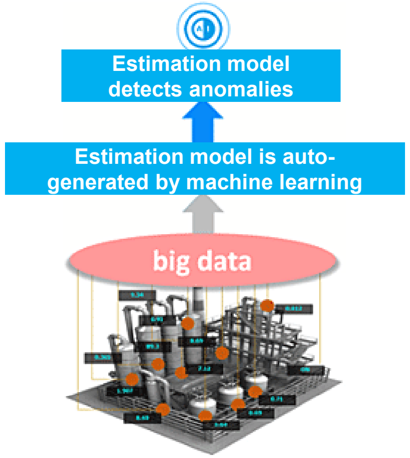
Product Development in Three Growth Fields

Online anomaly detection system

- **AI-based systems for the continuous online monitoring of factory/building processes, equipment, product quality, and environmental variables—such as wastewater and air quality—to ensure that anomalies are detected before a failure/malfunction can occur.**
- **Over 7,000 AI models for monitoring are operating in multiple markets**
- Power plants, Petroleum refineries, petrochemical plants、functional chemical plants, pharmaceutical factories, food factories, electric/electronic manufacturing factories, wastewater treatment facilities, incinerators, buildings (heat source equipment, air conditioning equipment, etc.)
- **In progress: joint development projects with customers**
  Jointly developed with Kansai Electric Power Co.: AI-based equipment-anomaly detection system, primarily for thermal power generation facilities.

(Case study)
Kao Corporation, Wakayama Plant

Responsible Care Grand Prix Award won by plant where BiG EYES™ has been installed.



Cloud services for large buildings

- **Providing a wide range of services—to building owners, to building managers, and to building occupants (tenants)**
- **Expanding into new customer/business areas offing more advanced cloud BA functions, wellness, etc. and making BA functions accessible for tenants.**

Energy Management (Energy management)	**Visualization/analysis of energy consumption** Monitoring buildings from other locations; centralized management of multiple buildings with a small staff
Building Management (Facility management)	**Improving efficiency of facilities management operations** Unified building management methods. Share management information to improve operational efficiency
Tenant Service (Temperature control function for occupant)	**Enhancing convenience for occupants** Contributing to improving the office environment by meeting the demands of each occupant

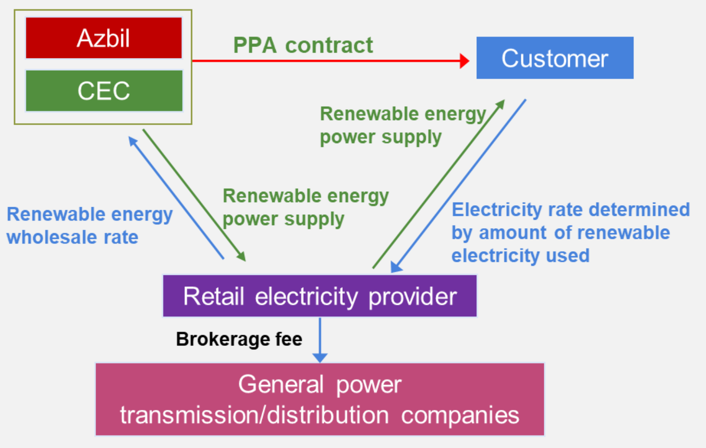
Working to expand business by developing new applications and strengthening the business system (establishing specialized organization)
Aiming for sales of 10 billion yen in FY2030

Business Development Initiatives Involving Alliances and Investments with Other Companies

Contents		Partner/investment
Year 2021	**Next-generation energy management business DX-EGA**	TAKAOKA TOKO Group（electricity meters）
Year 2022	**GX solutions to reduce CO_2 emissions from office buildings and other large facilities**	Four NTT Group companies, Daikin Industries
Year 2022	**Creating partnerships, etc. with businesses engaged in decarbonization**	Japan Green Investment Corp. for Carbon Neutrality
Year 2022	**Developing a business model combining our energy-saving solutions and CEC's green power solutions**	Clean Energy Connect, Inc. (CEC)
Year 2023	**Acquiring market information in new business areas as well as information on innovative technologies; building relationships with portfolio companies; business discovery**	JAFCO Group Co., Ltd. (JAFCO SV7 fund)

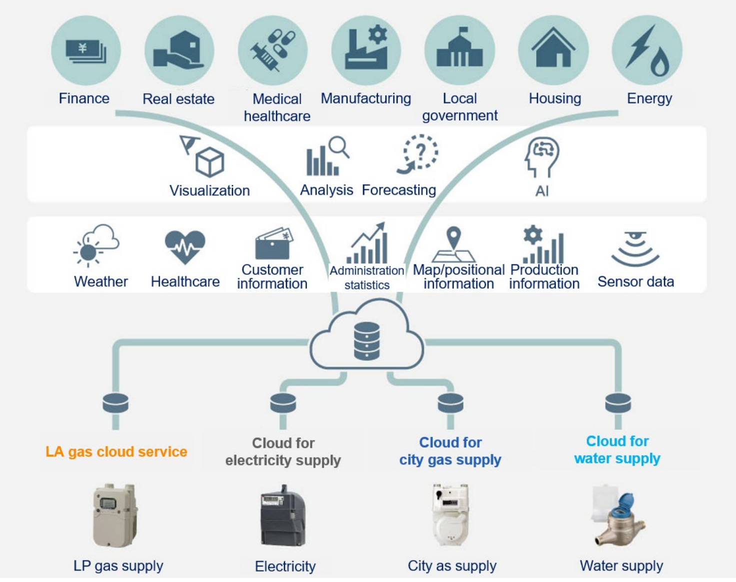
Energy Service Provider Business

ESCO+PPA integrated joint business model



A service that provides value as a comprehensive energy solution by customizing and planning projects that meet the needs of customers to achieve their goals, adding renewable energy procurement support and optimal management at the operational stage to conventional energy-saving solutions (ESCO, optimal operation and maintenance of buildings, demand responses).

DX-EGA



A cooperative business concept that combines data and services provided by a variety of businesses, while also making use of existing data collection methods. It is planned to provide added value in the energy and environmental fields—including the analysis of energy data from individual households, corporate ESG promotion and carbon pricing support—as well as finance, distribution, and health care services.

Financial Plan by Segment—Progress and Forecast—

- While responding rapidly to changes in the social and business environment—such as pandemics, parts procurement difficulties, and inflation—and reviewing necessary measures, we will aim to achieve sustainable growth by tracking emerging customer/society needs (decarbonization, quality, safety, remote access, etc.).

(Billions of yen)

BA
Commercial buildings

	FY2021	FY2022	FY2023	FY2024
Sales	119.7	128.5	130.0	134.5
Overseas	8.0	11.5	13.2	14.0
Segment profit	13.8	16.0	15.6	16.3
Margin	*11.6%*	*12.5%*	*12.0%*	*12.1%*

- Continued high level of demand for new large-scale construction projects, and increased demand for the profitable refurbishment of existing buildings.
- Emerging needs for building environments offering post-pandemic safety and facilitating new work styles; expanding business opportunities for realizing carbon neutrality and wellness at the same time
- In overseas, recovery from the impact of the COVID-19 pandemic, and increasing investment.

Key measures: Expand business fields, including collaboration with other companies; strengthen our energy-saving solutions business, including ESP, and our approach to the market of existing buildings; expand cloud services; and develop the overseas business.

AA
Factories and plants

	FY2021	FY2022	FY2023	FY2024
Sales	94.2	103.9	106.0	107.5
Overseas	26.4	30.9	31.1	32.5
Segment profit	13.2	14.5	15.5	16.4
Margin	*14.0%*	*14.0%*	*14.6%*	*15.2%*

- In the medium to long term, as market growth continues globally, demand will increase for higher productivity and safe, stable operation of equipment and facilities.
- For production facilities, demand will further increase for ways to save energy and reduce greenhouse gas emissions.
- Production process reforms are underway aimed at progress toward resources conservation and a circular economy.

Key measures: Develop new products utilizing MEMS technology; combine cloud and AI technologies with measurement & control technologies; accelerate overseas business development.

LA
Infrastructure, pharmaceu-ticals and houses

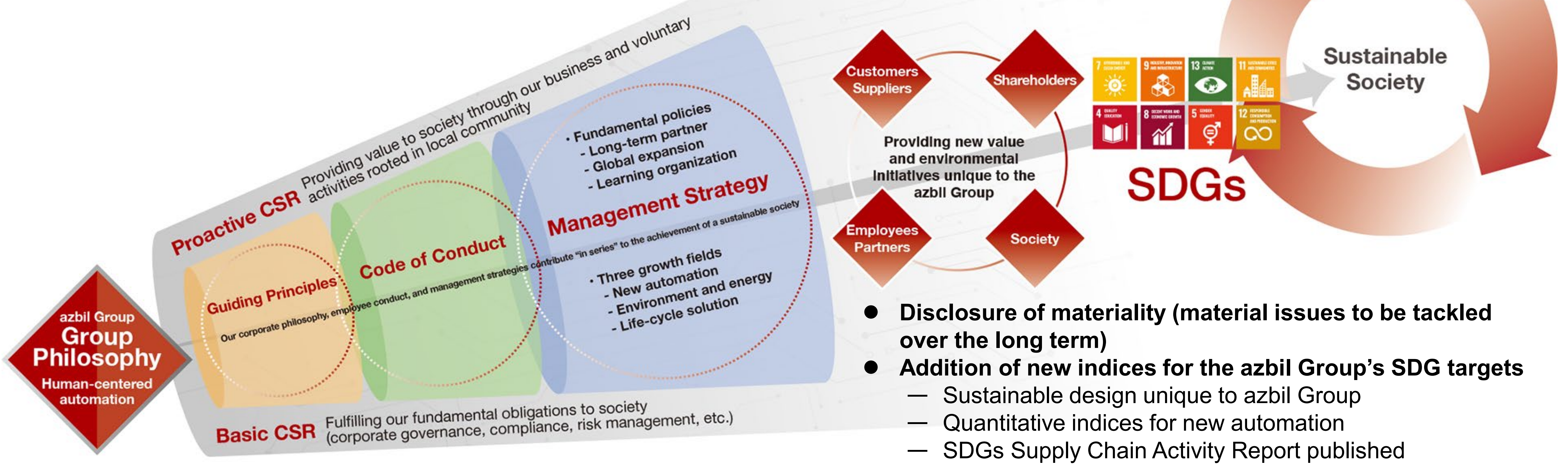
	FY2021	FY2022	FY2023	FY2024
Sales	44.2	47.9	48.0	58.0
Overseas	17.6	20.0	19.2	19.5
Segment profit	1.1	0.5	0.9	3.3
Margin	*2.6%*	*1.2%*	*1.9%*	*5.7%*

- Increasing requirements for the maintenance, safety and efficiency of life infrastructure.
- Emerging business opportunities, such as providing IoT support for different meter types, and contributing to customers' decarbonization through measurement/use of large volumes of data.
- Robust demand generated by regional dispersal of pharmaceutical manufacturing facilities; continued pandemic-related investments.

Key measures: Improve profitability by strengthening cost management suited to the characteristics of each sub-segment (Lifeline, LSE, residential air conditioning); revise strategies for growth; promote SMaaS business making use of cloud technology.

azbil Group Sustainability

The azbil Group is committed to continuously enhancing enterprise value based on mutual trust with stakeholders, to realize safety, comfort, and fulfillment in people's lives and contributing "in series" to a sustainable society. These are achieved through practicing the azbil Group's philosophy of "human-centered automation" and respecting the values to contribute society for people's well-being based on the founding spirit of "freeing people from drudgery."



- **Disclosure of materiality (material issues to be tackled over the long term)**
- **Addition of new indices for the azbil Group's SDG targets**
  - — Sustainable design unique to azbil Group
  - — Quantitative indices for new automation
  - — SDGs Supply Chain Activity Report published
- **Transition to a Company with a three-committee Board structure; disclosure of executive remuneration policy**
- **Promotion of Health and Well-being Management (the azbil Group Health and Well-being Declaration of 2019)**

Addition of New Quantitative SDG Indices for Our Business That Will Lead "In Series" to a Sustainable Society

New Automation, one of the azbil Group's four essential SDG goals (p.48 for more details), was chosen as a growth field to develop business that leads "in series" to a sustainable society, and we have set new quantitative indices.

Realizing a safe and comfortable society through new automation **New Automation**	**Providing productivity and higher value that lead to our customers' peace of mind and comfort** **So that customers can benefit from sustainable production sites and workplace environments—as well as greater safety, comfort, and a sense of achievement—we will solve emerging issues confronting society and create new added value through advanced measurement, a data-driven approach, and autonomization in production spaces, office spaces (buildings), and living spaces.**

New quantitative indices

Totals in 2030

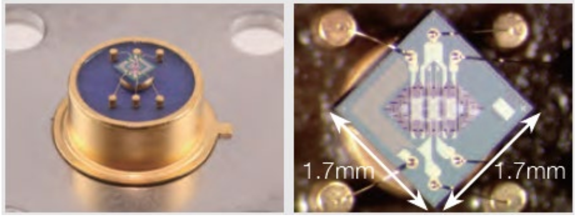
- **We will achieve a state of resilience to changes in the business environment at 8,000 business sites*1.**
- **We will provide environments that support stress-free and diverse work styles to 6 million people *2.**

*1 As of April 2022, the number of sites in operation was 530; by 2030 we are aiming to increase this number by 15 times to 8,000.
*2 As of April 2022, the number of people was 0.6 million; by 2030 we are aiming to increase this number by 10 times to 6 million.

Products covered by new automation targets

Cloud services for office buildings to optimize facility operations and foster wellness; valve diagnostics; LP gas remote meter reading cloud service

Advanced measurement devices featuring MEMS technology



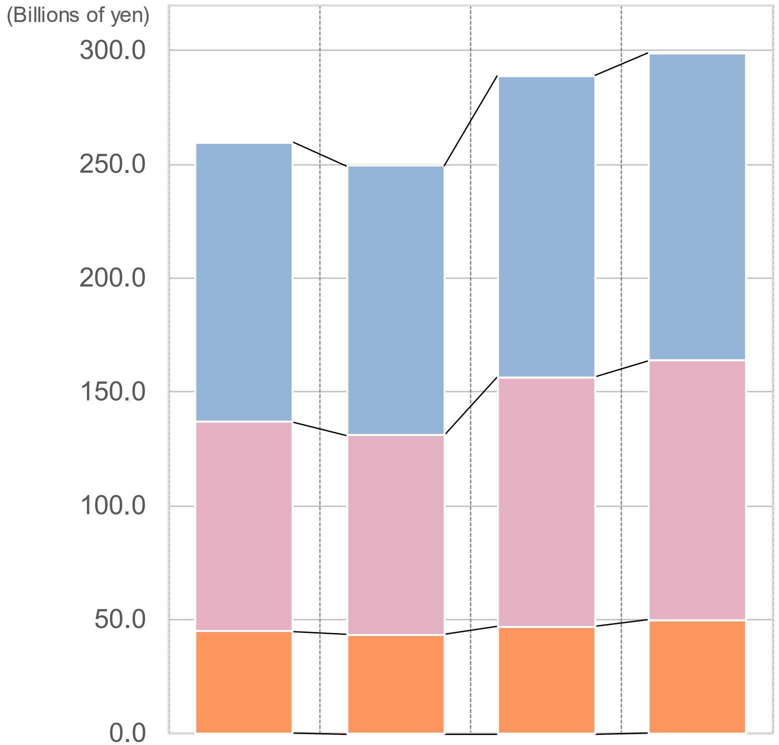
Autonomous systems—such as an online anomaly prediction/detection system based on AI and historical data.

Further expansion of our product range is planned.

Appendix

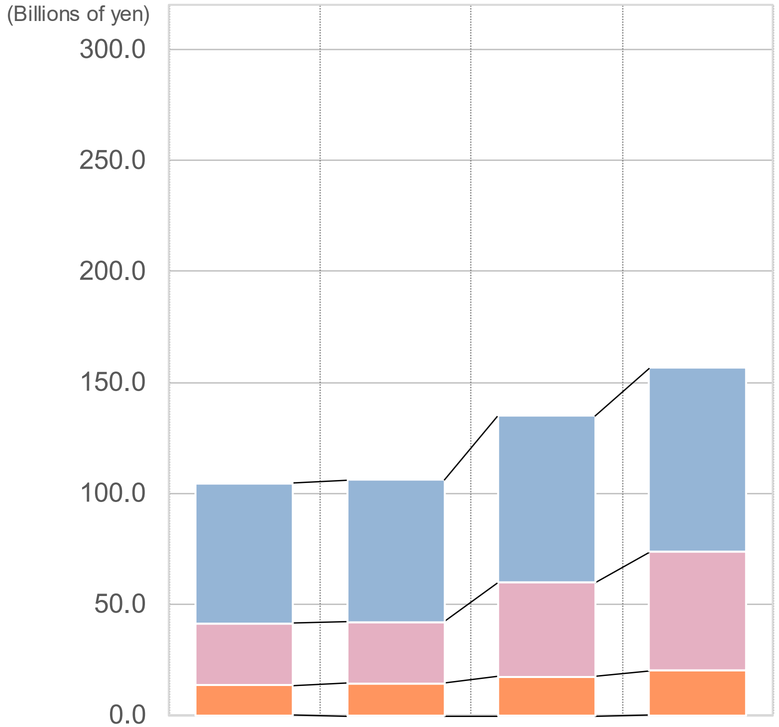
Performance Trend by Segment (1)

Orders received by segment



	FY2019	FY2020	FY2021	**FY2022**
B A	122.9	118.5	132.5	**135.3**
A A	91.9	87.5	109.5	**113.9**
L A	44.8	43.3	46.8	**49.6**
Consolidated	258.0	247.8	286.9	**296.9**

Order backlog by segment

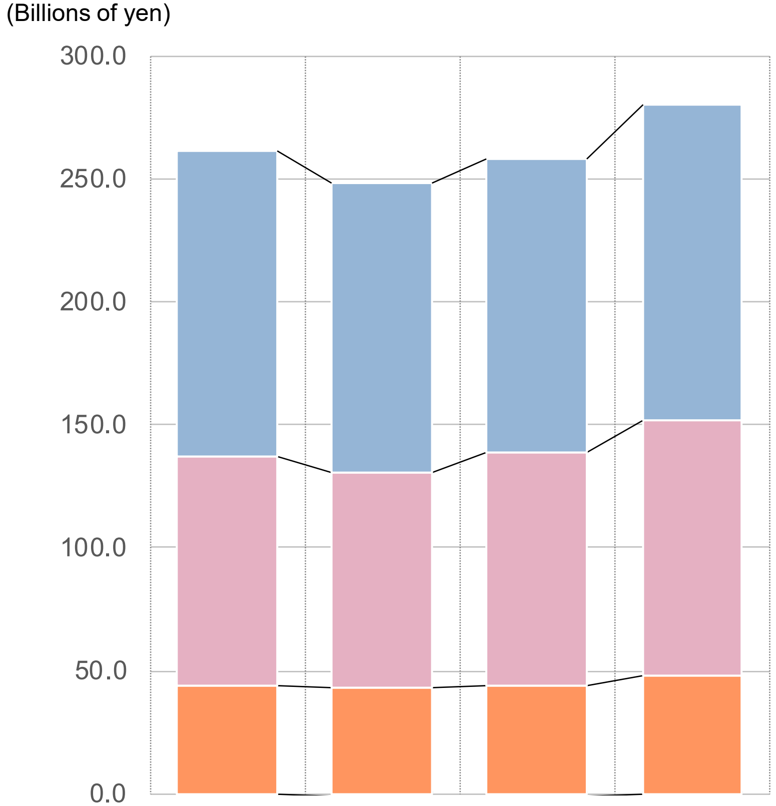


	FY2019	FY2020	FY2021	**FY2022**
B A	63.1	64.0	75.1	**82.8**
A A	27.7	27.7	42.3	**53.4**
L A	13.4	14.2	17.2	**20.1**
Consolidated	104.2	105.8	134.2	**156.0**

Appendix

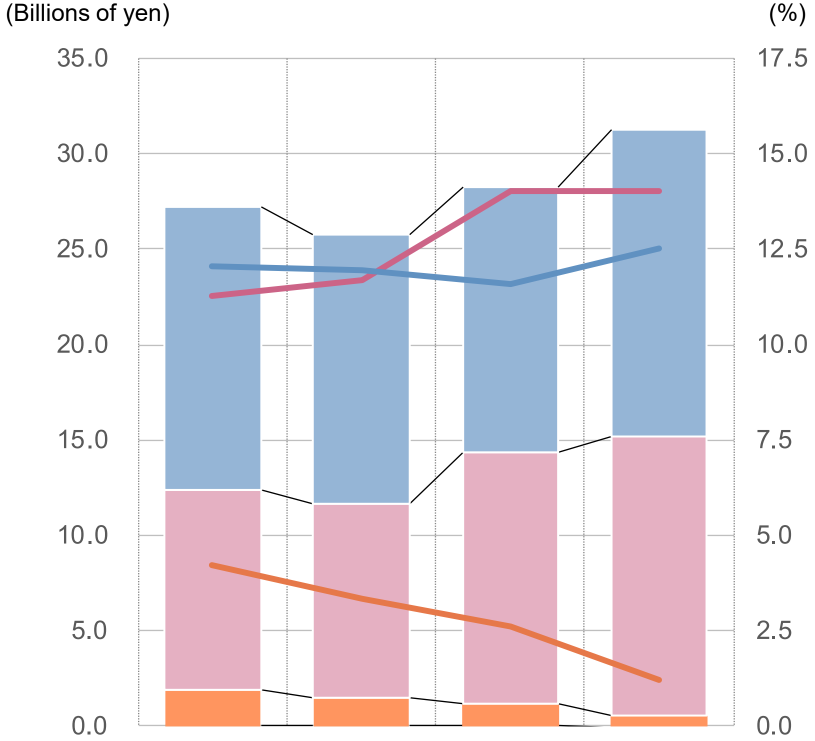
Performance Trend by Segment (2)

■ Sales by segment



	FY2019	FY2020	FY2021	**FY2022**
B A	123.7	117.5	119.7	**128.5**
A A	93.1	87.7	94.2	**103.9**
L A	44.0	42.9	44.2	**47.9**
Consolidated	259.4	246.8	256.5	**278.4**

■ Segment profit (operating income)



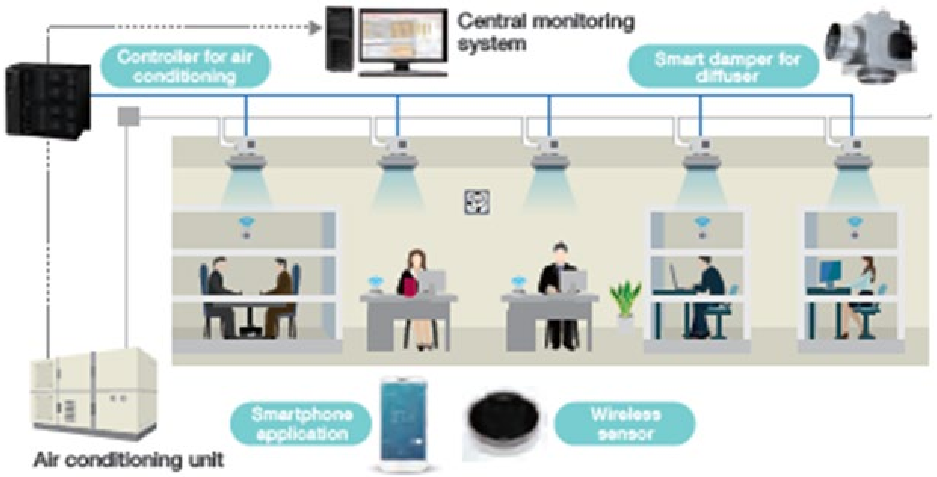
	FY2019	FY2020	FY2021	**FY2022**
B A	14.8	14.0	13.8	**16.0**
Margin	*12.0*	*11.9*	*11.6*	***12.5***
A A	10.4	10.2	13.2	**14.5**
Margin	*11.3*	*11.7*	*14.0*	***14.0***
L A	1.8	1.4	1.1	**0.5**
Margin	*4.2*	*3.3*	*2.6*	***1.2***
Consolidated	27.2	25.7	28.2	**31.2**
Margin	*10.5*	*10.4*	*11.0*	***11.2***

Cell-type HVAC system

New HVAC system is suited to the diversifying work styles and office use of this “new normal” era

With the ongoing diversification of work styles, the office environment is changing. This new HVAC system, which with is considerate of humans, contributes to the creation of a healthy and attractive office space that is comfortable, energy-efficient, and has a layout that facilitates work.

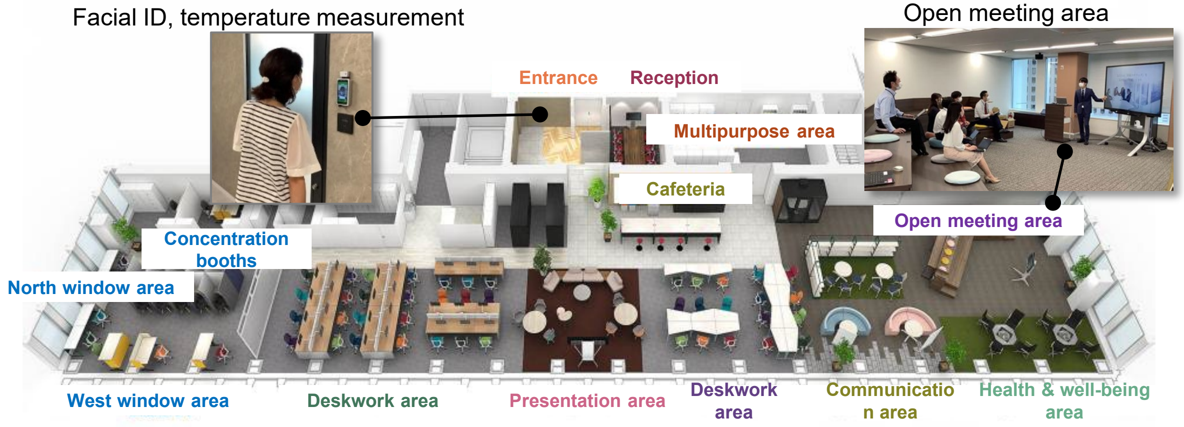
- **Temperature control is provided for each zone, each of which is divided into smaller units, called cells, for finer outlet control.**
- **This system is capable of controlling the concentration of CO_2 in indoor spaces, as well as controlling ventilation, to introduce outside air as needed, which helps to prevent the spread of airborne infection.**
- **A smartphone app can be used to create an environment that fulfills the wishes of individual office workers.**



▲Cell-type HVAC system

Solutions for new building environment needs that have emerged with the “new normal” era

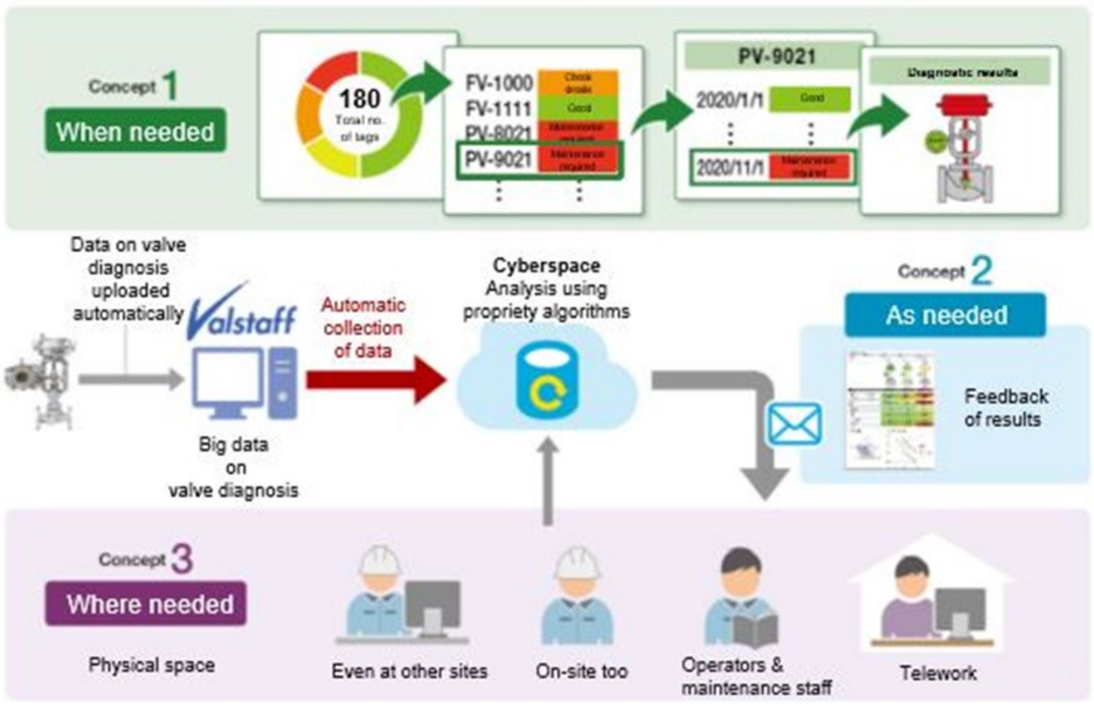
➢ Systems proposed by us that are designed to manage diversification of work styles and office use, part of the “new normal” era, have won praise. We are receiving a growing number of inquiries about them, so we have developed sites in Japan and overseas that allow customers to experience how azbil’s products and services, such as the cell-type HVAC system, can be used to create workplaces that encourage not only productivity and knowledge creation but also improve the wellness of the people working there.



Cloud-based valve analysis and diagnosis
Harnessing DX to optimize maintenance and ensure safe and stable operation

Monitoring valve status via the cloud enables the early detection and prediction of anomalies. Previously this was only possible by open inspection because the internal state of a valve is hidden from sight. Monitoring in this way enables problems caused by valves to be averted, thus contributing to the stable operation of production facilities.

- **Valve operating data is sent automatically to the cloud for analysis**
- **The health of valves operating in plants and factories is diagnosed, and the results are visualized; this contributes to the stable operation of production facilities and strengthens security.**
- **Maintenance engineers receive information in a timely manner thanks to use of the cloud**



Our track record has won high praise, and it has been decided to introduce our service at several plants.

- Our cloud-based valve analysis and diagnosis service, is being introduced at a wide range of plants, including chemical plants (such as monomer plants and crystallization plants), at oil refineries (in facilities for indirect desulfurization and catalytic reforming), and in plant power facilities (boilers and power generation equipment).

To monitor the health of control valves, operational data collected by the smart valve positioner is sent to the cloud using PLUG-IN Valstaff™.

(Kashima Plant, TM Air Corp., Taiyo Nippon Sanso Group)

Promoting DX for water supply businesses using existing water meters

Developing OCR Attachment with Leak Detection Function to Turn Direct-read Water Meters into Smart Meters

- **Introducing smart water meters is expected to bring several benefits—including more efficient meter reading, early detection of water leaks, improved management of aging facilities and pipe networks, enhanced water distribution operations, and rapid response in disaster situations. It will also offer improved services to water users, who will be able to visually monitor usage. On the other hand, there are issues involved with water meters having a communication function, such as the cost of installation and the question of how long before meter certifications will expire.**
- **Azbil Kimmon Co., Ltd., an azbil Group company—in collaboration with Toshiba Infrastructure Systems & Solutions Corporation (TISS) and Nihon Water Solution Co., Ltd.—has begun development of an OCR attachment with a leak detection function that can be attached to existing direct-read water meters.**
- **OCR attachment with leak detection function now under development can be attached to an existing direct-read water meter to turn it into a smart meter.**

OCR attachment with leak detection function installed on a direct-read water meter

[Features]

1. OCR meter-reading function
Built-in camera takes picture of the meter's numerical display and OCR function inside the attachment converts the 4 integer digits into numerical data

[OCR Image]

2. Leak detection function
A built-in vibration sensor can detect possible leaks by analyzing vibrations propagated to the water meter.

3. Communication function
Includes communication function for interfacing with upper-level systems—typically for receiving meter-reading requests from an upper-level system, and transmitting meter readings or leak detection alarms to an upper-level system.

Customer case study: Kao Corporation, Wakayama Plant

The introduction of BiG EYES, an AI-based anomaly detection system, has reduced the workload and contributed to HR training and skills transmission at the production site.

Awarded the Responsible Care* Award by the Japan Chemical Industry Association.

In recent years, operators at manufacturing sites have been getting younger and fewer in number. This is leading to concerns about an increase in the burden/stress of monitoring operations, and about the impact of delays in detecting such problems as leaks and quality irregularities. At Kao's Wakayama Plant, for multi-product batch processes they have installed and started using BiG EYES, our online anomaly detection system. As well as reducing the workload of the operators who monitor operations, this system improves occupational safety and ensures stable quality. Also, as a result of reviewing and standardizing operations for the introduction of this system, staffing requirements have been reduced. And thanks to the creation of an AI monitoring model, it has been possible to transfer manufacturing expertise.

Kao × BiGEYES™

Operators can now see and discuss the AI-estimated trend data produced by BiG EYES, considering possible causes and remedies before an anomaly becomes a major problem.

An operator uses the configurator (settings) screen, registers those points relating to the target equipment, and creates an AI monitoring model. BiG EYES can also be connected online to other makers' DCSs for monitoring.

* Responsible Care

This recognizes the activities undertaken by companies that deal with chemical substances to take the initiative in protecting the environment and health, and to ensure safety in all processes involving those chemical substances—from development, manufacturing, distribution, use, and consumption though to disposal and recycling—disclosing the results of their activities, and engaging in dialog/communication with the public.

Toward Expansion of the Environment and Energy Field: Investing in Japan Green Investment Corp. for Carbon Neutrality (JICN)

Azbil to invest in Japan Green Investment Corp. for Carbon Neutrality (JICN)*, a public-private fund established by Japan's Ministry of the Environment

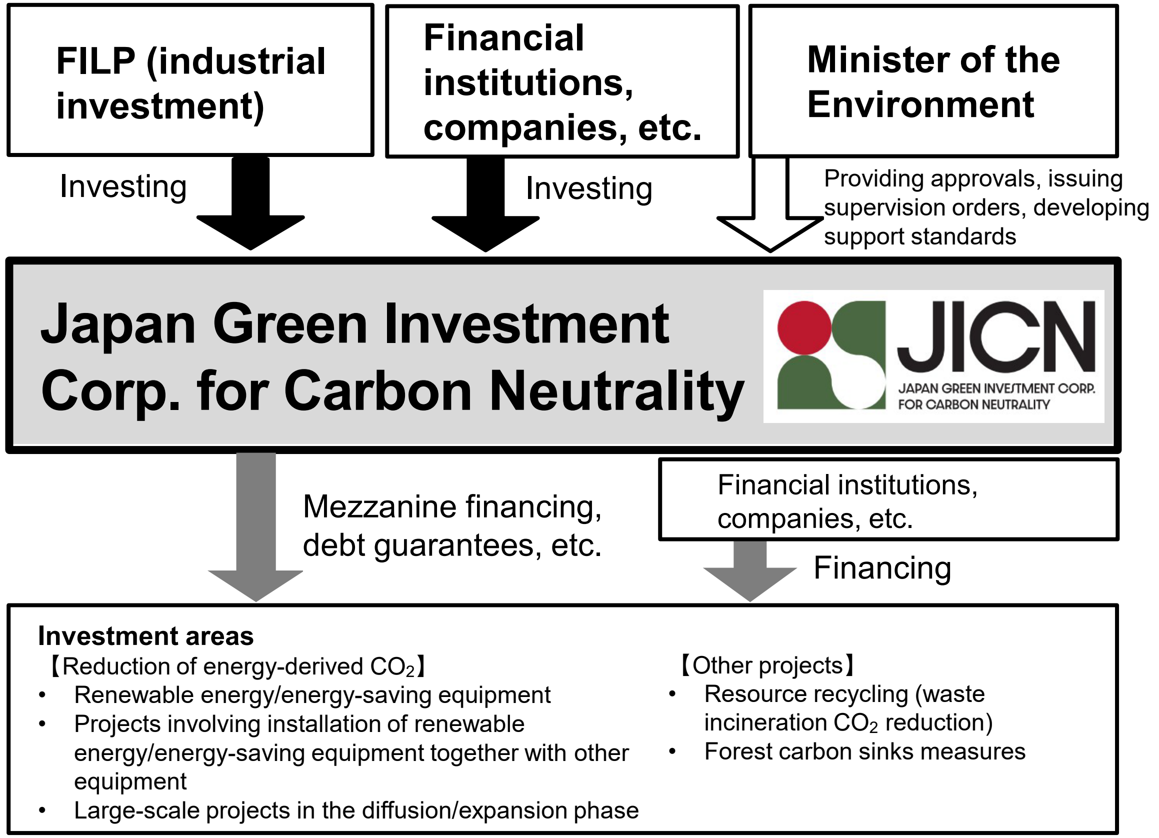
(October 2022)

- **To expand the environment and energy field, we will promote GX, the transformation of the economic and social system to realize carbon neutrality.**
- **Through partnerships with companies and research institutions in various fields, we are aiming to extend the energy-saving technologies and expertise that we have built up in our automation business.**
- **Our investment in JICN will facilitate the creation of new business opportunities that contribute to decarbonization, as well as partnerships with enterprises involved in decarbonization in fields which we have hitherto been unable to enter.**

* Japan Green Investment Corp. for Carbon Neutrality (JICN) (see diagram on right)

JICN is a corporation that operates a fund business with capital from the Japanese government's Fiscal Investment and Loan Program (FILP) and private-sector investment from 82 companies, including Azbil. JICN aims to provide investments and loans for projects involving decarbonization—with the aim of achieving carbon neutrality by 2050—and to contribute to socioeconomic development, regional regeneration, knowledge accumulation, and human resource enhancement.

Japan Green Investment Corp. for Carbon Neutrality



Envisioned projects (examples)

- Developing renewable energy and recycling resources, such as plastics, in ways that are regionally symbiotic and beneficial
- Co-firing of biomass, ammonia, etc. for thermal power generation; forest conservation and lumber/energy uses

*Note: This diagram is taken from the Ministry of the Environment website and translated by the Company.

https://www.env.go.jp/content/000105241.pdf (only available in Japanese)

Providing Solutions that Combine Energy-saving with Renewable Energy: Investing in CEC and Forming a Business Alliance

Azbil to invest in Clean Energy Connect, Inc. and form a business alliance: Contributing to the realization of a decarbonized society by providing energy-related solutions

(December 2022)

- We will combine our **energy-saving solutions**, for which Azbil is renowned as an energy-management enterprise, with the **green power solutions** of Clean Energy Connect Inc. (CEC) to offer customers a one-stop service
- We will harness Azbil's demand response technologies to enable more effective use of renewable energy sources, typified by large fluctuations in output
- Azbil will expand its offerings of BEMS and energy-saving solutions in combination with renewable energy, aiming for several billion yen in sales growth from FY2023.

■ **Clean Energy Connect, Inc.**

Founded: April 1, 2020

Business Profile: Green power solutions for corporate clients, non-FIT renewable energy generation

azbil × CEC CLEAN ENERGY CONNECT

Energy-saving solutions	Green power solutions
➢ As a manufacturer specializing in measurement and control, Azbil provides products and services for factories, plants, buildings, etc. in a wide range of fields. ➢ Azbil has experience operating Virtual Power Plants (VPPs) by demand response using its systems that have been installed in a large number of buildings. ➢ Azbil has been registered as an Energy Management Business Operator*1 for ten consecutive years, supporting energy-saving projects at factories and other business sites.	➢ For such clients as carbon-free management companies and companies participating in RE100*2, CEC provides a one-stop service for green power solutions—from planning the introduction of green power to supporting implementation and verifying effectiveness, right through to goal achievement. ➢ At locations throughout Japan, CEC has developed several non-FIT small-scale solar power plants, for the exclusive use of its clients, and provided off-site corporate Power Purchase Agreement (PPA) services*3 using green power with additionality.

*1 An operator, adopted by the Sustainable open Innovation Initiative (SII), which takes responsibility for further promoting energy savings by subsidized projects; this is accomplished by installing an appropriate EMS at the business site of a subsidized project and furnishing the project operator with energy management methodology based on the functionality of the operator's own EMS.

*2 RE100: Renewable Energy 100%, an international initiative whose aim is for companies to power 100% of their operations with renewable energy. More than 390 global and Japanese companies are currently participating (as of Jan. 10, 2023).

*3 This involves developing and building a non-FIT solar power plant, for the exclusive use of the client company but located at a distance from the facility that will use the power, and concluding a long-term contract for the transmission of the power generated, with its environmental value, to the target facility.

DX-EGA [*1]: Next-generation energy management business

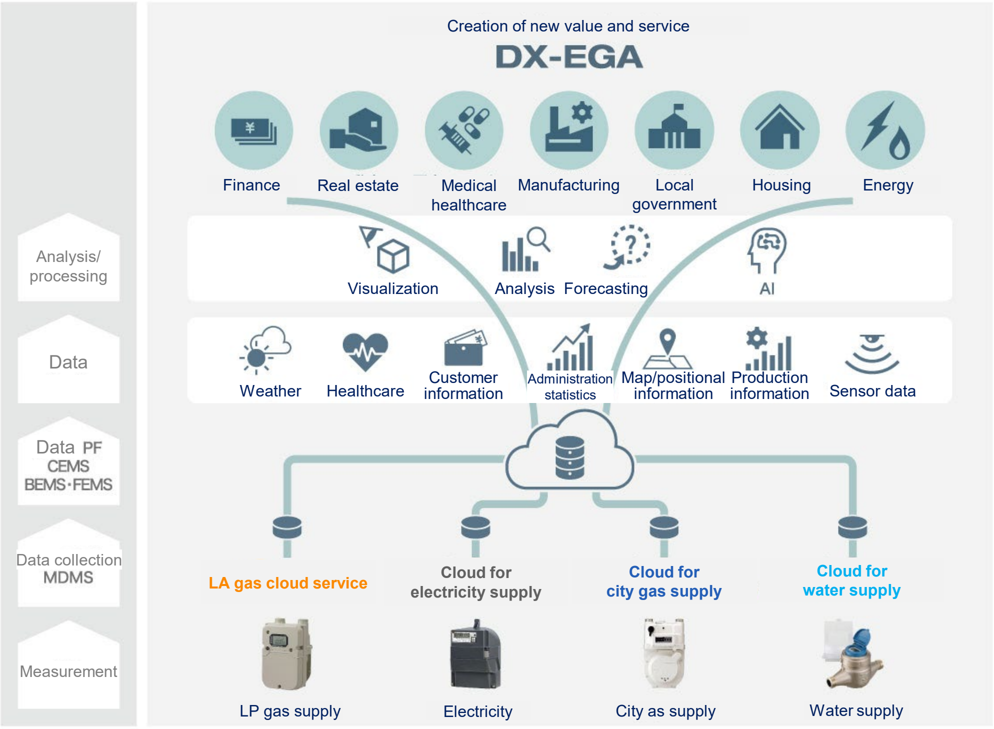
Collaborative business concept that utilizes existing data collection methods and combines them with diverse operator data and services

Against the backdrop of today's environmental problems and the rapid growth of decarbonization initiatives that have resulted, the business environment surrounding energy is changing significantly. We are seizing this opportunity, while leveraging our existing platform, so as to expand our business from product sales to the provision of services that utilize big data.

- **This SMaaS business utilizes existing data collection methods, including the cooperative meter-reading system of the TAKAOKA TOKO Group[*2] and the azbil Group's cloud services for office buildings and gas supply.**

In collaboration with other companies, start trial of cloud service for computing/visualizing greenhouse gas (GHG) emissions

- Plans for DX-EGA include the provision of value-added services in the energy and environment domain—such as analysis of household energy data, corporate ESG promotion and support for carbon pricing—as well as the provision of services for finance, distribution, healthcare, etc.
- Financial institutions are promoting cloud services that can help companies and their supply chains calculate GHG emissions more efficiently and realize decarbonized management. One such is our GHG management cloud service. Users of this service also benefit from the expertise we can provide on emission reduction measures and our recommendations, tailored to suit each customer.



*1 DX-EGA is a business concept that accelerates DX in various fields and provides value to customers, centered on energy data
(E: electricity, G: gas, and A: aqua or water supply).

*2 As a member of the TEPCO Group, TAKAOKA TOKO Group provides total support for the construction and operation of electric power networks from power plants to every corner of society through the provision of electric power distribution systems.

Essential Goals of azbil Group for SDGs

Regarding SDGs, we have set four of our own essential goals (I to IV) as well as specific targets, and we are now working to steadily implement them. Furthermore, we are continuously reviewing and raising their levels.

I Environment and energy

- **Target of effective CO_2 reduction at customers' sites for 2030**
  3.4 **million metric tons of CO_2/year**
- **Targets for greenhouse gas (GHG) emission reduction for 2030**
  Certified as science-based target[*1].
  GHG emissions from business activities (scopes 1+2)
  55% **reduction** compared to 2017
  GHG emissions throughout the entire supply chain (scope 3)
  20% **reduction** compared to 2017
- **Create and supply environmentally friendly products and services**
  Design all new products to meet the azbil Group's own sustainable design principles[*2] by 2030
- **Effective use of natural resources and waste generation reduction**
  Design all new products to be 100% recyclable[*3] by 2030

III Supply chain and Social responsibility

- **Working with our business partners on achieving SDGs as a common goal and creating shared CSR value across the supply chain; developing original performance indicators for evaluating policies, framework, initiatives, and effectiveness[*6]**
- **Implementing social contribution activities, rooted in local communities at all business sites[*7], with active participation by every employee[*8]**

II New automation

So that customers can benefit from sustainable production sites and workplace environments—as well as greater safety, comfort, and a sense of achievement—we will solve occasional issues as required by society and create new added value through advanced measurement, a data-driven approach, and autonomization in production spaces, office spaces (buildings), and living spaces.

New!

- **We will achieve a state of resilience to changes in the business environment at a total of 8,000 business sites by 2030.[*4]**
- **We will provide environments that support stress-free and diverse work styles to a total of 6 million people by 2030.[*5]** New!

[Contributing domains]

1. Realizing automation that is resilient to changes in the business environment
   - Prediction/diagnosis of the effect of changes in the internal environment (equipment malfunction, raw material quality, etc.); autonomous decision-making and control
   - Prediction/diagnosis of the impact of changes in the external environment (natural disasters, social conditions, etc.); autonomous decision-making and control
2. Realizing a stress-free work environment
   - Reduction of work errors and unscheduled work through data-based work support
   - Creation of a comfortable and energy-efficient environment that enhances labor productivity
3. Realizing an environment conducive to diverse work styles
   - Creation of optimal working environments suited to different times and locations
   - Creation of work environments that are neutral (re. age, gender, skills, etc.)

IV Health and well-being management; An organization that never stops learning

- **Implementing health and well-being management (job satisfaction, health, diversity and inclusion)**
  x2 Women's advancement point[*9] by 2024 (versus 2017)
  65% or more employees who find satisfaction in working at azbil Group[*10] by 2030
- **Developing and strengthening "an organization that never stops learning"**
  x2 Training opportunity point[*11] by 2024 (versus 2012)
  65% or more employees who experienced personal growth over the past year[*10] by 2030

* For notes, please refer to "Notes (2)" on page 57.

Contribution "In Series" to the Achievement of a Sustainable Society

Reduce about 160 times of the CO_2 (environmental burden) from business activities of azbil Group at customers' sites

By providing our customers with automation equipment/systems, energy management and other solutions, as well as follow-up maintenance and service, we have built up a solid track record for contributing "in series" to the reduction of society's environmental impact.

Effective reduction of CO_2 at customers' sites*

Automation effects	Energy management effects	Maintenance services effects
		
About **2.66** million metric tons of CO_2	About **0.23** million metric tons of CO_2	About **0.05** million metric tons of CO_2

Total 2.94 million metric tons of CO_2 (FY2021)

>

Reduce about 160 times the environmental burden

CO_2 emissions from business activities of the azbil Group

0.019

million metric tons of CO_2

(FY2021)

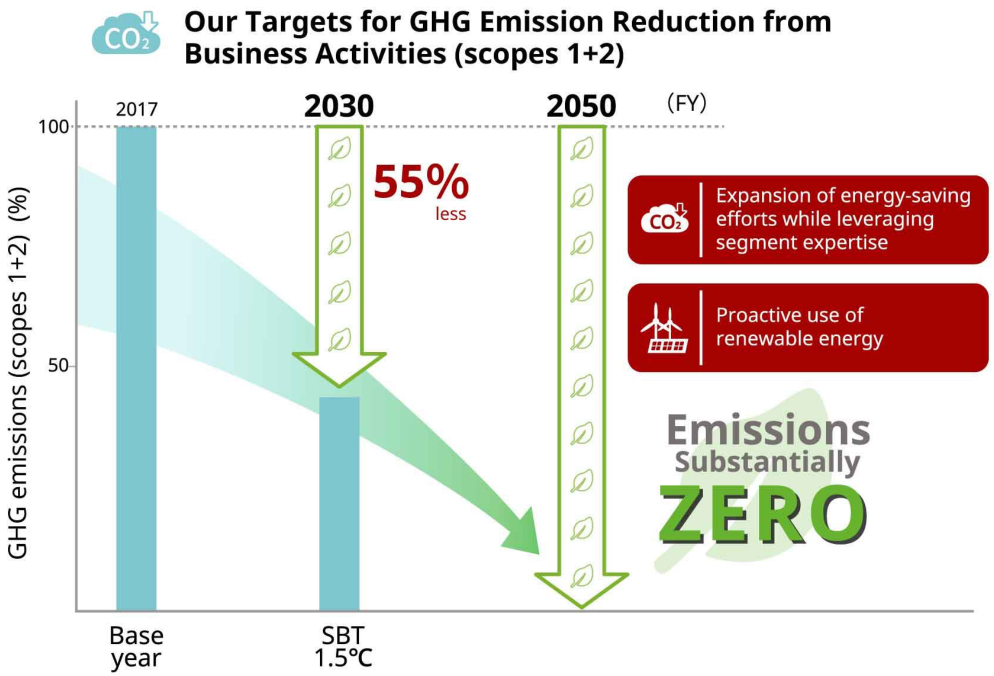
CO_2 emissions (scopes 1+2)
Azbil Corporation, its consolidated subsidiaries in Japan and its main manufacturing bases overseas

* In order to assess the contribution to the reduction of environmental impact quantitatively, the effects were classified into the three categories of 1) effects from automation, 2) effects from energy management, and 3) effects from maintenance services. Effective reduction of CO_2 was estimated from the difference in the estimated amount of CO_2 reduction if no azbil Group products, services or solutions were used at customers' sites. Global reduction impact is partially based on original methods. The estimation method is reviewed by a third party.

Contribution to the Environment

Regarding greenhouse gas emissions (scopes 1+2)*1 associated with our own business activities, we have already launched specific initiatives. Aiming to achieve zero emissions by 2050, we have developed our long-term vision for reducing greenhouse gas emissions, and we have also established 2030 targets for reducing greenhouse gas emissions (approved as science based targets) that include those across our entire supply chain.

2050 Long-term Vision for Reducing Greenhouse Gas Emissions



2050 Long-term Vision for Reducing Greenhouse Gas Emissions

We have established our vision to aim to achieve substantially zero emissions by 2050 for greenhouse gas emissions (scopes 1+2) from our business activities. We have also endorsed the "Actions by the Business Community on Long-term Global Warming Countermeasures up to 2050" proposed by Keidanren (Japan Business Federation).

2030 Targets for Reducing Greenhouse Gas Emissions

Moves are now being made to rapidly decarbonize all aspects of society, prompting us to update our target for reducing GHG emissions through business activities to a 55% reduction, up from the 30% reduction. This target was reapproved as a 1.5°C target by the Science Based Targets initiatives (SBTi)*2 in August 2021. We will accelerate our initiatives to achieve our long-term vision.

- GHG emissions (scopes 1+2) from own business activities

55 % reduction compared with 2017

- GHG emissions (scope 3) across our entire supply chain

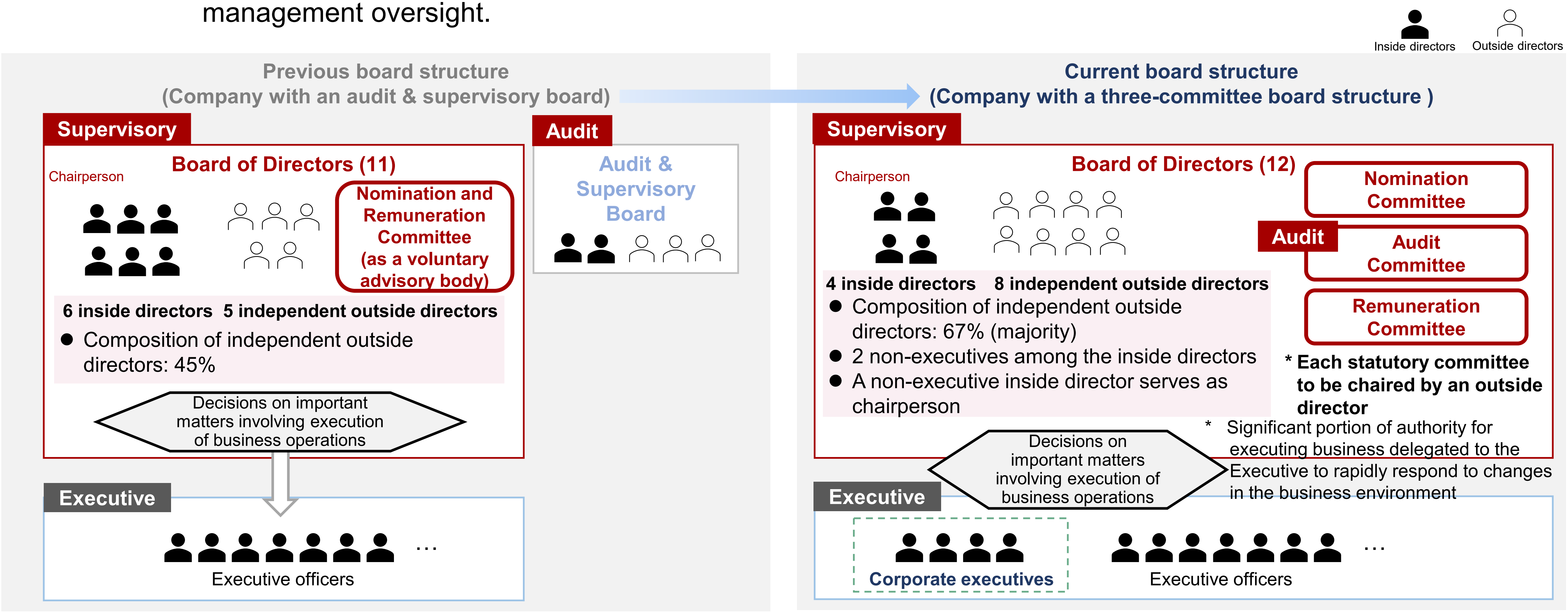
20 % reduction compared with 2017

*1 Scope 1: Direct greenhouse gas (GHG) emissions from a business (from fuel burning, industrial processes, etc.)
Scope 2: Indirect GHG emissions from using electricity, heat, or steam provided by another business.

*2 An international initiative—jointly established by the CDP, the UN Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF)—to certify that corporate CO_2 emission reduction targets are consistent with scientific evidence. The 1.5°C target is to limit the increase in global average temperature caused by climate change to no more than 1.5°C compared to pre-industrial levels.

Transition to a Company with a Three-committee Board Structure

- **Transition to a company with a three-committee board structure**
  - Aiming to promote further reforms in corporate governance, the Company transitioned to a company with a three-committee board structure (on June 23, 2022), ensuring the supervisory and executive functions are clearly separated, increasing the speed of decision-making, and further strengthening management oversight.



Revision of the Executive Remuneration System and Disclosure of Remuneration Policy

With regard to our executive remuneration system, in order to add impetus to the realization of our long-term targets (to achieve by FY2030) and the medium-term plan (FY2021-FY2024), we will further increase both the corporate executives' awareness of the need to contribute to enhancing enterprise value and their motivation to maximize shareholder value, as well as ensuring that directors who are not responsible for business execution can share value with our shareholders.

- **Main features of the revision of the executive remuneration system** (For details, please refer to the azbil report 2022.)
  - A stock compensation plan has been implemented with the aim of continuously enhancing enterprise value while sharing value with the shareholders.
  - In order to ensure a remuneration structure that motivates officers to achieve our medium- and long-term performance targets and enhance enterprise value, the incentive component of their remuneration has been increased, and the combined remuneration for corporate executives* will be typically determined thus: basic remuneration 56%, bonus (base amount) 33%, stock-based compensation (base amount) 11%.

    *The remuneration for directors who are neither concurrently serving as corporate executives nor responsible for business execution comprises basic remuneration and stock-based compensation (non-performance-linked).

Bonus KPIs* *Example: president and CEO

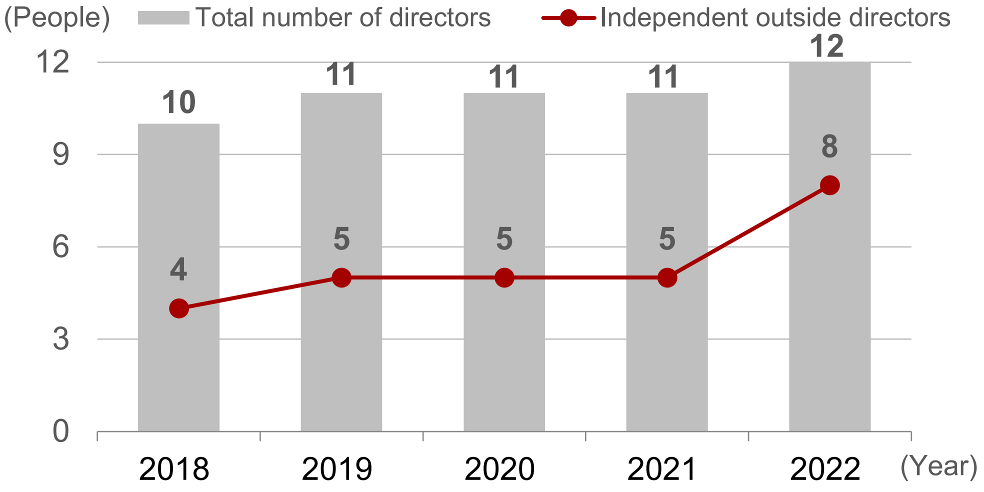
Bonus KPIs		Evaluation weighting
Financial metrics	Net sales	45%
	Operating income	45%
Non-financial metrics	Improved customer satisfaction, increased efficiency and productivity, HR development, revitalization of the organization, CSR management	10%

Stock-based compensation KPIs

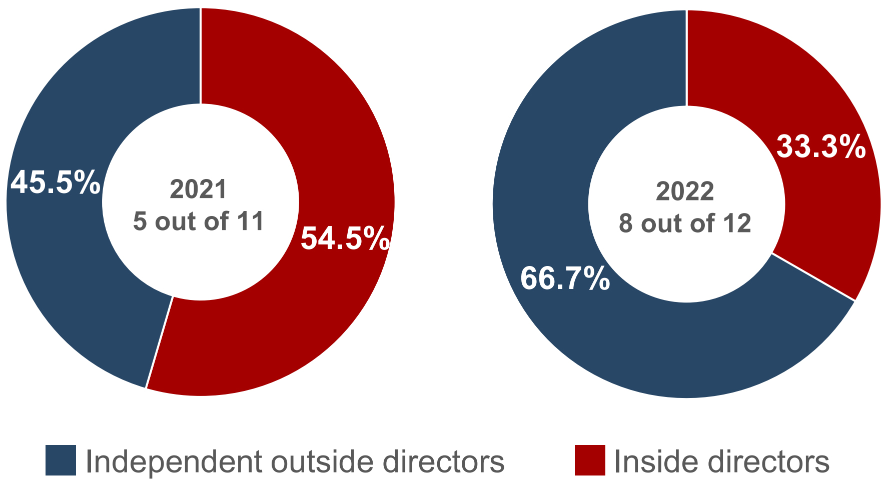
Stock-based compensation KPIs		Evaluation weighting
Financial metrics	Relative TSR (vs. TOPIX, including dividends)	50%
	Operating income margin	30%
Non-financial metrics	Effective CO_2 reduction	20%

Progress of Corporate Governance Reforms (1)

Number of directors



Composition of independent outside directors



Advisor/Counselor system (abolished)

- Abolished advisor/counselor system (2018)

Strategic shareholdings

- Formulated guidelines on strategic shareholdings (2016)
- Revised guidelines on strategic shareholdings (2018)
- Disclosed our policy of reducing strategic shareholdings in our Corporate Governance Report (2020)

Reference: Change in the number of shares and total amount sold (Azbil Corp.)
71 stocks as of Mar. 31, 2015 to 29 stocks as of Mar. 31, 2023
Total amount sold during FY2015–FY2022: 10.7 billion yen (at market price)

* Total amount of shares held as of Mar. 31, 2023: 16.3 billion yen (at market price)
* The Nikkei Stock Average:
  19,206 yen as of Mar. 31, 2015 to 28,041 yen as of Mar. 31, 2023

Progress of Corporate Governance Reforms (2)

Skill matrix

- Disclosed skill matrix (2021)
  - The Board of Directors at the meeting held on May 14, 2021 defined the skills expected of the directors with respect to achievement of the medium-term plan and other management strategies, and confirmed the independence, diversity and expected skills for the current Board of Directors.
  - Seven key categories have been picked for the skills expected of directors so they can support growth aimed at contributing "in series" to the achievement of a sustainable society.

The skills expected of director

- Corporate management/sustainability*
- Global business
- Finance, accounting, fund
- IT, technology/control and automation business
- Sales, marketing
- Manufacturing, research and development
- Legal, risk management, compliance

* "Corporate management/sustainability" includes human resources and personnel development from the viewpoint of sustainability

Diversity and inclusion

- As part of the azbil Group's health and well-being management, we are working to ensure the diversity of our core human resources; our approach and policies are detailed on our website.
- As one of our goals for the SDGs, we have set target numbers of female employees in management or specialist positions and, based on our own metric, points for women's advancement/participation.

Sustainability

- In the medium-term plan, we recognize that addressing sustainability is not simply a response to risk, but also an important business opportunity for enhancing enterprise value. We will thus work to contribute "in series" to the achievement of a sustainable society, and we have formulated and published a strategy focused on three growth fields as a concrete approach to achieving this.
- We have set up a dedicated unit and appointed a corporate officer in charge of all sustainability matters. The azbil Group CSR Promotion Committee and SDGs Promotion Committee meet regularly, and progress reports are made to the Management Committee and the Board of Directors.
- As regards disclosing how climate-related risks and opportunities affect the Company, we have expressed our support for the Task Force on Climate-Related Financial Disclosures (TCFD) and provide requisite information in our annual securities report and azbil Report.

Business portfolio

- In formulating the medium-term plan, strategies for each business portfolio were discussed and reviewed.
- Return on invested capital (ROIC) has been introduced to encourage management that is mindful of the cost of capital. (2021)

External Evaluation and Initiatives (as of April 2023)

ESG-related topics—Inclusion in ESG indexes, external evaluation and initiatives

- Five indexes adopted by the Government Pension Investment Fund (GPIF) of Japan
    - FTSE Blossom Japan Index
    - FTSE Blossom Japan Sector Relative Index
    - MSCI Japan ESG Select Leaders Index
    - MSCI Japan Empowering Women Index (WIN)
    - S&P/JPX Carbon Efficient Index
- Rated “A” in the CDP Climate Change Report 2022, rated “A-” in the CDP Water Security Report 2022
  Recognized as CDP2022 Supplier Engagement Leader
- Certified as Environmentally sustainable company in the 2023 ESG Finance Awards Japan
- Received the highest level of accreditation, known as the “ERUBOSHI” certification, from the Act on Promotion of Women’s Participation and Advancement in the Workplace
- Granted the “Platinum Kurumin” certification by the Ministry of Health, Labor and Welfare
- Certified as a Health and Productivity Management Outstanding Organization in 2022 (Large Enterprise Category “White 500”)
- Support for recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Participating in the United Nations Global Compact

Inclusion in other indexes and external evaluation

- FTSE 4Good Japan Index
- MSCI Japan Index
- JPX-Nikkei400

Notes (1)

1. Financial data and financial statements have been prepared based on Japanese GAAP and the amounts have been rounded down.
2. The following are the azbil Group's segments (each identified by abbreviation) together with the various sub-segments and their principal business fields.

   BA: Building Automation

   AA: Advanced Automation
   - Control Product (CP) business: Supplying factory automation products such as controllers and sensors
   - Industrial Automation Product (IAP) business: Supplying process automation products such as differential pressure transmitters, pressure transmitters, and control valves
   - Solution and Service (SS) business: Offering control systems, engineering service, maintenance service, energy-saving solution service, etc.

   LA: Life Automation
   - Lifeline field: Provision of gas meters and water meters, safety equipment such as alarms and automatic shut-off valves, regulators and other products for industry
   - Life Science Engineering (LSE) field: Provision of integrated solutions from the development, engineering, installation, and sale of lyophilizers, sterilizers, and clean environment equipment to after-sales services for pharmaceutical companies and research laboratories
   - Lifestyle-related field: Provision of residential central air-conditioning systems for houses
3. Net sales for the azbil Group tend to be low in the first quarter of the consolidated accounting period and highest in the fourth quarter. However, fixed costs are generated constantly. This means that profits are typically lower in the first quarter and higher in the fourth quarter.

Notes (2) (from page 48)

1. Science-based targets: Greenhouse gas emission reduction targets that are consistent with scientific evidence.
2. The azbil Group's own sustainable design principles: This design strives to create and provide products that contribute to solving global environmental issues (through decarbonization, resource circulation, and biodiversity).
3. All new products for 2030 will be designed to be 100% recyclable: To the extent of using best available technologies (BAT, the most effective technology that is both economically and technologically viable).
4. As of April 2022, the number of sites in operation was 530; by 2030 we are aiming to increase this number by 15 times to 8,000.
5. As of April 2022, the number of people was 0.6 million; by 2030 we are aiming to increase this number by 10 times to 6 million.
6. Original targets for evaluating policies, framework, initiatives, and effectiveness: The evaluation system is unique to the azbil Group and is linked with external ESG evaluations such as FTSE.
7. All business sites: All offices both in Japan and overseas.
8. Active participation by every employee: The azbil Group aims to participate in activities of a scale that can accommodate the total number of employees.
9. Women's advancement point: Points tallied internally with weight given based on the role, such as company executive, officer and manager.
10. In the azbil Group employee satisfaction survey conducted every year in Japan, we are aiming to achieve 65%—that is, 2/3 of all employees are satisfied—a level which is considered high. (In FY2022, 58% of employees reported they were satisfied with working for the azbil Group, and 59% felt they achieved personal growth through their work).
11. Training opportunity point: Points tallied internally for participating in opportunities (frequency or number of employees) to learn with stakeholders. .

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Disclaimer

The 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 in the future, actual results may differ from financial targets in the materials.