Presentation Materials for the Third Quarter of Fiscal Year 2024 (Ending March 31, 2025) (Based on Japanese GAAP)

February 6, 2025
Azbil Corporation
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azbil

Highlights

1. Consolidated Financial Results for the Cumulative Third Quarter of FY2024

- ✓ Orders received, net sales, and operating income were all higher than the same period of FY2023, mainly due to growth in the BA business.
- ✓ Net income attributable to owners of parent increased significantly owing to the completion of the transfer of equity interests in Azbil Telstar S.L.U. (ATL).

2. Consolidated Financial Plan for FY2024

- ✓ Despite the impact on the fourth-quarter (3 months) consolidated financial results of the transfer and exclusion of ATL from the scope of consolidation as well as a fall in revenue due to the delayed recovery in the factory automation (FA) market, thanks mainly to the strong performance of the BA business, we expect to achieve a fourth consecutive year of growth in revenue and profit.
- ✓ With the completion of the ATL transfer, a significant increase is expected in net income attributable to owners of parent.

3. Returning Profits to Shareholders and Investment in Human Capital

- ✓ The plan to increase the dividend for the 10th consecutive year remains unchanged, and DOE is expected to be at the 5% level.
- ✓ Repurchase of the Company's own stock to the value of 15.0 billion yen is currently underway. Making use of these treasury shares, we will expand investment in human capital. We have cancelled treasury shares worth 5.2 billion yen.

4. Progress in Implementing the Medium-term Plan

- ✓ Steady progress is being made with the medium-term plan. According to the consolidated financial plan for FY2024, the final year of the medium-term plan, having strengthened business profitability, we expect to achieve business results that exceed the performance targets set in the medium-term plan formulated in FY2021, while we continue to further enhance strategic investments.

Contents

1. Consolidated Financial Results for the Cumulative Third Quarter of FY2024

Consolidated Financial Results

Orders received, net sales, and operating income were all higher than the same period of FY2023, mainly due to growth in the BA business.
Net income attributable to owners of parent increased significantly owing to the completion of the transfer of equity interests in Azbil Telstar S.L.U. (ATL).

- **Orders received increased compared to the same period of FY2023 mainly due to growth in the BA business.**
- **Net sales also increased overall compared to the same period of FY2023 due to significant growth in the BA business.**
- **Operating income rose compared to the same period of FY2023 thanks to revenue growth and measures to enhance profitability, including cost pass-through, and despite increases in personnel and various other expenses.**
- **Ordinary income increased compared to the same period of FY2023 due to the growth in operating income. Owing mainly to the completion of the transfer and the recording of gain on sale of equity interests in ATL (7.6 billion yen), net income attributable to owners of parent increased significantly compared with the same period of FY2023.**

(Billions of yen)

	FY2023 Q1-3 (A)	FY2024 Q1-3 (B)	Difference (B) - (A)	*% Change*
Orders received	223.4	231.1	7.7	3.5
Net sales	205.3	217.9	12.5	6.1
Japan	156.3	166.5	10.2	6.5
Overseas	48.9	51.3	2.3	4.8
Gross profit	85.6	93.9	8.2	9.6
Margin	*41.7*	*43.1*	*1.4pp*	
SG&A	62.4	67.1	4.6	7.5
Operating income (loss)	23.2	26.8	3.5	15.5
Margin	*11.3*	*12.3*	*1.0pp*	
Ordinary income (loss)	24.5	28.0	3.5	14.4
Income (loss) before income taxes	27.3	37.2	9.9	36.2
Net income (loss) attributable to owners of parent	19.1	28.6	9.5	49.7
Margin	*9.3*	*13.2*	*3.8pp*	

Reference:
The impact of foreign exchange rate fluctuations (compared to the same period of FY2023)
+3.8 billion yen for net sales
+0.4 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.

Financial Results by Segment

- **BA: Orders received increased compared to the same period of FY2023 assisted by the renewal of large-scale multi-year service contracts, against the backdrop of a robust business environment. In all fields sales grew compared to the same period of FY2023, and steady progress was made with initiatives to level the workload. Segment profit rose, thanks to increased revenue and enhanced profitability.**
- **AA: Orders received decreased compared to the same period of FY2023, when a number of large-scale projects had been recorded. Thanks to gradual easing of the parts procurement difficulties, delivery lead times improved and shortening of the period between order intake and revenue meant that sales were on a par with the same period of FY2023. Although the measures implemented to strengthen profitability continued to have a positive impact, because of increased expenses, segment profit was lower than the same period of FY2023.**
- **LA: As regards orders received, while there was an increase in the Life Science Engineering (LSE) field, which benefited from currency exchange (weakening of the yen), overall results for the LA business were on a par with the same period of FY2023. Sales were higher than the same period of FY2023 thanks to an increase in the LSE field resulting from the currency exchange. Segment profit was lower than the same period of FY2023 due to an increase in personnel and various other expenses.**

（Billions of yen）

		FY2023 Q1-3 (A)	FY2024 Q1-3 (B)	Difference (B) - (A)	% Change
BA	Orders received	108.0	117.6	9.6	8.9
	Sales	90.5	102.5	11.9	13.2
	Segment profit (loss)	9.5	14.1	4.5	47.9
	Margin	*10.5*	*13.8*	*3.2pp*	
AA	Orders received	77.0	74.4	(2.5)	(3.4)
	Sales	78.6	78.2	(0.3)	(0.5)
	Segment profit (loss)	12.6	11.7	(0.8)	(7.0)
	Margin	*16.1*	*15.1*	*(1.1)pp*	
LA	Orders received	40.0	40.3	0.3	0.9
	Sales	37.6	38.4	0.8	2.2
	Segment profit (loss)	1.0	0.9	(0.0)	(8.2)
	Margin	*2.7*	*2.5*	*(0.3)pp*	

Segment Information: BA Business

Business environment

— In the domestic market, demand for new office buildings in urban redevelopment projects has leveled off but remains high. Demand for the refurbishment of existing buildings, including energy savings and CO_2 reduction, has remained steady.

— There is continuing interest in new solutions offering post-pandemic safety and suited to new ways of working.

— Overseas, investment is expanding and already exceeds pre-pandemic levels.

- **Orders received were higher than the same period of FY2023, mainly due to the renewal of large-scale multi-year service contracts, and thanks to growth in the existing building field—to which more personnel and other resources are being allocated and for which the business infrastructure is being reinforced.**
- **Sales increased in all fields: new and existing buildings, service, and overseas business. Initiatives to level the workload also progressed, and there was a significant increase in sales overall compared to the same period of FY2023.**
- **Despite increased outsourcing costs as well as higher personnel and digital transformation (DX)-related expenses and R&D investments, thanks to increased revenue—mainly in the highly profitable existing building and service fields—and the result of measures to enhance profitability, including cost pass-through, segment profit was up significantly compared to the same period of FY2023.**

(Billions of yen)

	FY2023 Q1-3 (A)	FY2024 Q1-3 (B)	Difference	
			(B) - (A)	*% Change*
Orders received	108.0	117.6	9.6	*8.9*
Sales	90.5	102.5	11.9	*13.2*
Segment profit (loss)	9.5	14.1	4.5	*47.9*
Margin	*10.5*	*13.8*	*3.2pp*	

Segment Information: AA Business

Business environment

— In the process automation (PA) market, demand centering on domestic maintenance and refurbishment has remained firm.

— In the FA market, despite there being signs of recovery in some areas, conditions overall have remained sluggish, due in part to the slow recovery in China.

- **Orders received decreased compared to the same period of FY2023 due to the slow recovery in the FA market, and to the fact that a number of large-scale projects were recorded in the same period of FY2023.**
- **Despite the continuing slump in orders received, thanks to gradual easing of the parts procurement difficulties, delivery lead times improved and shortening of the period between order intake and revenue meant that sales remained on a par with the same period of FY2023.**
- **As for segment profit, although the measures to strengthen profitability, including cost pass-through, continued to have a positive impact, increases in personnel and other expenses, coupled with increased investments in overseas sales, DX and R&D, had a negative impact. Consequently, segment profit was lower than the same period of FY2023.**

(Billions of yen)

	FY2023 Q1-3 (A)	FY2024 Q1-3 (B)	Difference	
			(B) - (A)	*% Change*
Orders received	**77.0**	**74.4**	**(2.5)**	***(3.4)***
Sales	**78.6**	**78.2**	**(0.3)**	***(0.5)***
Segment profit (loss)	**12.6**	**11.7**	**(0.8)**	***(7.0)***
Margin	***16.1***	***15.1***	*(1.1)pp*	

Segment Information: LA Business

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, and demand can be expected to remain basically stable. Though the market for LP gas meters itself is dependent on cyclical demand, which is currently at a low ebb, the demand is expanding for smart metering as a service business using IoT technology.

— In the Life Science Engineering (LSE: for pharmaceuticals/laboratories) field, industry restructuring and continuing inflation have had a noticeable impact on investments and the economy.

— From the perspective of restructuring our business portfolio to improve capital efficiency, the Company transferred all equity interests in Azbil Telstar S.L.U. (ATL), which played a central role in the LSE field, to a wholly owned subsidiary of Syntegon Technology GmbH (October 31, 2024). Because of this transfer of ATL, profit and loss for the LSE field has been consolidated up to the cumulative third quarter of FY2024.

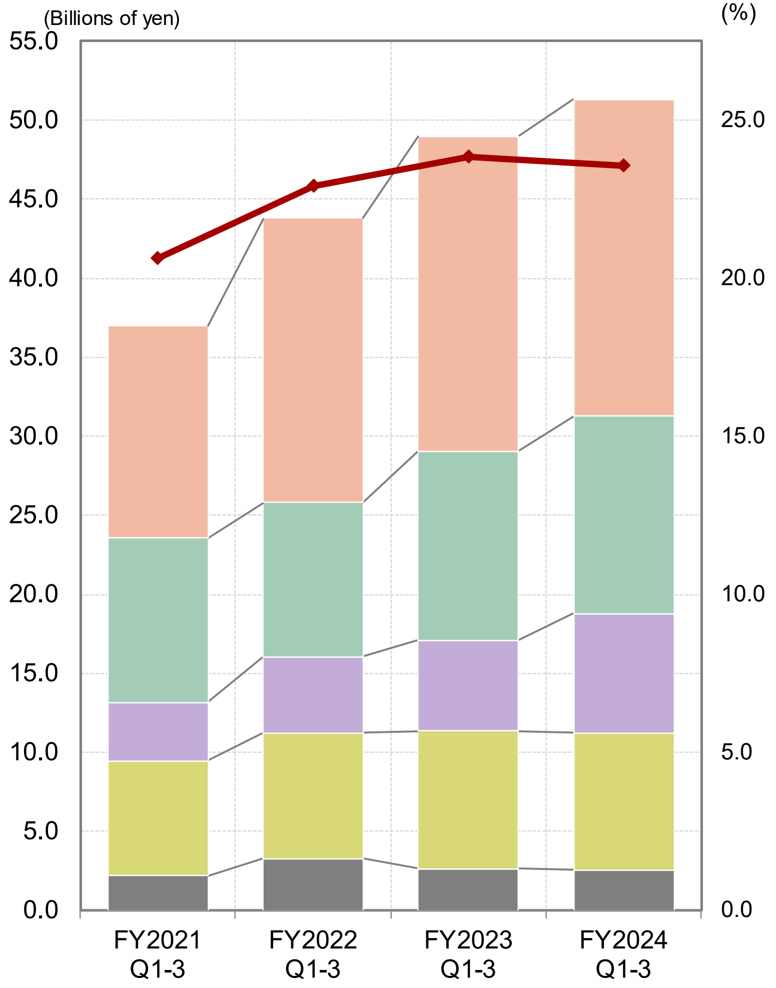
- **As regards orders received, while there was an increase in the LSE field, which benefited from currency exchange (weakening of the yen), the LA business overall was on a par with the same period of FY2023.**
- **Overall sales increased compared to the same period of FY2023, because of a similar increase to orders received in the LSE field resulting from the currency exchange.**
- **Despite the effect of measures to strengthen profitability, an increase in personnel and various other expenses resulted in lower segment profit than the same period of FY2023.**

(Billions of yen)

	FY2023 Q1-3 (A)	FY2024 Q1-3 (B)	Difference (B) - (A)	Difference % Change
Orders received	40.0	40.3	0.3	*0.9*
Sales	37.6	38.4	0.8	*2.2*
Segment profit (loss)	1.0	0.9	(0.0)	*(8.2)*
Margin	*2.7*	*2.5*	*(0.3)pp*	

Overseas Sales by Region

- **Overseas sales increased by 4.8% from the same period of FY2023 and accounted for 23.6% of net sales.**
- **The BA business increased significantly in Asia and China. With sluggish conditions in the FA market continuing outside North America, AA business sales declined. LA business sales increased owing to the effect of the currency exchange (weakening of the yen).**



(Billions of yen)

	FY2021 Q1-3	FY2022 Q1-3	FY2023 Q1-3	**FY2024 Q1-3**
Asia (ex-China)	13.3	17.9	19.9	**20.0**
China	10.3	9.7	11.9	**12.4**
North America	3.7	4.8	5.7	**7.5**
Europe	7.2	7.9	8.7	**8.6**
Others	2.1	3.2	2.6	**2.5**
Consolidated	36.9	43.8	48.9	**51.3**

Reference information

		FY2021 Q1-3	FY2022 Q1-3	FY2023 Q1-3	FY2024 Q1-3
Overseas sales / Net sales ratio (%)		*20.6*	*22.9*	*23.9*	***23.6***
Average exchange rate	USD/JPY	108.58	128.30	138.24	**151.45**
	EUR/JPY	129.86	136.05	149.76	**164.54**
	CNY/JPY	16.79	19.38	19.62	**21.16**

* Overseas sales figures include only the sales of overseas subsidiaries and direct exports; indirect exports are excluded.

* The following overseas subsidiaries have adopted an accounting year ends on December 31: Azbil Telstar, S.L.U., Azbil North America, Inc., Azbil North America Research and Development, Inc..

Consolidated Financial Position

- **Assets : Assets decreased mainly due to reductions in trade receivables and in investment securities (investments and other assets) caused by a decline in market value and sales of investment securities.**
- **Liabilities : Liabilities decreased due to declines in provision for bonuses, income taxes payable, trade payables, and short- and long-term borrowings.**
- **Net assets: Net assets increased due to the recording of net income attributable to owners of parent, despite decreases resulting from the payment of dividends and the repurchase of own stock.**

(Billions of yen)

	As of Mar. 31, 2024 (A)	As of Dec. 31, 2024 (B)	Difference (B) - (A)
Current assets	**229.0**	**219.0**	**(10.0)**
Cash and deposits	71.0	75.7	4.6
Trade receivables	97.7	87.3	(10.4)
Securities	8.9	5.9	(3.0)
Inventories	43.7	42.3	(1.4)
Other	7.5	7.6	0.1
Non-current assets	**84.7**	**80.5**	**(4.1)**
Property, plant and equipment	41.3	41.2	(0.1)
Intangible assets	6.1	6.4	0.3
Investments and other assets	37.1	32.8	(4.2)
Total assets	**313.7**	**299.5**	**(14.1)**

	As of Mar. 31, 2024 (A)	As of Dec. 31, 2024 (B)	Difference (B) - (A)
Liabilities	**88.8**	**62.2**	**(26.5)**
Current liabilities	**77.9**	**53.1**	**(24.8)**
Trade payables	20.4	15.7	(4.6)
Short-term borrowings	7.4	5.1	(2.3)
Other	50.0	32.2	(17.8)
Non-current liabilities	**10.8**	**9.1**	**(1.7)**
Long-term borrowings	1.9	0.6	(1.3)
Other	8.8	8.5	(0.3)
Net assets	**224.8**	**237.2**	**12.4**
Shareholders' equity	**201.1**	**213.5**	**12.3**
Share capital	10.5	10.5	-
Capital surplus	11.6	12.2	0.6
Retained earnings	211.8	225.3	13.5
Treasury shares	(32.8)	(34.6)	(1.8)
Accumulated other comprehensive income	**20.3**	**20.4**	**0.1**
Non-controlling interests	**3.3**	**3.2**	**(0.0)**
Total liabilities and net assets	**313.7**	**299.5**	**(14.1)**
Shareholders' equity ratio (%)	**70.6**	**78.1**	***7.5pp***

2. Consolidated Financial Plan for FY2024

→No revision from the most recent announcement on November 8, 2024

Consolidated Financial Plan

Despite the impact on the fourth-quarter (3 months) consolidated financial results of the transfer and exclusion of ATL from the scope of consolidation as well as a fall in revenue due to the delayed recovery in the FA market,

thanks mainly to the strong performance of the BA business, we expect to achieve a fourth consecutive year of growth in revenue and profit.

With the completion of the ATL transfer, a significant increase is expected in net income attributable to owners of parent.

Although expenses such as outsourcing costs and personnel expenses may well increase, we will engage in reinforcing our business foundation to pave the way for the next medium-term plan, which will aim to achieve further growth, while we make progress with strengthening product competitiveness, investing in technology development, equipment and facilities, and increasing investment in human capital.

(Billions of yen) (Billions of yen) (Billions of yen)

	FY2023 Full year results (A)	FY2024 H1 results	FY2024 H2 revised plan (Nov. 8, 2024)	FY2024 Full year revised plan (Nov. 8,2024) (B)	Difference (B) - (A)	Difference % Change	FY2024 Full year initial plan (May 13, 2024) (C)	Difference (B) - (C)	Difference % Change	FY2024 Full year revised plan (Oct. 15,2024) (D)	Difference (B) - (D)	Difference % Change
Net sales	**290.9**	**139.2**	**161.7**	**301.0**	**10.0**	*3.5*	**300.0**	**1.0**	*0.3*	**300.0**	**1.0**	*0.3*
Operating income	**36.8**	**14.6**	**25.5**	**40.2**	**3.3**	*9.1*	**37.5**	**2.7**	*7.2*	**39.0**	**1.2**	*3.1*
Margin	*12.7*	*10.5*	*15.8*	*13.4*	*0.7pp*		*12.5*	*0.9pp*		*13.0*	*0.4pp*	
Ordinary income	**38.9**	**14.6**	**25.3**	**40.0**	**1.0**	*2.6*	**37.5**	**2.5**	*6.7*	**39.0**	**1.0**	*2.6*
Net income attributable to owners of parent	**30.2**	**10.9**	**27.0**	**38.0**	**7.7**	*25.8*	**28.0**	**10.0**	*35.7*	**37.0**	**1.0**	*2.7*
Margin	*10.4*	*7.9*	*16.7*	*12.6*	*2.2pp*		*9.3*	*3.3pp*		*12.3*	*0.3pp*	

*** The impact on the full-year consolidated financial results of the transfer of equity interests in ATL**
Impact of the exclusion of ATL from the scope of consolidation: Revenue lower by approx. 5.0 billion yen, operating income lower by approx. 0.3 billion yen
Gain on the sale of the transfer of equity interests in ATL: 7.6 billion yen

Reference: Exchange rates
FY2023 USD/JPY 140, EUR/JPY 152, CNY/JPY 19.8
FY2024 USD/JPY 150, EUR/JPY 163, CNY/JPY 20.0

Financial Plan by Segment (1)

- **BA: The initial plan was revised upward, for both sales and segment profit, to reflect the higher revenue resulting from robust market conditions and improved profitability. Although expenses have increased, we expect to achieve this revised plan.**
- **AA: Despite a delay in the FA market recovery, we expect to achieve sales on a par with FY2023, in line with the revised plan. We will continue to focus on strengthening profitability, aiming to achieve the plan for segment profit.**
- **LA: Although sales will decrease compared to FY2023 because of the ATL transfer, segment profit will rise thanks to enhanced profitability.**

(Billions of yen)

		FY2023 Full year results (A)	FY2024 H1 results	FY2024 H2 revised plan (Nov. 8, 2024)	FY2024 Full year revised plan (Nov. 8, 2024) (B)	Difference (B) - (A)	Difference % Change
BA	**Sales**	**134.6**	**62.5**	**85.4**	**148.0**	**13.3**	***9.9***
	Segment profit	**19.3**	**6.1**	**15.8**	**22.0**	**2.6**	***13.6***
	Margin	***14.4***	***9.8***	***18.6***	***14.9***	***0.5pp***	
AA	**Sales**	**107.0**	**51.6**	**55.3**	**107.0**	**0.0**	***(0.0)***
	Segment profit	**16.1**	**7.8**	**8.8**	**16.7**	**0.5**	***3.6***
	Margin	***15.1***	***15.2***	***16.0***	***15.6***	***0.6pp***	
LA	**Sales**	**51.4**	**25.9**	**22.0**	**48.0**	**(3.4)**	***(6.6)***
	Segment profit	**1.3**	**0.6**	**0.8**	**1.5**	**0.1**	***9.0***
	Margin	***2.7***	***2.7***	***3.7***	***3.1***	***0.4pp***	

(Billions of yen)

		FY2024 Full year initial plan (May 13, 2024) (C)	Difference (B) - (C)	Difference % Change
BA	**Sales**	**142.0**	**6.0**	***4.2***
	Segment profit	**19.0**	**3.0**	***15.8***
	Margin	***13.4***	***1.5pp***	
AA	**Sales**	**109.0**	**(2.0)**	***(1.8)***
	Segment profit	**16.7**	**-**	**-**
	Margin	***15.3***	***0.3pp***	
LA	**Sales**	**52.0**	**(4.0)**	***(7.7)***
	Segment profit	**1.8**	**(0.3)**	***(16.7)***
	Margin	***3.5***	***(0.3)pp***	

Financial Plan by Segment (2)

BA

The initial plan was revised upward, for both sales and segment profit, to reflect the higher revenue resulting from robust market conditions and improved profitability. Although expenses have increased, we expect to achieve this revised plan.

- In Japan and overseas, the business environment will remain robust. Progress is being made with levelling the workload by shifting it toward the first half of the fiscal year, and sales are expected to increase steadily in each field during the second half as well. We expect to achieve the upwardly revised plan.
- Despite soaring outsourcing costs, as well as increased personnel and DX expenses and R&D investments allocated for growth, we expect to achieve the revised plan for increased segment profit, greatly exceeding the FY2023 level, thanks to revenue growth—mainly in the highly profitable existing building and service fields—and to successful measures to strengthen profitability.

AA

Despite a delay in the FA market recovery, we expect to achieve sales on a par with FY2023, in line with the revised plan. We will continue to focus on strengthening profitability, aiming to achieve the plan for segment profit.

- Despite the slow recovery in demand in the FA market, conditions in the PA market continue to be relatively robust, and sales will be maintained at the FY2023 level.
- Despite the rise in various expenses—such as higher personnel and DX-related expenses and R&D investments—we will continue to focus on measures to strengthen profitability, including cost pass-through, aiming to achieve the plan.

LA

Although sales will decrease compared to FY2023 because of the ATL transfer, segment profit will rise thanks to enhanced profitability.

- As a result of the impact on the fourth-quarter (3 months) consolidated financial results of the exclusion of ATL from the scope of consolidation, it is expected that the LA business as a whole will see a drop in revenue compared to FY2023. However, taking into account to the measures to enhance profitability, including cost pass-through, we are planning increased profit for each field of the LA business compared to FY2023.
- In the Lifeline field, we will steadily capture demand for city gas and water meters, while promoting the development of our service provider business, which utilizes data from smart meters (smart metering as a service business).

3. Returning Profits to Shareholders and Investment in Human Capital

→ No revision has been made to the most recently announced plan to return profits to shareholders (November 8, 2024). There will be expanded measures to invest in human capital.

Basic Policy and FY2024 Shareholder Returns

The plan to increase the dividend for the 10th consecutive year remains unchanged, and DOE is expected to be at the 5% level.
Repurchase of the Company's own stock to the value of 15.0 billion yen is currently underway. Making use of these treasury shares, we will expand investment in human capital. We have cancelled treasury shares worth 5.2 billion yen.

While we remain conscious of the cost of capital*1 in our business operations and investment activities, we actively invest in our businesses, R&D, equipment and facilities*2, DX, and human capital. Regarding shareholder returns, as well as increasing dividends, we are repurchasing own stock in line with the concept of a disciplined capital management.

FY2024 annual dividend

As regards the annual dividends for FY2024 (without taking stock split into account), the Company plans an annual dividend of **88 yen per share (+12 yen compared with FY2023),** with **DOE expected to be at the 5% level**.
— An interim dividend of 44 yen per share (+7.5 yen compared with FY2023) has already been paid.

Own stock

Giving due consideration to ensuring a disciplined capital management and capital efficiency, **we are repurchasing the Company's own stock*3 to the value of 15.0 billion yen (or 24.0 million shares).**
We will use shares worth approx. 10.0 billion yen for investment in human capital, and cancelled shares worth 5.2 billion yen.

Stock split

To increase the liquidity of the Company's shares and foster an environment conducive to investment,
Implemented a 4-for-1 common stock split
— Effective date: October 1, 2024

Basic Policy

Developing a disciplined capital management and maintaining and enhancing the azbil Group's enterprise value, while carefully balancing three key elements: promoting shareholder returns, investing for growth, and maintaining a sound financial base.

- Returning profits to shareholders is a management priority.
- Returning profits to shareholders is mainly by dividends, but also by flexible repurchase of shares by the Company.
- In deciding the level of returns, consideration is given to consolidated financial results, level of ROE, DOE, and retained earnings required for future business development and strengthening of the Company.
- We strive to maintain a stable but rising dividend level.

*1 Conscious of the cost of capital in management, the azbil Group has introduced and been in process of enhancing business management that incorporates return on invested capital (ROIC), which is based on the trial calculation of adjusted after-tax operating income.
Reference: FY2023 azbil Group ROIC (trial calculation) was 10.2%, and weighted average cost of capital (WACC) was 6.1%.
*2 Please refer to page 29 for the trend of the investment in R&D, equipment and facilities.
*3 As for the method of repurchase, we repurchased a part of the shares to be repurchased through the off-auction own share repurchase trading system (ToSTNeT-3) of the Tokyo Stock Exchange on November 26, 2024, and through market transactions based on discretionary transaction contracts with securities companies from November 27, 2024 to March 24, 2025.

Repurchase of Own Stock, Cancellation of Treasury Shares, and Investment in Human Capital

- **The Company is repurchasing its own stock up to 15.0 billion yen or 24.0 million shares.**
- **Treasury shares worth approximately 10.0 billion yen will be used for investing in human capital. Treasury shares worth 5.2 billion yen at book value (5.36 million shares) were cancelled.**
- **Treasury shares thus acquired will be utilized for an incentive plan with the purpose of investing in human capital. Following the establishment of the employee stock ownership plan, a special incentive scheme using treasury shares is being introduced.**

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 management, improve capital efficiency and provide higher shareholder returns, we are repurchasing the Company's own stock.

Repurchase of own stock

Type of stock to be repurchased:	Common stock of the Company
Total number of shares to be repurchased:	Up to 24.0 million shares*1
Total amount of repurchase:	Up to 15.0 billion yen
Period of repurchase:	From November 26, 2024 to March 24, 2025
Method of repurchase:	Market transactions on the Tokyo Stock Exchange

*1 4.5% of the total number of common shares issued, excluding treasury shares

Reference: Total number of shares and amount acquired (as of January 31, 2025)
(1) Total number of shares repurchased: 8,870,300 shares
(2) Total amount of repurchase: 10,814,976,332 yen

Stock market

Treasury shares held by Azbil Corporation + **Repurchase of own stock**
Up to 15.0 billion yen (up to 24.0 million shares)
(from November 26, 2024 to March 24, 2025)

We will actively invest in human capital 10.0 billion yen level.

Incentive plans*2

Employee stock ownership plan (J-ESOP)
4.2 billion yen/ 3.50 million shares
(please refer to page 36)

New

Special incentive scheme
0.3 billion yen/ 0.30 million shares
(please refer to page 35)
Granting of 40 shares (worth approx. 45 thousand yen) per each eligible member

We are implementing a disciplined capital management, responding to the demands of the stock market.

Cancellation of treasury shares
5.2 billion yen/ 5.36 million shares

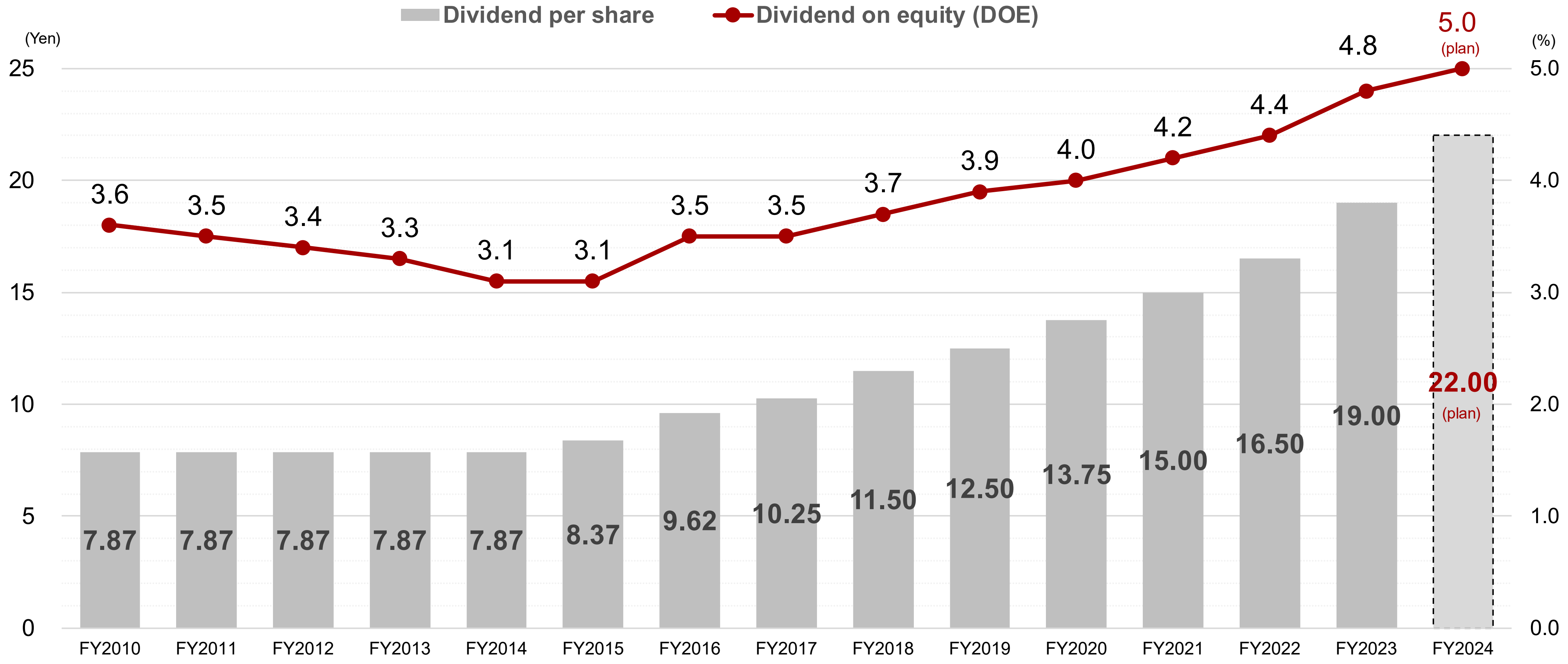
Date of cancellation: November 29, 2024

*2 In addition to the above plan, we will use the acquired treasury shares for the investment in human capital to strengthen employee engagement, such as our employee shareholding incentive plan (e.g. the Trust-Type Employee Shareholding Incentive Plan, E-Ship®) and stock compensation plan.

E-Ship® is a registered trademark of Nomura Securities Co., Ltd.

Trend of Shareholder Returns

- **We plan to increase FY2024 annual dividend for the 10th consecutive year, and DOE to reach 5% level.**



	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Total amount of own stock repurchased (billions of yen)						1.9		2.9	4.9	9.9		9.9	9.9	9.9	**15.0** (plan)
Number of shares repurchased (millions of shares)						4.80		5.71	7.48	14.87		9.01	10.68	8.77	**24.00** (plan)

* The dividend per share and total number of own shares purchased have been retroactively adjusted to take into account the effect of the stock split in October 2024 and in October 2018.

4. Progress in Implementing the Medium-term Plan

Long-term Targets and Medium-term Plan: Forecasting business results for the final year of the medium-term plan that exceed the targets set at the time of formulation

The azbil Group defines three growth fields, 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.

- Steady progress is being made with the medium-term plan. According to the consolidated financial plan for FY2024, the final year of the medium-term plan, having strengthened business profitability, we expect to achieve business results that exceed the performance targets set in the medium-term plan formulated in FY2021, while we continue to further strengthen strategic investments (see the next page for details).
- In addition to expanding our overseas business, progress is being made with transformation initiatives that form part of the medium-term plan, such as strengthening product competitiveness, including new business alliances, etc. We will expand our unique solutions in those business areas where the azbil Group possesses notable strengths.
- While continuing to focus on strengthening product competitiveness, investing in technology development, equipment and facilities, and human capital, we will also make progress on restructuring the business portfolio, and press ahead with our transformation for growth, building on the achievements of past reforms.

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

	FY2020	FY2021	FY2022	FY2023	FY2024 Medium-term plan	FY2024 Consolidated financial plan	Long-term targets (FY2030) (announced on May 14, 2021)
Net sales	246.8 billion yen	256.5 billion yen	278.4 billion yen	290.9 billion yen	300.0 billion yen	301.0 billion yen	400.0 billion yen
[Overseas sales]	[44.8 billion yen]	[52.1 billion yen]	[62.6 billion yen]	[67.3 billion yen]	[66.0 billion yen]	[66.0 billion yen]	[100.0 billion yen]
Operating income	25.7 billion yen	28.2 billion yen	31.2 billion yen	36.8 billion yen	36.0 billion yen	40.2 billion yen	60.0 billion yen
Margin	10.4%	11.0%	11.2%	12.7%	12%	13.4%	approx. 15%
ROE	10.4%	10.4%	11.2%	14.2%	approx. 12%	16.7%	approx. 13.5%
					(announced on May 14, 2021)	(announced on Nov. 8, 2024)	

Strengthening Strategic Investment to Advance Our Transformation for Further Growth, and Restructuring Our Business Portfolio

- **Track changes in customers' business models and demand resulting from structural changes in the business environment, and to expand and achieve growth in the three growth fields, concentrate on and strengthen product competitiveness as well as investments in technology development, in equipment and facilities, and in human capital. Implement growth measures and at the same time promote management that is conscious of the cost of capital and restructure the business portfolio.**

Strengthen product competitiveness (products and services)

Strengthen product competitiveness, expand our business portfolio

- **Autonomy, wellness**
- **Energy savings + renewable energy field (ESP business)**
- **Combining AI, big data, and cloud technologies**

- **Introduction of AI, cloud services, etc.**
  Online anomaly detection system, control valve maintenance support system, cloud-based services for large buildings, etc.
- **Promotion of business partnerships with other companies**
  GX (TAKAOKA TOKO Group, DX-EGA), ESP (Clean Energy Connect, Inc., Forest Energy Inc.), data centers (X1Studio Co., Ltd.), etc.

Strengthen technological development and capital investment

Areas for strengthening technology development

- **MEMS & sensing device technologies**
- **Actuator-related technologies**
- **AI, cloud computing**

- **R&D: 50.7 billion yen**
  (achieved for FY2021-2023, planned for FY2024)
- **Capital investment for enhancing R&D base capabilities**
  Construction cost: 7.0 billion yen (achieved for FY2021-2022)

Increase investment in human capital

Promote sustainability management

Secure/develop human resources in line with our business strategy, improve working environment, reform systems

- **Engineers, global human resources**
- **Workspaces that foster creativity, use of generative AI**
- **Revision of incentive plan**

- **Introducing/utilizing in-house generative AI**
- **Introduction of the Trust-Type Employee Shareholding Incentive Plan (E-Ship®), an employee stock ownership plan, revision of employee stock ownership plan (J-ESOP-RS)**

Business portfolio restructuring

Management that is conscious of the cost of capital

- **Trialing ROIC-based management**
  Conscious of the cost of capital in management, the azbil Group has introduced and is currently enhancing business management that incorporates return on invested capital (ROIC) based on estimated adjusted operating income after tax.

- **Transfer of Azbil Telstar S.L.U.**
  The Company transferred all equity interests in Azbil Telstar S.L.U. to a wholly owned subsidiary of Syntegon Technology GmbH. (October 31, 2024, Central European Time)

*E-Ship® is a registered trademark of Nomura Securities Co., Ltd.

Progress of Medium-term Plan Measures in FY2024: Press Release Excerpts

- **Strengthening competitiveness (products and services): developing business involving products that utilize AI, energy conservation, and renewable energy**
  - Azbil contributes to maximizing the use of renewable energy (electricity) — participating in a project to introduce a renewable energy scheme for the Yomiuri Shimbun Building (December 16, 2024)
  - Azbil launches an equipment management platform that uses AI for predictive maintenance (December 24, 2024)
  - Azbil launches a quality navigation system using AI (January 15, 2025)
- **Restructuring our business portfolio: transfer of Life Science Engineering business**
  - Azbil transfers Spanish Group company Azbil Telstar to Syntegon of Germany (June 7, 2024)
    * Transfer completion: October 31, 2024 (Central European Time)
- **Augmenting and constructing overseas production plants: strengthening the production system to expand overseas business and enhance profitability**
  - New factory building at production subsidiary in Thailand completed
    — strengthening global production and expanding overseas business — (April 12, 2024)
  - Azbil establishes an overseas subsidiary in Viet Nam (August 29, 2024)

▲ New factory building of Azbil Production (Thailand) Co., Ltd.

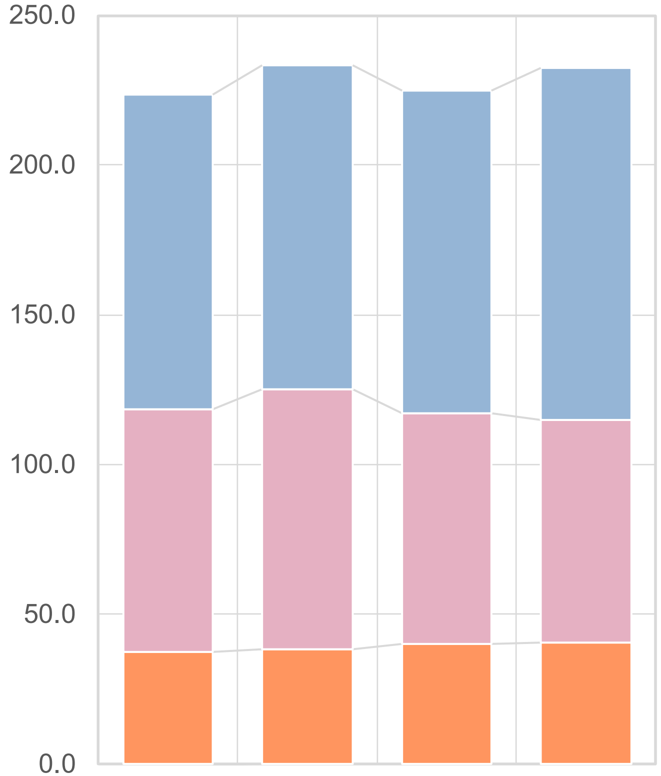
- **Strengthening investment in human capital that makes use of treasury shares**
  - Notification regarding the disposal of treasury shares through third-party allocation and an additional contribution to the employee stock ownership plan (J-ESOP) (November 8, 2024)
  - Notification regarding the disposal of treasury shares as granting of shares through the employee stock ownership association (February 6, 2025)

Appendix I
Financial Data

Performance Trend by Segment: Orders Received

Comparison to past results (Q1-3)

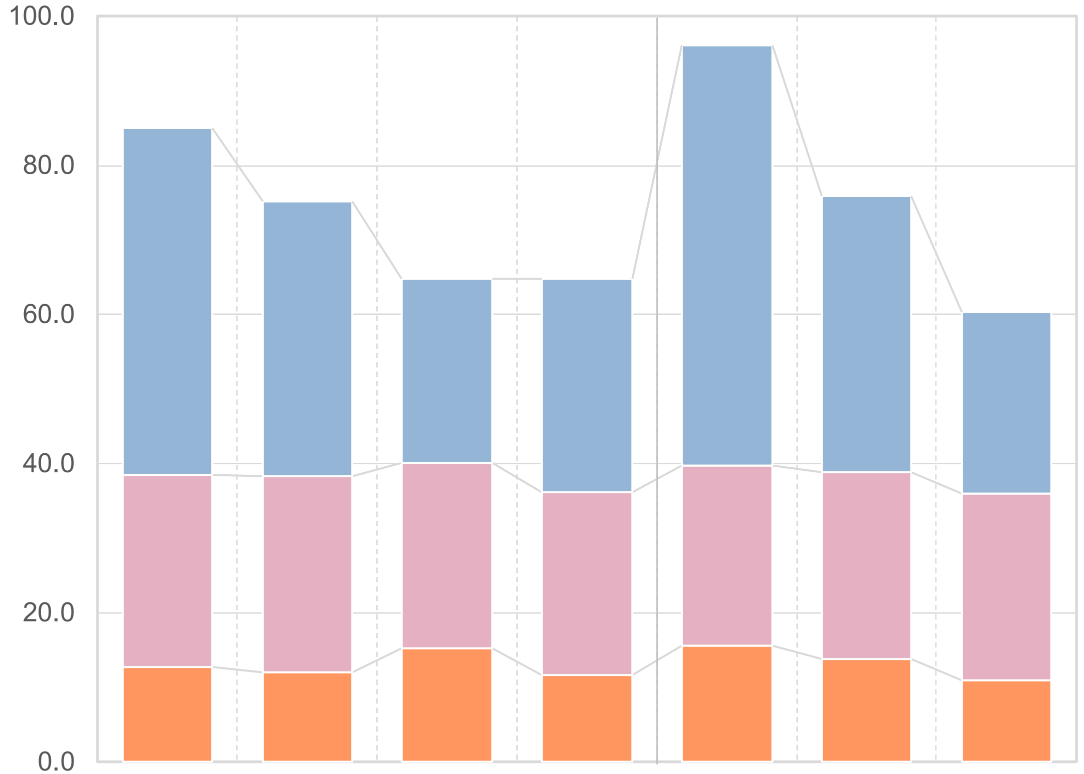
(Billions of yen)



	FY2021 Q1-3	FY2022 Q1-3	FY2023 Q1-3	**FY2024 Q1-3**
B A	104.8	108.2	108.0	**117.6**
A A	81.3	87.0	77.0	**74.4**
L A	37.2	38.1	40.0	**40.3**
Consolidated	222.1	231.9	223.4	**231.1**

Quarterly (3 months)

(Billions of yen)

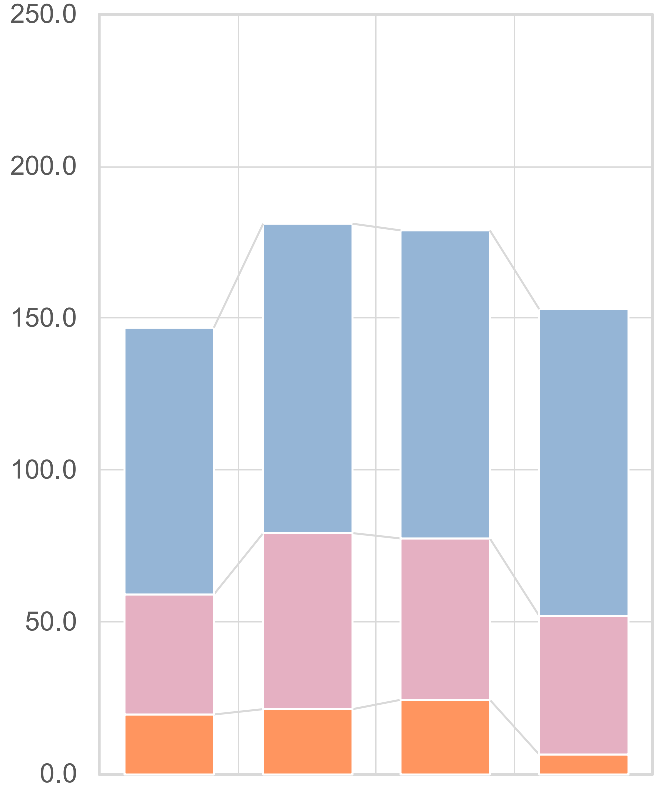


	FY2023				FY2024		
	Q1	Q2	Q3	Q4	Q1	Q2	**Q3**
B A	46.4	36.7	24.7	28.7	56.2	37.0	**24.3**
A A	25.7	26.3	24.9	24.4	24.2	25.0	**25.1**
L A	12.7	12.0	15.1	11.6	15.6	13.8	**10.9**
Consolidated	84.3	74.7	64.3	64.4	95.7	75.4	**60.0**

Performance Trend by Segment: Order Backlog

Comparison to past results

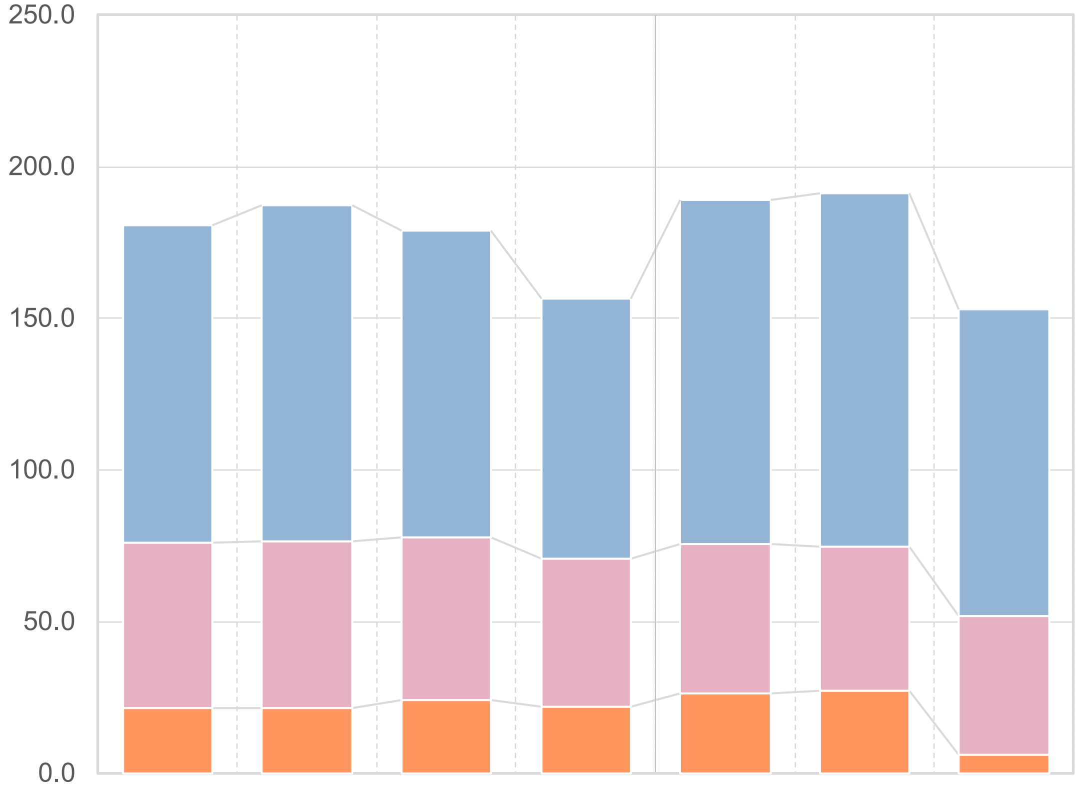
(Billions of yen)



	FY2021 Q3	FY2022 Q3	FY2023 Q3	**FY2024 Q3**
B A	87.7	101.6	101.3	**101.1**
A A	39.4	58.0	53.2	**45.5**
L A	19.7	21.3	24.3	**6.3** *
Consolidated	146.5	180.5	178.3	**152.7**

Quarterly

(Billions of yen)



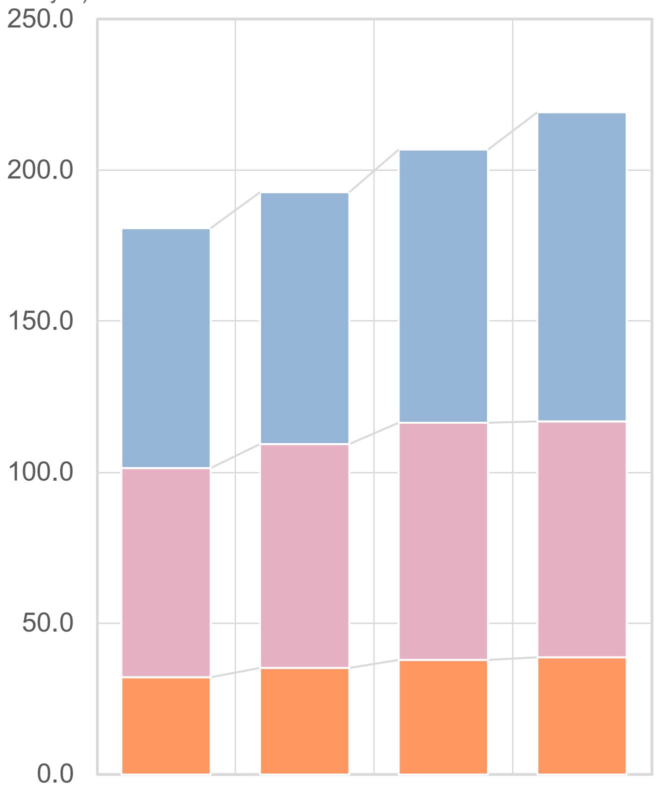
	FY2023				FY2024		
	Q1	Q2	Q3	Q4	Q1	Q2	**Q3**
B A	104.5	110.7	101.3	85.5	113.5	116.3	**101.1**
A A	54.6	54.7	53.2	48.5	49.0	47.5	**45.5**
L A	21.4	21.5	24.3	22.1	26.4	27.3	**6.3** *
Consolidated	180.1	186.6	178.3	155.9	188.8	190.8	**152.7**

* Following the transfer of all equity interests in Azbil Telstar S.L.U. (ATL), ATL and its subsidiaries were excluded from the Company's scope of consolidation at the end of the third quarter of FY2024, leading to a fall in order backlog for the LA business.

Performance Trend by Segment: Sales

Comparison to past results (Q1-3)

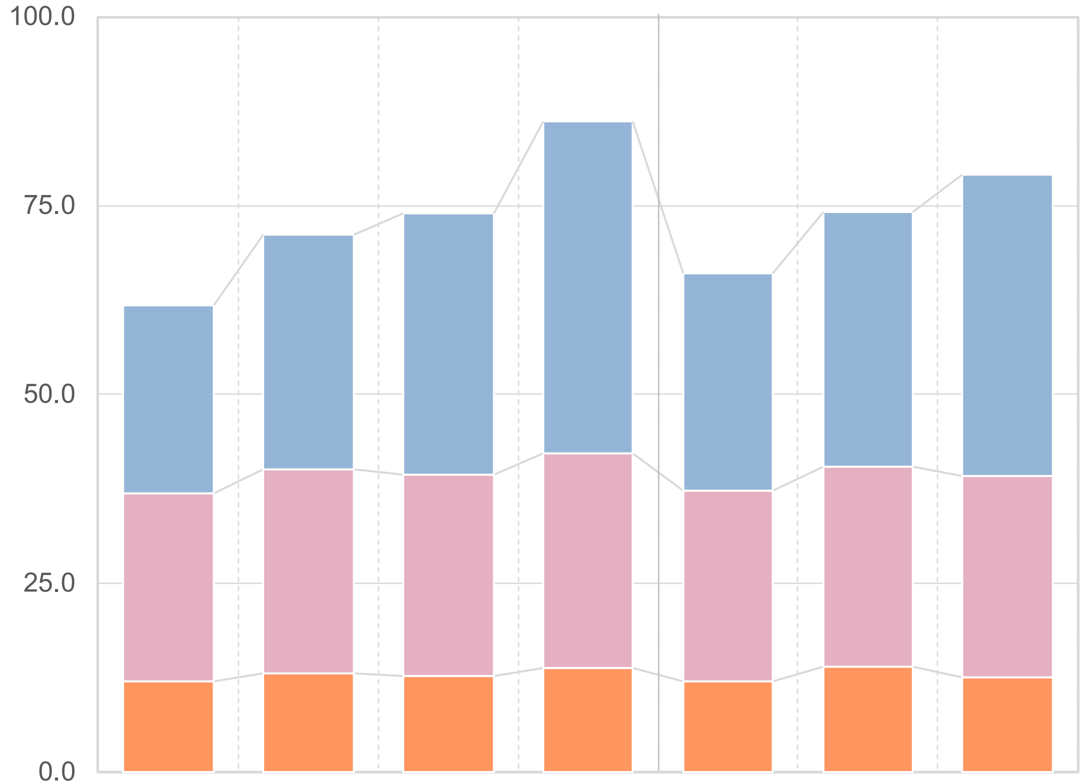
(Billions of yen)



	FY2021 Q1-3	FY2022 Q1-3	FY2023 Q1-3	**FY2024 Q1-3**
B A	79.1	83.3	90.5	**102.5**
A A	69.2	73.9	78.6	**78.2**
L A	32.1	35.3	37.6	**38.4**
Consolidated	179.3	191.0	205.3	**217.9**

Quarterly (3 months)

(Billions of yen)

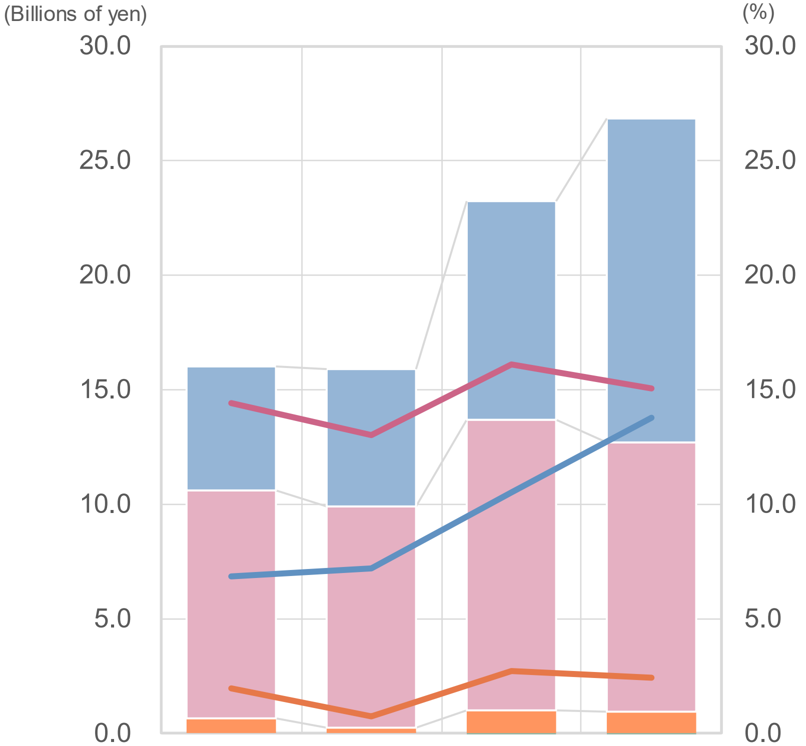


	FY2023				FY2024		
	Q1	Q2	Q3	Q4	Q1	Q2	**Q3**
B A	24.9	31.1	34.5	44.0	28.8	33.6	**40.0**
A A	24.8	26.9	26.8	28.3	25.0	26.5	**26.6**
L A	11.9	13.0	12.6	13.7	12.0	13.8	**12.5**
Consolidated	61.2	70.6	73.4	85.5	65.5	73.7	**78.6**

Appendix I

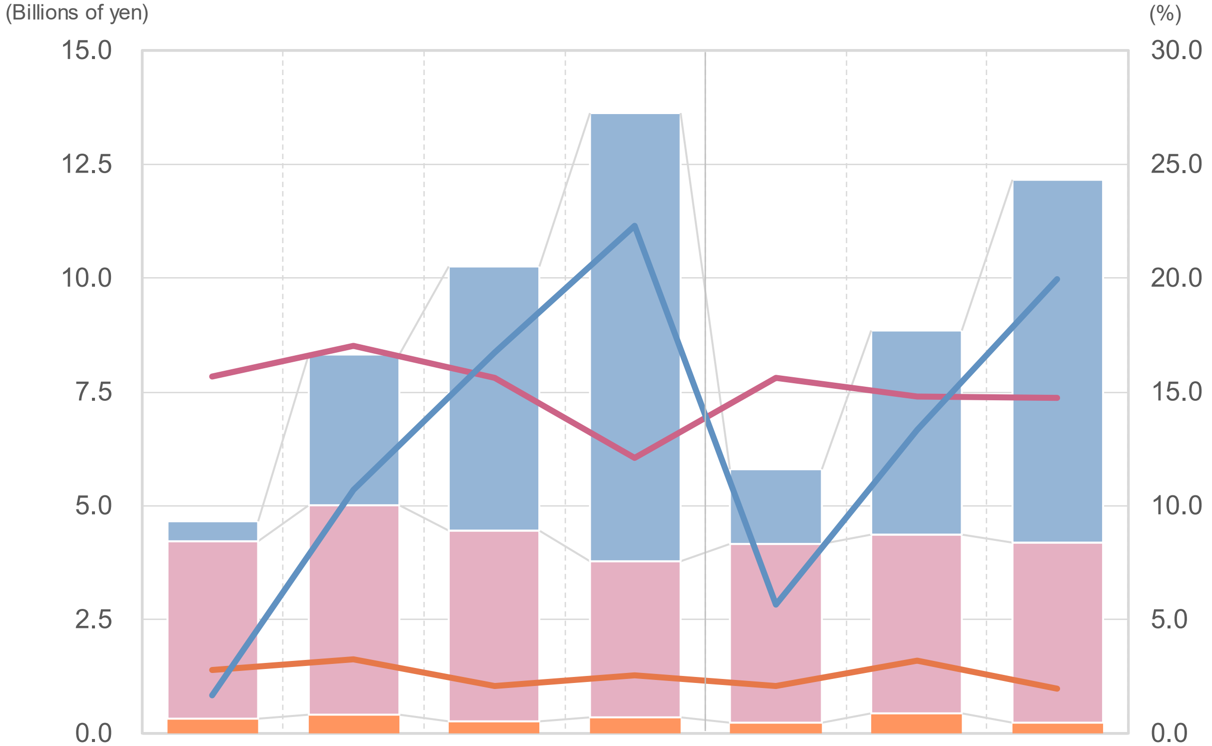
Performance Trend by Segment: Segment Profit (Operating Income)

Comparison to past results (Q1-3)



	FY2021 Q1-3	FY2022 Q1-3	FY2023 Q1-3	**FY2024 Q1-3**
B A	5.4	5.9	9.5	**14.1**
Margin	*6.8*	*7.2*	*10.5*	***13.8***
A A	9.9	9.6	12.6	**11.7**
Margin	*14.4*	*13.1*	*16.1*	***15.1***
L A	0.6	0.2	1.0	**0.9**
Margin	*2.0*	*0.8*	*2.7*	***2.5***
Consolidated	16.0	15.9	23.2	**26.8**
Margin	*8.9*	*8.3*	*11.3*	***12.3***

Quarterly (3 months)

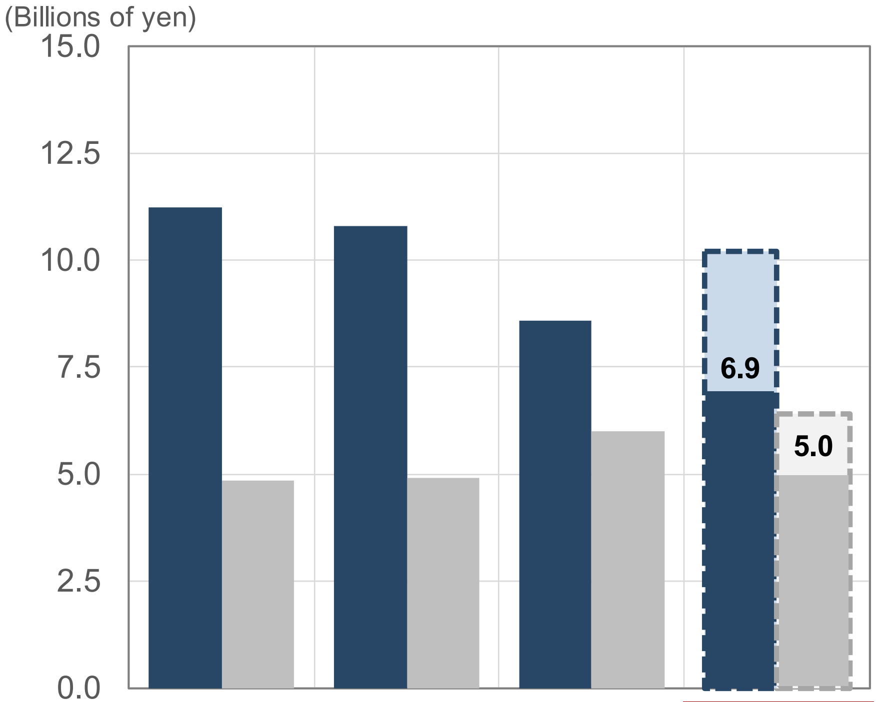


	FY2023 Q1	FY2023 Q2	FY2023 Q3	FY2023 Q4	FY2024 Q1	FY2024 Q2	**FY2024 Q3**
B A	0.4	3.3	5.7	9.8	1.6	4.4	**7.9**
Margin	*1.7*	*10.7*	*16.8*	*22.3*	*5.6*	*13.3*	***20.0***
A A	3.8	4.5	4.1	3.4	3.9	3.9	**3.9**
Margin	*15.7*	*17.0*	*15.6*	*12.1*	*15.6*	*14.8*	***14.8***
L A	0.3	0.4	0.2	0.3	0.2	0.4	**0.2**
Margin	*2.8*	*3.3*	*2.1*	*2.5*	*2.1*	*3.2*	***2.0***
Consolidated	4.6	8.3	10.2	13.6	5.7	8.8	**12.1**
Margin	*7.6*	*11.8*	*13.9*	*15.9*	*8.8*	*12.0*	***15.5***

Appendix I

Capital Investment, Depreciation and R&D Expenses

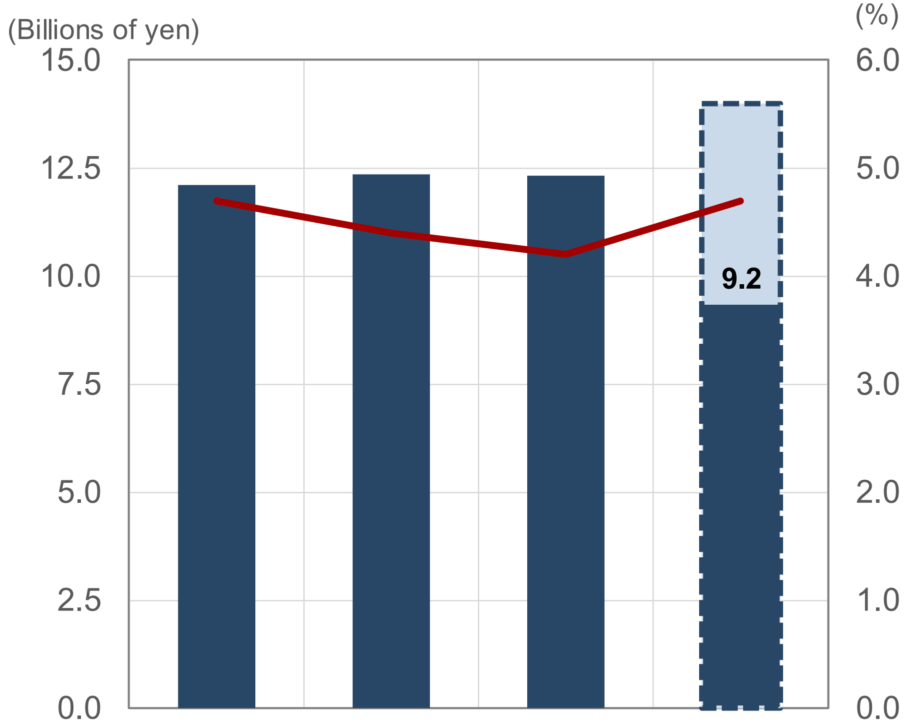
■ Capital investment, depreciation



	FY2021	FY2022	FY2023	**FY2024 (plan)**
Capital investment	11.2	10.8	8.6	**10.2**
Depreciation	4.8	4.9	6.0	**6.4**

■ R&D expenses

Full-year results/ Q1-3 results for FY2024
Full-year plan for FY2024



	FY2021	FY2022	FY2023	**FY2024 (plan)**
R&D expenses	12.1	12.3	12.3	**14.0**
R&D expenses / Net sales (%)	4.7	4.4	4.2	**4.7**

Appendix II

Transfer of Equity Interests in Azbil Telstar, Three Growth Fields, Sustainability Management, and Shareholder Returns

Transfer of Equity Interests in Azbil Telstar:
Restructuring Our Business Portfolio in the LA Business

From the perspective of restructuring our business portfolio to improve capital efficiency, the Company transferred Azbil Telstar to Syntegon Technology GmbH., a global packaging solutions company.

- In the Life Science Engineering field, we have striven to strengthen the business competitiveness of Azbil Telstar to further improve its profitability. However, with the ongoing restructuring of the industry, it was determined that the transfer of all the equity interests in Azbil Telstar to Syntegon Technology GmbH*, a global packaging solutions company (the contractual transferee being Falcon Acquisition, S.L.U., a wholly owned subsidiary of Syntegon) was the best option from the standpoint of realizing Azbil Telstar's sustainable growth as well as improving the Group's capital efficiency.
- To efficiently focus our management resources on growth fields in the LA business, we will make progress restructuring our business portfolio, implement structural reforms in each of our businesses, and drive business expansion in new fields.

* Syntegon Technology GmbH supplies process technology and packaging machinery for the pharmaceutical and food industries. Originally Bosch Packaging Technology, the company took its current name in 2020. It operates from more than 39 business locations around the world.

1. Date of transfer: October 31, 2024 (Central European Time)

2. Percentage of equity interests transferred, transfer price, profit (loss) from the transfer and percentage of equity interests after the transfer

(1) Percentage of equity interests transferred: 100%

(2) Transfer price (price of 100% equity interests): 61,850 thousand euros

(3) Profit (loss) from the transfer: 7.6 billion yen

(4) Percentage of equity interests after the transfer: 0%

3. Azbil Telstar consolidated financial results

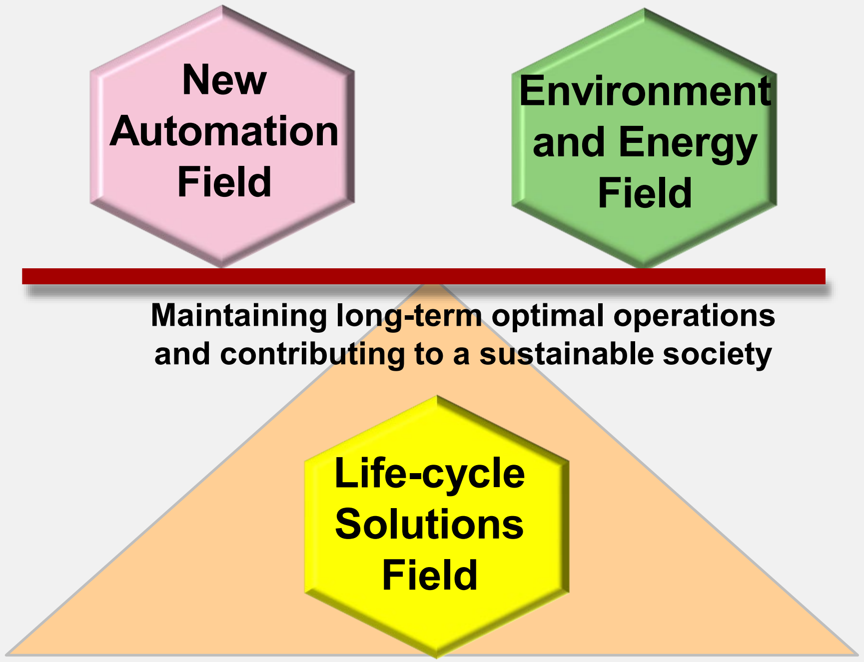
(Thousands of euros)

	Year ended December 2021	Year ended December 2022	Year ended December 2023
Sales	125,577	130,881	125,672
Operating income	7,417	805	6,912
Net income (loss) attributable to owners of parent	5,180	(1,193)	4,029

Initiatives in Three Growth Fields and 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

The azbil Group's Sustainability Management

Materiality is identified from the perspective of sustainability and contributing "in series" to a sustainable society. As regards the seven key categories related to business and corporate activities, specific azbil Group SDG targets have been set as Essential Goals of the azbil Group for SDGs. At the same time, as regards the three fundamental obligations to society that a company must fulfill, we have set specific targets for our CSR activities. We will promote sustainability management by implementing initiatives to achieve these targets.

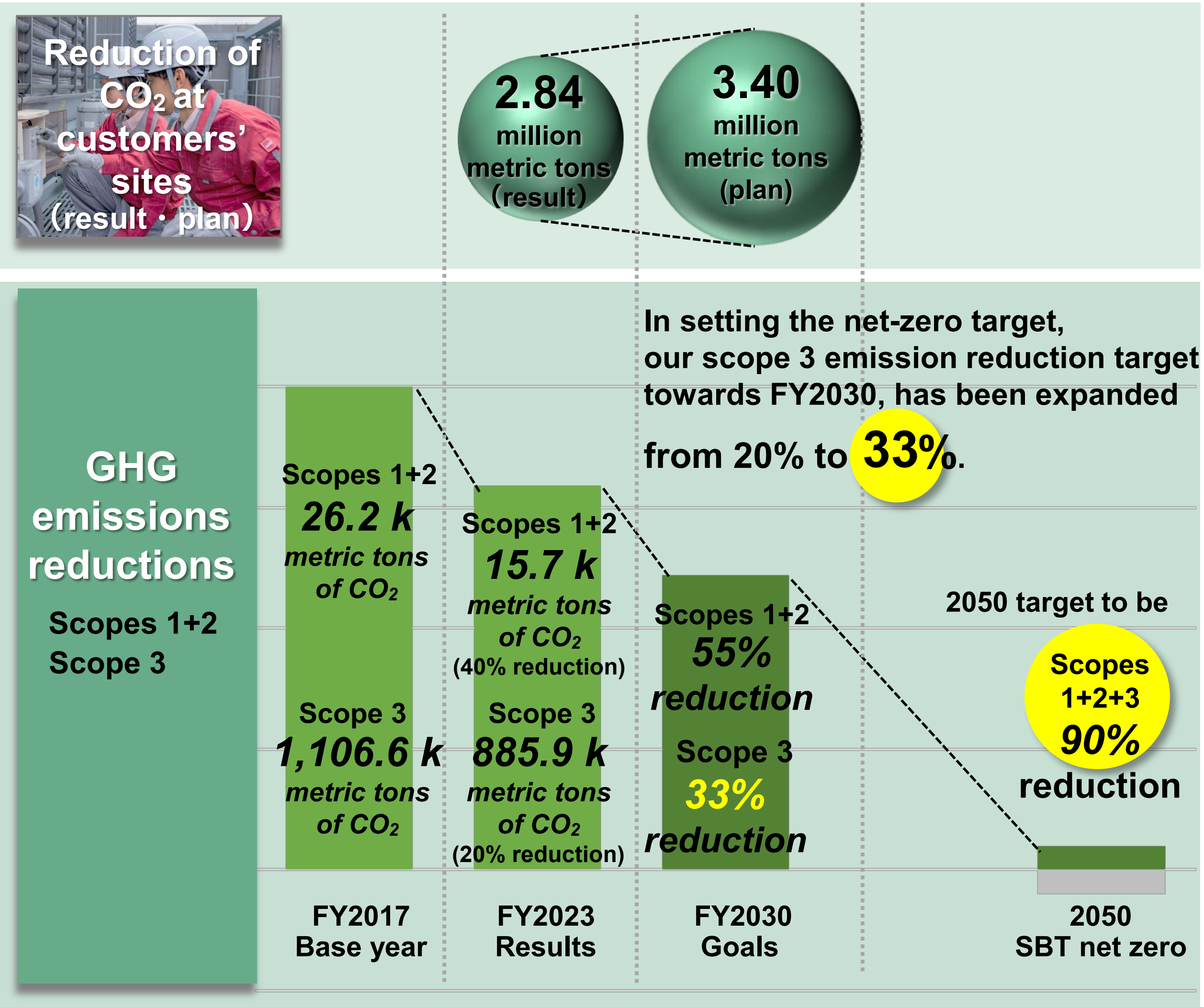
	Materiality		Essential Goals of azbil Group for SDGs: Essential goals			Targets
Business	Environment	Climate change; Resource recycling	I	Preserving the Earth's environment and solving energy-related problems through cooperative creation	Environment and energy	● Effective reduction of CO_2 at customers' sites: **3.40 million metric tons of CO_2/year**[*1] (FY2030) ● Reduction targets in greenhouse gas (GHG) emission (science-based target[*2] approved) (FY2030) **55% reduction** in GHG emissions from our business activities (scopes 1+2) compared to 2017 **33% reduction** in GHG emissions throughout the entire supply chain (scope 3) compared to 2017 ● Design all new products to meet **the azbil Group's own sustainability standards**[*3] and to be **100% recyclable**[*4] (FY2030) ● Increase the number of **skilled professionals**[*6] **for supporting sustainable services**[*5] to **a total of 1,800**[*7]**—triple the number** in FY2021
Business	Innovation		II	Realizing sustainable production sites, work environments, and a safe and comfortable society through new automation	New automation	Solving occasional issues as required by society and creating added value through **advanced measurement, a data-driven approach, and autonomy** ● We will achieve a state of resilience to changes in the business environment at **8,000 business sites** by 2030.[*8] ● We will provide environments that support stress-free and diverse work styles to **6 million people** by 2030.[*9]
General corporate activities	Society	Supply chain; Contribute to local communities	III	Fulfilling our responsibilities to society across our supply chain and contributing to local communities	Supply chain; Social responsibility	● Working with our business partners on achieving SDGs as a common goal and creating **shared CSR value across the supply chain; Evaluating policies, systems, initiatives, and effectiveness using our own evaluation indicators**[*10] ● Social contribution activities rooted in local communities are run at all our business sites,[*11] with the **active participation by every employee**[*12]
General corporate activities	Human resource	Human rights, safety, and health; Learning and employee development	IV	Strengthening our foundation to solve societal problems through health and well-being management and continuous learning	Health and well-being management; An organization that never stops learning	● Implementing health and well-being management (job satisfaction, health, diversity and inclusion) Women's advancement points[*13] in FY2024: **Double versus 2017** Employees expressed satisfaction with working at azbil Group companies in FY2030: **65% or more**[*14] ● Developing and strengthening "an organization that never stops learning" Training opportunity points[*15] in 2024: **Double versus 2012** Employees have experienced personal growth through their work in FY2030: **65% or more**[*14]
Our fundamental obligations	Governance	Product safety and quality; Corporate governance; Compliance		Fulfilling our fundamental obligations to society		* With regard to product safety and quality and compliance, the azbil Group CSR Promotion Committee sets indicators and goals directly related to business as a CSR activity plan for each department. * With regard to corporate governance, in 2022 the company itansitioned to a three-committee Board structure, and is working to ensure appropriate supervision and effectiveness under a system of Board of Directors with a majority of outside derectors and three statutory committees. **Reference: Revision to the remuneration policy (July, 2023) Stock-based compensation has been expanded.**

For notes, please refer to "Notes (2) and (3)" on pages 40-41.

Decarbonization Transition Plan

We are actively contributing to solutions for energy challenges faced by both our customers and society at large, and we have also developed a transition plan to support decarbonization efforts.

Our scope 3 emission reduction target towards FY2030, which has been revised upward from 20% reduction to 33% reduction, and the 2050 net-zero target—which includes all CO_2 emissions (scopes 1, 2, and 3)—were certified by the SBTi. (October 2024)



Means of GHG emissions reductions

Scopes 1+2

By 2030
- Promote energy conservation projects focused on our sites
- Proactively use renewable energy
- Gradually switch company vehicles to hybrid and electric ones

By 2050
- Work with business departments to accelerate decarbonization at our sites
- 100% of electricity used will be from renewable energy sources
- Accelerate switchover of company vehicles to electric ones

Scope 3

By 2030
- Promote sustainable product design (mainly resource- and energy-saving design)
- Achieve 100% recyclable design
- Promote collaboration with suppliers (decarbonization, support for goal setting)

By 2050
- Continue and expand sustainable design (mainly resource- and energy-saving design)
- Continue 100% recyclable design
- Promote and expand collaboration with suppliers (decarbonization, support for goal setting)

Investing in Human Capital: Benefits and Financial Measures to Improve Employee Engagement (1)

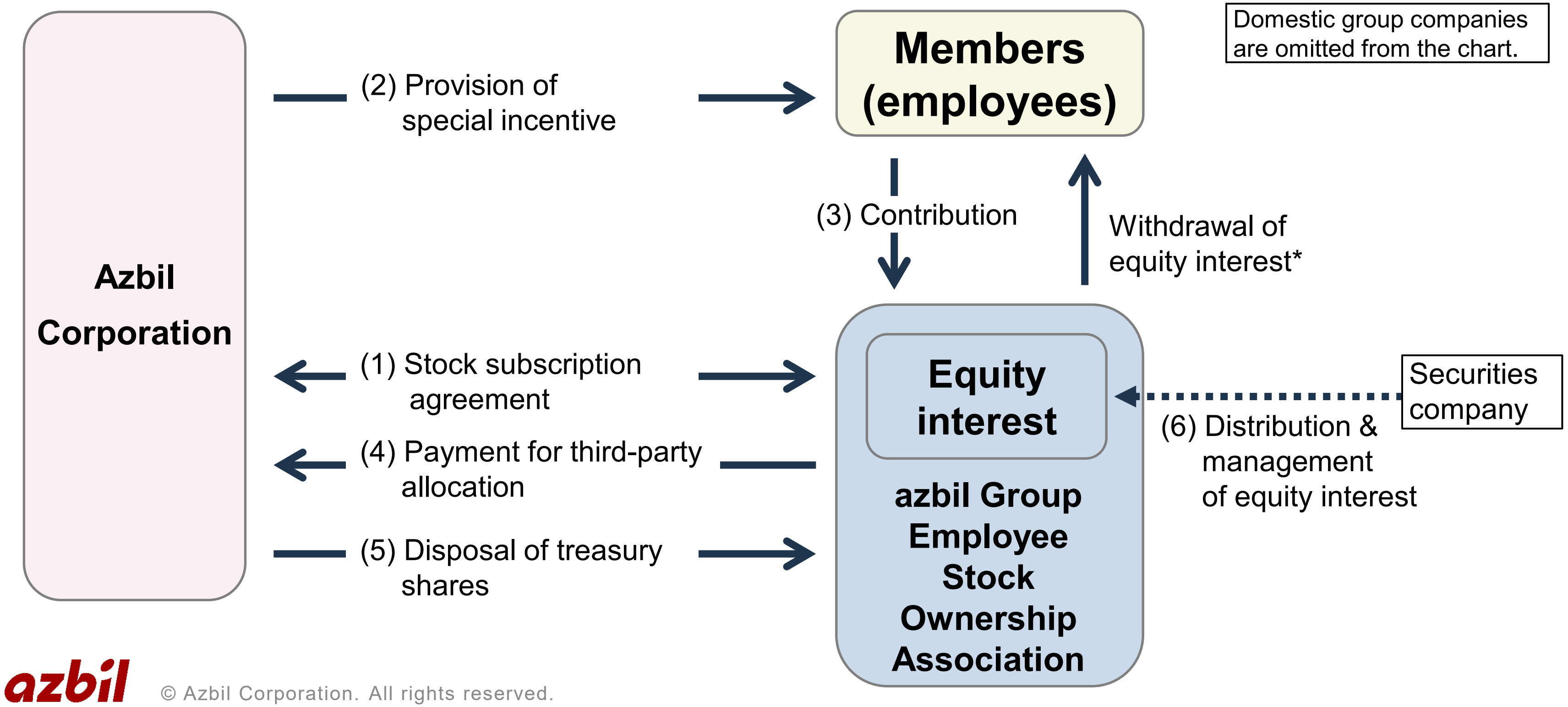
Introduction of a special incentive scheme, a welfare program using treasury shares to enhance incentive and contribute to asset building of employees

Special incentive scheme (to be introduced in March 2025)

The Company will dispose of treasury shares by third-party allocation to the azbil Group Employee Stock Ownership Association (the Association), making use of a special incentive. As a result, each member (employees) of the Association will gain 40 shares (worth approximately 45 thousand yen, based on the closing price of 1,142.5 yen on February 5, 2025).

Key points for introducing the scheme

- **By creating opportunities to acquire the Company's common stock, we will reward employees for their efforts to achieve the medium-term plan and contribute to their asset building.**
- **In addition to providing our employees with an incentive for sustainable improvement of the Company's enterprise value, we will further promote the sharing of value with our shareholders.**
- **We also aim to foster a sense of solidarity among our group companies.**



(1) The Company enters into a stock subscription agreement with the Association for the disposal and subscription of treasury shares.

(2) The Company provides a special incentive to the Association's members.

(3) The members contribute to the Association the special incentive provided to them by the Company.

(4) The Association collects the special incentives contributed by the members and pays for the third-party allocation of shares.

(5) The Company disposes of treasury shares to the Association.

(6) The allotted shares of common stock of the Company are distributed to and managed for the members in the Association by a securities company to which stock administration has been outsourced by the Association.

* The members may withdraw the allotted shares of the Company to brokerage accounts in their individual names.

Investing in Human Capital: Benefits and Financial Measures to Improve Employee Engagement (2)

Using treasury shares for the continuation of our employee stock ownership plan (J-ESOP)

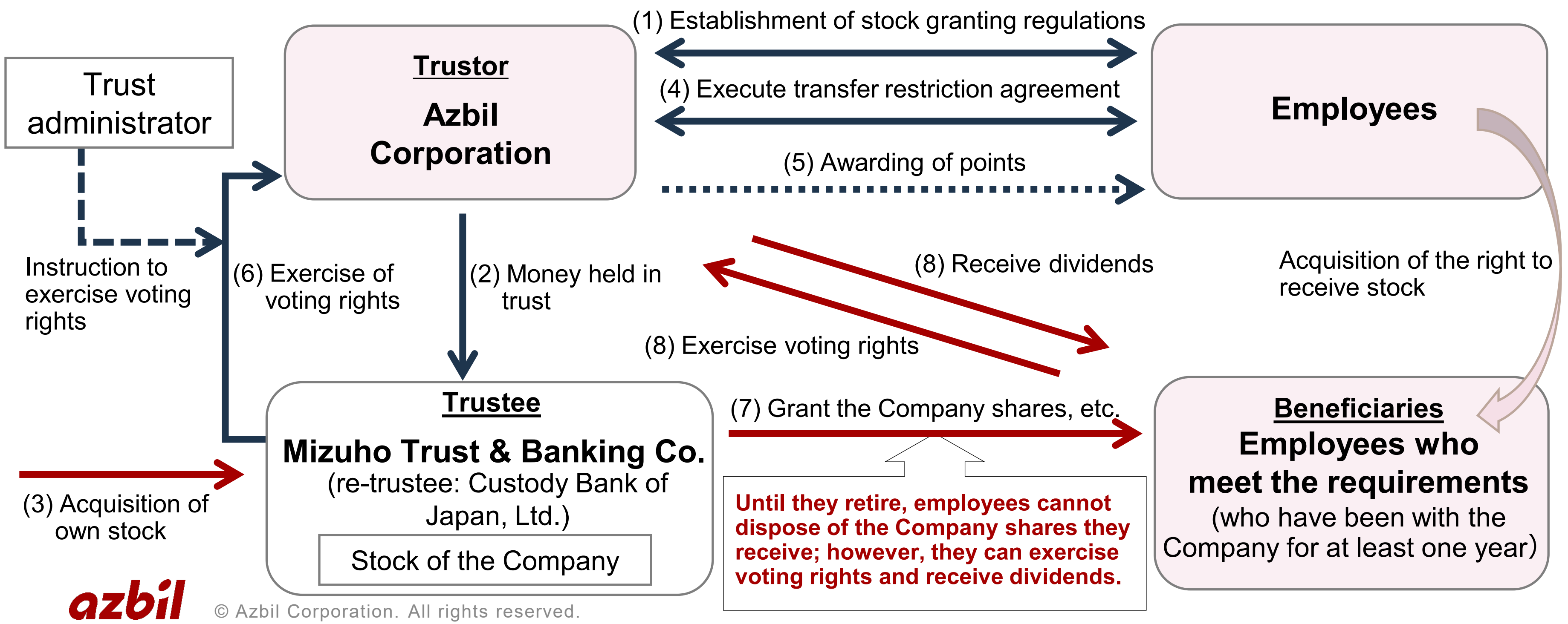
Modifying the system to allow for in-service benefits that can further incentivize employees

Employee stock ownership plan (J-ESOP) (introduced in May 2017, to be revised in April 2025)

This is a measure for an employee benefit package using own stock. The Company's shares are granted to employees upon retirement in accordance with their contribution to business performance. As a result of this granting of own stock to the employees in the form of a stock ownership plan, the employees will have the same stakeholder perspective as the other shareholders. By thus giving the employees a greater incentive to realize improved corporate financial performance and share value, we aim to raise our enterprise value.

Key point of the revision

This revision, change from retirement benefits to in-service benefits (with execute transfer restriction), will enable employees to exercise voting rights and receive dividends throughout their employment. Therefore, their compensation will be more closely linked to the Company's share price and business performance.



(1) The Company establishes the stock granting regulations.

(2) Money is to be entrusted (trust beneficial to other parties) to Mizuho Trust & Banking Co. for acquisition of stock to be received by employees.

(3) The trust acquires stock of the Company with the money placed in trust.

(4) The employees shall enter into a transfer restriction agreement with the Company that restricts the employees, prior to their retirement.

(5) The Company awards points to employees in accordance with the stock granting regulations.

(6) The Trust Bank exercises voting rights relating to shares in the Trust Account in accordance with the instructions of the Trust Manager.

(7) The Trust Bank shall provide employees who acquire entitlement with the Company shares in proportion to the number of points granted to them.

(8) Although the Company shares granted to an employee have transfer restrictions of the agreement, the individual beneficiary may exercise the voting rights and may receive the dividends.

FY2024 Annual Dividend Plan

FY2024 dividend | **It is planned to increase the dividend by 12 yen per share, to make an annual dividend of 88 yen*1 per share, and DOE to reach 5% level.**

*1 For comparison, the dividend amount before the stock split is shown.

- **Profitability has been strengthened by the measures implemented to date. We plan to increase revenue and profits in FY2024 compared to FY2023. In addition, we plan to raise the annual dividend by 12 yen to 88 yen*1 per share in order to attain a DOE of 5% level. This will bolster our policy to stably increase DOE, our reference indicator for dividends, in line with improvements to the Company's profitability.**
- **Based on the continuation of stable dividend payments, we aim to further improve DOE ratio.**

(Yen)

	FY2023	FY2024		
	Actual	Actual	Plan	Plan (calculation prior to the stock split)
Interim	36.5	44.0	—	44.0
Year-end	39.5	—	11.0 *2	44.0
Annual	76.0	—	—	88.0
Payout ratio	33.3%	30.2%		
Dividend on equity (DOE)	4.8%	5.0% *3		

*2 A 4-for-1 stock split has been implemented with an effective date of October 1, 2024.

*3 The following factors have been taken into account for the trial calculation of DOE, which is based on shareholders' equity as of March 31, 2024: year-end dividends for FY2023, interim dividends for FY2024, net income attributable to owners of parent for the full year in the consolidated financial plan for FY2024, and ongoing repurchase of own stock.

Overview of the Stock Split

Stock split

Implemented a 4-for-1 common stock split

Effective from Tuesday, October 1, 2024

Investment unit cost is now in the 100-thousand-yen range[*1] following the stock split

[*1] Calculated based on the closing price on Tuesday, October 1, 2024

Stock split purpose

To increase share liquidity, prepare an environment that makes it easier for investors to invest and expand the investor base by reducing the price of share-trading units

Stock split method

Each share of common stock owned by shareholders listed or recorded in the closing register of shareholders on the record date of Monday, September 30, 2024 has been split into four shares.

- **Total number of issued shares prior to the stock split: 141,508,184 shares**
- **Total number of issued shares after the stock split: 566,032,736 shares[*2]**

Amendment to the Articles of Incorporation

- Total number of authorized shares prior to the stock split: 559,420,000 shares
- Total number of authorized shares after the stock split: 2,237,680,000 shares

[*2] Total number of issued shares after the stock split is the number as of October 1, 2024, and the effect of the cancellation of treasury shares implemented on November 29, 2024 is not taken into account.

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)

4. Essential Goals of azbil Group for SDGs

*1 **3.40 million metric tons of CO_2/year**: The FY2030 emission factor from electricity generation is our own estimated value based on the Japanese government's Energy Basic Plan in 2019.

*2 **Science-based targets (SBT)**: Greenhouse gas emission reduction targets based on scientific evidence

*3 **The azbil Group's own sustainable design principles**: This design is aimed at creating and providing products that contribute to solving global environmental issues (decarbonization, resource recycling, and biodiversity conservation).

*4 **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)

*5 **Sustainable services**: As well as contributing, through our automation technologies, to productivity improvements and stable operations at our customers' sites, we offer field engineering services that can contribute to the realization of a sustainable society by solving environmental challenges that face our customers and society in all three of the azbil Group's environmental priority areas (decarbonization, resource recycling, and biodiversity conservation).

*6 **Skilled professionals**: We have set up an in-house qualification system for the following staff with specialized skills considered vital for realizing solutions to issues in our three environmental priority areas.

- Professionals licensed for network services, such as remote maintenance of large-scale buildings, energy management, and cloud services
- Certified professionals in the fields of advanced plant/factory control, energy-saving solution technologies, and valve maintenance

*7 **Increase the number of Skilled Professionals to a total of 1,800—triple the number in FY2021**: The total number of qualified personnel includes individual employees who have acquired multiple professional skills in the process of mastering new technologies for our field engineering services.

*8 **Achieve a state of resilience to changes in the business environment at 8,000 business sites**: As of April 2022, 530 business sites are in operation, aiming to increase 15-fold to 8,000 by 2030.

Notes (3)

4. Essential Goals of azbil Group for SDGs

*9 **Provide environments that support stress-free and diverse work styles to 6 million people**: As of April 2022, environments that support stress-free and diverse work styles have been provided to 0.6 million people, aiming to increase tenfold to 6 million people by 2030.

*10 **Evaluation of policies, systems, initiatives, and effectiveness using our own evaluation indicators**: A unique framework and evaluation system based on external ESG assessments such as FTSE

*11 **All business sites**: All offices both in Japan and overseas.

*12 **Active participation by every employee**: The azbil Group aims to participate in activities of a scale that can accommodate the total number of employees.

*13 **Women's advancement points**: Points tallied internally with weight given based on the role, such as company executive, officer and manager

*14 **Employees expressed satisfaction/have experienced personal growth**: We aim to achieve 65%, which is considered a high level in the azbil Group's annual employee satisfaction survey conducted in Japan, or , in other words, 2/3 of all employees.

*15 **Training opportunity points**: Points tallied internally for participating in opportunities (frequency or number of employees) to learn with stakeholders

IR Inquiries and Disclaimer

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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.