Presentation Materials for the Fiscal Year Ended March 31, 2025) (Based on Japanese GAAP)

May 13, 2025
Azbil Corporation
RIC: 6845.T, Sedol: 6985543

Highlights

1. Consolidated Financial Results for FY2024

✓ **We achieved record consolidated financial results for the 4th consecutive fiscal year, with increased revenue and profits.**

- Orders received, net sales, and operating income all increased, mainly due to growth in the BA business, and despite the effect of excluding Azbil Telstar (ATL) from the Company's scope of consolidation as a result of the transfer of equity interests.
- Sales and segment profit for the BA business both exceeded the plan. While overall sales fell slightly short of the plan, the plan was achieved for profits.
- As part of restructuring our business portfolio in the LA business, the transfer of ATL has also been completed.

2. Consolidated Financial Plan for FY2025

✓ **Both the BA and AA businesses plan to increase revenue and profit. Although net sales will slightly decrease due to the effect of excluding ATL from the Company's scope of consolidation as a result of the transfer of equity interests, we plan to increase operating income for a 5th consecutive fiscal year.**

- Due to the effect of excluding ATL from the Company's scope of consolidation as a result of the transfer of equity interests in FY2024, the plan anticipates decreases in net sales. Even to the extent of considering for the time being the uncertain impacts of US tariff policy, we plan to continue measures to strengthen profitability, including cost pass-through, that achieved results in the previous medium-term plan, as well as improve operational efficiency through DX, aiming for continued growth in operating income.

3. Returning Profits to Shareholders and Investing in Human Capital

✓ **We plan to increase the year-end dividend for FY2024 by 2 yen to 13 yen per share and the annual dividend for FY2025 by 2 yen, making an annual dividend of 26 yen per share (an increase for an 11th consecutive fiscal year), further improving dividend on equity (DOE) to 5.6%. We continue to repurchase own stock and cancel treasury shares.**
We also plan to invest in human capital using own stock.

- The year-end dividend for FY2024 will be increased by 2 yen from the initial plan to 13 yen per share (for an annual dividend of 24 yen per share, taking into stock split into account).
- It is planned to further increase the FY2025 dividend by 2 yen, making an annual dividend of 26 yen per share (taking stock split into account). DOE will increase to 5.6%.
- It is planned to repurchase the Company's own stock up to a maximum of 15 billion yen or 24 million shares, and to cancel 19.3 million treasury shares worth 20 billion yen.
- With the purpose of investing in human capital through capital management (use of treasury shares worth 6.5 billion yen), we are planning new employee benefits and financial measures to further enhance employee-shareholder engagement. This includes readopting the Trust-Type Employee Shareholding Incentive Plan (E-Ship®).

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

Contents

1. Consolidated Financial Results for FY2024

Consolidated Financial Results

We achieved record consolidated financial results for the 4th consecutive fiscal year, with increased revenue and profits.

Orders received, net sales, and operating income all increased, mainly due to growth in the BA business, and despite the effect of the transfer of equity interests in Azbil Telstar (ATL)*. Sales and segment profit for the BA business both exceeded the plan, and, while overall sales did fall slightly short of the plan, the plan was achieved for profits. As part of restructuring our business portfolio in the LA business, the transfer of ATL has also been completed.

- Orders received increased compared to FY2023, mainly due to significant growth in the BA business, and despite a decrease in the LA business.
- Net sales also increased overall compared to FY2023 due to significant growth in the BA business, and despite a decrease in the LA business, although falling slightly short of the plan.
- Operating income rose significantly compared to FY2023 thanks to revenue growth and measures to enhance profitability, including cost pass-through, and despite increases in DX and R&D investments as well as higher personnel and various other expenses. The plan was exceeded.
- Despite recording foreign exchange loss as a non-operating expense due to appreciation of yen at the end of FY2024, owing mainly to 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 to FY2023. The plan was exceeded.

(Billions of yen) (Billions of yen)

	FY2023 (A)	FY2024 (B)	Difference (B) - (A)	Difference % Change	Plan (Nov. 8, 2024) (C)	Difference (B) - (C)	Difference % Change
Orders received	287.8	304.7	16.8	5.9			
Net sales	290.9	300.3	9.4	3.2	301.0	(0.6)	(0.2)
Japan	223.6	237.2	13.5	6.1			
Overseas	67.3	63.1	(4.1)	(6.2)			
Gross profit	122.9	131.8	8.8	7.2			
Margin	*42.3*	*43.9*	*1.6pp*				
SG&A	86.1	90.3	4.2	4.9			
Operating income (loss)	36.8	41.4	4.6	12.6	40.2	1.2	3.2
Margin	*12.7*	*13.8*	*1.1pp*		*13.4*	*0.5pp*	
Ordinary income (loss)	38.9	42.1	3.1	8.1	40.0	2.1	5.4
Income (loss) before income taxes	41.8	53.1	11.2	26.9			
Net income (loss) attributable to owners of parent	30.2	40.9	10.7	35.6	38.0	2.9	7.8
Margin	*10.4*	*13.6*	*3.3pp*		*12.6*	*1.0pp*	

*** The impact of the transfer of equity interests in ATL**
Impact of the exclusion of ATL from the scope of consolidation: Revenue lower by approx. 5.5 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:
The impact of foreign exchange rate fluctuations (compared to FY2023)
+3.7 billion yen for net sales
+0.5 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 significantly compared to 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 FY2023, and steady progress was made with initiatives to level the workload. Segment profit rose, thanks to increased revenue and enhanced profitability. The plan was achieved.**
- **AA: Orders received increased compared to FY2023. This was due to robust conditions in the process automation (PA) market and signs of a recovery in demand in the factory automation (FA) market. Although the FA market was affected by sluggish market conditions, the robust PA market meant that sales were on a par with FY2023, though slightly short of the plan. Segment profit was also on a par with FY2023, thanks to the positive effect of measures implemented to strengthen profitability, and despite increases in various expenses. The plan was not achieved.**
- **LA: Overall, orders received, sales, and segment profit all decreased as a result of the exclusion of Azbil Telstar (ATL) from the Company's scope of consolidation. The plan was not achieved.**

(Billions of yen)

		FY2023 (A)	FY2024 (B)	Difference (B) - (A)	Difference % Change
BA	Orders received	136.7	153.6	16.8	12.3
	Sales	134.6	148.7	14.1	10.5
	Segment profit (loss)	19.3	24.3	4.9	25.8
	Margin	14.4	16.4	2.0pp	
AA	Orders received	101.4	105.9	4.5	4.4
	Sales	107.0	106.8	(0.2)	(0.2)
	Segment profit (loss)	16.1	15.9	(0.1)	(0.7)
	Margin	15.1	15.0	(0.1)pp	
LA	Orders received	51.6	46.8	(4.8)	(9.4)
	Sales	51.4	46.6	(4.7)	(9.3)
	Segment profit (loss)	1.3	1.1	(0.2)	(14.9)
	Margin	2.7	2.5	(0.2)pp	

(Billions of yen)

		Plan (Nov. 8, 2024) (C)	Difference (B) - (C)	Difference % Change
BA	Orders received			
	Sales	148.0	0.7	0.5
	Segment profit (loss)	22.0	2.3	10.7
	Margin	14.9	1.5pp	
AA	Orders received			
	Sales	107.0	(0.1)	(0.2)
	Segment profit (loss)	16.7	(0.7)	(4.2)
	Margin	15.6	(0.6)pp	
LA	Orders received			
	Sales	48.0	(1.3)	(2.8)
	Segment profit (loss)	1.5	(0.3)	(21.9)
	Margin	3.1	(0.6)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 grew significantly from 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.**
- **Bolstered by progress being made with leveling the workload domestically, sales increased in the fields of new buildings, existing buildings and service, while overseas business sales expanded. As a result, there was a significant increase in sales overall compared to FY2023. The plan was achieved thanks to growth mainly in the service field.**
- **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 FY2023. The plan was exceeded thanks to increased revenue, mainly in the service field.**

(Billions of yen)

	FY2023 (A)	FY2024 (B)	Difference (B) - (A)	Difference % Change
Orders received	**136.7**	**153.6**	**16.8**	***12.3***
Sales	**134.6**	**148.7**	**14.1**	***10.5***
Segment profit (loss)	**19.3**	**24.3**	**4.9**	***25.8***
Margin	***14.4***	***16.4***	*2.0pp*	

(Billions of yen)

	Plan (Nov. 8, 2024) (C)	Difference (B) - (C)	Difference % Change
Orders received			
Sales	**148.0**	**0.7**	*0.5*
Segment profit (loss)	**22.0**	**2.3**	*10.7*
Margin	*14.9*	*1.5pp*	

Segment Information: AA Business

Business environment

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

— In the factory automation (FA) market, despite the delayed recovery in the China market, signs of recovery have been observed in some sectors.

- **Orders received increased compared to FY2023. This was due to robust conditions in the PA market and signs of a recovery in demand in the FA market, and despite the impact of a number of large-scale projects that had been recorded in the previous fiscal year.**
- **As regards sales, although the FA market was affected by sluggish market conditions, thanks to the robust PA market, sales remained on a par with FY2023. However, the plan fell slightly short.**
- **As for segment profit, although increases in personnel and other expenses, coupled with increased investments in overseas market, DX and R&D, had a negative impact, the measures to strengthen profitability, including cost pass-through, continued to have a positive impact. Consequently, segment profit was on a par with FY2023. The plan was not achieved.**

(Billions of yen) (Billions of yen)

	FY2023 (A)	FY2024 (B)	Difference		Plan (Nov. 8, 2024) (C)	Difference	
			(B) - (A)	% Change		(B) - (C)	% Change
Orders received	**101.4**	**105.9**	**4.5**	***4.4***			
Sales	**107.0**	**106.8**	**(0.2)**	***(0.2)***	**107.0**	**(0.1)**	*(0.2)*
Segment profit (loss)	**16.1**	**15.9**	**(0.1)**	***(0.7)***	**16.7**	**(0.7)**	*(4.2)*
Margin	***15.1***	***15.0***	*(0.1)pp*		15.6	*(0.6)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 (SMaaS) business using IoT technology.

— In the Life Science Engineering (LSE: for pharmaceuticals/laboratories) field, we were affected by the impact of industry restructuring and the economic uncertainty in the European region. From the perspective of restructuring our business portfolio to improve capital efficiency, the Company transferred all equity interests in Azbil Telstar (ATL), which had 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.

- **Orders received were lower than FY2023 overall, owing mainly to a decrease in the LSE field due to the impact of the transfer of equity interests.**
- **Sales in the Lifeline and Lifestyle-related (residential central air-conditioning systems) fields were on a par with FY2023, but LSE sales decreased for the same reason as the fall in orders received; as a result, overall sales were down compared to FY2023 and the plan was not achieved in the LSE and Lifeline fields.**
- **In addition to the decrease in the LSE field, an increase in personnel and various other expenses meant that segment profit was lower than FY2023 and the plan was not achieved.**

(Billions of yen)

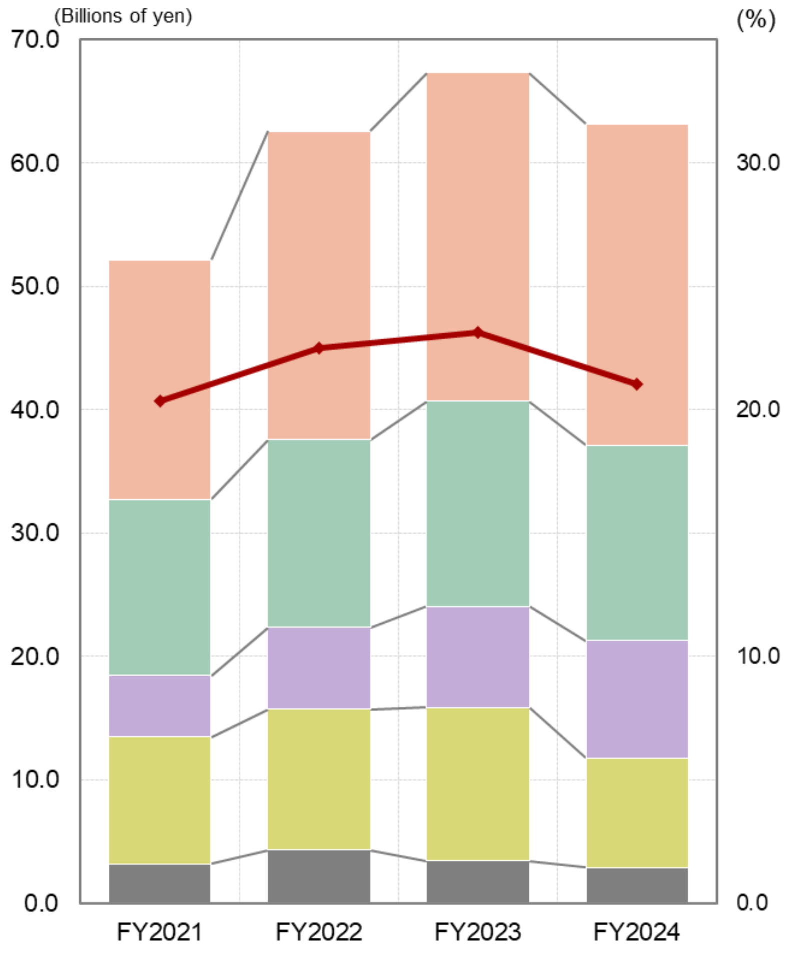
	FY2023	FY2024	Difference	
	(A)	(B)	(B) - (A)	*% Change*
Orders received	**51.6**	**46.8**	**(4.8)**	***(9.4)***
Sales	**51.4**	**46.6**	**(4.7)**	***(9.3)***
Segment profit (loss)	**1.3**	**1.1**	**(0.2)**	***(14.9)***
Margin	***2.7***	***2.5***	*(0.2)pp*	

(Billions of yen)

	Plan (Nov. 8, 2024)	Difference	
	(C)	(B) - (C)	*% Change*
Orders received			
Sales	**48.0**	**(1.3)**	*(2.8)*
Segment profit (loss)	**1.5**	**(0.3)**	*(21.9)*
Margin	*3.1*	*(0.6)pp*	

Overseas Sales by Region

- Overseas sales decreased by 6.2% from FY2023 mainly as a result of the transfer of equity interests in Azbil Telstar (ATL), and accounted for 21.0% of net sales.
- The BA business increased mainly in Asia. The AA business decreased chiefly due to the sluggish FA market in China and other region. The LA business saw a sharp decline as a result of the transfer of ATL, which had played a central role in the LSE field.



(Billions of yen)

	FY2021	FY2022	FY2023	FY2024
Asia (ex-China)	19.4	25.0	26.6	**26.0**
China	14.2	15.1	16.6	**15.8**
North America	4.9	6.6	8.1	**9.5**
Europe	10.3	11.3	12.4	**8.8**
Others	3.1	4.2	3.4	**2.8**
Consolidated	52.1	62.6	67.3	**63.1**

Reference information

		FY2021	FY2022	FY2023	FY2024
Overseas sales / Net sales ratio (%)		*20.3*	*22.5*	*23.1*	***21.0***
Average exchange rate	USD/JPY	109.90	131.64	140.66	**151.69**
	EUR/JPY	129.91	138.15	152.10	**164.54**
	CNY/JPY	17.04	19.50	19.82	**21.11**

* 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:** **Total assets increased due to an increase in cash and deposits due to income from the transfer of equity interests in Azbil Telstar (ATL). On the other hand, inventories, trade receivables and securities decreased. These decreases include the effect of excluding ATL from the Company's scope of consolidation.**
- **Liabilities:** **Liabilities decreased due to decreases in trade payables, and in short- and long-term borrowings. This includes the effect of excluding ATL from the Company's scope of consolidation as a result of the transfer of equity interests.**
- **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 Mar. 31, 2025 (B)	Difference (B) - (A)
Current assets	**229.0**	**230.7**	**1.7**
Cash and deposits	71.0	88.4	17.4
Trade receivables	97.7	91.7	(6.0)
Securities	8.9	6.4	(2.5)
Inventories	43.7	37.6	(6.1)
Other	7.5	6.5	(1.0)
Non-current assets	**84.7**	**84.3**	**(0.4)**
Property, plant and equipment	41.3	41.1	(0.2)
Intangible assets	6.1	7.4	1.3
Investments and other assets	37.1	35.6	(1.5)
Total assets	**313.7**	**315.0**	**1.3**

	As of Mar. 31, 2024 (A)	As of Mar. 31, 2025 (B)	Difference (B) - (A)
Liabilities	**88.8**	**74.5**	**(14.2)**
Current liabilities	**77.9**	**67.7**	**(10.1)**
Trade payables	20.4	16.0	(4.3)
Short-term borrowings	7.4	4.8	(2.6)
Other	50.0	46.8	(3.2)
Non-current liabilities	**10.8**	**6.7**	**(4.0)**
Long-term borrowings	1.9	0.6	(1.3)
Other	8.8	6.1	(2.7)
Net assets	**224.8**	**240.5**	**15.6**
Shareholders' equity	**201.1**	**218.5**	**17.4**
Share capital	10.5	10.5	-
Capital surplus	11.6	12.2	0.6
Retained earnings	211.8	237.6	25.8
Treasury shares	(32.8)	(41.9)	(9.1)
Accumulated other comprehensive income	**20.3**	**18.6**	**(1.7)**
Non-controlling interests	**3.3**	**3.3**	**(0.0)**
Total liabilities and net assets	**313.7**	**315.0**	**1.3**

ROE (%)	**14.2**	**17.9**	***3.7pp***
Shareholders' equity ratio (%)	**70.6**	**75.3**	***4.7pp***

Consolidated Cash Flows

- **Free cash flow increased by 20.8 billion yen compared to FY2023.**
- **This resulted mainly from an increase in cash flow from operating activities due to an increase in income before income taxes, on top of the decrease in inventories in FY2024, which had been increased in FY2023 as a result of measures to secure parts and strengthen procurement capabilities.**
- **Cash flow used in financial activities increased compared to FY2023, due to increased expenditure on dividend payments in addition to the repurchase of own stock.**

(Billions of yen)

	FY2023 (A)	FY2024 (B)	Difference (B) - (A)	Difference % Change
Net cash provided by (used in) operating activities	27.5	43.9	16.4	59.6
Net cash provided by (used in) investing activities	(2.3)	2.0	4.3	-
Free cash flow	25.1	45.9	20.8	82.6
Net cash provided by (used in) financing activities	(22.4)	(29.7)	(7.3)	-
Effect of exchange rate change on cash and cash equivalents	1.8	0.1	(1.7)	(94.3)
Net increase (decrease) in cash and cash equivalents	4.6	16.3	11.7	253.4
Cash and cash equivalents at beginning of period	71.2	75.5	4.3	6.1
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries	(0.2)	0.7	0.9	-
Cash and cash equivalents at end of period	75.5	92.6	17.0	22.5

Reference

	FY2023 (A)	FY2024 (B)	Difference (B) - (A)	Difference % Change
Capital investment	8.6	9.8	1.1	13.7
Depreciation	6.0	6.7	0.6	11.1

2. Consolidated Financial Plan for FY2025

Consolidated Financial Plan

Both the BA and AA businesses plan to increase revenue and profit. Although net sales will slightly decrease due to the effect of excluding Azbil Telstar (ATL) as a result of the transfer of equity interests, we plan to increase operating income for a 5th consecutive fiscal year.

- **The BA business environment remains strong, and a recovery in the FA market is expected for the AA business.**
- **There is increasing uncertainty in our business environment owing to geopolitical risks, the negative impact of US reciprocal tariffs on industry and the economy, continuing inflation, rising labor costs, etc. However, we will actively make investments for growth in human capital, product competitiveness, and DX promotion.**
- **We plan to increase operating income by continuing measures to strengthen profitability and cost pass-through, which proved effective in the previous medium-term plan, and by making DX-based improvements to operational efficiency. Note that net income attributable to owners of parent is expected to decrease significantly owing to the recording of gain on sale of equity interests in ATL in FY2024.**

（Billions of yen）

	FY2024 Full year results (A)	FY2025 H1 (plan)		FY2025 Full year (plan) (B)	Difference (B) - (A)	% Change
		H1 (plan)	H2 (plan)			
Net sales	**300.3**	**134.0**	**163.0**	**297.0**	**(3.3)**	***(1.1)***
	285.7				11.2	*3.9*
Operating income	**41.4**	**15.2**	**27.8**	**43.0**	**1.5**	***3.6***
	41.0				1.9	*4.7*
Margin	***13.8***	***11.3***	***17.1***	***14.5***	***0.7pp***	
	14.4				*0.1pp*	
Ordinary income	**42.1**	**14.5**	**27.7**	**42.2**	**0.0**	***0.1***
Net income attributable to owners of parent	**40.9**	**10.3**	**20.7**	**31.0**	**(9.9)**	***(24.3)***
Margin	***13.6***	***7.7***	***12.7***	***10.4***	***(3.2)pp***	

Reference: Exchange rates
FY2024 USD/JPY 151, EUR/JPY 164, CNY/JPY 21.1
FY2025 USD/JPY 140, EUR/JPY 159, CNY/JPY 19.0

Reference: Net sales and operating income (lower tier)
The figures exclude the results of Azbil Telstar (14.6 billion yen for net sales and 0.4 billion yen for operating income)

Reference: Impact on net income attributable to owners of parent:
The gain on sale of equity interests in Azbil Telstar was 7.6 billion yen.

Financial Plan by Segment (1)

- **BA: Against a backdrop of robust market conditions and a large order backlog, revenue is expected to grow. While there will be increases in outsourcing costs and personnel expenses, we plan to achieve increased profits thanks to revenue growth, improved margins at the point of order receipt, and cost pass-through.**
- **AA: The PA market remains strong, and a gradual recovery in the FA market is expected. Although we will face the impacts of US tariff policy, parts/materials price hikes and higher personnel expenses, we plan to achieve increased revenue and profits through measures to enhance profitability, including cost pass-through.**
- **LA: In the Lifeline field growth is planned, but due to the impact of the transfer of Azbil Telstar in FY2024, a decrease in overall revenue and profits is expected.**

（Billions of yen）

		FY2024 Full year (results) (A)	FY2025 H1 (plan)	FY2025 H2 (plan)	FY2025 Full year (plan) (B)	Difference (B) - (A)	Difference % Change
BA	**Sales**	**148.7**	**63.5**	**89.5**	**153.0**	**4.2**	***2.8***
	Segment profit	**24.3**	**6.3**	**18.7**	**25.0**	**0.6**	***2.6***
	Margin	***16.4***	***9.9***	***20.9***	***16.3***	***(0.0)pp***	
AA	**Sales**	**106.8**	**54.0**	**57.0**	**111.0**	**4.1**	***3.9***
	Segment profit	**15.9**	**8.5**	**8.5**	**17.0**	**1.0**	***6.3***
	Margin	***15.0***	***15.7***	***14.9***	***15.3***	***0.3pp***	
LA	**Sales**	**46.6** 32.0	**17.0**	**17.5**	**34.5**	**(12.1)** 2.4	***(26.0)*** *7.8*
	Segment profit	**1.1** 0.7	**0.4**	**0.6**	**1.0**	**(0.1)** 0.2	***(14.6)*** *33.8*
	Margin	***2.5*** *2.3*	***2.4***	***3.4***	***2.9***	***0.4pp*** *0.6pp*	

Reference: LA sales and LA segment profit (lower tier)
The figures exclude the results of Azbil Telstar
(14.6 billion yen for sales and 0.4 billion yen for segment profit)

Financial Plan by Segment (2)

BA

Against a backdrop of robust market conditions and a large order backlog, revenue is expected to grow. While there will be increases in outsourcing costs and personnel expenses, we plan to achieve increased profits thanks to revenue growth, improved margins at the point of order receipt, and cost pass-through.

- Market conditions continue to be robust in the business environment, in Japan and overseas. With our large order backlog, and ongoing initiative to level the workload, we expect increased revenue in the fields for existing buildings, service, and overseas business.
- Despite increases in outsourcing costs and other expenses, as well as higher personnel and DX-related expenses for growth, we plan to achieve an increase in profits through revenue growth, mainly in the profitable existing building and service fields, as well as through the success of measures to strengthen profitability, such as improved margins at the point of order receipt and appropriate cost pass-through.

AA

The PA market remains strong, and a gradual recovery in the FA market is expected. Although we will face parts/materials price hikes and higher personnel expenses, we plan to achieve increased revenue and profits through measures to enhance profitability, including cost pass-through.

- The PA market remains strong, and a gradual recovery is expected in the FA market, including that for semiconductor manufacturing equipment. We plan to increase revenue by ensuring that we capture growing demand in both PA and FA markets.
- As regards segment profit, we plan to achieve increased profits through revenue growth and measures to enhance profitability, including cost pass-through, although the impacts of US tariff policy, cost increases due to parts/materials price hikes and higher personnel expenses are anticipated.

LA

In the Lifeline field growth is planned, but due to the impact of the transfer of Azbil Telstar in FY2024, a decrease in overall revenue and profits is expected.

- In the Lifeline field we plan to steadily capture the demand for gas & water meter replacement required by law, benefitting from a recovery in demand for LP meters, increase revenue by developing the SMaaS-related market, and increase profits through revenue growth and cost pass-through. Growth is also expected in the field of residential central air-conditioning systems.
- In the LA business overall, however, revenue and profits will decrease owing to the impact of the transfer of equity interests in Azbil Telstar, which accounted for approximately 1/3 of segment sales in FY2024.

3. Returning Profits to Shareholders and Investing in Human Capital

Basic Policy and FY2025 Shareholder Returns

We plan to increase the year-end dividend for FY2024 by 2 yen to 13 yen per share and the annual dividend for FY2025 by 2 yen, making an annual dividend of 26 yen per share (an increase for an 11th consecutive fiscal year), further improving DOE to 5.6%. We also continue to repurchase of own stock and cancel treasury shares.

In line with our basic policy of enhancing shareholder returns, investing for growth, and maintaining a sound financial base, we will carry out business operations and make investments conscious of capital costs,[*1] while actively investing in our businesses, R&D, equipment and facilities,[*2] DX, and human capital. As regards shareholder returns, we plan to increase dividends, repurchase own stock, and cancel treasury shares.

FY2024 dividend

The year-end dividend for FY2024 is to be increased by 2 yen from the initial plan in May 2024.

The annual dividend will be **24 yen per share**

(**+5 yen compared to FY2023,** taking stock split into account)

— The year-end dividend for FY2024 will be paid after the approval of the Ordinary General Meeting of Shareholders on June 25, 2025.

FY2025 dividend

As regards FY2025,

the Company plans an annual dividend of **26 yen per share**

(**+2 yen compared to FY2024,** taking stock split into account)

Repurchase and cancellation of treasury shares

Giving due consideration to ensuring a disciplined capital management and capital efficiency,

we will repurchase the Company's own stock to the value of

15.0 billion yen and **cancel treasury shares worth 20.0 billion yen.**

— In addition to stock scheduled for acquisition, an additional 5.0 billion yen will be canceled. This is to cancel the unused portion (5.0 billion yen) of treasury shares acquired in FY2024 and intended for human capital investment, in order to procure stock from the market.

Human Capital Investment

With regards investment in human capital, the treasury shares worth **6.5 billion yen** to be procured from the market will be utilized to readopt the Trust-Type Employee Stock Incentive Plan (E-Ship®).

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: FY2024 azbil Group ROIC (trial calculation) was 12.6%. ROIC excluding special factors such as the transfer of equity interests in ATL was 10.3%. Weighted average cost of capital (WACC) was 6.3%.

[*2] Please refer to page 26 for the trend of the investment in R&D, equipment and facilities.

Plan for FY2024 Year-end Dividend and FY2025 Annual Dividend

FY2024 dividend	It is planned to increase the year-end dividend of 13 yen per share, to make an annual dividend of 24 yen per share.
FY2025 dividend	It is planned to further increase the dividend by 2 yen per share, to make an annual dividend of 26 yen per share, and DOE to improve to 5.6%.

- **FY2024 saw record profits, exceeding the revised financial plan announced in November 2024, achieving a solid improvement in performance compared to both the plan and FY2023 results. Consequently, the year-end dividend will be increased by 2 yen[*1] to make an annual dividend of 24 yen per share (taking the stock split into account).**
- **In FY2025, geopolitical risks and the US reciprocal tariff policy will serve to increase uncertainty in the economic/business environment. However, even under the previous medium-term plan, business profitability steadily improved, and we now anticipate continued improvement in our financial results. Consequently, we plan to increase the annual dividend by 2 yen to 26 yen per share.**
- **Based on the continuation of stable dividend payments, we aim to further improve DOE ratio.**

(Yen)

	FY2024		FY2025
	Initial plan (May 13, 2024)	Revised plan (May 13, 2025)	Plan (May 13, 2025)
Interim	11.00 [*2]	11.00 [*2]	**13.00**
Year-end	11.00	**13.00**	**13.00**
Annual	22.00	**24.00**	**26.00**
Payout ratio	41.4%	30.8%	42.6% [*3]
Dividend on equity (DOE)	5.0%	5.5%	5.6% [*4]

[*1] A year-end dividend for FY2024 will be paid after the approval of the Ordinary General Meeting of Shareholders as an item of appropriation of surplus on June 25, 2025.
[*2] A 4-for-1 stock split has been implemented with an effective date of October 1, 2024. Figures in the chart above are those taking the stock split into account.
[*3] The effects of repurchase of own stock in FY2025 are taken into account for a trial calculation of net income per share, and accordingly the dividend payout ratio for FY2025.
[*4] The following factors have been taken into account for the trial calculation of DOE, which is based on shareholders' equity as of March 31, 2025: repurchase of own stock in FY2025, year-end dividends for FY2024, interim dividends for FY2025, net income attributable to owners of parent for the full year in the consolidated financial plan for FY2025.

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 15.0 billion yen or 24.0 million shares.**
Cancellation of treasury shares	**It is planned to cancel 19.3 million treasury shares, worth 20.0 billion yen.**

- **In view of the ROE figures set out in our long-term targets (FY2030) and the new medium-term plan (FY2025-2027), we will engage in measures to expand business and strengthen profitability, and we will repurchase own stock to practice disciplined capital management, improve capital efficiency, and increase shareholder returns.**
- **In addition to the treasury shares scheduled for acquisition, we will cancel worth 20.0 billion yen (19.3 million shares) including the unused portion (approximately 5.0 billion yen) of treasury shares repurchased in FY2023 that was intended for human capital investment (E-ship®).**

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*
- Total amount of repurchase: Up to 15.0 billion yen
- Period of repurchase: From May 14, 2025 to October 29, 2025
- Method of repurchase: Market transactions on the Tokyo Stock Exchange

* 4.5% 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
- Amount of shares to be cancelled: 20 billion yen
- Number of shares to be cancelled: 19.3 million shares
- Scheduled cancellation date: May 30, 2025

Reference

Status of treasury shares held as of March 31, 2025

- Total number of issued shares (excluding treasury shares): 528,688,860 shares
- Number of treasury shares: 31,983,876 shares

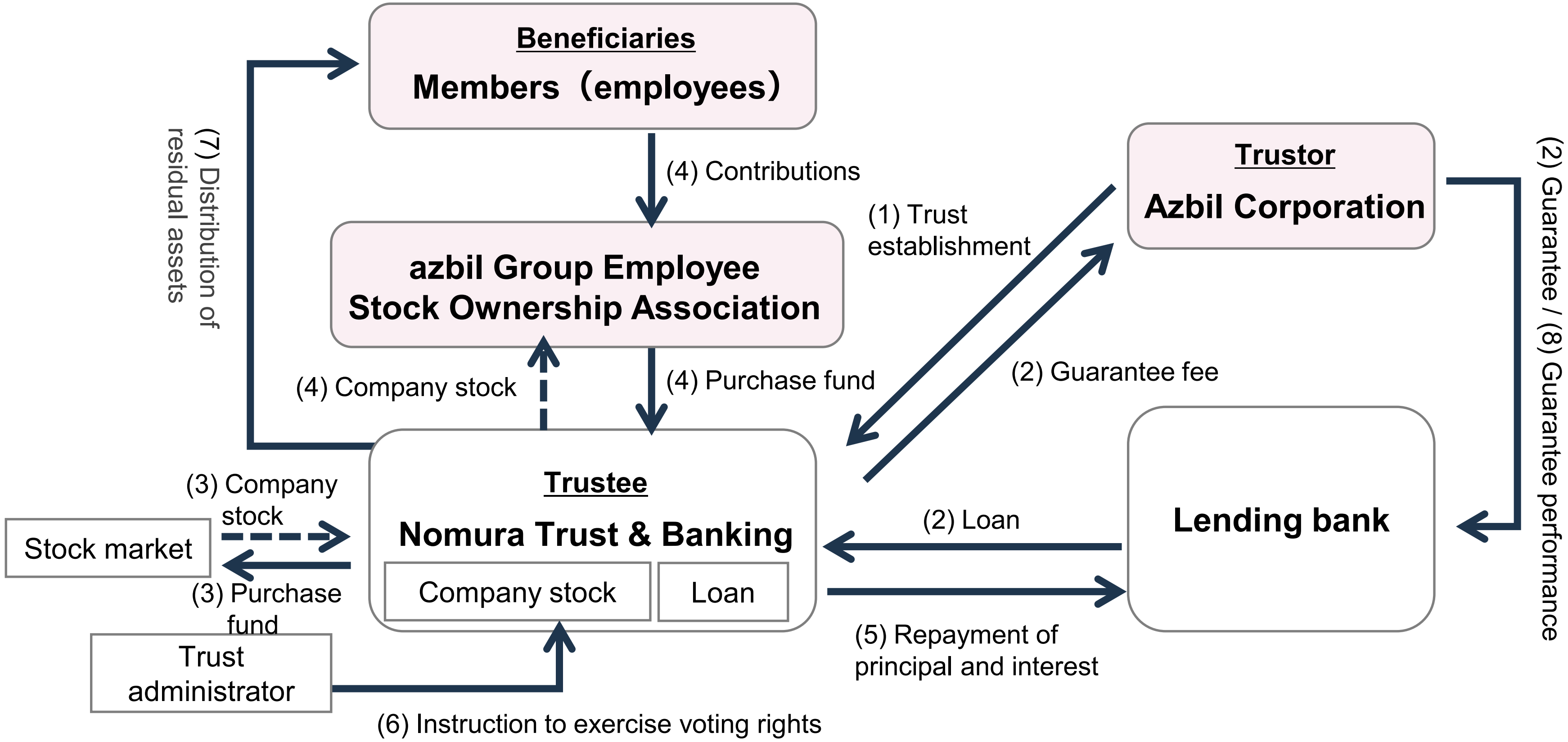
The number of treasury shares shown on the left does not include shares owned by trust accounts of an employee stock ownership plan, a Trust-Type Employee Shareholding Incentive Plan and stock compensation plan, which owned 11,908,397 shares as of March 31, 2025.

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

Trust-Type Employee Shareholding Incentive Plan (E-Ship®)

Further Increase Employee Morale and Motivation, and Improve Engagement

- **Trust-type Employee Shareholding Incentive Plan** (an incentive plan for members of the azbil Group Employee Stock Ownership Association)
- Aiming to realize our long-term targets and the new medium-term plan (FY2025-2027), the readoption of this plan, through the establishment of a new trust using the Company's own stock worth 6.5 billion yen (to be acquired from the market), will provide an incentive for enhancing enterprise value over the medium to long term while contributing to asset building by employees.

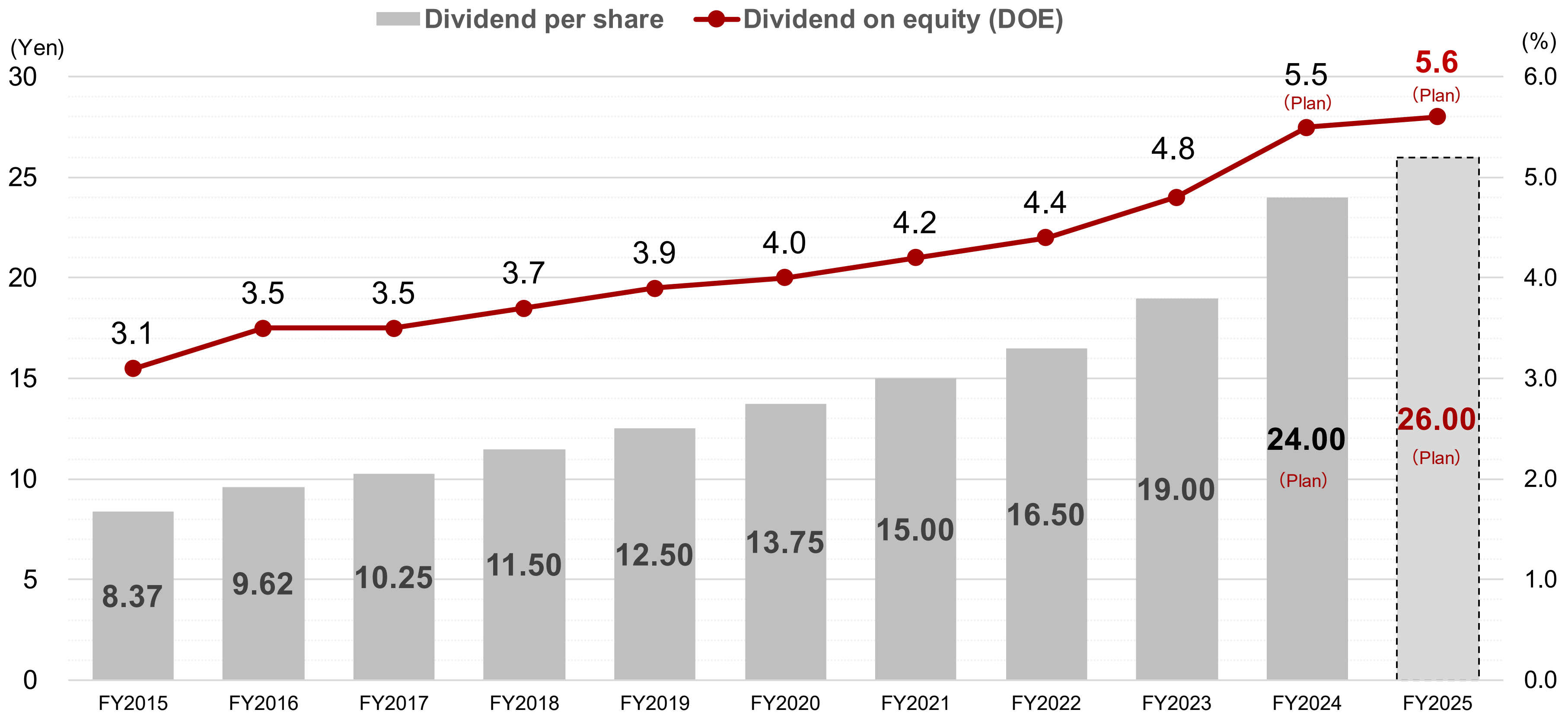


Overview of the Plan

- The Plan will authorize the "azbil Group Employee Stock Ownership Association Trust Fund" (the "Fund").
- The Fund will acquire the expected number of the Company's stock to be acquired by the Association, in advance for a set period of time (currently estimated at approximately three years).
- The Fund will consistently sell the Company's stock to the Stock Ownership Association
- If the Fund has accrued the amount of money equivalent to profit on sales of shares at the end of its term, such amount will be distributed as residual assets to eligible recipients.
- If the Fund accrues losses due to reductions in the Company's share price, the Company will be responsible for the liquidation of all debts from the loan associated with the loss from sales at the end of the term of the Fund.

Trend of Shareholder Returns

- **It is planned to increase the year-end dividend for FY2024 by 2 yen per share from the initial plan and, in FY2025, to further increase the annual dividend—for the 11th consecutive year—by 2 yen to 26 yen per share from FY2024.**



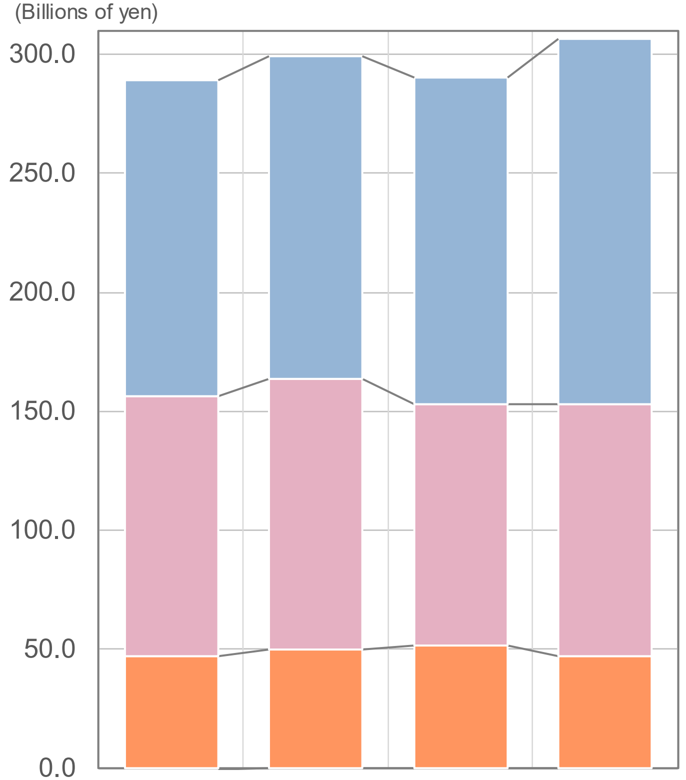
Total amount of own stock repurchased (billions of yen)	1.9		2.9	4.9	9.9		9.9	9.9	9.9	14.9	15.0 (Plan)
Number of shares repurchased (millions of shares)	4.80		5.71	7.48	14.87		9.01	10.68	8.77	12.46	24.00 (Plan)

* 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.

Appendix

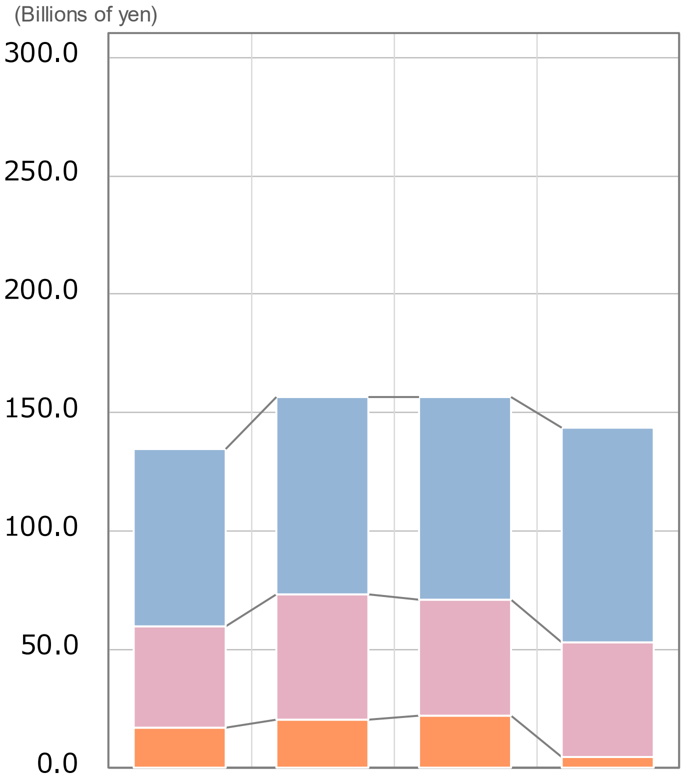
Performance Trend by Segment: Orders Received and Order Backlog

■ Orders received by segment



	FY2021	FY2022	FY2023	FY2024
BA	132.5	135.3	136.7	**153.6**
AA	109.5	113.9	101.4	**105.9**
LA	46.8	49.6	51.6	**46.8**
Consolidated	286.9	296.9	287.8	**304.7**

■ Order backlog by segment

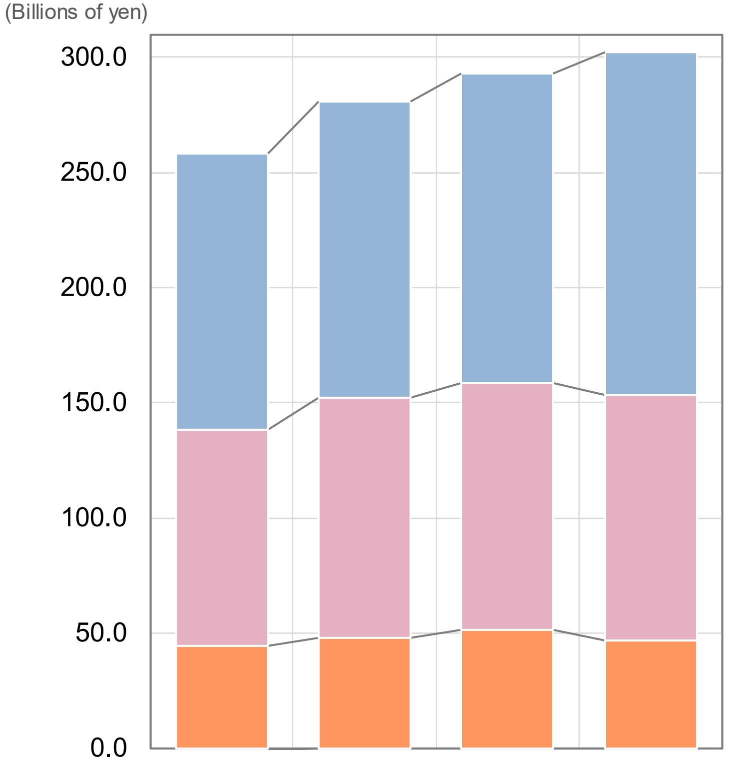


	FY2021	FY2022	FY2023	FY2024
BA	75.1	82.8	85.5	**90.3**
AA	42.3	53.4	48.5	**48.6**
LA	17.2	20.1	22.1	**4.5** *
Consolidated	134.2	156.0	155.9	**143.3**

* Following the transfer of all equity interests in Azbil Telstar (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.

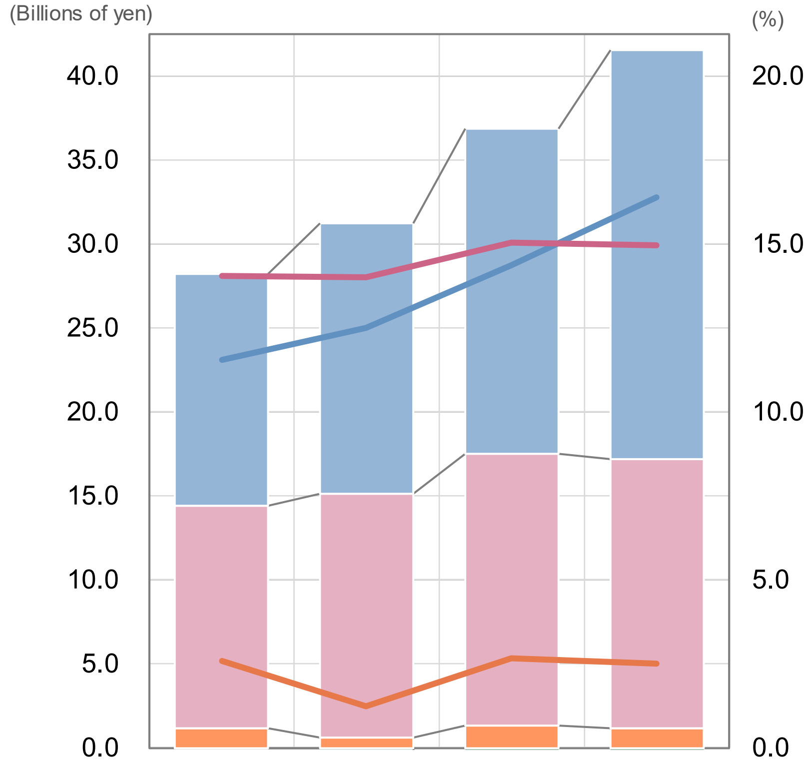
Performance Trend by Segment: Sales and Segment Profit (Operating Income)

Sales by segment



	FY2021	FY2022	FY2023	FY2024	
BA	119.7	128.5	134.6	**148.7**	
AA	94.2	103.9	107.0	**106.8**	
LA	44.2	47.9	51.4	**46.6**	*
Consolidated	256.5	278.4	290.9	**300.3**	*

Segment profit (operating income)



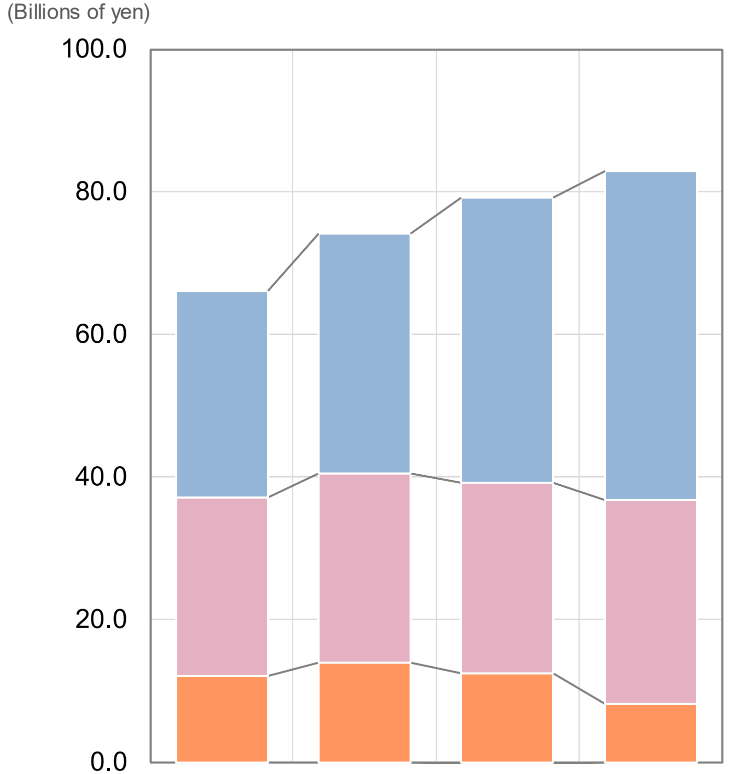
	FY2021	FY2022	FY2023	FY2024	
BA	13.8	16.0	19.3	**24.3**	
Margin	*11.6*	*12.5*	*14.4*	***16.4***	
AA	13.2	14.5	16.1	**15.9**	
Margin	*14.0*	*14.0*	*15.1*	***15.0***	
LA	1.1	0.5	1.3	**1.1**	*
Margin	*2.6*	*1.2*	*2.7*	***2.5***	
Consolidated	28.2	31.2	36.8	**41.4**	*
Margin	*11.0*	*11.2*	*12.7*	***13.8***	

* Net sales, LA sales, operating income, operating income margin, LA segment profit and LA segment profit margin for FY2024 all include the results of Azbil Telstar (14.6 billion yen for sales, 0.4 billion yen for segment profit).

Appendix

Performance Trend by Segment: Quarterly Sales and Segment Profit (Operating Income)

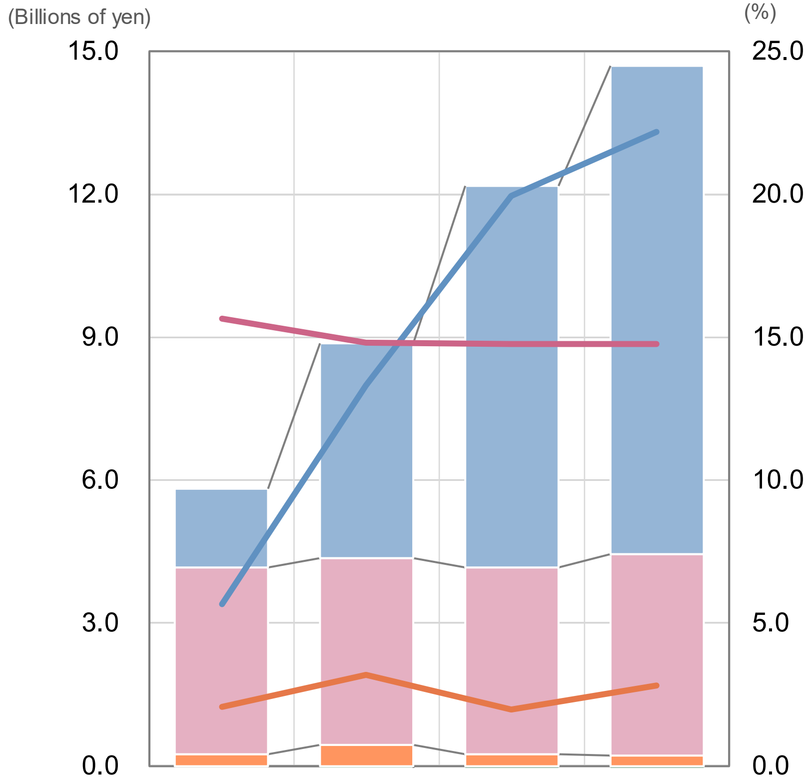
■ Sales by segment



	FY2024-Q1	FY2024-Q2	FY2024-Q3	FY2024-Q4	
BA	28.8	33.6	40.0	**46.2**	
AA	25.0	26.5	26.6	**28.5**	
LA	12.0	13.8	12.5	**8.1**	*
Consolidated	65.5	73.7	78.6	**82.4**	*

* Net sales, LA sales, operating income, operating income margin, LA segment profit and LA segment profit margin for Q4 of FY2024 do not include the results of Azbil Telstar.

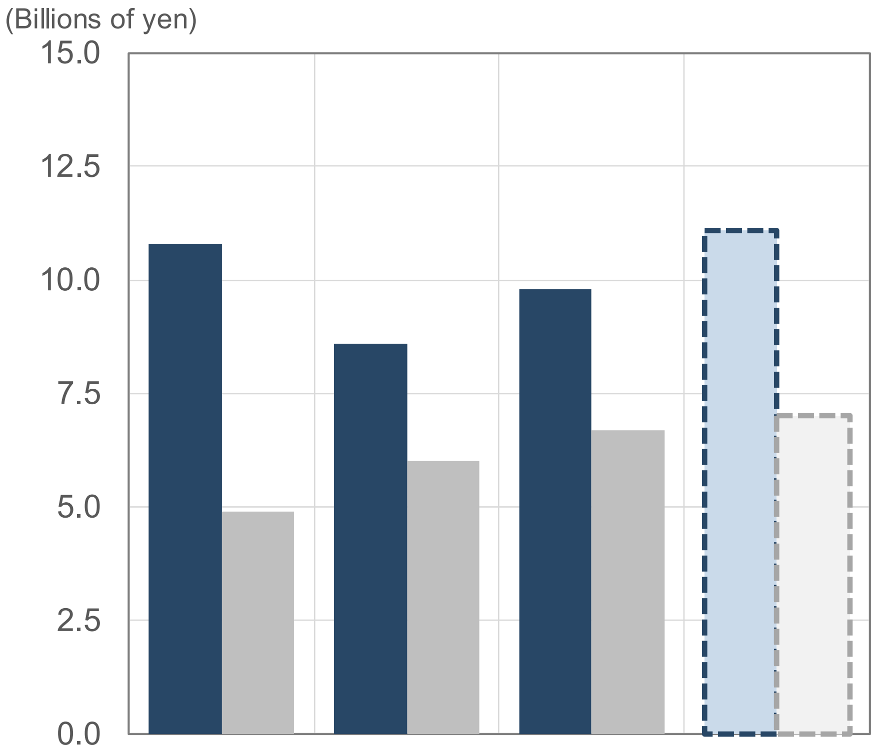
■ Segment profit (operating income)



	FY2024-Q1	FY2024-Q2	FY2024-Q3	FY2024-Q4	
BA	1.6	4.4	7.9	**10.2**	
Margin	*5.6*	*13.3*	*20.0*	***22.2***	
AA	3.9	3.9	3.9	**4.2**	
Margin	*15.6*	*14.8*	*14.8*	***14.7***	
LA	0.2	0.4	0.2	**0.2**	*
Margin	*2.1*	*3.2*	*2.0*	***2.8***	
Consolidated	5.7	8.8	12.1	**14.6**	*
Margin	*8.8*	*12.0*	*15.5*	***17.8***	

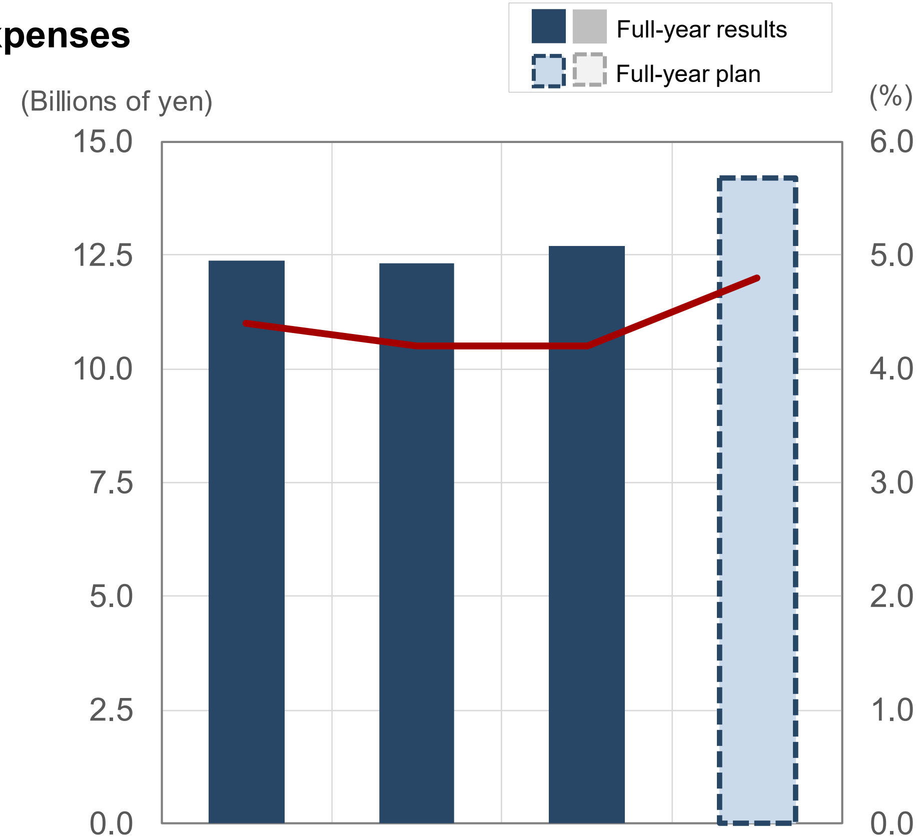
Appendix
Capital Investment, Depreciation and R&D Expenses

■ Capital investment, depreciation



	FY2022	FY2023	FY2024	**FY2025 (plan)**
Capital investment	10.8	8.6	9.8	**11.1**
Depreciation	4.9	6.0	6.7	**7.0**

■ R&D expenses



	FY2022	FY2023	FY2024	**FY2025 (plan)**
R&D expenses	12.3	12.3	12.7	**14.2**
R&D expenses / Net sales (%)	4.4	4.2	4.2	**4.8**

Notes

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.

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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.
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