Presentation Materials for the First Quarter of Fiscal Year 2025 (Ending March 31, 2026) (Based on Japanese GAAP)

August 5, 2025
Azbil Corporation
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azbil

Highlights

1. Consolidated Financial Results for the First Quarter of FY2025

- ✓ Orders received and net sales decreased owing to the impact of the transfer of Azbil Telstar (ATL) in LA business in FY2024, but operating income increased significantly thanks to higher profits for the BA and AA businesses.

2. Consolidated Financial Plan for FY2025

- ✓ The BA and AA businesses plan to increase sales and profit. Although net sales will slightly decrease due to the effect of excluding ATL from the Company's scope of consolidation following the transfer of equity interests (a decrease of 14.6 billion yen), operating income will increase for a fifth consecutive fiscal year.

3. Returning Profits to Shareholders

- ✓ We plan to increase the dividend for the eleventh consecutive year, with an annual dividend of 26 yen per share for FY2025; DOE will improve further to reach 5.6%.
- ✓ In addition to repurchase and cancellation of the Company's own stock, we also invest in human capital utilizing the treasury shares.

4. Medium-term Plan (FY2025-FY2027) / Sustainability Management

- ✓ Under our medium-term plan (FY2025-FY2027), based on the themes of "Evolution" and "Co-creation," and employing the unique business model of the azbil Group, we will realize increased sales and enhanced profitability while actively making necessary investments, such as in human capital.
- ✓ We promote sustainability management by identifying the azbil Group's materiality, setting the essential goals of the azbil Group for the SDGs, and implementing a variety of initiatives to achieve those goals.

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1. Consolidated Financial Results for the First Quarter of FY2025

Consolidated Financial Results

Orders received and net sales decreased owing to the impact of the transfer of Azbil Telstar (ATL) in LA business in FY2024, but operating income increased significantly thanks to higher profits for the BA and AA businesses.

- LA business orders received and sales fell significantly owing to the transfer of equity interests in ATL in FY2024, resulting in overall decreases in orders received and net sales compared to the same period of FY2024.
- Operating income improved significantly compared to the same period of FY2024; this was due to measures to enhance profitability, including cost pass-through, and was achieved despite the recording of R&D expenses required by the medium-term plan, as well as increases in DX-related, personnel and other expenses.
- Despite the recording of gain on the sale of investments in the capital of a US subsidiary as extraordinary income in the same period of FY2024, net income attributable to owners of parent increased compared to the same period of FY2024 thanks to higher operating income.

Reference: The impact of foreign exchange rate fluctuations (compared to FY2024)
(0.6) billion yen for net sales
(0.0) 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.

(Billions of yen)

	FY2024 Q1 (A)	FY2025 Q1 (B)	Difference (B) - (A)	Difference % Change	
Orders received	**95.7**	**89.7**	**(5.9)**	*(6.2)*	
	89.5		0.2	*0.3*	*
Net sales	**65.5**	**62.0**	**(3.4)**	*(5.3)*	
	61.1		0.9	*1.6*	*
Japan	**48.6**	**50.4**	**1.7**	*3.7*	
Overseas	**16.9**	**11.6**	**(5.2)**	*(31.2)*	
Gross profit	**27.2**	**28.3**	**1.0**	*3.9*	
Margin	*41.6*	*45.7*	*4.1pp*		
SG&A	**21.4**	**21.2**	**(0.2)**	*(1.0)*	
	20.3		0.9	*4.5*	*
Operating income (loss)	**5.7**	**7.0**	**1.2**	*22.1*	
	5.7		1.3	*23.8*	*
Margin	*8.8*	*11.4*	*2.6pp*		
	9.3		*2.0pp*		*
Ordinary income (loss)	**6.8**	**7.4**	**0.5**	*8.3*	
Income (loss) before income taxes	**7.6**	**7.4**	**(0.1)**	*(2.3)*	
Net income (loss) attributable to owners of parent	**4.8**	**5.1**	**0.3**	*6.2*	
Margin	*7.4*	*8.4*	*0.9pp*		

* Orders received, net sales, SG&A, and operating income
The figures in the lower rows exclude the results of Azbil Telstar.

Financial Results by Segment

- **BA: Orders received decreased partly because there were fewer renewals of multi-year service contracts. Sales increased compared to the same period of FY2024 due to robust market conditions generating growth in the field of new buildings, and also to increased sales in the service field thanks to progress made with load-leveling initiatives. Segment profit improved significantly due to the effect of measures to enhance profitability, despite an increase in expenses.**
- **AA: Orders received were on a par with the same period of FY2024. This was owing to the slow recovery in the FA market, as well as the fact that large advance orders made at the end of FY2024 in the overseas PA market led to the fall in this period; however, the domestic PA market remained robust. Sales fluctuated in the overseas PA market due to large-scale projects, but overall sales were on a par with the same period of FY2024. Segment profit increased due to the effect of measures to enhance profitability, despite an increase in expenses.**
- **LA: Orders and sales decreased as a result of the exclusion of Azbil Telstar (ATL) from the Company's scope of consolidation. Segment profit decreased compared to the same period of FY2024 owing to the transfer of ATL, coupled with soaring prices for materials and increased expenses, although progress was made with measures to enhance profitability, including cost pass-through.**

(Billions of yen)

		FY2024 Q1 (A)	FY2025 Q1 (B)	Difference (B) - (A)	% Change	
BA	Orders received	**56.2**	**55.5**	**(0.7)**	***(1.3)***	
	Sales	**28.8**	**29.5**	**0.6**	***2.1***	
	Segment profit (loss)	**1.6**	**2.5**	**0.9**	***58.7***	
	Margin	***5.6***	***8.8***	***3.1pp***		
AA	Orders received	**24.2**	**24.1**	**(0.0)**	***(0.4)***	
	Sales	**25.0**	**24.8**	**(0.1)**	***(0.8)***	
	Segment profit (loss)	**3.9**	**4.3**	**0.3**	***10.0***	
	Margin	***15.6***	***17.3***	***1.7pp***		
LA	Orders received	**15.6**	**10.4**	**(5.1)**	***(32.9)***	
		9.4		1.0	*11.1*	*
	Sales	**12.0**	**8.0**	**(4.0)**	***(33.5)***	
		7.6		0.3	*5.1*	*
	Segment profit (loss)	**0.2**	**0.1**	**(0.0)**	***(32.1)***	
		0.1		(0.0)	*(2.6)*	*
	Margin	***2.1***	***2.1***	***0.0pp***		
		2.3		*(0.2)pp*		*

* Orders received, sales, and segment profit
The figures in the lower rows exclude the results of Azbil Telstar.

Segment Information: BA Business

Business environment

— In the domestic market, demand for new office buildings in urban redevelopment projects has leveled off at present; however, the market outlook is robust and demand is expected to continue at a high level. Demand for the retrofit of buildings also remains strong.

— In addition to the demand for energy savings and CO_2 reduction, there is a high level of interest in creating office environments that address safety concerns and are suited to new work styles.

— Investment continued to grow in the overseas market.

- **Orders received decreased compared to the same period of FY2024 because there were fewer renewals of multi-year service contracts compared to the same period of FY2024, despite growth in the overseas business.**
- **Sales increased compared to the same period of FY2024, due to robust market conditions generating growth in the field of new buildings, and also to increased sales in the service field thanks to progress made with load-leveling initiatives.**
- **Segment profit increased significantly compared to the same period of FY2024 due to the effect of measures to enhance profitability, including cost pass-through, and was achieved despite the recording of R&D expenses required by the medium-term plan, as well as increases in DX-related and personnel expenses, and higher outsourcing costs.**

(Billions of yen)

	FY2024 Q1 (A)	FY2025 Q1 (B)	Difference	
			(B) - (A)	*% Change*
Orders received	56.2	55.5	(0.7)	*(1.3)*
Sales	28.8	29.5	0.6	*2.1*
Segment profit (loss)	1.6	2.5	0.9	*58.7*
Margin	*5.6*	*8.8*	*3.1pp*	

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, although signs of recovery have been observed in some areas, the strength of demand varies by region and market, and overall the recovery remains subdued.

— We consider that any direct impact from the US reciprocal tariff policy on the azbil Group's financial results will be limited. However, the impact of these high tariffs on US-China trade friction, the macroeconomic environment, and exchange rates is unclear, and their effect on capital investment in the manufacturing industries is cause for concern.

- **Orders received were on a par with the same period of FY2024 owing to the slow recovery in the FA market, as well as the fact that large advance orders made at the end of FY2024 in the overseas PA market led to the fall in this period; however, the domestic PA market remained robust.**
- **Sales fluctuated in the overseas PA market due to large-scale projects, but overall sales were on a par with the same period of FY2024.**
- **Segment profit increased compared to the same period of FY2024 due to the effect of measures to enhance profitability, including cost pass-through, despite the recording of R&D expenses required by the medium-term plan, as well as increases in personnel and other expenses, coupled with increased investments in the overseas market and DX.**

(Billions of yen)

	FY2024 Q1 (A)	FY2025 Q1 (B)	Difference (B) - (A)	Difference % Change
Orders received	24.2	24.1	(0.0)	*(0.4)*
Sales	25.0	24.8	(0.1)	*(0.8)*
Segment profit (loss)	3.9	4.3	0.3	*10.0*
Margin	*15.6*	*17.3*	*1.7pp*	

Segment Information: LA Business

Business environment

— In the Lifeline field for gas and water meters, sales partly depend on the LP gas meter market, which exhibits cyclical fluctuations in demand. However, demand centering on city gas meters and water meters can be expected to remain basically stable, thanks primarily to demand for the replacement of meters as required by law.

— In the residential central air-conditioning systems market, soaring construction costs are affecting the groundbreaking for detached houses.

* The Company transferred all equity interests in ATL, which had played a central role in the Life Science Engineering field, on October 31, 2024. As the profit (loss) of ATL and its subsidiaries had been included in the Company's scope of consolidation until the end of the third quarter of FY2024, the transfer necessarily has a negative impact on LA business financial results for FY2025.

- **Owing to the impact of the transfer of Azbil Telstar (ATL), both orders received and sales decreased compared to the same period of FY2024. However, if the effect of the transfer is excluded, both increased.**
- **Segment profit decreased compared to the same period of FY2024 owing to the impact of the transfer of ATL, coupled with soaring prices for materials and increases in personnel and other expenses, despite the progress made with measures to enhance profitability, including cost pass-through.**

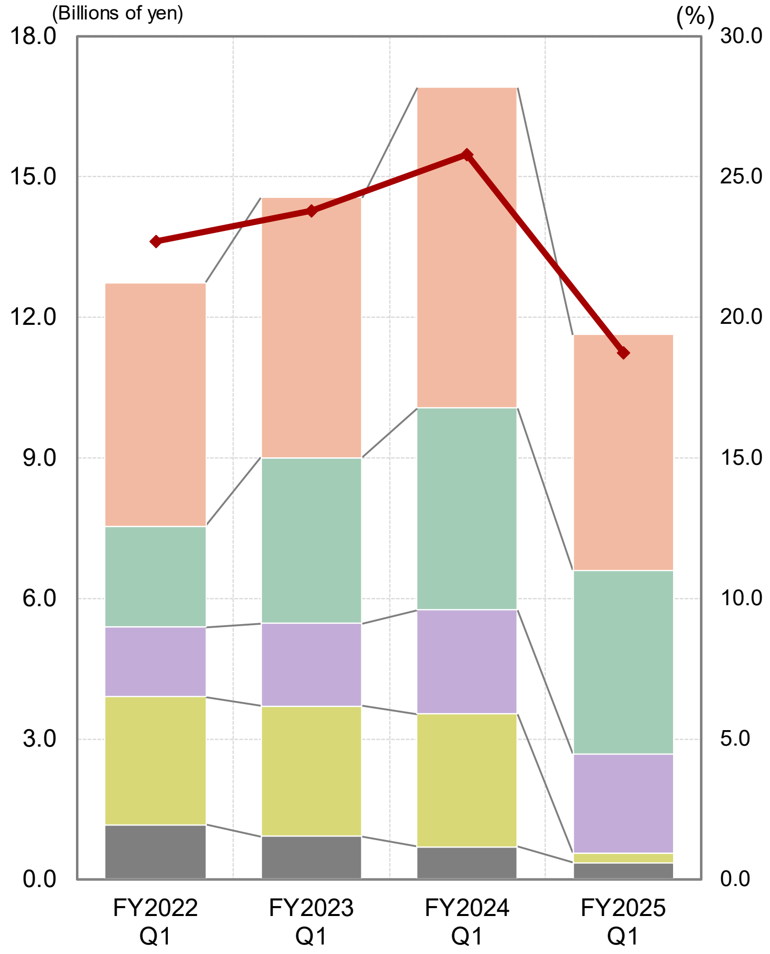
(Billions of yen)

	FY2024 Q1 (A)	FY2025 Q1 (B)	Difference (B) - (A)	Difference *% Change*	
Orders received	**15.6**	**10.4**	**(5.1)**	***(32.9)***	
	9.4		1.0	*11.1*	*
Sales	**12.0**	**8.0**	**(4.0)**	***(33.5)***	
	7.6		0.3	*5.1*	*
Segment profit (loss)	**0.2**	**0.1**	**(0.0)**	***(32.1)***	
	0.1		(0.0)	*(2.6)*	*
Margin	***2.1***	***2.1***	***0.0pp***		
	2.3		*(0.2)pp*		*

* Orders received, sales, and segment profit
The figures in the lower rows exclude the results of Azbil Telstar.

Overseas Sales by Region

- **Overseas sales decreased by 31.2% compared to the same period of FY2024 owing to the impact of the FY2024 transfer of Azbil Telstar (ATL). The overseas sales ratio was 18.8%.**
- **BA business sales decreased due to some recoil from large-scale projects in Asia in FY2024. AA business sales increased significantly in North America but decreased in Asia and China, so overall sales were on a par with the same period of FY2024. LA business sales decreased primarily in Europe and North America owing to the impact of the ATL transfer.**



(Billions of yen)

	FY2022 Q1	FY2023 Q1	FY2024 Q1 (A)	FY2025 Q1 (B)	Difference (B) - (A)	Difference % Change
Asia (ex-China)	5.1	5.5	6.8	**5.0**	(1.8)	(26.5)
China	2.1	3.5	4.3	**3.9**	(0.3)	(9.0)
North America	1.4	1.7	2.2	**2.1**	(0.1)	(4.9)
Europe	2.7	2.7	2.8	**0.2**	(2.6)	(92.8)
Others	1.1	0.9	0.6	**0.3**	(0.3)	(48.0)
Consolidated	12.7	14.5	16.9	**11.6**	(5.2)	(31.2)

Reference

	FY2022 Q1	FY2023 Q1	FY2024 Q1
ATL sales	4.7	4.3	4.4

Reference

		FY2022 Q1	FY2023 Q1	FY2024 Q1	FY2025 Q1
Overseas sales / Net sales ratio (%)		*22.7*	*23.8*	*25.8*	***18.8***
Average exchange rate	USD/JPY	116.34	132.40	148.62	**144.60**
	EUR/JPY	130.40	142.13	161.32	**163.81**
	CNY/JPY	18.31	19.34	21.47	**19.99**

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

Consolidated Financial Position

- **Assets: Trade receivables decreased because net sales concentrated in the fourth quarter and collections progressed in the first quarter.**
- **Liabilities: Long-term borrowings increased due to borrowing for a trust scheme of funds necessary for the acquisition of the Company's own stock in connection with the readoption of the Trust-Type Employee Shareholding Incentive Plan. Meanwhile, current liabilities, including provision for bonuses and income taxes payable, decreased.**
- **Net assets: Net assets decreased due to the payment of dividends, in addition to the repurchase of the Company's own stock and the acquisition and sales of the Company's own stock for the Trust-Type Employee Shareholding Incentive Plan, despite the recording of net income attributable to owners of parent.**

(Billions of yen)

	As of Mar. 31, 2025 (A)	As of Jun. 30, 2025 (B)	Difference (B) - (A)
Current assets	**230.7**	**210.3**	**(20.3)**
Cash and deposits	88.4	88.4	(0.0)
Trade receivables	91.7	71.4	(20.2)
Securities	6.4	4.0	(2.4)
Inventories	37.6	39.8	2.2
Other	6.5	6.5	0.0
Non-current assets	**84.3**	**85.5**	**1.2**
Property, plant and equipment	41.1	41.0	(0.1)
Intangible assets	7.4	7.6	0.1
Investments and other assets	35.6	36.8	1.1
Total assets	**315.0**	**295.8**	**(19.1)**

	As of Mar. 31, 2025 (A)	As of Jun. 30, 2025 (B)	Difference (B) - (A)
Liabilities	**74.5**	**66.6**	**(7.9)**
Current liabilities	**67.7**	**52.4**	**(15.3)**
Trade payables	16.0	13.8	(2.2)
Short-term borrowings	4.8	4.8	(0.0)
Other	46.8	33.7	(13.0)
Non-current liabilities	**6.7**	**14.2**	**7.4**
Long-term borrowings	0.6	7.0	6.4
Other	6.1	7.1	1.0
Net assets	**240.5**	**229.2**	**(11.2)**
Shareholders' equity	**218.5**	**207.4**	**(11.1)**
Share capital	10.5	10.5	-
Capital surplus	12.2	12.2	-
Retained earnings	237.6	216.3	(21.3)
Treasury shares	(41.9)	(31.7)	10.1
Accumulated other comprehensive income	**18.6**	**18.9**	**0.3**
Non-controlling interests	**3.3**	**2.8**	**(0.4)**
Total liabilities and net assets	**315.0**	**295.8**	**(19.1)**

Shareholders' equity ratio (%)	**75.3**	**76.5**	***1.2pp***

2. Consolidated Financial Plan for FY2025

→No revision from the most recent announcement on May 13, 2025

Consolidated Financial Plan

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) from the Company's scope of consolidation following the transfer of equity interests (a decrease of 14.6 billion yen), operating income will increase for a fifth consecutive fiscal year.

- **Although there continues to be a high level of uncertainty due to factors such as inflation and rising costs, the BA business environment remains robust. In the AA business, although recovery in the FA market appears to be delayed, we still anticipate a gradual recovery within the current fiscal year.**
- **In addition to implementing investments for growth, we anticipate inflation as well as higher personnel expenses and other costs, but thanks to our initiatives to strengthen profitability and improve operational efficiency through DX, operating income is projected to increase.**
- **Net income attributable to owners of parent will decrease owing to the recording of gain on sale of ATL (7.6 billion yen) in FY2024.**

（Billions of yen）

	FY2024 Full year (results) (A)	FY2025 H1 (plan)	FY2025 H2 (plan)	FY2025 Full year (plan) (B)	Difference (B) - (A)	Difference % Change	
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

* Net sales, operating income, and margin
The figures in the lower rows exclude the results of Azbil Telstar.
(Sales: 14.6 billion yen / segment profit: 0.4 billion yen)

Financial Plan by Segment (1)

- **BA: Market conditions will remain robust. There will continue to be a large order backlog, and we expect increased revenue. 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: Robust demand in the PA market provides a firm foundation, and while recovery in the FA market appears to be delayed at present, we still anticipate its gradual recovery within the current fiscal year. Despite soaring prices for materials and increases in personnel and other expenses, we plan for increased revenue and profits thanks to measures to strengthen profitability.**
- **LA: In the Lifeline field growth is planned, but due to the impact of the transfer of Azbil Telstar (ATL) 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**	**17.0**	**17.5**	**34.5**	**(12.1)**	***(26.0)***	
		32.0				2.4	*7.8*	*
	Segment profit	**1.1**	**0.4**	**0.6**	**1.0**	**(0.1)**	***(14.6)***	
		0.7				0.2	*33.8*	*
	Margin	***2.5***	***2.4***	***3.4***	***2.9***	***0.4pp***		
		2.3				*0.6pp*		*

* LA business sales and segment profit
The figures in the lower rows exclude the results of ATL.

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Financial Plan by Segment (2)

BA

Market conditions will remain robust. There will continue to be a large order backlog, and we expect increased revenue. 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.

- Although large-scale projects affect quarterly results, the business environment, in Japan and abroad, will remain robust. Sustained by a large order backlog, we expect increased revenue in the fields of existing buildings, service, and overseas business, thanks to progress made with load-leveling initiatives.
- 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

Robust demand in the PA market provides a firm foundation, and, while recovery in the FA market appears to be delayed at present, we still anticipate its gradual recovery within the current fiscal year. Despite soaring prices for materials and increases in personnel and other expenses, we plan for increased revenue and profits thanks to measures to strengthen profitability.

- PA market conditions will remain robust, and, while the strength of recovery in the FA market varies by region and market, a gradual recovery within the current fiscal year is expected. With robust demand in the PA market providing a firm foundation, we plan to increase revenue by steadily capturing demand in the FA market as it gradually recovers.
- 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 (ATL) in FY2024, a decrease in overall revenue and profits is expected.

- In the Lifeline field, while steadily capturing demand for gas and water meter replacement as required by law, we plan to increase revenue by promoting the development of market related to smart metering as a service, and we also plan to increase profits on the back of this higher revenue and the effect of such measures as cost pass-through. Growth is also projected in the residential central air-conditioning systems field.
- For the overall LA business, owing to the impact of the transfer of ATL (a decrease of 14.6 billion yen in sales; a decrease of 0.4 billion yen in segment profit), both revenue and profits will decrease.

3. Returning Profits to Shareholders

→No revision from the most recent announcement on May 13, 2025

Basic Policy and FY2025 Shareholder Returns

We plan to increase the dividend for the eleventh consecutive year, with an annual dividend of 26 yen per share for FY2025; DOE will improve further to reach 5.6%.
In addition to the repurchase and cancellation of the Company's own stock, we also invest in human capital utilizing the 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 the cost of capital,*1 while actively investing in our businesses, R&D, equipment and facilities,*2 DX, and human capital. As regards shareholder returns, there are no changes to the plan for an increased dividend; the repurchase of own stock is ongoing; and the cancellation of treasury shares has been completed.

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 are repurchasing the Company's own stock to the value of
15.0 billion yen and **canceled treasury shares worth 20.0 billion yen.**

—In addition to stock scheduled for acquisition, an additional 5.0 billion yen were canceled. This was 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** acquired from the market*3 are utilized to readopt the Trust-Type Employee Stock Incentive Plan. (May 2025)

*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 28 for the trend of the investment in R&D, equipment and facilities.

*3 Acquired from May 29 to June 23.

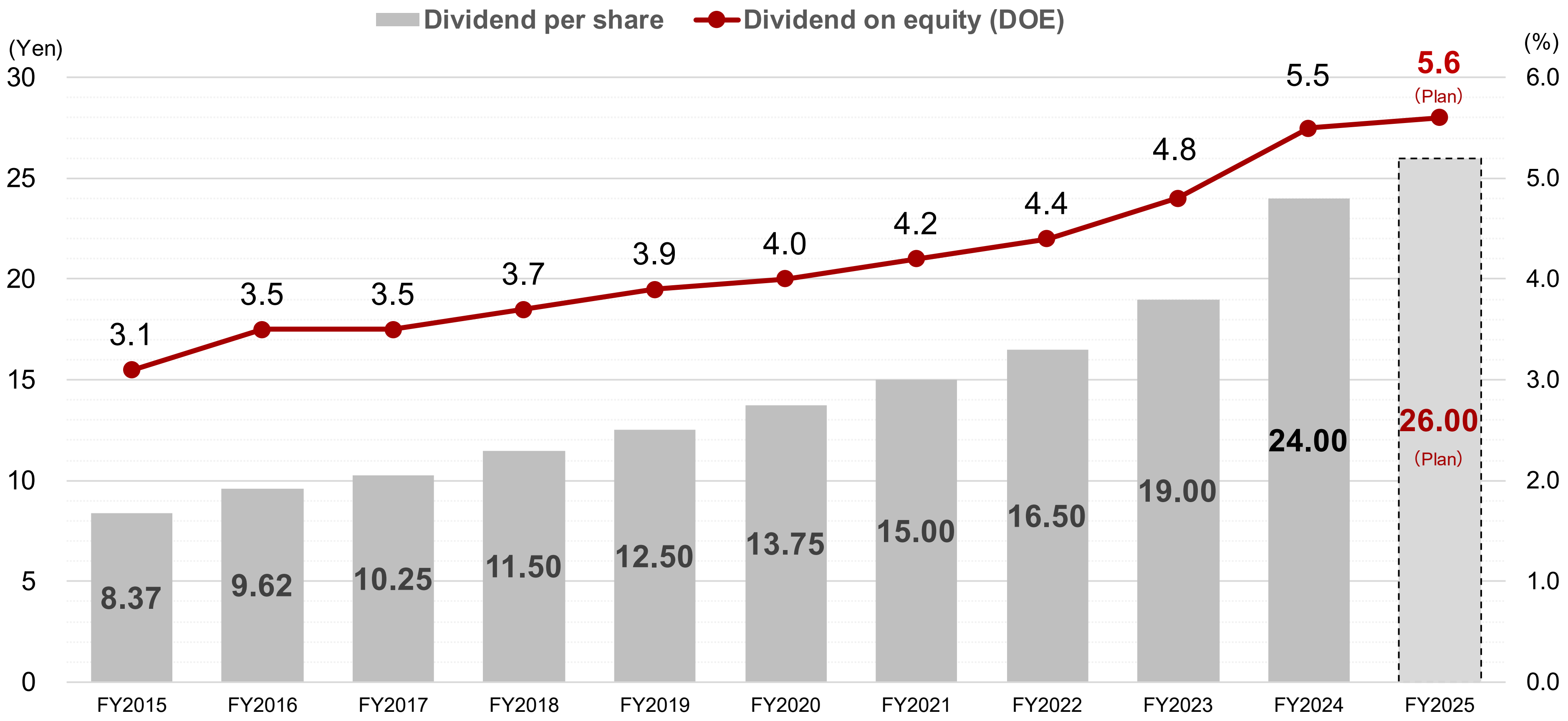
Basic Policy

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.

Trend of Shareholder Returns

- **In FY2025, it is planned to increase the annual dividend—for the eleventh consecutive year—by 2 yen to 26 yen per share from FY2024.**



	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
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 shares repurchased have been retroactively adjusted to take into account the effect of the stock split in October 2024 and in October 2018.

4. Medium-term Plan and Sustainability Management

Medium-term Plan (FY2025-2027)

- Under the medium-term plan (FY2025-FY2027), with its key themes of "Evolution" and "Co-creation," while actively making necessary investments in human capital, etc., we will achieve, with azbil's unique business model, both expanded sales and improved profitability, aiming to realize the well-being of society and Group employees through business expansion.
- Our long-term targets for FY2030 have been revised upward. Despite increasing uncertainty in the business environment, we aim for further expansion by exploring new growth markets, leveraging the positive effect of measures implemented to strengthen profitability from the previous medium-term plan and our long-standing strong relationships with customers. We will actively invest in human capital, product competitiveness, and DX promotion.
- In FY2025, the first year of the medium-term plan, excluding the impact of restructuring our business portfolio (the transfer of Azbil Telstar), we aim to achieve sales growth and increased profitability.

Growth

Transformation | Evolution and Co-creation

	FY2024	FY2025	FY2026 120th anniversary	FY2027	Long-term targets (Revised) (announced on May 13, 2025)
Net sales	300.3 billion yen 285.7 billion yen *1	297.0 billion yen		340.0 billion yen	420.0 billion yen
[overseas]	[63.1 billion yen] [48.5 billion yen] *1	[50.5 billion yen]		[62.0 billion yen]	[100.0 billion yen]
Operating income	41.4 billion yen	43.0 billion yen		51.0 billion yen	65.0 billion yen
Margin	13.8%	14.5%		15.0%	15.5%
ROE	17.9% *2	13.1%		14%	15%

Growth

Core

Cycling from growth to core and back to growth businesses

Long-term targets for sales and profits have been revised upward.

We plan to achieve our previous long-term profit margin target, announced in May 2021, 3 years ahead of schedule.

Long-term targets

FY2030

Through business expansion, we aim to realize the well-being of society and Group employees by making contributions that lead "in series" to a sustainable society.

*1 Net sales exclude the impact of the transfer of Azbil Telstar (ATL) in October 2024. Excluding the impact of the ATL transfer, operating income was 41.0 billion yen and operating income margin was 14.4%.
*2 ROE excluding the extraordinary gains from the transfer of equity interests in Azbil Telster and other factors was 14.2%.

The azbil Group's Unique Business Model

- We will achieve growth in core businesses based on our wide customer base (plants/factories, commercial buildings, lifeline utilities) established over the long term, and in our growth businesses, which harness new business opportunities that arise from technological advances such as in semiconductors, as well as social issues such as the pursuit of carbon neutrality. In our growth businesses, we focus on expanding markets (overseas) and increasing competitive advantages (enhancing product competitiveness).
- In our growth businesses, we enlarge our customer base, while in our core businesses we improve sustainability and profitability. By continually cycling from growth businesses to core businesses back to growth businesses, we aim to achieve sustained business expansion.
- In parallel with the above, we continue to evaluate and review our business portfolio from the perspective of the cost of capital.

Growth businesses

Businesses which operate in markets where there is demand for harnessing technological advances and resolving social issues. By introducing new products and services that are on the cutting edge, these businesses enlarge the customer base.

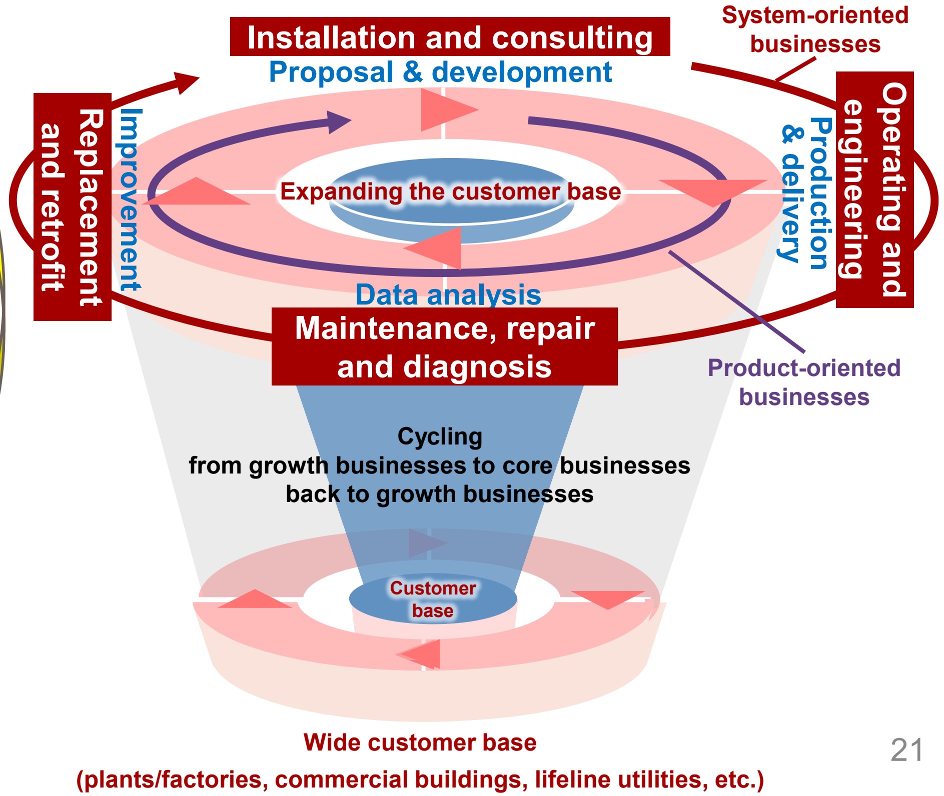
Examples: Cutting-edge products and services in each business

In the BA business, GX solutions for saving energy and utilizing renewable energy; in the AA business, MEMS sensors for semiconductor manufacturing equipment and other FA; and in the LA business, smart metering as a service

Core businesses

Businesses founded on an existing, long-established customer base, capable of sustainably improving profitability through DX promotion. We will realize growth through expansion of the customer base.

Example: Retrofit and servicing of existing systems based on the customer base of each business



The azbil Group's Materiality and its Own SDG Targets

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) Employees expressed satisfaction with working at azbil Group companies in FY2030: **65% or more**[*13] Increase the percentage of women in manegerial positions to **at least 10%**[*14] in FY2030 **Double** the percentage of female managers in the Group's domestic companies by FY2027, compared to FY2017 ● Developing and strengthening "an organization that never stops learning" Employees have experienced personal growth through their work in FY2030: **65% or more**[*13]
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, each department sets indicators and goals directly related to business as a CSR activity plan. The plan includes compliance enhancement, strengthening of response to legal requirements, disaster prevention and BCP, information leak prevention, proper accounting practices, creation of a healthy workplace, enhanced occupational health and safety, assurance of customer safety from product incidents, and respect for human rights. Progress on these initiatives is monitored through the azbil Group CSR Promotion Committee, ensuring maintenance and improvement of such initiatives. * With regard to corporate governance, in 2022 the company transitioned 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. - In 2025, the company strengthened its corporate governance by appointing an outside director as the chairperson of the Board of Directors and revising its remuneration policy for officers—expansion of the performance-linked component of the remuneration structure for corporate executives, revision of key performance indicators, and expansion of the scope of "Malus and Clawback policy." Please also refer to pages 30-31.

New indicators added for the percentage of female managers!

For notes, please refer to "Notes (2) and (3)" on pages 37-38.

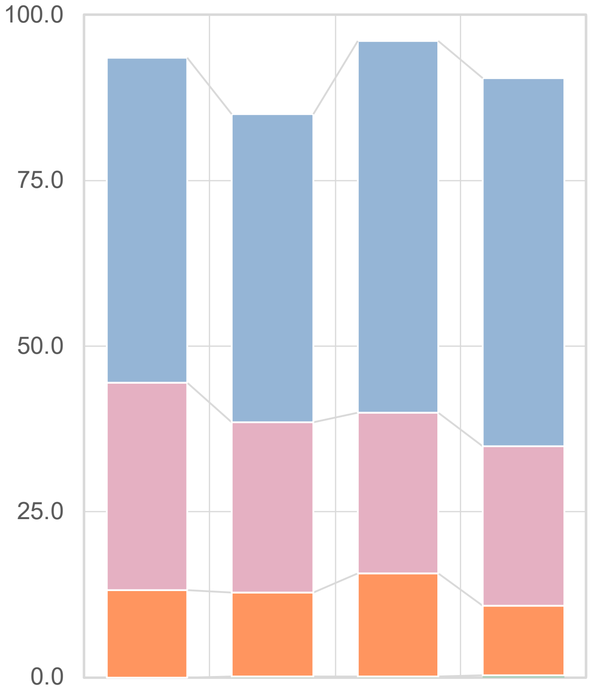
Appendix I
Financial Data

- Performance Trend by Segment ・・・24
- Capital Investment, Depreciation and R&D Expenses ・・・28

Performance Trend by Segment: Orders Received

Comparison to past results (Q1)

(Billions of yen)



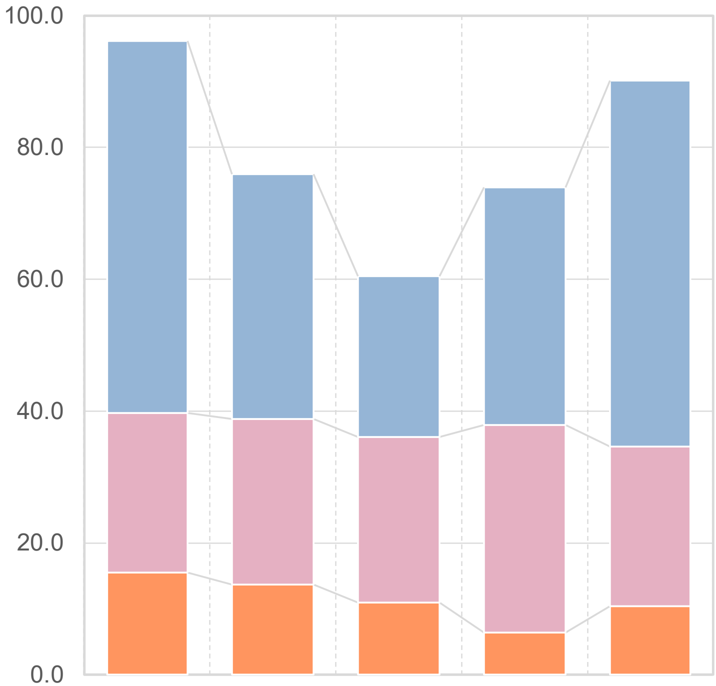
	FY2022 Q1	FY2023 Q1	FY2024 Q1	**FY2025 Q1**
B A	48.9	46.4	56.2	**55.5**
A A	31.2	25.7	24.2	**24.1**
L A	13.1	12.7	15.6	**10.4**
Consolidated	92.8	84.3	95.7	**89.7**

Orders received excluding Azbil Telstar

	FY2022 Q1	FY2023 Q1	FY2024 Q1	**FY2025 Q1**
L A	8.8	9.8	9.4	**10.4**
Consolidated	88.5	81.4	89.5	**89.7**

Quarterly (3 months)

(Billions of yen)



	FY2024				**FY2025**
	Q1	Q2	Q3	Q4	**Q1**
B A	56.2	37.0	24.3	36.0	**55.5**
A A	24.2	25.0	25.1	31.5	**24.1**
L A	15.6	13.8	10.9	6.4	**10.4**
Consolidated	95.7	75.4	60.0	73.5	**89.7**

Orders received excluding Azbil Telstar

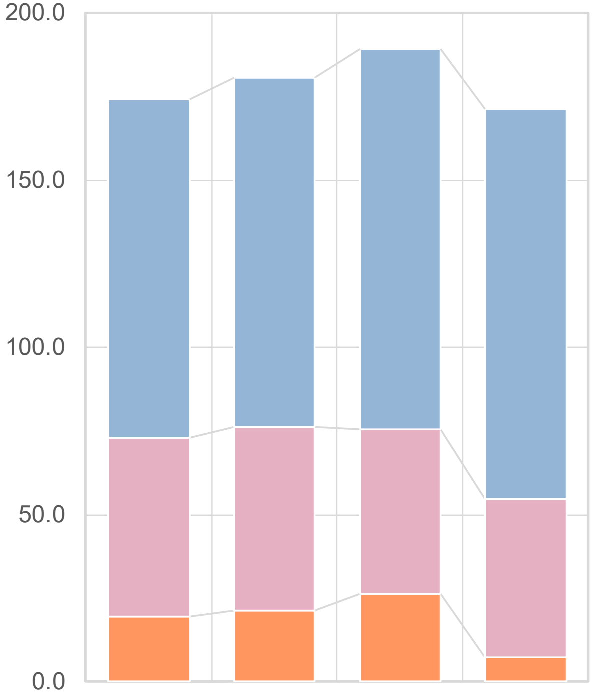
	FY2024 Q1	FY2024 Q2	FY2024 Q3	FY2024 Q4	**FY2025 Q1**
L A	9.4	7.6	7.7	6.4	**10.4**
Consolidated	89.5	69.2	56.8	73.5	**89.7**

Appendix I

Performance Trend by Segment: Order Backlog

■ Comparison to past results

(Billions of yen)



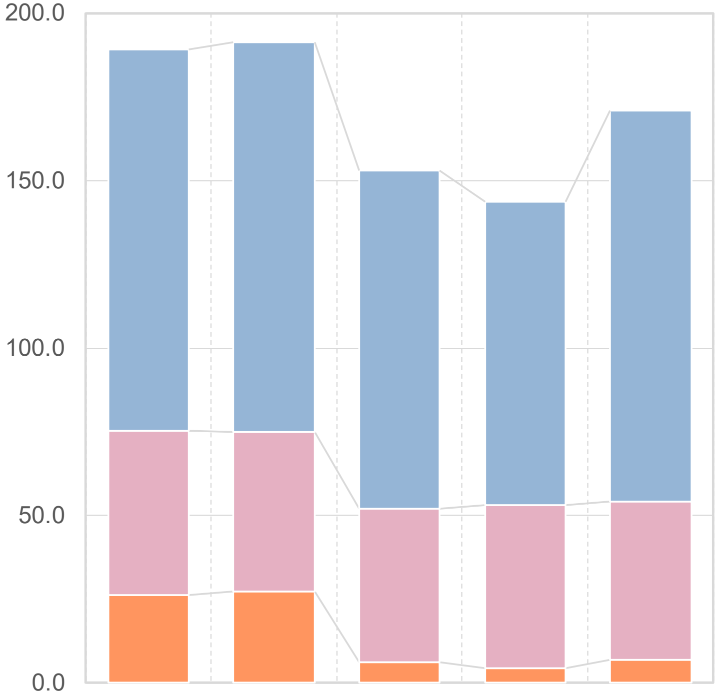
	FY2022 Q1	FY2023 Q1	FY2024 Q1	FY2025 Q1
B A	101.1	104.5	113.5	**116.6**
A A	53.4	54.6	49.0	**47.2**
L A	19.4	21.4	26.4	**7.1**
Consolidated	173.2	180.1	188.8	**170.7**

Order backlog excluding Azbil Telstar

	FY2022 Q1	FY2023 Q1	FY2024 Q1	FY2025 Q1
L A	6.1	7.4	7.1	**7.1**
Consolidated	159.9	166.1	169.5	**170.7**

■ Quarterly

(Billions of yen)



	FY2024				FY2025
	Q1	Q2	Q3	Q4	Q1
B A	113.5	116.3	101.1	90.3	**116.6**
A A	49.0	47.5	45.5	48.6	**47.2**
L A	26.4	27.3	6.3	4.5	**7.1**
Consolidated	188.8	190.8	152.7	143.3	**170.7**

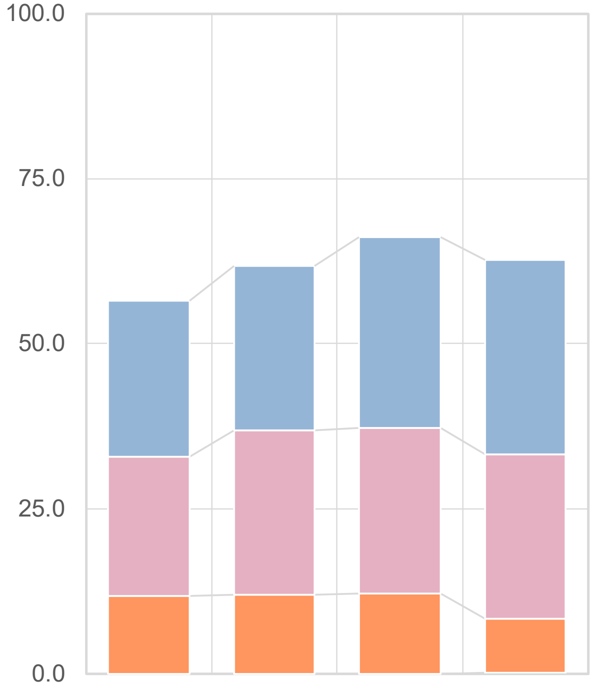
Order backlog excluding Azbil Telstar

	FY2024 Q1	FY2024 Q2	FY2024 Q3	FY2024 Q4	FY2025 Q1
L A	7.1	6.3	6.3	4.5	**7.1**
Consolidated	169.5	169.8	152.7	143.3	**170.7**

Performance Trend by Segment: Sales

Comparison to past results (Q1)

(Billions of yen)



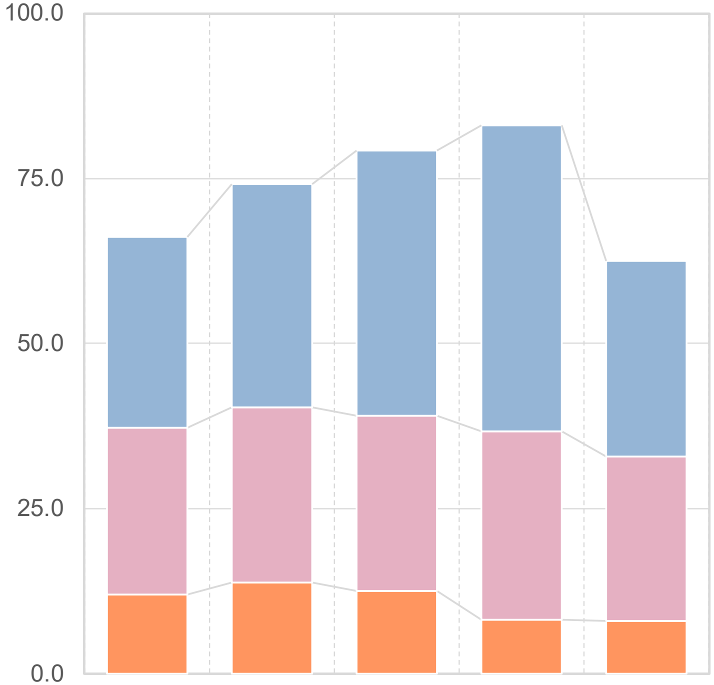
	FY2022 Q1	FY2023 Q1	FY2024 Q1	FY2025 Q1
B A	23.5	24.9	28.8	**29.5**
A A	21.1	24.8	25.0	**24.8**
L A	11.7	11.9	12.0	**8.0**
Consolidated	56.0	61.2	65.5	**62.0**

Sales excluding Azbil Telstar

	FY2022 Q1	FY2023 Q1	FY2024 Q1	FY2025 Q1
L A	7.0	7.6	7.6	**8.0**
Consolidated	51.3	56.8	61.1	**62.0**

Quarterly (3 months)

(Billions of yen)



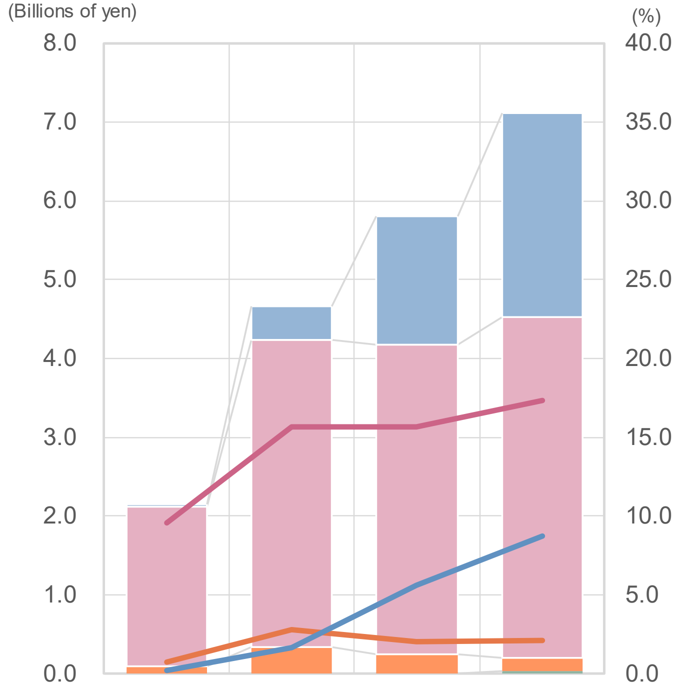
	FY2024				FY2025
	Q1	Q2	Q3	Q4	Q1
B A	28.8	33.6	40.0	46.2	**29.5**
A A	25.0	26.5	26.6	28.5	**24.8**
L A	12.0	13.8	12.5	8.1	**8.0**
Consolidated	65.5	73.7	78.6	82.4	**62.0**

Sales excluding Azbil Telstar

	FY2024 Q1	FY2024 Q2	FY2024 Q3	FY2024 Q4	FY2025 Q1
L A	7.6	8.3	7.8	8.1	**8.0**
Consolidated	61.1	68.2	73.9	82.4	**62.0**

Performance Trend by Segment: Segment Profit (Operating Income)

Comparison to past results (Q1)

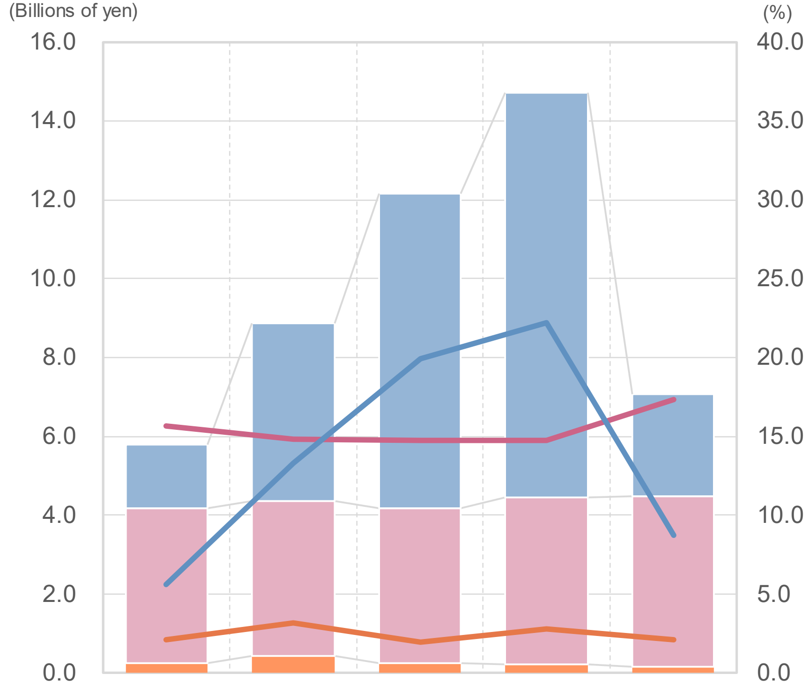


	FY2022 Q1	FY2023 Q1	FY2024 Q1	**FY2025 Q1**
B A	0.0	0.4	1.6	**2.5**
Margin	*0.2*	*1.7*	*5.6*	***8.8***
A A	2.0	3.8	3.9	**4.3**
Margin	*9.6*	*15.7*	*15.6*	***17.3***
L A	0.0	0.3	0.2	**0.1**
Margin	*0.7*	*2.8*	*2.1*	***2.1***
Consolidated	2.1	4.6	5.7	**7.0**
Margin	*3.9*	*7.6*	*8.8*	***11.4***

Segment profit excluding Azbil Telstar

L A	(0.0)	0.2	0.1	**0.1**
Consolidated	2.0	4.5	5.7	**7.0**

Quarterly (3 months)



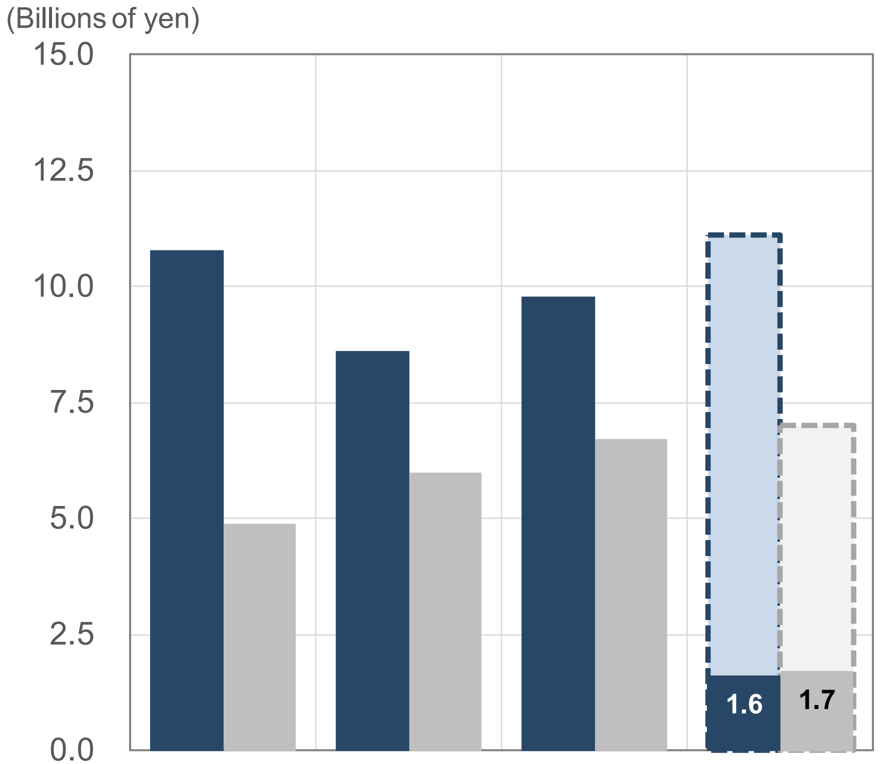
	FY2024				**FY2025**
	Q1	Q2	Q3	Q4	**Q1**
B A	1.6	4.4	7.9	10.2	**2.5**
Margin	*5.6*	*13.3*	*20.0*	*22.2*	***8.8***
A A	3.9	3.9	3.9	4.2	**4.3**
Margin	*15.6*	*14.8*	*14.8*	*14.7*	***17.3***
L A	0.2	0.4	0.2	0.2	**0.1**
Margin	*2.1*	*3.2*	*2.0*	*2.8*	***2.1***
Consolidated	5.7	8.8	12.1	14.6	**7.0**
Margin	*8.8*	*12.0*	*15.5*	*17.8*	***11.4***

Segment profit excluding Azbil Telstar

L A	0.1	0.2	0.1	0.2	**0.1**
Consolidated	5.7	8.6	12.0	14.6	**7.0**

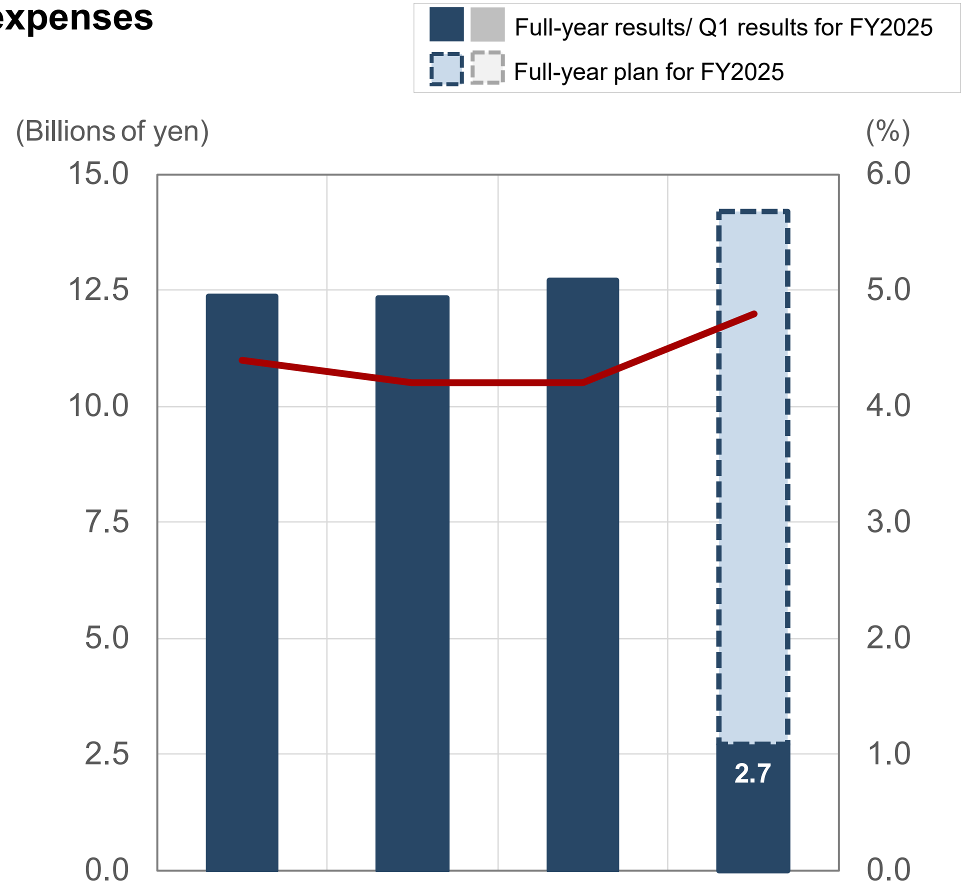
Capital Investment, Depreciation and R&D Expenses

■ 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**

Appendix II

Initiatives to Strengthen Corporate Governance, Returning Profits to Shareholders, Investing in Human Capital, Decarbonization Transition Plan

- Initiatives to Strengthen Corporate Governance ・・・30
- Returning Profits to Shareholders (FY2025 Annual Dividend Plan, Repurchase and Cancellation of Own Stock) ・・・32
- Investing in Human Capital ・・・34
- Decarbonization Transition Plan ・・・35

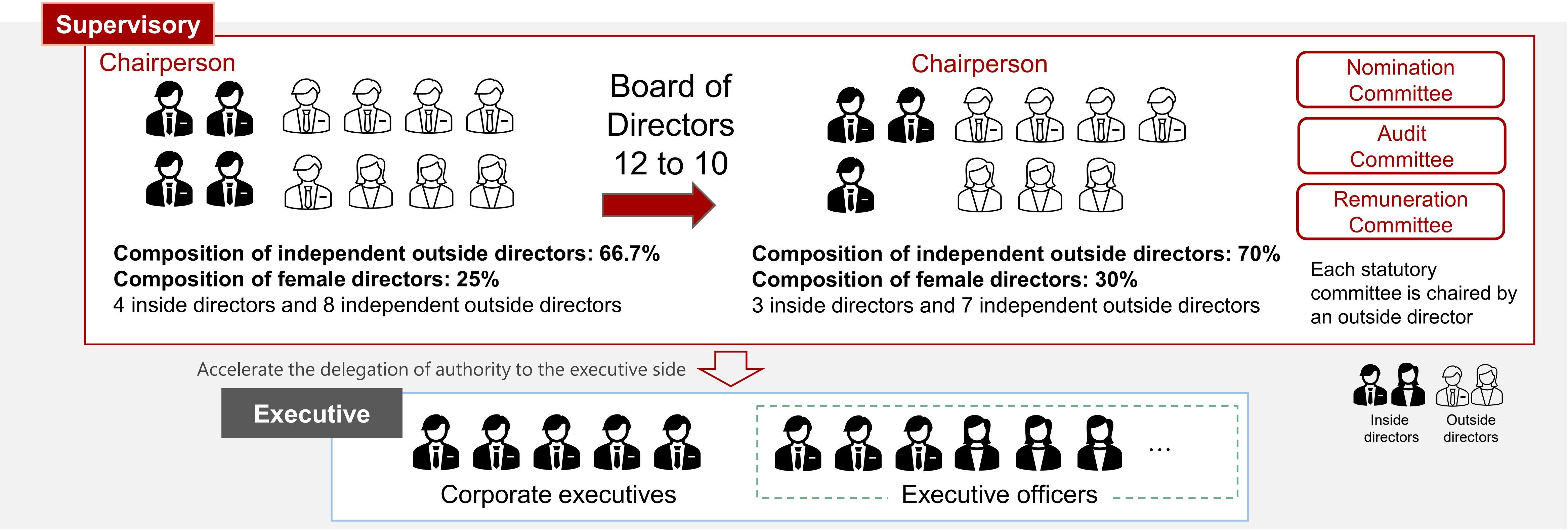
Strengthen Corporate Governance (1): Transition to a New Board Structure

- **Aiming to further strengthen the independence and supervisory function of Board of Directors**

➢ before June, 2022: Operated as a company with an audit & supervisory board

➢ June, 2022: Transitioned to a company with a three-committee board structure, with a non-executive inside director serving as chairperson (total 12 members)

➢ June, 2025: **An outside independent director assumes the chair**



Appendix II

Strengthen Corporate Governance (2): Revision of the Remuneration Policy for Officers

* Revisions are highlighted in red.

Further motivate corporate executives to achieve medium- and long-term performance targets and enhance the enterprise value under the medium-term plan

Expansion of the performance-linked component of the remuneration structure (Increase the relative percentage of bonuses and stock-based compensation)

- The remuneration structure for corporate executives consists of basic remuneration, which is a fixed monthly amount; bonuses, which are short-term incentives; and stock-based compensation*, which is a medium- to long-term incentive.
- To ensure a remuneration structure that motivates officers to achieve the medium- and long-term performance goals and enhance enterprise value, the incentive component of remuneration has been set at a high level.

  * For the continuance of the stock compensation plan, the company decided to make additional monetary contributions to the trust to fund the trust's acquisition of the stock expected to be required for future benefits. (August 2025)

(After) Example of president & CEO

Basic remuneration	Bonus	Stock-based compensation
	Incentives	

Basic remuneration: Bonus: Stock-based compensation = 1:1:1

(Before) Example of president & CEO

Basic remuneration	Bonus	Stock-based compensation

Basic remuneration: Bonus: Stock-based compensation = 4:3:3

Revision of key performance indicators (KPIs)

- Non-financial KPIs: "Employee engagement" "Diversity" and "Individual evaluation"

(Before) Example of president & CEO

Bonus KPIs	Evaluation weighting
Net sales	45%
Operating income	45%
Customer satisfaction, productivity & efficiency, HR development and organizational revitalization, CSR management, etc.	10%

(After) Example of president & CEO

Bonus KPIs		Evaluation weighting
Financials	Net sales	45%
	Operating income	45%
Non-financials	Employee engagement	2.5%
	Diversity (% of female managers)	2.5%
	Individual evaluation (customer satisfaction, productivity & efficiency, CSR management, etc.)	5%

- Set "ROE" as one of the KPIs to promote value sharing with shareholders in performance-linked amount (50%) of stock-based compensation

KPIs of stock-based compensation	Evaluation weighting
Relative TSR	50%
OP margin	30%
Effective CO_2 reduction	20%

KPIs of stock-based compensation		Evaluation weighting
Financials	Relative TSR (relative to TOPIX, including dividends)	50%
	ROE	30%
Non-financials	Effective CO_2 reduction	20%

Further enhance remuneration governance: expansion of the scope of "Malus and Clawback policy"

- If the financial results for a previous fiscal year are revised retrospectively, or if serious misconduct or a serious violation has occurred, the Company can deny the officer(s) responsible the incentive component of remuneration (malus), and may demand the return of the compensation already paid to them (clawback).

Appendix II

Shareholder Returns (1): FY2025 Annual Dividend Plan

FY2025 dividend	It is planned to 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%.

- **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 (FY2021-FY2024), 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 Actual	FY2025 Plan (May 13, 2025)
Interim	11.00 *1	**13.00**
Year-end	13.00	**13.00**
Annual	24.00	**26.00**
Payout ratio	30.8%	42.6% *2
Dividend on equity (DOE)	5.5%	5.6% *3

*1 A 4-for-1 stock split was implemented with an effective date of October 1, 2024. Figures in the chart above are those taking the stock split into account.

*2 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.

*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, 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.

Shareholder Returns (2): Repurchase of Own Stock and Cancellation of Treasury Shares

Repurchase of own stock	**The Company is repurchasing its own stock up to a maximum of 15.0 billion yen or 24.0 million shares.** * Stock repurchased as of July 31, 2025: 5,637,800 shares (7.4 billion yen)
Cancellation of treasury shares	**The cancellation of 19.3 million treasury shares, worth 20.0 billion yen, was completed.**

- **In view of the ROE figures set out in our long-term targets (FY2030) and the medium-term plan (FY2025-2027), we will engage in measures to expand business and strengthen profitability, and we are repurchasing own stock to practice disciplined capital management, improve capital efficiency, and increase shareholder returns.**
- **We canceled treasury shares worth 20.0 billion yen (19.3 million shares) including the unused portion (approximately 5.0 billion yen) of treasury shares repurchased in FY2024 that was intended for human capital investment (E-Ship®) in addition to the treasury shares under acquisition.**

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 canceled: Common stock of the Company
- Number of shares canceled: 19.3 million shares
- Amount of shares canceled: 20.0 billion yen
- Cancellation date: May 30, 2025

Reference

Status of treasury shares held as of June 30, 2025
- Total number of issued shares (excluding treasury shares): 525,360,060 shares
- Number of treasury shares: 16,012,676 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 16,179,792 shares as of June 30, 2025.

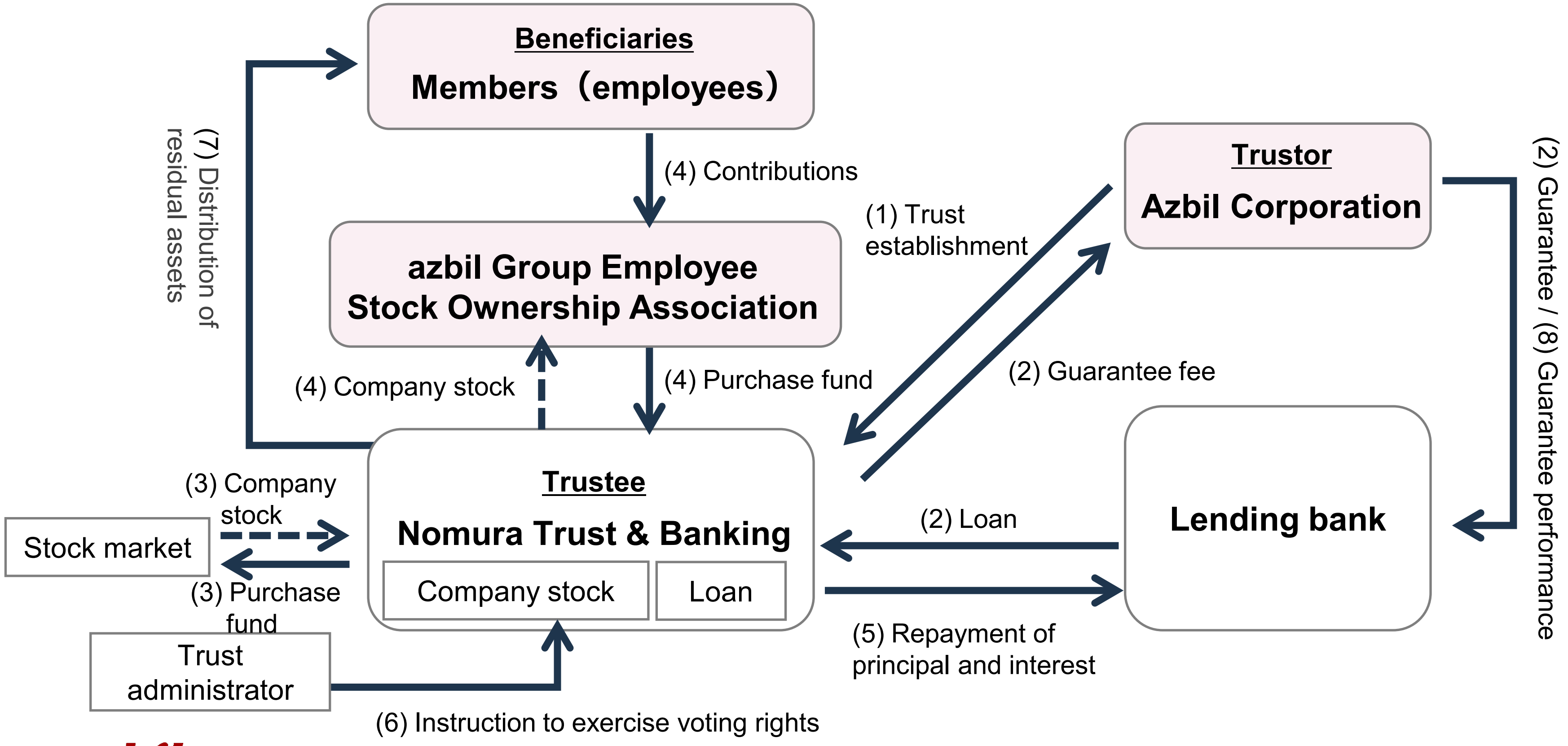
* E-Ship® is a registered trademark of Nomura Securities Co., Ltd.

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

Readoption of Trust-Type Employee Shareholding Incentive Plan (E-Ship®) (May 2025)

Further Increase Incentives to Employees Utilizing the Company Stock, 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 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 (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

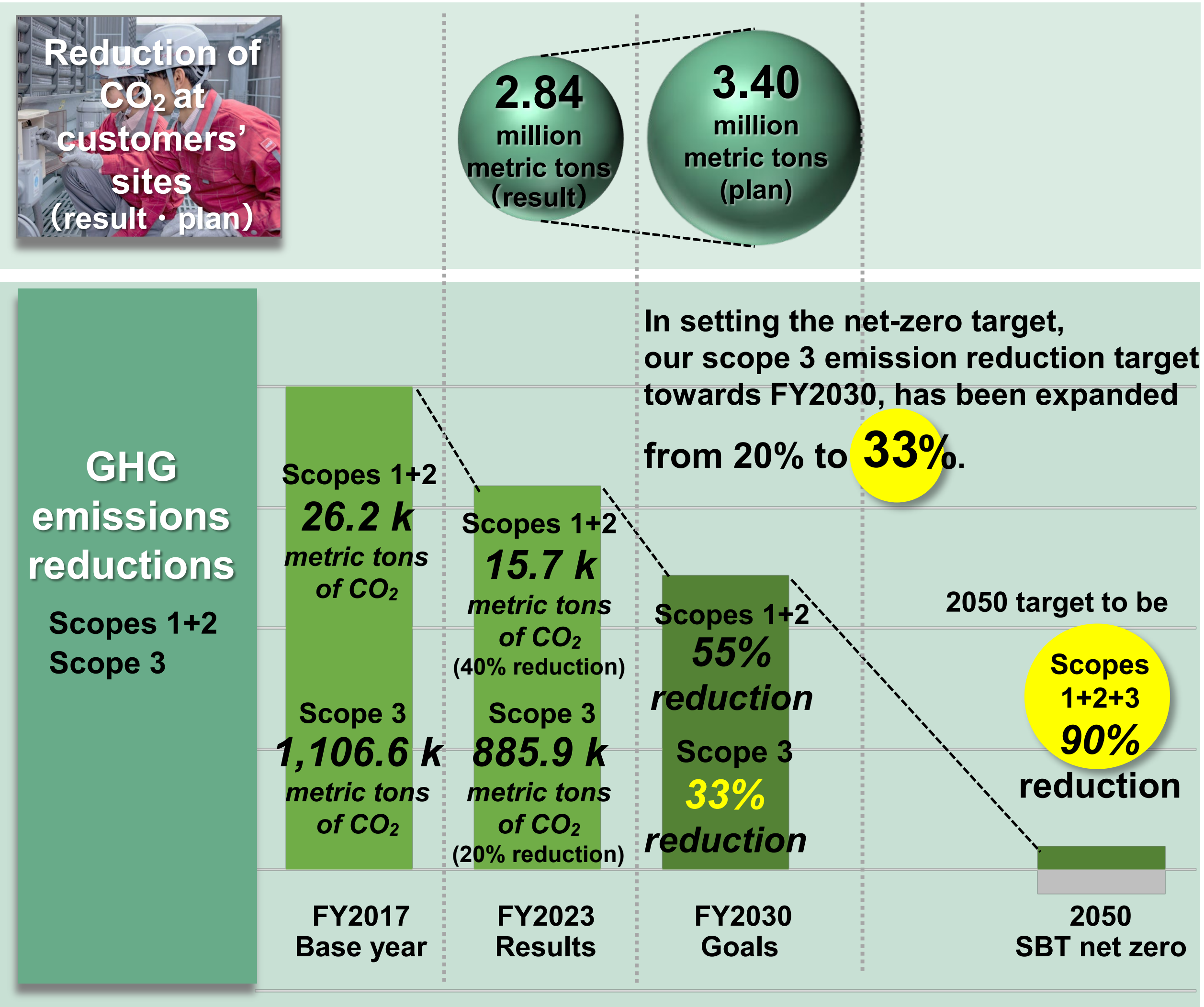
- The Plan will authorize the "azbil Group Employee Stock Ownership Association Trust Fund" (the "Fund").
- The Fund will acquire the expected number of the Company's stock to be acquired by the Association, in advance for a set period of time (currently estimated at approximately three years).
- The 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.

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

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)

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

   ・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 **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.

*14 **Percentage of women in managerial positions:** The 10% target for female managers applies to Azbil Corporation.

IR Inquiries and Disclaimer

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Disclaimer

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