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Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026 (Based on Japanese GAAP)

November 5, 2025

Company name: Azbil Corporation
 Stock exchange listing: Tokyo Stock Exchange Prime market (Code 6845)
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 Scheduled date to file Semi-annual Securities Report: November 10, 2025
 Scheduled date to commence dividend payments: December 5, 2025
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	132,897	(4.6)	17,718	21.0	18,320	24.9	13,463	23.0
Six months ended September 30, 2024	139,252	5.6	14,640	12.8	14,667	2.5	10,944	(8.3)

Note: Comprehensive income Six months ended September 30, 2025 16,721 million yen 63.8%
 Six months ended September 30, 2024 10,208 million yen (36.9)%

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2025	26.37	—
Six months ended September 30, 2024	20.74	—

Note: Azbil Corporation (“the Company”) implemented a 4-for-1 common stock split effective on October 1, 2024. “Net income per share” has been calculated as if the stock split had been implemented at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	299,928	233,821	77.0
As of March 31, 2025	315,072	240,517	75.3

Reference: Shareholders' equity As of September 30, 2025 231,074 million yen
 As of March 31, 2025 237,205 million yen

2. Dividends

	Dividend per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	—	44.00	—	13.00	—
Year ending March 31, 2026	—	13.00			
Year ending March 31, 2026 (forecast)			—	13.00	26.00

Note: Revisions to the dividend forecast most recently announced: No

The total annual dividend for the year ended March 31, 2025 is left blank, shown as a “—”. This is due to the following reasons. The Company implemented a 4-for-1 common stock split effective on October 1, 2024. As regards dividend per share for the year ended March 31, 2025, the 2nd quarter-end dividend is applied to shares held prior to the stock split, while the fiscal year-end dividend is applied to shares held after the stock split. If the stock split were taken into account, the total annual dividend for the year ended March 31, 2025 would be 24.00 yen per share.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	298,000	(0.8)	45,500	9.7	45,500	7.9	33,500	(18.2)	65.86

Note: Revisions to the consolidated financial results forecast most recently announced: No

* The Company announced a revision to its consolidated financial results forecast on October 30, 2025, which was initially released on May 13, 2025.

The Company is currently in the process of repurchasing its own stock and has readopted a Trust-Type Employee Shareholding Incentive Plan, pursuant to the resolution of the Board of Directors meeting held on May 13, 2025. Also, the Company canceled treasury shares on May 30, 2025. The impact of these matters as of September 30, 2025 has been taken into account for "Net income per share" in the forecast of consolidated financial results. For details, please see "Notes regarding significant change in shareholders' equity" in "2. Semi-annual consolidated financial statements and related notes (4) Notes to the semi-annual consolidated financial statements" on page 18 of the accompanying document.

* Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2025: Yes
Newly included: one company (Azbil Information Technology Center (Dalian) Co., Ltd.)

(2) Application of special accounting methods for preparing consolidated semi-annual financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

a. Changes in accounting policies accompanying revision of accounting standards, etc.: No
b. Changes in accounting policies other than (a) above: No
c. Changes in accounting estimates: No
d. Retrospective restatements: No

(4) Number of issued shares (common stock)

a. Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	541,372,736 shares	As of March 31, 2025	560,672,736 shares
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b. Number of treasury shares at the end of the period

As of September 30, 2025	32,746,089 shares	As of March 31, 2025	43,892,273 shares
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c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	510,465,273 shares	Six months ended September 30, 2024	527,706,383 shares
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Notes: 1. The Company implemented a 4-for-1 common stock split effective on October 1, 2024. The total number of issued shares, the number of treasury shares and the average number of shares during the period have been calculated as if the stock split had been implemented at the beginning of the previous fiscal year.

2. The Company has introduced an employee stock ownership plan, a Trust-Type Employee Shareholding Incentive Plan and a stock compensation plan. The number of treasury shares at the end of the period includes the Company's stock held by trust accounts of these plans (10,658,781 shares as of September 30, 2025; 11,908,397 shares as of March 31, 2025). Also, the Company's stock held by these trust accounts is included in treasury shares that are deducted in the calculation of the average number of shares during the period (14,480,908 shares for the six months ended September 30, 2025; 9,730,869 shares for the six months ended September 30, 2024).

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Regarding the appropriate use of forecast, etc.

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.

The forecast of the azbil Group is based on currently available information and some reasonable assumptions. Due to various factors, actual results may differ from those discussed in this document. For information on the forecast of financial results, please see “1. Overview of financial results and others (3) Forecast of consolidated financial results” on page 9 of the Accompanying document.

* How to obtain supplementary materials on financial results

Supplementary materials on financial results are available on the Company’s website.

Accompanying document

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1. Overview of financial results and others

Based on the Group philosophy of “human-centered automation”, the azbil Group strives—through business expansion—to contribute “in series” to the achievement of a sustainable society. In this way we aim to continuously improve enterprise value, endeavoring to realize the well-being of society as well as group employees, while building relationships of trust with all stakeholders.

Consequently, we have set long-term targets ^{Note 1} for FY2030, aiming to achieve net sales of 420.0 billion yen, operating income of 65.0 billion yen, an operating margin of 15.5%, and an ROE of 15%. To achieve these long-term targets, the medium-term plan (FY2025–FY2027) ^{Note 2} sets the following as targets for FY2027, the final year of the plan: net sales of 340.0 billion yen, operating income of 51.0 billion yen, an operating margin of 15.0%, and an ROE of 14.0%.

With a view to attaining our long-term targets for FY2030, this medium-term plan represents our commitment to “Evolution and Co-creation” aimed at contributing “in series” to the achievement of a sustainable society. Faced with global geopolitical risks, the impact of U.S. tariff policies, inflation and other challenges, we anticipate that considerable uncertainty will continue to affect the business environment. Nevertheless, while working to enhance profitability in our core businesses—based on the strong relationships built up over many years with our extensive customer base (factories, plants, commercial buildings, lifeline utilities, etc.)—we see fresh business opportunities in solving social issues that arise from new technological innovations, such as in semiconductors, and from changes in the social environment, such as initiatives to achieve carbon neutrality. By focusing on these growth businesses, we aim to achieve future business expansion.

In addition, by developing new customers in our growth businesses and providing them with a steady supply of products and services, we will expand the customer base in our core businesses and, moreover, we will realize growth by providing these customers with solutions to the new issues facing them. In this way, the azbil Group characteristically creates a business cycle in which growth leads to strengthening the core business which in turn generates more growth. We will actively invest in strengthening our human capital, enhancing product competitiveness, and advancing DX in order to consolidate and enhance this unique business model. Specifically, we will engage in securing and training human resources that align with our business strategy, developing highly competitive products as well as DX-related products and services that satisfy customer needs, enhancing operational efficiency and profitability through the application of DX to in-house operations, and strengthening our global production system.

Moreover, we will continue to ensure management that is conscious of the cost of capital, restructuring and optimizing our business portfolio, and at the same time implementing sustainability management. We have identified materiality as ten material issues across five areas, and we have established the essential goals of the azbil Group for the SDGs as well as the goal of discharging the fundamental obligations that a company must fulfill in order to continue to exist in society. We will advance initiatives to achieve these goals.

Starting from the results achieved under the previous medium-term plan, we will endeavor to realize the well-being of society as well as group employees through business expansion, by making contributions that lead “in series” to a sustainable society, based on the themes of “Evolution and Co-creation.”

Notes 1: On May 14, 2021, the azbil Group published its long-term targets; these were revised upwards on May 13, 2025.

2: On May 13, 2025, the azbil Group published its medium-term plan (FY2025–FY2027).

(1) Overview of financial results

The business environment for the azbil Group for the six months ended September 2025 was as follows.

In the field of heating, ventilation, and air conditioning (HVAC) control equipment/systems for large-scale buildings in Japan, strong demand driven by urban redevelopment plans has continued while retrofit demand, including interest in solutions for energy saving and lower CO₂ emissions, has remained strong. As regards equipment/systems for production facilities, demand remained firm thanks to the decarbonizing of factories/plants and the promotion of DX, but demand in factory automation (FA) markets was seen to vary depending on the region and market.

As a result, financial results for the six months ended September 2025 were as follows.

Orders received were 165,046 million yen overall, down 3.6% on the 171,126 million yen recorded in the same period of FY2024. This, despite an increase in the Building Automation (BA) business, resulted from a significant drop in orders in the Life Automation (LA) business due to the transfer, in the previous consolidated fiscal year, of equity interests in Azbil Telstar, S.L.U. ^{Note 3} (hereinafter referred to as “Azbil Telstar”), a company which had played a central role in the Life Science Engineering field. For the same reason there was a sharp drop in LA business sales, resulting in net sales of 132,897 million yen, down 4.6% on the 139,252 million yen recorded in the same period of FY2024.

As regards profits, despite the recording of R&D expenses required by the medium-term plan, as well as increases in DX-related, personnel and other expenses, operating income was 17,718 million yen, up 21.0%, a significant increase on the 14,640 million yen recorded in the same period of FY2024; this was the result of measures to enhance profitability, including cost pass-through. Ordinary income—which improved significantly due to the growth in operating income and the recording of foreign exchange gains—was 18,320 million yen, a 24.9% increase compared to the same period of FY2024, when a figure of 14,667 million yen was recorded. Despite the recording of gain on the sale of investments in the capital of a U.S. subsidiary as extraordinary income in the same period of FY2024, net income attributable to owners of parent rose to 13,463 million yen, up 23.0% on the 10,944 million yen recorded in the same period of FY2024.

(Millions of yen)

	Six months ended Sep. 30, 2024 (Apr. 1, 2024 to Sep. 30, 2024)	Six months ended Sep. 30, 2025 (Apr. 1, 2025 to Sep. 30, 2025)	Difference	
			Amount	Rate
Orders received	171,126	165,046	(6,080)	(3.6)%
Net sales	139,252	132,897	(6,355)	(4.6)%
Operating income [Margin]	14,640 [10.5%]	17,718 [13.3%]	3,078 [2.8pp]	21.0%
Ordinary income	14,667	18,320	3,652	24.9%
Net income attributable to owners of parent [Margin]	10,944 [7.9%]	13,463 [10.1%]	2,518 [2.3pp]	23.0%

Note 3: Azbil Corporation transferred all equity interests in Azbil Telstar on October 31, 2024 (Central European Time). As a result of this transfer, Azbil Telstar and its subsidiaries were excluded from the Company's scope of consolidation at the end of the third quarter of the fiscal year ended March 31, 2025.

What follows are management's assessment of the results for each segment, together with our analysis and conclusions.

Building Automation (BA) Business

Regarding the BA 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 good 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 CO₂ reduction, there is a high level of interest in creating office environments that address safety concerns and are suited to new work styles. Investment has been also robust in overseas markets.

In this robust business environment, we have made progress with assigning personnel and other resources appropriately. We have also strengthened our job execution capabilities, mainly at construction and service sites. At the same time, we have made progress with year-round load leveling while improving efficiency by advancing DX. By steadily processing the orders we have obtained, we have increased sales. In addition, we have been developing products and services to meet the needs of customers, in Japan and abroad, looking to harness such technologies as AI and cloud computing. We have also strengthened our solution capabilities by partnering with other companies to expand into the market for data centers, which are in increasing demand.

Consequently, the financial results of the BA business for the six months ended September 2025 were as follows.

Orders received increased to 100,623 million yen, up 7.9% on the 93,293 million yen recorded in the same period of FY2024. This was because, in addition to significant growth in the field of existing buildings, large-scale projects led to an increase in orders for the overseas business, and strong market conditions saw orders also increase for the service field, despite there being few

renewals of multi-year service contracts. Sales were 64,545 million yen, up 3.2% on the 62,531 million yen recorded in the same period of FY2024, due to sales remaining at a high level in the field of new buildings, and also to steady sales growth in the fields of existing buildings and service thanks in part to progress made with load-leveling initiatives, despite a decline in the overseas business owing to the fact that large-scale projects were recorded in the same period of FY2024. Segment profit was 8,340 million yen, up 36.3% on the 6,117 million yen recorded in the same period of FY2024; this significant improvement was due to higher revenue leading to increased profit, and 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.

In the medium to long term, large-scale redevelopment projects will continue to be planned, and numerous building retrofit projects are also expected. While strengthening our unique solution capabilities by developing cloud applications that harness new technologies such as AI, we will focus on the energy service provider (ESP) business to meet customer needs for making energy savings and using renewable energy in their drive to achieve carbon neutrality. We are also aiming to achieve further expansion of the data center market, which is attracting increasing investment. These initiatives may encompass business alliances with other companies. Furthermore, in overseas markets we will realize business growth by developing a customer base comprised of local building owners, global account customers, etc. In parallel with these business expansion measures, we will aim to further enhance efficiency and strengthen our profit structure by advancing DX with building information modeling (BIM), as well as by developing and launching products that reduce or even eliminate construction work.

(Millions of yen)

	Six months ended Sep. 30, 2024 (Apr. 1, 2024 to Sep. 30, 2024)	Six months ended Sep. 30, 2025 (Apr. 1, 2025 to Sep. 30, 2025)	Difference	
			Amount	Rate
Orders received	93,293	100,623	7,330	7.9%
Sales	62,531	64,545	2,013	3.2%
Segment profit [Margin]	6,117 [9.8%]	8,340 [12.9%]	2,222 [3.1pp]	36.3%

Advanced Automation (AA) Business

Looking at market trends, in Japan and abroad, that are relevant to the AA business, the process automation (PA) market remained robust, mainly due to domestic demand for maintenance and refurbishment. In the 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. Direct impact from the U.S. reciprocal tariff policy on the azbil Group's financial results has been limited. However, the impact of these high tariffs on U.S.-China trade friction, the macroeconomic environment, and exchange rates is unclear, and their effect on capital investment in the manufacturing industries gives cause for concern.

Amidst this business environment, we have taken solutions cultivated in our domestic business and deployed them globally. Simultaneously, to address the demand for new measurement and control technologies, we have expanded our business through the creation of

new automation by making use of the Group's unique technologies, such as those related to microelectromechanical systems (MEMS)^{Note 4} sensors, control valves, and plant autonomy. At the same time, we have continued efforts to further strengthen profitability by improving the cost of products and services, and implementing cost pass-through.

Consequently, the financial results of the AA business for the six months ended September 2025 were as follows.

Orders received decreased 47,007 million yen, down 4.7% on the 49,323 million yen recorded in the same period of FY2024. This reflects the impact of the sluggish recovery in the FA market, as well as the fact that large advance orders made at the end of the previous consolidated fiscal year in the overseas PA market led to a fall in this period; however, the domestic PA market remained robust and orders increased. As regards sales, there was a decline in the domestic FA market but increases in the PA market, in Japan and overseas. As a result, overall sales increased to 52,999 million yen, up 2.7% on the 51,614 million yen recorded in the same period of FY2024. Segment profit was 9,042 million yen, up 15.1% on the 7,852 million yen recorded in the same period of FY2024. This significant improvement was due to such factors as 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 personnel and other expenses, coupled with increased investments in the overseas market and DX.

While the recovery in the FA market is taking time, steady progress is being made with two growth initiatives—business expansion overseas and the creation and expansion of new automation. Over the medium to long term, despite the fluctuations caused by economic cycles, there will be demand for solutions to societal needs—to achieve decarbonization, increasingly sophisticated production, and safe/stable operations, as well as to address the challenges presented by labor shortages and aging facilities. Consequently, the areas in which we can effectively contribute are expanding, particularly where measurement and control are concerned, and further business growth is anticipated. Based on the three AA business sub-segments (CP, IAP, and SS),^{Note 5} we will continue to pursue a variety of initiatives to enhance profitability, such as reducing product costs and optimizing selling prices. At the same time, we will promote expansion into growth areas such as our overseas business; we will accelerate the development and market introduction of products/services that incorporate advanced technologies such as AI, cloud computing, and MEMS; and we will create new automation that will be uniquely served by the azbil Group. In these ways we will aim to achieve business growth with extremely competitive offerings.

(Millions of yen)

	Six months ended Sep. 30, 2024 (Apr. 1, 2024 to Sep. 30, 2024)	Six months ended Sep. 30, 2025 (Apr. 1, 2025 to Sep. 30, 2025)	Difference	
			Amount	Rate
Orders received	49,323	47,007	(2,316)	(4.7)%
Sales	51,614	52,999	1,385	2.7%
Segment profit [Margin]	7,852 [15.2%]	9,042 [17.1%]	1,189 [1.8pp]	15.1%

Notes 4: Devices built using microfabrication technology to integrate sensors, actuators, and electronic circuits on substrates

5: The three AA business sub-segments (management accounting sub-segments)

CP business: Control Product business (supplying FA products such as controllers and sensors)

IAP business: Industrial Automation Product business (supplying PA products such as differential pressure transmitters, pressure transmitters, and control valves)

SS business: Solution and Service business (offering control systems, engineering service, maintenance service, energy-saving solution service, etc.)

Life Automation (LA) Business

The LA business covers two fields: Lifeline (gas/water meters, etc.), and Lifestyle-related (residential central air-conditioning systems). The business environment differs for each field.

In the Lifeline field, 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 groundbreaking for detached houses.

Amidst this business environment, with the business foundation underpinned by the stable meter replacement demand required by law, we are engaged in developing services that utilize data from smart meters, while continuing with measures to enhance profitability, including cost pass-through.

It should be noted that, as part of restructuring our business portfolio, on October 31, 2024, the Company transferred all equity interests in Azbil Telstar, which had played a central role in the Life Science Engineering field. As Azbil Telstar and its subsidiaries were 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 the consolidated financial results for the current fiscal year.

Consequently, the financial results of the LA business for the six months ended September 2025 were as follows.

Orders received were 18,187 million yen, down 38.2% on the 29,429 million yen recorded in the same period of FY2024; this was due to the transfer of equity interests in Azbil Telstar (a decrease of 12,300 million yen). Similarly, this transfer impacted sales (a decrease of 9,900 million yen), which were 16,092 million yen, 38.0% down on the 25,976 million yen recorded in the same period of FY2024. Although measures were taken to enhance profitability, including cost pass-through, and reduce expenses were implemented, the impact of the transfer of equity interests, coupled with soaring prices for materials and increases in personnel and other expenses, resulted in segment profit decreasing to 306 million yen, down 55.9% compared to the 694 million yen recorded in the same period of FY2024.

In the LA business, we will engage in expanding our business by making new strategic investments and advancing collaborative initiatives with other companies^{Note 6}, etc. At the same time, aiming to achieve growth that allows for changes in the business environment, we will continue to implement measures to enhance profitability, including cost pass-through, and reexamine business processes through the lens of DX. In the Lifeline field, we are aiming to

achieve growth: with our core business based on stable replacement demand, as required by Japan's Measurement Act, we will promote the adoption of smart meters for gas and water as well as our smart metering as a service business, which integrates these with communications and cloud systems. In the residential central air-conditioning systems field, we will advance business by combining our service engineering capabilities with products that offer comfort, good air quality, and energy savings in a wide range of living spaces, from new houses to existing houses.

(Millions of yen)				
	Six months ended Sep. 30, 2024 (Apr. 1, 2024 to Sep. 30, 2024)	Six months ended Sep. 30, 2025 (Apr. 1, 2025 to Sep. 30, 2025)	Difference	
			Amount	Rate
Orders received	29,429	18,187	(11,241)	(38.2)%
Sales	25,976	16,092	(9,883)	(38.0)%
Segment profit [Margin]	694 [2.7%]	306 [1.9%]	(387) [(0.8)pp]	(55.9)%

Note 6: In July 2025, Azbil Kimmon Co., Ltd. in the Lifeline field formalized an agreement to collaborate with Kamstrup A/S (Head office: Denmark), which has a proven track record in the smart water metering field with services such as cloud-based leak detection.

Other

In Other business, principally our insurance agent business and software development business ^{Note 7} within the azbil Group, orders received in the six months ended September 2025 were 512 million yen (compared with 37 million yen for the same period of FY2024), sales were 484 million yen (compared with 36 million yen for the same period of FY2024), and segment profit was 62 million yen (compared with a segment loss of 12 million yen for the same period of FY2024).

Note 7: Owing to the increasing importance of Azbil Information Technology Center (Dalian) Co., Ltd., which undertakes software development within the azbil Group, it has been included in the Company's scope of consolidation from the semi-annual consolidated accounting period.

(2) Overview of financial position

Assets

Total assets as of September 30, 2025 stood at 299,928 million yen, a decrease of 15,143 million yen from the end of FY2024. This was mainly due to a decrease of 15,287 million yen in trade receivables.

Liabilities

Total liabilities as of September 30, 2025 stood at 66,107 million yen, a decrease of 8,448 million yen from the end of FY2024. This was mainly due to a decrease of 5,336 million yen in income taxes payable as well as a decrease of 4,394 million yen in provision for bonuses, and

despite an increase in long-term borrowings of 5,682 million yen due to borrowing for a trust scheme of funds necessary for the acquisition of the Company's stock in connection with readoption of the Trust-Type Employee Shareholding Incentive Plan.

Net assets

Net assets as of September 30, 2025 stood at 233,821 million yen, a decrease of 6,695 million yen from the end of FY2024. This was mainly due to a decrease of 12,964 million yen by repurchasing own stock, pursuant to the resolution at the Board of Directors meeting as well as a decrease of 6,872 million yen due to the payment of dividends, despite an increase of 13,463 million yen in shareholders' equity by the recording of net income attributable to owners of parent.

As a result, the shareholders' equity ratio was 77.0% compared with 75.3% at the end of FY2024.

Net cash flow from operating activities

Cash and cash equivalents (hereinafter "net cash") provided by operating activities in the six months ended September 2025 were 16,679 million yen, a decrease of 564 million yen compared to the same period of FY2024. This figure remained almost on a par with the same period of FY2024.

Net cash flow from investing activities

Net cash used in investing activities (expenditure) in the six months ended September 2025 was 3,617 million yen due to expenditure for capital investment. In the same period of FY2024, net cash provided by investing activities (proceeds) was 107 million yen due to proceeds from the sale of investment securities and of investments in capital of associated companies in the U.S., despite expenditures for capital investment.

Net cash flow from financing activities

Net cash used in financing activities (expenditure) in the six months ended September 2025 was 20,842 million yen, an increase of 12,419 million yen compared to the same period of FY2024. This was mainly due to the repurchase of own stock, pursuant to the resolution at the Board of Directors meeting during this period.

As a result of the above factors, net cash as of September 30, 2025 stood at 86,429 million yen, a decrease of 6,207 million from the end of FY2024.

(3) Forecast of consolidated financial results

There is no change to the forecast for consolidated financial results for the fiscal year ending March 31, 2026, originally announced on May 13, 2025, and which was revised upwards on 30 October, 2025. Based on the first-half financial results and the outlook for the business environment in the second half, we anticipate net sales of 298.0 billion yen, exceeding the initial forecast by 1.0 billion yen. As regards profits, we anticipate operating income of 45.5 billion yen, ordinary income of 45.5 billion yen, net income attributable to owners of parent of 33.5

billion yen; these figures exceed those initially forecast by 2.5 billion yen, 3.3 billion yen, and 2.5 billion yen, respectively.

Uncertainties exist regarding the future business environment surrounding the azbil Group: in addition to inflation and rising labor costs, there is also the risk of an economic slowdown stemming from the U.S. trade policies and a delayed recovery in capital investment. Nevertheless, demand for HVAC control equipment and systems for large-scale buildings and data centers will remain strong in Japan and overseas, and a gradual recovery in demand is expected in factory automation market.

Given this business environment and the strong financial results for the first half, in the second half the BA business is expected to achieve sales and segment profit in line with the initial forecast. Consequently, both sales and segment profit for the full year are expected to surpass the initial forecast, attaining 154.0 billion yen and 27.0 billion yen, respectively. In the AA business, against the backdrop of robust demand in the PA market, it is anticipated that in the FA market, whose recovery has been delayed, demand will gradually return. Consequently, we expect full-year sales to be 111.0 billion yen, as in the initial forecast, and segment profit to be 17.5 billion yen, which is higher than the original forecast, reflecting the first-half financial results. In the LA business, mainly driven by revenue growth in the gas and water meter markets, both sales and segment profit for the full year are expected to be in line with the initial forecast: 34.5 billion yen and 1.0 billion yen, respectively.

Note that the consolidated financial results for the previous fiscal year included the sales of Azbil Telstar (14.6 billion yen) and a gain on the sale of its equity interests (7.6 billion yen in net income attributable to owners of the parent), following its exclusion from consolidation after the transfer of the equity interests on October 31, 2024.

The forecast of the azbil Group is based on currently available information and some reasonable assumptions. Due to various factors, actual results may differ from those discussed in this document.

Reference

Full-year consolidated financial results forecast by segment: Comparison to the initial forecast announced on May 13, 2025

(Billions of yen)

		Forecast (Nov. 5, 2025)	Forecast (May 13, 2025)	Difference		(Reference) FY2024 results
				Amount	Rate	
Building Automation	Sales	154.0	153.0	1.0	0.7%	148.7
	Segment profit [Margin]	27.0 [17.5%]	25.0 [16.3%]	2.0 [1.2pp]	8.0%	24.3 [16.4%]
Advanced Automation	Sales	111.0	111.0	-	-	106.8
	Segment profit [Margin]	17.5 [15.8%]	17.0 [15.3%]	0.5 [0.5pp]	2.9%	15.9 [15.0%]
Life Automation	Sales	34.5	34.5	-	-	46.6
	Segment profit [Margin]	1.0 [2.9%]	1.0 [2.9%]	- -	- -	1.1 [2.5%]
Other	Sales	0.1	0.1	-	-	0.0
	Segment profit [Margin]	0.0 [0.0%]	0.0 [0.0%]	- -	- -	(0.0) [(62.5)%]
Consolidated	Net sales	298.0	297.0	1.0	0.3%	300.3
	Operating income [Margin]	45.5 [15.3%]	43.0 [14.5%]	2.5 [0.8pp]	5.8%	41.4 [13.8%]
	Ordinary income	45.5	42.2	3.3	7.8%	42.1
	Net income attributable to owners of parent [Margin]	33.5 [11.2%]	31.0 [10.4%]	2.5 [0.8pp]	8.1%	40.9 [13.6%]

Note: The forecast announced in the timely disclosure on October 30, 2025 includes only the full-year consolidated financial results forecast.

2. Semi-annual consolidated financial statements and related notes

(1) Semi-annual consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	88,495	83,626
Notes and accounts receivable - trade, and contract assets	91,744	76,456
Securities	6,400	4,900
Merchandise and finished goods	8,483	8,940
Work in process	6,776	9,030
Raw materials	22,366	21,354
Other	6,857	8,085
Allowance for doubtful accounts	(352)	(345)
Total current assets	230,770	212,048
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,314	23,115
Other, net	17,872	18,776
Total property, plant and equipment	41,186	41,892
Intangible assets	7,475	7,844
Investments and other assets		
Investment securities	22,791	26,505
Other	12,951	11,743
Allowance for doubtful accounts	(103)	(106)
Total investments and other assets	35,640	38,143
Total non-current assets	84,302	87,880
Total assets	315,072	299,928

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,089	14,451
Short-term borrowings	4,862	4,879
Income taxes payable	8,964	3,628
Provision for bonuses	13,614	9,219
Provision for bonuses for directors (and other officers)	245	122
Provision for share awards	2,854	255
Provision for product warranties	1,857	1,668
Provision for loss on orders received	16	1
Other	19,282	19,052
Total current liabilities	67,786	53,279
Non-current liabilities		
Long-term borrowings	620	6,302
Retirement benefit liability	1,821	1,912
Provision for retirement benefits for directors (and other officers)	197	132
Provision for share awards	130	178
Provision for share awards for directors (and other officers)	177	232
Other	3,822	4,068
Total non-current liabilities	6,768	12,827
Total liabilities	74,555	66,107
Net assets		
Shareholders' equity		
Share capital	10,522	10,522
Capital surplus	12,282	12,282
Retained earnings	237,661	224,637
Treasury shares	(41,905)	(38,005)
Total shareholders' equity	218,561	209,437
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,223	13,609
Foreign currency translation adjustment	7,312	7,926
Remeasurements of defined benefit plans	107	101
Total accumulated other comprehensive income	18,643	21,637
Non-controlling interests	3,311	2,746
Total net assets	240,517	233,821
Total liabilities and net assets	315,072	299,928

(2) Semi-annual consolidated statements of income and semi-annual consolidated statements of comprehensive income
(Semi-annual consolidated statements of income)

(Millions of yen)

	Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)
Net sales	139,252	132,897
Cost of sales	80,734	71,517
Gross profit	58,518	61,379
Selling, general and administrative expenses	43,877	43,660
Operating income	14,640	17,718
Non-operating income		
Interest income	252	163
Dividend income	513	476
Foreign exchange gains	—	412
Rental income from real estate	14	14
Reversal of allowance for doubtful accounts	37	—
Other	120	144
Total non-operating income	937	1,211
Non-operating expenses		
Interest expenses	99	57
Foreign exchange losses	586	—
Commitment fees	10	10
Expenses of real estate	16	21
Office relocation expenses	106	294
Loss on investments in investment partnerships	7	137
Other	84	89
Total non-operating expenses	911	610
Ordinary income	14,667	18,320
Extraordinary income		
Gain on sale of non-current assets	6	5
Gain on sale of investment securities	718	608
Gain on sale of investments in capital of subsidiaries and associates	830	—
Compensation for forced relocation	166	—
Total extraordinary income	1,722	614
Extraordinary losses		
Loss on sale and retirement of non-current assets	62	22
Impairment losses	—	11
Loss on valuation of investment securities	77	—
Loss on sale of investment securities	10	—
Total extraordinary losses	150	34
Income before income taxes	16,238	18,899
Income taxes - current	3,313	3,744
Income taxes - deferred	1,624	1,465
Total income taxes	4,938	5,210
Net income	11,300	13,689
Net income attributable to non-controlling interests	356	225
Net income attributable to owners of parent	10,944	13,463

(Semi-annual consolidated statements of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)
Net income	11,300	13,689
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,763)	2,385
Deferred gains or losses on hedges	(123)	—
Foreign currency translation adjustment	1,796	652
Remeasurements of defined benefit plans, net of tax	(2)	(5)
Total other comprehensive income	(1,092)	3,032
Comprehensive income	10,208	16,721
Comprehensive income attributable to:		
Owners of parent	9,808	16,456
Non-controlling interests	399	264

(3) Semi-annual consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)
Cash flows from operating activities		
Income before income taxes	16,238	18,899
Depreciation	3,235	3,631
Increase (decrease) in allowance for doubtful accounts	(42)	(10)
Increase (decrease) in retirement benefit liability	56	66
Decrease (increase) in retirement benefit asset	3	0
Increase (decrease) in provision for share awards	206	287
Increase (decrease) in provision for share awards for directors (and other officers)	37	67
Increase (decrease) in provision for bonuses	(3,586)	(4,444)
Increase (decrease) in provision for bonuses for directors (and other officers)	(95)	(123)
Increase (decrease) in provision for product warranties	(406)	(189)
Interest and dividend income	(765)	(640)
Interest expenses	99	57
Foreign exchange losses (gains)	392	(545)
Loss (gain) on sale and retirement of non-current assets	56	16
Impairment losses	—	11
Loss (gain) on sale and valuation of investment securities	(631)	(608)
Loss (gain) on sale of investments in capital of subsidiaries and associates	(830)	—
Compensation for forced relocation	(166)	—
Decrease (increase) in accounts receivable - trade, and contract assets	15,271	15,551
Decrease (increase) in inventories	19	(1,359)
Increase (decrease) in trade payables	(2,098)	(1,813)
Decrease (increase) in other assets	729	(2,889)
Increase (decrease) in other liabilities	(3,352)	(804)
Subtotal	24,371	25,163
Interest and dividends received	791	652
Interest paid	(94)	(58)
Income taxes paid	(8,503)	(9,077)
Proceeds from compensation for forced relocation	678	—
Net cash provided by (used in) operating activities	17,244	16,679
Cash flows from investing activities		
Payments into time deposits	(2,120)	(1,718)
Proceeds from withdrawal of time deposits	3,213	1,954
Proceeds from sale of securities	1,000	—
Purchase of beneficial interests in trust	(441)	(183)
Proceeds from sale of beneficial interests in trust	520	224
Purchase of property, plant and equipment	(3,267)	(2,992)
Proceeds from sale of property, plant and equipment	9	9
Purchase of intangible assets	(988)	(1,108)
Purchase of investment securities	(80)	(422)
Proceeds from sale of investment securities	885	657
Proceeds from sale of investments in capital of subsidiaries resulting in change in scope of consolidation	1,374	—
Other, net	2	(37)
Net cash provided by (used in) investing activities	107	(3,617)

(Millions of yen)

	Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)
Cash flows from financing activities		
Proceeds from short-term borrowings	222	18
Repayments of short-term borrowings	(2,278)	—
Proceeds from long-term borrowings	—	6,515
Repayments of long-term borrowings	(875)	(832)
Dividends paid	(5,302)	(6,871)
Repayments of lease liabilities	(350)	(230)
Dividends paid to non-controlling interests	(688)	(767)
Purchase of treasury shares	(0)	(20,532)
Proceeds from sale of treasury shares	851	1,858
Net cash provided by (used in) financing activities	(8,423)	(20,842)
Effect of exchange rate change on cash and cash equivalents	(124)	899
Net increase (decrease) in cash and cash equivalents	8,803	(6,880)
Cash and cash equivalents at beginning of period	75,595	92,637
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	201
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries	719	471
Cash and cash equivalents at end of period	85,119	86,429

(4) Notes to the semi-annual consolidated financial statements

Notes regarding going concern assumptions

Not applicable

Notes regarding significant change in shareholders' equity

1. Cancellation of treasury shares

The Company decided on May 13, 2025, to cancel a portion of its treasury shares pursuant to Article 178 of the Companies Act of Japan, and implemented the cancellation on May 30, 2025. As a result, both retained earnings and treasury shares decreased by 20,083 million yen each.

Details of cancellation

- (1) Type of shares cancelled: Common stock of the Company
- (2) Number of shares cancelled: 19,300,000 shares
(3.4% of the total number of issued shares before the cancellation)
- (3) Total number of issued shares after the cancellation: 541,372,736 shares
- (4) Date of the cancellation: May 30, 2025

2. Readoption of Trust-Type Employee Shareholding Incentive Plan

The Company resolved at the Board of Directors meeting held on May 13, 2025, to proceed with the readoption of the Trust-Type Employee Shareholding Incentive Plan. During the semi-annual consolidated accounting period, the azbil Group Employee Stock Ownership Association Trust Fund acquired 5,175,600 shares of the Company's common stock for 6,508 million yen (excluding incidental expenses). These shares have been recorded as treasury shares under shareholders' equity.

3. Repurchase of the Company's own stock

The Company is repurchasing its own stock, aiming not only to improve capital efficiency but also to enhance the return of profits to shareholders and develop flexible capital management responding to changes in the corporate environment, while taking into consideration business results and the outlook for future business performance, based on the resolution of the Board of Directors meeting held on May 13, 2025. Pursuant to the resolutions, during the period from May 16, 2025, to September 25, 2025 (based on the delivery date), the Company acquired 9,403,400 shares of its own stock, resulting in an increase of 12,964 million yen in treasury shares.

Details of share repurchase

- (1) Type of shares to be repurchased: Common stock of the Company
- (2) Total number of shares to be repurchased: Up to 24,000,000 shares
- (3) Total amount of repurchase: Up to 15.0 billion yen
- (4) Period of repurchase: From May 14, 2025 to October 29, 2025 (based on trade date)
- (5) Method of repurchase: Market transactions on the Tokyo Stock Exchange

Consequently, capital surplus amounted to 12,282 million yen, retained earnings amounted to 224,637 million yen, and treasury shares amounted to 38,005 million yen, representing 32,746,089 shares as of September 30, 2025.

Treasury shares include the Company's stock remaining in the trust under the employee stock ownership plan (5,026 million yen for 5,051,981 shares), in the trust under the Trust-Type Employee Shareholding Incentive Plan (5,737 million yen for 4,562,300 shares), and in the trust under the stock compensation plan (1,399 million yen for 1,044,500 shares).

Notes on segment information

1. Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Information on sales and profit (loss) by each segment and disaggregation of revenue

(Millions of yen)

	Reportable Segment				Other*	Total
	Building Automation	Advanced Automation	Life Automation	Total		
Sales						
Customers	62,321	51,100	25,797	139,219	33	139,252
Inter-segment	210	514	178	902	3	906
Total	62,531	51,614	25,976	140,122	36	140,159
Segment profit (loss)	6,117	7,852	694	14,664	(12)	14,652
Disaggregation of revenue						
Goods or services transferred at a point in time	15,181	40,891	17,980	74,053	33	74,086
Goods or services transferred over time	47,140	10,208	7,816	65,166	—	65,166
Revenue from contracts with customers	62,321	51,100	25,797	139,219	33	139,252

* “Other” includes insurance agent business, etc.

(2) The main contents of the difference between reportable segment profit (loss) and operating income

(Millions of yen)

Income	Amount
Total of Reportable Segment	14,664
Profit (Loss) in Other	(12)
Elimination	(11)
Operating income	14,640

2. Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Information on sales and profit (loss) by each segment and disaggregation of revenue

(Millions of yen)

	Reportable Segment				Other*	Total
	Building Automation	Advanced Automation	Life Automation	Total		
Sales						
Customers	64,369	52,542	15,954	132,865	31	132,897
Inter-segment	176	457	138	772	452	1,225
Total	64,545	52,999	16,092	133,638	484	134,122
Segment profit	8,340	9,042	306	17,688	62	17,751
Disaggregation of revenue						
Goods or services transferred at a point in time	15,955	42,016	15,366	73,338	31	73,369
Goods or services transferred over time	48,413	10,525	588	59,527	—	59,527
Revenue from contracts with customers	64,369	52,542	15,954	132,865	31	132,897

* "Other" includes insurance agent business and software development business within the azbil Group, etc

The Group is engaged in its Building Automation business in the building market, Advanced Automation business in the industrial market, and Life Automation business in markets closely related to lifelines and everyday life. In each of these businesses, we sell products such as measurement and control equipment, perform contract work including instrumentation and engineering, and provide maintenance and other services.

Regarding the sale of products, the Group principally recognizes revenue at the time of delivery of products to the customer, based on the understanding that this is when control over products is transferred to the customer and the performance obligation is thus satisfied (goods transferred at a point in time).

Regarding contract work undertaken, the Group supplies equipment and systems based on customer specifications and recognizes revenue over time, based on the understanding that its performance obligation will be satisfied as the engineering progresses (goods transferred over time). Revenue is recognized based on the degree of progress at any point in time; this is estimated primarily based on the costs incurred to date as a percentage of the total costs expected to be incurred to satisfy performance obligation.

Regarding services rendered, if the performance obligation is satisfied over the period of a contract, whether for maintenance or other service, revenue is recognized based on the time elapsed as a percentage of the period for which the service is to be rendered (services transferred over time). For services such as installation, adjustment and commissioning, revenue is recognized when the provision of said service to the customer is completed (services transferred at a point in time).

(2) The main contents of the difference between reportable segment profit and operating income

(Millions of yen)

Income	Amount
Total of Reportable Segment	17,688
Profit in Other	62
Elimination	(32)
Operating income	17,718