

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

**November 5, 2025
Azbil Corporation
RIC: 6845.T, Sedol: 6985543**



Highlights

1. Consolidated Financial Results for the First Half of FY2025

- ✓ Although orders received and net sales were lower compared with the same period of FY2024 due to the effect of the FY2024 transfer of a subsidiary, Azbil Telstar, operating income increased significantly thanks to higher profits for the BA and AA businesses and exceeded the plan. (If the effect of the transfer is excluded, both orders received and net sales substantially increased.)

2. Consolidated Financial Plan for FY2025

— Revised upwards from the initial plan announced on May 13, 2025

- ✓ To reflect the financial results in the first half as well as the outlook for the business environment in the second half, we have revised our full-year financial plan for FY2025 upwards. Although net sales will slightly decrease due to the effect (a decrease of 14.6 billion yen) of the transfer of equity interests in the subsidiary in FY2024, operating income will increase for a fifth consecutive fiscal year.

3. Returning Profits to Shareholders and Investing in Human Capital

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

- ✓ 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 by utilizing treasury shares.

4. Progress in Implementing the Medium-term Plan

- ✓ Under our medium-term plan (FY2025–FY2027), based on the theme 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.
- ✓ Progress is being made with measures in growth and core businesses. New products are being launched, and we have a growing track record of customers using our products. Initiatives involving collaboration with other companies are also advancing.

Contents

1. Consolidated Financial Results for the First Half of FY2025	4
2. Consolidated Financial Plan for FY2025	13
3. Returning Profits to Shareholders and Investing in Human Capital	17
4. Progress in Implementing the Medium-term Plan	20
5. The azbil Group's Exhibition Participation	27
Appendix I	Financial Data
Appendix II	Initiatives to Strengthen Corporate Governance, Returning Profits to Shareholders, Investments, and Sustainability Management
Notes	
	29
	33
	40

1. Consolidated Financial Results for the First Half of FY2025

1. Consolidated Financial Results for the First Half of FY2025

Consolidated Financial Results

Although orders received and net sales were lower compared with the same period of FY2024 due to the effect of the FY2024 transfer of a subsidiary, operating income increased significantly thanks to higher profits for the BA and AA businesses and exceeded the plan. (If the effect of the transfer is excluded, orders received and net sales substantially increased.)

- Orders received rose for the BA business, but, because of the impact of the FY2024 transfer of equity interests in the subsidiary, Azbil Telstar (ATL), orders received fell significantly for the LA business, and overall were down on the same period of FY2024. (the impact of the transfer: a decrease of 12.3 billion yen)
- Net sales increased for the both BA and AA businesses, but for the same reason given above the LA business saw a significant decrease, so that overall there was a decline compared with the same period of FY2024 (the impact of the transfer: a decrease of 9.9 billion yen). The overall plan did not exceed because the AA and LA businesses were not exceeded the plan.
- Operating income increased significantly owing to measures to enhance profitability, including cost pass-through, despite increases in personnel and other expenses. Consequently, operating income was higher than for the same period of FY2024, and the plan was exceeded.
- Ordinary income improved due to the growth in operating income and the recording of foreign exchange gains. Consequently, it was higher than for the same period of FY2024, and the plan was exceeded.
- 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 increased compared with the same period of FY2024 thanks to higher operating income. The plan was also exceeded.

(Billions of yen)					(Billions of yen)		
	FY2024 H1 (A)	FY2025 H1 (B)	Difference		Plan (May 13, 2025) (C)	Difference	
			(B) - (A)	% Change		(B) - (C)	% Change
Orders received	171.1 158.7	165.0	(6.0) 6.2	(3.6) 3.9			
Net sales	139.2 129.3	132.8	(6.3) 3.5	(4.6) 2.8	134.0	(1.1)	(0.8)
Japan	104.3	108.6	4.3	4.2			
Overseas	34.8	24.2	(10.6)	(30.6)			
Gross profit	58.5	61.3	2.8	4.9			
Margin	42.0	46.2	4.2pp				
SG&A	43.8 41.5	43.6	(0.2) 2.1	(0.5) 5.2			
Operating income (loss)	14.6 14.3	17.7	3.0 3.3	21.0 23.6	15.2	2.5	16.6
Margin	10.5 11.1	13.3	2.8pp 2.3pp		11.3	2.0pp	
Ordinary income (loss)	14.6	18.3	3.6	24.9	14.5	3.8	26.3
Income (loss) before income taxes	16.2	18.8	2.6	16.4			
Net income (loss) attributable to owners of parent	10.9	13.4	2.5	23.0	10.3	3.1	30.7
Margin	7.9	10.1	2.3pp		7.7	2.4pp	

Reference: The impact of foreign exchange rate fluctuations (compared with the same period of FY2024)

(0.7) billion yen for net sales

(0.1) 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.

* The figures in the lower rows for orders received, net sales, SG&A, and operating income excluding Azbil Telstar's results.

1. Consolidated Financial Results for the First Half of FY2025

Financial Results by Segment

- **BA:** Orders received increased compared with the same period of FY2024, mainly due to growth in the field for existing buildings. Sales also grew compared with the same period of FY2024, thanks to increases in the fields for existing buildings and service, and the plan was achieved. Segment profit increased significantly, exceeding the plan; this was due to higher revenue leading to increased profit and the effect of measures to enhance profitability, despite an increase in expenses.
- **AA:** Orders received decreased compared with the same period of FY2024 due to the fact that large advance orders were made at the end of FY2024 in the overseas PA market, leading to a fall in this period. Sales rose compared with the same period of FY2024, driven by growth in the PA market, in Japan and overseas; however, a delay in the recovery of the FA market meant that the plan was not achieved. Segment profit significantly increased due to the effect of measures to enhance profitability, despite an increase in expenses.
- **LA:** Orders received, sales, and segment profit all decreased as a result of the removal of Azbil Telstar (ATL) from the Company's scope of consolidation. If the effect of this removal is excluded, orders rose; sales were on a par with the same period of FY2024, though failing to achieve the plan; and segment profit was lower compared with the same period of FY2024, also failing to achieve the plan.

		(Billions of yen)						
		FY2024 H1 (A)	FY2025 H1 (B)	Difference		Plan (May 13, 2025) (C)	Difference	
				(B) - (A)	% Change		(B) - (C)	% Change
■ B A	Orders received	93.2	100.6	7.3	7.9			
	Sales	62.5	64.5	2.0	3.2	63.5	1.0	1.6
	Segment profit (loss)	6.1	8.3	2.2	36.3	6.3	2.0	32.4
	Margin	9.8	12.9	3.1pp		9.9	3.0pp	
■ A A	Orders received	49.3	47.0	(2.3)	(4.7)			
	Sales	51.6	52.9	1.3	2.7	54.0	(1.0)	(1.9)
	Segment profit (loss)	7.8	9.0	1.1	15.1	8.5	0.5	6.4
	Margin	15.2	17.1	1.8pp		15.7	1.3pp	
■ L A	Orders received	29.4	18.1	(11.2)	(38.2)			
		17.1		1.0	6.4			
	Sales	25.9	16.0	(9.8)	(38.0)	17.0	(0.9)	(5.3)
		16.0		0.0	0.3			
	Segment profit (loss)	0.6	0.3	(0.3)	(55.9)	0.4	(0.0)	(23.5)
		0.3		(0.0)	(20.1)			
	Margin	2.7	1.9	(0.8)pp		2.4	(0.5)pp	
		2.4		(0.5)pp				

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

1. Consolidated Financial Results for the First Half of FY2025

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 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 continues to be robust in the overseas market.

- **Orders received increased compared with the same period of FY2024 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 robust market conditions saw orders increase for the service business as well, despite there being few renewals of multi-year service contracts.**
- **Sales increased compared with the same period of FY2024. This was due to sales remaining at a high level in the field of new buildings, and also steady sales growth in the fields of existing buildings and service, thanks in part to progress made with load-leveling initiatives, and despite a decline in the overseas business owing to the fact that large-scale projects were recorded in the same period of FY2024. Thanks to the aforesaid growth in the existing building and service fields, the plan was achieved.**
- **Segment profit increased significantly compared with the same period of FY2024 and exceeded the plan. This was due to higher revenue leading to increased profit, as well 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 DX-related and personnel expenses, and higher outsourcing costs.**

(Billions of yen)

	FY2024 H1 (A)	FY2025 H1 (B)	Difference	
			(B) - (A)	% Change
Orders received	93.2	100.6	7.3	7.9
Sales	62.5	64.5	2.0	3.2
Segment profit (loss)	6.1	8.3	2.2	36.3
Margin	9.8	12.9	3.1pp	

(Billions of yen)

Plan (May 13, 2025) (C)	Difference	
	(B) - (C)	% Change
63.5	1.0	1.6
6.3	2.0	32.4
9.9	3.0pp	

1. Consolidated Financial Results for the First Half of FY2025

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.
- 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 is cause for concern.

- **Orders received decreased compared 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 a fall in this period; however, the domestic PA market remained robust.**
- **Sales increased compared with the same period of FY2024 due to growth in the PA market, in Japan and overseas, despite a decline in the domestic FA market. However, a delay in the recovery of the FA market meant that the plan was not achieved.**
- **Segment profit significantly increased compared with 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. The plan was exceeded.**

(Billions of yen)

	FY2024 H1 (A)	FY2025 H1 (B)	Difference	
			(B) - (A)	% Change
Orders received	49.3	47.0	(2.3)	(4.7)
Sales	51.6	52.9	1.3	2.7
Segment profit (loss)	7.8	9.0	1.1	15.1
Margin	15.2	17.1	1.8pp	

(Billions of yen)

Plan (May 13, 2025) (C)	Difference	
	(B) - (C)	% Change
54.0	(1.0)	(1.9)
8.5	0.5	6.4
15.7	1.3pp	

1. Consolidated Financial Results for the First Half of FY2025

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 coming years, we also anticipate growing demand for smart meters and the utilization of the data they provide.*¹

*¹ 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.

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

- **Orders received decreased compared with the same period of FY2024 owing to the impact of the transfer of Azbil Telstar (ATL). However, if the effect of the transfer is excluded, orders received increased.**
- **Sales also decreased owing to the impact of the transfer of ATL, but if the effect of the transfer is excluded, they were on a par with the same period of FY2024. Water meter sales increased, but because gas meter sales fell short of target, and the plan was not achieved.**
- **Segment profit decreased compared with the same period of FY2024 owing to the impact of the transfer of ATL. Measures to enhance profitability and reduce expenses were implemented, but even if the effect of the transfer is excluded, segment profit was still lower than FY2024 owing to an increase in personnel expenses, soaring prices for parts/materials and other factors. The plan was not achieved.**

	FY2024 H1 (A)	FY2025 H1 (B)	(Billions of yen) Difference	
			(B) - (A)	% Change
Orders received	29.4	18.1	(11.2)	(38.2)
	17.1		1.0	6.4
Sales	25.9	16.0	(9.8)	(38.0)
	16.0		0.0	0.3
Segment profit (loss)	0.6	0.3	(0.3)	(55.9)
	0.3		(0.0)	(20.1)
Margin	2.7	1.9	(0.8)pp	
	2.4		(0.5)pp	

Plan (May 13, 2025) (C)	(Billions of yen) Difference	
	(B) - (C)	% Change
17.0	(0.9)	(5.3)
0.4	(0.0)	(23.5)
2.4	(0.5)pp	

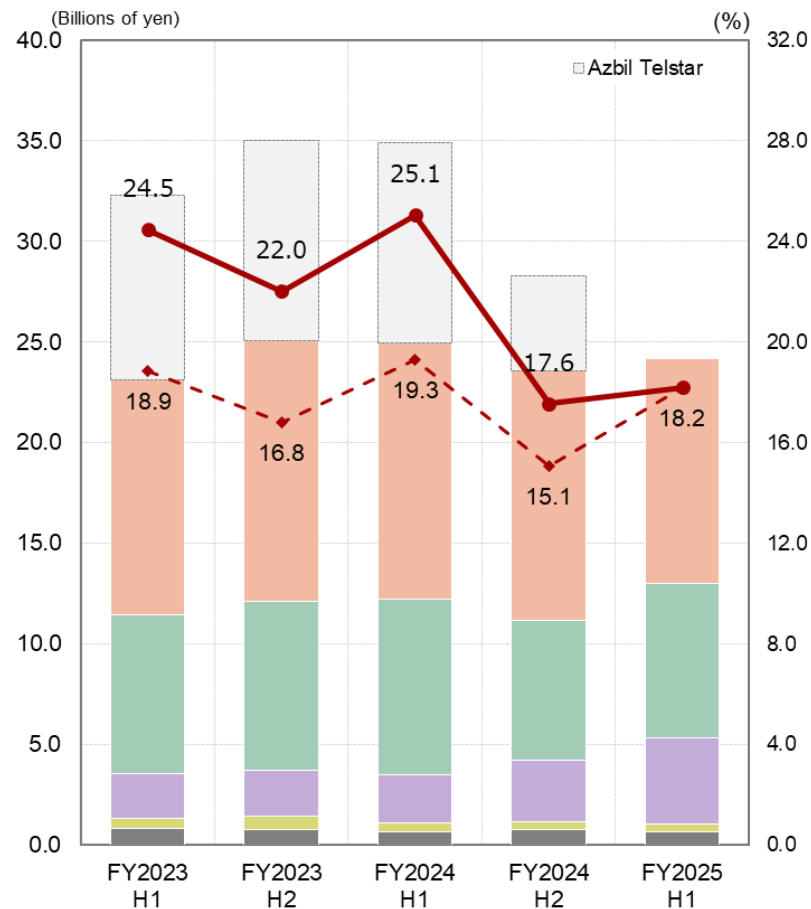
The Company transferred all equity interests in ATL, which had played a central role in the Life Science Engineering field, on October 31, 2024. As the profit (loss) of ATL and its subsidiaries had been included in the Company's scope of consolidation until the end of the third quarter of FY2024, the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

*² **Orders received, sales, segment profit, and margin**
The figures in the lower rows exclude the results of Azbil Telstar.

1. Consolidated Financial Results for the First Half of FY2025

Overseas Sales by Region

- Overseas sales fell mainly due to the impact (a decrease of 9.9 billion yen) of the FY2024 transfer of a subsidiary, Azbil Telstar (ATL). The overseas sales ratio was 18.2%. (The tables and graph below show ATL sales trend and sales trends by region excluding ATL.)
- BA business sales decreased due to some recoil from large-scale projects in Asia in FY2024. AA business sales decreased in Asia and China but increased significantly in North America, so overall AA sales increased compared with the same period of FY2024. LA business sales decreased owing to the impact of the ATL transfer.



Overseas sales excluding ATL

	FY2023 H1	FY2023 H2	FY2024 H1 (A)	FY2024 H2	FY2025 H1 (B)
Asia (ex-China)	11.7	12.9	12.7	12.4	11.1
China	7.8	8.4	8.6	6.9	7.7
North America	2.1	2.2	2.4	3.0	4.2
Europe	0.5	0.6	0.4	0.3	0.3
Others	0.8	0.7	0.6	0.7	0.6
Consolidated	23.1	25.0	24.9	23.5	24.2
Overseas sales / Net sales ratio (%)	18.9	16.8	19.3	15.1	18.2

Difference	
(B) - (A)	% Change
(1.5)	(12.4)
(0.9)	(11.1)
1.8	74.5
(0.0)	(8.1)
0.0	0.4
(0.7)	(3.1)

ATL sales	9.1	9.9	9.9	4.6	-
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Overseas sales including ATL

Consolidated	32.2	35.0	34.8	28.2	24.2
Overseas sales / Net sales ratio (%)	24.5	22.0	25.1	17.6	18.2

(10.6)	(30.6)
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Reference

Average exchange rate	USD/JPY	134.99	140.66	152.36	151.69	146.03
	EUR/JPY	145.92	152.10	164.69	164.54	168.05
	CNY/JPY	19.45	19.82	21.16	21.11	20.29

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

1. Consolidated Financial Results for the First Half of FY2025

Consolidated Financial Position

- **Assets:** Trade receivables decreased because net sales concentrated in the fourth quarter and collections progressed in the first half.
- **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 readoption of the Trust-Type Employee Shareholding Incentive Plan. Meanwhile, current liabilities, including income taxes payable and provision for bonuses, decreased.
- **Net assets:** Net assets decreased due to the repurchase of the Company's own stock, in addition to the payment of dividends, despite the recording of net income attributable to owners of parent.

(Billions of yen)

	As of Mar. 31, 2025 (A)	As of Sep. 30, 2025 (B)	Difference (B) - (A)
Current assets	230.7	212.0	(18.7)
Cash and deposits	88.4	83.6	(4.8)
Trade receivables	91.7	76.4	(15.2)
Securities	6.4	4.9	(1.5)
Inventories	37.6	39.3	1.6
Other	6.5	7.7	1.2
Non-current assets	84.3	87.8	3.5
Property, plant and equipment	41.1	41.8	0.7
Intangible assets	7.4	7.8	0.3
Investments and other assets	35.6	38.1	2.5
Total assets	315.0	299.9	(15.1)

	As of Mar. 31, 2025 (A)	As of Sep. 30, 2025 (B)	Difference (B) - (A)
Liabilities	74.5	66.1	(8.4)
Current liabilities	67.7	53.2	(14.5)
Trade payables	16.0	14.4	(1.6)
Short-term borrowings	4.8	4.8	0.0
Other	46.8	33.9	(12.8)
Non-current liabilities	6.7	12.8	6.0
Long-term borrowings	0.6	6.3	5.6
Other	6.1	6.5	0.3
Net assets	240.5	233.8	(6.6)
Shareholders' equity	218.5	209.4	(9.1)
Share capital	10.5	10.5	-
Capital surplus	12.2	12.2	-
Retained earnings	237.6	224.6	(13.0)
Treasury shares	(41.9)	(38.0)	3.8
Accumulated other comprehensive income	18.6	21.6	2.9
Non-controlling interests	3.3	2.7	(0.5)
Total liabilities and net assets	315.0	299.9	(15.1)
Shareholders' equity ratio (%)	75.3	77.0	1.8pp

1. Consolidated Financial Results for the First Half of FY2025

Consolidated Cash Flows

- Cash flow from operating activities was almost on a par with the same period of FY2024. Net cash used in investing activities was 3.6 billion yen; while there was income in the same period of FY2024 from the sale of both investment securities and investments in the capital of a U.S. subsidiary, there was no such major income in the first half of FY2025. Accordingly, free cash flow decreased by 4.2 billion yen.
- Net cash used in financing activities (expenditure) increased due to the repurchase of own stock.

(Billions of yen)

	FY2024 H1 (A)	FY2025 H1 (B)	Difference	
			(B) - (A)	% Change
Net cash provided by (used in) operating activities	17.2	16.6	(0.5)	(3.3)
Net cash provided by (used in) investing activities	0.1	(3.6)	(3.7)	-
Free cash flow	17.3	13.0	(4.2)	(24.7)
Net cash provided by (used in) financing activities	(8.4)	(20.8)	(12.4)	-
Effect of exchange rate change on cash and cash equivalents	(0.1)	0.8	1.0	-
Net increase (decrease) in cash and cash equivalents	8.8	(6.8)	(15.6)	-
Cash and cash equivalents at beginning of period	75.5	92.6	17.0	22.5
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	0.2	0.2	-
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries	0.7	0.4	(0.2)	(34.5)
Cash and cash equivalents at end of period	85.1	86.4	1.3	1.5

Reference

Capital investment	4.7	3.9	(0.7)	(16.6)
Depreciation	3.2	3.6	0.3	12.2

2. Consolidated Financial Plan for FY2025

—Revised upwards from the initial plan announced on May 13, 2025—



2. Consolidated Financial Plan for FY2025

Consolidated Financial Plan

To reflect the financial results in the first half as well as the outlook for the business environment in the second half, we have revised our full-year financial plan for FY2025 upwards. Although net sales will slightly decrease due to the effect (a decrease of 14.6 billion yen) of the transfer of equity interests in the subsidiary in FY2024, 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 second half of 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 a subsidiary, Azbil Telstar (7.6 billion yen) in FY2024.

	FY2024 Full year results (A)	FY2025 (Billions of yen)			Difference	
		H1 results	H2 revised plan (Oct. 30, 2025)	Full year revised plan (Oct. 30, 2025) (B)		
					(B) - (A)	% Change
Net sales	300.3 285.7	132.8	165.1	298.0	(2.3) 12.2	(0.8) 4.3
Operating income	41.4 41.0	17.7	27.8	45.5	4.0 4.4	9.7 10.8
Margin	13.8 14.4	13.3	16.8	15.3	1.5pp 0.9pp	
Ordinary income	42.1	18.3	27.2	45.5	3.3	7.9
Net income attributable to owners of parent	*2 40.9	13.4	20.0	33.5	(7.4)	(18.2)
Margin	13.6	10.1	12.1	11.2	(2.4)pp	

	FY2025 (Billions of yen)		
	FY2025 Full year initial plan (May 13, 2025) (C)	Difference	
		(B) - (C)	% Change
Net sales	297.0	1.0	0.3
Operating income	43.0	2.5	5.8
Margin	14.5	0.8pp	
Ordinary income	42.2	3.3	7.8
Net income attributable to owners of parent	31.0	2.5	8.1
Margin	10.4	0.8pp	

*1 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)

*2 Impact to net income attributable to owners of parent
Gain on sale of the transfer of equity interests in ATL:
7.6 billion yen.

Reference: Exchange rates
FY2024 USD/JPY 151, EUR/JPY 164, CNY/JPY 21.1
FY2025 USD/JPY 147, EUR/JPY 170, CNY/JPY 20.0

Note: The revised consolidated financial plan was disclosed on October 30, 2025 in accordance with the Tokyo Stock Exchange timely disclosure rules.
The revised plan by segment is disclosed in the Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026, released on November 5, 2025.

2. Consolidated Financial Plan for FY2025

Financial Plan by Segment (1)

- **BA:** Based on our strong financial results for the first half, and against the backdrop of robust market conditions and a large order backlog, we anticipate second-half sales and segment profit will also be in line with the initial plan. Consequently, we have revised our full-year financial plan for FY2025 upwards.
- **AA:** We expect the FA market to continue its gradual recovery in the second half and, against the backdrop of robust demand in the PA market, we are aiming to achieve full-year sales in line with the initial plan. Personnel and other expenses will rise, but thanks to the effect of measures to enhance profitability, we have revised our full-year plan for profits for FY2025 upwards.
- **LA:** A decrease in overall revenue and profits is anticipated due to the impact of the FY2024 transfer of Azbil Telstar (ATL), but we expect to achieve the initial plan, primarily driven by growth in the Lifeline field.

achieve the initial plan, primarily driven by growth in the Engine field.						(Billions of yen)		(Billions of yen)		
		FY2024 Full year results (A)	FY2025			Difference		FY2025 Full year initial plan (May 13, 2025) (C)	Difference	
			H1 results	H2 revised plan (Nov. 5, 2025)	Full year revised plan (Nov. 5, 2025) (B)				(B) - (A)	% Change
■ B A	Sales	148.7	64.5	89.5	154.0	5.2	3.5	153.0	1.0	0.7
	Segment profit	24.3	8.3	18.7	27.0	2.6	10.8	25.0	2.0	8.0
	Margin	16.4	12.9	20.9	17.5	1.1pp		16.3	1.2pp	
■ A A	Sales	106.8	52.9	58.0	111.0	4.1	3.9	111.0	0.0	0.0
	Segment profit	15.9	9.0	8.5	17.5	1.5	9.4	17.0	0.5	2.9
	Margin	15.0	17.1	14.6	15.8	0.8pp		15.3	0.5pp	
■ L A	Sales	46.6	16.0	18.4	34.5	(12.1)	(26.0)	34.5	0.0	0.0
		32.0				2.4	7.8			
	Segment profit	1.1	0.3	0.7	1.0	(0.1)	(14.6)	1.0	0.0	0.0
		0.7				0.2	33.8			
	Margin	2.5	1.9	3.8	2.9	0.4pp		2.9	0.0pp	
		2.3				0.6pp				

* Sales, segment profit, and margin of the LA business

The figures in the lower rows exclude the results of ATL.

(Sales: 14.6 billion yen / segment profit: 0.4 billion yen)

Financial Plan by Segment (2)

BA

Based on our strong financial results for the first half, and against the backdrop of robust market conditions and a large order backlog, we anticipate second-half sales and segment profit will also be in line with the initial plan. Consequently, we have revised our full-year financial plan for FY2025 upwards.

- In Japan and overseas, the business environment will continue to be robust. Taking into consideration our load-leveling initiatives, we anticipate growth in the existing building and service fields, and overall revenue is expected to exceed the initial plan.
- 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

We expect the FA market to continue its gradual recovery in the second half and, against the backdrop of robust demand in the PA market, we are aiming to achieve full-year sales in line with the initial plan. Personnel and other expenses will rise, but thanks to the effect of measures to enhance profitability, we have revised our full-year plan for profits for FY2025 upwards.

- The strength of recovery in the FA market varies by region and market, but a gradual upturn is expected within the second half of the current fiscal year. In addition to PA market sales growth in the second half, with seasonal factors playing a part, we aim to achieve full-year sales in line with the initial plan by steadily capturing demand in the FA market as it gradually recovers.
- Although the impacts of the U.S. tariff policy, cost increases due to parts/materials price hikes, and higher personnel expenses are anticipated, we continue our measures to enhance profitability, including cost pass-through. Taking into consideration the first half results, we have revised our full-year profit plan upwards.

LA

A decrease in overall revenue and profits is anticipated due to the impact of the FY2024 transfer of Azbil Telstar (ATL), but we expect to achieve the initial plan, primarily driven by growth in the Lifeline field.

- 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 markets 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 and Investing in Human Capital

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



3. Returning Profits to Shareholders and Investing in Human Capital

Basic Policy and FY2025 Shareholder Returns, Investment in Human Capital

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 by utilizing 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 and cancellation of the Company's own stock have been completed.

FY2025 interim dividend

Interim dividend for FY2025:

13 yen per share (+2 yen compared with the same period of FY2024, taking the stock split^{*3} into account)

— The Company plans **an annual dividend of 26 yen per share** (+2 yen compared with FY2024, taking the stock split^{*3} into account)

Repurchase and cancellation of treasury shares

Giving due consideration to ensuring a disciplined capital management and capital efficiency, **we repurchased the Company's own stock** with the value of

14.9 billion yen and **canceled treasury shares worth 20.0 billion yen.**

— In addition to the stock repurchased, 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^{*4} were 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 Azbil Telstar was 10.3%. Weighted average cost of capital (WACC) was 6.3%.

^{*2} Please refer to page 32 for the trend of the investment in R&D, equipment and facilities.

^{*3} A 4-for-1 stock split was implemented with an effective date of October 1, 2024.

^{*4} Acquired from May 29, 2025 to June 23, 2025

Basic Policy

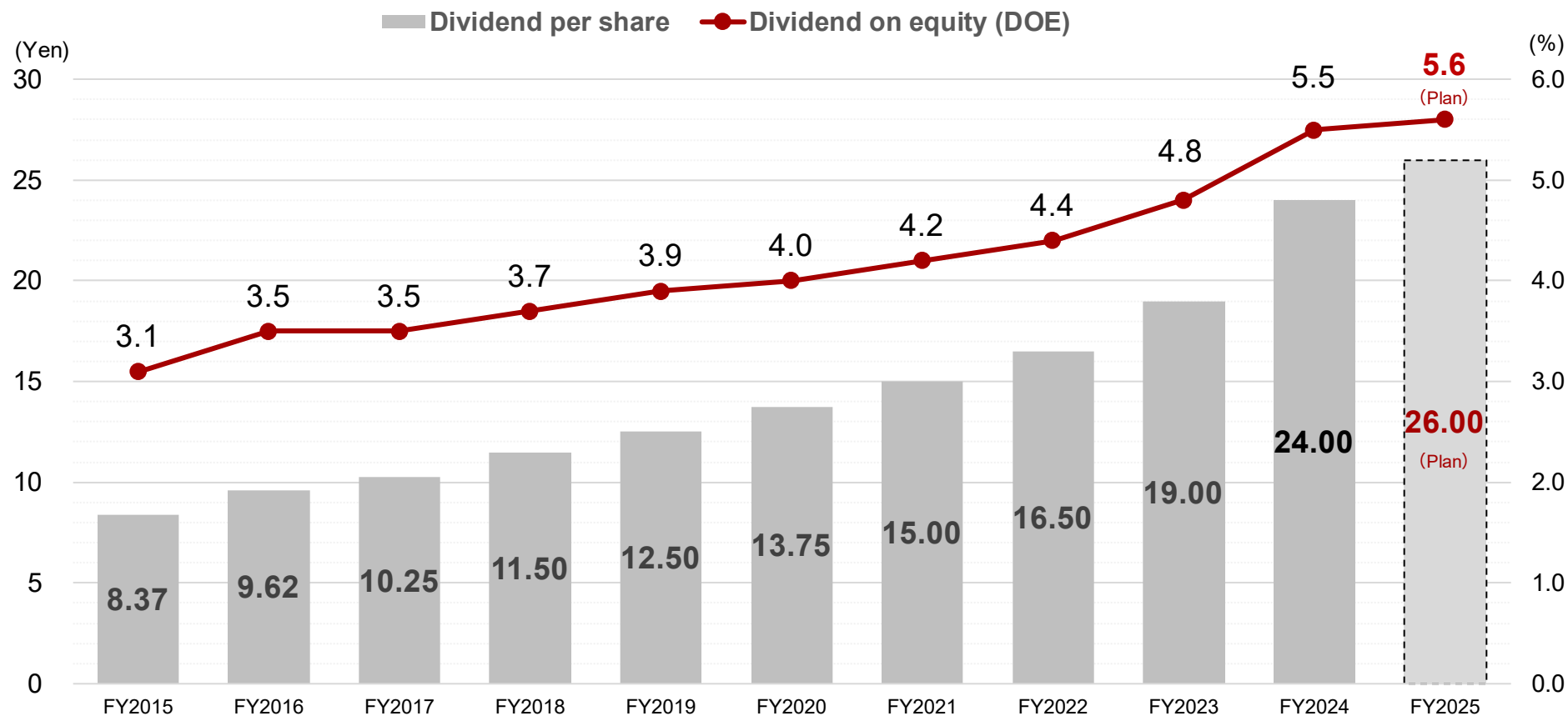
Developing a disciplined capital management and maintaining and enhancing the azbil Group's enterprise value, while carefully balancing three key elements: promoting shareholder returns, investing for growth, and maintaining a sound financial base.

- 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.

3. Returning Profits to Shareholders and Investing in Human Capital

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.



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	14.9
Number of shares repurchased (millions of shares)	4.80		5.71	7.48	14.87		9.01	10.68	8.77	12.46	10.83

* 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. Progress in Implementing the Medium-term Plan



4. Progress in Implementing the Medium-term Plan

Medium-term Plan (FY2025–FY2027)

- Under the medium-term plan (FY2025–FY2027), with its key theme 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.

— 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. (See p.38)

— In FY2025, the first year of the medium-term plan, excluding the impact of restructuring our business portfolio (the transfer of Azbil Telstar), sales growth and increasing profitability are planned. Against the backdrop of the strong start made in the first half, we have revised our full-year financial plan for FY2025 upwards.

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.

Growth

Transformation

Evolution and Co-creation

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 (Revised)
(announced on May 13, 2025)

➔ 420.0 bil.yen

➔ [100.0 bil.yen]

➔ 65.0 bil.yen

➔ 15.5%

➔ 15%

[bil.yen = billion yen]

	FY2024	FY2025 initial plan	FY2025 revised plan	FY2026 120 th anniversary	FY2027
Net sales	300.3 bil. yen 285.7 bil.yen *1	297.0 bil.yen	298.0 bil.yen		340.0 bil.yen
[overseas sales]	[63.1 bil.yen] [48.5 bil.yen] *1	[50.5 bil.yen]	[52.5 bil.yen]		[62.0 bil.yen]
Operating income	41.4 bil.yen	43.0 bil.yen	45.5 bil.yen		51.0 bil.yen
Margin	13.8%	14.5%	15.3%		15.0%
ROE	17.9% *2	13.1%	14.0%		14%

azbil

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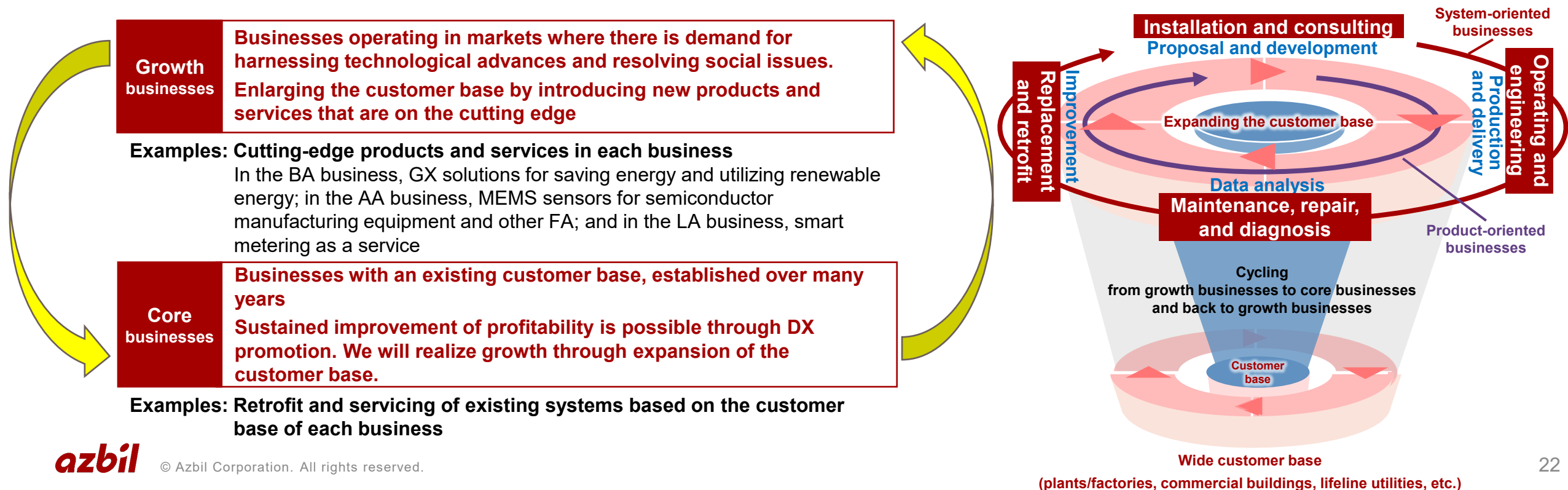
*1 Net sales exclude the impact of the transfer of Azbil Telstar (ATL) in October 2024. Excluding the impact of the ATL transfer, operating income was 41.0 billion yen and operating income margin was 14.4%.

*2 ROE excluding the extraordinary gains from the transfer of equity interests in Azbil Telstar and other factors was 14.2%.

4. Progress in Implementing the Medium-term Plan

The azbil Group's Unique Business Model

- We will achieve growth in **core businesses** based on our extensive customer base (factories and plants, commercial buildings, lifeline utilities) established over many years, and in our **growth businesses**, which seek new business opportunities that arise from technological advances such as in semiconductors, as well as societal issues such as the drive for carbon neutrality. In our growth businesses, we will focus on expanding markets (overseas) and increasing competitive advantages (enhancing product competitiveness).
- In our growth businesses, we will enlarge our customer base, while in our core businesses we will improve sustainability and profitability. By continually **cycling from growth businesses to core businesses and back to growth businesses**, we aim to achieve sustained business expansion.
- At this juncture, we will at the same time continue to evaluate and review our business portfolio, conscious of the cost of capital.



4. Progress in Implementing the Medium-term Plan

Business Strategies and Performance Targets: Summary of Each Segment of the azbil Group

- While implementing a variety of measures to strengthen the unique business model of the azbil Group—tailored to the differing business environments and characteristics of the BA, AA and LA businesses—we will aim to achieve the final-year targets of the medium-term plan.

			FY2024	FY2025 revised plan	FY2027
azbil Group	Aim to achieve further expansion through both growth businesses and core businesses	Net sales	285.7 billion yen 300.3 billion yen *2	298.0 billion yen	340.0 billion yen
		Operating income	41.0 billion yen 41.4 billion yen *2	45.5 billion yen	51.0 billion yen
BA	Growth Provide GX solutions; offer advanced system and services with higher added value	Sales	148.7 billion yen	154.0 billion yen	174.0 billion yen
	Growth Increase revenue in overseas market	Segment profit	24.3 billion yen	27.0 billion yen	26.9 billion yen
AA	Core Accelerate launch of products that reduce or obviate construction work				
	Growth Accelerate global business expansion	Sales	106.8 billion yen	111.0 billion yen	123.0 billion yen
LA	Growth Create new automation	Segment profit	15.9 billion yen	17.5 billion yen	21.0 billion yen
	Core Continue to strengthen profitability based on our achievements to date				
Overseas	Growth Promote smart meter business and smart metering as a service business *1	Sales	32.0 billion yen 46.6 billion yen *2	34.5 billion yen	43.0 billion yen
	Growth Accelerate business portfolio restructuring to achieve further growth	Segment profit	0.7 billion yen 1.1 billion yen *2	1.0 billion yen	2.8 billion yen
Overseas	Core Growth business by steadily capturing renewal demand required by law				
	Overseas Accelerate overseas business growth through business promotion and a strong management system tailored to regional characteristics	Sales	48.5 billion yen 63.1 billion yen *2	52.5 billion yen	62.0 billion yen

*1 Business involving the provision of new value-added services on top of the conventional measurement function of meters

*2 Upper row: figures excluding the impact of Azbil Telstar, which was transferred in October 2024
Lower row: actual results for FY2024

4. Progress in Implementing the Medium-term Plan

Initiatives to enhance product competitiveness and develop business (excerpted from Azbil press releases)

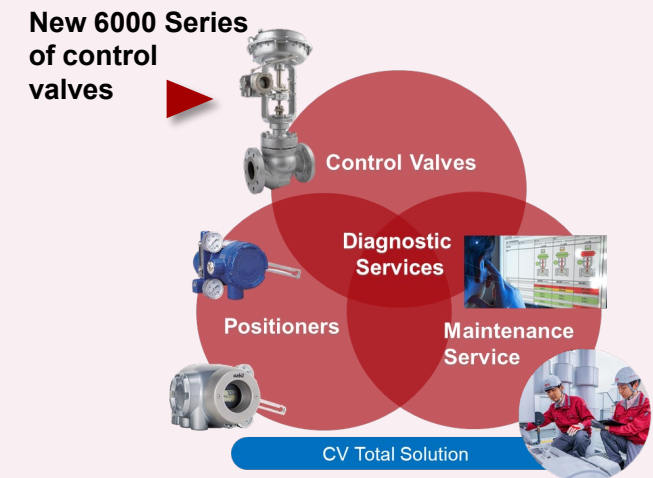
- Progress is being made with measures in growth businesses and core businesses. New products are being launched, and we have a growing track record of customers using our products. Initiatives involving collaboration with other companies are also advancing.

Market launch of new products (products and services)

Press release	Date of announcement
● Improving efficiency and advancing work-style reforms with azbil's proprietary in-house DX utilizing building information modeling (BIM), and maximizing the value delivered to customers	May 12, 2025
● Azbil launches the new 6000 Series of control valves, Featuring IEC 60534 conformity and designed to enhance productivity throughout the plant lifecycle	October 1, 2025

Commencing sales of the new 6000 Series of control valves, offering international standard conformity —a key element of azbil's “Control Valve (CV) Total Solution”

As part of the growth strategy for the Advanced Automation business, we plan to develop CV Total Solution, which integrates CV-related technologies, including control valves, valve positioners, maintenance service, and valve diagnostic service. We will contribute to enhancing the efficiency of customers' plant operations by providing added value derived from the synergistic interplay of these elements. The newly launched 6000 Series is a key product within CV Total Solution.



4. Progress in Implementing the Medium-term Plan

Initiatives to enhance product competitiveness and develop business (excerpted from Azbil press releases)

Recent installations at customer sites

Press release	Date of announcement
● Azbil's online equipment-anomaly detection system delivered to four thermal power plants operated by Kansai Electric Power Co. (KEPCO)	June 16, 2025
● Azbil and Energia Solution & Service start PFI project (ESCO business) to retrofit Hiroshima City Hiroshima Citizens Hospital—Creating a sustainable healthcare infrastructure through a public-private partnership, and contributing to the local community, the global environment, and carbon neutrality—	September 3, 2025
● Azbil's AI-based condition-based maintenance platform delivered to Sekisui Chemical Co., Ltd. —Harnessing AI predictive maintenance to promote maintenance efficiency at production sites and support sustainable factory operations—	September 16, 2025

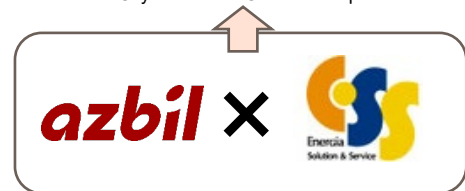
PFI project (ESCO business) to retrofit Hiroshima City Hiroshima Citizens Hospital

Azbil and Energia Solution & Service* are together undertaking a PFI project (ESCO business) to retrofit Hiroshima City Hiroshima Citizens Hospital. Over a period of 15 years starting from 2026, we will be providing services aimed at saving energy and reducing CO₂ emissions through the use of high-efficiency equipment/systems and IoT technology, while also aiming to contribute to the local community and the environment.

This PFI project will analyze energy usage throughout the building complex to enhance the hospital's energy efficiency. We will implement optimal energy-saving measures by maximizing the use of new technologies: installation of high-efficiency HVAC systems, conversion to LED lighting, and installation of a building energy management system (BEMS). In these ways, we expect to significantly reduce annual energy consumption and substantially contribute to lowering CO₂ emissions.



Hiroshima City Hiroshima Citizens Hospital exterior



4. Progress in Implementing the Medium-term Plan

Initiatives to enhance product competitiveness and develop business (excerpted from Azbil press releases)

Business development initiatives involving business alliances and investments in other companies

Press release	Date of announcement
● Azbil to provide support for building RENKEI control to achieve energy savings at R&D sites—Participation in a Horiba project (subsidized by NEDO)—	May 29, 2025
● Azbil Kimmon and Kamstrup collaborate to address water infrastructure challenges with next-generation ultrasonic smart water meters—Creating new value in the Japanese market through strategic partnership—	September 25, 2025
● Azbil to showcase Tech-Driven Solutions as Gold Sponsor at Data Centre World Asia 2025	September 26, 2025

Collaborating with Kamstrup to pursue new value offerings with next-generation smart water meters

Azbil Kimmon Co., Ltd. formalized an agreement to collaborate with Kamstrup (Head office: Denmark), a global leader in smart water metering solutions. Azbil Kimmon has commenced the verification process aimed at launching and developing next-generation ultrasonic smart water meters and a machine learning-based cloud service for leak detection in the Japanese market.



5. The azbil Group's Exhibition Participation

5. The azbil Group's Exhibition Participation Introducing Automation Technologies and Products That Target Diverse Business Opportunities in Japan and Overseas

At trade shows related to our BA, AA and LA businesses, you can see products and services unique to the azbil Group. Please visit us at upcoming trade shows on our schedule.

● Industrial Transformation ASIA-PACIFIC (ITAP)

Event dates: October 15th to 17th, 2025
10:00-17:00

Venue: Singapore EXPO

Theme: Powering The Future With Technology



azbil physical booth for ITAP

● 2025 Hiroshima Waterworks Exhibition

Event dates: October 29th to 31st, 2025
9:00-17:00
(until 13:00 on the last day)

Venue: Hiroshima Gate Park (former Hiroshima City Baseball Stadium site)

Theme: Next-generation Water Infrastructure, Connecting People and Technology



Rendition of azbil physical booth for Hiroshima Waterworks Exhibition

* Our booth featured Kamstrup's next-generation ultrasonic smart water meter and cloud service for leak detection.

● IIFES2025

Event dates: November 19th to 21st, 2025
10:00-17:00

Venue: Tokyo Big Sight

Theme: azbil's Road to the Future
—Building a Sustainable Tomorrow with New Automation—



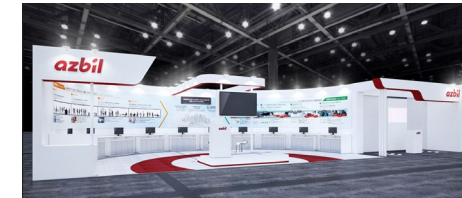
Rendition of azbil physical booth for IIFES2025

● Smart Building EXPO

Event dates: December 10th to 12th, 2025
10:00-17:00

Venue: Tokyo Big Sight

Theme: Bringing about a sustainable future by combining co-creation, transformation, and well-being



Rendition of azbil physical booth for Smart Building EXPO

● Smart Factory EXPO

Event dates: January 21st to 23rd, 2026
10:00-17:00

Venue: Tokyo Big Sight

Theme: Mapping the future of automation: Super productivity and sustainable production spaces made possible by autonomy



Rendition of azbil physical booth for Smart Factory EXPO

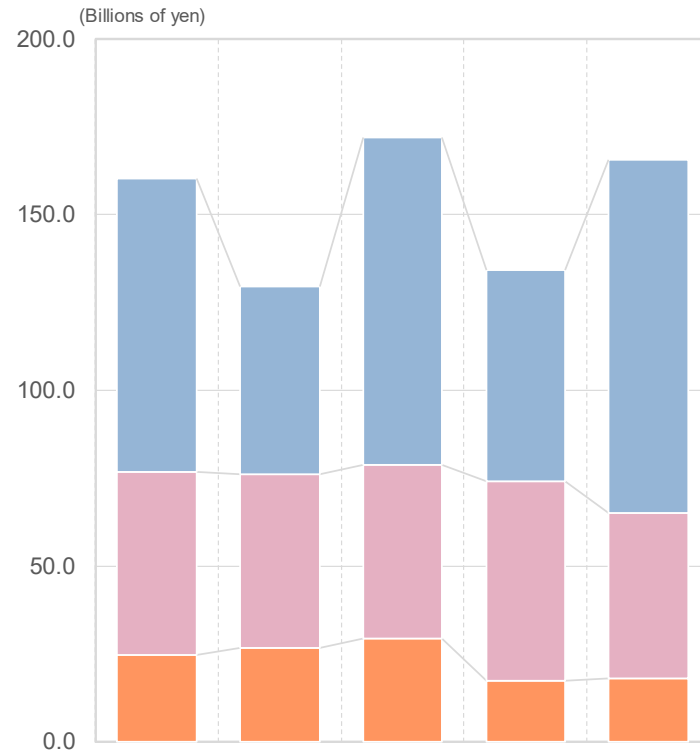
Appendix I

Financial Data

-
- Performance Trend by Segment . . . 30
 - Capital Investment, Depreciation and R&D Expenses . . . 32

Performance Trend by Segment: Orders Received and Order Backlog

■ Orders received by segment

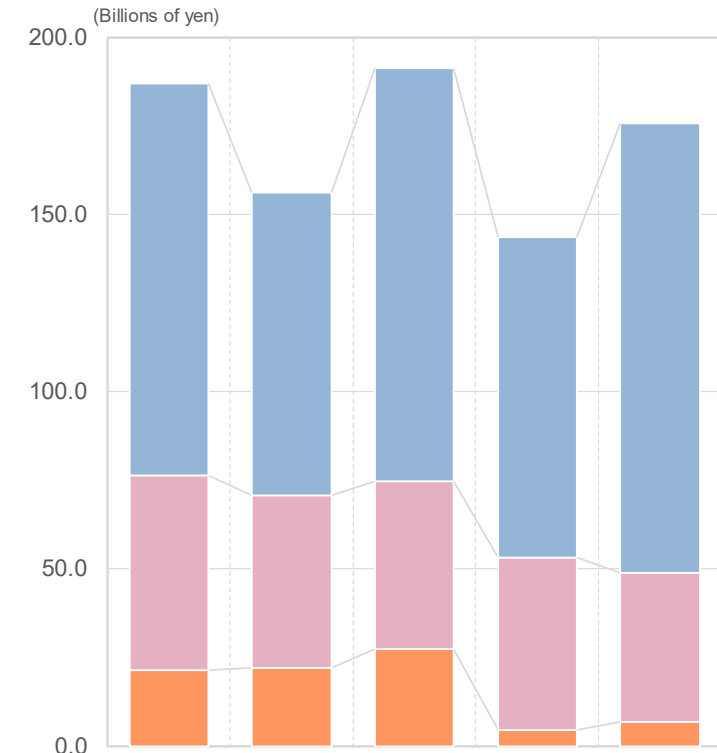


	FY2023		FY2024		FY2025
	H1	H2	H1	H2	H1
B A	83.2	53.5	93.2	60.3	100.6
A A	52.1	49.3	49.3	56.6	47.0
L A	24.8	26.8	29.4	17.4	18.1
Consolidated	159.1	128.7	171.1	133.5	165.0

Orders received excluding Azbil Telstar

	FY2023	FY2024	FY2025
	H1	H1	H1
L A	17.2	17.1	18.1
Consolidated	151.5	158.7	165.0

■ Order backlog by segment



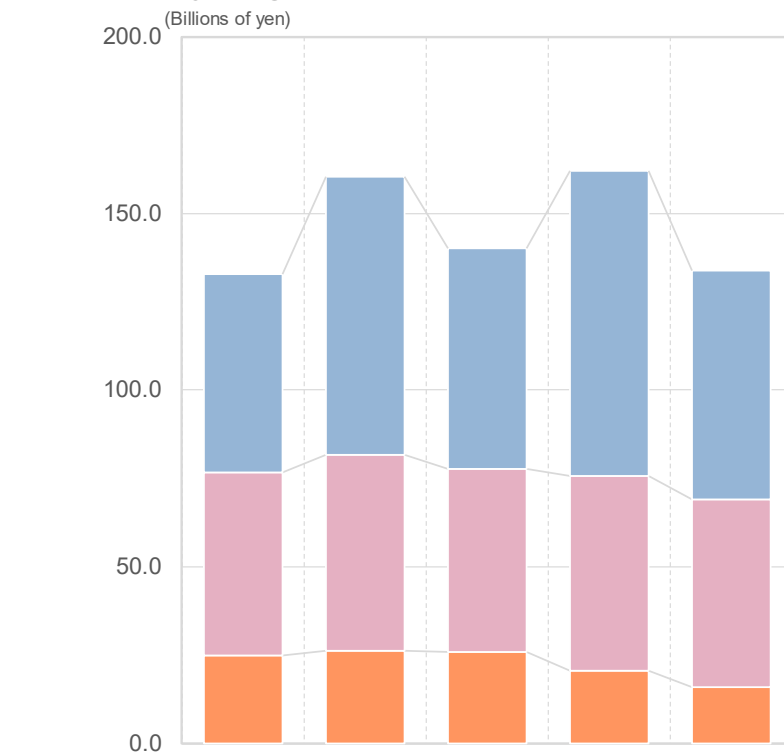
	FY2023		FY2024		FY2025
	H1	H2	H1	H2	H1
B A	110.7	85.5	116.3	90.3	126.7
A A	54.7	48.5	47.5	48.6	42.2
L A	21.5	22.1	27.3	4.5	6.7
Consolidated	186.6	155.9	190.8	143.3	175.5

Order backlog excluding Azbil Telstar

	FY2023	FY2024	FY2025
	H1	H1	H1
L A	6.5	6.3	6.7
Consolidated	171.6	169.8	175.5

Performance Trend by Segment: Sales and Segment Profit

■ Sales by segment

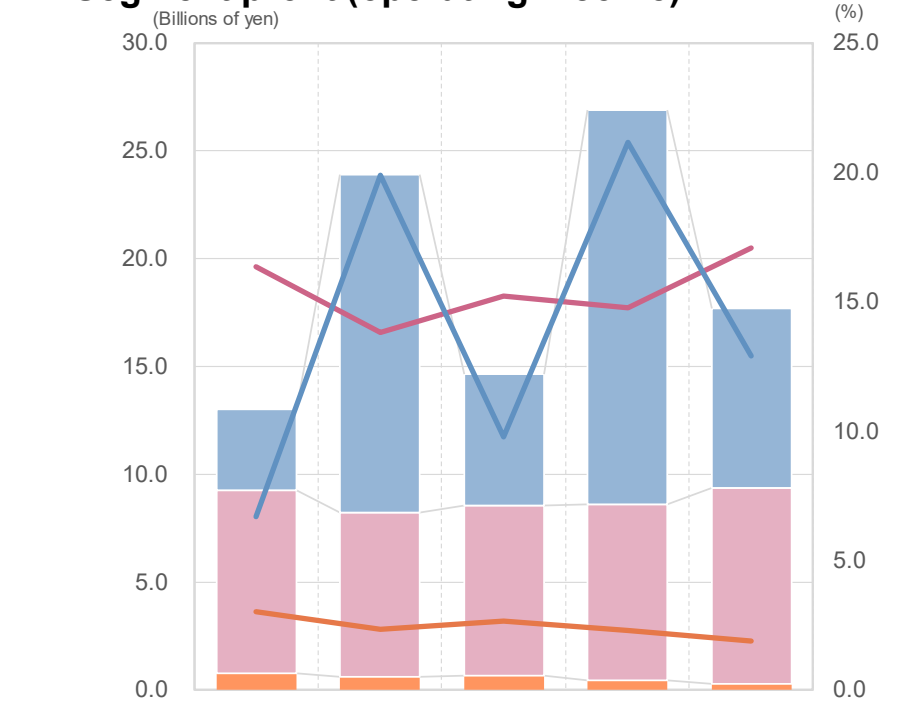


	FY2023		FY2024		FY2025
	H1	H2	H1	H2	H1
B A	56.0	78.6	62.5	86.2	64.5
A A	51.8	55.2	51.6	55.2	52.9
L A	25.0	26.3	25.9	20.6	16.0
Consolidated	131.8	159.0	139.2	161.1	132.8

Sales excluding Azbil Telstar

L A	15.8	16.4	16.0	15.9	16.0
Consolidated	122.7	149.0	129.3	156.4	132.8

■ Segment profit (operating income)



	FY2023		FY2024		FY2025
	H1	H2	H1	H2	H1
B A	3.7	15.6	6.1	18.2	8.3
Margin	6.7	19.9	9.8	21.2	12.9
A A	8.4	7.6	7.8	8.1	9.0
Margin	16.4	13.8	15.2	14.7	17.1
L A	0.7	0.6	0.6	0.4	0.3
Margin	3.0	2.3	2.7	2.3	1.9
Consolidated	12.9	23.8	14.6	26.8	17.7
Margin	9.8	15.0	10.5	16.7	13.3

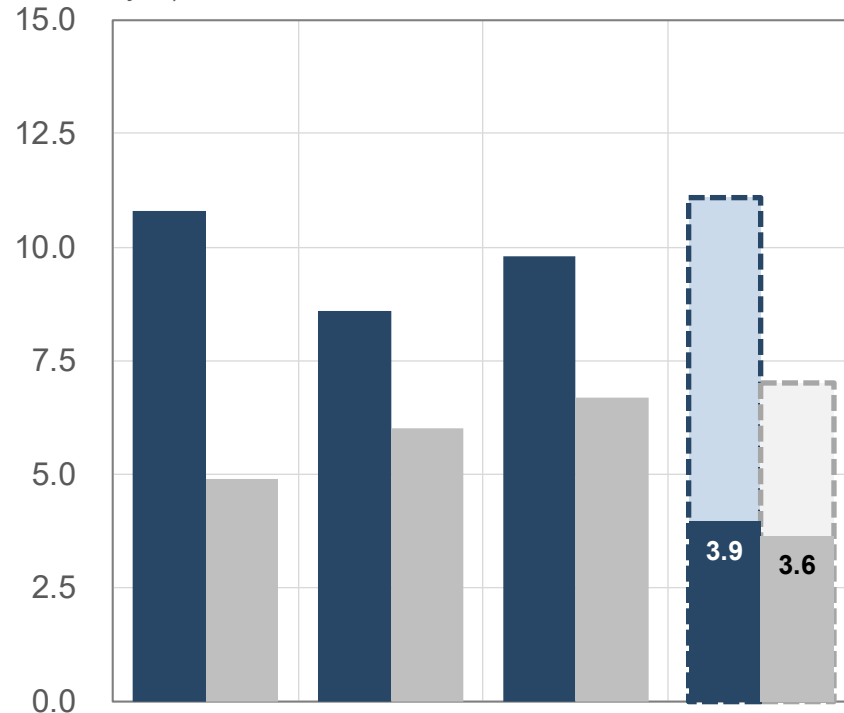
Segment profit excluding Azbil Telstar

L A	0.4	0.3	0.3	0.3	0.3
Consolidated	12.7	23.6	14.3	26.7	17.7

Capital Investment, Depreciation and R&D Expenses

■ Capital investment, depreciation

(Billions of yen)

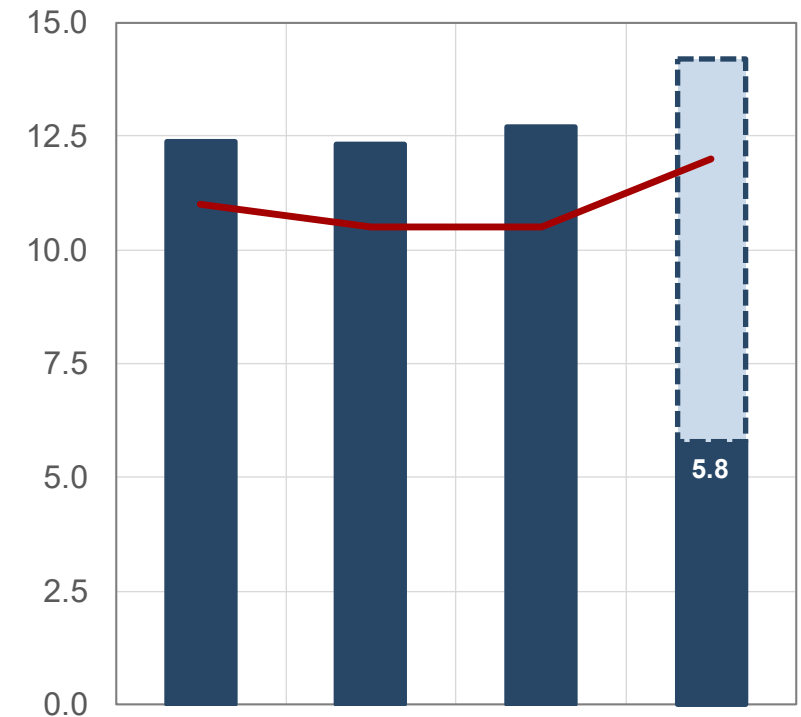


	FY2022	FY2023	FY2024	FY2025 (plan)
■ Capital investment	10.8	8.6	9.8	11.1
■ Depreciation	4.9	6.0	6.7	7.0

■ R&D expenses

■ Full-year results/ H1 results for FY2025
 ■ Full-year plan for FY2025

(Billions of yen)



	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, Investments, and Sustainability Management

- Initiatives to Strengthen Corporate Governance . . . 34
- Returning Profits to Shareholders (FY2025 Annual Dividend Plan, Repurchase and Cancellation of Own Stock) . . . 36
- Investment to Strengthen the Business Model . . . 38
- The azbil Group's Materiality and its Own SDG Targets . . . 39

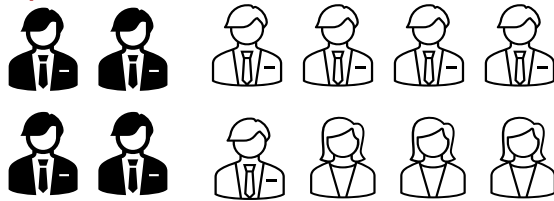
Strengthen Corporate Governance (1): Transition to a New Board Structure

- 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**

Supervisory

Chairperson



Board of Directors
12 to 10



Chairperson



Composition of independent outside directors: 66.7%
Composition of female directors: 25%
 4 inside directors and 8 independent outside directors

Composition of independent outside directors: 70%
Composition of female directors: 30%
 3 inside directors and 7 independent outside directors

Nomination
Committee

Audit
Committee

Remuneration
Committee

Each statutory
committee is chaired by
an outside director

Accelerate the delegation of authority to the executive side



Executive



Corporate executives



Executive officers



Appendix II

Strengthen Corporate Governance (2):

Revision of the Remuneration Policy for Officers (May 2025)

* 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 made 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

Incentives

Basic remuneration	Bonus	Stock-based compensation
--------------------	-------	--------------------------

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).

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 U.S. 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	FY2025	
	Actual	Actual	Plan
Interim	11.0 ^{*1}	13.0	—
Year-end	13.0	—	13.0
Annual	24.0	—	26.0
Payout ratio	30.8%	39.5% ^{*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 effect of repurchase of own stock in FY2025 is 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	We have completed repurchase of the Company's own stock of 10.83 million shares for 14.9 billion yen. (Completed on October 10, 2025)
Cancellation of treasury shares	We have completed cancellation of 19.3 million treasury shares, worth 20.0 billion yen (Completed on May 30, 2025)

- In view of the ROE figures set out in our long-term targets (FY2030) and the medium-term plan (FY2025–FY2027), we will engage in measures to expand business and strengthen profitability, and we repurchased 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 repurchased in FY2025.

Repurchase of own stock

- Type of stock repurchased: Common stock of the Company
- Total number of shares repurchased: 10.83 million shares*
- Total amount of repurchase: 14.9 billion yen
- Period of repurchase: From May 14, 2025 to October 10, 2025
- Method of repurchase: Market transactions on the Tokyo Stock Exchange

* 2.1% 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

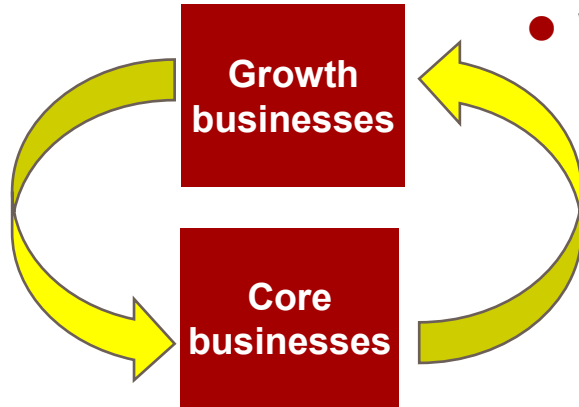
Reference

Status of treasury shares held as of September 30, 2025

- Total number of issued shares (excluding treasury shares): 519,285,428 shares
- Number of treasury shares: 22,087,308 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 10,658,781 shares as of September 30, 2025.

Investment to Strengthen the Business Model



- We will steadily invest in human capital, product competitiveness and DX promotion to enhance the azbil Group's unique business model.

- **Human capital:** Secure and develop essential human resources for executing business strategies (personnel with strong solution capabilities and global talent) to expand both growth and core businesses
- **Product competitiveness:** Enhance unique measurement and control core technologies, and application technologies, to develop a range of competitive products
- **DX promotion:** Create digital products and services that meet customer needs, and improve operational efficiency and profitability through DX promotion

We will enlarge our customer base in growth businesses while we will improve sustainability and profitability in core businesses. By continually cycling from growth businesses to core businesses and back to growth businesses, we aim to achieve sustained business expansion.

Investing in human capital

Total personnel expenses **+32 billion yen**

- Establish environment and HR systems that enhance job satisfaction and a sense of personal growth (evaluation and compensation systems, and flexible work styles)
- Provide programs that foster career autonomy aligned with management strategy
- Provide incentive plans linked to benefits and financial measures

Strengthening product competitiveness

R&D expenses **+9 billion yen**

- Expand cloud/AI app development and strengthen MEMS sensing and actuator technologies
- Engage in co-creation with other companies in core areas of R&D
- Establish an R&D management system; create mechanisms for HR development and intergenerational skills transfer

Promoting DX

DX (IT) investment **+5 billion yen**

- Create products and services using product DX and sales DX
- Reform operational flows through "fit to standard"
- Facilitate intergenerational skills transfer in development, production, engineering, and service by making use of know-how, data, and generative AI
- Strengthen cybersecurity measures

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	I Preserving the Earth's environment and solving energy-related problems through cooperative creation	Environment and energy	● Effective reduction of CO₂ at customers' sites: 3.40 million metric tons of CO₂/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
		Resource recycling			
	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	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}
		Contribute to local communities			
	Human resource	Human rights, safety, and health	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, equity 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}
		Learning and employee development			
Our fundamental obligations	Governance	Product safety and quality	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 directors 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."	
		Corporate governance			
		Compliance			

- * 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 directors 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.”

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 the azbil Group for the SDGs

- *1 **3.40 million metric tons of CO₂/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 the azbil Group for the 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

Inquiries regarding investor relations

Azbil Corporation **Investor Relations**

Phone: +81-3-6810-1031

Website: <https://www.azbil.com/index.html>

IR Inquiry: https://form.azbil.com/form/pub/contact/azbil_form_e

Disclaimer

The projections are based on management's assumptions, intent and expectations in light of the information currently available to it, and therefore these statements are not guarantees of future performance. Due to various factors in the future, actual results may differ from financial targets in the materials.

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