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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Based on Japanese GAAP)

May 13, 2026

Company name: Azbil Corporation
 Stock exchange listing: Tokyo Stock Exchange Prime Market (Code 6845)
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 Scheduled date of ordinary general meeting of shareholders: June 24, 2026
 Scheduled date to file annual securities report: June 19, 2026
 Scheduled date to commence dividend payments: June 25, 2026
 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 fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated financial results

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	%
Year ended March 31, 2026	298,930	(0.5)	47,304	14.0	48,760	15.6	38,565	(5.8)
Year ended March 31, 2025	300,378	3.2	41,486	12.6	42,170	8.1	40,955	35.6

Note: Comprehensive income
 Year ended March 31, 2026 46,632 million yen 16.8%
 Year ended March 31, 2025 39,915 million yen 5.9%

	Net income per share	Diluted net income per share	Return on equity	Ordinary income/ total assets	Operating income/ net sales
	Yen	Yen	%	%	%
Year ended March 31, 2026	75.76	—	15.7	15.1	15.8
Year ended March 31, 2025	77.96	—	17.9	13.4	13.8

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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	332,240	255,999	76.1	497.71
As of March 31, 2025	315,072	240,517	75.3	459.01

Reference: Shareholders' equity
 As of March 31, 2026 252,853 million yen
 As of March 31, 2025 237,205 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2026	38,032	(6,472)	(30,066)	97,931
Year ended March 31, 2025	43,953	2,032	(29,771)	92,637

2. Dividends

	Dividend per share					Total amount of cash dividends (annual)	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2025	—	44.00	—	13.00	—	12,784	30.8	5.5
Year ended March 31, 2026	—	13.00	—	19.00	32.00	16,589	42.2	6.7
Year ending March 31, 2027 (forecast)	—	31.00	—	19.00	50.00		72.0	

Notes: 1. Details of 2nd quarter-end dividends for the fiscal year ending March 31, 2027 (forecast):

an ordinary dividend of 19.00 yen, a commemorative dividend of 12.00 yen

2. The Company has introduced an employee stock ownership plan, a Trust-Type Employee Shareholding Incentive Plan, and a stock compensation plan. The total amount of cash dividend includes the dividends for the stock of the Company held by trust accounts of these plans (256 million yen for the year ended March 31, 2025, 325 million yen for the year ended March 31, 2026).

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

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

Percentages indicate year-on-year changes

	Revenue		Business profit		Operating profit		Profit before tax		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	139,500	—	17,300	—	19,100	—	19,300	—	12,400	—	24.41
Full year	315,000	—	48,200	—	49,700	—	50,000	—	35,300	—	69.48

Note: The Company will voluntarily adopt International Financial Reporting Standards (“IFRS”) for its consolidated financial statements, starting from the first quarter of the fiscal year ending March 31, 2027. Accordingly, forecast of consolidated financial results have been prepared in accordance with IFRS. As a result, year-on-year change ratios compared with the results for the fiscal year ended March 31, 2026, prepared under Japanese GAAP, are not presented.

The Company has resolved, at the Board of Directors meeting held on May 13, 2026, to repurchase its own stock.

For “Net income per share” in the forecast of consolidated financial results, the impact of these matters is not considered.

* Notes

(1) Significant changes in the scope of consolidation during the period
Newly included: 1 company (Azbil Information Technology Center (Dalian) Co., Ltd.) Yes

(2) 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

(3) Number of issued shares (common stock)

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

As of March 31, 2026	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 March 31, 2026	33,337,561 shares	As of March 31, 2025	43,892,273 shares
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c. Average number of shares during the period

Year ended March 31, 2026	509,062,200 shares	Year ended March 31, 2025	525,337,162 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 for these plans (9,814,916 shares as of March 31, 2026; 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 (12,376,797 shares for the year ended March 31, 2026; 10,510,605 shares for the year ended March 31, 2025).

* This consolidated financial results report is not subject to the audit procedures by certified public accountants or auditing firms.

* Regarding the appropriate use of forecast, etc.

Revenue 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 (1) Overview of financial results 3) Forecast for the next period" on page 7 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

Contents

1. Overview of financial results and others	2
(1) Overview of financial results	2
(2) Overview of financial position	10
(3) Basic policy regarding profit sharing and the dividends for the current and next periods	11
2. Management policy	14
(1) Basic policy	14
(2) Management targets	14
(3) Medium- to long-term management strategy	15
3. Activities (present situation) of the azbil Group	17
4. Basic rationale for selection of accounting standards	19
5. Consolidated financial statements and related notes	20
(1) Consolidated balance sheets	20
(2) Consolidated statements of income and consolidated statements of comprehensive income	22
Consolidated statements of income	22
Consolidated statements of comprehensive income	23
(3) Consolidated statements of changes in net assets	24
(4) Consolidated statements of cash flows	26
(5) Notes to the consolidated financial statements	28
Notes regarding going concern assumptions	28
Notes on segment information	28
Per share information	33
Significant subsequent events	34
6. Other	35
(1) Management changes	35
(2) Status of orders received	36

1. Overview of financial results and others

(1) Overview of financial results

1) Overview for the current fiscal year

The business environment for the azbil Group is 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 current consolidated fiscal year were as follows.

Orders received were 302,366 million yen overall, down 0.8% on the 304,723 million yen recorded in the previous consolidated fiscal year. Although there was an increase in the Building Automation (BA) business—which recorded large-scale projects, in Japan and abroad, against a backdrop of robust market conditions, while also benefitting from the implementation of various measures—there was a significant drop in orders received 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 1} (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. Accordingly, in spite of sales growth in the BA business, mainly in the fields for existing buildings and service, and also in the Advanced Automation (AA) business, mainly in the domestic and overseas process automation (PA) markets, net sales were 298,930 million yen, down 0.5% on the 300,378 million yen recorded in the previous consolidated fiscal year.

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 47,304 million yen, up 14.0% on the 41,486 million yen recorded in previous consolidated fiscal year; this significant growth was mainly due to measures to enhance profitability, including cost pass-through. Ordinary income—which improved mainly due to the growth in operating income—also increased significantly to 48,760 million yen, up 15.6% on the 42,170 million yen recorded in the previous consolidated fiscal year, when a figure of 42,170 million yen was recorded. Net income attributable to owners of parent was 38,565 million yen, down 5.8% on the 40,955 million yen recorded in the previous consolidated fiscal year; this was primarily due to the recording of gain on sale of equity interests in Azbil Telstar (approx. 7.6 billion yen) as extraordinary income in the previous consolidated fiscal year.

(Millions of yen)

	Fiscal year 2024 (April 1, 2024 to March 31, 2025)	Fiscal year 2025 (April 1, 2025 to March 31, 2026)	Difference	
			Amount	Rate
Orders received	304,723	302,366	(2,356)	(0.8)%
Net sales	300,378	298,930	(1,477)	(0.5)%
Operating income [Margin]	41,486 [13.8%]	47,304 [15.8%]	5,818 [2.0pp]	14.0%
Ordinary income	42,170	48,760	6,590	15.6%
Net income attributable to owners of parent [Margin]	40,955 [13.6%]	38,565 [12.9%]	(2,390) [(0.7)pp]	(5.8)%

Note 1: 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.

2) Financial results by segment

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 been robust and 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 taking such initiatives as 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 current consolidated fiscal year were as follows.

Orders received increased to 163,750 million yen, up 6.6% on the 153,640 million yen recorded in the previous consolidated fiscal year. In addition to benefitting from robust market

conditions, this was because of the recording of large-scale projects in the fields for new and existing buildings as well as in the overseas business. Sales were 156,351 million yen, up 5.1% on the 148,770 million yen recorded in the previous consolidated fiscal year, owing to an increase in the overseas business as well as steady sales growth in the fields for existing buildings and service thanks in part to progress made with load-leveling initiatives, and despite a decline in the field for new buildings owing to the fact that sales were at a high level in the previous consolidated fiscal year when large-scale projects were recorded. Segment profit was 28,901 million yen, up 18.6% on the 24,363 million yen recorded in the previous consolidated fiscal year; 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 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)

	Fiscal year 2024 (April 1, 2024 to March 31, 2025)	Fiscal year 2025 (April 1, 2025 to March 31, 2026)	Difference	
			Amount	Rate
Orders received	153,640	163,750	10,110	6.6%
Sales	148,770	156,351	7,581	5.1%
Segment profit [Margin]	24,363 [16.4%]	28,901 [18.5%]	4,537 [2.1pp]	18.6%

Advanced Automation (AA) Business

Looking at market trends, in Japan and abroad, that are relevant to the AA business, the PA market remained robust, mainly due to domestic demand for maintenance and refurbishment. In the FA market, although a recovery in demand is currently observed in some areas, the strength of demand varies by region and market, and overall the recovery remains subdued. Direct impact from U.S. reciprocal tariffs on the azbil Group's financial results has been limited. However, with regard to the impact of geopolitical risks in the Middle East and U.S.-China trade friction on supply chains and capital investment in the manufacturing sector, it is necessary to keep a close watch on future developments.

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 2} 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 current consolidated fiscal year were as follows.

Orders received were 106,242 million yen, on a par with the 105,986 million yen recorded in the previous consolidated fiscal year. While 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, the domestic PA market remained robust and the recording of large-scale projects meant that orders increased. In addition, there was an increase in FA market orders from the second half. As regards sales, there were increases in the domestic and overseas PA markets, and also growth in FA market sales, as with orders, from the second half. As a result, overall sales increased to 110,726 million yen, up 3.6% on the 106,836 million yen recorded in the previous consolidated fiscal year. Segment profit was 17,800 million yen, up 11.3% on the 15,997 million yen recorded in the previous consolidated fiscal year. This significant improvement was due to higher revenue leading to increased profit as well as such factors as the product mix and the effect of measures to enhance profitability, including cost pass-through, and was achieved despite increases in personnel and other expenses, coupled with increased investments in the overseas market and DX.

The FA market has been gradually recovering since the second half, and 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 3} 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)

	Fiscal year 2024 (April 1, 2024 to March 31, 2025)	Fiscal year 2025 (April 1, 2025 to March 31, 2026)	Difference	
			Amount	Rate
Orders received	105,986	106,242	255	0.2%
Sales	106,836	110,726	3,889	3.6%
Segment profit [Margin]	15,997 [15.0%]	17,800 [16.1%]	1,802 [1.1pp]	11.3%

Notes 2: Devices built using microfabrication technology to integrate sensors, actuators, and electronic circuits on substrates

3: 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 whose statutory inspection/verification period is due to expire. 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 stable meter replacement demand, we are engaged in developing services that utilize data from smart meters, while continuing with measures to enhance profitability, including cost pass-through.

As noted previously, 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 the previous consolidated fiscal year, 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 current consolidated fiscal year were as follows.

Orders received were 33,936 million yen, down 27.6% on the 46,845 million yen recorded in the previous consolidated fiscal year; this was due to the transfer of equity interests in Azbil Telstar (a reduction of 15,500 million yen). Similarly, this transfer impacted sales (a reduction of 14,600 million yen), which were 33,336 million yen, down 28.5% on the 46,634 million yen recorded in the previous consolidated fiscal year. Although measures were implemented to enhance profitability, including cost pass-through, as well as reduce expenses, 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 630 million yen, down 46.2% compared to the 1,171 million yen recorded in the previous consolidated fiscal year.

In the LA business, we will engage in expanding our business by making new strategic investments and advancing collaborative initiatives with other companies^{Note 4}, etc. At the same time, aiming to achieve growth that allows for changes in the business environment, we will

continue to capture the effects of measures to enhance profitability, including cost pass-through, sales initiatives focused on profitability, and replacement from conventional meters to smart meters, while also reexamining business processes through the promotion 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^{Note 5}, 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.

	Fiscal year 2024 (April 1, 2024 to March 31, 2025)	Fiscal year 2025 (April 1, 2025 to March 31, 2026)	Difference	
			Amount	Rate
Orders received	46,845	33,936	(12,909)	(27.6)%
Sales	46,634	33,336	(13,297)	(28.5)%
Segment profit [Margin]	1,171 [2.5%]	630 [1.9%]	(540) [(0.6)pp]	(46.2)%

Notes 4: 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.

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

Other

In Other business, principally our insurance agent business and software development business^{Note 6} within the azbil Group, orders received in the current consolidated fiscal year were 965 million yen (compared with the 59 million yen recorded in the previous consolidated fiscal year), sales were 934 million yen (compared with the 59 million yen in the previous consolidated fiscal year), and segment profit was 11 million yen (compared with the segment loss of 37 million yen in the previous consolidated fiscal year).

Note 6: 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 current consolidated fiscal year.

3) Forecast for the next period

The azbil Group has set long-term targets for FY2030 and, by formulating a series of medium-term plans, we are making steady progress toward achieving them. Aiming to realize a sustainable society, we are seeing the emergence of various societal issues and customer challenges, and the role of automation in being able to provide solutions to these is expanding, leading to increased demand. FY2025, the first year of the current 3-year medium-term plan,

was marked by rapid changes in the business environment, including surging inflation. However, by capturing the resultant growth in demand and improving business profitability, we were able to achieve financial results that exceeded the initial plan. While there is increasing uncertainty in the business environment, the following outlook is based on these results and predicated on steadily capturing the anticipated demand in each business segment over the coming fiscal year.

Looking ahead at the business environment surrounding the azbil Group in FY2026 (ending March 31, 2027), demand for HVAC control equipment/systems is expected to remain robust; as regards demand related to production facilities such as factories and plants, demand is expected to recover in the FA markets, including the semiconductor manufacturing equipment market. In all business segments, we also anticipate continued demand for the sort of maintenance and equipment replacement—including the replacement of meters as required by law—that contribute to the safety and peace of mind of our customers. Nonetheless, a high level of uncertainty is expected to continue, with global geopolitical risks—particularly the escalating tensions in the Middle East—impacting resource prices, logistics, and procurement, as well as labor and other costs rising due to ongoing inflation. While closely monitoring these developments, the azbil Group will exercise sound judgment and risk management as the situation demands. Drawing on the experience we previously gained while dealing with the COVID-19 pandemic and past supply chain disruptions, we will always strive to respond in a swift and appropriate manner.

Based on the above assessment of the business environment and the outlook for demand in each business segment, our forecast of consolidated financial results for FY2026, is as follows: revenue of 315.0 billion yen, business profit of 48.2 billion yen, profit before tax of 50.0 billion yen, and profit attributable to owners of parent of 35.3 billion yen. Owing to uncertainty regarding the impact of geopolitical risks, primarily concerning the Middle East situation, our forecast of consolidated financial results for FY2026 currently takes into account those effects that can be confirmed at this time. We will closely monitor future developments and their potential impact on our business.

The outlook for the individual business segments is as follows.

In the BA business, market conditions are expected to remain robust both in Japan and overseas. Against the backdrop of a large order backlog, revenue growth is anticipated, mainly in the fields for existing buildings and service, and in overseas business. In spite of increases in outsourcing costs as well as personnel and other expenses, we expect to achieve higher business profit, partly from revenue growth, but also by improving margins at the point of order receipt and implementing cost pass-through.

In the AA business, while there are concerns about the impact of the Middle East situation on the macroeconomy and capital investment, we anticipate increased revenue thanks to continuing investment in the PA markets—including efforts to address domestic labor shortages and demand for maintenance—and also to the recovery in the FA markets, including the semiconductor manufacturing equipment market. However, it is expected that business profit will remain on a par with FY2025 as a result of rising costs for parts/materials and higher

personnel expenses, and also because of the recording of highly profitable projects in FY2025.

As regards the LA business, in the Lifeline field for gas and water meters, in addition to steadily capturing demand for the replacement of meters as required by law, we plan to increase revenue by promoting the development of markets related to smart metering as a service. Despite soaring prices for materials such as copper, as well as increased personnel expenses, we expect to achieve higher business profit thanks to measures to enhance profitability such as cost pass-through, sales initiatives focused on profitability, and replacement from conventional meters to smart meters.

The business environment is expected to remain uncertain and challenging due to such factors as rising inflation and heightened geopolitical risks, particularly the situation in the Middle East. But despite this, we will steadily invest in developing human capital, enhancing product competitiveness, and promoting DX. We are advancing the azbil Group's unique business model, driving a cycle comprising our core businesses—which leverage the strong relationships built up over many years with our extensive customer base (factories, plants, commercial buildings, lifeline utilities, etc.)—and our growth businesses, which see new opportunities in technological innovations, as in the semiconductor field, and in solving new societal challenges, such as initiatives to achieve carbon neutrality.

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.

The azbil Group will voluntarily adopt International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 31, 2027. For that reason, the following forecast of consolidated financial results has been prepared in accordance with IFRS.

(Billions of yen)

		Fiscal year 2025 results J-GAAP	Fiscal year 2025 results IFRS	Fiscal year 2026 forecast IFRS	Difference	
					Amount	Rate
Building Automation	Revenue	156.3	156.3	166.0	9.6	6.2%
	Business profit [Margin]	28.9 [18.5%]	28.3 [18.1%]	30.0 [18.1%]	1.6 [(0.1)pp]	5.9%
Advanced Automation	Revenue	110.7	110.7	115.0	4.2	3.9%
	Business profit [Margin]	17.8 [16.1%]	17.3 [15.7%]	17.2 [15.0%]	(0.1) [(0.8)pp]	(1.1)%
Life Automation	Revenue	33.3	33.3	35.3	1.9	5.9%
	Business profit [Margin]	0.6 [1.9%]	0.5 [1.5%]	1.0 [2.8%]	0.4 [1.3pp]	99.9%
Other	Revenue	0.9	0.9	1.0	0.0	7.0%
	Business profit [Margin]	0.0 [1.3%]	0.0 [1.3%]	0.0 [0.0%]	0.0 [(1.3)pp]	-
Consolidated	Revenue	298.9	298.9	315.0	16.0	5.4%
	Business profit [Margin]	47.3 [15.8%]	46.2 [15.5%]	48.2 [15.3%]	1.9 [(0.2)pp]	4.3%
	Operating profit	-	46.6	49.7	3.0	6.5%
	Profit before tax	50.7	47.9	50.0	2.0	4.3%
	Profit attributable to owners of parent [Margin]	38.5 [12.9%]	36.4 [12.2%]	35.3 [11.2%]	(1.1) [(1.0)pp]	(3.1)%

Notes 7: “Net sales” under Japanese GAAP is presented as “revenue”; “segment profit” and “operating income” as “business profit”; “income before income taxes” as “profit before tax”; and “net income attributable to owners of parent” as “profit attributable to owners of parent”.

8: These are preliminary figures that have not yet been audited and so may be subject to revision.

(2) Overview of financial position

Analysis of assets, liabilities, net assets and cash flows

Assets

Total assets at the end of FY2025 stood at 332,240 million yen, an increase of 17,167 million yen from the end of FY2024. This was mainly due to an increase of 6,761 million yen in cash and deposits as well as an increase of 6,302 million yen in investment securities due to the increased market value of shareholdings.

Liabilities

Total liabilities at the end of FY2025 stood at 76,240 million yen, an increase of 1,685 million yen from the end of FY2024. This was mainly due to an increase of 4,453 million yen in long-term borrowings due to borrowings 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, despite there being a decrease of 2,403 million yen in the provision for stock-based compensation under current liabilities. The latter resulted from the fact that, following the switch to an employee stock ownership plan with restricted stock, the first grant was made to current employees.

Net assets

Net assets at the end of FY2025 stood at 255,999 million yen, an increase of 15,482 million yen from the end of FY2024. This was mainly due to an increase of 38,565 million yen in shareholders' equity by the recording of net income attributable to owners of parent as well as an increase of 3,740 million yen in valuation difference on available-for-sale securities, despite a decrease of 14,999 million yen by repurchasing own stock, pursuant to the resolution at the Board of Directors meeting, and a decrease of 13,623 million yen due to the payment of dividends.

As a result, the shareholders' equity ratio was 76.1%, 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 current consolidated fiscal year were 38,032 million yen, a decrease of 5,921 million yen compared to the previous consolidated fiscal year. This was mainly due to an increase in income taxes paid.

Net cash flow from investing activities

Net cash used in investing activities (expenditure) in the current consolidated fiscal year was 6,472 million yen due to expenditure for capital investment. In the previous consolidated fiscal year, net cash provided by investing activities (proceeds) was 2,032 million yen due to proceeds from sale of investments in capital of subsidiaries resulting in change in scope of consolidation, and despite expenditures for capital investment.

Net cash flow from financing activities

Net cash used in financing activities (expenditure) in the current consolidated fiscal year was 30,066 million yen, on a par with the previous consolidated fiscal year. Although there was expenditure due to repayments of short-term borrowings in some overseas subsidiaries in the previous consolidated fiscal year, this was because of higher expenditure for the payment of dividends in the current consolidated fiscal year.

As a result of the above factors, net cash at the end of FY2025 was 97,931 million yen, an increase of 5,293 million from the end of FY2024.

(3) Basic policy regarding profit sharing and the dividends for the current and next periods

The basic policy of the azbil Group is to maintain and enhance enterprise value through disciplined capital management, carefully balancing three key elements: investing for growth,

promoting shareholder returns, and maintaining a sound financial base. Guided by this basic policy, we are making steady progress with investing for growth while at the same time keeping in mind the importance of securing sufficient funds to address future contingencies, which is prudent given the uncertain business environment. We are also engaged in further improving shareholder returns while maintaining a sound financial foundation.

Under the current medium-term plan (FY2025–FY2027), whose key theme is Evolution and Co-creation, we are aiming to achieve sustainable growth by strengthening our core businesses and expanding into new growth areas. For this reason, we are increasing investments in human capital to secure and foster talented human resources aligned with our business strategy. At the same time, we are working to enhance our development/production systems globally while strengthening product competitiveness by collaborating with and investing in other companies. We are also actively investing in advancing DX to enhance product competitiveness and operational efficiency. In addition, we are engaged in ensuring business continuity in the event of unforeseen crises such as natural disasters. Moreover, in order to promote “management that is conscious of the cost of capital and the stock price,” we have set out return on equity (ROE) figures in our long-term targets (FY2030) and the medium-term plan, and at the same time introduced return on invested capital (ROIC) as an important management indicator. We are striving to optimize shareholders’ equity while assessing the appropriate level of cash and deposits as well as financing capabilities required for business operations and growth. For reference, in FY2025 azbil Group ROIC (trial calculation) was 11.5% applying J-GAAP, 11.3% applying IFRS; weighted average cost of capital (WACC) was 7.6%.

Returning profits to our shareholders is one of the key management priorities. While comprehensively taking into account our consolidated financial results, ROE and dividend on equity (DOE) levels, as well as the need for adequate retained earnings to support future business development and strengthen our corporate structure, we strive to maintain stable dividends and moreover improve the dividend level. That is why we have focused on DOE as a key indicator, endeavoring to maintain a stable but rising dividend level over the long term. Indeed, since FY2015 we have steadily increased our dividend every year.

In FY2025, the first year of the current plan, there has been a high degree of uncertainty in the business environment due to such factors as rapidly rising inflation, the impact of U.S. reciprocal tariffs, and emerging geopolitical risks. Nevertheless, we were able to increase profits to a level exceeding the initial financial plan announced on May 13, 2025. This, we believe, is the result of the steady progress we have made in strengthening our business profitability. As a tangible measure of shareholder return, we had previously planned to pay an annual dividend of 26 yen per share for the fiscal year ended March 31, 2026, representing an increase of 2 yen per share above the FY2024 level. However, given the above-mentioned increase in profits, we now plan to increase the year-end dividend by 6 yen above the amount previously announced, bringing the total annual dividend to 32 yen per share. (We intend to make the payment once it has been approved at the Ordinary General Meeting of Shareholders scheduled for June 24, 2026.) Consequently, DOE, which for us is a key indicator, is expected to be 6.7%, exceeding the target level set in our current medium-term plan.

Regarding dividends for the fiscal year ending March 31, 2027, in line with our policy of enhancing shareholder returns, and aiming to further improve our stable dividend level, we plan

to increase the ordinary dividend by 6 yen, resulting in an interim dividend of 19 yen per share, a year-end dividend of 19 yen per share, and an annual dividend of 38 yen per share. What is more, as we are celebrating our 120th anniversary in FY2026, to express our gratitude to the shareholders we plan to issue a commemorative dividend of 12 yen per share at the time that the interim dividend is paid. Including this commemorative dividend, the DOE for FY2026 is expected to be 10.7%, marking a significant increase.

In addition, taking into account the current state/outlook of our businesses and financial results, we will implement disciplined capital management, further improving capital efficiency and enhancing shareholder returns. For this reason, we will repurchase up to 20.0 billion yen (or up to 32 million shares) of our own stock between May 14 and October 30, 2026. Regarding the repurchase of own stock, refer to “(5) Notes to the consolidated financial statements: Significant subsequent events” on page 34. Note that, owing to the uncertainty surrounding the business environment going forward, we do not plan to cancel the repurchased shares immediately. Instead, they will be held as treasury shares for the time being to ensure that our capital policy options offer sufficient flexibility to respond to future changes in the business environment.

While it is true that there is uncertainty regarding aspects of the business environment surrounding the azbil Group in FY2026—not least the extent and duration of the impact that the Middle East situation will have on the world economy—the fund allocation for this shareholder return is based solely on business performance through FY2025. Taking into account the increased profitability of our business foundation and our efficient balance-sheet management using external debt to further improve ROE, we have determined that, even after factoring in the risks posed by the uncertain business environment, it is possible to actively invest for growth while at the same time enhancing shareholder returns.

Going forward, we will continue to pursue management that is conscious of capital efficiency, working to strengthen our corporate structure by investing for growth and implementing measures to enhance business profitability, while striving for the long-term enhancement of both enterprise value and shareholder returns.

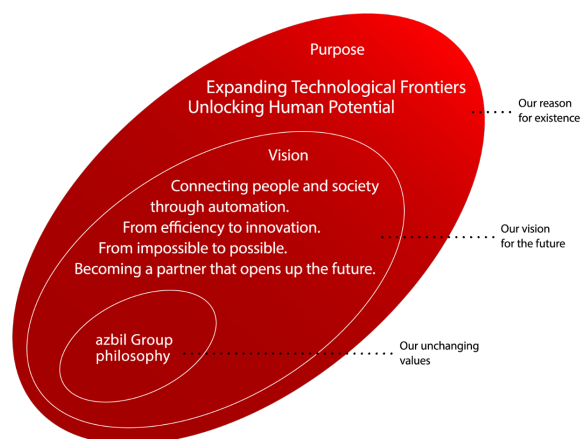
2. Management policy

(1) Basic policy

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.

In May 2026, to articulate the azbil Group’s overarching value proposition and our reason for existence, we defined our Purpose, to be shared with our stakeholders, as “Expanding Technological Frontiers, Unlocking Human Potential.” Our Purpose expresses how we aim to drive the creation of new value on site with our customers—advancing “From efficiency to innovation. From impossible to possible.”—which is achieved by using technologies centered on automation to unlock the tremendous potential inherent in people and society. This concept of unlocking the potential inherent in people and society reflects the motivation behind our founding spirit of “freeing people from drudgery,” as well as the azbil Group’s philosophy of “human-centered automation.” Furthermore, we have defined a distinct vision and set of goals for the azbil Group to achieve—a vision of our future ten years from now that we aspire to attain through our efforts to fulfill our Purpose.

azbil Group Way Shared values that unite our aspirations for the Group’s future



Brand statement Engineering the Impossible

Furthermore, as a concise articulation of the Group’s determination to realize our Purpose and our Vision, “Engineering the Impossible” has been chosen as a brand statement. The Group will robustly advance future-oriented management to drive technological innovation, unlock new potential, and realize our vision of making the impossible possible.

(2) Management targets

The azbil Group is focused on people and realizing a world of automation created by human ingenuity and technology. Our long-term goal is to become a world-class corporate entity that contributes to the safety and security of our customers, enhancing enterprise value, and solving global environmental issues. To that end we have formulated phased medium-term plans and are engaged in initiatives to achieve this goal. A fundamental target is to enhance consolidated ROE (return on equity) so as to increase shareholder value. We have thus set long-term targets for FY2030^{Note}, 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 current medium-term plan (FY2025–FY2027)^{Note} 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%.

Note: On May 13, 2025, the azbil Group revised long-term targets (FY2030) and published its medium-term plan (FY2025–FY2027). These targets were calculated based on Japanese GAAP at the time of formulation. There is no change to the targets for FY2027 at this time; however, a review will be considered once we have a clearer picture of the uncertain situation, taking into account the progress of our medium-term plan.

(3) Medium- to long-term management strategy

The current medium-term plan, which began in FY2025, represents the second that has been formulated with a view to achieving our long-term targets for FY2030. At the same time, looking beyond 2026—a year that marks the 120th anniversary of our founding—we see this as a plan that will realize evolution and co-creation in our drive to make contributions that lead “in series” toward a sustainable society.

FY2025, the first year of the current plan, has been marked by rapid changes in the business environment driven by technological innovations, such as generative AI, inflation, and mounting geopolitical risks. Amidst this environment, the Group has striven to strengthen the business foundation by steadily adapting to these changes while implementing measures to enhance profitability, including cost pass-through, and enhancing operational efficiency. As a result, we have set a new record for operating income.

Since the start of 2026, as tensions have escalated in the Middle East (including the conflict involving the U.S. and Iran), the impact on the business environment is becoming apparent in such areas as resource prices, logistics, and procurement. There is a great deal of uncertainty surrounding such geopolitical risks, and factors such as energy price fluctuations could affect our financial results. Nevertheless, while closely monitoring the situation, the Group will implement appropriate measures and risk management so as to minimize the impact on our business operations.

Going forward, the azbil Group will continue to seek business opportunities in harnessing technological innovations and in solving new issues that arise from changes in the social environment. We will steadily invest in developing human capital, enhancing product competitiveness, and promoting DX. We are advancing the azbil Group’s unique business model, driving a cycle comprising our core businesses—which leverage the strong relationships built up over many years with our extensive customer base (factories, plants, commercial buildings, lifeline utilities, etc.)—and our growth businesses, which see new opportunities in technological innovations, as in the semiconductor field, and in solving new societal challenges, such as initiatives to achieve carbon neutrality.

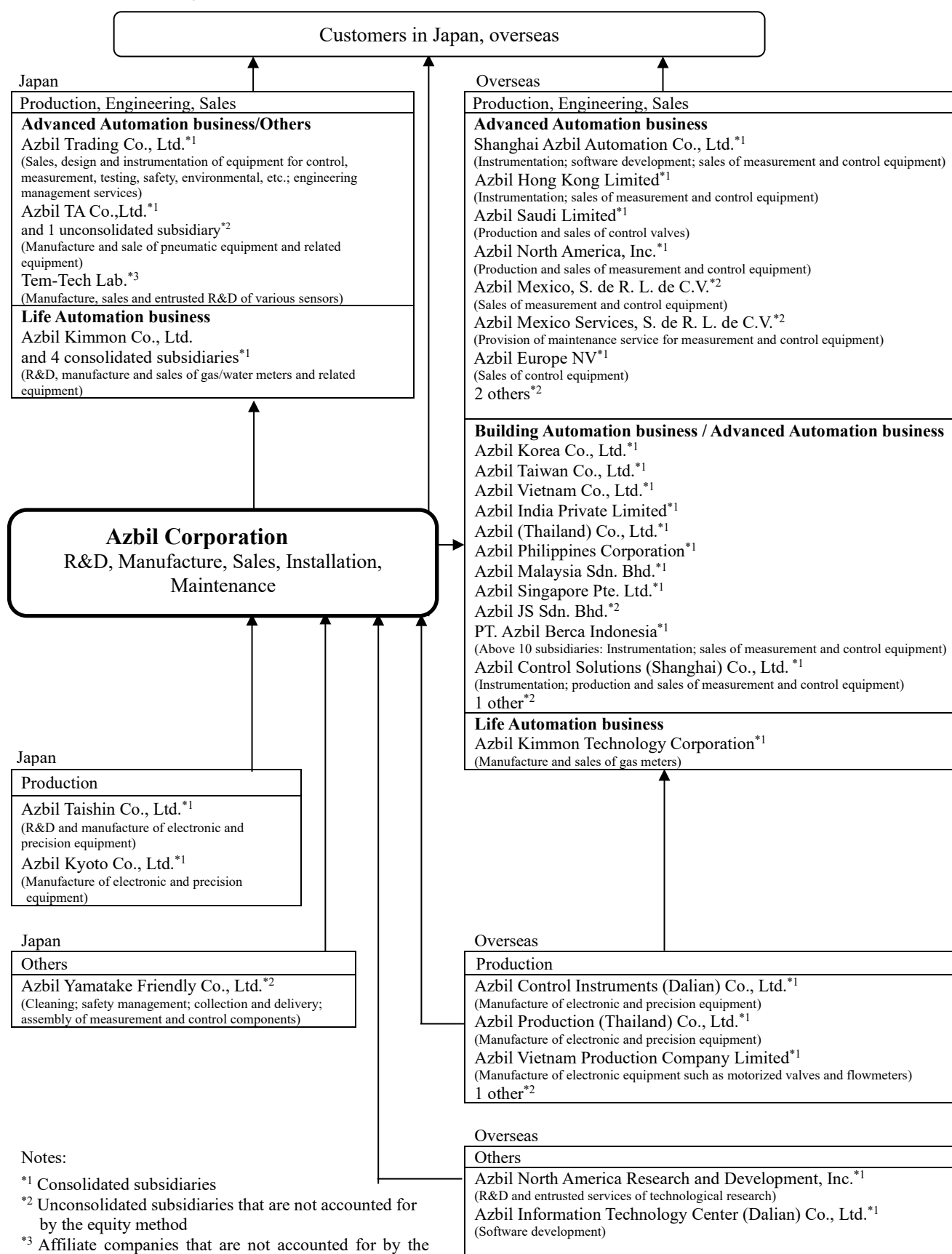
In addition, centered on our core businesses, we are developing our stock business—that is, the business of supporting the entire lifecycle of our customers’ facilities, covering everything from new construction to retrofit and maintenance work. This stock business, which is based on products already delivered to our customers, is contributing to the sustained enhancement of profitability throughout the Group. Looking ahead, in order to achieve sustained growth in both

sales and profits, even in an uncertain business environment, we will further strengthen our stock business while at the same time generating growth from the cycle in which our core businesses stimulate our growth businesses, and vice versa.

3. Activities (present situation) of the azbil Group

The azbil Group consists of the Company, 39 subsidiaries and 1 affiliate, and is pursuing human-centered automation that aims to realize safety, comfort and fulfillment in people's lives and contribute to global environmental preservation. The Group operates in three core businesses: the Building Automation (BA) business in the building market, the Advanced Automation (AA) business in the industrial market, and the Life Automation (LA) business in markets closely related to lifelines and everyday life. The BA business develops and manufactures a comprehensive lineup, from building management and security systems to application software, controllers, valves, and sensors; it also provides instrumentation design, sales, engineering, maintenance, energy-saving solutions, and facility operation and management. Moreover, the Group draws on its original environmental control technologies to create comfortable and productive office and factory spaces and to develop business that contributes to environmental load reduction. The AA business is focused on solving issues in the materials industries—such as oil, chemicals, steel, and pulp and paper—as well as in the processing and assembly industries—including automobiles, electrical and electronics, semiconductors, and food—through the provision of products, solutions, instrumentation, engineering, and maintenance to support the optimum operation of equipment and facilities throughout their lifecycle. The Group develops advanced measurement and control technologies, aims to create production spaces that are safe and enhance human capabilities, and conducts business to create new value through collaboration with customers. The LA business applies measurement, control and metering technologies, cultivated over many years in the building and industrial markets, to lifelines utilities such as gas and water as well as living spaces. The Group conducts this business to support active lifestyles.

As for the previously mentioned business contents, our company and related companies are positioned as shown in the following business chart.



Notes:

- *¹ Consolidated subsidiaries
- *² Unconsolidated subsidiaries that are not accounted for by the equity method
- *³ Affiliate companies that are not accounted for by the equity method

4. Basic rationale for selection of accounting standards

The azbil Group will voluntarily adopt International Financial Reporting Standards (“IFRS”) for its consolidated financial statements, starting from the first quarter of the fiscal year ending March 31, 2027.

5. Consolidated financial statements and related notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	88,495	95,256
Notes receivable - trade	15,124	13,381
Accounts receivable - trade	61,541	64,491
Contract assets	15,079	17,689
Securities	6,400	5,000
Merchandise and finished goods	8,483	8,443
Work in process	6,776	6,268
Raw materials	22,366	21,388
Other	6,857	7,372
Allowance for doubtful accounts	(352)	(323)
Total current assets	230,770	238,968
Non-current assets		
Property, plant and equipment		
Buildings and structures	53,878	56,035
Accumulated depreciation	(30,564)	(33,185)
Buildings and structures, net	23,314	22,850
Machinery, equipment and vehicles	22,168	23,247
Accumulated depreciation	(17,217)	(18,000)
Machinery, equipment and vehicles, net	4,951	5,247
Tools, furniture and fixtures	21,701	22,749
Accumulated depreciation	(18,593)	(19,494)
Tools, furniture and fixtures, net	3,107	3,255
Land	6,618	6,684
Leased assets	2,496	2,816
Accumulated depreciation	(1,087)	(1,518)
Leased assets, net	1,409	1,297
Construction in progress	1,785	3,457
Total property, plant and equipment	41,186	42,792
Intangible assets		
Software	4,425	4,950
Other	3,050	3,370
Total intangible assets	7,475	8,321
Investments and other assets		
Investment securities	22,791	29,093
Deferred tax assets	5,066	4,145
Retirement benefit asset	0	2
Other	7,885	9,069
Allowance for doubtful accounts	(103)	(154)
Total investments and other assets	35,640	42,157
Total non-current assets	84,302	93,271
Total assets	315,072	332,240

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,089	16,796
Short-term borrowings	4,862	4,816
Income taxes payable	8,964	7,311
Contract liabilities	4,083	3,752
Provision for bonuses	13,614	14,131
Provision for bonuses for directors (and other officers)	245	240
Provision for share awards	2,854	451
Provision for product warranties	1,857	1,318
Provision for loss on orders received	16	13
Other	15,198	15,524
Total current liabilities	67,786	64,357
Non-current liabilities		
Long-term borrowings	620	5,073
Deferred tax liabilities for land revaluation	186	186
Retirement benefit liability	1,821	1,934
Provision for retirement benefits for directors (and other officers)	197	143
Provision for share awards	130	245
Provision for share awards for directors (and other officers)	177	306
Other	3,635	3,993
Total non-current liabilities	6,768	11,883
Total liabilities	74,555	76,240
Net assets		
Shareholders' equity		
Share capital	10,522	10,522
Capital surplus	12,282	12,282
Retained earnings	237,661	242,988
Treasury shares	(41,905)	(38,985)
Total shareholders' equity	218,561	226,808
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,223	14,964
Foreign currency translation adjustment	7,312	10,912
Remeasurements of defined benefit plans	107	168
Total accumulated other comprehensive income	18,643	26,045
Non-controlling interests	3,311	3,145
Total net assets	240,517	255,999
Total liabilities and net assets	315,072	332,240

(2) Consolidated statements of income and consolidated statements of comprehensive income
(Consolidated statements of income)

(Millions of yen)

	Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)	Year ended March 31, 2026 (April 1, 2025 to March 31, 2026)
Net sales	300,378	298,930
Cost of sales	168,514	159,352
Gross profit	131,863	139,577
Selling, general and administrative expenses	90,377	92,273
Operating income	41,486	47,304
Non-operating income		
Interest income	535	349
Dividend income	851	986
Foreign exchange gains	—	966
Rental income from real estate	29	28
Reversal of allowance for doubtful accounts	30	15
Other	277	417
Total non-operating income	1,724	2,763
Non-operating expenses		
Interest expenses	178	119
Foreign exchange losses	433	—
Commitment fees	20	20
Expenses of real estate	40	48
Office relocation expenses	181	795
Loss on investments in investment partnerships	16	179
Other	171	144
Total non-operating expenses	1,040	1,307
Ordinary income	42,170	48,760
Extraordinary income		
Gain on sale of non-current assets	11	14
Gain on sale of investment securities	2,007	2,096
Gain on sale of investments in capital of subsidiaries and associates	8,436	—
Reversal of provision for product warranties	603	—
Compensation for forced relocation	165	—
Total extraordinary income	11,225	2,111
Extraordinary losses		
Loss on sale and retirement of non-current assets	153	91
Impairment losses	—	11
Loss on sale of investment securities	10	0
Loss on valuation of investment securities	100	—
Total extraordinary losses	263	103
Income before income taxes	53,132	50,767
Income taxes - current	12,425	12,612
Income taxes - deferred	(913)	(896)
Total income taxes	11,511	11,715
Net income	41,621	39,051
Net income attributable to non-controlling interests	665	486
Net income attributable to owners of parent	40,955	38,565

(Consolidated statements of comprehensive income)

(Millions of yen)

	Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)	Year ended March 31, 2026 (April 1, 2025 to March 31, 2026)
Net income	41,621	39,051
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,624)	3,740
Deferred gains or losses on hedges	18	—
Foreign currency translation adjustment	843	3,775
Remeasurements of defined benefit plans, net of tax	57	64
Total other comprehensive income	(1,705)	7,580
Comprehensive income	39,915	46,632
Comprehensive income attributable to:		
Owners of parent	39,219	45,966
Non-controlling interests	696	665

(3) Consolidated statements of changes in net assets
Fiscal year 2024 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,522	11,617	211,810	(32,804)	201,145
Changes during period					
Dividends of surplus			(11,218)		(11,218)
Net income attributable to owners of parent			40,955		40,955
Effect of changes in accounting period of subsidiaries			299		299
Change in scope of consolidation		665			665
Purchase of treasury shares				(19,256)	(19,256)
Disposal of treasury shares		1,018		4,952	5,971
Cancellation of treasury shares		(5,203)		5,203	—
Transfer from retained earnings to capital surplus		4,184	(4,184)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	665	25,851	(9,100)	17,416
Balance at end of period	10,522	12,282	237,661	(41,905)	218,561

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	13,848	(18)	6,496	50	20,376	3,365	224,887
Changes during period							
Dividends of surplus							(11,218)
Profit attributable to owners of parent							40,955
Effect of changes in accounting period of subsidiaries							299
Change in scope of consolidation							665
Purchase of treasury shares							(19,256)
Disposal of treasury shares							5,971
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Net changes in items other than shareholders' equity	(2,624)	18	816	57	(1,733)	(53)	(1,786)
Total changes during period	(2,624)	18	816	57	(1,733)	(53)	15,629
Balance at end of period	11,223	—	7,312	107	18,643	3,311	240,517

Fiscal year 2025 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,522	12,282	237,661	(41,905)	218,561
Changes during period					
Dividends of surplus			(13,623)		(13,623)
Net income attributable to owners of parent			38,565		38,565
Effect of changes in accounting period of subsidiaries			269		269
Change in scope of consolidation			199		199
Purchase of treasury shares				(22,567)	(22,567)
Disposal of treasury shares				5,403	5,403
Cancellation of treasury shares		(20,083)		20,083	—
Transfer from retained earnings to capital surplus		20,083	(20,083)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	5,327	2,919	8,246
Balance at end of period	10,522	12,282	242,988	(38,985)	226,808

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,223	—	7,312	107	18,643	3,311	240,517
Changes during period							
Dividends of surplus							(13,623)
Net income attributable to owners of parent							38,565
Effect of changes in accounting period of subsidiaries							269
Change in scope of consolidation							199
Purchase of treasury shares							(22,567)
Disposal of treasury shares							5,403
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Net changes in items other than shareholders' equity	3,740	—	3,600	61	7,401	(165)	7,235
Total changes during period	3,740	—	3,600	61	7,401	(165)	15,482
Balance at end of period	14,964	—	10,912	168	26,045	3,145	255,999

(4) Consolidated statements of cash flows

(Millions of yen)

	Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)	Year ended March 31, 2026 (April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Income before income taxes	53,132	50,767
Depreciation	6,714	7,061
Impairment losses	—	11
Increase (decrease) in allowance for doubtful accounts	(61)	(6)
Increase (decrease) in retirement benefit liability	112	153
Decrease (increase) in retirement benefit asset	3	(2)
Increase (decrease) in provision for share awards	498	555
Increase (decrease) in provision for share awards for directors (and other officers)	68	141
Increase (decrease) in provision for bonuses	1,233	419
Increase (decrease) in provision for bonuses for directors (and other officers)	19	(4)
Increase (decrease) in provision for product warranties	(323)	(540)
Interest and dividend income	(1,386)	(1,336)
Interest expenses	178	119
Foreign exchange losses (gains)	185	(845)
Loss (gain) on sale and retirement of non-current assets	141	76
Loss (gain) on sale and valuation of investment securities	(1,897)	(2,096)
Loss (gain) on sale of investments in capital of subsidiaries and associates	(8,436)	—
Compensation for forced relocation	(165)	—
Decrease (increase) in accounts receivable - trade, and contract assets	756	(2,751)
Decrease (increase) in inventories	3,464	2,518
Increase (decrease) in trade payables	(1,477)	63
Decrease (increase) in other assets	298	(1,520)
Increase (decrease) in other liabilities	83	(1,486)
Subtotal	53,143	51,298
Interest and dividends received	1,414	1,348
Interest paid	(175)	(118)
Income taxes paid	(11,106)	(14,497)
Proceeds from compensation for forced relocation	677	—
Net cash provided by (used in) operating activities	43,953	38,032

(Millions of yen)

	Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)	Year ended March 31, 2026 (April 1, 2025 to March 31, 2026)
Cash flows from investing activities		
Payments into time deposits	(3,290)	(3,300)
Proceeds from withdrawal of time deposits	4,490	3,074
Purchase of securities	(400)	—
Proceeds from sale of securities	1,000	400
Purchase of beneficial interests in trust	(694)	(287)
Proceeds from sale of beneficial interests in trust	893	371
Purchase of property, plant and equipment	(6,560)	(5,646)
Proceeds from sale of property, plant and equipment	23	58
Purchase of intangible assets	(2,963)	(2,210)
Purchase of investment securities	(836)	(964)
Proceeds from sale of investment securities	2,393	2,319
Proceeds from sale of investments in capital of subsidiaries resulting in change in scope of consolidation	7,975	—
Purchase of shares of subsidiaries and associates	—	(257)
Other, net	0	(29)
Net cash provided by (used in) investing activities	2,032	(6,472)
Cash flows from financing activities		
Proceeds from short-term borrowings	278	18
Repayments of short-term borrowings	(2,639)	(67)
Proceeds from long-term borrowings	300	6,515
Repayments of long-term borrowings	(1,965)	(2,061)
Dividends paid	(11,213)	(13,620)
Repayments of lease liabilities	(809)	(500)
Dividends paid to non-controlling interests	(713)	(831)
Purchase of treasury shares	(19,256)	(22,567)
Proceeds from sale of treasury shares	6,247	3,049
Net cash provided by (used in) financing activities	(29,771)	(30,066)
Effect of exchange rate change on cash and cash equivalents	107	3,127
Net increase (decrease) in cash and cash equivalents	16,322	4,621
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	92,637	97,931

(5) Notes to the consolidated financial statements

Notes regarding going concern assumptions

Not applicable

Notes on segment information

Segment information

1. The summary of the reportable segments

The reportable segments of the azbil Group—identifiable operating segments of the Group’s business structure for which financial information is made separately available—are subject to periodic review by the Board of Directors in order to make decisions on the distribution of management resources and assess performance.

The azbil Group identifies its operating segments using such criteria as business organization, product lines, service content, and markets. This approach results in three separate reportable segments: the Building Automation business, the Advanced Automation business, and the Life Automation business.

The Building Automation business supplies commercial buildings and production facilities with automatic HVAC control and security systems, including products, engineering, and related services. The Advanced Automation business supplies automation control systems, switches and sensors, engineering and maintenance services to industrial plants and factories. The Life Automation business supplies meters and measuring instruments for lifeline utilities and provides residential central air-conditioning systems for residential developers, along with related services, all of which are intimately connected with everyday life.

2. Method of calculating sales, profit (loss), assets and other items in each segment

The accounting method for reportable segments is generally the same as the method adopted for preparation of the consolidated financial statements. Profits of reportable segments are calculated based on operating income. Internal sales among segments and transfers (Inter-segment) are based on market prices, etc.

3. Information on sales, profit (loss), assets, the other items in each segment and disaggregation of revenue
Fiscal year 2024 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Building Automation	Advanced Automation	Life Automation	Subtotal				
Sales								
Customers	148,355	105,702	46,268	300,326	52	300,378	—	300,378
Inter-segment	415	1,134	365	1,915	6	1,922	(1,922)	—
Total	148,770	106,836	46,634	302,241	59	302,301	(1,922)	300,378
Segment profit (loss)	24,363	15,997	1,171	41,532	(37)	41,494	(8)	41,486
Segment assets	88,662	92,595	23,811	205,068	2	205,071	110,001	315,072
Other items								
Depreciation and amortization	2,456	3,209	1,048	6,714	—	6,714	—	6,714
Increase in property, plant and equipment, and intangible assets	3,794	4,783	1,261	9,839	—	9,839	—	9,839
Disaggregation of revenue								
Goods or services transferred at a point in time	38,428	84,017	34,421	156,868	52	156,920		
Goods or services transferred over time	109,926	21,684	11,847	143,457	—	143,457		
Revenue from contracts with customers	148,355	105,702	46,268	300,326	52	300,378		

Notes: 1. "Other" includes insurance agent business, etc.

2. Adjustment details are as follows.

(1) The adjustment of segment profit (loss) of (8) million yen is elimination of inter-segment transactions.

(2) The adjustment of segment assets of 110,001 million yen includes primarily cash and deposits, investment securities, etc. which are not distributed to any reportable segment.

3. The segment profits are adjusted to operating income stated in the consolidated financial statements.

Fiscal year 2025 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Building Automation	Advanced Automation	Life Automation	Subtotal				
Sales								
Customers	155,994	109,830	33,055	298,880	49	298,930	—	298,930
Inter-segment	357	895	280	1,533	884	2,418	(2,418)	—
Total	156,351	110,726	33,336	300,414	934	301,348	(2,418)	298,930
Segment profit	28,901	17,800	630	47,331	11	47,343	(38)	47,304
Segment assets	100,312	90,642	25,427	216,382	296	216,678	115,561	332,240
Other items								
Depreciation and amortization	2,820	3,545	658	7,024	37	7,061	—	7,061
Increase in property, plant and equipment, and intangible assets	3,484	3,852	618	7,954	8	7,962	—	7,962
Disaggregation of revenue								
Goods or services transferred at a point in time	38,428	85,417	31,632	155,538	49	155,588		
Goods or services transferred over time	117,505	24,413	1,423	143,342	—	143,342		
Revenue from contracts with customers	155,994	109,830	33,055	298,880	49	298,930		

Notes: 1. "Other" includes insurance agent business and software development business within the azbil Group, etc.

2. Adjustment details are as follows.

(1) The adjustment of segment profit of (38) million yen is elimination of inter-segment transactions.

(2) The adjustment of segment assets of 115,561 million yen includes primarily cash and deposits, investment securities, etc. which are not distributed to any reportable segment.

3. The segment profits are adjusted to operating income stated in the consolidated financial statements.

The Group is engaged in its Building Automation business in building market, Advanced Automation business in 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).

Related information

Fiscal year 2024 (April 1, 2024 to March 31, 2025)

1. Information by product and service

The disclosed information is identical to the segment information. It is therefore omitted.

2. Information by region

(1) Sales

(Millions of yen)

Japan	Asia	China	North America	Europe	Others	Total
237,204	26,058	15,839	9,539	8,862	2,874	300,378

Note: Sales, based on the location of customers, are classified by country or region.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	China	North America	Europe	Others	Total
32,974	4,780	2,894	383	59	94	41,186

Note: Property, plant and equipment, based on the location, are classified by country or region.

3. Information by principal client

No clients accounted for more than 10% of net sales on the consolidated statement of income, so this information is omitted.

Fiscal year 2025 (April 1, 2025 to March 31, 2026)

1. Information by product and service

The disclosed information is identical to the segment information. It is therefore omitted.

2. Information by region

(1) Sales

(Millions of yen)

Japan	Asia	China	North America	Europe	Others	Total
246,508	26,013	15,733	8,221	876	1,577	298,930

Note: Sales, based on the location of customers, are classified by country or region.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	China	North America	Europe	Others	Total
33,128	6,091	3,107	323	57	84	42,792

Note: Property, plant and equipment, based on the location, are classified by country or region.

Of the property, plant and equipment in Asia, those located in Thailand amounted to 5,174 million yen.

3. Information by principal client

No clients accounted for more than 10% of net sales on the consolidated statement of income, so this information is omitted.

Information on impairment losses in non-current assets in each segment

Fiscal year 2024 (April 1, 2024 to March 31, 2025)

Not applicable

Fiscal year 2025 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment				Other	Corporate/ Elimination	Total
	Building Automation	Advanced Automation	Life Automation	Subtotal			
Impairment losses	—	—	11	11	—	—	11

Information on amortization of goodwill and unamortized balance in each segment

Fiscal year 2024 (April 1, 2024 to March 31, 2025)

Not applicable

Fiscal year 2025 (April 1, 2025 to March 31, 2026)

Not applicable

Information on gain on negative goodwill in each segment

Fiscal year 2024 (April 1, 2024 to March 31, 2025)

Not applicable

Fiscal year 2025 (April 1, 2025 to March 31, 2026)

Not applicable

Per share information

Item	Fiscal year 2024 (April 1, 2024 to March 31, 2025)	Fiscal year 2025 (April 1, 2025 to March 31, 2026)
Net assets per share (Yen)	459.01	497.71
Net income per share (Yen)	77.96	75.76

Notes: 1. Diluted net income per share after adjusting for latent shares is not presented.

2. The Company implemented a 4-for-1 common stock split effective on October 1, 2024. “Net assets per share” and “Net income per share” have been calculated as if the stock split had been implemented at the beginning of previous fiscal year.

3. The basis for calculating net income per share is as follows.

Item	Fiscal year 2024 (April 1, 2024 to March 31, 2025)	Fiscal year 2025 (April 1, 2025 to March 31, 2026)
Net income attributable to owners of parent (Millions of yen)	40,955	38,565
Amount not attributable to common stock holders (Millions of yen)	—	—
Net income attributable to owners of parent relevant to common stock (Millions of yen)	40,955	38,565
Average number of common stock (Thousands of shares)	525,337	509,062

4. The basis for calculating net assets per share is as follows.

Item	Fiscal year 2024 (As of March 31, 2025)	Fiscal year 2025 (As of March 31, 2026)
Total net assets (Millions of yen)	240,517	255,999
Amount deducted from the total of net assets (Millions of yen)	3,311	3,145
Of which non-controlling interests (Millions of yen)	(3,311)	(3,145)
Net assets at the end of the consolidated fiscal year relevant to common stock (Millions of yen)	237,205	252,853
Number of common stock used to determine net assets per share (Thousands of shares)	516,780	508,035

5. The Company’s own stock held by Custody Bank of Japan, Ltd. (Trust E) as assets in the trust of “employee stock ownership plan” is recorded as treasury shares in shareholders’ equity, and included in the number of treasury shares that are deducted from the total number of issued shares at the end of the period for determining net assets per share (10,746 thousand shares as of March 31, 2025; 5,044 thousand shares as of March 31, 2026).

It is also included in the number of treasury shares, which is deducted in the calculation of the average number of shares during the period for determining net income per share (8,562 thousand shares for fiscal year 2024; 7,787 thousand shares for fiscal year 2025).

6. The Company’s own stock held by the azbil Group Employee Stock Ownership Association Trust Fund as assets in the trust of “Trust-Type Employee Shareholding Incentive Plan” is recorded as treasury shares in shareholders’ equity, and included in the number of treasury shares that are deducted from the total number of issued shares at the end of the period for determining net assets per share (793 thousand shares as of March 31, 2025; 3,726 thousand shares as of March 31, 2026).

It is also included in the number of treasury shares, which is deducted in the calculation of the average number of shares during the period for determining net income per share (1,578 thousand shares for fiscal year 2024; 3,818 thousand shares for fiscal year 2025).

7. The Company’s own stock held by Custody Bank of Japan, Ltd. (Trust E) as assets in the trust of stock compensation plan is recorded as treasury shares in shareholders’ equity, and included in the number of treasury shares that are deducted from the total number of issued shares at the end of the period for determining net assets per share (367 thousand shares as of March 31, 2025; 1,044 thousand shares as of March 31, 2026).

It is also included in the number of treasury shares, which is deducted in the calculation of the average number of shares during the period for determining net income per share (369 thousand shares for fiscal year 2024; 771 thousand shares for fiscal year 2025).

Significant subsequent events

Repurchase of Company's own stock

The Company has resolved, at the Board of Directors meeting held on May 13, 2026, to repurchase its own stock pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to paragraph 3 of Article 165 of the said act.

(1) Reason for stock repurchase:

Taking into consideration business results and the outlook for future business performance, the Company aims 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.

- | | |
|---|---|
| (2) Type of stock to be repurchased: | Common stock of the Company |
| (3) Total number of shares to be repurchased: | Up to 32,000,000 shares |
| (4) Total amount of repurchase: | Up to 20 billion yen |
| (5) Period of repurchase: | From May 14, 2026 to October 30, 2026 (based on trade date) |
| (6) Method of repurchase: | Market transactions on the Tokyo Stock Exchange |

6. Other

(1) Management changes

1) Newly appointed directors (effective on June 24, 2026)

Director: Shoichiro Eguchi

Director: Junichi Nishizawa

2) Retired director (effective on June 24, 2026)

Director: Mitsuhiko Nagahama

3) Newly appointed corporate executive (effective on April 1, 2026)

Managing Corporate Executive: Takashi Igarashi

4) Retired corporate executive (effective on March 31, 2026)

Managing Corporate Executive: Yoshimitsu Hojo

Reference

Azbil Corporation New Management Structure

Directors (effective on June 24, 2026)

Position	Name	Changes
Director	Kiyohiro Yamamoto	Reappointed
Director	Takayuki Yokota	Reappointed
Director	Hisaya Katsuta	Reappointed
Director	Anne Ka Tse Hung	Reappointed
Director	Shigeaki Yoshikawa	Reappointed
Director	Tomoyasu Miura	Reappointed
Director	Sachiko Ichikawa	Reappointed
Director	Hiroshi Yoshida	Reappointed
Director	Satoko Nakatani	Reappointed
Director	Shoichiro Eguchi	Newly appointed
Director	Junichi Nishizawa	Newly appointed

Note: Anne Ka Tse Hung, Shigeaki Yoshikawa, Tomoyasu Miura, Sachiko Ichikawa, Hiroshi Yoshida, Satoko Nakatani, Shoichiro Eguchi and Junichi Nishizawa are candidates to become outside directors of the Company as prescribed in Article 2, Paragraph 3, Item 7 of Regulation for Enforcement of the Companies Act of Japan.

Corporate Executives (effective on April 1, 2026)

Position	Name	Changes
Representative Corporate Executive, President and Group CEO	Kiyohiro Yamamoto	Reappointed
Representative Corporate Executive, Deputy President	Takayuki Yokota	Reappointed
Managing Corporate Executive	Kazuyasu Hamada	Reappointed
Managing Corporate Executive	Hideaki Ishii	Reappointed
Managing Corporate Executive	Takashi Igarashi	Newly appointed

(2) Status of orders received

(Millions of yen)

	Fiscal year 2024 (April 1, 2024 to March 31, 2025)		Fiscal year 2025 (April 1, 2025 to March 31, 2026)		Difference	
	Orders received	Backlog	Orders received	Backlog	Orders received	Backlog
Building Automation	153,640	90,350	163,750	98,792	10,110	8,441
Advanced Automation	105,986	48,650	106,242	44,681	255	(3,968)
Life Automation	46,845	4,573	33,936	5,277	(12,909)	703
Total of reportable segments	306,472	143,575	303,929	148,752	(2,543)	5,176
Other	59	—	965	117	905	117
Elimination	(1,808)	(218)	(2,527)	(433)	(718)	(215)
Consolidated	304,723	143,357	302,366	148,435	(2,356)	5,078