Presentation Materials for the First Quarter of Fiscal Year 2026 (Ending March 31, 2027) (Based on IFRS)

August 6, 2026

Azbil Corporation

RIC: 6845.T, Sedol: 6985543

To all those affected by the 2026 Kumamoto Earthquake

We extend our heartfelt sympathy to everyone affected by the recent 2026 Kumamoto Earthquake. It is our sincere hope that recovery will be accomplished as soon as possible.

We in the azbil Group are doing everything in our power to support recovery efforts, which includes helping our customers to restore their facilities.

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Impact of the Middle East situation on the consolidated financial plan

It is unclear how geopolitical risks, stemming chiefly from the Middle East situation, will impact business performance, so in preparing the consolidated financial plan for FY2026, we have taken into account those impacts that could be ascertained at the time of preparation. And while the prices for parts/materials are rising, there have been no significant changes to the outlook at this time.

Voluntary adoption of International Financial Reporting Standards (IFRS Accounting Standards)

The Company voluntarily adopted IFRS Accounting Standards from the first quarter of FY2026.
For details on how this affected financial figures, refer to page 26.

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Highlights

1. Consolidated Financial Results for the First Quarter of FY2026

- ✓ Orders received rose significantly overall. This was because of growth in the BA business, which benefitted from robust market conditions and recorded large-scale projects, and also because AA business orders grew with a recovery in market conditions. Revenue also increased. As regards profits, measures to improve profitability, including cost pass-through, continued to prove effective; however, in addition to various growth investments, there was some recoil from the recording of highly profitable projects in FY2025, as well as increases in personnel and other expenses. As a result, business profit decreased in the first quarter of FY2026.

2. Consolidated Financial Plan for FY2026 *No revision from the most recent announcement on May 13, 2026

- ✓ Although results for the first quarter show a decline in profits compared to the same period of FY2025, business performance is within expected ranges and on track to achieve our financial plan for the first half and the full year.
- ✓ Against the backdrop of robust market conditions, orders received grew significantly due in part to initiatives to secure new orders and the recording of large-scale projects.
- ✓ Increased revenue and profits are expected as a result of steadily converting orders received into revenue.

3. Returning Profits to Shareholders *No revision from the most recent announcement on May 13, 2026

- ✓ Our expanded plan to repurchase the Company's own stock in FY2026 (up to a maximum of 20.0 billion yen or 32 million shares) is currently being implemented.
- ✓ In FY2026, in addition to increasing the ordinary dividend by 6 yen, we plan to issue a commemorative dividend of 12 yen, making an annual dividend of 50 yen per share.

4. Progress in Implementing the Medium-term Plan

- ✓ Under the present medium-term plan, whose key theme is Evolution and Co-creation, and employing the azbil Group's unique business model, we will actively make investments to strengthen our human capital, enhance product competitiveness, and advance DX. We aim to achieve both increased revenue and enhanced profitability, and, through further business expansion, to realize the well-being of society and Group employees.
- ✓ The Middle East situation has had some impact on our businesses, but we are responding appropriately, strengthening preparedness and drawing on the experience previously gained from past supply chain disruptions to implement countermeasures. By steadily investing in growth, we aim to realize sustained growth. Financial results for the first quarter were within expected ranges, so we are on track to achieve our full-year plan.
- ✓ There is no change to the financial plan for FY2027 at this point; however, a review will be considered when we have a clearer picture of conditions, taking progress under the current medium-term plan into account.

1. Consolidated Financial Results for the First Quarter of FY2026

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Consolidated Financial Results

Orders received rose significantly overall. This was because of growth in the BA business, which benefitted from robust market conditions and recorded large-scale projects, and also because AA business orders grew with a recovery in market conditions. Revenue also increased. As regards profits, measures to improve profitability, including cost pass-through, continued to prove effective; however, in addition to various growth investments, there was some recoil from the recording of highly profitable projects in FY2025, as well as increases in personnel and other expenses. As a result, business profit decreased in the first quarter of FY2026.

- **Orders received:** A significant increase overall compared to the same period of FY2025, due to growth in the BA business—thanks to robust market conditions and the recording of large-scale projects—and in the AA business, which saw a recovery in the FA markets.
- **Revenue:** Increased overall compared to the same period of FY2025 due to growth in the AA business, supported by a recovery in the FA markets.
- **Business profit:** A significant decrease overall compared to the same period of FY2025, due to growth investments, recoil from the recording of highly profitable projects in the same period of FY2025, and increases in personnel and other expenses, although measures to improve profitability, including cost pass-through, continued to prove effective.
- **Profit attributable to owners of the parent:** On a par with the same period of FY2025 due to the recording of gain on sale of property, plant and equipment.

Reference: The impact of foreign exchange rate fluctuations (compared with the same period of FY2025)
1.2 billion yen for revenue
0.2 billion yen for business profit
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 currencies.

(Billions of yen)

	FY2025 Q1 * (A)	FY2026 Q1 (B)	Difference (B) - (A)	Difference % Change
Orders received	89.7	**115.3**	25.5	*28.5*
Revenue	62.4	**63.6**	1.2	*2.0*
Japan	51.0	**51.5**	0.5	*1.0*
Overseas	11.3	**12.1**	0.7	*6.5*
Gross profit	28.2	**28.0**	(0.2)	*(0.8)*
Margin	*45.3*	***44.0***	*(1.3)pp*	
SG&A	21.1	**23.0**	1.9	*9.0*
Business profit	7.1	**4.9**	(2.1)	*(30.1)*
Margin	*11.4*	***7.8***	*(3.6)pp*	
Operating profit	7.0	**6.7**	(0.3)	*(4.8)*
Profit before tax	7.4	**7.5**	0.0	*1.2*
Profit attributable to owners of the parent	5.0	**5.0**	0.0	*1.5*
Margin	*8.0*	***8.0***	*(0.0)pp*	

* IFRS

Financial Results by Segment

■ BA: **Orders received** grew significantly compared to the same period of FY2025, thanks to growth in the fields for new and existing buildings as well as in the overseas business. **Revenue** was on a par with the same period of FY2025, following a decline in the field for new buildings but growth in the field for existing buildings. **Segment profit** was significantly down due to increased expenses, and despite the continuing effect of measures to enhance profitability.

■ AA: **Orders received** rose significantly compared to the same period of FY2025, due to a recovery in demand in the FA markets and growth in overseas PA markets. **Revenue** increased compared to the same period of FY2025, owing to growth in the FA markets in Japan and overseas. **Segment profit** decreased substantially as a result of growth investments, recoil from the recording of highly profitable projects in the same period of FY2025, as well as increases in personnel and other expenses, and despite the effect of increased revenue and successful measures to enhance profitability.

■ LA: **Orders received** were higher than the same period of FY2025 thanks to growth in the Lifeline field. **Revenue** was on a par with the same period of FY2025. **Segment profit** was lower compared to the same period of FY2025 due to soaring prices for parts/materials and increased personnel expenses, and despite measures being taken to enhance profitability.

(Billions of yen)

		FY2025 Q1 * (A)	FY2026 Q1 (B)	Difference (B) - (A)	Difference % Change
■ BA	Orders received	55.5	**72.9**	17.4	*31.4*
	Revenue	29.8	**29.8**	(0.0)	*(0.0)*
	Segment profit	2.5	**1.7**	(0.8)	*(33.8)*
	Margin	*8.7*	**5.7**	*(2.9)pp*	
■ AA	Orders received	24.1	**32.0**	7.9	*32.8*
	Revenue	24.8	**26.3**	1.4	*5.8*
	Segment profit	4.3	**3.2**	(1.0)	*(25.0)*
	Margin	*17.4*	**12.4**	*(5.1)pp*	
■ LA	Orders received	10.4	**10.8**	0.4	*3.9*
	Revenue	8.0	**7.9**	(0.0)	*(0.7)*
	Segment profit	0.1	**0.0**	(0.1)	*(89.8)*
	Margin	*2.4*	**0.2**	*(2.1)pp*	

* IFRS

Segment Information: BA Business

Business environment

— In the domestic market, demand for new office buildings in urban redevelopment projects has remained strong and is expected to continue at a high level. Demand for the retrofit of buildings also remains strong. In overseas markets, investment continues to be robust for large-scale buildings including data centers.

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

— Outsourcing costs for construction work, etc. rose. We will continue promoting measures to enhance profitability, including cost pass-through.

- Orders received grew considerably compared to the same period of FY2025, thanks to strong market conditions and the recording of large-scale projects, leading to significant growth in the fields for new and existing buildings as well as in the overseas business.
- Revenue was on a par with the same period of FY2025, due to progress made with load leveling and growth in the field for existing buildings, and despite a decline in the field for new buildings.
- Segment profit was significantly down due to ongoing growth investments in R&D and DX, as well as increases in personnel expenses and outsourcing costs, and despite the continuing effect of measures to enhance profitability, including cost pass-through.

(Billions of yen)

	FY2025 Q1 * (A)	FY2026 Q1 (B)	Difference (B) - (A)	Difference % Change
Orders received	55.5	**72.9**	17.4	*31.4*
Revenue	29.8	**29.8**	(0.0)	*(0.0)*
Segment profit	2.5	**1.7**	(0.8)	*(33.8)*
Margin	*8.7*	**5.7**	*(2.9)pp*	

* IFRS

Segment Information: AA Business

Business environment

— In the process automation (PA) markets demand for maintenance and retrofits, in Japan and overseas, remained firm.

— The factory automation (FA) markets have achieved a strong recovery, mainly due to growing demand in the semiconductor manufacturing equipment market.

— Although geopolitical risks in the Middle East are currently having limited direct impact on capital investment in the manufacturing sector, uncertainty remains regarding the possible scope and duration of any such impact.

- Orders received rose considerably compared to the same period of FY2025, thanks to the recovery in the semiconductor market, increased demand in the FA markets in Japan and overseas, as well as a rebound in the overseas PA markets, which had been sluggish during the same period of FY2025 due to some recoil from the recording of large advance orders.
- Revenue was higher than the same period of FY2025 due to an increase in sales in the FA markets in Japan and overseas, as with the increase in orders.
- Segment profit decreased substantially. This was due to several factors—an increase in depreciation expenses associated with capital expenditure on production facilities to expedite future business expansion in the semiconductor manufacturing equipment market, growth investments for the overseas business and DX, recoil from the recording of highly profitable projects in the same period of FY2025, as well as increases in personnel and other expenses—despite higher revenue leading to increased profit and the effect of measures to enhance profitability, including cost pass-through.

(Billions of yen)

	FY2025 Q1 * (A)	FY2026 Q1 (B)	Difference (B) - (A)	Difference % Change
Orders received	24.1	**32.0**	7.9	*32.8*
Revenue	24.8	**26.3**	1.4	*5.8*
Segment profit	4.3	**3.2**	(1.0)	*(25.0)*
Margin	*17.4*	12.4	*(5.1)pp*	

* IFRS

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 whose statutory inspection/verification period is due to expire. 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 were higher than the same period of FY2025 thanks to growth in the Lifeline field, while revenue was on a par with the same period of FY2025.
- Segment profit was lower than the same period of FY2025 due to soaring prices for copper and other materials, as well as increases in personnel expenses, and despite implementing measures to enhance profitability and reduce expenses.

(Billions of yen)

	FY2025 Q1 * (A)	FY2026 Q1 (B)	Difference (B) - (A)	Difference % Change
Orders received	10.4	**10.8**	0.4	*3.9*
Revenue	8.0	**7.9**	(0.0)	*(0.7)*
Segment profit	0.1	**0.0**	(0.1)	*(89.8)*
Margin	*2.4*	**0.2**	*(2.1)pp*	

* IFRS

Overseas Revenue By Region

- Due to growth achieved by both the BA and AA businesses in the Asian region, revenue grew by 6.5% compared to the same period of FY2025. The overseas revenue ratio was 19.0%.
- BA business revenue decreased due to recoil from the recording of large-scale projects in China in same period of FY2025. Similarly, the AA business saw some recoil from the recording of large-scale projects in North America in the same period of FY2025, but overall revenue increased owing to multiregional growth achieved by the CP business, which serves the semiconductor market.

* From FY2025, overseas revenue is presented by the region of the selling entity instead of the destination of delivery.
* In October 2024, the Company transferred all equity interests in Azbil Telstar (ATL), which had been included in the LA business.

Overseas revenue excluding ATL (Billions of yen)

	FY2023 Q1	FY2024 Q1	FY2025 Q1 (A)	FY2026 Q1 (B)	Difference (B) - (A)	Difference % Change
Asia (ex-China)	4.9	6.5	4.9	6.2	1.2	26.3
China	3.5	4.2	3.8	3.5	(0.2)	(7.5)
North America	1.0	1.1	2.2	1.8	(0.3)	(14.7)
Europe	0.2	0.2	0.2	0.2	0.0	34.5
Others	0.3	0.3	0.2	0.2	(0.0)	(8.0)
Consolidated	10.2	12.4	11.3	12.1	0.7	6.5
Overseas revenue / Revenue ratio (%)	*18.0*	*20.4*	*18.2*	*19.0*		

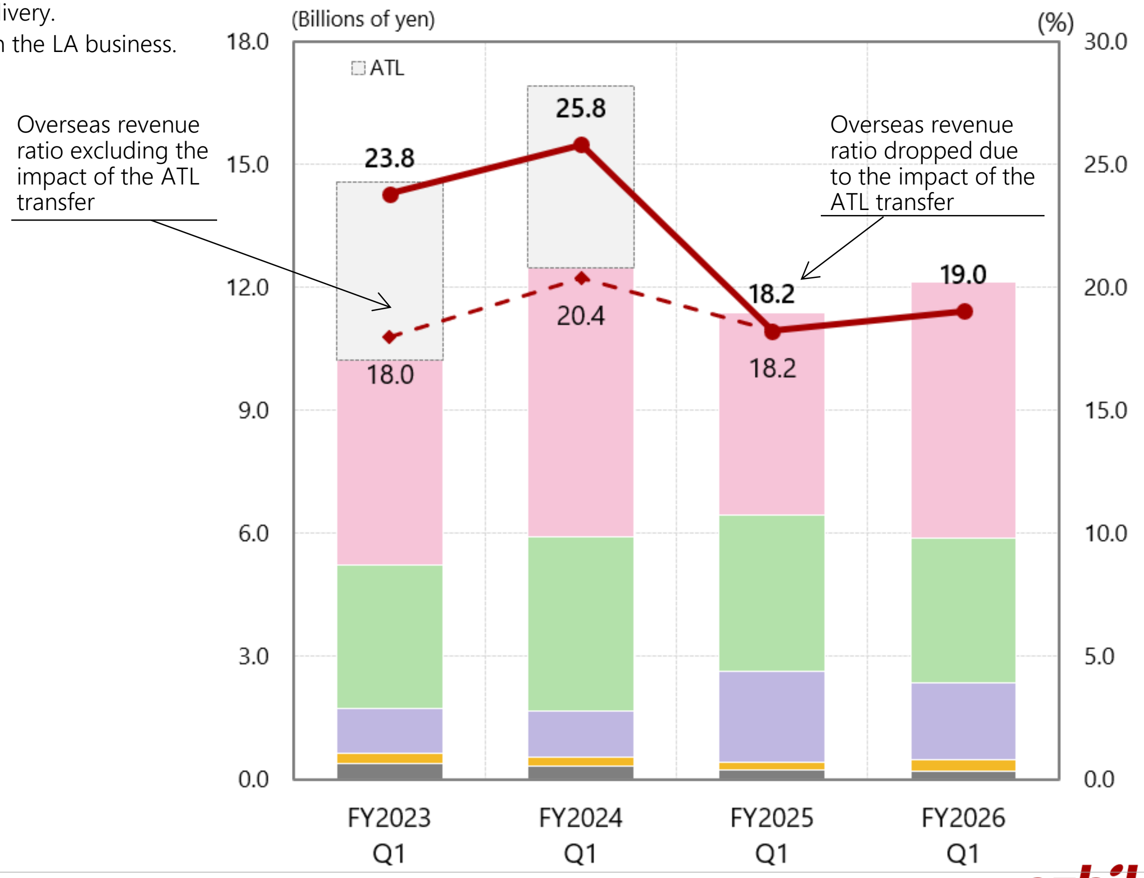
	FY2023 Q1	FY2024 Q1	FY2025 Q1 (A)	FY2026 Q1 (B)
ATL revenue	4.3	4.4	-	-

Overseas revenue including ATL

	FY2023 Q1	FY2024 Q1	FY2025 Q1 (A)	FY2026 Q1 (B)	Difference (B) - (A)	Difference % Change
Consolidated	14.5	16.9	11.3	12.1	0.7	6.5
Overseas revenue / Revenue ratio (%)	*23.8*	*25.8*	*18.2*	*19.0*		

Reference

		FY2023 Q1	FY2024 Q1	FY2025 Q1	FY2026 Q1
Average exchange rate	USD/JPY	132.40	148.62	144.60	159.57
	CNY/JPY	19.34	21.47	19.99	23.44



Consolidated Financial Position

- **Assets:** Total assets decreased primarily due to a decline in trade and other receivables owing to progress made with the collection of notes and accounts receivable-trade recorded in the fourth quarter of FY2025.

  * Revenue for the azbil Group tends to be highest in the fourth quarter of the consolidated accounting period.

- **Liabilities:** Liabilities decreased due to a reduction in current liabilities following bonus payments.
- **Equity:** Despite the recording of profit attributable to owners of the parent, there was a decrease in equity due to the payment of dividends and by repurchasing own stock.

(Billions of yen)

	As of Mar. 31, 2026 * (A)	As of Jun. 30, 2026 (B)	Difference (B)-(A)
Cash and cash equivalents	98.1	90.6	(7.4)
Trade and other receivables	78.2	53.8	(24.3)
Contract assets	18.3	17.9	(0.4)
Inventories	35.4	39.0	3.6
Other current assets	8.3	10.9	2.5
Current assets	238.4	212.3	(26.1)
Property, plant and equipment	41.5	43.4	1.8
Right-of-use assets	12.6	12.1	(0.4)
Intangible assets	7.5	7.7	0.2
Other financial assets	37.5	38.5	0.9
Other non-current assets	9.6	8.8	(0.7)
Non-current assets	108.8	110.6	1.7
Total assets	**347.3**	**323.0**	**(24.3)**

	As of Mar. 31, 2026 * (A)	As of Jun. 30, 2026 (B)	Difference (B)-(A)
Trade and other payables	18.0	17.1	(0.9)
Borrowings	4.8	4.6	(0.1)
Lease liabilities	4.9	4.6	(0.2)
Other current liabilities	50.7	41.8	(8.8)
Current liabilities	78.5	68.3	(10.1)
Borrowings	5.0	4.5	(0.4)
Lease liabilities	7.0	6.8	(0.2)
Other non-current liabilities	7.1	6.8	(0.2)
Non-current liabilities	19.2	18.3	(0.9)
Total liabilities	**97.7**	**86.6**	**(11.1)**
Share capital	10.5	10.5	-
Capital surplus	13.0	13.0	0.0
Retained earnings	240.3	235.8	(4.5)
Treasury share	(37.7)	(47.0)	(9.3)
Other components of equity	20.1	21.1	0.9
Total equity attributable to owners of parent	246.4	233.5	(12.9)
Non-controlling interests	3.1	2.8	(0.2)
Total equity	**249.5**	**236.3**	**(13.1)**
Total liabilities and equity	**347.3**	**323.0**	**(24.3)**

Equity attributable to owners of the parent ratio	70.9%	72.3%	*1.3pp*

* IFRS

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2. Consolidated Financial Plan for FY2026

→ No revision from the most recent announcement on May 13, 2026

- It is unclear how geopolitical risks, stemming chiefly from the Middle East situation, will impact business performance, so in preparing the consolidated financial plan for FY2026, we have taken into account those impacts that could be ascertained at the time of preparation. And while the prices for parts/materials are rising, there have been no significant changes to the outlook at this time.
- The Company voluntarily adopted International Financial Reporting Standards (IFRS Accounting Standards) from the first quarter of FY2026. For details on how this affected financial figures, refer to page 26.

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Consolidated Financial Plan

**Although results for the first quarter show a decline in profits compared to the same period of FY2025, business performance is within expected ranges and on track to achieve our financial plan for the first half and the full year.
Against the backdrop of robust market conditions, orders received grew significantly due in part to initiatives to secure new orders and the recording of large-scale projects.
Increased revenue and profits are expected as a result of steadily converting orders received into revenue.**

- The BA business environment continues to be robust. In the AA business, signs of FA market recovery are becoming increasingly evident.
- Although it is not yet clear how our business performance is going to be impacted by geopolitical risks, stemming chiefly from the Middle East situation,*1 we will monitor developments and—drawing on the experience previously gained from the COVID-19 pandemic and other crises—we will strive to mitigate any such impacts by responding swiftly and appropriately.
- While inflation and further increases in labor and other costs are expected, our outlook on future business opportunities involving automation technologies is unchanged. We will make steady progress in actively investing in strengthening our human capital, enhancing product competitiveness, and advancing DX.

*1 In preparing the FY2026 financial plan, we have taken into account those impacts that could be ascertained at the time of preparation. And while the prices for parts/materials are rising, there have been no significant changes to the outlook at this time.

(Billions of yen)

	FY2025 Full year results *2 (A)	FY2026 H1 plan	FY2026 H2 plan	FY2026 Full year plan (B)	Difference (B) - (A)	Difference % Change
Revenue	298.8	139.5	175.5	315.0	16.1	5.4
Business profit	46.4	17.3	30.9	48.2	1.7	3.8
Margin	15.5	12.4	17.6	15.3	(0.2)pp	
Operating profit	45.5	19.1	30.6	49.7	4.1	9.0
Margin	15.3	13.7	17.4	15.8	0.5pp	
Profit attributable to owners of the parent	36.4	12.4	22.9	35.3	(1.1)	(3.3)
Margin	12.2	8.9	13.0	11.2	(1.0)pp	

Reference: Exchange rates
FY2025 USD/JPY 150, CNY/JPY 21.2
FY2026 USD/JPY 156, CNY/JPY 22.2

*2 IFRS

Financial Plan by Segment (1)

- BA: A continued increase in revenue is expected against the backdrop of robust market conditions and a large order backlog. Although there will be increases in outsourcing costs and personnel expenses, the plan anticipates increased profits resulting from revenue growth and such BA measures as increasing margins at the point of order receipt and effecting cost pass-through.
- AA: We plan for increased revenue thanks to the FA market recovery. Despite soaring prices for parts/materials and increased personnel expenses, as well as some recoil from the recording of highly profitable projects mainly in the first half of FY2025, thanks to the effect of increased revenue and the continuation of measures to enhance profitability, segment profit is expected to be on a par with FY2025.
- LA: In the first quarter, there was some postponed recording of sales; however, we plan to increase revenue primarily through growth in the Lifeline field, and while personnel and other expenses are expected to rise, we anticipate higher profits due to the success of measures to improve profitability, including price adjustments.

(Billions of yen)

		FY2025 Full year results * (A)	FY2026 H1 plan	FY2026 H2 plan	FY2026 Full year plan (B)	Difference (B) - (A)	Difference % Change
BA	Revenue	**156.2**	68.3	97.7	**166.0**	9.7	*6.2*
	Segment profit	**28.3**	8.7	21.3	**30.0**	1.6	*5.9*
	Margin	**18.1**	*12.7*	*21.8*	**18.1**	*(0.1)pp*	
AA	Revenue	**110.7**	54.2	60.8	**115.0**	4.2	*3.9*
	Segment profit	**17.5**	8.1	9.1	**17.2**	(0.3)	*(1.7)*
	Margin	**15.8**	*14.9*	*15.0*	**15.0**	*(0.9)pp*	
LA	Revenue	**33.3**	17.5	17.8	**35.3**	1.9	*5.9*
	Segment profit	**0.6**	0.5	0.5	**1.0**	0.3	*61.6*
	Margin	**1.9**	*2.9*	*2.8*	**2.8**	*1.0pp*	

* IFRS

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Financial Plan by Segment (2)

BA

A continued increase in revenue is expected against the backdrop of robust market conditions and a large order backlog. Although there will be increases in outsourcing costs and personnel expenses, the plan anticipates increased profits resulting from revenue growth and such BA measures as increasing margins at the point of order receipt and effecting cost pass-through.

- The business environment in Japan and overseas remains robust. Due to successful initiatives to secure new orders, there was an increase in orders received in the first quarter. Against the backdrop of a large order backlog, revenue growth in line with the plan is anticipated in the fields for existing buildings and service as well as in the overseas business. Also, we will continue to engage in load-leveling initiatives.
- Despite increases in outsourcing costs and other expenses, as well as higher personnel and DX-related expenses for growth, the plan will achieve higher profits through revenue growth, mainly in the profitable existing building and service fields, as well as through measures to strengthen profitability, such as higher margins at the point of order receipt and appropriate cost pass-through.

AA

We plan for increased revenue thanks to the FA market recovery. Despite soaring prices for parts/materials and increased personnel expenses, as well as some recoil from the recording of highly profitable projects mainly in the first half of FY2025, thanks to the effect of increased revenue and the continuation of measures to enhance profitability, segment profit is expected to be on a par with FY2025.

- Demand is expected to increase with continued investment in the PA markets and as the recovery in FA markets, such as the semiconductor manufacturing equipment market, gathers pace. We plan to increase revenue by decisively capturing the growing demand in both the PA and FA markets.
- We expect to achieve segment profit on a par with the same period of FY2025, or marginally lower, through revenue growth and measures to enhance profitability, including cost pass-through, in spite of the anticipated impact of soaring prices for parts/materials and increased personnel expenses, as well as some recoil from the recording of highly profitable projects mainly in the first half of FY2025.

LA

In the first quarter, there was some postponed recording of sales; however, we plan to increase revenue primarily through growth in the Lifeline field, and while personnel and other expenses are expected to rise, we anticipate higher profits due to the success of measures to improve profitability, including price adjustments.

- 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*. Growth is also projected in the residential central air-conditioning systems field.
- Despite soaring prices for materials such as copper, as well as increased labor costs and other expenses, we plan to achieve higher profits thanks to increased revenue and measures to enhance profitability such as cost pass-through, sales initiatives focused on profitability, and the replacement of conventional meters with smart meters.

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

Financial Plan by Segment (supplement): First-quarter Progress Toward Achieving the FY2026 Financial Plan

- For both BA and AA businesses orders received have remained strong. To achieve the objectives of the financial plan and the medium-term plan, we will ensure that orders are converted into revenue.
- Revenue and segment profit were affected by seasonal factors and also by the timing of sales recording, the business mix, and additional expenses. Nevertheless, these results were within expected ranges, so we are on track to achieve our full-year plan.

BA

Margins at the point of order receipt continued to improve, and steady progress was made with initiatives to achieve sales expansion in the field for existing buildings and enhance profitability.

Business environment and orders

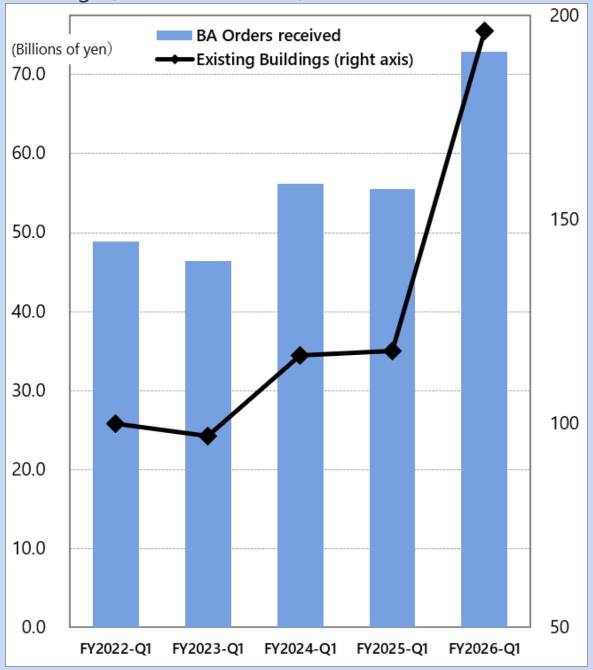
- In Japan and overseas, the business environment is robust. Orders received increased in the fields for new and existing buildings as well as service and in the overseas business.
- In the profitable field for existing buildings, orders received grew by more than 65% compared to the same period of FY2025. This resulted from the recording of large-scale projects and successful initiatives to secure new orders.

Revenue and segment profit

- For this first quarter, the timing of sales recording meant that revenue remained on a par with the same period of FY2025. Although this had an impact on profits for the quarter, we anticipate increased revenue and an improved segment profit ratio in the second quarter onward, supported by the order backlog.

➢ For details of how seasonal factors affect the BA business, see page 32.

First quarter results by fiscal year
Orders received for the BA business
Growth rate for orders received in the field for existing buildings (FY2022 Q1 = 100)



Note: The field for existing buildings is presented here for reference as it is responsible for approximately 35% of the orders received by the BA business, and approximately 40% of the growth in orders received in FY2026 Q1.

AA

We plan to increase revenue by taking advantage of the FA market recovery and aim to achieve the plan, despite increased growth investments and some recoil from the recording of highly profitable projects in FY2025.

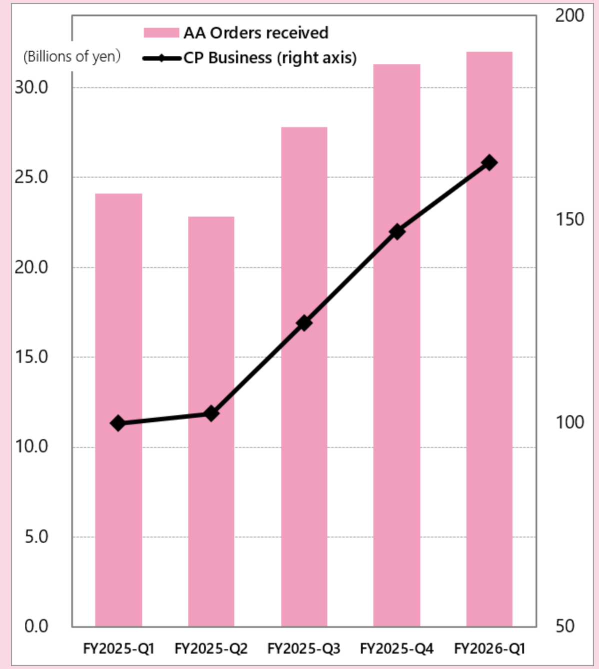
Business environment and orders

- In Japan and overseas, recovery in the FA markets, principally the semiconductor-related markets, is clearly gathering pace.
- Since the start of FY2026, orders received for FA-related markets are growing significantly QoQ. The increase exceeds 50% compared to the same period of FY2025. We will take advantage of market growth by launching strategic products for semiconductor equipment.

Revenue and segment profit

- Despite the impact of growth investments (including capital expenditure to enhance the competitiveness of products for the semiconductor market) and some recoil from the recording of highly profitable projects in the same period of FY2025, we plan to achieve profit plan with higher revenue, supported by robust numbers for orders received.

Results by quarter
Orders received for the AA business
Growth rate for orders received in the CP business (FY2025 Q1 = 100)



Note: The CP business is presented here for reference as it is responsible for approximately 40% of the orders received by the AA business, and approximately 75% of the growth in orders received in FY2026 Q1.

3. Returning Profits to Shareholders

→ No revision from the most recent announcement on May 13, 2026

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.

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Further Improvement in Shareholder Returns: DOE to Exceed Target Level Set in Current Medium-term Plan

In view of the strengthened profitability of our business foundation and efficient balance sheet management, FY2025/FY2026 dividends will be (have been) increased and the share buyback program will be expanded in FY2026.

By implementing initiatives in the medium-term plan, we have continued to strengthen the foundation of business profitability, and our FY2025 financial results exceeded the initial plan. In order to enhance shareholder returns and improve capital efficiency, we will increase (have increased) FY2025/FY2026 dividends and expand the share buyback program in FY2026. This is because it has been determined that, going forward, we will be able to secure the necessary funds, partly through debt financing, even while investing for growth and even if the business environment deteriorates due to geopolitical risks.

- Enhancing shareholder returns in line with our basic policy
- Strengthened foundation for business profitability, improved balance sheet
- Practicing disciplined capital management, improving capital efficiency (ROE)
- Securing funds necessary for growth investments and business continuity

We plan to actively return profits to our shareholders using funds generated through our business performance through FY2025.

FY2025 dividend (Done)	The year-end dividend was increased by 6 yen from the initial plan (May 2025), making an annual dividend of **32 yen per share (+8 yen compared to FY2024)**. — DOE was 6.8%, exceeding the target level set in the medium-term plan.
FY2026 dividend	The Company plans an annual dividend of **50 yen per share (+18 yen compared to FY2025).** — Ordinary dividend to rise by 6 yen + 120th anniversary commemorative dividend of 12 yen
Repurchase of own stock (In progress)	For ensuring a disciplined capital management and improved capital efficiency, **the Company will repurchase the Company's own stock up to 20.0 billion yen.**

* 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 business profit.

Reference:

FY2025 azbil Group ROIC (trial calculation) was 11.5% applying J-GAAP, 11.1% applying IFRS.

Weighted average cost of capital (WACC) was 7.6%.

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FY2026 Annual Dividend

FY2026 dividend	In addition to a dividend increase of 6 yen, a 120th anniversary commemorative dividend of 12 yen is to be issued, which would make a projected annual dividend of 50 yen per share. DOE will rise to 10.7%.

- In FY2026, based on 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. In addition, 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. (It is planned total interim dividend of 31 yen per share.)
- In FY2024 a revised stock ownership plan (J-ESOP-RS) was adopted for all employees, and the FY2026 dividend increase, including the commemorative dividend, will thus serve as a way for them to also share in the profits. At the same time, from the perspective of sharing value with shareholders, it will also act as an incentive to foster engagement in the business, thereby contributing to the enhancement of enterprise value.

(Yen)

	FY2025			FY2026		
	Actual			Plan (May 13, 2026)		
	Interim	Year-end	Annual	Interim	Year-end	Annual
Ordinary dividend	13.0	19.0	32.0	19.0	19.0	38.0
120th anniversary commemorative dividend	-	-	-	12.0	-	12.0
Dividend per share	13.0	19.0	32.0	31.0	19.0	50.0
Payout ratio	46.1% *1			72.1% *2 54.8% *3		
Dividend on equity (DOE)	6.8% *1			10.7% *4 8.0% *3		

*1 To facilitate comparison, figures for FY2025 have been recalculated using IFRS. When calculated using Japanese GAAP, the FY2025 dividend payout ratio was 42.2% and dividend on equity (DOE) was 6.7%.
*2 Calculating earnings per share and estimating the IFRS-based dividend payout ratio, after taking into account the effect of the repurchase of own stock in FY2026.
*3 Payout ratio and DOE excluding commemorative dividend
*4 The following factors have been taken into account for the trial calculation of DOE (IFRS), which is based on total equity attributable to owners of the parent as of March 31, 2026: repurchase of own stock in FY2026, year-end dividends for FY2025, interim dividends for FY2026 (including commemorative dividend), profit attributable to owners of the parent for the full year in the consolidated financial plan for FY2026.

Repurchase of Own Stock

Repurchase of own stock	The Company is repurchasing its own stock up to a maximum of 20.0 billion yen or 32 million shares.

- 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 are repurchasing own stock to practice disciplined capital management, improve capital efficiency, and increase shareholder returns.
- The extent and duration of the impact of the Middle East situation on industry and the economy are unknown, and there is increasing uncertainty as regards the business environment. However, as with dividends, the share buyback program will be funded strictly by our financial results to date. Furthermore, considering (1) the strengthened profitability of our business foundation, and (2) leveraging external debt going forward, it has been determined that we will be able to continue making investments for growth and enhancing shareholder returns.
- Note that, while we have usually cancelled such repurchased shares at a suitable time, in this case, given the uncertainty surrounding the future business environment, 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.

Repurchase of own stock

1. Type of stock to be repurchased:	Common stock of the Company
2. Total number of shares to be repurchased:	Up to 32.00 million shares*
3. Total amount of repurchase:	Up to 20.0 billion yen
4. Period of repurchase:	From May 14, 2026 to October 30, 2026
5. Method of repurchase:	Market transactions on the Tokyo Stock Exchange

* 6.2% of the total number of common shares issued, excluding treasury shares

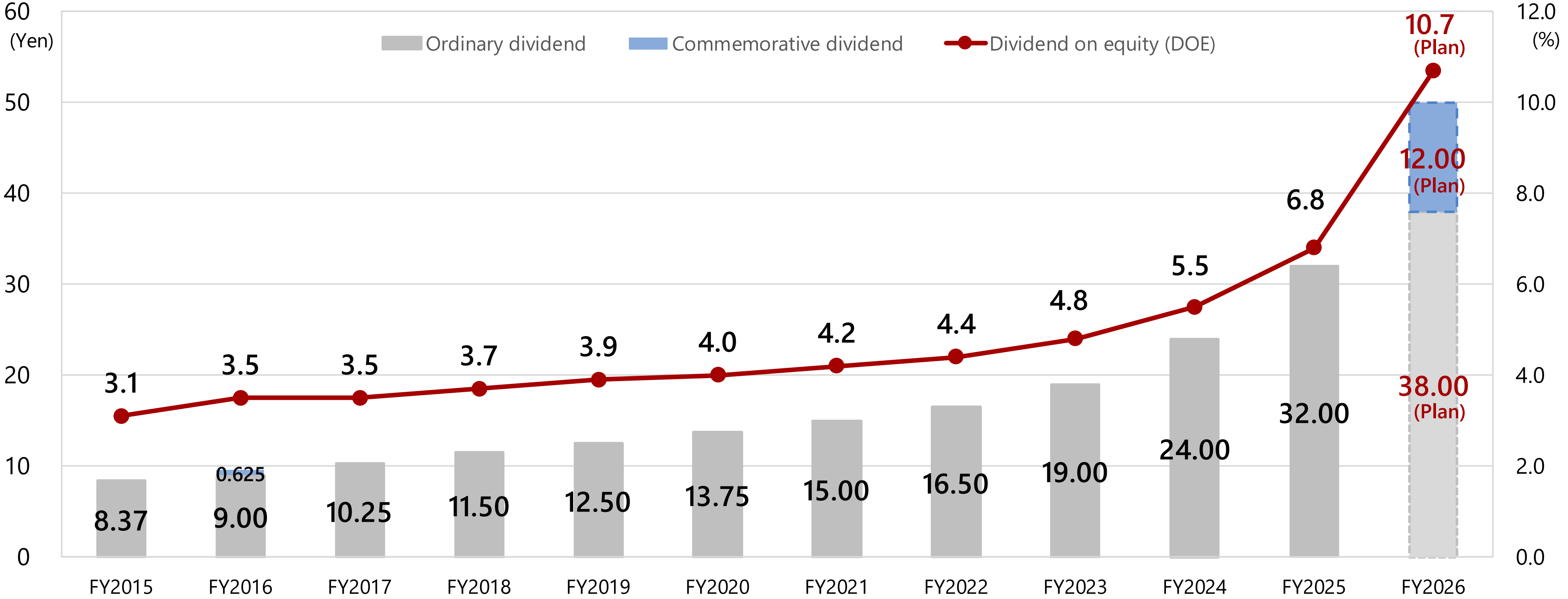
Reference: Status of treasury shares held as of June 30, 2026

• Total number of issued shares (excluding treasury shares):	511,201,291 shares
• Number of treasury shares:	30,171,445 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 8,763,979 shares as of June 30, 2026.

Trend of Shareholder Returns

- In FY2026, in addition to increasing the ordinary dividend for the 12th consecutive year, we plan to issue a commemorative dividend (an annual dividend of 50 yen per share, which will be 18 yen higher than FY2025).



	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
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	20.0 (Plan)
Number of shares repurchased (millions of shares)	4.80		5.71	7.48	14.87		9.01	10.68	8.77	12.46	10.83	32.00 (Plan)

*1 Through FY2024, DOE was calculated under Japanese GAAP; from FY2025 onward, IFRS has been applied. Under Japanese GAAP, DOE for FY2025 was 6.7%.
*2 The dividend per share and total number of own shares purchased have been retroactively adjusted to take into account the effect of the stock split in October 2024 and in October 2018.

4. Progress in Implementing the Medium-term Plan

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Medium-term Plan (FY2025–FY2027)

- Under the current medium-term plan, whose key theme is Evolution and Co-creation, and employing the azbil Group's unique business model, we will actively make necessary investments to strengthen our human capital, enhance product competitiveness, and advance DX. We aim to achieve increased sales and enhanced profitability, and, through further business expansion, to realize the well-being of society and Group employees.
- FY2025: While results varied by business segment, we achieved overall financial results that exceeded the initial plan.
- FY2026: The Middle East situation has had some impact on our businesses; however, we are responding appropriately, strengthening preparedness and drawing on the experience previously gained from past supply chain disruptions to implement countermeasures. By steadily investing in growth, we aim to realize sustainable growth.
  - ➢ In the first quarter, orders increased significantly against the backdrop of robust market conditions, thanks to our successful initiatives. First quarter results are typically susceptible to factors that engender profit fluctuations, but revenue and segment profit were within expected ranges, so we are on track to achieve our full-year plan.

Growth

Transformation | Evolution and Co-creation

Growth

Core

Cycling from growth to core and back to growth businesses

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.

[bil.yen = billion yen]	FY2024 results	FY2025 initial plan May 13. 2025	FY2025 results (IFRS basis)	FY2026 plan (IFRS basis) May 13. 2026	FY2027 formulated May 2025	Long-term targets (formulated in May 2025)
Revenue	300.3 bil.yen 285.7 bil.yen *1	297.0 bil.yen	298.8 bil.yen	315.0 bil.yen	340.0 bil.yen	420.0 bil.yen
[overseas sales]	[63.1 bil.yen] [48.5 bil.yen] *1	[50.5 bil.yen]	[52.4 bil.yen]	[56.5 bil.yen]	[62.0 bil.yen]	[100.0 bil.yen]
Business profit	41.4 bil.yen	43.0 bil.yen	46.4 bil.yen	48.2 bil.yen	51.0 bil.yen	65.0 bil.yen
Margin	13.8%	14.5%	15.5%	15.3%	15.0%	15.5%
ROE	17.9% *2	13.1%	15.2%	15.0%	14%	15%

- As regards the impact of the Middle East situation, the FY2026 plan takes into account only what is currently evident.
- For FY2027, a review will be considered at a stage when the current uncertain conditions become more foreseeable, also taking progress under the current medium-term plan into account.

*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%.

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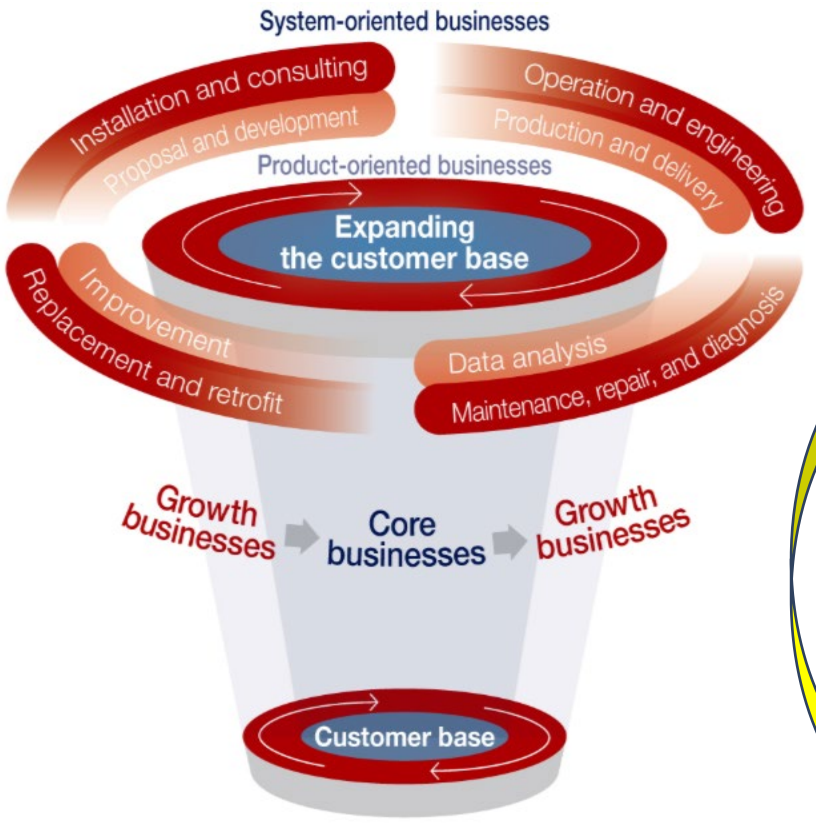
The azbil Group's Unique Business Model



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.

Growth businesses	Businesses operating in markets where there is demand for harnessing technological advances and resolving social issues Enlarging the customer base by introducing new products and services that are on the cutting edge

Examples: Cutting-edge products and services in each business
In the BA business, GX solutions for saving energy and utilizing renewable energy; in the AA business, MEMS sensors for semiconductor manufacturing equipment and other FA; and in the LA business, smart metering as a service

Core businesses	Businesses with an existing customer base, established over many years Sustained improvement of profitability is possible through DX promotion. We will realize growth through expansion of the customer base.

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

Appendix

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Major Impact by Adopting IFRS

We voluntarily adopted International Financial Reporting Standards (IFRS), starting from the first quarter of FY2026. Accordingly, the financial plan for FY2026 is presented based on IFRS.

- Purpose of voluntary adoption
  To enhance our global business management through the unification of accounting standards across the azbil Group to IFRS; and to improve the international comparability of our financial information in the capital markets
- Business profit
  We disclose business profit, a management-defined performance measure calculated by deducting cost of sales and selling, general and administrative expenses from revenues, to indicate the profitability of the core business activities.

Reference 1:
Impact to balance sheet at the point of adoption (March 31, 2026)

(Billions of yen)

	J-GAAP	Impact of IFRS adoption	IFRS	
Total assets	**332.2**	15.1	**347.3**	*1
Liabilities	**76.2**	21.5	**97.7**	*2
Net assets	**255.9**	(6.4)	**249.5**	
Total liabilities and net assets	**332.2**	15.1	**347.3**	

Impacts of first-time adoption of IFRS (key factors) to balance sheet
*1 Recognition of right-of-use assets and fair value measurement of unlisted stock investments
*2 Recognition of lease liabilities and accrued paid leave

Reference 2:
Impact to profit and loss statement (FY2025 results)*1

(Billions of yen)

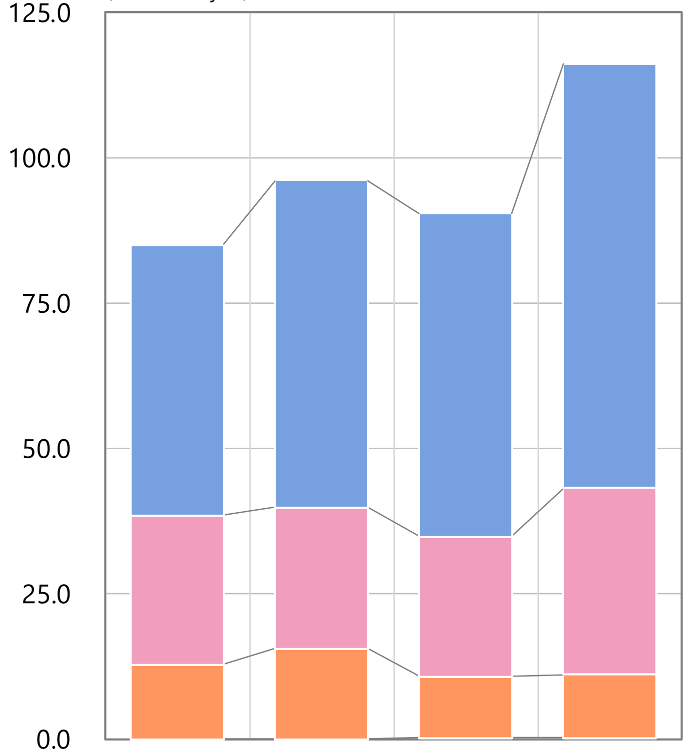
J-GAAP		IFRS		IFRS adjustments	
Net sales	**298.9**	Revenue	**298.8**	(0.0)	
Gross profit	**139.5**	Gross profit	**138.7**	(0.8)	*3
Operating income	**47.3**	Business profit	**46.4**	(0.8)	*3
		Operating profit	**45.5**		
Ordinary income	**48.7**				
Net income attributable to owners of parent	**38.5**	Profit attributable to owners of parent	**36.4**	(2.0)	*4

Impacts of IFRS adjustments (key factors) to profit and loss statement
*3 Expense recognition of paid leave and other employee benefits
*4 Recognition of gains or losses on sales of investment securities in other comprehensive income (not in profit and loss statement)

Performance Trend by Segment: Orders Received

■ Comparison to past results (Q1)

(Billions of yen)



	FY2023 * Q1	FY2024 * Q1	FY2025 Q1	FY2026 Q1
BA	46.4	56.2	55.5	**72.9**
AA	25.7	24.2	24.1	**32.0**
LA	12.7	15.6	10.4	**10.8**
Consolidated	84.3	95.7	89.7	**115.3**

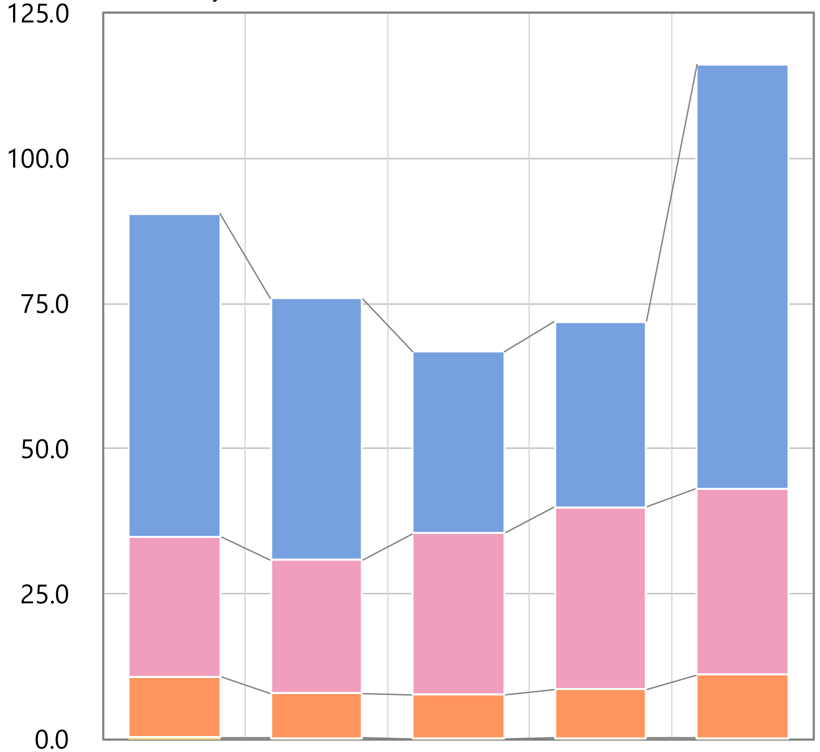
Orders received excluding Azbil Telstar

L A	9.8	9.4
Consolidated	81.4	89.5

* FY2023, FY2024 J-GAAP

■ Quarterly (3 months)

(Billions of yen)

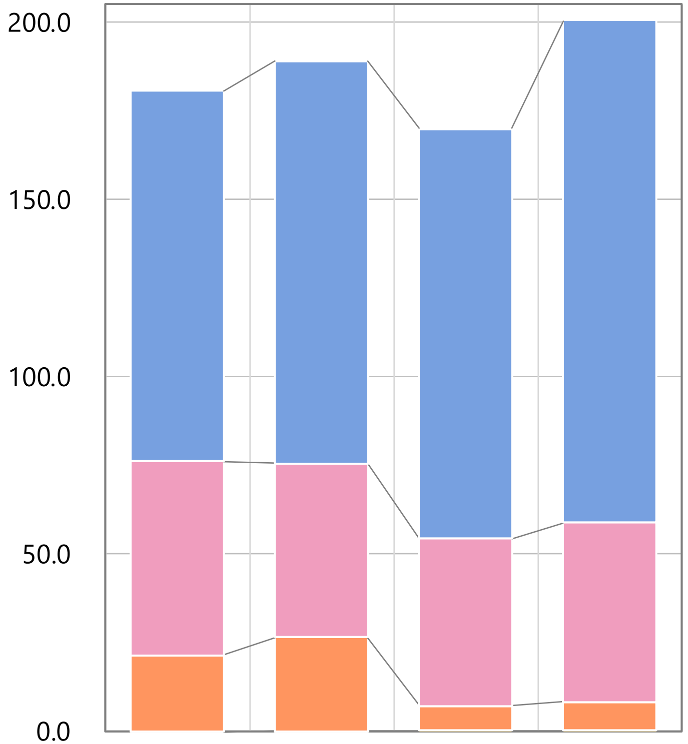


	FY2025				FY2026
	Q1	Q2	Q3	Q4	Q1
BA	55.5	45.0	31.1	31.9	**72.9**
AA	24.1	22.8	27.8	31.3	**32.0**
LA	10.4	7.7	7.4	8.3	**10.8**
Consolidated	89.7	75.2	66.0	71.2	**115.3**

Appendix

Performance Trend by Segment: Order Backlog

■ Comparison to past results (Q1)



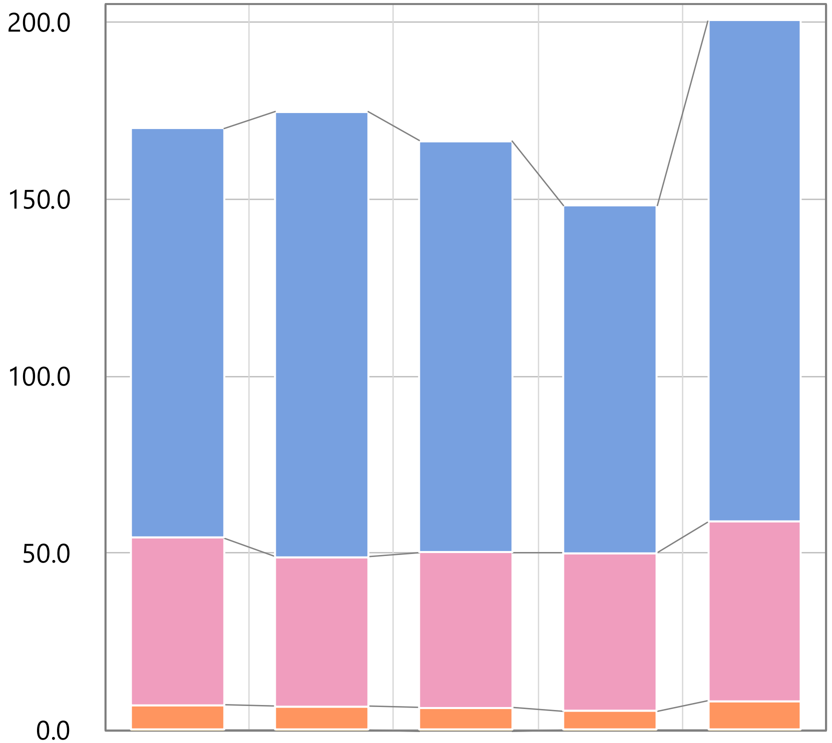
	FY2023 * Q1	FY2024 * Q1	FY2025 Q1	FY2026 Q1
BA	104.5	113.5	115.6	**141.6**
AA	54.6	49.0	47.1	**50.5**
LA	21.4	26.4	7.0	**8.1**
Consolidated	180.1	188.8	169.6	**199.8**

Order backlog excluding Azbil Telstar

L A	7.4	7.1
Consolidated	166.1	169.5

* FY2023, FY2024 J-GAAP

■ Quarterly (3 months)



	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2026 Q1
BA	115.6	125.8	116.1	98.2	**141.6**
AA	47.1	42.1	43.9	44.6	**50.5**
LA	7.0	6.7	6.2	5.2	**8.1**
Consolidated	169.6	174.4	166.1	147.7	**199.8**

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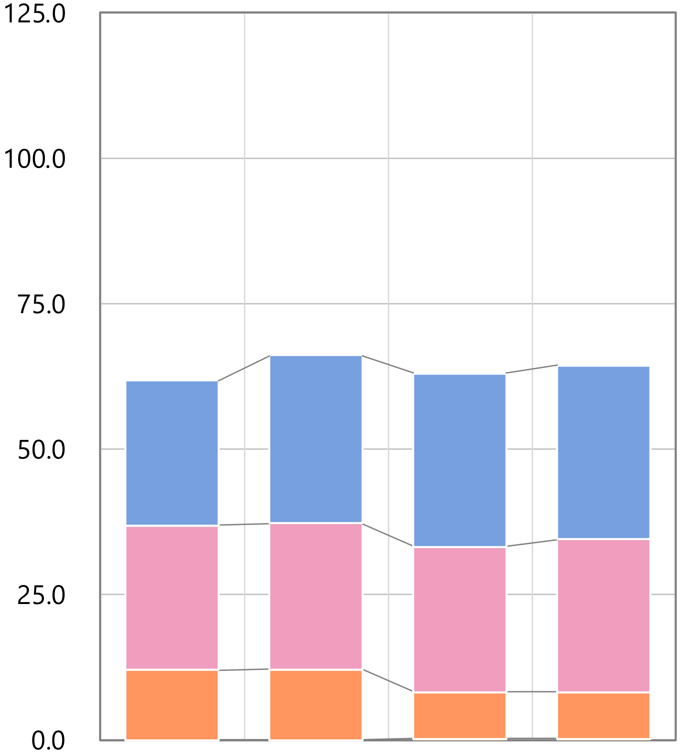
Performance Trend by Segment: Revenue

■ Comparison to past results (Q1)

(Billions of yen)



	FY2023 * Q1	FY2024 * Q1	FY2025 Q1	FY2026 Q1
BA	24.9	28.8	29.8	**29.8**
AA	24.8	25.0	24.8	**26.3**
LA	11.9	12.0	8.0	**7.9**
Consolidated	61.2	65.5	62.4	**63.6**

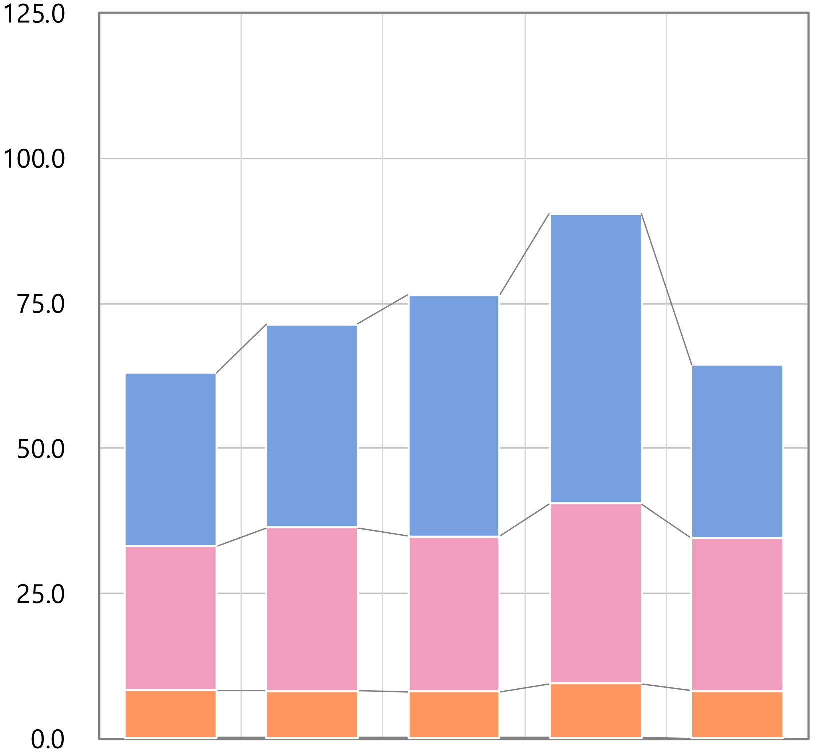
Revenue excluding Azbil Telstar

L A	7.6	7.6
Consolidated	56.8	61.1

* FY2023, FY2024 J-GAAP

■ Quarterly (3 months)

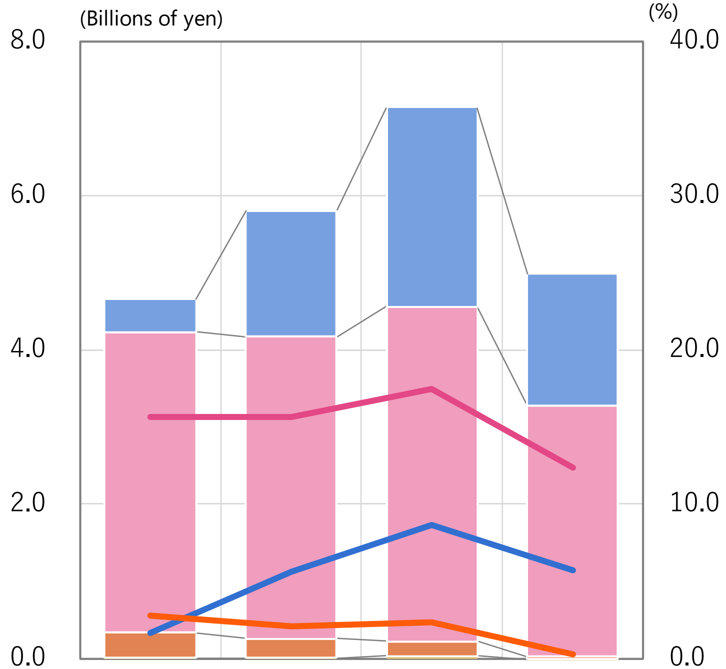
(Billions of yen)



	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2026 Q1
BA	29.8	35.0	41.5	49.9	**29.8**
AA	24.8	28.1	26.7	30.9	**26.3**
LA	8.0	8.0	7.9	9.2	**7.9**
Consolidated	62.4	70.8	75.7	89.8	**63.6**

Performance Trend by Segment: Segment Profit (Business Profit)

Comparison to past results (Q1)



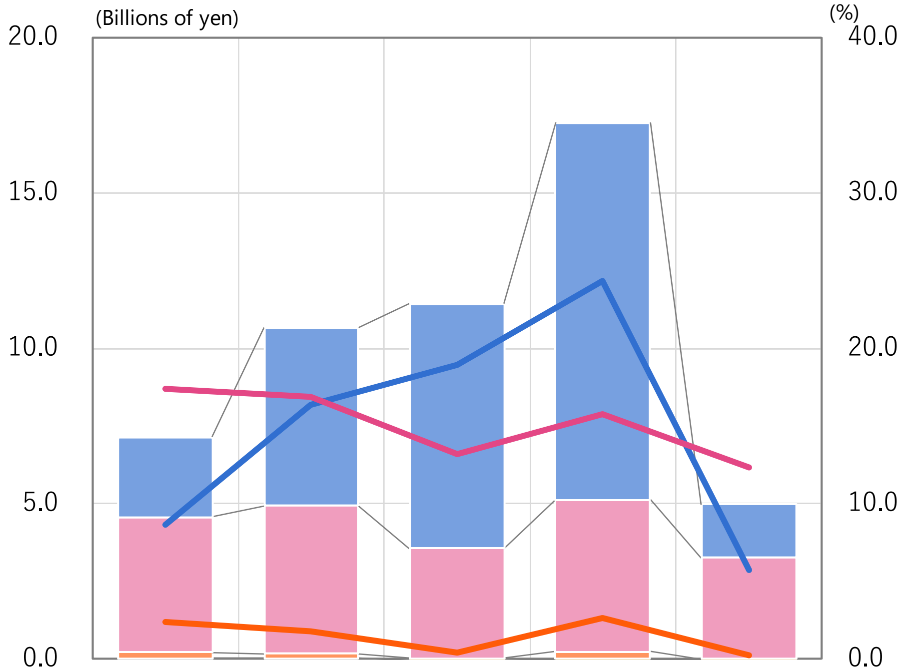
	FY2023 * Q1	FY2024 * Q1	FY2025 Q1	FY2026 Q1
BA	0.4	1.6	2.5	**1.7**
- Margin	*1.7*	*5.6*	*8.7*	***5.7***
AA	3.8	3.9	4.3	**3.2**
- Margin	*15.7*	*15.6*	*17.4*	***12.4***
LA	0.3	0.2	0.1	**0.0**
- Margin	*2.8*	*2.1*	*2.4*	***0.2***
Consolidated	4.6	5.7	7.1	**4.9**
Margin	*7.6*	*8.8*	*11.4*	***7.8***

Business Profit excluding Azbil Telstar

L A	0.2	0.1
Consolidated	4.5	5.7

* FY2023, FY2024 J-GAAP

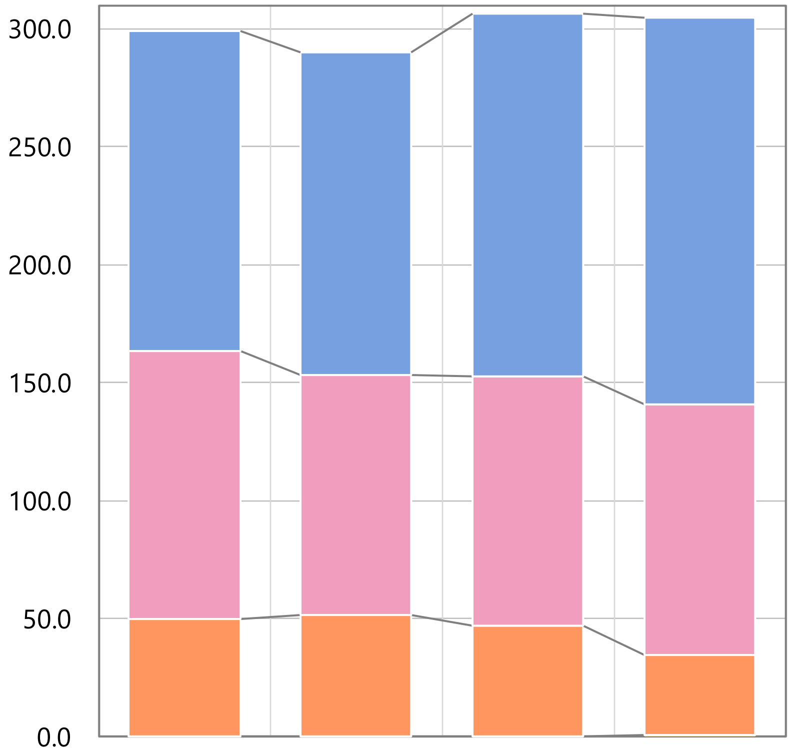
Quarterly (3 months)



	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2026 Q1
BA	2.5	5.7	7.8	12.1	**1.7**
- Margin	*8.7*	*16.3*	*19.0*	*24.3*	***5.7***
AA	4.3	4.7	3.5	4.8	**3.2**
- Margin	*17.4*	*16.9*	*13.2*	*15.7*	***12.4***
LA	0.1	0.1	0.0	0.2	**0.0**
- Margin	*2.4*	*1.8*	*0.4*	*2.7*	***0.2***
Consolidated	7.1	10.6	11.4	17.2	**4.9**
Margin	*11.4*	*15.1*	*15.0*	*19.2*	***7.8***

Performance Trend by Segment: Orders Received and Order Backlog (full-year)

Orders received by segment

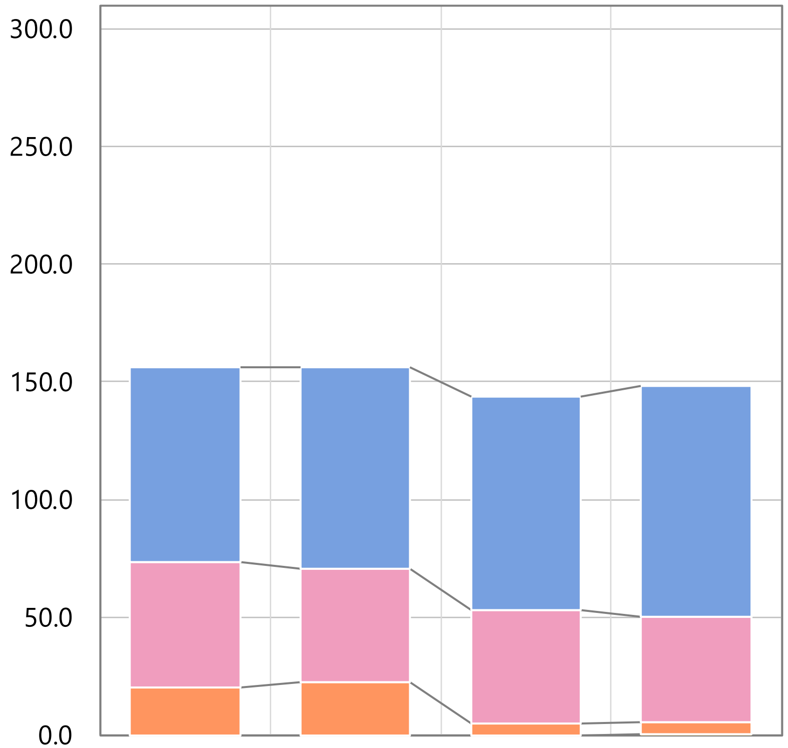


	FY2022 *	FY2023 *	FY2024 *	FY2025
BA	135.3	136.7	153.6	**163.7**
AA	113.9	101.4	105.9	**106.2**
LA	49.6	51.6	46.8	**33.9**
Consolidated	296.9	287.8	304.7	**302.3**

Orders received excluding Azbil Telstar

LA	30.8	32.3	31.3	**33.9**
Consolidated	278.1	268.5	289.1	**302.3**

Order backlog by segment



	FY2022 *	FY2023 *	FY2024 *	FY2025
BA	82.8	85.5	90.3	**98.2**
AA	53.4	48.5	48.6	**44.6**
LA	20.1	22.1	4.5	**5.2**
Consolidated	156.0	155.9	143.3	**147.7**

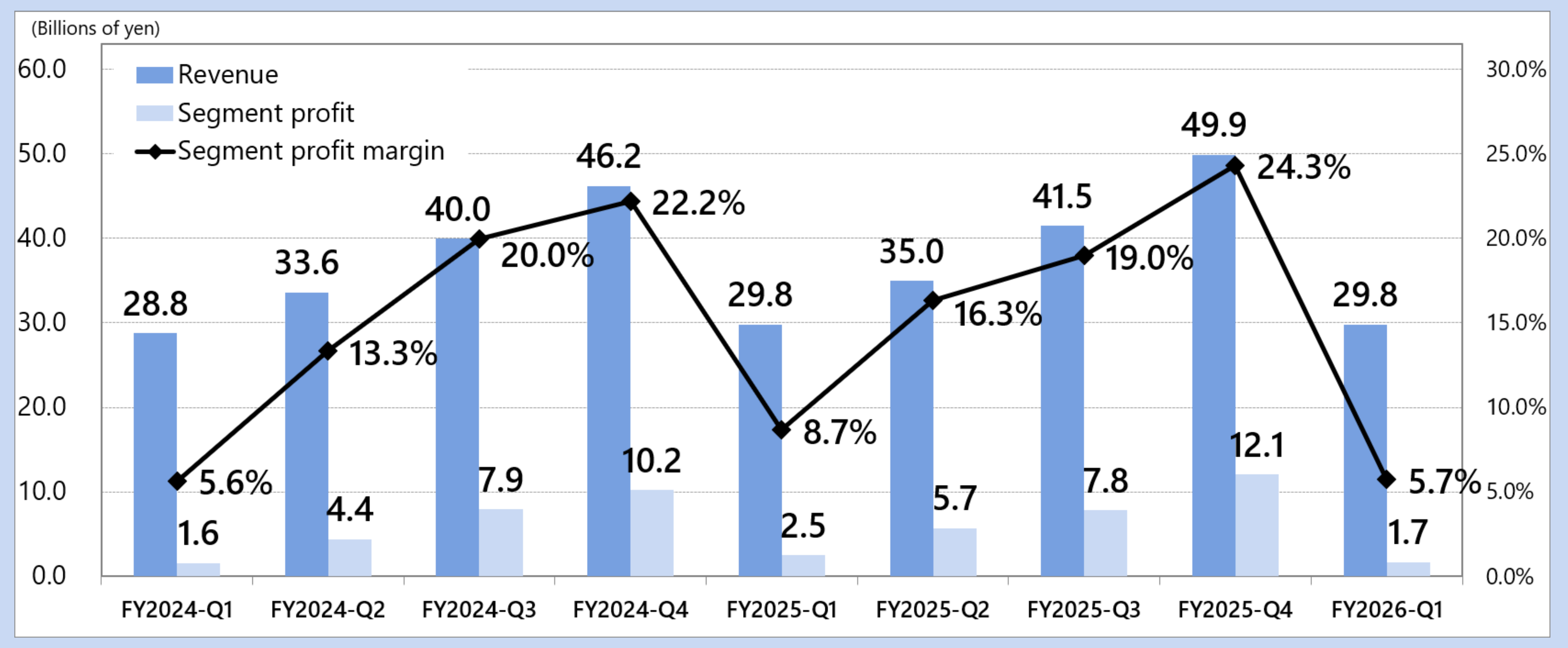
Order backlog excluding Azbil Telstar

LA	5.1	5.3	4.5	**5.2**
Consolidated	141.0	139.1	143.3	**147.7**

* FY2022, FY2023, FY2024 J-GAAP

How seasonal factors affect the BA business

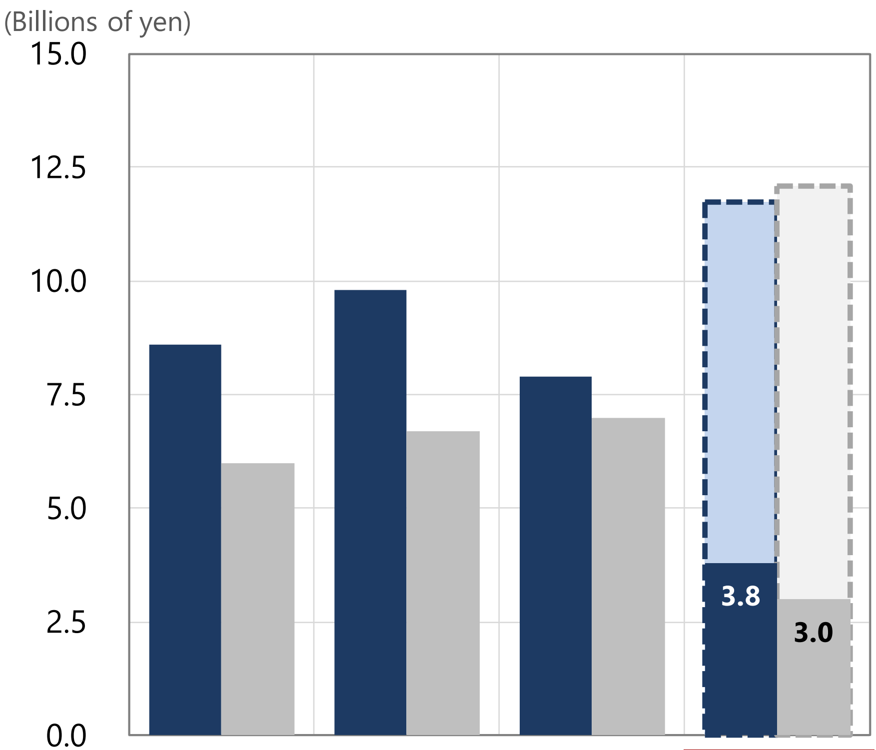
- Revenue for the BA business tends to be low in the first quarter of the consolidated accounting period and highest in the fourth quarter. However, fixed costs are incurred constantly, which typically means that segment profit is relatively lower in the first quarter of the consolidated fiscal year, rising higher in the second quarter onward, particularly in the fourth quarter.



* FY2024 J-GAAP

Capital Investment, Depreciation and Amortization, and R&D Expenses

● Capital investment, depreciation and amortization

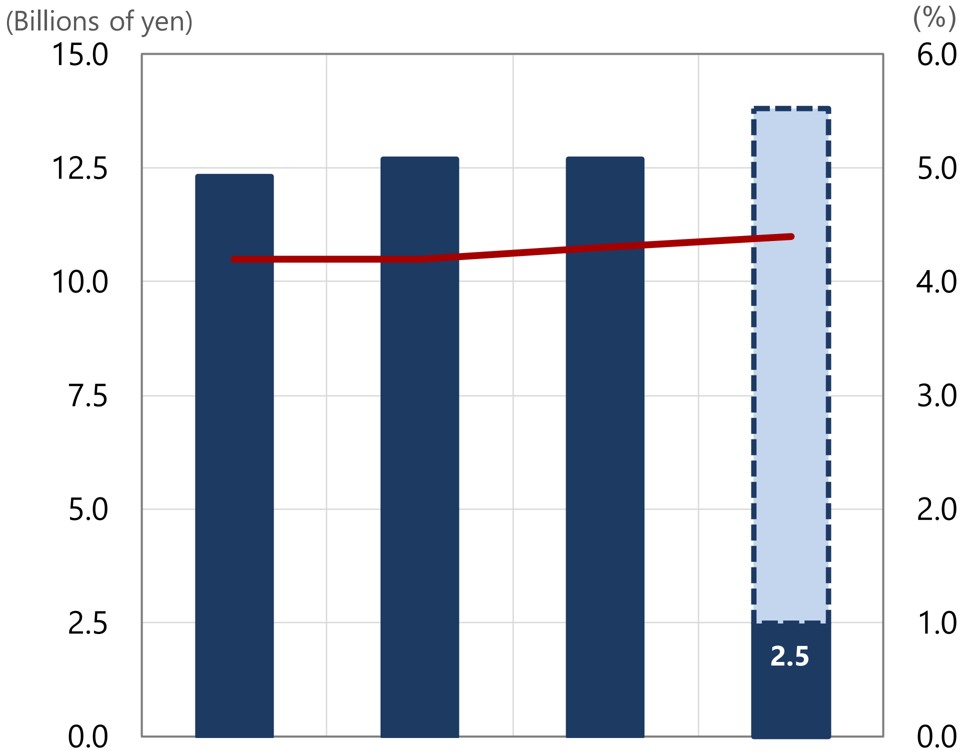


	FY2023 J-GAAP	FY2024 J-GAAP	FY2025 J-GAAP	FY2026 plan IFRS
■ Capital investment	8.6	9.8	7.9	11.7
■ Depreciation and amortizaition *	6.0	6.7	7.0	12.0

● R&D expenses

Full-year results/ Q1 results for FY2026

Full-year plan for FY2026



	FY2023 J-GAAP	FY2024 J-GAAP	FY2025 J-GAAP	FY2026 plan IFRS
■ R&D expenses	12.3	12.7	12.7	13.8
― R&D expenses / Revenue (%)	4.2	4.2	4.3	4.4

* FY2026 plan includes depreciation of right-of-use assets based on lease contracts in addition to those of non-current assets.

Medium-term Plan: Progress in Each Business

- We are implementing measures aimed at strengthening the unique business model of the azbil Group and tailored to the business environment and characteristics of each segment. In FY2025, growth was driven mainly by the BA and AA businesses.

BA

- **Growth in the fields for existing buildings and service exceeded the plan. Orders received for data center projects also grew, in Japan and overseas.** The profit margin exceeded the target set for the final year of the medium-term plan.
- From FY2026 onwards we will continue to focus on our domestic business in the fields for existing buildings and service while engaging in overseas expansion initiatives.

AA

- In FY2025, the product mix contributed to achieving a business profit margin of 15.8%. **In the PA market, both growth and core businesses achieved expansion.**
- **The FA market recovery was delayed beyond what had been anticipated,** impacting our financial results. Although there is an impact from product mix, to catch up to the level set in the plan, we will implement business management that is precisely tailored to region and product.

LA

- It is taking longer than expected to develop smart metering as a service, launch new products and expand sales.
- **While implementing measures to enhance profitability such as cost pass-through, sales initiatives focused on profitability, and replacement to smart meters,** we will aim to expand high-value-added businesses that offer solutions to societal issues, such as leak detection.

Overseas

- Initiatives to expand the customer base in both our BA and AA businesses—for example, by developing global account customers—have achieved a degree of success.
- We are implementing initiatives that make the most of regional characteristics, as demonstrated by our establishment of a new sales base in the Johor-Singapore Special Economic Zone (JS-SEZ) in Malaysia.

There is no change to the financial plan for FY2027 at this point; however, a review will be considered at a stage when the current uncertain conditions become more foreseeable, also taking progress under the current medium-term plan into account.

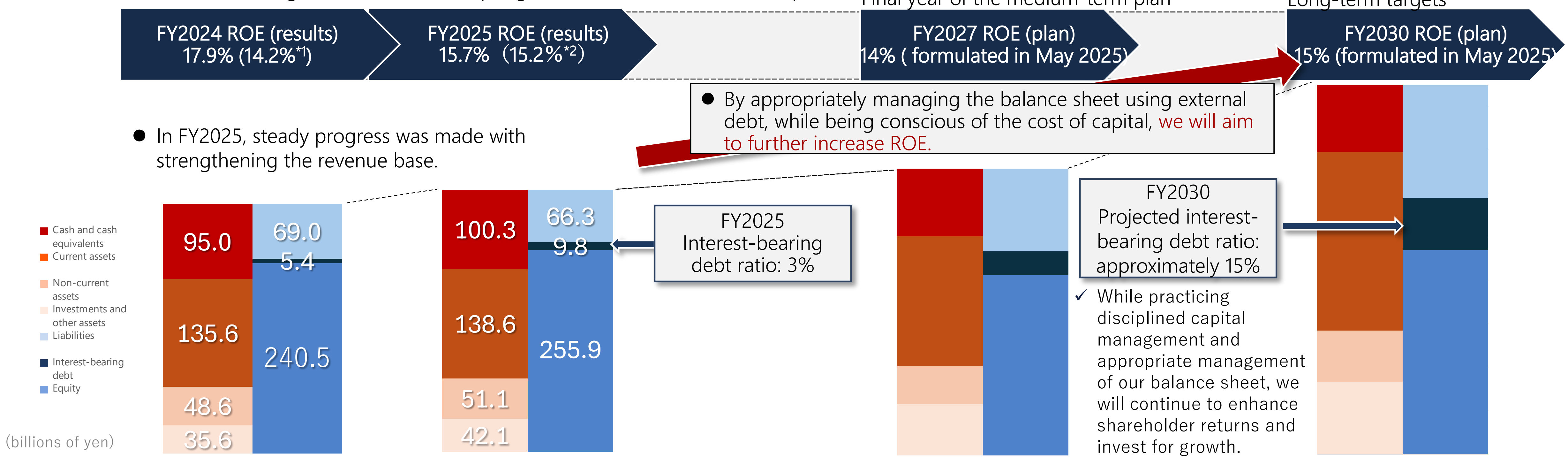
(billion yen)

		FY2024 results * J-GAAP	FY2025 results IFRS	FY2026 plan May 13, 2026	FY2027 formulated May 2025
azbil Group	Revenue	285.7	298.8	315.0	340.0
	Overseas	48.5	52.4	56.5	62.0
	Business profit	41.0	46.4	48.2	51.0
	Margin	14.4%	15.5%	15.3%	15.0%
BA	Revenue	148.7	156.2	166.0	174.0
	Overseas	14.4	15.7	17.7	18.5
	Segment profit	24.3	28.3	30.0	26.9
	Margin	16.4%	18.1%	18.1%	15.5%
AA	Revenue	106.8	110.7	115.0	123.0
	Overseas	32.0	34.9	36.8	41.0
	Segment profit	15.9	17.5	17.2	21.0
	Margin	15.0%	15.8%	15.0%	17.1%
LA	Revenue	32.0	33.3	35.3	43.0
	Overseas	2.1	1.7	2.0	2.5
	Segment profit	0.7	0.6	1.0	2.8
	Margin	2.3%	1.9%	2.8%	6.5%

* The figures exclude the results of Azbil Telstar.

Looking at the Future Balance Sheet with an Eye on Capital Efficiency

- In view of our strong financial stability and current liquidity, underpinned by sound financial results, we will actively work to promote shareholder returns based on disciplined capital management, while continuing to make growth investments.
- As regards both FY2027 and FY2030 targets for ROE, we will consider revising them once we have a clearer picture of the uncertain situation, in addition to taking into account the progress of our medium-term plan.



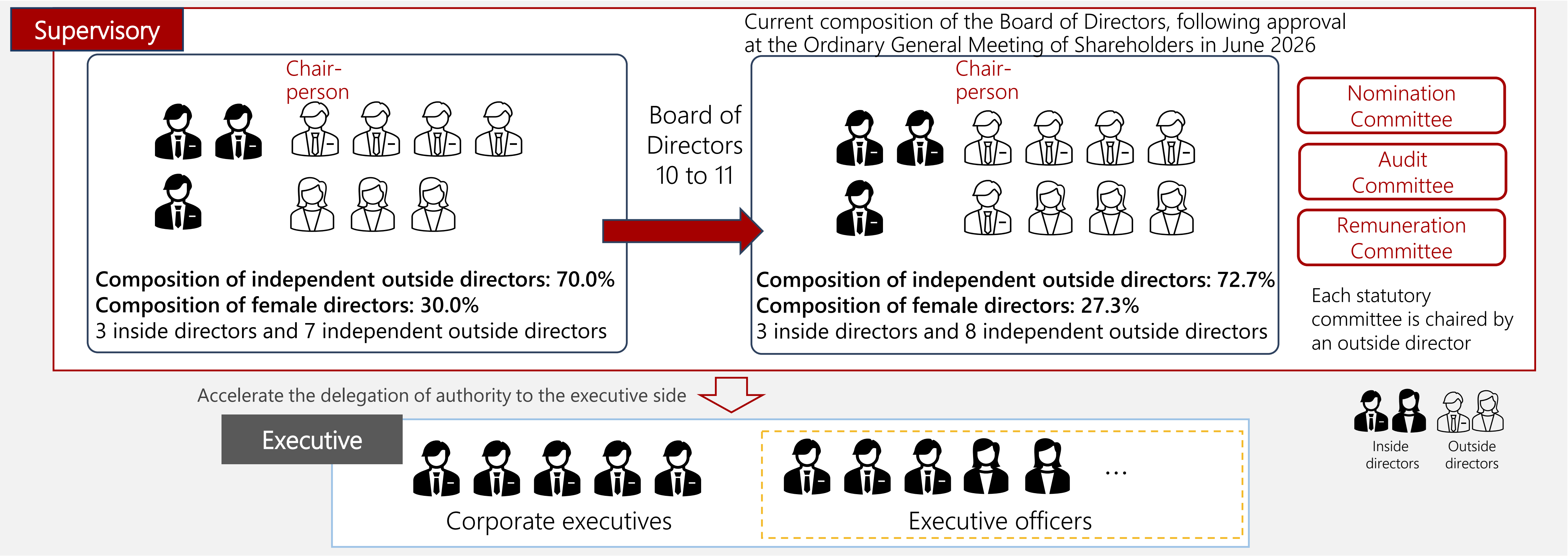
Current assets	We will maintain short-term liquidity at an appropriate level to support stable business operations, including reserves for business continuity planning (revising the target level in accordance with current business profitability and our capacity to raise capital).
Fixed assets	We will continue to invest in non-current assets as growth investments aimed at business expansion.

Liabilities	We will further improve capital efficiency by securing appropriate debt financing to capitalize on opportunities to invest for growth (using debt to fund growth investments worth approximately 50.0 billion yen).
Equity	While practicing disciplined capital management, we will allocate equity capital to growth investments while maintaining a sound financial structure and enhancing shareholder returns.

*1 ROE excluding the extraordinary gains from the transfer of equity interests in Azbil Telstar and other factors was 14.2%.
*2 FY2025 ROE was 15.2% based on IFRS.

Corporate Governance

- **Aiming to further strengthen the independence and supervisory function of Board of Directors**
  - April 2022: Corporate Secretariat Office established as a dedicated secretariat for the Board of Directors.
  - June 2022: Transitioned to a company with a three-committee board structure, with a non-executive inside director serving as chairperson
  - June 2025: An outside independent director assumes the chair
  - **June 2026: Enhanced composition of independent outside directors**



The azbil Group's Materiality and its Own SDG Targets

- Materiality is identified from the perspective of sustainability and contributing "in series" to a sustainable society. As regards the seven key categories related to business and corporate activities, specific azbil Group SDG targets have been set as Essential Goals of the azbil Group for SDGs. At the same time, as regards the three fundamental obligations to society that a company must fulfill, we have set specific targets for our CSR activities. We will promote sustainability management by implementing initiatives to achieve these targets.

	Materiality		Essential Goals of azbil Group for SDGs: Essential goals			Targets
Business	Environment	Climate change Resource recycling	I	Preserving the Earth's environment and solving energy-related problems through cooperative creation	Environment and energy	● Effective reduction of CO_2 at customers' sites: **3.40 million metric tons of CO_2/year**[*1] (FY2030) ● Reduction targets in greenhouse gas (GHG) emission (science-based target[*2] approved) (FY2030) **60% reduction** in GHG emissions from our business activities (scopes 1+2) compared to 2017[*3] **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**[*4] and to be **100% recyclable**[*5] (FY2030) ● Increase the number of **skilled professionals**[*7] **for supporting sustainable services**[*6] to **a total of 1,800**[*8]**—triple the number** in FY2021
Business	Innovation		II	Realizing sustainable production sites, work environments, and a safe and comfortable society through new automation	New automation	Solving occasional issues as required by society and creating added value through **advanced measurement, a data-driven approach, and autonomy** ● We will achieve a state of resilience to changes in the business environment at **8,000 business sites** by 2030.[*9] ● We will provide environments that support stress-free and diverse work styles to **6 million people** by 2030.[*10]
General corporate activities	Society	Supply chain Contribute to local communities	III	Fulfilling our responsibilities to society across our supply chain and contributing to local communities	Supply chain; Social responsibility	● Working with our business partners on achieving SDGs as a common goal and creating **shared CSR value across the supply chain; Evaluating policies, systems, initiatives, and effectiveness using our own evaluation indicators**[*11] ● Social contribution activities rooted in local communities are run at all our business sites,[*12] with the **active participation by every employee**[*13]
General corporate activities	Human resource	Human rights, safety, and health Learning and employee development	IV	Strengthening our foundation to solve societal problems through health and well-being management and continuous learning	Health and well-being management; An organization that never stops learning	● Implementing health and well-being management (job satisfaction, health, diversity and inclusion) Employees expressed satisfaction with working at azbil Group companies in FY2030: **65% or more**[*14] Increase the percentage of women in manegerial positions to **at least 10%**[*15] in FY2030 **Double** the percentage of female managers in the Group's domestic companies by FY2027, compared to FY2017[*16] ● Developing and strengthening "an organization that never stops learning" Employees have experienced personal growth through their work in FY2030: **65% or more**[*14]
Our fundamental obligations	Governance	Product safety and quality Corporate governance Compliance		Fulfilling our fundamental obligations to society		* With regard to product safety and quality and compliance, each department sets indicators and goals directly related to business as a CSR activity plan. The plan includes compliance enhancement, strengthening of response to legal requirements, disaster prevention and BCP, information leak prevention, proper accounting practices, creation of a healthy workplace, enhanced occupational health and safety, assurance of customer safety from product incidents, and respect for human rights. Progress on these initiatives is monitored through the azbil Group CSR Promotion Committee, ensuring maintenance and improvement of such initiatives. * With regard to corporate governance, in 2022 the company transitioned to a three-committee Board structure, and is working to ensure appropriate supervision and effectiveness under a system of Board of Directors with a majority of outside derectors and three statutory committees. - In 2025, the company strengthened its corporate governance by appointing an outside director as the chairperson of the Board of Directors and revising its remuneration policy for officers—expansion of the performance-linked component of the remuneration structure for corporate executives, revision of key performance indicators, and expansion of the scope of "Malus and Clawback policy."

▶ We are currently reviewing our materiality in light of changes in the business environment and the establishment of our purpose, following discussions at the Board of Directors.

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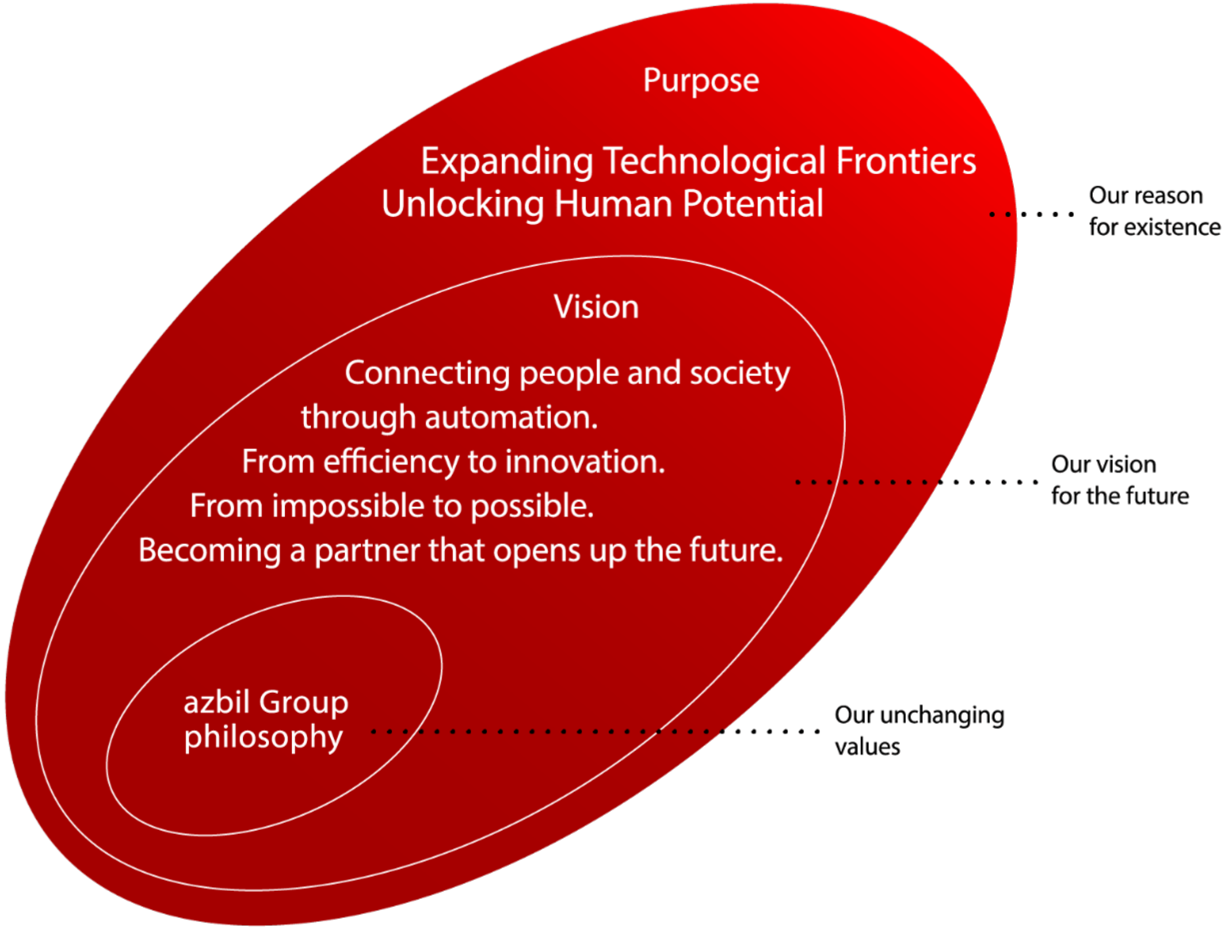
Our Purpose and Vision

azbil Group Way

Shared values that unite our aspirations for the Group's future



■ Purpose

This 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.

■ Vision

By pursuing our Purpose, we aim to achieve our distinct vision and set of goals of ten years from now for the azbil Group to achieve.

■ Brand statement: Engineering the Impossible

An expression of determination of the azbil Group's Purpose and Vision.

Engineering the Impossible

Notes (1)

1. The amounts have been rounded down. The figures for growth businesses and core businesses are approximate values based on internal calculations.
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. Revenue for the azbil Group tends 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 CO_2/year: The FY2030 emission factor from electricity generation is our own estimated value based on the Japanese government's Energy Basic Plan in 2019.

*2 Science-based targets (SBT): Greenhouse gas emission reduction targets based on scientific evidence

*3 60% reduction in GHG emissions from our business activities (Scope 1+2) compared to FY2017: In April 2026, an updated target to realize a 60% reduction by FY2030 compared to FY2017, from the previous target of 55% compared to FY2017, was received validation from the Science Based Targets initiative (SBTi).

*4 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).

*5 All new products 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)

*6 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).

*7 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

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Notes (3)

4. Essential Goals of the azbil Group for the SDGs

*8 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.

*9 Achieve a state of resilience to changes in the business environment at 8,000 business sites: The base year for our target is FY2022. Base value is as of April 2022 (530 business sites).

*10 Provide environments that support stress-free and diverse work styles to 6 million people: The base year for our target is FY2022. Base value is as of April 2022 (0.6 million).

*11 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

*12 All business sites: All offices both in Japan and overseas.

*13 Active participation by every employee: The azbil Group aims to participate in activities of a scale that can accommodate the total number of employees.

*14 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 engagement survey conducted in Japan, or, in other words, 2/3 of all employees.

*15 Percentage of women in managerial positions: The target of at least 10% female managers applies to Azbil Corporation.

*16 Double the percentage of female managers in the Group's domestic companies by FY2027, compared to FY2017: The base year for our target is FY2017 because in FY2018 we revised our personnel system to incorporate measures for women's advancement.

IR Inquiries and Disclaimer

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