



(Translation)

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Notice concerning Abolition of Basic Policy regarding Persons Controlling Decisions on the Financial and Business Policies of the Company

Azbil Corporation (the “Company”) hereby announces that it has resolved, at the Board of Directors meeting held today, to abolish a basic policy regarding the persons controlling decisions on the financial and business policies of the Company (as provided for in Article 118, Item 3 of the Ordinance for Enforcement of the Company Act; the “Basic Policy”) and the rules concerning the large-scale purchase of the shares issued by the Company (the “Large-Scale Purchase Rules”) as explained in detail below.

The Company resolved, at its Board of Directors meeting held on May 9, 2008, to determine the Basic Policy and the Large-Scale Purchase Rules which did not provide for specific takeover defense measures using subscription for new shares or share options, etc. as a special measure (as provided for in Article 118, Item 3(ii)(a) of the Ordinance for Enforcement of the Company Act), and, thereafter, the Company renewed the Large-Scale Purchase Rules (the Basic Policy and the renewed Large-Scale Purchase Rules are collectively referred to as the “Basic Policy, etc.”).

- Details -

The Company resolved, at its Board of Directors meeting held on May 9, 2008, to determine the Basic Policy and the Large-Scale Purchase Rules, and, thereafter, renewed the Large-Scale Purchase Rules from the perspective of ensuring and enhancing the Company’s corporate value and the common interests of the Company’s shareholders.

The Board of Directors meeting held on May 12, 2014, resolved to renew the current Large-Scale Purchase Rules. In spite of the fact that the effective period of the current Large-Scale Purchase Rules runs until June 30, 2017, it is possible to abolish such rules during the effective period by way of a resolution of the Board of Directors meeting.

Since the determination of the Basic Policy, the Company has actively managed to ensure and enhance the Company’s corporate value through ensuring the execution of its management plans, providing

appropriate returns to the Company's shareholders, and strengthening the corporate governance of the Company, has adapted to changes in the business environment surrounding the Company, such as economic conditions and market trends, etc., and has had careful discussions concerning management of the Basic Policy, etc. As a result of such discussions, at the present time, the Company has concluded that the significance of the Basic Policy, etc. has relatively decreased from the perspective of ensuring and enhancing the Company's corporate value and the common interests of the Company's shareholders. Thus, the Company has resolved to abolish the Basic Policy, etc., at the Board of Directors meeting held today.

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