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Notification Regarding the Recording of an Extraordinary Income and a Revision to the Forecast of Consolidated Financial Results

Azbil Corporation (“the Company”) announces that it expects to record an extraordinary income for the fiscal year ending March 31, 2025, as detailed below. The Company also announces that, in view of this and recent business performance trends, it has revised its forecast of consolidated financial results for the fiscal year ending March 31, 2025, which was released on May 13, 2024. The revision is as follows:

1. Details of the extraordinary income

As announced in the “Notification Regarding the Transfer of Equity Interests in a Consolidated Subsidiary” released on June 7, 2024, the Company reached an agreement to transfer all the equity interests in its consolidated subsidiary Azbil Telstar S.L.U. (hereinafter referred to as “Azbil Telstar”) to a wholly owned subsidiary of Syntegon Technology GmbH; the decision was finalized and contract signed on June 6, 2024 (Central European Time). Procedures for obtaining approval from the local authorities for this transfer have now been completed, and the transfer is scheduled to be executed on October 31, 2024 (Central European Time). As a result, the Company expects to record a gain on sale of investments in capital of subsidiaries and associates of approximately 7.0 billion yen as an extraordinary income in the consolidated financial results for the third quarter of the fiscal year ending March 31, 2025. It should be noted that the amount of this extraordinary income is currently an estimate; thus, there is a possibility it will change.

2. Revision to the forecast of the consolidated financial results for the fiscal year ending March 31, 2025
(from April 1, 2024 to March 31, 2025)

| | Net sales | Operating income | Ordinary income | Net income attributable to owners of parent | Net income per share |
|---|-----------------|------------------|-----------------|---|----------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Yen |
| Previous forecast (A) (announced on May 13, 2024) | 300,000 | 37,500 | 37,500 | 28,000 | 53.10 |
| Revised forecast (B) | 300,000 | 39,000 | 39,000 | 37,000 | 70.05 |
| Change (B-A) | - | 1,500 | 1,500 | 9,000 | |
| Change (%) | - | 4.0 | 4.0 | 32.1 | |
| <i>(For reference)</i> Results for the previous fiscal year (ended March 31, 2024) | 290,938 | 36,841 | 38,999 | 30,207 | 57.10 |

Note: 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.

3. Reasons for the revision to the forecast of consolidated financial results

Regarding the forecast of consolidated financial results for the fiscal year ending March 31, 2025, there is an impact to full-year consolidated net sales and consolidated operating income* due to the exclusion of Azbil Telstar from the Company's scope of the consolidation following the transfer of the equity interests in Azbil Telstar. However, owing to the progress of initiatives to improve profitability including cost pass-throughs in each of our businesses, in addition to steady progress in the existing building and service fields in the Building Automation business, while we keep the forecast for consolidated net sales unchanged, we now expect increased consolidated operating income. As shown above in "1. Details of the extraordinary income," following the transfer of equity interests in the Company's consolidated subsidiary Azbil Telstar, a gain of approximately 7.0 billion yen on the sale of these interests is expected. Consequently, net income attributable to owners of parent is also expected to be higher than the previous forecast.

* As a result of the transfer of the equity interests, Azbil Telstar and its subsidiaries will be excluded from the Company's scope of the consolidation at the end of the third quarter of the fiscal year ending March 31, 2025. The impact of this exclusion is expected to be a decrease of approximately 5.0 billion yen in consolidated net sales and a decrease of approximately 0.3 billion yen in consolidated operating income. These decreases have been taken into account in the above revised forecast for full-year financial results as shown in "2. Revision to the forecast of the consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)."

The above forecasts are based on information available at the time of this document's release and on reasonable assumptions. Actual results may differ from those projected due to various factors. If, following

further analysis, it is determined that it is necessary to revise the financial results forecast, a new announcement will be made at the appropriate time.