



**2025 COMPANY OF THE YEAR**

*Driving impact across the customer value chain*

*RECOGNIZED FOR BEST PRACTICES IN THE  
ASIA PACIFIC SUSTAINABLE SMART  
INFRASTRUCTURE INDUSTRY*

F R O S T & S U L L I V A N

## Table of Contents

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<b>Best Practices Criteria for World-class Performance</b>	<b>3</b>
<b>Azbil Corporation Achieves Company of the Year Recognition</b>	<b>3</b>
Azbil: Global Leader Shaping Asia Pacific's Sustainable Smart Infrastructure	4
Azbil: A Climate-Smart Champion Driving Sustainability Outcomes	4
Customer Focus Turning Technology into Tangible Impact	6
Flagship Projects Showcasing Regional Transformation	6
Strong Financial Foundation Supporting Sustainable Growth	7
<b>Conclusion</b>	<b>8</b>
<b>What You Need to Know about the Company of the Year Recognition</b>	<b>9</b>
<b>Best Practices Recognition Analysis</b>	<b>9</b>
Visionary Innovation & Performance	9
Customer Impact	9
<b>Best Practices Recognition Analytics Methodology</b>	<b>10</b>
<b>Inspire the World to Support True Leaders</b>	<b>10</b>
<b>The Growth Pipeline Generator™</b>	<b>11</b>
<b>The Innovation Generator™</b>	<b>11</b>

## Best Practices Criteria for World-class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each recognition category before determining the final recognition recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Azbil Corporation excels in many of the criteria in the sustainable smart infrastructure space.

RECOGNITION CRITERIA	
<i>Visionary Innovation &amp; Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Megatrends	Customer Purchase Experience
Leadership Focus	Customer Ownership Experience
Best Practices Implementation	Customer Service Experience
Financial Performance	Brand Equity

## Sustainable Smart Infrastructure in Asia Pacific

The Asia Pacific (APAC) region is entering a decisive phase in infrastructure development, where rapid growth must be balanced with sustainability imperatives. Frost & Sullivan estimates the climate-smart solutions market to reach \$367.28 billion by 2030, growing at a compound annual growth rate of 11.3% from 2024.<sup>1</sup> Population expansion, urbanization, and industrialization are driving strong demand for energy, transportation, and digital services. Moreover, Climate change and growing environmental awareness are reshaping policies, investments, and stakeholder expectations.

Governments across the region are accelerating their sustainability agendas through ambitious climate commitments. Japan and South Korea have pledged to achieve net zero emissions by 2050, while China aims to peak carbon emissions by 2030 and reach neutrality by 2060. Furthermore, Singapore, Malaysia, and Thailand are tightening building codes, expanding green certification programs, and advancing renewable energy initiatives. These efforts are establishing a strong foundation for sustainable and low-carbon development across the region.

Within APAC, growth is driven by four major trends: decarbonization, digitalization, electrification, and demographic change. These forces are accelerating investment in infrastructure that reduces emissions, enhances resource efficiency, and improves resilience against future challenges.

<sup>1</sup> Environmental Assessment of the Top 50 Climate-Smart Companies Accelerating the Low-Carbon Economy in the Built Environment (Frost & Sullivan, September 2025).

Several high-potential segments are already emerging. Frost & Sullivan projects that artificial intelligence (AI)-enabled optimization platforms will grow by over 25% annually in APAC, supporting smarter and more data-driven infrastructure management. Building electrification, aided by technologies (e.g., heat pumps and integrated renewable systems), is expected to generate over \$1 billion in new value within the next three years. The adoption of building energy management systems is also increasing as organizations seek to comply with disclosure requirements, improve energy costs, and meet investor expectations for environmental, social, and governance (ESG) performance.<sup>2</sup>

As regulatory ambition, investor scrutiny, and technological innovation converge, the competitive landscape for infrastructure providers is undergoing a major transformation. Success depends on achieving cost efficiency and delivering measurable outcomes that align with national and global climate

goals. This evolution presents new opportunities for long-term partnerships that will shape the future of sustainable smart infrastructure across the APAC region.

#### [\*\*Azbil: Global Leader Shaping Asia Pacific's Sustainable Smart Infrastructure\*\*](#)

Azbil Corporation, established in 1906 and headquartered in Tokyo, is a leading company in building and industrial automation, using its measurement and control technologies to provide customers with high value-added solutions to make their building management, manufacturing processes,

and facility operations more efficient and sustainable. Guided by its philosophy of “human-centered automation,” the company applies advanced measurement and control technologies to improve safety, comfort, and productivity while contributing to environmental preservation.

With operations spanning over 15 countries, Azbil has a strong footprint in APAC, including subsidiaries in Singapore, Malaysia, Thailand, Vietnam, Indonesia, and the Philippines. The company strengthens its international framework to accelerate localization, expand collaboration with regional stakeholders, and align its portfolio with national sustainability policies. By integrating cutting-edge automation with long-term climate strategies, Azbil plays a pivotal role in advancing sustainable smart infrastructure across the region.

#### [\*\*Azbil: A Climate-Smart Champion Driving Sustainability Outcomes\*\*](#)

At the core of Azbil’s portfolio are proprietary technologies that address the pressing energy and carbon challenges in APAC. ENEOPT, its energy optimization system, enables real-time analysis and management of facility energy use, while RENKEI, its integrated control technology, connects multiple building and industrial systems to maximize efficiency. These solutions allow operators, industrial clients, and data centers to minimize operating costs while minimizing environmental impact. The company also advances

<sup>2</sup> Ibid.

virtual power plant systems that integrate renewable generation, energy storage, and demand-side management, aligning customer operations with national decarbonization programs.

Azbil integrates technology and sustainability to transform its customers' operations. Building on its Science Based Targets (SBT) certification obtained in 2019, the company achieved Science Based Targets initiative (SBTi) Net-Zero certification in November 2024, reinforcing its long-term commitment to climate action. Azbil has pledged to decrease greenhouse gas emissions from operations (Scope 1 and Scope 2) by 55% and supply chain emissions (Scope 3) by 33% by 2030 compared with fiscal year 2017 levels, with the broader ambition of achieving net zero emissions across its entire value chain by 2050.<sup>3</sup> These targets guide internal operations and product development, ensuring that every innovation contributes to measurable sustainability outcomes.

Renewable energy adoption across Azbil's global production sites has accelerated rapidly, with solar and other clean energy accounting for 63% of its total electricity consumption in 2024.<sup>4</sup> Robust governance frameworks support these achievements. Environmental management committees review progress regularly, while annual sustainability disclosures ensure transparency and accountability. Through the integration of advanced technologies, renewable energy, and sound governance, the company positions itself as a trusted enabler of sustainable and intelligent infrastructure across APAC.

As part of an ongoing commitment to environmental stewardship, Frost & Sullivan developed the Climate-smart Performance Index (CSPI), a rigorous evaluation framework to assess and rank the top 50 companies in the homes and buildings industry based on their climate action and sustainability efforts and published a comprehensive report.<sup>5</sup> The CSPI provides valuable insights into companies' environmental performance and climate resilience for stakeholders like investors, policymakers, and consumers. It evaluates organizations across five key categories: climate action, pollution, water, circular economy, and biodiversity, using 17 themes and 25 metrics that align with the United Nation's Sustainable Development Goals, European Union taxonomy, Global Reporting Initiative, World Economic Forum, and International Sustainability Standards Board. This comprehensive framework enables a structured assessment of diverse environmental challenges and metrics related to climate change mitigation.

Azbil emerged in the 84<sup>th</sup> percentile as the Top Climate-smart Best Practitioner in the Smart Infrastructure segment in the APAC region, jumping 52 positions from the 2024 edition of the report, achieving 'AA-Climate-Smart Champion' grade in the 2025 environmental assessment report. This highlights the significant improvements Azbil has made in one year. Frost & Sullivan recognizes the company for its outstanding environmental performance compared to its peers and a high level of transparency in disclosing environmental data, including climate action, pollution, water, circular economy, and biodiversity, indicating good environmental engagement.

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<sup>3</sup> <https://www.azbil.com/press/241128.html>

<sup>4</sup> <https://www.azbil.com/press/240726.html>

<sup>5</sup> Environmental Assessment of the Top 50 Climate-smart Companies Accelerating the Low-carbon Economy in the Built Environment, Frost & Sullivan, Published in September 2025.

## Customer Focus Turning Technology into Tangible Impact

Azbil's distinctive advantage lies in its customer-centric business model and its ability to meet clients' unique needs. From design and installation to operation and maintenance, the company offers end-to-end engagement that translates advanced automation into real-world outcomes.

Clients across APAC consistently report measurable improvements. Building operators achieve optimization in energy costs and emissions, while hospitals and hotels benefit from enhanced indoor air quality and occupant comfort. The integration of Azbil systems into data centers illustrates how advanced control technologies can harmonize the surging demand for digital infrastructure with national sustainability goals. This balance between growth and responsibility is increasingly critical as the region's digital economy accelerates.

*"Azbil's customer focus extends to its entire supply chain. Through a corporate social responsibility procurement program, the company engages over 300 business partners, evaluating them against ESG standards. This strengthens sustainability impact, lowers risk exposure, and ensures consistent performance across various regulatory landscapes in APAC."*

**- Norazah Bachok**  
**Research Analyst, Best Practices**

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Azbil also invests in human capital to sustain long-term value delivery. The Azbil Academy ensures adequate training and lifelong learning opportunities for employees, partners, and stakeholders, while employee satisfaction is tracked as a key performance indicator, with a target of at least 65% by 2030.<sup>6</sup> These investments reinforce the company's belief that engaged and skilled employees are central to customer success.

Frost & Sullivan's analysis validates this customer-first model, noting that outcome-oriented procurement and performance-based contracting are gaining traction across APAC. Azbil's integrated lifecycle support ensures that advanced technologies translate into tangible and demonstrable benefits, strengthening its reputation as an enabler of sustainable infrastructure initiatives.

## Flagship Projects Showcasing Regional Transformation

Azbil's industry leadership is most visible through its flagship projects, which showcase technological sophistication and verifiable results. These initiatives highlight the company's ability to deliver results across various building types, from commercial towers to financial institutions. Beyond customer projects, the company also demonstrates its commitment to renewable energy adoption within its own operations. In 2025, Azbil completed a 480-kilowatt rooftop solar project at its Dalian factory in China under a power purchase agreement. This installation supplies one-sixth of the facility's electricity needs and mitigates over 300 tons of carbon dioxide annually.<sup>7</sup> Similar initiatives across production sites in Japan, Thailand,

<sup>6</sup> <https://www.azbil.com/csr/sdgs/target.html>

<sup>7</sup> <https://www.azbil.com/press/250807.html>

and China illustrate the company's alignment with its net-zero roadmap and its philosophy of leading by example.

Frost & Sullivan emphasizes that high-profile reference projects play a critical role in validating providers' capabilities in sustainable infrastructure. By delivering tangible results at prominent sites, Azbil strengthens client trust and its credibility as a transformative player in APAC's transition to decarbonized and resilient infrastructure.

### **Strong Financial Foundation Supporting Sustainable Growth**

Azbil's ability to deliver large-scale sustainable infrastructure projects is underpinned by its strong financial performance and disciplined planning. In fiscal year 2024, the company reported record results for the fourth consecutive year, with net sales of JPY300.3 billion, a 3.2% increase year on year. Operating income rose by 12.6% to JPY41.4 billion, while net income surged by 35.6% to JPY40.9 billion. Return on equity reached 17.9%, and free cash flow expanded by 82.6% to JPY45.9 billion, encouraging resources to reinvest in innovation and sustainability initiatives.<sup>8</sup>

Looking ahead, Azbil's fiscal year 2025 plan projects net sales of JPY298 billion, reflecting the divestment of Azbil Telstar, while operating income is expected to increase to JPY45.5 billion. The company also intends to raise its dividend to JPY26 per share, marking the eleventh consecutive year of dividend growth. Its medium-term plan (2025–2027) focuses on the themes of evolution and co-creation, targeting net sales of JPY340 billion and operating income of JPY51 billion by 2027.<sup>9</sup>

This combination of financial strength and environmental performance positions Azbil as a company capable of delivering profitability and sustainability—a balance that is attractive to investors and customers across APAC's infrastructure markets.

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<sup>8</sup> [https://www.azbil.com/ir/library/result/\\_icsFiles/afieldfile/2025/05/13/azbil\\_FY2024\\_4Q\\_amm-e\\_2.pdf](https://www.azbil.com/ir/library/result/_icsFiles/afieldfile/2025/05/13/azbil_FY2024_4Q_amm-e_2.pdf)

<sup>9</sup> [https://www.azbil.com/ir/library/result/\\_icsFiles/afieldfile/2025/08/29/azbil\\_FY2024\\_4Q\\_mtp-e\\_r02\\_1.pdf](https://www.azbil.com/ir/library/result/_icsFiles/afieldfile/2025/08/29/azbil_FY2024_4Q_mtp-e_r02_1.pdf)

## Conclusion

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In a competitive market, Azbil distinguishes itself by embedding sustainability into its core business strategy. The company's certification under the Science Based Targets initiative proofs strong external validation of its climate leadership. These achievements strengthen Azbil's credibility with regulators and investors while enhancing customer confidence in its solutions.

Azbil's proprietary platforms, including ENEOPT energy optimization and RENKEI integrated control, facilitate technical differentiation that competitors find difficult to replicate. By combining these with a customer-centric service model, the company delivers measurable outputs in energy savings, carbon reductions, and wellness improvements. This outcome-based approach is particularly valued in the region, where procurement is shifting toward performance guarantees and sustainability metrics.

By aligning sustainability objectives directly with customer value, Azbil secures a unique competitive position and achieved 'AA - Climate-Smart Champion' grade in the 2<sup>nd</sup> edition of Frost & Sullivan's environmental assessment report.

With its strong overall performance, Azbil earns Frost & Sullivan's 2025 Asia Pacific Company of the Year Recognition in the sustainable smart infrastructure industry.

## What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Recognition is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

### Best Practices Recognition Analysis

For the Company of the Year Recognition, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### Visionary Innovation & Performance

**Addressing Unmet Needs:** Customers' unmet or under-served needs are unearthed and addressed to create growth opportunities across the entire value chain

**Visionary Scenarios Through Megatrends:** Long-range scenarios are incorporated into the innovation strategy by leveraging mega trends and cutting-edge technologies, thereby accelerating the transformational growth journey

**Leadership Focus:** The company focuses on building a leadership position in core markets to create stiff barriers to entry for new competitors and enhance its future growth potential

**Best Practices Implementation:** Best-in-class implementation is characterized by processes, tools, or activities that generate consistent, repeatable, and scalable success

**Financial Performance:** Strong overall business performance is achieved by striking the optimal balance between investing in revenue growth and maximizing operating margin

#### Customer Impact

**Price/Performance Value:** Products or services offer the best ROI and superior value compared to similar market offerings

**Customer Purchase Experience:** Purchase experience with minimal friction and high transparency assures customers that they are buying the optimal solution to address both their needs and constraints

**Customer Ownership Excellence:** Products and solutions evolve continuously in sync with the customers' own growth journeys, engendering pride of ownership and enhanced customer experience

**Customer Service Experience:** Customer service is readily accessible and stress-free, and delivered with high quality, high availability, and fast response time

**Brand Equity:** Customers perceive the brand positively and exhibit high brand loyalty, which is regularly measured and confirmed through a high Net Promoter Score®

## Best Practices Recognition Analytics Methodology

### Inspire the World to Support True Leaders

This long-term process spans 12 months, beginning with the prioritization of the sector. It involves a rigorous approach that includes comprehensive scanning and analytics to identify key best practice trends. A dedicated team of analysts, advisors, coaches, and experts collaborates closely, ensuring thorough review and input. The goal is to maximize the company's long-term value by leveraging unique perspectives to support each Best Practice Recognition and identify meaningful transformation and impact.

STEP	VALUE IMPACT		
	WHAT	WHY	
1	<b>Opportunity Universe</b>	Identify Sectors with the Greatest Impact on the Global Economy	Value to Economic Development
2	<b>Transformational Model</b>	Analyze Strategic Imperatives That Drive Transformation	Understand and Create a Winning Strategy
3	<b>Ecosystem</b>	Map Critical Value Chains	Comprehensive Community that Shapes the Sector
4	<b>Growth Generator</b>	Data Foundation That Provides Decision Support System	Spark Opportunities and Accelerate Decision-making
5	<b>Growth Opportunities</b>	Identify Opportunities Generated by Companies	Drive the Transformation of the Industry
6	<b>Frost Radar</b>	Benchmark Companies on Future Growth Potential	Identify Most Powerful Companies to Action
7	<b>Best Practices</b>	Identify Companies Achieving Best Practices in All Critical Perspectives	Inspire the World
8	<b>Companies to Action</b>	Tell Your Story to the World (BICEP*)	Ecosystem Community Supporting Future Success

\*Board of Directors, Investors, Customers, Employees, Partners

## About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

## The Growth Pipeline Generator™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

Learn more.

### ***Key Impacts:***

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



## The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

### ***Analytical Perspectives:***

- Megatrend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

