

Value Creation through Communication with Stakeholders

The azbil Group considers it important to engage with our various stakeholders and communicate constructively with them. Their opinions can serve as valuable input for management and business operations, and by working collaboratively toward solving issues, we aim to create new value that will lead to sustainable growth. The issues vary by country and region, yet by gaining a clear idea of them, through meaningful communication with our stakeholders, we are aiming to find appropriate solutions and thus create value for sustainable growth. This is why the management promotes active dialogue and works to create more transparent relationships of trust with all our stakeholders. Here we introduce such opportunities for communication with stakeholders and some examples of our activities in FY2023.

Corporate communication structure

Under the guidance of the corporate executive in charge of corporate communications, we have set up a system (Corporate Communication Task Force) to facilitate dialogue with stakeholders through collaboration among internal departments. We have been discussing ways to enhance communication activities, including the timely, appropriate, and integrated dissemination of information and the introduction of new opportunities and tools. In FY2023, we established a new Communication Department, which promotes global communication and branding. We engage in fair and highly transparent information disclosure in accordance with laws and regulations, in a timely and appropriate manner, and proactively disseminate not only financial information but also non-financial information such as management plans, ESG initiatives, and product and service information. In addition, we actively seek feedback from all stakeholders, considering their opinions as valuable input for decision-making by our management.

Customers

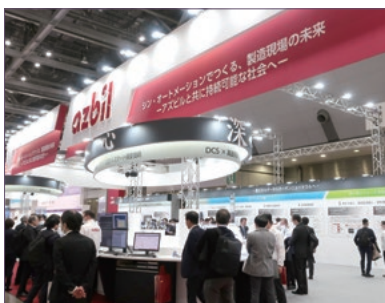
We develop better products and services, and provide consulting, quality assurance, high-value-added engineering, and maintenance services.

Communication opportunities

- Sales and quality assurance activities
- Offering safe, dependable, and valuable products and services
- Providing information and an inquiry form on our website
- Exhibitions, webinars

Examples of activities for FY2023

- Booths at IIFES 2024, Industrial Transformation ASIA-PACIFIC, Smart Building EXPO, and other events, introducing advanced products and services utilizing DX and AI



Our products and services that solve diverse challenges in the manufacturing industry were introduced at IIFES 2024.

Shareholders and investors

We disclose timely and appropriate information. We strive to improve our enterprise value by acquiring appropriate valuations and by understanding the requirements of the capital markets. We also engage in initiatives and disseminate information on social issues and sustainability.

Communication opportunities

- General meetings of shareholders, financial results briefings, facility tours, exhibitions
- Individual meetings with domestic and overseas institutional investors and analysts
- Company briefings for individual investors
- Information disclosure through the integrated report (azbil report), business reports for shareholders and investors, azbil ESG Databook, and the company's website

Examples of activities for FY2023

- General meeting of shareholders (hybrid format: in-person and virtual attendance)
- Meetings with domestic and overseas institutional investors, including senior management
- Tour of the Fujisawa Technology Center facilities



The 102nd Ordinary General Meeting of Shareholders continued using a hybrid format.

Business partners

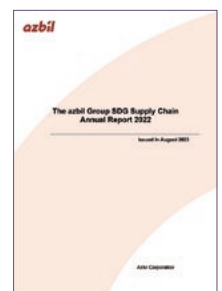
We ensure opportunities for fair transactions, build better partnerships, share values with the SDGs as our common goal, and fulfill our social responsibility.

Communication opportunities

- Briefings on the CSR Procurement Guidelines
- Surveys and feedback from business partners' self-evaluation from an ESG perspective
- Initiatives to achieve our own essential SDG goals, including visits to business partners

Examples of activities for FY2023

- Conducted business partners' human rights violation risk assessments
- Implemented initiatives to reduce business partners' CO₂ emissions
- Paid visits to business partners, conducted interviews from an ESG perspective (FY2023: 62 companies), implemented horizontal deployment of best practices, among other endeavors



Every year, we publish an activity report summarizing the SDG framework and the results of annual activities related to the supply chain.

We consider constructive and interactive communication as the foundation for our sustainable growth and work to deepen relationships with our various stakeholders.

Employees

We are implementing health and well-being management so that all employees can work comfortably and exercise their full potential.

■ Communication opportunities

- Direct dialogue between the management and azbil Group employees
- Regular dialogue between the management and the labor union (e.g., joint management council)
- Annual employee satisfaction survey
- Communication through the company portal site
- Service for consulting on all matters, public and private, including whistleblowing

■ Examples of activities for FY2023

- Introduced an in-house blog. Created places for dialogue by installing vending machines that provide free drinks when purchased in pairs
- Created opportunities for students from overseas subsidiaries and affiliates to come together to learn
- Arranged employee activities to achieve carbon neutrality (CN)*



Awardees of the CN Program (employee participation) pay a visit to an environmentally advanced country.

* A unique program designed to contribute to the global environment through our business by encouraging employees to learn about CN and to declare/propose what they can do for the future, not only as individuals but also as part of the azbil Group. This is the azbil*CN Challenge*2023.

Local and international communities

We proactively communicate to respond to the needs and expectations of local and international communities, and participate in social contribution activities. Also, through various declarations, initiatives, and activities, we are engaged in responsible corporate activities.

■ Communication opportunities

- Seasonal events (such as summer evening festivals hosted by the company) and programs to contribute to society (such as educational support)
- Employee volunteer activities (such as community cleanup activities and the azbil Honey Bee Club)
- Participation in international initiatives, webinars, and others
- Natural conservation initiatives (collaboration with involved domestic and international organizations that leverage regional characteristics)

■ Examples of activities for FY2023

- Co-sponsored a wheelchair basketball event for children with Shonan United BC, Fujisawa City, and Azbil Yamatake General Foundation
- At a conference organized by the United Nations Global Compact, President Yamamoto presented his views on achieving the SDGs
- Committed to sponsor theme weeks at Expo 2025 Osaka-Kansai, Japan



"For the future of youth" opportunity for children in Fujisawa to experience wheelchair basketball was co-sponsored by Fujisawa City and the Azbil Yamatake General Foundation.

Principal declarations and initiatives that we have participated in or supported; external evaluations

- Declaration of support for the Task Force on Climate-related Financial Disclosures (TCFD)
- Signing the United Nations Global Compact
- Climate Change Initiative and the Japan Climate Leaders' Partnership Endorsement
- Six indices chosen by the Government Pension Investment Fund (GPIF): FTSE Blossom Japan Index, MSCI Japan ESG Select Leaders Index, FTSE Blossom Japan Sector Relative Index, MSCI Japan Empowering Women Index (WIN), S&P/JPX Carbon Efficient Index, and Morningstar Japan ex-REIT Gender Diversity Tilt Index
- CDP Climate Change (A score), CDP Water Security (A- score), supplier engagement leader
- Received the highest rating for the Eruboshi certification, which recognizes leading companies based on Japan's Act on Promotion of Women's Participation and Advancement in the Workplace; acquired Platinum Kurumin certification; certified as a Health & Productivity Management Outstanding Organization in 2024 (White 500)
- Selected as Environmentally Sustainable Enterprise at the 5th ESG Finance Award Japan
- FTSE4Good Japan Index, JPX-Nikkei Index 400



We are collaborating with the Azbil Yamatake General Foundation for engagement/contribution to local communities.

Azbil Yamatake General Foundation



The Azbil Yamatake General Foundation was established in 2016, the 110th anniversary of Azbil Corporation's founding, to provide a stable learning system and educational opportunities for promising children, and to provide research grants and support the development of new technologies in the fields of science and technology.

To date, the Foundation has provided support for student enrollment and other activities in the local community—especially in Fujisawa City, Kanagawa Prefecture, where the Foundation is located—in order to contribute to people's happiness and sense of fulfillment.

In FY2024, we are expanding our activities by signing a comprehensive collaboration agreement with Kyotamba City, Kyoto Prefecture, for local community and human resources/personnel development, and by initiating activity support for public corporations, such as the World Wide Fund for Nature (WWF) Japan, which are working to achieve the goals of the SDGs.