

**Presentation Materials
for the First Quarter of Fiscal Year 2024
(Ending March 31, 2025)
(Based on Japanese GAAP)**

**August 7, 2024
Azbil Corporation
RIC: 6845.T, Sedol: 6985543**

azbil

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Highlights

1. Consolidated Financial Results for the First Quarter of FY2024

- ✓ Both orders received and net sales increased compared to the same period of FY2023 mainly due to increases in the BA business. Operating income also rose significantly due to this increased revenue and measures to strengthen profitability, despite an increase in various expenses.

2. Consolidated Financial Plan for FY2024

- ✓ The BA and AA businesses are making steady progress and continue to aim to achieve the plan. In the LA business, we will continue to promote the business restructuring and our efforts to improve profitability.

* The transfer of Azbil Telstar, S.L.U. (announced on June 7, 2024) is currently awaiting approval. The exact transfer date has yet to be determined and the effect on the consolidated financial results is currently being determined.

3. Returning Profits to Shareholders

- ✓ We plan to increase the dividend for the tenth consecutive year, with an annual dividend of 88 yen* per share for FY2024, and DOE to reach 5% level. * Dividend not taking stock split into account
- ✓ As regards repurchase of own stock, we will consider as future flexible shareholder returns.

4. Progress in Implementing the Medium-term Plan

- ✓ While continuing to focus on strengthening investment in product competitiveness, technology development, equipment and facilities, and human capital, we will also make progress on restructuring the business portfolio, and press ahead with our transformation for growth, building on the achievements of past reforms.

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1. Consolidated Financial Results for the First Quarter of FY2024

Consolidated Financial Results

Both orders received and net sales increased compared to the same period of FY2023 mainly due to an increase in the BA business. Operating income also rose significantly due to this increased revenue and measures to strengthen profitability, despite an increase in various expenses.

- Orders received increased substantially overall, mainly due to a significant increase in the BA business driven by robust market conditions and the renewal of large-scale multi-year service contracts, despite a decrease in the AA business owing to continued sluggish demand in the factory automation (FA) market.
- Net sales also increased overall compared to the same period of FY2023 due to growth in the BA business reflecting the increase in orders received in FY2023.
- Operating income increased significantly compared to the same period of FY2023 thanks to revenue growth and measures to enhance profitability, including cost pass-through, and despite increases in personnel and other expenses.

(Billions of yen)

	FY2023 Q1 (A)	FY2024 Q1 (B)	Difference	
			(B) - (A)	% Change
Orders received	84.3	95.7	11.3	13.4
Net sales	61.2	65.5	4.3	7.1
Japan	46.6	48.6	1.9	4.3
Overseas	14.5	16.9	2.3	16.1
Gross profit	24.7	27.2	2.5	10.4
Margin	40.4	41.6	1.2pp	
SG&A	20.0	21.4	1.4	7.1
Operating income (loss)	4.6	5.7	1.1	24.4
Margin	7.6	8.8	1.2pp	
Ordinary income (loss)	5.6	6.8	1.2	21.3
Income (loss) before income taxes	5.6	7.6	1.9	34.9
Net income (loss) attributable to owners of parent	3.7	4.8	1.1	31.5
Margin	6.1	7.4	1.4pp	

Reference:

The impact of foreign exchange rate fluctuations (compared to the same period of FY2023)
+1.8 billion yen for net sales
+0.2 billion yen for operating income

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 currency.

1. Consolidated Financial Results for the First Quarter of FY2024

Financial Results by Segment

- **BA:** Orders received increased mainly due to the renewal of large-scale multi-year service contracts. Progress was made with initiatives to level the workload, against the backdrop of an order backlog at the start of the period, and sales grew. Although expenses increased, segment profit rose, thanks to the revenue growth and measures to enhance profitability.
- **AA:** Continued sluggishness in the FA market led to a decline in orders received. However, thanks to gradual easing of the parts procurement difficulties, delivery times improved, and reduced time between order intake and revenue meant that sales were on a par with the same period of FY2023. Segment profit remained at the same level as the same period of FY2023: expenses increased, but measures had been taken to strengthen profitability.
- **LA:** Overall, orders received increased significantly owing to the recording of large-scale projects. Sales were on a par with the same period of FY2023. Segment profit decreased relative to the same period of FY2023, when highly profitable projects were recorded.

(Billions of yen)

		FY2023 Q1 (A)	FY2024 Q1 (B)	Difference	
				(B) - (A)	% Change
■ B A	Orders received	46.4	56.2	9.8	21.1
	Sales	24.9	28.8	3.9	16.0
	Segment profit (loss)	0.4	1.6	1.2	289.1
	<i>Margin</i>	1.7	5.6	4.0pp	
■ A A	Orders received	25.7	24.2	(1.5)	(6.0)
	Sales	24.8	25.0	0.2	0.9
	Segment profit (loss)	3.8	3.9	0.0	0.5
	<i>Margin</i>	15.7	15.6	(0.0)pp	
■ L A	Orders received	12.7	15.6	2.8	22.4
	Sales	11.9	12.0	0.1	1.1
	Segment profit (loss)	0.3	0.2	(0.0)	(24.6)
	<i>Margin</i>	2.8	2.1	(0.7)pp	

1. Consolidated Financial Results for the First Quarter of FY2024

Segment Information: BA Business

Our view of the business environment

- In the domestic market, demand for new office buildings in urban redevelopment projects has leveled off but remains at a high level. Demand for the refurbishment of existing buildings, including energy savings and CO₂ reduction, has remained steady.
- There is continuing interest in new solutions offering post-pandemic safety and suited to new ways of working.
- Overseas, investment is expanding and already exceeds pre-pandemic levels.

- **Orders received were significantly higher than the same period of FY2023 mainly due to the renewal of large-scale multi-year service contracts, and thanks to growth in the existing building field—to which more personnel and other resources are being allocated.**
- **Sales increased in the fields related to existing buildings and service as well as in the overseas business, against the backdrop of an order backlog at the start of the period. Initiatives to level the workload also progressed, and there was a significant increase in sales overall compared to the same period of FY2023.**
- **Despite increased outsourcing costs as well as higher personnel and digital transformation (DX)-related expenses and R&D investments, thanks to increased revenue and improved profitability, including cost pass-through, segment profit was up significantly compared to the same period of FY2023.**

(Billions of yen)

	FY2023 Q1 (A)	FY2024 Q1 (B)	Difference	
			(B) - (A)	% Change
Orders received	46.4	56.2	9.8	21.1
Sales	24.9	28.8	3.9	16.0
Segment profit (loss)	0.4	1.6	1.2	289.1
<i>Margin</i>	1.7	5.6	4.0pp	

1. Consolidated Financial Results for the First Quarter of FY2024

Segment Information: AA Business

Our view of the business environment

- In the process automation (PA) market, demand centering on domestic maintenance and refurbishment has remained firm.
- In the factory automation (FA) market, despite there being signs of recovery in some areas, conditions overall have remained sluggish, due in part to the slow recovery in China.

- **Orders received decreased compared to the same period of FY2023 due to the cyclical decline in demand in the semiconductor manufacturing equipment market.**
- **Thanks to gradual easing of the parts procurement difficulties, delivery times improved; reduced time between order intake and revenue resulted in sales being on a par with the same period of FY2023.**
- **Segment profit was impacted by increases in personnel and other expenses, coupled with increased investments in overseas sales, DX, and R&D; however, revenue growth and initiatives to enhance profitability, including cost pass-through, meant that segment profit was on a par with the same period of FY2023.**

(Billions of yen)

	FY2023 Q1 (A)	FY2024 Q1 (B)	Difference	
			(B) - (A)	% Change
Orders received	25.7	24.2	(1.5)	(6.0)
Sales	24.8	25.0	0.2	0.9
Segment profit (loss)	3.8	3.9	0.0	0.5
<i>Margin</i>	15.7	15.6	(0.0)pp	

1. Consolidated Financial Results for the First Quarter of FY2024

Segment Information: LA Business

Our view of the business environment

- The Lifeline field, which includes gas (city gas, LP gas) and water meters, depends on demand for meter replacement as required by law. Though demand can be expected to remain basically stable, the market for LP gas meters itself is dependent on cyclical demand, which is currently at a low ebb.
- In the Life Science Engineering (LSE: for pharmaceuticals/laboratories) field, investment demand continues overseas for pharmaceutical plant facilities. However, industry restructuring and continuing inflation have had a noticeable impact on investments and the economy.
- From the perspective of restructuring our business portfolio based on improved capital efficiency, the Company has agreed to transfer all equity interests in Azbil Telstar S.L.U., which has played a central role in the LSE field, to a wholly owned subsidiary of Syntegon Technology GmbH; an equity transfer contract to that effect has been signed.

- **Orders received increased significantly compared to the same period of FY2023, mainly due to growth in the LSE field, which benefitted from some large-scale projects.**
- **Sales—in each field and overall—were on a par with the same period of FY2023.**
- **Owing to a decrease in the Lifeline field, which had benefitted from highly profitable projects in the same period of FY2023, segment profit decreased compared to the same period of FY2023.**

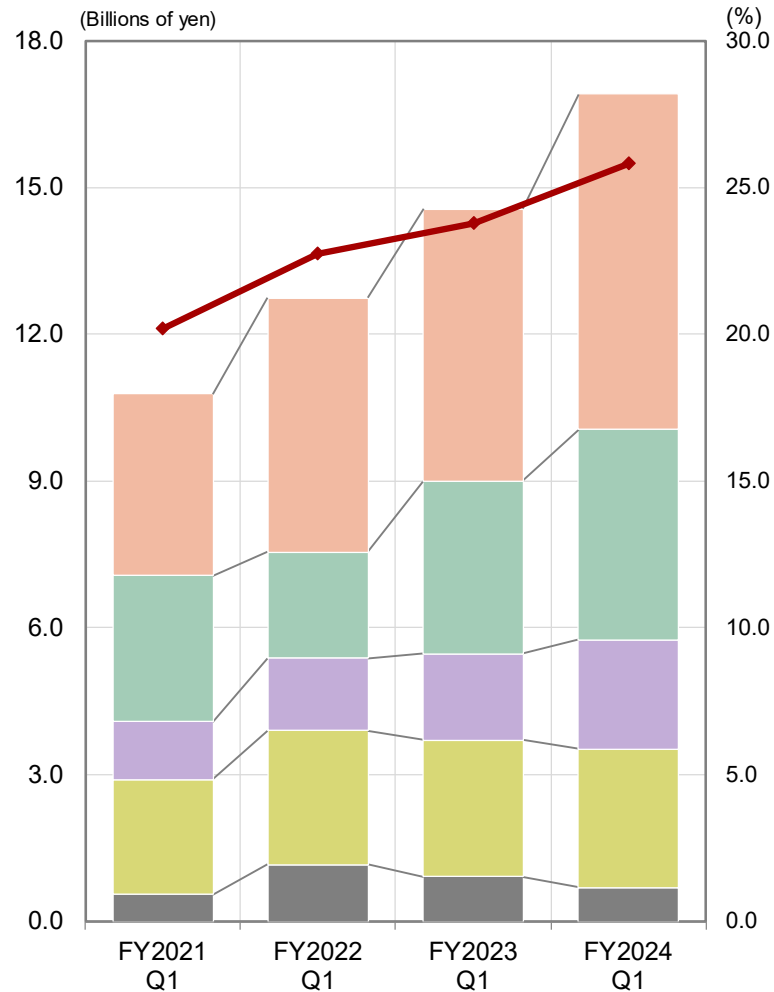
(Billions of yen)

	FY2023 Q1 (A)	FY2024 Q1 (B)	Difference	
			(B) - (A)	% Change
Orders received	12.7	15.6	2.8	22.4
Sales	11.9	12.0	0.1	1.1
Segment profit (loss)	0.3	0.2	(0.0)	(24.6)
Margin	2.8	2.1	(0.7)pp	

1. Consolidated Financial Results for the First Quarter of FY2024

Overseas Sales by Region

- Overseas sales increased by 16.1% from the same period of FY2023 and accounted for 25.8% of net sales.
- The BA business increased significantly, mainly due to growth in Asia. Although sluggish conditions continue in the FA market, the AA business achieved increased sales of field instruments for plants in Asia and China.



	FY2021 Q1	FY2022 Q1	FY2023 Q1	FY2024 Q1
Asia (ex-China)	3.7	5.1	5.5	6.8
China	2.9	2.1	3.5	4.3
North America	1.1	1.4	1.7	2.2
Europe	2.3	2.7	2.7	2.8
Others	0.5	1.1	0.9	0.6
Consolidated	10.7	12.7	14.5	16.9

Reference information

— Overseas sales / Net sales ratio (%)		20.2	22.7	23.8	25.8
Average exchange rate	USD/JPY	106.09	116.34	132.40	148.62
	EUR/JPY	127.80	130.40	142.13	161.32
	CNY/JPY	16.38	18.31	19.34	21.47

* Overseas sales figures include only the sales of overseas subsidiaries and direct exports; indirect exports are excluded.

* The following overseas subsidiaries have adopted an accounting year ends on December 31: Azbil Telstar, S.L.U., Azbil North America, Inc., Azbil North America Research and Development, Inc..

1. Consolidated Financial Results for the First Quarter of FY2024

Consolidated Financial Position

- **Assets** : Trade receivables decreased because net sales concentrated in the fourth quarter and collections progressed in the first quarter.
- **Liabilities** : Current liabilities, including provision for bonuses and income taxes payable, decreased.
- **Net assets**: Net assets increased due to the recording of net income attributable to owners of parent as well as an increase of foreign currency translation adjustment, despite a decrease by the payment of dividends.

(Billions of yen)

	As of Mar. 31, 2024 (A)	As of Jun. 30, 2024 (B)	Difference (B) - (A)
Current assets	229.0	215.8	(13.1)
Cash and deposits	71.0	71.8	0.7
Trade receivables	97.7	82.1	(15.5)
Securities	8.9	8.9	-
Inventories	43.7	46.3	2.6
Other	7.5	6.5	(0.9)
Non-current assets	84.7	83.4	(1.2)
Property, plant and equipment	41.3	42.6	1.2
Intangible assets	6.1	6.2	0.0
Investments and other assets	37.1	34.5	(2.6)
Total assets	313.7	299.3	(14.4)

	As of Mar. 31, 2024 (A)	As of Jun. 30, 2024 (B)	Difference (B) - (A)
Liabilities	88.8	72.5	(16.3)
Current liabilities	77.9	61.1	(16.8)
Trade payables	20.4	17.2	(3.1)
Short-term borrowings	7.4	6.3	(1.0)
Other	50.0	37.4	(12.5)
Non-current liabilities	10.8	11.3	0.4
Long-term borrowings	1.9	1.6	(0.3)
Other	8.8	9.6	0.7
Net assets	224.8	226.8	1.9
Shareholders' equity	201.1	201.4	0.3
Share capital	10.5	10.5	-
Capital surplus	11.6	11.7	0.1
Retained earnings	211.8	211.6	(0.1)
Treasury shares	(32.8)	(32.5)	0.2
Accumulated other comprehensive income	20.3	22.0	1.6
Non-controlling interests	3.3	3.3	(0.0)
Total liabilities and net assets	313.7	299.3	(14.4)
Shareholders' equity ratio (%)	70.6	74.7	4.1pp

2. Consolidated Financial Plan for FY2024

* The transfer of Azbil Telstar, S.L.U. (announced on June 7, 2024) is currently awaiting approval. The exact transfer date has yet to be determined and the effect on the consolidated financial results is currently being determined.

Consolidated Financial Plan

The BA and AA businesses are making steady progress and continue to aim to achieve the plan. In the LA business, we will continue to promote the business restructuring and our efforts to improve profitability.

- The BA business environment is expected to remain robust. In the AA business, demand in the FA market has been sluggish, but in the second half onwards, a recovery in semiconductor demand is anticipated, partly due to the spread of generative AI.
- In the LA business, while progressing with business restructuring (the transfer of Azbil Telstar, S.L.U. (Azbil Telstar)*), we will continue with initiatives to improve profitability, including cost pass-through.
- Although expenses such as outsourcing costs and personnel expenses may well increase, at the same time as implementing measures to strengthen profitability—such as increasing margins at the point of order receipt and employing cost pass-through—we will continue to invest in R&D, DX, and human capital to achieve further growth in FY2025 and beyond.

(Billions of yen)

	FY2023 Full year (results) (A)	FY2024		Full year (plan) (B)	Difference	
		H1 (plan)	H2 (plan)		(B) - (A)	% Change
Net sales	290.9	134.0	166.0	300.0	9.0	3.1
Operating income	36.8	11.6	25.9	37.5	0.6	1.8
<i>Margin</i>	<i>12.7</i>	<i>8.7</i>	<i>15.6</i>	<i>12.5</i>	<i>(0.2)pp</i>	
Ordinary income	38.9	11.8	25.7	37.5	(1.4)	(3.8)
Net income attributable to owners of parent	30.2	9.0	19.0	28.0	(2.2)	(7.3)
<i>Margin</i>	<i>10.4</i>	<i>6.7</i>	<i>11.4</i>	<i>9.3</i>	<i>(1.0)pp</i>	

* Transfer of Azbil Telstar, S.L.U. (Azbil Telstar)

The Company will transfer all its equity interests in Azbil Telstar to a wholly owned subsidiary of Syntegon Technology GmbH. The exact transfer date has yet to be determined as it is subject to await approval. The effect of this transfer on the Company's consolidated financial results is currently being determined, and is therefore not currently reflected in the FY2024 consolidated financial plan.

Reference: Exchange rates
 FY2023 USD/JPY 140, EUR/JPY 152, CNY/JPY 19.8
 FY2024 USD/JPY 149, EUR/JPY 159, CNY/JPY 20.0

2. Consolidated Financial Plan for FY2024

Financial Plan by Segment (1)

- **BA:** A good start has been made in the first quarter. We expect increased revenue against the backdrop of a robust business environment and our large order backlog. Despite facing soaring costs and increased expenses, by increasing margins at the point of order receipt and employing cost pass-through, we aim to achieve a segment profit of 19.0 billion yen.
- **AA:** We plan on increased revenue, with the order backlog from the start of the period converted into sales as well as a gradual recovery of the FA market, anticipated from the second half onwards. Although various expenses are expected to increase, thanks to the effect of measures to strengthen profitability, we plan for continuing growth in segment profit.
- **LA:** We will continue to promote the business restructuring and our efforts to improve profitability. At the same time, in order to achieve future growth, we will be promoting supply of smart meters and the development of markets related to Smart Metering as a Service (SMaaS).

(Billions of yen)

		FY2023 Full year (results) (A)	FY2024			Difference	
			H1 (plan)	H2 (plan)	Full year (plan) (B)	(B) - (A)	% Change
■ B A	Sales	134.6	58.3	83.7	142.0	7.3	5.5
	Segment profit	19.3	4.0	15.0	19.0	(0.3)	(1.9)
	Margin	14.4	6.9	17.9	13.4	(1.0)pp	
■ A A	Sales	107.0	50.7	58.3	109.0	1.9	1.8
	Segment profit	16.1	7.2	9.5	16.7	0.5	3.6
	Margin	15.1	14.2	16.3	15.3	0.3pp	
■ L A	Sales	51.4	25.9	26.1	52.0	0.5	1.2
	Segment profit	1.3	0.4	1.4	1.8	0.4	30.8
	Margin	2.7	1.5	5.4	3.5	0.8pp	

Financial Plan by Segment (2)

BA

A good start has been made in the first quarter. We expect increased revenue against the backdrop of a robust business environment and our large order backlog. Despite facing soaring costs and increased expenses, by increasing margins at the point of order receipt and employing cost pass-through, we aim to achieve a segment profit of 19.0 billion yen.

- In Japan and overseas, the business environment has remained robust. With the accumulated order backlog, we expect revenue to increase in the new building, existing building, service, and overseas fields.
- Despite soaring outsourcing costs, as well as increased personnel and DX expenses allocated for growth, we aim to achieve a segment profit of 19.0 billion yen, the same level as FY2023, thanks to revenue growth, improved margins at the point of order receipt, and appropriate cost pass-through measures.
- Aiming to further strengthen profitability, we will continue efforts to receive orders with high margins while also shifting personnel and other resources to expand the market for existing buildings.

AA

We plan on increased revenue, with the order backlog from the start of the period converted into sales as well as a gradual recovery of the FA market, anticipated from the second half onwards. Although various expenses are expected to increase, thanks to the effect of measures to strengthen profitability, we plan for continuing growth in segment profit.

- Conditions in the PA market has remained relatively robust. A gradual recovery is expected in the semiconductor manufacturing equipment market and other FA markets from the second half onwards.
- Continued sluggishness in the FA market during the first half of the fiscal year has been factored in. We plan to achieve sales in excess of 100.0 billion yen for the third consecutive year by making steady progress with parts procurement and production—benefitting from the order backlog at the start of the period—and by capturing the growth in demand in the FA market from the second half onwards.
- Thanks to the effect of measures to strengthen profitability, including cost pass-through, we expect segment profit to continue to grow and its margin to exceed 15%, despite increases in various expenses.

LA

We will continue to promote the business restructuring and our efforts to improve profitability. At the same time, in order to achieve future growth, we will be promoting supply of smart meters and the development of markets related to SMaaS.

- In the Lifeline field, the cyclical demand for LP gas meters is at a low ebb, but we will steadily capture demand for city gas meters and water meters, while promoting supply of smart meters and the development of markets related to SMaaS.
- We will progress with the transfer of equity interests in Azbil Telstar in the LSE field and advance business restructuring.
- We will improve profitability by revising prices, etc., and reexamine our business processes through the promotion of DX.

Reference: Transfer of Equity Interests in Azbil Telstar

1. Reason for transfer

In the Life Science Engineering field, we have striven to strengthen the business competitiveness of Azbil Telstar to further improve its profitability. However, with the ongoing restructuring of the industry, it was determined that the transfer of all the equity interests in Azbil Telstar to Syntegon Technology GmbH, a global packaging solutions company (the contractual transferee being Falcon Acquisition, S.L.U., a wholly owned subsidiary of Syntegon) was the best option from the standpoint of realizing Azbil Telstar's sustainable growth as well as improving the Group's capital efficiency.

Note: Syntegon Technology GmbH supplies process technology and packaging machinery for the pharmaceutical and food industries. Originally Bosch Packaging Technology, the company took its current name in 2020. It operates from more than 39 business locations around the world.

2. Date of transfer: The exact transfer date has yet to be determined as it is subject to await approval.

3. Percentage of equity interests to be transferred, transfer price, profit (loss) from the transfer and percentage of equity interests after the transfer

- (1) Percentage of equity interests to be transferred: 100%
- (2) Transfer price (price of 100% equity interests): 61,850 thousand euros*
- (3) Profit (loss) from the transfer: Currently being determined
- (4) Percentage of equity interests after the transfer: 0%

* The transfer price is scheduled to be finalized based on conditions indicated in the transfer agreement and may be subject to change.

4. Azbil Telstar consolidated financial results

(Thousands of euros)

	Year ended December 2021	Year ended December 2022	Year ended December 2023
Sales	125,577	130,881	125,672
Operating income	7,417	805	6,912
Net income (loss) attributable to owners of parent	5,180	(1,193)	4,029

3. Returning Profits to Shareholders

→ **No revision from the most recent announcement**

Basic Policy and FY2024 Shareholder Returns

We plan to increase the dividend for the tenth consecutive year, with an annual dividend of 88 yen*1 per share for FY2024, and DOE to reach 5% level.

In accordance with our basic policy shown on the right, while we remain conscious of the cost of capital*2 in our business operations and investment activities, we actively invest in our businesses, R&D, equipment and facilities*3, DX, and human capital. We also plan to raise dividends to further improve shareholder returns.

FY2024 dividend

As regards the annual dividend for FY2024, **the Company plans an annual dividend of 88 yen per share. (+12 yen compared with FY2023)**

— Dividend not taking the stock split below into account

Own stock

- As regards repurchase of own stock, we will consider as future flexible shareholder returns.
- It has resolved to revise the current Employee Stock Ownership Plan (J-ESOP) to J-ESOP-RS Plan with restrictions on the transfer of shares to enhance engagement with employee-shareholder through the use of own stock (page 32). Details, such as the scope and source of funds, etc., will be considered in the future.

Stock split

There will be a **4-for-1 common stock split** to increase the liquidity of the Company's shares and foster an environment conducive to investment.

— Record date: September 30, 2024

*1 Dividend not taking stock split into account

*2 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 operating income. Reference: FY2023 azbil Group ROIC (trial calculation) was 10.2%, and weighted average cost of capital (WACC) was 6.1%.

*3 Please refer to the page 27 for the trend of the investment in R&D, equipment and facilities.

Basic policy



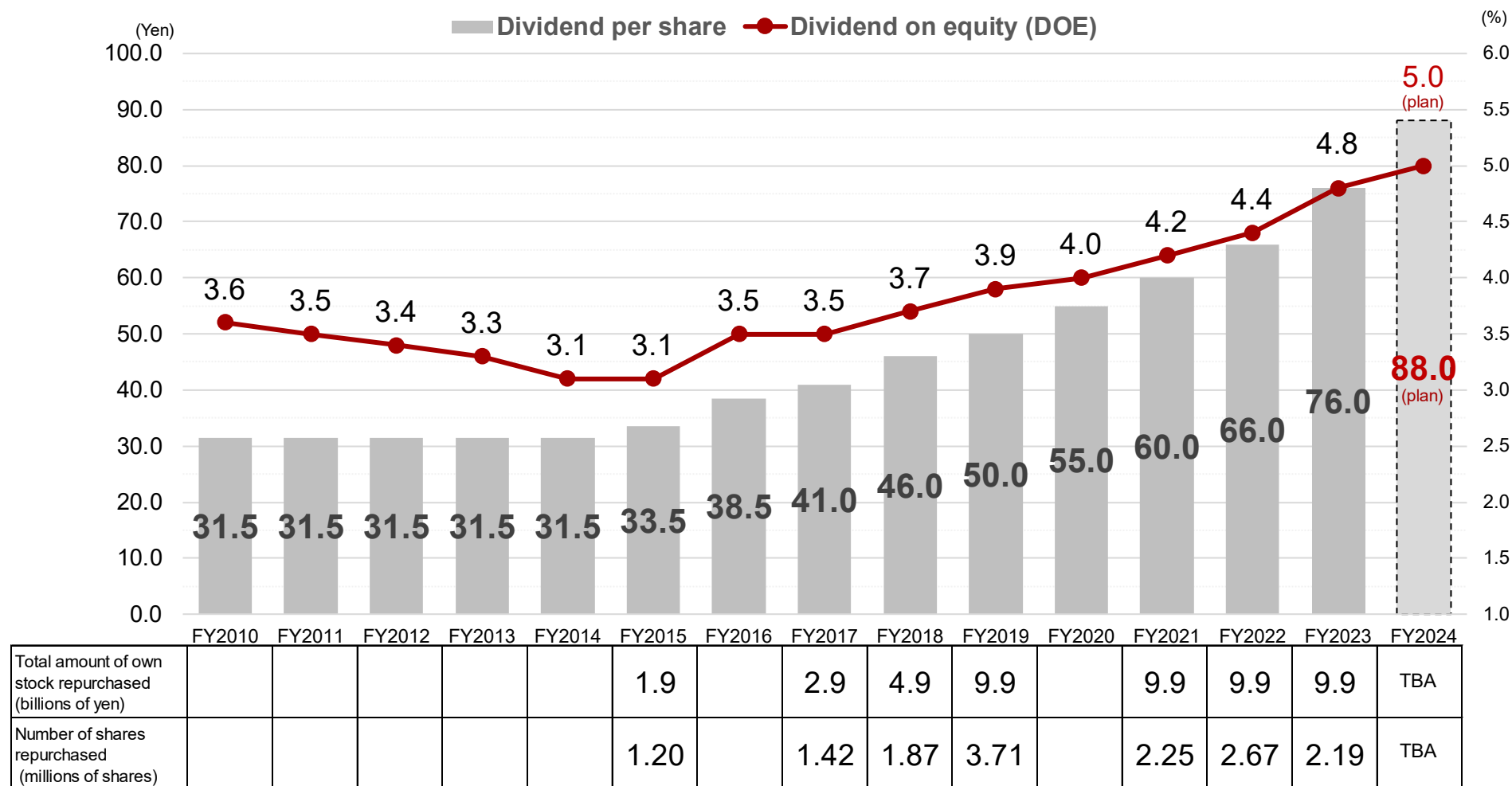
Developing a disciplined capital policy and maintaining and enhancing the azbil Group's enterprise value, while carefully balancing three key elements: promoting shareholder returns, investing for growth, and maintaining a sound financial base.

- 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.

3. Returning Profits to Shareholders

Trend of Shareholder Returns

- We plan to increase the annual dividend for FY2024 by 12 yen to 88 yen per share compared to FY2023, which is an increase for the tenth consecutive fiscal year.



* 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 2018. Note that the planned FY2024 dividend shown does not take into account the stock split scheduled in October 2024.

4. Progress in Implementing the Medium-term Plan

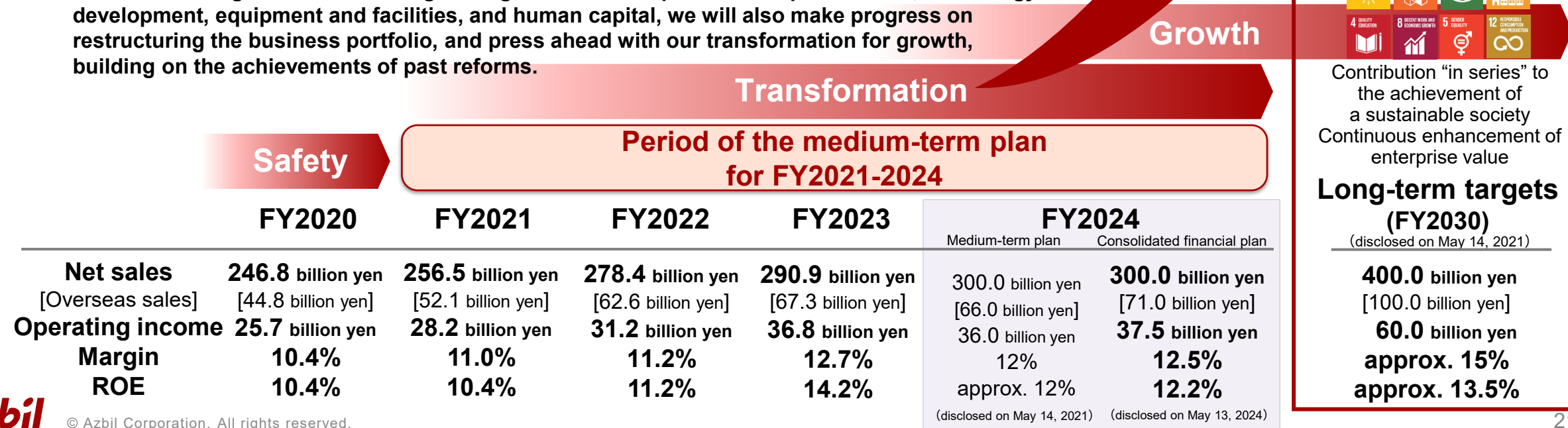


4. Progress in Implementing the Medium-term Plan

Long-term Targets and Medium-term Plan

The azbil Group defines three growth fields—new automation, environment and energy, and life-cycle solutions—which share a common foundation of automation technology. Focusing on the growth of these fields, we will achieve growth globally in each of our three businesses: BA, AA and LA.

- Steady progress with the medium-term plan: progress is being made with strengthening business profitability, and, according to the consolidated financial plan for FY2024, we will achieve an operating income and its margin that exceed the performance targets of the medium-term plan formulated in FY2021.
- In addition to expanding our overseas business, progress is being made with transformation initiatives that form part of the medium-term plan, such as strengthening product competitiveness (including new business alliances, etc.). We will expand our unique solutions in those business areas where the azbil Group possesses notable strengths.
- While continuing to focus on strengthening investment in product competitiveness, technology development, equipment and facilities, and human capital, we will also make progress on restructuring the business portfolio, and press ahead with our transformation for growth, building on the achievements of past reforms.



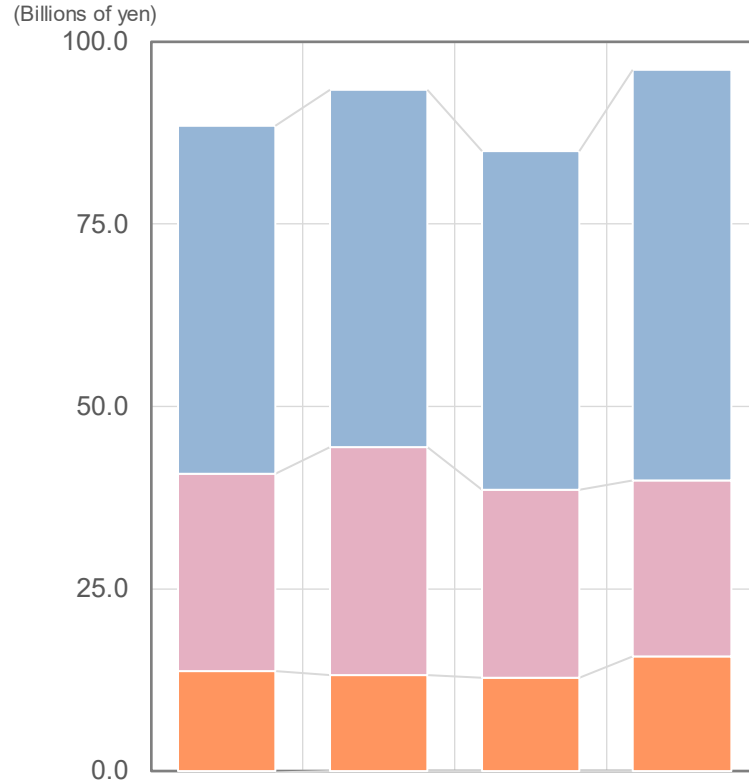
Appendix I

Financial Data

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- **Performance Trend by Segment** . . . **23**
 - **Capital Investment, Depreciation and R&D Expenses** . . . **27**

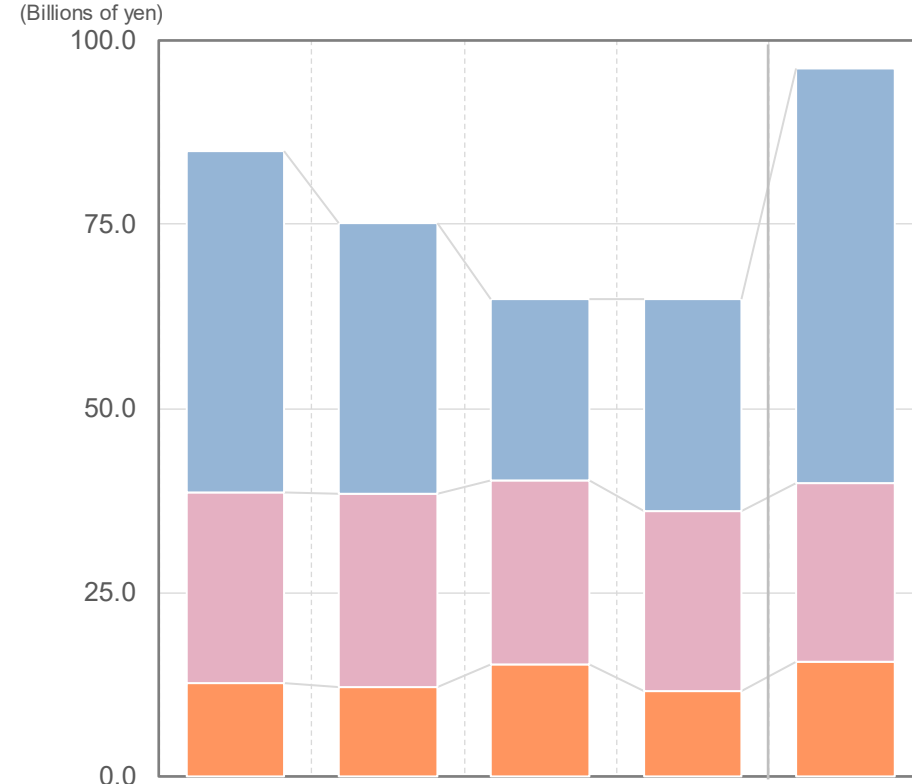
Performance Trend by Segment: Orders Received

■ Comparison to past results (Q1)



	FY2021 Q1	FY2022 Q1	FY2023 Q1	FY2024 Q1
■ B A	47.7	48.9	46.4	56.2
■ A A	27.0	31.2	25.7	24.2
■ L A	13.6	13.1	12.7	15.6
Consolidated	88.1	92.8	84.3	95.7

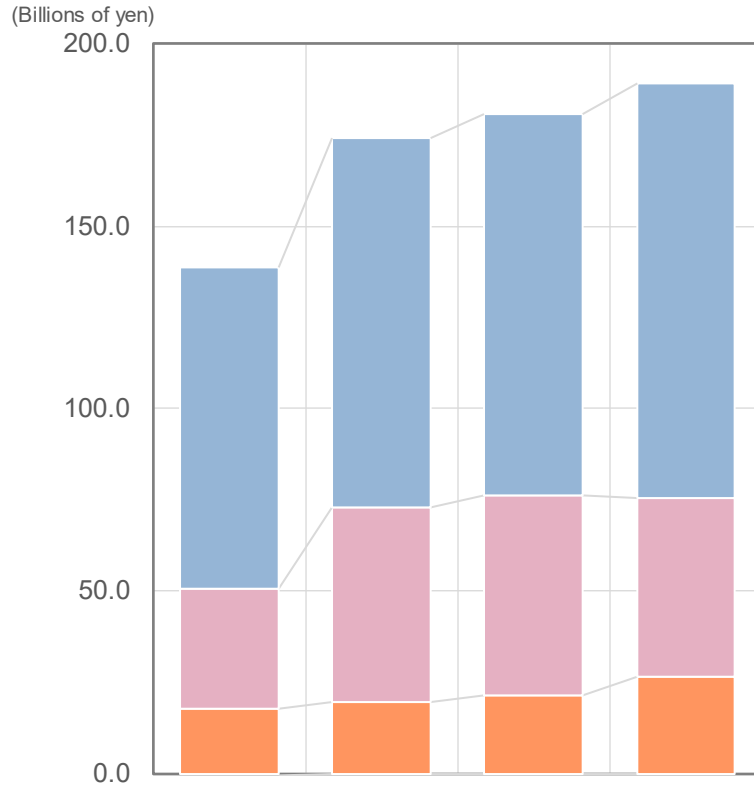
■ Quarterly (3 months)



	FY2023 Q1	FY2023 Q2	FY2023 Q3	FY2023 Q4	FY2024 Q1
■ B A	46.4	36.7	24.7	28.7	56.2
■ A A	25.7	26.3	24.9	24.4	24.2
■ L A	12.7	12.0	15.1	11.6	15.6
Consolidated	84.3	74.7	64.3	64.4	95.7

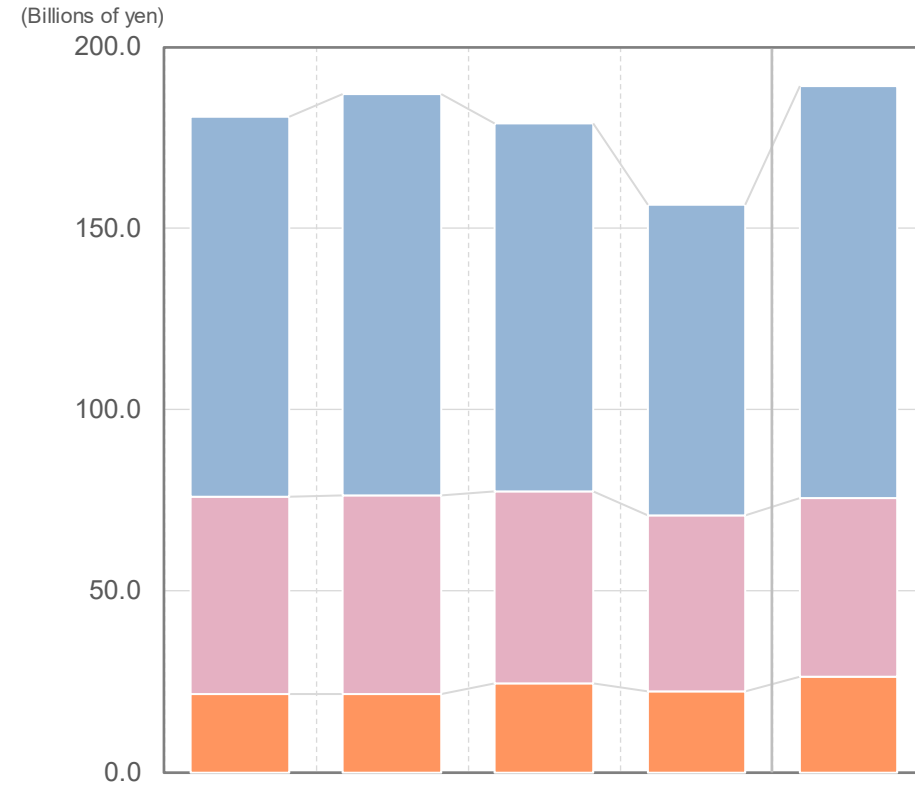
Performance Trend by Segment: Orders Backlog

■ Comparison to past results



	FY2021 Q1	FY2022 Q1	FY2023 Q1	FY2024 Q1
■ B A	88.0	101.1	104.5	113.5
■ A A	32.6	53.4	54.6	49.0
■ L A	17.8	19.4	21.4	26.4
Consolidated	138.3	173.2	180.1	188.8

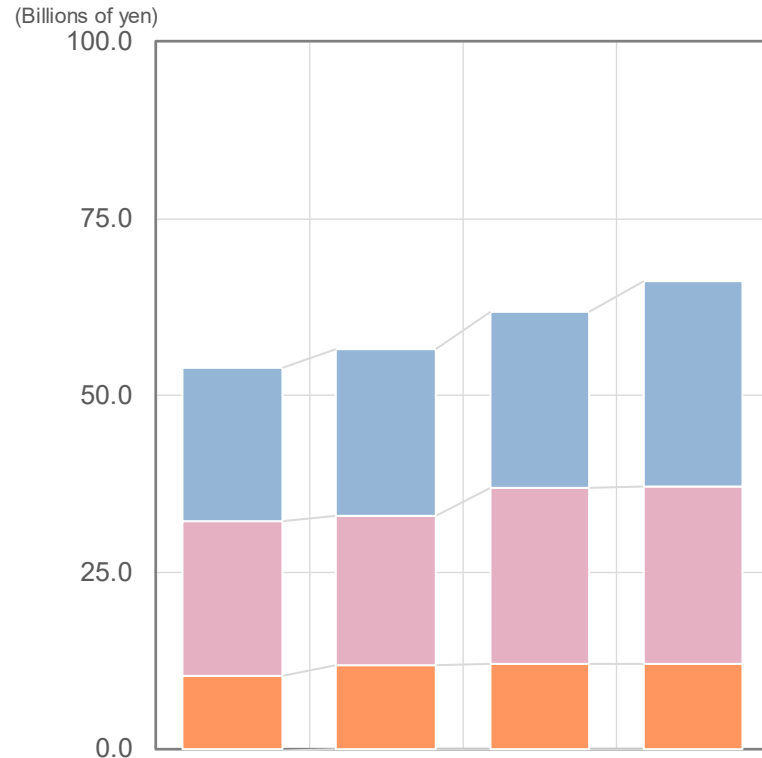
■ Quarterly



	FY2023				FY2024 Q1
	Q1	Q2	Q3	Q4	Q1
■ B A	104.5	110.7	101.3	85.5	113.5
■ A A	54.6	54.7	53.2	48.5	49.0
■ L A	21.4	21.5	24.3	22.1	26.4
Consolidated	180.1	186.6	178.3	155.9	188.8

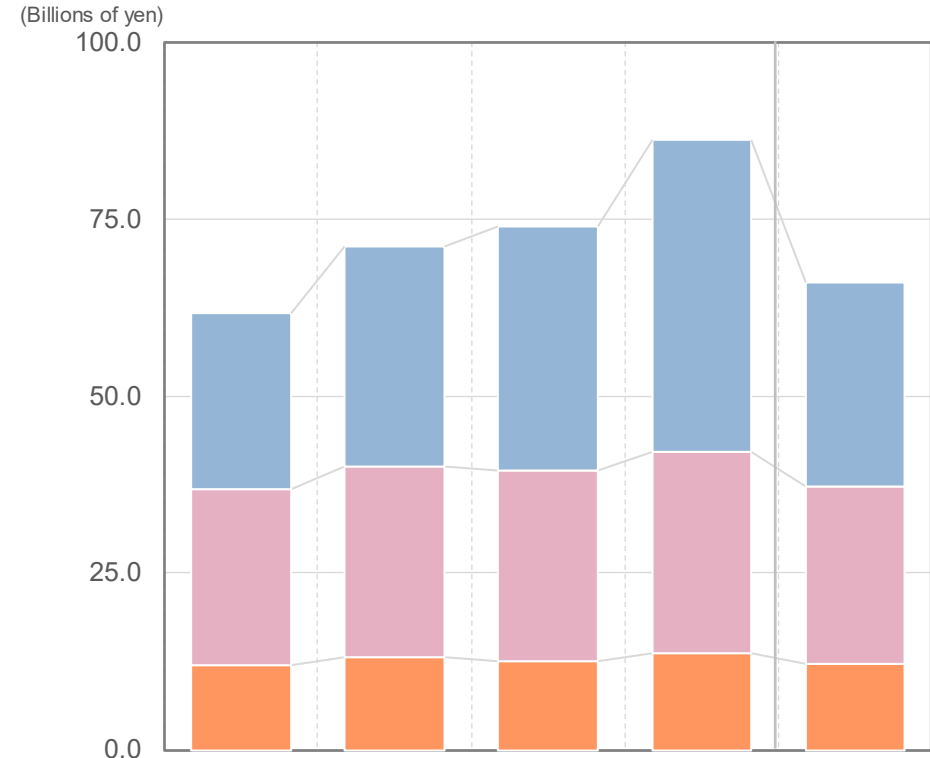
Performance Trend by Segment: Sales

■ Comparison to past results (Q1)



	FY2021 Q1	FY2022 Q1	FY2023 Q1	FY2024 Q1
■ B A	21.6	23.5	24.9	28.8
■ A A	21.8	21.1	24.8	25.0
■ L A	10.2	11.7	11.9	12.0
Consolidated	53.4	56.0	61.2	65.5

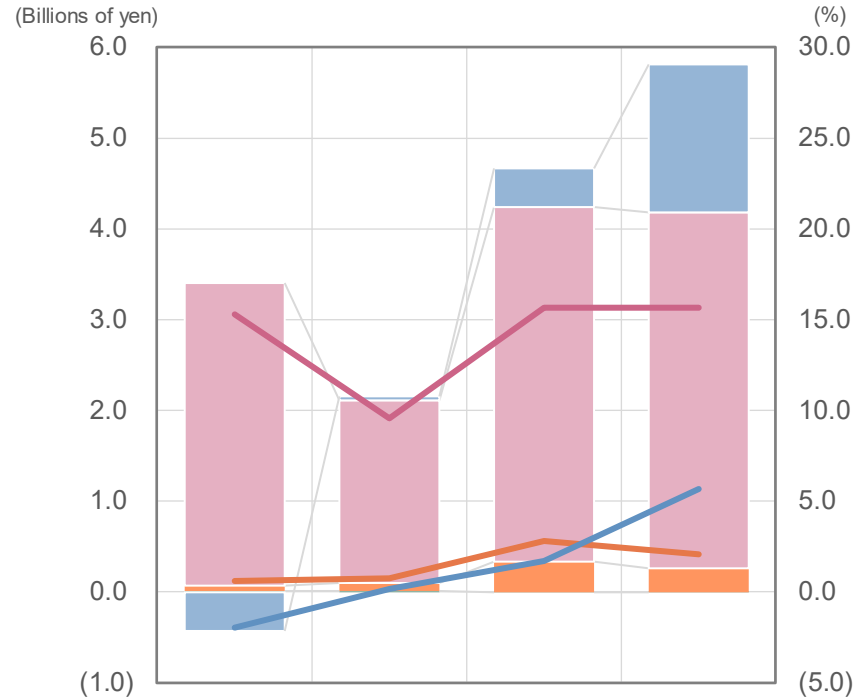
■ Quarterly (3 months)



	FY2023 Q1	FY2023 Q2	FY2023 Q3	FY2023 Q4	FY2024 Q1
■ B A	24.9	31.1	34.5	44.0	28.8
■ A A	24.8	26.9	26.8	28.3	25.0
■ L A	11.9	13.0	12.6	13.7	12.0
Consolidated	61.2	70.6	73.4	85.5	65.5

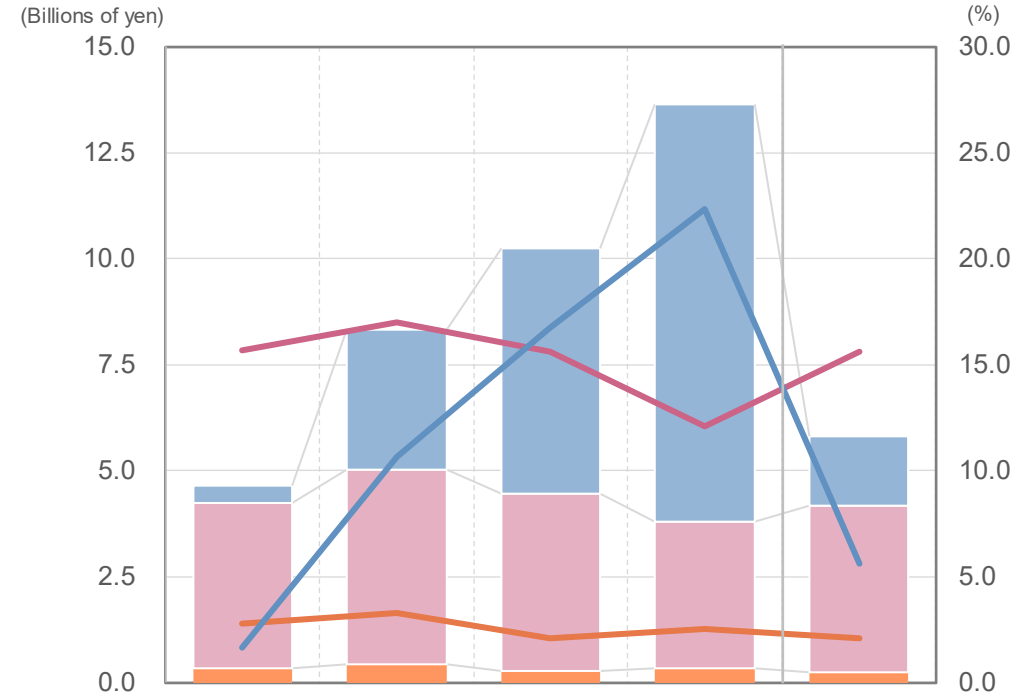
Performance Trend by Segment: Segment Profit (Operating Income)

■ Comparison to past results (Q1)



	FY2021 Q1	FY2022 Q1	FY2023 Q1	FY2024 Q1
■ B A	(0.4)	0.0	0.4	1.6
— Margin	(2.0)	0.2	1.7	5.6
■ A A	3.3	2.0	3.8	3.9
— Margin	15.3	9.6	15.7	15.6
■ L A	0.0	0.0	0.3	0.2
— Margin	0.6	0.7	2.8	2.1
Consolidated	2.9	2.1	4.6	5.7
Margin	5.5	3.9	7.6	8.8

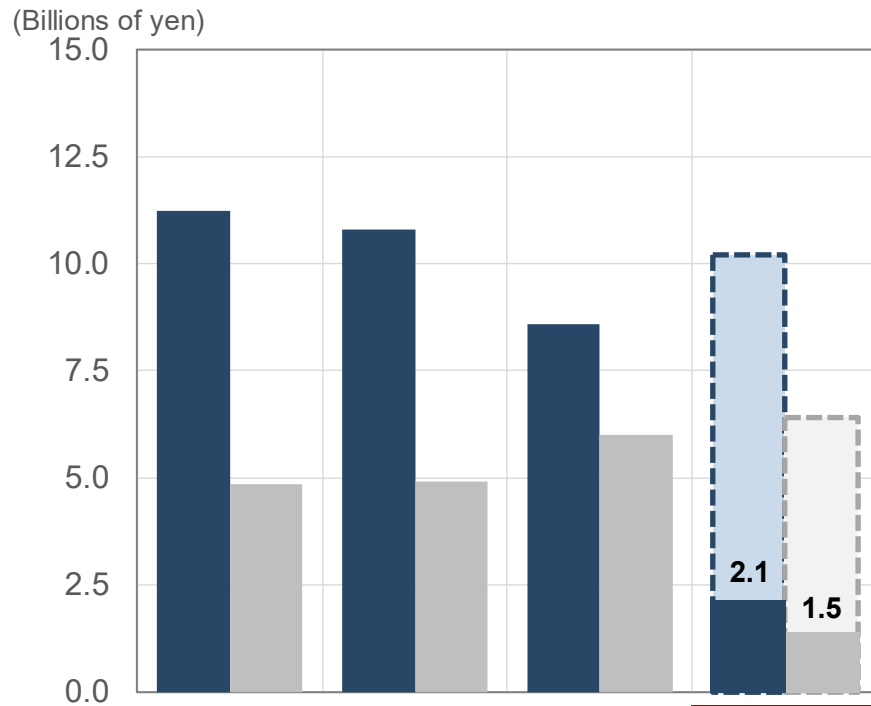
■ Quarterly (3 months)



	Q1	FY2023 Q2	FY2023 Q3	FY2023 Q4	FY2024 Q1
■ B A	0.4	3.3	5.7	9.8	1.6
— Margin	1.7	10.7	16.8	22.3	5.6
■ A A	3.8	4.5	4.1	3.4	3.9
— Margin	15.7	17.0	15.6	12.1	15.6
■ L A	0.3	0.4	0.2	0.3	0.2
— Margin	2.8	3.3	2.1	2.5	2.1
Consolidated	4.6	8.3	10.2	13.6	5.7
Margin	7.6	11.8	13.9	15.9	8.8

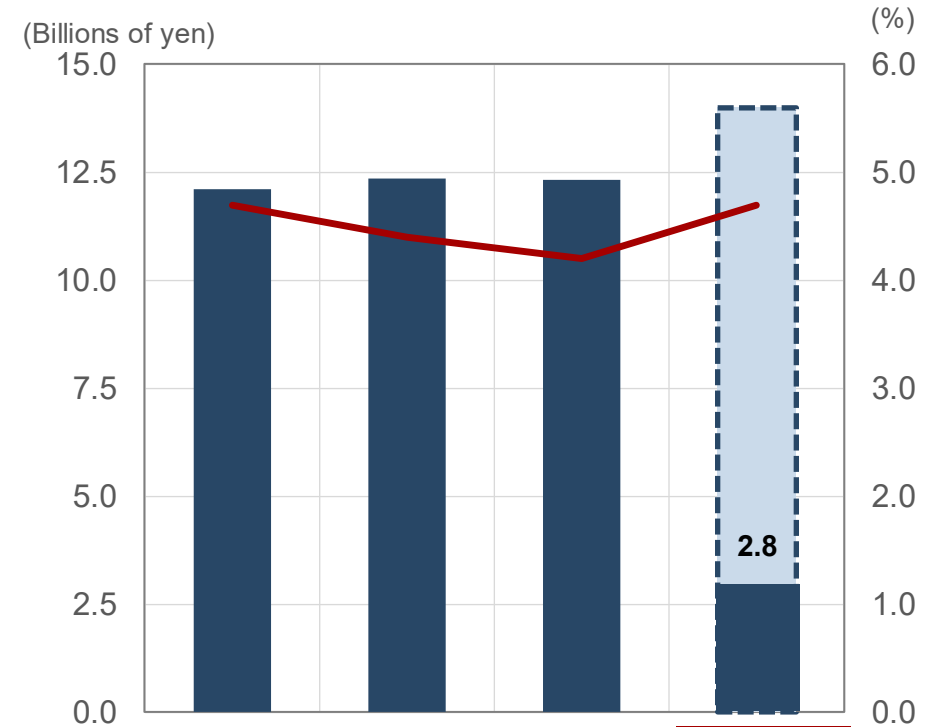
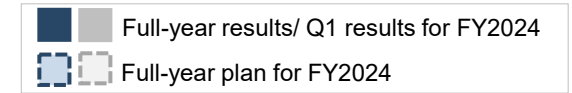
Capital Investment, Depreciation and R&D Expenses

■ Capital investment, depreciation



	FY2021	FY2022	FY2023	FY2024 (plan)
■ Capital investment	11.2	10.8	8.6	10.2
■ Depreciation	4.8	4.9	6.0	6.4

■ R&D expenses



	FY2021	FY2022	FY2023	FY2024 (plan)
■ R&D expenses	12.1	12.3	12.3	14.0
— R&D expenses / Net sales (%)	4.7	4.4	4.2	4.7

Appendix II

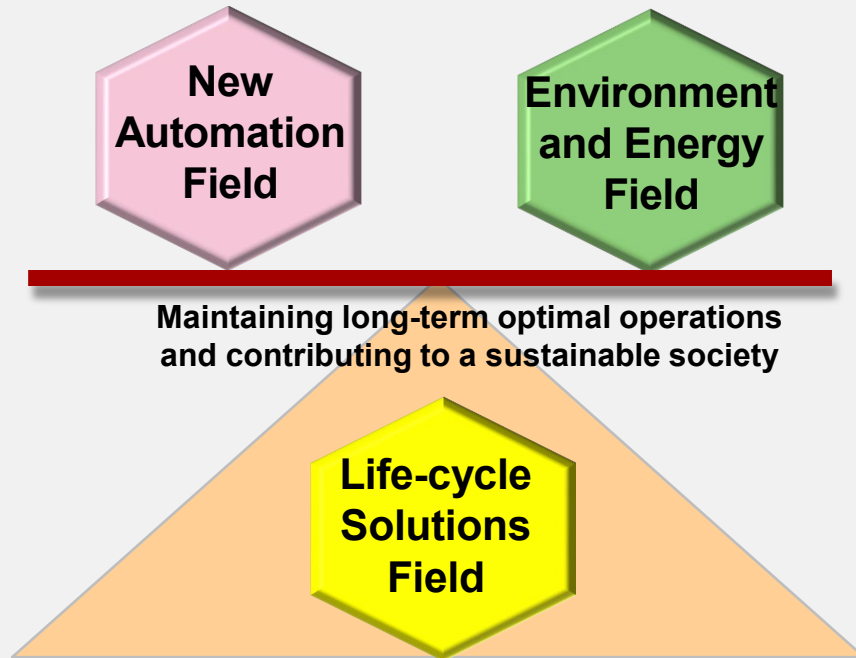
Three Growth Fields, Sustainability Management and Shareholder Returns

- **Three Growth Fields** . . . 29
- **Sustainability Management** . . . 30
- **Shareholder Returns** . . . 33

Initiatives in Three Growth Fields and Application to Each Business Segment

Three Growth Fields

Providing distinctive solutions through our business in the three growth fields in which the azbil Group possesses key strengths



Maintaining long-term optimal operations and contributing to a sustainable society

New Automation Field

Expanding sales by providing solutions that meet new demands

- BA: Emerging needs for building environments offering post-pandemic safety and facilitating new work styles (wellness)
- AA: Higher productivity and safe, stable operation of equipment
- LA: Providing IoT support for different meter types (smart meter) and collecting big data

Environment and Energy Field

Expanding sales by delivering new value with existing products

- BA: Expanding business opportunities for realizing carbon neutrality and wellness at the same time
- AA: Increasing demand for ways to save energy and reduce greenhouse gas emissions in production facilities
- LA: Emerging needs for supporting customers' decarbonization through the use of measured big data

Life-cycle Solutions Field

Ensuring the quality, performance, and productivity of customer assets (factories, office buildings, lifelines) for the long-term; high added value and DX to increase profitability

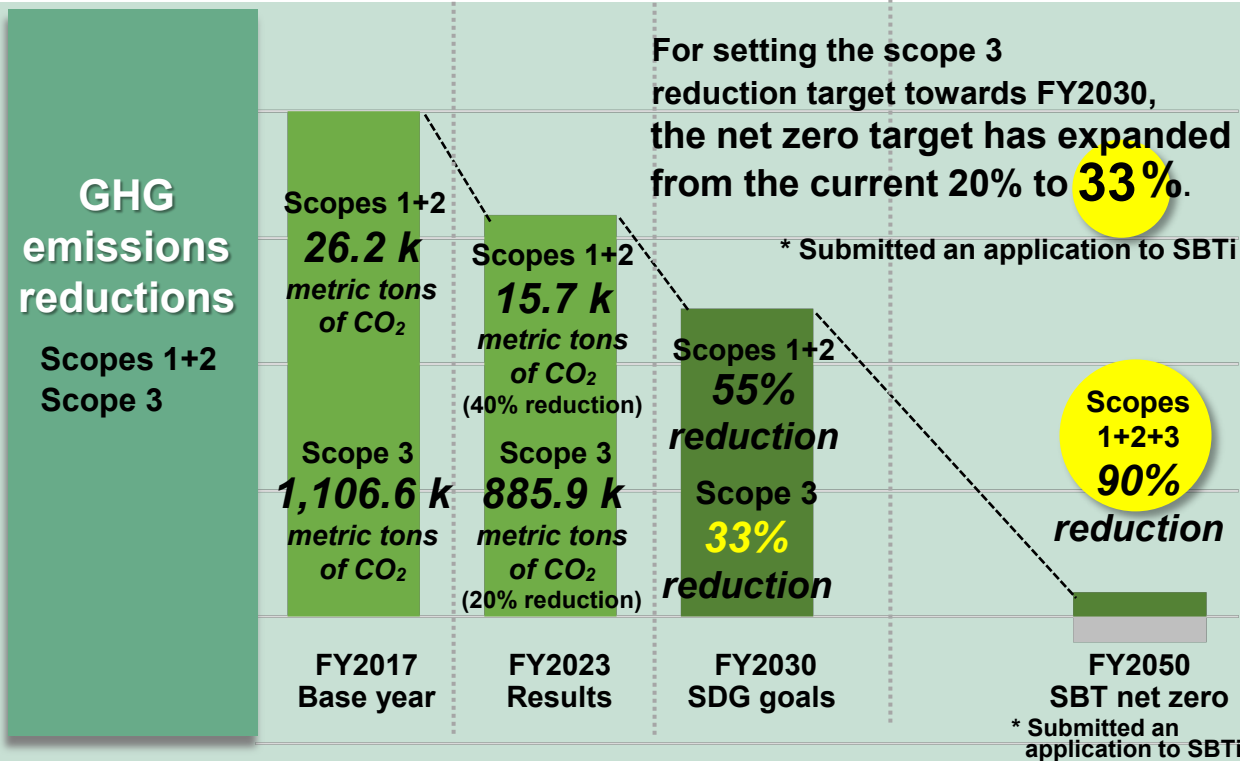
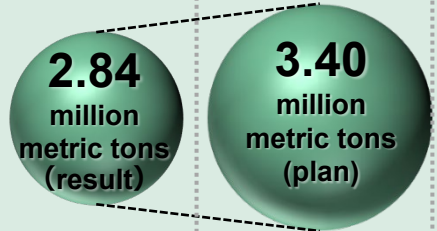
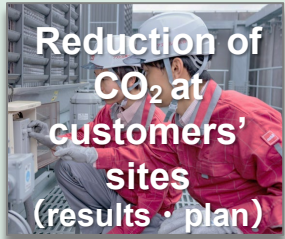
The azbil Group’s Sustainability Management

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	I Preserving the Earth’s environment and solving energy-related problems through cooperative creation	Environment and energy	<ul style="list-style-type: none"> ● Effective reduction of CO₂ at customers’ sites: 3.40 million metric tons of CO₂/year (FY2030) ● Reduction targets in greenhouse gas (GHG) emission (science-based target¹ approved) (FY2030) 55% reduction in GHG emissions from our business activities (scopes 1+2) compared to 2017 20% 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 standards² and to be 100% recyclable³ (FY2030) ● Increase the number of skilled professionals⁵ for supporting sustainable services⁴ to a total of 1,800⁶—triple the number in FY2021
		Resource recycling			
	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 <ul style="list-style-type: none"> ● We will achieve a state of resilience to changes in the business environment at 8,000 business sites by 2030.⁷ ● We will provide environments that support stress-free and diverse work styles to 6 million people by 2030.⁸
General corporate activities	Society	Supply chain	III Fulfilling our responsibilities to society across our supply chain and contributing to local communities	Supply chain; Social responsibility	<ul style="list-style-type: none"> ● 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 indicators⁹ ● Social contribution activities rooted in local communities are run at all our business sites,¹⁰ with the active participation by every employee¹¹
		Contribute to local communities			
	Human resource	Human rights, safety, and health	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	<ul style="list-style-type: none"> ● Implementing health and well-being management (job satisfaction, health, diversity and inclusion) Women’s advancement points in FY2024: Double versus 2017¹² Employees expressed satisfaction with working at azbil Group companies in FY2030: 65% or more¹³ ● Developing and strengthening “an organization that never stops learning” Training opportunity points in 2024: Double versus 2012¹⁴ Employees have experienced personal growth through their work in FY2030: 65% or more¹³
Learning and employee development					
Our fundamental obligations	Governance	Product safety and quality	Fulfilling our fundamental obligations to society		* With regard to product safety and quality and compliance, the azbil Group CSR Promotion Committee sets indicators and goals directly related to business as a CSR activity plan for each department. * 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 directors and three statutory committees. Reference: Revision to the remuneration policy (July, 2023) Stock-based compensation has been expanded.
		Corporate governance			
		Compliance			

Decarbonization transition plan

We are actively contributing to solutions for energy challenges faced by both our customers and society at large, and we have also developed a transition plan to support decarbonization efforts. In June 2023, we sent a commitment letter to the SBTi to set a net zero target for all CO₂ emissions (Scopes 1, 2, and 3) by 2050 within two years, and then submitted our application in December 2023 as the following plan.



Means of GHG emissions reductions

Scopes 1+2

By 2030

- Promote energy conservation projects focused on our sites
- Proactively use renewable energy
- Gradually switch company vehicles to hybrid and electric ones

By 2050

- Work with business departments to accelerate decarbonization at our sites
- 100% of electricity used will be from renewable energy sources
- Accelerate switchover of company vehicles to electric ones

Scope 3

By 2030

- Promote sustainable product design (mainly resource- and energy-saving design)
- Achieve 100% recyclable design
- Promote collaboration with suppliers (decarbonization, support for goal setting)

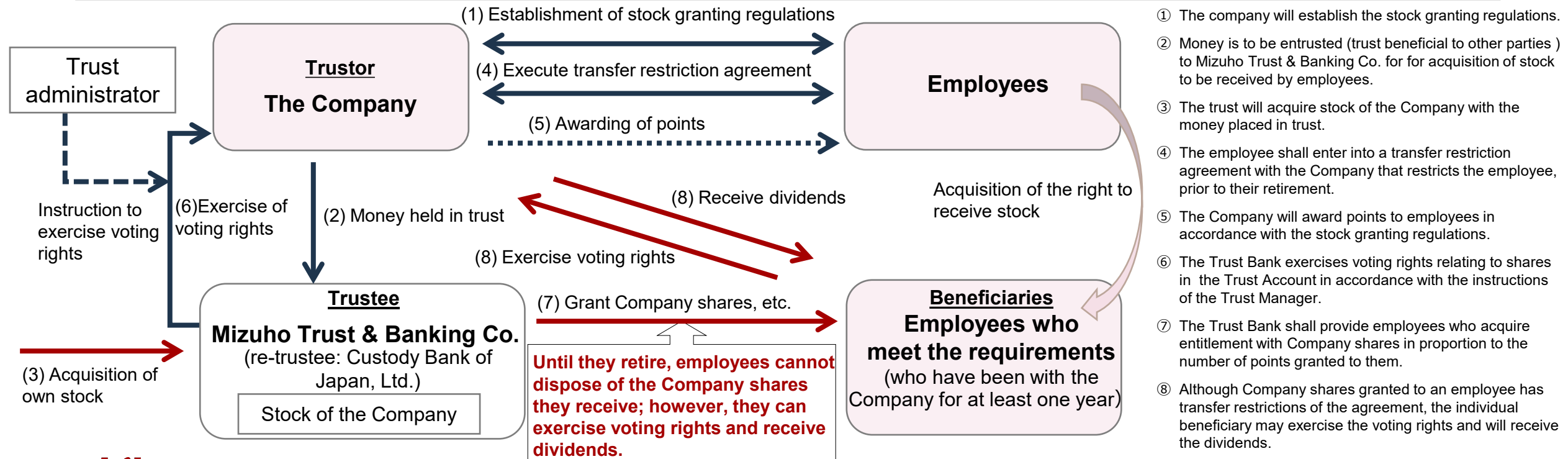
By 2050

- Continue and expand sustainable design (mainly resource- and energy-saving design)
- Continue 100% recyclable design
- Promote and expand collaboration with suppliers (decarbonization, support for goal setting)

Investing in Human Capital: Benefits and Financial Measures to Strengthen Employee Engagement

Partial Revision to the Employee Stock Ownership Plan (J-ESOP) (page 18), further increasing employee incentives and enhancing engagement

Employee Stock Ownership Plan (J-ESOP) (introduced in May 2017)	Point of the revision
<p>This is a measure for an employee benefit package using own stock. The Company's shares are granted to employees upon retirement in accordance with their contribution to business performance. As a result of this granting of own stock to the employees in the form of a stock ownership plan, the employees will have the same stakeholder perspective as the other shareholders. By thus giving the employees a greater incentive to realize improved corporate financial performance and share value, we aim to raise our enterprise value.</p>	<p>This revision, change from retirement benefits to in-service benefits (with execute transfer restriction), will enable employees to exercise voting rights and receive dividends throughout their employment. Therefore, their compensation will be more closely linked to the Company's share price and business performance.</p>



- ① The company will establish the stock granting regulations.
- ② Money is to be entrusted (trust beneficial to other parties) to Mizuho Trust & Banking Co. for for acquisition of stock to be received by employees.
- ③ The trust will acquire stock of the Company with the money placed in trust.
- ④ The employee shall enter into a transfer restriction agreement with the Company that restricts the employee, prior to their retirement.
- ⑤ The Company will award points to employees in accordance with the stock granting regulations.
- ⑥ The Trust Bank exercises voting rights relating to shares in the Trust Account in accordance with the instructions of the Trust Manager.
- ⑦ The Trust Bank shall provide employees who acquire entitlement with Company shares in proportion to the number of points granted to them.
- ⑧ Although Company shares granted to an employee has transfer restrictions of the agreement, the individual beneficiary may exercise the voting rights and will receive the dividends.

FY2024 Annual Dividend Plan

FY2024 dividend

It is planned to increase the dividend by 12 yen per share, to make an annual dividend of 88 yen*¹ per share, and DOE to reach 5% level.

*¹ Dividend not taking stock split into account

- Profitability has been strengthened by the measures implemented to date. We plan to increase revenue and profits in FY2024 compared to FY2023. In addition, we plan to raise the annual dividend by 12 yen to 88 yen*¹ per share in order to attain a DOE of 5% level. This will bolster our policy to stably increase DOE, our reference indicator for dividends, in line with improvements to the Company's profitability.
- Based on the continuation of stable dividend payments, we aim to further improve DOE ratio.

(Yen)

	FY2023	FY2024	
	Actual	Plan	Plan (calculation prior to the stock split)
Interim	36.5	44.0	44.0
Year-end	39.5	11.0 ^{*2}	44.0
Annual	76.0	—	88.0
Payout ratio	33.3%	41.4%	
Dividend on equity (DOE)	4.8%	5.0% ^{*3}	

*² A 4-for-1 stock split is scheduled to be implemented with an effective date of October 1, 2024.

*³ The following factors have been taken into account for the trial calculation of DOE, which is based on shareholders' equity as of March 31, 2024: year-end dividends for FY2023, interim dividends for FY2024, and net income attributable to owners of parent for the full year in the consolidated financial plan for FY2024.

Overview of the Stock Split

Stock split

It is planned to implement a 4-for-1 common stock split.

Investment unit cost to be in the 100-thousand-yen range* following the stock split

* Estimated from closing price on May 10, 2024 (Friday).

Stock split purpose

To increase share liquidity, prepare an environment that makes it easier for investors to invest and expand the investor base by reducing the price of share-trading units

Stock split method

Each share of common stock owned by shareholders listed or recorded in the closing register of shareholders on the record date of Monday, September 30, 2024 will be split into four shares.

- Total number of issued shares prior to the stock split: 141,508,184 shares
- Total number of issued shares after the stock split: 566,032,736 shares

Amendment to the Articles of Incorporation	
● Total number of authorized shares prior to the stock split:	559,420,000 shares
● Total number of authorized shares after the stock split:	2,237,680,000 shares

Stock split schedule

- Date of public notice of record date: September 13, 2024 (Friday)
- Record date: September 30, 2024 (Monday)
- Effective date: October 1, 2024 (Tuesday)

Notes (1)

1. Financial data and financial statements have been prepared based on Japanese GAAP and the amounts have been rounded down.
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
- Life Science Engineering (LSE) field: Provision of integrated solutions from the development, engineering, installation, and sale of lyophilizers, sterilizers, and clean environment equipment to after-sales services for pharmaceutical companies and research laboratories
- Lifestyle-related field: Provision of residential central air-conditioning systems for houses

3. Net sales for the azbil Group tend 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 SDGs

- *1 **Science-based targets (SBT):** Greenhouse gas emission reduction targets based on scientific evidence
- *2 **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).
- *3 **All new products for 2030 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)
- *4 **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).
- *5 **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
- *6 **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.
- *7 **Achieve a state of resilience to changes in the business environment at 8,000 business sites:** As of April 2022, 530 business sites are in operation, aiming to increase 15-fold to 8,000 by 2030.

Notes (3)

4. Essential Goals of the azbil Group for SDGs

- *8 **Provide environments that support stress-free and diverse work styles to 6 million people:** As of April 2022, environments that support stress-free and diverse work styles have been provided to 0.6 million people, aiming to increase tenfold to 6 million people by 2030.
- *9 **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
- *10 **All business sites:** All offices both in Japan and overseas.
- *11 **Active participation by every employee:** The azbil Group aims to participate in activities of a scale that can accommodate the total number of employees.
- *12 **Women's advancement points:** Points tallied internally with weight given based on the role, such as company executive, officer and manager
- *13 **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 satisfaction survey conducted in Japan, or , in other words, 2/3 of all employees.
- *14 **Training opportunity points:** Points tallied internally for participating in opportunities (frequency or number of employees) to learn with stakeholders

IR Inquiries and Disclaimer

Inquiries regarding investor relations

Azbil Corporation **Investor Relations**

Phone: +81-3-6810-1031

Email: azbil-ir@azbil.com

Disclaimer

The projections are based on management's assumptions, intent and expectations in light of the information currently available to it, and therefore these statements are not guarantees of future performance. Due to various factors in the future, actual results may differ from financial targets in the materials.