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## **Notification Regarding a Capital Increase for a Consolidated Subsidiary and Its Classification as a Specified Subsidiary**

Azbil Corporation (“the Company”) announces that it has decided to conduct a capital increase for Azbil Production (Thailand) Co., Ltd (“the subsidiary”), which is a consolidated subsidiary of the Company. As a result of this capital increase, the subsidiary will be capitalized at no less than 10% of the Company’s capital and it will become a specified subsidiary of the Company, as detailed below.

### 1. Reason for the capital increase

Based on the Group philosophy of “human-centered automation,” the azbil Group is developing its Building Automation, Advanced Automation, and Life Automation businesses in Japan and overseas. The Group is currently expanding its global business to achieve sustained growth and increase shareholder value in order to attain its long-term target for FY2030. This entails developing and strengthening its global production and procurement systems.

Established in February 2013, the subsidiary is one of our main production subsidiaries. It manufactures automatic control equipment for various industries. The subsidiary serves as an overseas production base to create a production and procurement system that will support our global business development, for our aim to realize a sustainable society.

This capital increase is primarily a strategic investment designed to promote autonomous production capabilities (local production planning and parts procurement) at an overseas production base. Specifically, it is intended to diversify local parts procurement and raise the level of parts held at the production base, which will maintain a standing inventory as provision against parts procurement difficulties. By strategically strengthening our production bases, we will not only fulfill our responsibility to society within the supply chain, but also aim to achieve the Group’s sustained growth and improved shareholder value.

### 2. Overview of the subsidiary undergoing changes

(1) Company name	Azbil Production (Thailand) Co., Ltd.
(2) Location	Chonburi Province, Thailand
(3) Name and title of representative	Takashi Yano, Managing Director
(4) Business description	Manufacture, repair and sales of automatic control equipment such as temperature controllers and HVAC controllers
(5) Capital before capital increase	180,000 thousand Thai baht (587 million yen)*1
(6) Established year	2013
(7) Major shareholder and ownership percentage	Azbil Corporation 99.9%

(8) Relationship between the Company and the subsidiary	Capital relationship	The subsidiary is wholly owned by the Company and one of its directors.	
	Personnel relationship	One executive officer and five employees of the Company concurrently serve as directors of the subsidiary.	
	Transaction relationship	The Company supplies parts to the subsidiary and purchases products manufactured by the subsidiary.	
(9) Financial results and financial position of the subsidiary over the last three years (Unit: thousand Thai baht) <sup>*2</sup>			
Fiscal year	Year ended December 2021	Year ended December 2022	Year ended March 2024
Net assets	813,576	931,162	1,030,348
Total assets	1,310,164	1,853,722	2,181,875
Net sales	1,456,689	1,683,722	1,717,416
Operating income	206,380	151,786	156,340
Net income	161,038	117,586	117,460

\*1 Yen equivalent is calculated using the exchange rates at the time of the original investment and subsequent capital increase.

\*2 The subsidiary changed its fiscal-year end to March 31 starting from the fiscal year ended March 2023. The fiscal year ended March 2023 was thus only three-month long, and it is therefore not included in the above table.

### 3. Overview of the capital increase

(1) Date of decision	August 29, 2024
(2) Amount of capital to be increased	150,000 thousand Thai baht (639 million yen) <sup>*3</sup>
(3) Capital after capital increase	330,000 thousand Thai baht (1,226 million yen)
(4) Investment percentage after capital increase	99.9%

\*3 Yen equivalent is calculated using the exchange rate on August 28, 2024 (1 Thai baht = 4.26 yen).

### 4. Schedule

The process is expected to be completed during FY2024.

### 5. Future outlook

This subsidiary has previously been included within the scope of consolidation (as a consolidated subsidiary), so there will be no impact on our consolidated financial results.