



*Note: This English translation is an abridged version of the original notice in Japanese.
In the event of discrepancies, the Japanese version shall prevail.*

Azbil Corporation

June 2, 2026

Notice of the 104th Ordinary General Meeting of Shareholders

Table of Contents

Notice of the 104th Ordinary General Meeting of Shareholders.....	1
Reference Materials for the General Meeting of Shareholders.....	3
Business Report.....	34
Consolidated Financial Statements/Non- Consolidated Financial Statements.....	87
Auditor’s Report.....	95

Azbil Corporation

June 2, 2026

2-7-3 Marunouchi, Chiyoda-ku, Tokyo

(Registered address as of the date of commencement of electronic provision measures)

Notice of the 104th Ordinary General Meeting of Shareholders

Dear Shareholders:

I would like to express my thanks for your loyal patronage.

You are cordially invited to the Ordinary General Meeting of Shareholders of Azbil Corporation. The meeting will be held as described on the next page.

Yours faithfully,

Kiyohiro Yamamoto
President and Group CEO

Note: The Company plans to relocate its head office to 2-6-1 Marunouchi, Chiyoda-ku, Tokyo, effective as of May 25, 2026.

Details

1. Date and Time: Wednesday, June 24 at 10 a.m., 2026 (Japan Time)
2. Place: The Hall, 4th Floor of the JP TOWER Hall & Conference,
2-7-2 Marunouchi, Chiyoda-ku, Tokyo
3. Purpose:

Items to be Reported

Item 1: Business Reports, Consolidated Financial Statements, and Audit Reports covering Consolidated Financial Statements by the accounting auditor and the Audit Committee for the 104th term from April 1, 2025 to March 31, 2026

Item 2: Non-Consolidated Financial Statements for the 104th term from April 1, 2025 to March 31, 2026

Items to be Resolved

Item 1: Appropriation of surplus

Item 2: Election of eleven (11) directors

Reference Materials for the General Meeting of Shareholders

Item 1: Appropriation of surplus

The Company considers the return of profit to its shareholders as one of its important management issues. While comprehensively taking into account our consolidated financial results, return on equity (ROE) and dividend on equity (DOE) levels, as well as the need for adequate retained earnings to support future business development and strengthen our corporate structure, we strive to maintain stable dividends and moreover improve the dividend level.

Based on this policy, year-end dividends for the 104th term are proposed as follows.

(1) Type of dividend

Cash

(2) Allocation of dividends to shareholders, and total amount

¥ 19 per share of Company common stock

Total amount: ¥ 9,839,151,729

As the interim dividend of 13 yen per share was paid in December 2025, the total dividend for full year is 32 yen per share.

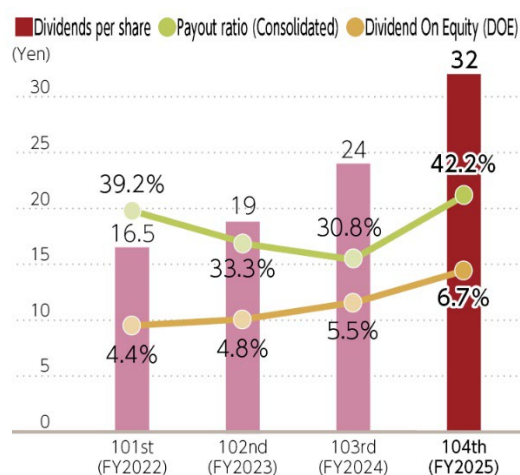
(3) Effective date of payments for dividends from surplus

June 25, 2026

(Reference)

Rationale for Returns to Shareholders

The basic policy of the Company is to maintain and enhance enterprise value through disciplined capital management, carefully balancing three key elements: investing in growth, promoting shareholder returns, and maintaining a sound financial base. The Company considers the return of profit to its shareholders as its important issue, and implements a return system that flexibly incorporates acquisition of own shares, with focus on dividends, while comprehensively taking into account matters such as consolidated business results, ROE and DOE levels, as well as the need for adequate retained earnings to support future business development and strengthen our corporate structure. The Company strives to maintain stable dividends and moreover improve dividend level.



The Company implemented a four-for-one stock split of common stock on October 1, 2024. The amount of dividends per share in the table above reflects the effect of the stock split retrospectively.

Item 2: Election of eleven (11) directors


The terms of office for all ten (10) current directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, based on the decision of the Nomination Committee, in order to further strengthen corporate governance and enhance the objective supervisory function, the Company proposes to increase the number of outside directors by one and to elect eleven (11) directors including eight (8) outside directors.

The following individuals are candidates for directors. Furthermore, candidates for independent outside directors were judged to have sufficient independence with no potential conflict of interest occurring between them and the general shareholders in accordance with the “Criteria for independence of outside directors” prescribed by the Company on its own. In addition, since they meet the independent requirements established by the Tokyo Stock Exchange, the Company has already reported six (6) current outside directors as independent officers to the Tokyo Stock Exchange, and plans to report two (2) newly nominated candidates for outside directors as well.

No.	Name	Position and section of which the candidate is in charge in the Company	Attendance record at Board of Directors meetings and Committee meetings	
1	Kiyohiro Yamamoto	Director, Representative Corporate Executive President and Group Chief Executive Officer Nomination Committee Member Responsible for Internal Audit	Board of Directors meetings 13/13 Nomination Committee meetings 11/11	Reappointment Non-outside
2	Takayuki Yokota	Director, Representative Corporate Executive Deputy President Remuneration Committee Member, Responsible for assisting the President, Corporate Administration, Management, Corporate Communication, Sustainability (& azbil Group CSR)	Board of Directors meetings 13/13 Remuneration Committee meetings 10/10	Reappointment Non-outside
3	Hisaya Katsuta	Non-executive Director Audit Committee Member	Board of Directors meetings 13/13 Audit Committee meetings 13/13	Reappointment Non-outside
4	Anne Ka Tse Hung	Outside Director Nomination Committee Member	Board of Directors meetings 13/13 Nomination Committee meetings 11/11	Reappointment Outside Independent director Female

5	Shigeaki Yoshikawa	Outside Director Nomination Committee Chairperson Remuneration Committee Member	Board of Directors meetings 13/13 Nomination Committee meetings 11/11 Remuneration Committee meetings 7/7	Reappointment Outside Independent director
6	Tomoyasu Miura	Outside Director Chairperson of the Board	Board of Directors meetings 13/13 Remuneration Committee meetings 3/3	Reappointment Outside Independent director
7	Sachiko Ichikawa	Outside Director Nomination Committee Member	Board of Directors meetings 13/13 Nomination Committee meetings 11/11	Reappointment Outside Independent director Female
8	Hiroshi Yoshida	Outside Director Audit Committee Chairperson	Board of Directors meetings 13/13 Audit Committee meetings 13/13	Reappointment Outside Independent director
9	Satoko Nakatani	Outside Director Audit Committee Member	Board of Directors meetings 11/11 Audit Committee meetings 10/10	Reappointment Outside Independent director Female
10	Shoichiro Eguchi	New Candidate	-/-	New appointment Outside Independent director
11	Junichi Nishizawa	New Candidate	-/-	New appointment Outside Independent director

Note: Because director Shigeaki Yoshikawa was appointed as a member of the Remuneration Committee by the Board of Directors meeting held after the 103rd Ordinary General Meeting of Shareholders on June 25, 2025, his attendance only applies to Remuneration Committee meetings held after his appointment. Because director Tomoyasu Miura retired from the Remuneration Committee at the conclusion of the Board of Directors meeting held after the 103rd Ordinary General Meeting of Shareholders on June 25, 2025, his attendance is reported only for the committee meetings held prior to his retirement. In addition, because director Satoko Nakatani was elected at the 103rd Ordinary General Meeting of Shareholders held on June 25, 2025, her attendance is reported only for the Board of Directors meetings and committee meetings held after her appointment.

No.	Name (Date of birth)	Biography	Number of Company shares owned	
1	 Kiyohiro Yamamoto (March 14, 1965)	April 1989	Joined the Company	54,756
		April 2007	General Manager of Environmental Marketing Department, Marketing Headquarters, Building Systems Company of the Company	
		April 2011	Head of Marketing Headquarters, Building Systems Company	
		April 2012	Senior Officer, Head of Marketing Headquarters, Building Systems Company	
		April 2014	Senior Officer, General Manager of Corporate Planning Department	Number of Company shares to be provided under the Stock Compensation Plan
		April 2017	Executive Officer, General Manager of Corporate Planning Department and Head of Marketing Headquarters, Building Systems Company	
		April 2018	Managing Executive Officer, Head of Marketing Headquarters, Building Systems Company	67,380
		April 2020	Executive Deputy President	
June 2020	Representative Director, President and Group Chief Executive Officer			
		June 2022	Director, President and Group Chief Executive Officer (Present post)	

■ Number of meetings of the Board of Directors/ the Committee attended

Board of Directors meetings: 13/13

Nomination Committee meetings: 11/11

■ Position and section of which the candidate is in charge in the Company

Position: director, representative corporate executive, president & Group chief executive officer

Section: Nomination Committee member, internal audit


■ Important concurrent positions outside the Company

None

■ Reasons for nomination as a candidate for director

Kiyohiro Yamamoto has been engaged in marketing, sales, and business planning for domestic and overseas markets in the Building Automation business and has accumulated extensive results as a person responsible for global business. He has abundant experience in business creation and global business operations, having promoted the creation of new solutions, established energy management businesses, been involved in the management of joint ventures, and so on. Furthermore, he has served as general manager of the Corporate Planning Department and as the person in charge of marketing for the overall Group. Since 2020 he has

served as president & CEO and led management, formulating long-term targets and a medium-term plan. As representative corporate executive, president & Group CEO following the Company's transition to a company with a three-committee board structure, he has been aiming to make contributions that will connect "in series" to the achievement of a sustainable society under a philosophy of "human-centered automation," and leading the management to sustainably increase enterprise value and achieve the medium-term plan (FY2025–2027). Because of these achievements, the Company has judged that it can expect him to leverage his abundant management experience at the Company to demonstrate the skills expected of him by the Company (see the skills matrix presented later in this document). Therefore, as the Company has judged that he will contribute to the enhancement of sustainable enterprise value, it has proposed that he continue serving as director and has put him forward as a candidate. If his reelection is approved, he is expected to continue to be a Nomination Committee member.

No.	Name (Date of birth)	Biography	Number of Company shares owned	
2	 Takayuki Yokota (November 1, 1960)	April 1983	Joined The Fuji Bank, Limited (Present: Mizuho Bank, Ltd.)	59,900
		November 2005	Chief IR Officer at Investor Relations, Mizuho Financial Group, Inc.	
		April 2010	Executive Officer and Head of the Investment Banking Business Management Department, Mizuho Corporate Bank, Limited (Present: Mizuho Bank, Ltd.)	
		June 2012	Audit & Supervisory Board Member of Mizuho Research Institute Ltd. (Present: Mizuho Bank, Ltd.)	
		April 2013	Joined the Company (Senior Officer)	
		April 2014	Executive Officer, Head of Group Management Headquarters	Number of Company shares to be provided under the Stock Compensation Plan
		April 2016	Managing Executive Officer, Head of Group Management Headquarters	
		April 2017	Managing Executive Officer, Head of Group Management Headquarters and Head of International Business Headquarters	
		April 2018	Managing Executive Officer	30,128
		June 2018	Director and Managing Executive Officer	
		April 2020	Director and Senior Managing Executive Officer	
		June 2022	Director and Representative Senior Managing Corporate Executive	
		June 2023	Director and Representative Corporate Executive, Deputy President (Present post)	

■ Number of meetings of the Board of Directors/the Committee attended

Board of Directors meetings: 13/13

Remuneration Committee meetings: 10/10

■ Position and section of which the candidate is in charge in the Company

Position: director, representative corporate executive, deputy president

Section: Remuneration Committee member, assisting the President, corporate administration, management, corporate communication, sustainability (& azbil Group CSR)

■ Important concurrent positions outside the Company


None

■ Reasons for nomination as a candidate for director

Takayuki Yokota has successively served as the head of Group Management Headquarters and the head of International Business Headquarters of the Company. He assumed the post of director in 2018 and has been responsible for overall corporate administrative functions, and he has worked on risk management, corporate governance, CSR initiatives, management with

awareness of capital efficiency as well as appropriate compliance in accounting. Moreover, he is making use of his experience of global business and IR activities, gained at a financial institution, to improve the structure of overseas subsidiaries as well as develop a global management foundation for business growth. Also, as the chief officer in charge of Corporate Communications, he is actively promoting measures such as constructive communication with stakeholders.

Moreover, he assumed the post of representative corporate executive following the Company's transition to a company with a three-committee board structure, and has been serving as a deputy president, overseeing overall corporate administrative functions, including sustainability. In addition, as a person who is responsible for promoting the Life Automation business, he has contributed to the enhancement of enterprise value by promoting the restructuring of the business portfolio to achieve further growth and even stronger financial standing, as well as implementing shareholder return measures. Because of these achievements, the Company has judged that it can expect him to demonstrate the skills expected of him by the Company. Therefore, as the Company has judged that he will contribute to the enhancement of sustainable enterprise value, it has proposed that he continue serving as director and has put him forward as a candidate. If his reelection is approved, he is expected to continue to be a Remuneration Committee member.

No.	Name (Date of birth)	Biography	Number of Company shares owned
3	 Hisaya Katsuta (February 27, 1958)	April 1983 Joined the Company April 2005 General Manager of Production Planning Department February 2010 General Manager of Internal Audit Department April 2011 Senior Officer, General Manager of Internal Audit Department April 2012 Senior Officer, Manager of Production Management Department, Production Management Headquarters April 2014 Senior Officer, Manager of Purchasing Department, Production Management Headquarters June 2015 Audit & Supervisory Board Member June 2022 Director (Present post)	47,400 Number of Company shares to be provided under the Stock Compensation Plan 2,918

■ Number of meetings of the Board of Directors/the Committee attended

Board of Directors meetings: 13/13

Audit Committee meetings: 13/13

■ Position and section of which the candidate is in charge in the Company

Position: director


Section: non-executive director, Audit Committee member

■ Important concurrent positions outside the Company

None

■ Reasons for nomination as a candidate for director

Hisaya Katsuta's experience includes serving as general manager of Production Planning Department and general manager of Internal Audit Department of the Company. Since his appointment as an Audit & Supervisory Board member in 2015, he has utilized his experience on production sites and in the internal audit division to implement audits from a company-wide perspective, and since 2022 he has contributed to the improvement of the Company's corporate governance and internal control through audit activities and discussions in the Audit Committee as director (full-time Audit Committee member). Moreover, he also has knowledge regarding finance and accounting as well as risk and compliance, and knowledge of on-site production function improvements, IT systems and marketing, among others. Because of these achievements, the Company has judged that it can expect him to demonstrate the skills expected of him by the Company. Therefore, as the Company has judged that he will contribute to the enhancement of sustainable enterprise value in his role as a non-executive director focusing on audit and internal control, it has proposed that he continue serving as non-executive director and has put him forward as a candidate. If his reelection is approved, he is expected to continue to be an Audit Committee member.

No.	Name (Date of birth)	Biography	Number of Company shares owned
4	 Anne Ka Tse Hung (January 12, 1964)	July 1987 Joined Baker McKenzie July 1991 Moved to Baker McKenzie Tokyo July 1999 Partner of the firm July 2018 Senior Counsel of the firm March 2019 Retired from Senior Counsel of the firm June 2020 Outside Director of the Company (Present post)	—
			Number of Company shares to be provided under the Stock Compensation Plan*
			—

* As Anne Ka Tse Hung is not resident in Japan as of the end of March 2026, the Company plans to pay her an amount of cash remuneration corresponding to her stock compensation. For details of the executive remuneration system, refer to “3. Matters Concerning Officers – (2) Remuneration, etc., paid to directors and corporate executives” in the Business Report.

■ Number of meetings of the Board of Directors/the Committee attended

Board of Directors meetings: 13/13

Nomination Committee meetings: 11/11

■ Position and section of which the candidate is in charge in the Company

Position: outside director

Section: Nomination Committee member

■ Important concurrent positions outside the Company

Lawyer (Australia, United Kingdom, Hong Kong)

■ Reasons for nomination as a candidate for outside director and outline of expected roles

Anne Ka Tse Hung worked at an international law office as a partner attorney, and supported the conclusion of agreements for the international transactions of Japanese companies, in addition to overseas corporate matters. As such, she is familiar with Japanese business customs, and possesses knowledge in the industry to which the Company belongs. She assumed the post of outside director of the Company in 2020, and she draws on her expert knowledge of international business not only to supervise business execution but also to offer supervision and advice on business execution at the Board of Directors meetings from a perspective based on her area of expertise, considering global aspects such as business promotion system targeting international business growth and her approach to investment for medium- and long-


term growth. In these ways, she fulfills appropriate roles as an outside director. She is expected to continue contributing to the enhancement of the Company's management going forward. Moreover, as a Nomination Committee member, she works to strengthen the Company's corporate governance through discussions in the Nomination Committee, and she is also expected to continue serving as a Nomination Committee member if her reelection is approved. Because of these achievements, the Company has judged that it can expect her to demonstrate the skills expected of her by the Company. Therefore, as the Company has judged that she will contribute to the enhancement of sustainable enterprise value, it has proposed that she continue serving as outside director and has put her forward as a candidate. Although she has not in the past been involved in the management of a company except as an outside director or outside audit & supervisory board member, the Company has judged that she will fulfill her duties as an outside director based on the above reasons.

■ Term of office as outside director

The term of office of Anne Ka Tse Hung as outside director shall be six (6) years at the conclusion of this Ordinary General Meeting of Shareholders.

■ Independence of the candidate for outside director of the Company

The Company does not conduct monetary or other transactions with Anne Ka Tse Hung except the remuneration she receives as outside director of the Company, and there are no vested interests between her and the management of the Company, and the Company judges there to be no possibility of the occurrence of conflict of interest with general shareholders and that she has sufficient independence, in accordance with the "Criteria for independence of outside directors" established by the Company. The Company has reported her as an independent director to the Tokyo Stock Exchange.

No.	Name (Date of birth)	Biography	Number of Company shares owned	
5	 Shigeaki Yoshikawa (June 23, 1953)	April 1977	Joined Mitsubishi Corporation	-
		June 2004	General Manager of Singapore Branch	
		July 2006	General Manager of Regional Strategy & Coordination Dept.	
		April 2008	Senior Vice President, General Manager of Global Strategy & Coordination Dept.	-
		April 2010	Senior Vice President, Chief Regional Officer for the Middle East	
		April 2013	Executive Vice President, Regional CEO for the Middle East & Central Asia	
		April 2016	Corporate Advisor (Retired in August 2016)	
		September 2016	Corporate Advisor of Mitsubishi Research Institute, Inc.	-
		October 2016	Executive Vice President	
		December 2016	Representative Member of the Board, Executive Vice President & COO	
		December 2020	Corporate Advisor (Retired in December 2023)	Number of Company shares to be provided under the Stock Compensation Plan
		April 2021	Visiting Professor (Department of Business Design, Faculty of Global Business), Research Fellow (Institute of Current Business Studies) of Showa Women's University (Present post)	2,918
		June 2022	Outside Director of the Company (Present post)	
June 2023	Chairman & Representative Director of The Japan Singapore Association (Present post)			
June 2023	Outside Director of Mochida Pharmaceutical Co., Ltd. (Present post)			
May 2025	Councilor of Showa Women's University (Present post)			

■ Number of meetings of the Board of Directors/the Committee attended

Board of Directors meetings: 13/13

Nomination Committee meetings: 11/11

Remuneration Committee meetings: 7/7

■ Position and section of which the candidate is in charge in the Company

Position: outside director

Section: Nomination Committee chairperson, Remuneration Committee member

■ Important concurrent positions outside the Company

Outside director of Mochida Pharmaceutical Co., Ltd.

Chairman & representative director of The Japan Singapore Association

■ Reasons for nomination as a candidate for outside director and outline of expected roles

Shigeaki Yoshikawa has held key positions in a general trading company with global operations, and has broad knowledge and abundant experience regarding overseas business

development and business portfolio strategies, as well as corporate management experience and so forth at a think-tank consulting firm. He assumed the post of outside director of the Company in 2022, and has offered supervision and advice on business execution at the Board of Directors meetings regarding the Company's international business strategies, approach to business strategies for medium- to long-term growth and human resource development from a perspective based on his area of expertise. This is based on his extensive experience and insight into overseas business, as well as his knowledge of marketing and sales. In these ways, he fulfills appropriate roles as an outside director, and is expected to continue contributing to the enhancement of the Company's management going forward. Moreover, as the Nomination Committee chairperson, he leads discussions in the Nomination Committee, and as a Remuneration Committee member, he works to strengthen the Company's corporate governance. He is also expected to continue serving as the Nomination Committee chairperson and a Remuneration Committee member if his reelection is approved. Because of these achievements, the Company has judged that it can expect him to demonstrate the skills expected of him by the Company. Therefore, as the Company has judged that he will contribute to the enhancement of sustainable enterprise value, it has proposed that he continue serving as outside director and has put him forward as a candidate.

■ Term of office as outside director

The term of office of Shigeaki Yoshikawa as outside director shall be four (4) years at the conclusion of this Ordinary General Meeting of Shareholders.

■ Independence of the candidate for outside director of the Company

The Company does not conduct monetary or other transactions with Shigeaki Yoshikawa except the remuneration he receives as outside director of the Company, and there are no vested interests between him and the Company's management.

While he did serve as an executive vice president of Mitsubishi Corporation, he retired from this position in March 2016 (he retired as a corporate advisor of Mitsubishi Corporation in August 2016). Moreover, while the Company has a transaction relationship with Mitsubishi Corporation, in both the most recent fiscal year and the preceding three (3) fiscal years, the amount of the transactions makes up less than 0.1% of the consolidated net sales of both the Company and Mitsubishi Corporation, which does not make Mitsubishi Corporation a major business partner as per "the Criteria for independence of outside directors" established by the Company. Also, there are no special relationships between the Company and Mochida Pharmaceutical Co., Ltd. or the Japan Singapore Association at which he concurrently serves. Based on the above, the Company judges there to be no possibility of the occurrence of conflict of interest with general shareholders and that he has sufficient independence and has reported him as an independent director to the Tokyo Stock Exchange.

No.	Name (Date of birth)	Biography	Number of Company shares owned		
6	 Tomoyasu Miura (June 30, 1961)	April 1986	Joined Nomura Research Institute, Ltd.	-	
		April 2001	Manager of Financial Consulting Service Department II of Nomura Research Institute, Ltd.		
		April 2008	Manager of Financial Strategic Consulting Service Department of Nomura Research Institute, Ltd.		
		April 2009	Senior Managing Director, Deputy Manager of Management Consulting Service Division of Nomura Research Institute, Ltd.		
		April 2010	Senior Managing Director, Deputy Manager of System Consulting Service Division of Nomura Research Institute, Ltd.		
		April 2011	Senior Managing Director, Manager of Center for Corporate Planning Division of Nomura Research Institute, Ltd.		Number of Company shares to be provided under the Stock Compensation Plan
		April 2014	Senior Managing Director, Division Manager of Center for Strategic Management & Innovation of Nomura Research Institute, Ltd.		
		April 2017	Counselor of Nomura Research Institute, Ltd. (Retired in June 2022) Deputy Dean of Nomura School of Advanced Management		2,918
		June 2018	Executive Director & Dean of Nomura School of Advanced Management (Retired in May 2022)		
		August 2019	Auditor of Research Institute of Science for Education (Present post)		
		June 2022	Outside Director of the Company (Present post)		

■ Number of meetings of the Board of Directors/the Committee attended

Board of Directors meetings: 13/13

Remuneration Committee meetings: 3/3

■ Position and section of which the candidate is in charge in the Company

Position: outside director

Section: chairperson of the Board

■ Important concurrent positions outside the Company

Auditor of Research Institute of Science for Education

■ Reasons for nomination as a candidate for outside director and outline of expected roles

Tomoyasu Miura has held key positions at a think-tank consulting firm and possesses knowledge and experience of a wide range of fields, such as IT, technology innovation, and new business creation, as well as abundant experience in development of management human resources at a public interest incorporated foundation. He assumed the post of outside director

of the Company in 2022, and has offered supervision and advice on business execution at the Board of Directors meetings regarding the Company's business strategies for medium- to long-term growth and human resource development from a perspective based on his area of expertise. This is based on his abundant knowledge of the IT and technology domains, his experience of new business creation, and his experience of human resource development. In these ways, he fulfills appropriate roles as an outside director, and is expected to continue contributing to the enhancement of the Company's management going forward. Moreover, since 2025, he has been leading fair and transparent board proceedings as the chairperson of the Board, working to strengthen the Company's corporate governance and improve the effectiveness of the Board of Directors. If his reelection is approved, the Company expects him to continue fulfilling his role as the chairperson of the Board. Because of these achievements, the Company has judged that it can expect him to demonstrate the skills expected of him by the Company. Therefore, as the Company has judged that he will contribute to the enhancement of sustainable enterprise value, it has proposed that he continue serving as outside director and has put him forward as a candidate.

■ Term of office as outside director


The term of office of Tomoyasu Miura as outside director shall be four (4) years at the conclusion of this Ordinary General Meeting of Shareholders.

■ Independence of the candidate for outside director of the Company

The Company does not conduct monetary or other transactions with Tomoyasu Miura except the remuneration he receives as outside director of the Company, and there are no vested interests between him and the Company's management.

While he did serve as counselor of Nomura Research Institute, Ltd. (NRI) and executive director & dean of Nomura School of Advanced Management (NSAM), a public interest incorporated foundation, it has been four (4) years since he retired in June 2022 and May 2022 respectively. The Company currently has transaction relationships with NRI and NSAM related to consulting and training services. However, in both the most recent fiscal year and the preceding three (3) fiscal years, the amount of transactions with NRI makes up less than 0.1% of the consolidated net sales of both the Company and NRI. As regards the Company's relationship with NSAM, the amount of transactions (training fees paid to NSAM) as a percentage of NSAM's net sales is less than 1.3%; in monetary terms, this is less than 10 million yen per fiscal year. Note that the Company has no sales to NSAM. Thus, neither NRI nor NSAM is a major business partner as per "the Criteria for independence of outside directors" established by the Company. Also, there are no special relationships between the Company and Research Institute of Science for Education at which he concurrently serves.

Based on the above, the Company judges there to be no possibility of the occurrence of conflict of interest with general shareholders and that he has sufficient independence and has reported him as an independent director to the Tokyo Stock Exchange.

No.	Name (Date of birth)	Biography	Number of Company shares owned	
7	 Sachiko Ichikawa (January 17, 1967)	April 1997	Registered as attorney (Member of Dai-Ichi Tokyo Bar Association), Joined Tanabe & Partners Law Office	-
		January 2005	Registered as attorney (Member of New York State Bar Association)	
		January 2011	Partner of Tanabe & Partners Law Office (Present post)	
		June 2015	Outside Director of ANRITSU CORPORATION (Retired in June 2017)	Number of Company shares to be provided under the Stock Compensation Plan
		April 2018	Registered as certified public accountant of the U.S.A.	
		May 2018	Outside Audit & Supervisory Board Member of Ryohin Keikaku Co., Ltd. (Retired in November 2021)	
		June 2020	Statutory Auditor of The Board Director Training Institute of Japan	
		June 2021	Outside Director of Tokyo Electron Ltd. (Present post)	974
		June 2021	Outside Director of Olympus Corporation (Present post)	
		June 2022	Director of The Board Director Training Institute of Japan (Present post)	
June 2024	Outside Director of the Company (Present post)			

Note: Sachiko Ichikawa will retire from outside director of Tokyo Electron Ltd. on June 23, 2026.

■ Number of meetings of the Board of Directors/the Committee attended

Board of Directors meetings: 13/13

Nomination Committee meetings: 11/11

■ Position and section of which the candidate is in charge in the Company

Position: outside director

Section: Nomination Committee member

■ Important concurrent positions outside the Company

Partner of Tanabe & Partners Law Office

Outside director of Tokyo Electron Ltd.

Outside director of Olympus Corporation

Director of The Board Director Training Institute of Japan

■ Reasons for nomination as a candidate for outside director and outline of expected roles

Sachiko Ichikawa has a global perspective, extensive experience, broad knowledge and expertise as an attorney (in Japan and in New York State, the U.S.) and a U.S. certified public accountant. Moreover, she has served as an outside officer of other manufacturing-focused companies listed on Tokyo Stock Exchange Prime Market, and has excellent insights

concerning the ideal shape of corporate governance and company management. She assumed the post of outside director of the Company in 2024, and she offers supervision and advice on business execution at the Board of Directors meetings from a perspective based on her area of expertise by utilizing her abundant specialist knowledge and experience related to legal affairs and accounting, along with her insights in areas such as corporate governance and compliance. In these ways, she fulfills appropriate roles as an outside director. She is expected to continue contributing to the enhancement of the Company's management going forward. Moreover, as a Nomination Committee member, she works to strengthen the Company's corporate governance through discussions in the Nomination Committee, and she is also expected to continue serving as a Nomination Committee member if her reelection is approved. Because of these achievements, the Company has judged that it can expect her to demonstrate the skills expected of her by the Company. Therefore, as the Company has judged that she will contribute to the enhancement of sustainable enterprise value, it has proposed that she continue serving as outside director and has put her forward as a candidate. Although she has not in the past been involved in the management of a company except as an outside director or outside audit & supervisory board member, the Company has judged that she will fulfill her duties as an outside director based on the above reasons.

■ Term of office as outside director

The term of office of Sachiko Ichikawa as outside director shall be two (2) years at the conclusion of this Ordinary General Meeting of Shareholders.

■ Independence of the candidate for outside director of the Company


The Company does not conduct monetary or other transactions with Sachiko Ichikawa except the remuneration she receives as outside director of the Company, and there are no vested interests between her and the Company's management.

While the Company has transaction relationships related to Tokyo Electron Ltd., Olympus Corporation, and The Board Director Training Institute of Japan, at which she concurrently serves at present, in both the most recent fiscal year and the preceding three (3) fiscal years, the amount of the transactions makes up less than 0.1% of the consolidated net sales of both the Company and the companies at which she concurrently serves, which does not make these companies major business partners as per "the Criteria for independence of outside directors" established by the Company. Also, there are no special relationships between the Company and Tanabe & Partners Law Office at which she concurrently serves.

Based on the above, the Company judges there to be no possibility of the occurrence of conflict of interest with general shareholders and that she has sufficient independence and has reported her as an independent director to the Tokyo Stock Exchange.

■ Other special notes

Tokyo Electron Limited, of which Sachiko Ichikawa has been an outside director since June 2021, received administrative guidance in August 2022 from the Communications Infrastructure Bureau of the Ministry of Internal Affairs and Communications regarding inadequate application procedures for equipment that falls under radio frequency application equipment in accordance with the provisions of the Radio Act at the company and its group companies. She was not aware of this fact until the time of the above revelation, but she regularly reminded the executive team of importance of legal compliance at board meetings and other meetings and alerted the board of directors. Following the occurrence of the fact, she has fulfilled her responsibilities as an outside director by, among other things, demanding that the company should take appropriate measures to ensure compliance with laws and regulations and to prevent recurrence.

No.	Name (Date of birth)	Biography	Number of Company shares owned	
8	 Hiroshi Yoshida (April 3, 1959)	April 1983	Joined Hitachi Chemical Co., Ltd. (Present: Resonac Corporation)	-
		June 2001	General Manager in charge of Accounting of Financial Strategy Office of Hitachi Chemical Co., Ltd.	
		August 2003	General Manager in charge of Finance of Financial Strategy Office of Hitachi Chemical Co., Ltd.	
		April 2006	Treasurer of Hitachi Chemical Co. America, Ltd.	
		August 2008	Senior Manager of Corporate Planning & Development Office of Hitachi, Ltd.	
		October 2009	Senior Manager of Corporate Planning Office of Hitachi Chemical Co., Ltd.	Number of Company shares to be provided under the Stock Compensation Plan
		April 2010	Head of Finance Center of CSR Department of Hitachi Chemical Co., Ltd.	
		April 2014	General Manager of Risk Management Center of Hitachi Chemical Co., Ltd.	974
		April 2015	General Manager of Finance and Accounting Dept. of Corporate Business Strategy Headquarters of Hitachi Chemical Co., Ltd.	
		April 2016	Executive Officer, Deputy General Manager of Corporate Business Strategy Headquarters of Hitachi Chemical Co., Ltd.	
		June 2020	Audit & Supervisory Board Member of Hitachi Chemical Co., Ltd. (Retired in March 2024)	
June 2024	Outside Director of the Company (Present post)			

■ Number of meetings of the Board of Directors/the Committee attended

Board of Directors meetings: 13/13

Audit Committee meetings: 13/13

■ Position and section of which the candidate is in charge in the Company

Position: outside director

Section: Audit Committee chairperson

■ Important concurrent positions outside the Company

None

■ Reasons for nomination as a candidate for outside director and outline of expected roles

Hiroshi Yoshida has held key positions at a globally operating chemical manufacturer listed on Tokyo Stock Exchange Prime Market. He has broad knowledge related to finance and accounting, abundant experience in management planning and strategy formulation in the manufacturing industry, and experience as both a corporate executive and an audit & supervisory board member. He assumed the post of outside director of the Company in 2024,

and he offers supervision and advice on business execution at the Board of Directors meetings from a perspective based on his area of expertise by drawing from his wealth of specialist knowledge related to finance and accounting in addition to his extensive experience in management planning and strategy formulation in the manufacturing industry. In these ways, he fulfills appropriate roles as an outside director. He is expected to continue contributing to the enhancement of the Company's management going forward. Moreover, as the Audit Committee chairperson, he works to strengthen the Company's corporate governance by leading audit activities and discussions in the Audit Committee, and he is also expected to continue serving as the Audit Committee chairperson if his reelection is approved. Because of these achievements, the Company has judged that it can expect him to demonstrate the skills expected of him by the Company. Therefore, as the Company has judged that he will contribute to the enhancement of sustainable enterprise value in his role as an outside director focusing on audit and internal control, it has proposed that he continue serving as outside director and has put him forward as a candidate.

■ Term of office as outside director

The term of office of Hiroshi Yoshida as outside director shall be two (2) years at the conclusion of this Ordinary General Meeting of Shareholders.

■ Independence of the candidate for outside director of the Company

The Company does not conduct monetary or other transactions with Hiroshi Yoshida except the remuneration he receives as outside director of the Company, and there are no vested interests between him and the Company's management.

While he did serve as corporate executive and Audit & Supervisory Board Member of Hitachi Chemical Co., Ltd. (Present: Resonac Corporation), he retired in March 2024. Moreover, while the Company has a transaction relationship with Resonac Corporation, in both the most recent fiscal year and the preceding three (3) fiscal years, the amount of the transactions makes up less than 0.1% of the consolidated net sales of both the Company and Resonac Corporation, which does not make Resonac Corporation a major business partner as per "the Criteria for independence of outside directors" established by the Company.

Based on the above, the Company judges there to be no possibility of the occurrence of conflict of interest with general shareholders and that he has sufficient independence and has reported him as an independent director to the Tokyo Stock Exchange.

No.	Name (Date of birth)	Biography	Number of Company shares owned	
9	 <p>Satoko Nakatani (February 19, 1965)</p>	April 1987	Joined BROTHER SALES, LTD.	-
		October 1992	Joined Ito accounting firm	
		March 1996	Registered as certified public accountant	
		January 2001	Joined Chuo Aoyama Audit Corporation	Number of Company shares to be provided under the Stock Compensation Plan
		August 2006	Joined PricewaterhouseCoopers Aarata (Present: PricewaterhouseCoopers Japan LLC)	
		July 2016	Partner of PricewaterhouseCoopers Aarata (Retired in June 2025)	-
		April 2020	Statutory Auditor of Tokai National Higher Education and Research System (Present post)	
		June 2025	Outside Director of the Company (Present post)	
		July 2025	Head of Satoko Nakatani Certified Public Accountant Office (Present post)	
July 2025	Auditor of Japan Association for Chief Financial Officers (Present post)			

■ Number of meetings of the Board of Directors/the Committee attended

Board of Directors meetings: 11/11

Audit Committee meetings: 10/10

■ Position and section of which the candidate is in charge in the Company

Position: outside director

Section: Audit Committee member

■ Important concurrent positions outside the Company

Statutory Auditor of Tokai National Higher Education and Research System

Head of Satoko Nakatani Certified Public Accountant Office

Auditor of Japan Association for Chief Financial Officers

■ Reasons for nomination as a candidate for outside director and outline of expected roles

Satoko Nakatani, as a partner at an audit corporation, has been engaged in the auditing of a range of business types, mostly related to manufacturing and has been in charge of advisory services for various accounting systems and other matters. In addition, as a certified public accountant, she has broad knowledge and expertise in finance and accounting and extensive experience in auditing operations, etc. She assumed the post of outside director of the Company in 2025, and she offers supervision and advice on business execution at the Board of Directors meetings from a perspective based on her area of expertise by drawing from her wealth of specialist knowledge related to finance and accounting. In these ways, she fulfills appropriate roles as an outside director. She is expected to continue contributing to the enhancement of the Company's management going forward. Moreover, as an Audit Committee member, she works

to strengthen the Company's corporate governance through audit activities and discussions in the Audit Committee, and she is also expected to continue serving as an Audit Committee member if her reelection is approved. Because of these achievements, the Company has judged that it can expect her to demonstrate the skills expected of her by the Company. Therefore, as the Company has judged that she will contribute to the enhancement of sustainable enterprise value in her role as an outside director focusing on audit and internal control, it has proposed that she continue serving as outside director and has put her forward as a candidate. Although she has not in the past been involved in the management of a company except as an outside director or outside audit & supervisory board member, the Company has judged that she will fulfill her duties as an outside director based on the above reasons.

■ Term of office as outside director

The term of office of Satoko Nakatani as outside director shall be one (1) year at the conclusion of this Ordinary General Meeting of Shareholders.

■ Independence of the candidate for outside director of the Company

The Company does not conduct monetary or other transactions with Satoko Nakatani except the remuneration she receives as outside director of the Company, and there are no vested interests between her and the Company's management.

While she did serve as a partner of PricewaterhouseCoopers Japan LLC, she retired in June 2025. Moreover, while the Company has a transaction relationship related to consulting service with PricewaterhouseCoopers Japan LLC, in both the most recent fiscal year and the preceding three (3) fiscal years, the amount of the transactions makes up less than 0.1% of the consolidated net sales of both the Company and PricewaterhouseCoopers Japan LLC; in monetary terms, this is less than 9 million yen per fiscal year. Note that the Company has no sales to PricewaterhouseCoopers Japan LLC. Furthermore, while the Company has transaction relationships with Tokai National Higher Education and Research System, at which she concurrently serves, in both the most recent fiscal year and the preceding three (3) fiscal years, the amount of the transactions makes up less than 0.1% of the consolidated net sales of both the Company and Tokai National Higher Education and Research System. Thus, neither PricewaterhouseCoopers Japan LLC nor Tokai National Higher Education and Research System is a major business partner as per "the Criteria for independence of outside directors" established by the Company. Also, there are no special relationships between the Company and Japan Association for Chief Financial Officers or Satoko Nakatani Certified Public Accountant Office at which she concurrently serves at present.

Based on the above, the Company judges there to be no possibility of the occurrence of conflict of interest with general shareholders and that she has sufficient independence and has reported her as an independent director to the Tokyo Stock Exchange.

No.	Name (Date of birth)	Biography	Number of Company shares owned
10	 Shoichiro Eguchi (December 7, 1955)	April 1979 Joined Trio Electronics, Inc. (Present: JVCKENWOOD Corporation) June 2003 Senior Vice President & Executive Officer of Kenwood Corporation (Present: JVCKENWOOD Corporation) April 2004 General Executive of Car Electronics Sales Division of Kenwood Corporation, President and Director of Kenwood Electronics Europe B.V. (Present: JVCKENWOOD Europe B.V.) June 2004 Director, Senior Vice President & Executive Officer of Kenwood Corporation October 2011 Representative Director of the Board, Executive Officer, Vice President of JVCKENWOOD Corporation June 2012 Representative Director of the Board, President & Chief Executive Officer of JVCKENWOOD Corporation April 2018 Representative Director of the Board, President, Chief Operating Officer of JVCKENWOOD Corporation April 2019 Representative Director of the Board, President & Chief Executive Officer of JVCKENWOOD Corporation April 2023 Outside Director of AIST Solutions Co., Ltd. (Present post) April 2026 Representative Director of the Board, Chairman & Chief Executive Officer of JVCKENWOOD Corporation (Present post)	—

■ Number of meetings of the Board of Directors attended

Board of Directors meetings: -/-

■ Position and section of which the candidate is in charge in the Company

New Candidate

■ Important concurrent positions outside the Company

Representative Director of the Board, Chairman and Chief Executive Officer of JVCKENWOOD Corporation

■ Reasons for nomination as a candidate for outside director and outline of expected roles

Shoichiro Eguchi has held key positions at a globally operating electrical equipment manufacturer listed on Tokyo Stock Exchange Prime Market. He possesses extensive knowledge and experience in corporate management, overseas business expansion, and technology and research development within the manufacturing industry. It is expected that as an outside director of the Company, he will leverage his abundant experience as a corporate


manager and his insights into global business and technology and research development not only to supervise business execution but also to contribute to strengthening the supervisory functions of the Board of Directors by providing objective and expert insights and advice from a broad perspective to enhance management transparency at the Board of Directors meetings. Because of these factors, the Company has judged that it can expect him to demonstrate the skills expected of him by the Company. Therefore, as the Company has judged that he will contribute to the enhancement of sustainable enterprise value, it has newly proposed him as a candidate for outside director.

■ Independence of the candidate for outside director of the Company

The Company does not conduct monetary or other transactions with Shoichiro Eguchi, and there are no vested interests between him and the Company's management.

He serves as representative Director of the Board, Chairman and Chief Executive Officer of JVCKENWOOD Corporation. While the Company has a transaction relationship with JVCKENWOOD Corporation, in both the most recent fiscal year and the preceding three (3) fiscal years, the amount of the transactions makes up less than 0.1% of the consolidated net sales of both the Company and JVCKENWOOD Corporation, which does not make JVCKENWOOD Corporation a major business partner as per "the Criteria for independence of outside directors" established by the Company.

Based on the above, the Company judges there to be no possibility of the occurrence of conflict of interest with general shareholders and that he has sufficient independence and plans to report him as an independent director to the Tokyo Stock Exchange.

No.	Name (Date of birth)	Biography	Number of Company shares owned
11	 Junichi Nishizawa (June 12, 1956)	April 1980 Joined the Fuji Bank, Limited (Present: Mizuho Bank, Ltd.) April 2008 Executive Officer and General Manager of Nagoya-chuo Corporate Banking Department of Nagoya-chuo Branch of Mizuho Bank, Ltd. April 2010 Managing Director, Managing Executive Officer, Head of Risk Management Group and Head of Human Resources Group of Mizuho Corporate Bank, Ltd. (Present: Mizuho Bank, Ltd.) June 2011 Deputy President and Representative Director of Mizuho Financial Group, Inc. (Retired in March 2013) April 2013 President and Representative Director of Mizuho Information & Research Institute, Inc. (Present: Mizuho Bank, Ltd.) (Retired in March 2019) June 2019 Vice President and Director of Joban Kosan, Ltd. June 2019 Outside Corporate Auditor of FUYO AUTO LEASE CO., LTD. (Present post) June 2020 President and Representative Director of Joban Kosan, Ltd. June 2020 Outside Director of JOBAN JOINT POWER CO., LTD. (Present post) June 2020 Outside Director of Onahama Kairiku Unso Kaisha, Ltd. (Present post) June 2024 Chairman and Representative Director of Joban Kosan, Ltd. (Retired in April 2025) March 2025 Outside Director of the Tokyo Tatemono Co., Ltd. (Present post) July 2025 Outside Director of Nichizei Business Service Co., Ltd. (Present post)	—

Note: Junichi Nishizawa will retire from outside corporate auditor of FUYO AUTO LEASE CO., LTD., outside director of JOBAN JOINT POWER CO., LTD., and outside director of Onahama Kaiun Transportation Co., Ltd., respectively, in June 2026.

■ Number of meetings of the Board of Directors attended

Board of Directors meetings: -/-

■ Position and section of which the candidate is in charge in the Company

New Candidate

■ Important concurrent positions outside the Company

Outside director of Tokyo Tatemono Co., Ltd.

■ Reasons for nomination as a candidate for outside director and outline of expected roles

Junichi Nishizawa has held key positions in financial institutions and tourism and travel business companies. He possesses extensive knowledge and experience in corporate management, the financial sector, and global business, as well as experience as an outside officer at other business companies. It is expected that as an outside director of the Company, he will leverage his abundant experience as a corporate manager, his perspectives on capital markets, and his insights into global business and finance not only to supervise business execution but also to contribute to strengthening the supervisory functions of the Board of Directors by providing objective and expert insights and advice from a broad perspective to enhance management transparency at the Board of Directors meetings. Furthermore, if his appointment is approved, it is expected that he will contribute to ensuring the transparency and objectivity of the process for determining remuneration as the Remuneration Committee chairperson. Because of these factors, the Company has judged that it can expect him to demonstrate the skills expected of him by the Company. Therefore, as the Company has judged that he will contribute to the enhancement of sustainable enterprise value, it has newly proposed him as a candidate for outside director.

■ Independence of the candidate for outside director of the Company

The Company does not conduct monetary or other transactions with Junichi Nishizawa, and there are no vested interests between him and the Company's management.

While Junichi Nishizawa comes from Mizuho Bank, Ltd., he retired from said bank thirteen (13) years ago. Although said bank possesses 5,600 thousand shares of the Company, its percentage of total shares issued is 1.08%, which is far less than the major shareholder standard (10%) stipulated by the Financial Instruments and Exchange Act. In addition, the amount of borrowings from said bank is 6,801 million yen, which is 2.0% of the Company's consolidated total assets of 332,240 million yen but the azbil Group does not effectively have loans payable (net balance of loans not exceeding current liquidity deposited to such lender). Thus, said bank is not a major lender as per the "Criteria for independence of outside directors" (hereinafter referred to as the "Criteria for independence") established by the Company. Furthermore, while the Company has a transaction relationship with Tokyo Tatemono Co., Ltd., at which he concurrently serves at present, in both the most recent fiscal year and the preceding three (3) fiscal years, the amount of the transactions makes up less than 0.1% of the consolidated net sales of both the Company and Tokyo Tatemono Co., Ltd., which does not make Tokyo Tatemono Co., Ltd. a major business partner as per the "Criteria for independence" established by the Company.

Based on the above, the Company judges there to be no possibility of the occurrence of conflict of interest with general shareholders and that he has sufficient independence and plans to report him as an independent director to the Tokyo Stock Exchange.

(Reference) Skills expected of directors (Skills matrix)

At a Board of Directors meeting held on May 14, 2021, we established the skills expected of the directors from the viewpoint of sustainable increase in enterprise value, including the realization of the medium-term plan. Regarding the skill items, the Board of Directors and the Nomination and Remuneration Committee of the Company conducted an objective review considering the corporate philosophy, business model, growth strategy, etc., and selected seven important items expected of the directors to support growth toward the “contribution ‘in series’ to a sustainable society” outlined in the medium-term plan. Of these, “corporate management/sustainability,” “global business,” and “IT, technology/control and automation business” are particularly relevant to the Group’s sustainable growth over the medium and long term.

If this item is approved, the independence, diversity, and expected skills of the entire Board of Directors will be as follows.

Of the eleven (11) candidates, three (3) are women (one (1) of whom is a foreign national).

Skills expected of directors (Skills matrix)

Name (Age as of June 24, 2026)	Positions & planned committee membership etc. as of June 24, 2026	Independence	Diversity	Expected skills						
		Independent director	Gender	Corporate management/ sustainability ^{*Note}	Global business	Financial affairs, accounting, finance	IT, technology/ control and auto- mation business	Sales, marketing	Manufacturing, research and development	Legal, risk management, compliance
Kiyohiro Yamamoto (61)	Director, Representative Corporate Executive, President & Group CEO, Nomination Committee Member		M	○	○		○	○	○	
Takayuki Yokota (65)	Director, Representative Corporate Executive Deputy President, Remuneration Committee Member		M	○	○	○				○
Hisaya Katsuta (68)	Director, Audit Committee Member		M			○			○	○
Anne Ka Tse Hung (62)	Outside Director, Nomination Committee Member	○	F		○					○
Shigeaki Yoshikawa (73)	Outside Director, Nomination Committee Chairperson, Remuneration Committee Member	○	M	○	○			○		
Tomoyasu Miura (64)	Outside Director, Chairperson of the Board	○	M	○			○	○		
Sachiko Ichikawa (59)	Outside Director, Nomination Committee Member	○	F	○		○				○
Hiroshi Yoshida (67)	Outside Director, Audit Committee Chairperson	○	M	○		○			○	
Satoko Nakatani (61)	Outside Director, Audit Committee Member	○	F	○		○				○
Shoichiro Eguchi (70)	Outside Director	○	M	○	○		○		○	
Junichi Nishizawa (70)	Outside Director, Remuneration Committee Chairperson	○	M	○	○	○				

*Note: For the azbil Group to be able to achieve its stated objective of contributing “in series” to the achievement of a sustainable society, “corporate management/sustainability” has been included together as one expected skill. In addition, this item includes skills regarding the strengthening of human capital from the viewpoint of sustainability.

(Reference) Planned committee membership for each director

If this proposal is approved, the composition of each committee will be as follows. (The “◎” mark indicates chair.)

Name	Nomination Committee Member	Audit Committee Member	Remuneration Committee Member	Positions, etc. as of June 24, 2026
Kiyohiro Yamamoto	○			Representative Corporate Executive President & Group CEO
Takayuki Yokota			○	Representative Corporate Executive Deputy President
Hisaya Katsuta		○		Non-executive Director
Anne Ka Tse Hung (Outside)	○			
Shigeaki Yoshikawa (Outside)	◎		○	
Tomoyasu Miura (Outside)				Chairperson of the Board
Sachiko Ichikawa (Outside)	○			
Hiroshi Yoshida (Outside)		◎		
Satoko Nakatani (Outside)		○		
Shoichiro Eguchi (Outside)				
Junichi Nishizawa (Outside)			◎	

- **Nomination Committee:** Responsible for determining proposals concerning the election and dismissal of directors to be submitted to the General Meeting of Shareholders and for deliberating on drafts concerning the appointment and removal of members of the three committees (nomination, audit and remuneration); drafts concerning the election and dismissal of corporate executives; and matters related to succession plan.

- **Audit Committee:** Responsible for auditing the execution of duties by corporate executives and directors; for preparing audit reports; for drawing up detailed proposals for the election, dismissal or non-reappointment of the accounting auditor; and for promoting systematic auditing.

- **Remuneration Committee:** Responsible for determining policies related to the remuneration systems for directors and corporate executives; for determining individual remuneration; and for deliberating on the establishment, revision, or abolition of remuneration systems as well as other matters related to executive remuneration.

(Reference) Views on Strategic Shareholdings and Present State

Quantitative verification is conducted for each individual stock from the viewpoint of economic rationality, assessing whether the significance of holding the stock—taking into account such factors as business and financial returns—is commensurate with the capital cost. We also assess any risks involved in holding the stock. Furthermore, depending on the circumstances and reasons for acquiring a stock, in each case we conduct qualitative verification to assess whether holding the stock can be deemed as contributing to the medium- to long-term enhancement of enterprise value. Should it be determined, as a result of these verifications, that holding an individual stock lacks reasonable justification—that, for example, any advantage associated with holding the stock is not expected to improve—and that it cannot be judged to contribute to the improvement of the Company’s enterprise value from a medium- to long-term perspective, our policy is to reduce our holdings of that stock by selling shares when deemed appropriate in light of stock prices and market trends.

	As of March 31, 2025			As of March 31, 2026		
	Number of stocks	Total amount of balance sheet (Millions of yen)	Ratio of consolidated net assets (%)	Number of stocks	Total amount of balance sheet (Millions of yen)	Ratio of consolidated net assets (%)
Unlisted shares	10	1,013	0.4	11	1,317	0.5
Shares other than unlisted shares	16	17,982	7.5	10	22,415	8.7
Total	26	18,996	7.9	21	23,733	9.2

(Reference)

Criteria for independence of outside directors

The Company formulated its own criteria for independence of outside directors for appointing outside director and judges that a person is not independent if he/she falls under any of the items below:

1. A person who serves as an executive^{*1} of the Company or its consolidated subsidiary, or who served for ten (10) years prior to being appointed;
*1: "executive" refers to an executive director, a corporate executive, an executive officer or a head of a department and other general employees.
2. A person who served as an executive of the Company or its consolidated subsidiary for ten (10) years prior to being appointed as a non-executive director or an Audit & Supervisory Board member of the Company or a subsidiary of the Company;
3. A person who has served as a non-executive director of the Company or its consolidated subsidiary for more than twelve (12) years in principle;
4. A person who has served as an Audit & Supervisory Board member of the Company or its consolidated subsidiary for more than twelve (12) years; three (3) terms in principle;
5. A person who serves as an executive of a major business partner of the azbil Group (a business partner that makes a payment in the amount exceeding 2% of its annual consolidated sales for the latest fiscal year or any of the preceding three (3) fiscal years or receives such a payment), or who has served in the last three (3) years;
6. A person who serves as an executive or an Audit & Supervisory Board member of a major lender^{*2} of the azbil Group or its parent company or its significant subsidiary, or who served in the last three (3) years;
*2: A major lender refers a financial institution group from which the azbil Group has borrowed funds where the outstanding aggregate of those borrowings exceeds 2% of consolidated total assets of the azbil Group as of the end of the Company's fiscal year in situations where the azbil Group effectively has loans payable (net balance of loans exceeding current liquidity deposited to such lender).
7. A related party of the accounting auditor or audit firm etc. of the azbil Group, or who has served in the last three (3) years in such position (including those who have already resigned from such position);
8. A lawyer, certified public accountant, or other consultant who does not fall under the item 7 above and who received money and other economic benefits in the annual average amount of 10 million yen or more over the past three (3) years other than executive compensations from the azbil Group;
9. A member, partner, associate or employee of a law firm or an audit firm, etc. who does not fall under items 7 or 8 above where the azbil Group is a major business partner of the said law firm, audit firm, etc., (a company that received a payment from the Company or a consolidated subsidiary in the annual average amount of 2% or more of the consolidated net sales of the company over the past three (3) fiscal years);
10. A person who serves as an executive or an Audit & Supervisory Board member of a current major shareholder of the Company (a shareholder that holds 10% or more of voting rights in the Company), its parent company or its significant subsidiary, or who served in such a position in the last five (5) years;
11. A person who serves as an executive or an Audit & Supervisory Board member of a company that accepts a director seconded from the azbil Group, its parent company or its subsidiary;
12. A person who serves as an executive or an Audit & Supervisory Board member of a company in which the Company is a major shareholder;
13. A person who serves as an executive of an organization such as a public interest incorporated foundation, a public interest incorporated association, or a non-profit organization that has received a donation or subsidy from the azbil Group in the annual

- average of 10 million yen or more over the past three (3) fiscal years; and
14. A spouse, a person within the second degree of consanguinity or a relative residing in the same household of a person for whom any of the above items (1 to 13) are applicable.

- Notes:
1. There are no vested interests between the candidates and the Company.
 2. The eight (8) candidates Anne Ka Tse Hung, Shigeaki Yoshikawa, Tomoyasu Miura, Sachiko Ichikawa, Hiroshi Yoshida, Satoko Nakatani, Shoichiro Eguchi and Junichi Nishizawa are candidates for outside director, set forth in Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act.
 3. The above biographies, positions and sections of which they are in charge in the Company, and important concurrent positions outside the Company are effective as of the start date of measures for electronic provision.
 4. The Company enters into contracts, which limit legal liability of outside directors under Article 423, Paragraph 1 of the Companies Act, with outside directors. The policy is outlined on “3. Matters Concerning Officers (1) Directors and corporate executives” in the Business Report. Of the candidates, the six (6) candidates Anne Ka Tse Hung, Shigeaki Yoshikawa, Tomoyasu Miura, Sachiko Ichikawa, Hiroshi Yoshida and Satoko Nakatani have signed a limited liability contract with the Company, and if their reappointment is approved, the Company will continue those agreements with each of them. In addition, the Company plans to conclude a limited liability contract with Shoichiro Eguchi and Junichi Nishizawa if their appointment is approved.
 5. The Company has entered into a directors and officers liability insurance policy with an insurance company. The policy is outlined on “3. Matters Concerning Officers (1) Directors and corporate executives” in the Business Report. Of the candidates, the nine (9) candidates Kiyohiro Yamamoto, Takayuki Yokota, Hisaya Katsuta, Anne Ka Tse Hung, Shigeaki Yoshikawa, Tomoyasu Miura, Sachiko Ichikawa, Hiroshi Yoshida and Satoko Nakatani are already insureds under the policy and will continue to be insureds if their reelections are approved. In addition, Shoichiro Eguchi and Junichi Nishizawa are to become insured if their election is approved. Moreover, the Company plans to renew the policy with the same content during their term of office.
 6. The Company has concluded indemnity agreements with all directors based on Article 430-2, Paragraph 1 of the Companies Act for the Company to cover the expenses stipulated in Paragraph 1, Item 1 and the losses stipulated in Paragraph 1 Item (ii) of the same article within the scope stipulated by laws and regulations. A summary of the agreements is provided in “3. Matters Concerning Officers (1) Directors and corporate executives” in the Business Report. Among the candidates, agreements have already been concluded with Kiyohiro Yamamoto, Takayuki Yokota, Hisaya Katsuta, Anne Ka Tse Hung, Shigeaki Yoshikawa, Tomoyasu Miura, Sachiko Ichikawa, Hiroshi Yoshida, and Satoko Nakatani. Where the reappointments of these directors are approved, the Company plans to extend the agreements. Furthermore, where the appointments of Shoichiro Eguchi and Junichi Nishizawa are approved, the Company plans to newly conclude similar agreements with them.
 7. The number of shares planned to be transferred based on the stock compensation plan is listed as the number of confirmed points awarded to each candidate residing in Japan as of the end of March of the current year. Furthermore, stock-based compensation for directors who concurrently serve as corporate executives is 50% performance-linked (this portion fluctuates based on the level of achievement of performance targets in the medium-term plan) and 50% non-performance-linked. The performance-linked portion that has not been confirmed at present is not included in the number of shares planned to be transferred. For details on the executive remuneration system, please refer to “3. Matters Concerning Officers (2) Remuneration, etc. paid to directors and corporate executives” in the Business Report.

Business Report

(From April 1, 2025 to March 31, 2026)

1. Matters Concerning the Present State of the Corporate Group

(1) Principal business (As of March 31, 2026)

The azbil Group pursues “human-centered automation” for people’s safety, comfort and fulfillment and to contribute to the global environment with measurement and control technologies, developing its Building Automation business in the building market and its Advanced Automation business in the industrial market, as well as its Life Automation business through lifeline and health in the lifestyle-focused market.

The azbil Group handles the following major products.

Segment

BA: Building Automation Business

Major Products

- Room temperature / humidity sensor
 - Ceiling-mounted temperature sensor
 - Room temperature and humidity controller
 - Infrared array sensor
 - Wireless sensor
 - Digital user terminal
 - Multi-area user terminal
 - Integrated user device
 - BA systems
 - Access control system
 - Contactless smart-card reader
 - Controller for air conditioning equipment
 - Heating/cooling plant controller
 - VAV damper
 - Motorized control valve with flow measurement and control functions, etc.
-

Segment

AA: Advanced Automation Business

Major Products

- Control valve
 - Multi-loop controller with multifunction display
 - Digital mass flow controller
 - Network instrumentation modules
 - Differential/pressure transmitter
 - Electromagnetic flow meter
 - Smart valve positioner
 - Monitoring and control system
 - Process controller
 - Adjustable proximity sensor
 - Photoelectric switch
 - Advanced ultraviolet flame detector
 - Limit switch
 - Micro flow rate liquid flowmeter
 - Advanced critical trend monitoring for safety
 - Online anomaly monitoring system, etc.
-

Segment

LA: Life Automation Business

Major Products

- Cloud Service
 - Ultrasonic gas meter
 - City gas smart diaphragm meter
 - Microcomputer meter (popular type)
 - High-pressure regulator
 - Battery electromagnetic water meter
 - Electronic counter type water meter
 - Ultrasonic smart water meter
 - Central air conditioning system
 - Central air purifying and ventilation system, etc.
-

Segment

Others

Major Products

- Insurance agent business, Software development business, etc.
-

(2) Overview for the current fiscal year

The business environment for the azbil Group is as follows.

In the field of heating, ventilation, and air conditioning (HVAC) control equipment/systems for large-scale buildings in Japan, strong demand driven by urban redevelopment plans has continued while retrofit demand, including interest in solutions for energy saving and lower CO₂ emissions, has remained strong. As regards equipment/systems for production facilities, demand remained firm thanks to the decarbonizing of factories/plants and the promotion of DX, but demand in factory automation (FA) markets was seen to vary depending on the region and market.

As a result, financial results for the current consolidated fiscal year were as follows.

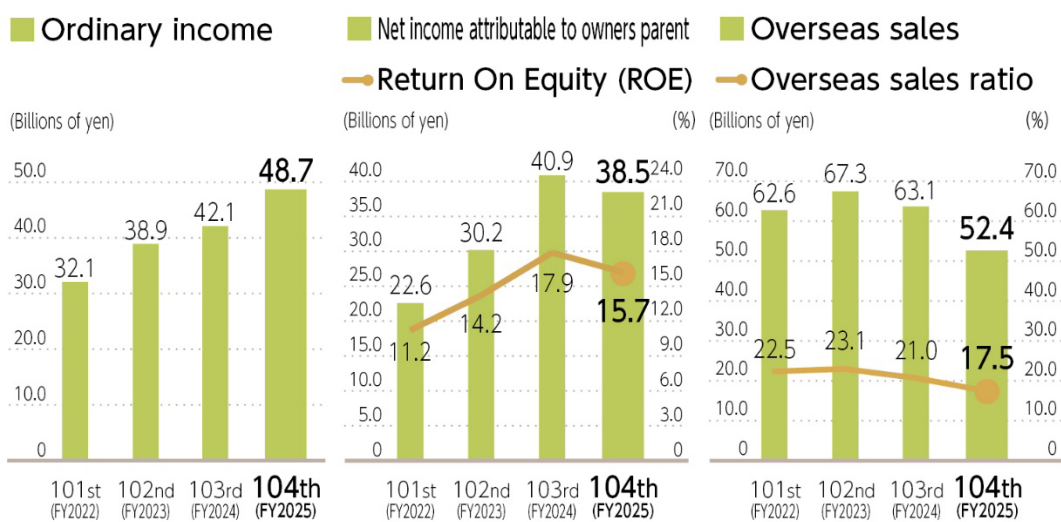
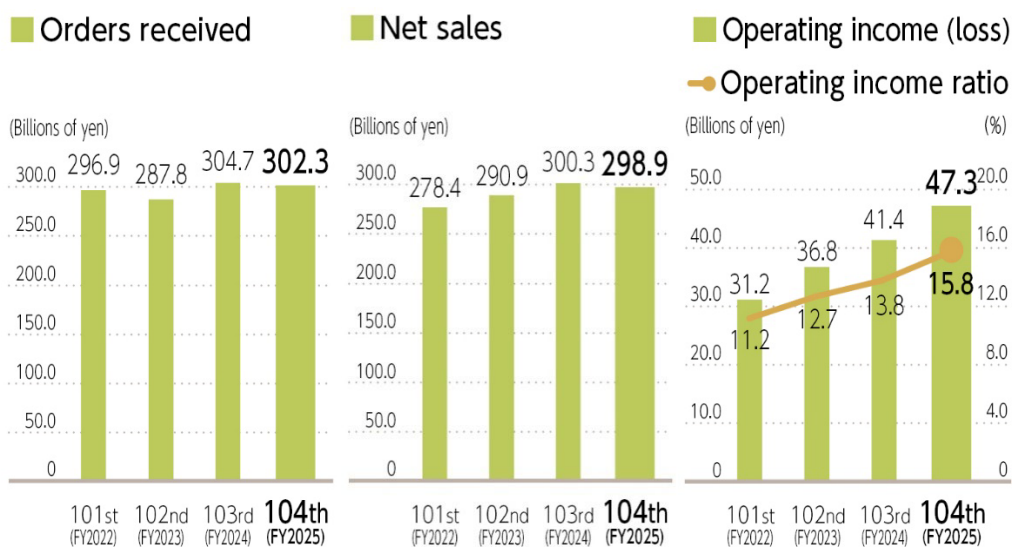
Orders received were 302,366 million yen overall, down 0.8% on the 304,723 million yen recorded in the previous consolidated fiscal year. Although there was an increase in the Building Automation (BA) business—which recorded large-scale projects, in Japan and abroad, against a backdrop of robust market conditions, while also benefitting from the implementation of various measures—there was a significant drop in orders received in the Life Automation (LA) business due to the transfer, in the previous consolidated fiscal year, of equity interests in Azbil Telstar, S.L.U. ^{*1} (hereinafter referred to as “Azbil Telstar”), a company which had played a central role in the Life Science Engineering field.

For the same reason there was a sharp drop in LA business sales. Accordingly, in spite of sales growth in the BA business, mainly in the fields for existing buildings and service, and also in the Advanced Automation (AA) business, mainly in the domestic and overseas process automation (PA) markets, net sales were 298,930 million yen, down 0.5% on the 300,378 million yen recorded in the previous consolidated fiscal year.

As regards profits, despite the recording of R&D expenses required by the medium-term plan, as well as increases in DX-related, personnel and other expenses, operating income was 47,304 million yen, up 14.0% on the 41,486 million yen recorded in previous consolidated fiscal year; this significant growth was mainly due to measures to enhance profitability, including cost pass-through. Ordinary income—which improved mainly due to the growth in operating income—also increased significantly to 48,760 million yen, up 15.6% on the 42,170 million yen recorded in the previous consolidated fiscal year, when a figure of 42,170 million yen was recorded. Net income attributable to owners of parent was 38,565 million yen, down 5.8% on the 40,955 million yen recorded in the previous consolidated fiscal year; this was primarily due to the recording of gain on sale of equity interests in Azbil Telstar (approx. 7.6 billion yen) as extraordinary income in the previous consolidated fiscal year

^{*1} Azbil Corporation transferred all equity interests in Azbil Telstar on October 31, 2024 (Central European Time).

As a result of this transfer, Azbil Telstar and its subsidiaries were excluded from the Company’s scope of consolidation at the end of the third quarter of the fiscal year ended March 31, 2025.



The results for the individual reportable segments are as follows.

Building Automation (BA) Business

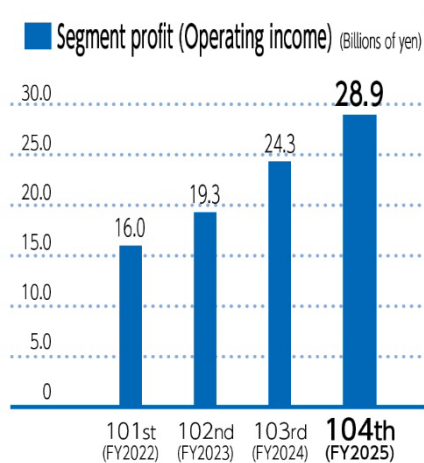
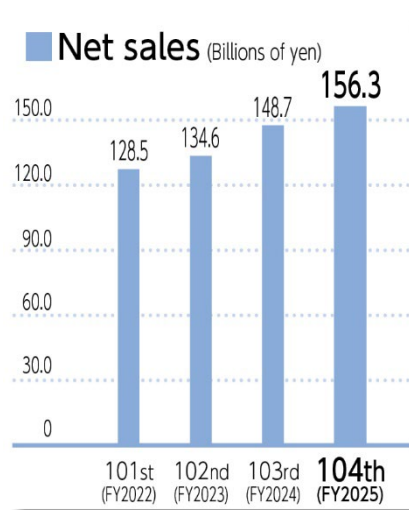
Regarding the BA business environment, in the domestic market, demand for new office buildings in urban redevelopment projects has been robust and is expected to continue at a high level. Demand for the retrofit of buildings also remains strong. In addition to the demand for energy savings and CO₂ reduction, there is a high level of interest in creating office environments that address safety concerns and are suited to new work-styles. Investment has been also robust in overseas markets.

In this robust business environment, we have made progress with assigning personnel and other resources appropriately. We have also strengthened our job execution capabilities, mainly at construction and service sites. At the same time, we have made progress with year-round load leveling while improving efficiency by advancing DX. By steadily processing the orders we have obtained, we have increased sales. In addition, we have been developing products and services to meet the needs of customers, in Japan and abroad, looking to harness such technologies as AI and cloud computing. We have also strengthened our solution capabilities by taking such initiatives as partnering with other companies to expand into the market for data centers, which are in increasing demand.

Consequently, the financial results of the BA business for the current consolidated fiscal year were as follows.

Orders received increased to 163,750 million yen, up 6.6% on the 153,640 million yen recorded in the previous consolidated fiscal year. In addition to benefitting from robust market conditions, this was because of the recording of large-scale projects in the fields for new and existing buildings as well as in the overseas business. Sales were 156,351 million yen, up 5.1% on the 148,770 million yen recorded in the previous consolidated fiscal year, owing to an increase in the overseas business as well as steady sales growth in the fields for existing buildings and service thanks in part to progress made with load-leveling initiatives, and despite a decline in the field for new buildings owing to the fact that sales were at a high level in the previous consolidated fiscal year when large-scale projects were recorded. Segment profit was 28,901 million yen, up 18.6% on the 24,363 million yen recorded in the previous consolidated fiscal year; this significant improvement was due to higher revenue leading to increased profit, and the effect of measures to enhance profitability, including cost pass-through, and was achieved despite increases in DX-related and personnel expenses, and higher outsourcing costs.

In the medium to long term, large-scale redevelopment projects will continue to be planned, and numerous building retrofit projects are also expected. While strengthening our unique solution capabilities by developing cloud applications that harness new technologies such as AI, we will focus on the energy service provider (ESP) business to meet customer needs for making energy savings and using renewable energy in their drive to achieve carbon neutrality. We are also aiming to achieve further expansion of the data center market, which is attracting increasing investment. These initiatives may encompass business alliances with other companies. Furthermore, in overseas markets we will realize business growth by developing a customer base comprised of local building owners, global account customers, etc. In parallel with these business expansion measures, we will aim to further enhance efficiency and strengthen our profit structure by advancing DX with building information modeling (BIM), as well as by developing and launching products that reduce or even eliminate construction work.



*Each figure above includes intersegment internal sales.

Advanced Automation (AA) Business

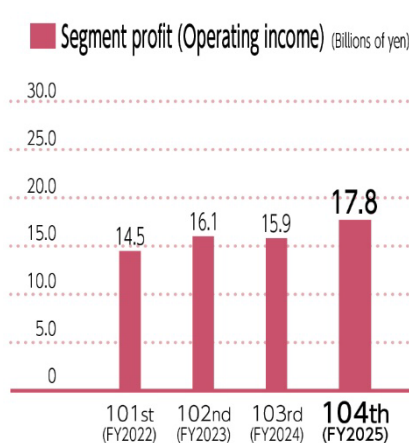
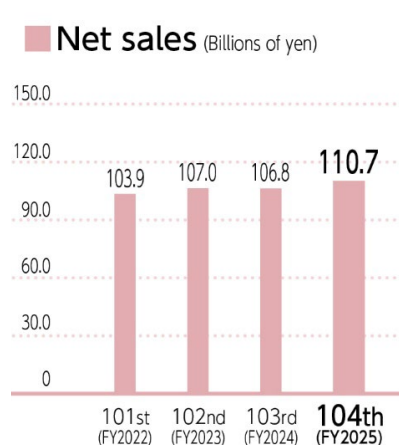
Looking at market trends, in Japan and abroad, that are relevant to the AA business, the PA market remained robust, mainly due to domestic demand for maintenance and refurbishment. In the FA market, although a recovery in demand is currently observed in some areas, the strength of demand varies by region and market, and overall the recovery remains subdued. Direct impact from U.S. reciprocal tariffs on the azbil Group's financial results has been limited. However, with regard to the impact of geopolitical risks in the Middle East and U.S.-China trade friction on supply chains and capital investment in the manufacturing sector, it is necessary to keep a close watch on future developments.

Amidst this business environment, we have taken solutions cultivated in our domestic business and deployed them globally. Simultaneously, to address the demand for new measurement and control technologies, we have expanded our business through the creation of new automation by making use of the Group's unique technologies, such as those related to microelectromechanical systems (MEMS) *2 sensors, control valves, and plant autonomy. At the same time, we have continued efforts to further strengthen profitability by improving the cost of products and services, and implementing cost pass-through.

Consequently, the financial results of the AA business for the current consolidated fiscal year were as follows.

Orders received were 106,242 million yen, on a par with the 105,986 million yen recorded in the previous consolidated fiscal year. While large advance orders made at the end of the previous consolidated fiscal year in the overseas PA market led to a fall in this period, the domestic PA market remained robust and the recording of large-scale projects meant that orders increased. In addition, there was an increase in FA market orders from the second half. As regards sales, there were increases in the domestic and overseas PA markets, and also growth in FA market sales, as with orders, from the second half. As a result, overall sales increased to 110,726 million yen, up 3.6% on the 106,836 million yen recorded in the previous consolidated fiscal year. Segment profit was 17,800 million yen, up 11.3% on the 15,997 million yen recorded in the previous consolidated fiscal year. This significant improvement was due to higher revenue leading to increased profit as well as such factors as the product mix and the effect of measures to enhance profitability, including cost pass-through, and was achieved despite increases in personnel and other expenses, coupled with increased investments in the overseas market and DX.

The FA market has been gradually recovering since the second half, and steady progress is being made with two growth initiatives—business expansion overseas, and the creation and expansion of new automation. Over the medium to long term, despite the fluctuations caused by economic cycles, there will be demand for solutions to societal needs—to achieve decarbonization, increasingly sophisticated production, and safe/stable operations, as well as to address the challenges presented by labor shortages and aging facilities. Consequently, the areas in which we can effectively contribute are expanding, particularly where measurement and control are concerned, and further business growth is anticipated. Based on the three AA business sub-segments (CP, IAP, and SS), *3 we will continue to pursue a variety of initiatives to enhance profitability, such as reducing product costs and optimizing selling prices. At the same time, we will promote expansion into growth areas such as our overseas business; we will accelerate the development and market introduction of products/services that incorporate advanced technologies such as AI, cloud computing, and MEMS; and we will create new automation that will be uniquely served



*Each figure above includes intersegment internal sales.

by the azbil Group. In these ways we will aim to achieve business growth with extremely competitive offerings.

*2 Devices built using microfabrication technology to integrate sensors, actuators, and electronic circuits on substrates

*3 The three AA business sub-segments (management accounting sub-segments)

CP business: Control Product business (supplying FA products such as controllers and sensors)

IAP business: Industrial Automation Product business (supplying PA products such as differential pressure transmitters, pressure transmitters, and control valves)

SS business: Solution and Service business (offering control systems, engineering service, maintenance service, energy-saving solution service, etc.)

Life Automation (LA) Business

The LA business covers two fields: Lifeline (gas/water meters, etc.), and Lifestyle-related (residential central air-conditioning systems). The business environment differs for each field.

In the Lifeline field, sales partly depend on the LP gas meter market, which exhibits cyclical fluctuations in demand. However, demand centering on city gas meters and water meters can be expected to remain basically stable, thanks primarily to demand for the replacement of meters whose statutory inspection/verification period is due to expire. In the residential central air-conditioning systems market, soaring construction costs are affecting groundbreaking for detached houses.

Amidst this business environment, with the business foundation underpinned by stable meter replacement demand, we are engaged in developing services that utilize data from smart meters, while continuing with measures to enhance profitability, including cost pass-through.

As noted previously, as part of restructuring our business portfolio, on October 31, 2024, the Company transferred all equity interests in Azbil Telstar, which had played a central role in the Life Science Engineering field. As Azbil Telstar and its subsidiaries were included in the Company's scope of consolidation until the end of the third quarter of the previous consolidated fiscal year, the transfer necessarily has a negative impact on the consolidated financial results for the current fiscal year.

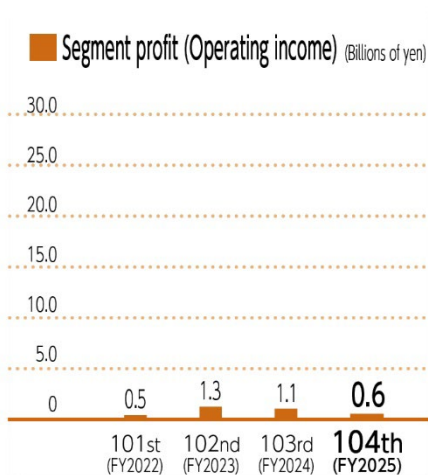
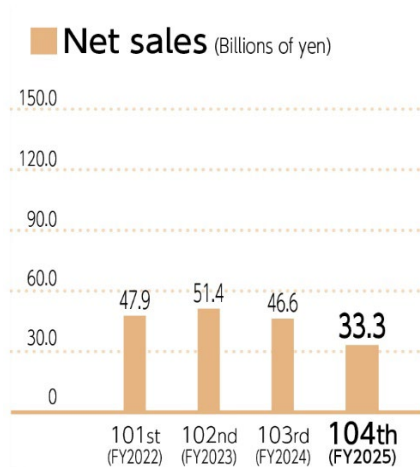
Consequently, the financial results of the LA business for the current consolidated fiscal year were as follows.

Orders received were 33,936 million yen, down 27.6% on the 46,845 million yen recorded in the previous consolidated fiscal year; this was due to the transfer of equity interests in Azbil Telstar (a reduction of 15,500 million yen). Similarly, this transfer impacted sales (a reduction of 14,600 million yen), which were 33,336 million yen, down 28.5% on the 46,634 million yen recorded in the previous consolidated fiscal year. Although measures were implemented to enhance profitability, including cost pass-through, as well as reduce expenses, the impact of the transfer of equity interests, coupled with soaring prices for materials and increases in personnel and other expenses, resulted in segment profit decreasing to 630 million yen, down 46.2% compared to the 1,171 million yen recorded in the previous consolidated fiscal year.

In the LA business, we will engage in expanding our business by making new strategic investments and advancing collaborative initiatives with other companies*⁴, etc. At the same time, aiming to achieve growth that allows for changes in the business environment, we will continue to capture the effects of measures to enhance profitability, including cost pass-through, sales initiatives focused on profitability, and replacement from conventional meters to smart meters, while also reexamining business processes through the promotion of DX. In the Lifeline field, we are aiming to achieve growth: with our core business based on stable replacement demand, as required by Japan's Measurement Act, we will promote the adoption of smart meters for gas and water as well as our smart metering as a service business*⁵, which integrates these with communications and cloud systems. In the residential central air-conditioning systems field, we will advance business by combining our service engineering capabilities with products that offer comfort, good air quality, and energy savings in a wide range of living spaces, from new houses to existing houses.

*⁴ In July 2025, Azbil Kimmon Co., Ltd. in the Lifeline field formalized an agreement to collaborate with Kamstrup A/S (Head office: Denmark), which has a proven track record in the smart water metering field with services such as cloud-based leak detection.

*⁵ Business involving the provision of new value-added services on top of the conventional measurement function of meters



*Each figure above includes intersegment internal sales.

Other

In Other business, principally our insurance agent business and software development business*⁶ within the azbil Group, orders received in the current consolidated fiscal year were 965 million yen (compared with the 59 million yen recorded in the previous consolidated fiscal year), sales were 934 million yen (compared with the 59 million yen in the previous consolidated fiscal year), and segment profit was 11 million yen (compared with the segment loss of 37 million yen in the previous consolidated fiscal year).

*⁶ Owing to the increasing importance of Azbil Information Technology Center (Dalian) Co., Ltd., which undertakes software development business within the azbil Group, it has been included in the Company's scope of consolidation from the current consolidated fiscal year

Orders received, sales, and profit and loss by segment

(Millions of yen)

Reportable segment	Orders received			Sales			Segment Profit and Loss (Profit Ratio)	
	103rd term (Fiscal year ended March 31, 2025)	104th term (Current Fiscal year ended March 31, 2026)	Increase/decrease ratio (%)	103rd term (Fiscal year ended March 31, 2025)	104th term (Current Fiscal year ended March 31, 2026)	Increase/decrease ratio (%)	103rd term (Fiscal year ended March 31, 2025)	104th term (Current Fiscal year ended March 31, 2026)
Building Automation	153,640	163,750	6.6	148,770	156,351	5.1	24,363 (16.4%)	28,901 (18.5%)
Advanced Automation	105,986	106,242	0.2	106,836	110,726	3.6	15,997 (15.0%)	17,800 (16.1%)
Life Automation	46,845	33,936	△27.6	46,634	33,336	△28.5	1,171 (2.5%)	630 (1.9%)
Total of reportable segments	306,472	303,929	△0.8	302,241	300,414	△0.6	41,532 (13.7%)	47,331 (15.8%)
Other	59	965	—	59	934	—	△37 (△62.5%)	11 (1.3%)
Elimination	(1,808)	(2,527)	—	(1,922)	(2,418)	—	(8)	(38)
Consolidated	304,723	302,366	△0.8	300,378	298,930	△0.5	41,486 (13.8%)	47,304 (15.8%)

(3) Capital investment

Capital investment in the current fiscal year totaled 7,962 million yen, as we invested in new product development, streamlining and strengthening production system.

(4) Financing

There is no important fund raising to list for the current fiscal year.

(5) Issues to be tackled

Based on the Group philosophy of “human-centered automation”, the azbil Group strives—through business expansion—to contribute “in series” to the achievement of a sustainable society. In this way we aim to continuously improve enterprise value, endeavoring to realize the well-being of society as well as group employees, while building relationships of trust with all stakeholders.

In May 2026, to articulate the azbil Group’s overarching value proposition and our reason for existence, we defined our Purpose, to be shared with our stakeholders, as “Expanding Technological Frontiers, Unlocking Human Potential.” Our Purpose expresses how we aim to drive the creation of new value on site with our customers—advancing “From efficiency to innovation. From impossible to possible.”—which is achieved by using technologies centered on automation to unlock the tremendous potential inherent in people and society. This concept of unlocking the potential inherent in people and society reflects the motivation behind our founding spirit of “freeing people from drudgery,” as well as the azbil Group’s philosophy of “human-centered automation.” Furthermore, we have defined a distinct vision and set of goals for the azbil Group to achieve—a vision of our future ten years from now that we aspire to attain through our efforts to fulfill our Purpose.

Furthermore, as a concise articulation of the Group’s determination to realize our Purpose and our Vision, “Engineering the Impossible” has been chosen as a brand statement. The Group will robustly advance future-oriented management to drive technological innovation, unlock new potential, and realize our vision of making the impossible possible.

The azbil Group is focused on people and realizing a world of automation created by human ingenuity and technology. Our long-term goal is to become a world-class corporate entity that contributes to the safety and security of our customers, enhancing enterprise value, and solving global environmental issues. To that end we have formulated phased medium-term plans and are engaged in initiatives to achieve this goal. A fundamental target is to enhance consolidated ROE (return on equity) so as to increase shareholder value. We have thus set long-term targets for FY2030*¹, aiming to achieve net sales of 420.0 billion yen, operating income of 65.0 billion yen, an operating margin of 15.5%, and an ROE of 15%. To achieve these long-term targets, the current medium-term plan (FY2025–FY2027) *¹ sets the following as targets for FY2027, the final year of the plan: net sales of 340.0 billion yen, operating income of 51.0 billion yen, an operating margin of 15.0%, and an ROE of 14.0%.

Furthermore, the azbil Group is adopting the approach of double materiality (approach that assesses importance from two angles including the financial impact that the environment and society have on the company and the impact that corporate activities have on the environment and society) and has identified ten material issues in five fields as priority issues to be tackled over the long term. Based on this materiality, we have formulated specific targets for the seven material issues related to our business and general corporate activities, within the domain of the SDGs (Sustainable Development Goals), as the essential goals of the azbil Group for the SDGs. At the same time, regarding the remaining three material issues, which are the fundamental obligations to society that a company must fulfill, we have also set specific goals for our CSR activities. Moreover, we are currently advancing our consideration of a review of materiality based on changes in the management environment and the establishment of our purpose, following discussions at the Board of Directors meetings. We aim to achieve sustainable growth through the promotion of the azbil Group’s sustainability management by carrying out initiatives aimed at achieving the individual goals in the areas of the SDGs and CSR activities.

The current medium-term plan, which began in FY2025, represents the second that has

been formulated with a view to achieving our long-term targets for FY2030. At the same time, looking beyond 2026—a year that marks the 120th anniversary of our founding—we see this as a plan that will realize evolution and co-creation in our drive to make contributions that lead “in series” toward a sustainable society.

FY2025, the first year of the current plan, has been marked by rapid changes in the business environment driven by technological innovations, such as generative AI, inflation, and mounting geopolitical risks. Amidst this environment, the Group has striven to strengthen the business foundation by steadily adapting to these changes while implementing measures to enhance profitability, including cost pass-through, and enhancing operational efficiency. As a result, we have set a new record for operating income.

Since the start of 2026, as tensions have escalated in the Middle East (including the conflict involving the U.S. and Iran), the impact on the business environment is becoming apparent in such areas as resource prices, logistics, and procurement. There is a great deal of uncertainty surrounding such geopolitical risks, and factors such as energy price fluctuations could affect our financial results. Nevertheless, while closely monitoring the situation, the Group will implement appropriate measures and risk management so as to minimize the impact on our business operations.

Going forward, the azbil Group will continue to seek business opportunities in harnessing technological innovations and in solving new issues that arise from changes in the social environment. We will steadily invest in developing human capital, enhancing product competitiveness, and promoting DX. We are advancing the azbil Group’s unique business model, driving a cycle comprising our core businesses—which leverage the strong relationships built up over many years with our extensive customer base (factories, plants, commercial buildings, lifeline utilities, etc.)—and our growth businesses, which see new opportunities in technological innovations, as in the semiconductor field, and in solving new societal challenges, such as initiatives to achieve carbon neutrality.

In addition, centered on our core businesses, we are developing our stock business—that is, the business of supporting the entire lifecycle of our customers’ facilities, covering everything from new construction to retrofit and maintenance work. This stock business, which is based on products already delivered to our customers, is contributing to the sustained enhancement of profitability throughout the Group. Looking ahead, in order to achieve sustained growth in both sales and profits, even in an uncertain business environment, we will further strengthen our stock business while at the same time generating growth from the cycle in which our core businesses stimulate our growth businesses, and vice versa.

*1 On May 13, 2025, the azbil Group revised long-term targets (FY2030) and published its medium-term plan (FY2025–FY2027). These targets were calculated based on Japanese GAAP at the time of formulation. There is no change to the targets for FY2027 at this time; however, a review will be considered once we have a clearer picture of the uncertain situation, taking into account the progress of our medium-term plan.

1) Domestic Business

In the Building Automation (BA) business, demand driven by urban redevelopment plans remained at high levels while retrofit demand, including interest in solutions for energy saving and lower CO₂ emissions, is expected to remain strong. Given this strong business environment, we will continue to improve efficiency through the appropriate allocation of resources including personnel, load leveling, and DX promotion. We also see responding to the needs of clients wishing to use technologies such as AI and cloud computing as well as

to the expanding demand of the data center market as important issues, and we are working to strengthen our solutions capabilities. To do so, in December 2025, we concluded a capital and business alliance agreement with DATAFLUCT, Inc., and aim to realize building management services that capitalize on AI and deliver even greater added value.

Furthermore, as a specific example of an initiative in energy saving and CO₂ emission reduction solutions, the Company and Energia Solution & Service Co. were selected as most preferred vendors by the Hiroshima City Hospital Organization in the open application for the “PFI project (ESCO business*²) to retrofit Hiroshima City Hiroshima Citizens Hospital.” This is a large-scale, public-private ESCO business at the hospital facilities that will provide energy-saving guarantee services over a period of 15 years starting from October 2026, with the goal of realizing a sustainable local healthcare system. Through community-based business development that includes cooperation with local companies and job creation, we aim both to maintain medical services at Hiroshima City Hiroshima Citizens Hospital and to reduce its impact on the global environment.

In the Advanced Automation (AA) business, although the business is impacted by fluctuations in economic cycles, we can make significant contributions mainly through the measurement and control fields in response to needs for decarbonization, the circular economy, advanced production, safe and stable operations, and addressing personnel shortages. Thus, we can expect both further expansion in business fields and business growth. As our growth strategy, in response to new demand for measurement and control technologies, we have defined solutions utilizing technologies unique to the azbil Group, such as MEMS*³ sensors, automatic control valve-related technology, and plant autonomy, as “new automation,” and we are working to expand our business through its creation. We are also steadily implementing various policies to strengthen profitability including reducing costs and optimizing selling prices through our operations in the three AA business sub-segments, CP, IAP, SS.

As a product for plant autonomy in the new automation field, we have launched sales of our “VIRTUAL PLANNER™ PP,” an AI-driven optimal production planning system. Through reinforcement learning, VIRTUAL PLANNER PP uses AI to create optimal production plans in a short time and to automatically revise and create new plans based on changes in production conditions. In addition to improving production, the system also contributes to well-being by reducing the burden on the production planner and promoting diverse work-styles.

In the Life Automation (LA) business, we are working to improve profitability through the introduction of new products such as ultrasonic gas meters and also cost pass-through, based on stable demand for our core service of gas and water meters in the Lifeline field. We are also promoting smart gas and water meter systems and our Smart Metering as a Service (SMaaS*⁴) business that combines smart meters with telecommunications and a cloud system. Furthermore, in the residential central air-conditioning systems field, we are improving profitability by expanding our coverage to a wide range of houses from existing houses to small-scale houses, and strengthening onsite capabilities by adding IoT technologies to our service engineering capabilities in the long term. We are aiming to expand our business as a provider of comfortable living spaces that contributes to healthy, comfortable lifestyles as well as energy savings for our customers.

As a new smart water metering product, Group company azbil Kimmon Co., Ltd. and Kamstrup A/S (Head office: Denmark) are collaborating to launch “next-generation

ultrasonic smart water meters” in the Japanese market. By rolling out these meters in the Japanese market and using the noise data collected from the smart meters to provide a cloud service for leak detection, we will advance business development to respond to the societal needs for the efficient maintenance and management of water infrastructure.

*2 ESCO (Energy Service Company) business:

Business in which the service provider guarantees results achieved by providing comprehensive energy-saving services for factories and buildings. There are two agreement types: 1) a “Guaranteed Savings Agreement” in which the customer is responsible for the funds and the ESCO business guarantees energy savings, and 2) a “Shared Savings Agreement” in which the ESCO business provides the funds, and the customer pays a service fee that includes the effects of the energy savings.

*3 MEMS (Microelectromechanical Systems): Devices built using microfabrication technology to integrate sensors, actuators, and electronic circuits on substrates.

*4 SMaaS (Smart Metering as a Service): Business model that provides new value-added services utilizing data, in addition to traditional meter measurement functions.

2) Overseas Business

In the Company’s current medium-term plan, for the overseas business aiming for dramatic growth, we are pursuing aggressive business expansion based on the relationships of trust that we have built and accumulated with our customers to date. Additionally, by promoting business based on regional characteristics and strengthening our management system, we are further accelerating growth in the overseas business.

In the BA business, the trend toward urbanization continues in the Asian region, and we expect to see more demand for office upgrades centered on the building market. We are promoting the provision of products and services that utilize our strengths in energy-saving application technologies, engineering and services in our domestic business model. In particular, for the data center market poised for growth, in September 2025, we established a subsidiary in Juhor, Malaysia. Focusing our priorities on data centers with active construction in the region, as well as new buildings in the Johor-Singapore Special Economic Zone (JS-SEZ), we are accelerating the acquisition of projects to introduce the azbil Group’s systems; and furthermore, by providing repair and maintenance contracts as a package after the data centers come online, we are working to expand our orders throughout the lifecycle.

In the AA business, while there are cyclical economic fluctuations from a medium- to long-term standpoint, we expect continued investment in the automation of manufacturing facilities against the backdrop of continued global economic growth, further demand for productivity improvement, addressing aging facilities, expanded environmental regulations, and expectations for the utilization of new technologies. Amid these conditions and in anticipation of transitions in the industrial structure aimed at a decarbonized society, we are pioneering new automation fields such as the development of enhanced products aimed at new markets, and our online anomaly monitoring system and AI-based equipment diagnosis. In October 2025, we launched sales of the “6000 Series” control valves, which conform to the IEC 60534^{*5} international standard. We will continue to work to strengthen our competitiveness in the global market.

In addition to our initiatives in the domestic and overseas business segments above, the Company participated in “Metrics MATSURI,” a next-generation bio-manufacturing project aimed at realizing the bioeconomy, with the aims of conducting technology exploration,

acquiring new technologies, strengthening our business infrastructure, and expanding our business fields. We will promote the bioeconomy through “evolution” and “co-creation” based on our measurement and control technologies and contribute to improving productivity in bio-manufacturing.

*5 IEC 60534: A multi-part international standard published by the IEC (International Electrotechnical Commission) that covers the design, performance, testing, noise, and dimensions of control valves for industrial processes.

3) Production and Development

In addition to building a global production system aimed at overseas business expansion, we have increased development investment to enhance product competitiveness. In Japan, we strengthened cooperation between the Shonan Factory, which is the core base of our production function, and the technology development function of the Fujisawa Technology Center, and we are continuing to upgrade the functions of the Shonan Factory as the azbil Group’s mother factory. Additionally, in April 2026, we rebuilt our development organization to further strengthen our product development capabilities based on customer needs, utilizing technologies in areas in which we are strengthening our development capabilities, including MEMS and sensing device technology, actuator-related technology, AI technology, and cloud technology.

Overseas, we are developing our production systems to match global business expansion. Azbil Vietnam Production Co., Ltd., for which we completed the company registration in March 2025, is positioned not only to build an appropriate production system to realize the strengthening of production capabilities, cost reduction for enhanced competitiveness, and a sustainable supply of products, but also to strengthen our response to geopolitical risk, which has become more of a concern in recent years. In terms of our domestic Business Continuity Plan (BCP), in April 2025, we established the “Kyoto Distribution Center” as a new distribution hub at our Kyoto business site. We are building production systems both in Japan and overseas that consider risks related to production and distribution such as natural disasters, unforeseen circumstances, and the spread of infectious diseases.

In October 2025, the Company received the “Technology Award” and “New Product Development Award” from the Society of Instrument and Control Engineers, a key academic society that engages in research and collaboration with industry, government, and universities, as well as information dissemination in the areas of measurement, control, and systems. The azbil Group is committed to contributing to helping solve problems faced by society by developing products and new technologies that realize safety, comfort, and fulfillment for customers.

4) Management, Administration, and Human Capital

In management and administration, amid increasing uncertainty in the business environment, we position the improvement of risk management as an ongoing issue and are working to improve both our risk management and our responsiveness. To minimize the impact of potential future risk events, every year we comprehensively identify risks considering changes in the external business environment and perform evaluations based on different scenarios. After that, based on quantitative evaluation standards for the monetary

impact and the frequency of occurrence, we strengthen our responsiveness to address uncertainty by advancing concrete measures to address the major risks evaluated from both frontline and management perspectives. To respond to increasingly sophisticated cyberattacks, in May 2025, the azbil Group participated in “Locked Shields 2025,” a cyber defense exercise hosted by the NATO Cooperative Cyber Defence Centre of Excellence, with the aim of improving its comprehensive response capabilities to cyberattacks and gaining further knowledge about the latest cybersecurity trends. We will utilize this knowledge to strengthen the cybersecurity of our products and services, thereby contributing to our customers’ efforts to defend critical infrastructure.

Additionally, starting from the fiscal year ending March 31, 2027, the azbil Group has voluntarily adopted the International Financial Reporting Standards (“IFRS”) in order to enhance our global business management and improve the international comparability of our financial information in the capital markets, as well as to improve the level of our accounting and strengthen internal control.

The azbil Group sees human resources as the “capital” necessary for sustainable growth and positions the acquisition and development of human resources that can respond to changes in the business environment, as well as strengthening human capital from a long-term perspective, as important management issues. In April 2026, for the integrated operations of our personnel and human resources development and to respond to changes in our business structure in line with future technological advancement as well as new developments in social conditions, we organized a system for the integrated hiring and development of the diverse human resources necessary to achieve our long-term targets and medium-term plan. We are hiring talented human resources from Japan and overseas for the recruitment of new graduates and mid-careers regardless of the joining period by utilizing various approaches, such as referral hiring and alumni hiring. In addition, we are preparing personnel systems to help employees flourish over the long term, providing training that aligns with our business strategies, and assigning the right person to the right post.

The Group is also proactively pursuing activities and initiatives aimed at ESG (environment, society, governance).

In terms of E (environment), we consider global environmental conservation initiatives to be one of our most important management issues. To realize a sustainable society, we are working to integrate our business activities with a wide range of environmental issues including climate change policies, resource recycling policies, and biodiversity conservation policies. In terms of climate change policies, we have established realizing net-zero greenhouse gas emissions in 2050 as a medium- to long-term target and are promoting concrete policies to achieve that goal. Based on that target, we introduced renewable energy facilities at our production subsidiary in China in June 2025 and at our Kyoto production hub in February 2026, making steady progress in utilizing renewable energy. In recognition of these initiatives, the Ministry of the Environment selected the azbil Group for the fourth consecutive year as an “Environmentally Sustainable Enterprise” at the 7th ESG Finance Award Japan in February 2026.

Regarding S (society), in 2022 we launched initiatives related to the respect for human rights in our supply chain. In 2024, the Company began human rights due diligence to identify any negative impact of our business on the human rights of our stakeholders. We also conduct continuous follow-up through to second-tier suppliers in the upstream supply chain to determine and correct risk. With the globalization and diversification of corporate

activities, in response to growing and increasingly complicated human rights risks, we plan to fulfill our corporate social responsibility by preventing and reducing those risks. We also formulated the “azbil Group Health and Well-being Declaration*⁶” and are rolling out a range of policies related to “work-style reforms” to improve workplace environments by reducing total working hours and preventing harassment, and also to the “promotion of diversity” to value our employees’ individuality and capitalize on it in our business.

In terms of G (governance), four years have passed since the Company transitioned to a “company with a three-committee board structure” to clearly separate supervisory and business execution functions and to accelerate decision making and enhance transparency. In FY2025, an independent outside director was appointed as Chairperson of the Board. For executive remuneration, we have further increased the ratio of performance-linked remuneration (by expanding the remuneration ratio of bonuses and stock compensation) and reviewed our KPIs, while also expanding the scope of clawbacks to allow us to demand the return of performance-linked remuneration in the event of serious misconduct, etc. Furthermore, through initiatives such as establishing the azbil Group’s own “Liaison Meeting for Directors and Corporate Executives” to increase the effectiveness of the Board of Directors, we are engaging in even more active discussions including management strategy and business portfolio and on statutory committee activities.

In FY2026, we will continue to promote various activities from the perspective of ESG through our business issues with the goal of further enhancing enterprise value, as well as initiatives that lead “in series” to achieving a sustainable society.

*⁶ azbil Group Health and Well-being Declaration: Making workplaces and employees healthy, happy, and lively. The azbil Group believes that the health of each employee is an important basis for corporate activities, and aims to create workplaces where each and every person at an azbil Group company works in a lively, healthy, and comfortable way, with a feeling of safety and peace of mind, and in a manner that suits each person. When each person is able to express his or her diverse abilities and to live a fulfilled life both at work and at home, productivity and performance will improve, resulting in innovation and contributions to society. We declare our intention that companies and employees proactively work together to create a comfortable work environment, to enhance the mental and physical health of employees, and to make workplaces and employees healthy, happy, and lively.

(6) Financial position and results of operations

Category	101 st term (Fiscal year ended March 31, 2023)	102 nd term (Fiscal year ended March 31, 2024)	103 rd term (Fiscal year ended March 31, 2025)	104 th term Current Fiscal year (Fiscal year ended March 31, 2026)
Orders received (Millions of yen)	296,930	287,851	304,723	302,366
Net sales (Millions of yen)	278,406	290,938	300,378	298,930
Operating income (Millions of yen)	31,251	36,841	41,486	47,304
Ordinary income (Millions of yen)	32,140	38,999	42,170	48,760
Net income attributable to owners of parent (Millions of yen)	22,602	30,207	40,955	38,565
Net income per share (Yen)	42.07	57.10	77.96	75.76
Total assets (Millions of yen)	296,873	313,728	315,072	332,240
Net assets (Millions of yen)	205,880	224,887	240,517	255,999
Shareholders' equity ratio (%)	68.3	70.6	75.3	76.1
Net assets per share (Yen)	379.50	420.09	459.01	497.71

Note: The Company conducted a stock split of common stock at a ratio of four shares for every share on October 1, 2024. Net assets per share and net income per share were calculated based on the assumption that the said stock split was conducted at the beginning of the 101st term.

(7) Significant subsidiaries (As of March 31, 2026)

Company	Capital Stock	The Company's Investment Ratio (%)	Principal Business
Azbil Trading Co., Ltd.	JPY Million 50	100.0	In the Factory Automation field, sales, design, and test operations of instruments and systems for control, measurement, inspection, safety, the environment, instrumentation work, various software production, technology service provision and insurance agent business, etc.
Azbil Kimmon Co., Ltd.	JPY Million 3,157	100.0	Manufacture, development and sales of City gas meters, LP gas meters, water meters, and other related equipment, maintenance operations including meter replacement and supply of cloud service
Azbil Production (Thailand) Co., Ltd.	THB Thousand 330,000	99.9	Manufacture of control instruments such as digital indicating controllers, HVAC controllers, etc.
Azbil Control Instruments (Dalian) Co., Ltd.	RMB Thousand 61,176	100.0	Manufacture of control instruments, automatic control valves, and switches
Azbil North America, Inc.	USD Thousand 28,550	100.0	Sales of control instrument products and field instruments for the industrial market and supply of engineering and maintenance services
Azbil Vietnam Production Co., Ltd.	USD Thousand 13,000	100.0	Manufacture of electronic equipment such as motorized valves and flowmeters

(8) Main offices and factories (As of March 31, 2026)

Azbil Corporation	Headquarters	2-7-3 Marunouchi, Chiyoda-ku, Tokyo		
	Building Systems Company Head Office /Regional Division/Branch	Chuo-ku, Sapporo-shi	Aoba-ku, Sendai-shi	Chuo-ku, Saitama-shi
		Tsukuba-shi, Ibaraki	Chuo-ku, Chiba-shi	Shinagawa-ku, Tokyo
		Chuo-ku, Tokyo	Shinjuku-ku, Tokyo	Nishi-ku, Yokohama-shi
		Nagano-shi, Nagano	Naka-ku, Nagoya-shi	Kanazawa-shi, Ishikawa
		Kita-ku, Osaka-shi	Higashi-ku, Hiroshima-shi	Hakata-ku, Fukuoka-shi
	Advanced Automation Company Regional Division/Branch	Chuo-ku, Sapporo-shi	Aoba-ku, Sendai-shi	Chuo-ku, Saitama-shi
		Shinagawa-ku, Tokyo	Naka-ku, Nagoya-shi	Kita-ku, Osaka-shi
		Higashi-ku, Hiroshima-shi	Kokurakita-ku, Kitakyushu-shi	
	Fujisawa Technology Center	Fujisawa-shi, Kanagawa		
Factories	Kouza-gun, Kanagawa			
Offices	Hadano-shi, Kanagawa	Funai-gun, Kyoto		
Azbil Trading Co., Ltd.	Headquarters	Minato-ku, Tokyo		
	Branch	Minato-ku, Tokyo	Chuo-ku, Saitama-shi	Naka-ku, Nagoya-shi
		Yodogawa-ku, Osaka-shi	Higashi-ku, Hiroshima-shi	Kokurakita-ku, Kitakyushu-shi
Azbil Kimmon Co., Ltd.	Headquarters	Shinjuku-ku, Tokyo		
	Regional Division/Branch	Higashi-ku, Sapporo-shi	Aoba-ku, Sendai-shi	Kiryu-shi, Gunma
		Kita-ku, Saitama-shi	Shinjuku-ku, Tokyo	Naka-ku, Nagoya-shi
		Higashiosaka-shi, Osaka	Higashi-ku, Hiroshima-shi	Hakata-ku, Fukuoka-shi
	Factories	Aomori-shi, Aomori (Azbil Kimmon Aomori Co., Ltd.) Gobo-shi, Wakayama (Azbil Kimmon Energy Products Co., Ltd.) Shirakawa-shi, Fukushima (Azbil Kimmon Energy Products Co., Ltd.) * Motomiya-shi, Fukushima (Azbil Kimmon Energy Products Co., Ltd.) *		
Research Laboratories	Kawagoe-shi, Saitama			
Azbil Production (Thailand) Co., Ltd.	Headquarters	Chonburi, Thailand		
Azbil Control Instruments (Dalian) Co., Ltd.	Headquarters	Dalian, China		
Azbil North America, Inc.	Headquarters	Arizona, U.S.A.		
Azbil Vietnam Production Co., Ltd.	Headquarters	Hung Yen, Vietnam		

- Notes:
1. The Company plans to relocate its head office to 2-6-1 Marunouchi, Chiyoda-ku, Tokyo, effective as of May 25, 2026.
 2. For the two Azbil Kimmon Co., Ltd. factories listed with an asterisk, factory facilities are rented to its subsidiary, Azbil Kimmon Energy Products Co., Ltd., which operates them.

(9) Employees (As of March 31, 2026)

1) Employees of the Group

Segment	Number of Employees	Year-on-year Increase/(Decrease)
Building Automation business	3,233 [530] persons	48 persons
Advanced Automation business	3,544 [418]	25
Life Automation business	1,017 [132]	(6)
Total of reportable segments	7,794 [1,080]	67
Others	115 [0]	112
Corporate (Common)	1,261 [225]	69
Total	9,170 [1,305]	248

Notes: 1. The number of employees listed as Corporate (Common) refers to employees belonging to the administration and research and development division which cannot be categorized in the designated business segments.
2. The numbers of temporary employees (including fixed-term part timers, employees rehired after retiring at the compulsory retirement age and contract employees, excluding temporary workers from temp agencies) are indicated in brackets separately from the total as the yearly average numbers of employees.
3. The increase of 112 in the number of employees in Others compared to the end of the previous fiscal year is attributable to the inclusion of Azbil Information Technology Center (Dalian) Co., Ltd. within the scope of consolidation starting from the current consolidated fiscal year.

2) Employees of the Company

Number of Employees	Year-on-year Increase/(Decrease)	Average Age	Average Years of Service
5,143 [1,014] persons	91 persons	46.0 years old	19.8 years

Note: The number of temporary employees (including fixed-term part timers, employees rehired after retiring at the compulsory retirement age and contract employees, excluding temporary workers from temp agencies) is indicated in brackets separately from the total as the yearly average number of employees.

(10) Major lenders (As of March 31, 2026)

Lenders	Loan Outstanding
Mizuho Bank, Ltd.	6,801 million yen

(11) Transfer of important businesses, etc.

1) Business transfers, absorption-type company split or incorporation-type company split

Not applicable

2) Business transfers from other companies

Not applicable

3) Succession of rights and obligations relating to other entities' business as a result of absorption-type merger or company split

Not applicable

4) Acquisition or disposal of shares, other equities, or subscription rights to shares of other companies

Not applicable

(12) Other important matters regarding the current situation of the Group

The Company plans to relocate its head office to 2-6-1 Marunouchi, Chiyoda-ku, Tokyo, effective as of May 25, 2026.

2. Stock Information (As of March 31, 2026)

- (1) Total number of authorized shares 2,237,680,000 shares
- (2) Shares of common stock issued 541,372,736 shares
(including treasury shares of 23,522,645 shares)

Note: As a result of the cancellation of treasury shares implemented on May 30, 2025, the total number of issued shares has decreased by 19,300,000 shares compared to the end of the previous fiscal year.

- (3) Number of shareholders 14,474
- (4) Major shareholders (Top 10)

Shareholder Name	Number of Shares (thousands)	Percentage of Total Shares Issued (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	69,733	13.46
STATE STREET BANK AND TRUST COMPANY 505001	47,999	9.26
Meiji Yasuda Life Insurance Company	41,712	8.05
Custody Bank of Japan, Ltd. (Trust account)	24,751	4.77
National Mutual Insurance Federation of Agricultural Cooperatives	13,425	2.59
Northern Trust CO. (AVFC) Re Fidelity Funds	13,065	2.52
the azbil Group Employee Stock Ownership Association	12,185	2.35
BBH FOR FIAM GR TR FOR EMPLOYEE BENE PLNS: FIAM INTL EQ GROWTH COM POOL	7,869	1.51
STATE STREET BANK AND TRUST COMPANY 505103	7,655	1.47
Nippon Life Insurance Company	7,478	1.44

- Notes: 1. The percentage of total shares issued is calculated excluding treasury shares (23,522,645 shares). Furthermore, the number of treasury shares does not include the 6,088,616 shares owned by Custody Bank of Japan, Ltd. (Trust E) for the Employee Stock Ownership Plan (J-ESOP-RS) and the Board Benefit Trust (BBT), nor the 3,726,300 shares owned by the azbil Group Employee Stock Ownership Dedicated Trust.
2. 33,449 thousand shares held by The Master Trust Bank of Japan, Ltd. (Trust account) and 19,155 thousand shares held by Custody Bank of Japan, Ltd. (Trust account) are the numbers of shares related to the trust business.
3. According to the Report on Large Shareholding (Change report) dated October 7, 2025 which was made available for public inspection, the following shares are held by Mizuho Bank, Ltd. and 3 other joint holders as of September 30, 2025. However, as the Company is not able to confirm the number of shares actually held as of March 31, 2026, the shares are not included in the above status of major shareholders. The details of the Report on Large Shareholding (Change report) are as follows.

Submission Date of Report on Large Shareholding	Shareholder Name	Number of Shares Held (thousands)	Percentage of Total Shares Issued (%)
October 7, 2025	Mizuho Bank, Ltd. and 3 other joint holders	23,656	4.36

4. According to the Report on Large Shareholding dated December 3, 2025 which was made available for public inspection, the following shares are held by BlackRock Japan Co., Ltd. and 6 other joint holders as of November 28, 2025. However, as the Company is not able to confirm the number of shares actually held as of March 31, 2026, the shares are not included in the above status of major shareholders. The details of the Report on Large Shareholding are as follows.

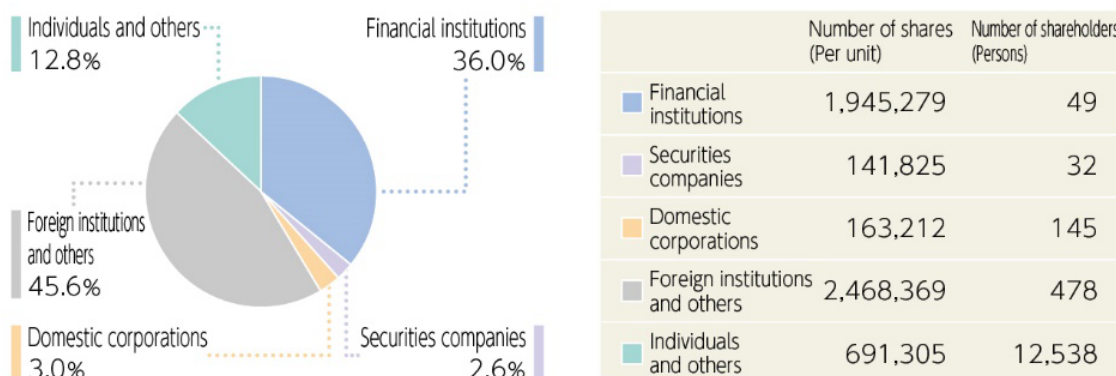
Submission Date of Report on Large Shareholding	Shareholder Name	Number of Shares Held (thousands)	Percentage of Total Shares Issued (%)
December 3, 2025	BlackRock Japan Co., Ltd. and 6 other joint holders	28,633	5.28

(5) Status of shares granted to the Company's officers as consideration for their execution of duties in the current fiscal year

	Number of Shares	Number of Persons Granted Shares
Directors (excluding Outside Directors)	1,700	1
Outside Directors	3,400	2
Corporate Executives	9,100	1

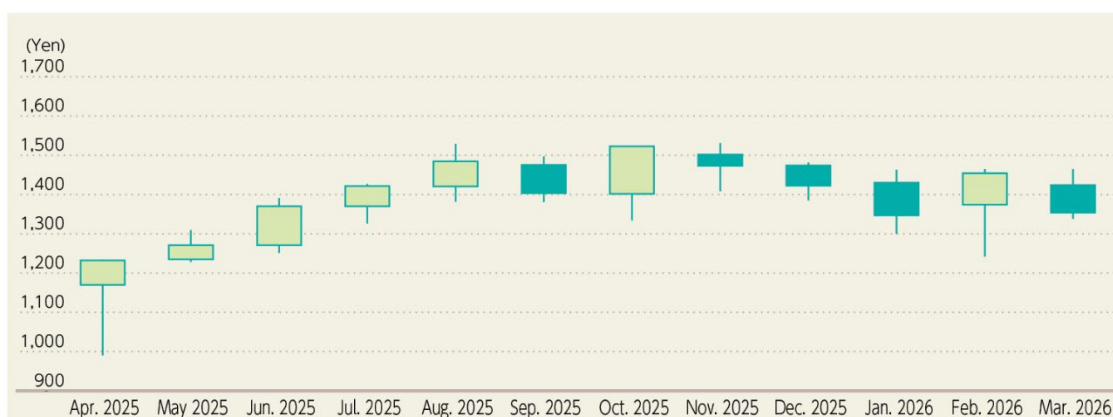
Note: Details on the Company's stock-based compensation are provided in "3. Matters Concerning Officers (2) Remuneration, etc., paid to directors and corporate executives" in the Business Report.

[Reference material] Distribution of Shares by Shareholder Type



Notes: 1. Numbers of shares (per unit) above exclude shares less than one unit.
2. "Individuals and others" above includes treasury shares.

[Reference material] Share Price Trend



3. Matters Concerning Officers

(1) Directors and corporate executives (As of March 31, 2026)

1) Directors

Positions	Name	Assignments in the Company and Important Concurrent Positions Outside the Company
Director Representative Corporate Executive President & Group CEO	Kiyohiro Yamamoto	Nomination Committee Member
Director Representative Corporate Executive Deputy President	Takayuki Yokota	Remuneration Committee Member
Director	Hisaya Katsuta	Non-executive Director Audit Committee Member
Outside Director	Mitsuhiro Nagahama	Remuneration Committee Chairperson Outside Director of Toshiba Tec Corporation
Outside Director	Anne Ka Tse Hung	Nomination Committee Member Lawyer (Australia, United Kingdom, Hong Kong)
Outside Director	Shigeaki Yoshikawa	Nomination Committee Chairperson Remuneration Committee Member Outside Director of Mochida Pharmaceutical Co., Ltd. Chairman & Representative Director of The Japan Singapore Association
Outside Director	Tomoyasu Miura	Chairperson of the Board Auditor of Research Institute of Science for Education
Outside Director	Sachiko Ichikawa	Nomination Committee Member Partner of Tanabe & Partners Law Office Outside Director of Tokyo Electron Ltd. Outside Director of Olympus Corporation Director of The Board Director Training Institute of Japan
Outside Director	Hiroshi Yoshida	Audit Committee Chairperson
Outside Director	Satoko Nakatani	Audit Committee Member Statutory Auditor of Tokai National Higher Education and Research System Head of Satoko Nakatani Certified Public Accountant Office Auditor of Japan Association for Chief Financial Officers

2) Corporate executives

Positions	Name	Assignments in the Company and Important Concurrent Positions Outside the Company
Representative Corporate Executive President & Group CEO	Kiyohiro Yamamoto	Responsible for Internal Audit
Representative Corporate Executive Deputy President	Takayuki Yokota	Responsible for assisting the President, Corporate Administration, Management, Corporate Communication, Sustainability (& azbil Group (aG) CSR), Human Resources & Education
Managing Corporate Executive	Yoshimitsu Hojo*	Responsible for Group Management Strategy Function, aG System Business/Product Business Portfolio Enhancement
Managing Corporate Executive	Kazuyasu Hamada	Responsible for Building Automation Business, aG Service Engineering Enhancement, aG System Business Portfolio Enhancement President of Building Systems Company
Managing Corporate Executive	Hideaki Ishii	Responsible for aG Production, aG Purchasing, aG Research and Development, aG Product Safety & Quality, aG Product Business Portfolio Enhancement

Note: Yoshimitsu Hojo retired from managing corporate executive as of March 31, 2026.

1. Directors Mitsuhiro Nagahama, Anne Ka Tse Hung, Shigeaki Yoshikawa, Tomoyasu Miura, Sachiko Ichikawa, Hiroshi Yoshida and Satoko Nakatani are outside directors of the Company under Article 2, Item 15 of the Companies Act.
2. Under the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded contracts for limitation of liability with each of outside directors, as provided for in Article 423, Paragraph 1 of the Companies Act. The maximum amount of the liability for damage based on said contracts is the minimum liability amount prescribed in laws and regulations.
3. Overview of the contents of Officer Liability Policies
The Company has concluded Officer Liability Policies with an insurance company as stipulated in Article 430-3 Paragraph 1 of the Companies Act, with the Company's directors, corporate executives, executive officers, etc. as well as its subsidiaries' directors, Audit & Supervisory Board members, executive officers, etc. being included in the scope of the insured persons. Per the liability policies, the insurance company will cover damages incurred by the insured persons in bearing responsibility for the execution of their duties or as a result of claims received in the pursuit of these responsibilities. However, as a measure to ensure that the appropriateness of the duties of the insured persons is not lost, damages resulting from negligence, illegal personal profit sharing, and criminal actions are not covered. Furthermore, the insured persons are not responsible for the insurance premiums.
4. The Company has concluded indemnity agreements with all of the respective directors and corporate executives described in the above "1) Directors" and "2) Corporate executives" based on Article 430-2, Paragraph 1 of the Companies Act for the Company to cover the expenses stipulated in Paragraph 1, Item 1 and the losses stipulated in Paragraph 1, Item 2 within the scope stipulated by laws and regulations. However, to ensure that propriety of the execution of the duties of the officers based on these indemnity agreements is not compromised, the agreements will not cover cases in which the execution of duties by the officers is performed with malice or gross negligence.
5. Audit Committee member Hisaya Katsuta is a full-time Audit Committee member. To increase the effectiveness of Audit Committee audits, the Company has appointed a full-time Audit Committee member.
6. Audit Committee chairperson Hiroshi Yoshida has experience as the person responsible for the creation of financial statements as the officer in charge of accounting and finance at a chemical manufacturer listed on Tokyo Stock Exchange Prime Market. In addition, Audit Committee member Satoko Nakatani is a certified public accountant who served as a partner at an audit firm, where she was involved in audits across a wide range of industries, primarily large manufacturing companies, and also engaged in advisory services related to various accounting systems. Both individuals possess a wealth of knowledge concerning financial affairs and accounting.
7. The Company has notified each of outside directors as independent officers to the Tokyo Stock Exchange.
8. Outside director Mitsuhiro Nagahama previously served as an Outside Audit & Supervisory Board Member

of KURARAY Co., Ltd., and retired from that position effective March 26, 2026. Outside director Satoko Nakatani previously served as a partner of PricewaterhouseCoopers Japan LLC, and retired from that position effective June 30, 2025. In addition, she assumed the positions of Head of Satoko Nakatani Certified Public Accountant Office and Auditor of Japan Association for Chief Financial Officers, effective July 1, 2025.

9. As of April 1, 2026, the assignments of corporate executives have been changed as follows. In addition, Takashi Igarashi was appointed as managing corporate executive as of April 1, 2026.

Position	Name	Assignments in the Company and Important Concurrent Positions Outside the Company
Representative Corporate Executive President & Group CEO	Kiyohiro Yamamoto	Responsible for Internal Audit
Representative Corporate Executive Deputy President	Takayuki Yokota	Responsible for assisting the President, Corporate Administration, Management, Corporate Communication, Sustainability (& azbil Group (aG) CSR)
Managing Corporate Executive	Kazuyasu Hamada	Responsible for Human Resources and Talent Development, aG Service Engineering function, Head of aG System Business Portfolio Enhancement, Building Automation Business Support (Digital Transformation Promotion), Life Automation Business Support (Home Comfort Headquarters)
Managing Corporate Executive	Hideaki Ishii	Responsible for aG Production, aG Purchasing, aG Research and Development, aG Product Safety & Quality, Head of aG Product Business Portfolio Enhancement
Managing Corporate Executive	Takashi Igarashi	Responsible for Advanced Automation Business, aG System Business Portfolio Enhancement President of Advanced Automation Company

10. We have an executive officer system that facilitates the prompt decision making and execution of company policy. As of April 1, 2026, there were 25 executive officers as follows.

Position	Name	Assignments in the Company
Managing Executive Officer	Shigeru Wada	Responsible for azbil Group (aG) International Business, aG Work-Style Creation Support (Overseas) Head of Global Business Headquarters
Managing Executive Officer	Tomoyuki Takeda	Responsible for Building Automation (BA) Business Support (Domestic), aG System Business Portfolio Enhancement, aG Work-Style Creation (Well-being), aG Safety Management (Occupational Health and Safety)
Managing Executive Officer	Kenji Okumura	Responsible for Life Automation (LA) Business
Managing Executive Officer	Masashi Takesako	Responsible for BA Business, aG System Business Portfolio Enhancement President of Building Systems Company (BSC)
Managing Executive Officer	Chosei Kaseda	Responsible for Group Management Strategy, aG Research and Development (Deputy) General Manager of Group Management Strategy Department
Executive Officer	Toshiyasu Sumitomo	Responsible for LA Business (Deputy) General Manager of Corporate Planning Department
Executive Officer	Akiko Sekino	Responsible for Corporate Communication (Deputy) Head of Sustainability Management Headquarters
Executive Officer	Tetsuya Kajita	Responsible for aG Product Business Portfolio Enhancement Support Deputy Head of Development Headquarters of Advanced Automation Company (AAC)
Executive Officer	Anju Jaswal	Deputy Head of Global Business Headquarters, Managing Director of Strategic Planning & Development Office for Southeast Asia, Global Business Headquarters

Position	Name	Assignments in the Company
Executive Officer	Norio Hashimoto	Head of Production Management Headquarters
Executive Officer	Kazuhiko Yasuda	Responsible for aG Digital Transformation Promotion, aG IT Enhancement (aG Cyber Security) Head of Digital Enhancement Headquarters
Executive Officer	Yasuko Tsuda	General Manager of Internal Audit Department
Executive Officer	Jun Iwamatsu	Responsible for Co-Creation Promotion Head of Corporate Secretariat Office
Executive Officer	Hirimitsu Yoshizawa	Head of BSC Engineering Headquarters
Executive Officer	Kazuaki Shirane	Responsible for aG Digital Transformation Promotion (Product DX) Head of Cloud Systems Headquarters
Executive Officer	Akinori Sugi	Head of BSC Facility Management Headquarters
Executive Officer	Taro Sento	Responsible for aG Product Business Portfolio Enhancement Support Head of Advanced Automation (AA) Division, Global Business Headquarters
Executive Officer	Kenji Sudo	Responsible for aG System Business Portfolio Enhancement Support General Manager of AA SS Business*1, General Manager of AAC Autonomous Systems Business Development Department
Executive Officer	Eisuke Toyoda	General Manager of AA CP Business*2
Executive Officer	Isamu Ikeda	Head of AAC Development Headquarters
Executive Officer	Takeshi Yoshizumi	Head of AAC Sales Headquarters
Executive Officer	Satoshi Asai	Responsible for Human Resources and Talent Development (Deputy) Head of Group Management Headquarters
Executive Officer	Yoshiharu Nakai	General Manager of BSC Business Planning Department
Executive Officer	Tatsuya Yoshida	Manager of BSC Tokyo Head Office
Executive Officer	Shingo Kakizaki	Deputy Managing Director of Strategic Planning & Development Office for Southeast Asia, Global Business Headquarters

*1 SS business : Solution & Service business (offering control systems, engineering service, maintenance service, energy-saving solution service, etc.)

*2 CP business : Control Product business (supplying factory automation products such as controllers and sensors)

(2) Remuneration, etc., paid to directors and corporate executives

1. Total amounts of remuneration, etc., paid during the fiscal year ended March 31, 2026

Category	Amount of Remuneration Paid (Millions of yen)	Total Amount by Type (Millions of yen)				Number of Persons Remunerated
		Fixed Remuneration		Performance-linked Remuneration		
		Cash Remuneration	Non-cash Remuneration (Stock Compensation)	Cash Remuneration	Non-cash Remuneration (Stock Compensation)	
Directors (Outside Directors)	160 (118)	152 (111)	7 (6)	— (—)	— (—)	11 (9)
Corporate Executives (including Directors concurrently performing as Corporate Executives)	558	198	70	218	72	6
Total (Outside Directors)	718 (118)	350 (111)	78 (6)	218 (—)	72 (—)	17 (9)

Notes: 1. The above list of directors does not include two (2) directors who concurrently serve as corporate executives.

2. The above list of directors includes three (3) directors who retired at the conclusion of the 103rd Ordinary General Meeting of Shareholders held on June 25, 2025.

3. The above list of corporate executives includes one (1) corporate executive who retired at the conclusion of the Board of Directors meeting held after the 103rd Ordinary General Meeting of Shareholders on June 25, 2025.

4. Through a resolution by the Remuneration Committee at a meeting held on August 4, 2022, the Company introduced a stock compensation system using a trust. The above list indicates the amounts of stock compensation recorded as expenses in the current fiscal year based on this system. For non-residents of Japan, the Company plans to pay in cash in an amount equivalent to stock compensation, and such amounts are included in the stock-based compensation figures shown in the table above.

2. Policy on determination of the executive remuneration, etc.

As a company with a three-committee board structure, the Company's Remuneration Committee, which is chaired by and composed of a majority of independent outside directors, sets policy on the determination of the individual remuneration of directors and corporate executives, which is disclosed as the "Remuneration Policy." The details of the Remuneration Policy are as follows.

< Remuneration Policy >

Guided by the azbil Group philosophy of "human-centered automation," Azbil Corporation ("the Company") aims, through business expansion, to continuously enhance enterprise value by making contributions that lead "in series" to a sustainable society, endeavoring to realize the well-being of society as well as Group employees, while building relationships of trust with all stakeholders.

With regard to our executive remuneration system, in order to add impetus to the realization of our long-term targets (to achieve by FY2030) and the medium-term plan (FY2025-2027), we will further increase the corporate executives' awareness of the need to contribute to enhancing enterprise value and their motivation to maximize shareholder value, as well as improving our competitiveness when it comes to attracting, for management, the highly skilled human resources

needed to realize our goals, while also ensuring that directors who are not responsible for business execution can share value with our shareholders. With this system, we will promote initiatives to contribute “in series” to a sustainable society.

■ The azbil Group philosophy

The azbil Group philosophy is to realize “safety, comfort and fulfillment” in people’s lives and contribute to global environmental preservation through “human-centered automation.” To achieve this,

- We create value together with customers at their site.
- We pursue our unique value based on the idea of “human-centered.”
- We think towards the future and act progressively.

■ Basic policy regarding remuneration for officers

Aiming to realize the Group philosophy, we have adopted the following basic policy for the remuneration of company officers to motivate them not only for short-term performance but also to achieve medium- and long-term performance goals and to enhance enterprise value.

- Taking into consideration the nature of our business, remuneration should encourage awareness of the necessity to enhance enterprise value from a medium- to long-term perspective and further promote value sharing with our shareholders.
- Remuneration should help to secure talented management personnel to realize the Company’s management philosophy and achieve the medium- to long-term performance goals.
- The remuneration system should be highly independent and objective, and should enable us to fulfill our duty of accountability to stakeholders.

■ Remuneration levels

Remuneration levels for the Company officers (corporate executives and directors) are set by resolution of the Remuneration Committee after it has verified their appropriateness using data supplied by an external specialist agency. Also, the Committee reviews remuneration levels as necessary in response to changes in the external environment.

■ Remuneration structure

The remuneration structure for corporate executives (including those concurrently serving as directors; similarly hereinafter) is based on their roles and responsibilities, and consists of basic remuneration, which is a fixed monthly amount; bonuses, which are short-term incentives; and stock-based compensation, which is a medium- to long-term incentive. In order to ensure a remuneration structure that not only motivates officers to achieve the medium- and long-term performance goals and enhance enterprise value, but also leads to increased competitiveness for attracting highly skilled human resources for management, the incentive component of remuneration has been set at a high level, so that the combined remuneration for the president & CEO has the following structure: basic remuneration 1/3, bonus (base amount) 1/3, stock-based compensation (base amount) 1/3. The remuneration structure for other corporate executives is also determined in line with this, taking into consideration their expected roles and responsibilities.

The remuneration for directors (not including those concurrently serving as corporate executives; similarly hereinafter) consists of basic remuneration and stock-based compensation.

Corporate executives

(1) Basic remuneration

- Basic remuneration is paid as fixed monthly monetary compensation based on the position of the officer.

(2) Bonus

- A bonus is paid as performance-linked monetary remuneration that takes into consideration company performance and non-financial indicators for the single fiscal year.

- As regards financial indicators, to improve enterprise value over the medium to long term, we use net sales and business profit, which are the Company's main management indices, as key performance indicators (KPIs). The amount of the bonus will fluctuate according to the degree by which these targets have been achieved, while taking into consideration also non-financial indicators.

- There are three non-financial indicators: employee engagement and diversity, which assess contributions toward achieving the essential goals of the azbil Group for the SDGs; and an individual evaluation, which assesses the handling of those management issues and measures that are the particular responsibility of the corporate executive as well as how much they have contributed. Based on the degree of achievement for each of these items, the Remuneration Committee determines the amount of remuneration.

- Taking into account both financial and non-financial indicators, the final amount paid as a bonus will vary between 0% and 200%.

- Remuneration is designed so that the higher the officer's position, the higher the weighting of financial indicators. As an example, the KPIs and their respective evaluation weightings for the president and CEO are as follows.

Bonus KPIs		Evaluation weighting
Financial indicators	Net sales	45%
	Business profit	45%
Non-financial indicators	Employee engagement	2.5%
	Diversity (percentage of female managers)	2.5%
	Individual evaluation (customer satisfaction, productivity and efficiency, CSR management, etc.)	5%

(3) Stock-based compensation

- In principle, stock-based compensation is paid to the corporate executive following retirement from the current position, with the aim of continuous enhancement of enterprise value while sharing value with shareholders.
- A base amount for stock-based compensation is set for each position. Of this, 50% is performance-linked and 50% is not.
- As regards the performance-linked component, the evaluation is based on indicators aligned with the medium-term plan that are tracked over the same period (3 years) as the plan; this is designed to increase the incentive. As financial indicators we use relative total shareholder return (TSR)—an indicator that evaluates our TSR relative to the Tokyo Price Index (TOPIX) of the Tokyo Stock Exchange—and return on equity (ROE) to promote value sharing with shareholders. As a non-financial indicator, we use effective CO₂ reduction at customers' sites, which is one of the essential goals of the azbil Group for the SDGs. The individual's stock-based compensation (ranging from 0% to 150%, depending on performance) is determined by the extent to which these targets have been achieved in the final year of the medium-term plan, using the specified weightings (see below).

Stock-based compensation KPIs		Evaluation weighting
Financial indicators	Relative TSR (relative to TOPIX, including dividends)	50%
	ROE	30%
Non-financial indicators	Effective CO ₂ reduction	20%

- As a way to further encourage value sharing with shareholders, the non-performance-linked component is paid as stock-based compensation with vesting of a fixed number of shares.
- Stock-based compensation is paid through a Trust-type Stock Compensation Plan. Under this plan, points corresponding to an officer's position are awarded annually, and company shares equivalent to the number of points accumulated are transferred from the trust to the plan-eligible person following retirement from the current position. In addition, for non-residents of Japan, the Company plans to pay in cash in an amount equivalent to stock-based compensation.

Directors

(1) Basic remuneration

- Basic remuneration is paid as fixed monthly monetary compensation based on the responsibilities of the position.

(2) Stock-based compensation

- In principle, stock-based compensation is paid to the director following retirement from the current position, with the aim of continuously enhancing enterprise value while sharing value with shareholders.

- A base amount of stock-based compensation is determined, which is entirely non-performance-linked.

- Stock-based compensation is paid through a trust-type stock compensation plan. Under this plan, a certain number of points are awarded annually to those eligible, and company shares equivalent to the number of points accumulated are transferred from the trust to the plan-eligible person following retirement from the current position. In addition, for non-residents of Japan, the Company plans to pay in cash in an amount equivalent to stock-based compensation.

■ Process for determining remuneration

The Remuneration Committee determines the remuneration of directors and corporate executives. The majority of the members of the Remuneration Committee, including the chairperson, are outside directors, a structure that ensures objectivity and transparency. Any additional information necessary for members' deliberations is sought from external specialist organizations.

The Remuneration Committee has the authority to determine the details of remuneration for individual directors and corporate executives. It arrives at evaluation decisions based primarily on (1) the policy governing remuneration details for individual directors and corporate executives; (2) the details of remuneration for individual directors and corporate executives; and (3) in the case of corporate executives, the degree of achievement of both company-wide performance targets and the individual targets set for each corporate executive for the purpose of determining performance-based remuneration.

In the event of a substantial change in the external environment of the Company, the Remuneration Committee, after carefully deliberating on the appropriateness of the target values and calculation methods used for determining performance-linked remuneration, may take exceptional measures.

■ Forfeiture and return of remuneration (malus and clawback)

If the financial results for a previous fiscal year are revised retrospectively, or if serious misconduct or a serious violation has occurred, the Company can deny the officer(s) responsible the incentive component of remuneration (malus), and may demand the return of the compensation already paid to them (clawback). The compensation subject to such malus or clawback may include, in whole or in part, bonuses already paid or yet to be paid, points accrued under the stock-based compensation plan prior to the transfer of Company shares, and Company shares that have already been transferred to the officer(s) in question.

■ Disclosure policy

In accordance with our disclosure policy and applicable laws and regulations, details of the executive remuneration system are compiled and disclosed promptly and appropriately through the annual Securities Report, reference materials for the General Meeting of Shareholders, the Business Report, Corporate Governance Report, the Company website, etc. The Company also implements a policy of active engagement with shareholders and investors.

3. Results for the performance indicators used in calculating performance-linked remuneration

The results for the evaluation indicators used in bonuses in the current fiscal year were consolidated net sales of 298,900 million yen compared to the target value*¹ of 297,000 million yen and consolidated operating income of 47,300 million yen compared to the target value*¹ of 43,000 million yen. Please refer to the Remuneration Policy above for non-financial indicator targets. Furthermore, the results for the evaluation indicators for stock-based compensation are determined after the conclusion of the covered period*².

*1 Planned performance value for the current fiscal year announced on May 13, 2025.

*2 Evaluation period is three years from FY2025 to FY2027.

4. Reasons that the Remuneration Committee has determined that the details of the remuneration, etc. for individual directors and corporate executives in the current fiscal year follow the determination policy

Because the remuneration, etc. for individual directors and corporate executives in the current fiscal year was paid according to remuneration levels based on the determination policy set by the Remuneration Committee, the Remuneration Committee deems that it follows the determination policy.

(3) Important concurrent positions outside the Company of outside officers

Positions	Name	Important Concurrent Positions Outside the Company
Outside Director	Mitsuhiro Nagahama	Outside Director of Toshiba Tec Corporation
Outside Director	Anne Ka Tse Hung	Lawyer (Australia, United Kingdom, Hong Kong)
Outside Director	Shigeaki Yoshikawa	Outside Director of Mochida Pharmaceutical Co., Ltd. Chairman & Representative Director of The Japan Singapore Association
Outside Director	Tomoyasu Miura	Auditor of Research Institute of Science for Education
Outside Director	Sachiko Ichikawa	Partner of Tanabe & Partners Law Office Outside Director of Tokyo Electron Ltd. Outside Director of Olympus Corporation Director of The Board Director Training Institute of Japan
Outside Director	Hiroshi Yoshida	
Outside Director	Satoko Nakatani	Statutory Auditor of Tokai National Higher Education and Research System Head of Satoko Nakatani Certified Public Accountant Office Auditor of Japan Association for Chief Financial Officers

Note: While the Company has transaction relationships with Tokyo Electron Ltd., Olympus Corporation, and the Board Director Training Institute of Japan at which director Sachiko Ichikawa concurrently serves at present, in both the most recent fiscal year and the preceding three (3) fiscal years, the amount of the transactions makes up less than 0.1% of the consolidated net sales of the Company and the companies at which she concurrently serves. While the Company has transaction relationships with Tokai National Higher Education and Research System at which director Satoko Nakatani concurrently serves at present, in both the most recent fiscal year and the preceding three (3) fiscal years, the amount of the transactions makes up less than 0.1% of the consolidated net sales of the Company and Tokai National Higher Education and Research System. There is no particular relationship between the Company and each of the other important concurrent positions outside the Company of outside directors.

(4) Major activities of outside officers

Name	Number of attendance at meeting	Summary of comments and duties performed in relation to the expected roles of outside directors
Mitsuhiro Nagahama	Board of Directors Meetings 13/13 Remuneration Committee Meetings 10/10	<p>Regarding “corporate management/sustainability,” “global business,” and “financial affairs, accounting, finance,” which are the areas of expertise expected, Mitsuhiro Nagahama possesses management experience of serving in important positions in the fields of finance and securities, work experience overseas, and knowledge as an outside officer at several companies. Based on that, at Board of Directors meetings, he has raised questions and made comments on initiatives to strengthen the corporate governance of the Company, capital policies and medium- to long-term business development and formulation of strategies from both a capital markets perspective and a global perspective, appropriately fulfilling his role in ensuring the validity and appropriateness of the Company’s decision making</p> <p>Furthermore, as the Remuneration Committee chairperson, he played an appropriate role in leading discussion to determine officer remuneration, working to strengthen corporate governance.</p>
Anne Ka Tse Hung	Board of Directors Meetings 13/13 Nomination Committee Meetings 11/11	<p>Regarding “legal, risk management, and compliance” and “global business,” which are the areas of expertise expected, Anne Ka Tse Hung possesses legal knowledge related to global business and abundant experience and insight gained from supporting the conclusion of agreements in projects involving international transactions. Based on that, at Board of Directors meetings, she has raised questions and made comments from her approach to business promotion systems aimed at international business expansion and to investment for medium- to long-term growth, and from a global standard perspective, appropriately fulfilling her role in ensuring the validity and appropriateness of the Company’s decision making.</p> <p>Furthermore, as a Nomination Committee member, she played an appropriate role in the selection of the Company’s director candidates, working to strengthen corporate governance.</p>
Shigeaki Yoshikawa	Board of Directors Meetings 13/13 Nomination Committee Meetings 11/11 Remuneration Committee Meetings 7/7	<p>Regarding “corporate management/sustainability,” “global business,” and “sales and marketing,” which are the areas of expertise expected, Shigeaki Yoshikawa possesses management experience at a general trading company and a think tank and consulting company as well as broad insight and abundant experience in overseas business and business portfolio strategy. Based on that, at Board of Directors meetings, he has raised questions and made comments on the Company’s international business strategy, the approach to the business strategy aimed at medium- to long-term growth, and human resources development and investment in human capital, appropriately fulfilling his role in ensuring the validity and appropriateness of the Company’s decision making.</p> <p>Furthermore, as the Nomination Committee chairperson, he led discussions on the selection of the Company’s director candidates, and as a Remuneration Committee member, he played an appropriate role in determining officer remuneration, working to strengthen corporate governance.</p>

Name	Number of attendance at meeting	Summary of comments and duties performed in relation to the expected roles of outside directors
Tomoyasu Miura	Board of Directors Meetings 13/13 Remuneration Committee Meetings 3/3	Regarding “corporate management/sustainability,” “IT/technology,” and “sales and marketing,” which are the areas of expertise expected, Tomoyasu Miura possesses experience of serving in important positions at a think tank and consulting company, knowledge in a wide range of fields including IT, technological innovation, and new business creation, and abundant experience in management human resource development at a public interest incorporated foundation. Based on that, at Board of Directors meetings, he has raised questions and made comments on the Company’s business growth strategy, on IT and technological topics, and on human resources development and investment in human capital, appropriately fulfilling his role in ensuring the validity and appropriateness of the Company’s decision making. Furthermore, as the chairperson of the Board, he led fair and transparent meeting proceedings while working to strengthen the Company’s corporate governance and to improve the efficacy of the Board of Directors.
Sachiko Ichikawa	Board of Directors Meetings 13/13 Nomination Committee Meetings 11/11	Regarding “legal, risk management, and compliance,” “financial affairs, accounting, finance,” and “corporate management/sustainability,” which are the areas of expertise expected, Sachiko Ichikawa possesses wide-ranging knowledge and experience as a legal expert and accounting expert and extensive knowledge as an outside officer at several companies. Based on that, at Board of Directors meetings, she has raised questions and made comments on not only the presence of legal issues, but also on approaches to strengthening corporate governance, as well as medium- to long-term business development and risk management, appropriately fulfilling her role in ensuring the validity and appropriateness of the Company’s decision making. Furthermore, as a Nomination Committee member, she played an appropriate role in the selection of the Company’s director candidates, working to strengthen corporate governance.
Hiroshi Yoshida	Board of Directors Meetings 13/13 Audit Committee Meetings 13/13	Regarding “financial affairs, accounting, finance,” “corporate management/sustainability,” and “manufacturing/research and development,” which are the areas of expertise expected, Hiroshi Yoshida possesses management experience and extensive knowledge and experience in finance and accounting at a publicly listed chemical manufacturer with global operations. Based on that, at Board of Directors meetings, he has raised questions and made comments on the validity of the Company’s business and financial strategies, risk management, and strengthening corporate governance, fulfilling his role in ensuring the validity and appropriateness of the Company’s decision making. Furthermore, as the Audit Committee chairperson, he played an appropriate role on audit activities and in leading discussion at the Audit Committee, working to strengthen corporate governance.
Satoko Nakatani	Board of Directors Meetings 11/11 Audit Committee Meetings 10/10	Regarding “financial affairs, accounting, finance,” “legal, risk management, and compliance,” and “corporate management/sustainability,” which are the areas of expertise expected, Satoko Nakatani possesses experience as a partner at an audit corporation, primarily engaged in auditing the manufacturing industry, along with extensive knowledge and expertise as a certified public accountant. Based on that, at Board of Directors meetings, she has raised questions and made comments on the validity of the Company’s business and financial strategies, risk management, and strengthening corporate governance, fulfilling her role in ensuring the validity and appropriateness of the Company’s decision making. Furthermore, as an Audit Committee member, she played an appropriate role in audit activities, working to strengthen corporate governance.

Note: Because director Shigeaki Yoshikawa was appointed as a member of the Remuneration Committee by the Board of Directors meeting held after the 103rd Ordinary General Meeting of Shareholders on June 25, 2025, his attendance only applies to Remuneration Committee meetings held after his appointment. Because director Tomoyasu Miura retired from the Remuneration Committee at the conclusion of the Board of Directors meeting held after the 103rd Ordinary General Meeting of Shareholders on June 25, 2025, his attendance is reported only for the committee meetings held prior to his retirement. In addition, because director Satoko Nakatani was elected at the 103rd Ordinary General Meeting of Shareholders held on June 25, 2025, her attendance only applies to Board of Directors meetings and committee meetings held after her appointment.

4. Accounting Auditor

(1) Accounting auditor's name: Deloitte Touche Tohmatsu LLC

(2) Amount of remuneration during the fiscal year ended March 31, 2026

	Amount Paid
Amount of remuneration paid for services rendered as accounting auditor during the fiscal year ended March 31, 2026	135 million yen
Total cash and other remuneration paid by the Company and its subsidiaries to the accounting auditor	175 million yen

Notes: 1. The audit agreement entered into by the accounting auditor and the Company does not clearly distinguish the amount of remuneration for the audit under the Companies Act and the amount of remuneration for the audit under the Financial Instruments and Exchange Act, and the two amounts cannot be practically distinguished from each other. Therefore, the amount in above indicates the total of these two kinds of amounts.

2. The Company entrusts the accounting auditor with advisory services, etc. related to the review of the materiality as a service (non-audit service) which is different from a service prescribed by Article 2, Paragraph 1 of the Certified Public Accountant Act.
3. The Audit Committee gives consent regarding remunerations etc. for the accounting auditor which has an audit contract with the Company as stipulated under Article 399, Paragraph 1 of the Companies Act. The consent is given as a result of examining the validity of the expected auditing hours and the amount of remuneration, after comparing the audit plan of the previous business year with its performance, and reviewing the trend of the time spent for audit and the amount of remuneration by obtaining necessary materials and examining reports from the relevant departments of the Company and the accounting auditor.
4. Consolidated overseas subsidiaries of the Company are audited by auditing firms other than the accounting auditor of the Company.

(3) Policy regarding decisions of dismissal or non-reappointment of accounting auditors

Where the Audit Committee deems there are problems with the suitability or independence of the accounting auditor, it will decide the details of an item to be submitted to the General Meeting of Shareholders related to the dismissal or non-reappointment of the accounting auditor.

Furthermore, where the Audit Committee deems the accounting auditor falls under the provisions of Article 340, Paragraph 1 of the Companies Act, based on the agreement of the all Audit Committee members, the Audit Committee will dismiss the accounting auditor. In this case, the Audit Committee member selected by the Audit Committee will report the fact that the accounting auditor was dismissed and the reason for such dismissal at the first General Meeting of Shareholders convened after the dismissal.

5. System and Policies of the Company

- (1) System to ensure the appropriateness of business activities and the operational status of that system

<Outline of resolution on system to ensure the appropriateness of business activities>

Regarding the Company's internal control system, the Board of Directors partially revised azbil Group Basic Policy on Internal Control System Architecture at its meeting held on May 13, 2025. The revised azbil Group Basic Policy on Internal Control System Architecture and its current implementation are summarized as follows.

<azbil Group Basic Policy on Internal Control System Architecture>

Pursuant to Article 416, Paragraph 1, Item 1 of the Companies Act, the establishment of an internal control system is to be specifically implemented by Azbil Corporation (hereinafter referred to as the "Company") and its subsidiaries* (hereinafter referred to as the "Subsidiaries" and, collectively with the Company, as the "azbil Group"). As well as clarifying the basic policy—which is to be complied with by the Company's corporate executives, executive officers, and other employees, as well as by the directors, executive officers and other employees of its Subsidiaries (hereinafter referred to as "officers and employees")—this sets forth the principal features of the system required for the maintenance of an internal control system as stipulated in Article 112 of the Regulation for Enforcement of the Companies Act. The purpose of the internal control system based on this policy is to create an efficient, lawful, and transparent corporate structure through the improvement by constant review.

*The Subsidiaries subject to basic policies are the consolidated Subsidiaries whose annual net sales account for 1 % or more of the consolidated sales of the azbil Group among Subsidiaries specified in "azbil Group Management Basic Policy" separately.

<Systems to ensure the appropriateness of the Company's operations and the azbil Group's operations>

1. System to ensure that the execution of duties by officers and employees of the Company and its Subsidiaries shall comply with laws, regulations, and the Articles of Incorporation
 - 1) Aiming to be a corporate group that contributes to society and is trusted by it, the officers and employees of the Company and its Subsidiaries shall comply not only with laws and regulations and the Articles of Incorporation but also with the Guiding Principles for azbil Group Business and the azbil Group Code of Conduct, while maintaining high standards of corporate ethics and conducting sound business activities. To do so, the Company and its Subsidiaries shall designate an executive at each company to be responsible for compliance promotion activities and as a whole they shall tirelessly promote compliance initiatives.
 - 2) In addition to what is stated in the preceding paragraph, the Company and each of its separately specified Subsidiaries shall formulate their own action plans to promote compliance—including compliance with laws, regulations, and the Articles of Incorporation—and they shall report the results of implementation to their own Board of Directors.
 - 3) The Company, to promote compliance-related activities throughout the entire Group, shall establish the azbil Group CSR Promotion Committee, and shall create action plans for the Group as a whole, manage progress, and provide guidance and advice to Subsidiaries.
 - 4) The Company and its Subsidiaries shall establish internal control systems to ensure the

appropriateness of business activities. To do so, the officers and employees of the Company and its Subsidiaries shall endeavor to develop and implement the basic elements of internal control, including the control environment, and in the performance of business, and shall seek to maintain and improve the status of internal control by complying with relevant laws and regulations, business process manuals, etc.

- 5) In accordance with the Internal Audit Rules, the Internal Audit Department of the Company shall conduct audits periodically, or as necessary, on the status of compliance promotion activities at the Company and Subsidiaries and their establishment of internal control systems.
 - 6) In the event where the Company or its Subsidiaries engage in serious illegal or unethical acts, or where there is a significant adverse impact on society, the officers and employees of the Company and Subsidiaries shall report it using either the designated reporting channels or the internal reporting system.
 - 7) The Internal Audit Department of the Company shall maintain, develop and properly operate the internal reporting system and related mechanisms. Any expansion or modification of the scope of the internal reporting system shall be implemented after reporting to the Board of Directors.
2. System for the storage and management of information related to the execution of duties by the Company's corporate executives
 - 1) The officers and employees of the Company shall comply with the Rules for Storage and Management of Information Related to the Execution of Duties by Corporate Executives and so forth, and they shall store and manage information related to the execution of duties appropriately.
 - 2) As regards the formulation, revision, or abolition of the rules in the preceding paragraph, Corporate Secretariat Office shall be responsible with the approval of the Management Meeting. Operational status shall be evaluated/reviewed as necessary.
 - 3) In accordance with the Internal Audit Rules, the Internal Audit Department of the Company shall conduct audits, on a regular basis or as necessary, on the status of operations and management of the Internal Audit Rules and others.
3. Regulations and other systems for managing the risk of loss at the Company and Subsidiaries
 - 1) To properly manage the risk of loss and ensure the continuity and stable development of business, the Company's Board of Directors shall receive reports of risks that could cause significant loss to the management of the azbil Group as a whole (aG major risks) in accordance with the azbil Group Risk Management Rules.
 - 2) The Company shall instruct its Subsidiaries, as necessary, in order to promote countermeasures against what have been identified as aG major risks.
 - 3) In addition to what is stated in the preceding paragraph, separately designated Subsidiaries shall independently identify their own major risks, and work to establish and promote countermeasures against those risks.
 - 4) In accordance with the Internal Audit Rules, the Internal Audit Department of the Company shall conduct internal audits, on a regular basis or as necessary, of the status of implementation of the risk management system of the Company and its Subsidiaries.

4. System to ensure the efficient execution of duties by the Company's corporate executives and by the directors of Subsidiaries
 - 1) To ensure the efficient and prompt execution of business activities without compromising the soundness of the enterprise, the Company and its Subsidiaries shall develop an organizational system and rules regarding administrative authority for the effective execution of business.
 - 2) Officers and employees of the Company and its Subsidiaries shall take actions to ensure the achievement of the medium-term plan and the annual plan, and shall periodically review whether the execution of business is progressing as initially planned.
 - 3) In accordance with the Rules for Division of Duties and other relevant regulations, the Company shall provide necessary support and guidance to its Subsidiaries to improve the efficiency and standard of operations of the azbil Group as a whole.
 - 4) At both the Company and its Subsidiaries, to ensure thorough deliberation by the Board of Directors on matters that require Board approval, a system shall be established whereby materials related to agenda items are distributed to all executives in advance.

5. System for reporting to the Company of matters related to the execution of duties by officers and employees of Subsidiaries
 - 1) In the execution of their duties, Subsidiaries shall obtain the Company's approval or report to the Company in accordance with the azbil Group Management Basic Policy that stipulates management control matters to be discussed at the Company's Board of Directors.
 - 2) In addition to what is stated in the preceding paragraph, domestic Subsidiaries shall report to the Company—directly, at regular meetings of Group company presidents, or at other meetings—on the status of their own businesses and on important management matters.
 - 3) Overseas subsidiaries shall, in addition to what is stated in paragraph (1) above, report to the Company—directly, or through the Company's relevant department(s)—on the status of their own businesses and on important management matters.

<Matters necessary for the performance of the duties of the Audit Committee>

1. Matters concerning officers and employees assisting the Company's Audit Committee; matters concerning the independence of such officers and employees from the Company's corporate executives; and matters to ensure the effectiveness of the Audit Committee's instructions to these officers and employees
 - 1) The Company shall establish an Audit Committee Office within the Internal Audit Department and assign full-time employees to assist the Audit Committee in its duties.
 - 2) To maintain the independence, from the Company's corporate executives, of the aforesaid employees assigned to assist the duties of the Audit Committee, personnel transfers involving these employees shall be decided with the prior consent of the Audit Committee. Also, the performance evaluation of the Audit Committee Office manager is determined through an evaluation by the Audit Committee.
 - 3) To maintain the independence, from the Company's corporate executives, of the executive officers in charge of the Internal Audit Department and the head of the Internal

Audit Department, personnel transfers, evaluations and budget matters involving these executive officers and the head of the Internal Audit Department shall be decided with the prior consent of the Audit Committee.

- 4) Full-time employees assigned to assist the Audit Committee in its duties shall perform their duties under the direction and instructions of the Audit Committee.
2. System for reporting to the Company's Audit Committee by officers and employees of the Company and Subsidiaries and by Audit & Supervisory Board members of Subsidiaries; and system to ensure that a person making such as report shall not be treated disadvantageously as a result of said reporting
 - 1) In the event that any officer or employee of the Company or its Subsidiaries discovers any matter that may invite significant loss to the Company or its Subsidiaries; or any serious deficiency in the internal control system or procedures; or the occurrence of any serious violation of laws and regulations or fraud, they shall make a report to their top management and to the department responsible for internal control if such has been established. On receipt of such a report, a Subsidiary's top management or internal control department shall make a report to the Company's top management and Internal Audit Department, as well as to the Subsidiary's own directors and Audit & Supervisory Board members, if the latter have been appointed. Also, on receipt of such a report, the Company's top management and Internal Audit Department shall report it to the Company's directors, corporate executives, and the Audit Committee.
 - 2) In addition to the reporting system described in the preceding paragraph, the Company shall maintain, develop, and appropriately operate the azbil Group's internal reporting system.
 - 3) The department in charge of the internal reporting system in the Company shall make regular reports to the Audit Committee regarding the status of internal reports from the officers and employees of the Company and its Subsidiaries.
 - 4) Notwithstanding the preceding paragraphs, the Audit Committee of the Company may, at any time, request necessary reports from the officers and employees of the Company and its Subsidiaries and from the Audit & Supervisory Board members of the Subsidiaries.
 - 5) Internal rules shall be developed to ensure the Company and Subsidiaries do not treat officers or employees disadvantageously because they made such a report to the Audit Committee of the Company or to the Audit & Supervisory Board members of a Subsidiary.
 3. Matters concerning the policy for the handling of expenses and financial obligations arising from the performance of duties by the Company's Audit Committee members
 - 1) The Company shall promptly handle expenses and financial obligations with respect to costs incurred by Audit Committee members in the performance of their duties, and any costs incurred when they seek the opinion of outside experts such as lawyers in forming their own opinion, except when the Company demonstrates that such expenses were not required for the performance of Audit Committee's duties.
 - 2) The Company shall set aside in advance a budget for the Audit Committee and for the full-time employees engaged in assisting the Audit Committee in the performance of their duties, and shall not interfere in the execution of that budget. However, this

excludes cases where the Company demonstrates that the costs were not required for the performance of Audit Committee's duties.

4. Other systems to ensure that the audits of the Company's Audit Committee are implemented effectively
 - 1) Audit Committee members may attend meetings of the Board of Directors and other important meetings such as the Management Meeting; may inspect key approval forms and other documents related to the execution of business operations; and may request explanations from officers and employees.
 - 2) To establish a system that enables the efficient implementation of audits, the Audit Committee shall regularly exchange information and collaborate with the Company's directors, corporate executives, and Internal Audit Department, as well as with Subsidiaries' directors, Audit & Supervisory Board members, and accounting auditors.

<Summary of the operational status of the system to ensure the appropriateness of business activities>

The outline of the operational status of the system to ensure the appropriateness of business activities is as follows.

1. Compliance systems

- The azbil Group, guided by the Group philosophy of “human-centered automation,” has formulated the Guiding Principles for azbil Group Business and the azbil Group Code of Conduct, making efforts toward creating a corporate culture permeated by compliance awareness. To do so, the Company and its subsidiaries have appointed officers who are responsible for controlling and promoting company-wide compliance-related activities, and have designated compliance managers and compliance leaders to ensure thorough compliance, and to provide education and supervision for employees with the cooperation of the department in charge of compliance. In the current fiscal year, to realize proper compliance at the azbil Group, the Company established the azbil Group Compliance Committee and its domestic and overseas compliance subcommittees effective April 1, 2025, and held meetings of these bodies. In addition, the Company has been strengthening compliance by holding compliance enhancement meetings by azbil Group officers.
- To promote compliance-related activities throughout the azbil Group, the Company has formed a permanent meeting structure to promote CSR related activities, where an officer of the Company in charge of compliance is appointed as chief officer, and officers in charge of compliance at each subsidiary are appointed as members. This organization creates action plans for the entire Group, managing progress and providing guidance to subsidiaries. In the current fiscal year, following the revision of the Subcontract Act (Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors) to Proper Transactions Act (Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment), the Company responded to the added employee standards and internal cost-bearing of bank transfer fees, while also providing internal education. The Company is also making progress with initiatives to establish rules at our overseas Subsidiaries.
- Regarding internal control associated with the reliability of financial reporting under the Financial Instruments and Exchange Act (J-SOX), we have been working to create awareness about the importance of internal control and to raise the standard of our internal control by issuing management messages on appropriate accounting procedures, and by implementing accounting compliance education and internal control education.
- The Company’s Internal Audit Department conducts audits to verify the situation relating to (a) the promotion of compliance and the establishment of internal control procedures at the Company and its Subsidiaries; (b) operation and management with respect to the regulations stipulated in (2) below; and (c) the development of risk management systems in (3) below. Furthermore, the audit results are reported to the Audit Committee members, the corporate executives, and the officers in charge. In addition to improvements made at each company based on the audit results, we have created a cross-sectional improvement response team centered on the relevant organizations to advance initiatives aimed at resolving issues.
- As contingency planning for responding to serious illegal or unethical acts, the Company and its Subsidiaries have formulated Rules for Reporting in Emergency and Serious Situations. Should such an emergency or serious situation occur, using the system provided, reports shall be made to the top management and Audit & Supervisory Board

members of any Subsidiary involved as well as to the Company's top management and Audit Committee. Furthermore, regarding the state of response to emergency or serious situations and the implementation status of measures to prevent recurrence, reports are regularly made at Board of Directors meetings attended by Audit Committee members.

- The officers and employees of the Company and its Subsidiaries may use the CSR Hotline system, in Japan and abroad, to consult and report, pursuant to the Rules for the Consultation and Reporting System of aG employees. Unfair treatment of persons initiating consultations and reports is prohibited by these rules, and we have made this known internally.

2. Storage and management of information

- Pursuant to the Rules for Storage and Management of Information Related to the Execution of Duties by Corporate Executives and so forth, the Company has created a department in charge of storing and managing the minutes of Board of Directors meetings and as well as those of the Management Meeting, and other important documents and information.

3. Risk management systems

- Pursuant to the azbil Group Risk Management Rules, the Company reports on—at Board of Directors meetings, following screening by the azbil Group Risk Management Committee and its superior body, the azbil Group General Risk Committee—aG major risks which may cause significant losses for the overall Group management. While strengthening the comprehensive risk management system and countermeasures, the Company also instructs its Subsidiaries, when necessary, to promote such measures within the Group.
- The Board of Directors of each Subsidiary identifies its own major risks. Countermeasures are then prepared and promoted, and the results of their implementation and risk mitigation are reported to their Board.
- The Company is also working to promptly resolve crises in the event of a reported emergency or major incident through the establishment of an Emergency Headquarters to deal with such events. The state of these activities is regularly reported to the Board of Directors.

4. System of efficient execution of duties

- The officers and employees of the Company and its Subsidiaries develop a medium-term plan and an annual plan, and take actions based on such plans. We conduct regular reviews of the operational status, follow the progress of business execution, and plan new measures.
- In accordance with the Rules for Division of Duties and other rules, the Company provides necessary support and guidance to its Subsidiaries to enhance the efficiency and standard of business operations of the Group as a whole.
- To ensure thorough deliberation by the Board of Directors, and while seeking ways to improve the operation of Board meetings, the Company and its Subsidiaries distribute materials related to the agenda in advance of meetings. In addition, the Company holds briefings for outside directors regarding items scheduled for discussion at meetings of the Board of Directors.

5. Group management system

- Pursuant to the azbil Group Management Basic Policy, for certain important items Subsidiaries report to or obtain approval from the Company's Board of Directors or the Management Meeting, which decides on business execution matters within the scope of the authority of the president & CEO.
- The management status of major Subsidiaries is reported at meetings of Group company presidents and meetings on the financial results of subsidiaries, while business status and performance, as well as important management items relating to overseas Subsidiaries are reported via the Group's Global Meeting for overseas Subsidiaries.

6. Audit system implemented by Audit Committee

- The Company has established an Audit Committee Office in the Internal Audit Division to which it has assigned three staff members with dedicated responsibility to assist the duties of the Audit Committee, performing their duties under the direction and instruction of the Audit Committee. Personnel transfers are decided with the consent of the Audit Committee, and the performance evaluation of the Audit Committee Office manager is determined through an evaluation by the Audit Committee. Furthermore, personnel rotations, performance evaluations, and the budget for the executive officer responsible for the Internal Audit Division and the Internal Audit Division manager are determined with the consent of the Audit Committee.
- Regarding matters raised or reported via the aforementioned CSR Hotline system by officers and employees of the Company and its Subsidiaries, the Internal Audit Department reports on these to the Audit Committee on a monthly basis.
- The Company bears and promptly handles expenses incurred by Audit Committee members in the performance of their duties.
- The Audit Committee members attend meetings of the Board of Directors and other important meetings including those of the Management Meeting, inspect key approval forms and other documents related to the execution of business, and request explanations from the officers and employees, regularly or when necessary. In addition, the Audit Committee may obtain the opinion of lawyers, with whom they have individually concluded advisory contracts, as appropriate.
- The Company's Audit Committee regularly hold meetings with the directors, corporate executives, the Internal Audit Department, the accounting auditor, the directors and the Audit & Supervisory Board members of Subsidiaries to share information, communicate and provide reports, and exchange opinions and information as needed to improve the effectiveness of audits.

(2) Basic policy related to persons controlling interests in the Company

Not applicable

(3) Policy on determination of dividends of surplus, etc.

The basic policy of the azbil Group is to maintain and enhance enterprise value through disciplined capital management, carefully balancing three key elements: investing for growth, promoting shareholder returns, and maintaining a sound financial base. Guided by this basic policy, we are making steady progress with investing for growth while at the same time keeping in mind the importance of securing sufficient funds to address future contingencies, which is prudent given the uncertain business environment. We are also engaged in further improving shareholder returns while maintaining a sound financial foundation.

Under the current medium-term plan (FY2025–FY2027), whose key theme is Evolution and Co-creation, we are aiming to achieve sustainable growth by strengthening our core businesses and expanding into new growth areas. For this reason, we are increasing investments in human capital to secure and foster talented human resources aligned with our business strategy. At the same time, we are working to enhance our development/production systems globally while strengthening product competitiveness by collaborating with and investing in other companies. We are also actively investing in advancing DX to enhance product competitiveness and operational efficiency. In addition, we are engaged in ensuring business continuity in the event of unforeseen crises such as natural disasters. Moreover, in order to promote “management that is conscious of the cost of capital and the stock price,” we have set out return on equity (ROE) figures in our long-term targets (FY2030) and the medium-term plan, and at the same time introduced return on invested capital (ROIC) as an important management indicator. We are striving to optimize shareholders’ equity while assessing the appropriate level of cash and deposits as well as financing capabilities required for business operations and growth. For reference, in FY2025 azbil Group ROIC (trial calculation) was 11.5% applying J-GAAP, 11.3% applying IFRS; weighted average cost of capital (WACC) was 7.6%.

Returning profits to our shareholders is one of the key management priorities. While comprehensively taking into account our consolidated financial results, ROE and dividend on equity (DOE) levels, as well as the need for adequate retained earnings to support future business development and strengthen our corporate structure, we strive to maintain stable dividends and moreover improve the dividend level. That is why we have focused on DOE as a key indicator, endeavoring to maintain a stable but rising dividend level over the long term. Indeed, since FY2015 we have steadily increased our dividend every year.

In FY2025, the first year of the current plan, there has been a high degree of uncertainty in the business environment due to such factors as rapidly rising inflation, the impact of U.S. reciprocal tariffs, and emerging geopolitical risks. Nevertheless, we were able to increase profits to a level exceeding the initial financial plan announced on May 13, 2025. This, we believe, is the result of the steady progress we have made in strengthening our business profitability. As a tangible measure of shareholder return, we had previously planned to pay an annual dividend of 26 yen per share for the fiscal year ended March 31, 2026, representing an increase of 2 yen per share above the FY2024 level. However, given the above-mentioned increase in profits, we propose to increase the year-end dividend by 6 yen above the amount previously announced, bringing the total annual dividend to 32 yen per share, and have submitted this proposal for approval at this Ordinary General Meeting of Shareholders. Consequently, DOE, which for us is a key indicator, is expected to be 6.7%, exceeding the target level set in our current medium-term plan.

Regarding dividends for the fiscal year ending March 31, 2027, in line with our policy of enhancing shareholder returns, and aiming to further improve our stable dividend level, we plan to increase the ordinary dividend by 6 yen, resulting in an interim dividend of 19 yen

per share, a year-end dividend of 19 yen per share, and an annual dividend of 38 yen per share. What is more, as we are celebrating our 120th anniversary in FY2026, to express our gratitude to the shareholders we plan to issue a commemorative dividend of 12 yen per share at the time that the interim dividend is paid. Including this commemorative dividend, the DOE for FY2026 is expected to be 10.7%, marking a significant increase.

In addition, taking into account the current state/outlook of our businesses and financial results, we will implement disciplined capital management, further improving capital efficiency and enhancing shareholder returns. For this reason, we will repurchase up to 20.0 billion yen (or up to 32 million shares) of our own stock between May 14 and October 30, 2026. Note that, owing to the uncertainty surrounding the business environment going forward, we do not plan to cancel the repurchased shares immediately. Instead, they will be held as treasury shares for the time being to ensure that our capital policy options offer sufficient flexibility to respond to future changes in the business environment.

While it is true that there is uncertainty regarding aspects of the business environment surrounding the azbil Group in FY2026—not least the extent and duration of the impact that the Middle East situation will have on the world economy—the fund allocation for this shareholder return is based solely on business performance through FY2025. Taking into account the increased profitability of our business foundation and our efficient balance-sheet management using external debt to further improve ROE, we have determined that, even after factoring in the risks posed by the uncertain business environment, it is possible to actively invest for growth while at the same time enhancing shareholder returns.

Going forward, we will continue to pursue management that is conscious of capital efficiency, working to strengthen our corporate structure by investing for growth and implementing measures to enhance business profitability, while striving for the long-term enhancement of both enterprise value and shareholder returns.

(Reference) Our approach to corporate governance

To ensure its own medium- to long-term development, respond to the trust of all its stakeholders including its shareholders, and proceed with consistently increasing enterprise value, the azbil Group sets fortifying the underlying corporate governance as a management priority. As a company with a three-committee board structure, it has implemented measures including strengthening the supervisory and auditing functions of the Board of Directors, improving management transparency and soundness, and clarifying the structure of responsibility for the execution of duties.

Corporate Governance System

As a company with a three-committee board structure, three statutory committees – the Nomination Committee, Audit Committee, and Remuneration Committee – have been established, each consisting of a majority of independent outside directors and being chaired by an independent outside director. In addition, by substantially transferring business execution authority from the Board of Directors to corporate executives with clear legal responsibilities, we are clearly separating supervisory and execution functions to ensure a business execution system based on flexible and efficient decision making, while at the same time enhancing the objective supervision of management.

Furthermore, as a company with a three-committee board structure, to ensure the effectiveness of monitoring by the Board of Directors, we have established a forum for providing information to directors and exchanging opinions with corporate executives in the form of a Liaison Meeting for Directors and Corporate Executives, and in addition, opinion exchange meetings are held regularly among outside directors. At the same time, we are continuing our system for executive officers charged with business execution, aiming to enhance quality and speed of decision making.

The Board of Directors is convened monthly in principle, to discuss and consider legal issues, and other important managerial matters as the highest decision-making body for management and provide a major direction, and to exercise appropriate supervision over execution in order to reflect opinions of stakeholders. In business execution, the Management Meeting, which corporate executives and executive officers with titles attend, has been established to serve as an executive-level advisory body to assist president & Group CEO in making decisions, and are attended by the full-time Audit Committee member to ensure the effectiveness of monitoring. The Management Meeting is held twice a month in principle as part of ongoing initiatives to strengthen business operations through prompt decision making and strict execution.

As of March 31, 2026, the Company has appointed a total of 10 directors, including three (3) who have accumulated experience in the Company's business, management and audits (Kiyohiro Yamamoto, Takayuki Yokota, and Hisaya Katsuta), as well as seven (7) who are independent outside directors and have independence, broad experience, a wealth of expertise and knowledge, and rich diversity in the form of nationality and gender (Mitsuhiro Nagahama, Anne Ka Tse Hung, Shigeaki Yoshikawa, Tomoyasu Miura, Sachiko Ichikawa, Hiroshi Yoshida, and Satoko Nakatani). In addition, an outside director serves as chairperson of the Board. Independent outside directors have reached the majority of the Board of Directors. In addition to working diligently to contribute to enhancement of the Company's enterprise value through appropriate oversight and advice during the decision-making process at Board of Directors meetings, these independent outside directors regularly exchange opinions with corporate executives through a Liaison Meeting for Directors and Corporate Executives and other opportunities. Moreover, we established the skills expected of the directors from the viewpoint of sustainable increase in enterprise value, including the realization of the Company's medium-

term plan, and confirmed the independence, diversity, and expected skills of the current Board of Directors.

In regard to the appointment of outside directors, the Company has formulated its own criteria for independence. Each of the Company's outside directors has satisfied these criteria for independence, and there is no possibility of the occurrence of conflict of interest with general shareholders. As the Company has judged that each of outside directors has sufficient independence, the Company has reported them as independent officers to the Tokyo Stock Exchange.

Moreover, the Company has concluded Officer Liability Policies with an insurance company as stipulated in Article 430-3 Paragraph 1 of the Companies Act, with the Company's directors, corporate executives, and executive officers, etc., and its subsidiaries' directors, Audit & Supervisory Board members, and executive officers, etc., being included in the scope of the insured persons. Per the liability policies, the insurance company will cover damages incurred by the insured persons in bearing responsibility for the execution of their duties or as a result of claims received in pursuit of these responsibilities. However, as a measure to ensure that the appropriateness of the duties of the insured persons is not lost, damages resulting from the insured person's intention, illegal personal profit sharing, and criminal actions are not covered. Furthermore, the insured persons are not responsible for the insurance premiums.

Furthermore, under the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded contracts for limitation of liability with outside directors, as provided for in Article 423, Paragraph 1 of the Companies Act. The limit amount of the liability for damage based on said contracts is the minimum liability amount prescribed in laws and regulations. However, to ensure that propriety of the execution of the duties of the outside directors based on these contracts is not compromised, the contracts will not cover cases in which the execution of duties by the outside directors is performed with malice or gross negligence.

Additionally, the Company has concluded indemnity agreements with all directors and corporate executives based on Article 430-2, Paragraph 1 of the Companies Act for the Company to cover the expenses stipulated in Paragraph 1, Item 1 and the losses stipulated in Paragraph 1, Item 2 within the scope prescribed in laws and regulations. However, to ensure that the propriety of the execution of the duties of the officers based on these indemnity agreements is not compromised, the agreements will not cover cases in which the execution of duties by the officers is performed with malice or gross negligence.

a part of investor engagements by the Board of Directors, and discussion about initiatives of enhanced corporate governance, etc. was conducted.

Status of Activities of the Nomination Committee, the Audit Committee, and the Remuneration Committee

As a company with a three-committee board structure, the Company has established three committees, namely the Nomination Committee, the Audit Committee, and the Remuneration Committee. The status of activities of each committee is as follows.

(Nomination Committee)

As of March 31, 2026, the Nomination Committee is comprised of four members, with Shigeaki Yoshikawa (Independent Outside Director) serving as the Committee chairperson, Anne Ka Tse Hung (Independent Outside Director), Sachiko Ichikawa (Independent Outside Director), and Kiyohiro Yamamoto (Director, President & Group CEO) serving as committee members, and independent outside directors comprising a majority of the Committee. In FY2025, the Nomination Committee met eleven (11) times, and four (4) members of the Nomination Committee attended all of the meetings. Specific items considered by the Nomination Committee are as follows.

Items implemented	Specific contents of consideration
Action plans for the current fiscal year	The Nomination Committee considered and determined items for evaluation and annual action plans for the committee in the current fiscal year, and other matters. Furthermore, the Committee conducted an assessment of the state of activities of the committee by an external organization and confirmed that there have been no omissions in such activities.
Consideration of the structure of the Board of Directors	The Nomination Committee considered the most suitable composition for the Board of Directors and confirmed the appropriateness of the current skills matrix. It also deliberated on the use of human resources possessing expertise.
Determination of contents of proposals concerning candidates for directors for the next term	In considering the Board of Directors structure for the next term (FY2026), the Nomination Committee confirmed views on the selection and the state of consideration, conducted interviews with the candidates, and then deliberated and determined candidates for directors for the next term to be proposed at the general meeting of shareholders.
Determination of candidates for corporate executives for the next term	Regarding the corporate executive structure for the next term (FY2026), based on consultation from the Board of Directors, the Nomination Committee confirmed views on the selection and the state of consideration, and then deliberated on and determined candidates for corporate executives for the next term.
Selection of successor candidates and confirmation of individual training plans	The Nomination Committee shared a profile of needed successor and the judgment criteria for promotion, and confirmed the selection and training process and the training status of successor candidates based on the development of leadership personnel.

(Audit Committee)

As of March 31, 2026, the Audit Committee is comprised of three members, with Hiroshi Yoshida (Independent Outside Director) serving as the Committee chairperson, Satoko Nakatani (Independent Outside Director) and Hisaya Katsuta (Non-executive Inside Director) serving as committee members, and independent outside directors comprising a majority of the Committee. Two (2) independent outside directors and one (1) non-executive inside director who is versed in the Company's businesses formulate audit plans together with the Internal Audit Department and conduct multifaceted auditing activities, and the internal Audit Committee member serves on a full-time basis, to enhance the effectiveness of audits by the Audit Committee. The Audit Committee chairperson Hiroshi Yoshida has experience as the person responsible for the creation of financial statements as the officer in charge of accounting and finance at a chemical manufacturer listed on Tokyo Stock Exchange Prime Market. The Audit Committee member Satoko Nakatani has served as a partner at an audit corporation, engaging in the auditing of a wide range of industries, primarily large manufacturing companies, and has experience in handling advisory services for various accounting systems and other matters as a certified public accountant. Both of them thus have a wealth of knowledge concerning financial affairs and accounting. Furthermore, the Company established an Audit Committee Office, an organization dedicated to assisting the Audit Committee in its duties, with three (3) staff members assigned to assist the Audit Committee in the execution of its duties.

The Audit Committee convenes in principle once a month and holds ad-hoc meetings, as necessary. In FY2025, it convened a total of 13 times and the three (3) Audit Committee members participated in all of the meetings*. The main key audit items, points of note concerning audits, and specific audit details of the Audit Committee in FY2025 are as follows.

*Because Satoko Nakatani was elected at the 103rd Ordinary General Meeting of Shareholders held on June 25, 2025, her attendance only applies to committee meetings held after her appointment.

Key audit items and audit considerations	Specific audit details
Status of development and operation of internal control systems · Confirmation of systems being developed based on resolutions by the Board of Directors and their operating conditions · Status of response to major risks	The Audit Committee confirmed the development and operation of internal control systems using the contents of deliberation by the Board of Directors, exchanging opinions with top management, and exchanging opinions with Internal Audit Department and the presidents and Audit & Supervisory Board members of the Company's subsidiaries. The full-time Audit Committee member also confirmed the development and operation of the risk management system through interviews with the main control divisions and the Audit & Supervisory Board members of the Company's subsidiaries, as well as by attending the azbil Group General Risk Committee.

Key audit items and audit considerations	Specific audit details
<p>Confirmation of compliance including governance and legal and regulatory compliance</p> <ul style="list-style-type: none"> ·Status of execution of duty of diligence by corporate executives and directors and of the separation of supervisory and executive functions ·Status of Group-wide governance and legal and regulatory compliance 	<p>The Audit Committee confirmed the suitability of business execution and the status of group governance through exchanges of opinions with executive officers and the presidents of subsidiaries, and also confirmed the status of local risk management through onsite visits to certain group companies. Additionally, the Audit Committee receives monthly reports on the status of operations of the internal reporting system and confirms its efficacy. Furthermore, the full-time Audit Committee member also confirmed the status of the legal and regulatory compliance response through the attendance at Management Meeting and other important meetings and an investigation of business operations.</p>
<p>Confirmation of status of audits by the Accounting Auditor</p> <ul style="list-style-type: none"> ·Status of accounting audit and internal control audit ·Selection of Key Auditing Matters (KAM) and status of their audits 	<p>The Audit Committee listened to an audit report from and exchanged opinions with the Accounting Auditor and confirmed the status of audits regarding KAM. The Audit Committee also observed onsite audit operations by the Accounting Auditor and confirmed the implementation methods.</p>
<p>Confirmation of the implementation status of management strategies (Long-term targets)</p> <ul style="list-style-type: none"> ·Status of achievement of performance targets ·Well-being initiatives ·Status of initiatives to strengthen and utilize human capital 	<p>At the Board of Directors and the Liaison Meeting for Directors and Corporate Executives, discussions were held on measures to achieve medium- to long-term targets and on the details of the evaluation of the business portfolio. Based on these discussions, through an investigation of business operations, etc., the Audit Committee confirmed that the divisions were executing business operations according to the medium-term plan.</p>
<p>Confirmation of DX progress and information security initiatives</p> <ul style="list-style-type: none"> ·Preparedness against cyberattacks ·Use of generative AI and risk management 	<p>At the Board of Directors and the Liaison Meeting for Directors and Corporate Executives, reports on the status of initiatives on DX and information security as well as the status of the use and corresponding risks awareness of generative AI were received from corporate executives, and the Audit Committee confirmed the awareness and response status for these issues. Additionally, the full-time Audit Committee member confirmed the status of the response through an investigation of business operations at the divisions in charge of operations.</p>

(Remuneration Committee)

As of March 31, 2026, the Remuneration Committee is comprised of three (3) members, with Mitsuhiro Nagahama (Independent Outside Director) serving as the Committee chairperson, Shigeaki Yoshikawa (Independent Outside Director), and Takayuki Yokota (Director, Representative Corporate Executive, Deputy President) serving as committee members, and independent outside directors comprising a majority of the Committee. In FY2025, the Remuneration Committee met ten (10) times and all the three (3) Remuneration Committee members attended all of the meetings*. Specific items considered by the Remuneration Committee are as follows.

*Because Shigeaki Yoshikawa was selected as a member of Remuneration Committee by the Board of Directors meeting held after the 103rd Ordinary General Meeting of Shareholders on June 25, 2025, his attendance only applies to committee meetings held after his appointment.

Items implemented	Specific contents of consideration
Action plan for the current fiscal year	The Remuneration Committee evaluated and decided on the items for consideration and its annual action plan for the current fiscal year.
Revisions to remuneration policy	The Remuneration Committee revised the remuneration policy based on revisions to the remuneration system for directors and corporate executives decided at the Remuneration Committee in FY2024.
Determination of policies and system for determining details of remuneration for directors and corporate executives	The Remuneration Committee deliberated on reviews to the levels of remuneration and composition of remuneration in the remuneration system for non-executive directors, and based on the results of those deliberations, determined the policy and system for determining the contents of remuneration for directors and corporate executives for FY2026.
Determination of individual remuneration for directors and corporate executives	In addition to evaluating the performance of corporate executives in FY2024, based on the policies for determining details of remuneration for directors and corporate executives, the Remuneration Committee determined details of individual remuneration for directors and corporate executives.
Confirmation of the external environment as for officers' remuneration	The Remuneration Committee made regular confirmation of the current remuneration system for officers and the remuneration level in light of information on other companies and general trends provided by external specialized institutions, etc.

Furthermore, regarding the maintenance of the Compliance Systems of the Group as a whole, the Company aims to be a corporate group trusted by society, and including compliance with laws and regulations, has established the Guiding Principles for azbil Group Business and the azbil Group Code of Conduct as guiding principles of the officers and employees. We aim to connect the Group philosophy, Guiding Principles, Code of Conduct, and management strategy “in series” leading to a sustainable society and to realize a balance between resolving social issues and sustainable growth. Additionally, by maintaining the public nature of the Company by first cutting off any relationships to antisocial forces, fulfilling our social responsibilities, compliance with antitrust and other fair trade regulations, respect for human rights, management and deployment of corporate assets, and protection of the environment, the Company is working toward sound business activities through the establishment of our corporate ethics.

As described in the section on “Issues to be tackled,” the Group promotes sustainability management. For the materiality that has been identified as material issues to be addressed over the long term, the Company has established the essential goals of the azbil Group for the SDGs and is proceeding systematically to realize our vision. Additionally, for materiality related to fundamental obligations that a company should fulfill as members of society, we are responding through CSR activities aimed at continuing to be a trusted corporate group. Specifically, for the proper and efficient execution of business operations, by establishing various internal rules relating to the decision making of the Company and implementation of business operations and other measures, the Company is maintaining a system which clarifies job authority and allows the appropriate checks to function. In terms of our internal control functions, the Internal Audit Department regularly performs internal audits that cover the overall management activities of headquarters divisions, each company and each group company in Japan and overseas, targeting the management and operations systems, the execution of business operations, business risks, compliance, and internal control systems, and providing specific advice and proposals for improved business operations. In order to strengthen internal controls in accordance with the Financial Instruments and Exchange Act, and to promote compliance-related activities throughout the Group, the Company has formed the azbil Group CSR Promotion Committee, where an officer of the Company in charge of compliance is appointed as chief officer and officers of each Group company in charge of compliance are appointed as members, and has also established the azbil Group Compliance Committee. Thus, the Company works to strengthen and maintain the overall compliance of the azbil Group in both Japan and overseas. We also maintain a system for the early discovery of misconduct through our internal reporting system. Furthermore, we receive the advice and support from legal advisors, certified public accountants and external experts as necessary regarding the overall execution of business operations.

The business report is listed as follows.

1. For monetary values, fractional numbers are rounded down to the nearest whole unit.
2. Stock quantities listed in thousands are rounded down to the nearest thousand.

Consolidated Financial Statements

Consolidated Balance Sheet

	104th term As of March 31, 2026		(Millions of yen) 104th term As of March 31, 2026
Assets		Liabilities	
Current assets	238,968	Current liabilities	64,357
Cash and deposits	95,256	Notes and accounts payable - trade	16,796
Notes receivable - trade	13,381	Short-term borrowings	4,816
Accounts receivable - trade	64,491	Income taxes payable	7,311
Contract assets	17,689	Contract liabilities	3,752
Securities	5,000	Provision for bonuses	14,131
Merchandise and finished goods	8,443	Provision for bonuses for directors (and other officers)	240
Work in process	6,268	Provision for share awards	451
Raw materials	21,388	Provision for product warranties	1,318
Other	7,372	Provision for loss on orders received	13
Allowance for doubtful accounts	(323)	Other	15,524
Non-current assets	93,271	Non-current liabilities	11,883
Property, plant and equipment	42,792	Long-term borrowings	5,073
Buildings and structures	22,850	Deferred tax liabilities for land revaluation	186
Machinery, equipment and vehicles	5,247	Retirement benefit liability	1,934
Tools, furniture and fixtures	3,255	Provision for retirement benefits for directors (and other officers)	143
Land	6,684	Provision for share awards	245
Leased assets	1,297	Provision for share awards for directors (and other officers)	306
Construction in progress	3,457	Other	3,993
Intangible assets	8,321	Total liabilities	76,240
Software	4,950	Net assets	
Other	3,370	Shareholders' equity	226,808
Investments and other assets	42,157	Share capital	10,522
Investment securities	29,093	Capital surplus	12,282
Deferred tax assets	4,145	Retained earnings	242,988
Retirement benefit asset	2	Treasury shares	(38,985)
Other	9,069	Accumulated other comprehensive income	26,045
Allowance for doubtful accounts	(154)	Valuation difference on available-for-sale securities	14,964
		Foreign currency translation adjustment	10,912
		Remeasurements of defined benefit plans	168
		Non-controlling interests	3,145
		Total net assets	255,999
Total assets	332,240	Total liabilities and net assets	332,240

Note: Amounts less than one million yen are rounded down.

Consolidated Statement of Income

(Millions of yen)

	104th term April 1, 2025 to March 31, 2026
Net sales	298,930
Cost of sales	159,352
Gross profit	139,577
Selling, general and administrative expenses	92,273
Operating income	47,304
Non-operating income	2,763
Interest and dividend income	1,336
Foreign exchange gains	966
Other	460
Non-operating expenses	1,307
Interest expenses	119
Other	1,188
Ordinary income	48,760
Extraordinary income	2,111
Gain on sale of non-current assets	14
Gain on sale of investment securities	2,096
Extraordinary losses	103
Loss on sale and retirement of non-current assets	91
Impairment losses	11
Loss on sale of investment securities	0
Income before income taxes	50,767
Income taxes - current	12,612
Income taxes - deferred	(896)
Net income	39,051
Net income attributable to non-controlling interests	486
Net income attributable to owners of parent	38,565

Note: Amounts less than one million yen are rounded down.

Consolidated Statement of Changes in Net Assets

(Millions of yen)

104th term April 1, 2025 to March 31, 2026	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,522	12,282	237,661	(41,905)	218,561
Changes during period					
Dividends of surplus			(13,623)		(13,623)
Net income attributable to owners of parent			38,565		38,565
Effect of changes in accounting period of subsidiaries			269		269
Change in scope of consolidation			199		199
Purchase of treasury shares				(22,567)	(22,567)
Disposal of treasury shares				5,403	5,403
Cancellation of treasury shares		(20,083)		20,083	–
Transfer from retained earnings to capital surplus		20,083	(20,083)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	5,327	2,919	8,246
Balance at end of period	10,522	12,282	242,988	(38,985)	226,808

Note: Amounts less than one million yen are rounded down.

(Millions of yen)

104th term April 1, 2025 to March 31, 2026	Accumulated other comprehensive income				Non- controlling interests	Total net assets
	Valuation difference on available- for-sale securities	Foreign currency translation adjustment	Remeasu- rements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,223	7,312	107	18,643	3,311	240,517
Changes during period						
Dividends of surplus						(13,623)
Net income attributable to owners of parent						38,565
Effect of changes in accounting period of subsidiaries						269
Change in scope of consolidation						199
Purchase of treasury shares						(22,567)
Disposal of treasury shares						5,403
Cancellation of treasury shares						–
Transfer from retained earnings to capital surplus						–
Net changes in items other than shareholders' equity	3,740	3,600	61	7,401	(165)	7,235
Total changes during period	3,740	3,600	61	7,401	(165)	15,482
Balance at end of period	14,964	10,912	168	26,045	3,145	255,999

Note: Amounts less than one million yen are rounded down.

Non-Consolidated Financial Statements

Non-consolidated Balance Sheet

(Millions of yen)

	104th term As of March 31, 2026		104th term As of March 31, 2026
Assets		Liabilities	
Current assets	173,348	Current liabilities	54,613
Cash and deposits	60,709	Accounts payable - trade	7,064
Notes receivable - trade	9,276	Accounts payable for construction contracts	3,097
Accounts receivable - trade	37,969	Short-term borrowings	4,500
Accounts receivable from completed construction contracts	31,029	Accounts payable - other	1,026
Securities	5,000	Accrued expenses	5,442
Merchandise and finished goods	5,547	Income taxes payable	5,325
Work in process	3,384	Accrued consumption taxes	2,152
Costs on construction contracts in progress	535	Advances received	1,074
Raw materials	10,914	Advances received on construction contracts in progress	1,075
Short-term loans receivable from subsidiaries and associates	1,796	Deposits received	2,253
Accounts receivable - other	3,199	Deposits received from subsidiaries and associates	7,598
Prepaid expenses	3,780	Provision for bonuses	11,913
Other	229	Provision for bonuses for directors (and other officers)	208
Allowance for doubtful accounts	(24)	Provision for share awards	451
Non-current assets	86,884	Provision for product warranties	1,197
Property, plant and equipment	25,556	Other	230
Buildings	15,482	Non-current liabilities	7,677
Structures	468	Long-term borrowings	4,785
Machinery and equipment	3,278	Provision for share awards	245
Vehicles	5	Provision for share awards for directors (and other officers)	306
Tools, furniture and fixtures	2,257	Other	2,339
Land	2,728	Total liabilities	62,290
Leased assets	54	Net assets	
Construction in progress	1,281	Shareholders' equity	183,474
Intangible assets	7,003	Share capital	10,522
Software	4,486	Capital surplus	17,197
Other	2,517	Legal capital surplus	17,197
Investments and other assets	54,323	Retained earnings	194,739
Investment securities	25,281	Legal retained earnings	2,519
Shares of subsidiaries and associates	15,491	Other retained earnings	192,219
Investments in capital of subsidiaries and associates	3,175	Reserve for tax purpose reduction entry of non-current assets	1,900
Long-term loans receivable from subsidiaries and associates	2,622	Reserve for promotion of open innovation	75
Leasehold deposits	3,301	General reserve	51,811
Deferred tax assets	2,440	Retained earnings brought forward	138,433
Other	2,047	Treasury shares	(38,985)
Allowance for doubtful accounts	(37)	Valuation and translation adjustments	14,468
Total assets	260,232	Valuation difference on available-for-sale securities	14,468
		Total net assets	197,942
		Total liabilities and net assets	260,232

Note: Amounts less than one million yen are rounded down.

Non-consolidated Statement of Income

(Millions of yen)

	104th term April 1, 2025 to March 31, 2026
Net sales	211,444
Net sales of finished goods and others	132,212
Net sales of completed construction contracts	79,232
Cost of sales	108,795
Cost of sales of finished goods and others	69,685
Cost of sales of completed construction contracts	39,110
Gross profit	102,649
Gross profit - finished goods and others	62,527
Gross profit on completed construction contracts	40,122
Selling, general and administrative expenses	68,476
Operating income	34,173
Non-operating income	9,280
Interest income	301
Dividend income	7,962
Foreign exchange gains	958
Other	58
Non-operating expenses	1,259
Interest expenses	236
Commitment fees	20
Office relocation expenses	765
Loss on investments in investment partnerships	179
Other	58
Ordinary income	42,193
Extraordinary income	2,101
Gain on sale of non-current assets	8
Gain on sale of investment securities	2,092
Extraordinary losses	69
Loss on sale and retirement of non-current assets	69
Loss on sale of investment securities	0
Income before income taxes	44,225
Income taxes - current	9,275
Income taxes - deferred	(815)
Net income	35,766

Note: Amounts less than one million yen are rounded down.

Non-consolidated Statement of Changes in Net Assets

(Millions of yen)

104th term April 1, 2025 to March 31, 2026	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		
						Reserve for tax purpose reduction entry of non- current assets	Reserve for promotion of open innovation	General reserve
Balance at beginning of period	10,522	17,197	-	17,197	2,519	2,002	-	51,811
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets						(101)		
Provision of reserve for promotion of open innovation							75	
Dividends of surplus								
Net income								
Purchase of treasury shares								
Disposal of treasury shares								
Cancellation of treasury shares			(20,083)	(20,083)				
Transfer from retained earnings to capital surplus			20,083	20,083				
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	(101)	75	-
Balance at end of period	10,522	17,197	-	17,197	2,519	1,900	75	51,811

Note: Amounts less than one million yen are rounded down.

(Millions of yen)

104th term April 1, 2025 to March 31, 2026	Shareholders' equity				Valuation and translation adjustments		Total net assets
	Retained earnings		Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Other retained earnings	Total retained earnings					
	Retained earnings brought forward						
Balance at beginning of period	136,347	192,680	(41,905)	178,495	11,246	11,246	189,742
Changes during period							
Reversal of reserve for tax purpose reduction entry of non-current assets	101	–		–			–
Provision of reserve for promotion of open innovation	(75)	–		–			–
Dividends of surplus	(13,623)	(13,623)		(13,623)			(13,623)
Net income	35,766	35,766		35,766			35,766
Purchase of treasury shares			(22,567)	(22,567)			(22,567)
Disposal of treasury shares			5,403	5,403			5,403
Cancellation of treasury shares			20,083	–			–
Transfer from retained earnings to capital surplus	(20,083)	(20,083)		–			–
Net changes in items other than shareholders' equity					3,221	3,221	3,221
Total changes during period	2,085	2,059	2,919	4,978	3,221	3,221	8,199
Balance at end of period	138,433	194,739	(38,985)	183,474	14,468	14,468	197,942

Note: Amounts less than one million yen are rounded down.

Independent Auditor's Report

May 14, 2026

To the Board of Directors
Azbil Corporation

Deloitte Touche Tohmatsu LLC Tokyo Office
Seiji Oguchi, CPA
Designated Limited Liability Partner,
Engagement Partner
Susumu Nakamura, CPA
Designated Limited Liability Partner,
Engagement Partner
Takusei Kashiwamura, CPA
Designated Limited Liability Partner,
Engagement Partner

Audit Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, that is, the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and the related notes of Azbil Corporation (the "Company") for the fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2026 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan (including the provisions applicable to audits of financial statements of public interest entities), and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Described Content

The other described content comprises the business report and the supplementary schedules. The responsibility of the management is to prepare and disclose the other described content. In addition, the Audit Committee is responsible for overseeing the execution of duties by the corporate executives and the directors in designing and operating the reporting process of the other described content.

The scope of our audit opinion on the consolidated financial statements does not include the other described content and we do not express an opinion on the other described content.

As our responsibility for auditing the consolidated financial statements, we read the other described content, and during the process of reading, we examine whether there are any important discrepancies between the other described content and the consolidated financial statements or between such content and our knowledge acquired during the process of auditing, and we pay attention to whether there are indications of material errors in the other described content other than the aforementioned important discrepancies.

If we determine that there are material errors in the other described content based on the work we have conducted, we are required to report those facts.

There are no items that we are required to report regarding the other described content.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

The Audit Committee is responsible for overseeing the corporate executives' and the directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the

related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.

- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and inspection of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related countermeasures taken to eliminate obstruction factors, or related safeguards applied to reduce obstruction factors to an acceptable level.

Interests in the Company

Our firm and engagement partners have no interest in the Company and its consolidated subsidiaries which shall be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Independent Auditor's Report

May 14, 2026

To the Board of Directors
Azbil Corporation

Deloitte Touche Tohmatsu LLC Tokyo Office
Seiji Oguchi, CPA
Designated Limited Liability Partner,
Engagement Partner
Susumu Nakamura, CPA
Designated Limited Liability Partner,
Engagement Partner
Takusei Kashiwamura, CPA
Designated Limited Liability Partner,
Engagement Partner

Audit Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements, that is, the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets and notes to non-consolidated financial statements, as well as the supplementary schedules (hereinafter, “non-consolidated financial statements, etc.”) of the Company for the 104th fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended March 31, 2026 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan (including the provisions applicable to audits of financial statements of public interest entities), and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Described Content

The other described content comprises the business report and the supplementary schedules. The responsibility of the management is to prepare and disclose the other described content. In addition, the Audit Committee is responsible for overseeing the execution of duties by the corporate executives and the directors in designing and operating the reporting process of the other described content.

The scope of our audit opinion on the non-consolidated financial statements, etc. does not include the other described content and we do not express an opinion on the other described content.

As our responsibility for auditing the non-consolidated financial statements, etc. we read the other described content, and during the process of reading, we examine whether there are any important discrepancies between the other described content and the non-consolidated financial statements, etc. or between such content and

our knowledge acquired during the process of auditing, and we pay attention to whether there are indications of material errors in the other described content other than the aforementioned important discrepancies.

If we determine that there are material errors in the other described content based on the work we have conducted, we are required to report those facts.

There are no items that we are required to report regarding the other described content.

Responsibilities of Management and the Audit Committee for the Non-consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

The Audit Committee is responsible for overseeing the corporate executives' and the directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the non-consolidated financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the non-consolidated financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation of the non-consolidated financial statements, etc. and notes to the non-consolidated financial statements, etc. are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related countermeasures taken to eliminate obstruction factors, or related safeguards applied to reduce obstruction factors to an acceptable level.

Interests in the Company

Our firm and engagement partners have no interest in the Company which shall be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Audit Report

The Audit Committee has audited the execution of duties by directors and corporate executives for the 104th fiscal year from April 1, 2025 to March 31, 2026. We hereby submit the methods and results of the audit as follows:

1. Auditing methods and details thereof

The Audit Committee received reports regularly from directors, corporate executives, employees, etc. on the resolutions of the Board of Directors concerning the matters listed in Article 416, Paragraph 1, Items (i) (b) and (e) of the Companies Act as well as the development and operation status of the system that has been put in place based on said resolutions (internal control system), requested explanation as necessary and expressed its opinion, and conducted audits using the following method.

- (1) In accordance with the auditing standards for the Audit Committee established by the Audit Committee, the Audit Committee set an audit plan including audit policies, priority audit items and division of duties in collaboration with the internal audit division of the Company. Then, the Audit Committee attended important meetings, received reports from directors, corporate executives and others on matters concerning the execution of duties by them, requested an explanation where necessary. Also, the Audit Committee has examined important authorized documents and associated information, and investigated the operations and financial conditions at headquarters and principal offices. With respect to subsidiaries, the Audit Committee communicated and exchanged information with directors and Audit & Supervisory Board members of subsidiaries, and received reports from them when necessary.
- (2) The Audit Committee monitored and verified that the accounting auditor maintains independence and conducts the audits appropriately. The Audit Committee also received an explanation of the audit plan at the beginning of the fiscal year from the accounting auditor, accompanied the accounting auditor during the audits in the fiscal year, and received reports and exchanged opinions on the status and results of the auditing activities. In addition, we received explanation of the arrangement of the “System for ensuring that the duties are performed appropriately” (matters stipulated in the items of Article 131 of the Regulation on Corporate Accounting) in accordance with “Standards for the Quality Control of Audits” (Business Accounting Council) from the accounting auditor. With respect to key audit matters, the Audit Committee members received reports from Deloitte Touche Tohmatsu LLC, the accounting auditor, concerning the status of their audit implementation and requested explanations as necessary.

Based on the above-mentioned method, we reviewed the business report and the accompanying supplementary schedules, the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and consolidated tables of explanatory notes) and the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets and non-consolidated tables of explanatory notes), the supplementary schedules thereto, for the fiscal year ended March 31, 2026.

2. Results of audit

- (1) Results of audit of business report and other relevant documents
 - (i) The business report and supplementary schedules present fairly the financial condition of the Company in conformity with related laws and regulations and the Articles of Incorporation of the Company.

- (ii) Regarding the execution of duties by directors and corporate executives, there were no instances of misconduct or material matters in violation of laws and regulations, nor of the Articles of Incorporation of the Company.
 - (iii) The resolution of the Board of Directors regarding the internal control system is fair and reasonable. There are no matters requiring additional comment regarding the contents of the business report on such internal control and the execution of duties by directors and corporate executives.
- (2) Results of audit of consolidated financial statements
- The auditing methods and results of the accounting auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.
- (3) Results of audit of non-consolidated financial statements and supplementary schedules
- The auditing methods and results of the accounting auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

May 15, 2026

The Audit Committee, Azbil Corporation
Hiroshi Yoshida,
Audit Committee Chairperson
Satoko Nakatani,
Audit Committee Member
Hisaya Katsuta,
Full-time Audit Committee Member

Note: Audit Committee chairperson Hiroshi Yoshida and Audit Committee member Satoko Nakatani are outside directors of the Company under Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.