(Translation)

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Notification Regarding the Disposal of Treasury Shares Through Third-Party Allocation and an Additional Contribution to the Employee Stock Ownership Plan (J-ESOP)

Azbil Corporation ("the Company") announces that it has resolved, at the Board of Directors meeting held on November 8, 2024, to dispose the treasury shares through allocation to a third party (hereinafter referred to as "the disposal of treasury shares"), as described below.

1. Overview of the disposal

(1) Date of disposal:	November 25, 2024 (Monday)
(2) Type of stock and number of shares to be disposed:	3,500,000 common shares
(3) Disposal price:	1,216 yen per share
(4) Total amount of disposal:	4,256,000,000 yen
(5) Disposal to:	Custody Bank of Japan, Ltd. (Trust E)
(6) Other:	This disposal of treasury shares becomes valid when a notification is filed pursuant to the Financial Instruments and Exchange Act of Japan.

2. Purpose and reason for the disposal

In May 2017, the Company introduced an employee stock ownership plan (J-ESOP) (hereinafter referred to as "the Plan"; the trust established for the Plan, based on the trust agreement concluded with Mizuho Trust & Banking Co., Ltd., is referred to as "the Trust"). (For details of the Plan, see Notice of Introduction of Employee Stock Ownership Plan (J-ESOP), dated March 30, 2017; Notice of Disposal of Treasury Shares through Third Party Allocation, dated May 12, 2017; and Notification of Partial Revision to the Employee Stock Ownership Plan (J-ESOP), dated May 13, 2024.)

For the continuance of the Plan, the Trust must acquire a sufficient number of the Company's shares to meet projected requirements for future grants, so it has been resolved to make an additional monetary contribution

to the Trust (hereinafter referred to as “the Additional Trust”); also, so that the Trust may hold and dispose of the Company’s shares for the operation of the Plan, it has been resolved to dispose of treasury shares through third-party allocation (the disposal of treasury shares) to Trust E established at Custody Bank of Japan, Ltd. (a re-trustee entrusted by Mizuho Trust & Banking Co., Ltd., which is the trustee of the Trust).

Regarding the disposal amount, this is equivalent to the number of shares that the Trust expects to grant to the Company’s employees during the trust period in accordance with the stock granting regulations. This amount is 0.62% of the total number of outstanding shares as of September 30, 2024, which was 566,032,736; and 0.65% of the total number of voting rights as of September 30, 2024, which was 5,373,285 (percentages rounded to 2 decimal places).

The Company believes that the Plan enhances enterprise value over the medium to long term, and it has determined that the number of treasury shares to be disposed of at this time and the degree of stock dilution are both reasonable, and that the impact on the stock market will be minor.

Note that the Company conducted a 4-for-1 common stock split effective October 1, 2024, and that the above-mentioned total number of outstanding shares has been adjusted to reflect this.

Details of Additional Trust

Date of Additional Trust:	November 25, 2024
Amount of Additional Trust:	4,256,000,000 yen
Type of stock to be acquired:	The Company’s common stock
Number of shares to be acquired:	3,500,000 shares
Date when shares acquired:	November 25, 2024
Method of share acquisition:	Receipt of the Company’s treasury shares (the disposal of treasury shares)

3. Basis of the calculation of the disposal price, and details thereof

To eliminate arbitrariness, the disposal price for these treasury shares has been set at 1,216 yen, the closing price of the Company’s common stock on the Tokyo Stock Exchange on November 7, 2024, being the business day immediately prior to the date of the Board of Directors’ resolution regarding the disposal.

The reason for using the TSE closing price on the business day immediately prior to the date of the Board of Directors’ resolution is that it is considered to be a reasonable reflection of the Company’s fair market value.

The disposal price of 1,216 yen is equivalent to 101.16% of the average of the closing prices in the latest month up to the business day before the date of the Board of Directors’ resolution, which was 1,202 yen (rounded down to the nearest whole number); 103.67% of the average of the closing prices in the latest three months up to the business day before the date of the Board of Directors’ resolution, which was 1,173 yen (rounded down to the nearest whole number); and 107.61% of the average of the closing prices in the latest six months up to the business day before the date of the Board of Directors’ resolution, which was 1,130 yen (rounded down to the nearest whole number). Having taken the above into consideration, it was concluded that the disposal price for the treasury shares cannot be said to be advantageous, and thus it is rational. Note that

the above-mentioned share prices and deviation percentages have been adjusted to reflect the 4-for-1 common stock split effective October 1, 2024.

The Audit Committee has expressed its opinion that the above disposal price does not constitute a particularly advantageous disposal price.

4. Matters concerning procedures in the code of conduct for companies

The disposal of treasury shares does not require procedures for obtaining the opinions of independent third parties or for confirming the willingness of shareholders, which are specified in Article 432 of the securities listing regulations of the Tokyo Stock Exchange, because (1) stock dilution is less than 25% and (2) major shareholders are unchanged.