To Our Shareholders and Investors

We wish to take this opportunity to express our heartfelt gratitude for your ongoing support.

Since its founding in 1915, Yokogawa has contributed to society by providing industry with cutting-edge products and solutions based on its core competences in measurement, control, and information technologies. Our business environment has changed drastically from one era to the next. Most recently, a wave of digital transformation driven by technologies such as artificial intelligence and big data has swept across the industrial era to the next. Most recently, a wave of digital transformation driven by technologies such as artificial intelligence and big data has swept across the industrial environment, driving interest in the adoption of new digital technologies that will improve productivity. And to guide us in our efforts to realize our ideals, specific objectives set out in our Transformation 2020 (TF2020) mid-term business plan.

Updated in 2018, our long-term business framework sets out what kind of company Yokogawa will strive to become, looking 10 years and even further into the future. To make this happen we will need technologies, skilled and knowledgeable personnel, and financial resources. And to guide us in our efforts to realize our ideals, specific goals for the Yokogawa Group as a whole were set out in the TF2020 plan.

Keeping in mind the relationship between our business activities and issues that concern all members of our society, in fiscal year 2017 we articulated a vision for the year 2050 and set specific sustainability goals (the “Three goals”) to make the world a better place for future generations. We have set quantitative targets for 2030 and key performance indicators (KPI) for 2020, and are promoting initiatives that are consistent with the objectives set out in our Transformation 2020 (TF2020) mid-term business plan.

To make this happen we will need technologies, skilled and knowledgeable personnel, and financial resources. And to guide us in our efforts to realize our ideals, specific goals for the Yokogawa Group as a whole were set out in the TF2020 plan.

Message from Chairman and President & CEO

Takashi Nishijima
Chairman

**Major Shareholders** (Top 10)

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Number of shares (thousand)</th>
<th>Shareholding ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Master Trust Bank of Japan Limited (trust account)</td>
<td>40,888</td>
<td>15.3</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Limited (trust account)</td>
<td>17,583</td>
<td>6.6</td>
</tr>
<tr>
<td>The Dai-Ichi Life Insurance Company, Limited</td>
<td>15,697</td>
<td>5.9</td>
</tr>
<tr>
<td>Nippon Life Insurance Company</td>
<td>13,484</td>
<td>5.1</td>
</tr>
<tr>
<td>Retirement Benefit Trust in Mucho Trust &amp; Banking Co., Ltd (Mucho Bank, Ltd. account); Trust &amp; Custody Services Bank, Ltd. as a Trustee of Retiree</td>
<td>11,261</td>
<td>4.2</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Limited (trust account II)</td>
<td>10,237</td>
<td>3.8</td>
</tr>
<tr>
<td>State Street Bank and Trust Company (SSBC)</td>
<td>6,990</td>
<td>2.6</td>
</tr>
<tr>
<td>Yokogawa Electric Employee Shareholding Program</td>
<td>5,698</td>
<td>2.1</td>
</tr>
<tr>
<td>The Bank of New York Mellon (International) Limited (BNYM)</td>
<td>3,958</td>
<td>1.5</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account II)</td>
<td>3,926</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Notes: 1. The Company holds 1,689,149 treasury stock.
2. The shareholding ratio is calculated after deducting treasury stock.

**Shareholders by Category**

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<tr>
<th>Category</th>
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<tr>
<td>Financial institutions</td>
<td>142,088,840 (52.89%)</td>
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<tr>
<td>Foreign investors</td>
<td>84,561,565 (31.48%)</td>
</tr>
<tr>
<td>Others</td>
<td>23,213,942 (8.65%)</td>
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<td>Individual investors</td>
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**Major Shareholders by Region**

- **United Kingdom**
  - Yokogawa United Kingdom Limited
  - Yokogawa Technology AS

- **CIS**
  - Russia
  - Ukraine
  - Kyiv
  - Yokogawa Electric Ukraine Ltd.

- **Middle East**
  - Bahrain
  - Middle East & Africa B.S.C. (j)
  - Saudi Arabia
  - United Arab Emirates
  - Qatar
  - Oman
  - Thailand
  - Malaysia
  - Indonesia

- **Africa**
  - South Africa
  - Sub-Saharan Africa (Pty) Ltd.
  - Nigeria
  - Kenya
  - South Africa
  - Africa

- **Oceania**
  - Australia
  - New Zealand

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In fiscal year 2019, the Yokogawa Group is picking up the pace of its efforts to achieve the TF2020 objectives and thereby taking itself closer to the ideals specified in the long-term business framework. The Group positions the three-year period covered by the TF2020 plan as a time for creating growth opportunities and consolidating the foundation for growth. Under this plan the Group is undertaking the following three transformations: the transformation of existing businesses, the creation of new businesses and transformation of its business model, and the improvement of productivity through Group-wide optimization. We will focus our efforts on making the fullest possible use of digital technologies and thereby achieving a digital transformation that will provide the basis for the aforementioned three transformations, and in so doing will enhance productivity for both the Yokogawa Group and our customers.

In April 2019, President and CEO Takashi Nishijima was appointed Chairman, and Director Hitoshi Nara stepped up to the positions of president and CEO. Under this new management arrangement, the Yokogawa Group is working hard to speedily implement initiatives that will bring the TF2020 plan to fruition and set the stage for further growth.

The Yokogawa Group has an unwavering commitment to expanding its businesses and enhancing its corporate value, and thereby meeting the expectations of shareholders and investors. We ask you for your continued support.

Hitoshi Nara
President and CEO