

Chapter

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Corporate Governance

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Directors





Biographies of Directors

Directors



Hitoshi Nara
Executive Chairperson
Representative Executive Officer
Member of the Nominating Committee

Apr. 1985 Joined the Company
Oct. 2001 Deputy Managing Director of Yokogawa Engineering Asia Pte. Ltd.
Oct. 2003 Managing Director of Yokogawa (Thailand) Ltd.
Apr. 2010 Senior Vice President of the Company
Jun. 2011 Director and Senior Vice President
Apr. 2013 Director of the Company
Apr. 2017 President of Yokogawa Solution Service Corporation
Apr. 2019 Director, President & CEO, Representative Executive Officer
Jun. 2024 Executive Chairperson, Representative Executive Officer (present)



Kunimasa Shigeno
Director
President & CEO, Representative Executive Officer

Apr. 1991 Joined the Company
May 2008 Vice President, Engineering Business, Yokogawa Saudi Arabia Company (L.L.C.)
Apr. 2016 Executive Vice President, Engineering Business, Yokogawa Saudi Arabia Company (L.L.C.)
Apr. 2018 Vice President, Head of Global Business Service Headquarters of the Company
Apr. 2021 President & CEO of Yokogawa Middle East & Africa B.S.C.(c)
Apr. 2023 Vice President, Regional Chief Executive for Middle East and Africa of the Company, and President & CEO of Yokogawa Middle East & Africa B.S.C.(c)
Apr. 2024 Senior Vice President, Head of Digital Solutions Headquarters of the Company
Jun. 2024 Senior Vice President & Executive Officer, Head of Digital Solutions Headquarters
Apr. 2025 President & CEO, Representative Executive Officer
Jun. 2025 Director, President & CEO, Representative Executive Officer (present)



Hikaru Kikkawa
Director
Member of the Audit Committee

Apr. 1989 Joined the Company
Apr. 2011 Head of PR/IR Office, Corporate Administration Headquarters
Apr. 2012 Head of Corporate Planning Office, Corporate Headquarters
Apr. 2016 Head of Business Planning Office, Marketing Headquarters
May 2017 Vice President, Head of Audit, Compliance and Quality Assurance Headquarters of the Company
Apr. 2020 Vice President, Head of Audit & QHSE Headquarters
Apr. 2022 Internal Audit Headquarters
Jun. 2024 Director (present)



Michiko Nakajima
Director
Vice President & Executive Officer

Apr. 1994 Joined the Company
Apr. 2014 Head of Budget Control Department, Accounting & Treasury Headquarters
Apr. 2016 Head of Treasury Department, Accounting & Treasury Headquarters
Apr. 2018 Head of Accounting & Treasury Center, Corporate Administration Headquarters
Apr. 2021 Vice President, Head of Accounting & Treasury Headquarters
Jun. 2024 Director, Vice President & Executive Officer, Head of Accounting & Treasury Headquarters (present)



Akira Uchida
Outside Director
Chairperson of the Board
Member of the Nominating Committee
Member of the Compensation Committee

Apr. 1975 Joined Toray Industries, Inc.
Jun. 1996 Executive Vice President of Toray Industries (America), Inc.
Jun. 2000 Senior Manager of Corporate Planning 1st Department and Corporate Communications Department of Toray Industries, Inc.
Jun. 2004 Associate Director of Corporate Planning Department and Investor Relations Department of Toray Industries, Inc.
Jun. 2005 Vice President (Member of the Board), General Manager of Finance & Controller's Division of Toray Industries, Inc.
Jun. 2009 President of Toray Holding (U.S.A.), Inc.
Jun. 2009 Senior Vice President (Member of the Board), General Manager of Finance & Controller's Division of Toray Industries, Inc.
Jun. 2012 President of Toray Holding (U.S.A.), Inc.
Jun. 2012 Senior Vice President (Member of the Board), Chief Investor Relations Officer, Chief Social Responsibility Officer, General Supervisor for General Administration & Legal Division, Corporate Communications Department, Advertising Department, General Manager of Tokyo Head Office of Toray Industries, Inc.
Jun. 2016 Counselor of Toray Industries, Inc. (retired in March 2019)
Jun. 2019 Director of the Company (present)



Kuniko Urano
Outside Director
Chairperson of the Nominating Committee
Member of the Compensation Committee

Apr. 1979 Joined Komatsu Ltd.
Apr. 2005 General Manager of Logistics Planning Department, Production Division of Komatsu Ltd.
Apr. 2010 General Manager of Corporate Communications Department of Komatsu Ltd.
Apr. 2011 Executive Officer, General Manager of Corporate Communications Department of Komatsu Ltd.
Apr. 2014 Executive Officer, General Manager of Human Resources Department of Komatsu Ltd.
Apr. 2016 Senior Executive Officer, General Manager of Human Resources Department of Komatsu Ltd.
Jun. 2018 Director and Senior Executive Officer of Komatsu Ltd.
Apr. 2021 Director of Komatsu Ltd.
Jun. 2021 Director of the Company (present)
Jul. 2021 Senior Adviser of Komatsu Ltd. (retired in June 2024)

Outside Directors



Takuya Hirano
Outside Director
Member of the Nominating Committee
Chairperson of the Compensation Committee

Dec. 1995 Joined Kanematsu USA
Feb. 1998 Joined Hyperion Solutions Corporation (the present Oracle Corporation)
Feb. 2001 President of Hyperion Solutions Japan
Aug. 2005 Senior Director, Business & Marketing Division of Microsoft Co., Ltd. (the present Microsoft Japan Co., Ltd.)
Feb. 2006 General Manager, Enterprise Service of Microsoft Co., Ltd.
Jul. 2007 General Manager, Enterprise Business & Enterprise Service of Microsoft Co., Ltd.
Mar. 2008 General Manager, Enterprise Business of Microsoft Co., Ltd.
Sep. 2011 General Manager, Multi-country of Microsoft Central and Eastern Europe
Jul. 2014 Executive Vice President, Marketing & Operations of Microsoft Japan Co., Ltd.
Mar. 2015 Representative Officer, Executive Deputy President of Microsoft Japan Co., Ltd.
Jul. 2015 President of Microsoft Japan Co., Ltd. (retired in August 2019)
Sep. 2019 Vice President, Global Service Partner Business of Microsoft Corporation (retired in September 2022)
Jun. 2022 Director of the Company (present)



Yujiro Goto
Outside Director
Member of the Nominating Committee
Member of the Compensation Committee

Apr. 1980 Joined Nippon Shokubai Kagaku Kogyo Co., Ltd. (the present NIPPON SHOKUBAI CO., LTD.)
Apr. 2011 Deputy Director of Production Div., and General Manager of Production & technology Dept. of NIPPON SHOKUBAI CO., LTD.
Apr. 2012 Plant Manager of Kawasaki Plant of NIPPON SHOKUBAI CO., LTD.
Jun. 2012 Executive Officer, Plant Manager of Kawasaki Plant of NIPPON SHOKUBAI CO., LTD.
Jun. 2015 Member of the Board, Managing Executive Officer in charge of production and technology departments of NIPPON SHOKUBAI CO., LTD.
Apr. 2017 President and Representative Member of the Board of NIPPON SHOKUBAI CO., LTD.
Jun. 2022 Member of the Board, Chairman of NIPPON SHOKUBAI CO., LTD.
Jun. 2023 Advisor of NIPPON SHOKUBAI CO., LTD. Director of the Company (present)



Makoto Ohsawa
Outside Director
Leading Outside Director
Member of the Audit Committee

Apr. 1981 Joined the Bank of Japan
May 1990 Seconded to the International Monetary Fund (Asian Department)
Jun. 1997 Deputy Chief, London Representative Office of the Bank of Japan
Jun. 1999 Director, Financial Markets Department of the Bank of Japan
Jun. 2003 General Manager, Naha Branch (Okinawa) of the Bank of Japan
Jun. 2006 Joined PwC
Sep. 2008 Partner of PwC (in charge of Business Revitalization, Financial, Family Businesses, Healthcare, and Hospitality Industries)
Feb. 2012 Chief Executive Officer of FEMO Co., Ltd. (present)
Jun. 2018 Member of Audit & Supervisory Board of the Company
Jun. 2024 Director of the Company (present)



Masaru Ono
Outside Director
Member of the Audit Committee

Apr. 1978 Registered Tokyo Bar Association
Jun. 1983 Certified New York State Bar
Feb. 1984 Joined Nishimura Sanada Law Firm (the present Nishimura & Asahi)
Jul. 1985 Partner of Nishimura & Asahi
Jun. 2007 Managing Director of Securitization Forum of Japan (the present President) (present)
Apr. 2009 Visiting Professor of University of Tokyo (retired in March 2024)
Jun. 2020 Member of Audit & Supervisory Board of the Company
Jan. 2021 Of Counsel of Nishimura & Asahi (retired in December 2023)
Jan. 2024 Representative Partner of Ono & Partner (present)
Jun. 2024 Advisor of Nishimura & Asahi (present)
Jun. 2024 Director of the Company (present)



Hisashi Maruyama
Outside Director
Chairperson of the Audit Committee

Apr. 1983 Joined Hitachi Chemical Company, Ltd. (the present Resonac Corporation)
Apr. 2003 Head of President's Office and General Manager in charge of Legal and IR of Hitachi Chemical Company, Ltd. (the present Resonac Corporation)
Apr. 2011 Executive Officer, Deputy General Manager of CSR Management Department and Head of Finance Center of Hitachi Chemical Company, Ltd. (the present Resonac Corporation)
Apr. 2015 Managing Executive Officer of Hitachi Chemical Company, Ltd. (the present Resonac Corporation)
Apr. 2016 Representative Executive Officer and President of Hitachi Chemical Company, Ltd. (the present Resonac Corporation)
Jun. 2016 Director, Representative Executive Officer and President of Hitachi Chemical Company, Ltd. (the present Resonac Corporation)
Mar. 2021 Director of Showa Denko K.K. (the present Resonac Holdings Corporation) (retired in March 2023)
Jan. 2022 Representative Director and Chairman of Showa Denko Materials Co., Ltd. (the present Resonac Corporation) (retired in December 2022)
Jun. 2024 Director of the Company (present)



Christina Ahmadjian
Outside Director
Member of the Audit Committee

Jan. 1995 Associate Professor, Columbia Business School
Oct. 2001 Associate Professor, School of International Corporate Strategy of Hitotsubashi University
Jan. 2004 Professor, School of International Corporate Strategy of Hitotsubashi University
Jun. 2009 Outside Director of Eisai Co., Ltd. (retired in June 2013)
Apr. 2010 Professor, Head of School of International Corporate Strategy of Hitotsubashi University
Apr. 2012 Professor, School of Commerce and Management of Hitotsubashi University
Jun. 2012 Outside Director of Mitsubishi Heavy Industries, Ltd. (retired in June 2021)
Jun. 2014 Outside Director of Japan Exchange Group, Inc. (retired in June 2022)
Apr. 2018 Professor, School of Business Administration of Hitotsubashi University
Jun. 2018 Outside Director of Sumitomo Electric Industries, Ltd. (retired in June 2025)
Mar. 2019 Outside Director of Asahi Group Holdings, Ltd. (retired in March 2025)
Jun. 2021 Outside Director of NEC Corporation (retired in June 2025)
Jun. 2021 Professor Emeritus of Hitotsubashi University (present)
Jun. 2022 Outside Director of Nittera Co., Ltd. (present)
Jun. 2025 Director of the Company (present)
Outside Director of DISCO Corporation (present)



Basic Views on Corporate Governance

The Yokogawa Electric Group has established a corporate philosophy, the Yokogawa Philosophy, and the Yokogawa Group Code of Conduct that apply to the entire Group, and strives to maintain appropriate relationships with all stakeholders as well as aims for sustainable corporate growth and increased corporate value over the medium to long term. In addition, based on the philosophy that “a company is a public entity of society,” the Group positions answering the trust of all stakeholders, including shareholders, customers, business partners, society, and employees, via sound and sustainable growth, as the basic mission of its corporate management. In addition, we believe that solving environmental and social issues is the raison d’être of the Group, and we have established Yokogawa’s Purpose as “utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet,” in which the top management itself demonstrates strong conviction and leadership to promote management that values sustainability.

In order to experience healthy and sustainable growth of the Group and to maximize its corporate value, the Group believes that efforts such as thorough compliance, appropriate management of risks, and information disclosure in order to ensure constructive dialogue with shareholders and other stakeholders are also important. The Group formulates these Yokogawa Corporate Governance Guidelines (our website)[\[link\]](#), which serve as the basic policy for continually working on corporate governance in line with the above views.

Overview of Corporate Governance System

Following the approval of a partial amendment to its Articles of Incorporation at the 148th Annual General Meeting of Shareholders held on June 18, 2024, the Company transitioned to a Company with a Nominating Committee, etc.

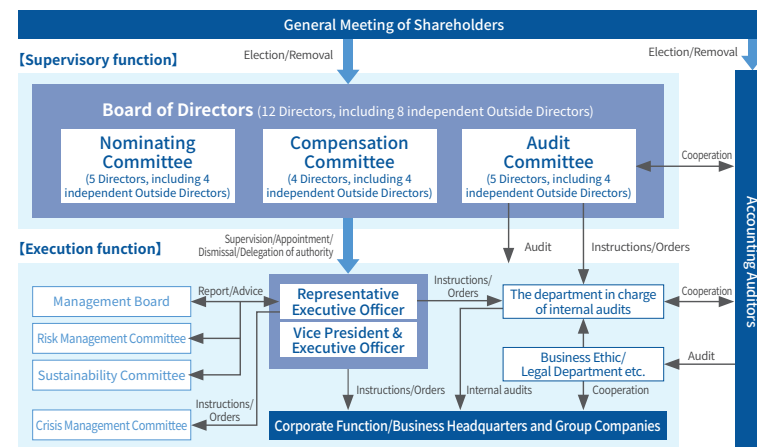
The Company aims to ensure transparency and fairness in its operations by clearly separating the supervision of management and business execution. It seeks to strengthen the supervisory function of the Board of Directors and clarify the authority and responsibilities of Vice President & Executive Officers. Through these initiatives, the Company strives to enhance the quality and speed of decision-making and business execution, thereby achieving sustainable growth and increasing its corporate value of the Group over the medium to long term. Accordingly, the Company has adopted the institutional design of a Company with a Nominating Committee, etc., as defined under the Companies Act.

Corporate Governance Changes Over Time

	Until FY2023 Continuous enhancement				From FY2024 Further enhancement	
	2005	2010	2015	2020	2024	
Institutional design	Company with an Audit & Supervisory Board					
Outside Directors	●1 director	●2 directors ●3 directors	●4 directors	●5 directors, accounting for a majority of the Board of Directors	●8 directors	
Voluntary advisory committees			●Established a Nominating and Compensation Committee ●Established a Nominating Advisory Committee and Compensation Advisory Committee			
Compensation system	●Abolished retirement bonuses for Directors		●Introduced a restricted stock compensation plan (RS) ●Introduced a performance-linked stock compensation plan (performance share unit plan: PSU)			
Systems and policies	●Revised the Articles of Incorporation to reduce the number of Directors (25→15) Introduced a one-year tenure system for Directors ●Introduced takeover defense measures		●Discontinued (abolished) takeover defense measures ●Established the Company’s independence standards ●Established the Yokogawa Corporate Governance Guidelines	●Abolished the positions of Senior Advisor, Advisor, and Honorary Corporate Associate ●Amendment of the Articles of Incorporation regarding an electronic provision system for informational materials for the General Meeting of Shareholders		
Other			●Conducted an outside evaluation of the Board of Directors*	●Appointed a woman as an outside Audit & Supervisory Board Member Appointed foreign nationals as officers ●Appointed an Outside Director as Chairperson of the Board ●Appointed a foreign national as a Director ●Appointment of a female Outside Director Appointment of female officers	●First female Director appointed from within Company	

*Once every three years with self-evaluation in other years, in principle

Corporate Governance System (as of June 2025)



Transition to a Company with a Nominating Committee, etc. (June 2024)

Through a clear division of roles between supervision and execution, etc., the following will be pursued to enhance corporate value:

- Streamlining the decision-making process
- Clarifying responsibilities for management decisions and achievement of business plans
- Strengthening and streamlining audit functions

The following actions will be promoted under the new institutional design:

- Strengthening the quality and speed of business execution and decision-making
- Diversifying the Board of Directors and enhancing information disclosure
- Restructuring and improving human resource systems and appraisal/compensation systems for the Group
- Linking executive compensation and sustainability goals
- Enhancing Group governance
- Strengthening internal control and risk management systems

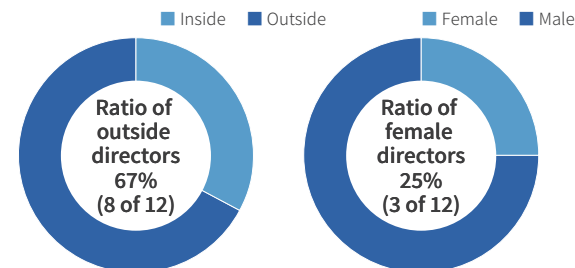


Board of Directors

The Roles of the Board of Directors

The Board of Directors is entrusted by shareholders with the aim of achieving sustainable growth and increasing the corporate value of the Group over the medium to long term. To achieve this aim, the Board of Directors positions initiatives for sustainability as an important management issue, and seeks to improve profit earning capability and capital efficiency, while setting the corporate strategies that determine the overall direction for the Group. To speed up management decision-making and business execution, authority for decision-making on business execution is largely delegated to the Vice President & Executive Officers. The Board of Directors supervises the Vice President & Executive Officers in the execution of their duties, determines the basic policy for the business execution internal control system, and monitors and supervises the establishment and operation of that system.

An independent outside director shall, in principle, act as the Chairperson of the Board of Directors in order to separate the execution and supervision of business, and the Chairperson of the Board of Directors shall strive to set the agenda and conduct the meetings of the Board of Directors in such a way that fosters free and open discussions and constructive debates based on individual knowledge and experience.



Messages from Officers



Akira Uchida

Outside Director
Chairperson of the Board
Member of the Nominating
Committee, Member of the
Compensation Committee



Kunimasa Shigeno

Director
President & CEO,
Representative Executive Officer



Christina Ahmadjian

Outside Director
Member of the Audit Committee

In line with last year's transition to a Company with a Nominating Committee, etc. structure, the Company transferred substantial authority to those in charge of business execution. The Board of Directors thus focused more on the discussion of management strategies that are geared toward improving corporate value over the medium to long term, including global strategies, technology strategies, human capital management, and M&A strategies. In addition, the Company recognizes the importance of the supervision function: keeping a close eye on whether the significant transfer of authority to the business-execution side helps to accelerate management and produce steady results. In line with that perspective, the Company adopted an approach through which the President & CEO, Representative Executive Officer provides monthly reports on the status of business execution, including the results of deliberations by the Management Board, to allow board members to hold discussions and provide advice.

In last year's evaluation by the Board of Directors, regular progress reports on the medium-term business plan, discussions on key issues in the plan, and deeper discussions on the aforementioned topics of human capital management and company-wide technology strategies emerged as important issues that needed to be addressed. Based on these findings and the issues and follow-up items identified in the Board of Directors meetings, we set agenda matters for fiscal year 2025 and, through effective discussions on those matters, helped to improve the Company's corporate value.

Last year, Yokogawa transitioned to a Company with a Nominating Committee, etc. structure with the aims of achieving sustainable growth and fulfilling its social responsibilities. In assuming my position as a Director, I once again sense the weight of my responsibility for accomplishing these goals.

In my concurrent roles as Director and President & CEO, Representative Executive Officer, I will value dialogues with our stakeholders and strive to establish a fair and highly transparent management system by building sound relationships of tension and trust between the Board of Directors and the business-execution side. At the same time, I will make every effort to improve the quality and speed of our decision-making.

The Company has been implementing the Growth for Sustainability 2028 medium-term business plan since the start of the previous fiscal year. The corresponding strategies have now taken full shape, and I see it as my mission to execute them on a steady, consistent basis. By engaging with issues from the customer's viewpoint and providing and deploying solutions on a global scale, we will strive to balance growth with profitability and improve Yokogawa's medium- to long-term corporate value.

It is a great honor to join the board of Yokogawa. For nearly 30 years, I have taught and conducted research in corporate governance, management and organization, international business, and global leadership. I have also had the privilege of serving as an independent outside director for several leading Japanese companies. I now look forward to contributing to Yokogawa's ongoing evolution in corporate governance.

Outside directors play two critical roles. First, we serve as monitors—ensuring that top management delivers on its commitments with the highest standards of compliance, transparency, ethics, and accountability to all stakeholders. Second, we act as advisors—challenging and supporting management in shaping forward-looking strategies and building the organizations needed to execute them.

But effectiveness requires more than just fulfilling individual responsibilities. Outside directors must work together as a unified board—maintaining a healthy balance of trust and collaboration with management, while also keeping a disciplined, independent, and critical perspective.

Yokogawa is a truly distinctive and exceptional company. I am committed to fulfilling my role with vigilance and integrity, and to helping Yokogawa continue to enhance its unique value proposition—delivering both long-term financial performance and sustainability in line with stakeholder expectations.



Board of Directors Composition and Roles, and Directors' Expertise and Experiences (Skill Matrix)

Name		Title	No. of years as director*1 (as of June 30, 2025)	Committees to which directors belong			Expertise and experience								
				Nominating Committee: 5 members	Compensation Committee: 4 members	Audit Committee: 5 members	Corporate management	Internationality/Global experience	Treasury/Finance	Technology/Development	IT/Digital	Sales/Marketing	HR/HR development	Legal & Risk management	Sustainability ESG
Directors	Hitoshi Nara	Executive Chairperson, Representative Executive Officer	14 years	●			●	●				●			
	Kunimasa Shigeno	President & CEO, Representative Executive Officer	—					●		●					
	Hikaru Kikkawa		1 year			●		●	●			●			
	Michiko Nakajima	Vice President & Executive Officer, Head of Accounting & Treasury Headquarters	1 year						●						
Outside Directors	Akira Uchida	Chairperson of the Board of Directors	6 years	●	●			●	●						●
	Kuniko Urano	Chairperson of the Nominating Committee	4 years	◎*3	●								●		●
	Takuya Hirano	Chairperson of the Compensation Committee	3 years	●	◎*3			●			●	●			
	Yujiro Goto		2 years	●	●		●			●					●
	Makoto Ohsawa	Leading Outside Director	7 years*2			●		●	●						
	Masaru Ono		5 years*2			●		●						●	●
	Hisashi Maruyama	Chairperson of the Audit Committee	1 year			◎*3	●		●					●	
	Christina Ahmadjian		—			●		●						●	●

*1. Average length of service: 3.66 years *2. Includes years served as an Outside Audit & Supervisory Board Member before the transition to a Company with a Nominating Committee, etc. *3. Chairperson

Corporate management	In order to achieve the transformation set out in the long-term business framework and in the medium-term business plan GS2028 amid major changes in the business environment, such as structural changes in the energy industry and advances in digital technology innovation, a wealth of experience and knowledge in the field of corporate management in general is required, including leading the transformation as head of the corporate headquarters of a major company.
Internationality/Global experience	A wealth of experience and knowledge in global business and overseas culture and environments is required to develop and implement medium- to long-term growth strategies for the Company, which operates globally (ratio of overseas sales: approximately 75%, ratio of overseas employees: approximately 65%), and to properly supervise global management.
Treasury/Finance	Solid experience and knowledge in the fields of treasury and finance are required to build a strong financial base to support sustainable growth of the Company and to develop a financial strategy to promote aggressive investment in growth, including M&A and alliances, and to realize appropriate shareholder returns.
Technology/Development	To further evolve and develop the Company's strengths in technology and development in the fields of measurement, control, and information to achieve growth through innovative solutions incorporating new technologies, it is necessary to have solid experience and knowledge in the fields of innovation, technology, development, quality, and the environment.
IT/Digital	Achieving new solutions through integration, autonomization, and digitization and creating new value through IT and OT convergence and the System of Systems concept connecting multiple systems requires extensive experience and knowledge in the fields of business operations and business model transformation using advanced IT and digital technologies.
Sales/Marketing	To achieve growth by solving customers' real problems through innovative solutions, it is essential to transform business models and to plan and develop new solutions that meet market needs, as well as to develop a strategy to expand orders and sales, which require extensive experience and knowledge in the sales and marketing fields.
HR/HR development	As the importance of human capital management increases, in order to transform the Company into what it aims to be in the medium to long term, it is important for the Company to develop and implement human resources strategies, such as securing, developing, and utilizing management personnel, DX personnel, and consultant personnel, in conjunction with management strategies, which requires solid experience and knowledge in the fields of human resources and human resources development.
Legal & Risk management	Achieving sustainable corporate value growth requires risk management that can accurately and quickly address rapidly changing and diversifying risk factors in a rapidly changing business environment and requires solid experience and knowledge in the fields of risk management, compliance, and law.
Sustainability/ESG	To sustainably increase corporate value in keeping with Yokogawa's Purpose of "Utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet," it is necessary to achieve both growth through ESG-focused management and the creation of social and environmental value, which in turn requires extensive experience and knowledge in the fields of sustainability and ESG.





Board of Directors' Activity and Results in Fiscal Year 2024

*The activities and the results of the Board of Directors as a Company with an Audit & Supervisory Board until June 2024, and as a Company with a Nominating Committee, etc. from June 18, 2024.

Activities and Results Number of meetings 15 Attendance rate* 100% *Includes the attendance of Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members) before the transition to a Company with a Nominating Committee, etc.	Medium- to long-term growth strategy and important management issues • Medium- to long-term initiatives to increase Company-wide profitability • Strategy for high-growth regions • Strategy related to AI and security • Human capital management initiatives • Progress and outcomes of the management foundation transformation project • Progress and process of the M&A plan Priority Items Discussed	Sustainability • Review of GS2028 sustainability indicators • Update on contribution and growth story based on business strategy • Status of deliberations toward the realization of sustainable products and services • Ongoing efforts to address ESG issues Governance • Optimal decision-making processes to support management team risk-taking and enhance management speed • Enhanced information sharing at Board of Directors meetings with respect to risk management, internal audits, and activities of the Nominating Committee, the Audit Committee, and the Compensation Committee
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Board of Directors Evaluation

Based on the evaluations of each Director, each year the Board of Directors shall identify issues for further boosting the strengths and effectiveness of the Board of Directors, and make analysis and evaluations in order to clarify the points that should be emphasized when working on each issue. To make evaluations, the Board of Directors has used third-party evaluation organizations, as appropriate.

Summary of the Fiscal Year 2024 Board of Directors Evaluation Results

As a result of the evaluation of the Board of Directors, the Board of Directors was found to be open and highly effective. The sincere engagement of the executive side was also highly regarded. On the other hand, there remains room for improvement in focusing on key agenda items and enhancing operational efficiency.

Roles, size and composition of the Board of Directors

- The Group has engaged in initiatives to transform a company continuously creating value in the rapidly changing business environment. The Board of Directors appropriately fulfills its role based on the recognition that its important roles and functions are to provide medium- to long-term management direction, and to supervise the execution of operations and evaluate business performance from the perspective of each stakeholder. The Chairperson and Directors appropriately fulfill their roles, and contribute to the improving effectiveness of the Board of Directors. Furthermore, evaluation found that the transition to being a Company with a Nominating Committee, etc. clearly delineated the responsibilities of management oversight vis-à-vis business execution.
- While the size of the Board of Directors, the ratio of outside directors to inside directors, and the diversity of its members are recognized as appropriate, further enhancement of international and gender diversity is considered desirable.

Management status of the Board of Directors

- The frequency and duration of Board of Directors meetings were found to be appropriate, with open and constructive discussions. In terms of agenda setting, it was found necessary to allocate more time to important themes and issues related to fulfilling the Medium-term Business Plan, as well as to review the situation after the transition to a Company with a Nominating Committee, etc.
- The Board of Directors contributes to the formulation and implementation of the Medium-term Business Plan and Long-term Management Concept from a variety of knowledge and perspectives. The Board of Directors recognizes that securing and transforming human resources, expanding business, and improving profitability are issues that need to be addressed, and it is believed that the progress and results of these efforts should be strengthened.

Efforts for future improvement

In order to further accelerate the transformation of the Group based on the results of the Board of Directors evaluation, the Board of Directors will work to enhance effectiveness by bolstering the supervisory function further through the following initiatives:

Establishment of governance structure as a Company with a Nominating Committee, etc.

In accordance with the transition to a Company with a Nominating Committee, etc., we will clearly separate management oversight from business execution, further improving the quality and speed of business execution and decision-making, with the aim of achieving sustainable growth and increasing corporate value over the medium to long term.

Deepen discussion of medium- and long-term management strategies

Important medium- to long-term management issues will be selected for the agenda with a view to achieving the new medium-term business plan and long-term management concept launched in fiscal year 2024. Among them, we will take up as agenda items important management issues that should be discussed by the Board of Directors, which were raised in the Board of Directors evaluation and Outside Officers Meeting. In order to deepen these discussions, we will also further strengthen communication with the executive side.

Strengthen monitoring functions

In light of the Company's transition to a Company with a Nominating Committee, etc., the Board of Directors will enhance its monitoring to verify whether the quality and speed of business execution and decision-making are improving, in addition to monitoring the progress of the medium-term business plan. In addition, as a company with Nomination Committee, etc., the Board of Directors will develop an appropriate governance system and confirm the status of the system. As for the three statutory committees, we will also ensure their flexible operation while putting their operation on track by sharing important cases and other information.

The operation of the Board of Directors as seen from the executive side

The executive side expressed the view that the separation of management oversight and executive authority had been clearly defined and was moving in the right direction, but also pointed out that improvements were needed in terms of speed of execution and the creation of new businesses. At the same time, the Board of Directors is seeking further comments and advice from the perspective of stakeholders on various strategic issues.

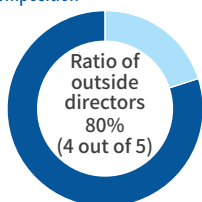
Nominating Committee

Roles of the Nominating Committee

The Nominating Committee sets out the criteria and procedures for the appointment, reappointment, and dismissal of directors and Vice President & Executive Officers, and deliberates based on them, so that personnel with the desired qualifications, achievements, etc. are selected in an optimal fashion for these positions based on the perspectives of all stakeholders regarding the continued development of the Group and corporate governance. The Nominating Committee makes decisions on the items set forth below.

- (1) Decisions on proposals regarding the election and dismissal of directors to be submitted to the General Meeting of Shareholders
- (2) Details of agenda items to be discussed at meetings of the Board of Directors concerning the appointment, dismissal, or removal of Representative Executive Officers and Vice President & Executive Officers
- (3) Establishment, amendment or abolition of necessary basic policies, regulations, procedures, etc. to enable a decision by the committee regarding an item stated in item (2)
- (4) Other matters that the Committee recognizes as important in relation to the appointment of candidates, and dismissal or removal of Representative Executive Officers and Vice President & Executive Officers stated in items (1) and (2)

Composition



Director Hitoshi Nara
Outside Director Akira Uchida
Outside Director Kuniko Urano◎
Outside Director Takuya Hirano
Outside Director Yujiro Goto
Note: "◎" denotes the Committee Chairperson.

Activity Results in Fiscal Year 2024

*The activities were conducted by the Nomination Advisory Committee until June 2024 and by the Nominating Committee after June 18, 2024.

Number of meetings	Nomination Advisory Committee: 3	Nominating Committee: 12
Attendance rate	Nomination Advisory Committee: 100%	Nominating Committee: 100%
Matters discussed	- How the Board of Directors should function, the direction it should pursue in the future, and the composition of the Board of Directors - Candidates for chairperson, positions on the three statutory committees, and the vice president & executive officer positions submitted to the Board of Directors subsequent to the transition to a Company with a Nominating Committee, etc. structure. - Evaluation of the President & CEO, Representative Executive Officer based on performance in the previous fiscal year - Vice president & executive officer organization for fiscal year 2025 - Director candidates proposed for the Annual General Meeting of Shareholders held in June 2025 - Change in the President & CEO, Representative Executive Officer effective April 1, 2025, based on the CEO succession plan	



Kuniko Urano

Outside director
Chairperson of the
Nominating Committee

Kuniko Urano has served as the Chairperson of the Nominating Committee since 2024. Yokogawa transitioned to a Company with a Nominating Committee, etc. structure in fiscal year 2024 in order to promote swift, resolute decision-making through a clear division of roles between supervision and execution while also strengthening its overall corporate governance. Positions on the Nomination Advisory Committee were voluntary prior to the transition, and outside directors were in the majority, with an outside director serving as Committee Chairperson. In addition to ensuring objectivity and transparency, the Committee conducted open and honest discussions and gave reports on key topics, including the optimal composition for the Board of Directors to enhance effectiveness, the human-resources requirements for President and other senior management positions, as well as approaches to developing and electing top-level personnel. In all, the Committee operated in a manner similar to a statutory nominating committee. I feel that, due to the transition, not only does the Group now have a stronger medium- to long-term perspective, but the discussions have also addressed a wider range of ideas—thanks to the incorporation of objective viewpoints from external experts—and have been conducted in a more timely manner. In addition, the Committee has strengthened its stance of cooperating with other statutory committees and deepening discussions at the outside directors' meetings, etc.

The year 2025 marked a major milestone with the succession of the President & CEO, Representative Executive Officer. Since 2015, when the Nomination Advisory Committee was in place, the Company has been setting the requirements for the position of President and has implemented a program to select and systematically develop candidates for this position. The succession of 2024 was the second time this was done under this system. I have the impression that the business execution side is fully aware of how important it is to develop management personnel and is putting an even stronger focus on those efforts. I also believe the company has built an orthodox but highly transparent and objective system, and has been diligently sustaining this by implementing the PDCA cycle. In 2022, we began in a concrete manner, narrowing the internal candidates down to a relatively small number at an early stage while providing feedback to the candidates themselves. We deliberated again on the human-resources requirements that leaders need to meet in order to achieve Yokogawa's vision for 2030. Rather than just simply reviewing the requirements, we also shared the points that should be emphasized. The selection of a president is greatly influenced by a company's culture. We engaged with the candidates knowing that, if they became the President, they would be reflecting the comprehensive strength of the Company. That meant evaluating key questions: whether they could engage in open, in-depth discussions not only at Board of Directors meetings but also at internal meetings, whether they had the ability to stay attuned to social trends and understand the governance, competitiveness, and corporate value the Company would need from a medium- to long-term perspective, and whether they could demonstrate reliable leadership in implementing measures to keep pushing improvements across a large global organization. In coming to an appropriate decision, I believe the Committee members all deliberated on the candidates carefully and effectively, including assessments of their expertise and experience.

In addition to providing the right support to help the new President and the management team fully demonstrate their capabilities, we will continue to take steps to make the Committee even more capable and productive.

Succession Plan

Evaluation of President & CEO, Representative Executive Officer

The Nominating Committee performs a yearly evaluation of the President & CEO, Representative Executive Officer using basic evaluation criteria, including quantitative aspects of the Company's business results. By checking and confirming the comprehensive supervisory and business execution capabilities of management and carefully and appropriately deliberating on whether it would be suitable for the members of management to continue in their respective roles, the Committee ensures that appointments, reappointments, and dismissals are appropriate. Further, by evaluating results from multiple perspectives, identifying issues, and providing feedback to individuals, the Committee aims to improve the quality of management.

Succession Plan for President & CEO and Representative Executive Officer Positions

The Nominating Committee, of which a majority is comprised of independent outside directors, deliberates and determines matters pertaining to the succession plan for the position of President & CEO, Representative Executive Officer. The Committee has set the requirements and planned the process for selecting executives to serve in the President & CEO, Representative Executive Officer role, and reviews them as and when required. For future candidates for such appointments, the Committee prepares development plans, provides the necessary training, and assigns them as appropriate.

Yokogawa Receives METI Minister's Award for Corporate Governance of the Year 2024

This award program, in place since fiscal year 2015, is part of the Japanese government's growth strategy to promote the earning potential of Japanese companies by encouraging companies to achieve sound growth over the medium- to long-term through good corporate governance.

Yokogawa was recognized as a company making advanced efforts in its selection of executives to serve in the President & CEO role and in its succession planning, which are the cornerstones of governance.



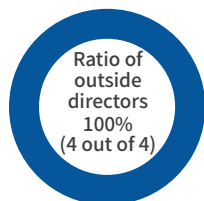
Compensation Committee

Roles of the Compensation Committee

The Compensation Committee deliberates and makes decisions based on set criteria and procedures in order to ensure that the compensation system and compensation for directors and Vice President & Executive Officers encourages the undertaking of appropriate challenges that will promote the Group's growth, enables the hiring and retention of excellent individuals, and is viewed positively by all stakeholders. The Compensation Committee makes decisions on the items set forth below.

- (1) Policy in relation to decisions concerning the details of compensation, etc. for directors and Vice President & Executive Officers
- (2) Details and criteria concerning compensation, etc. for individual directors and Vice President & Executive Officers
- (3) Establishment, amendment, or abolition of necessary basic policies, regulations, procedures, etc. to enable decisions by the Compensation Committee regarding the above items
- (4) With respect to the above items, other matters that the Compensation Committee recognizes as important in relation to compensation, etc.

Composition ■ Inside ■ Outside



Outside Director Akira Uchida
Outside Director Kuniko Urano
Outside Director Takuya Hirano◎
Outside Director Yujiro Goto
Note: "◎" denotes the Committee Chairperson.

Results of Activities in Fiscal Year 2024

*The activities were conducted by the Compensation Advisory Committee until June 2024 and by the Compensation Committee after June 18, 2024.

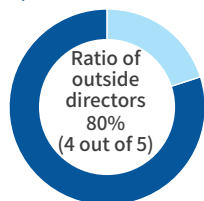
Number of meetings	Compensation Advisory Committee: 3 Compensation Committee: 5
Attendance rate	Compensation Advisory Committee: 100% Compensation Committee: 100%
Matters discussed	• Payments of performance-linked stock compensation based on the results of the previous medium-term business plan • Amounts of performance-linked compensation (annual incentive) paid in July 2024 to individual personnel based on the indicators and calculation formulas established by the Compensation Advisory Committee in July 2023 • Determination of performance indicators and formulas for performance-linked compensation paid in July 2025 • Partial changes to the executive compensation system in connection with the transition to a Company with a Nominating Committee, etc. • Assessment of executive compensation levels and revisions to base amounts of fixed compensation and performance-based compensation based on that assessment

Audit Committee

Roles of the Audit Committee

The Audit Committee is responsible for statutory duties such as auditing the execution of duties by directors and Vice President & Executive Officers, preparing audit reports, and deciding on proposals for the appointment and dismissal of the accounting auditor. From the perspective of the directors, it primarily conducts high-value-added audits and validity audits.

Composition ■ Inside ■ Outside



Director Hikaru Kikkawa
Outside Director Makoto Ohsawa
Outside Director Masaru Ono
Outside Director Hisashi Maruyama◎
Outside Director Christina Ahmadjian
Note: "◎" denotes the Committee Chairperson.

Results of Activities in Fiscal Year 2024

*The activities were conducted by the Audit & Supervisory Board until June 2024 and by the Audit Committee after June 18, 2024.

Number of meetings	Audit & Supervisory Board: 5 Audit Committee: 15
Attendance rate	Audit & Supervisory Board: 100% Audit Committee: 98.7%
Priority audit items	Confirmation of progress on the GS2028 medium-term business plan Establishment and operation of the Yokogawa Group's internal control system
Activities	• Audits of business execution by attending important meetings and viewing important documents • Audits through interviews with directors, vice president and executive officers, and other key employees • Cooperation with the accounting auditor and the department in charge of internal audits • Cooperation with the Group's full-time Audit & Supervisory Board members • Reports to the Board of Directors • Establishment of a whistleblowing hotline directly connected to the Audit Committee



Takuya Hirano

Outside Director
Chairperson of the
Compensation Committee

Yokogawa has transitioned to a Company with a Nominating Committee, etc. structure in its continuing pursuit of a higher level of corporate governance. That aim extends to the operations of the Compensation Committee. In addition to ensuring the transparency and objectivity of the compensation system, the Compensation Committee continually reviews its approach to ensure that the compensation of the management team functions as a sound incentive for the sustained improvement of corporate value.

Even prior to Yokogawa's transition to the Company with a Nominating Committee, etc. structure, the Compensation Advisory Committee was comprised primarily of outside directors. The Chairperson, too, was an outside director. While the Company's transition has thus not resulted in any major changes in the Committee's operations, the Committee now consists solely of outside directors and engages in deeper discussions rooted in a more external perspective.

While fully understanding Japan's Corporate Governance Code and external benchmarks, we seek to maintain a dialogue by having the Representative Executive

Officers participate in a limited capacity as observers in our meetings. This is to ensure that our compensation system does not unilaterally exert pressure on the management team. This approach is essential to building stronger trust and acceptance among stakeholders while maintaining a healthy sense of tension in our relationship with management.

We believe that the compensation system is not merely a framework for rewarding personnel but also an embodiment of our corporate philosophy and values. Along with the Company's strategies and operations, the system constitutes part of our organizational culture and is an important means of showing employees and stakeholders exactly what the Company values. We continue to pursue an optimal balance in our approach to compensation, remaining sensitive to changes in the market, shifts in society, and consistency with internal systems.

Guided by the philosophy of President Shigeno, the top executive, we will continue to put forth every effort to realize a compensation system that supports value creation and sustainable growth for the entire Yokogawa Group.



Hisashi Maruyama

Outside Director
Chairperson of the Audit
Committee

It has been one year since the Company transitioned to a Company with a Nominating Committee, etc. structure with the aim of strengthening its governance. Under this new institutional design, the Audit Committee's core function is to audit the performance of duties by directors and Vice President & Executive Officers. It focuses on assessing the status of the creation, development, and operation of the Group-wide internal control system, operating from the standpoints of both legal compliance and appropriateness, and also confirming the progress of the medium-term business plan. In all its audit activities, the Committee focuses on fairness and transparency.

As a result of this change, the Audit Committee has become more independent; its five members now comprise four independent outside directors and one full-time director from inside the Company. As the majority of Audit Committee members are outside directors, it is difficult to conduct on-site audits. Therefore, the Internal Audit Department, which was previously under the direct control of the President, has been placed under the direct control of the Audit Committee. A dual-reporting system where the Department also makes reports to the President as appropriate has also been implemented. By enabling a closer exchange of information between the Audit Committee members and the Internal Audit Department, this makes it possible to conduct flexible, effective audits of various management issues.

The audit activities conducted by the Audit Committee included interviews with almost all the Vice President & Executive Officers, including the President & CEO, Representative Executive Officer, with the aim of directly auditing the execution of their duties. In addition to confirming that each vice president & executive officer is fully aware of his or her authority and responsibilities in executing his or her duties and determining the operational status of the internal control system, for which the vice president & executives are responsible, the Audit Committee engages in an open and honest exchange of views on initiatives aimed at achieving the goals of the medium-term business plan, discusses issues that come to light from these exchanges, reports on the discussions to the Board of Directors, and works to encourage improvements.

Under the Company with a Nominating Committee, etc. structure, organizational auditing is the primary focus. This makes it important for the Audit Committee to determine whether the internal control system is functioning effectively. In the event that audits identify deficiencies or issues in the execution of business operations, the Audit Committee's basic policy is to prevent recurrence by resolving individual cases, examining the operational status of the internal control system, and making necessary improvements.

As its works to strengthen internal controls and enhance management transparency in accordance with the basic principles of Japan's Corporate Governance Code, I would like for the Audit Committee to contribute to the Company's sustained growth and improve its corporate value.



Executive Compensation

Basic Policy

The basic policy on compensation for Directors and Vice President & Executive Officers shall be as follows:

- (a) Plan that promotes sustainable, medium- to long-term improvement in corporate value
- (b) Plan that reflects the medium- to long-term management strategy and strongly motivates the achievement of medium- to long-term management objectives
- (c) Plan that prevents bias toward short-term thinking
- (d) Plan and monetary amounts that secure and maintain excellent human resources
- (e) Plan that includes transparency, fairness, and rationality for stakeholders, decided through an appropriate process to ensure these factors

Policy for Determining Compensation, etc. for Officers

As the Company is a Company with a Nominating Committee, etc., its Compensation Committee establishes the system and the policy for determining the remuneration of Directors and Vice President & Executive Officers, and determines the content of remuneration for each Director and Vice President & Executive Officer in accordance with the system and policy.

Composition of Officers' Compensation

Directors shall be paid a fixed remuneration of basic compensation. This is because variable compensation such as performance-linked compensation is not appropriate for Directors who maintain position independent from the performance of duties, and as such only fixed compensation is paid, identically for non-executive Directors. However, Vice President & Executive Officers who also serve as Directors shall be paid as Vice President & Executive Officers.

Vice President & Executive Officers' compensation is composed of (a) basic compensation, which is fixed compensation, and (b) performance-linked compensation ((b)-1 annual incentive and (b)-2 medium- to long-term incentive).

The levels of compensation for executives are set through a comparison with companies from the same industry and of the same scale, both domestically and internationally, based on the results of surveys conducted by external organizations, and the Company's financial conditions.

Compensation levels for each position are based on the level of 50%iles by peer companies. From the viewpoint of flexible management in response to changes in the environment and the acquisition and retention of talented management personnel, compensation levels shall generally be within the range of 25%iles to 75%iles.

Compensation for personnel hired overseas may be determined individually based on a compensation benchmark analysis that takes into account the responsibilities of each position based on executive compensation survey data in that overseas region.

The specific composition of compensation for executives and officers shall be as follows in accordance with the executive categories.

Executive categories	(a) Basic compensation	(b) Performance-linked compensation ((b)-2 including non-monetary compensation)	
		(b)-1 Annual Incentive	(b)-2 Mid- to Long-Term Incentive
Director	○	—	—
Director Concurrent Vice President & Executive Officer	○	○	○
Vice President & Executive Officer	○	○	○

(a) Basic compensation

Basic compensation shall be fixed monthly compensation and shall be determined based on the criteria established by the Compensation Committee in accordance with the roles and positions of Directors and Vice President & Executive Officers.

(b) Performance-linked compensation

Performance-linked compensation shall be determined by the Compensation Committee in order to raise awareness of the improvement of business performance in each fiscal year and the enhancement of corporate value in the medium term, and shall be paid in an amount or number calculated according to the degree of achievement of the target value (KPI).

The concept of performance-linked compensation is as follows.

- (1) Increase the ratio of performance-linked compensation to total compensation.
- (2) The higher the position, the higher the ratio of performance-linked compensation to total compensation.
- (3) Share-based compensation as a percentage of total compensation shall be at least equal to companies from the same industry or of the same scale.

(b)-1 Annual Incentives

Annual incentives in performance-linked compensation shall be calculated by the Compensation Committee on the basis of the company-wide performance evaluation and individual performance evaluation for a single fiscal year, and shall be paid once a year. The amount to be paid shall be designed to vary from 0% to 200% to a value of 100% when the performance target is achieved.

Based on the idea that the performance objectives that lead to an evaluation of the entire Company's results for a single fiscal year for the annual incentive are significant indicators for the Group to measure sustained growth, the performance objectives have been set for "consolidated sales" and "consolidated return on sales (ROS)."

*The ratio of the basic compensation and the annual incentives when the performance target is achieved is designed so that the higher the position is, the higher the ratio of the annual incentive is set. From 1 to 0.75 for the representative executive officer, the lower the position is, the lower the ratio of annual incentives is set. The overall average is generally 1 to 0.5. This ratio may vary from 1 to 0 to 1 to 1, depending on the degree to which performance targets are achieved.

Basic compensation	Annual Incentives
1	0.5 (0~1)

(b)-2 Medium-to long-term incentives

The Performance Share Unit Plan (the "PSU Plan"), a performance-based stock compensation plan, will be applied to medium- to long-term incentives of performance-based compensation. The PSU Plan provides Company shares and money in accordance with the level of achievement of the Company's performance indicators and sustainability indicators for a period determined by the Compensation Committee.

The performance indicators in medium-to long-term incentives are based on links with the medium-term business plan, and based on the belief that they are important indicators in terms of enhancing corporate value and shareholder value, return on invested capital (consolidated financial ROIC) and net income per share (EPS) growth rate are used.

Sustainability indicators consist of environmental indicators consisting of total greenhouse gas emissions (Scope 1 and 2) and the rate of reduction in unit energy consumption, as well as employee engagement scores.

During the period determined by the Compensation Committee, based on the performance targets and other requirements set by the Compensation Committee in advance, the number of shares obtained by dividing the standard amount of stock-based compensation set by the Compensation Committee for each position of Vice President & Executive Officers to be paid by the average closing price of the Company's shares for the month immediately preceding the applicable period shall be allotted, and at the end of the applicable period, the number of shares to be individually compensated through medium- to long-term incentives for each Vice President & Executive Officer to be paid shall be determined by multiplying the number of shares by a coefficient set in advance by the Compensation Committee in accordance with the conditions for achieving the performance targets (the "Payment Rate"), and the amount equivalent to 60% of the number of shares to be paid shall be the Company's shares, and the amount equivalent to 40% shall be the money calculated by using the closing price of the Company's shares in the ordinary trading on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the day of resolution of the Board of Directors. The Payment Rate is designed to vary from 0% to 200% depending on the degree of achievement of performance targets.



The PSU Plan establishes a clawback provision under which, in the event of material fraud accounting or a large loss, all or a portion of the compensation paid as compensation related to the PSU Plan can be requested for reimbursement free of charge.

*The ratio of annual incentives and medium- to long-term incentives to basic compensation when the performance targets for each of the annual incentive and the medium-to long-term incentive are achieved in the fiscal year in which the medium-to long-term incentive is paid shall be set as the higher the position, the higher the ratio to the basic compensation shall be set, and as the position falls from 1 to 0.75 to 0.375 for the representative executive officer, the overall average shall be approximately 1 to 0.5 to 0.25. This ratio may vary from 1:0:0 to 1:1:0.5, depending on the degree of achievement of the performance objectives for each of the annual incentives and the medium-to long-term incentives. However, the ratio for medium- to long-term incentives varies depending on the stock price.

Basic compensation	Annual Incentives	Mid- to long-Term Incentives
1	0.5 (0~1)	0.25 (0~0.5)

The Total Amount of Compensation and Others Paid to Officers in the Fiscal Year Ended March 31, 2025

<Before the transition to a Company with a Nominating Committee, etc. (from April 2024 to June 2024)>

Executive categories	Total amount of compensation (millions of yen)	Total amount of compensation by type (millions of yen)		Number of eligible officers
		Basic compensation	Performance-linked compensation	
Directors (excluding Outside Directors)	151	26	125	3
Outside Directors	18	18	—	5
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	13	13	—	2
Outside Audit & Supervisory Board Members	9	9	—	3

(Notes)1. The Company transitioned from being a Company with an Audit & Supervisory Board to a Company with a Nomination Committee, etc. as of the conclusion of the 148th Annual General Meeting of Shareholders held on June 18, 2024. The above figures represent the compensation and total number of persons in each category of executives who were in office before the Company transitioned to a Company with a Nomination Committee, etc.
2. The amounts paid to Directors do not include employee salary portion of compensation for Directors concurrently serving as employees.
3. The figures for Directors shown above include data for three Directors who retired at the conclusion of the 148th Annual General Meeting of Shareholders held on June 18, 2024.
4. The figures for Audit & Supervisory Board Members shown above include data for two Audit & Supervisory Board Members who retired at the conclusion of the 148th Annual General Meeting of Shareholders held on June 18, 2024. The other three were newly appointed Directors at the same shareholders' meeting.
5. Performance-linked compensation is comprised of annual incentives and medium- to long-term incentives, and the amount recorded as expenses for the relevant fiscal year is shown.

<After the transition to a Company with a Nominating Committee, etc. (from July 2024 to March 2025)>

Executive categories	Total amount of compensation (millions of yen)	Total amount of compensation by type (millions of yen)		Number of eligible officers
		Basic compensation	Performance-linked compensation	
Directors (excluding Outside Directors)	21	21	—	1
Outside Directors	103	103	—	8
Vice President & Executive Officers	749	352	397	24

(Notes)1. The figures for Directors shown above do not include data for the two Directors who concurrently serve as Vice President & Executive Officers.
2. Performance-linked compensation is comprised of annual incentives and medium- to long-term incentives, and the amount recorded as expenses recorded for the relevant fiscal year is shown.
3. The retirement bonuses for Directors were eliminated on the day of the 128th Annual General Meeting of Shareholders held on June 25, 2004.

Cross-Shareholdings

Method of Verifying Shareholding Policy and Rationality (Reduction Efforts)

The Group shall strategically hold shares, provided such shares are determined to contribute to maintaining and increasing corporate value. With respect to all cross-holding shares, the Board of Directors shall uphold a policy of keeping the minimum necessary amount of cross-holding shares and decide every year if it is suitable to hold the shares by examining the purpose and economic rationale, etc. of individual shares from medium- to long-term perspective. Any strategically held share that is deemed as no longer suitable to hold as a result of the examination shall be sold with the attempt of reducing shares held.

In the examination, the shares held are classified into the following three categories, and it is determined whether holding is suitable, with transaction status, share price and dividends, and capital costs deemed as KPIs.

- Business partners (for the purpose of maintaining and strengthening business transaction and partner relationships)
- Financial institutions (for the purpose of attempting to conduct financial transactions smoothly)
- Others (those which do not fall under the above categories)

Specifically, it is assessed and determined for each share held through the process of a. to d. below whether holding is suitable.

- Examination based on quantitative assessment of share price (market value, cost and carrying amount after impairment)
- Examination based on quantitative assessment with return on invested capital (ROIC), which is calculated on the basis of each of market value and cost, compared with the share price assessed in a. (In the calculation of ROIC, after-tax gross income from sales and dividend income are used.)
- Examination based on qualitative assessment of purpose of holding, transaction results, estimate for future transactions, and other factors for each share held.
- The assessments through the examinations in a. to c. are taken into account comprehensively from perspectives of medium- to long-term economic value, business expansion and strengthening of relationships, and others.

Voting Rights

The Group shall make decisions based on sufficient examination, from the standpoint of increasing the corporate value of the Company and the companies that the Company has invested in over the medium to long term.

Particularly in the following cases, the Company shall exercise the voting rights based on careful examination on whether or not to exercise the voting rights:

- Cases where any violation of law, misconduct or anti-social behavior has occurred at the companies in which the Company has invested
- Cases of proposals that are considered to be likely to undermine the Company's corporate value, for organizational restructuring including merger or acquisition and business transfer, advantageous issue of shares to third parties, etc.

Governance regarding Sustainability

The Board of Directors monitors and supervises sustainability initiatives based on factors such as changes in social conditions, progress in sustainability indicators, feedback from external stakeholders including ESG evaluation organizations, and ESG risk assessment results, incorporating independent perspectives from outside the Company.

Risk Management, Internal Control, and Compliance

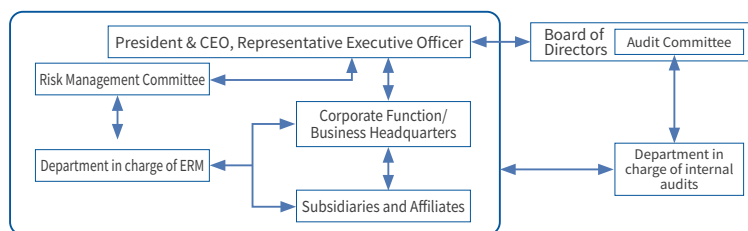
Risk Management

Risk Management System

Yokogawa has established an Enterprise Risk Management (ERM) system in accordance with ISO31000. The Risk Management Committee, chaired by the President & CEO, Representative Executive Officer and composed of all Executive Officers, plays a key role in supporting executive decision-making on risk-related matters. The matters discussed and resolved by the Risk Management Committee are reported to and reviewed by the Board of Directors. Advice from the Board of Directors on countermeasures and related actions concerning risks requiring close attention and specific risks is utilized to formulate our risk countermeasures and improve risk management activities.

The department in charge of internal audits evaluates the effectiveness of the risk management structure and processes, and reports important findings to the Audit Committee and the Board of Directors. In addition, subsidiaries and affiliates, which are responsible for implementing risk management, strive to manage risks autonomously. For these implementing entities, corporate function, business headquarters, and the department responsible for risk management (the Department in charge of ERM and the Risk Management Committee Secretariat) promote and support various activities, with a focus on risks that could have a significant impact.

Enterprise risk management system



Promoting Risk Management

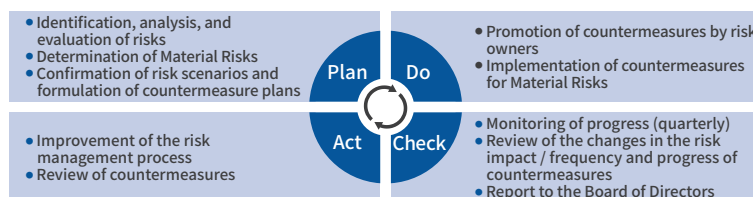
We identified critical risks that require focused management (“Material Risks”) and established corresponding measures and targets for implementation.

Each year, we conduct a risk assessment on a global basis. We classify risks into 57 key categories to ensure comprehensive coverage. For each category, we provide an overview and systematically identify potential risks. These risks are then analyzed along two axes, impact and likelihood, to evaluate our risk tolerance. Based on those deemed “intolerable risks,” we determine our Material Risks by considering factors such as business strategy, management challenges, changes in the external environment, and the adequacy of existing countermeasures. The selected risks are reported to the Board of Directors.

Countermeasures for Material Risks are promoted by the responsible business units (risk owners) in accordance with their respective plans. Progress is monitored quarterly. The Risk Management Committee evaluates the changes in the risk impact / frequency and countermeasures based on the monitoring outcomes and semiannually reports the results to the Board of Directors.

These results, along with advice from the Board, are used to review and enhance the risk management process and countermeasures. Through ongoing improvements, we operate a PDCA management cycle aimed at achieving more effective risk management.

PDCA cycle for Material Risks



Risks Surrounding Yokogawa

 P.67-68 Risks Relating to the Group's Business

Representative examples of risks we have recognized are listed below. As these risks may affect our overall business activities, performance, and financial condition, we have established a risk management framework and processes to mitigate or avoid such risks.

External Environment	Strategy	Operations
Factors related to: - Social conditions - Political aspects such as regulations and tax systems - Economic aspects such as economic climate and inflation - Social aspects such as riots and strikes - Geopolitical aspects such as war and sanctions - Financial markets	Factors related to: - Changes in market and competitive environment - Strategic investments - Research and development - Human capital and human rights initiatives - Devaluation of owned assets	Factors related to: - Compliance - Quality - Procurement and supply - Project management - Intellectual property - Information security - Natural disasters - Nature and biodiversity
Uncertainties in the external environment that may present opportunities or threats	Uncertainties that may present strengths or weaknesses in business operations in strategic context	Uncertainties that may result from disruptions or misconduct in operational contexts due to ineffective internal controls

Internal Control

Yokogawa has established and is operating an internal control system to promote management efficiency while ensuring the appropriateness of business operations, and to achieve sustainable growth and increase corporate value.

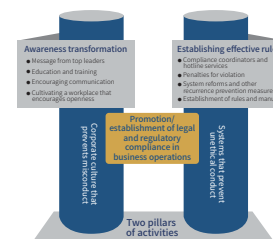
The Group Management Standards (GMS) have been established as the fundamental policies and rules applied across the Yokogawa Group, clarifying the roles and responsibilities of each business process to realize an internal control system. Internal control responsibilities are assigned to each organization, and the SMS are maintained and operated accordingly. Each SMS owner, who is responsible for the management and operation of their respective SMS, works to ensure (i.e., maintain and improve) the effectiveness and efficiency of business processes in line with the annual plan set at the beginning of each fiscal year.

The Board of Directors supervises the execution of duties by Executive Officers, establishes the basic policy for the internal control system in business execution, and monitors and supervises its establishment and operation. The department in charge of internal audits conducts an audit of the effectiveness of the internal control system and reports important matters to the Board of Directors and the Audit Committee.

Compliance

Yokogawa places the utmost priority on compliance and conducts its business activities in compliance with relevant laws, regulations, ordinances, and social norms while upholding the highest of ethical standards. Directors and executive officers take the lead in the Group's adherence to and dissemination of business ethics. The Yokogawa Group Code of Conduct sets out the Basic Policy and Standards of Conduct, which employees should observe to realize Yokogawa's corporate philosophy, while the Yokogawa Group Compliance Guidelines prescribe the specific actions each and every employee should take. Yokogawa aggressively promotes management practices built upon a foundation of compliance through the establishment of a business ethics department that is responsible for developing a compliance promotion structure and identifying and addressing issues pertaining to it. Yokogawa's goals are to be healthy and open, with both a culture that encourages and enforces proper ethical conduct and a system that prevents misconduct and scandal. In so doing, Yokogawa will meet the expectations of investors and other stakeholders.

Basic approach to thorough compliance





Vice President & Executive Officers



Hitoshi Nara

Director
Executive Chairperson
Representative Executive
Officer



Kunimasa Shigeno

Director
President & CEO
Representative Executive
Officer



Koji Nakaoka

Executive Vice President &
Executive Officer
Head of Energy &
Sustainability Business
Headquarters



Kazuhiko Takeoka

Senior Vice President &
Executive Officer
Head of Digital Solutions
Headquarters



Hiroshi Tanoguchi

Senior Vice President &
Executive Officer
Head of Yokogawa Products
Headquarters



Hiroshi Nakao

Vice President & Executive Officer
Head of Life Business
Headquarters



Hiroshi Nagai

Vice President & Executive Officer
President of Yokogawa
Manufacturing Corporation



Michiko Nakajima

Director
Vice President & Executive Officer
Head of Accounting &
Treasury Headquarters



Yoko Fujita

Vice President & Executive Officer
Head of Business Strategy
Headquarters



Toshiyuki Suzuki

Vice President & Executive Officer
President of Yokogawa Test
& Measurement Corporation



Akira Fukuda

Vice President & Executive Officer
Head of Corporate Administration
Headquarters
Regional Chief Executive for India
and South Asia



Kevin McMillen

Vice President & Executive Officer
Regional Chief Executive for North
America and South America
President of Yokogawa
Corporation of America



Naohisa Endo

Vice President & Executive Officer
Head of Materials Business
Headquarters



Yasumasa Ogawa

Vice President & Executive Officer
Head of Projects & Services
Business Div., Digital Solutions
Headquarters



Norinao Sato

Vice President & Executive Officer
Regional Chief Executive for
Middle East and Africa
President of Yokogawa Middle
East & Africa B.S.C.(c)



Yoshiaki Asakura

Vice President & Executive Officer
Head of Global Business
Service Headquarters



Masaharu Maeda

Vice President & Executive Officer
Head of Solutions Business
Div., Digital Solutions
Headquarters



Masataka Tomonaga

Vice President & Executive Officer
Head of Human Resources
and General Affairs
Headquarters



Mitsuhiro Yamamoto

Vice President & Executive Officer
Head of Systems Business Div.,
Digital Solutions Headquarters



Seita Hagihara

Vice President & Executive Officer
Regional Chief Executive for
Europe, Russia and CIS
President of Yokogawa Europe B.V.



Hiroaki Kanokogi

Vice President & Executive Officer
Head of Digital Strategy Div., Digital
Solutions Headquarters
President of Yokogawa Digital
Corporation



Taku Kitahara

Vice President & Executive Officer
Head of IT Strategy
Headquarters



Ikuro Kimura

Vice President & Executive Officer
Regional Chief Executive for
Japan
President of Yokogawa Solution
Service Corporation



Nobuyoshi Miyasaka

Vice President & Executive Officer
Head of Marketing
Headquarters



Kin Wah Chay

Vice President & Executive Officer
Regional Chief Executive for
ASEAN, Pacific, China and Korea
President of Yokogawa
Engineering Asia Pte. Ltd.

Organization chart (as of June 19, 2025)

