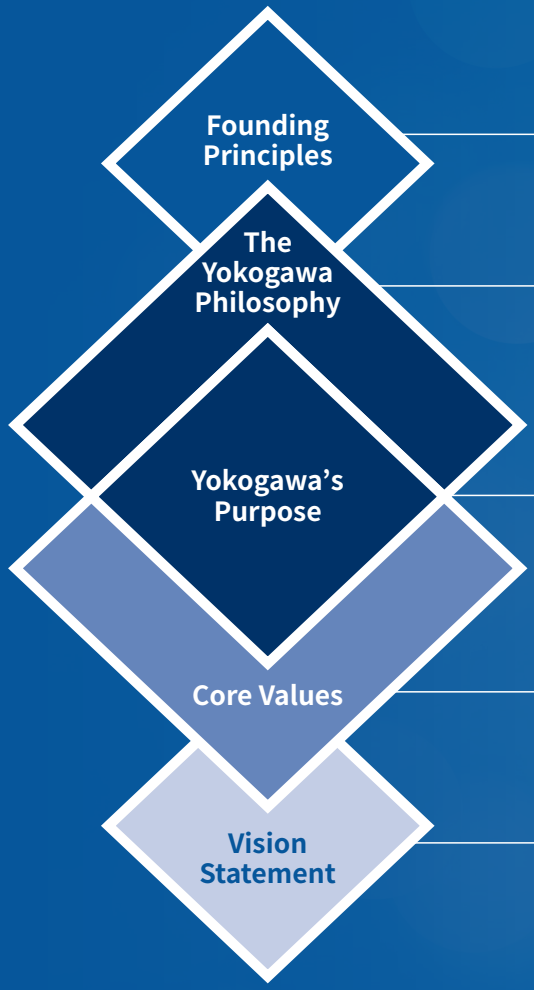
Chapter 1 Introduction

The Identity Shaping the Yokogawa Group



Founding Principles

Quality first | Pioneering spirit | Contribution to society

The Yokogawa Philosophy

As a company, our goal is to contribute to the realization of a sustainable society through broad-ranging activities in the areas of measurement, control, and information. Individually, we aim to combine good citizenship with the courage to innovate.

Yokogawa's Purpose

Utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet.

Core Values

Respect | Value Creation | Collaboration | Integrity | Gratitude

Vision Statement

Through autonomy and symbiosis, Yokogawa will create sustainable value and lead the way in solving global issues.

Yokogawa Report 2026: Key Points

POINT 1

Turning Change into Strength for Sustained Growth

In its fast-changing business environment, Yokogawa is drawing on its technological prowess and execution capabilities to create new value for customers and society. In the interview with the President & CEO, President Shigeno discusses his approach to growth and the direction ahead.

▸ P.05 Message from the President & CEO

POINT 2

Understanding Yokogawa's Strengths and How the Company Creates Value

Five sets of questions and answers provide an accessible overview of what Yokogawa does, where it derives its competitiveness from, and how it works to drive future growth.

▸ P.10 Five Questions for understanding Yokogawa

POINT 3

Technology Management, DX, and AI: The Next Stage of Growth

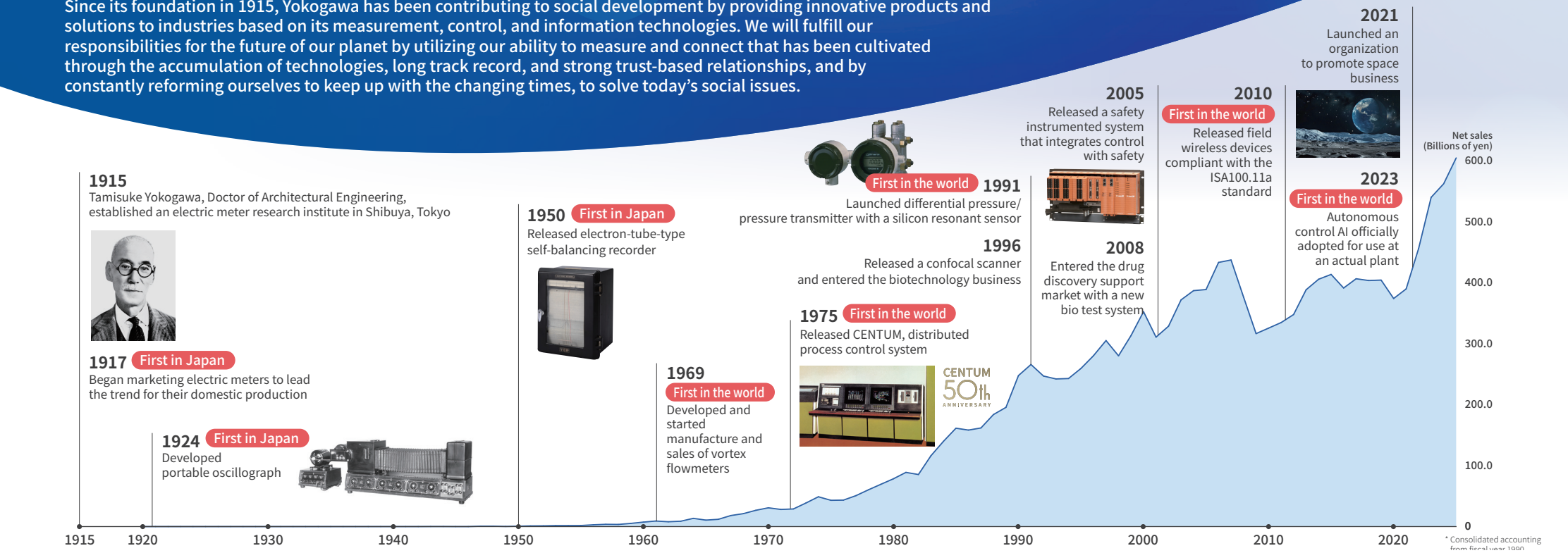
With the newly established CTO position playing a central role, Yokogawa is putting technology at the heart of management and accelerating value creation through autonomous control AI, physical AI, and digital transformation (DX) solutions. This section highlights how Yokogawa is turning technology into competitive strength and business growth.

▸ P.16 Why Does Yokogawa Put Technology at the Center of Management?
▸ P.32 Intellectual Capital
▸ P.38-40 DX Strategy

Tireless Efforts for Transformation

Constantly Tackling Difficult Challenges as a Trusted Company with a Wealth of Technology and a Strong Track Record

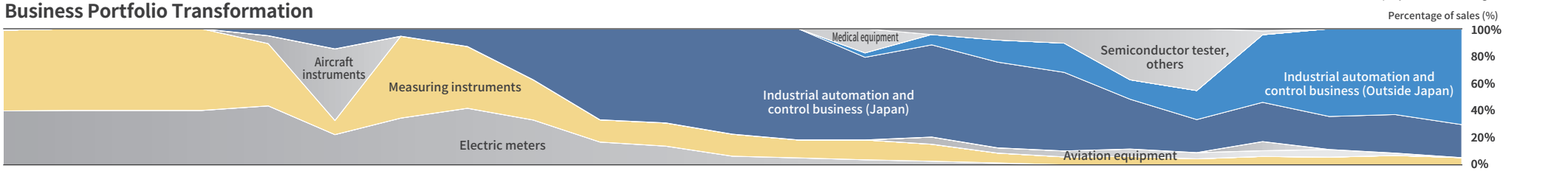
Since its foundation in 1915, Yokogawa has been contributing to social development by providing innovative products and solutions to industries based on its measurement, control, and information technologies. We will fulfill our responsibilities for the future of our planet by utilizing our ability to measure and connect that has been cultivated through the accumulation of technologies, long track record, and strong trust-based relationships, and by constantly reforming ourselves to keep up with the changing times, to solve today's social issues.



Pioneered production of electric meters in Japan | Growth in industrial instrument business | Innovating computer-based digital automation technology | Accelerating global reach | Venturing into new markets | Focusing on the control business | Addressing social issues and creating sustainable value through autonomy and symbiosis

- Established Yokogawa Electric Works, Inc. as North American sales office
- Merged with Hokushin Electric Works, Ltd.
- Established a site/plant in Singapore
- Established a joint venture in China
- Established a site in Europe
- Established a company in the Middle East
- Formed Yokogawa Solution Service Corporation
- Acquired KBC Advanced Technologies plc
- Transitioned to a Company with a Nominating Committee, etc.

Business Portfolio Transformation



Message from the President & CEO

Turning Change into Growth with Solid Technology and Trust

Since our founding in 1915, we have continued to draw on our solid base of technology and trust, confident in possibilities for the future as we pursue new value and growth in a changing world.
In addition to providing the support people need when they take on new challenges, we will also continue to take action and grow ourselves.
This report looks at where Yokogawa stands today and what possibilities for growth lie ahead.

Kunimasa Shigeno
Director, President & CEO Representative Executive Officer



I

Year Two as CEO × Execution

From Vision to Results

Now in my second year as president, one thing has become even clearer to me over the past year: technology is advancing at extraordinary speed, and the bar keeps rising. I see it every time I visit a customer site. I also kept coming back to one principle this year: Don't stop at ideas. Follow through on execution.

We are now at the halfway point on GS2028 medium-term business plan. Orders and sales have both set new records, but we still have work to do to close the gap with our target growth rate. We are past the stage of debating strategy. Now, we need to get results by making our initiatives work in practice and turning them into competitive strength.

But these efforts take time. They only make a real impact when they play actual roles in the field and customers can see the value they create. Getting to that point means executing consistently and improving as we go. Our goal is to evolve into a company that continually creates value with technology at the foundation. That is why we have created the new CTO position.

To this point, Yokogawa has created substantial value by leveraging the technological prowess and implementation capabilities honed in the field. However, we have sometimes struggled to integrate all the technological advances our respective businesses and organizations have achieved into a unified company-wide strategy. To further accelerate growth into the future, we will need to strengthen the system that places technology at the core of management and enables us to use those assets strategically.

Equally important is transforming the technology-creation process itself. As technological innovation accelerates and uncertainty mounts, we can no longer rely solely on our own perspectives and expertise. We need to be flexible in incorporating a diverse range of knowledge and technologies and channel them into value creation. Aware of that need, we will continue to strengthen our efforts to identify technology areas that could be sources of competitive advantages and drive promising possibilities toward commercialization.

* GS2028: The Growth for Sustainability 2028 medium-term business plan, announced in May 2024

Finding Opportunity in Uncertainty

The business environment surrounding Yokogawa is more uncertain than ever. Geopolitical risks, including tensions in the Middle East, stagnation in the Chinese market, and increasingly complex supply chains are interacting in complex ways and impacting our business at the same time. These are not temporary disruptions that we can simply wait out. We have to operate on the assumption that uncertainty itself is now something that will always be there, changing constantly.

While some of our projects have experienced temporary delays in the Middle East, energy demand remains high; customers continue to show a strong interest in investment. Energy security concerns are actually accelerating investment in more resilient and diversified supply chains. For us, that trend represents a medium- to long-term growth opportunity.

In the Chinese market, meanwhile, intensifying competition has led us to make strategic price adjustments for some products. Those decisions were about more than protecting market share. We also had to strike the right balance with our production capacity.

Short-term volatility will not dictate how we run the Company. Our focus remains on creating value over the medium and long term. Recognizing changes in the market not simply as risks to manage but also as openings for new value creation, we are determined to achieve sustained growth amid the challenges that await.





Rethinking How We Earn and Redefining Our Strengths

With this in mind, I believe the value of technology depends on more than how deep our expertise goes. Another vital piece is how we use technology and turn it into business results.

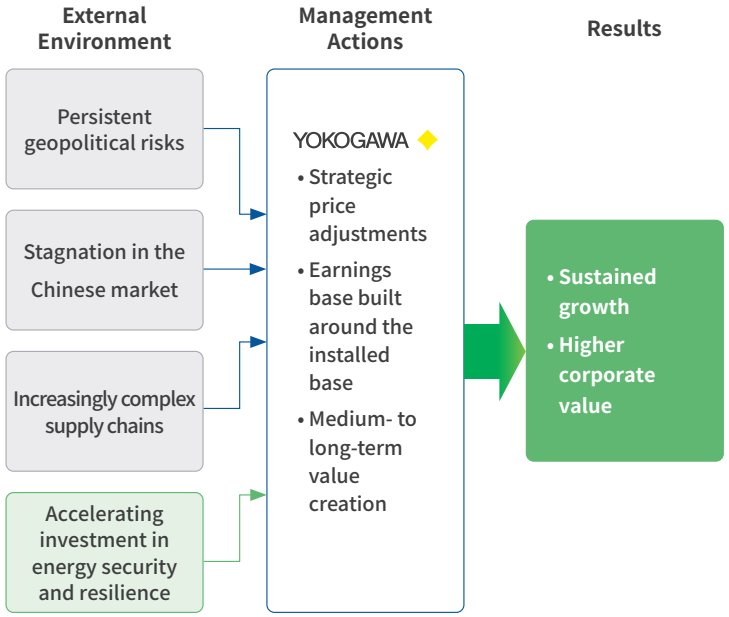
The question for us is simple: how can we create more value for customers who are already using Yokogawa products? The key is continually providing solutions and services that improve our customers' business value across the full scope of operations and the full lifecycle.

One area where Yokogawa has a particular edge is the use of AI in OT, or Operational Technology. Many companies use AI primarily to enhance analysis and decision-making. We go a step further, embedding AI into control and safety and applying it directly to the operation of equipment and processes. That is where we see the potential of "physical AI" —an area where we will work to create value.

Our earnings rest on two main pillars. The first is our product business, centered on field instruments. Measurement is a key business area that not only offers strong growth potential but also lets us leverage our technology and customer base. Going forward, we will continue to enhance the added value of our products and solutions, creating greater value for customers as we expand the business globally.

The second pillar we are strengthening is the services and solutions business, which is built around our installed base. For many years, we have used that installed base to secure stable recurring revenue through our maintenance and service business. That foundation is generating steady earnings, especially in Japan. As we continue to maximize these strengths, we will expand our solutions and services in overseas markets and enhance our digital services, accelerating growth in recurring revenue.

Yokogawa's Strategic Approach to Navigating Waves of Change in the External Environment



II External Environment × Management Decisions

III

Value Creation
×
The Power to Transform

For Companies and People Alike, Standing Still Means Falling Behind

One thing I keep telling people at Yokogawa is that standing still means falling behind. When change is accelerating, staying where you are means losing your competitive edge. What matters is continuing to set the bar high and go after ambitious goals. People and organizations grow when they reach for goals just beyond what they can normally manage.

We will apply the same thinking to management, linking technology development directly with management and business strategy and concentrating investment where it matters most to turn technology into earnings.

By evolving our technology and business models together, we aim to build a lasting competitive advantage and grow through a transformed earnings structure.

No matter how good a strategy or technology might be, it means little unless people turn it into results. Getting there depends on both sound decisions and strong execution in the field.

To make GS2028 a success, we are speeding up decision-making, clarifying authority and responsibility, and building a culture that encourages people to take on challenges.

We need to make sure that this transformation lasts and becomes a source of sustained competitiveness. That means linking the growth of our people with the growth of the business as things that go together, not separate pursuits. If individual skills and experience become capabilities the whole organization can draw on, we will have an even better ability to turn technology and strategy into value. And if our people continue to grow, I believe we will be able to sustain our growth as a company. Ultimately, Yokogawa's value rests on what each and every employee can do. Going forward, we will continue to strengthen our foundation for sustainable value creation by developing our people and continuing to evolve as an organization.



Yokogawa at a Glance (for the year ended March 31, 2026)

Yokogawa supports operations across a wide range of industries based on its globally deployed service network and extensive track record of delivery solutions.

Backed by human capital supported by high employee engagement, as well as a sound financial foundation and strong creditworthiness, Yokogawa aims to enhance corporate value through sustainable growth.

Key Financial Items

Net sales
¥604.8billion
(Overseas sales ratio: 73.3%)

Operating income ratio
13.6%

ROE
11.8%

Return to Shareholders

Payout ratio 34.3%

Total return ratio 56.6%

Human Capital

Consolidated number of employees
18,313
(Overseas number of employees: 12,281)

Employee engagement score (Global)
82%
(Survey response rate: 93%)

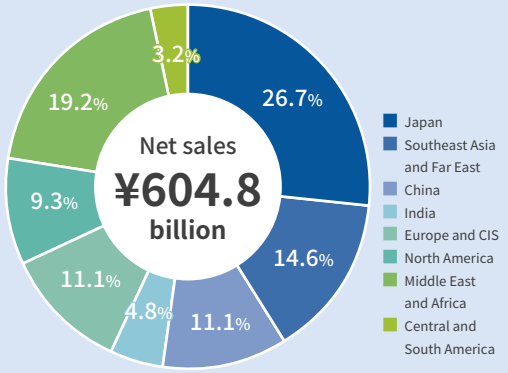
Stability and Reliability

Shareholders' equity ratio
65.4%

Ratings by credit rating agencies (Long-term ratings)
A (R&I) A+ (JCR)

Order backlog
¥466.2billion

Global Deployment



Business sites in
63countries and regions

Manufacturing sites in
12countries

Service network
180+ Service sites
2,600+ Service engineers

System deliveries
120 countries
approx. 31,000