

Name of Listed Company: Yokogawa Electric Corporation
(URL: <http://www.yokogawa.com>) (Stock code: 6841, listed on TSE 1st section)
Name and Position of the Representative:
Takashi Nishijima, President and Chief Operating Officer
Name and Position of the Person in Charge:
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May 13, 2014

Non-renewal of Countermeasures to Large-scale Acquisitions of Yokogawa Electric Shares (Takeover Defense Measures)

Yokogawa Electric Corporation (the “Company”) announces that its Board of Directors resolved on May 13, 2014 that the countermeasures to the large-scale acquisition of Company shares (“the Plan”) would not be renewed upon the conclusion of the annual general meeting of shareholders to be held on June 25, 2014 (the “Shareholders Meeting”). The Plan was first approved at the annual general meeting of shareholders held on June 27, 2007, and has since been approved and renewed twice.

As provided by law, we originally introduced a basic policy regarding control over the Company. Then, in line with this policy, to prevent any unsuitable party from acquiring the right to make decisions about the Company’s financial and business policies after engaging in a large-scale acquisition of the Company’s shares, and to enhance the Company’s corporate value and protect the common interests of its shareholders by ensuring they have sufficient information and time to make an appropriate decision on any acquisition, the Company introduced the Plan upon the conclusion of the June 27, 2007 annual general meeting of shareholders.

Concurrently, the Company responded to sudden changes in the business environment caused by the global economic downturn by carrying out structural reforms that included reducing fixed costs and reviewing its business portfolio. To achieve its mid- to long-term goal of gaining the top share in the industrial automation and control business, the Company also implemented growth strategies focusing on this main business.

In consultation with the Independent Committee and institutional investors, and while examining changes in the business environment and in takeover defense measures since the Plan was introduced, the Company has carefully considered whether to renew the Plan.

As a result of these deliberations, the Company has resolved that the Plan would not be renewed at the conclusion of the Shareholders Meeting. Given the present business environment and the need to protect and enhance its corporate value and the common interests of its shareholders, it will thus be essential for the Company to ensure sound and sustainable development and fulfill the social expectations of its stakeholders, especially shareholders, by steadily implementing the strategies and measures for achieving its mid- to long-term goal, and to reinforce corporate governance.

Within the scope of relevant laws, the Company will also take appropriate measures, such as requesting any party proposing a large-scale acquisition of the Company’s shares to submit sufficient information for shareholders to make an informed judgment on its advantages and disadvantages, providing the Board of Directors’ views on the proposal to the shareholders, and seeking to give the shareholders sufficient time to consider the acquisition.

The Company will do its utmost to protect and enhance its corporate value and the common interests of its shareholders. To this end, we ask for the continued support and encouragement of our investors and stakeholders.