

Summary of Q&A at FY2015 Financial Results Briefing

May 17, 2016

<FY15 results>

Q Were there any changes in the market in the 4th quarter?

A There were no major changes. Orders and sales were strong in regions like the Middle East and Japan and in industry sectors such as oil & gas downstream.

Q Why were sales and operating income down in the 4th quarter?

A We had some large projects that drove up sales in the 4th quarter of FY14. And in the 4th quarter of FY15, we postponed the booking of some sales to the next quarter. Operating income was down because of this year on year decrease in sales and the impact of the exchange rate.

Q Why did the tax rate drop to 25%?

A Although taxable income was up in Japan because of factors such as the weak yen, the tax rate fell as the result of the large-scale carrying forward of losses.

<FY16 forecast>

Q Do you expect to see an increase in orders for the control segment, independent of the exchange rate and any M&A deals?

A Yes. We are projecting a slight increase, and this will be driven mainly by orders for small-scale projects.

Q Will gross margin decrease in FY16?

A We anticipate a slight market recovery and believe that we will be able to improve the gross margin by reducing costs and other measures.

Q Why do you now calculate that each 1 yen change in the exchange rate will impact sales by 0.6 billion yen?

A This is because we now assume the yen will strengthen in relation to all other currencies, including the US dollar.

Q What is this 10 billion yen cost reduction item for FY16?

A 5.7 billion yen of that amount is for cost reductions that were achieved in FY15, and 4.3 billion yen is for reductions that will be achieved in FY16. The

accumulated total of the reductions for FY16 is expected to be 10 billion yen.

Q How will the acquisition of KBC impact your results?

A Taking into consideration the acquisition of KBC, we have changed our FY16 forecast as follows:

1. Orders +10 billion yen
2. Sales +11 billion yen
3. Gain / loss -2.5 billion yen (Operating income 1 billion yen, depreciation of goodwill 2 billion yen, other expenses over 1 billion yen)

Q Why does it look like your tax rate will be higher than in FY15?

A We made a conservative forecast based on the assumption of a strong yen that would lead to a decrease in Japan taxable income.

Note: The information pertaining to our business plans and forecasts that has been provided in this presentation and at analyst meetings contains forward-looking statements that are based on our management's current knowledge and require the making of assumptions about future events. As such, it cannot be guaranteed that these statements will not differ materially from actual results. Some of the text in this document has been modified to aid understanding.