Yokogawa Electric Corporation

Financial Results for 1st Half of Fiscal Year 2017

November 7, 2017
1. Financial Results for 1st Half of Fiscal Year 2017  
   Junichi Anabuki  
   Director, Senior Vice President  
   Accounting & Treasury Headquarters

2. Transformation 2017  
   - Current situation / Plan for final year of TF2017 -  
   Takashi Nishijima  
   President and Chief Executive Officer
Financial Results for 1st Half of Fiscal Year 2017

November 7, 2017

Junichi Anabuki
Director, Senior Vice President
Accounting & Treasury Headquarters
### Summary of FY17 1H Results

- Orders and sales were up, due mainly to the weak yen.
- Operating income was down due to a decrease in the gross margin ratio and an increase in the SG&A ratio.
- Impact of the weak yen:
  → Orders +¥7.8 billion, sales +¥7.3 billion, operating income +¥1.4 billion

<table>
<thead>
<tr>
<th></th>
<th>FY16 1H</th>
<th>FY17 1H</th>
<th>Difference</th>
<th>Growth rate</th>
<th>Impact of exchange rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>190.9</td>
<td>198.9</td>
<td>+8.0</td>
<td>+4.2%</td>
<td>+7.8</td>
</tr>
<tr>
<td>Sales</td>
<td>184.6</td>
<td>188.0</td>
<td>+3.4</td>
<td>+1.8%</td>
<td>+7.3</td>
</tr>
<tr>
<td>Operating income</td>
<td>14.5</td>
<td>12.4</td>
<td>(2.1)</td>
<td>-13.3%</td>
<td>+1.4</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>14.9</td>
<td>12.3</td>
<td>(2.6)</td>
<td>-16.3%</td>
<td>+1.7</td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>10.3</td>
<td>9.6</td>
<td>(0.7)</td>
<td>-6.5%</td>
<td>+1.5</td>
</tr>
<tr>
<td>Exchange rate (¥)</td>
<td>1 U.S. dollar</td>
<td>105.72</td>
<td>111.29</td>
<td>+5.57</td>
<td>-</td>
</tr>
</tbody>
</table>
Quarterly Financial Results

- Sales and operating income tend to be higher in 2Q and 4Q, and this trend is particularly strong in the Japanese control segment.
Analysis of Operating Income
(FY16 1H/FY17 1H comparison)

Decrease in gross profit from lower sales
(excluding impact of exchange rate)

14.5

FY16 1H operating income

Increase in SG&A
- Strategic investments -0.4
  (including reduction in transaction costs of KBC, etc. +0.6)
- Cost reductions ±0
- Other items -1.1

(1.0)

Impact of business withdrawal

(0.2)

FY17 1H operating income

12.4

Exchange rate

<table>
<thead>
<tr>
<th></th>
<th>FY16 1H</th>
<th>FY17 1H</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$</td>
<td>105.72</td>
<td>111.29</td>
</tr>
</tbody>
</table>

(Billion ¥)

Decrease in gross profit from lower sales

(0.8)

Lower gross margin ratio
- Deteriorating profitability, etc. -1.7
  (including strategic projects +0.4)
- Cost reductions +1.2
- Other items -0.5

Impact of business withdrawal

(1.5)

Increase in SG&A

(1.0)

Strategic investments

(0.4)

Cost reductions

±0

Other items

-1.1

(0.8)
## Non-operating/Extraordinary Income and Expenses

<table>
<thead>
<tr>
<th></th>
<th>FY15 1H</th>
<th>FY16 1H</th>
<th>FY17 1H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>20.5</td>
<td>14.5</td>
<td>12.4</td>
</tr>
<tr>
<td>Non-operating income</td>
<td>1.7</td>
<td>1.5</td>
<td>1.6</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>1.2</td>
<td>1.1</td>
<td>1.7</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>21.0</td>
<td>14.9</td>
<td>12.3</td>
</tr>
<tr>
<td>Extraordinary income</td>
<td>0.9</td>
<td>0.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Extraordinary expenses</td>
<td>0.2</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Income before tax</td>
<td>21.7</td>
<td>15.0</td>
<td>14.7</td>
</tr>
<tr>
<td>Tax, etc.</td>
<td>5.6</td>
<td>4.7</td>
<td>5.1</td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>16.1</td>
<td>10.3</td>
<td>9.6</td>
</tr>
</tbody>
</table>

(Effective tax rate) 22.2% 28.4% 30.0%

FY17:
- Gain on sale of non-current assets: 1.8
- Gain on sale of investment securities: 0.7
- Control: Orders and sales were up, due mainly to the weak yen, but operating income was down due to deteriorating profitability and an increase in SG&A expenses, which included transient items, etc.
- Impact of the weak yen:  
  → Orders +¥7.4 billion, sales +¥6.9 billion, operating income +¥1.3 billion
- Measurement/Aviation and Other: Orders, sales, and operating income were nearly unchanged from FY16 1H.
Trend of Global Sales

- The percentage of sales generated outside Japan was up due to the weak yen.

### Trend of Global Sales (Billion ¥)

<table>
<thead>
<tr>
<th>Period</th>
<th>Total</th>
<th>By segment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Japan</td>
<td>Outside Japan</td>
</tr>
<tr>
<td>FY15 1H</td>
<td>147.8</td>
<td>54.4</td>
</tr>
<tr>
<td>FY16 1H</td>
<td>127.6</td>
<td>57.0</td>
</tr>
<tr>
<td>FY17 1H</td>
<td>130.1</td>
<td>57.9</td>
</tr>
<tr>
<td></td>
<td>75.7%</td>
<td>70.8%</td>
</tr>
</tbody>
</table>

### By segment (Billion ¥)

<table>
<thead>
<tr>
<th>Period</th>
<th>FY15 1H</th>
<th>FY16 1H</th>
<th>FY17 1H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control</td>
<td>7.4</td>
<td>6.5</td>
<td>7.0</td>
</tr>
<tr>
<td>Measurement</td>
<td>3.7</td>
<td>3.5</td>
<td>3.4</td>
</tr>
<tr>
<td>Aviation and Other</td>
<td>6.6</td>
<td>5.1</td>
<td>6.8</td>
</tr>
</tbody>
</table>
We continue to have a large order backlog.

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16 1H</th>
<th>FY16</th>
<th>FY17 1H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control (Japan)</td>
<td>236.2</td>
<td>230.5</td>
<td>235.2</td>
<td>240.8</td>
<td>258.4</td>
</tr>
<tr>
<td>Control (Outside of Japan)</td>
<td>18.2</td>
<td>17.8</td>
<td>16.9</td>
<td>17.1</td>
<td>15.9</td>
</tr>
<tr>
<td>Measurement</td>
<td>159.6</td>
<td>149.3</td>
<td>150.0</td>
<td>157.7</td>
<td>170.0</td>
</tr>
<tr>
<td>Aviation and Other</td>
<td>55.9</td>
<td>59.2</td>
<td>63.9</td>
<td>61.9</td>
<td>67.9</td>
</tr>
</tbody>
</table>

Exchange rate at end of each period:
- FY14: 120.17
- FY15: 112.68
- FY16 1H: 101.12
- FY16: 112.19
- FY17 1H: 112.73

*Destination-based*
Also when the impact of the exchange rate is excluded, the order backlog shows the same general upward trend.

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16 1H</th>
<th>FY16</th>
<th>FY17 1H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control (Japan)</td>
<td>150.5</td>
<td>151.3</td>
<td>167.7</td>
<td>160.6</td>
<td>170.0</td>
</tr>
<tr>
<td>Control (Outside of Japan)</td>
<td>55.9</td>
<td>59.2</td>
<td>63.9</td>
<td>61.9</td>
<td>67.9</td>
</tr>
<tr>
<td>Measurement</td>
<td>18.2</td>
<td>17.8</td>
<td>16.9</td>
<td>17.2</td>
<td>15.9</td>
</tr>
<tr>
<td>Aviation and Other</td>
<td>2.4</td>
<td>4.4</td>
<td>4.8</td>
<td>4.1</td>
<td>4.6</td>
</tr>
</tbody>
</table>

Exchange rate at end of each period:
- FY14: 112.73
- FY15: 112.73
- FY16 1H: 112.73
- FY16: 112.73
- FY17 1H: 112.73

*(Destination-based)*

*Order Backlog Trend by Segment (Using FY17 1H exchange rate)*

(Billion ¥)
There were no significant changes.
- The investment cash flow for FY16 1H was impacted by the KBC acquisition (26.6 billion yen).
## FY17 Forecast (No change)

- We are projecting a year-on-year increase in orders, sales, and profits.

(Billion ¥)

<table>
<thead>
<tr>
<th></th>
<th>FY15 (A)</th>
<th>FY16 (B)</th>
<th>FY17 forecast (C)</th>
<th>Difference (C-B)</th>
<th>Growth rate (C÷B-1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>421.1</td>
<td>390.7</td>
<td>400.0</td>
<td>+9.3</td>
<td>+2.4%</td>
</tr>
<tr>
<td>Sales</td>
<td>413.7</td>
<td>391.4</td>
<td>400.0</td>
<td>+8.6</td>
<td>+2.2%</td>
</tr>
<tr>
<td>Operating income</td>
<td>39.6</td>
<td>31.6</td>
<td>36.0</td>
<td>+4.4</td>
<td>+13.9%</td>
</tr>
<tr>
<td>ROS (%)</td>
<td>9.6</td>
<td>8.1</td>
<td>9.0</td>
<td>+0.9 pts</td>
<td>–</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>40.7</td>
<td>33.0</td>
<td>35.5</td>
<td>+2.5</td>
<td>+7.5%</td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>41.9</td>
<td>35.5</td>
<td>37.5</td>
<td>+2.0</td>
<td>+5.6%</td>
</tr>
<tr>
<td>Tax, etc.</td>
<td>11.7</td>
<td>9.7</td>
<td>10.5</td>
<td>+0.8</td>
<td>+8.2%</td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>30.2</td>
<td>25.8</td>
<td>27.0</td>
<td>+1.2</td>
<td>+4.8%</td>
</tr>
<tr>
<td>EPS (¥)</td>
<td>114.01</td>
<td>96.44</td>
<td>101.04</td>
<td>+4.60</td>
<td>–</td>
</tr>
<tr>
<td>Exchange rate</td>
<td>1$= ¥119.99</td>
<td>¥108.95</td>
<td>¥110</td>
<td>+1.05</td>
<td>–</td>
</tr>
</tbody>
</table>
Factors Accounting for Increase/Decrease in FY17 Operating Income (No change)

**Increase in gross profit from higher sales** (excluding impact of exchange rate)

- **Gross profit improvement**
  - Cost reductions +2.5 billion
  - Strategic projects 0.0 billion
  - Intensifying competition -1.3 billion

- **Increase in gross profit** +1.5
- **Decrease in SG&A** +0.8
- **Exchange rate** +0.9

FY16

- 31.6

FY17 forecast

- 36.0

**Exchange rate**

<table>
<thead>
<tr>
<th>1 U.S. dollar</th>
<th>FY16</th>
<th>FY17 forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>108.95</td>
<td>110.00</td>
</tr>
</tbody>
</table>

$/$¥ exchange rate sensitivity: approx. ¥0.6 billion per year for each ¥1 change
FY17 Forecast for Orders, Sales, and Operating Income by Segment (No change)

- Control: We are projecting a year-on-year increase for orders, sales, and profits.
- Measurement: Orders and sales are expected to remain unchanged year on year, while profit is expected to increase.
- Aviation and other: Orders and sales are projected to decline due to factors such as a decline in demand for marine navigation instruments.

<table>
<thead>
<tr>
<th></th>
<th>Orders</th>
<th>Sales</th>
<th>Operating income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY15</td>
<td>FY16 forecast</td>
<td>FY15 forecast</td>
</tr>
<tr>
<td>Control</td>
<td>421.1</td>
<td>390.7</td>
<td>39.6</td>
</tr>
<tr>
<td>Measurement</td>
<td>22.9</td>
<td>20.2</td>
<td>0.5</td>
</tr>
<tr>
<td>Aviation and Other</td>
<td>25.1</td>
<td>22.2</td>
<td>2.4</td>
</tr>
<tr>
<td></td>
<td>+9.3 (2.2)</td>
<td>+1.3 (0.2)</td>
<td>+4.4 (1.6)</td>
</tr>
<tr>
<td>FY16 forecast</td>
<td>373.1</td>
<td>348.3</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>+11.7</td>
<td>+2.2</td>
<td>+2.5</td>
</tr>
<tr>
<td>FY17 forecast</td>
<td>400.0</td>
<td>360.0</td>
<td>36.0</td>
</tr>
<tr>
<td></td>
<td>+9.9</td>
<td>+2.4</td>
<td>+0.4</td>
</tr>
</tbody>
</table>
Trend of R&D Expenses, Depreciation, and CAPEX

- Progressing as planned

<table>
<thead>
<tr>
<th></th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16 1H</th>
<th>FY16</th>
<th>FY17 1H forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D expenses (% of sales)</td>
<td>28.8</td>
<td>29.2</td>
<td>27.5</td>
<td>25.5</td>
<td>25.8</td>
<td>25.8</td>
<td>25.3</td>
<td>13.3</td>
<td>27.1</td>
<td>13.2</td>
</tr>
<tr>
<td></td>
<td>9.1%</td>
<td>9.0%</td>
<td>8.2%</td>
<td>7.3%</td>
<td>6.6%</td>
<td>6.4%</td>
<td>6.1%</td>
<td>7.2%</td>
<td>6.9%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Depreciation (% of sales)</td>
<td>16.0</td>
<td>13.8</td>
<td>12.8</td>
<td>13.5</td>
<td>13.6</td>
<td>14.5</td>
<td>15.1</td>
<td>9.1</td>
<td>18.0</td>
<td>9.2</td>
</tr>
<tr>
<td></td>
<td>5.1%</td>
<td>4.2%</td>
<td>3.8%</td>
<td>3.9%</td>
<td>3.5%</td>
<td>3.6%</td>
<td>3.6%</td>
<td>4.9%</td>
<td>4.6%</td>
<td>4.9%</td>
</tr>
<tr>
<td>CAPEX (% of sales)</td>
<td>11.1</td>
<td>11.3</td>
<td>11.1</td>
<td>13.5</td>
<td>14.0</td>
<td>14.1</td>
<td>15.4</td>
<td>5.3</td>
<td>14.2</td>
<td>4.8</td>
</tr>
<tr>
<td></td>
<td>3.5%</td>
<td>3.5%</td>
<td>3.3%</td>
<td>3.9%</td>
<td>3.6%</td>
<td>3.5%</td>
<td>3.7%</td>
<td>2.9%</td>
<td>3.6%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>
Dividend

- Interim dividend set at ¥15.0

**FY16:** ¥25 (payout ratio 25.9%)
**FY17:** ¥30 (payout ratio 29.7%)
KPIs (No change)

**ROE**
- FY14: 8.6%
- FY15: 13.2%
- FY16: 10.4%
- FY17: 10.1%

**ROA**
- FY14: 4.1%
- FY15: 7.1%
- FY16: 6.0%
- FY17: 6.1%

**ROIC**
- FY14: 20%
- FY15: 20%
- FY16: 20%
- FY17: 20%

**ROS**
- FY14: 7.3%
- FY15: 9.6%
- FY16: 8.1%
- FY17: 9.0%

**Expansion of business and improvement of efficiency (control)**

**Expansion of scale (sales)**
- FY14: ¥405.8 billion
- FY15: ¥413.7 billion
- FY16: ¥391.4 billion
- FY17: ¥400.0 billion

**Financial strategy, capital policy (TF2017 target)**
- Operating CF
  - FY14: ¥100 billion
  - FY15: ¥90 billion

**Investment (CAPEX & OPEX)**
- Continual investment
- Strategic investment
- Expansion of scale (sales)
- Enhancement of fund-raising and risk resilience

**Financial leverage**
- Optimum capital structure

**Return to shareholders**
- FY14: ¥90 billion
- FY15: ¥50 billion
- FY16: ¥40 billion

**Re-examination of non business assets**

**Revenue/ invested capital**
- (Disposal of idle assets and securities)

**Business KPIs**
Yokogawa Electric Corporation

Transformation 2017
- Current situation / Plan for final year of TF2017 -

- Current situation
- Review of FY17 action plan
- Plan for final year of TF2017

November 7, 2017

Takashi Nishijima
President and Chief Executive Officer
Current Situation

- Based on our assessment of the order trend and other factors, the market appears to be bottoming out.
- Prospects for our business remain unclear due to domestic / international political and economic concerns.

OPEX related investment by our customers to improve the profitability of manufacturing operations is picking up, but CAPEX is down and FIDs* have been postponed due to the prolonged decline in crude oil prices.

Our downstream business (chemicals, petrochemicals, etc.) is stable, but some of our customers in the upstream segment are increasingly cautious about making investments.

Regional differences: Market conditions are strong in Japan and mixed overseas. Orders are up (excluding impact of business transfers and foreign exchange).

* FID=Final Investment Decision
Trend of Control Business Orders by Region

- Japan: Continued strong growth
- Middle East and Africa: Project orders remain unchanged, but competition is intensifying
- China: Market conditions remain strong
- North America: Product business has recovered, but continue to be in hard fight due to the shrinking big projects

Source: Company data
2016 DCS Market Share/Industry Breakdown

Global DCS market (market size US$14.21bn)
- Yokogawa

Asia DCS market (market size US$4.69bn)
- Yokogawa

Source: ARC Distributed Control Systems Global Market Research Study

Yokogawa DCS sales
- 54% of total control business
- Includes engineering, software, etc.
- Strongest in downstream industries
- Half of upstream sales (17.2%) are LNG related
- Installed base of more than 25,000 systems in approx. 100 countries

Source: Company data

Petrochemical & chemical 39.3%
Refining 14.1%
LNG, Oil & Gas (Upstream) 17.2%
Power 8.5%
Water 5.1%
Pulp & Paper 3.7%
Metals & Mining 3.0%
Others 9.1%

Source: Company data
FY17 Management Policy – Aiming to further growth by accelerated transformation –

Three commitments

1. **Increasing orders**
   Focusing on our customers (Business solution capability)

2. **Improving profitability**
   Cost reduction

3. **Strategic investment**
   Value creation
Action Plan

Three commitments

1. **Increase sales**
   - Make full use of the Group’s capabilities to provide business solutions (through synergy with KBC and other organizations)
   - Target more industries in Japan and roll out Japan success cases in other markets
   - Focus on the global chemical market

2. **Improve profitability**
   - Reduce costs by optimizing global logistics
   - Reduce SG&A expenses by eliminating redundant functions in overseas RHQs
   - Increase efficiency by upgrading IT infrastructure (CRM and other systems)

3. **Make strategic investments**
   - Create IIoT platform for Yokogawa’s forte businesses
   - Launch GRANDSIGHT (value co-creation environment) in Japan
   - Start co-innovation activities

Progress & assessment

Concentrate in 2H
Recoverable

Concentrate in 2H
Reinforce monitoring

Cost advance
Emphasis on return

NEW

%
# Priority Action Plan

- **Final cost reduction targets**

- Focus on reducing costs in areas not related to sales

<table>
<thead>
<tr>
<th></th>
<th>FY14 results</th>
<th>FY15 results</th>
<th>FY16 1H results</th>
<th>FY16 results</th>
<th>FY17 1H results</th>
<th>FY17 revised target</th>
<th>FY17 initial target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost reduction (In relation to FY14)</strong></td>
<td>–</td>
<td>¥5.7 billion</td>
<td>Cumulative result ¥7.2 billion (¥1.5 billion)</td>
<td>Cumulative result ¥10.8 billion (¥5.1 billion)</td>
<td>Cumulative result ¥11.8 billion (¥1.2 billion)</td>
<td>Cumulative target ¥14 billion (¥3.2 billion)</td>
<td>Approx. ¥20 billion (¥10 billion)</td>
</tr>
<tr>
<td><strong>COGS ratio</strong></td>
<td>58.3%</td>
<td>57.3%</td>
<td>56.0%</td>
<td>56.8%</td>
<td>56.5%</td>
<td>56.5%</td>
<td>57% or lower</td>
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<td><strong>SG&amp;A ratio</strong></td>
<td>34.4%</td>
<td>33.1%</td>
<td>36.1%</td>
<td>35.1%</td>
<td>36.9%</td>
<td>34.5%</td>
<td>32.8% or lower (excluding strategic investment)</td>
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<td><strong>Operating income-to-sales ratio</strong></td>
<td>7.3%</td>
<td>9.6%</td>
<td>7.9%</td>
<td>8.1%</td>
<td>6.6%</td>
<td>9.0%</td>
<td>10.2%</td>
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Plan for Final Year of TF2017

- Although our sales target is aggressive, we will aim to maximize top line by steadily accumulating sales.

- We will accelerate our efforts to reduce costs, and thereby establish a basis for our business that is not dependent on increasing sales.

- We will achieve the initial targets of ROA: more than 6% and EPS: more than 100 yen, and will then proceed to the next stage.
Appendix

- Financial Strategy, Capital Policy
- News
- Trend of Stock Price
Appendix: Financial Strategy, Capital Policy (No change)

**Optimum capital structure**

- Maintain ability to generate the funds needed to invest for growth
- Keep single A credit rating with Japanese rating agencies

**Cash generation/business expansion cycle**

**1 Investment**

- Strategic investment (50 billion yen from FY15 to FY17)
- Regular capital investment (to cover capital depreciation)

FY15 investment: ¥22.7 billion
FY16 investment: ¥46.3 billion
KBC acquisition cost: ¥26.6 billion

**2 Finances**

- Ensure the sound finances needed to undertake business expansion (enhance ability to raise funds and manage risk)

FY15: 31.9 billion yen
FY16: 39.2 billion yen

**3 Return to shareholders**

- Stable and sustainable dividend payment
- While allocating funds for investment and maintaining a sound financial footing, will aim for a 30% dividend ratio

*FY15: 4.8 billion yen (17.9%)
*FY16: 6.7 billion yen (25.9%)

Total: 100 billion yen

90 billion yen (including strategic investment)

73 billion yen
Appendix: News  
(From August 9 to November 7)

- Yokogawa Solution Service Corporation releases Data Driven Modeling for Optimization (DDMO) solution in Japan to systematize expertise of skilled plant workers and thereby minimize manufacturing costs and maintain quality.
- Release of CV8000 high-throughput cytological discovery system for the faster discovery of new drugs and improved efficiency in biomedical research.
- Yokogawa Electric Corporation included in Dow Jones Sustainability Asia Pacific (DJSI Asia Pacific), a global environment, social, and governance (ESG) stock index.

Sept.

- Yokogawa Electric Corporation, Yokogawa Solution Service Corporation, and NTT Communications launch trial to demonstrate use of IoT/AI technology in an advanced manufacturing operation.
- Release of CENTUM® VP R6.05 integrated production control system with new processor module and enhanced engineering function.
- Yokogawa Electric Corporation rated A- (second highest grade) in Carbon Disclosure Project (CDP) climate change report.

Oct.

- Announcement of Synaptic Business Automation concept for industrial automation and control business.

Note: The month for each news item indicates when it was published.
Appendix: Trend of Stock Price

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Disclaimer

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.

Yokogawa undertakes no obligation to publicly update or revise any forward-looking statements after the issue of this document except as provided for in laws and ordinances.

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The information has not been restated to reflect the revision of the initially allocated acquired costs that was decided upon finalization of the tentative accounting treatment.

IR Group, IR Department
Yokogawa Electric Corporation
Email: Yokogawa_Electric_IR6841@cs.jp.yokogawa.com
Phone: +81-422-52-6845
URL: http://www.yokogawa.com/pr/ir/index.htm