

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 Executive Officer
Name and Position of the Person in Charge:
Sadamu Kawanaka, General Manager of Corporate Communications Department
Telephone Number: 81-422-52-5530

February 17, 2016

**Notice Regarding the Announcement of a Firm Intention to make
an Offer for KBC Advanced Technologies plc**

Yokogawa Electric Corporation (hereafter “Yokogawa”) today announces that it has reached agreement with KBC Advanced Technologies plc, a consulting and software provider to the oil and gas industry listed on AIM ^(Note) (Headquarters: Walton on Thames, Surrey, UK, CEO: Andrew Howell) (hereafter “KBC”), on the terms of Yokogawa’s firm intention to make an offer for KBC, to commence an all cash acquisition by Yokogawa of the entire issued and to be issued share capital of KBC by means of a court-sanctioned scheme of arrangement, thereby making KBC a wholly-owned subsidiary of Yokogawa (hereafter “Transaction” or “Acquisition”). The Transaction has been approved at a meeting of Yokogawa’s Board of Directors and KBC’s Board of Directors has resolved to recommend the Acquisition to KBC’s shareholders. Please note that Yokogawa has also made a public announcement as required under the UK Takeover Code in the UK today. (7 am UK local time / 4 pm Japan time)

A copy of the announcement can be found on Yokogawa’s website (<http://www.yokogawa.com/>). (English only)

Note AIM is the London Stock Exchange’s international market for smaller growing companies, set up in 1995.

1. Background to the Acquisition / Strategic Rationale of the Acquisition

In May 2015, Yokogawa announced its “Transformation 2017” business plan (hereafter “TF2017”), a 3 year mid-term business plan for growth, with emphasis on implementation of three priority structural reforms focusing on customers, creation of new value, and becoming a highly efficient global company, aimed at strengthening the platform for future growth, and ultimately to transform Yokogawa into a highly profitable company. Under TF2017, Yokogawa aims to further expand its advanced solution business and the proposed Acquisition is consistent with, and an important part of, this plan.

KBC is a successful provider of software and consultancy to the oil and gas industry, focused on operational

excellence and profit improvement in relation to both upstream and downstream.

The integration of KBC's premium consulting services and software capabilities with Yokogawa's operational excellence in the industrial automation field would provide a one-stop solution to various customers ranging from senior management to engineers at field level. Yokogawa and KBC would, together, be able to provide consultancy, supply control equipment and provide servicing seamlessly throughout the customer's asset life-cycle. Yokogawa expects this integrated service would create additional value for its existing and new customers and enable further technology and product innovation.

2. Outline of the Acquisition

- (1) Target Company: KBC
- (2) Acquisition method: proposed acquisition of 100% of the issued and to be issued share capital of KBC by Yokogawa pursuant to a scheme of arrangement (please see Section 4. Acquisition Process and Procedures for further details)
- (3) Status of the shares upon Acquisition, purchase price and number of shares

Number of KBC shares held prior to Acquisition	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0%)
Number of KBC shares to be held after Acquisition	85,837,264 shares (Number of voting rights: 85,837,264) (Percentage of voting rights to be held: 100%)
Acquisition price	Common shares of KBC ^(Note 1) : approx. GBP180 million (approx. JPY29.7 billion) ^(Note 2) Advisory fees, etc.: approx. JPY1.1 billion Total: approx. JPY30.8 billion ^(Note 2)

- (4) Acquisition Terms: 210 pence per KBC common share
This acquisition price per KBC's common share represents an approximately 69% premium to KBC's closing price as of January 11, 2016 (124 pence)^(Note 3)
- (5) Financing Source of Acquisition: The funds for the Acquisition will be provided by external financing
- (6) Expected Timeframe to Closing: The completion of the Acquisition is expected to be effective in the 1st quarter of the fiscal year 2016 (i.e. April to June 2016)

Note 1 Includes to-be-issued share capital of approx. 4 million common shares held by the management and employees of KBC

Note 2 Based on the foreign exchange rate of GBP1=JPY165

Note 3 Refers to the closing stock price of KBC, one day prior to Aspen Technology, Inc.'s announcement to acquire KBC through a scheme of arrangement

3. Information about KBC

KBC is a successful provider of software and consultancy to the oil and gas industry, focused on operational excellence and profit improvement for both the upstream (oil production) and downstream (oil refining and refinery-integrated petrochemicals) segments. Incorporated in the UK in 1978, KBC is a listed company traded on AIM.

KBC employs more than 300 staff primarily based out of three main hubs in the UK, USA and Singapore, plus a number of other smaller offices. KBC's clients include national oil companies, international oil companies, independent oil companies and engineering companies.

KBC deploys an integrated operating model which yields two main revenue streams:

- Consulting: technical / engineering and operational effectiveness consulting
- Technology: proprietary engineering-oriented process optimization / simulation software

4. Acquisition Process and Procedures

Yokogawa plans to implement the Acquisition through a "Scheme of Arrangement" pursuant to UK law. A scheme of arrangement is a recommended acquisition method under which the acquisition becomes effective upon the approval of KBC's shareholders (as further detailed below) as well as the English court. Please note that, on January 12, 2016, Aspen Technology, Inc. (Headquarters: Massachusetts, United States. CEO: Antonio Pietri (hereafter "AspenTech")) and KBC announced the agreement of a recommended acquisition by AspenTech of KBC to be implemented by means of a scheme of arrangement but that KBC's board has now changed its recommendation and intends to recommend the Acquisition to KBC's shareholders.

At the time of this announcement, Yokogawa has received irrevocable undertakings to vote or procure votes in favor of Yokogawa, representing approximately 42% of KBC's issued share capital excluding treasury shares.

Approval by KBC's shareholders will be effective upon the affirmative vote of more than half of the shareholders voting at the shareholders' meeting to be convened by the English court, provided that the shareholders voting affirmatively represent 75% in value of the total number of voting rights exercised at the KBC shareholders' meeting. The Acquisition is expected to be effective in the 1st quarter of the fiscal year 2016 (i.e. April to June 2016), subject to the receipt of the required court and shareholder approvals. A detailed schedule related to the Transaction will be announced once confirmed.

5. Future Outlook Regarding Yokogawa's Financial Forecast

Yokogawa plans to disclose the impact on its financial forecast as a result of the Acquisition in due course.

(End)

Overview of KBC

(1) Company Name	KBC Advanced Technologies plc		
(2) Location of Headquarters	Walton on Thames, Surrey, UK		
(3) Name and Title of Representative	Andrew Howell, Chief Executive Officer		
(4) Business Description	Provides consulting services and software to various customers in the oil and gas industry		
(5) Issued Share Capital	GBP2,058 thousand / JPY396 million (As of the end of June 2015) (1)		
(6) Date of Incorporation	1978		
(7) Listed Stock Exchange	London Stock Exchange (AIM)		
(8) Major Shareholders and Shareholding Ratio (As of December 31, 2015)	Kestrel Partners LLP	15.76%	
	Coltrane Master Fund, L.P.	10.01%	
	AXA Investment Managers SA	9.97%	
	Killik Asset Management	4.98%	
	Kongsberg Gruppen ASA	4.90%	
	Hargreave Hale Limited	3.64%	
(9) Relationship with Yokogawa	No capital, personnel or business relationships		
(10) KBC's Consolidated Financial Results for the Last 3 Years (Unit: ,000 GBP (Upper) and JPY million (Lower) unless otherwise stated)			
Fiscal year	December 2012	December 2013	December 2014
Consolidated Net Assets ⁽²⁾	31,367 4,410	36,516 6,361	66,269 12,373
Consolidated Total Assets ⁽²⁾	67,983 9,557	60,294 10,503	92,182 17,212
Consolidated Net Assets Per Share ⁽²⁾	53.3 pence JPY 75.0	61.7 pence JPY 107.5	81.1 pence JPY 151.4
Consolidated Revenue ⁽³⁾	63,140 7,986	65,080 9,939	75,954 13,232
Consolidated Operating Income ⁽³⁾	3,860 488	7,389 1,128	7,163 1,248
Consolidated Net Income Attributable to KBC ⁽³⁾	-1,646 -208	5,537 846	4,079 711
Consolidated Net Income Per KBC Share ⁽³⁾	-2.9 pence JPY -3.7	9.5 pence JPY 14.5	5.7 pence JPY 10.0
Dividend Per KBC Share ⁽³⁾	1.5 pence JPY 2.0	0 pence JPY 0	1.0 pence JPY 1.8

Note 1 Based on the ending FX rate as of the end of June 2015

Note 2 Based on the ending FX rate for each period

Note 3 Based on the periodical average FX rate for each period

Forward looking statements

This presentation contains statements that are or may be forward-looking statements. Without limitation, all statements preceded or followed by or that include the following words "target", "believe", "expect", "anticipate", "intend", "plan", "estimate", "aim", "will", "may", "forecast", "project" and similar expressions (or their negative) are forward-looking statements. Forward-looking statements include statements relating to the following: statements relating to the expected benefits of the Offer for Yokogawa, background to and reasons for the Offer, information on the prospects of Yokogawa or KBC and future capital expenditures, expenses, revenues, earnings, synergies, economic performance, and future prospects. Forward-looking statements involve inherent risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements, including risks relating to the successful integration of KBC with Yokogawa; higher than anticipated costs relating to the integration of KBC; investment required in KBC to realize expected benefits; and facts relating to KBC that may impact the timing or amount of benefit realized from the Offer that are unknown to Yokogawa. Yokogawa expressly disclaims any obligation or undertaking to release any updates or revisions to these forward-looking statements to reflect any change in Yokogawa's expectations with regards thereto or any change in events, conditions or circumstances on which any statement is based after the date of this presentation or to keep any other information contained in this presentation up to date. Accordingly, undue reliance should not be placed on the forward-looking statements, which speak only of the date of this presentation.