

Name of Listed Company:

Yokogawa Electric Corporation

(URL: <https://www.yokogawa.com>) (Stock code: 6841, listed in TSE Prime Market)

Name and Position of the Representative:

Hitoshi Nara, President & CEO, Representative Executive Officer

Name and Position of the Person in Charge:

Hirohiko Nakatani, Department Manager of IR Department

Telephone Number: +81-422-52-6845

March 4, 2025

Notice Concerning Determination of Matters Related to Acquisition of Own Shares

(Acquisition of own shares under the provisions of the Articles of Incorporation pursuant to the provisions of Article 165, paragraph (2) of the Companies Act)

Yokogawa Electric Corporation (“the Company”) announces that its Board of Directors has resolved on this date the following matters concerning the acquisition of own shares, pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the same Act. The details are described below.

Details

1. Reason for acquisition of own shares

In our medium-term business plan, Growth for Sustainability 2028 (GS2028), Yokogawa will enhance investments to realize the growth strategy set out in the long-term business framework, while aiming for the achievement of sustainable improvement in corporate value and shareholder value.

In GS2028, we have set the following two points as our cash allocation policy, and we aim to "allocate cash generated through our business to investments that will increase or maximize corporate value in the medium- to long-term, and proactively return profits to shareholders."

- The company will set aside a total of 100 billion yen for capital investments for growth (strategic investments) to be made over the first three years of the business plan (FY2024 to FY2026). It will maintain an optimal capital structure that takes into account overall risks, increases or decreases in equity, and the assumption of increased risk associated with the execution of investments that use debt financing, in order to maintain a level of shareholders' equity that can retain a Grade A rating even when risks materialize, and to secure a certain level of risk investment capacity for the next stage of growth.
- Under its dividend policy (basic policy on allocation of profits), the company will seek to preferentially allocate profits to investments that maximize corporate value over the medium- to long-term, but will also strive to improve shareholder return through the proactive payment of dividends, while ensuring it retains a certain financial stability. Yokogawa will continue to return a certain percentage of profit each period based on the target dividend payout ratio, and maintain a stable dividend based on the equity dividend rate, while also flexibly considering share buybacks to provide additional shareholder returns, taking into consideration financial conditions, stock price levels, etc.

Looking back at the progress made so far in this fiscal year, the first year since the start of GS2028, existing businesses have grown steadily, and cash flows have accumulated more than initially expected, and a certain level of solid financial base has been secured, coupled with improvements in working capital efficiency.

In this situation, in addition to the fact that we have secured sufficient cash for the targeted capital investments for growth (strategic investments), taking into consideration the future business environment, capital and financial situation including further investment capacity, the current stock price level, our shareholder return policy, etc., we have resolved to implement this share buyback.

Going forward, there will be no change to the approach set out in GS2028, which is to "allocate cash generated through our business to investments that will increase or maximize corporate value in the medium- to long-term, and proactively return profits to shareholders." In line with our cash allocation approach, we will continue to work to enhance shareholder returns and improve capital efficiency, while also promoting initiatives that enable the implementation of flexible capital policies that respond to changes in the business environment.

2. Details on matters related to acquisition

- a. Class of shares to be acquired: Common shares
- b. Total number of shares to be acquired: 12,000,000 shares (maximum)
(4.61% of total number of issued shares, excluding treasury shares)
- c. Total amount of share acquisition costs: 20,000,000,000 yen (maximum)
- d. Acquisition period: From March 5, 2025 through December 31, 2025
- e. Acquisition method: Open-market purchase on the Tokyo Stock Exchange

(Reference) Treasury share holdings as of February 28, 2025

Total number of shares outstanding, excluding treasury shares: 260,215,902 shares

Number of treasury shares: 8,408,608 shares

end