The following is an English translation prepared for the convenience of shareholders and investors. The official text in the Japanese version of this notice has been prepared in accordance with statutory provisions and mailed to the respective shareholders separately. Should there be any inconsistency in the contents of the translation and the official version, the latter shall prevail. The Company accepts no liability for any misunderstanding caused by the translation.

To All Shareholders:

Securities code: 6841

Date of sending by postal mail: June 1, 2026

Start date of measures for electronic provision: May 28, 2026

Yokogawa Electric Corporation
2-9-32 Nakacho, Musashino-shi, Tokyo

Notice of 2026 Annual General Meeting of Shareholders

Dear Shareholder:

Yokogawa Electric Corporation (hereinafter the Company) hereby announces that the 2026 Annual General Meeting of Shareholders will be held as per the schedule below.
If you are unable to attend the meeting in person, you can exercise your voting rights in advance by mail, via the Internet. Please review the attached Reference Materials for General Meeting of Shareholders concerning the exercise of your shareholder voting rights and submit your vote using one of the methods outlined below **no later than 5:00 p.m. on Monday, June 22, 2026, Japan time**.

Sincerely,

Kunimasa Shigeno
Director, President & CEO,
Representative Executive Officer

1. Time & Date: 10:00 a.m. (Japan time), Tuesday, June 23, 2026

2. Place: Conference Hall, Yokogawa Head Office, 2-9-32 Nakacho, Musashino-shi, Tokyo

3. Meeting Agenda:

Items to be reported

1: Business report, consolidated financial statements, and a report on the audit of the consolidated accounts by the Accounting Auditors and the Audit Committee for fiscal year 2025 (April 1, 2025 to March 31, 2026)

2: Non-consolidated financial statements for fiscal year 2025 (April 1, 2025 to March 31, 2026)

Items to be resolved

Item 1: Disposition of Surplus

Item 2: Election of Eleven (11) Directors

[Vote by mail]
Indicate "for" or "against" for each agenda item shown on the voting form sent along with this notice and return it promptly to ensure its arrival **no later than 5:00 p.m. on Monday, June 22, 2026, Japan time**.

[Vote via the Internet]
Access the shareholder voting site (https://soukai.mizuho-tb.co.jp/) designated by the Company and enter the voting code and password found on the voting form sent along with this notice.
By following the prompts on the screen, indicate "for" or "against" for each agenda item and submit this form **no later than 5:00 p.m. on Monday, June 22, 2026, Japan time**.
For more details, please refer to the Instructions for Internet Voting on page 57.

[Handling of multiple voting]
If you exercise your voting right both by mail and via the Internet, the voting via the Internet shall prevail regardless of the arrival date of the mailed vote. In the case of multiple voting via the Internet, the last voting shall prevail.

Notes:
1. If attending the meeting in person, please present the enclosed voting form to the reception desk upon arrival. If you intend to exercise your voting rights by proxy, you must appoint as your proxy another shareholder who is entitled to exercise voting rights and will attend the General Meeting of Shareholders, pursuant to Article 19 of the Articles of Incorporation of the Company. However, a written document certifying the proxy's authority must be submitted to the Company.
2. Revisions to or amendments, if necessary, of the Reference Materials for General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements will be posted on the Company website.

   (https://www.yokogawa.com/about/ir/reports/meeting/).

Reference Materials for General Meeting of Shareholders

Item 1: Disposition of Surplus

The distribution of earnings to shareholders is a top management priority for the Company. By achieving growth in earnings, the Company aims to steadily and continuously increase our dividend payments.
Specifically, the Company strives to ensure a consolidated dividend payout ratio of more than 30% while giving overall consideration to ensuring investment capital for maximizing business results and mid- to long-term shareholder value and maintaining financial footing for supporting investment for growth. The Company also aims to maintain a stable dividend based on a DOE (dividend on equity) ratio, even when business results deteriorate due to temporary factors.
Based on the above policy, the Company proposes to pay the year-end dividend of 46 yen per share for the year as follows, taking into account business results of the fiscal year under review, as well as future business plans, financial conditions and other factors. With this, the annual dividend per share for the year, including the interim dividend of 32 yen, will be 78 yen, an increase of 20 yen per share compared with the previous fiscal year.

Matters related to year-end dividends

(1) Type of dividend assets

Cash

(2) Allocation of dividend assets and total amount of allocation

46 yen per common share of the Company
Total amount of payout is 11,712,957,782 yen.

(3) Effective date of dividend payout

June 24, 2026

Item 2: Election of Eleven (11) Directors

At the conclusion of this General Meeting of Shareholders, the terms of office for all twelve (12) Directors will expire. Accordingly, the Company proposes to elect a total of eleven (11) Directors including seven (7) Outside Directors, by lowering the number of Directors by one.
The Company nominated candidates for Directors by resolution of the Nomination Committee.
Information on the eleven (11) Director candidates is provided below.

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
1	 Hitoshi Nara (Jan. 23, 1963) Reelection Candidate	Apr. 1985 Joined the Company Oct. 2001 Deputy Managing Director of Yokogawa Engineering Asia Pte. Ltd. Oct. 2003 Managing Director of Yokogawa (Thailand) Ltd. Jan. 2007 Head of Sales Div. I, Industrial Solutions Business Headquarters of the Company Apr. 2010 Senior Vice President, Head of Industrial Solutions Business Headquarters Jun. 2011 Director and Senior Vice President, Head of Industrial Solutions Business Headquarters Apr. 2012 Director and Senior Vice President, Head of Industrial Solutions Service Business Headquarters Apr. 2013 Director of the Company, President of Yokogawa Solution Service Corporation Apr. 2017 Director and Executive Vice President, Chief Executive for Japan and Korea, and President of Yokogawa Solution Service Corporation Apr. 2018 Director and Executive Vice President, Head of Life Innovation Business Headquarters Apr. 2019 President and Chief Executive Officer Jun. 2024 Director, President and Chief Executive Officer, Representative Executive Officer Apr. 2025 Director, Executive Chairperson, Representative Executive Officer (present)	47,452 shares

Number of years since appointment as a Director (at the conclusion of this AGM) 15 years

Attendance of Board of Directors Meetings (FY2025) Present at 15 of the 15 meetings (100%)

The reason for election as a Director candidate

Mr. Hitoshi Nara has appropriately supervised the Company's management as a Director since his appointment in June 2011. After serving in the sales function of the Company's control business, as well as President of domestic and overseas subsidiaries and being involved in the launch of new businesses, he assumed the role of President & CEO in April 2019. He subsequently served as President & CEO, Representative Executive Officer from June 2024, leading the execution of the Company's business operations. Since April 2025, he has served as Executive Chairperson, Representative Executive Officer, taking primary responsibility for external affairs and supporting the President & CEO, Representative Executive Officer, and has accumulated extensive experience and a proven track record in managing the Company. By continuing to leverage his management experience and achievements, we expect him to contribute to the enhancement of corporate value, as well as to the strengthening of the decision-making and oversight functions of the Board of Directors, and therefore propose his appointment as Director.

Notes on each candidate are as indicated on page 16.

[Reference] Please refer to page 17 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates."

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
2	 Kunimasa Shigeno (Feb. 8, 1968) Reelection Candidate	Apr. 1991 Joined the Company May 2008 Vice President, Engineering Business, Yokogawa Saudi Arabia Company (L.L.C.) Apr. 2016 Executive Vice President, Engineering Business, Yokogawa Saudi Arabia Company (L.L.C.) Apr. 2018 Vice President, Head of Global Business Service Headquarters of the Company Apr. 2021 President & CEO of Yokogawa Middle East & Africa B.S.C.(c) Apr. 2023 Vice President, Regional Chief Executive for Middle East & Africa of the Company, and President & CEO of Yokogawa Middle East & Africa B.S.C.(c) Apr. 2024 Senior Vice President, Head of Digital Solutions Headquarters of the Company Jun. 2024 Senior Vice President & Executive Officer, Head of Digital Solutions Headquarters Apr. 2025 President and Chief Executive Officer, Representative Executive Officer Jun. 2025 Director, President and Chief Executive Officer, Representative Executive Officer (present)	19,177 shares

Number of years since appointment as a Director (at the conclusion of this AGM) 1 year

Attendance of Board of Directors Meetings (FY2025) Present at 11 of the 11 meetings (100%)
*Since he assumed the position on June 19, 2025

The reason for election as a Director candidate

Mr. Kunimasa Shigeno has appropriately supervised the Company's management as a Director since his appointment in June 2025. He possesses extensive experience and a proven track record, having worked for many years as a frontline engineer in the Company's control business and having accumulated substantial experience in project management and subsidiary management overseas, particularly in the Middle East. After serving as the head of the Digital Solutions Division, which constitutes the core of the Company's control business, from April 2024, he has served as President & CEO, Representative Executive Officer since April 2025, demonstrating strong leadership toward the achievement of the Company's medium-term management plan, "Growth for Sustainability 2028."

By continuing to leverage his management experience and achievements, we expect him to contribute to the enhancement of corporate value, as well as to the strengthening of the decision-making and oversight functions of the Board of Directors, and therefore propose his appointment as Director.

Notes on each candidate are as indicated on page 16.

[Reference] Please refer to page 17 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates."

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
3	 Hikaru Kikkawa (Mar. 28, 1967) Reelection Candidate	Apr. 1989 Joined the Company Apr. 2011 Head of PR/IR Office, Corporate Administration Headquarters Apr. 2012 Head of Corporate Planning Office, Corporate Headquarters Apr. 2016 Head of Business Planning Office, Marketing Headquarters May 2017 President of Yokogawa America do Sul S.A.S. Apr. 2020 Vice President, Head of Audit, Compliance and Quality Assurance Headquarters of the Company Apr. 2022 Vice President, Head of Audit & QHSE Headquarters Apr. 2024 Internal Audit Headquarters Jun. 2024 Director of the Company (present)	28,040 shares
	Number of years since appointment as a Director (at the conclusion of this AGM): 2 years Attendance of Board of Directors Meetings (FY2025): Present at 15 of the 15 meetings (100%) The reason for election as a Director candidate Mr. Hikaru Kikkawa has appropriately supervised the Company's management as a Director since his appointment in June 2024. He possesses extensive experience and a proven track record in the Company's management, having accumulated many years of experience in the accounting and finance function as well as in business divisions including overseas subsidiaries, and having demonstrated a high level of capability and expertise in management audits as the head of the internal audit department. In addition, since June 2024, he has appropriately conducted audits of the Company's management as a member of the Audit Committee. By continuing to leverage his management experience and achievements, we expect him to contribute to the enhancement of corporate value, as well as to the strengthening of the decision-making and oversight functions of the Board of Directors, and therefore propose his appointment as Director.		

Notes on each candidate are as indicated on page 16.

[Reference] Please refer to page 17 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates."

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
4	 Michiko Nakajima (Jan. 14, 1971) Reelection Candidate	Apr. 1994 Joined the Company Apr. 2014 Head of Budget Control Department, Accounting & Treasury Headquarters Apr. 2016 Head of Treasury Department, Accounting & Treasury Headquarters Apr. 2018 Head of Accounting & Treasury Center, Corporate Administration Headquarters Apr. 2021 Vice President, Head of Accounting & Treasury Headquarters Jun. 2024 Director, Vice President & Executive Officer, Head of Accounting & Treasury Headquarters (present)	10,586 shares
	Number of years since appointment as a Director (at the conclusion of this AGM) 2 years Attendance of Board of Directors Meetings (FY2025) Present at 15 of the 15 meetings (100%) The reason for election as a Director candidate Ms. Michiko Nakajima has appropriately supervised the Company's management as a Director since her appointment in June 2024. She possesses extensive experience and a proven track record in the Company's management, having accumulated many years of experience in the accounting and treasury division. Since her appointment as the head of the accounting and treasury division in April 2021, she has fulfilled key executive responsibilities, including the formulation and execution of the Company's capital policy and financial strategy, as well as engagement in dialogue with stakeholders, thereby contributing significantly to the management of the Company. By continuing to leverage her management experience and achievements, we expect her to contribute to the enhancement of corporate value, as well as to the strengthening of the decision-making and oversight functions of the Board of Directors, and therefore propose her appointment as Director.		

Notes on each candidate are as indicated on page 16.

[Reference] Please refer to page 17 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates."

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
5	 Akira Uchida (Oct. 4, 1950) Reelection Candidate Candidate for Outside Director Candidate for Independent Officer	Apr. 1975 Joined Toray Industries, Inc. Jun. 1996 Executive Vice President of Toray Industries (America), Inc. Jun. 2000 Senior Manager of Corporate Planning 1st Department and Corporate Communications Department, Toray Industries, Inc. Jun. 2004 Associate Director of Corporate Planning Department and Investor Relations Department, Toray Industries, Inc. Jun. 2005 Vice President (Member of the Board), General Manager of Finance & Controller's Division, Toray Industries, Inc. President of Toray Holding (U.S.A.), Inc. Jun. 2009 Senior Vice President (Member of the Board), General Manager of Finance & Controller's Division, Toray Industries, Inc. President of Toray Holding (U.S.A.), Inc. Jun. 2012 Senior Vice President (Member of the Board), Chief Investor Relations Officer, Chief Social Responsibility Officer, General Supervisor for General Administration & Legal Division, Corporate Communications Department, Advertising Department, General Manager of Tokyo Head Office, Toray Industries, Inc. Jun. 2016 Counselor, Toray Industries, Inc. (retired in March 2019) Jun. 2019 Director of the Company (present)	3,347 shares

Significant concurrent positions
Auditor of Suga Weathering Technology Foundation

Number of years since appointment as an Outside Director (at the conclusion of this AGM) 7 years

Attendance of Board of Directors Meetings (FY2025) Present at 15 of the 15 meetings (100%)

The reason for election as an Outside Director candidate and outline of expected roles

Mr. Akira Uchida has properly supervised the Company's management as an Outside Director since his appointment in June 2019 and, since June 2024, has contributed to the efficient operation of the Board of Directors as its Chairperson. To enhance the validity, objectivity, and transparency of management by reflecting in the oversight of management of the Company his high level of insight as a corporate executive and his wide range of experience in the field of corporate management, primarily in finance and accounting divisions, we propose his appointment as an Outside Director. we propose his appointment as an Outside Director.

About the independent officers

Mr. Akira Uchida meets the requirements of an independent officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated him as an independent officer, and he is registered as such at the said exchange. Provided he is re-elected as proposed, he will continue his service for the Company as an independent officer.

Notes on each candidate are as indicated on page 16.

[Reference] Please refer to page 17 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates."

Please refer to page 18 for "The Company's Independence Standards."

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
6	 Kuniko Urano (Oct. 19, 1956) Reelection Candidate Candidate for Outside Director Candidate for Independent Officer	Apr. 1979 Joined Komatsu Ltd Apr. 2005 General Manager of Logistics Planning Department, Production Division of Komatsu Ltd Apr. 2010 General Manager of Corporate Communications Department of Komatsu Ltd Apr. 2011 Executive Officer, General Manager of Corporate Communications Department of Komatsu Ltd Apr. 2014 Executive Officer, General Manager of Human Resources Department of Komatsu Ltd Apr. 2016 Senior Executive Officer, General Manager of Human Resources Department of Komatsu Ltd Jun. 2018 Director and Senior Executive Officer of Komatsu Ltd Apr. 2021 Director of Komatsu Ltd Jun. 2021 Director of the Company (present) Jul. 2021 Senior Adviser of Komatsu Ltd (retired in June 2024)	0 shares

Significant concurrent positions

Outside Director of NIPPON STEEL CORPORATION

Number of years since appointment as an Outside Director (at the conclusion of this AGM) 5 years

Attendance of Board of Directors Meetings (FY2025) Present at 15 of the 15 meetings (100%)

The reason for election as an Outside Director candidate and outline of expected roles

Ms. Kuniko Urano has properly supervised the Company's management as an Outside Director since her appointment in June 2021 and, since June 2024, has ensured the appropriate and efficient operation of the Nomination Committee as its Chairperson. To enhance the validity, objectivity, and transparency of management by reflecting in the oversight of management of the Company her high level of insight as a corporate executive and her wide range of experience in divisions of production, personnel/education, and public relations/CSR, etc. at a major manufacturing company, we propose her appointment as an Outside Director.

About the independent officers

Ms. Kuniko Urano meets the requirements of an independent officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated her as an independent officer, and she is registered as such at the said exchange. Provided she is re-elected as proposed, she will continue her service for the Company as an independent officer.

Notes on each candidate are as indicated on page 16.

[Reference] Please refer to page 17 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates."

Please refer to page 18 for "The Company's Independence Standards."

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
7	 Takuya Hirano (Aug. 11, 1970) Reelection Candidate Candidate for Outside Director Candidate for Independent Officer	Dec. 1995 Joined Kanematsu USA Feb. 1998 Joined Hyperion Solutions Corporation (the present Oracle Corporation) Feb. 2001 President of Hyperion Solutions Japan Aug. 2005 Senior Director, Business & Marketing Division of Microsoft Co., Ltd. (the present Microsoft Japan Co., Ltd.) Feb. 2006 General Manager, Enterprise Service of Microsoft Co., Ltd. Jul. 2007 General Manager, Enterprise Business & Enterprise Service of Microsoft Co., Ltd. Mar. 2008 General Manager, Enterprise Business of Microsoft Co., Ltd. Sep. 2011 General Manager, Multi-country of Microsoft Central and Eastern Europe Jul. 2014 Executive Vice President, Marketing & Operations of Microsoft Japan Co., Ltd. Mar. 2015 Representative Officer, Executive Deputy President of Microsoft Japan Co., Ltd. Jul. 2015 President of Microsoft Japan Co., Ltd. (retired in August 2019) Sep. 2019 Vice President, Global Service Partner Business of Microsoft Corporation (retired in September 2022) Jun. 2022 Director of the Company (present)	0 shares

Significant concurrent positions

Co-founder of Three Field Advisors LLC
Founder of Crosspoint LLC
Chairman (Part-time Member) of Yayoi Co., Ltd.
Outside Director of Renesas Electronics Corporation
Outside Director of Fujitsu Limited

Number of years since appointment as an Outside Director (at the conclusion of this AGM): 4 years

Attendance of Board of Directors Meetings (FY2025): Present at 15 of the 15 meetings (100%)

The reason for election as an Outside Director candidate and outline of expected roles

Mr. Takuya Hirano has properly supervised the Company's management as an Outside Director since his appointment in June 2022 and, since June 2024, has ensured the appropriate and efficient operation of the Compensation Committee as its Chairperson. To enhance the validity, objectivity, and transparency of management by reflecting in the oversight of management of the Company his high level of insight as a corporate executive and his wide range of practical experience in the business divisions of global IT firms, we propose his appointment as an Outside Director.

About the independent officers

Mr. Takuya Hirano meets the requirements of an independent officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated him as an independent officer, and he is registered as such at the said exchange. Provided he is re-elected as proposed, he will continue his service for the Company as an independent officer.

Notes on each candidate are as indicated on page 16.

[Reference] Please refer to page 17 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates."

Please refer to page 18 for "The Company's Independence Standards."

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
8	 Yujiro Goto (May 4, 1957) Reelection Candidate Candidate for Outside Director Candidate for Independent Officer	Apr. 1980 Joined Nippon Shokubai Kagaku Kogyo Co., Ltd. (the present NIPPON SHOKUBAI CO., LTD.) Apr. 2011 Deputy Director of Production Div., and General Manager of Production & technology Dept. of NIPPON SHOKUBAI CO., LTD. Apr. 2012 Plant Manager of Kawasaki Plant of NIPPON SHOKUBAI CO., LTD. Jun. 2012 Executive Officer, Plant Manager of Kawasaki Plant of NIPPON SHOKUBAI CO., LTD. Jun. 2015 Member of the Board, Managing Executive Officer in charge of production and technology departments of NIPPON SHOKUBAI CO., LTD. Apr. 2017 President and Representative Member of the Board of NIPPON SHOKUBAI CO., LTD. Jun. 2022 Member of the Board, Chairman of NIPPON SHOKUBAI CO., LTD. Jun. 2023 Advisor of NIPPON SHOKUBAI CO., LTD. (present) Director of the Company (present)	0 shares
	Significant concurrent positions Advisor of NIPPON SHOKUBAI CO., LTD. Vice Chairman of Science Technology and Industrial Development Committee of Kansai Economic Federation Number of years since appointment as an Outside Director (at the conclusion of this AGM) 3 years Attendance of Board of Directors Meetings (FY2025) Present at 15 of the 15 meetings (100%) The reason for election as an Outside Director candidate and outline of expected roles Mr. Yujiro Goto has properly supervised the Company's management as an Outside Director since his appointment in June 2023. To enhance the validity, objectivity, and transparency of management by reflecting in the oversight of management of the Company his high level of insight as a corporate executive and his extensive experience and expertise at a major manufacturing company in corporate transformation, new business development, and M&A, we propose his appointment as an Outside Director. About the independent officers Mr. Yujiro Goto meets the requirements of an independent officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated him as an independent officer, and he is registered as such at the said exchange. Provided he is re-elected as proposed, he will continue his service for the Company as an independent officer.		

Notes on each candidate are as indicated on page 16.

[Reference] Please refer to page 17 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates."

Please refer to page 18 for "The Company's Independence Standards."

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
9	 Masaru Ono (Jun. 1, 1953) Reelection Candidate Candidate for Outside Director Candidate for Independent Officer	Apr. 1978 Registered Tokyo Bar Association Jun. 1983 Certified New York State Bar Feb. 1984 Joined Nishimura Sanada Law Firm (the present Nishimura & Asahi) Jul. 1985 Partner of Nishimura & Asahi Jun. 2007 Managing Director of Securitization Forum of Japan (the present President) (present) Apr. 2009 Visiting Professor of University of Tokyo (retired in March 2024) Jun. 2020 Member of Audit & Supervisory Board of the Company Jan. 2021 Of Counsel of Nishimura & Asahi (retired in December 2023) Jan. 2024 Representative Partner, Ono & Partner (present) External Advisor of Nishimura & Asahi (present) Jun. 2024 Director of the Company (present)	55 shares

Significant concurrent positions

Representative Partner of Ono & Partner
External Advisor of Nishimura & Asahi
External Auditor of Prestige International Inc.
Independent Auditor of &Capital Inc. (Part-time)
President of Securitization Forum of Japan
Auditor of Advanced Internship Institute of Japan Association of Corporate Executives

Number of years since appointment as an Outside Director (at the conclusion of this AGM): 2 year

Attendance of Board of Directors Meetings (FY2025): Present at 15 of the 15 meetings (100%)

The reason for election as an Outside Director candidate and outline of expected roles

Mr. Masaru Ono has properly supervised management as an Outside Director and, since June 2024 he has been appropriately auditing the management of the Company as a member of the Audit Committee. He is a lawyer with a wealth of knowledge of the corporate legal affairs and finance fields and has a high level of insight based on his wide range of activities in business and educational circles. To enhance the validity, objectivity, and transparency of management by reflecting these in the oversight of management of the Company, we propose his appointment as an Outside Director.

About the independent officers

Mr. Masaru Ono meets the requirements of an independent officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated him as an independent officer, and he is registered as such at the said exchange. Provided he is re-elected as proposed, he will continue his service for the Company as an independent officer.

Notes on each candidate are as indicated on page 16.

[Reference] Please refer to page 17 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates."

Please refer to page 18 for "The Company's Independence Standards."

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
10	 Hisashi Maruyama (Mar. 8, 1961) Reelection Candidate Candidate for Outside Director Candidate for Independent Officer	Apr. 1983 Joined Hitachi Chemical Company, Ltd. (the present Resonac Corporation) Apr. 2003 Head of President's Office and General Manager in charge of Legal and IR of Hitachi Chemical Company, Ltd. (the present Resonac Corporation) Apr. 2011 Executive Officer, Deputy General Manager of CSR Management Department and Head of Finance Center of Hitachi Chemical Company, Ltd. (the present Resonac Corporation) Apr. 2015 Managing Executive Officer of Hitachi Chemical Company, Ltd. (the present Resonac Corporation) Apr. 2016 Representative Executive Officer and President of Hitachi Chemical Company, Ltd. (the present Resonac Corporation) Jun. 2016 Director, Representative Executive Officer and President of Hitachi Chemical Company, Ltd. (the present Resonac Corporation) Jan. 2022 Director, Showa Denko K.K. (the present Resonac Holdings Corporation), Representative Director and Chairman, Showa Denko Materials Co., Ltd. (the present Resonac Corporation) Jan. 2023 Director, Resonac Holdings Corporation (retired in March 2023) Jun. 2024 Director of the Company (present)	0 shares

Significant concurrent positions

Outside Director, Member of the Audit & Supervisory Committee of Zensho Holdings Co., Ltd.

Number of years since appointment as an Outside Director (at the conclusion of this AGM) 2 year

Attendance of Board of Directors Meetings (FY2025) Present at 15 of the 15 meetings (100%)

The reason for election as an Outside Director candidate and outline of expected roles

Mr. Hisashi Maruyama properly supervises management as an Outside Director and, since June 2024, has been appropriately auditing the Company's management, as well as ensuring the appropriate and efficient operation of the Audit Committee, as its Chairperson. He has been engaged in a broad range of functions at a major manufacturing company operating globally, primarily in legal affairs, public relations and investor relations, finance, and CSR divisions, and has extensive experience and insight as a corporate executive, including leading corporate reforms as CEO. To enhance the validity, objectivity, and transparency of management by reflecting these in the oversight of management of the Company, we propose his appointment as an Outside Director.

About the independent officers

Mr. Hisashi Maruyama meets the requirements of an independent officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated him as an independent officer, and he is registered as such at the said exchange. Provided he is re-elected as proposed, he will continue his service for the Company as an independent officer.

Notes on each candidate are as indicated on page 16.

[Reference] Please refer to page 17 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates."

Please refer to page 18 for "The Company's Independence Standards."

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
11	 Christina Ahmadjian (Mar. 5, 1959) Reelection Candidate Candidate for Outside Director Candidate for Independent Officer	Jan. 1995 Associate Professor, Columbia Business School Oct. 2001 Associate Professor, School of International Corporate Strategy, Hitotsubashi University Jan. 2004 Professor, School of International Corporate Strategy, Hitotsubashi University Jun. 2009 Outside Director, Eisai Co., Ltd. (retired in June 2013) Apr. 2010 Professor, Head of School of International Corporate Strategy, Hitotsubashi University Apr. 2012 Professor, School of Commerce and Management, Hitotsubashi University Jun. 2012 Outside Director, Mitsubishi Heavy Industries, Ltd. (retired in June 2021) Jun. 2014 Outside Director, Japan Exchange Group, Inc. (retired in June 2022) Apr. 2018 Professor, School of Business Administration, Hitotsubashi University (retired in March 2022) Jun. 2018 Outside Director, Sumitomo Electric Industries, Ltd. (retired in June 2025) Mar. 2019 Outside Director, Asahi Group Holdings, Ltd. (retired in March 2025) Jun. 2021 Outside Director, NEC Corporation (retired in June 2025) Apr. 2022 Professor Emeritus, Hitotsubashi University (present) Jun. 2025 Director of the Company (present)	286 shares

Significant concurrent positions

Outside Director, Audit and Supervisory Committee Member of Niterra Co., Ltd.
Outside Director of Daiwa Securities Co. Ltd.
Outside Director of The University of Tokyo Edge Capital Partners Co., Ltd.
Outside Director of DISCO Corporation
Executive Director of Hokkaido University (Part-time)

Number of years since appointment as an Outside Director (at the conclusion of this AGM): 1 year

Attendance of Board of Directors Meetings (FY2025): Present at 11 of the 11 meetings (100%)
*Since she assumed the position on June 19, 2025

The reason for election as an Outside Director candidate and outline of expected roles

Ms. Christina Ahmadjian properly supervises management as an Outside Director and, since June 2025, has been appropriately auditing the Company's management as a member of the Audit Committee. She has extensive knowledge of global corporate management and corporate governance, and she also has a wealth of experience and a proven track record as an outside director at several major Japanese companies from the perspective of ESG, sustainability and global issues. To enhance the validity, objectivity, and transparency of management by reflecting these in the oversight of management of the Company, we propose her appointment as an Outside Director.

About the independent officers

Ms. Christina Ahmadjian meets the requirements of an independent officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated her as an independent officer, and she is registered as such at the said exchange. Provided she is re-elected as proposed, she will continue her service for the Company as an independent officer.

Notes on each candidate are as indicated on page 16.

[Reference] Please refer to page 17 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates."
Please refer to page 18 for "The Company's Independence Standards."

Notes:
1. There is no special interest between each candidate and the Company.
2. Mr. Akira Uchida, Ms. Kuniko Urano, Mr. Takuya Hirano, Mr. Yujiro Goto, Mr. Masaru Ono, Mr. Hisashi Maruyama and Ms. Christina Ahmadjian are candidates to fill the Outside Director positions provided for in Article 2, paragraph (3), item (vii) of the Ordinance for Enforcement of the Companies Act.
3. The Company has entered into a liability limitation agreement with Mr. Akira Uchida, Ms. Kuniko Urano, Mr. Takuya Hirano, Mr. Yujiro Goto, Mr. Masaru Ono, Mr. Hisashi Maruyama and Ms. Christina Ahmadjian and upon approval of their re-elections, the Company will continue the agreement with them.
   The overview of the agreement is as follows:
   Under Articles of Incorporation of the Company and Article 427, paragraph (1) of the Companies Act, the Company shall enter into an agreement with its Outside Directors, which limits their liability provided for in Article 423, paragraph (1) to the higher of either 15 million yen or the amount stipulated in the Act.
4. The Company has entered into an indemnity agreement with Mr. Hitoshi Nara, Mr. Kunimasa Shigeno, Mr. Hikaru Kikkawa, Ms. Michiko Nakajima, Mr. Akira Uchida, Ms. Kuniko Urano, Mr. Takuya Hirano, Mr. Yujiro Goto, Mr. Masaru Ono, Mr. Hisashi Maruyama and Ms. Christina Ahmadjian, pursuant to Article 430-2, paragraph (1) of the Companies Act. Under this agreement, in order to ensure that the appropriateness of the performance of their duties is not impaired, the Company provides indemnity for expenses under item (i) of the same paragraph and losses under item (ii) of the same paragraph within the scope stipulated by law, provided that there is no bad faith or gross negligence in the performance of their duties. If these eleven persons are elected as proposed, the Company will continue the same agreement with them.
5. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This agreement covers the insured's losses and such costs as dispute expenses incurred from claims by shareholders and third parties, etc. for damages arising from acts carried out by the insured as an officer of the Company (including negligence). Eleven Directors, Mr. Hitoshi Nara, Mr. Kunimasa Shigeno, Mr. Hikaru Kikkawa, Ms. Michiko Nakajima, Mr. Akira Uchida, Ms. Kuniko Urano, Mr. Takuya Hirano, Mr. Yujiro Goto, Mr. Masaru Ono, Mr. Hisashi Maruyama and Ms. Christina Ahmadjian, are currently insureds under the insurance agreement, and if these eleven persons are elected as proposed, they will continue to be insureds under the insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal.
6. Ms. Kuniko Urano is scheduled to retire from the position of Outside Director of NIPPON STEEL CORPORATION at the conclusion of its annual general meeting of shareholders to be held in June 2026.
7. Ms. Christina Ahmadjian is scheduled to retire from the position of Outside Director of Daiwa Securities Co. Ltd. on June 15, 2026.

Reference

The policies and procedures for the nomination of
Director and Vice President & Executive Officer candidates

Policies for the nomination of Director and Vice President & Executive Officer candidates

The Board of Directors and Vice President & Executive Officers shall be composed so as to be well balanced in knowledge, experience, and capabilities to effectively fulfill its roles and responsibilities, and it shall be constituted in such a manner as to achieve both diversity and appropriate size.
Under this premise, human resources that contribute to improvement of corporate governance, that supervise of highly effective management and that have experience and knowledge required for formulation of management strategies aiming at an increase in the Company's corporate value over the medium to long term and contribute to right management decisions, that are familiar with the Group's business and contribute to appropriate supervision of the Company and Group companies and that have knowledge on accounting, finance, legal affairs and corporate management and contribute to appropriate supervision of management are nominated as Director candidates. Human resources that contribute to an increase in the Company's corporate value over the medium to long term, that are familiar with the Group's business and contribute to appropriate business execution, that have sufficient experience and knowledge in light of the expected roles required for each Vice President & Executive Officer position, and that have the will and attitude appropriate for the management team are nominated as Vice President & Executive Officer candidates.

Procedures for nomination of Director candidates and decision of Vice President & Executive Officer candidates

Nominations of Director candidates are determined by the Nomination Committee, after deliberations by the Committee based on the new appointment and reappointment standard and procedure established by the Committee. In addition, in order to enhance the objectivity and transparency of the appointments, Vice President & Executive Officers are appointed by resolution of the Board of Directors after deliberations by the Nomination Committee based on the new appointment and reappointment standard and procedure established by the Committee.

Reference

The Company's Independence Standards

In order to increase the transparency of appointments of Outside Directors, the independence standards for Outside Directors were established as follows.

Any of the following will disqualify an individual from serving as an independent Director of the Company:

(1) Is an Executive of the Company or its consolidated subsidiaries (hereinafter referred to as "the Group") or has served as such within the last 10 years (Note 1)

(2) Is a current major shareholder of the Company (ratio of voting rights: 10% or higher) or has been such a shareholder within the last five years (Note 2)

(3) Is an Executive of a corporation in which the Company is currently a major shareholder

(4) Is an Executive of a major business partner (including its parent company and subsidiaries) of the Group that has made payments to the Group that exceed 2% of the Company's consolidated total sales in the most recent fiscal year or in any of the preceding three fiscal years.

(5) Is an Executive of a major business partner (including its parent company and subsidiaries) of the Group, which may be defined as any company that has received payments from the Group that exceed 2% of said business partner's consolidated total sales in the most recent fiscal year or in any of the preceding three fiscal years (Note 3)

(6) Is an Executive of a public interest incorporated foundation, public interest incorporated association, non-profit corporation or other body that has received an annual average of 10 million yen or more in donations or subsidies from the Group during the previous three years, or donations or subsidies that have covered more than 30% of the organization's operating costs during that period, whichever amount is higher

(7) Is an Executive of a corporation that has appointed a Director from the Group

(8) Is an Executive of a major lender for the Group or has served in such a role during the preceding three years (Note 4)

(9) Is the Group's Accounting Auditor or is involved in the Group's auditing firm, etc., or has served in such a capacity during the preceding three years (Note 5)

(10) Is a lawyer, certified accountant, certified tax accountant, or other consultant who does not fall under (9) above and has received an annual average of 10 million yen or more in compensation (other than that for duties as an officer) during the preceding three years

(11) Is with a law firm, auditing firm, tax accounting firm, or consulting firm that does not fall under (9) above and for which the Group is a major business partner (billings to the Group account for over 2% of average annual revenues over the past three fiscal years) (Note 6)

(12) Is a relative of a person who falls under any of (1) to (11) above [except (6)] (spouse, relative within the second degree of kinship, or family member who is living in the same household with the person)

(13) Has served for over eight years as an independent officer

Note 1: An executive Director, Vice President & Executive Officer, executive officer or some other person who serves in an executive capacity (referred to as "Executive" in these standards).

Note 2: The Company's major shareholder at present or in the last five years. In cases where the company or principal subsidiary.

Note 3: If the business partner does not perform consolidated accounting, the annual non-consolidated sales shall be used as the basis instead of the annual consolidated total sales.

Note 4: A provider of loans whose total outstanding amount exceeds 2% of the Company's consolidated total assets. Applies to Executives of the lending institution and all fellow institutions in a consolidated financial group.

Note 5: The Group's Accounting Auditor or an employee or partner of the Group's auditing firm, or a person who has served in such a capacity within the past three years (including those who have already retired).

Note 6: A partner, associate, or employee of that firm.

[Reference]

Expertise and Experience of Directors

The expertise and experience of Directors are as below.

The expertise and experience of Directors are outlined based on the officer structure after each candidate is elected as originally proposed under Item 2 in this meeting.

		Corporate management	Internationality / Global experience	Treasury / Finance / Investment	Technology / Development	IT / Digital	Sales / Marketing	Human resource, Human resources development	Legal Risk management	Sustainability ESG
Directors	Hitoshi Nara	●	●				●			
	Kunimasa Shigeno	●	●		●	●				
	Hikaru Kikkawa		●	●			●			
	Michiko Nakajima			●						
Outside Directors	Akira Uchida		●	●						●
	Kuniko Urano							●		●
	Takuya Hirano		●			●	●			
	Yujiro Goto	●			●					●
	Masaru Ono		●						●	●
	Hisashi Maruyama	●		●					●	●
	Christina Ahmadjian		●						●	●

[Reference]

Composition of the Board of Directors, Nomination/Compensation/Audit Committee

The composition of the Board of Directors and the Nomination/Compensation/Audit Committee if each candidate is elected as originally proposed under Item 2 at this meeting will be as outlined below.

Board of Directors 11 members			Nomination Committee 5 members		Compensation Committee 4 members		Audit Committee 4 members	
Directors	Hitoshi Nara		○	Member				
	Kunimasa Shigeno							
	Hikaru Kikkawa						○	Member
	Michiko Nakajima							
Outside Directors	Akira Uchida	Chairperson	○	Member	○	Member		
	Kuniko Urano		◎	Chairperson	○	Member		
	Takuya Hirano		○	Member	◎	Chairperson		
	Yujiro Goto		○	Member	○	Member		
	Masaru Ono	Leading Outside Director					○	Member
	Hisashi Maruyama						◎	Chairperson
	Christina Ahmadjian						○	Member

Business Report

(From April 1, 2025 to March 31, 2026)

1. Status of the Yokogawa Group

(1) Business Results

a. Analysis of Business Results

The Yokogawa Group's (hereinafter referred to as the "Group") understanding regarding the conditions in its specific markets for the fiscal year under review (April 1, 2025 to March 31, 2026) is as follows.

The world is experiencing drastic change and increasing complexity due to pressing social issues that call for solutions such as an energy transition to enable a carbon-neutral society, and due to innovations in digital technologies such as AI, significantly altering the business environment surrounding the Company.

In this business environment, in accordance with the medium-term business plan, "Growth for Sustainability 2028 (GS2028)," during the fiscal year under review (fiscal year ended March 31, 2026), the Group has been working toward the implementation of Creating Shared Value (CSV) management, which seeks to continuously enhance corporate value while contributing to society and the environment through its businesses.

The Group's business performance during the fiscal year under review has been as follows. Net sales increased by 42.4 billion yen year on year due to the contribution to sales from large-scale projects for which orders were received up to the previous fiscal year, and other factors. Operating profit decreased by 900 million yen year on year, despite the increase in gross profit from higher revenue, due to factors such as a decline in the gross profit margin resulting from fluctuations in the composition of businesses, a drop in market prices in certain regions, and the recording of a one-time provision for loss on construction contracts accompanying the acquisition of strategic projects. Although ordinary profit decreased by 1 billion yen year on year, profit attributable to owners of parent increased by 5.9 billion yen, due, in part, to the recording of impairment losses on goodwill and other assets in the previous fiscal year.

<Consolidated financial results (year-on-year)>

Net sales	¥604.829 billion	(	7.5%,	up	¥42.425 billion)
Operating profit	¥82.555 billion	(	-1.2%,	down	¥0.967 billion)
Ordinary profit	¥84.259 billion	(	-1.3%,	down	¥1.092 billion)
Profit Attributable to Owners of Parent	¥58.113 billion	(	11.5%,	up	¥5.989 billion)

Results by individual segment are outlined below.

Industrial Automation and Control Business

For the industrial automation and control business, net sales increased by 37.220 billion yen year on year to 565.523 billion yen. Operating profit decreased by 2.426 billion yen year on year to 75.155 billion yen.

Measuring Instruments Business

For the measuring instruments business, net sales increased by 4.059 billion yen year on year to 34.006 billion yen. Operating profit increased by 1.568 billion yen year on year to 7.792 billion yen.

New Businesses and Others

For new businesses and others, net sales increased by 1.145 billion yen year on year to 5.300 billion yen. Operating loss widened by 0.108 billion yen year on year to 0.391 billion yen.

b. Capital Investment

Total capital investment during the fiscal year under review stood at 32.225 billion yen, down 0.895 billion yen from the previous fiscal year.

c. Fundraising

Equipment funds and working capital, etc. during the fiscal year under review were self-financed or were allocated from loans taken out from financial institutions.

(2) Challenges for the Company

The world is experiencing drastic change and increasing complexity due to the growing need to address social issues, including initiatives such as the energy transition toward the realization of a carbon-neutral society, and due to innovations in digital technologies such as AI. The current business environment is also changing on a daily basis, with increasing uncertainty in the global economy due to the prolonged slowdown in China's economic activity and the emergence of geopolitical risks, particularly in the Middle East, as well as ongoing steep hikes in raw material prices and labor costs.

Based on the vision statement, "Through autonomy and symbiosis, Yokogawa will create sustainable value and lead the way in solving global issues," in which the Group has concisely defined its vision for 2030, and the long-term management concept that sets forth the direction toward its realization, we have formulated a medium-term business plan, "Growth for Sustainability 2028 (GS2028)." Taking these changes in the business environment as opportunities, the Group is advancing initiatives to realize Creating Shared Value (CSV) management, which seeks to continuously enhance corporate value while contributing to society and the environment through its businesses.

In order to achieve the goals of our long-term business framework and medium-term business plan, "Growth for Sustainability 2028 (GS2028)," we will accelerate the transformation of our Group to achieve sustainable growth over the medium to long term by consistently executing strategies such as strengthening front-end functions with a thorough focus on the customer, enhancing our lifecycle perspective through the expansion of our strategic installed base, improving our reputation among customers, and strengthening the product competitiveness of Yokogawa as a technology company, thereby striving to fulfill Yokogawa's Purpose of "Utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet."

Management goals that we aim to achieve under our long-term business framework and GS2028

1. Sustainability targets under the long-term business framework (FY2030)

Social impact indicator	Target
Greenhouse gas emissions Scope 1, 2 (base year: FY2019)	100% reduction (brought forward from FY2040 to FY2030)
Energy usage (per unit of sales) (base year: FY2023)	30% reduction (average 5% improvement/year)
Engagement to enhance employee well-being	84% or more
Achievement level of diversity and inclusion: proportion of women in managerial positions	20%

(Note) These are the most important indicators and targets.

2. Business growth and financial targets for GS2028 (FY2024 to FY2028)

Business growth targets

Indicator	Target
Order growth	10% / year or more
Sales growth	10% / year or more
Operating margin (ROS)	15% or more (FY2028)

(Assumed exchange rate: US$1 = ¥130)

Financial targets

Indicator	Target
Return on equity (ROE)	10% or more*1
Return on invested capital (ROIC*2)	10% or more*1
Net earnings per share (EPS)	300 yen or more (FY2028)
Operating cash flow	300 billion yen or more (5 years cumulative)

*1 Ensure profitability that exceeds capital costs

*2 ROIC: {Operating profit × (1-corporate tax rate 25%)} ÷ Invested capital (average at beginning and end of period)

For more information about the Group's long-term business framework and the medium-term business plan "Growth for Sustainability 2028," please refer to "－Reference－Overview of the Basic Management Policy and Mid- to Long-term Management Strategy" of the next page.

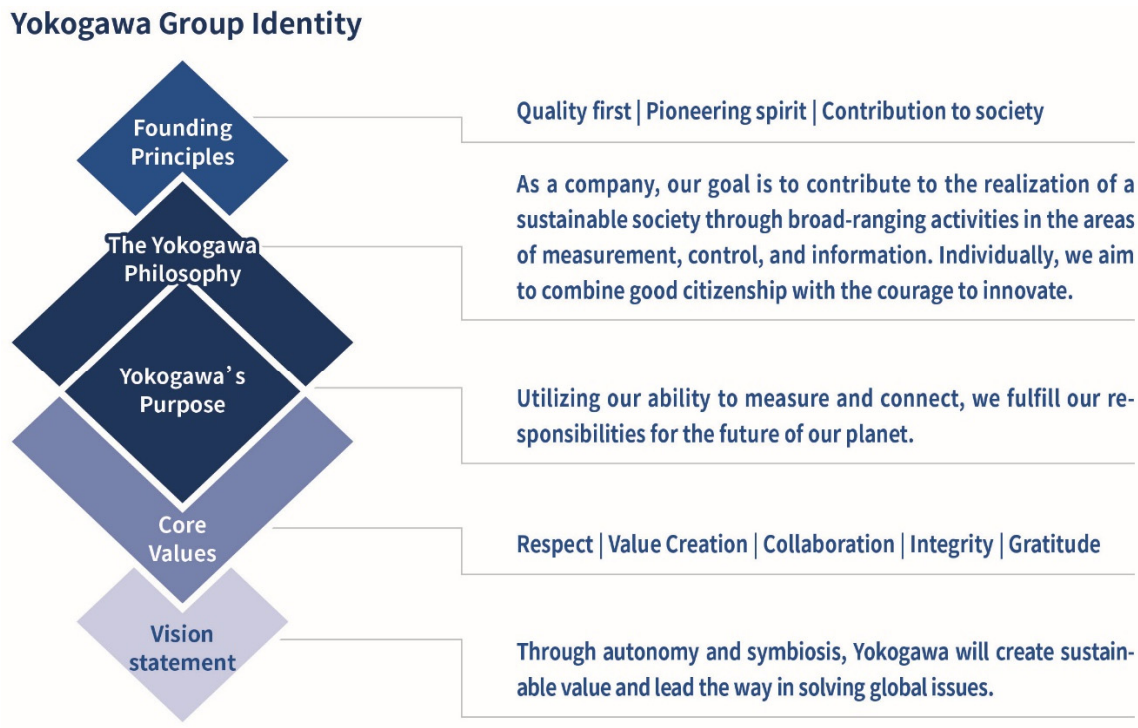
－Reference－

Overview of the Basic Management Policy and Mid- to Long-term Management Strategy

Overview of basic management policy of the Group and the mid- to long-term management strategy are as follows:

1. Basic Management Policy

The elements that shape our identity have been organized as follows. The Yokogawa Philosophy and the underlying founding principles indicate what role Yokogawa should play in society. The Vision statement indicates where Yokogawa wishes to be 2030, and our shared values provide guidance for action. Based on these elements, Yokogawa's Purpose is a statement on the meaning of our existence and the intentions that lie behind the commitments we make.



[Founding Principles]

Upon founding the company, Tamisuke Yokogawa encouraged Ichiro Yokogawa, the future president, and Shin Aoki, the future chief engineering officer, saying, "You don't need to worry about profits. Just learn and improve our technology. You must make products that earn us the respect of our customers." These words have been passed down to us in our founding principles.

[The Yokogawa Philosophy]

Based on our founding principles, the Yokogawa Philosophy was formulated in 1988 as a statement on Yokogawa's mission to society that provides guidance on values and the actions that Yokogawa's people should take.

[Yokogawa's Purpose]

Yokogawa's Purpose is our commitment to meet the requirements and expectations of customers, markets, and society, and expresses the meaning of our existence in society. It aims to unify and give our organization and people the strength and ambition to drive transformation.

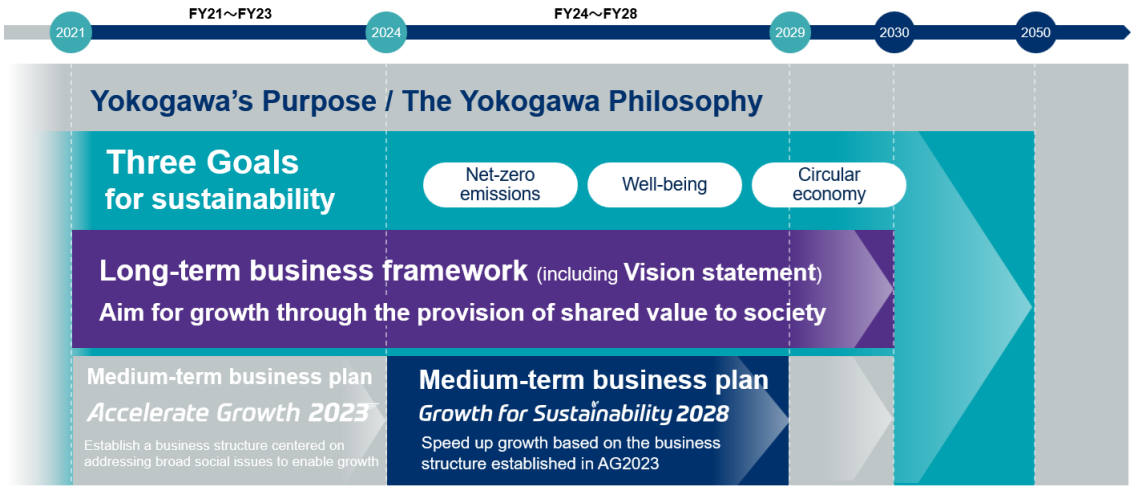
[Core Values]

In keeping with our corporate culture, our shared values provide clear guidance on the actions we all should take. Actions rooted in these shared values will create new value, drive forward our contributions to society, and put us on a strong competitive footing.

[Vision statement]
The vision statement clearly outlines where we wish to be as a company looking forward to 2030, and the ideals that we should uphold, based on our long-term business framework.

For more information about Yokogawa Group Identity,
please refer to our web site https://www.yokogawa.com/about/company-overview/our-brand-and-identity/#Our-Brand-and-Identity

2. Mid-to Long-term Management Strategy
The overall picture of the long-term business framework and the medium-term business plan is as follows:



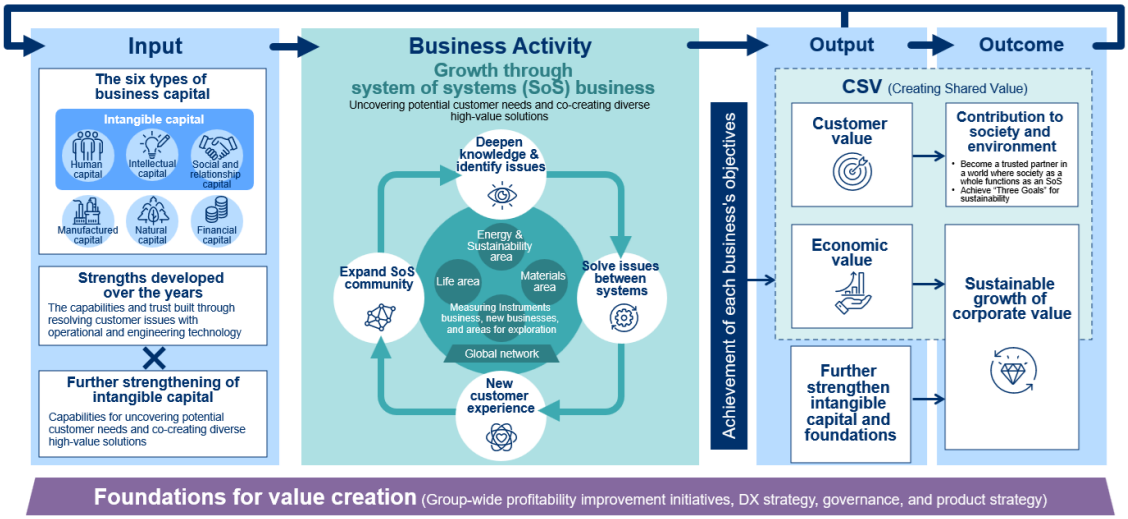
Overview of long-term business framework and medium-term business plan

(a) Long-term Business Framework

<Value provision to customers>
The world is now in an age where everything is ever more intricately connected. In this system of systems (SoS) world, where independently operated and managed systems connect to form a larger system that delivers synergies and emergent value, Yokogawa will promote effective connections and enable overall optimization through integration, autonomy, and digitalization. The company will lead the way forward and achieve this through its IA2IA* 1 and smart manufacturing*2 approaches.

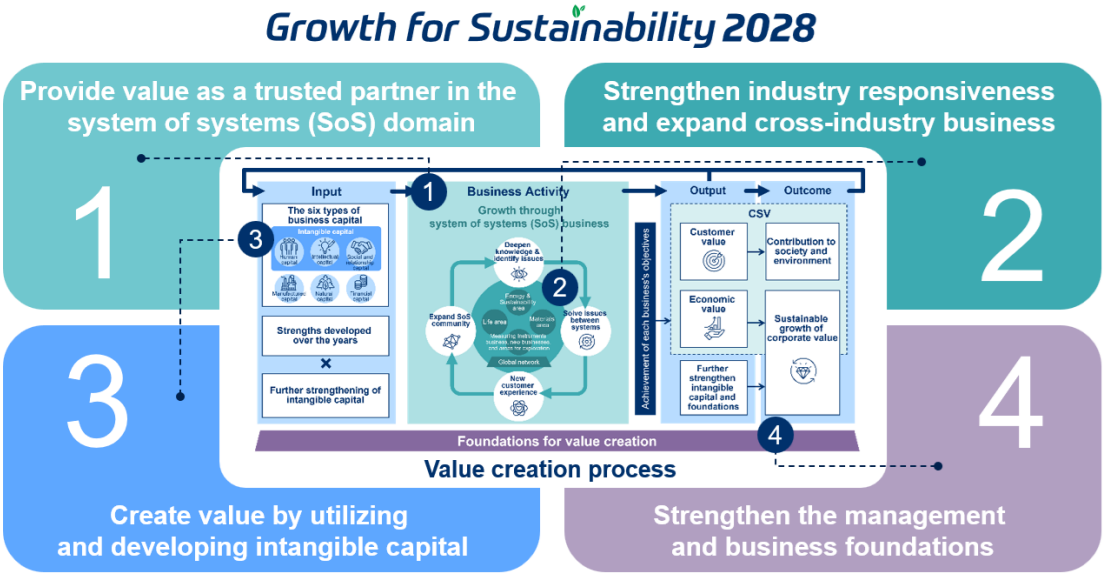
*1 An initiative to promote the evolution from industrial automation to industrial autonomy (IA2IA) by incorporating DX enablers such as AI, digital twins, and robotics
*2 The achievement of autonomy and improvement of productivity in production operations, enterprises, and supply chains through DX and IA2IA

(b) "Growth for Sustainability 2028 (GS2028)" Medium-term Business Plan
The starting point for GS2028 is Yokogawa's Purpose, which states, "Utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet."
In line with Yokogawa's Purpose, the company has defined the following value creation process for achieving the goals of its medium-term business plan:
"Based on the strengths and the trust that have been built up over the years by solving operational technology (OT) issues for our customers, we will leverage our human capital and DX-enabling technologies to co-create diverse high-value solutions in SoS-related businesses. We will utilize the strong trust-based relationships with customers, know-how, human resources, and other forms of business capital enhanced through this process to achieve our business aims."



Yokogawa's value creation process

To realize the vision for 2030 defined in Yokogawa's long-term business framework, and to achieve the aims of the value creation process described above, the company has formulated four basic strategies to be carried out over the five-year period ending with fiscal year 2028. The overview of each basic strategy is below.



Four basic strategies of "Growth for Sustainability 2028"

1. Provide value as a trusted partner in the system of systems domain

To deliver value through SoS, Yokogawa takes a two-pronged approach: IA2IA and smart manufacturing. By leveraging the know-how, experience, and advanced technological capabilities that have been accumulated at numerous manufacturing sites, the company will deliver value through strategic consulting and seamless integration.

2. Strengthen industry responsiveness and expand cross-industry business

In response to customers who are seeking to improve production efficiency and stabilize their production operations, Yokogawa will strengthen its ability to provide integrated IT/OT solutions to targeted industries. At the same time, the company will work to grow its business by addressing issues in areas such as quality control and facility management that are common concerns in every

industry. To support customer DX, Yokogawa will expand on its strengths in field instruments and control systems to also offer solutions that include MES, ERP, and other upper-layer systems.
The company will also enhance the solutions provided to customers who are adapting their business operations in response to a changing business environment and evolving market needs.

3. Create value by utilizing and developing intangible capital

Yokogawa will focus on utilizing its human capital, intellectual capital, and social and relationship capital. These three types of intangible capital contain hidden strengths that have been built up over the years, such as the ability to create value, empathize, identify issues, and connect to stakeholders. The company will make use of these strengths to spur growth.

4. Strengthen the management and business foundations

The company will work to strengthen the management and business foundations that support Yokogawa's value creation process.

- Group-wide profitability improvement initiatives: The company will generate and allocate strategic resources, optimize operations, and optimize its management foundations.
- DX strategy: Based on its global IT foundation, the company will promote internal DX measures to improve the customer experience, partner experience, and employee experience. As for external DX, with the overall aim of shifting to a recurring revenue business model it will actively apply the know-how cultivated in the OT field to develop applications and services that utilize Yokogawa Cloud.
- Enhancement of corporate governance: Yokogawa will transition from "a company with a board of auditors" to "a company with a nomination committee, etc." (already transitioned in fiscal year 2024). This will clarify the division of supervisory and execution roles, improve the efficiency of decision-making processes, clarify responsibility for the achievement of business decisions and business plans, strengthen auditing functions, and improve efficiency.

<Capital policy and financial strategy>

Under "Growth for Sustainability 2028," 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.

【First 3 years FY24~FY26】

Growth investment budget	M&A, alliances: ¥100 billion or more ・Accelerate and expand investment to realize growth strategy ・Invest in energy/resource issues, the utilization of DX/OT data, accelerating industry expansion, etc.
Return to shareholders	Stable and sustainable dividend payment ・Dividend payout ratio: seek to keep at over 30% ・Even when temporary factors lead to a downturn in financial results, maintain a stable dividend rate based on the equity dividend rate. ・Flexibly considering share buybacks, taking into consideration financial conditions.

Precondition: keep shareholder returns at a level that can maintain an A rating

・For more information about the medium -term business plan "Growth for Sustainability 2028," please refer to our web site https://www.yokogawa.com/about/company-overview/corporate-strategy/#Corporate-Strategy

(3) Financial Assets and Profits/Losses

a. The Group's Financial Assets and Profits/Losses

(Millions of yen)

Category	FY2022	FY2023	FY2024	FY2025
Orders	518,389	541,961	598,591	617,838
Net sales	456,479	540,152	562,404	604,829
Operating profit	44,409	78,800	83,523	82,555
Ordinary profit	48,608	84,098	85,351	84,259
Profit Attributable to Owners of Parent	38,920	61,685	52,123	58,113
Basic Earnings per Share	¥145.81	¥234.83	¥200.41	¥227.72
Total assets	618,637	672,866	718,285	795,618
Net assets	386,825	444,763	475,721	529,894

b. The Company's Financial Assets and Profits/Losses

(Millions of yen)

Category	FY2022	FY2023	FY2024	FY2025
Orders	135,954	121,495	142,994	143,289
Net sales	124,495	141,035	145,376	144,727
Operating profit (loss)	(268)	13,713	15,148	9,576
Ordinary profit	23,023	50,934	51,244	46,182
Profit	25,471	56,318	45,314	41,073
Basic Earnings per Share	¥95.42	¥214.39	¥174.23	¥160.95
Total assets	303,905	317,683	343,720	362,795
Net assets	211,065	243,330	271,037	287,685

(4) Status of Parent Company and Principal Subsidiaries

a. Parent Company

No applicable matter

b. Principal Subsidiaries

Name	Capital	Percentage of the Company's voting rights	Principal businesses
Yokogawa Solution Service Corporation	JPY3,000 million	100.0%	Sales, engineering and maintenance services of control equipment
Yokogawa Manufacturing Corporation	JPY100 million	100.0%	Manufacturing of control and measuring equipment
Yokogawa Test & Measurement Corporation	JPY90 million	100.0%	Sales and maintenance services of measuring equipment
Yokogawa Engineering Asia Pte. Ltd.	USD23,076,000	100.0% (100.0%)	Sales, engineering and maintenance services of control and measuring equipment
Yokogawa Electric Asia Pte. Ltd.	SGD31,020,000	100.0%	Manufacturing of control and marine and aerospace electronics equipment
Yokogawa China Co., Ltd.	RMB119 million	100.0%	Sales, manufacturing, engineering and maintenance services of control equipment
Yokogawa Sichuan Instrument Co., Ltd.	RMB132 million	60.0% (26.7%)	Sales and manufacturing of control equipment
Yokogawa Electric Korea Co., Ltd.	WON4,032 million	100.0%	Sales, engineering, and maintenance services of control and measuring equipment
Yokogawa Middle East & Africa B.S.C. (c)	BHD2,481,000	100.0%	Sales, engineering and maintenance services of control equipment
Yokogawa India Limited	INR85,054,000	100.0%	Sales, engineering and maintenance services of control and measuring equipment
Yokogawa Corporation of America (Note 1)	USD1,000	100.0% (100.0%)	Sales, engineering, and maintenance services of control and measuring equipment
Yokogawa America do Sul Ltda.	BRL72,044,000	100.0%	Sales, engineering and maintenance services of control equipment
Yokogawa Europe B.V.	EUR17,725,000	100.0%	Sales, engineering, and maintenance services of control and measuring equipment
KBC Advanced Technologies Limited	GBP2,145,000	100.0%	Software sales and consulting services

Notes: 1. In addition to capital of 1,000 U.S. dollars, the Company has invested 114,152,000 U.S. dollars in the legal capital surplus of Yokogawa Corporation of America.
2. There is no specified wholly owned subsidiary at the end of the fiscal year under review.
3. Figures in parentheses under percentage of the Company's voting rights indicate indirect ownership (included in total equity holdings)

(5) Principal Businesses (as of March 31, 2026)

Business segment	Main solutions and products, etc.
Industrial automation and control business	Solutions for every phase of the plant lifecycle, maximizing value for our customers by linking plant operations and corporate management, Software packages that enhance productivity, Production control systems, flowmeters, differential pressure/pressure transmitters, process analyzers, programmable controllers, industrial recorders, confocal scanners, etc.
Measuring instruments business	Waveform measuring instruments, optical communication devices, waveform generators, power/temperature/pressure measurement devices, etc.
New businesses and others	Solution business offering industrial IoT (IIoT) hardware, software, and a cloud environment

(6) Main Offices and Factories (as of March 31, 2026)

a. The Company

Head office:	Musashino-shi, Tokyo	
Office:	Komine Office	(Akiruno-shi, Tokyo)
	Kofu Office	(Kofu-shi, Yamanashi)
	Kanazawa Office	(Kanazawa-shi, Ishikawa)

b. Subsidiaries

Factories:	Yokogawa Manufacturing Corporation	
	Kofu Factory	(Kofu-shi, Yamanashi)
	Komine Factory	(Akiruno-shi, Tokyo)
	Yokogawa Electric Asia Pte. Ltd.	(Singapore)
Sales companies:	Yokogawa Solution Service Corporation	
	Sales Division at head office	(Musashino-shi, Tokyo)
	Kansai Branch	(Osaka-shi, Osaka)
	Chubu Branch	(Nagoya-shi, Aichi)
	Yokogawa Test & Measurement Corporation	(Hachioji-shi, Tokyo)
	Yokogawa Engineering Asia Pte. Ltd.	(Singapore)
	Yokogawa China Co., Ltd.	(China)
	Yokogawa Sichuan Instrument Co., Ltd.	(China)
	Yokogawa Electric Korea Co., Ltd.	(Korea)
	Yokogawa Middle East & Africa B.S.C. (c)	(Bahrain)
	Yokogawa India Limited	(India)
	Yokogawa Corporation of America	(United States)
	Yokogawa America do Sul Ltda.	(Brazil)
	Yokogawa Europe B.V.	(Netherlands)
	KBC Advanced Technologies Limited	(United Kingdom)

(7) Employees (as of March 31, 2026)

Business segment	Number of employees	Change from the previous year
Industrial automation and control business	17,504	723
Measuring instruments business	729	35
New businesses and others	80	(115)
Total	18,313	643

Note: Only regular employees are included, i.e. contract, dispatch, and other temporary personnel are excluded.

(8) Principal Lenders (as of March 31, 2026)

Lenders	Loan amount
Syndicated loan	¥20.0 billion

Notes:
1. Mizuho Bank, Ltd. is a manager for the syndicated loan.
2. The Company has a 35.0 billion yen commitment line contract.
   The loan balance is zero as of the end of the fiscal year under review.

(9) Other Important Matters Related to the Group

No applicable matters

2. Overview of the Company

(1) Shares (as of March 31, 2026)

a. Number of Authorized Shares: 600,000 thousand

b. Number of Issued Shares: 257,201 thousand

Note: The number of issued shares decreased by 11,423,300 shares due to the cancellation of treasury stock on March 13, 2026.

c. Number of Shareholders: 16,581

d. Major Shareholders (Top 10):

Name of shareholder	Number of shares (thousand shares)	Shareholding ratio (%)
Master Trust Bank of Japan Limited (trust account)	48,776	19.2
Custody Bank of Japan, Ltd. (trust account)	18,893	7.4
Nippon Life Insurance Company	13,484	5.3
The Dai-ichi Life Insurance Company, Limited	7,197	2.8
Retirement Benefit Trust in Mizuho Trust & Banking Co., Ltd. (Mizuho Bank, Ltd. account); Custody Bank of Japan, Ltd. as a Trustee of Retrust	6,141	2.4
State Street Bank and Trust Company 505038	5,928	2.3
State Street Bank and Trust Company 505001	5,505	2.2
Yokogawa Electric Employee Shareholding Program	3,805	1.5
JP MORGAN CHASE BANK 385781	3,611	1.4
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	3,044	1.2

Notes: 1. The Company holds 2,572 thousand shares of treasury stock.
2. The shareholding ratio is calculated after deducting treasury stock.

(2) Company Executives

a. Directors and Vice President & Executive Officers

i. Directors (as of March 31, 2026)

Position	Name	Area of responsibility and significant concurrent positions
Director, Executive Chairperson	Hitoshi Nara	Member of the Nomination Committee
Director	Kunimasa Shigeno	
Director	Hikaru Kikkawa	Member of the Audit Committee
Director	Michiko Nakajima	
Director	Akira Uchida	Chairperson of the Board of Directors Member of the Nomination Committee Member of the Compensation Committee Auditor of Suga Weathering Technology Foundation
Director	Kuniko Urano	Chairperson of the Nomination Committee Member of the Compensation Committee Outside Director of NIPPON STEEL CORPORATION
Director	Takuya Hirano	Member of the Nomination Committee Chairperson of the Compensation Committee Co-founder of Three Field Advisors LLC Founder of Crosspoint LLC Chairman of Yayoi Co., Ltd. (Part-time) Outside Director of Renesas Electronics Corporation Outside Director of Fujitsu Limited
Director	Yujiro Goto	Member of the Nomination Committee Member of the Compensation Committee Advisor of NIPPON SHOKUBAI CO., LTD. Vice Chairman of Science Technology and Industrial Development Committee of Kansai Economic Federation
Director	Makoto Ohsawa	Leading Outside Director Member of the Audit Committee Chief Executive Officer of FEMO Co., Ltd. Representative Director of Long Stay Network Co., Ltd. Outside Director of Bank of Toyama Outside Director of AEON Bank, Ltd. Director of Japan Business School Education Development Organization Auditor of Kibun Scholarship Foundation Councilor of TSUCHIYA FOUNDATION

Director	Masaru Ono	Member of the Audit Committee Representative Partner of Ono & Partner External Advisor of Nishimura & Asahi External Auditor of Prestige International Inc. Independent Auditor of &Capital Inc. (Part-time) President of Securitization Forum of Japan Auditor of Advanced Internship Institute of Japan Association of Corporate Executives
Director	Hisashi Maruyama	Chairperson of the Audit Committee Outside Director, Member of the Audit & Supervisory Committee of Zensho Holdings Co., Ltd.
Director	Christina Ahmadjian	Member of the Audit Committee Outside Director, Audit and Supervisory Committee Member of Niterra Co., Ltd. Outside Director of Daiwa Securities Co. Ltd. Outside Director of The University of Tokyo Edge Capital Partners Co., Ltd. Outside Director of DISCO Corporation Executive Director of Hokkaido University (Part-time)

Notes:
1. Mr. Akira Uchida, Ms. Kuniko Urano, Mr. Takuya Hirano, Mr. Yujiro Goto, Mr. Makoto Ohsawa, Mr. Masaru Ono, Mr. Hisashi Maruyama and Ms. Christina Ahmadjian are Outside Directors.
2. Mr. Makoto Ohsawa, Member of the Audit Committee, has a track record of making reviews of financial instruments and providing guidance on revival and management improvement of operating companies and for succeeding managers for many years at the Bank of Japan, PwC and FEMO Co., Ltd. as well as considerable expertise regarding finance and accounting.
3. Directors Mr. Akira Uchida, Ms. Kuniko Urano, Mr. Takuya Hirano, Mr. Yujiro Goto, Mr. Makoto Ohsawa, Mr. Masaru Ono, Mr. Hisashi Maruyama and Ms. Christina Ahmadjian are highly independent. Because there is no risk of a conflict of interest between them and general shareholders, the Company appointed them as independent officers pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and they are registered as such at the said Exchange.
4. There are no special relationships between the Company and the companies or organizations at which the Outside Directors have significant concurrent positions.
5. In order to establish the optimal audit system and enhance the effectiveness of audit activities, the Company has appointed Mr. Hikaru Kikkawa as a full-time Audit Committee Member.
6. Directors who retired during the fiscal year under review

Name	Retirement date	Reason for retirement	Position and area of responsibility / significant concurrent positions at time of retirement
Yasuko Takayama	June 19, 2025	Expiration of term of office	Outside Director Leading Outside Director Member of the Audit Committee

7. Director Mr. Akira Uchida retired from the position of Outside Director of J. FRONT RETAILING Co., Ltd. on May 29, 2025.
8. Director Ms. Kuniko Urano retired from the position of Outside Director of MORINAGA & CO., LTD. on June 27, 2025.
9. Director Ms. Christina Ahmadjian retired from the position of Outside Director, Sumitomo Electric Industries, Ltd. on June 26, 2025 and Outside Director, NEC Corporation on June 20, 2025.

ii. Vice President & Executive Officers (as of March 31, 2026)

Position	Name	Area of responsibility and significant concurrent positions
Representative Executive Officer	Hitoshi Nara	
President and CEO, Representative Executive Officer	Kunimasa Shigeno	
Executive Vice President & Executive Officer,	Koji Nakaoka	Energy & Sustainability Business HQ
Senior Vice President & Executive Officer,	Kazuhiko Takeoka	Digital Strategy HQ
Senior Vice President & Executive Officer,	Hiroshi Tanoguchi	Yokogawa Products HQ
Vice President & Executive Officer	Hiroshi Nakao	Life Business HQ
Vice President & Executive Officer	Hiroshi Nagai	President of Yokogawa Manufacturing Corporation
Vice President & Executive Officer	Michiko Nakajima	Accounting & Treasury HQ
Vice President & Executive Officer	Yoko Fujita	Business Strategy HQ
Vice President & Executive Officer	Toshiyuki Suzuki	President of Yokogawa Test & Measurement Corporation
Vice President & Executive Officer	Akira Fukuda	Corporate Administration HQ, Regional Chief Executive for India and South Asia
Vice President & Executive Officer	Kevin McMillen	Regional Chief Executive for North America and South America, President of Yokogawa Corporation of America
Vice President & Executive Officer	Naohisa Endo	Materials Business HQ
Vice President & Executive Officer	Yasumasa Ogawa	Head of Projects & Services Business Div., Digital Solutions HQ
Vice President & Executive Officer	Norinao Sato	Regional Chief Executive for Middle East and Africa, President of Yokogawa Middle East & Africa B.S.C.(c)
Vice President & Executive Officer	Yoshiaki Asakura	Global Business Service HQ
Vice President & Executive Officer	Masaharu Maeda	Head of Solutions Business Div., Digital Solutions HQ
Vice President & Executive Officer	Masataka Tomonaga	Human Resources and General Affairs HQ
Vice President & Executive Officer	Mitsuhiro Yamamoto	Head of Systems Business Div., Digital Solutions HQ
Vice President & Executive Officer	Seita Hagihara	Regional Chief Executive for Europe, Russia and CIS, President of Yokogawa Europe B.V.
Vice President & Executive Officer	Hiroaki Kanokogi	Head of Digital Strategy Div., Digital Solutions HQ, President of Yokogawa Digital Corporation
Vice President & Executive Officer	Taku Kitahara	IT Strategy HQ

Position	Name	Area of responsibility and significant concurrent positions
Vice President & Executive Officer	Ikuo Kimura	Regional Chief Executive for Japan, President of Yokogawa Solution Service Corporation
Vice President & Executive Officer	Nobuyoshi Miyasaka	Marketing HQ
Vice President & Executive Officer	Kin Wah Chay	Regional Chief Executive for ASEAN, Pacific, China, and Korea, President of Yokogawa Engineering Asia Pte. Ltd.

Notes: 1. Mr. Hitoshi Nara, Mr. Kunimasa Shigeno and Ms. Michiko Nakajima concurrently serve as Directors.

2. Vice President & Executive Officers who retired during the fiscal year under review

Name	Retirement date	Reason for retirement	Position and area of responsibility / significant concurrent positions at time of retirement
Hiroshi Nakao	March 31, 2026	Expiration of term of office	Vice President & Executive Officer, Life Business HQ
Hiroshi Nagai	March 31, 2026	Expiration of term of office	Vice President & Executive Officer, President of Yokogawa Manufacturing Corporation
Yoko Fujita	March 31, 2026	Expiration of term of office	Vice President & Executive Officer, Business Strategy HQ
Toshiyuki Suzuki	March 31, 2026	Expiration of term of office	Vice President & Executive Officer, President of Yokogawa Test & Measurement Corporation
Kevin McMillen	March 31, 2026	Expiration of term of office	Vice President & Executive Officer, Regional Chief Executive for North America and South America, President of Yokogawa Corporation of America
Yasumasa Ogawa	March 31, 2026	Expiration of term of office	Vice President & Executive Officer, Head of Projects & Services Business Div., Digital Solutions HQ
Yoshiaki Asakura	March 31, 2026	Expiration of term of office	Vice President & Executive Officer, Global Business Service HQ
Masaharu Maeda	March 31, 2026	Expiration of term of office	Vice President & Executive Officer, Head of Solutions Business Div., Digital Solutions HQ
Mitsuhiro Yamamoto	March 31, 2026	Expiration of term of office	Vice President & Executive Officer, Head of Systems Business Div., Digital Solutions HQ
Hiroaki Kanokogi	March 31, 2026	Expiration of term of office	Vice President & Executive Officer, Head of Digital Strategy Div., Digital Solutions HQ, President of Yokogawa Digital Corporation
Taku Kitahara	March 31, 2026	Expiration of term of office	Vice President & Executive Officer, IT Strategy HQ
Nobuyoshi Miyasaka	March 31, 2026	Expiration of term of office	Vice President & Executive Officer, Marketing HQ

3. The positions, areas of responsibility and significant concurrent positions of the following Vice President & Executive Officers have changed after the closing of fiscal year under review.

Position	Name	Area of responsibility and significant concurrent positions	Date of change
Executive Vice President & Executive Officer	Koji Nakaoka	In charge of Energy & Sustainability Business HQ and Business Strategy HQ Head of Energy & Sustainability Business HQ	April 1, 2026
Senior Vice President & Executive Officer	Hiroshi Tanoguchi	Chief Technology Officer (CTO) In charge of Yokogawa Products HQ, Global SCM HQ and Yokogawa Manufacturing Corporation Head of Yokogawa Products HQ	April 1, 2026
Vice President & Executive Officer	Akira Fukuda	In charge of Corporate Administration HQ, IT Strategy HQ, Marketing HQ and Yokogawa Test & Measurement Corporation Head of Corporate Administration HQ	April 1, 2026
Vice President & Executive Officer	Norinao Sato	Regional Chief Executive for Middle East, Africa, India and South Asia President of Yokogawa Middle East & Africa B.S.C.(c)	April 1, 2026
Vice President & Executive Officer	Seita Hagihara	Regional Chief Executive for North America, South America, Europe, Russia and CIS President of Yokogawa Europe B.V.	April 1, 2026
Vice President & Executive Officer	Ikuo Kimura	Regional Chief Executive for Japan and Korea President of Yokogawa Solution Service Corporation	April 1, 2026
Vice President & Executive Officer	Kin Wah Chay	Regional Chief Executive for ASEAN, Pacific, China President of Yokogawa Engineering Asia Pte. Ltd.	April 1, 2026
Vice President & Executive Officer	Morimitsu Yamazaki	Head of Life Business HQ	April 1, 2026

Note: Vice President & Executive Officers Mr. Morimitsu Yamazaki was newly elected on April 1, 2026.

b. Summary of limited liability contract

Based on the Articles of Incorporation of the Company and Article 427, paragraph (1) of the Companies Act, the Company enters into an agreement with 8 Directors, Mr. Akira Uchida, Ms. Kuniko Urano, Mr. Takuya Hirano, Mr. Yujiro Goto, Mr. Makoto Ohsawa, Mr. Masaru Ono, Mr. Hisashi Maruyama and Ms. Christina Ahmadjian which limits their liability provided for in Article 423, paragraph (1) to the higher of either 15 million yen or the amount stipulated by the Act.

c. Outline, etc. of the contents of indemnity agreement

The Company has entered into an indemnity agreement with all of the Directors and Vice President & Executive Officers, pursuant to Article 430-2, paragraph (1) of the Companies Act. Under this agreement, in order to ensure that the appropriateness of the performance of their duties is not impaired, the Company provides indemnity for expenses under item (i) of the same paragraph and losses under item (ii) of the same paragraph within the scope stipulated by law, provided that there is no bad faith

or gross negligence in the performance of the their duties.

d. Outline, etc. of the contents of directors and officers liability insurance agreement

The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This insurance agreement applies to Directors, Vice President & Executive Officers, Audit & Supervisory Board Members and Executive Officers (including those who have already retired) of the Company and its subsidiaries, and those insured individuals do not bear insurance premiums. This insurance agreement covers the insured's losses and such costs as dispute expenses incurred from claims by shareholders and third parties, etc. for damages arising from acts carried out by the insured as an officer of the Company (including negligence). However, in order to ensure that appropriateness of the insureds' execution of duties would not be impaired, this agreement does not apply to damages and other losses arising from criminal acts such as bribery and illegal acts intentionally committed by officers.

e. Compensation for Directors and Vice President & Executive Officers

i. Policy for determining the details of compensation, etc. for officers

The Compensation Committee of the Company has resolved the policy for determining the content of individual compensation for Directors and Vice President & Executive Officers.
In addition, the Compensation Committee has confirmed regarding the compensation for individual Directors and Vice President & Executive Officers for the fiscal year under review that the method of determining the details of compensation and the content of determined compensation are consistent with the policy established by the Compensation Committee, and has also judged that such procedures are in accordance with the policy.
The contents of the policy in relation to decisions concerning the details of compensation for individual Directors and Vice President & Executive Officers are as follows.

1. Basic policy

The basic policy on compensation for Directors and Vice President & Executive Officers shall be as follows:

(1) Plan that promotes sustainable, medium- to long-term improvement in corporate value
(2) Plan that reflects the medium- to long-term management strategy and strongly motivates the achievement of medium- to long-term management objectives
(3) Plan that prevents bias toward short-term thinking
(4) Plan and monetary amounts that secure and maintain excellent human resources
(5) Plan that includes transparency, fairness, and rationality for stakeholders, decided through an appropriate process to ensure these factors

2. Policy for determining compensation, etc. for officers

As the Company is a Company with a Nomination Committee, etc., the Compensation Committee establishes the system and policy for determining the compensation, etc. of Directors and Vice President & Executive Officers. The Compensation Committee then determines the details of compensation, etc. for each individual Director and Vice President & Executive Officer according to these policies.

3. Composition of officers' compensation

Directors shall be paid a basic compensation, which is a fixed compensation. This is because variable compensation such as performance-linked compensation is not appropriate for Outside Directors who maintain a position independent from the performance of duties, and as such only fixed compensation is paid, identically for non-executive Directors. However, Vice President & Executive Officers who also serve as Directors shall be paid as Vice President & Executive Officers. Compensation of Vice President & Executive Officers composes of (a) basic compensation, which is fixed compensation, and (b) performance-linked compensation ((b)-1 annual incentives and (b)-

2 medium- to long-term incentive).
The levels of compensation for officers are set taking into account the comparison with companies from the same industry and of the same scale, both domestically and internationally, based on the results of surveys conducted by external organizations, and the Company's financial conditions.
Compensation levels for each position are based on the level of 50%iles by peer companies. From the viewpoint of flexible management in response to changes in the environment and the acquisition and retention of talented management personnel, compensation levels shall generally be within the range of 25%iles to 75%iles.

Compensation for personnel hired overseas may be determined individually based on a compensation benchmark analysis that takes into account the responsibilities of each position based on executive compensation survey data in that overseas region.
The specific composition of compensation for executives shall be as follows in accordance with the executive categories.

Executive categories	(a) Basic compensation	(b) Performance-linked compensation (b)-2 including non-monetary compensation	
		(b)-1 Annual incentives	(b)-2 Mid- to Long-Term incentives
Directors	○	-	-
Vice President & Executive Officers concurrently serving as Directors	○	○	○
Vice President & Executive Officer	○	○	○

(a) Basic compensation

Basic compensation shall be fixed monthly compensation and shall be determined based on the criteria established by the Compensation Committee in accordance with the roles and positions of Directors and Vice President & Executive Officers.

(b) Performance-linked compensation

Performance-linked compensation shall be determined by the Compensation Committee in order to raise awareness of the improvement of business performance in each fiscal year and the enhancement of corporate value in the medium term, and shall be paid in an amount or number calculated according to the degree of achievement of the target value (KPI).

The concept of performance-linked compensation is as follows.

1. Increase the ratio of performance-linked compensation to total compensation.
2. The higher the position, the higher the ratio of performance-linked compensation to total compensation.
3. Share-based compensation as a percentage of total compensation shall be at least equal to companies from the same industry or of the same scale.

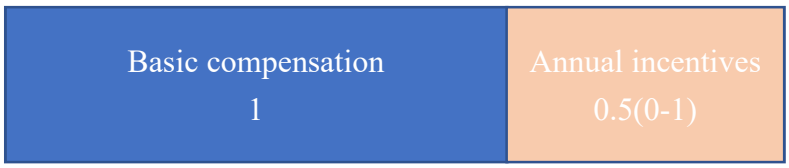
(b)-1 Annual incentives

Annual incentives in performance-linked compensation shall be calculated by the Compensation Committee on the basis of the company-wide performance evaluation and individual performance evaluation for a single fiscal year, and shall be paid once a year. The amount to be paid shall be designed to vary from 0% to 200% to a value of 100% when the performance target is achieved.
Based on the idea that performance objectives that lead to an evaluation of the entire company's results for a single fiscal year in the annual incentive are significant indicators for the Group to measure sustained growth, the performance objectives have been set for "consolidated sales" and "consolidated return on sales (ROS)." Furthermore, ESG-related external evaluations and

employee engagement scores will be factored into evaluations of the Representative Executive Officer.

Note: The ratio of the basic compensation and the annual incentives when the performance target is achieved is designed so that the higher the position is, the higher the ratio of the annual incentive is set. From 1 to 0.75 for the representative executive officer, the lower the position is, the lower the ratio of annual incentives is set. The overall average is generally 1 to 0.5. This ratio may vary from 1 to 0 to 1 to 1, depending on the degree to which performance targets are achieved.

(Image 1)



(b)-2 Medium-to long-term incentives

Among the performance-linked compensation, we apply the Performance Share Unit Plan (the "PSU Plan"), a performance-based stock compensation system. The PSU Plan provides Company shares and money in accordance with the level of achievement of the Company's performance indicators and sustainability indicators for a period determined by the Compensation Committee. The performance indicators in medium-to long-term incentives are based on links with the medium-term business plan, and based on the belief that they are important indicators in terms of enhancing corporate value and shareholder value, and therefore they consist of return on invested capital (consolidated financial ROIC) and net income per share (EPS) growth rate.
Sustainability indicators consist of environmental indicators consisting of total greenhouse gas emissions (Scope 1 and 2) and the rate of reduction in unit energy consumption, as well as employee engagement scores.
During the period determined by the Compensation Committee, based on the performance targets and other requirements set by the Compensation Committee in advance, the number of shares obtained by dividing the standard amount of stock-based compensation set by the Compensation Committee for each position of eligible Vice President & Executive Officers by the average closing price of the Company's shares for the month immediately preceding the applicable period shall be allotted, and at the end of the applicable period, the number of shares to be individually compensated through medium- to long-term incentives for each Vice President & Executive Officer to be paid shall be determined by multiplying the number of shares by a coefficient set in advance by the Compensation Committee in accordance with the conditions for achieving the performance targets (the "Payment Rate"), and the amount equivalent to 60% of the number of shares to be paid shall be the Company's shares, and the amount equivalent to 40% shall be the money calculated by using the closing price of the Company's shares in the ordinary trading on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the day of resolution of the Board of Directors regarding the share delivery. The Payment Rate is designed to vary from 0% to 200% depending on the degree of achievement of performance targets.
In the event of material accounting fraud or a large loss, or if an officer causes damage to the Company through gross negligence or intentional misconduct, the provisions stipulate that the Company may suspend payment of any unpaid compensation and seek the reimbursement of all or a portion of the basic compensation, annual incentive compensation, and medium- to long-term incentive compensation paid during the officer's term of office.

Note: The ratio of annual incentives and medium- to long-term incentives to basic compensation, when the performance targets for both the annual incentive and the medium-to long-term incentive are achieved in the fiscal year in which the medium-to long-term incentive is paid, is designed so that the higher the position, the higher the ratio to the basic compensation. The ratio ranges from 1 to 0.75 to 0.375 for the Representative Executive Officer and decreases with lower positions, and is designed so that the overall average is approximately 1 to 0.5 to 0.25 (image 2). This ratio may vary from 1:0:0 to 1:1:0.5, depending on the degree of achievement of the performance objectives for each of the annual incentives and the medium-to long-term incentives. However, the ratio for medium- to long-term incentives varies depending on the stock price.

(Image 2)

ii. Total amount of compensation for the fiscal year under review

Classification	Total amount of compensation (Millions of yen)	Total amount of compensation by type (Millions of yen)		Number of persons paid
		Basic compensation	Performance-linked compensation	
Directors (Outside Directors)	167 (138)	167 (138)	- (-)	10 (9)
Vice President & Executive Officers	973	517	456	28
Total (Outside Directors)	1,141 (138)	684 (138)	456 (-)	38 (9)

Notes: 1. The figures for Directors shown above do not include data for the three Directors who concurrently serve as Vice President & Executive Officers. In addition, Vice President & Executive Officers who concurrently serve as Directors are reported under category of Vice President & Executive Officers.
2. Performance-linked compensation is comprised of annual incentives and medium- to long-term incentives, and the amount recorded as expenses for the relevant fiscal year is shown.
3. Details regarding performance-linked compensation can be found in the section "3. Composition of officers' compensation" of "i. Policy in relation to decisions concerning the details of compensation, etc. for officers."

f. Matters regarding Outside Directors

i. Significant concurrent positions of other organizations and the Company's relation thereto

As described in "a. Directors and Vice President & Executive Officers, i. Directors (as of March 31, 2026)."

ii. Major activities in the business year under review

Name / Position	Status of attendance, status of remarks, and the outline of duties performed relating to the roles expected of Outside Directors
Akira Uchida Outside Director	Board of Directors meetings Present at 15 of the 15 meetings He attended all 15 Board of Directors meetings held during the fiscal year under review as Chairperson of the Board of Directors. In addition, as a member of the Nomination Committee and a member of the Compensation Committee, he attended all 11 Nomination Committee meetings and all 6 Compensation Committee meetings. He possesses a high level of insight as a corporate executive, along with his wide range of experience in the field of corporate management, primarily in finance and accounting divisions. At the Board of Directors meetings, he actively expressed his views from these perspectives and, presiding as chairperson, ensured the appropriate conduct of the proceedings, playing an important role in enhancing the validity, objectivity, and transparency of management of the Company.
Kuniko Urano Outside Director	Board of Directors meetings Present at 15 of the 15 meetings She attended all 15 Board of Directors meetings held during the fiscal year under review. In addition, as Chairperson of the Nomination Committee and a member of the Compensation Committee, she attended all 11 Nomination Committee meetings and all 6 Compensation Committee meetings held during the fiscal year under review. She possesses a high level of insight as a corporate executive, along with her wide range of experience in divisions of production, personnel/education, public relations/CSR, etc. at a major manufacturing company. At the Board of Directors meetings, she actively expressed her views from these perspectives, and played an appropriate role in enhancing the validity, objectivity, and transparency of management of the Company.

Name / Position	Status of attendance, status of remarks, and the outline of duties performed relating to the roles expected of Outside Directors
Takuya Hirano Outside Director	Board of Directors meetings Present at 15 of the 15 meetings He attended all 15 Board of Directors meetings held during the fiscal year under review. In addition, as a member of the Nomination Committee and Chairperson of the Compensation Committee, he attended all 11 Nomination Committee meetings and all 6 Compensation Committee meetings held during the fiscal year under review. He possesses a high level of insight as a corporate executive, along with his wide range of practical experience in the business divisions of global IT companies. At the Board of Directors meetings, he actively expressed his views from these perspectives, and played an appropriate role in enhancing the validity, objectivity, and transparency of management of the Company.
Yujiro Goto Outside Director	Board of Directors meetings Present at 15 of the 15 meetings He attended all 15 Board of Directors meetings held during the fiscal year under review. In addition, as a member of the Nomination Committee and a member of the Compensation Committee, he attended all 11 Nomination Committee meetings and all 6 Compensation Committee meetings held during the fiscal year under review. He led production strategies in the field of production and production engineering at a major global manufacturing company for a long time, and as CEO he possesses a wealth of experience and expertise in working on corporate transformation, human resource reform, new business development, and M&A. At the Board of Directors meetings, he actively expressed his views from these perspectives, and played an appropriate role in enhancing the validity, objectivity, and transparency of management of the Company.
Makoto Ohsawa Outside Director	Board of Directors meetings Present at 15 of the 15 meetings He attended all 15 Board of Directors meetings held during the fiscal year under review. In addition, as a member of the Audit Committee, he attended all 21 Audit Committee meetings held during the fiscal year under review. Based on a perspective as an experienced corporate executive and a high level of insight derived from his wide range of activities within business circles, he actively expressed his view from these perspectives at meetings of the Board of Directors and the Audit Committee, and played an appropriate role in enhancing the validity, objectivity, and transparency of management of the Company.
Masaru Ono Outside Director	Board of Directors meetings Present at 15 of the 15 meetings He attended all 15 Board of Directors meetings held during the fiscal year under review. In addition, as a member of the Audit Committee, he attended all 21 Audit Committee meetings held during the fiscal year under review. He, as a lawyer, possesses wealth of knowledge of corporate legal affairs and finance fields, and based on his high level of insight derived from his wide range of activities in business and educational circles, he actively expressed his views at meetings of the Board of Directors and the Audit Committee from these perspectives, and played an appropriate role in enhancing the validity, objectivity, and transparency of management of the Company.
Hisashi Maruyama Outside Director	Board of Directors meetings Present at 15 of the 15 meetings He attended all 15 Board of Directors meetings held during the fiscal year under review. In addition, as Chairperson of the Audit Committee, he attended all 21 Audit Committee meetings held during the fiscal year under review. He has been engaged in a wide range of operations at a major manufacturing company operating globally, primarily in legal, public relations and investor relations, finance, and CSR divisions, and possesses a wealth of experience and insight as a corporate executive, including leading corporate reforms as CEO. Based on his high level of insight derived from extensive activities in business circles, he actively expressed his views at meetings of the Board of Directors and the Audit Committee from these perspectives, and played an appropriate role in enhancing the validity, objectivity, and transparency of management of the Company.

Name / Position	Status of attendance, status of remarks, and the outline of duties performed relating to the roles expected of Outside Directors
Christina Ahmadjian Outside Director	Board of Directors meetings Present at 11 of the 11 meetings She attended all 11 Board of Directors meetings held after assuming the position during the fiscal year under review. In addition, as a member of the Audit Committee, she attended 12 out of 14 Audit Committee meetings held after assuming the position during the fiscal year under review. She possesses a broad range of knowledge regarding global corporate management and corporate governance as a university professor and researcher, as well as extensive experience and a proven track record serving as an outside director at several major companies in Japan from ESG, sustainability, and global perspectives. Based on a high level of insight derived from her wide range of activities in business and educational circles, she actively expressed her views at meetings of the Board of Directors and the Audit Committee from these perspectives, and played an appropriate role in enhancing the validity, objectivity, and transparency of management of the Company.

Note: Attendance figures for Ms. Christina Ahmadjian show her attendance at meetings of the Board of Directors and Audit Committee held after her appointment on June 19, 2025.

(3) Accounting Auditor

a. Designation: Deloitte Touche Tohmatsu LLC

b. Compensation Paid to Accounting Auditor

	Payment amounts
Compensation to the Accounting Auditor for the year under review	¥188 million
Total amount paid in cash and other financial asset profits to the Accounting Auditor by the Company and subsidiaries	¥224 million

Notes:
1. In the audit contracts between the Company and its Accounting Auditor, the fees for audits conducted under the Companies Act and under the Financial Instruments and Exchange Act are not clearly differentiated. As they cannot be effectively separated, the amounts of compensation paid to the Accounting Auditor for the fiscal year under review show the total amounts.
2. The Audit Committee made a decision to consent to the amount of compensation paid to the Accounting Auditor upon having performed verification necessary with respect to determining appropriateness regarding matters such as content of the Accounting Auditor's audit plan, its performance of accounting audit duties, and the basis for estimating compensation paid.
3. All companies outside Japan that are principal subsidiaries of the Company are audited by Accounting Auditors other than the Company's Accounting Auditor.

c. Policy on Decision to Dismiss or Not Reappoint Accounting Auditor

If the Accounting Auditor is deemed to fall under any of the grounds of Article 340, paragraph (1) of the Companies Act, then the Company's Audit Committee will dismiss the Accounting Auditor in accordance with the provisions of Article 340, paragraphs (2) and (6) of the Companies Act, based on the unanimous consent of all members of the Audit Committee.

Moreover, in the event that it has been deemed difficult for the Accounting Auditor to perform duties appropriately, pursuant to the provisions of Article 404, paragraph (2), item (ii) of the Companies Act, the Company's Audit Committee shall determine the content of a proposal for the dismissal or non-reappointment of the Accounting Auditor, and then the Company's Board of Directors shall accordingly submit such proposal to the General Meeting of Shareholders on the basis of the Audit Committee's decision.

3. System for Assuring the Appropriateness of Company Operations, and Operational Status of the System

(1) System for Assuring the Appropriateness of Company Operations

Pursuant to the Companies Act and the Ordinance for Enforcement of the Companies Act, the Company has established Yokogawa Group Internal Control System as a system to ensure that the execution of duties by Vice President & Executive Officers and employees of the Company and Directors, etc. and employees of subsidiaries (hereinafter collectively referred to as "Executive Officers, etc.") is in compliance with laws and regulations and the Articles of Incorporation, and other systems necessary to ensure the appropriateness of the operations of the Yokogawa Group, with the aim of increasing the Group's corporate value over the medium to long term. The company will establish an internal control system based on this basic policy, check its operation status, and strive to continuously improve and strengthen it.

a. System for Assuring Compliance of Vice President & Executive Officers, etc. with Laws and Regulations and the Articles of Incorporation

- The Company has established the Yokogawa Group Code of Conduct as the basic principle of compliance, and Vice President &Executive Officers, etc. shall make it known and thoroughly understood in the execution of their duties, and shall take the lead in ensuring that business ethics are upheld and embraced throughout the Group.
- A department has been established that is in charge of matters pertaining to business ethics. This includes the identification and resolution of problems with the Groupwide compliance system. The department shall also monitor the status of compliance and report on important matters to the Representative Executive Officer and the Audit Committee.
- Code of Conduct for the Prevention of Insider Trading, and rules and control systems are established for the relevant information.

b. System for Storing and Controlling Information Concerning Execution of Duties by Executive Officers, etc.

- The Rules on the Control of Communications and Documentation, and the Rules on the Control of Documentation are specified, and rules and control systems concerning meeting minutes and other information that should be preserved are established.
- Group Information Security Management Code and rules and control systems concerning information confidentiality categories are established. In addition, people performing work for the Group are requested to sign confidentiality agreements.

c. Rules and Other Systems for Crisis Management of the Company and Its Subsidiaries

- Risk Management Code has been set forth for the purpose of establishing a basis for the effective and efficient conduct of enterprise risk management by the Yokogawa Group. Based on this code, Risk Management Committee shall decide the significant risks which shall be managed preferentially as the Yokogawa Group and decide the monitoring method for its risks and report them to the Board of Directors, etc. Representative Executive Officer shall bear the responsibility for supervising all matters in relation to the risk management as the chairperson of Risk Management Committee.
- Respective organizational units of the Yokogawa Group shall perform the identification and assessment of risks followed by the preparation and implementation of the countermeasures against risks. The department in charge of internal audit shall evaluate the effectiveness of the Yokogawa Group risk management process and reports important findings to the Audit Committee and the Representative Executive Officer.
- Crisis situations are to be responded to as set forth in the Group Crisis Management Code. As the head of the Crisis Management Office, Representative Executive Officer controls the communication of information and issuance of instructions during times of crisis at all Group companies and works to ensure safety and minimize economic losses. In terms of

business continuity management, the Company has established a basic policy and formulated a business continuity plan (BCP) based on the Rules on Business Continuity Management in response to assumed risks such as large-scale natural disasters and accidents.

- We formulate an AI policy regarding the direction of AI utilization and governance structure for risk management in the Group, and establish the Group AI Governance Regulations, which define the responsibilities and authorities in AI-related risk management, ensuring its proper implementation.

d. System for Assuring Efficient Execution of Executive Officers, etc.

- By establishing Decision Making Management Code, which defines the responsibilities and authority of the decision-making process in the execution of business operations, the Company strives to enhance management efficiency and improve the Group's sustainable growth and corporate value through prompt decision-making under an appropriate corporate governance system.
- Vice President & Executive Officers shall faithfully execute the duties under their charge with the duty of care of a good manager, formulate a single-year plan for the duties under their charge, and develop business activities to achieve the plan's targets. Vice President & Executive Officers shall establish a system to pursue companywide efficiency in order to achieve the targets, and shall monitor the status of achievement of the plan targets and report to the Representative Executive Officer.

e. System for Assuring Compliance of Employees of the Company and Its Subsidiaries with Laws and Regulations and the Company's Articles of Incorporation

- Employees of the Group are to conduct themselves as set forth in the Yokogawa Group Compliance Guidelines. Employees of the Company and its subsidiaries shall ensure that these guidelines are applied thoroughly in the execution of their duties and comply with corporate ethics.
- Representative Executive Officer continuously reminds all employees of the Company and its subsidiaries the importance of legal compliance, and the department in charge of business ethics takes the lead in providing ongoing compliance education.
- The system for receiving internal reports and consultations on compliance-related issues shall be provided in the Yokogawa Group Compliance Management Code and the Rules on Whistleblowing and Consultation and shall be operated appropriately. In addition, the contact point shall be made known to the entire Group by the department in charge of business ethics.

f. System for Ensuring Appropriateness of Business Activities Carried out by the Company and Its Subsidiaries

- The Company shall establish Group Management Standards (GMS), which are basic management policies and rules applicable to the Yokogawa Group, and the internal control system shall be realized by promoting business processes based on the GMS. Guidance and management shall be provided to Group companies by Vice President & Executive Officers concerning the establishment of an optimal internal control system suited to the functions and systems of each Group company. Directors, etc. of each Group company shall report to us on matters relating to the execution of duties by its Directors, etc. in a timely and appropriate manner.
- Each person responsible for supervising the internal control system (GMS owner) shall have responsibilities for the management and operation of the GMS of which they are in charge, act to ensure (maintain and improve) the effectiveness and efficiency of the business processes based on the GMS in the Group, and report on important matters to the Representative Executive Officer, the Board of Directors and the Audit Committee.
- To ensure the reliability of financial reports, for ensuring appropriateness of accounting work, based on the Group Accounting Code, the correct performance of accounting work

by each Group company shall be controlled. In addition, a system for evaluating these financial reporting controls and disclosing the evaluation results is established in accordance with the internal control reporting system requirements of the Financial Instruments and Exchange Act.

- In accordance with the Group Internal Audit Code, the department that is in charge of internal audits shall audit the effectiveness of internal control systems and report on important matters to the Audit Committee and the Board of Directors.
- The system shall enable Audit Committee to obtain information directly or by contacting Directors, etc., Audit & Supervisory Board members and employees, etc., of each Group company for the purpose of verifying decisions on important Group company matters.

g. Matters Concerning the Systems for Ensuring the Appropriateness of Operations Necessary for the Execution of the Audit Committee's Duties

(1) Matters Concerning Directors and Assistants that Assist the Company's Audit Committee

- The Office of the Audit Committee has been set up, and assistants to assist the duties of Audit Committee Members, including those who will work there on a full-time basis, are to be assigned.

(2) Matters Concerning Independence of Directors and Assistants Mentioned in (1) above from Vice President & Executive Officers of the Company and Ensuring the Effectiveness of Instructions from Audit Committee of the Company to Directors and Assistants

- Personnel transfers related to the Office of the Audit Committee require prior approval from the Audit Committee.
- Assessment of the assistants working in the Office of the Audit Committee shall be determined with the consent of the Audit Committee, and independence from the Vice President & Executive Officers shall be ensured.

(3) System for Directors, Vice President & Executive Officers, and Employees to Report to Audit Committee of the Company, and System for Ensuring Reporting Persons Are Not Treated Disadvantageously for Making Reports

- Directors, Vice President & Executive Officers, and employees of the Company, as well as Directors, etc., Audit & Supervisory Board Members and employees, etc., of all Group companies, shall report the following matters to the Audit Committee:
  (a) Violations of laws and regulations and the Articles of Incorporation
  (b) Important matters concerning the internal audit situation and risk management
  (c) Matters that could cause significant losses to the Company
  (d) Important matters concerning decision making
  (e) Important matters concerning the management situation
  (f) Matters concerning information reported via the internal reporting system
  (g) Other important matters related to compliance
- The Company and all Group companies ensure that reporting persons are not treated disadvantageously for making reports.

(4) Matters Concerning Procedures for Advance Payment or Redemption of Expenses Occurring from Execution of Duties by Audit Committee members of the Company, and Policies Relating to Handling of Other Expenses or Obligations Occurring from said Execution of Duties

- For audit expenses and other expenses occurring from the execution of duties by Audit Committee of the Company, appropriate amounts are budgeted to ensure the effectiveness of auditing. However, appropriate expenses spent in emergencies or on a temporary basis will be reimbursed regardless of whether they are budgeted.

(5) Other Systems for Ensuring Effective Auditing by Audit Committee of the Company

- The Company shall provide Audit Committee with opportunities for regular exchanges of opinions with top management, such as Representative Executive Officer and Vice President & Executive Officers of Corporate Administration as well as with the responsible departments of the head office's administrative departments, including the departments in charge of corporate ethics. In addition, the Company will provide opportunities and an environment in which interviews can be conducted with other Vice President & Executive Officers and key employees as appropriate.
- The Audit Committee shall conduct audits efficiently through instructions to and cooperation with the departments in charge of internal audits.
- The Audit Committee shall receive reports from accounting auditors and the departments in charge of internal audits, on audits they have conducted on a regular basis and exchange opinions.
- The Audit Committee may utilize outside experts such as lawyers and certified public accountants when it finds it necessary.

(2) Operational Status of the System for Assuring the Appropriateness of Company Operations

In accordance with the "YOKOGAWA Corporate Governance Guidelines," the Company continued to ensure appropriate operation of its governance framework. In fiscal year 2025, an Independent Outside Director continued to chair the Board of Directors meeting. In order to ensure swift execution of business under appropriate controls, the Board of Directors established a basic policy for the development of internal control systems and the risk management systems, monitored and supervised the effective operation of such systems, and worked to disclose information appropriately. In order to achieve the management goals set in the new medium-term business plan (GS2028: 5 years) starting from the fiscal year 2024, the Company received reports on business activities from business execution divisions and had regular discussions at the Board of Directors meetings.

In addition to the above, the following is a summary of the operation of the "YOKOGAWA Group Internal Control System" during the 150th fiscal year, which was implemented based on the "Basic Policy for Internal Control System" resolved at the Board of Directors meeting held on April 8, 2025.

a. System to Ensure Compliance with Laws and Regulations and the Articles of Incorporation

- "YOKOGAWA Group Code of Conduct" and "Compliance Guidelines" have been established and disseminated, while respecting social norms and international codes of conduct, including the realization of a sustainable society, human rights issues, and the elimination of discrimination.
- In addition to complying with laws and regulations and the Articles of Incorporation, the Company has established a globally integrated compliance promotion system closely linked to the workplace. Compliance officers in each organization are engaged in promoting the awareness and establishment of compliance through training sessions and awareness activities, etc. Additionally, the Company hold regular meetings to share information and review the progress of promotion activities with the officers.
- To understand the penetration of compliance awareness and to support the planning and implementation of improvement measures, the Yokogawa Group conducts an annual "Compliance Awareness Survey" for its employees. The results are published and shared within the Yokogawa Group, analyzed and reflected in compliance promotion measures for the following fiscal year.
- To detect compliance-related issues early and prevent misconduct, internal and external reporting and consultation desks, as well as external reporting and consultation desks such as outside lawyers, have been established at the Company and its domestic and overseas subsidiaries. These desks handle issues promptly in accordance with prescribed procedures.

The status of these efforts is also reported to the Board of Directors and shared within the group.

b. System for Storage and Management of Information

- The "Communication and Document Management Code" and "Document Management Rules" have been established and are in operation regarding the rules and management of minutes and information that should be preserved.
- To promote information security, each organization of the Yokogawa Group has established an information security system. Each organization formulates an activity plan at the beginning of each fiscal year, and checks the level of its own organization using a maturity check sheet at the end of the fiscal year.
- The Company conducts company-wide education on information security using e-learning every year. We share the latest knowledge on information security and inform employees of how to respond to security incidents and how to prevent recurrence through case studies.

c. Rules on Risk Management of Loss and Other System

- Basic matters concerning risk management of the Yokogawa Group, including basic policies and systems for risk management, are stipulated in the "Rules on Risk Management" to promote smooth and effective risk management activities.
- Each organization of the Yokogawa Group identifies risks as part of its autonomous risk management activities, evaluates their severity in terms of impact and likelihood of occurrence, and formulates and implements countermeasures.
- Each organization within the Yokogawa Group collects risks deemed important and classifies them from the perspectives of Business Opportunities, Compliance and Crisis Events, etc. The Risk Management Committee selects key management risks and determines monitoring methods, reporting these to the Board of Directors.
- In the fiscal year 2025, business risks, information security risks, and AI governance risks were selected as key management risks due to their severity. The progress of countermeasures was confirmed on a quarterly basis and evaluated the risk status in the Risk Management Committee, and the contend of these activities was reported to the Board of Directors and other relevant bodies.
- The status of responses to ongoing risks, such as changes in the political and economic external environment, has been reported to the Board of Directors on a monthly basis. Regarding geopolitical risks occurring and continuing worldwide, the Company collects information and shares it among stakeholders. Depending on the situation, the Company convenes a Crisis Management Committee chaired by the President & CEO, Representative Executive Officer to consider and implement necessary countermeasures.

d. System for Ensuring that Duties Are Performed Efficiently

- To ensure prompt decision-making under an appropriate corporate governance system, the Company has established the "Decision Making Management Code" that defines the responsibilities and authority of the decision-making process in business execution, and the Yokogawa Group has been operating the Code.

e. System for Assuring Appropriate Operation

- The Yokogawa Group has been enhancing the "Group Management Standards," the top-level regulations of the Yokogawa Group, to clarify roles and responsibilities in each business process, and to improve the internal control system based on autonomous control activities and appropriate risk management. We are promoting efforts to raise the level of our internal control system based on autonomous control activities and appropriate risk management.

- The department in charge of internal audit ensures through internal audits that each department overseeing internal control systems clarifies their key performance indicators and follows the PDCA cycle according to the achievement of these indicators.
- In light of an incident that occurred in fiscal year 2024, in which the president of an overseas subsidiary who concurrently served as a Vice President & Executive Officer of the Company diverted funds, without any consideration, from the subsidiary to companies with which he had personal relationships, the Company has thoroughly formulated and implemented measures to prevent recurrence. These measures include strengthening monitoring and supervisory functions over presidents of overseas subsidiaries, improving related business processes, and reviewing reporting lines to headquarters. Through these initiatives, the Company has enhanced the effectiveness of the operation of the internal control system.

f. System to Ensure the Appropriateness of Operations Necessary for the Execution of the Audit Committee's Duties

- The Audit Committee conducted the audit in accordance with the annual activity plan, setting the priority audit items for the fiscal year under review as "Confirmation of the progress of the Medium-Term Management Plan GS2028" and "Establishment and operation of the internal control system of the Yokogawa Group."
- The Audit Committee exchanges opinions with the President & CEO, Vice President & Executive Officers, the department in charge of business ethics, the department in charge of legal affairs, the department in charge of sustainability and the accounting auditor on a regular basis and as necessary. The results of the discussions with Vice President & Executive Officers are reported to the Board of Directors on a quarterly basis.
- The Audit Committee member in charge of investigations attends important internal meetings such as the management committee and Vice President & Executive Officers' meeting to confirm the status of execution of duties by Vice President & Executive Officers.
- The Audit Committee conducts organizational audits in cooperation with the department in charge of internal audits. The Audit Committee receives regular reports from the department in charge of internal audits, directs investigations as necessary, and receives reports on the results of such investigations.
- The Audit Committee conducts three-way audit meeting with the Accounting Auditor and the department in charge of internal audit.
- The Audit Committee reports quarterly to the Board of Directors on the results of the audit based on the annual activity plan.
- The Audit Committee operates a whistleblower hotline that directly connects to the Audit Committee as a contact point for reporting compliance violations by senior management.
- The Audit Committee concludes advisory agreements with an outside law firm that is independent of the business execution side, consults with and receives advice from them as appropriate.

4. Basic Policy regarding Control over the Company

The Company believes that parties making decisions regarding its financial and business policies above all else must be capable of protecting and enhancing the corporate value of the Company and the common interests of the shareholders.

The Yokogawa Group sets forth the following corporate philosophy: "As a company, our goal is to contribute to the realization of a sustainable society through broad-ranging activities in the areas of measurement, control, and information. Individually, we aim to combine good citizenship with the courage to innovate." Accordingly, we believe that acting on the basis of this philosophy, and thereby helping to protect the environment and achieve a sustainable society, will protect and enhance the corporate value of the Company and the common interests of its shareholders while we engage in sound and profitable management practices that allow us to steadfastly pursue our business activities and provide solutions and services that add value.

While acknowledging the fact that we are a public company whose shares are freely traded, the Company believes that a decision on whether to allow a party to carry out a large-scale acquisition of its shares should ultimately be left to its shareholders. As such, in the event of a large-scale acquisition of the Company's shares, we will not categorically rule out the acquisition if it improves the corporate value of the Company or if it is in the common interests of the shareholders.

However, there are a number of situations when a large-scale takeover attempt would contribute to neither the corporate value of the Company nor the common interests of the shareholders, such as when: (i) sufficient time and information have not been provided for the Company or its shareholders to consider the proposal or an alternative proposal regarding the acquisition, (ii) the purpose of the share acquisition and the administrative policy to be followed after the acquisition are likely to harm the corporate value and the common interests of the Company's shareholders, (iii) shareholders are effectively forced to sell their shares, and (iv) the acquisition terms are considered insufficient or inappropriate in light of the corporate value of the Company and the common interests of the Company's shareholders.

The Company believes that any party attempting a large-scale acquisition in the above manner would be unsuitable with respect to making decisions on the Company's financial and business policies. The Company remains committed to taking appropriate measures in accordance with relevant laws and regulations, such that include requiring any party proposing a large-scale acquisition of the Company's shares to disclose sufficient information necessary for enabling shareholders to make an informed judgment on the advantages and disadvantages of the prospective acquisition, while also disclosing the Board of Directors' views on any such proposal taking steps to ensure that shareholders are afforded sufficient time to consider the acquisition.

CONSOLIDATED BALANCE SHEET

As of March 31, 2026

	Millions of yen
ASSETS	
Current assets	
Cash and deposits	217,549
Notes receivable - trade	8,877
Accounts receivable - trade	158,203
Contract assets	93,221
Merchandise and finished goods	21,492
Work in process	6,619
Raw materials and supplies	24,533
Other	27,368
Allowance for doubtful accounts	(6,271)
Total current assets	551,595
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	43,842
Machinery, equipment and vehicles, net	12,580
Tools, furniture and fixtures, net	8,116
Land	13,172
Leased assets, net	48
Right-of-use assets	9,643
Construction in progress	4,589
Total property, plant and equipment	91,995
Intangible assets	
Software	21,604
Goodwill	12,987
Other	29,402
Total intangible assets	63,993
Investments and other assets	
Investment securities	70,796
Deferred tax assets	11,046
Other	6,953
Allowance for doubtful accounts	(763)
Total investments and other assets	88,033
Total non-current assets	244,022
Total assets	795,618

CONSOLIDATED BALANCE SHEET

(continued)

	Millions of yen
LIABILITIES	
Current liabilities	
Notes and accounts payable - trade	41,446
Electronically recorded obligations operating	5,918
Short-term borrowings	24,318
Accounts payable - other	20,952
Income taxes payable	11,741
Contract liabilities	63,667
Lease obligations	2,589
Provision for bonuses	23,788
Provision for loss on construction contracts	12,869
Other	34,079
Total current liabilities	241,370
Non-current liabilities	
Long-term borrowings	18
Deferred tax liabilities	5,615
Retirement benefit liability	9,310
Lease obligations	7,313
Other	2,094
Total non-current liabilities	24,352
Total liabilities	265,723
NET ASSETS	
Shareholders' equity	
Share capital	43,401
Capital surplus	36,305
Retained earnings	373,700
Treasury shares	(6,668)
Total shareholders' equity	446,738
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	26,071
Deferred gains or losses on hedges	61
Foreign currency translation adjustment	47,019
Remeasurements of defined benefit plans	126
Total accumulated other comprehensive income	73,278
Non-controlling interests	9,878
Total net assets	529,894
Total liabilities and net assets	795,618

CONSOLIDATED STATEMENT OF INCOME

For the year ended March 31, 2026

		Millions of yen
Net sales		604,829
Cost of sales		328,436
Gross profit		276,392
Selling, general and administrative expenses		193,836
Operating income		82,555
Non-operating income		
Interest income	3,010	
Dividend income	1,286	
Share of profit of entities accounted for using equity method	524	
Miscellaneous income	764	5,585
Non-operating expenses		
Interest expenses	1,053	
Foreign exchange losses	1,135	
Commission expenses	256	
Miscellaneous loss	1,436	3,882
Ordinary income		84,259
Extraordinary income		
Gain on sale of non-current assets	351	
Gain on sale of investment securities	525	
Gain on step acquisitions	176	1,054
Extraordinary losses		
Loss on sale of non-current assets	233	
Loss on retirement of non-current assets	2,839	
Impairment losses	855	
Loss on valuation of investment securities	287	
Loss on termination of retirement benefit plan	1,659	
Business restructuring expenses	509	6,384
Profit before income taxes		78,929
Income taxes - current	19,480	
Income taxes - deferred	(1,519)	17,961
Profit		60,967
Profit attributable to non-controlling interests		2,854
Profit attributable to owners of parent		58,113

NON-CONSOLIDATED FINANCIAL STATEMENTS

NON-CONSOLIDATED BALANCE SHEET

As of March 31, 2026

	Millions of yen
ASSETS	
Current assets	
Cash and deposits	63,557
Electronically recorded monetary claims	32
Accounts receivable - trade	46,272
Contract assets	156
Merchandise and finished goods	2,163
Work in process	190
Raw materials and supplies	312
Prepaid expenses	2,081
Short-term loans receivable	42,592
Accounts receivable - other	17,332
Other	1,513
Allowance for doubtful accounts	(12,318)
Total current assets	163,886
Non-current assets	
Property, plant and equipment	
Buildings, net	17,993
Structures, net	704
Machinery and equipment, net	525
Tools, furniture and fixtures, net	3,225
Land	5,755
Construction in progress	248
Other	0
Total property, plant and equipment	28,454
Intangible assets	
Software	17,131
Software in progress	24,734
Leasehold right	901
Other	192
Total intangible assets	42,959
Investments and other assets	
Investment securities	46,039
Stocks of subsidiaries and affiliates	65,140
Investment in capital of subsidiaries and affiliates	14,086
Lease and guarantee deposits	72
Long-term financial assets	1,454
Other	763
Allowance for doubtful accounts	(60)
Total investments and other assets	127,495
Total non-current assets	198,909
Total assets	362,795

NON-CONSOLIDATED BALANCE SHEET

(continued)

	Millions of yen
LIABILITIES	
Current liabilities	
Electronically recorded obligations - operating	1,342
Accounts payable - trade	9,504
Short-term borrowings	6,658
Current portion of long-term loans payable	24,000
Accounts payable - other	17,008
Accrued expense	1,503
Income taxes payable	844
Contract liabilities	430
Other deposits received	281
Provision for bonuses	3,842
Other	3,188
Total current liabilities	68,604
Non-current liabilities	
Deferred tax liabilities	5,942
Other	563
Total non-current liabilities	6,505
Total liabilities	75,110
NET ASSETS	
Shareholders' equity	
Share capital	43,401
Capital surplus	36,350
Legal capital surplus	36,350
Retained earnings	188,568
Other retained earnings	188,568
Reserve for advanced depreciation of noncurrent assets	956
Retained earnings brought forward	187,611
Treasury shares	(6,668)
Total shareholders' equity	261,651
Valuation and translation adjustments	
Valuation difference on available-for-sale securities	26,034
Total valuation and translation adjustments	26,034
Total net assets	287,685
Total liabilities and net assets	362,795

NON-CONSOLIDATED STATEMENT OF INCOME

For the year ended March 31, 2026

		Millions of yen
Net sales		144,727
Cost of sales		65,869
Gross profit		78,857
Selling, general and administrative expenses		69,280
Operating income		9,576
Non-operating income		
Dividend income	44,669	
Rent receivable	2,842	
Foreign exchange gains	391	
Miscellaneous income	1,071	48,974
Non-operating expenses		
Interest expenses	494	
Rent payable	2,696	
Provision of allowance for doubtful accounts	8,615	
Miscellaneous loss	560	12,368
Ordinary profit		46,182
Extraordinary income		
Gain on sale of non-current assets	146	
Gain on sale of investment securities	525	672
Extraordinary losses		
Loss on sale of non-current assets	9	
Loss on retirement of non-current assets	2,738	
Impairment losses	57	
Loss on valuation of investment securities	22	
Loss on valuation of shares of subsidiaries and associates	3,198	6,025
Profit before income taxes		40,829
Income taxes - current	1,146	
Income taxes - deferred	(1,390)	(244)
Profit		41,073

Instructions for Internet Voting

I. Conditions regarding Internet Voting

1. Conditions regarding Internet Voting

(1) You may vote via the Internet through the shareholder voting site (see the URL below) designated by the Company instead of voting by mail. If you choose to vote via the Internet, login with the voting code and the password shown on the right side of the enclosed voting form, and cast your vote by following the prompts on the screen. Please note that you need to change the password when you login for the first time to ensure security.

https://soukai.mizuho-tb.co.jp/

(2) The deadline for voting is 5:00 p.m. on Monday, June 22, 2026, Japan time. You need to complete your vote by that time. Please vote ahead of time.

(3) If you vote both by mail and via the Internet, the vote via the Internet shall prevail. In the case of multiple voting via the Internet, the last one shall prevail.

(4) Your password (including the one you changed) will be valid for this General Meeting only. A new password will be issued for the next General Meeting.

(5) The Company is not responsible for any expenses related to Shareholders' Internet access.

(Notes)

- The password is a means of authenticating the identity of a voter as a shareholder. You will never receive a call from the Company inquiring about your password.
- The password will be locked and suspended if you enter the wrong password a certain number of times. If it becomes locked, please follow the prompts on the screen.
- We conducted an operation check of the shareholder voting site with general Internet access devices, but the site may not be usable on some devices.

2. Inquiries

If you have any concerns about Internet voting, please contact the Stock Transfer Agency Dept., Mizuho Trust & Banking Co., Ltd., our shareholder register manager (see below).

(1) All inquiries regarding how to vote via the shareholder voting site may be addressed to the following:

Toll free (calls from within Japan) 0120-768-524

(Between 9:00 a.m. and 9:00 p.m., Japan time)

(2) Other inquiries regarding stock-related administrative work may be addressed to the following:

Toll free (calls from within Japan) 0120-288-324

(Between 9:00 a.m. and 5:00 p.m., Japan time, on weekdays)

II. Electronic Voting Platform

Regarding the exercise of voting rights at the Company's General Meeting of Shareholders, nominee shareholders such as trust and custody banks (including standing proxies) may, as an alternative to the Internet voting described above, use the electronic voting rights execution platform established by the Tokyo Stock Exchange and organized by the Investor Communications Japan (ICJ) Inc., provided that application for the use of this electronic voting platform is made in advance.