

Yokogawa Electric Corporation

Financial Results for Fiscal Year 2019

May 12, 2020



1. FY19 Financial Results

Junichi Anabuki
Director, Executive Vice President
Corporate Administration Headquarters

2. Appendix

- Quarterly Financial Results
- Non-operating /Extraordinary Income and Expenses
- Order Backlog Trend by Segment
- Trend of R&D Expenses, Depreciation, and CAPEX
- Trend of Balance Sheet
- Trend of Stock Price

3. Transformation 2020

~Transform and achieve further growth~

Hitoshi Nara
President and Chief Executive Officer

Yokogawa Electric Corporation

Financial Results for Fiscal Year 2019

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Director, Executive Vice President

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Key Points

■ FY19 results : Steady growth

Summary: Sales and operating income were up despite the impact of COVID-19. However, profit attributable to owners of parent declined due to the recording of an impairment loss.

Segments:

- Control: Orders, sales, and operating income were all up (excluding impact of exchange rate: orders +1.1%, sales +4.8%, operating income +5.3%).
- Measurement: Sales were up, but operating income declined.
- Aviation and other: Although sales declined year on year, the operating loss decreased.

Regions: Orders were up in Japan. Sales were up in China, India, and the Middle East.

Industries: Our chemical industry remained strong.

■ FY19 year-end dividend : No change

- The year-end dividend forecast is estimated to be 17 yen, as originally planned.

■ FY20 earnings forecast and dividend forecast : TBD

- We are currently examining the impact of COVID-19, but as it is difficult to make a reasonable calculation at this time, the forecast for FY20 remains undetermined.

Summary of FY19 Results

- ◆ Orders decreased (excluding impact of exchange rate and transfer of subsidiaries' shares: +2.2% year on year). Sales were up (excluding impact of exchange rate and transfer of subsidiaries' shares: +5.9% year on year).
- ◆ Operating income was up due to increased sales and improvement of the gross margin.
- ◆ Profit attributable to owners of parent was down due to the recognition of impairment loss and provision for reinforcing measures against soft errors.

(Billion ¥)

	FY18	FY19	Difference	Growth rate	Impact of exchange rate and transfer of subsidiary's share
Orders	432.0	418.7	(13.3)	(3.1%)	(22.6)
Sales	403.7	404.4	+0.7	+0.2%	(22.3)
Operating income	34.6	35.6	+1.0	+2.9%	(2.2)
ROS (%)	8.6	8.8	+0.2 pts	—	—
Ordinary income	36.8	36.3	(0.5)	(1.3%)	(2.2)
Profit attributable to owners of parent	28.4	14.7	(13.8)	(48.4%)	(2.0)
EPS (¥)	106.54	55.02	(51.52)	(48.4%)	—
ROE (%)	10.1	5.1	(5.0pts)	—	—
Exchange rate	1\$ = ¥111.07	¥108.96	(2.11)	—	—

Summary of FY19 Results

(Comparison with forecast)

- Orders were almost as expected. Sales, operating income, and profit attributable to owners of parent were down.
- Due to the impact of COVID-19, the production utilization rate declined in China and there was a delay in recording orders and sales (estimated impact: orders -¥7.0 billion, sales -¥7.0 billion, operating income -¥2.0 billion). An additional impairment loss for KBC was recorded (4Q: ¥3.9 billion).

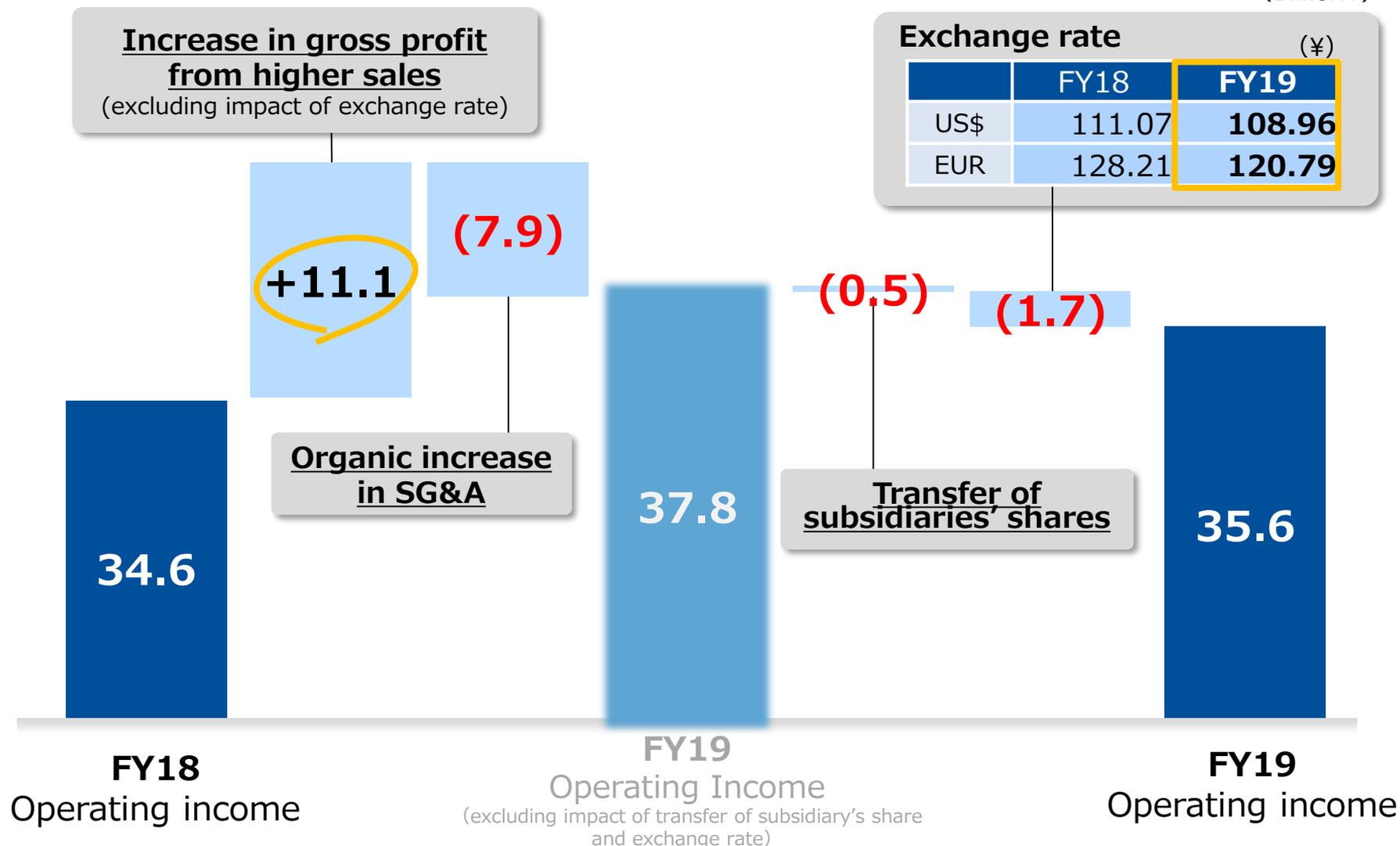
(Billion ¥)

		FY19 2/4 forecast	FY19 results	Difference
Orders		418.0	418.7	+0.7
Sales		408.0	404.4	(3.6)
Operating income		38.0	35.6	(2.4)
Ordinary income		38.0	36.3	(1.7)
Profit attributable to owners of parent		18.0	14.7	(3.3)
EPS (¥)		67.43	55.02	(12.41)
Exchange rate	1\$ =	¥109.00	¥108.96	(¥0.04)

Analysis of Operating Income (FY18/FY19 comparison)

*Estimated Impact of COVID-19 : ¥-2.0 billion

(Billion¥)

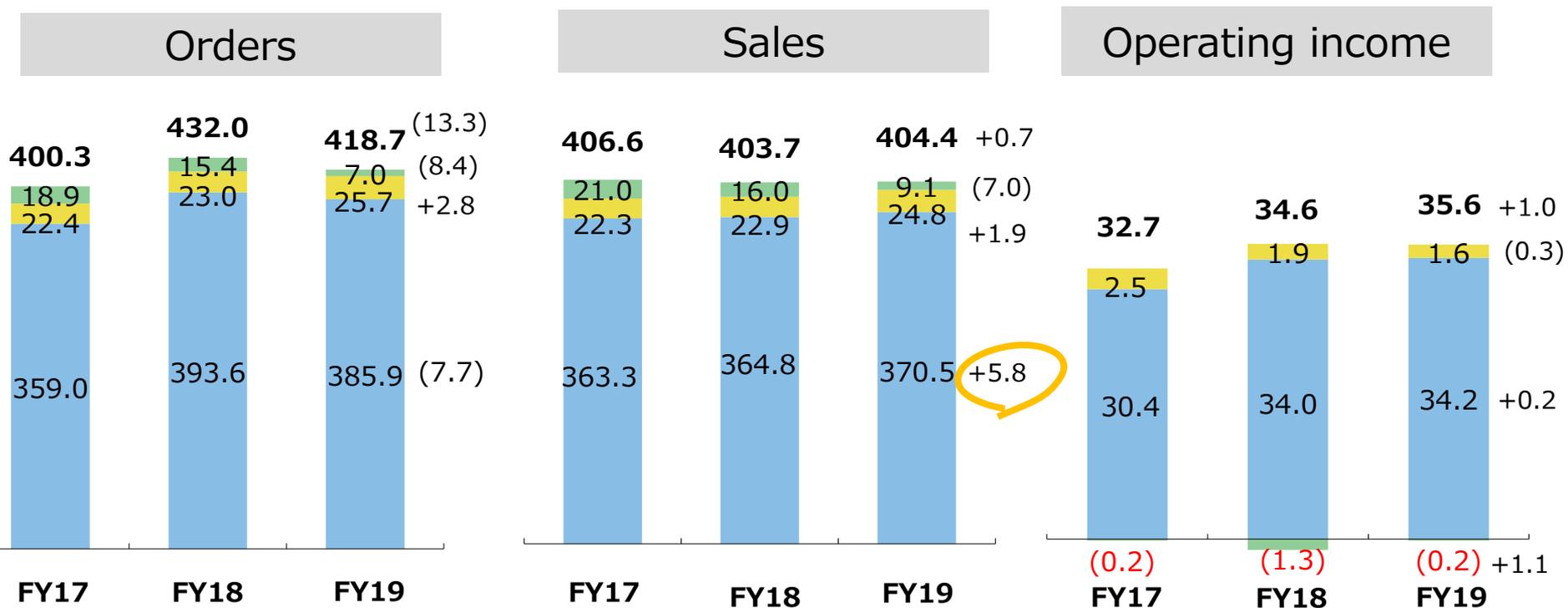


FY18/FY19 Comparison for Orders, Sales, and Operating Income by Segment



- Control: Orders were down due to a year-on-year decline in large projects and the effects of a stronger yen. Sales were firm for the solutions business and the maintenance, repairs and operations (MRO) business (excluding impact of exchange rate: orders +1.1%, sales +4.8% year on year). Operating income was up due to increased sales and improvement of the gross margin (excluding impact of exchange rate: +¥1.8 billion/+5.3% year on year).
- Measurement: Sales were strong, but operating income declined due to investments for the life innovation business.
- Aviation and other: Although sales declined year on year due to the transfer of a subsidiary's shares, the operating loss decreased.

■ Control ■ Measurement ■ Aviation and other (Billion¥)



Orders and Sales by Region in Control Segment

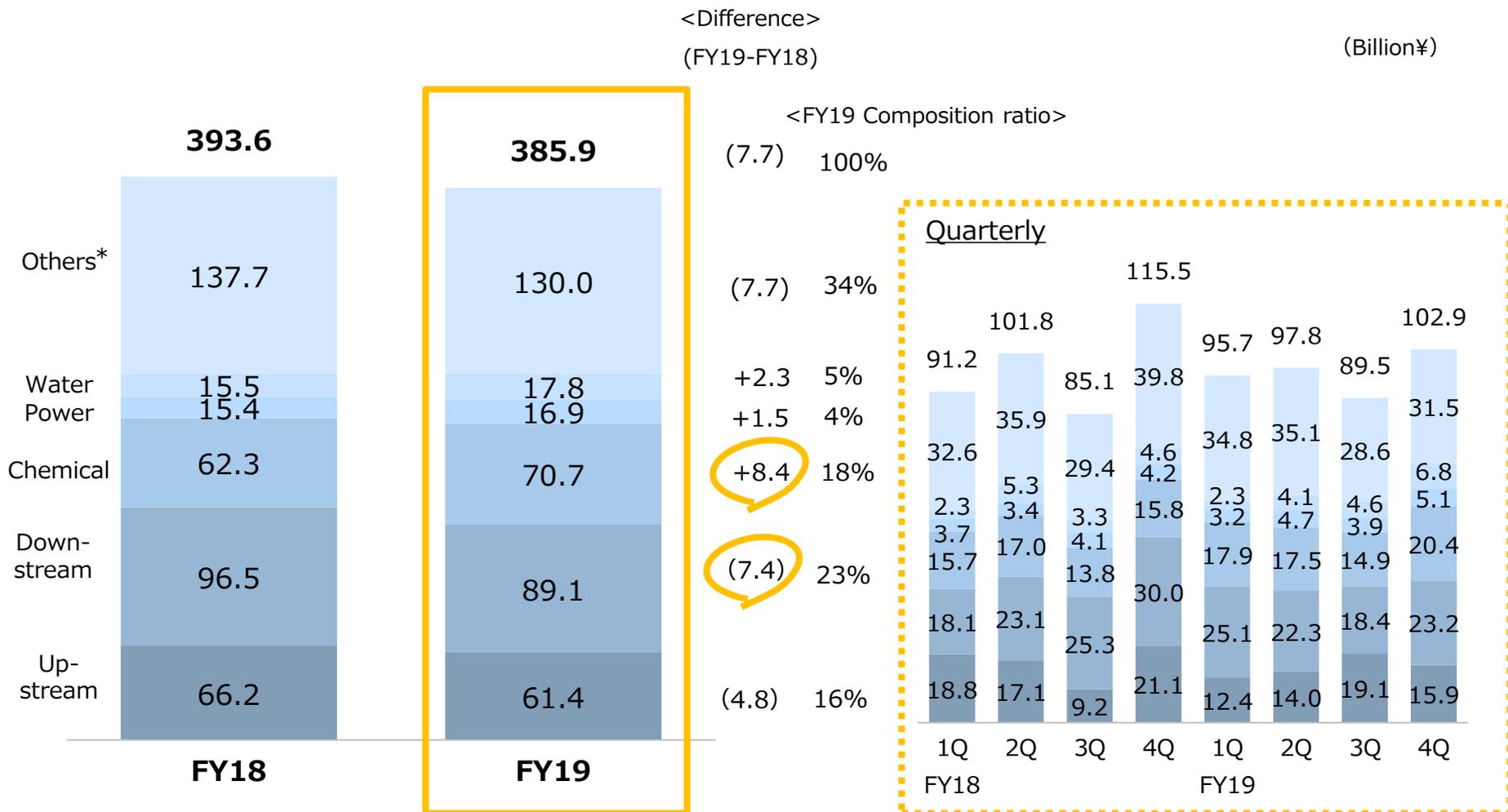
◆ Orders increased in Japan. Orders were down in North America, Europe, and the CIS due to a year-on-year decline in large projects (excluding impact of exchange rate: +¥4.3 billion/+1.1% year on year).

◆ Sales were up mainly in China, India, and the Middle East, despite the effects of a stronger yen (excluding impact of exchange rate: up ¥17.3 billion / 4.8% year on year). (Billion¥)

Orders	FY18 (A)	FY19 (B)	Difference (B-A)
Japan	111.4	115.4	4.0
Asia	124.5	122.7	(1.8)
(South-eastern Asia and Far East)	64.3	62.8	(1.5)
(China)	42.6	42.3	(0.3)
(India)	17.6	17.6	0
Europe and CIS	53.2	49.7	(3.5)
Middle East and Africa	56.7	56.8	0.1
North America	38.2	32.2	(6.0)
Central and South America	9.6	9.1	(0.5)
Outside Japan	282.2	270.5	(11.7)
Consolidated	393.6	385.9	(7.7)
Exchange rate1\$ =	¥111.07	¥108.96	(¥2.11)

Sales	FY18 (A)	FY19 (B)	Difference (B-A)
Japan	109.4	109.8	0.4
Asia	120.3	118.4	(1.9)
(South-eastern Asia and Far East)	67.3	61.9	(5.4)
(China)	40.5	42.5	2.0
(India)	12.5	14.0	1.5
Europe and CIS	49.5	50.0	0.5
Middle East and Africa	49.0	54.1	5.1
North America	28.5	29.4	0.9
Central and South America	8.1	8.8	0.7
Outside Japan	255.4	260.7	5.3
Consolidated	364.8	370.5	5.8
Exchange rate1\$ =	¥111.07	¥108.96	(¥2.11)

Orders by Industry in Control Segment

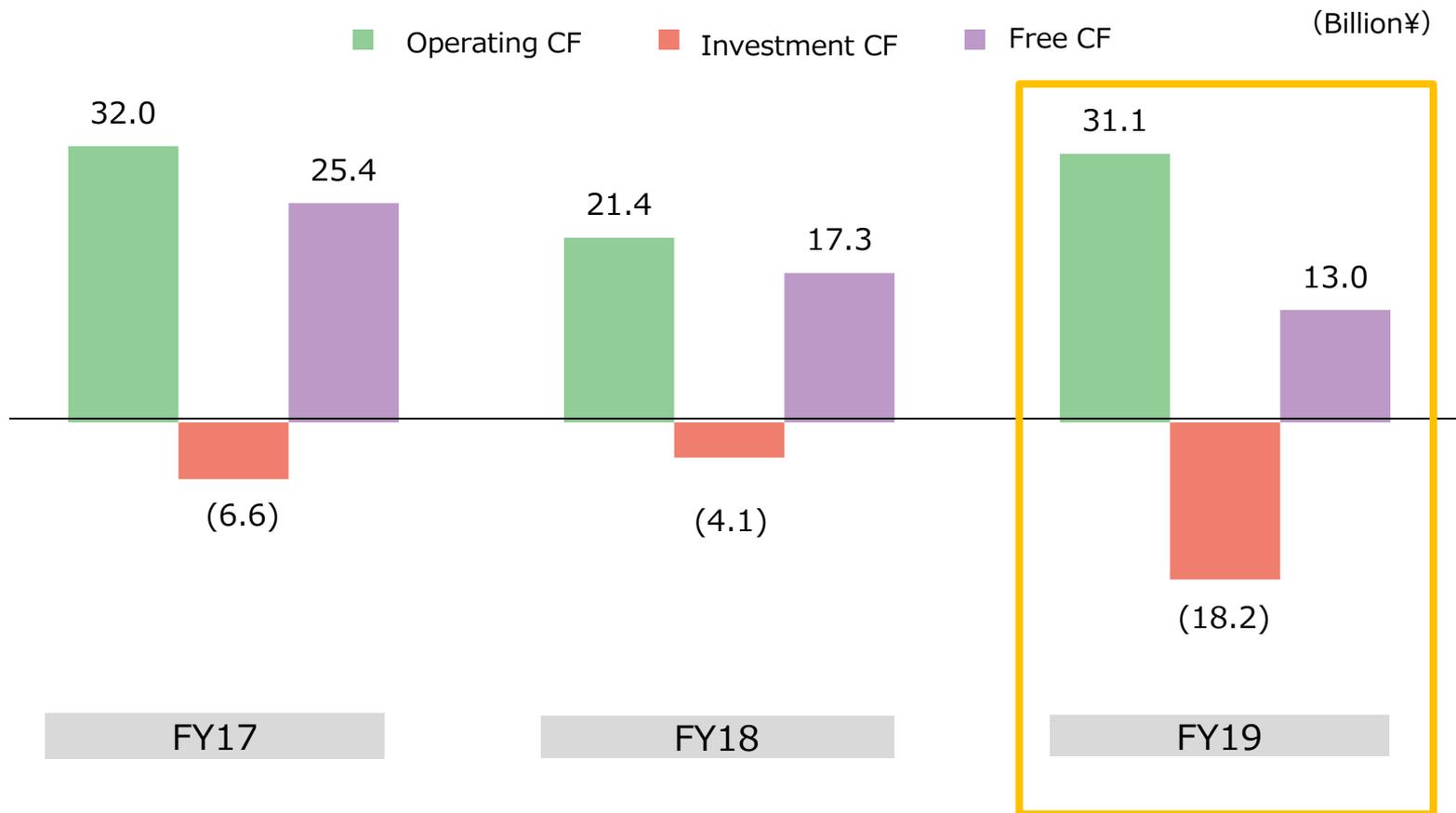


*Pharma, food, electrical & electronic, iron & steel, pulp & paper, etc.

Trend of Cash Flow

◆Operating CF: Temporarily decreased in FY18 mainly as a result of the discontinuation of the liquidation of receivables. In FY19, operating CF was at near the normal level.

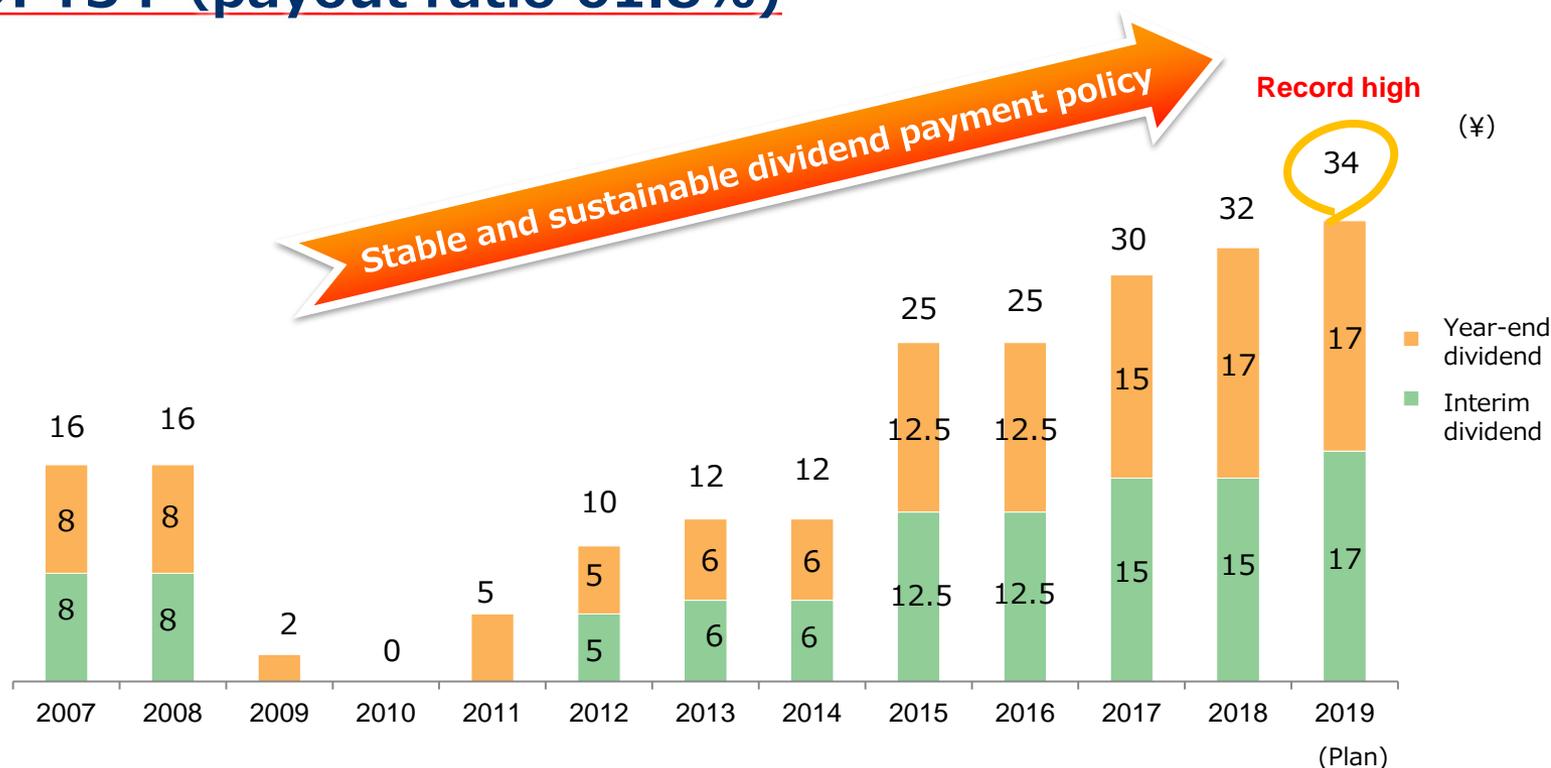
◆Investment CF: Increased in FY19 due to a decrease in proceeds from the sales of shares of subsidiaries and an increase in strategic investment.



Dividend

- The distribution of earnings to shareholders is a top priority.
- As per our dividend policy, no changes have been made to the dividend forecast.
- The annual dividend will be at a record high.

FY19: ¥34 (payout ratio 61.8%)





We are currently examining the impact of COVID-19, but as it is difficult to make a reasonable calculation at this time, the forecast for FY20 remains undetermined. We will disclose the forecast as soon as we are able to calculate this figure.

Appendix:

- Quarterly Financial Results
- Non-operating /Extraordinary Income and Expenses
- Order Backlog Trend by Segment
- Trend of R&D Expenses, Depreciation, and CAPEX
- Trend of Balance Sheet
- Trend of Stock Price

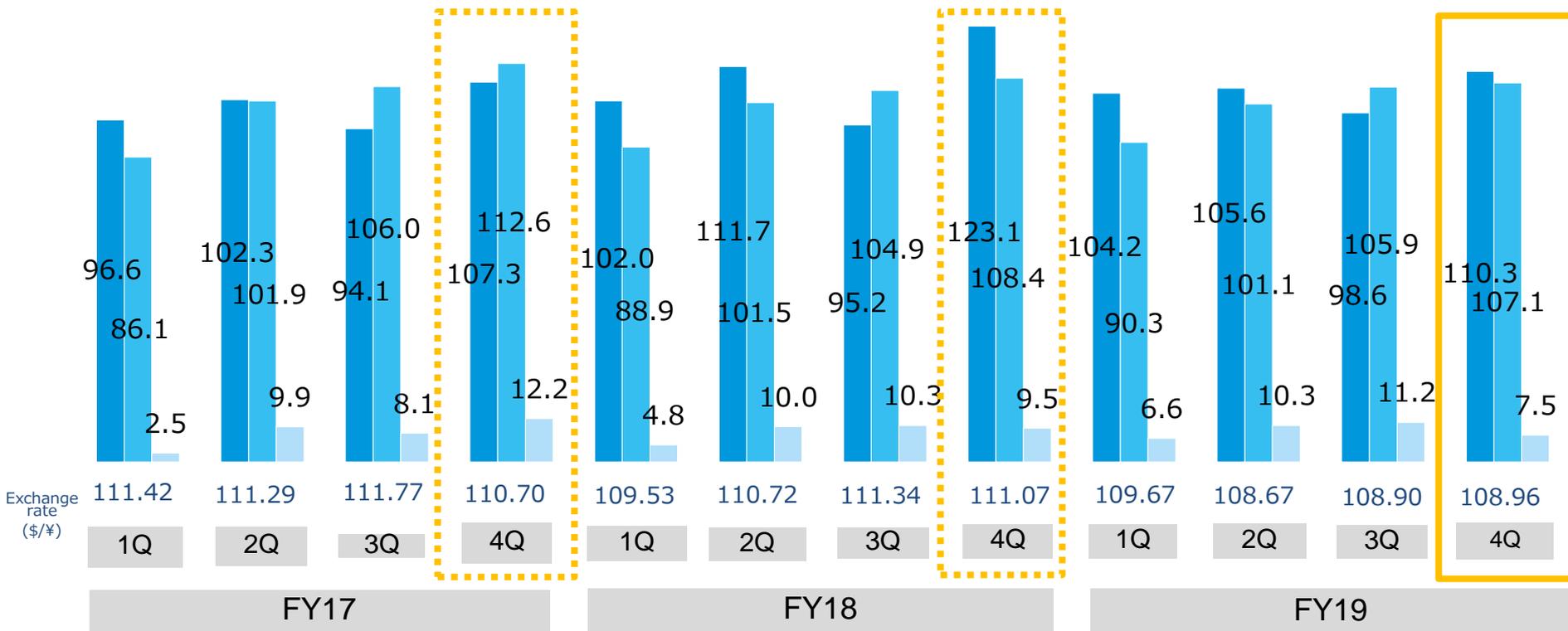
Appendix: Quarterly Financial Results

◆ Sales and operating income tend to be higher in 2Q and 4Q, and this trend is particularly strong in the Japanese control segment.

Effect of the transfer of subsidiaries
 Orders : ¥-9.8 billion sales : ¥-10.0 billion operating income : ¥-0.5 billion

(Billion ¥)

■ Orders ■ Sales ■ Operating income



Appendix: Non-operating / Extraordinary Income and Expenses

(Billion ¥)

	FY18	FY19
Operating income	34.6	35.6
Non-operating income	4.5	4.9
Non-operating expenses	2.4	4.2
Ordinary income	36.8	36.3
Extraordinary income	2.6	2.8
Extraordinary expenses	0.9	13.4
Income before tax	38.4	25.8
Tax, etc.	10.0	11.1
Profit attributable to owners of parent	28.4	14.7

(Effective tax rate)

21.5%

36.3%

FY19:
Foreign exchange losses: ¥1.9 billion

FY18: Gain on sales of investment securities, etc.: ¥2.5 billion

FY19:
Gain on sales of investment securities, etc.: ¥1.5 billion
Gain on sales of business: ¥0.8 billion

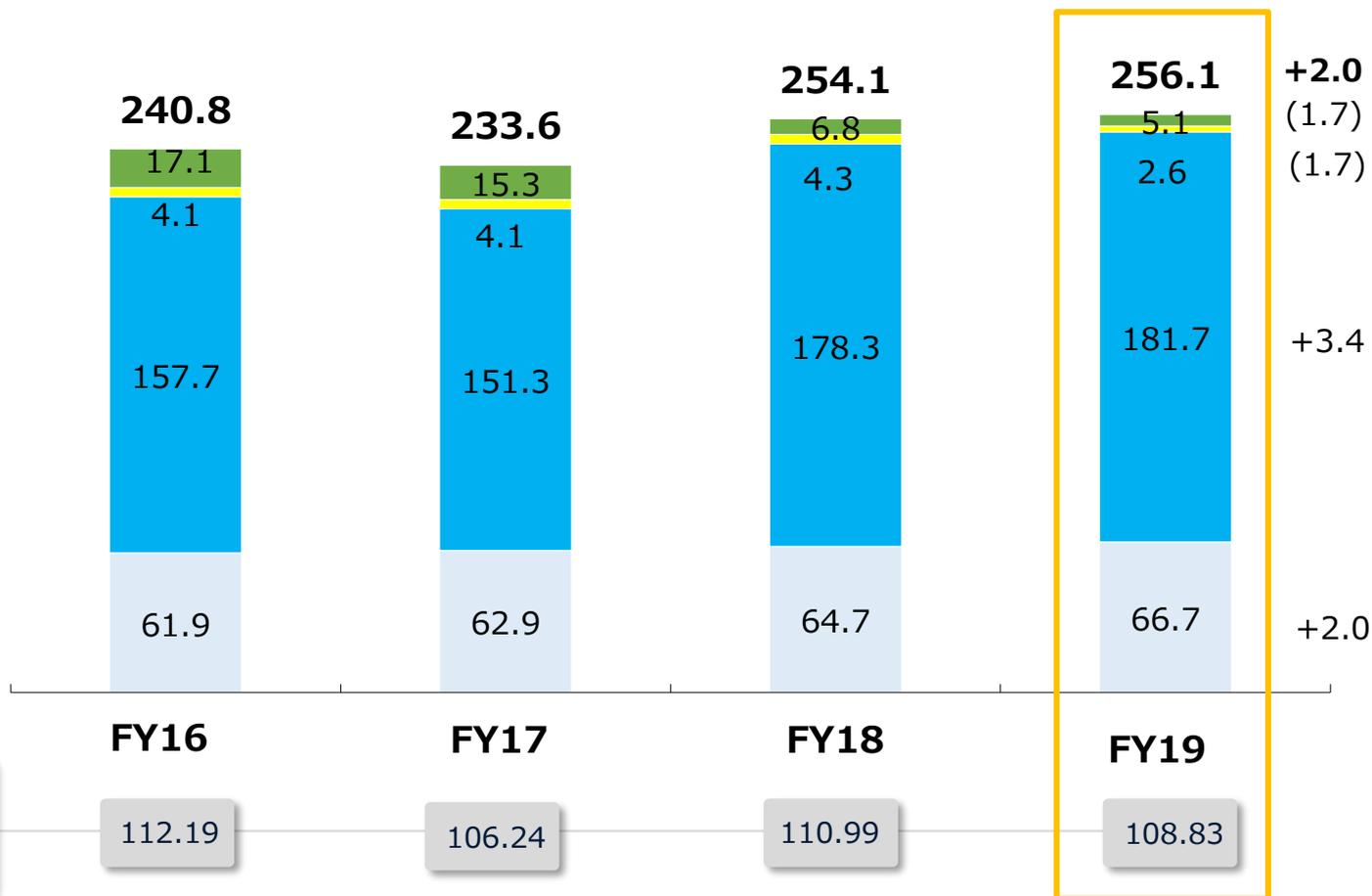
FY19:
Impairment loss: ¥9.5 billion (KBC)

Provision for reinforcing measures against soft errors: ¥3.5 billion

Order Backlog Trend by Segment

(Billion¥)

Control (Japan) Control (Outside of Japan) Measurement Aviation and other



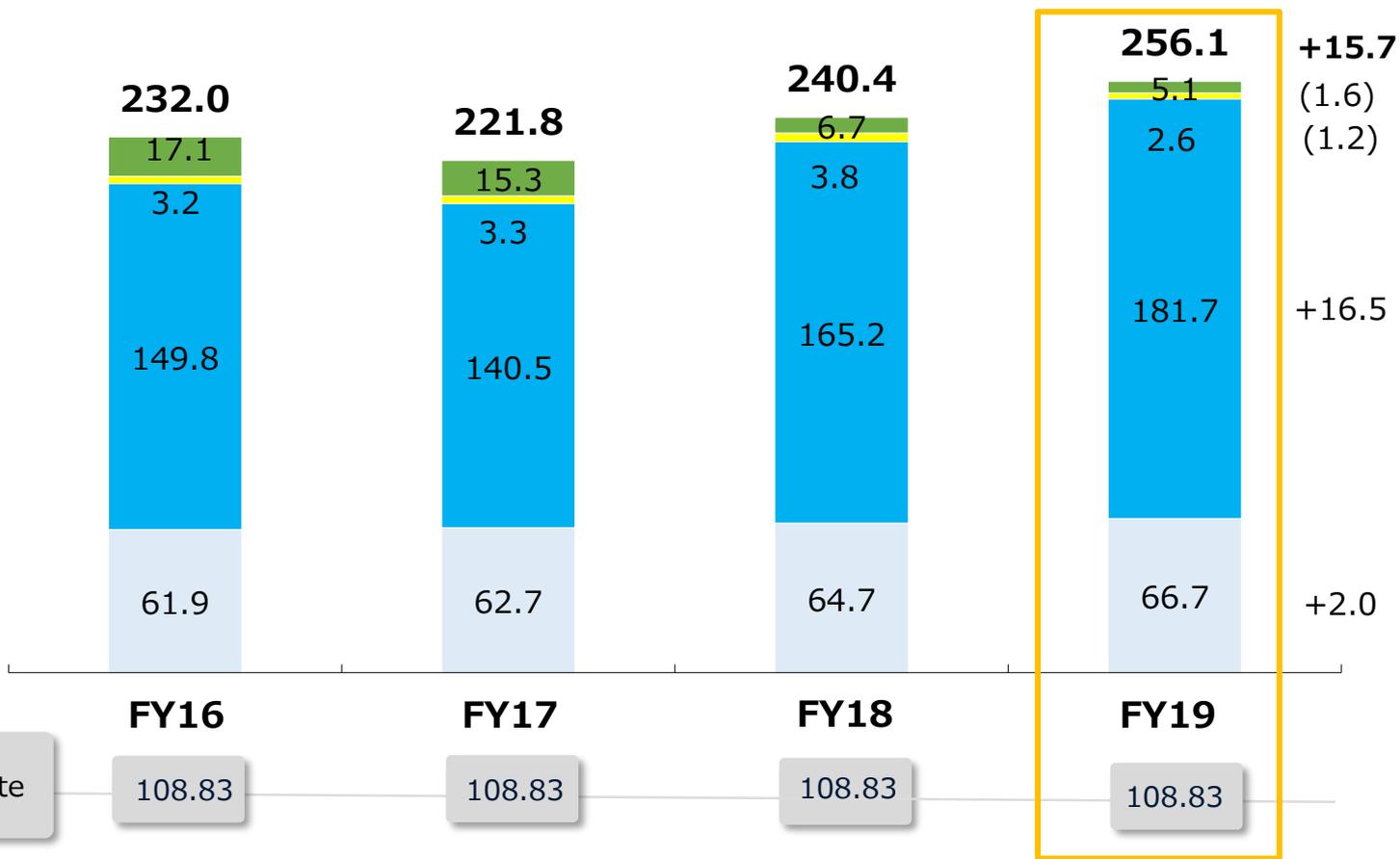
Exchange rate
at end of
each period
\$/¥

Appendix: Order Backlog Trend by Segment

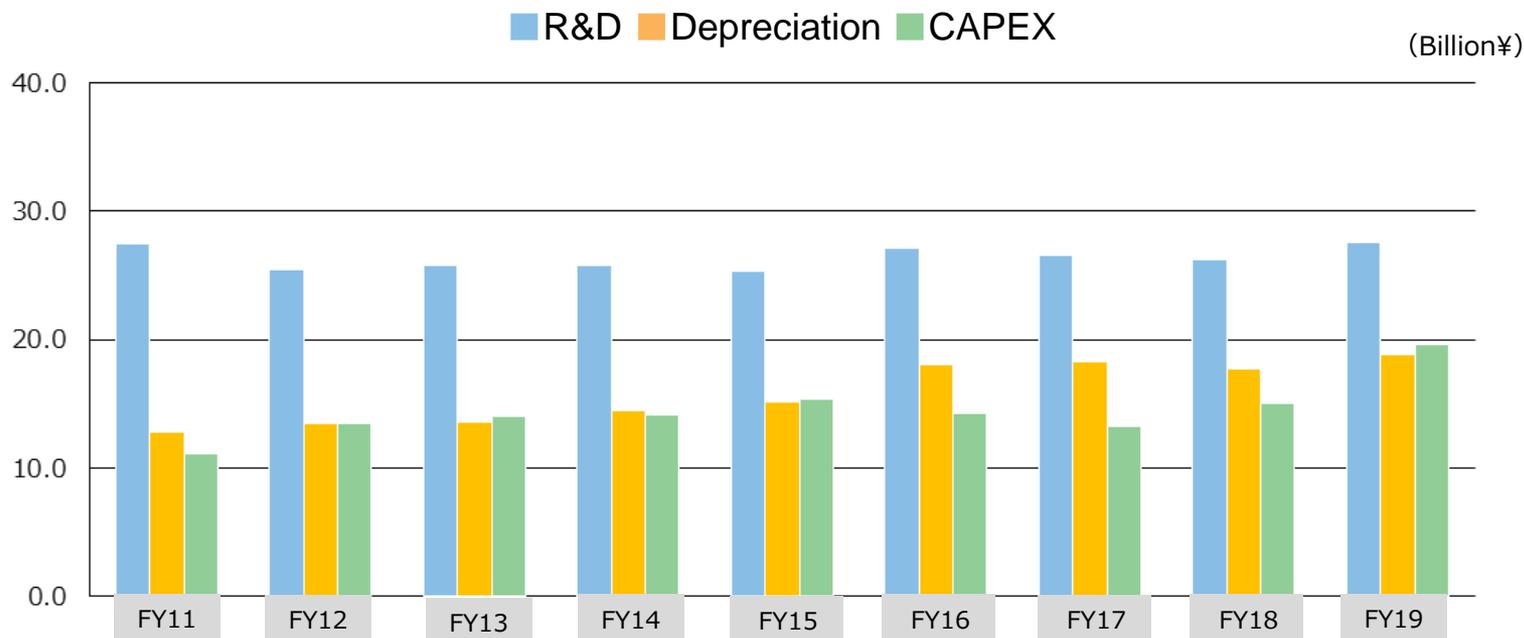
(Using FY19 4Q exchange rate)

(Billion¥)

Control (Japan) Control (Outside of Japan) Measurement Aviation and other



Appendix: Trend of R&D Expenses, Depreciation, and CAPEX

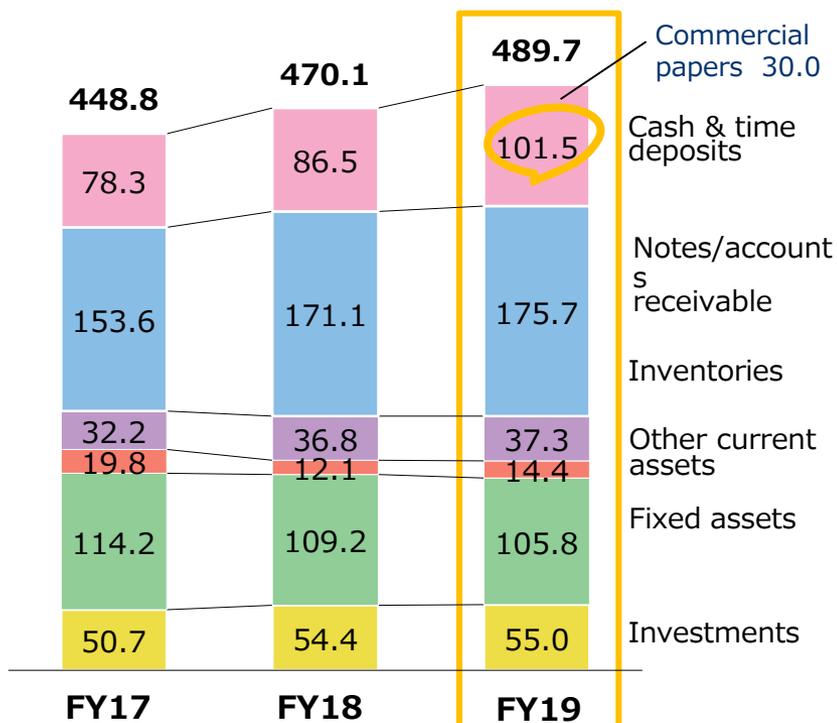


	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
R&D expenses (% of sales)	8.2%	7.3%	6.6%	6.4%	6.1%	6.9%	6.5%	6.5%	6.8%
Depreciation (% of sales)	3.8%	3.9%	3.5%	3.6%	3.6%	4.6%	4.5%	4.4%	4.6%
CAPEX (% of sales)	3.3%	3.9%	3.6%	3.5%	3.7%	3.6%	3.2%	3.7%	4.9%

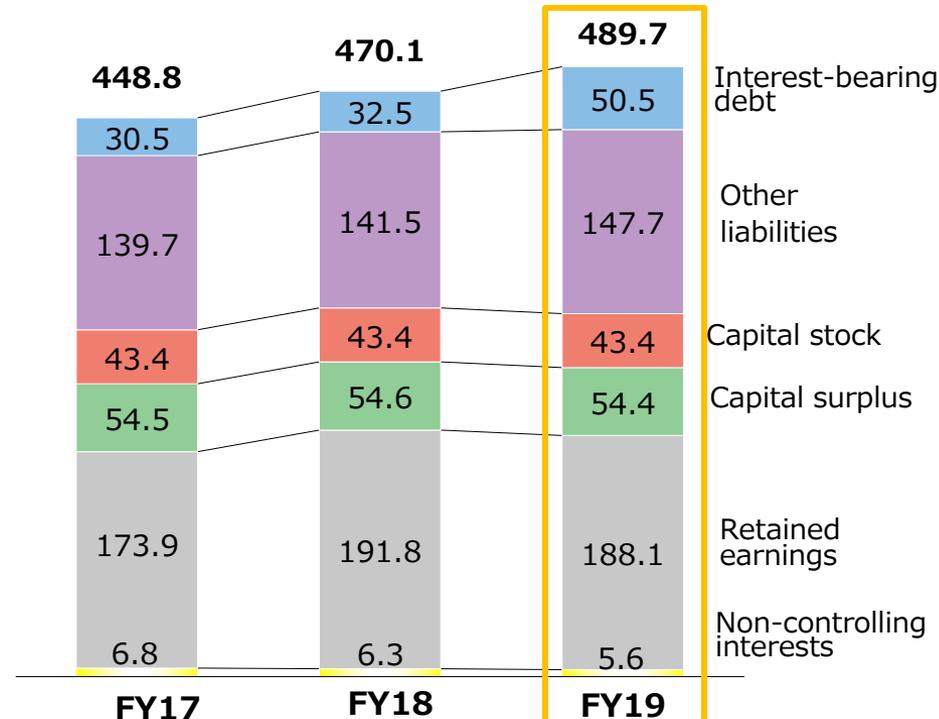
*The Group's consolidated subsidiaries outside Japan have adopted IFRS 16 (Leases) from FY19.

Appendix: Trend of Balance Sheet

Assets



Liabilities and equity



	FY17	FY18	FY19
Total asset turnover (ROA)	4.8%	6.2%	3.1%
Return on equity (ROE)	8.1%	10.1%	5.1%
Total asset turnover	0.91	0.88	0.84

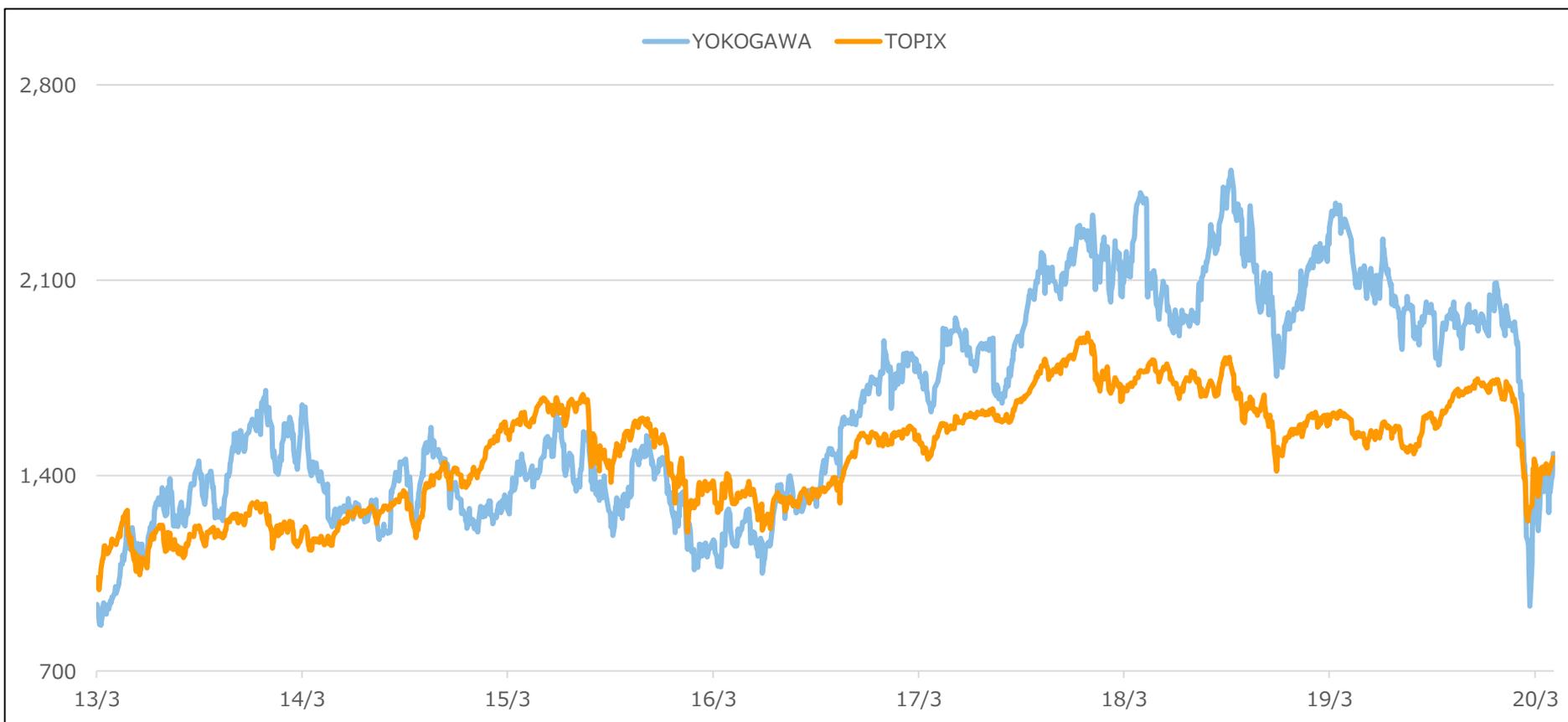
	FY17	FY18	FY19
Debt/equity ratio	11.2%	11.2%	17.7%
Shareholders' equity ratio	60.6%	61.7%	58.4%
Net assets per share (yen)	1,017	1,086	1,071

Impact of adoption of IFRS 16 (guidance on accounting of leases) vs FY18

(Debit) Property, plant and equipment/other +¥7.9 billion

(Credit) Current liabilities/other +¥1.9 billion, non-current liabilities/other +¥6.5 billion

Appendix: Trend of Stock Price



(Yen)

	13/3	14/3	15/3	16/3	17/3	18/3	19/3	19/6	19/9	19/12	20/3	20/4/30
Yokogawa	946	1,667	1,295	1,163	1,752	2,198	2,291	2,112	1,977	1,929	1,303	1,480
TOPIX	1,035	1,203	1,543	1,347	1,512	1,716	1,592	1,551	1,588	1,721	1,403	1,464

Yokogawa Electric Corporation

Financial Results for Fiscal Year 2019

Transformation 2020

~ Transform and achieve further growth ~

Hitoshi Nara

President and Chief Executive Officer

May 12, 2020

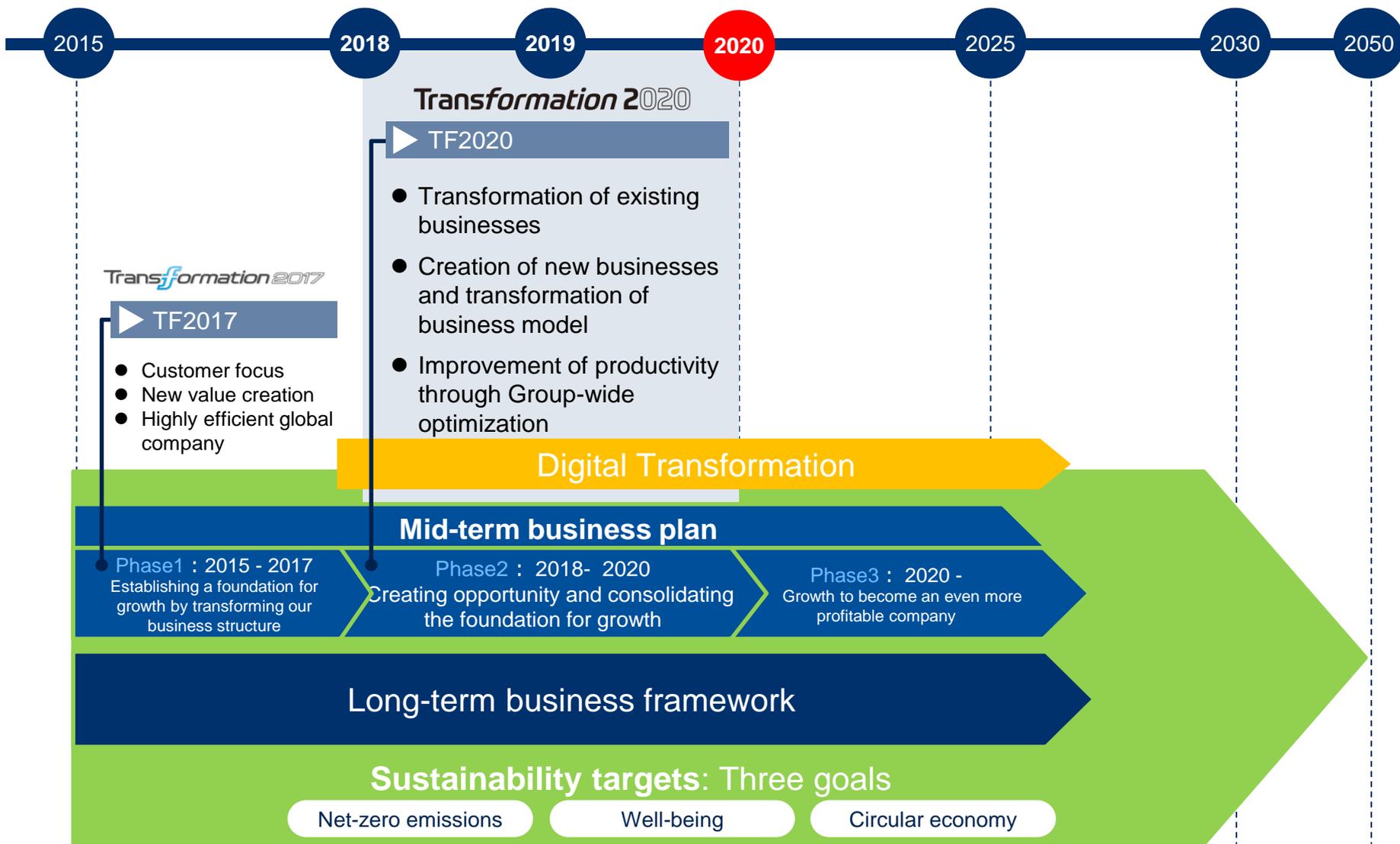
Yokogawa is keenly aware of the impact that the rapidly worsening COVID-19 pandemic is having on the global community.

Our thoughts are with those who have been afflicted with the virus and our heartfelt sympathies go out to all who have lost a loved one in this global pandemic.

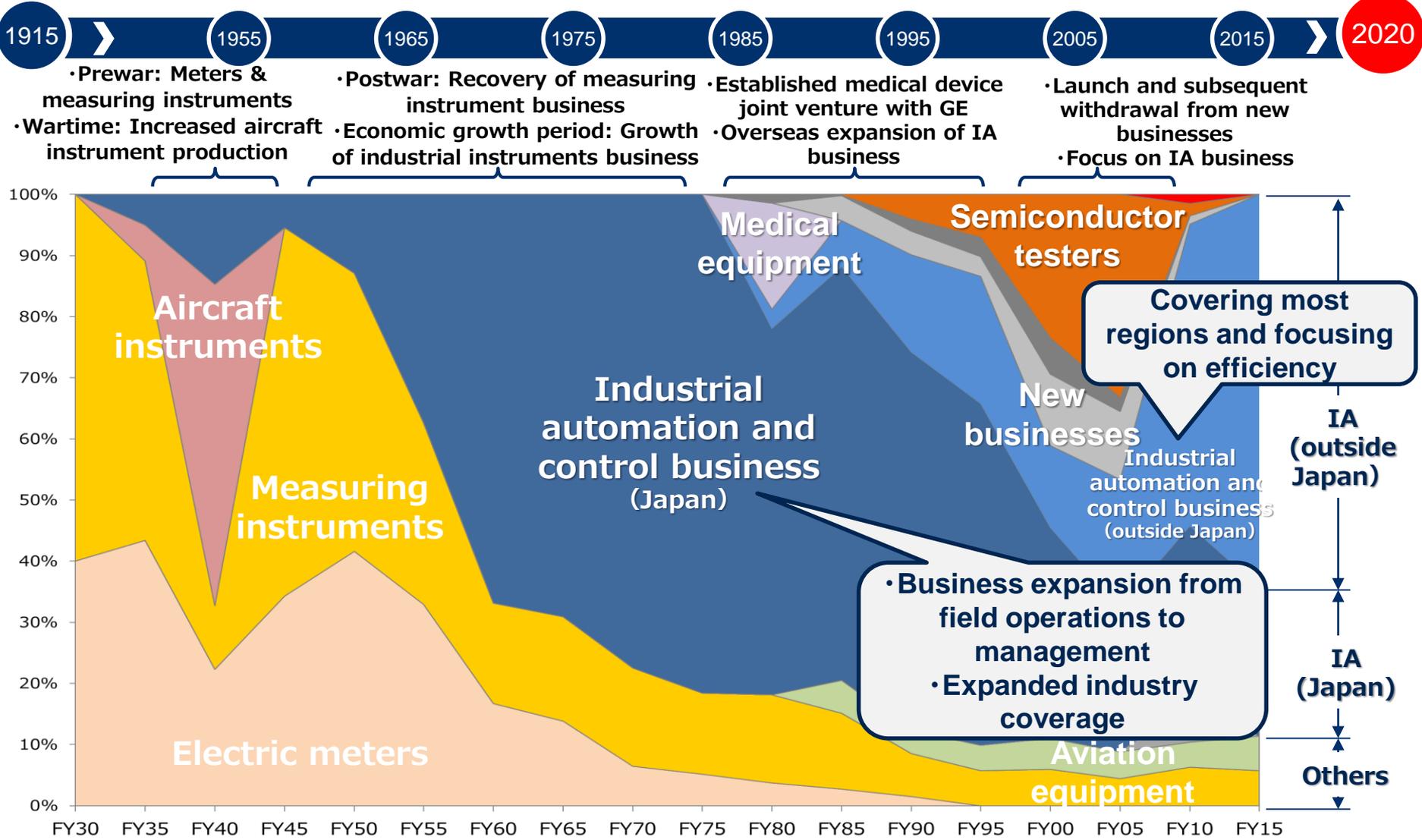
- Within the current situation, our top priorities are to do everything we can to minimize the spread of COVID-19, and continue providing the necessary level of service to customers.
- From the first signs of the outbreak, Yokogawa has been engaged in preventing transmission of the virus in affected areas. We have proactively introduced a range of measures, from monitoring the well-being of our employees and promoting workplace hygiene, to implementing restrictions on in-person meetings and travel, promoting teleworking, and requiring self-isolation for those who have travelled to affected regions. In order to minimize disruption to your business, in our manufacturing operations we are adapting our systems and processes to be able to respond flexibly to this very dynamic situation, and in our engineering and service operations we are utilizing technologies that enable us to support customers remotely.

- 1. Current Situation**
(Overview of mid-term business plan, history of transformation, changes in external environment)
- 2. Transformation 2020 (TF2020) mid-term business plan**
- 3. Yokogawa's Future**
- 4. Appendix**

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



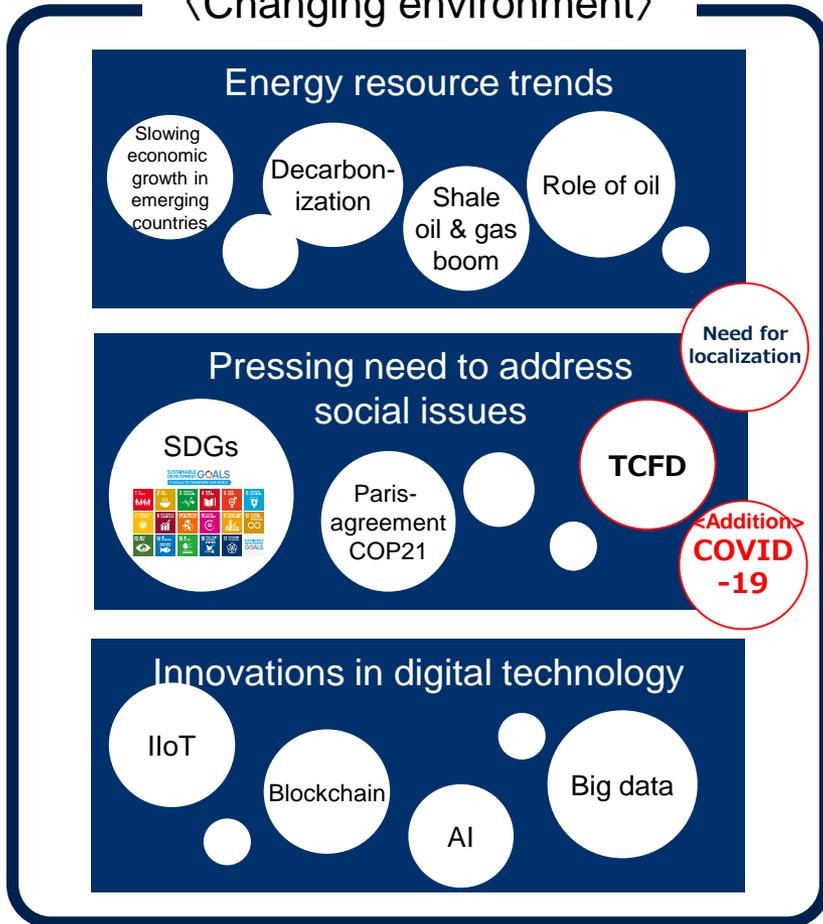
Composition of business 1930 ~ 2015



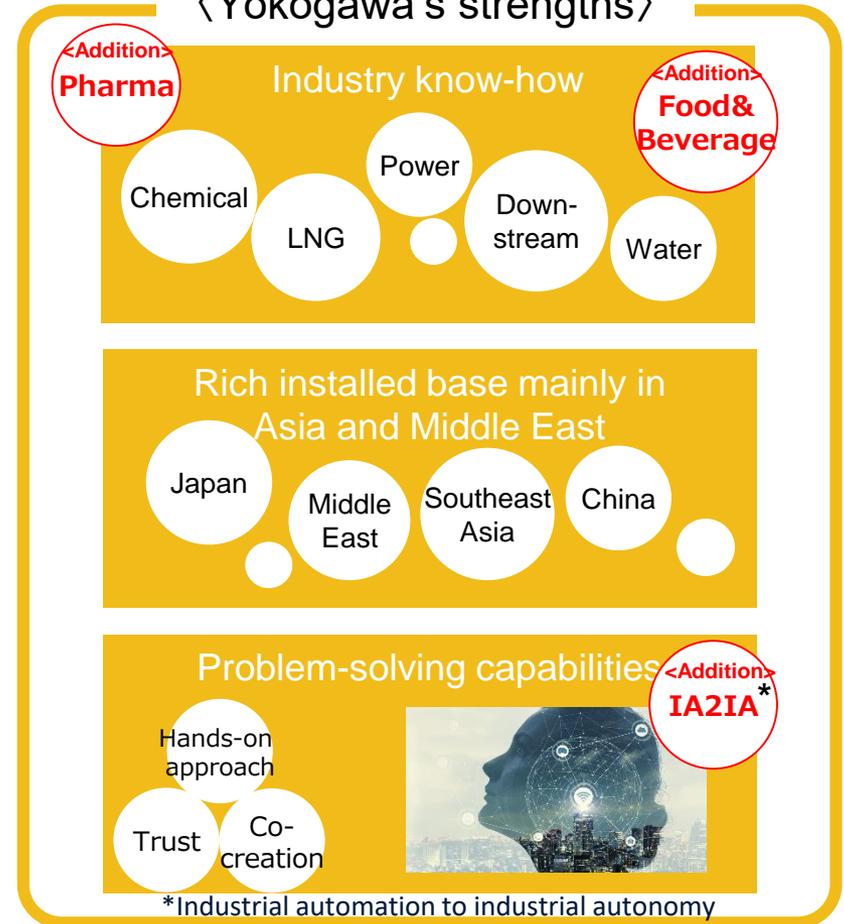
Changes to environment & Yokogawa's strengths <Updated>

- Accelerate shift to growth model that is not dependent on conventional energy resources.
- Making use of our strengths, pursue opportunities that will help our customers realize radical improvements in productivity.

<Changing environment>



<Yokogawa's strengths>

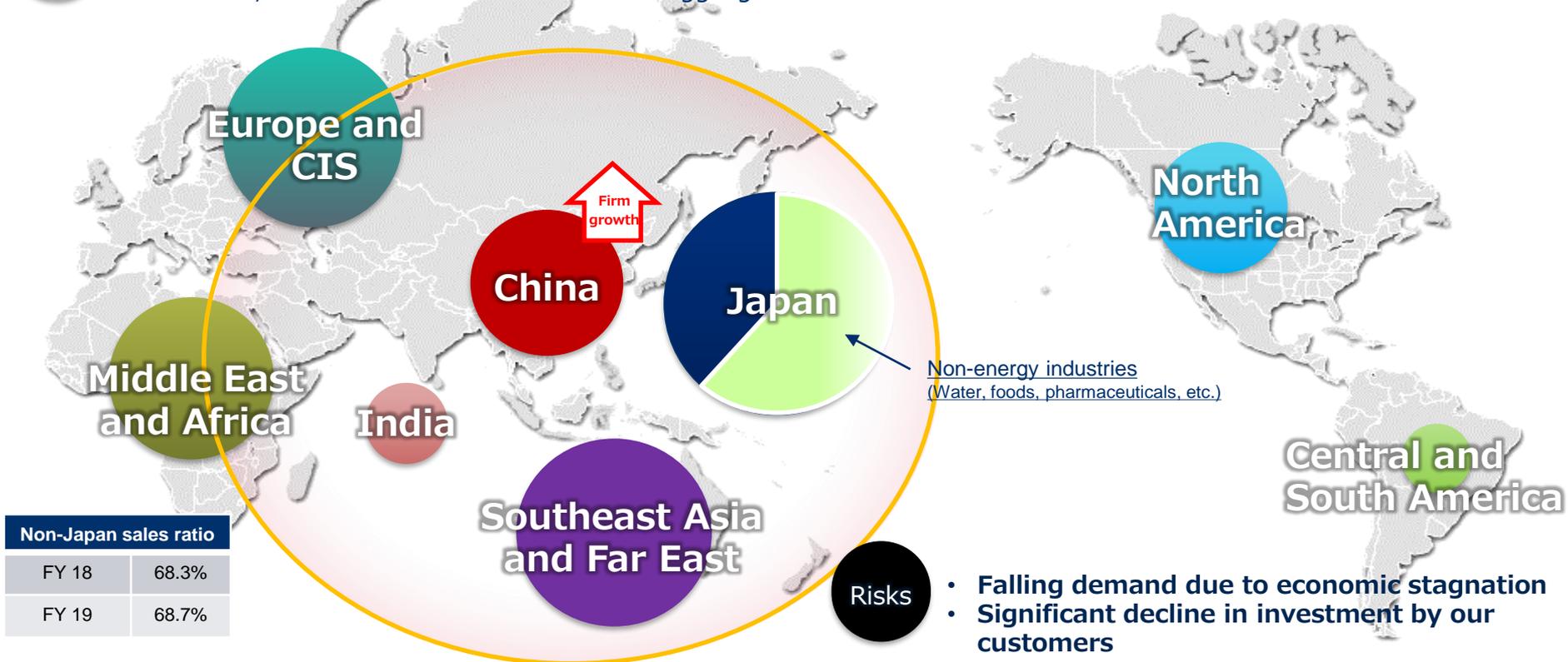


Current situation

Due to the impact of COVID-19, we face a highly uncertain business environment and capital investment (CAPEX) is generally weak; however, operating expenditure (OPEX) remains relatively firm.

Regions Even performance across all regions, despite difficult circumstances; our business in China remains on a relatively firm footing.

Industries Industry expansion: the chemicals industry is sound, and demand remains constant in the specialty chemicals sector. The water, food, and pharmaceutical industries report increased demand and strong sales. On the other hand, all oil-related industries are struggling



<Results achieved following integration of the two companies>

- Unique position established
Able to deliver value to customers through value chain and production optimization, asset management, and other means
- New models and solutions built thanks to integrated solutions of Yokogawa and KBC, and transformation of KBC
(e.g. Profit-driven Operation, Dynamic Real Time Optimizer)



Synergies are emerging.
10% growth in orders



<Issues>

COVID-19

- A changing market
 - ➔ Customers are struggling.
 - ➔ Oil price decline due to reduced demand
- Consulting business is struggling.
The technology business, on the other hand, is growing about 6% annually.
 - ➔ Inability to meet face-to-face
- Need for quick action
 - ➔ Building its business by such means as optimally allocating resources (by sharing people, experience, knowhow, etc.).
 - ➔ Transformation plan is being implemented.



Deviation from the business plan,
manifestation of risks, and once more the
recording of impairment losses



Current situation: Impact of COVID-19 (new opportunities)

- More engineering to be done remotely (DX → streamlining)
- Increase in number of remote maintenance contracts (DX → expansion of OPEX)
- Changing social needs → IA2IA: Industrial Autonomy → New growth opportunity

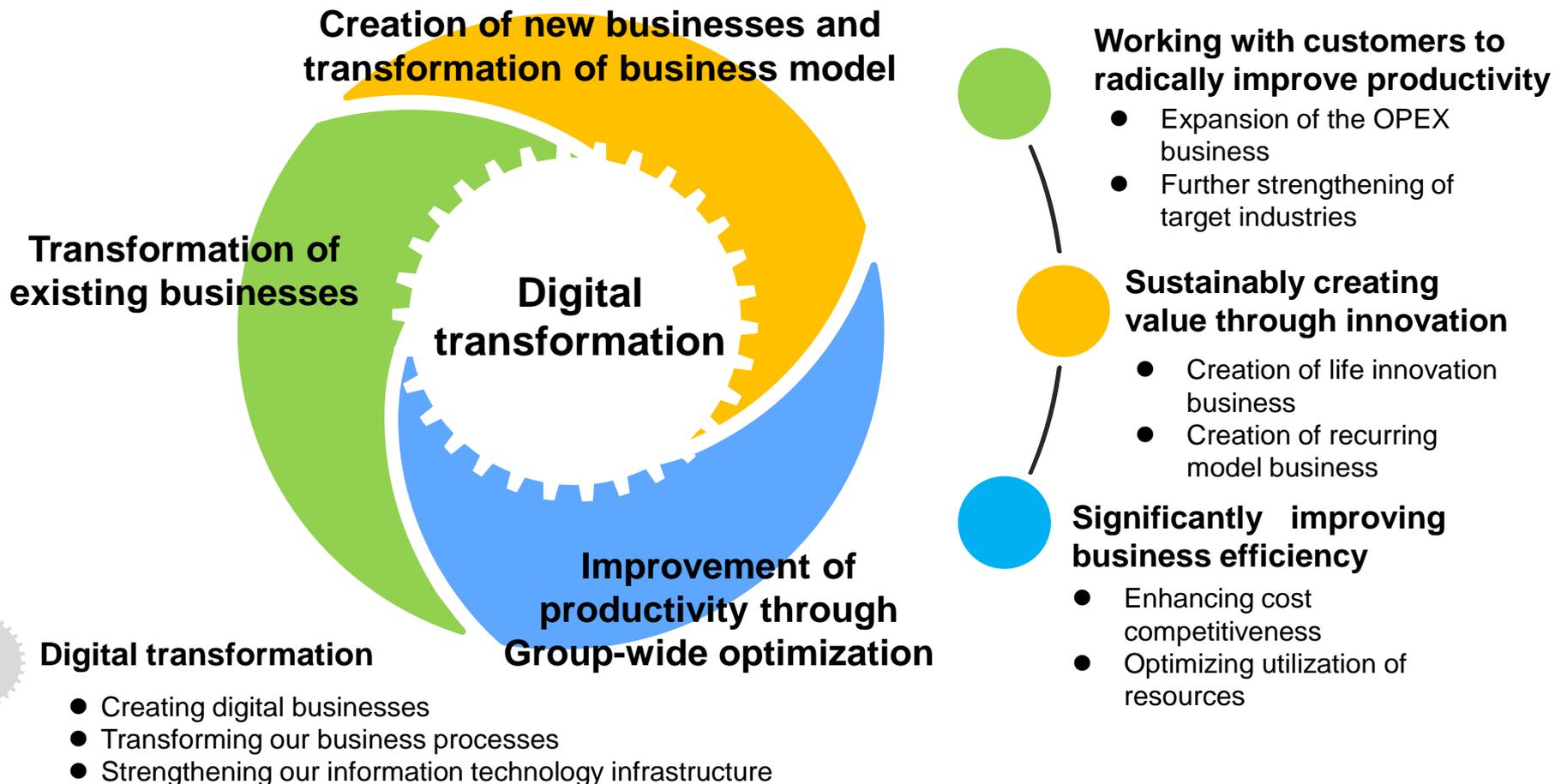


Initiatives for *Transformation 2020*

- **TF2020 basic strategy**
 - ① **Transformation of existing businesses**
 - ② **Creation of new businesses and transformation of business model**
 - ③ **Improvement of productivity through Group-wide optimization**
- **Digital transformation**

**Creating opportunities and
establishing a foundation for growth**

Transform our businesses to achieve a sustainable society.



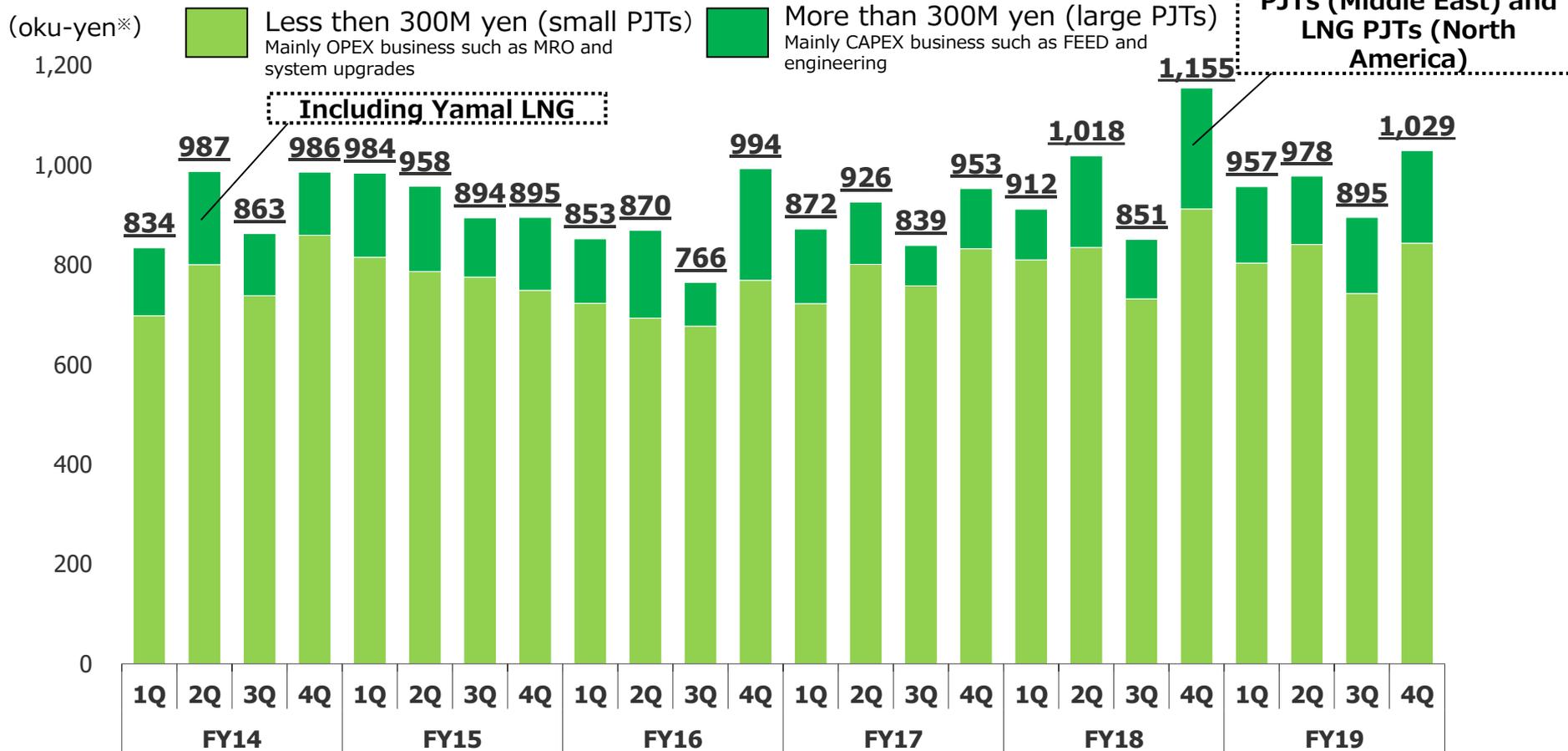
Strategic initiatives: Three basic strategies

Strategies	Goals	Status of Activities
 <p>Transformation of existing businesses</p>	<ul style="list-style-type: none"> • Focusing on our installed base to expand the OPEX business <ul style="list-style-type: none"> OPEX growth overseas: 7 to 10% per year  FY19 result: approx. 8% per year • Further strengthening in target industries (chemical, renewable energy) <ul style="list-style-type: none"> Targeted growth: 3 to 5% per year  FY19 result: approx. 12% per year 	<ul style="list-style-type: none"> • Started providing ERP solutions to manufacturers (Southeast Asia) • Collaborating with ExRobotics B.V. (Netherlands) • Received the largest-ever DX integration project order in collaboration with KBC (Middle East) • Signed strategic alliance agreement with Saudi Basic Industries Corporation (SABIC) • Took stake in all polymer battery maker APB • Large wind-power plant with Yokogawa control system comes online (Japan)
 <p>Creation of new businesses and transformation of business model</p>	<ul style="list-style-type: none"> • Creation of life innovation business Through new businesses, increase orders*  2 to 3 times by FY20 (compared to FY17 result of approx. 12 billion yen) FY19 result: Increased approx. 1.5 times (compared to FY17 result) *Orders for pharmaceutical and food industries • Moving to a recurring business model  	<ul style="list-style-type: none"> • Acquired nanopipette technology from US venture • Acquired Fluid Imaging Technologies, a provider of flow imaging particle analysis solutions • Took strategic stake in Sensire Ltd. (Finland) • Acquired Danish startup Grazer Technologies, specialists in AI for image analytics • Expanding provision of services by amnimo Inc. with focus on utilization of IIoT architecture 
 <p>Improvement of productivity through Group-wide optimization</p>	<ul style="list-style-type: none"> • Continuous cost reduction (production, logistics, and procurement)  • Optimization of organizational structure • Highly skilled personnel 	<ul style="list-style-type: none"> • Optimizing procurement and logistics costs • Expanding use of global delivery centers* • Introduced RPA to boost business efficiency • Executing business process outsourcing (BPO) • Utilization of Yokogawa University <p>*Formerly called <i>central engineering centers</i></p>

<Ref.> Control segment order trend, by project size

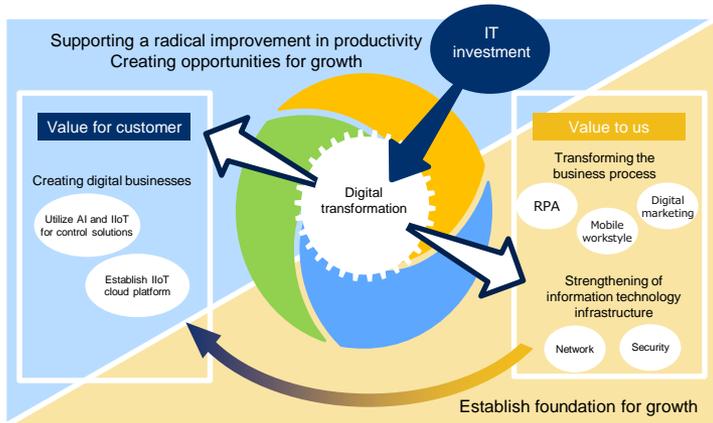
Large projects (300 million yen* or larger) account for only **10-15%** of control segment revenues.

* Approx. US\$3 million



	FY14				FY15				FY16				FY17				FY18				FY19			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
USD	101.71	103.53	107.7	110.58	121.78	121.75	121.63	119.99	108.53	102.91	107.64	108.95	111.42	111.29	111.77	110.7	109.53	110.72	111.34	111.07	109.67	108.67	108.9	108.96

Digital Transformation (DX)



Create value in-house that will allow us to deliver more value to our customers.

Strategy	Goals	Review
 <ul style="list-style-type: none"> • Creating digital businesses • Transforming our business processes • Strengthening our information technology infrastructure 	<p>Value for Yokogawa</p>  <p>Value for customer</p>	<ul style="list-style-type: none"> • Global optimization of application programs <ul style="list-style-type: none"> ➔ Reduced number of apps by more than 6% in FY19 • Speed up action to realize data-driven management through use of global data lake and BI tools <ul style="list-style-type: none"> ➔ Expanded use of BI tools by introducing global data lake • Implementation of hybrid cloud IT infrastructure <ul style="list-style-type: none"> ➔ Cloud implementation rate exceeded 50% in FY19 • Use of RPA to automate internal operations <ul style="list-style-type: none"> ➔ Reduced man-hours by over 70,000 hours • Launch of DX Platform Center in Digital Enterprise Business HQ to accelerate DX in all business HQs <ul style="list-style-type: none"> ➔ Plan to expand the mid-term lineup of cloud-type apps for customers' plants in cooperation with each business HQ. Started developing several apps • Expansion of line-up of service products that make use of plant data • Strengthening of security services business

Yokogawa's Future

- TF2020 management indicators
- FY20 basic policy
- Our Direction

TF2020 management indicators

We believe that we have made good progress (especially with control segment orders) over the past two years.

However, due to the impact of COVID-19, it may be necessary to revise our targets.

► Points

- Expanding business in focus areas and exceeding the market growth rate
- Increasing profitability regardless of what happens in external environment
- Reallocating management resources to focus areas
- Maximizing cash generation by increasing income and improving capital efficiency

► Targets

Order & sales growth	3 to 5%/year
EPS growth	7 to 9%/year*1
ROS	10% or more (FY20)
ROE	10% or more (FY20)
Organic FCF*2	85 billion yen or more (3 years, cumulative)

Exchange rate (1\$): 110 yen

*1 Excluding the FY17 impairment of goodwill, credit to allowance for doubtful accounts, and asset sales

*2 Free cash flow (FCF) + strategic investment
(3 year cumulative total of 70 billion yen)

◆ The FY20 forecast has not been finalized because the impact of COVID-19 on our business cannot be accurately predicted.

We will focus on **accelerating the implementation of the TF2020 strategies** (completion of measures and reaping of benefits). As such, we will undertake the following:

- ① **Set and review priority of TF2020 measures**
- ② **Achievement of further cost reductions through Group-wide optimization**
 - Prohibition of unnecessary / nonurgent expenses
 - Improvement of efficiency through means such as changing how work is performed, including the use of telework
- ③ **Remaining fiscally strong**
- ④ **Positioning our business for the post-COVID-19 world**
 - Responding to changes in social needs  Please see next slide

Positioning for the post-COVID-19 world

~The source of resilience that can withstand change~

Expanding **social needs after COVID-19**

Expanding demand by society and industries for solutions that enhance safety, security, productivity, efficiency, remotization, and autonomy

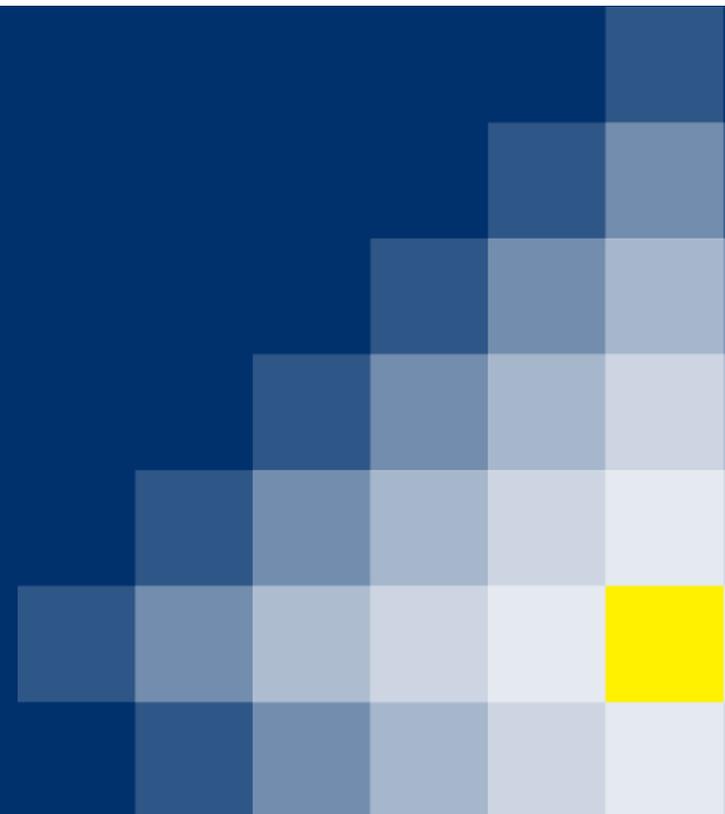


<Why Yokogawa can contribute (our strengths) >

- ① Yokogawa has core competencies in measurement, control, and information technologies that have a direct connection to addressing social issues (ESG, SDGs)
- ② We have continually transformed our business over the past 100+ years: it's in our corporate culture and our DNA.
- ③ We have established strong relationships based on trust with customers and other stakeholders (as evidenced by installed base, OPEX business, maintenance contracts, order backlog, etc.)

- **We are a resilient company with the power to withstand COVID-19.**
- **Our business is centered on areas that will grow in the post-COVID-19 world.**
- **We are set on building a sustainable society and creating new opportunities for growth.**

Co-innovating tomorrow™



Sustainability goals (Three goals)

Through our business activities, we aim to make the world a better place for future generations.

·YOKOGAWA supports recommendations of the Task Force on Climate-related Financials Disclosures (March, 2019).

<p>Vision toward 2050 (Three goals)</p>	<p>Stopping climate change</p> <p>Net-zero Emissions</p> 	<p>Quality life for all</p> <p>Well-being</p> 	<p>Circulation of resources and efficiency</p> <p>Circular Economy</p> 
<p>Mid-term targets for 2030</p>	<p>Avoided CO₂ emissions: 1 billion tons (Cumulative from FY2018 to 2030)</p>	<p>Safety and health value creation: 1 trillion yen (FY 2030)</p>	<p>Resource efficiency improvement: 1 trillion yen (FY 2030)</p>
<p>Business focus areas and overview of value creation stories</p>	<p>Renewable and low-carbon energy</p> <p>Contribute to avoid CO₂ emissions through offering of renewable energy and LNG solutions.</p>	<p>Life innovation and safety</p> <p>Support people's health and prosperity through provision of life-innovation solutions assurance of safe and comfortable workplaces.</p>	<p>Energy saving and resources</p> <p>Contribute to sustainability and economic growth through stable and efficient operation and resource regeneration.</p>
<p>SDGs item</p>	 	  	   

Enhancement of corporate governance

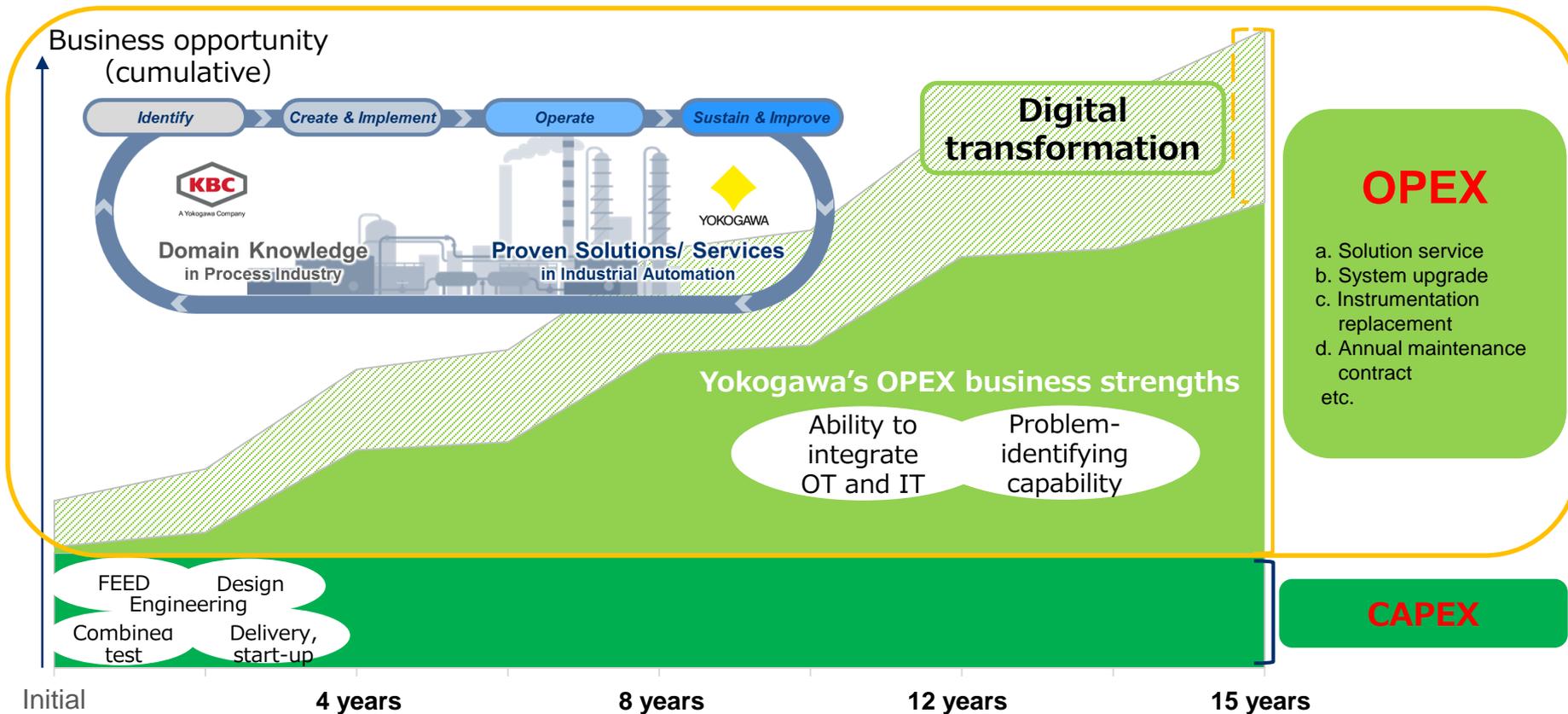
(shareholders meeting to be scheduled on June, 2020)

Year	Action	Directors			Auditors		Officers	
		Inside	Outside	Outside %	Inside	Outside	Japanese	Foreigner
2003	Introduced outside directors	7	1	13%	2	2	24	0
2004	Abolished retirement bonuses for directors	7	1	13%	2	3	24	0
2005		7	1	13%	2	3	26	0
2006	Introduced one year tenure system for directors and revised articles of incorporation to reduce number of directors (25⇒15)	9	1	10%	2	3	27	0
2007	Increased number of outside directors Introduced takeover defense measures	8	2	20%	2	3	29	0
2008		7	2	22%	2	3	30	0
2009	Increased number of outside directors Renewed takeover defense measures	7	3	30%	2	3	15	0
2010		5	3	38%	2	3	13	1
2011	Renewed takeover defense measures Sold shares of a listed affiliate	4	3	43%	2	3	14	1
2012		4	3	43%	2	3	11	1
2013		4	3	43%	2	3	13	0
2014	Established Nomination and Compensation Committee (voluntary advisory body) Discontinuation (non-renewal) of takeover defense measures Introduced standards to ensure independence of outside directors	6	3	33%	2	3	13	0
2015	Established Nomination Advisory Committee and Compensation Advisory Committee (voluntary advisory bodies) Conducted outside evaluation of Board of Directors Established Yokogawa Corporate Governance Guidelines	6	3	33%	2	3	11	0
2016	Increased number of outside directors Introduced a Restricted Stock Compensation Plan	6	4	40%	2	2	12	0
2017	Appointed a woman as an outside member of the Audit & Supervisory Board Appointed 2 foreign nationals as officers	6	4	40%	2	3	15	2
2018	Abolished the Senior Advisor, Advisor, and Honorary Corporate Associate Positions Appointed an outside director as chairman of the Board Introduced new performance-linked stock compensation plan (PSU plan)	5	4	44%	2	3	14	3
2019	Selected foreign national as director for the first time Outside director to be appointed for position of chairman of Board of Directors (Foreign nationality 1)	4	4	50%	2	3	15	3
2020	Continuous strengthening of current system (Foreign nationality 1)	4	4	50%	2	3	15	3

<Yokogawa Business Model>

Sustainable growth by balancing CAPEX and OPEX business

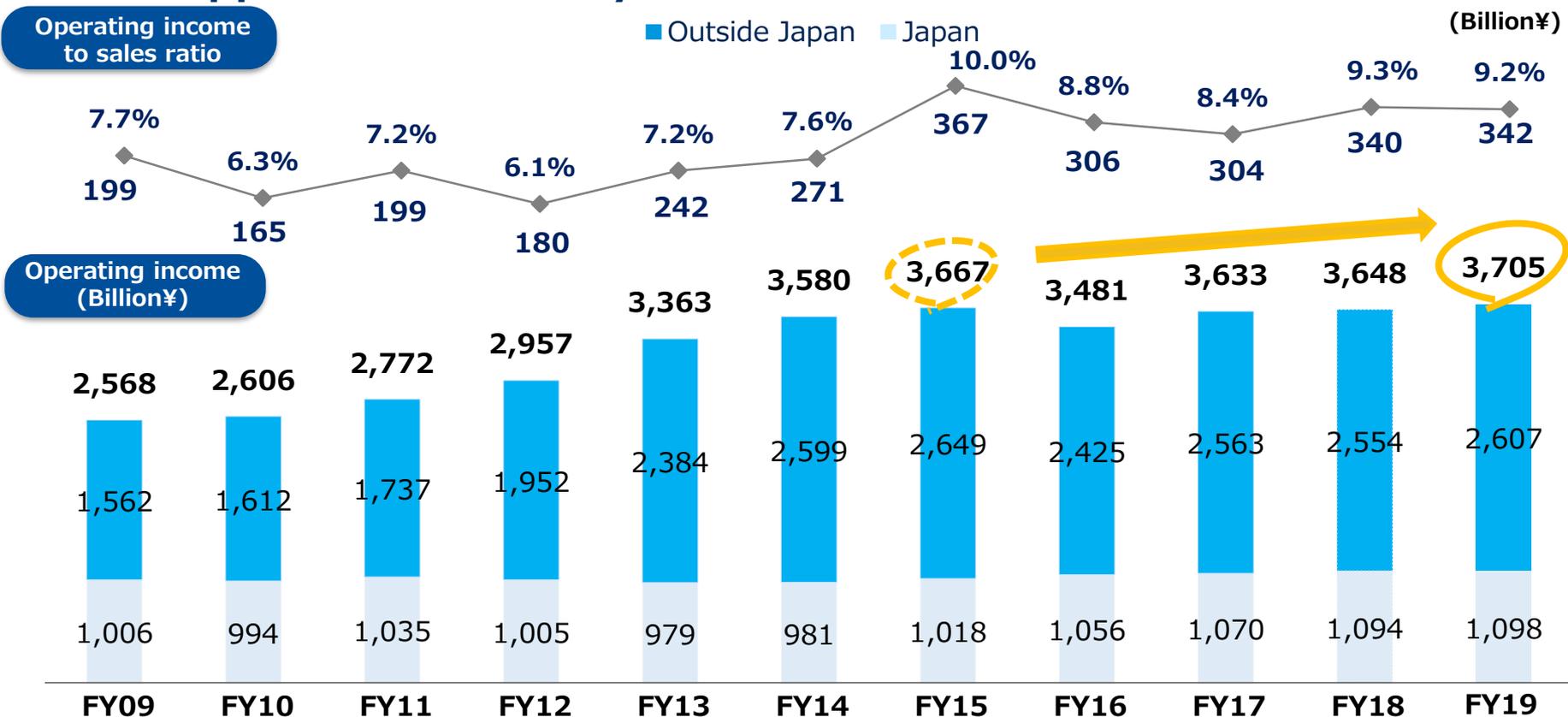
- Focus on OPEX business over long-term (OPEX business is cumulative)
- The CAPEX business fluctuates by market trend and customer situation, but plays an essential role in generating OPEX business opportunities. To increase CAPEX orders, we need to develop new business areas.



Over entire facility lifecycle, continue to provide support and propose solutions that capitalize on Yokogawa's strengths.

Appendix: Trend of global sales in control segment

Control sales have reached a new high despite the appreciation of the yen and COVID-19.

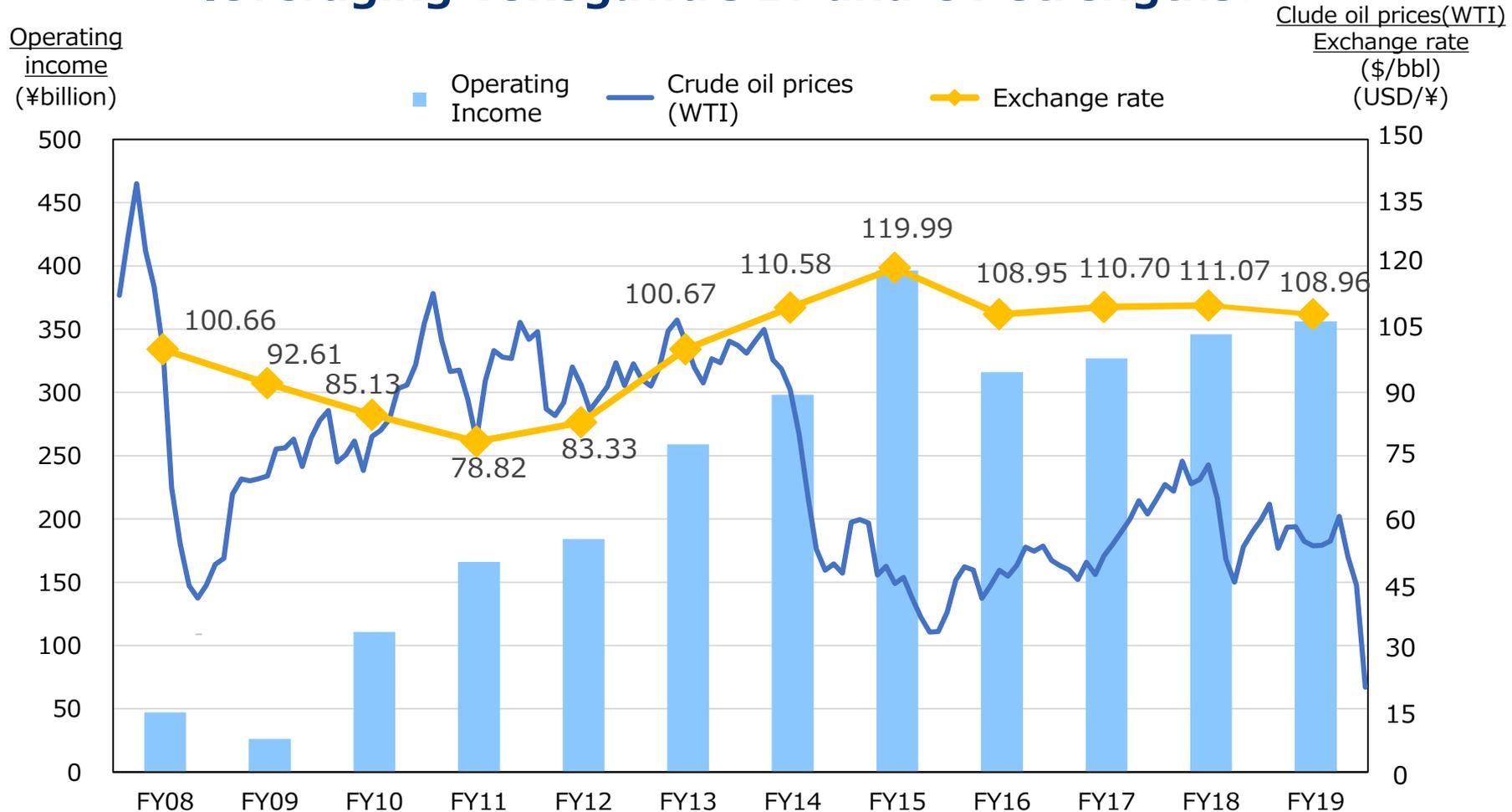


<Exchange rate>

US\$(¥)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
	92.61	85.13	78.82	83.33	100.67	110.58	119.99	108.95	110.70	111.07	108.96

Appendix: A company that is profitable regardless of what happens in the external environment (more resilient)

Achieve sustainable growth and address social issues by leveraging Yokogawa's IT and OT strengths.



Appendix: News (from February 5 to May 12)

Feb.

Yokogawa has made it onto CDP's Water Security A List and Supplier Engagement Leader Board



Mar.

Yokogawa takes a stake in all polymer battery maker APB to drive expansion of energy management system business

Yokogawa releases SU10 Single Cellome unit for use in biological research

Yokogawa acquires Danish startup Grazper Technologies, specialists in AI for image analytics

Yokogawa wins order to provide control system and field instruments for gas-fired power plant in Turkmenistan



Single Cellome Unit(SU10J)

Apr.

Large wind-power plant with Yokogawa control system comes online in Japan

Yokogawa releases AI-enabled versions of SMARTDAC+ paperless recorders and data logging software, and environmentally robust AI-enabled e-RT3 Plus edge computing platform for industry applications

Yokogawa acquires Fluid Imaging Technologies, a provider of flow imaging particle analysis solutions



FlowCam flow imaging cytometer and particle analyzer

Note: The month for each news item indicates when it was published.

Appendix: Yokogawa's Main ESG Indexes

As of April 2020

DJSI-Asia Pacific
 FTSE4Good Index Series
 FTSE Blossom Japan Index
 MSCI ESG Ratings AA
 MSCI ESG Leaders Indexes
 MSCI Japan ESG Select Leaders Index
 MSCI Japan Empowering Women Index
 CDP Water Security A List
 CDP Supplier Engagement Leader Board
 SNAM Sustainability Index
 S&P/JPX Carbon Efficient Index

MEMBER OF
**Dow Jones
 Sustainability Indices**



In collaboration with a RobecoSAM brand



FTSE4Good



FTSE Blossom
 Japan



CCC B BB BBB A AA AAA

MSCI

2019 Constituent
 MSCI ESG
 Leaders Indexes

MSCI

MSCI Japan ESG
 Select Leaders Index

MSCI

MSCI Japan Empowering
 Women Index (WIN)

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The information pertaining to our business plans and forecasts that has been provided in this presentation and at analyst meetings contains forward-looking statements that are based on our management's current knowledge and require the making of assumptions about future events.

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The information has not been restated to reflect the revision of the initially allocated acquired costs that was decided upon finalization of the tentative accounting treatment and application of the "Partial Amendments to Accounting Standard for Tax Effect Accounting."

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