

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

June 2, 2020

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

Notice of 2020 Annual General Meeting of Shareholders

Dear Shareholder:

Yokogawa Electric Corporation (hereinafter the Company) hereby announces that the 2020 Annual General Meeting of Shareholders will be held as per the schedule below.

Recently, the government and prefectural governors have been strongly requesting the public to voluntarily refrain from going outside to prevent the growing spread of infections of the novel coronavirus disease (COVID-19). After careful consideration in response to this situation, we have decided to hold this Annual General Meeting of Shareholders while implementing appropriate preventive measures.

In view of the situation where the self-restraint of going out has been strongly requested, for this Annual General Meeting of Shareholders, **you are strongly urged to exercise your voting rights in advance by mail, via the Internet, or by other means as much as possible and refrain from attending on the day of the meeting, regardless of your health condition**, from the perspective of prevention of the infection spread. 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.

Sincerely,

Hitoshi Nara
President and CEO

1. Time & Date: 10:00 a.m. (Japan time), Wednesday, June 24, 2020

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

This year, because seats will be more well-spaced to prevent the spread of infections, the number of seats prepared will be much less than usual (approximately 20 seats at a maximum). Accordingly, please note that we may have to turn down your entry, even if you come to the venue on the day. We appreciate your understanding.
Depending on the spread of COVID-19 infections, the venue or start time may be necessarily changed. In this case, the information will be posted on the Company's website (<https://www.yokogawa.com/>) on the Internet. Please make sure to check the Company's website in advance even if you attend on the day.

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 & Supervisory Board for fiscal year 2019 (April 1, 2019 to March 31, 2020)
- 2: Non-consolidated financial statements for fiscal year 2019 (April 1, 2019 to March 31, 2020)

Items to be resolved

Item 1: Disposition of Surplus

Item 2: Election of Eight (8) Directors

Item 3: Election of Two (2) Audit & Supervisory Board Members

[Vote by mail]

Indicate “for” or “against” for each agenda item shown on the enclosed voting form and return it promptly to ensure its arrival **no later than 5:00 p.m. on Tuesday, June 23, 2020, 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 enclosed voting form.

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 Tuesday, June 23, 2020, Japan time.**

For more details, please refer to the Instructions for Internet Voting on page 46.

[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/>).

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 the following dividend payment. With this, the annual dividend per share for the year, including the interim dividend of 17 yen, will be 34 yen, an increase in the annual dividend by two 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

17 yen per common share of the Company

Total amount of payout is 4,537,872,985 yen.

(3) Effective date of dividend payout


June 25, 2020


Item 2: Election of Eight (8) Directors


At the conclusion of this General Meeting of Shareholders, the terms of office for eight (8) Directors will expire. The Company proposes to elect a total of eight (8) Directors, including four (4) Outside Directors.


The Director candidates have been nominated upon referencing a report of the Company's Nomination Advisory Committee, over half of whose members are Outside Directors, and based on "The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers," stipulated by the Company.


Information on the eight (8) Director candidates is provided below.


Candidate number	Name Date of birth	Brief history, position and area of responsibility, and significant concurrent positions	Number of Company shares owned by the candidate
1	 <p>Takashi Nishijima (Aug. 12, 1957)</p> <p>Reelection Candidate</p>	<p>Apr. 1981 Joined Hokushin Electric Works Ltd. (the present Yokogawa Electric Corporation)</p> <p>Oct. 2008 Vice President, Head of Control Products Business Center, IA Business Headquarters</p> <p>Apr. 2010 President of Yokogawa Meters & Instruments Corporation (the present Yokogawa Test & Measurement Corporation)</p> <p>Jun. 2011 Director of the Company, President of Yokogawa Meters & Instruments Corporation (the present Yokogawa Test & Measurement Corporation)</p> <p>Apr. 2012 Director and Senior Vice President, Head of IA Platform Business Headquarters</p> <p>Apr. 2013 President and Chief Operating Officer</p> <p>Apr. 2015 President and Chief Executive Officer</p> <p>Apr. 2019 Chairman (present)</p>	70,998 shares
<p>Number of years since appointment as a Director 9 years (at the conclusion of this AGM)</p> <p>Attendance of Board of Directors Meetings Present at 14 of the 14 meetings (FY2019) (100%)</p> <p>The reason for election as a Director candidate</p> <p>Mr. Takashi Nishijima properly supervises management as a Director. He has been responsible for the management of the Company as President and Chief Operating Officer since FY2013 and as Chairman since FY2019 after being engaged in product planning and development in the Company's industrial automation and control business and department management and serving as President of a subsidiary in the test and measurement business, and has abundant experience and track records as a corporate manager. Because he is expected to continuously contribute to improvement of corporate value and strengthening of the decision-making function and the management supervision function of the Board of Directors by utilizing his experience in management and track records, his election as a Director is being requested.</p> <p>In addition, please refer to page 14 for "The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers."</p>			
Note: There is no special interest between the Mr. Takashi Nishijima and the Company.			


Candidate number	Name Date of birth	Brief history, position and area of responsibility, and significant concurrent positions	Number of Company shares owned by the candidate
2	 Hitoshi Nara (Jan. 23, 1963) <div>Reelection Candidate</div>	<div>Apr. 1985 Joined the Company</div> <div>Oct. 2001 Deputy Managing Director of Yokogawa Engineering Asia Pte. Ltd.</div> <div>Oct. 2003 Managing Director of Yokogawa (Thailand) Ltd.</div> <div>Jan. 2007 Head of Sales Div. I, Industrial Solutions Business Headquarters of the Company</div> <div>Apr. 2010 Senior Vice President, Head of Industrial Solutions Business Headquarters</div> <div>Jun. 2011 Director and Senior Vice President, Head of Industrial Solutions Business Headquarters</div> <div>Apr. 2012 Director and Senior Vice President, Head of Industrial Solutions Service Business Headquarters</div> <div>Apr. 2013 Director of the Company, President of Yokogawa Solution Service Corporation</div> <div>Apr. 2017 Director and Executive Vice President, Chief Executive for Japan and Korea, and President of Yokogawa Solution Service Corporation</div> <div>Apr. 2018 Director and Executive Vice President, Head of Life Innovation Business Headquarters</div> <div>Apr. 2019 President and Chief Executive Officer (present)</div>	22,486 shares
	<div>Number of years since appointment as a Director 9 years (at the conclusion of this AGM)</div> <div>Attendance of Board of Directors Meetings Present at 14 of the 14 meetings (FY2019) (100%)</div> <div>The reason for election as a Director candidate</div> <div>Mr. Hitoshi Nara properly supervises management as a Director. He has spearheaded the execution of business as President and Chief Executive Officer since FY2019 after being engaged in operations for the sales department of the Company’s industrial automation and control business, serving as President of domestic and overseas subsidiaries and working on the launch of new business, and has abundant experience and track records as a corporate manager. Because he is expected to continuously contribute to improvement of corporate value and strengthening of the decision-making function and the management supervision function of the Board of Directors by utilizing his experience in management and track records, his election as a Director is being requested.</div> <div>In addition, please refer to page 14 for “The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers.”</div>		
Note: There is no special interest between the Mr. Hitoshi Nara and the Company.			


Candidate number	Name Date of birth	Brief history, position and area of responsibility, and significant concurrent positions	Number of Company shares owned by the candidate
3	 Junichi Anabuki (Mar. 18, 1963) <div>Reelection Candidate</div>	Apr. 1986 Joined Fukutoku Sogo Bank, Ltd. Mar. 1992 Joined the Company Jan. 2005 General Manager, Treasury Department Apr. 2011 Vice President, Head of Accounting & Treasury Headquarters Jun. 2014 Director and Vice President, Head of Accounting & Treasury Headquarters Apr. 2016 Director and Senior Vice President, Head of Accounting & Treasury Headquarters Apr. 2018 Director and Senior Vice President, Head of Corporate Administration Headquarters Apr. 2019 Director and Executive Vice President, Head of Corporate Administration Headquarters (present)	20,640 shares
	Number of years since appointment as a Director 6 years 		

Candidate number	Name Date of birth	Brief history, position and area of responsibility, and significant concurrent positions	Number of Company shares owned by the candidate
4	 <p>Yu Dai (Feb. 25, 1963)</p> <p>Reelection Candidate</p>	<p>Aug. 1990 Joined SINOPEC Yangzi Petrochemical Corporation</p> <p>Jan. 1994 Deputy Project Director at Yangzi-BASF Styrenics Company Ltd.</p> <p>Jun. 1998 Project Director of BASF/SINOPEC JV Integrated Petrochemical Site (IPS) Project at SINOPEC</p> <p>Apr. 2001 GM of Base Chemicals Division at BASF-YPC Company Ltd.</p> <p>Jan. 2003 Low Olefins Plant Manager at CNOOC and Shell Petrochemical Company Ltd.</p> <p>Nov. 2006 GM of Base Chemicals for Asia Pacific / Middle East at Shell Chemicals</p> <p>Jan. 2009 Project GM at Shell China</p> <p>Nov. 2012 CEO of Jurong Aromatics Corporation Pte. Ltd.</p> <p>Oct. 2015 Joined Yokogawa Electric International Pte. Ltd. GM of China Sales Strategy Center</p> <p>Apr. 2016 President of Yokogawa China Investment Co., Ltd. President of Yokogawa China Co., Ltd.</p> <p>Apr. 2017 Vice President of the Company, Chief Executive for ASEAN and Pacific, and President of Yokogawa China Investment Co., Ltd.</p> <p>Apr. 2019 Senior Vice President of the Company, Head of Digital Enterprise Business Headquarters</p> <p>Jun. 2019 Director and Senior Vice President of the Company, Head of Digital Enterprise Business Headquarters (present)</p>	0 shares
<p>Number of years since appointment as a Director 1 year (at the conclusion of this AGM)</p> <p>Attendance of Board of Directors Meetings Present at 10 of the 10 meetings (FY2019) (100%) *Since he assumed the position on June 25, 2019</p> <p>The reason for election as a Director candidate</p> <p>Mr. Yu Dai properly supervises management as a Director. He experienced administrative operations for projects and corporate management at several global companies in petroleum and chemical industries, then became the Chief Executive of subsidiary in the ASEAN and Pacific region, currently leads the solution business, one of core businesses in the industrial automation and control business, and has abundant experience and track records. Because he is expected to contribute to improvement of corporate value and strengthening of the decision-making function and the management supervision function of the Board of Directors by utilizing his wide experience and knowledge, his election as a Director is being requested.</p> <p>In addition, please refer to page 14 for “The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers.”</p>			
Note: There is no special interest between the Mr. Yu Dai and the Company.			

Candidate number	Name Date of birth	Brief history, position and area of responsibility, and significant concurrent positions	Number of Company shares owned by the candidate
5	<div></div> <div>Noritaka Uji (Mar. 27, 1949)</div> <div>Reelection Candidate</div> <div>Candidate of Outside Director</div> <div>Candidate of Independent Officer</div>	<div>Apr. 1973 Joined Nippon Telegraph and Telephone Public Corporation (the present Nippon Telegraph and Telephone Corporation)</div> <div>Jun. 1999 Director of NTT DATA Corporation Head of New Generation Information Services Sector</div> <div>Sep. 2000 Director of NTT DATA Corporation Head of Corporate Strategy Planning Department</div> <div>Jun. 2003 Executive Vice President of NTT DATA Corporation Head of Enterprise Systems Sector and Head of Enterprise Business Sector</div> <div>Jun. 2005 Representative Director and Executive Vice President of NTT DATA Corporation</div> <div>Jun. 2007 Senior Executive Vice President of Nippon Telegraph and Telephone Corporation</div> <div>Jun. 2012 Advisor of Nippon Telegraph and Telephone Corporation (retired in June 2017)</div> <div>Jun. 2014 Director of the Company (present)</div>	1,115 shares
	<div>Significant concurrent positions</div> <div>Outside Director of DAIICHI SANKYO COMPANY, LIMITED</div> <div>Outside Director of Gallery Abarth Inc.</div> <div>Honorary chairman of Japan Telework Association</div> <div>Honorary chairman of Japan Institute of Information Technology</div> <div>Number of years since appointment as a Director 6 years (at the conclusion of this AGM)</div> <div>Attendance of Board of Directors Meetings Present at 14 of the 14 meetings (FY2019) (100%)</div> <div>The reason for election as an Outside Director candidate</div> <div>Mr. Noritaka Uji properly supervises management as an Outside Director. His election as an Outside Director is being requested so that he can contribute to greater operational fairness, objectivity, and transparency with respect to supervising management of the Company based on his wide knowledge as a corporate manager, as well as his abundant experience and extensive expertise in technology development and IT/ICT fields.</div> <div>In addition, please refer to page 14 for “The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers.”</div> <div>About the independent officers</div> <div>Mr. Noritaka Uji meets the requirements of an independent officer pursuant to Article 436, Paragraph 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.</div> <div>In addition, please refer to page 15 for “The Company’s Independence Standards.”</div>		
<div>Notes:</div> <div>1. There is no special interest between the Mr. Noritaka Uji and the Company.</div> <div>2. Mr. Noritaka Uji is a candidate to fill the Outside Director positions provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.</div> <div>3. Liability limitation agreement with Outside Directors</div> <div>The Company has entered into a liability limitation agreement with Mr. Noritaka Uji, upon approval of his reelection, the Company will continue the agreement with him.</div> <div>The overview of the agreement is as follows:</div> <div>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.</div>			

Candidate number	Name Date of birth	Brief history, position and area of responsibility, and significant concurrent positions	Number of Company shares owned by the candidate
	<div></div> <div>Nobuo Seki (Sep. 21, 1944)</div> <div>Reelection Candidate</div> <div>Candidate of Outside Director</div> <div>Candidate of Independent Officer</div>	<div>Apr. 1970 Joined Chiyoda Chemical Engineering Company (the present Chiyoda Corporation)</div> <div>Apr. 1992 Vice President & Project General Manager of Chiyoda International Corporation in USA</div> <div>Jun. 1997 Director of Chiyoda Corporation</div> <div>Jun. 1998 Managing Director of Chiyoda Corporation</div> <div>Aug. 2000 Senior Managing Director of Chiyoda Corporation</div> <div>Apr. 2001 President and CEO of Chiyoda Corporation</div> <div>Apr. 2007 Chairman of Chiyoda Corporation</div> <div>Apr. 2009 General Corporate Advisor of Chiyoda Corporation</div> <div>Jul. 2012 Advisor of Chiyoda Corporation (retired in June 2013)</div> <div>Jun. 2015 Director of the Company (present)</div>	1,000 shares
6	<div>Significant concurrent positions</div> <div>Outside Director of KAMEDA SEIKA CO., LTD.</div> <div>Number of years since appointment as a Director 5 years (at the conclusion of this AGM)</div> <div>Attendance of Board of Directors Meetings Present at 14 of the 14 meetings (FY2019) (100%)</div> <div>The reason for election as an Outside Director candidate</div> <div>Mr. Nobuo Seki properly supervises management as an Outside Director. His election as an Outside Director is being requested so that he can contribute to greater operational fairness, objectivity, and transparency with respect to supervising management of the Company based on his wide knowledge as a corporate manager, his abundant experience in the engineering business centered on the energy industry, and his extensive expertise in global business.</div> <div>In addition, please refer to page 14 for “The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers.”</div> <div>About the independent officers</div> <div>Mr. Nobuo Seki meets the requirements of an independent officer pursuant to Article 436, Paragraph 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.</div> <div>In addition, please refer to page 15 for “The Company’s Independence Standards.”</div>		
<div>Notes:</div> <div>1. There is no special interest between the Mr. Nobuo Seki and the Company.</div> <div>2. Mr. Nobuo Seki is a candidate to fill the Outside Director positions provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.</div> <div>3. Liability limitation agreement with Outside Directors</div> <div>The Company has entered into a liability limitation agreement with Mr. Nobuo Seki, upon approval of his reelection, the Company will continue the agreement with him.</div> <div>The overview of the agreement is as follows:</div> <div>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.</div>			

Candidate number	Name Date of birth	Brief history, position and area of responsibility, and significant concurrent positions	Number of Company shares owned by the candidate
7	<div></div> <div>Shiro Sugata (Nov. 17, 1949)</div> <div>Reelection Candidate</div> <div>Candidate of Outside Director</div> <div>Candidate of Independent Officer</div>	<div><div>Apr. 1972</div><div>Joined USHIO INC.</div></div> <div><div>Jan. 1993</div><div>President of BLV Licht- und Vakuumtechnik GmbH</div></div> <div><div>Jun. 2000</div><div>Director and Corporate Senior Vice President of USHIO INC.</div></div> <div><div>Apr. 2001</div><div>Director and General Manager of Lamp Division II of USHIO INC.</div></div> <div><div>Apr. 2003</div><div>Director and Lamp Company President, COO of USHIO INC.</div></div> <div><div>Apr. 2004</div><div>Director and Corporate Executive Vice President of USHIO INC.</div></div> <div><div>Jun. 2004</div><div>Representative Director and Corporate Executive Vice President of USHIO INC.</div></div> <div><div>Mar. 2005</div><div>President and CEO of USHIO INC.</div></div> <div><div>Oct. 2014</div><div>Director and Corporate Advisor of USHIO INC.</div></div> <div><div>Jun. 2016</div><div>Corporate Advisor of USHIO INC.</div></div> <div><div>Jul. 2017</div><div>Director of the Company (present)</div></div> <div><div>Jul. 2017</div><div>Special Corporate Advisor of USHIO INC. (present)</div></div> <div>0 shares</div>	
	<div>Significant concurrent positions</div> <div>Special Corporate Advisor, USHIO INC.</div> <div>Outside Director of JSR Corporation</div> <div>Outside Director of YAMATO HOLDINGS CO., LTD.</div> <div>Number of years since appointment as a Director 4 years (at the conclusion of this AGM)</div> <div>Attendance of Board of Directors Meetings Present at 14 of the 14 meetings (FY2019) (100%)</div> <div>The reason for election as an Outside Director candidate</div> <div>Mr. Shiro Sugata properly supervises management as an Outside Director. His election as an Outside Director is being requested so that he can contribute to greater operational fairness, objectivity, and transparency with respect to supervising the management of the Company based on his wide knowledge as a corporate manager, his abundant experience in the development and marketing of industrial instruments, and his extensive expertise in global business.</div> <div>In addition, please refer to page 14 for “The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers.”</div> <div>About the independent officers</div> <div>Mr. Shiro Sugata meets the requirements of an independent officer pursuant to Article 436, Paragraph 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.</div> <div>In addition, please refer to page 15 for “The Company’s Independence Standards.”</div>		
<div>Notes:</div> <div>1. There is no special interest between the Mr. Shiro Sugata and the Company.</div> <div>2. Mr. Shiro Sugata is a candidate to fill the Outside Director positions provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.</div> <div>3. Liability limitation agreement with Outside Directors</div> <div>The Company has entered into a liability limitation agreement with Mr. Shiro Sugata, upon approval of his re-election, the Company will continue the agreement with him.</div> <div>The overview of the agreement is as follows:</div> <div>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.</div>			

Candidate number	Name Date of birth	Brief history, position and area of responsibility, and significant concurrent positions	Number of Company shares owned by the candidate
8	 <p>Akira Uchida (Oct. 4, 1950)</p> <p>Reelection Candidate</p> <p>Candidate of Outside Director</p> <p>Candidate of Independent Officer</p>	<p>Apr. 1975 Joined Toray Industries, Inc.</p> <p>Jun. 1996 Executive Vice President of Toray Industries (America), Inc.</p> <p>Jun. 2000 Senior Manager of Corporate Planning 1st Department and Corporate Communications Department, Toray Industries, Inc.</p> <p>Jun. 2004 Associate Director of Corporate Planning Department and Investor Relations Department, Toray Industries, Inc.</p> <p>Jun. 2005 Vice President (Member of the Board), General Manager of Finance & Controller's Division, Toray Industries, Inc.</p> <p>Jun. 2009 President of Toray Holding (U.S.A.), Inc. Senior Vice President (Member of the Board), General Manager of Finance & Controller's Division, Toray Industries, Inc.</p> <p>Jun. 2012 President of Toray Holding (U.S.A.), Inc. 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.</p> <p>Jun. 2016 Counselor, Toray Industries, Inc. (retired in March 2019)</p> <p>Jun. 2019 Director of the Company (present)</p>	446 shares
<p>Significant concurrent positions Outside Director, J. FRONT RETAILING Co., Ltd. Auditor, Suga Weathering Technology Foundation</p> <p>Number of years since appointment as a Director 1 year (at the conclusion of this AGM)</p> <p>Attendance of Board of Directors Meetings Present at 10 of the 10 meetings (FY2019) (100%) *Since he assumed the position on June 25, 2019</p> <p>The reason for election as an Outside Director candidate Mr. Akira Uchida properly supervises management as an Outside Director. His election as an Outside Director is being requested so that he can contribute to greater operational fairness, objectivity, and transparency with respect to supervision of management of the Company based on his wide knowledge as a corporate manager and wide experience in the corporate administration field centered on the Finance and Controller's Division. In addition, please refer to page 14 for "The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers."</p> <p>About the independent officers Mr. Akira Uchida meets the requirements of an independent officer pursuant to Article 436, Paragraph 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. In addition, please refer to page 15 for "The Company's Independence Standards."</p>			
<p>Notes:</p> <ol style="list-style-type: none"> There is no special interest between the Mr. Akira Uchida and the Company. Mr. Akira Uchida is a candidate to fill the Outside Director positions provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. Liability limitation agreement with Outside Directors The Company has entered into a liability limitation agreement with Mr. Akira Uchida, upon approval of his re-election, the Company will continue the agreement with him. 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. 			

Item 3: Election of Two (2) Audit & Supervisory Board Members


At the conclusion of this General Meeting of Shareholders, the terms of office for two (2) Audit & Supervisory Board Members (Mr. Koichi Chujo and Mr. Zenichi Shishido) will expire.


The Company proposes to elect a total of two (2) Audit & Supervisory Board Members, including one (1) Outside Audit & Supervisory Board Member.

Audit & Supervisory Board Member candidates have been nominated upon referencing a report of the Company's Nomination Advisory Committee, over half of whose members are Outside Directors, and based on "The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers," stipulated by the Company.

In addition, the Audit & Supervisory Board concurs with this proposal.

Information on the two (2) Audit & Supervisory Board Member candidates is provided below.

	Name Date of birth	Brief history, position and significant concurrent positions	Number of Company shares owned by the candidate
1	 <p>Hajime Watanabe (Aug. 17, 1962)</p> <p>New Candidate</p>	<p>Apr. 1987 Joined the Company</p> <p>Oct. 2001 Section Chief Manager of Affiliated Company Management Department, Marketing Center</p> <p>Apr. 2004 General Manager of Affiliated Company Management Office, Accounting & Treasury Center</p> <p>Apr. 2005 Director, Yokogawa Electric International Pte. Ltd. (Singapore)</p> <p>Apr. 2009 YEI Headquarters Office, Global Business Headquarters of the Company</p> <p>Apr. 2013 General Manager of Overseas Business Management Department, Accounting & Treasury Headquarters</p> <p>Apr. 2014 Vice President, Head of Audit and Compliance Headquarters</p> <p>Apr. 2015 Vice President, Head of Audit, Compliance and Quality Assurance Headquarters</p> <p>Apr. 2016 Vice President, Head of Corporate Administration Headquarters</p> <p>Apr. 2018 Vice President, Head of Audit, Compliance and Quality Assurance Headquarters</p> <p>Apr. 2020 Audit, Compliance and Quality Assurance Headquarters (present)</p>	16,435 shares
<p>The reason for election as an Audit & Supervisory Board Member candidate</p> <p>Mr. Hajime Watanabe is well-versed in the Group's business through his many years of experience in the management of the accounting and treasury department and overseas subsidiaries, and the operation of the business divisions. Most recently, he has been serving as head of the Company's Audit, Compliance and Quality Assurance Headquarters. Accordingly, we expect him to execute effective auditing that reflects such knowledge and experience, and request his election as a member of the Audit & Supervisory Board.</p> <p>In addition, please refer to page 14 for "The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers."</p>			
<p>Note: There is no special interest between the Mr. Hajime Watanabe and the Company.</p>			

	Name Date of birth	Brief history, position and area of responsibility, and significant concurrent positions	Number of Company shares owned by the candidate
2	<div></div> <div>Masaru Ono (Jun. 1, 1953)</div> <div>New Candidate</div> <div>Candidate of Outside Audit & Supervisory Board Member</div> <div>Candidate of Independent Officer</div>	<div>Apr. 1978 Registered Tokyo Bar Association</div> <div>Jun. 1983 Certified New York State Bar</div> <div>Feb. 1984 Joined Nishimura Sanada Law Firm (present Nishimura & Asahi)</div> <div>Jul. 1985 Partner at Nishimura & Asahi (present)</div> <div>Jun. 2007 Managing Director, Securitization Forum of Japan (present)</div> <div>Apr. 2009 Visiting Professor, University of Tokyo (present)</div>	0 shares
	<div>Significant concurrent positions</div> <div>Partner at Nishimura & Asahi</div> <div>Outside Audit & Supervisory Board Member, Higashi-Nippon Bank Ltd.</div> <div>Outside Director, Daido Life Insurance Company</div> <div>Outside Director (Audit & Supervisory Committee Member), Mizuho Securities Co., Ltd.</div> <div>Outside Director, Mizuho Trust & Banking Co., Ltd.</div> <div>Managing Director, Securitization Forum of Japan</div> <div>Visiting Professor, University of Tokyo</div> <div>The reason for election as an Outside Audit & Supervisory Board Member candidate</div> <div>Mr. Masaru Ono is a lawyer with wide knowledge of the corporate legal affairs and finance fields. Accordingly, we expect him to execute quality auditing that reflects his high level of insight based on his extensive contributions in economic and educational circles, and newly request his election as a candidate for Outside Audit & Supervisory Board Member.</div> <div>In addition, please refer to page 14 for “The policy and procedure for the appointment and dismissal of Directors, Audit & Supervisory Board Members and officers.”</div> <div>About the independent officers</div> <div>Mr. Masaru Ono meets the requirements of an independent officer pursuant to Article 436, Paragraph 2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. Provided he is elected as proposed, the Company plans to register him as an independent officer to the said exchange.</div> <div>In addition, please refer to page 15 for “The Company’s Independence Standards.”</div>		
<div>Notes:</div> <div>1. There is no special interest between the Mr. Masaru Ono and the Company.</div> <div>2. Mr. Masaru Ono is a candidate to fill the Outside Member of the Audit & Supervisory Board positions provided for in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.</div> <div>3. Liability limitation agreement with Outside Member of the Audit & Supervisory Board</div> <div>Upon election of Mr. Masaru Ono as proposed, the Company will enter into a liability limitation agreement with him.</div> <div>The overview of the agreement is as follows:</div> <div>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.</div> <div>4. Mr. Masaru Ono is scheduled to retire as Outside Director (Audit & Supervisory Committee Member) of Mizuho Securities Co., Ltd. and Outside Director of Mizuho Trust & Banking Co., Ltd. on June 24, 2020.</div>			

Reference

The policy and procedure for the appointment and dismissal of Directors,
Audit & Supervisory Board Members and officers

Policy for nomination of Director and Audit & Supervisory Board Member candidates, and appointment of officers

The Board of Directors 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 are nominated as Director and Audit & Supervisory Board Member candidates. Furthermore, human resources that are familiar with the Group's business and contribute to the appropriate execution of business and supervision 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 and supervision of highly effective management are nominated as Director candidates, while human resources that are familiar with the Group's business and contribute to appropriate auditing of management of the Company and Group companies and that have knowledge on accounting, finance, legal affairs and corporate management and contribute to appropriate auditing of management are nominated as Audit & Supervisory Board Member candidates. Officers are appointed after confirmations of whether the candidate has sufficient experience, knowledge, etc. and whether he or she has an intention and attitude suitable for the management are made.

Procedure for nomination of Director and Audit & Supervisory Board Member candidates, and appointment of officers

With respect to nomination of Director candidates and Audit & Supervisory Board Member candidates as well as appointment of officers, the Company has established the Nomination Advisory Committee, which is a voluntary advisory body comprised of at least three (3) Directors, of whom a majority are independent Outside Directors based on the resolution of the Board of Directors, in order to enhance the objectivity and transparency of the nomination and appointment.

Matters with respect to nomination of Director candidates and appointment of officers are resolved by the Board of Directors on the basis of recommendation from the Nomination Advisory Committee prepared through deliberations made in accordance with the prescribed standard and procedure for new appointment or reappointment. Matters with respect to nomination of Audit & Supervisory Board Member candidates are resolved by the Board of Directors on the basis of recommendation from the Nomination Advisory Committee prepared through deliberations made in accordance with the prescribed standard and procedure for new appointment and reappointment, upon having gained consent of the Audit & Supervisory Board.

Policy and procedure for dismissal of Directors and Audit & Supervisory Board Members

The Nomination Advisory Committee has prescribed the standard and procedure for dismissal of Directors and Audit & Supervisory Board Members. In reference to the deliberation and recommendation from the Nomination Advisory Committee based on the dismissal standard and procedure, the Board of Directors deliberates proposals of dismissal of the Directors and Audit & Supervisory Board Members.

Policies and procedures for evaluation, new appointment, reappointment, and dismissal of President and Chief Executive Officer

The Nomination Advisory Committee has also prescribed the standard and procedure for new appointment, reappointment, and dismissal of President and Chief Executive Officer. The evaluation of President and Chief Executive Officer is conducted every year and takes into account basic evaluation criteria that have a quantitative aspect including business performance. The Nomination Advisory Committee ensures objectivity, timeliness, and transparency of processes by recommendations on new appointment, reappointment and dismissal presented to the Board of Directors following deliberation based on the prescribed standard and procedure for new appointment, reappointment, and dismissal in reference to evaluation results and succession plan.

Policy and procedure for dismissal of officers

Dismissal of officers is also resolved by the Board of Directors based on the Nomination Advisory Committee's recommendation and in reference to the prescribed standard and procedure.

Reference

The Company's Independence Standards

As a company with an Audit & Supervisory Board, the Company has invited Outside Directors and Outside Audit & Supervisory Board Members who are independent of the current management to enhance the Board of Directors and the Audit & Supervisory Board. In order to increase the transparency of appointments of Outside Directors and Outside Audit & Supervisory Board Members, the independence standards for Outside Directors and Outside Audit & Supervisory Board Members were established as follows at the Board of Directors' meeting held on March 24, 2015.

Any of the following will disqualify an individual from serving as an independent officer 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 of the Group, which may be defined as any company that has made or received payments exceeding 2% of the consolidated total sales in the most recent fiscal year or in any of the preceding three fiscal years
- (5) 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
- (6) Is an executive of a corporation that has appointed a Director from the Group
- (7) Is an executive of a major lender for the Group or has served in such a role during the preceding three years (Note 3)
- (8) 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 4)
- (9) Is a lawyer, certified accountant, certified tax accountant, or other consultant who does not fall under (8) 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
- (10) Is with a law firm, auditing firm, tax accounting firm, or consulting firm that does not fall under (8) 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 5)
- (11) Is a relative of a person who falls under any of (1) to (10) above [except (5)] (spouse, relative within the second degree of kinship, or family member who is living in the same household with the person)
- (12) Has served for over eight years as an independent officer

Note 1: An executive Director, officer or some other person who serves in an executive capacity (hereinafter referred to as "Executives" in these standards).

Note 2: The Company's major shareholder at present or in the last five years. In cases where the major shareholder is a corporation, an executive of that major shareholder or its parent company or principal subsidiary.

Note 3: 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 4: The Group's accounting auditor or an employee or partner of the Group's auditing firm, or a person who was served in such a capacity within the past three years (including those who have already retired).

Note 5: A partner, associate, or employee of that firm.

Business Report

(From April 1, 2019 to March 31, 2020)

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, 2019 to March 31, 2020) is as follows.

In the global economy, business confidence in the manufacturing industry was sluggish due to effects of the trade conflict between the U.S. and China lasting from the beginning of the fiscal year, and the conservative movement was seen in corporate capital investments. In addition, the impact of infections of the novel coronavirus disease (COVID-19) was magnified across the world in the fourth quarter. Accordingly, the circumstances were extremely uncertain.

Amid these circumstances, based on the mid-term business plan Transformation 2020, which commenced in FY2018 and covers the three years through FY2020, the Group worked toward the three reforms of "transformation of existing businesses," "creation of new businesses and transformation of the company's business model," and "improvement of productivity through Group-wide optimization," aiming to establish businesses to realize a sustainable society. Furthermore, as the foundation for all these reform initiatives, the Group worked toward "creating opportunity for growth" and "establishing a foundation for growth" using "digital transformation," which makes full use of digital technology, as the driving force of value creation.

In terms of the Group's business performance in the fiscal year under review, revenue and operating income both increased year on year mainly because the industrial automation and control business was firm, despite the transfer of its subsidiary and exchange rate fluctuations as well as the impact of restrictions on economic activity following the growing spread of COVID-19 in the second half of the fourth quarter. However, profit attributable to owners of parent decreased 13.759 billion yen year on year mainly because the impairment loss including goodwill related to foreign subsidiaries and soft error were recorded as extraordinary losses, despite the recording of gain on sales of shares of subsidiaries and associates, and gain on sale of businesses, as extraordinary income.

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

Net sales	¥404.432 billion	(	0.2%,	up	¥0.720 billion)
Operating income	¥35.588 billion	(	2.9%,	up	¥0.994 billion)
Ordinary income	¥36.301 billion	(	-1.3%,	down	¥0.469 billion)
Profit Attributable to Owners of Parent	¥14.686 billion	(	-48.4%,	down	¥13.759 billion)

Results by individual segment are outlined below.

Industrial Automation and Control Business

In the industrial automation and control business segment, revenue and profit both increased despite exchange rate fluctuations and the impact of the growing spread of COVID-19, mainly because business centered on solutions and operation/maintenance was strong, with net sales of 370.550 billion yen, up 5.775 billion yen year on year, and operating income of 34.159 billion yen, up 0.188 billion yen year on year.

Test and Measurement Business

In the test and measurement business segment, while net sales remained strong, at 24.777 billion yen, a 1.906 billion yen increase year on year, operating income decreased 0.3 billion yen year on year to 1.638 billion yen due to the effects of upfront investments in the life innovation business, etc., which led to increased revenue and decreased profit.

Aviation and Other Businesses

In the aviation and other businesses segment, the transfer of subsidiary led net sales to decrease by 6.960 billion yen year on year to 9.105 billion yen but due to improvements in the gross profit margin ratio, etc., operating loss decreased 1.106 billion yen year on year to 0.209 billion yen. Consequently, despite the decline in revenue, the size of deficit reduced.

b. Capital Investment

Total capital investment during the fiscal year under review stood at 19.626 billion yen, up 4.667 billion yen from the previous fiscal year.

c. Fundraising

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

(2) Challenges for the Company

Solid Execution of the Mid-term Business Plan Transformation 2020

The Group is promoting a mid-term business plan Transformation 2020 (“TF2020”) covering the three years of FY2018 through FY2020. Under a basic policy that emphasizes the maximization of corporate and shareholder value over the mid- to long-term, we will use earnings per share (EPS) growth, organic free cash flow generation and improvement of return on equity (ROE) as target indexes under TF2020.

The Group’s operating environment is changing dramatically, due to a number of factors including a change in the positioning of petroleum among energy resources, innovations in digital technologies, as well as an increase in needs addressing social issue solutions such as environmental issues and demographic changes. The Group regards these changes in the business environment as opportunities for new transformation and growth that will enable it to realize continuous increases in profitability. We have begun the challenge of moving on to the next transformation under the TF2020 by creating growth opportunities and establishing a growth foundation while leveraging the strong and diverse customer base and problem-solving capabilities that we have built up.

Target Management Indicators under TF2020

Under TF2020, we will target EPS growth of 7 to 9% per year, the generation of 85 billion yen or more of organic free cash flow (cumulative over the three-year period of the plan), and ROE of 10% or higher by fiscal year 2020. Each surpasses the market expectations for profit growth, cash flow creation, and capital efficiency. (This will be real growth, excluding specialty items such as the fiscal year 2017 impairment of goodwill, the recording of allowance for doubtful accounts, and the sale of assets.)

Index	Target value
Growth in orders received / net sales	3-5% /year
Growth in earnings per share (EPS)	7-9%/year
Return on sales (ROS)	10% or more (fiscal year 2020)
Return on equity (ROE)	10% or more (fiscal year 2020)
Organic free cash flow*	85 billion yen or more (cumulative over three years)

Note: Organic free cash flow = free cash flow + strategic investment (70 billion yen over the three-year period)

FY2020, which is the final year for TF2020, is a year in which the completion of individual activity plans and the reaping of benefits are extremely important for the achievement of transformation targets. In the Company's mainstay industrial automation and control business, the OPEX (Operating Expenditure) business for safe and stable operation and improved productivity of customers' existing facilities is expanding, and the level of dependence on new capital expenditure is by no means high. Nevertheless, the spread of COVID-19 has brought severe restrictions on economic activity and attendant decreases in energy and resource demand, along with falling prices. If this situation becomes protracted, the Company is expected to be strongly impacted and need to make a recovery in terms of these matters. In the ever-changing business environments, the Group must accelerate the transformation in order to create growth opportunities in the medium to long term and establish the foundation for growth. Taking into account trends of customers and the world as well as looking ahead to society after the end of the COVID-19 outbreak, the Group will clarify priorities for the entire Group's strategy including TF2020 and swiftly implement the action plan in FY2020.

In FY2020, in addition to working on steady implementation of TF2020, the Group will make efforts to minimize the impact of the growing spread of infections of COVID-19 across the globe on the businesses.

Currently, with first priority given to safety and health of its employees and their family, customers, business partners and other stakeholders, the Group is working to prevent the spread of infections based on requests and guidance of each country's government and municipalities. Furthermore, as a company supporting social infrastructure, the Group conducts its business activities to respond to requests of the society and customers as much as possible and continue to provide safe and secure solution services.

The outlook for timing of the end of the COVID-19 outbreak is uncertain, and the Group recognizes that there is a risk of a further increase in the impact on its business performance in the future. The Group will mitigate the impact on its businesses and operating results by continuing necessary measures while finding out future developments, and make arrangements so that it can conduct businesses under the well-prepared structure as soon as things turn around.

—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:

a. Basic Management Policy

Corporate Philosophy

As a company, our goal is to contribute to 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 – we take this as our corporate philosophy and make every effort to realize it.

The Group has established a corporate philosophy and Standards of Business Conduct for the Yokogawa Group (hereinafter referred to as the “Standards of Business Conduct”) that apply to the entire Group, and based on these principles strives to have appropriate relationships with all stakeholders, aims for sustainable corporate growth, and seeks to increase its corporate value over the medium to long term.

In addition, based on the philosophy that “a company is a public entity of society,” the Group positions answering the trust of all stakeholders, including shareholders, customers, business partners, society, and employees, via sound and sustainable growth, as the basic mission of its corporate management.

In order to maximize its corporate value, the Group places a high priority on its efforts to achieve thorough compliance, manage risks, and disclose information that will ensure a constructive dialogue with shareholders and all other stakeholders.

In accordance with the above aims, the Group established the Yokogawa Corporate Governance Guidelines, as a basic policy that will serve to institutionalize the Group's corporate governance efforts and lead to the continual enhancement of the Group's corporate governance.

For more information about the corporate governance of the Group,
please refer to our web site <https://www.yokogawa.com/pr/ir/governance/index.htm>

b. Mid-to Long-term Management Strategy

In 2015, the Group established a long-term business framework that defines its goals for the next 10 years and describes what will be needed to accomplish them. The framework includes a vision statement on the direction that Yokogawa will take, defines Yokogawa's core competencies for achieving that vision, and specifies target businesses.

In August 2017, we have established sustainability goals (Three goals) and indicated the direction that it will take to achieve these goals. Moreover, in reviewing the direction it will take under the long-term business framework, we have clarified the ideals that it will strive for in the next 10 years and beyond from 2017.

[Sustainability goals: Three goals]

To make the world a better place for future generations by 2050, we will (i) achieve net-zero emissions, (ii) transition to a circular economy, and (iii) ensure the well-being of all.

For more information about the Group's sustainability initiatives,
please refer to our web site <https://www.yokogawa.com/about/sustainability/>

[Long-term business framework]

<Vision statement>

“Through “Process Co-Innovation,” we create new value with our clients for a brighter future.”

Under this vision, we aim to both maximize customers' economic value and solve social problems, while creating social and environmental value through our customers' businesses.

<Core competencies>

Three core competencies need to be strengthened, including the capability to co-create value by uncovering and resolving clients' potential issues.

There are three core fundamental competencies, including the capability to create extremely reliable products and solutions to support industries and society.

<Businesses focus areas>

We continue to focus on the industries related to resources, energy, and materials. Also, under TF 2020, we will seek to focus on new businesses in the pharmaceutical and food industries that support people's health and enrich lives. As one long-term initiative, the Group will focus on the bioeconomy field.

[Mid-term business plan]

Based on the sustainability goals and long-term business framework, the Group formulated Transformation 2020 (“TF2020”), a new mid-term business plan for initiatives that will improve profitability and take the Group's transformation to a new level. Implementation of the plan will commence in fiscal year 2018.

(1) Key strategies of TF2020

< Key strategies >

We will realize the following three transformations:

Transformation of existing businesses

Develop even closer relationships with customers so that we can work together to achieve major advances in productivity.

- Expand the OPEX (Operating Expenditure) business
- Further strengthen focus industries

Creation of new businesses and transformation of the company's business model

Create sustainable value through innovation.

- Establish life innovation business
- Establish recurring business

Improvement of productivity through Group-wide optimization

Rapidly improve efficiency throughout the Group

- Strengthen cost competitiveness
- Optimize the Group structure
- Strengthen human resources

< Digital transformation >

As a basis for the three transformations, the Group will create new opportunities for growth and establish a foundation for growth, with full use of digital technology.

- Creating digital businesses
- Transforming business processes
- Strengthening our IT infrastructure

(2) TF2020 capital policies and financial strategies

Under TF2020, on the premise of sustainably maintaining an optimal capital structure (*), we will prioritize the allocation of the cash that it generates through the three key transformations to investments that maximize its corporate value over the mid- to long-term. We will also actively seek to improve its payment of dividends.

Through its business strategies, capital investments for growth, and improvement of dividend payments set out in TF2020, we will aim to maximize shareholder value by ensuring that total shareholder return (TSR) always exceeds shareholders' cost of equity.

(*) With an optimal capital structure, shareholder capital is at the level needed to maintain an A rating and there is adequate capacity for undertaking the investments needed to achieve growth.

(a) Capital investments for growth (strategic investments)

Assuming that it maintains an optimal capital structure, we will set aside 70 billion yen for capital investments over the three-year period of the TF2020 plan.

(b) Dividend policy (basic policy on allocation of profits)

We will also actively improve dividend payments based on the following dividend policy:

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.

For more information about its Transformation 2020 mid-term business plan ("TF2020"),
Please refer to our web site <https://www.yokogawa.com/pr/corporate/pr-corp-mtbp-en.htm>.

(3) Financial Assets and Profits/Losses

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

(Millions of yen)

Category	FY2016	FY2017	FY2018	FY2019
Orders	390,660	400,317	431,972	418,662
Net sales	391,433	406,590	403,711	404,432
Operating income	31,582	32,705	34,594	35,588
Ordinary income	32,988	33,341	36,770	36,301
Profit Attributable to Owners of Parent	25,748	21,481	28,446	14,686
Basic Earnings per Share	¥96.40	¥80.39	¥106.54	¥55.02
Total assets	440,695	444,617	470,114	489,678
Net assets	262,503	278,704	296,150	291,472

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

(Millions of yen)

Category	FY2016	FY2017	FY2018	FY2019
Orders	96,672	100,671	115,534	108,202
Net sales	97,683	104,385	111,756	110,283
Operating income (loss)	(5,916)	(1,986)	(209)	(1,836)
Ordinary income	14,459	18,521	25,537	17,699
Profit	16,202	8,696	31,820	4,347
Basic Earnings per Share	¥60.66	¥32.54	¥119.17	¥16.29
Total assets	249,793	244,634	270,917	281,508
Net assets	173,353	176,205	197,607	190,482

(4) Status of Parent Company and Principal Subsidiaries**a. Parent Company**

No applicable matter

b. Principal Subsidiaries

Name	Capital	Percentage owned by the Company	Principal businesses
Yokogawa Manufacturing Corporation	JPY100 million	100.0%	Manufacturing 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 Electric China Co., Ltd.	JPY4,000 million	100.0%	Manufacturing of control equipment
Yokogawa Electronics Manufacturing Korea Co., Ltd.	WON1,744 million	100.0%	Manufacturing of control equipment
Yokogawa Solution Service Corporation	JPY3,000 million	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
Yokogawa Middle East & Africa B.S.C. (c)	BHD2,481,000	100.0%	Sales, engineering and maintenance services of control equipment
Yokogawa Engineering Asia Pte. Ltd.	SGD29,000,000	100.0%	Sales, engineering and maintenance services of control equipment
Yokogawa Corporation of America (Note 1)	USD1,000	100.0%	Sales, engineering, and maintenance services of control and measuring equipment
Yokogawa China Co., Ltd.	RMB119 million	100.0%	Sales, engineering and maintenance services of control equipment
Yokogawa Test & Measurement Corporation	JPY90 million	100.0%	Sales and maintenance services of measuring equipment

Notes 1: In addition to capital of 1,000 U.S. dollars, the Company has invested 124,327,000 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.

(5) Principal Businesses (as of March 31, 2020)

Business segment	Main solutions and products
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
Test and measurement business	Waveform measuring instruments, optical communication devices, waveform generators, power/temperature/pressure measurement devices, confocal scanners
Aviation and other businesses	Aircraft navigation-related devices

(6) Main Offices and Factories (as of March 31, 2020)**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)
	Yokogawa Electric China Co., Ltd.	(China)
	Yokogawa Electronics Manufacturing Korea Co., Ltd.	(Korea)
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	(Musashino-shi, Tokyo)
	Yokogawa Europe B.V.	(Netherlands)
	KBC Advanced Technologies Limited	(United Kingdom)
	Yokogawa Middle East & Africa B.S.C. (c)	(Bahrain)
	Yokogawa Engineering Asia Pte. Ltd.	(Singapore)
	Yokogawa Corporation of America	(United States)
	Yokogawa China Co., Ltd.	(China)

(7) Employees (as of March 31, 2020)

Business segment	Number of employees	Change from the previous year
Industrial automation and control business	16,865	232
Test and measurement business	980	35
Aviation and other businesses	262	(8)
Total	18,107	259

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

(8) Principal Lenders (as of March 31, 2020)

Lenders	Loan amount
Syndicated loan	¥14.4 billion

Notes: 1. Mizuho Bank, Ltd. and MUFG Bank, Ltd. are manager for the syndicated loan.
2. The Company has a 45.0 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

With regard to Yokogawa Medical Solutions Corporation, a consolidated subsidiary of the Company, the Company transferred all the shares of this company held by the Company to Fujifilm Corporation on September 30, 2019.

2. Overview of the Company

(1) Shares (as of March 31, 2020)

a. Number of Authorized Shares: 600,000 thousand

b. Number of Issued Shares: 268,624 thousand

c. Number of Shareholders: 16,120

d. Major Shareholders (Top 10):

Name of shareholder	Number of shares (thousand shares)	Shareholding ratio (%)
Master Trust Bank of Japan Limited (trust account)	38,878	14.6
Japan Trustee Services Bank, Limited (trust account)	16,008	6.0
The Dai-ichi Life Insurance Company, Limited	15,697	5.9
Nippon Life Insurance Company	13,484	5.1
Retirement Benefit Trust in Mizuho Trust & Banking Co., Ltd. (Mizuho Bank, Ltd. account); Trust & Custody Services Bank, Ltd. as a Trustee of Retruct	11,261	4.2
Japan Trustee Services Bank, Limited (trust account 9)	10,415	3.9
State Street Bank and Trust Company 505223	6,907	2.6
BNYM AS AGT/CLTS 10 PERCENT	6,088	2.3
Yokogawa Electric Employee Shareholding Program	5,465	2.0
Japan Trustee Services Bank, Limited (trust account 7)	5,215	2.0

Notes: 1. The Company holds 1,690 thousand shares of treasury stock.
2. The shareholding ratio is calculated after deducting treasury stock.

(2) Company Executives

a. Directors and Audit & Supervisory Board Members (as of March 31, 2020)

Position	Name	Area of responsibility and significant concurrent positions
Chairman	Takashi Nishijima	
President and Chief Executive Officer	Hitoshi Nara	
Director	Junichi Anabuki	Senior Vice President, Head of Corporate Administration Headquarters
Director	Yu Dai	Senior Vice President, Head of Digital Enterprise Business Headquarters
Director	Noritaka Uji	Chairman of the Board of Directors Outside Director of DAIICHI SANKYO COMPANY, LIMITED Outside Director of Gallery Abarth Inc. Honorary chairman of Japan Telework Association Honorary chairman of Japan Institute of Information Technology
Director	Nobuo Seki	Outside Director of KAMEDA SEIKA CO., LTD.
Director	Shiro Sugata	Special Advisor of USHIO INC. Outside Director of JSR Corporation Outside Director of YAMATO HOLDINGS CO., LTD.
Director	Akira Uchida	Outside Director, J. FRONT RETAILING Co., Ltd. Auditor, Suga Weathering Technology Foundation
Audit & Supervisory Board, Standing Member	Koichi Chujo	
Audit & Supervisory Board, Standing Member	Kouji Maemura	
Audit & Supervisory Board Member	Zenichi Shishido	Outside Director, Tokyo Financial Exchange Inc. Professor in Graduate School of Law, Hitotsubashi University Lawyer at Zenichi Shishido Law Firm
Audit & Supervisory Board Member	Yasuko Takayama	Outside Director, The Chiba Bank, Ltd. Outside Audit & Supervisory Board Member, Mitsubishi Corporation Outside Director (Audit and Supervisory Committee Member), Cosmo Energy Holdings Co., Ltd.
Audit & Supervisory Board Member	Makoto Ohsawa	Chief Executive Officer, FEMO Co., Ltd. Outside Director, ZENHOREN CO., LTD. Outside Director, Bank of Toyama Outside Audit & Supervisory Board Member, Agri Solor Co., Ltd. Director, Mega Solor Association

- Notes:
1. Noritaka Uji, Nobuo Seki, Shiro Sugata and Akira Uchida are Outside Directors.
 2. Zenichi Shishido, Yasuko Takayama and Makoto Ohsawa are outside members of the Audit & Supervisory Board.
 3. Audit & Supervisory Board Member Makoto Ohsawa 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.
 4. Directors Noritaka Uji, Nobuo Seki, Shiro Sugata and Akira Uchida, and Audit & Supervisory Board Members Zenichi Shishido, Yasuko Takayama and Makoto Ohsawa 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,

Paragraph 2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and they are registered as such at the said Exchange.

5. There are no special relationships between the Company and the companies or organizations at which the Outside Directors and outside Audit & Supervisory Board Members have significant concurrent positions.
6. Director Nobuo Seki retired from Outside Director of TEIJIN LIMITED on June 20, 2019 and Chairman of Project Management Association of Japan on June 27, 2019.
7. Audit & Supervisory Board Member Yasuko Takayama retired from Outside Director of Nippon Soda Co., Ltd. on June 27, 2019.
8. Audit & Supervisory Board Member Makoto Ohsawa retired from Outside Director of Kimitsu-Jyutaku Co., Ltd. on September 30, 2019.

b. Directors and Audit & Supervisory Board Members 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
Satoru Kurosu	June 25, 2019	Expiration of term of office	Director
Masatoshi Nakahara	June 25, 2019	Expiration of term of office	Director
Mitsudo Urano	June 25, 2019	Expiration of term of office	Outside Director, Chairman of the Board of Directors Outside Director of Resona Holdings, Inc. Outside Director of HOYA CORPORATION Outside Director of Hitachi Transport System, Ltd. Chairman of Nippon Omni-Management Association Chairman of Central Society for Promoting the Industrial Education

c. 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 Directors, Noritaka Uji, Nobuo Seki, Shiro Sugata and Akira Uchida, and Audit & Supervisory Board Members Zenichi Shishido, Yasuko Takayama and Makoto Ohsawa 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.

d. Compensation to Directors and Audit & Supervisory Board Members

- i. Items regarding decisions on the amount of compensation, etc. or calculation methods thereof for each company's executives

The Company positions its executive compensation plan as an important item in corporate governance, and to increase the objectivity and transparency of Director compensation, has formed a Compensation Advisory Committee, which comprises three or more Directors, based on the resolution of the Board of Directors, with the majority being Outside Directors. This committee deliberates the plans for Director compensation, and reports the result to the Board of Directors as well as decides the amount of individual payments within the limit approved by the General Meeting of Shareholders^(*). The Board of Directors also respects this report upon determining the plan. Audit & Supervisory Board Member compensation is made by discussions among Audit & Supervisory Board Members within the limit approved by the General Meeting of Shareholders^(*).

*1 The annual limit for Director compensation was set at 1,600 million yen by resolution of the 2018 Annual General Meeting of Shareholders convened on June 26, 2018. This does not include employee salaries. The number of the Company's Directors is no more than 15 in accordance with the provision of the Articles of Incorporation.

- *2 The annual compensation limit for Audit & Supervisory Board Members was set at 150 million yen by resolution of the 2004 Annual General Meeting of Shareholders convened on June 25, 2004. The number of the Company's Audit & Supervisory Board members is no more than 5 in accordance with the provision of the Articles of Incorporation.

[Approach to the Executive Compensation]

1. Basic policy of the Executive Compensation Plan

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

2. Composition of executive compensation

The Company's director and officer compensation is composed of (a) base compensation, which is fixed component, and (b) performance-linked components ((b)-1 annual incentives and (b)-2 medium- to long-term incentives), and levels of compensation are set through a comparison with companies from the same industry and of the same scale, as well as in consideration of the Company's financial conditions.

The specific composition of compensation for executives and officers shall be as follows in accordance with the executive categories.

Executive categories	(a)Basic compensation	(b) performance-linked compensation		Remarks
		(b)-1 Annual Incentive	(b)-2 Mid- to Long-Term Incentive	
Directors (excluding Outside Directors and Non-executive Directors)	○	○	○	Executive compensation and employee salaries
Outside Directors and Non-executive Directors	○	-	-	Executive compensation
Audit & Supervisory Board Members	○	-	-	Executive compensation
Outside Audit & Supervisory Board Members	○	-	-	Executive compensation
Non-Director officers	○	○	○	Employee salaries

Note: The performance-linked compensation covers Directors and Non-Director officers and excludes Outside Directors. This is because variable compensation such as performance-linked compensation is not appropriate for Outside Directors and Audit & Supervisory Board Members, who maintain a position independent from the performance of duties, and as such only fixed compensation is paid, identically for non-executive Directors

With regard to base compensation, the amount is determined in accordance with the role and position as Directors and officers and paid.

Part of the performance-linked compensation, the annual incentive, is calculated and paid based on an evaluation of the entire company's results and the individual's results for the individual year. With regard to medium- to long-term incentive, at the 142nd Annual General Meeting of Shareholders convened on June 26, 2018, the Company introduced the performance share unit plan (the "PSU Plan"), a performance-linked stock compensation plan, under which payment of the

Company's shares and cash is made in accordance with the extent to which the Company's consolidated return on equity (consolidated ROE) target and other targets have been achieved in the final fiscal year of the period covered by the mid-term business plan. The current period covered by the PSU Plan is the period covered by "Transformation 2020" ("TF2020"), a three-year mid-term business plan for fiscal year 2018 through fiscal year 2020.

Furthermore, the retirement bonuses for Directors were eliminated on the day of the 2004 Annual General Meeting of Shareholders held on June 25, 2004.

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

Classification	Number of persons paid	Amount paid
Directors (Outside Directors)	11 (5)	¥249 million (¥54 million)
Audit & Supervisory Board Members (Outside Members)	5 (3)	¥92 million (¥34 million)
Total (Outside Directors and Outside Members of Audit & Supervisory Board)	16 (8)	¥342 million (¥88 million)

- Notes:
1. The above numbers include two Directors and one Outside Director who retired during the fiscal year under review.
 2. The total paid to Directors does not include employee salaries for Directors who are concurrently employees.
 3. The annual limit for Director compensation was set at 1,600 million yen by resolution of the 2018 Annual General Meeting of Shareholders convened on June 26, 2018. This does not include employee salaries.
 4. The annual compensation limit for Audit & Supervisory Board Members was set at 150 million yen by resolution of the 2004 Annual General Meeting of Shareholders convened on June 25, 2004.

e. Matters regarding Outside Directors and Outside Members of Audit & Supervisory Board

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

As described in "(2) Company Executives, a. Directors and Audit & Supervisory Board Members (as of March 31, 2019)."

ii. Major activities in the business year under review

Name / Position	Attendance	Principal activities
Noritaka Uji Outside Director	Board of Directors meetings Present at 14 of the 14 meetings	As necessary, provided advice with high insight based on his wide knowledge as a corporate manager and thorough abundant experience and extensive expertise in technology development and IT/ICT fields.
Nobuo Seki Outside Director	Board of Directors meetings Present at 14 of the 14 meetings	As necessary, provided advice primarily based on his wide knowledge as a corporate manager, his abundant experience in the engineering business centered on the energy industry, and his extensive expertise in global business.
Shiro Sugata Outside Director	Board of Directors meetings Present at 14 of the 14 meetings	As necessary, provided advice primarily based on his wide knowledge as a corporate manager, his abundant experience in the development and marketing of industrial instruments, and his extensive expertise in global business.
Akira Uchida * Outside Director	Board of Directors meetings Present at 10 of the 10 meetings	As necessary, provided advice primarily based on his wide knowledge as a corporate manager and wide experience in the corporate administration field centered on the Finance and Controller's Division.
Zenichi Shishido Outside member, Audit & Supervisory Board	Board of Directors meetings Present at 14 of the 14 meetings Audit & Supervisory Board meetings Present at 17 of the 17 meetings	As necessary, provided advice based on experience in a wide range of research activities as an expert in business law and corporate governance.
Yasuko Takayama Outside member, Audit & Supervisory Board	Board of Directors meetings Present at 14 of the 14 meetings Audit & Supervisory Board meetings Present at 17 of the 17 meetings	As necessary, provided advice primarily based on her extensive practical experience, including corporate social responsibility, gained when working for a major company in the consumer market, as well as a wealth of experience as a full-time Audit & Supervisory Board Member and as an outside executive at various companies.
Makoto Ohsawa Outside member, Audit & Supervisory Board	Board of Directors meetings Present at 14 of the 14 meetings Audit & Supervisory Board meetings Present at 17 of the 17 meetings	As necessary, provided advice with high insight based on abundant managerial experience in a wide range of business activities.

* For Director Akira Uchida, we have described his attendance of the Board of Directors meetings convened since he assumed the position on June 25, 2019.

(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	¥128 million
Total amount paid in cash and other financial asset profits to the accounting auditor by the Company and subsidiaries	¥178 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 Law are not clearly differentiated. As they cannot be effectively separated, the amounts of compensation paid to the accounting auditor for the year under review show the total amounts.

2. Pursuant to Article 399, Paragraphs 1 and 2 of the Companies Act, the Audit & Supervisory Board has provided its consent regarding 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 for the audit.

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

In the event that any of the items set forth in Article 340, Paragraph 1 of the Companies Act apply to the accounting auditor, pursuant to the provisions of Article 340, Paragraph 2 of the Companies Act, the Company's Audit & Supervisory Board shall dismiss the accounting auditor upon gaining unanimous consent of all Audit & Supervisory Board Members.

Moreover, in the event that it has been deemed difficult for the accounting auditor to perform duties appropriately, pursuant to the provisions of Article 344 of the Companies Act, the Company's Audit & Supervisory Board 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 & Supervisory Board'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

The Yokogawa Group Internal Control System acts as a system for ensuring that Directors comply with laws, ordinances, and the Articles of Incorporation of the Company. It also acts as a stipulated system required for ensuring the appropriateness of operations of other corporations as well as the operations of the corporate group comprising the Company and its subsidiaries. Accordingly, the Company has established the Yokogawa Group Internal Control System pursuant to the Companies Act and the Ordinance for Enforcement of the Companies Act, as follows.

a. System for Assuring Compliance of Directors of the Company and its Subsidiaries with Laws, Ordinances, and the Company's Articles of Incorporation

- Compliance principles have been set forth in the Yokogawa Group Code of Conduct, and Directors of the Company, and Directors of all Group companies and equivalent bodies (hereinafter referred to as the "Directors and Others"), 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 Board of Directors is to base its decisions on the Rules Governing the Board of Directors and on the Decision Making Management Code. Directors including Outside Directors who make up the Board appropriately supervise the execution of business by other Directors. All members of the Audit & Supervisory Board, including its outside members, audit the actions of the Directors based on the Auditing Standards for Audit & Supervisory Board Members and the Rules Governing the Audit & Supervisory Board.
- Decision making at the Boards of Directors of all Group companies and equivalent decision-making bodies is carried out based on rules formulated at all Group companies in accordance with the Company's rules. The Company's Audit & Supervisory Board Members periodically visits Group companies to conduct auditing activities.

b. System for Storing and Controlling Information concerning Execution of Duties by the Company's Directors

- Rules and control systems concerning meeting minutes and other information that should be preserved have been established in accordance with the Rules Governing the Board of Directors, the Rules on the Control of Communications and Documentation, and the Rules on the Control of Documentation.
- The Group Information Security Management Code and the Code of Conduct for the Prevention of Insider Trading, 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 Policy has been set forth for the purpose of establishing fundamental matters relating to the Group's risk management and promoting efficient and effective performance of such activities. Based on this policy, the Risk Management Committee shall decide the specific significant risks which shall be managed preferentially as the Group and decide the monitoring method for its risks and report them to the Board of Directors. The President shall bear the responsibility for supervising all matters in relation to risk management as the Chairperson of Risk Management Committee.
- Respective organizational units of the 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 evaluates the effectiveness of the Group

risk management process and reports important findings to the Board of Directors and the Audit & Supervisory Board Members.

- Crisis situations are to be responded to as set forth in the Group Crisis Management Code. As the head of the Crisis Management Office, the President 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.

d. System for Assuring Efficient Execution of Duties of Directors of the Company and its Subsidiaries

- The Rules Governing the Board of Directors and the Decision Making Management Code provide the basis for ensuring that the Board of Directors thoroughly deliberates matters and delegates authority to the Management Board and other decision-making bodies.
- Companywide management objectives have been established, and the measures taken to achieve those objectives are reviewed. To ensure that the annual management objectives are achieved, they are reviewed by each organization on a quarterly basis. The Board of Directors receives reports on the attainment of these objectives and determines what activities are to be eliminated, decides how efficiency can be improved by overcoming obstacles, and establishes mechanisms that make it possible for the Company as a whole to pursue efficiency and achieve its goals. This system aims to achieve the Company's objectives by enhancing efficiency throughout the organization. A management information system is maintained for the purpose of identifying, reporting, and acting on information regarding the achievement of management objectives, in real time.
- A Board of Directors Office has been established to provide support for enhancing effectiveness of the Board of Directors, and assistants including those who will work there on a full time basis are to be assigned to that office.

e. System for Assuring Compliance of Employees of the Company and its Subsidiaries with Laws, Ordinances, and the Company's Articles of Incorporation

- Employees of the Group are to conduct themselves as set forth in the Yokogawa Group Compliance Guidelines, which define upstanding behavior without any involvement with antisocial forces
- The President continuously reminds all employees of the importance of legal compliance, and the department in charge of business ethics takes the lead in providing compliance education.
- The Rules on Internal Reporting and Consultation which require employees to internally report any suspicions of compliance violations are disseminated to employees of the Group, and a system for receiving such internal reports is established.
- The department in charge of business ethics monitors the status of compliance efforts and reports important findings to the Board of Directors and the Audit & Supervisory Board Members.

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

- The Company, based on the rules on management of affiliates, provides guidance and management to all Group companies in accordance with the basic policy of the internal control system resolved at the Company's Board of Directors, regarding such matters as the maintenance of an optimal internal control system to match the respective functions and systems of all Group companies. All Group companies, based on the rules on management of affiliates, carry out timely and appropriate reporting to the Company regarding matters relating to the execution of duties by their respective Directors and Others.
- Groupwide rules have been established and responsible units have been designated for each of the following systems: business ethics, decision making, operations management, crisis management, and corporate auditing infrastructure. The persons responsible for each of the

systems have system auditing functions, and work to ensure the effectiveness and efficiency of the systems of all Group companies (maintenance improvement). Important matters are reported to the Board of Directors and the Audit & Supervisory Board Members.

- To ensure the reliability of financial reports, an Accounting and Finance Policy has been formulated that establishes controls for the correct performance of accounting work by each Group company. In addition, a system for evaluating these financial reporting controls and disclosing the evaluation results has been established in accordance with the internal control reporting system requirements of the Financial Instruments and Exchange Act.
- The Global Management Standard that is the highest rule of the Yokogawa Group aims to realize an internal control system based on autonomous control activities by clearly defining roles and the division of responsibilities in each business process.
- In accordance with the Group Internal Audit Code, the department that is in charge of internal audits shall audit the effectiveness of the Yokogawa Group's internal control systems and report on important matters to the Board of Directors and the Audit & Supervisory Board Members.
- The system shall enable Audit & Supervisory Board members to obtain information directly or by contacting Group company auditors for the purpose of verifying decisions on important Group company matters.

g. Matters concerning Requests by Audit & Supervisory Board Members of the Company to Assign Assistants to Support Roles

- An Audit & Supervisory Board Member Office has been set up, and assistants, including those who will work there on a full time basis, are to be assigned.

h. Matters concerning Independence of Assistants from Directors of the Company and Ensuring the Effectiveness of Instructions from Audit & Supervisory Board Members of the Company to Assistants

- Personnel transfers related to the Audit & Supervisory Board Member Office require prior approval from the Audit & Supervisory Board Members.
- Assessment of the assistants working in the Audit & Supervisory Board Member Office is conducted by Audit & Supervisory Board Members who have been designated by the Audit & Supervisory Board.

i. System for Directors and Employees to Report to Audit & Supervisory Board Members of the Company, and System for Ensuring Reporting Persons Are Not Treated Disadvantageously for Making Reports

- Directors 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 & Supervisory Board Members:
 - (a) Violations of laws, ordinances, 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 Group companies shall not treat reporting persons disadvantageously for making reports.

j. Matters concerning Procedures for Advance Payment or Redemption of Expenses Occurring from Execution of Duties by Audit & Supervisory Board 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 & Supervisory Board Members 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.
- k. Other Systems for Ensuring Effective Auditing by Audit & Supervisory Board Members of the Company**
- Views are periodically exchanged among Chairman of the Board of Directors, the Chairman, the President, the department in charge of internal audits, the department in charge of business ethics, the department in charge of legal affairs, and the accounting auditor. Opportunities are provided for interviews with Directors and important employees.
 - As necessary, outside specialists can be appointed.

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

Based on the Yokogawa Corporate Governance Guidelines, also in 2019, an Outside Director served as Chairman of the Board of Directors with the aim of enhancing the function of the Board of Directors. Also, in April 2019, we appointed a new President and CEO. At the 143rd Ordinary General Meeting of Shareholders, we appointed our first non-Japanese director to further enhance the diversity and functions of the Board of Directors.

Along with the above, an overview is provided as follows on the operation status of the Yokogawa Group Internal Control System for the fiscal year under review (144th term), which was implemented based on the Basic Policy on the Yokogawa Group Internal Control System resolved at the Board of Directors Meeting held on April 9, 2019.

a. System for Assuring Compliance with Laws, Ordinances, and the Company's Articles of Incorporation

- Yokogawa Group Code of Conduct and Compliance Guidelines have been revised to take into account global perspectives, including the realization of a sustainable society, human rights issues, and the elimination of racial discrimination.
- In addition to ensuring compliance with laws, ordinances, and the Company's Articles of Incorporation, the Company has been developing workplace-based systems for promoting compliance worldwide with the aims of creating a corporate culture where misconduct does not occur and systems that prevent unethical conduct. Campaigns geared to instilling awareness of compliance and causing such awareness to take hold have been carried out in Japan by compliance facilitators who also act as workplace advisors, and overseas by compliance managers. Moreover, the Company has been facilitating information sharing and also overseeing progress made with respect to compliance activities by having organizational units members for compliance, compliance facilitators and representatives of compliance managers take part in Compliance Committee meetings held periodically.
- The Global Compliance Awareness Survey is administered on a yearly basis so that the Company can gain an understanding of circumstances surrounding efforts to instill awareness of compliance issues, and also to facilitate efforts to promote such initiatives. Results of the survey are made available and shared within the Group, and are also analyzed on the basis of individual workplaces and employment positions, and then put to use in formulating compliance measures in the subsequent fiscal year.
- The Company has been taking steps to bring about more extensive awareness and elevated consciousness of compliance issues, by implementing annual compliance training, e-learning support and other such initiatives directed at all Company employees as part of its awareness-building program.

- The Company has established points of contact for internal reporting and consultation and has also established points of contact for external reporting and consultation both in Japan and overseas. These points of contact enable the Company to take swift action with respect to discovering compliance-related problems in the early stages, and preventing misconduct before it occurs.

b. Rules on risk management of loss and other system

- The Company promotes risk management initiatives that function smoothly and effectively, and has accordingly established Rules on Risk Management stipulating basic matters regarding management of risks facing the Yokogawa Group, such as basic policy and systems involving risk management.
- The risk management initiatives undertaken autonomously by respective organizational units of the Yokogawa Group in part involve pinpointing risks, evaluating the severity of such risks with respect to the extent of their potential adverse impact along with the likelihood of any such risk materializing, and then drawing up and implementing measures to address such risks.
- Respective organizational units of the Yokogawa Group compiled information on risks deemed significant, grouped such risks from a perspective encompassing categories such as business opportunities and compliance and crisis situations. Moreover, the Risk Management Committee identified high-priority risks, determined methods for monitoring such risks, and reported such matters to the Board of Directors.
- In fiscal year 2019, high-priority risks were identified from the perspective of their degree of severity, encompassing categories such as business risk, information security risk, and crisis management risk. Progress made with respect to initiatives taken was also confirmed in accordance with respective risk monitoring methods, and such details were reported to the Board of Directors and others.
- The Company responded to crisis events such as COVID-19 in accordance with the Group Crisis Management Code and reported them to the Board of Directors.

c. System for Assuring Appropriate Operations in the Corporate Group

- The Company is enhancing the Group Management Standards for the Yokogawa Group, which is the top set of rules for the Yokohama Group, and is working to clarify roles and responsibilities in each operational process and further improve the internal control system based on autonomous control activities and appropriate risk management.
- In the course of performing quarterly audits, the department in charge of internal audits verifies that respective responsible sections of internal control systems clarify individual priority benchmarks, and then that stages of the plan-do-check-act (PDCA) cycle are being performed in step with circumstances prevailing with respect to achieving those benchmarks.

d. System for Assuring Effective Auditing by Audit & Supervisory Board Members

- The Audit & Supervisory Board has been performing Audit & Supervisory Board Member audits on the basis of year-long activities plan involving the priority audit items for the period under review. These priority items are the Status of Initiatives on the mid-term business plan (TF2020), the Status of Subsidiary Management under the System using Regional Representation, and the Status of Enhancement and Operation of Internal Control System of Yokogawa Group.
- The Audit & Supervisory Board Members exchange opinions regularly and as necessary with the Chairman of the Board of Directors, the Chairman, the President, and also with the department in charge of internal audits, the department in charge of business ethics, the department in charge of legal affairs, and the accounting auditor. They also conduct interviews of Directors and important employees, as necessary.

- The Audit & Supervisory Board holds three-way audit meetings with accounting auditors and departments in charge of internal audits, as well as meetings with Outside Directors and members of the Board of Corporate Auditors to deepen cooperation.
- The Audit & Supervisory Board concludes advisory agreements with an outside law firm, consults with them as appropriate, and seeks advice.

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 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 FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS

As of March 31, 2020

	Millions of yen
ASSETS	
Current assets	
Cash and deposits	101,522
Notes and accounts receivable-trade	175,687
Merchandise and finished goods	14,297
Work in process	7,516
Raw materials and supplies	15,527
Other	18,003
Allowance for doubtful accounts	(3,673)
Total current assets	328,882
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	44,306
Machinery, equipment and vehicles, net	6,704
Tools, furniture and fixtures, net	5,881
Land	15,162
Leased assets, net	259
Right-of-use assets	7,929
Construction in progress	2,815
Total property, plant and equipment	83,059
Intangible assets	
Software	12,525
Goodwill	3,132
Other	7,108
Total Intangible assets	22,766
Investments and other assets	
Investment securities	42,933
Deferred tax assets	6,485
Other	7,524
Allowance for doubtful accounts	(1,971)
Total investments and other assets	54,970
Total non-current assets	160,796
Total assets	489,678

CONSOLIDATED BALANCE SHEETS

(continued)

	Millions of yen
LIABILITIES	
Current liabilities	
Notes and accounts payable-trade	24,358
Electronically recorded obligations	9,723
Short-term loans payable	16,400
Commercial papers	30,000
Accounts payable-other	13,367
Income taxes payable	4,769
Advances received	33,382
Lease obligations	2,202
Provision for bonuses	15,689
Provision for loss on construction contracts	7,606
Provision for reinforcing measures against soft errors	898
Other	20,502
Total current liabilities	178,900
Non-current liabilities	
Long-term loans payable	4,080
Deferred tax liabilities	793
Net defined benefit liability	4,590
Lease obligations	6,757
Provision for reinforcing measures against soft errors	1,840
Other	1,243
Total non-current liabilities	19,305
Total liabilities	198,206
NET ASSETS	
Shareholders' equity	
Capital stock	43,401
Capital surplus	54,386
Retained earnings	199,080
Treasury shares	(1,400)
Total shareholders' equity	295,466
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	7,020
Foreign currency translation adjustment	(14,677)
Remeasurements of defined benefit plans	(1,905)
Total accumulated other comprehensive income	(9,562)
Non-controlling interests	5,568
Total net assets	291,472
Total liabilities and net assets	489,678

CONSOLIDATED STATEMENTS OF INCOME

For the year ended March 31, 2020

Millions of yen		
Net sales		404,432
Cost of sales		227,922
Gross profit		176,510
Selling, general and administrative expenses		140,921
Operating income		35,588
Non-operating income		
Interest income	523	
Dividend income	1,743	
Share of profit of entities accounted for using equity method	1,405	
Miscellaneous income	1,222	4,894
Non-operating expenses		
Interest expenses	610	
Commission fee	135	
Foreign exchange losses	1,884	
Miscellaneous loss	1,550	4,181
Ordinary income		36,301
Extraordinary income		
Gain on sale of non-current assets	517	
Gain on sale of investment securities	26	
Gain on sales of shares of subsidiaries and associates	1,468	
Gain on sale of businesses	823	2,836
Extraordinary losses		
Loss on sale of non-current assets	13	
Loss on retirement of non-current assets	286	
Impairment loss	9,507	
Loss on valuation of investment securities	92	
Provision for reinforcing measures against soft errors	3,478	13,379
Profit before income taxes		25,759
Income taxes-current	10,125	
Income taxes-deferred	(775)	9,349
Profit		16,409
Profit attributable to non-controlling interests		1,722
Profit attributable to owners of parent		14,686

NON-CONSOLIDATED FINANCIAL STATEMENTS
NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2020

	Millions of yen
ASSETS	
Current assets	
Cash and deposits	43,931
Notes receivable-trade	762
Accounts receivable-trade	38,194
Merchandise and finished goods	1,502
Work in process	803
Raw materials and supplies	1,837
Prepaid expenses	1,473
Short-term loans receivable	40,305
Accounts receivable-other	10,669
Other	2,232
Allowance for doubtful accounts	(4)
Total current assets	141,709
Noncurrent assets	
Property, plant and equipment	
Buildings, net	27,964
Structures, net	1,019
Machinery and equipment, net	591
Tools, furniture and fixtures, net	2,612
Land	11,330
Construction in progress	911
Other	250
Total property, plant and equipment	44,680
Intangible assets	
Software	11,227
Software in progress	3,305
Leasehold right	794
Other	1,094
Total intangible assets	16,422
Investments and other assets	
Investment securities	31,848
Stocks of subsidiaries and affiliates	29,838
Investment in capital of subsidiaries and affiliates	14,207
Lease and guarantee deposits	206
Long-term financial assets	2,005
Other	679
Allowance for doubtful accounts	(90)
Total investments and other assets	78,695
Total noncurrent assets	139,799
Total assets	281,508

NON-CONSOLIDATED BALANCE SHEETS

(continued)

	Millions of yen
LIABILITIES	
Current liabilities	
Electronically recorded obligations	2,413
Accounts payable-trade	7,307
Short-term loans payable	10,624
Commercial papers	30,000
Current portion of long-term loans payable	14,592
Accounts payable-other	9,994
Accrued expenses	1,469
Income taxes payable	325
Deposit received	237
Provision for bonuses	4,129
Provision for reinforcing measures against soft errors	898
Other	2,147
Total current liabilities	84,140
Noncurrent liabilities	
Long-term loans payable	4,080
Long-term deferred tax liabilities	445
Provision for reinforcing measures against soft errors	1,840
Other	519
Total noncurrent liabilities	6,885
Total liabilities	91,026
NET ASSETS	
Shareholders' equity	
Capital stock	43,401
Capital surplus	54,514
Legal capital surplus	36,350
Other capital surplus	18,164
Retained earnings	86,947
Other retained earnings	86,947
Reserve for advanced depreciation of noncurrent assets	1,109
Retained earnings brought forward	85,837
Treasury stock	(1,400)
Total shareholders' equity	183,461
Valuation and translation adjustments	
Valuation difference on available-for-sale securities	7,021
Total valuation and translation adjustments	7,021
Total net assets	190,482
Total liabilities, net assets	281,508

NON-CONSOLIDATED STATEMENTS OF INCOME

For the year ended March 31, 2020

Millions of yen		
Net sales		110,283
Cost of sales		56,144
Gross profit		54,139
Selling, general and administrative expenses		55,976
Operating loss		(1,836)
Non-operating income		
Dividend income	20,771	
Rent receivable	2,460	
Miscellaneous income	411	23,644
Non-operating expenses		
Interest expenses	451	
Rent payable	2,595	
Foreign exchange losses	341	
Commission fee	108	
Miscellaneous loss	610	4,108
Ordinary income		17,699
Extraordinary income		
Gain on sale of noncurrent assets	152	
Gain on sale of investment securities	12	
Gain on sale of subsidiaries' stock	2,565	
Gain on sale of businesses	823	3,554
Extraordinary losses		
Loss on sales of noncurrent assets	8	
Loss on retirement of noncurrent assets	218	
Loss on valuation of investment securities	91	
Loss on valuation of shares of subsidiaries and associates	13,318	
Provision for reinforcing measures against soft errors	3,478	17,115
Profit before income taxes		4,138
Income taxes-current	(1,027)	
Income taxes-deferred	819	(208)
Profit		4,347

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 the first time you login to ensure security.

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

- (2) The deadline for voting is 5:00 p.m. on Monday, June 23, 2020, 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, on weekdays)
- (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.

<Requests to our shareholders>

- Depending on the status of the infection spread, announcements and others of the government, etc. up to the day of this Annual General Meeting of Shareholders, the above measures may be updated.

We also ask that you check information offered on the Company's website (<https://www.yokogawa.com/>) on the Internet.

- Depending on the spread of COVID-19 infections, the venue or start time may be necessarily changed. In this case, the information will be posted on the Company's website (<https://www.yokogawa.com/>) on the Internet. Please make sure to check the Company's website in advance even if you attend on the day.
- The execution of voting rights using the voting form poses the infection risk through the process of returning it and counting. Accordingly, in the exercise of voting rights, you are kindly requested to exercise your voting rights via the Internet, etc. as much as possible.
- This year, because seats will be more well-spaced to prevent the spread of infections, the number of seats prepared will be much less than usual (approximately 20 seats at a maximum). Accordingly, please note that we may have to turn down your entry, even if you come to the venue on the day. We appreciate your understanding.
- Alcohol hand sanitizer for shareholders will be kept around the reception desk at the venue.
- Shareholders in attendance are asked to bring/wear a mask. Shareholders who do not bring/wear a mask may be declined entry and asked to leave.
- When any person is found to have a fever, is considered to be in bad physical condition, or returned from overseas less than 14 days before, the person may be declined entry and asked to leave. Any shareholder who returned from overseas less than 14 days before is requested to inform a receptionist accordingly.
- Operation staff for this Annual General Meeting of Shareholders will attend to shareholders after checking their physical condition including taking their temperature, with a mask on.
- At this Annual General Meeting of Shareholders, with regard to the Company's officers, only some of them may be in attendance, regardless of their physical conditions on the day, from the perspective of reducing the risk of infection spread and the Company's business continuity. Any officers in attendance will wear a mask.
- At this Annual General Meeting of Shareholders, explanations made at the meeting venue on items to be reported (including audit report) and items to be resolved will be reduced as much as possible from the perspective of shortening the meeting time to prevent the spread of COVID-19 infections. Shareholders are requested to read this Notice.

In addition, from the same perspective, a visit to the showroom and Global Response Center after this Annual General Meeting of Shareholders is cancelled. Please leave immediately after the conclusion. We appreciate your cooperation.