

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

To All Shareholders:

Securities code: 6841

Date of sending by postal mail: May 27, 2024

Start date of measures for electronic provision: May 22, 2024

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

Notice of 2024 Annual General Meeting of Shareholders

Dear Shareholder:

Yokogawa Electric Corporation (hereinafter the Company) hereby announces that the 2024 Annual General Meeting of Shareholders will be held as per the schedule below.

If you are unable to attend the meeting in person, you can exercise your voting rights in advance by mail, via the Internet. Please review the attached Reference Materials for General Meeting of Shareholders concerning the exercise of your shareholder voting rights and submit your vote using one of the methods outlined below **no later than 5:00 p.m. on Monday, June 17, 2024, Japan time.**

Sincerely,

Hitoshi Nara
President and CEO

1. Time & Date: 10:00 a.m. (Japan time), Tuesday, June 18, 2024

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

3. Meeting Agenda:

Items to be reported

- 1: Business report, consolidated financial statements, and a report on the audit of the consolidated accounts by the Accounting Auditors and the Audit & Supervisory Board for fiscal year 2023 (April 1, 2023 to March 31, 2024)
- 2: Non-consolidated financial statements for fiscal year 2023 (April 1, 2023 to March 31, 2024)

Items to be resolved

- Item 1: Disposition of Surplus**
- Item 2: Amendment of the Articles of Incorporation**
- Item 3: Election of Eleven (11) Directors**

[Vote by mail]

Indicate “for” or “against” for each agenda item shown on the voting form sent along with this notice and return it promptly to ensure its arrival **no later than 5:00 p.m. on Monday, June 17, 2024, Japan time.**

[Vote via the Internet]

Access the shareholder voting site (<https://soukai.mizuho-tb.co.jp/>) designated by the Company and enter the voting code and password found on the voting form sent along with this notice.

By following the prompts on the screen, indicate “for” or “against” for each agenda item and submit this form **no later than 5:00 p.m. on Monday, June 17, 2024, Japan time.**

For more details, please refer to the Instructions for Internet Voting on page 62.

[Handling of multiple voting]

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

Notes:

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

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

Reference Materials for General Meeting of Shareholders

Item 1: Disposition of Surplus

The distribution of earnings to shareholders is a top management priority for the Company. By achieving growth in earnings, the Company aims to steadily and continuously increase our dividend payments.

Specifically, the Company strives to ensure a consolidated dividend payout ratio of more than 30% while giving overall consideration to ensuring investment capital for maximizing business results and mid- to long-term shareholder value and maintaining financial footing for supporting investment for growth. The Company also aims to maintain a stable dividend based on a DOE (dividend on equity) ratio, even when business results deteriorate due to temporary factors.

Based on the above policy, the Company proposes to pay the year-end dividend of 23 yen per share for the year as follows, taking into account strong business results of the fiscal year under review, as well as future business plans, financial conditions and other factors. With this, the annual dividend per share for the, including the interim dividend of 17 yen, will be 40 yen, an increase of 6 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

23 yen per common share of the Company

Total amount of payout is 5,983,465,732 yen.

(3) Effective date of dividend payout

June 19, 2024

Item 2: Amendment of the Articles of Incorporation

1. Reasons for amendments

The Company intends to make a transition to a Company with Nominating Committee, etc., with objectives to clearly separate the functions and roles of supervision and business execution in management, strengthen the supervision function, and speed up business execution. Accompanying this transition, the Company will make some necessary changes including addition of new paragraphs related to the Nominating Committee, Audit Committee and Compensation Committee and Vice President & Executive Officers, as well as deletion of paragraphs related to Audit & Supervisory Board Members and the Audit & Supervisory Board. The establish of Article 27 EXEMPTION OF DIRECTORS FROM LIABILITY, Paragraph 1 and Article 32 EXEMPTION OF VICE PRESIDENT & EXECUTIVE OFFICERS FROM LIABILITY has been consented to by all Audit & Supervisory Board Members.

In addition, other necessary changes such as changes in the number of Articles (due to each the above changes) will be made.

The amendment to the Articles of Incorporation will become effective at the conclusion of this General Meeting of Shareholders.

2. Details of the changes

The contents of the amendment are as follows.

(Underline indicates amended portions.)

Current	Proposed amendment
CHAPTER I. GENERAL PROVISIONS	CHAPTER I. GENERAL PROVISIONS
ARTICLES 1. through 3. (Omitted)	ARTICLES 1. through 3. (Unchanged)
ARTICLE 4. (ORGANIZATION) The Company establishes the following bodies, in addition to the General Meeting of Shareholders and the Directors:	ARTICLE 4. (ORGANIZATION) <u>As a Company with Nominating Committee, etc.</u> , the Company establishes the following bodies, in addition to the General Meeting of Shareholders and the Directors:
(1) the Board of Directors; (2) <u>the Audit & Supervisory Board Members;</u>	(1) the Board of Directors; (2) <u>Nominating Committee, Audit Committee and Compensation Committee;</u>
(3) <u>the Audit & Supervisory Board;</u> and (4) the Accounting Auditors.	(3) <u>Vice President & Executive Officers;</u> and (4) the Accounting Auditors.
ARTICLE 5. (Omitted)	ARTICLE 5. (Unchanged)
CHAPTER II. SHARES	CHAPTER II. SHARES
ARTICLES 6. through 10. (Omitted)	ARTICLES 6. through 10. (Unchanged)
ARTICLE 11. ADMINISTRATOR OF THE REGISTER OF SHAREHOLDERS	ARTICLE 11. ADMINISTRATOR OF THE REGISTER OF SHAREHOLDERS
1. (Omitted) 2. The administrator of the Register of Shareholders and the place of its business	1. (Unchanged) 2. The administrator of the Register of Shareholders and the place of its business

Current	Proposed amendment
<p>shall be selected by resolution of the Board of Directors <u>and the Company</u> shall give public notice thereof.</p>	<p>shall be selected by resolution of the Board of Directors <u>or a Vice President & Executive Officer delegated by resolution of the Board of Directors and the Company</u> shall give public notice thereof.</p>
<p>3. (Omitted)</p>	<p>3. (Unchanged)</p>
<p>ARTICLES 12. through 13. (Omitted)</p>	<p>ARTICLES 12. through 13. (Unchanged)</p>
<p>CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</p>	<p>CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</p>
<p>ARTICLE 14. (Omitted)</p>	<p>ARTICLE 14. (Unchanged)</p>
<p>ARTICLE 15. PERSON TO CONVENE A MEETING AND CHAIRMAN</p>	<p>ARTICLE 15. PERSON TO CONVENE A MEETING AND CHAIRMAN</p>
<p>1. <u>The President shall convene</u> the General Meeting of Shareholders <u>and act as Chairman.</u></p> <p>2. <u>Should an accident befall the President, one of the other Directors shall act in his or her place in accordance with a resolution of the Board of Directors.</u></p>	<p>1. <u>The Director predetermined by resolution of the Board of Directors shall convene</u> the General Meeting of Shareholders. <u>Should an accident befall said Director, one of the other Directors shall act in his or her place in accordance with a resolution of the Board of Directors.</u></p> <p>2. <u>The Director or Vice President & Executive Officer predetermined by a resolution of the Board of Directors shall act as the Chairman of the General Meeting of Shareholders. Should an accident befall said Director or Vice President & Executive Officer, one of the other Directors or Vice President & Executive Officers shall act as Chairman in the order of priority predetermined by the Board of Directors.</u></p>
<p>ARTICLES 16. through 19. (Omitted)</p>	<p>ARTICLES 16. through 19. (Unchanged)</p>
<p>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p>	<p>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p>
<p>ARTICLES 20. through 22. (Omitted)</p>	<p>ARTICLES 20. through 22. (Unchanged)</p>
<p>ARTICLE 23. <u>REPRESENTATIVE DIRECTOR AND DIRECTORS WITH SPECIAL TITLES</u></p>	<p>ARTICLE 23. <u>CHAIRMAN AND DIRECTOR</u></p>
<p>1. <u>The Board of Directors selects a Representative Director of the Company</u> by resolution.</p> <p>2. <u>Each Representative Director may individually represent the Company.</u></p> <p>3. <u>The Board of Directors may, by resolution, elect a President and other</u></p>	<p>1. The Board of Directors selects a <u>Chairman and Director</u> by resolution.</p> <p>2. (Deleted)</p> <p>3. (Deleted)</p>

Current	Proposed amendment
<p style="text-align: center;"><u>Directors with special titles.</u></p> <p>ARTICLE 24. (Omitted)</p> <p>ARTICLE 25. NOTICE OF CONVOCATION OF MEETINGS OF THE BOARD OF DIRECTORS</p> <ol style="list-style-type: none"> 1. Notices to convene a meeting of the Board of Directors of the Company shall be sent to each Director <u>and each Audit & Supervisory Board member</u> at least three (3) days before the date of the meeting. Provided, however, that in emergencies, the notice period may be shortened. 2. Upon the unanimous consent of all Directors <u>and Audit & Supervisory Board members</u>, a meeting of the Board of Directors may be held without convocation procedures. <p>ARTICLE 26. (Omitted)</p> <p>ARTICLE 27. <u>DIRECTORS AND LIMITED LIABILITY AGREEMENT</u> (Newly established)</p> <p>In accordance with the provisions of Article 427 (1) of the Corporation Act, the Company may conclude with directors other than executive directors, etc., an agreement providing for the limitation of liability for damages arising out of their neglect of duty. Provided, however, that on the basis of such agreements, compensation shall be paid in an amount predetermined by the Company not less than 10 million yen, except in the event that a higher amount of compensation shall be stipulated by laws or regulations.</p> <p style="text-align: center;"><u>CHAPTER V.</u> <u>AUDIT & SUPERVISORY BOARD</u> <u>MEMBERS AND AUDIT &</u> <u>SUPERVISORY BOARD</u></p> <p><u>ARTICLE 28. NUMBER</u></p>	<p>ARTICLE 24. (Unchanged)</p> <p>ARTICLE 25. NOTICE OF CONVOCATION OF MEETINGS OF THE BOARD OF DIRECTORS</p> <ol style="list-style-type: none"> 1. Notices to convene a meeting of the Board of Directors of the Company shall be sent to each Director at least three (3) days before the date of the meeting. Provided, however, that in emergencies, the notice period may be shortened. 2. Upon the unanimous consent of all Directors, a meeting of the Board of Directors may be held without convocation procedures. <p>ARTICLE 26. (Unchanged)</p> <p>ARTICLE 27. <u>EXEMPTION OF DIRECTORS FROM LIABILITY</u></p> <ol style="list-style-type: none"> 1. <u>In accordance with the provisions of Article 426 (1) of the Corporation Act, the Company may, by resolutions of the Board of Directors, exempt Directors (including former Directors) from liability for damages under the provision of Article 423 (1) of the same Act to the extent provided by laws and regulations.</u> 2. In accordance with the provisions of Article 427 (1) of the Corporation Act, the Company may conclude with directors other than executive directors, etc., an agreement providing for the limitation of liability for damages arising out of their neglect of duty. Provided, however, that on the basis of such agreements, compensation shall be paid in an amount predetermined by the Company not less than 10 million yen, except in the event that a higher amount of compensation shall be stipulated by laws or regulations. <p>(Deleted)</p> <p>(Deleted)</p>

Current	Proposed amendment
<p><u>The number of Audit & Supervisory Board member of the Company shall be five (5) or fewer.</u></p>	
<p><u>ARTICLE 29. METHOD OF ELECTION</u></p> <ol style="list-style-type: none"> <u>1. Audit & Supervisory Board members of the Company are to be elected at a General Meeting of Shareholders.</u> <u>2. Audit & Supervisory Board member of the Company are to be elected pursuant to a resolution adopted by a majority of the voting rights of the shareholders who attend a General Meeting of Shareholders at which shareholders having one-third (1/3) or more of the total voting rights of all shareholders entitled to exercise the voting rights must be in attendance.</u> 	(Deleted)
<p><u>ARTICLE 30. TERM OF OFFICE</u></p> <ol style="list-style-type: none"> <u>1. The term of office of an Audit & Supervisory Board member expires upon the closing of the Ordinary General Meeting of Shareholders held with respect to the last business year that falls within four (4) years after the Audit & Supervisory Board member's assumption of office.</u> <u>2. The term of office of an Audit & Supervisory Board member elected to fill a vacancy resulting from the early retirement of an Audit & Supervisory Board member shall be until the remainder of the term of office of such retired Audit & Supervisory Board member expires.</u> 	(Deleted)
<p><u>ARTICLE 31. AUDIT & SUPERVISORY BOARD MEMBER IN FULL TIME SERVICE</u></p> <p><u>The Audit & Supervisory Board shall determine by resolution one (1) or more Audit & Supervisory Board member(s) to be in full time service.</u></p>	(Deleted)
<p><u>ARTICLE 32. NOTICE OF CONVOCATION OF MEETINGS OF THE AUDIT & SUPERVISORY BOARD OF AUDIT & SUPERVISORY BOARD MEMBERS</u></p> <ol style="list-style-type: none"> <u>1. Notices to convene a meeting of the Audit & Supervisory Board of the Company shall be sent to each Audit & Supervisory Board member at least three (3) days before the</u> 	(Deleted)

Current	Proposed amendment
<p><u>date of the meeting. Provided, however, that in emergencies, the notice period may be shortened.</u></p> <p>2. <u>Upon the unanimous consent of all Audit & Supervisory Board members, a meeting of the Audit & Supervisory Board may be held without convocation procedures.</u></p>	
<p><u>ARTICLE 33. AUDIT & SUPERVISORY BOARD MEMBERS AND LIMITED LIABILITY AGREEMENT</u></p> <p><u>In accordance with the provisions of Article 427 (1) of the Corporation Act, the Company may conclude with Audit & Supervisory Board Members an agreement providing for the limitation of liability for damages arising out of their neglect of duty. Provided, however, that on the basis of such agreements, compensation shall be paid in an amount predetermined by the Company not less than 10 million yen, except in the event that a higher amount of compensation shall be stipulated by laws or regulations.</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p><u>CHAPTER V.</u> <u>NOMINATING COMMITTEE, AUDIT COMMITTEE AND COMPENSATION COMMITTEE</u></p>
<p>(Newly established)</p>	<p><u>ARTICLE 28. APPOINTMENT OF COMMITTEE MEMBERS</u> <u>All members of the Nominating Committee, Audit Committee and Compensation Committee shall be appointed from Directors by resolutions of the Board of Directors.</u></p>
<p>(Newly established)</p>	<p><u>CHAPTER VI.</u> <u>VICE PRESIDENT & EXECUTIVE OFFICERS</u></p>
<p>(Newly established)</p>	<p><u>ARTICLE 29. ELECTION OF VICE PRESIDENT & EXECUTIVE OFFICERS</u> <u>Vice President & Executive Officers of the Company shall be elected by resolutions of the Board of Directors.</u></p>
<p>(Newly established)</p>	<p><u>ARTICLE 30. TERM OF OFFICE</u> <u>The term of office of Vice President & Executive Officers shall expire at the end of the business year ending within one (1) year following the Vice President & Executive</u></p>

Current	Proposed amendment
(Newly established)	<p><u>Officer's election.</u></p> <p><u>ARTICLE 31. REPRESENTATIVE VICE PRESIDENT & EXECUTIVE OFFICERS AND VICE PRESIDENT & EXECUTIVE OFFICERS WITH SPECIAL TITLES</u></p> <p><u>1. The Board of Directors shall appoint the Representative Vice President & Executive Officers by its resolution.</u></p> <p><u>2. In addition to Representative Vice President & Executive Officers provided in the preceding paragraph, Vice President & Executive Officers with special titles may also be appointed by resolution of the Board of Directors.</u></p>
(Newly established)	<p><u>ARTICLE 32. EXEMPTION OF VICE PRESIDENT & EXECUTIVE OFFICERS FROM LIABILITY</u></p> <p><u>In accordance with the provisions of Article 426 (1) of the Corporation Act, the Company may, by resolutions of the Board of Directors, exempt Vice President & Executive Officers (including former Vice President & Executive Officers) from liability for damages under the provisions of Article 423 (1) of the same Act to the extent provided by laws and regulations.</u></p>
<p>CHAPTER VI. ACCOUNTING</p>	<p>CHAPTER VII. ACCOUNTING</p>
ARTICLES <u>34.</u> through <u>36.</u> (Omitted)	ARTICLES <u>33.</u> through <u>35.</u> (Unchanged)


Item 3: Election of Eleven (11) Directors

Subject to the approval of Item 2, “Amendment of the Articles of Incorporation,” the Company will transition from a Company with an Audit & Supervisory Board to a Company with Nominating Committee, etc. at the conclusion of this General Meeting of Shareholders. Along with that, the terms of office for eight (8) Directors and five (5) Audit & Supervisory Board Members will expire.

After the transition to a Company with a Nominating Committee, etc. the Company intends to clearly separate the functions and roles of supervision and business execution in management, strengthen the supervision function, and speed up business execution, while further enhancing the supervisory function of the Board of Directors over business execution. In accordance with the amended Articles of Incorporation, subject to Item 2 being approved and taking effect, the Company proposes to elect a total of eleven (11) Directors including eight (8) Outside Directors.

The Company nominated candidates for Directors by the resolution of the Board of Directors following the recommendation and deliberation by the Company’s Nomination Advisory Committee, over half of whose members are Outside Directors, based on “The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates,” stipulated by the Company.


Information on the eleven (11) Director candidates is provided below.

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
1	 <p>Hitoshi Nara (Jan. 23, 1963)</p> <p>Reelection Candidate</p>	<p>Apr. 1985 Joined the Company</p> <p>Oct. 2001 Deputy Managing Director of Yokogawa Engineering Asia Pte. Ltd.</p> <p>Oct. 2003 Managing Director of Yokogawa (Thailand) Ltd.</p> <p>Jan. 2007 Head of Sales Div. 1, Industrial Solutions Business Headquarters of the Company</p> <p>Apr. 2010 Senior Vice President, Head of Industrial Solutions Business Headquarters</p> <p>Jun. 2011 Director and Senior Vice President, Head of Industrial Solutions Business Headquarters</p> <p>Apr. 2012 Director and Senior Vice President, Head of Industrial Solutions Service Business Headquarters</p> <p>Apr. 2013 Director of the Company, President of Yokogawa Solution Service Corporation</p> <p>Apr. 2017 Director and Executive Vice President, Chief Executive for Japan and Korea, and President of Yokogawa Solution Service Corporation</p> <p>Apr. 2018 Director and Executive Vice President, Head of Life Innovation Business Headquarters</p> <p>Apr. 2019 President and Chief Executive Officer (present)</p>	31,247 shares
<p>Number of years since appointment as a Director 13 years (at the conclusion of this AGM)</p> <p>Attendance of Board of Directors Meetings Present at 14 of the 14 meetings (FY2023) (100%)</p> <p>The reason for election as a Director candidate</p> <p>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.</p> <p>In addition, please refer to page 23 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates."</p>			


Notes on each candidate are as indicated on page 22.

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
2	 <p data-bbox="384 611 539 658">Hikaru Kikkawa (Mar. 28, 1967)</p> <p data-bbox="384 674 539 703">New Candidate</p>	<p data-bbox="587 309 699 331">Apr. 1989</p> <p data-bbox="587 331 699 353">Apr. 2011</p> <p data-bbox="587 376 699 398">Apr. 2012</p> <p data-bbox="587 421 699 443">Apr. 2016</p> <p data-bbox="587 465 699 488">May 2017</p> <p data-bbox="587 488 699 510">Apr. 2020</p> <p data-bbox="587 533 699 555">Apr. 2022</p> <p data-bbox="587 555 699 577">Apr. 2024</p> <p data-bbox="730 309 1236 577"> Joined the Company Head of PR/IR Office, Corporate Administration Headquarters Head of Corporate Planning Office, Corporate Headquarters Head of Business Planning Office, Marketing Headquarters President of Yokogawa America do Sul S.A.S. Vice President, Head of Audit, Compliance and Quality Assurance Headquarters of the Company Vice President, Head of Audit & QHSE Headquarters Internal Audit Headquarters (present) </p>	24,187 shares
<p data-bbox="379 741 805 763">The reason for election as a Director candidate</p> <p data-bbox="395 770 1332 927"> Mr. Hikaru Kikkawa has many years of experience in the Company's accounting and treasury departments and business units including overseas subsidiaries. Most recently, he has demonstrated his high level of competence and expertise in business audits as Head of Audit & QHSE Headquarters, and he has extensive experience and achievements in management in the Company. 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 experience in management and track records, his election as a Director is newly requested. </p> <p data-bbox="395 927 1332 972"> In addition, please refer to page 23 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates." </p>			


Notes on each candidate are as indicated on page 22.

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
3	 <p data-bbox="371 613 550 663">Michiko Nakajima (Jan. 14, 1971)</p> <p data-bbox="371 678 550 712">New Candidate</p>	<p data-bbox="587 304 699 327">Apr. 1994</p> <p data-bbox="587 327 699 349">Apr. 2014</p> <p data-bbox="587 371 699 394">Apr. 2016</p> <p data-bbox="587 416 699 439">Apr. 2018</p> <p data-bbox="587 461 699 483">Apr. 2021</p> <p data-bbox="730 304 1236 506"> Joined the Company Head of Budget Control Department, Accounting & Treasury Headquarters Head of Treasury Department, Accounting & Treasury Headquarters Head of Accounting & Treasury Center, Accounting & Treasury Headquarters Vice President, Head of Accounting & Treasury Headquarters (present) </p>	6,960 shares
	<p data-bbox="376 745 807 768">The reason for election as a Director candidate</p> <p data-bbox="395 775 1334 909"> Ms. Michiko Nakajima has many years of experience in the accounting and treasury division of the Company and currently serves as Head of Accounting & Treasury Headquarters, and has a wealth of knowledge and achievements in management of the Company. Because she 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 her experience in management and track records, her election as a Director is newly requested. </p> <p data-bbox="395 909 1334 954"> In addition, please refer to page 23 for “The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates.” </p>		


Notes on each candidate are as indicated on page 22.

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
4	 <p data-bbox="395 600 528 645">Akira Uchida (Oct. 4, 1950)</p> <p data-bbox="363 645 560 689">Reelection Candidate</p> <p data-bbox="363 701 560 745">Candidate of Outside Director</p> <p data-bbox="363 757 560 801">Candidate of Independent Officer</p>	<p data-bbox="587 322 699 344">Apr. 1975</p> <p data-bbox="587 344 699 367">Jun. 1996</p> <p data-bbox="587 389 699 412">Jun. 2000</p> <p data-bbox="587 456 699 479">Jun. 2004</p> <p data-bbox="587 524 699 546">Jun. 2005</p> <p data-bbox="587 613 699 636">Jun. 2009</p> <p data-bbox="587 703 699 725">Jun. 2012</p> <p data-bbox="587 860 699 882">Jun. 2016</p> <p data-bbox="587 904 699 927">Jun. 2019</p> <p data-bbox="730 322 1236 920"> Joined Toray Industries, Inc. Executive Vice President of Toray Industries (America), Inc. Senior Manager of Corporate Planning 1st Department and Corporate Communications Department, Toray Industries, Inc. Associate Director of Corporate Planning Department and Investor Relations Department, Toray Industries, Inc. Vice President (Member of the Board), General Manager of Finance & Controller's Division, Toray Industries, Inc. 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. 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. Counselor, Toray Industries, Inc. (retired in March 2019) Director of the Company (present) </p>	2,727 shares
<p data-bbox="379 936 671 958">Significant concurrent positions</p> <p data-bbox="395 958 890 1003">Outside Director of J. FRONT RETAILING Co., Ltd. Auditor of Suga Weathering Technology Foundation</p> <p data-bbox="379 1014 1023 1059">Number of years since appointment as an Outside Director 5 years (at the conclusion of this AGM)</p> <p data-bbox="379 1070 1123 1115">Attendance of Board of Directors Meetings Present at 14 of the 14 meetings (FY2023) (100%)</p> <p data-bbox="379 1126 1161 1149">The reason for election as an Outside Director candidate and outline of expected roles</p> <p data-bbox="395 1149 1331 1261">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.</p> <p data-bbox="395 1261 1331 1305">In addition, please refer to page 23 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates."</p> <p data-bbox="379 1328 663 1350">About the independent officers</p> <p data-bbox="395 1350 1331 1462">Mr. Akira Uchida meets the requirements of an independent officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated him as an independent officer, and he is registered as such at the said exchange. Provided he is re-elected as proposed, he will continue his service for the Company as an independent officer.</p> <p data-bbox="395 1462 1155 1485">In addition, please refer to page 24 for "The Company's Independence Standards."</p>			


Notes on each candidate are as indicated on page 22.

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
	 <p data-bbox="389 602 533 647">Kuniko Urano (Oct. 19, 1956)</p> <p data-bbox="360 658 558 714">Reelection Candidate</p> <p data-bbox="360 725 558 781">Candidate of Outside Director</p> <p data-bbox="360 792 558 837">Candidate of Independent Officer</p>	<p data-bbox="587 322 919 344">Apr. 1979 Joined Komatsu Ltd</p> <p data-bbox="587 349 1214 394">Apr. 2005 General Manager of Logistics Planning Department, Production Division of Komatsu Ltd</p> <p data-bbox="587 398 1177 443">Apr. 2010 General Manager of Corporate Communications Department of Komatsu Ltd</p> <p data-bbox="587 448 1190 492">Apr. 2011 Executive Officer, General Manager of Corporate Communications Department of Komatsu Ltd</p> <p data-bbox="587 497 1166 542">Apr. 2014 Executive Officer, General Manager of Human Resources Department of Komatsu Ltd</p> <p data-bbox="587 546 1230 591">Apr. 2016 Senior Executive Officer, General Manager of Human Resources Department of Komatsu Ltd</p> <p data-bbox="587 595 1230 618">Jun. 2018 Director and Senior Executive Officer of Komatsu Ltd</p> <p data-bbox="587 622 959 645">Apr. 2021 Director of Komatsu Ltd</p> <p data-bbox="587 649 1046 672">Jun. 2021 Director of the Company (present)</p> <p data-bbox="587 676 1107 698">Jul. 2021 Senior Adviser of Komatsu Ltd (present)</p>	0 shares
5	<p data-bbox="378 853 671 875">Significant concurrent positions</p> <p data-bbox="397 880 903 969">Senior Adviser of Komatsu Ltd. Outside Director of MORINAGA & CO., LTD. Outside Director of NIPPON STEEL CORPORATION Director of JAPAN RUGBY LEAGUE ONE</p> <p data-bbox="378 981 987 1025">Number of years since appointment as an Outside Director 3 years (at the conclusion of this AGM)</p> <p data-bbox="378 1037 1072 1081">Attendance of Board of Directors Meetings Present at 14 of the 14 meetings (FY2023) (100%)</p> <p data-bbox="378 1093 1161 1115">The reason for election as an Outside Director candidate and outline of expected roles</p> <p data-bbox="397 1120 1331 1232">Ms. Kuniko Urano properly supervises management as an Outside Director. Her election as an Outside Director is being requested so that she can contribute to greater operational fairness, objectivity, and transparency with respect to supervision of management of the Company based on her wide knowledge as a corporate manager and wide experience in divisions of production, personnel/education, public relations/CSR, etc., in major manufacturing companies.</p> <p data-bbox="397 1236 1331 1281">In addition, please refer to page 23 for “The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates.”</p> <p data-bbox="378 1292 663 1314">About the independent officers</p> <p data-bbox="397 1319 1331 1431">Ms. Kuniko Urano meets the requirements of an independent officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated her as an independent officer, and she is registered as such at the said exchange. Provided she is re-elected as proposed, she will continue her service for the Company as an independent officer.</p> <p data-bbox="397 1435 1153 1458">In addition, please refer to page 24 for “The Company’s Independence Standards.”</p>		


Notes on each candidate are as indicated on page 22.

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
6	 <p>Takuya Hirano (Aug. 11, 1970)</p> <p>Reelection Candidate</p> <p>Candidate of Outside Director</p> <p>Candidate of Independent Officer</p>	<p>Dec. 1995 Joined Kanematsu USA</p> <p>Feb. 1998 Joined Hyperion Solutions Corporation (the present Oracle Corporation)</p> <p>Feb. 2001 President of Hyperion Solutions Japan</p> <p>Aug. 2005 Senior Director, Business & Marketing Division of Microsoft Co., Ltd. (the present Microsoft Japan Co., Ltd.)</p> <p>Feb. 2006 General Manager, Enterprise Service of Microsoft Co., Ltd.</p> <p>Jul. 2007 General Manager, Enterprise Business & Enterprise Service of Microsoft Co., Ltd.</p> <p>Mar. 2008 General Manager, Enterprise Business of Microsoft Co., Ltd.</p> <p>Sep. 2011 General Manager, Multi-country of Microsoft Central and Eastern Europe</p> <p>Jul. 2014 Executive Vice President, Marketing & Operations of Microsoft Japan Co., Ltd.</p> <p>Mar. 2015 Representative Officer, Executive Deputy President of Microsoft Japan Co., Ltd.</p> <p>Jul. 2015 President of Microsoft Japan Co., Ltd. (retired in August 2019)</p> <p>Sep. 2019 Vice President, Global Service Partner Business of Microsoft Corporation (retired in September 2022)</p> <p>Jun. 2022 Director of the Company (present)</p>	0 shares
<p>Significant concurrent positions</p> <p>Co-founder of Three Field Advisors LLC</p> <p>Founder of Crosspoint LLC</p> <p>Chairman (Part-time Member) of Yayoi Co., Ltd.</p> <p>Outside Director of Renesas Electronics Corporation</p> <p>Number of years since appointment as an Outside Director 2 years (at the conclusion of this AGM)</p> <p>Attendance of Board of Directors Meetings Present at 14 of the 14 meetings (FY2023) (100%)</p> <p>The reason for election as an Outside Director candidate and outline of expected roles</p> <p>Mr. Takuya Hirano 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-ranging practical experience in the business divisions of a global IT firm.</p> <p>In addition, please refer to page 23 for “The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates.”</p> <p>About the independent officers</p> <p>Mr. Takuya Hirano meets the requirements of an independent officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated him as an independent officer, and he is registered as such at the said exchange. Provided he is re-elected as proposed, he will continue his service for the Company as an independent officer.</p> <p>In addition, please refer to page 24 for “The Company’s Independence Standards.”</p>			


Notes on each candidate are as indicated on page 22.

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
7	 <p>Yujiro Goto (May 4, 1957)</p> <p>Reelection Candidate</p> <p>Candidate of Outside Director</p> <p>Candidate of Independent Officer</p>	<p>Apr. 1980 Joined Nippon Shokubai Kagaku Kogyo Co., Ltd. (the present NIPPON SHOKUBAI CO., LTD.)</p> <p>Apr. 2011 Deputy Director of Production Div., and General Manager of Production & technology Dept. of NIPPON SHOKUBAI CO., LTD.</p> <p>Apr. 2012 Plant Manager of Kawasaki Plant of NIPPON SHOKUBAI CO., LTD.</p> <p>Jun. 2012 Executive Officer, Plant Manager of Kawasaki Plant of NIPPON SHOKUBAI CO., LTD.</p> <p>Jun. 2015 Member of the Board, Managing Executive Officer in charge of production and technology departments of NIPPON SHOKUBAI CO., LTD.</p> <p>Apr. 2017 President and Representative Member of the Board of NIPPON SHOKUBAI CO., LTD.</p> <p>Jun. 2022 Member of the Board, Chairman of NIPPON SHOKUBAI CO., LTD.</p> <p>Jun. 2023 Advisor of NIPPON SHOKUBAI CO., LTD. (present) Director of the Company (present)</p>	0 shares
		<p>Significant concurrent positions</p> <p>Advisor of NIPPON SHOKUBAI CO., LTD. Vice Chairman of Science Technology and Industrial Development Committee of Kansai Economic Federation</p> <p>Number of years since appointment as an Outside Director 1 year (at the conclusion of this AGM)</p> <p>Attendance of Board of Directors Meetings Present at 11 of the 11 meetings (FY2023) (100%) *Since he assumed the position on June 27, 2023</p> <p>The reason for election as an Outside Director candidate and outline of expected roles</p> <p>Mr. Yujiro Goto 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 and experience as a corporate manager and corporate transformation, new business development, and M&A at a major manufacturing company.</p> <p>In addition, please refer to page 23 for “The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates.”</p> <p>About the independent officers</p> <p>Mr. Yujiro Goto meets the requirements of an independent officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated him as an independent officer, and he is registered as such at the said exchange. Provided he is re-elected as proposed, he will continue his service for the Company as an independent officer.</p> <p>In addition, please refer to page 24 for “The Company’s Independence Standards.”</p>	


Notes on each candidate are as indicated on page 22.

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
	 <p data-bbox="384 629 536 674">Makoto Ohsawa (Feb. 20, 1959)</p> <p data-bbox="363 689 557 730">New Candidate</p> <p data-bbox="363 741 557 790">Candidate of Outside Director</p> <p data-bbox="363 801 557 851">Candidate of Independent Officer</p>	<p data-bbox="588 327 1222 745"> Apr. 1981 Joined the Bank of Japan May. 1990 Seconded to the International Monetary Fund (Asian Department) Jun. 1997 Deputy Chief, London Representative Office of the Bank of Japan Jun. 1999 Director, Financial Markets Department, the Bank of Japan Jun. 2003 General Manager, Naha Branch (Okinawa) of the Bank of Japan Sep. 2006 Joined PwC Sep. 2008 Partner of PwC (in charge of Business Revitalization, Financial, Family Businesses, Healthcare, and Hospitality Industries) Feb. 2012 Chief Executive Officer of FEMO Co., Ltd. (present) Jun. 2018 Member of Audit & Supervisory Board of the Company (present) </p>	0 shares
9	<p data-bbox="379 869 671 891">Significant concurrent positions</p> <p data-bbox="395 898 1066 1010"> Chief Executive Officer of FEMO Co., Ltd. Representative Director and President of Long Stay Network Co., Ltd. Outside Director of Bank of Toyama Director of Japan Business School Education Development Organization Auditor of Kibun Scholarship Foundation </p> <p data-bbox="379 1021 1246 1066"> Number of years since appointment as an Outside Audit & Supervisory Board Member 6 years (at the conclusion of this AGM) </p> <p data-bbox="379 1077 1294 1144"> Attendance of Board of Directors Meetings Present at 14 of the 14 meetings (FY2023) (100%) * Present as Outside Audit & Supervisory Board Member </p> <p data-bbox="379 1155 1334 1357"> The reason for election as an Outside Director candidate and outline of expected roles Mr. Makoto Ohsawa properly supervises management as an Outside Audit & Supervisory Board Member. He has wide knowledge based on his perspective as an experienced corporate manager and his extensive range of business activities in the economic circles, and also has a wealth of experience acting as an outside executive at various companies. Accordingly, we expect him to contribute to greater operational fairness, objectivity, and transparency with respect to supervising management of the Company based on his such experiences, and newly request his election as an Outside Director. In addition, please refer to page 23 for “The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates.” </p> <p data-bbox="379 1368 1334 1536"> About the independent officers Mr. Makoto Ohsawa meets the requirements of an independent officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated him as an independent officer, and he is registered as such at the said exchange. Provided he is elected as proposed, he will continue his service for the Company as an independent officer. In addition, please refer to page 24 for “The Company’s Independence Standards.” </p>		

Notes on each candidate are as indicated on page 22.

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
10	 <p data-bbox="395 629 523 674">Masaru Ono (Jun. 1, 1953)</p> <p data-bbox="363 689 555 725">New Candidate</p> <p data-bbox="363 741 555 777">Candidate of Outside Director</p> <p data-bbox="363 792 555 828">Candidate of Independent Officer</p>	<p data-bbox="587 322 1214 712"> Apr. 1978 Registered Tokyo Bar Association Jun. 1983 Certified New York State Bar Feb. 1984 Joined Nishimura Sanada Law Firm (the present Nishimura & Asahi) Jul. 1985 Partner of Nishimura & Asahi Jun. 2007 Managing Director of Securitization Forum of Japan (present) Apr. 2009 Visiting Professor of University of Tokyo Jun. 2020 Member of Audit & Supervisory Board of the Company (present) Dec. 2021 Of Counsel of Nishimura & Asahi (retired in December 2023) Jan. 2024 Representative Partner, Ono & Partner (present) Advisor of Nishimura & Asahi (present) </p>	0 shares
<p data-bbox="379 869 671 891">Significant concurrent positions</p> <p data-bbox="395 898 1193 1032"> Representative Partner of Ono & Partner Advisor of Nishimura & Asahi External Auditor of Prestige International Inc. Independent Auditor of &Capital Inc. (Part-time) President of Securitization Forum of Japan Auditor of Advanced Internship Institute of Japan Association of Corporate Executives </p> <p data-bbox="379 1039 1246 1084"> Number of years since appointment as an Outside Audit & Supervisory Board Member 4 years (at the conclusion of this AGM) </p> <p data-bbox="379 1093 1294 1160"> Attendance of Board of Directors Meetings Present at 14 of the 14 meetings (FY2023) (100%) * Present as Outside Audit & Supervisory Board Member </p> <p data-bbox="379 1169 1161 1191">The reason for election as an Outside Director candidate and outline of expected roles</p> <p data-bbox="395 1198 1331 1332"> Mr. Masaru Ono properly supervises management as an Outside Audit & Supervisory Board Member. He is a lawyer with wide knowledge of the corporate legal affairs and finance fields and has extensive knowledge from his extensive range of business activities in economic and educational circles. Accordingly, we expect him to contribute to greater operational fairness, objectivity, and transparency with respect to supervising management of the Company based on his such experiences, and newly request him election as an Outside Director. </p> <p data-bbox="395 1339 1331 1384"> In addition, please refer to page 23 for “The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates.” </p> <p data-bbox="379 1393 667 1415">About the independent officers</p> <p data-bbox="395 1422 1331 1534"> Mr. Masaru Ono meets the requirements of an independent officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. The Company nominated him as an independent officer, and he is registered as such at the said exchange. Provided he is elected as proposed, he will continue his service for the Company as an independent officer. </p> <p data-bbox="395 1541 1155 1563"> In addition, please refer to page 24 for “The Company’s Independence Standards.” </p>			

Notes on each candidate are as indicated on page 22.

Candidate number	Name Date of birth	Brief history, position and area of responsibility	Number of Company shares owned by the candidate
11	 <p>Hisashi Maruyama (Mar. 8, 1961)</p> <p>New Candidate</p> <p>Candidate of Outside Director</p> <p>Candidate of Independent Officer</p>	<p>Apr. 1983 Joined Hitachi Chemical Company, Ltd. (the present Resonac Corporation)</p> <p>Apr. 2003 Head of President's Office and General Manager in charge of Legal and IR of Hitachi Chemical Company, Ltd. (the present Resonac Corporation)</p> <p>Apr. 2011 Executive Officer, Deputy General Manager of CSR Management Department and Head of Finance Center of Hitachi Chemical Company, Ltd. (the present Resonac Corporation)</p> <p>Apr. 2015 Managing Executive Officer of Hitachi Chemical Company, Ltd. (the present Resonac Corporation)</p> <p>Apr. 2016 Representative Executive Officer and President of Hitachi Chemical Company, Ltd. (the present Resonac Corporation)</p> <p>Jun. 2016 Director, Representative Executive Officer and President of Hitachi Chemical Company, Ltd. (the present Resonac Corporation)</p> <p>Jan. 2022 Director, Showa Denko K.K. (the present Resonac Holdings Corporation), Representative Director and Chairman, Showa Denko Materials Co., Ltd. (the present Resonac Corporation)</p> <p>Jan. 2023 Director, Resonac Holdings Corporation (retired in March 2023)</p>	0 shares
<p>Significant concurrent positions</p> <p>Outside Director, Member of the Audit & Supervisory Committee of Zensho Holdings Co., Ltd.</p> <p>The reason for election as an Outside Director candidate and outline of expected roles</p> <p>Mr. Hisashi Maruyama has broad experience and knowledge as a manager and in the field of legal, public relations and investor relations, finance, and CSR departments, leading corporate reform as CEO, in the major global manufacturing industry. Accordingly, we expect him to contribute to greater operational fairness, objectivity, and transparency with respect to supervising management of the Company based on his such experiences, and newly request his election as an Outside Director.</p> <p>In addition, please refer to page 23 for "The policies and procedures for the nomination of Director and Vice President & Executive Officer candidates."</p> <p>About the independent officers</p> <p>Mr. Hisashi Maruyama meets the requirements of an independent officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and the standards of independence in the Company. Provided he is elected as proposed, the Company plans to register him as an independent officer to the said exchange.</p> <p>In addition, please refer to page 24 for "The Company's Independence Standards."</p>			

Notes on each candidate are as indicated on page 22.

- Notes:
1. There is no special interest between each candidate and the Company.
 2. Mr. Akira Uchida, Ms. Kuniko Urano, Mr. Takuya Hirano, Mr. Yujiro Goto, Ms. Yasuko Takayama, Mr. Makoto Ohsawa, Mr. Masaru Ono and Mr. Hisashi Maruyama are candidates to fill the Outside Director positions provided for in Article 2, paragraph (3), item (vii) of the Ordinance for Enforcement of the Companies Act.
 3. In June 2023, while Ms. Yasuko Takayama served as an Outside Director of The Chiba Bank, Ltd., the Bank and its subsidiary, Chibagin Securities Co., Ltd., were issued with an administrative action (business improvement order) by the Kanto Local Finance Bureau concerning solicitation and sales of structured bonds. Although she was unaware of the fact until receiving the report, she has regularly reminded others of the importance of legal compliance at the Board of Directors meetings and on other occasions. She made recommendations to the Nomination, Compensation and Management Advisory Committee and the Board of Directors, etc., in preparing an investigation report on this matter and in formulating a business improvement plan. In addition, the progress of the business improvement plan is being monitored at the Board of Directors meetings (on a quarterly basis) and related meetings, etc., as well as through interviews with officers.
 4. The Company has entered into a liability limitation agreement with Mr. Akira Uchida, Ms. Kuniko Urano, Mr. Takuya Hirano, Mr. Yujiro Goto, Ms. Yasuko Takayama, Mr. Makoto Ohsawa and Mr. Masaru Ono, and upon approval of their re-elections, the Company will continue the agreement with them. In addition, upon approval of the election of Mr. Hisashi Maruyama, the Company will enter into a liability limitation 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.
 5. The Company has entered into an indemnity agreement with Mr. Hitoshi Nara, Mr. Akira Uchida, Ms. Kuniko Urano, Mr. Takuya Hirano, Mr. Yujiro Goto, Ms. Yasuko Takayama, Mr. Makoto Ohsawa and Mr. Masaru Ono, pursuant to Article 430-2, paragraph (1) of the Companies Act. Under this agreement, the Company provides indemnify for expenses under item (i) of the same paragraph and losses under item (ii) of the same paragraph within the scope stipulated by law. If these eight persons are elected as proposed, the Company will continue the same agreement with each of them. In addition, if Mr. Hikaru Kikkawa, Ms. Michiko Nakajima and Mr. Hisashi Maruyama are elected as proposed, the Company plans to enter into an indemnity agreement with the same effect as described above with these three persons.
 6. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. This agreement covers the insured's losses and such costs as dispute expenses incurred from claims by shareholders and third parties, etc. for damages arising from acts carried out by the insured as an officer of the Company (including negligence). Eight Directors, Mr. Hitoshi Nara, Mr. Akira Uchida, Ms. Kuniko Urano, Mr. Takuya Hirano, Mr. Yujiro Goto, Ms. Yasuko Takayama, Mr. Makoto Ohsawa and Mr. Masaru Ono, are currently insureds under the insurance agreement, and if these eight persons are elected as proposed, they will continue to be insureds under the insurance agreement. Provided Mr. Hikaru Kikkawa, Ms. Michiko Nakajima and Mr. Hisashi Maruyama are elected as proposed, these three persons will be included as insureds in the said insurance agreement. In addition, the Company plans to renew the agreement with details of the same degree at the time of next renewal.

Reference

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

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

The Board of Directors and Vice President & Executive Officers shall be composed so as to be well balanced in knowledge, experience, and capabilities to effectively fulfill its roles and responsibilities, and it shall be constituted in such a manner as to achieve both diversity and appropriate size.

Under this premise, human resources that contribute to improvement of corporate governance, that supervise of highly effective management and that have experience and knowledge required for formulation of management strategies aiming at an increase in the Company's corporate value over the medium to long term and contribute to right management decisions, that are familiar with the Group's business and contribute to appropriate supervision of the Company and Group companies and that have knowledge on accounting, finance, legal affairs and corporate management and contribute to appropriate supervision of management are nominated as Director candidates. Human resources that contribute to an increase in the Company's corporate value over the medium to long term, that are familiar with the Group's business and contribute to appropriate business execution, that have sufficient experience and knowledge in light of the expected roles required for each Vice President & Executive Officer position, and that have the will and attitude appropriate for the management team are nominated as Vice President & Executive Officer candidates.

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

With respect to nomination of Director candidates and Vice President & Executive Officer candidates, 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. Matters with respect to such nomination are determined by the Board of Directors after deliberations by the Committee based on the new appointment and reappointment standard and procedure established by the Committee. Vice President & Executive Officers are appointed by resolution of the Board of Directors after the transition to a Company with a Nominating Committee, etc. is approved at this General Meeting of Shareholders.

After the transition to a Company with a Nominating Committee, etc., the Nominating Committee, which will consist of a majority of independent Outside Directors, will determine Director candidates. Vice President & Executive Officer candidates will be decided by the Board of Directors after deliberation by the Nominating Committee based on the new appointment and reappointment standard and procedure established by the Committee.

Reference

The Company's Independence Standards

In order to increase the transparency of appointments of Outside Directors 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 fiscal 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 has 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.

[Reference]

Expertise and Experience of Officers

The expertise and experience of officers are as below.

The expertise and experience of offices are outlined based on the officer structure after each candidate is elected as originally proposed under Item 3 in this meeting.

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

[Reference]

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

The composition of the Board of Directors and the Nominating/Compensation/Audit Committee if each candidate is elected as originally proposed under Item 3 at this meeting will be as outlined below.

Board of Directors 11 members			Nominating Committee 5 members		Compensation Committee 4 members		Audit Committee 5 members	
Directors	Hitoshi Nara		○	Member				
	Hikaru Kikkawa						○	Member
	Michiko Nakajima							
Outside Directors	Akira Uchida	Chairman	○	Member	○	Member		
	Kuniko Urano		◎	Chairwoman	○	Member		
	Takuya Hirano		○	Member	◎	Chairman		
	Yujiro Goto		○	Member	○	Member		
	Yasuko Takayama	Leading Outside Director					○	Member
	Makoto Ohsawa						○	Member
	Masaru Ono						○	Member
	Hisashi Maruyama						◎	Chairman

Business Report

(From April 1, 2023 to March 31, 2024)

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, 2023 to March 31, 2024) is as follows.

The world is experiencing drastic change due to pressing social issues that call for solutions such as an energy transition to enable a carbon-neutral society, and due to innovations in digital technologies.

In this business environment, in accordance with the medium-term business plan, "Accelerate Growth 2023," which ends in the current fiscal year (fiscal year ended March 31, 2024), the Group worked to establish a business structure centered on solving common social issues towards growth, focusing on four key strategies: "Implement IA2IA and smart manufacturing and transform value provision," "Strengthen industry responsiveness and expand cross-industry business," "Ensure profitability and sound growth," and "Optimize internal operations and transform mindsets."

In terms of the Group's business performance during the fiscal year under review, net sales increased by 83.672 billion yen year on year, mainly due to an improved procurement environment for production parts and project-procured products, the effect of price hike measures, recording sales of large-scale projects ordered after COVID-19, and the impact of foreign exchange fluctuations. Operating profit increased by 34.391 billion yen year on year, mainly due to an increase in the gross profit margin with an increase in sales. Ordinary profit increased by 35.490 billion yen year on year. Profit attributable to owners of parent increased by 22.764 billion yen year on year, mainly due to the increase in ordinary profit and to recording gain on sale of investment securities in extraordinary income, despite recording impairment losses on goodwill, etc. related to overseas subsidiaries in extraordinary losses.

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

Net sales	¥540.152 billion	(18.3%,	up	¥83.672 billion)
Operating profit	¥78.800 billion	(77.4%,	up	¥34.391 billion)
Ordinary profit	¥84.098 billion	(73.0%,	up	¥35.490 billion)
Profit Attributable to Owners of Parent	¥61.685 billion	(58.5%,	up	¥22.764 billion)

Results by individual segment are outlined below.

Industrial Automation and Control Business

Net sales for the industrial automation and control business segment increased by 76.279 billion yen year on year to 503.849 billion yen, mainly due to an improved procurement environment for production parts and project-procured products, the effect of price hike measures, recording sales of large-scale projects ordered after COVID-19, and the impact of foreign exchange fluctuations. Operating profit increased by 30.585 billion yen year on year to 71.666 billion yen, mainly due to an increase in the gross profit margin with an increase in sales.

Measuring Instruments Business

In the measuring instruments business, net sales increased by 6.751 billion yen year on year to 31.817 billion yen, mainly due to the progress in reducing the order backlog as a result of an improved procurement environment for production parts. Operating profit increased by 3.506 billion yen year on year to 8.138 billion yen, mainly due to an increase in the gross profit margin with an increase in sales.

New Businesses and Others

For new businesses and others, net sales increased by 0.640 billion yen year on year to 4.485 billion yen. Operating loss narrowed by 0.299 billion yen year on year to 1.004 billion yen.

b. Capital Investment

Total capital investment during the fiscal year under review stood at 27.360 billion yen, up 5.184 billion yen from the previous fiscal year.

c. Fundraising

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

(2) Challenges for the Company

In fiscal year 2021, Yokogawa fundamentally revised its long-term business framework and announced the Accelerate Growth 2023 (AG2023) medium-term business plan with the aim of achieving sustainable growth through the provision of shared value to society. For the three-year period ending with fiscal year 2023, Yokogawa worked to establish a business structure centered on addressing broad social issues, with the aim of realizing its vision for where it wishes to be as a company in the year 2030. During this period, the business environment surrounding the Group changed dramatically due to the impact of the spread of COVID-19 and the situation in Russia and Ukraine, and the resulting difficulties in procuring production parts and project-procured products. However, by fiscal year 2023, the final year of AG2023, the Group was able to largely achieve the numerical targets of the management indicators it had set under AG2023, even after taking into account the positive effects of exchange rate fluctuations on the business performance, due to increased customer investment in response to strong energy demand, improved procurement environment, and the effect of price hike measures.

The current Group's long-term business framework reflects the fundamental review at the time of formulating AG2023. The Vision statement, "Through autonomy and symbiosis, Yokogawa will create sustainable value and lead the way in solving global issues," clearly outlines where Yokogawa wishes to be looking forward to 2030 and indicates the direction toward the realization of this vision. This time, the Group has decided to carry over the framework without major revisions and formulated a new medium-term business plan, "Growth for Sustainability 2028 (GS2028)," starting in fiscal year 2024. Under GS2028, the company will pick up the pace of its efforts to achieve a transformation that will enhance social and corporate value based on an environmental, social, and governance (ESG) business approach and the industry-oriented business structure that was established under AG2023.

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

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

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

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

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

Business growth targets

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

(Assumed exchange rate: US\$1 = ¥130)

Financial targets

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

*1 Ensure profitability that exceeds capital costs

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

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

—Reference—

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

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

1. Basic Management Policy

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

Yokogawa Group Identity



[Founding Principles]

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

[The Yokogawa Philosophy]

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

[Yokogawa’s Purpose]

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

[Core Values]

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

[Vision statement]

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

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

2. Mid-to Long-term Management Strategy

The overall picture of the long-term business framework and the medium-term business plan is as follows:



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

(a) Long-term Business Framework

<Value provision to customers>

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

*1 An initiative to promote the evolution from industrial automation to industrial autonomy (IA2IA) by incorporating DX enablers such as AI, digital twins, and robotics

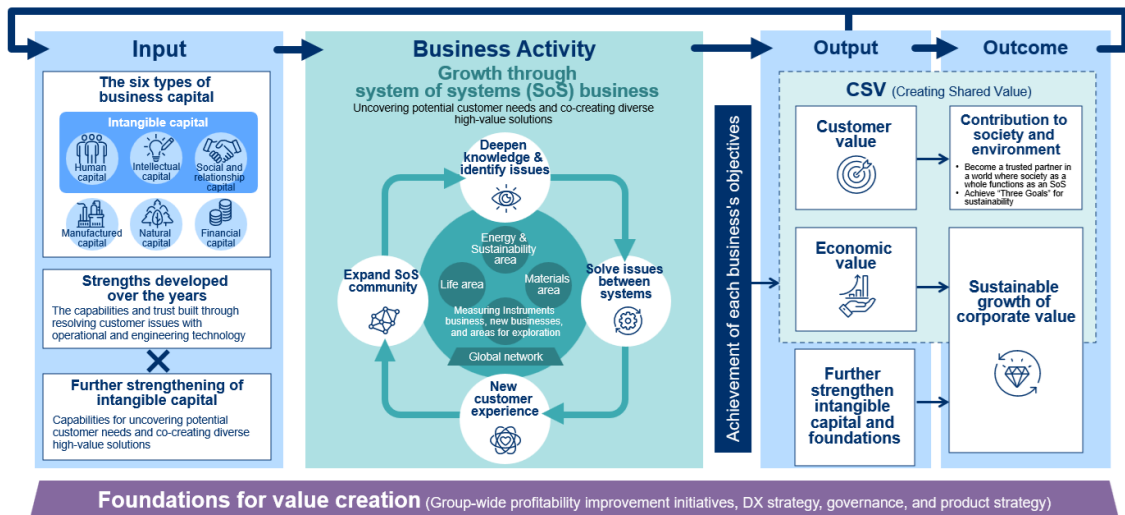
*2 The achievement of autonomy and improvement of productivity in production operations, enterprises, and supply chains through DX and IA2IA

(b) Growth for Sustainability 2028 (GS2028) Medium-term Business Plan

The starting point for GS2028 is Yokogawa's Purpose, which states, "Utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet."

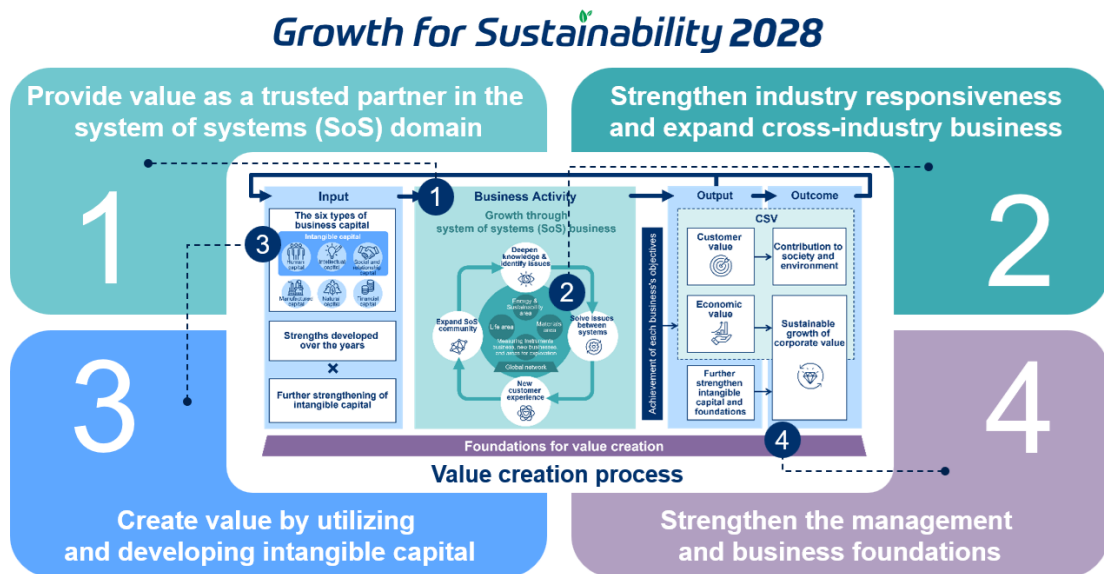
In line with Yokogawa's Purpose, the company has defined the following value creation process for achieving the goals of its medium-term business plan:

"Based on the strengths and the trust that have been built up over the years by solving operational technology (OT) issues for our customers, we will leverage our human capital and DX-enabling technologies to co-create diverse high-value solutions in SoS-related businesses. We will utilize the strong trust-based relationships with customers, know-how, human resources, and other forms of business capital enhanced through this process to achieve our business aims."



Yokogawa's value creation process

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



Four basic strategies of "Growth for Sustainability 2028"

1. Provide value as a trusted partner in the system of systems domain
To deliver value through SoS, Yokogawa takes a two-pronged approach: IA2IA and smart manufacturing. By leveraging the know-how, experience, and advanced technological capabilities that have been accumulated at numerous manufacturing sites, the company will deliver value through strategic consulting and seamless integration.
2. Strengthen industry responsiveness and expand cross-industry business
In response to customers who are seeking to improve production efficiency and stabilize their production operations, Yokogawa will strengthen its ability to provide integrated IT/OT solutions to targeted industries. At the same time, the company will work to grow its business by addressing issues in areas such as quality control and facility management that are common concerns in every

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

3. Create value by utilizing and developing intangible capital

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

4. Strengthen the management and business foundations

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

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

<Capital policy and financial strategy>

Under “Growth for Sustainability 2028,” Yokogawa will enhance investments to realize the growth strategy set out in the long-term business framework, while aiming for the achievement of sustainable improvement in corporate value and shareholder value.

【First 3 years FY24~FY26】

Growth investment budget	<p>M&A, alliances: ¥100 billion or more</p> <ul style="list-style-type: none"> • Accelerate and expand investment to realize growth strategy • Invest in energy/resource issues, the utilization of DX/OT data, accelerating industry expansion, etc.
Return to shareholders	<p>Stable and sustainable dividend payment</p> <ul style="list-style-type: none"> • Dividend payout ratio: seek to keep at over 30% • Even when temporary factors lead to a downturn in financial results, maintain a stable dividend rate based on the equity dividend rate. • Flexibly considering share buybacks, taking into consideration financial conditions.

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

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

(3) Financial Assets and Profits/Losses

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

(Millions of yen)

Category	FY2020	FY2021	FY2022	FY2023
Orders	355,828	420,496	518,389	541,961
Net sales	374,206	389,901	456,479	540,152
Operating profit	31,599	30,668	44,409	78,800
Ordinary profit	34,107	35,739	48,608	84,098
Profit Attributable to Owners of Parent	19,219	21,267	38,920	61,685
Basic Earnings per Share	¥72.00	¥79.67	¥145.81	¥234.83
Total assets	519,081	555,968	618,637	672,866
Net assets	314,770	340,340	386,825	444,763

Note: In FY2022 (147th term), provisional accounting treatment for a business combination has been finalized and related figures for FY2021 (146th term) reflect the result of that finalization.

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

(Millions of yen)

Category	FY2020	FY2021	FY2022	FY2023
Orders	99,645	113,681	135,954	121,495
Net sales	104,797	104,926	124,495	141,035
Operating profit (loss)	(5,507)	(3,570)	(268)	13,713
Ordinary profit	14,866	15,054	23,023	50,934
Profit (Loss)	(2,657)	12,822	25,471	56,318
Basic Earnings per Share	(¥9.96)	¥48.04	¥95.42	¥214.39
Total assets	272,663	275,623	303,905	317,683
Net assets	183,062	187,045	211,065	243,330

Note: In the non-consolidated financial statements for FY2020 (145th term), the Company recorded an extraordinary loss (impairment losses) of 14,931 million yen on shared use assets held by the Company. Because the recoverability of the shared use assets is recognized in the consolidated financial statements, there is no impact on consolidated financial results.

(4) Status of Parent Company and Principal Subsidiaries

a. Parent Company

No applicable matter

b. Principal Subsidiaries

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

Notes: 1. In addition to capital of 1,000 U.S. dollars, the Company has invested 114,152,000 U.S. dollars in the legal capital surplus of Yokogawa Corporation of America.

2. There is no specified wholly owned subsidiary at the end of the fiscal year under review.

3. Figures in parentheses under percentage of the Company's voting rights indicate indirect ownership (included in total equity holdings)

(5) Principal Businesses (as of March 31, 2024)

Business segment	Main solutions and products, etc.
Industrial automation and control business	Solutions for every phase of the plant lifecycle, maximizing value for our customers by linking plant operations and corporate management, Software packages that enhance productivity, Production control systems, flowmeters, differential pressure/pressure transmitters, process analyzers, programmable controllers, industrial recorders, confocal scanners, etc.
Measuring instruments business	Waveform measuring instruments, optical communication devices, waveform generators, power/temperature/pressure measurement devices, etc.
New businesses and others	Providing services leveraging IoT and AI, Biomass material production & sales, etc.

(6) Main Offices and Factories (as of March 31, 2024)**a. The Company**

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

b. Subsidiaries

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

(7) Employees (as of March 31, 2024)

Business segment	Number of employees	Change from the previous year
Industrial automation and control business	16,538	242
Measuring instruments business	690	34
New businesses and others	137	5
Total	17,365	281

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

(8) Principal Lenders (as of March 31, 2024)

Lenders	Loan amount
Syndicated loan	¥20.0 billion

Notes: 1. Mizuho Bank, Ltd. is a manager for the syndicated loan.
2. The Company has a 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

No applicable matters

2. Overview of the Company

(1) Shares (as of March 31, 2024)

a. Number of Authorized Shares: 600,000 thousand

b. Number of Issued Shares: 268,624 thousand

c. Number of Shareholders: 14,041

d. Major Shareholders (Top 10):

Name of shareholder	Number of shares (thousand shares)	Shareholding ratio (%)
Master Trust Bank of Japan Limited (trust account)	51,680	19.9
Custody Bank of Japan, Ltd. (trust account)	18,160	7.0
The Dai-ichi Life Insurance Company, Limited	15,697	6.0
Nippon Life Insurance Company	13,484	5.2
State Street Bank and Trust Company 505223	6,272	2.4
Retirement Benefit Trust in Mizuho Trust & Banking Co., Ltd. (Mizuho Bank, Ltd. account); Custody Bank of Japan, Ltd. as a Trustee of Retruster	6,141	2.4
BNYM as AGT/CLTS 10 Percent	5,951	2.3
State Street Bank and Trust Company 505038	5,482	2.1
State Street Bank West Client Treaty 505234	4,887	1.9
Yokogawa Electric Employee Shareholding Program	4,645	1.8

Notes: 1. The Company holds 8,473 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, 2024)

Position	Name	Area of responsibility and significant concurrent positions
President and Chief Executive Officer	Hitoshi Nara	
Director	Junichi Anabuki	Senior Executive Vice President Assistant to the President in charge of special missions
Director	Yu Dai	Senior Vice President, Head of Digital Solutions Headquarters
Director	Shiro Sugata	Chairman of the Board of Directors Outside Director and Chairman of the Board of Directors of YAMATO HOLDINGS CO., LTD.
Director	Akira Uchida	Leading Outside Director Outside Director of J. FRONT RETAILING Co., Ltd. Auditor of Suga Weathering Technology Foundation
Director	Kuniko Urano	Senior Adviser of Komatsu Ltd. Outside Director of MORINAGA & CO., LTD. Outside Director of NIPPON STEEL CORPORATION Director of JAPAN RUGBY LEAGUE ONE
Director	Takuya Hirano	Co-founder of Three Field Advisors LLC Founder of Crosspoint LLC Chairman of Yayoi Co., Ltd. Outside Director of Renesas Electronics Corporation
Director	Yujiro Goto	Advisor of NIPPON SHOKUBAI CO., LTD. Vice Chairman of Science Technology and Industrial Development Committee of Kansai Economic Federation
Audit & Supervisory Board, Standing Member	Hajime Watanabe	
Audit & Supervisory Board, Standing Member	Kenji Hasegawa	
Audit & Supervisory Board Member	Yasuko Takayama	Outside Director of The Chiba Bank, Ltd. Outside Director (Audit and Supervisory Committee Member) of COSMO ENERGY HOLDINGS CO., LTD. Councilor of Japan Institute for Women's Empowerment & Diversity Management
Audit & Supervisory Board Member	Makoto Ohsawa	Chief Executive Officer of FEMO Co., Ltd. Representative Director and President of Long Stay Network Co., Ltd. Outside Director of Bank of Toyama Director of Japan Business School Education Development Organization Auditor of Kibun Scholarship Foundation

Position	Name	Area of responsibility and significant concurrent positions
Audit & Supervisory Board Member	Masaru Ono	Representative Partner of Ono & Partner Advisor of Nishimura & Asahi External Auditor of Prestige International Inc. Independent Auditor of &Capital Inc. (Part-time) President of Securitization Forum of Japan Visiting Professor of University of Tokyo

- Notes:
1. Shiro Sugata, Akira Uchida, Kuniko Urano, Takuya Hirano and Yujiro Goto are Outside Directors.
 2. Yasuko Takayama, Makoto Ohsawa and Masaru Ono 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 Shiro Sugata, Akira Uchida, Kuniko Urano, Takuya Hirano and Yujiro Goto, and Audit & Supervisory Board Members Yasuko Takayama, Makoto Ohsawa and Masaru Ono are highly independent. Because there is no risk of a conflict of interest between them and general shareholders, the Company appointed them as independent officers pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, and they are registered as such at the said Exchange.
 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. The positions, areas of responsibility and significant concurrent positions of the following Directors have changed after the closing of fiscal year 2023.

Position	Name	Area of responsibility and significant concurrent positions	Date of change
Director	Junichi Anabuki		April 1, 2024
Director	Yu Dai		April 1, 2024

7. Director Yujiro Goto retired from Vice Chairman of Kansai Chemical Industry Association on June 30, 2023 and Director, Member of Policy Coordinating Committee of Japan Chemical Industry Association on October 23, 2023.
8. Audit & Supervisory Board Member Masaru Ono retired from Outside Director of Daido Life Insurance Company on June 23, 2023 and Visiting Professor of University of Tokyo on March 31, 2024.

b. Directors who retired during the fiscal year under review

Name	Retirement date	Reason for retirement	Position and area of responsibility / significant concurrent positions at time of retirement
Takashi Nishijima	June 27, 2023	Expiration of term of office	Chairman Chairman of the Board of Directors Outside Director of LOGISTEED, Ltd. Outside Director of Murata Manufacturing Co., Ltd.
Nobuo Seki	June 27, 2023	Expiration of term of office	Chief Outside Director

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, Shiro Sugata, Akira Uchida, Kuniko Urano, Takuya Hirano and Yujiro Goto and Audit & Supervisory Board Members Yasuko Takayama, Makoto Ohsawa and Masaru Ono 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. Outline, etc. of the contents of indemnity agreement

The Company has entered into an indemnity agreement as provided for in Article 430-2, paragraph (1) of the Companies Act with Directors, Hitoshi Nara, Junichi Anabuki, Yu Dai, Shiro Sugata, Akira Uchida, Kuniko Urano, Takuya Hirano and Yujiro Goto and Audit & Supervisory Board Members Hajime Watanabe, Kenji Hasegawa, Yasuko Takayama, Makoto Ohsawa and Masaru Ono since April 1, 2024. Under this agreement, the Company provides indemnity for expenses under item (i) of the same paragraph and losses under item (ii) of the same paragraph within the scope stipulated by law.

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

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

f. Compensation for Directors and Audit & Supervisory Board Members

i. Policy in relation to decisions concerning the details of compensation, etc. for officers

At the Board of Directors meeting held on March 2, 2021, the Company resolved the policy in relation to decisions concerning the details of compensation for individual Directors. Prior to the resolution at the Board of Directors meeting, the matters to be resolved were consulted with the Compensation Advisory Committee and reported to the Board of Directors.

In addition, the Board of Directors has confirmed regarding the compensation for individual Directors for the fiscal year under review that the method of determining the details of compensation and the content of determined compensation are consistent with the policy resolved by the Board of Directors and that the reports of the Compensation Advisory Committee are respected, has also judged that such procedures are in accordance with the policy.

The contents of the policy in relation to decisions concerning the details of compensation for individual Directors are as follows.

1. Basic policy

The basic policy on compensation for individual Directors shall be as follows:

- (1) Plan that promotes sustainable, medium- to long-term improvement in corporate value
- (2) Plan that reflects the medium- to long-term management strategy and strongly motivates the achievement of medium- to long-term management objectives
- (3) Plan that prevents bias toward short-term thinking

- (4) Plan and monetary amounts that secure and maintain excellent human resources
- (5) Plan that includes transparency, fairness, and rationality for stakeholders, decided through an appropriate process to ensure these factors

2. Policy for determining compensation, etc. for officers

(1) Compensation for Directors

The amount of compensation for Directors shall be determined individually within the limits approved at the General Meeting of Shareholders (*1). Compensation for Audit & Supervisory Board Members shall also be determined through consultation among Audit & Supervisory Board Members within the limits approved at the General Meeting of Shareholders (*2).

(*1) At the 142nd Annual General Meeting of Shareholders held on June 26, 2018, the maximum amount of compensation for Directors was resolved to be 1.6 billion yen per business year (excluding salaries for employees).

(*2) At the 128th Annual General Meeting of Shareholders held on June 25, 2004, the maximum amount of compensation for Audit & Supervisory Board Members was resolved to be no more than 150 million yen per fiscal year.

(2) Composition, roles and responsibilities of the Compensation Advisory Committee

The Compensation Advisory Committee, composed of at least three directors, the majority of whom are Outside Directors, shall be established as an advisory body to the Board of Directors with the aim of enhancing objectivity and transparency in the process of determining compensation for Directors and Executive Officers.

a) Members of the Compensation Advisory Committee

The Committee is composed of three or more Directors, the majority of whom are Outside Directors.

b) Roles and Responsibilities of the Compensation Advisory Committee

The Compensation Advisory Committee, in consultation with the Board of Directors, deliberates on the compensation system and decision-making policies for Directors and Executive Officers, and reports to the Board of Directors. In addition, the Compensation Advisory Committee, in accordance with the compensation system, determines the details of compensation for individual Directors and Executive Officers.

c) Measures to ensure that such powers are properly exercised

In the Compensation Advisory Committee, which consists of a majority of independent Outside Directors, the Chairman is elected mutually by the committee members, and the amount of individual compensation is determined based on the compensation system approved by the Board of Directors, thereby securing the decision that conforms to the aforementioned purpose.

Note: As described above, in order to increase the objectivity and transparency of the decision-making process for executive compensation, the Board of Directors entrusts the Compensation Advisory Committee to determine the details of compensation for individual Directors and Executive Officers. The composition of the Compensation Advisory Committee for the fiscal year under review is as follows.

Shiro Sugata	Outside Director
Akira Uchida	Outside Director
Kuniko Urano	Outside Director (Chairwoman)
Takuya Hirano	Outside Director
Yujiro Goto	Outside Director
Hitoshi Nara	President and Chief Executive Officer

3. Composition of officers' compensation

Compensation for internal Directors and executive officers consists of (1) basic compensation, which is fixed component, and (2) performance-linked component ((2)-1 annual incentives and (2)-2 medium- to long-term incentives).

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

The levels of compensation for executive are set through a comparison with companies from the same industry and of the same scale, both domestically and internationally, based on the results of surveys conducted by external organizations, and the Company's financial conditions.

Compensation levels for each position are based on the level of 50%iles by peer companies. From the viewpoint of flexible management in response to changes in the environment and the acquisition and retention of talented management personnel, compensation levels shall generally be within the range of 25%iles to 75%iles.

Compensation for personnel hired overseas may be determined individually based on a compensation benchmark analysis that takes into account the responsibilities of each position based on executive compensation survey data in that overseas region.

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

Executive categories	(1) Basic compensation	(2) Performance-linked compensation (2)-2 including non-monetary compensation		Remarks
		(2)-1 Annual Incentives	(2)-2 Mid- to Long-Term Incentives	
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

(1) Basic compensation

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

(2) Performance-linked compensation

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

The concept of performance-linked compensation is as follows.

- a) Increase the ratio of performance-linked compensation to total compensation.

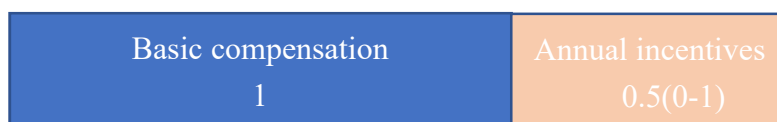
- b) The higher the position, the higher the ratio of performance-linked compensation to total compensation, and the ratio for Representative Director is set at 60%.
- c) Share-based compensation as a percentage of total compensation shall be at least equal to companies from the same industry or of the same scale.

(2)-1 Annual incentives

Annual incentives in performance-linked compensation shall be calculated by the Compensation Advisory Committee on the basis of the companywide performance evaluation and individual performance evaluation for a single fiscal year, and shall be paid once a year. The amount to be paid shall be designed to vary from 0% to 200% to a value of 100% when the performance target is achieved.

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

(Image 1)



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

Regarding medium- to long-term incentives, 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-based 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 (ROE) target and other targets have been achieved in the final fiscal year of the period covered by the medium-term business plan.

Subject to performance targets and other requirements established in advance by the Board of Directors during the period covered by the medium-term business plan, the Company determines the amount of compensation based on medium- to long-term incentives for each eligible Director and executive officer by multiplying the base amount of stock compensation established by the Compensation Advisory Committee for each Director and executive officer to which the compensation will be paid by a coefficient established in advance by the Board of Directors in accordance with the conditions for achieving performance targets (the “payment rate”). An amount equal to 60% of the amount of compensation shall be paid in the form of shares of the Company in an amount equal to 40% in monetary terms. The payout rate is designed to vary from 0% to 100% depending on the degree of achievement of the performance target.

Performance targets in medium- to long-term incentives are based on links with the medium-term business plan, and are considered to be important indicators in terms of both corporate value and shareholder value. Accordingly, the Company shall use return on equity (ROE), which is an indicator of management efficiency.

The PSU Plan establishes a clawback provision under which, in the event of material fraud accounting or a large loss, all or a portion of the compensation paid as compensation related to the PSU Plan can be requested for reimbursement free of charge.

Note: The ratio of annual incentives and medium- to long-term incentives to basic compensation when the performance targets for each of the annual incentive and the medium- to long-term incentive are achieved in the fiscal year in which the medium- to long-term incentive is paid shall be set as the higher the position, the higher the ratio to the basic compensation shall be set, and as the position falls from 1 to 0.75 for the Representative Director, the overall average including the executive officer shall be approximately 1 to 0.5 to 0.5. (Image 2)

This ratio may vary from 1:0:0 to 1:1:0.5, depending on the degree of achievement of the performance objectives for each of the annual incentives and the medium- to long-term incentives.

(Image 2)

Basic compensation	Annual incentives	Medium- to long-term incentives
1	0.5 (0-1)	0.5 (0-0.5)

Notes: 1. Based on the idea that performance objectives that lead to an evaluation of the entire company's results for the individual year in the annual incentive are significant indicators for the Group to measure sustained growth, the performance objectives have been set for "consolidated sales" and "consolidated return on sales (ROS)." Performance objectives and results in the fiscal year ended March 31, 2023, one of determinant factors for performance-linked compensation, are as follows:

Performance objectives set for the fiscal year ended March 31, 2023		Results in the fiscal year ended March 31, 2023
Consolidated sales	¥470.0 billion	¥456.4 billion
Consolidated return on sales	10.2%	9.7%

2. The Company considers that performance objectives in medium- to long-term incentive are based on the linkage with the medium-term business plan. Among several business objectives set in the medium-term business plan, the Company has currently chosen "return on equity (ROE)," an indicator showing efficiency of management, for the performance objective based on the idea that it is a significant indicator in an increase in both corporate value and shareholder value.

Actual ROE	Payment Rate
Less than 8 %	0%
From 8 % to less than 11 %	$(25 + (\text{Actual ROE} \times 100 - 8) / 3 \times 25)\%$
From 11 % to less than 14 %	$(50 + (\text{Actual ROE} \times 100 - 11) / 3 \times 50)\%$
14 % or higher	100%

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

Classification	Total amount of compensation (Millions of yen)	Total amount of compensation by type (Millions of yen)		Number of persons paid
		Basic compensation	Performance-linked compensation	
Directors (Outside Directors)	297 (72)	153 (72)	143 (-)	10 (6)
Audit & Supervisory Board Members (Outside Members)	84 (36)	84 (36)	- (-)	5 (3)
Total (Outside Directors and Outside Members of Audit & Supervisory Board)	381 (108)	237 (108)	143 (-)	15 (9)

Notes: 1. The total paid to Directors does not include employee salaries for Directors who are concurrently employees.
2. The annual limit for Director compensation was set at 1.6 billion yen by resolution of the 142nd Annual General Meeting of Shareholders convened on June 26, 2018. This does not include employee salaries. At the conclusion of this General Meeting of Shareholders, the number of Directors is nine, including four Outside Directors.

3. The annual compensation limit for Audit & Supervisory Board Members was set at 150 million yen by resolution of the 128th Annual General Meeting of Shareholders convened on June 25, 2004. At the conclusion of this General Meeting of Shareholders, the number of Audit & Supervisory Board Members is five.
4. Performance-linked compensation is comprised of annual incentives and medium- to long-term incentives. Furthermore, since the fiscal year under review was the final year of the AG2023 medium-term business plan, medium- to long-term incentives will be determined.
5. The retirement bonuses for Directors were eliminated on the day of the 128th Annual General Meeting of Shareholders held on June 25, 2004.

g. 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, 2024)."
- ii. Major activities in the business year under review

Name / Position	Status of attendance, status of remarks, and the outline of duties performed relating to the roles expected of Outside Directors
Shiro Sugata Outside Director	Board of Directors meetings Present at 14 of the 14 meetings He attended all 14 Board of Directors meetings held during the fiscal year under review (as a Chairman since June 2023). He possesses wide knowledge as a corporate manager, abundant experience in the development and marketing of industrial instruments, and extensive expertise in global business. He actively expressed opinions from the said standpoints at the Board of Directors meetings, and played the appropriate roles in enhancing validity, objectivity, and transparency with respect to management of the Company. In addition, as a member of the Nomination Advisory Committee and a member (as a Chairman until May 2023) of the Compensation Advisory Committee, he attended all 14 Nomination Advisory Committee meetings and 8 Compensation Advisory Committee meetings held during the fiscal year under review.
Akira Uchida Outside Director	Board of Directors meetings Present at 14 of the 14 meetings He attended all 14 Board of Directors meetings held during the fiscal year under review. He possesses wide knowledge as a corporate manager and wide experience in the corporate administration field centered on the Finance and Controller's Division. He actively expressed opinions from the said standpoints at the Board of Directors meetings, and played the appropriate roles in enhancing validity, objectivity, and transparency with respect to management of the Company. In addition, as a member (as a Chairman since June 2023) of the Nomination Advisory Committee and a member of the Compensation Advisory Committee, he attended all 14 Nomination Advisory Committee meetings and 8 Compensation Advisory Committee meetings held during the fiscal year under review.
Kuniko Urano Outside Director	Board of Directors meetings Present at 14 of the 14 meetings She attended all 14 Board of Directors meetings held during the fiscal year under review. She possesses wide knowledge as a corporate manager and extensive experience in divisions of production, personnel/education, public relations/CSR, etc. in a major manufacturing industry. She actively expressed opinions from the said standpoints at the Board of Directors meetings, and played the appropriate roles in enhancing validity, objectivity, and transparency with respect to management of the Company. In addition, as a member of the Nomination Advisory Committee and a member (as a Chairwoman since June 2023) of the Compensation Advisory Committee, she attended all 14 Nomination Advisory Committee meetings and 8 Compensation Advisory Committee meetings.
Takuya Hirano Outside Director	Board of Directors meetings Present at 14 of the 14 meetings He attended all 14 Board of Directors meetings held during the fiscal year under review. He possesses wide knowledge as a corporate manager and practical experience in the business divisions of a global IT firm. He actively

Name / Position	Status of attendance, status of remarks, and the outline of duties performed relating to the roles expected of Outside Directors
	expressed opinions from the said standpoints at the Board of Directors meetings, and played the appropriate roles in enhancing validity, objectivity, and transparency with respect to management of the Company. In addition, as a member of the Nomination Advisory Committee and a member of the Compensation Advisory Committee, he attended 13 out of 14 meetings of Nomination Advisory Committee and 7 out of 8 meetings of Compensation Advisory Committee held during the fiscal year under review.
Yujiro Goto * Outside Director	Board of Directors meetings Present at 11 of the 11 meetings He attended all 11 Board of Directors meetings held after assuming the position during the fiscal year under review. He led production strategies in the field of production and production engineering at a major global manufacturing company for a long time, and as CEO he possesses a wealth of experience and expertise in working on corporate transformation, human resource reform, new business development, and M&A. He actively expressed opinions from the said standpoints at the Board of Directors meetings, and played the appropriate roles in enhancing validity, objectivity, and transparency with respect to management of the Company. In addition, as a member of the Nomination Advisory Committee and a member of the Compensation Advisory Committee, he attended all 10 Nomination Advisory Committee meetings and 8 Compensation Advisory Committee meetings held after assuming the position during the fiscal year under review.
Yasuko Takayama Outside member, Audit & Supervisory Board	Board of Directors meetings Present at 14 of the 14 meetings Audit & Supervisory Board meetings Present at 16 of the 16 meetings She attended all 14 Board of Directors meetings and all 16 Audit & Supervisory Board meetings. She possesses 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. She actively expressed opinions at the Board of Directors meetings, etc. from the said standpoints.
Makoto Ohsawa Outside member, Audit & Supervisory Board	Board of Directors meetings Present at 14 of the 14 meetings Audit & Supervisory Board meetings Present at 16 of the 16 meetings He attended all 14 Board of Directors meetings and all 16 Audit & Supervisory Board meetings. He possesses wide knowledge based on his perspective as an experienced corporate manager and his extensive range of business activities in the economic circles. He actively expressed opinions at the Board of Directors meetings, etc. from the said standpoints.
Masaru Ono Outside member, Audit & Supervisory Board	Board of Directors meetings Present at 14 of the 14 meetings Audit & Supervisory Board meetings Present at 16 of the 16 meetings He attended all 14 Board of Directors meetings and all 16 Audit & Supervisory Board meetings. He, as a lawyer, possesses extensive expertise of the corporate legal affairs and finance fields based on wide knowledge of his extensive range of business activities in economic and educational circles. He actively expressed opinions at the Board of Directors meetings, etc. from the said standpoints.

* For Outside Director Yujiro Goto, we have described his attendance of the Board of Directors meetings convened since he assumed the position on June 27, 2023.

(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	¥146 million
Total amount paid in cash and other financial asset profits to the Accounting Auditor by the Company and subsidiaries	¥196 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 fiscal 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 the Board of Directors, and the Board of Directors of all Group companies and equivalent bodies (hereinafter, 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 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 periodically visits Group companies to conduct auditing activities.

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

- The Rules Governing the Board of Directors, the Rules on the Control of Communications and Documentation, and the Rules on the Control of Documentation are specified, and rules and control systems concerning meeting minutes and other information that should be preserved are established.
- 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 Code has been set forth for the purpose of establishing a basis for the effective and efficient conduct of enterprise risk management by the Yokogawa Group. Based on this code, Risk Management Committee shall decide the significant risks which shall be managed preferentially as the Yokogawa Group and decide the monitoring method for its risks and report them to the Board of Directors. The president shall bear the responsibility for supervising all matters in relation to the risk management as the chairperson of Risk Management Committee.
- Respective organizational units of the Yokogawa Group shall perform the identification and assessment of risks followed by the preparation and implementation of the countermeasures against risks. The department in charge of internal audit shall evaluate the effectiveness of

the Yokogawa Group risk management process and reports important findings to the 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, determines what activities are to be eliminated, decides how efficiency can be improved by overcoming obstacles, creates mechanisms that make it possible for the Company as a whole to pursue efficiency and achieve its goals, and maintains a management information system for the purpose of identifying, reporting, and acting on information regarding the achievement of management objectives, in real time.
- Enhancing the effectiveness of the Board of Directors, a Board of Directors office has been set up, and assistants including those who will work there on a full time basis are to be assigned.

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 ongoing compliance education.
- The system for receiving internal reports and consultations on compliance-related issues shall be provided in the Yokogawa Group Compliance Management Code and the Rules on Internal Reporting and Consultation and shall be operated appropriately. In addition, the contact point shall be made known to the entire Group.
- 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 shall establish Group Management Standards (GMS), which is the supreme rule of Yokogawa Group, and by clarifying roles and responsibilities in each business process, we aim to realize an internal control system based on autonomous control activities. Guidance and management shall be provided to Group companies concerning the establishment of an optimal internal control system suited to the functions and systems of each Group company in accordance with the basic policies of the internal control system resolved by the Board of Directors. Each Group company shall report to us on matters relating to the execution of duties by its Directors, etc. in a timely and appropriate manner.
- Each person responsible for the internal control system based on the GMS shall have an audit function of the system and shall act to ensure (maintain and improve) the effectiveness

and efficiency of the system of each Group company. Important matters shall be reported to the Board of Directors and Audit & Supervisory Board Members. Among internal control systems, systems that are of particular importance from the standpoint of business appropriateness are summarized as deployment systems consisting of business ethics, decision-making, operating management, crisis management and corporate auditing infrastructure, and Yokogawa Group's internal control system has been established as a supervisory responsibility system.

- To ensure the reliability of financial reports, the Accounting Management System which is based on the Group Accounting Code 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 is established in accordance with the internal control reporting system requirements of the Financial Instruments and Exchange Act.
- In accordance with the Group Internal Audit Code, the department that is in charge of internal audits shall audit the effectiveness of 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 all Group companies ensure that reporting persons are not treated 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**
- The Company shall provide opportunities for regular exchanges of opinions with top management, such as the Chairman and Chairman of the Board of Directors, Representative Directors and officers in charge of Corporate Administration as well as with the responsible departments of the head office's administrative departments, including the departments in charge of internal audits and compliance, and with the Accounting Auditors. In addition, the Company will provide opportunities and an environment in which interviews can be conducted with other directors and key employees as appropriate.
 - Provide opportunities for consultation or exchange of opinions with the Accounting Auditor and the department in charge of internal audits, etc. in order to conduct efficient audits. In addition, to ensure the effectiveness of audits, the Company will provide opportunities for information exchange and cooperation with outside directors, etc.
 - As necessary, outside specialists can be appointed.

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

In accordance with Yokogawa Corporate Governance Guidelines, in fiscal year 2023, after the conclusion of the Ordinary General Meeting of Shareholders, an independent Outside Director served as the Chairman of the Board of Directors. In order to ensure swift execution of business under appropriate controls, the Board of Directors established a basic policy for the establishment of an internal control system and a risk management system, monitored and supervised whether the system was being operated effectively, and worked to disclose information appropriately. Since fiscal year 2023 was the final year of the AG2023 medium-term business plan, Yokogawa Group identified issues to be resolved from the environmental, social, and governance aspects, as well as strategic aspects, in order to achieve its management goals, and held intensive and continuous discussions at the management level. In addition, the new medium-term business plan (GS2028: 5 years), which starts in fiscal year 2024, and preparations for the transition to a company with a nominating committee, etc. scheduled for the same fiscal year were reported to us by the Business Execution Division as priority management items, and the Board of Directors held regular discussions.

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 (148th term), which was implemented based on the Basic Policy for the Internal Control System resolved at the Board of Directors Meeting held on April 4, 2023.

- 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 established and announced to take into account global perspectives, including the realization of a sustainable society, human rights issues, and the elimination of 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 maintaining and improving a corporate culture where misconduct does not occur and systems that prevent unethical conduct. The compliance officer in each organization is conducting promotional activities to instill and

establish compliance awareness. In addition, meetings are held quarterly for those in charge to share information and check the progress of the promotional activities.

- The Compliance Awareness Survey, etc. are 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 Yokogawa 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.
- As part of our awareness-raising activities, each year the Company conducts various compliance training programs for all employees through e-learning and other means to deepen their understanding of compliance. In addition, the Company has established Compliance Week within Yokogawa Group to raise and entrench compliance awareness.
- 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 2023, just as last year, business risks, cyberattacks, information security risks, and natural disasters and infectious disease risks were selected as priority management risks based on their severity. The details and the progress of countermeasures were confirmed quarterly. The Risk Management Committee evaluated the status of risks, and the content of these activities was reported to the Board of Directors and other bodies.
- The Board of Directors receives monthly reports on the status of the Company's response to ongoing risks, such as the rising cost of raw materials and transportation, and stable procurement of parts including specialized semiconductor components. Regarding geopolitical risks that have occurred and continue to occur around the world, we collect information and share it among related parties, and depending on the situation, we adopt a system to hold the Crisis Management Committee chaired by the President as necessary, consider countermeasures, and respond accordingly.

c. System for Assuring Appropriate Operations in the Corporate Group

- The Company is enhancing the Group Management Standards, which is the top set of rules for the Yokogawa 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 stipulated the key audit items for the fiscal year under review as “Progress in the AG2023 medium-term business plan: (i) Achievement of the management goals of the AG2023 and formulation of the next medium-term business plan and long-term business framework, (ii) Progress of companywide projects, (iii) Address visualization of the quality and quantity of human resources and (iv) Response to increasing sense of uncertainty in the business environment” as well as “the Status of Establishment and Operation of Internal Control System of Yokogawa Group,” and conducted audits based on the annual activity plan.
- The Audit & Supervisory Board Members exchange opinions regularly and as necessary with Chairman of the Board of Directors, the President, Director and Senior Executive Vice 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.
- Full-time Audit & Supervisory Board Members hold three-way audit meetings with the Accounting Auditor and the department in charge of internal audits. In addition, they conduct audits the internal control system jointly with the department in charge of internal audits.
- The Audit & Supervisory Board Members deepen cooperation by holding meetings with Outside Directors, on the theme of exchanging opinions with the Accounting Auditor, reporting on audit activities of the Audit & Supervisory Board Members.
- The Audit & Supervisory Board concludes advisory agreements with an outside law firm that is independent from the business execution side, consults with them as appropriate, and seeks advice.

e. Review of Internal Control System for Transition to a Company with a Nominating Committee, etc.

Following the conclusion of the 148th Annual General Meeting of Shareholders in 2024, the Company plans to transition to a company with a nominating committee, etc., and will significantly transfer decision-making authority over business execution from the Board of Directors to the Business Execution Division. Looking ahead to the transition, we considered strengthening the coordination between the Board of Corporate Auditors and the Internal Audit Department, strengthening and improving the efficiency of our internal control system with the aim of enhancing the quality and the speed of decision-making, and periodically reported the status of our review to the Board of Directors. In addition, the Board of Directors regularly discussed how the Board of Directors should be after the transition.

4. Basic Policy regarding Control over the Company

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

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET

As of March 31, 2024

	Millions of yen
ASSETS	
Current assets	
Cash and deposits	139,884
Notes receivable - trade	14,278
Accounts receivable - trade	142,569
Contract assets	85,856
Merchandise and finished goods	21,719
Work in process	5,857
Raw materials and supplies	27,138
Other	24,148
Allowance for doubtful accounts	(6,280)
Total current assets	455,173
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	47,022
Machinery, equipment and vehicles, net	10,178
Tools, furniture and fixtures, net	7,261
Land	15,852
Leased assets, net	10
Right-of-use assets	8,598
Construction in progress	2,113
Total property, plant and equipment	91,038
Intangible assets	
Software	17,512
Goodwill	5,971
Other	20,283
Total intangible assets	43,767
Investments and other assets	
Investment securities	65,615
Deferred tax assets	10,526
Other	7,337
Allowance for doubtful accounts	(593)
Total investments and other assets	82,887
Total non-current assets	217,693
Total assets	672,866

CONSOLIDATED BALANCE SHEET

(continued)

	Millions of yen
LIABILITIES	
Current liabilities	
Notes and accounts payable - trade	31,818
Electronically recorded obligations	9,657
Short-term loans payable	295
Accounts payable-other	21,274
Income taxes payable	9,795
Contract liabilities	51,588
Lease obligations	2,780
Provision for bonuses	23,539
Provision for loss on construction contracts	8,746
Other	27,036
Total current liabilities	186,534
Non-current liabilities	
Long-term loans payable	24,000
Deferred tax liabilities	3,864
Net defined benefit liability	6,048
Lease obligations	5,808
Other	1,848
Total non-current liabilities	41,569
Total liabilities	228,103
NET ASSETS	
Shareholders' equity	
Capital stock	43,401
Capital surplus	54,464
Retained earnings	303,979
Treasury shares	(19,357)
Total shareholders' equity	382,487
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	21,953
Deferred gains or losses on hedges	43
Foreign currency translation adjustment	32,831
Remeasurements of defined benefit plans	(674)
Total accumulated other comprehensive income	54,154
Non-controlling interests	8,120
Total net assets	444,763
Total liabilities and net assets	672,866

CONSOLIDATED STATEMENT OF INCOME

For the year ended March 31, 2024

		Millions of yen
Net sales		540,152
Cost of sales		285,260
Gross profit		254,891
Selling, general and administrative expenses		176,091
Operating profit		78,800
Non-operating income		
Interest income	1,887	
Dividend income	957	
Foreign exchange gain	1,049	
Share of profit of entities accounted for using equity method	3,163	
Miscellaneous income	1,396	8,454
Non-operating expenses		
Interest expenses	1,179	
Provision of allowance for doubtful accounts	54	
Commission expenses	305	
Miscellaneous loss	1,617	3,156
Ordinary profit		84,098
Extraordinary income		
Gain on sale of non-current assets	39	
Gain on sale of investment securities	16,990	17,030
Extraordinary losses		
Loss on sale of non-current assets	10	
Loss on retirement of non-current assets	193	
Impairment loss	11,473	
Loss on evaluation of long-term securities	1,041	
Loss on sale of investments in capital of subsidiaries and associates	259	
Loss on termination of retirement benefit plan	107	
Business restructuring expenses	283	13,368
Profit before income taxes		87,760
Income taxes - current	22,531	
Income taxes - deferred	(763)	21,768
Profit		65,992
Profit attributable to non-controlling interests		4,306
Profit attributable to owners of parent		61,685

NON-CONSOLIDATED FINANCIAL STATEMENTS
NON-CONSOLIDATED BALANCE SHEET

As of March 31, 2024

	Millions of yen
ASSETS	
Current assets	
Cash and deposits	24,300
Electronically recorded monetary claims	65
Accounts receivable-trade	48,762
Contract assets	29
Merchandise and finished goods	1,183
Work in process	161
Raw materials and supplies	586
Prepaid expenses	1,811
Short-term loans receivable	45,271
Accounts receivable-other	21,784
Other	688
Allowance for doubtful accounts	(1,749)
Total current assets	142,896
Non-current assets	
Property, plant and equipment	
Buildings, net	20,843
Structures, net	670
Machinery and equipment, net	323
Tools, furniture and fixtures, net	3,181
Land	8,208
Construction in progress	109
Other	8
Total property, plant and equipment	33,345
Intangible assets	
Software	15,117
Software in progress	13,720
Leasehold right	902
Other	411
Total intangible assets	30,152
Investments and other assets	
Investment securities	43,257
Stocks of subsidiaries and associates	51,221
Investment in capital of subsidiaries and associates	14,086
Lease and guarantee deposits	115
Long-term financial assets	1,924
Other	774
Allowance for doubtful accounts	(90)
Total investments and other assets	111,289
Total non-current assets	174,787
Total assets	317,683

NON-CONSOLIDATED BALANCE SHEET

(continued)

	Millions of yen
LIABILITIES	
Current liabilities	
Electronically recorded obligations	1,697
Accounts payable - trades	7,789
Short-term loans payable	8,910
Accounts payable - other	14,747
Accrued expenses	1,592
Income taxes payable	1,341
Contract liabilities	989
Deposit received	240
Provision for bonuses	4,398
Other	3,041
Total current liabilities	44,748
Non-current liabilities	
Long-term loans payable	24,000
Long-term deferred tax liabilities	4,827
Other	777
Total non-current liabilities	29,604
Total liabilities	74,353
NET ASSETS	
Shareholders' equity	
Capital stock	43,401
Capital surplus	54,514
Legal capital surplus	36,350
Other capital surplus	18,164
Retained earnings	142,695
Other retained earnings	142,695
Reserve for advanced depreciation of non-current assets	1,019
Retained earnings brought forward	141,676
Treasury stock	(19,357)
Total shareholders' equity	221,253
Valuation and translation adjustments	
Valuation difference on available-for-sale securities	22,077
Total valuation and translation adjustments	22,077
Total net assets	243,330
Total liabilities, net assets	317,683

NON-CONSOLIDATED STATEMENT OF INCOME

For the year ended March 31, 2024

		Millions of yen
Net sales		141,035
Cost of sales		64,607
Gross profit		76,427
Selling, general and administrative expenses		62,714
Operating profit		13,713
Non-operating income		
Dividend income	38,248	
Rent receivable	2,693	
Miscellaneous income	1,209	42,152
Non-operating expenses		
Interest expenses	886	
Rent payable	2,452	
Foreign exchange losses	25	
Provision of allowance for doubtful accounts	867	
Miscellaneous loss	697	4,930
Ordinary profit		50,934
Extraordinary income		
Gain on sale of non-current assets	1	
Gain on sale of investment securities	16,756	
Gain on sale of shares of subsidiaries and associates	94	16,852
Extraordinary losses		
Loss on retirement of non-current assets	138	
Loss on impairment	17	
Loss on evaluation of long-term securities	1,041	
Loss on valuation of shares of subsidiaries and associates	5,157	6,355
Profit before income taxes		61,431
Income taxes - current	5,196	
Income taxes - deferred	(82)	5,113
Profit		56,318

Instructions for Internet Voting

I. Conditions regarding Internet Voting

1. Conditions regarding Internet Voting

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

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

- (2) The deadline for voting is 5:00 p.m. on Monday, June 17, 2024, Japan time. You need to complete your vote by that time. Please vote ahead of time.
- (3) If you vote both by mail and via the Internet, the vote via the Internet shall prevail. In the case of multiple voting via the Internet, the last one shall prevail.
- (4) Your password (including the one you changed) will be valid for this General Meeting only. A new password will be issued for the next General Meeting.
- (5) The Company is not responsible for any expenses related to Shareholders' Internet access.

(Notes)

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

2. Inquiries

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

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

Toll free (calls from within Japan) 0120-768-524
(Between 9:00 a.m. and 9:00 p.m., Japan time)

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

Toll free (calls from within Japan) 0120-288-324
(Between 9:00 a.m. and 5:00 p.m., Japan time, on weekdays)

II. Electronic Voting Platform

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