



2026 Yokogawa Sustainability Report



The Yokogawa Philosophy and Sustainability Journey

For Yokogawa, sustainability and business activities are inseparable.

Under Yokogawa's Purpose, "Utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet," Yokogawa has set the "Three Goals" as its sustainability goals for the society we aim to achieve by 2050, and continues to make persistent efforts to realize a sustainable society.

Founding Principles

Quality first
Pioneering spirit
Contribution to society

The Yokogawa 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.

Revised in 2022

Statement on Yokogawa's Aspiration for Sustainability

Yokogawa aims to achieve net-zero emissions, ensure the well-being of all, and make a transition to a circular economy by 2050, making the world a better place for future generations.

We will undergo the necessary transformation to achieve these goals by: 1) becoming more adaptable and resilient, 2) evolving our businesses to engage in regenerative value creation, and 3) promoting co-innovation with our stakeholders.

Yokogawa's Purpose

Utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet.

Aspiring to address social issues by leveraging Yokogawa's ability to measure and connect, we formulated Yokogawa's Purpose.

1915

1915 Founded

1980

1988 Established the Yokogawa Philosophy

1990

1994 Established our corporate Code of Conduct

1999 Began publishing our Environmental Report (currently the Sustainability Report)

2000

2009 Joined the United Nations Global Compact

2009 Established the Supply Chain CSR Guidelines (currently the Sustainable Procurement Guidelines)

2010

2015 Established the Yokogawa Corporate Governance Guidelines

2017 Joined the World Business Council for Sustainable Development (WBCSD)

2017 Announced the Statement on Yokogawa's Aspiration for Sustainability and set the "Three Goals" as its sustainability goals for 2050

2019 Announced our support of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

2020-2026

2020 Established Yokogawa Group Human Rights Policy

2021 Established Yokogawa's Purpose Defined six contribution areas toward 2030

2022 Established the Sustainability Committee

2023 Received validation for near-term targets from the Science Based Targets initiative (SBTi)

2024 Launched the Growth for Sustainability 2028 (GS2028) medium-term business plan Endorsed the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and registered as a TNFD Adopter

2025 Established the "Trusted Green" sustainability guiding principles covering the product lifecycle

2026 Received validation for net-zero targets from SBTi



Editorial Policy

This report discloses information about the sustainability of the Yokogawa Group. This information is based on the GRI Standards, the global guidelines for the disclosure of sustainability information, and includes the disclosure of Yokogawa's priority issues in view of the opinions of our stakeholders. Further, Yokogawa has obtained external limited assurance for key social and environmental data to increase the reliability of the information.

In the Sustainability Report for this fiscal year, we report the progress and performance results for various indicators of Growth for Sustainability 2028 (GS2028), which aims to achieve both contribution to sustainability and business growth. In addition, we introduce our efforts to resolve social and environmental issues and improve corporate value through our businesses, including a review of the results of the materiality analysis and a revision of sustainability transition indicators. The report also includes specific examples of our contributions to addressing social issues in collaboration with our customers.

Please see the Yokogawa Report (Integrated Report) for financial information and ESG information closely related to our business strategies. The GRI Standards Index is shown on our website.

▶ Period Covered by Report

Fiscal year 2025 (April 1, 2025, to March 31, 2026)

This Report also includes some information on major activities in prior years and some of the latest information in fiscal year 2026.

▶ Scope of Report

Yokogawa Electric Corporation and all its consolidated subsidiaries

Where the scope is different, a note is added to the relevant data.

▶ Timing of Publication

October 2026 (published annually)

▶ Intended Readership

This Report is intended for a wide range of stakeholders, including customers, shareholders, investors, business partners, employees, local communities, NPOs, NGOs, and governments.

▶ Company Names

In this Report, "Yokogawa" and "Yokogawa Group" refer to Yokogawa Electric Corporation and all of the consolidated subsidiaries.

"Yokogawa Electric" and "Yokogawa Electric Co." refer to Yokogawa Electric Corporation.

▶ Guidelines

- GRI Standards (Global Reporting Initiative)
- Environmental Reporting Guidelines 2018 (Ministry of the Environment, Japan)

Report Creation Process

This report is created with the aim of systematically organizing the sustainability initiatives of the Yokogawa Group and providing highly transparent information disclosure to stakeholders. The Sustainability Promotion Department of the Corporate Administration Headquarters of Yokogawa Electric Corporation plays a central role in collecting information and preparing the report in cooperation with related departments.

The content of this report has been reviewed by our senior management and approved by the President & CEO, Representative Executive Officer, and reflects our views.

Company Profile (as of March 31, 2026)

Corporate Name: Yokogawa Electric Corporation

Paid-in Capital: 43,401 million yen

Headquarters 2-9-32 Nakacho, Musashino-shi, Tokyo 180-8750, Japan

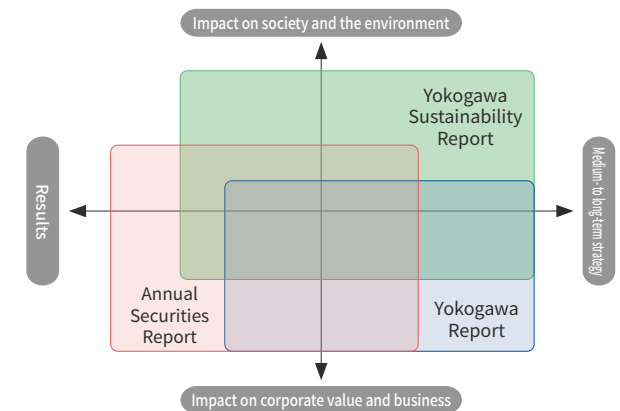
Number of Employees: 18,313 (Yokogawa Group)
2,240 (Yokogawa Electric Co.)

Founded: September 1, 1915

Subsidiaries and Affiliates: 121 outside Japan
14 in Japan

Information Disclosure Framework

Yokogawa comprehensively discloses its value creation story in the Yokogawa Report, which provides a summary based on medium- to long-term impact with regard to corporate value and business models, and in the Yokogawa Sustainability Report, which summarizes the Company's impact on society and the environment.



Further information is disclosed on our website.

Information Disclosed	URL
Yokogawa Electric Corporation's website	https://www.yokogawa.com/
Yokogawa Report	https://www.yokogawa.com/about/ir/reports/annual/
Sustainability Data	https://www.yokogawa.com/about/sustainability/sustainabilityinfo/sustainability-data/
GRI Standards Index	https://www.yokogawa.com/about/sustainability/sustainabilityinfo/gri/
Information Disclosure Based on TCFD Recommendations	https://www.yokogawa.com/about/sustainability/climate-strategy-response-to-tcf/
Information Disclosure Based on TNFD Recommendations	https://www.yokogawa.com/about/sustainability/initiatives-for-biodiversity-response-to-tnfd/



Yokogawa Sustainability Report

2026 Contents

Introduction

Our Goals

Case Studies of Contributions

Social

Environment

Governance

Information

Chapter 1 Introduction

1

- 1 The Yokogawa Philosophy and Sustainability Journey
- 2 Editorial Policy, Company Profile, and Information Disclosure Framework
- 3 Contents
- 4 Highlights of the 2026 Yokogawa Sustainability Report
- 5 Message from the President
- 6 Yokogawa Business Overview

Chapter 3 Case Studies of Contributions

22

- 23 Controlling Fluctuations in Wind Power Generation to Contribute to the Stable Supply of Electric Power
- 24 Strengthening Initiatives for the Optimization of the Supply Chain in the Materials Industry
- 25 Delivering Integrated Control Systems for Urban Infrastructure to Saudi Arabia's Green Riyadh Project
- 26 Making AI Data Centers Decarbonized and Highly Reliable with the "Power of Measurement"
- 27 Yokogawa's AI Solutions
- 28 Yokogawa's Product Sustainability – Trusted Green –

Chapter 4 Social

30

- 31 Human Resource Management
- 34 Comfortable Work Environment
- 38 Occupational Health and Safety
- 40 Respect for Human Rights
- 43 Community Engagement

Chapter 5 Environment

44

- 45 Environmental Management
- 47 Initiatives Toward Achieving Carbon Neutrality
- 50 Environmental Initiatives at Business Facilities
- 52 Environmental Practices and Data Disclosure

Chapter 6 Governance

53

- 54 Sustainability Governance
- 57 Risk Management
- 59 Code of Conduct and Compliance
- 63 AI Governance
- 64 Supply Chain Management
- 68 Information Security
- 71 Privacy and Data Protection
- 72 Quality Assurance

Chapter 7 Information

73

- 74 Sustainability Data
- 75 Third-Party Verification and External Evaluations

How to use this Sustainability Report

In this report, navigation features are available for moving between pages and for opening external websites.






⇒Open an external website ⇒Move to the relevant page ⇒Move to the relevant page

Clicking on an item of the Index Guide available on the top of each page, or an item in the Contents page of this PDF file will bring you to the relevant page.



Highlights of the 2026 Yokogawa Sustainability Report

Highlight 1

Message from the President

 | P.5

Working closely with our customers and leveraging technology to solve social issues

Starting with solutions to our customers' challenges, we aim to achieve both the resolution of social and environmental issues and sustainable growth by leveraging technologies that integrate AI with control systems and contributing to energy transition.

Highlight 2

Materiality Analysis

 | P.13

Incorporating responses to emerging social issues

We reviewed our materiality to incorporate management-level discussions and input from our stakeholders. By adding “reliable AI,” “industrial autonomy,” and “product environmental footprint,” we have clearly defined our sustainability issues in light of changes in society and markets.

Highlight 3

Sustainability Transition Indicators

 | P.17

Clarifying the direction of contributions and growth of all businesses

Based on the concept of “contributing to sustainability across all businesses,” we reviewed our sustainability transition indicators and organized all our businesses into three tiers. Alongside direct contributions to a sustainable society, we have positioned areas that support social transition, thereby clarifying the direction of each business's contributions and growth.

Highlight 4

Case Studies of Contributions

 | P.22

Taking on challenges to solve social issues

Through measurement, control, and information technologies, as well as cutting-edge digital technology, we contribute to solving the social issues our customers face. In this report, we present case studies of our contributions in areas such as the stable supply of wind power, integrated management of urban infrastructure, and reduction of energy consumption at AI data centers.

Highlight 5

Community Engagement

 | P.43

Contributing to the expansion of educational opportunities for children in Africa

We implemented educational support activities in the Democratic Republic of the Congo. By expanding educational opportunities and developing digital education environments, we support children's learning and contribute to the sustainable development of local communities.

Highlight 6

Initiatives Toward Achieving Carbon Neutrality

 | P.47

Promoting “Reduce,” “Create,” and “Replace” initiatives

As a result of the installation of solar power systems at factories and the transition to electricity derived from renewable energy, we have reduced our Scope 1 and 2 emissions by approximately 60% compared to fiscal year 2019. We have also made steady progress in reducing energy consumption. Furthermore, we have received validation from the Science Based Targets initiative (SBTi) for our long-term target of achieving net zero greenhouse gas emissions.

Sustainability Management

Governance | P.54

Yokogawa regards sustainability as a key management issue and is working on the improvement of governance.

Strategy | P.10

We incorporate sustainability into management strategy, aiming to both expand our contributions to society and the economy while achieving significant growth.

Risk Management | P.57

The Company has established a risk management system and appropriately controls sustainability-related risks.

Indicators and Targets | P.14 P.17

We have established medium- to long-term indicators and manage progress to achieve the Three Goals.



Message from the President

Working closely with our customers, we leverage technology to help solve social issues.

The role we must fulfill in a changing society

Since its founding in 1915, Yokogawa has been quick to anticipate changes in society while continuing to transform itself and refine the technologies with which it contributes to the development of society and industry. With the ability to measure and connect as our core competence, we address customers' needs for stable operations, production efficiency, risk reduction, and safety, and work together with them as long-term partners to find solutions to whatever challenges they face.

The world today is undergoing immense change, driven not only by challenges in such areas as climate change and human rights, but also rising geopolitical tensions and concerns over energy security. Under these circumstances, we recognize that the role that Yokogawa has to fulfill is increasingly important.

Under our Growth for Sustainability 2028 (GS2028) medium-term business plan, we have articulated a growth strategy that starts with the creation of customer value. My particular focus is on strengthening our front-line capabilities, taking a lifecycle perspective, and establishing Yokogawa as a technology company. We will engage more deeply with our customers, understand the challenges faced at all levels of their operations, and address safety and security concerns from the introduction and operation of products and systems as well as any other emerging issues. We will also present solutions to social and environmental concerns and contribute to the realization of sustainable growth by linking Yokogawa's technology strengths with the provision of tangible value.

Solving societal challenges through technology

By combining the use of AI and other advanced digital technologies with the measurement, control, and information technologies that it has cultivated over the years, Yokogawa is enabling advances in plant operations. One prime example of these digital technologies is Factorial Kernel Dynamic Policy Programming (FKDPP), an autonomous control AI that we jointly developed with the Nara Institute of Science and Technology. FKDPP has been adopted at a gas plant of one of the world's leading energy companies and has attracted great interest from many other of our customers. The strength of Yokogawa's AI solutions goes beyond mere analysis to include integration with control systems and direct application in actual operations. In addition to realizing stable plant operations and improving efficiency, these solutions help to address issues such as labor shortages and the need to transfer technical skills.

Kunimasa Shigeno

Director, President & CEO,
Representative Executive Officer



In the energy sector, we are working to reinforce our business structure and contribute to the wider adoption of renewable energy and the realization of a stable energy supply, with this effort centering on our Group company BaxEnergy, a provider of integrated management solutions for power generation facilities. For large-scale wind power projects in Japan, we are also making progress with the provision of comprehensive solutions that include controllers and storage batteries. We are devoted to efforts that will support the energy transition and bring about the shift to a decarbonized society. Our products and solutions are being chosen in a diverse array of energy sectors, including natural gas, LNG, carbon capture and storage (CCS), and carbon capture, utilization and storage (CCUS), and we are actively pursuing co-creation initiatives with our customers and partner companies.

Furthermore, for Saudi Arabia's Green Riyadh project, one of the world's largest urban greening initiatives, Yokogawa will provide integrated systems that will be used to monitor and control urban infrastructure. As such, we are taking on the new challenge of optimizing the urban environment and resource utilization across an entire city.

Human resources that support solutions to societal challenges

Our people are the source of value creation in all these initiatives, and are Yokogawa's greatest asset. In this era of global change and increasingly complex societal issues, the ability of each and every one of our employees to think for themselves and continually take on new challenges will be increasingly important.

Yokogawa strives to foster a culture that values not only results but the willingness to take on challenges and work toward higher goals. By stressing opportunities for people in different regions and organizations to learn from each other and acquire a wide range of experience, we are creating an environment where our people around the world can leverage their respective strengths and thrive. We will not use AI as a replacement for people, but as a partner to further enhance their abilities, and will utilize it for such purposes as the improvement of operational efficiency and passing on technologies to the next generation. In doing so, we aim to become an organization where each and every employee can take on the challenge of creating greater value.

Our customers' growth, the realization of a sustainable society, and Yokogawa's continued growth are inseparably intertwined. Going forward, we at Yokogawa will continue to provide close support to our customers as we enhance our technological capabilities, and we will foster an environment where a diverse workforce can collaborate and be open to continually taking on new challenges as they engage in the provision of solutions that make for a better world.



Yokogawa Business Overview

Business Segments

Making full use of our expertise in measurement, control, and information technologies that we have acquired over the years, Yokogawa addresses social issues through our business activities. To attain these goals, the core industrial automation and control business has been divided into three segments: energy & sustainability, materials, and life. Yokogawa's measuring instruments business and new businesses also significantly contribute to the advancement of industry and technology.

■ Industrial Automation and Control Business

Energy & Sustainability Business

Given the expected surge in global energy demand, the renewable energy market is primed for growth. In the increasingly diverse energy and water sectors, Yokogawa's energy and sustainability business is working across the entire value chain – from production and supply to use, disposal, recycling, and maintenance – to support safe and efficient operations. The business segment aims to protect the environment by achieving a sustainable, carbon-neutral society.

Main Markets

- Renewable energy
- Oil & gas (upstream)
- Refining, petrochemicals (downstream)
- Power
- Energy management systems
- Energy storage
- Water & wastewater, industrial water

Materials Business

Among the requirements in this segment are efficient energy use, recycling, and the use of raw materials that have a low environmental impact. Drawing on our expertise in ecological solutions and digital technologies, Yokogawa is striving for a world that maintains a balance between comfort and sustainability. Our materials business is critical to achieving a circular economy that can exist in harmony with the environment.

Main Markets

- Specialty and fine chemicals
- Biochemicals
- Fertilizer
- Mining & metals
- Mobility
- Electrical machinery, electronics & semiconductors
- Iron & steel
- Pulp & paper
- Fibers & textiles

Life Business

The growing global population is putting a strain on the production and supply of food. Demand for pharmaceuticals is also rising steeply. Yokogawa's life business supports the supply of medicines and food so that people everywhere can live safely and enjoy good health.

Main Markets

- Pharmaceutical
- Healthcare
- Food & beverage

■ Measuring Instruments Business



Often considered to be the mother tools of modern industry, measuring instruments have been an integral part of Yokogawa's business since the company's inception. Taking advantage of our expertise in the precision measurement of power, voltage, light, pressure, and other physical quantities, we are pursuing decarbonization by helping our customers in such areas as vehicle digitization and electrification, renewable energy, environmental measurement, next-generation communications technology, and plant maintenance.

■ New Businesses and Others



We aim for a future in which everyone can enjoy the convenience of video solutions that leverage the use of AI. We provide service providers with easy-to-use device, software, cloud system, and other solutions that automate operational tasks.

■ Areas for exploration: Disaster prevention, space, and ocean

By presenting solutions for applications such as the observation of changes in sea level and the verification of technologies that could point the way to the use of hydrogen on the lunar surface, we are working to mitigate the effects of global disasters and working toward the achievement of a recycling-oriented society.



Yokogawa Business Overview

Products and Solutions

Industrial Automation and Control Business Energy & Sustainability Materials Life

We provide products, services, and solutions that span every level of activity, from the collection of data generated in the field to the optimization of corporate management.

OpreX™

OpreX is the comprehensive brand for Yokogawa's industrial automation and control business.

IT
Information
Technology

OT
Operational
Technology

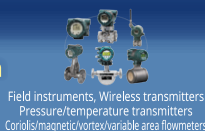
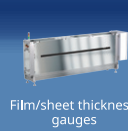
Level 4
Corporate
management



Level 3
Manufacturing
execution
control

Level 2
Production control
and safety system

Level 1
Data generation
and collection



Collaborative
Information Server
Yokogawa Cloud
Industrial cloud applications
and solutions

For our customers, we present solutions that resolve issues and maximize value over the entire lifecycle of their business assets.

Consulting

Design & engineering
System integration

Installation

Training

Lifecycle services

Life Business (Life science)

This business segment supports bio-related food and pharmaceutical research & development through the provision of products and solutions that aid cell analysis.



Confocal scanner unit



High-content analysis system

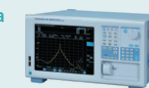


Subcellular sampling system

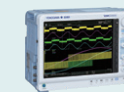
Measuring Instruments Business

This segment offers a broad range of measuring instruments and services that are essential for the benchmarking and optimization of customers' products and technologies.

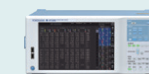
Products of Yokogawa
Test & Measurement
Corporation



Optical
spectrum
analyzers



ScopeCorders



Precision
power
analyzers

New Businesses and Others

Promoting the realization of video AI solutions that integrate edge devices and the cloud.

Products and services of amnimo Inc.



AI edge gateway (outdoor use)



Cloud-based video services

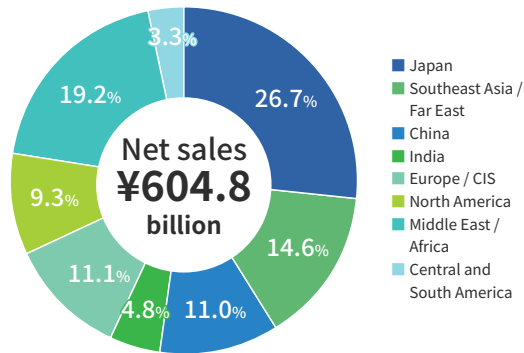


Yokogawa Business Overview

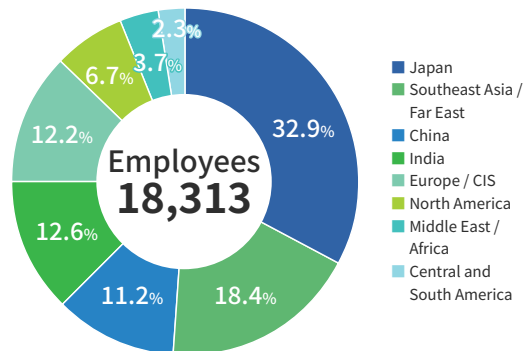
Global Network

Yokogawa has cultivated trust-based relationships with our customers, working with them over the entire lifecycle of plant facilities that can be in use for thirty years or more. This solid customer base has allowed us to offer solutions that cover entire value chains and supply chains, further expanding the circle of value co-creation. As a good corporate citizen, Yokogawa aspires to grow and prosper alongside the communities in which we operate.

■ Sales Ratio by Region (Fiscal Year 2025)



■ Employees by Region (As of the end fiscal year 2025)



■ Global Network Supporting Business Growth



(As of the end Fiscal Year 2025)



Chapter

2

Our Goals

- P.10 Yokogawa's Vision
- P.11 Stakeholder Engagement
- P.13 Materiality Analysis
- P.14 Six Contribution Areas and Sustainability Indicators
 - Social Impact Indicators
- P.17 Sustainability Indicators
 - Sustainability Transition Indicators
- P.18 Stories from Our Business Segments



Yokogawa's Vision

Yokogawa has established the "Three Goals" as its sustainability goals for 2050. We recognize the expectations and requests obtained through dialogue with diverse stakeholders as key issues, and conduct materiality analysis. The results are reflected in the GS2028 medium-term business plan and sustainability indicators. We are promoting business growth and the expansion of our contributions to society and the environment.

Stakeholder Engagement P.11

We understand the expectations and needs obtained through dialogue with diverse stakeholders

Materiality Analysis P.13

We conduct a double materiality analysis based on the expectations received from stakeholders, and identify and review sustainability issues (materiality). Materiality identified is linked to the GS2028 medium-term business plan through six contribution areas.

GS2028 Medium-term Business Plan

The GS2028 aims to achieve the Three Goals by realizing business growth and expanding contributions to society and the environment in six contribution areas. We have established sustainability indicators to clarify the direction and progress of initiatives.

Business Growth

We have identified focus areas and launched initiatives by recognizing our customers' social issues as business opportunities for Yokogawa. We will accelerate the growth of our business by expanding the value we provide in these focus areas.



Expansion of Contributions to Society and the Environment

Yokogawa will expand its contributions to society and the environment through six contribution areas.

Creating positive impacts on society and the environment



Focus areas of GS2028			Key contribution areas				
			Achieving carbon neutrality	Improving efficiency in society & industry	Optimizing plant lifecycle & protecting environment	Improving health & safety	Creating a resource-recycling ecosystem
Control business	Energy & Sustainability business	<ul style="list-style-type: none"> Expanding value delivery for renewable energy market Supporting utilization of clean energy (low-carbon hydrogen and low-carbon ammonia) Providing new value for water-related area (reuse water, PFAS*) 	●	●	●	●	●
	Materials business	<ul style="list-style-type: none"> Supporting decarbonization of materials industry (chemicals, steel) Supporting optimization of mobility supply chain Supporting supply and use of sustainable materials 	●	●	●	●	●
	Life business	<ul style="list-style-type: none"> Improving productivity and quality of pharmaceutical, food & beverage, and biotechnology industries Improving efficiency and quality of drug discovery & development 	●	●	●	●	●
	Common foundations	<ul style="list-style-type: none"> Enabling IA2IA and System of Systems Supporting long-term optimal operation and environmental footprint reduction of plants Promoting repair, calibration, and refurbishment 	●	●	●	●	●
	Measuring Instruments business	<ul style="list-style-type: none"> Supporting adoption and improvement of efficiency of renewable energy and electric vehicles Supporting improved efficiency of next-gen communication systems Contributing to environment and health through measurement 	●	●	●	●	●

GS2028 Sustainability Indicators

Target year	Indicator	Overview	Target year	Indicator	Overview
FY2028	Sustainability transition indicators 	<ul style="list-style-type: none"> Indicators to promote the expansion of contributions to sustainability transition by society and customers Indicators to measure the medium-term growth of businesses for the expansion of contributions to sustainability transition 	FY2030	Social impact indicators 	<ul style="list-style-type: none"> Indicators to measure long-term social impacts for the priority issues in the six contribution areas.
	Business activity indicators				

Vision for Society Toward 2050 Three Goals



Achieve net-zero emissions; stopping climate change

We aim for net-zero emissions, which means that greenhouse gas concentrations in the atmosphere do not rise due to the balance of emissions and the absorption of greenhouse gases, which can be accomplished through the introduction of renewable energy and the efficient use of energy.

Ensure well-being; quality life for all

We support people's health and prosperity through the achievement of safe and comfortable workplaces and our pursuits in such areas as the life sciences and drug discovery. We promote human resource development and employment creation in local communities, as well as diversity, equity, and inclusion.

Make the transition to a circular economy; circulation of resources and efficiency

We aim to realize a social framework and ecosystem in which resources are circulated without waste and assets are utilized effectively. We are also contributing to the efficient use of water resources and the supply of safe drinking water.



Stakeholder Engagement

Yokogawa recognizes the expectations obtained through dialogue with diverse stakeholders as key input for sustainable growth. The issues recognized are utilized to identify and review materiality and to improve business activities and various initiatives. Through continued dialogue, we strive to deepen mutual understanding and further strengthen engagement.

Customers	Shareholders and investors	Employees	Suppliers	Academia	International society and local communities
Expectations of stakeholders					
<ul style="list-style-type: none"> Improvement of energy efficiency and decarbonization Water resource management and environmental footprint reduction Increase productivity through digitalization Support system for stable operation 	<ul style="list-style-type: none"> Highly transparent information disclosure Disclosure of climate change risks and opportunities Strengthen governance Promote understanding of the medium- to long-term strategy 	<ul style="list-style-type: none"> Safe and healthy workplace environment Skill development and career support Active involvement of diverse talent (DE&I) Improve employee engagement 	<ul style="list-style-type: none"> Fair and transparent business relationships Address supply chain issues Secure human rights and occupational health and safety 	<ul style="list-style-type: none"> Technological innovation for solving social issues Research and development through academic-industrial collaboration Next-generation human resources development 	<ul style="list-style-type: none"> Sustainable development of local community Water resources and environmental conservation activities Strengthen partnerships
Initiatives to strengthen engagement					
<ul style="list-style-type: none"> Support for solving issues in the energy and environment fields Develop and provide products and services utilizing AI, digital technology, and DX Conduct customer satisfaction surveys Establish and strengthen a global service structure 	<ul style="list-style-type: none"> Enhance information disclosure, including sustainability information Hold financial results briefing session Promote dialogue with shareholders at the General Meeting of Shareholders Conduct IR events including business strategy briefings Hold individual meetings with investors and analysts 	<ul style="list-style-type: none"> Implement occupational health and safety (OHS) training Conduct consultation between labor and management Provide learning opportunities through Yokogawa University (an internal learning institution) Support the active involvement of diverse talent by promoting DE&I Conduct engagement surveys to assess the situation and take appropriate action 	<ul style="list-style-type: none"> Promote sustainable procurement through Self-Assessment Questionnaire (SAQ) Promote fair and transparent transactions by utilizing the Sustainable Procurement Guidelines Promote green procurement with less environmental impact Promote understanding of human rights and occupational health and safety through Partners' Day 	<ul style="list-style-type: none"> Participate in projects and consortiums Support innovative technological research through financial and human resource contributions Promote research and development and technological innovation through academic-industrial collaboration 	<ul style="list-style-type: none"> Participate in international projects to help emerging and developing countries develop further Initiatives for reducing GHG and preserving water resources Cooperate with NGOs and NPOs Engage in volunteer activities in local communities Participate in international standardization activities
Topics in Fiscal Year 2025					
<ul style="list-style-type: none"> To strengthen the renewable energy areas, following the acquisition of BaxEnergy, we acquired and integrated two affiliated companies to expand our solutions. We introduced an autonomous control AI to Saudi Aramco's gas facility to help optimize operations utilizing digital technology. 	<ul style="list-style-type: none"> We held a total of approximately 250 meetings with investors. Through direct dialogue with investors, we strove to promote understanding of our strategy and performance, and regularly fed back opinions, areas of interest, and evaluations on shares we received to senior management and reflected them in the decision-making and management measures. We expanded sustainability-related information disclosure, and obtained a high mark in the external evaluation of ESG. 	<ul style="list-style-type: none"> We identified employees' needs through the engagement survey, and worked on the three themes of "diversity and work-life management," "efficiency," and "strategy and direction." We set occupational health and safety training as a group-wide priority activity, and provided approximately 140,500 hours of OHS training in total across the Group. 	<ul style="list-style-type: none"> We promoted the visualization of suppliers' response status through SAQ. We held Partners' Day to share the sustainable procurement policy and deepen dialogue with suppliers. We are strengthening engagement with suppliers and working together with them to reduce emissions. 	<ul style="list-style-type: none"> We launched a consortium to develop an automated manufacturing platform in cooperation with drug discovery organizations and IT companies, aiming to ensure a stable supply of regenerative medicine products and improving manufacturing efficiency. This research and development theme was selected under the Japan Agency for Medical Research and Development's fiscal 2025 program for "A Project Focused on Developing Basic Technology Aiming at Industrialization of Regenerative Medicine and Gene Therapy." 	<ul style="list-style-type: none"> We concluded a memorandum of understanding with the Kumi Foundation and Congo Children Trust, UK charity organizations active in the Democratic Republic of the Congo, to support education in the Kimbilio project. We promote initiatives such as GHG reduction and efficient use of waste and water resources, to reduce the burden on the global environment.
Related information					
<ul style="list-style-type: none"> Products and Solutions (P.7) Global Network (P.8) Voice of Customer Program (P.12) Case Studies of Contributions (P.22) 	<ul style="list-style-type: none"> External Evaluations (P.75) Investor Relations  For more information, see our website.	<ul style="list-style-type: none"> Human Resource Management (P.31) Comfortable Work Environment (P.34) Occupational Health and Safety (P.38) 	<ul style="list-style-type: none"> Initiatives Toward Achieving Carbon Neutrality (P.47) Supply Chain Management (P.64) 	 The details of the consortium to develop an automated manufacturing platform for regenerative medicine products are introduced on our website. (Japanese only)	<ul style="list-style-type: none"> Long-term partnership with Singapore Economic Development Board (P.12) Community Engagement (P.43) Initiatives Toward Achieving Carbon Neutrality (P.47) Environmental Initiatives at Business Facilities (P.50)



Stakeholder Engagement

Creating Value through Customer Feedback - Voice of Customer (VoC) Program Deployed Globally

Customers

Yokogawa promotes the Voice of Customer (VoC) program globally to leverage customer feedback for value creation. We aim to achieve sustainable growth by incorporating customer insights in our business activities, improving customer experience, and fostering a customer-centric culture.

Through a globally standardized customer satisfaction survey, we collect comparable data across regions, industries, products, and services and incorporate customer evaluations and expectations into our business activities. The survey is conducted globally once a year tracking study. Through multifaceted analysis, we identify changes in customer needs and early signs of potential issues.

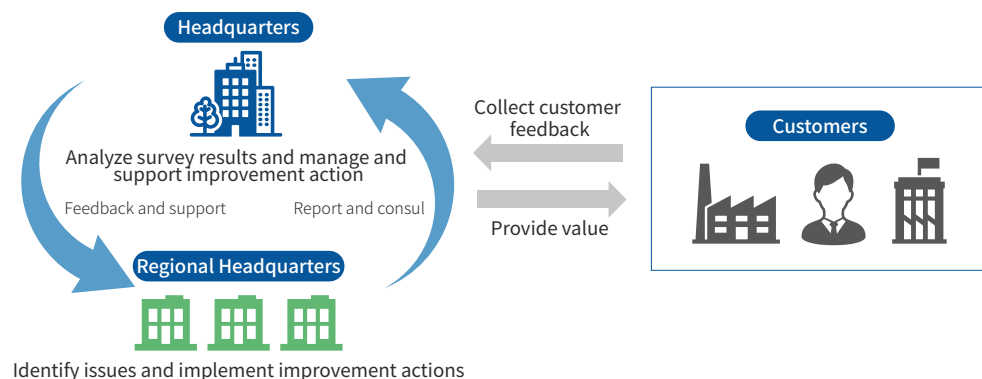
Rather than treating the survey results as mere evaluations, we identify underlying issues through analysis and translate the findings into concrete improvement actions. Yokogawa headquarters and its regional headquarters work together to develop and implement action plans based on the results, thereby establishing a company-wide continuous improvement cycle.

Furthermore, information on these processes is shared company-wide through our internal portal, enabling employees to incorporate the customer perspective into their daily work. This promotes cross-functional collaboration and engagement and helps strengthen relationships of trust with our customers.

Going forward, Yokogawa will continue to place customer feedback at the heart of value creation and promote business activities and decision-making from the customer's perspective. By continuously improving the customer experience, we will deepen our customer partnerships and contribute to solving societal challenges and sustainably enhancing corporate value.

Enhancing Engagement through the Continuous Improvement Cycle

Conduct a global customer satisfaction survey



Long-term partnership with Singapore Economic Development Board (EDB)

International society
and local communities

In order to address social issues that are becoming increasingly complex, including responses to international frameworks such as the Paris Agreement, it is essential for companies not only to engage in their own initiatives, but also to engage in ongoing dialogue and collaboration with government agencies that are responsible for the direction of policies and systems. Toward achieving a sustainable industry and society, Yokogawa positions such stakeholder engagement as one of the key factors of our management activities.

Yokogawa Engineering Asia Pte. Ltd., a group company of Yokogawa Electric Corporation, established the Sustainability Incubation Hub (SIH) in November 2024 through a partnership with the EDB. The SIH is a corporate research and development (R&D) base that promotes environmentally conscious and sustainable innovation in process manufacturing.

In addition, in May 2025, at an event for the manufacturing industry held at the Singapore Pavilion at the Expo 2025 Osaka, Kansai, Japan, hosted by the EDB, Kin Wah Chay, Vice President & Executive Officer and Regional Chief Executive for ASEAN, Pacific, and China at Yokogawa Electric Corporation., and President of Yokogawa Engineering Asia Pte. Ltd., took the stage as a panelist in an event for the manufacturing industry. He discussed key points for the manufacturing industry to expand and succeed in its business in Singapore and Southeast Asia, and generating synergies between Japan and overseas bases and fostering innovation. He also worked to strengthen mutual understanding and cooperation through dialogue with government and industry representatives.

In addition to such collaboration with the EDB, Yokogawa actively utilizes the Smart Industry Readiness Index (S.I.R.I.), a maturity assessment metric for the manufacturing industry which was jointly developed by the EDB and the TÜV SÜD (a German third-party certification and testing organization) and which is promoted by the International Centre for Industrial Transformation (INCIT) in its business operations. We use the S.I.R.I. to assess the progress of digitalization in the manufacturing industry from the perspective of “people, processes, and technology,” and provide support ranging from identifying priority issues to establishing a transformation roadmap. In this way, we contribute to achieving digital transformation and sustainability of the industry.

Going forward, Yokogawa will continue to work to generate sustainable value by reflecting insights gained from policy trends and social demands in our management while engaging with government agencies in Japan and overseas, including the EDB.



Kin Wah Chay delivers a lecture at an event hosted by the EDB at the Singapore Pavilion at the Expo 2025 Osaka, Kansai, Japan



Materiality Analysis

Yokogawa identifies materiality based on the concept of double materiality adopted by the Global Reporting Initiative (GRI) and European standards. We make assessment in terms of the “social and environmental impact” and the “financial impact on the Group,” and formalize materiality after discussions at the Sustainability Committee and report it to the Board of Directors. The materiality is reviewed in conjunction with the business strategies of the GS2028 medium-term business plan.

Process of Materiality Analysis

- 1 Understand the value chain and list sustainability issues relevant to our business*
- 2 Assess items listed in 1 based on the following two axes
 - Social and environmental impact (assessment axis: scope, scale, potential for remediation, and likelihood of occurrence)
 - Financial impact on the Group (assessment axis: impact, likelihood of occurrence)
- 3 Based on the input from stakeholders, organize the assessment result in 2, and have discussion at the Sustainability Committee
- 4 Identify items assessed as highly material as a result of assessment as materiality
- 5 Confirm the consistency of materiality and six contribution areas

Discussion and review by the executives

The results of the materiality analysis are reviewed annually by the Sustainability Committee.

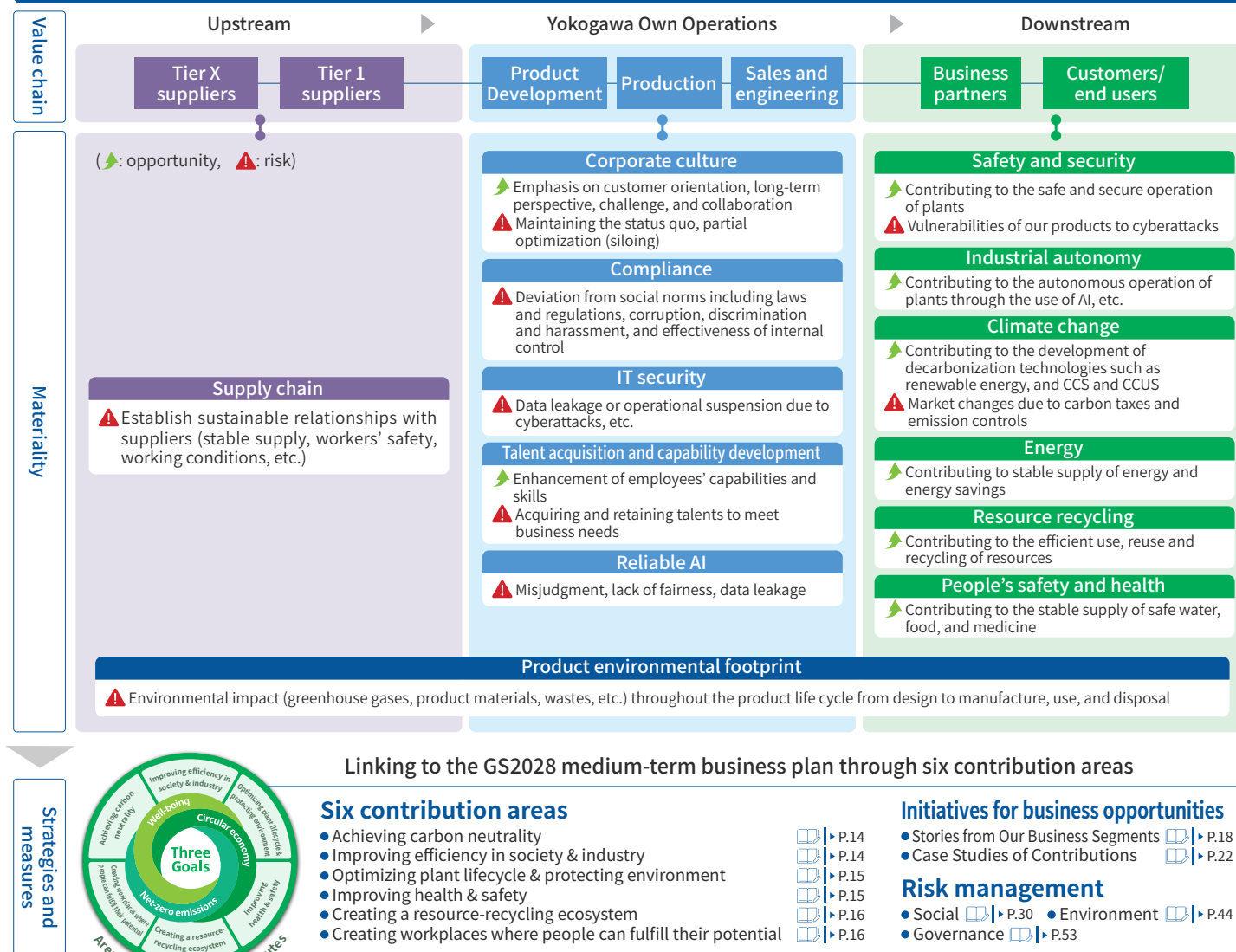
At the Sustainability Committee held in July 2026, the granularity and assessment result of materiality were adjusted based on inputs obtained through stakeholder engagement, including customer satisfaction surveys, dialogues with investors, and external ESG evaluations.

Furthermore, group discussions were held by the executives, where the importance for Yokogawa from the perspective of opportunities and risks was actively discussed. In addition to re-emphasizing the significance of “safety and security,” “corporate culture,” “compliance,” “IT security,” “talent acquisition and capability development,” and “supply chain,” we added “reliable AI,” “industrial autonomy,” and “product environmental footprint” to materiality.

We have confirmed that materiality reviewed this time is consistent with the six contribution areas.

* Referring to the ESRS (European Sustainability Reporting Standards).

Materiality Identified





Six Contribution Areas and Sustainability Indicators – Social Impact Indicators

Yokogawa will expand its contributions to society and the environment through six contribution areas. The GS2028 medium-term business plan sets social impact indicators for each of these contribution areas as long-term indicators for measuring the degree of social contribution. The contribution areas and indicators are connected with the results of materiality analysis shown on the previous page. In fiscal year 2025, progress was seen mainly in indicators for Scope 1, 2 and energy consumption, while issues remained in some indicators such as those for Scope 3. The Sustainability Committee reviewed the causes and discussed appropriate measures to address these issues, and initiatives are under way towards improvement.



Achieving Carbon Neutrality

We will promote the reduction of GHG emissions and the transition to sustainable forms of energy towards curbing climate change. In addition to contributing to the spread of renewable energy and decarbonization technologies such as CCUS, we will respond appropriately to market changes such as carbon taxes and emission regulations.

Relevant materiality Climate change Energy Supply chain Product environmental footprint



Indicators	Calculation method	FY2030 target	FY2025 result	Progress
CO ₂ emissions control amount through customers	We aggregate the difference between CO ₂ emissions from renewable power generation business or low-carbon energy production of the customers to whom Yokogawa provided products and services, and average CO ₂ emissions from fossil fuels usage, then record it as the actual volume.	1 billion t-CO₂ (cumulative total from FY2018 to FY2030)	440 million t-CO₂	<p>For fiscal year 2025 alone, the increase was mainly due to contributions from geothermal power generation. As a cumulative total since fiscal year 2018, the increase was mainly due to contributions from wind power generation. We will promote the expansion of our contribution in the renewable energy and low-carbon energy fields toward achieving the fiscal year 2030 target.</p>
GHG emissions Scope 1 and 2 (base year: FY2019)	Calculated based on the GHG Protocol.	Achieving carbon neutrality*¹	59.9% reduction	<p>Due to the entering into operation of large scale solar power systems at factories and advancement in the transition to power from renewable energy sources, we made progress in reducing emissions.</p>
GHG emissions Scope 3 (base year: FY2019)	Calculated based on the GHG Protocol.	30% reduction by FY2030*²/ Achieving carbon neutrality*¹ by FY2050	0.7% reduction*²	<p>Scope 3 Category 1 emissions increased compared with fiscal year 2019 due to soaring procurement costs and an increase in procurement volume. Meanwhile, we are working to curb increases in emissions by obtaining and utilizing primary data from some of the suppliers. We will continue to strengthen engagement with suppliers and promote energy-saving design of products toward achieving the FY2030 target.</p>

*1 The plan is to reduce GHG emissions by 90%, with the remaining 10% of emissions expected to be offset through carbon credits *2 Reductions in Category 1 (purchased goods and services) and Category 11 (use of sold products)



Improving Efficiency in Society & Industry

We will pursue DX and utilize AI to achieve greater efficiency and autonomy in production activities and optimize the use of resources and energy. In addition to contributing to stable supply of energy and energy conservation, we will work to reduce risks concerning AI such as misjudgments and biases.

Relevant materiality Industrial autonomy Energy Reliable AI Supply chain



Indicators	Calculation method	FY2030 target	FY2025 result	Progress
Economic value created by improving customer productivity efficiency	Calculated by estimating the amount of productivity improvement benefits for customers to whom Yokogawa provided products or services.	2 trillion yen	306 billion yen	<p>We promoted the expansion of production and energy efficiency businesses. We will continue to focus on expanding our AI solutions and consulting business, while working to quantify our contribution to improving customers' production efficiency.</p>
Energy consumption (Intensity per sales, base year FY2023)	Calculated by dividing the groupwide energy consumption by consolidated sales.	30% reduction (Average 5% improvement per year)	34.8% reduction	<p>Energy consumption decreased as a result of progress with measures to reduce the use of energy. In addition, energy consumption (intensity per sales) improved significantly as a result of increase in consolidated net sales.</p>



Six Contribution Areas and Sustainability Indicators – Social Impact Indicators



Optimizing Plant Lifecycle & Protecting Environment

We will support the long-term and optimal operation of plant assets, and contribute to the improvement of customers' productivity. We will also support the reduction of environmental impacts of plant assets throughout the lifecycle.

Relevant materiality **Safety and security** **Supply chain** **Product environmental footprint**



Indicators	Calculation method	FY2030 target	FY2025 result	Progress
Number of plants/factories where Yokogawa has contributed to sustainable and secure operations	Calculated based on the number of contracts for lifecycle support that contribute to supporting the long-term optimal operation of plants*1.	20,000 plants	5,496 plants	<p>The number of plants that are contributing to sustainable and secure operations by promoting lifecycle support increased slightly from the previous year*2.</p>
Water withdrawals (Intensity per sales, base year FY2023)	Calculated by dividing the Group's water withdrawals by consolidated sales.	20% reduction	7.3% reduction	<p>We controlled the increase in water consumption by improving our production processes and introducing water-saving systems to our office water supplies. In addition, water withdrawals (intensity per sales) improved significantly compared with the previous fiscal year as a result of increase in consolidated net sales.</p>

*1 Starting in fiscal year 2025, we standardized the definition of lifecycle support contracts on a global level and revised the method for counting applicable contracts.

*2 The actual number of applicable plants in fiscal year 2024 counted in accordance with the revised method is 5,389.



Improving Health & Safety

We will contribute to improving safety and security in plants and communities by promoting life-related innovation. In addition to supporting safe operations and stable supplies of water, food, and pharmaceuticals, we will strengthen our response to risks such as operational suspensions and information leaks due to cyberattacks.

Relevant materiality **Safety and security** **People's safety and health** **IT security** **Reliable AI**



Indicators	Calculation method	FY2030 target	FY2025 result	Progress
Total number of people whose health & safety have been enhanced through solutions provided by Yokogawa's customers	Calculated based on the population of cities that are using water infrastructure for which Yokogawa provided products and services.	100 million people	77.18 million people	<p>The increases in and outside Japan were mainly due to contributions from facilities related to water purification. We will promote the expansion of our contribution in the water infrastructure field, including water purification plants.</p>
Total reportable incidents frequency rate ((Number of accidents with lost days + Number of accidents without lost days) / Total actual working hours × 1,000,000)	Calculated by dividing the annual number of occupational accidents by the total actual working hours and then multiply by 1,000,000.	0.40 or less	0.89	<p>The number of slips, trips, and falls accidents, which is a major issue, decreased due to the implementation of educational programs and dissemination of accident prevention rules. We will carry out group-wide measures and work to reduce work-related accidents.</p>



Six Contribution Areas and Sustainability Indicators – Social Impact Indicators



Creating a Resource-Recycling Ecosystem

We will contribute to maximizing the sustainable use of resources and recycling. We will work to improve resource efficiency and expand reuse and recycling throughout our value chain and product lifecycle.

Relevant materiality Resource recycling Supply chain Product environmental footprint

With a view to accelerating measures for resource recycling, we have set new indicators and targets for “creating a resource-recycling ecosystem.” We will implement concrete initiatives based on the product sustainability guidelines, “Trusted Green.”



Indicators	FY2030 target
Environmental value created throughout the product lifecycle	<ul style="list-style-type: none"> Promoting long-term use of products Promoting the use of environmentally friendly materials (recycled resins, etc.) in products Enhancing provision of environmental data using environmental assessments such as LCA

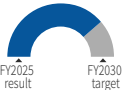


Creating Workplaces Where People can Fulfill Their Potential

We will create an environment where each person is respected and a variety of employees can demonstrate their potential. We will promote the development of human resources while placing emphasis on challenges and collaboration, and respond to risks such as legal violations, corruption, discrimination and harassment, as well as human resources shortages.

Relevant materiality Corporate culture Compliance Talent acquisition and capability development Reliable AI



Indicators	Calculation method	FY2030 target	FY2025 result	Progress
Engagement to enhance employee well-being	Measured by employee engagement survey scores.	An engagement survey score 84% or higher	82%	 <p>The engagement score in fiscal year 2025 was 82%, breaking the record high score for the second year in a row. Diversity, work-life management, efficiency, and strategy & direction were identified as crucial themes to be addressed. We will drive improvement measures according to the situation of each organization.</p>
Achievements in human resource development and capacity development for transformation	—	Improving the abilities of employees (including skills, etc.) to respond to future Yokogawa business needs	We promoted efforts to update and enhance our human resources portfolio for the realization of our business strategy.	
Achievement level of diversity, equity, and inclusion	Measured by the global percentage of women in managerial positions.	Percentage of women in managerial positions 20%	15.5%	 <p>We will continue implementing measures according to the situation in each region, such as the age composition of employees.</p>
	—	Enhanced diversity at senior decision-making levels	We are promoting the diversification of potential successors for management team and global leader positions.	



Sustainability Indicators – Sustainability Transition Indicators

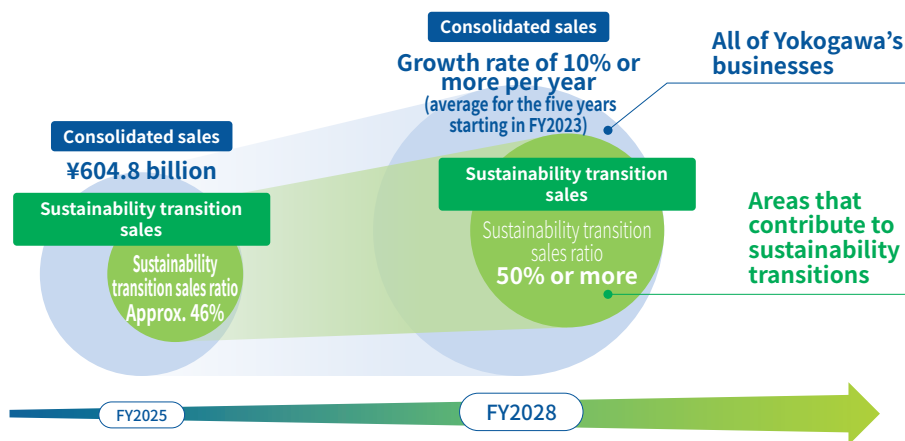
New Sustainability Transition Indicators That Integrate Business Growth and Sustainability Contributions

Our business environment is undergoing major changes, including the energy situation, rising geopolitical risks, and changes in social demands for decarbonization. Through all of its businesses, Yokogawa contributes to the sustainable development of society and industry, while also working to upgrade its business portfolio in response to changes in the business environment over the medium to long term. In order to realize a sustainable society, it is important to accelerate business growth in the areas of clean energy and energy transition, as well as to support customers' sustainability transitions while addressing the diverse challenges and circumstances faced by customers across different regions and industries.

Based on such belief, in order to clearly indicate how each business should contribute and in which direction it should grow, we upgraded the sustainability transition indicators to management indicators that more integrally capture contribution to society and business growth, following discussions at the Sustainability Committee.

Indicators and targets up to Fiscal Year 2025

Until fiscal year 2025, we had defined the revenue from areas in which we contribute to sustainability transition as “sustainability transition sales,” and had been targeting to raise the ratio to net sales to 50% or more. In fiscal year 2025, sustainability transition sales accounted for approximately 46% of net sales.



Indicators and targets for Fiscal Year 2026 and beyond

For fiscal year 2026 and beyond, we classify our business domains by industry into three tiers to make it clear how each tier should contribute to sustainability transitions.

Concept of sustainability transition indicators*1

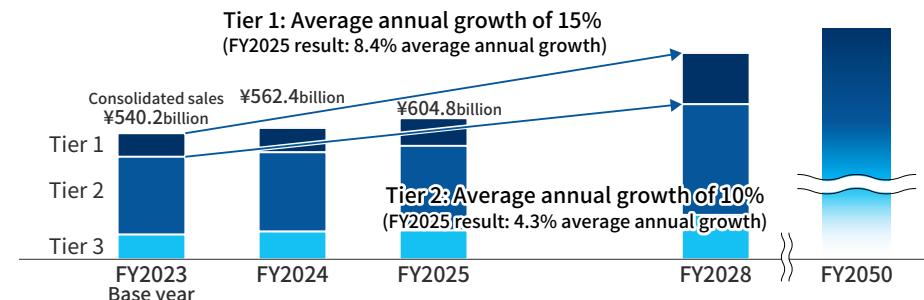
Classification	Industry group*2	Way of contributing to sustainability	Growth rate target
Tier 1	Renewable energy, CCS and CCUS, water, pharmaceutical, healthcare, food & beverage, measurement, etc.	Contribute to a sustainable society as a whole through carbon neutrality and well-being	Achieve sales growth that far exceeds the GS2028 target rate (average annual growth of 15%*3)
Tier 2	Natural gas, LNG, power, specialty and fine chemicals, mobility, mining & metals, pulp & paper, etc.	Contribute to the transition to a circular economy through energy transition and effective utilization of resources	Achieve sales growth on par with the GS2028 sales growth target (average annual growth of 10%*3)
Tier 3	Oil and petrochemicals	Contribute to a prosperous and safe society by reducing environmental impacts	—

Tier 1 is positioned as a priority growth area that will directly contribute to the realization of a sustainable society, and therefore we have set an average annual growth rate target of 15%, which is significantly higher than the group-wide sales growth rate target under GS2028 (average annual rate of 10% or more). For Tier 2, which is a domain that supports social transitions through energy transition and effective utilization of resources, we aim for an average annual growth of 10%. Although no growth rate targets are set for Tier 3, it is an important area that supports society and industry, and therefore we will enhance our contribution to our customers' safe and stable operations and the reduction of environmental impacts. These indicators have been introduced as a new framework for evaluating businesses from the perspectives of both social value and corporate value and to accelerate growth in domains that contribute greatly to a sustainable society, based on the premise that all businesses contribute to society. They point to the direction we are headed in promoting the reform of our business portfolio over the medium to long term.

*1 The Stated Policies Scenario (STEPS) of the World Energy Outlook (WEO) published by the International Energy Agency (IEA) was used as a reference when designing the index. According to STEPS, while fossil fuels including oil and natural gas will continue to be used on a certain scale in 2050, the fossil fuel-related fields are expected to gradually lose share after the 2030s, in line with changes in the energy demand structure.

*2 The composition of industries in each tier is determined by reference to the taxonomy standards published by public institutions, while also taking into consideration our business format and management practicality. We will continue to review the system in light of changes in social and industrial structures.

*3 The base year is fiscal year 2023.





Stories from Our Business Segments

Energy & Sustainability Business



For a business overview, see 2026 Yokogawa Report P.42.

Our business contributes to realizing a resilient and sustainable society and to enhancing corporate value by supporting safe and optimal operations of the entire value chain of production, supply, utilization and recycling of diversified energy and water. In the GS2028 medium-term business plan, the focus areas are expanding value delivery for renewable energy market, supporting utilization of clean energy (low-carbon hydrogen and ammonia), and providing new value for water-related area (reuse water, PFAS^{*1}).

	Expanding value delivery for renewable energy market	Supporting utilization of clean energy (low-carbon hydrogen and ammonia)	Providing new value for water-related area (reuse water, PFAS)
Business opportunities Social issues that customers are addressing over the medium to long term	<ul style="list-style-type: none"> Diversification of target regions, customers, applications, and so forth Demand for integrated management of diverse renewable energy power sources Expanding business into the electricity trading market 	<ul style="list-style-type: none"> Achievement of low-carbon in the oil & gas industry Expanding demand for low-carbon energy, including green hydrogen and ammonia Focus on the adoption of CCS/CCUS technologies for capturing, utilizing, and storing CO₂ 	<ul style="list-style-type: none"> Improvement of water infrastructure facilities such as water leakage management toward reduction of non-revenue water^{*5} Growing need for measures against per- and poly-fluoroalkyl substances (PFAS)
Yokogawa's approach Strategies and measures that utilize Yokogawa's strengths	Strategies and Measures <ul style="list-style-type: none"> Creating new business opportunities in waste and biomass power plants by leveraging products and technologies of acquired companies Expanding business by providing comprehensive solutions, including Level 3^{*2} solutions for solar and wind power + BESS^{*3} Allocating specialist personnel for business expansion on a global scale and expanding the portfolio Yokogawa's Strengths <ul style="list-style-type: none"> Ability to provide seamless operations, from development to sales and service provision, by leveraging the expertise and technologies that each acquired company offers "Farsight," a new AI-driven service, reduces the burden of verification and engineering when installing asset management systems, while free trial version offered as freemium^{*4} enables quantitative assessment of contribution before purchase 	Strategies and Measures <ul style="list-style-type: none"> Supporting EX (Energy Transformation) for customers in the oil & gas industry Applying technologies developed in the LNG supply chain to hydrogen and ammonia Cultivating business growth in the low-carbon hydrogen and hydrogen derivatives areas Yokogawa's Strengths <ul style="list-style-type: none"> Extensive track record in the oil & gas industry and long-term, trusting relationships with customers Customer base in ammonia and methane plants, etc. and extensive application experience Advanced system integration capabilities that enable the realization of System of Systems (SoS) Solutions that contribute to EX throughout the value chain 	Strategies and Measures <ul style="list-style-type: none"> Providing solutions for water leak detection Strengthening Yokogawa's presence in seawater desalination projects Yokogawa's Strengths <ul style="list-style-type: none"> Extensive achievements of delivery and project execution capabilities in the water and sewage system in Japan Delivery records of large-scale seawater desalination projects, mainly in the Middle East
Contribution to customers Contribution to customers through solving issues in line with strategies and measures	<ul style="list-style-type: none"> Supporting customers in achieving carbon neutrality through providing solutions Maximizing profitability through optimal utilization of diversified and dispersed renewable energy assets Realizing efficient power trading and helping maximize profits for both power generation and consumers 	<ul style="list-style-type: none"> Supporting the transition to low-carbon hydrogen, including green hydrogen and ammonia Promoting initiatives to improve efficiency among multiple industries that are beneficial to achieving low-carbon emissions (cross-industry collaboration) 	<ul style="list-style-type: none"> Reducing non-revenue water through improvement of water infrastructure facilities such as water leakage management Supporting the reuse and recycling of sewage, water and drinking water
Impact on society and the environment, and business growth <ul style="list-style-type: none"> Creation of value for society and the environment Growth through business 	Society and the Environment <ul style="list-style-type: none"> Contributing to a low-carbon and decarbonized society by supporting the stable supply of high-quality renewable energy Driving the shift to sustainable energy Business Growth <ul style="list-style-type: none"> Expanding the scale of business in the field of renewable energy 	Society and the Environment <ul style="list-style-type: none"> Achievement of a low-carbon and decarbonized society through the production, logistics, and use of low-carbon energy, etc., including green hydrogen and ammonia. Business Growth <ul style="list-style-type: none"> Expanding the scale of business in the low-carbon hydrogen and low-carbon ammonia field 	Society and the Environment <ul style="list-style-type: none"> Reducing the severity of water shortages through minimization of water-resource usage and recycling Contributing to a hygienic environment and well-being through improved water quality Business Growth <ul style="list-style-type: none"> Expanding the scale of business in the water-related field

^{*1} PFAS: Per- and Polyfluoroalkyl Substances

^{*2} For details regarding Level 3 solutions, see P.7.

^{*3} BESS: Battery Energy Storage System. A generic term for a system that stores generated electric power in a storage battery and supplies it by discharging it when necessary.

^{*4} Freemium: A business model that offers basic services free of charge, while providing advanced services for a premium on a subscription basis.

^{*5} Non-revenue water: Water that has been produced and is lost before reaching the customer due to leaks, theft, or other cases. It represents a major challenge for utilities in improving efficiency and reducing costs.



Stories from Our Business Segments

Materials Business



For a business overview, see 2026 Yokogawa Report P.44.

We will contribute to the realization of a convenient and comfortable material society and a circular economy that can coexist with the global environment, helping customers in the materials and other industries transform their business by building on the relationships of trust we have developed with them. In the GS2028 medium-term business plan, the focus areas are supporting decarbonization of materials industry (chemicals, steel), supporting optimization of mobility supply chain, and supporting supply and use of sustainable materials*.

	Supporting decarbonization of materials industry (chemicals, steel)	Supporting optimization of mobility supply chain
Business opportunities Social issues that customers are addressing over the medium to long term	<ul style="list-style-type: none"> Reduction of CO₂ emissions in industries that release a lot of CO₂ in the production process Supporting initiatives for visualizing and reducing CO₂ emissions 	<ul style="list-style-type: none"> Optimization of production in response to rapid growth in demand for electric vehicles Energy saving, optimization, and automation throughout the supply chains for lithium-ion batteries, fuel cells, and more
Yokogawa's approach Strategies and measures that utilize Yokogawa's strengths	Strategies and Measures <ul style="list-style-type: none"> Calculating product- and organization-specific emissions based on primary data (actual measurement data) and offering real-time monitoring Identifying and analyzing causes based on industry knowledge and providing reduction simulations Yokogawa's Strengths <ul style="list-style-type: none"> Over 20 years of track record in supporting energy management Knowledge accumulated through provision of Plant Information Management System (PIMS) to store actual measurement data from the field side 	Strategies and Measures <ul style="list-style-type: none"> Supporting energy saving and productivity improvement across the entire supply chain and lifecycle, from mining control for battery materials to material development, manufacturing processes, reuse, and recycling Providing value through Yokogawa's unique real-time solutions and services Yokogawa's Strengths <ul style="list-style-type: none"> The ability to measure accurately and to connect supply chains Expertise and extensive experience in measurement, control, and information A network that can provide services globally
Contribution to customers Contribution to customers through solving issues in line with strategies and measures	<ul style="list-style-type: none"> Achieving low-carbon production processes and contributing to the achievement of customers' CO₂ emissions reduction targets Minimizing impact on customers' production costs 	<ul style="list-style-type: none"> Helping address issues such as energy saving, decarbonization, and productivity improvements in the lifecycle by making comprehensive value proposals for the entire supply chain
Impact on society and the environment, and business growth <ul style="list-style-type: none"> Creation of value for society and the environment Growth through business 	Society and the Environment <ul style="list-style-type: none"> Contributing to solutions to social issues that countries around the world deal with, focusing on CO₂ emissions reduction Business Growth <ul style="list-style-type: none"> Expanding the scale of the solution business 	Society and the Environment <ul style="list-style-type: none"> Reducing production costs for and promoting the broader global use of electric vehicles Business Growth <ul style="list-style-type: none"> Expanding the scale of business in the mining and metals field

* Moving forward, we will develop a story for our focus area of "supporting the supply and use of sustainable materials."



Stories from Our Business Segments

Life Business



For a business overview, see 2026 Yokogawa Report P.46.

We contribute to the supply of pharmaceuticals that save people's lives and health and safe food everyone can eat with peace of mind. In the GS2028 medium-term business plan, the focus areas are improving productivity and quality for pharmaceutical, food & beverage, and biotechnology industries and improving efficiency and quality of drug discovery & development.

	Improving productivity and quality for pharmaceutical, food & beverage, and biotechnology industries	Improving efficiency and quality of drug discovery & development
Business opportunities Social issues that customers are addressing over the medium to long term	<ul style="list-style-type: none"> Understanding and reducing GHG emissions Reducing energy consumption to reduce costs Securing labor resources for business sustainability Providing safe and stable supply of pharmaceuticals and food 	<ul style="list-style-type: none"> Reduction of R&D costs and improvement of quality through shortening of the pharmaceutical discovery and development period Reducing the workload of development staff with the aim of improving research and development efficiency Securing a safe and efficient R&D environment Reduction of R&D costs and improvement and stabilization of experiment quality through automation
Yokogawa's approach Strategies and measures that utilize Yokogawa's strengths	Strategies and Measures <ul style="list-style-type: none"> Realizing a Smart Factory through improved productivity, cost reduction, and the provision of a safe and secure work environment in the pharmaceutical and food industries Providing value through problem-solving solutions centering on manufacturing execution systems (MES) Developing solutions and knowledge that have been successfully demonstrated in Japan to overseas markets Strengthening initiatives in the biotechnology market Yokogawa's Strengths <ul style="list-style-type: none"> Human resources with a thorough knowledge of the characteristics of the customer's industry Engineering and service network 	Strategies and Measures <ul style="list-style-type: none"> Providing solutions that realize advanced technologies such as observation and analysis of live cell images, as well as quantification and speed-up corresponding to scale-up Providing total solutions from imaging to analysis through laboratory automation, including experimental and equipment management contracting services, virtual labs, and remote labs Yokogawa's Strengths <ul style="list-style-type: none"> Relationship of trust with customers in the market Technology that can clearly image living cells Efficiency improvements in genome editing, etc. through the provision of new technologies
Contribution to customers Contribution to customers through solving issues in line with strategies and measures	<ul style="list-style-type: none"> Contributing to improved productivity, reduced costs and reduced energy consumption by shortening the lead time throughout the value chain from new pharmaceutical application to supply Optimization of the value chain through optimal, highly efficient automated operations based on demand forecasts 	<ul style="list-style-type: none"> Improving the productivity of drug discovery development, such as the discovery of new medical products / pharmaceuticals and the identification of the causes of diseases Contributing to shortened development periods and reduced costs
Impact on society and the environment, and business growth <ul style="list-style-type: none"> Creation of value for society and the environment Growth through business 	Society and the Environment <ul style="list-style-type: none"> Realization of a society where all people in the world who need pharmaceuticals can obtain them at any time Realization of a society where safe and secure food is stably supplied to all people around the world Business Growth <ul style="list-style-type: none"> Expanding the scale of business in the pharmaceuticals and food field Expanding overseas business and strengthening of sales structure 	Society and the Environment <ul style="list-style-type: none"> Providing a safe and secure environment for researchers as well as realizing healthy and quality lives for all people around the world Business Growth <ul style="list-style-type: none"> Expanding the provision of life science products



Stories from Our Business Segments

Measuring Instruments Business



For a business overview, see 2026 Yokogawa Report P.48.

Measuring instruments are known as the "mother tools of industry" and every technological advance depends on the ability to measure it accurately. Through our measuring instruments, Yokogawa helps build a sustainable society. We support the industries that drive the digital society and enrich everyday life, and we enable electrical equipment that uses less energy and wastes less power. Under our GS2028 medium-term business plan, we focus on three areas: accelerating the adoption and efficiency of renewable energy and electric vehicles; making next-generation communication systems more efficient; and protecting the environment and human health through measurement.

	Accelerating Renewable Energy and Electric Vehicles	Enabling Efficient Next-Generation Communications	Protecting the Environment and Health Through Measurement
Business opportunities Social issues that customers are addressing over the medium to long term	<ul style="list-style-type: none"> Electrification replacing internal combustion engines in cars and ships Surging power demand driven by the growth of AI Rapid advances in energy storage technology 	<ul style="list-style-type: none"> Explosive growth of data traffic between and within data centers driven by generative AI and large-scale AI models Rising demand for high-efficiency, low-loss optical interconnect technologies to address increasing power consumption and thermal challenges 	<ul style="list-style-type: none"> Expanding use of non-invasive health monitoring, environmental analysis and biological analysis Sensor innovation driven by semiconductor technologies such as semiconductor lasers and MEMS^{*4} sensors
Yokogawa's approach Strategies and measures that utilize Yokogawa's strengths	Strategies and Measures <ul style="list-style-type: none"> Delivering solutions that measure the energy efficiency of complete systems, from renewable energy equipment to electric vehicles Supporting the optimization of distributed energy resources and the technologies that keep power grids stable Yokogawa's Strengths <ul style="list-style-type: none"> Power measurement accuracy that ranks among the best in the world Data acquisition with high-precision time synchronization and high-speed data transfer Sensing technology for high-voltage and high-current signals 	Strategies and Measures <ul style="list-style-type: none"> Providing high-precision, high-speed measurement solutions for emerging technologies such as 800G/1.6T^{*2} optical communications and silicon photonics^{*3}, etc. Delivering application-specific measurement solutions through close technical collaboration with customers Yokogawa's Strengths <ul style="list-style-type: none"> High-precision measurement technology for optical spectrum, wavelength, and power, as well as current and voltage sourcing and measurement technologies, built around high-resolution optical spectrum analyzer (OSA) Flexible and modular test solutions scalable from R&D to high-volume manufacturing 	Strategies and Measures <ul style="list-style-type: none"> Providing high-precision wavelength measurement solutions that raise performance and open new applications in spectroscopic analysis Advancing healthcare through ultraviolet and infrared optical measurement and pressure measurement solutions Yokogawa's Strengths <ul style="list-style-type: none"> New optical spectrum measurement technology built on our proprietary high-performance monochromator^{*5} Highly precise, highly stable pressure measurement and pressure generation technology
Contribution to customers Contribution to customers through solving issues in line with strategies and measures	<ul style="list-style-type: none"> Accelerating development with turnkey solutions^{*1} for high-precision measurement systems Supporting the research and operations that make distributed power sources more stable 	<ul style="list-style-type: none"> Contributing to the realization of high-capacity, energy-efficient communication networks through support for next-generation technology development and manufacturing 	<ul style="list-style-type: none"> Driving technological innovation in lasers Helping bring small, affordable wearable health monitors into everyday use Enabling new applications in environmental analysis, healthcare, sterilization and bioscience
Impact on society and the environment, and business growth <ul style="list-style-type: none"> Creation of value for society and the environment Growth through business 	Society and the Environment <ul style="list-style-type: none"> Accelerating the transition to electric mobility Cutting CO₂ emissions by making renewable energy equipment and electric vehicles more efficient Reducing power consumption in data centers Business Growth <ul style="list-style-type: none"> Expanding our business in decarbonization 	Society and the Environment <ul style="list-style-type: none"> Enable more energy-efficient AI infrastructure through advanced optical communication technologies Expand access to digital services through high-capacity communications networks Business Growth <ul style="list-style-type: none"> Achieve sustainable growth in optical measurement solutions driven by AI data center investments Strengthen our long-term competitive advantage by establishing a position in advanced optical technologies 	Society and the Environment <ul style="list-style-type: none"> Improving air quality Making everyday healthcare more affordable Business Growth <ul style="list-style-type: none"> Expanding our range of instruments that protect health and safety

^{*1} A single framework that lets users carry out measurements across a wide range of applications ^{*2} Ultra-high-speed optical communication standards for 800 Gbps and 1.6 T bps transmission

^{*3} Technology that uses silicon semiconductor manufacturing to build integrated optical circuits on chips, which transmit and process data using light instead of electricity

^{*4} Micro-electro-mechanical systems: miniature devices that integrate sensors and mechanical components on a chip, made with semiconductor manufacturing processes ^{*5} An instrument that separates light into its component wavelengths



Chapter

3

Case Studies of Contributions

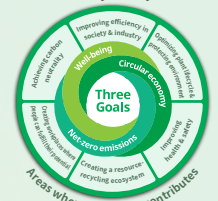
- P.23 Controlling Fluctuations in Wind Power Generation to Contribute to the Stable Supply of Electric Power
- P.24 Strengthening Initiatives for the Optimization of the Supply Chain in the Materials Industry
- P.25 Delivering Integrated Control Systems for Urban Infrastructure to Saudi Arabia's Green Riyadh Project
- P.26 Making AI Data Centers Decarbonized and Highly Reliable with the "Power of Measurement"
- P.27 Yokogawa's AI Solutions
- P.28 Yokogawa's Product Sustainability – Trusted Green –

Related Materiality

Business opportunities

- Corporate culture
- Talent acquisition and capability development
- Safety and security
- Industrial autonomy
- Climate change
- Energy
- Resource recycling
- People's safety and health

 For Materiality Analysis, see P.13.





Case study of contribution



Planned construction site of the Shimamaki-Kuromatsunai Wind Farm
(Photo courtesy of Cosmo Eco Power Co., Ltd.)

Controlling fluctuations in wind power generation to contribute to the stable supply of electric power



Challenges in Expansion of Renewable Energy

As the adoption of renewable energy continues to expand, ensuring a stable supply of electricity has become an increasingly important. In wind power generation in particular, the variability of power output due to weather conditions is driving efforts to improve operational stability and meet increasingly stringent grid connection requirements.

Yokogawa Solution Service Corporation, a Yokogawa Electric Group company, will supply a Power Plant Controller and battery energy storage system for the Shimamaki-Kuromatsunai Wind Farm, which is being developed in Hokkaido by Cosmo Eco Power Co., Ltd. of the Cosmo Energy Group. This solution will enable both stable power supply and compliant with grid connection requirements at the 94.6 MW wind power plant, contributing to efficient and reliable operation.

Solution for the Control of Output Fluctuation

For this project, a Power Plant Controller developed by Yokogawa Electric Group company BaxEnergy, together with Tesla's Megapack battery system will be supplied, and seamless, integrated support will be provided from installation through operation.

High precision control of fluctuations in wind power output is a one of features of the Power Plant Controller. The provision of both the control system and battery storage by a single vendor helps streamline system deployment. Under Hokkaido's strict grid connection requirements, Yokogawa helps contribute to grid stability through this solution by enabling appropriate control of power output.

Supporting the Expansion of Renewable Energy

Leveraging its technological capabilities and global track record in the renewable energy sector, Yokogawa's ability to achieve stable power generation and improved operational efficiency has won high recognition from customers. This initiative will establish the foundation for achieving stable power supply while controlling fluctuations in wind power output and support the further expansion of renewable energy.

Going forward, we hope to apply this solution to other projects facing similar challenges in Japan and overseas, helping to advance sustainable power infrastructure. Yokogawa will continue working to support the further expansion and stable supply of renewable energy through ongoing advances in control technologies and energy management solutions.



We have built a relationship of trust with Cosmo Eco Power Co., Ltd. through many years of collaboration over a wide range of projects. We are delighted that the accumulation of those efforts has led to our involvement in this project. In particular, the positive feedback and kind words that we have received regarding our day-to-day communication and responsiveness have been a great source of encouragement for us.

We recognize this project as an important initiative that combines large-scale wind power generation with battery storage. The entire Yokogawa Group will work together to deliver the project and contribute to realizing a sustainable energy society.

Project team members



Yokogawa Electric Corporation.
Kazushi Nishimura



Yokogawa Solution Service Corporation
Takayoshi Matsushita



Case study of contribution



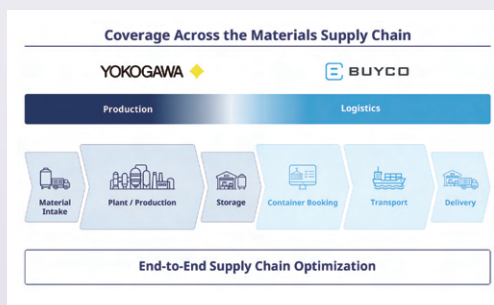
Naohisa Endo, Vice President & Executive Officer, Head of Materials Business Headquarters, Yokogawa Electric Corporation (left) and Carl Lauron, Founder and CEO of BuyCo (right)[A]

Strengthening Initiatives for the Optimization of the Supply Chain in the Materials Industry



Yokogawa Signs a Distribution Agreement with France-Based BuyCo

In June 2026, Yokogawa entered into a distribution agreement with France-based BuyCo, a provider of a Software as a Service (SaaS) solution for the management of the transport of shipping containers. Yokogawa will offer BuyCo's Transportation Management System (TMS) to companies primarily in the materials industry. Through such initiatives, Yokogawa will leverage its extensive expertise in supporting manufacturing operations to optimize entire supply chains.



Coverage Across the Materials Supply Chain

Supply Chain Management (SCM) Challenges in the Materials Industry

In recent years, the materials industry has had to contend with rising complexity in global supply chains, heightened geopolitical risks, and stricter environmental regulations, especially in the chemicals industry. Rising transportation costs and the need to manage and reduce greenhouse gas emissions and respond to fluctuations in demand have become key management concerns. However, in many cases, companies in these industries have not taken an integrated approach to optimize their production and logistics operations. This, combined with the need to comply with regulations on hazardous materials and handle diverse cargo types, has made it difficult to manage entire supply chains in an integrated and holistic fashion. While Yokogawa has focused on supporting the automation and optimization of operations at individual plants in the process industries, we are expanding the scope of our support through consulting services and digital solutions that address challenges across end-to-end supply

chains connecting multiple facilities. This agreement with BuyCo represents a major step in that direction, focused on container transport management.

Expanding the Scope of Support for Supply Chain Optimization

In developing its container transport management platform, BuyCo makes use of its extensive experience in the maritime industry. This SaaS solution enables the centralized management of container transport data, supports shipment planning and booking, visualizes shipping operations in real time, and facilitates information sharing among stakeholders. Based on cargo data, it assists in selecting shipping lines and transport routes and allows real-time door-to-door tracking. It also helps mitigate the risk of cargo quality deterioration and contributes to the visualization and reduction of the emissions of CO₂.

By leveraging BuyCo's container transport management platform, Yokogawa will strengthen initiatives to optimize supply chains for the materials industry. Building on our strengths in measuring and connecting, we aim to achieve integrated optimization spanning everything from our customers' production operations to international logistics by linking production plans, inventory data, plant execution data, and transportation status. Looking ahead, we intend to evolve this into a comprehensive SCM solution that integrates demand forecasting, inventory optimization, and more.



We are delighted to augment the Yokogawa offering, enabling them to close the gap between production and logistics. With BuyCo's container shipping platform, manufacturers can optimize their entire supply chain, including the international transportation aspects. The partnership between Yokogawa and BuyCo enables manufacturers to impact transportation costs, effectiveness and sustainability.

Carl Lauron, Founder and CEO of BuyCo

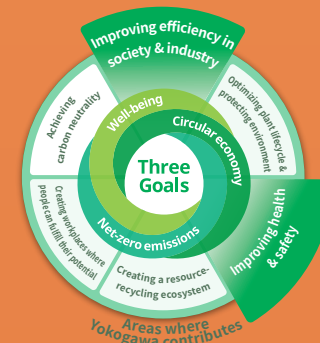


Case study of contribution



Riyadh, Saudi Arabia

Delivering Integrated Control Systems for Urban Infrastructure to Saudi Arabia's "Green Riyadh" Project



Urban Infrastructure Development Supporting the "Green Riyadh" National Initiative

Green Riyadh is a national project that is a key element of Saudi Vision 2030, the Saudi Arabian government's national reform plan. Its objective is to transform Riyadh into one of the world's most livable cities through urban greening, establishing an environment in which residents can lead healthier and more sustainable lives. Yokogawa has been awarded a contract by the Royal Commission for Riyadh City to provide the main command and control center and related systems, solutions, and services, and is providing integrated monitoring and control systems for the urban infrastructure that will support the project.

Integrating City-wide Data to Support Efficient Operations

In the Green Riyadh project, plans are underway to plant 7.5 million trees across parks, public facilities, healthcare centers, and roads by 2030, increasing green space per capita from 1.7 m² to 28 m². The trees will be irrigated with treated wastewater, with the aim of enhancing environmental, economic, and social sustainability.

Yokogawa is supplying its OpreX™ Collaborative Information Server and OpreX Intelligent Manufacturing Hub as a unified platform for the project's main command and control center. These will integrate urban infrastructure data from a variety of sources, including environmental monitoring sensors, weather information, and operational databases, to enable real-time monitoring, predictive analysis, and swift decision-making. This will assist with optimizing the management of water resources, irrigation, and park lighting systems. The system is designed for scalability to accommodate future facility expansions and is expected to serve as a foundation to support the capital's future infrastructure development.

Contributing to Sustainable Urban Development Through the Implementation of SoS

This project is an effort to embody the System of Systems (SoS) concept, in which systems that were previously operated separately are interconnected to create new value for the entire city. Through our contributions to the advancement of social infrastructure and the creation of sustainable cities, Yokogawa will continue to support similar initiatives around the world and contribute to the realization of a better society.

voice

The scale and complexity of this project was a tremendous challenge for us. Yokogawa has been involved in the project as a technical partner from the initial design stage, building a relationship of trust with the customer through careful dialogue and ongoing proposals. Amid competition from leading companies around the world, we brought together a comprehensive solution through collaboration across the Group beyond national and regional boundaries that leveraged our proprietary digital platforms, our strong local presence in Saudi Arabia, and our specialized knowledge in various business areas.

We will expand the knowledge that we have gained through these initiatives to other regions and take steps toward achieving Yokogawa's own sustainability goals, namely the realization of a carbon-free society and contributing to healthier and more fulfilling lives for people.

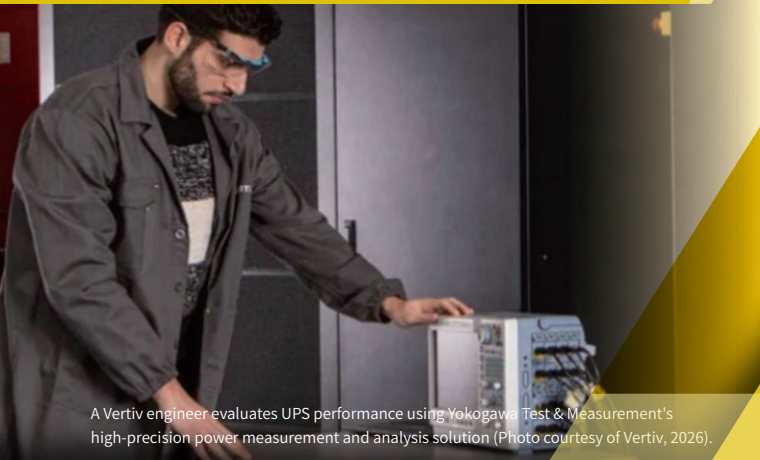
Yokogawa Middle East & Africa B.S.C.(c) **Green Riyadh Project Team**



Contract signing with the Royal Commission for Riyadh City



Case study of contribution



A Vertiv engineer evaluates UPS performance using Yokogawa Test & Measurement's high-precision power measurement and analysis solution (Photo courtesy of Vertiv, 2026).

Decarbonizing and Enhancing the Reliability of AI Data Centers through Precision Measurement



Addressing the Energy Challenges of AI Data Centers

With the rapid growth of AI, data center power consumption is increasing globally, creating a critical need to balance stable operation with energy efficiency and reduced environmental impact. In this context, Yokogawa Test & Measurement, a Yokogawa Group company, supported the evaluation of high-capacity, high-efficiency UPS systems developed by Vertiv, leveraging its high-precision power measurement and integrated analysis solutions. This enabled validation of UPS performance under rapid power fluctuations unique to AI dynamic loads, contributing to enhanced reliability and improved energy efficiency.

Supporting Power System Development through High-Precision Measurement and Analysis

Yokogawa Test & Measurement provides an integrated measurement solution for power supply development in AI data centers, enabling high-precision and simultaneous measurement of steep power fluctuations, including pulse-like loads, while visualizing energy losses with exceptional clarity. This solution supports comprehensive evaluation across a broad time scale — from instantaneous transient events to long-term operational behavior, allowing for a consistent and holistic understanding of power system performance.

A key differentiator is its ability to verify both energy efficiency and equipment protection in UPS systems simultaneously. By accurately capturing rapid and complex power variations unique to AI dynamic loads, the solution enables validation of system resiliency while minimizing energy losses, addressing two critical requirements for next-generation power infrastructure.

At Vertiv, this solution has been effectively applied to accelerate the development of highly reliable power systems for the AI era, contributing to improved power supply stability and optimized demand-supply balance in increasingly complex data center environments.

Yokogawa Test & Measurement was selected for its advanced measurement technologies delivering exceptional accuracy, as well as its integrated approach that seamlessly connects measurement and analysis. These strengths support improved energy efficiency and associated carbon emissions reduction, contributing to the realization of more responsible and resilient data center infrastructure.

Advancing Sustainable Power Infrastructure

Through this initiative, the effectiveness of technologies that enable both stable power supply and environmental sustainability in AI data center power systems was confirmed, marking an important step toward more responsible power infrastructure. Going forward, Yokogawa Test & Measurement will continue to advance its measurement technologies, contributing to improved energy efficiency and the realization of carbon neutrality, while accelerating its contribution to solving societal challenges through global power-related initiatives.

Voice

“Reliability is one of the most important data points for our customers, so the accuracy of that measurement is vital for us. Today, we trust Yokogawa to provide that level of accuracy and reliability.”

Francesco Centritti, Test Engineering Team Manager, Vertiv



Yokogawa's AI Solutions

We are addressing a wide range of issues faced by our customers, including decarbonization, energy conservation, optimization of production processes, and the passing on of skills. By leveraging Yokogawa's AI to apply the thought processes of frontline managers and highly skilled personnel (experts), we are advancing the transformation from Industrial Automation to Industrial Autonomy (IA2IA), to contribute to the resolution of customer challenges and to their growth, as well as to the realization of a sustainable society.

"FKDPP," the Autonomous Control AI* Jointly Developed by Yokogawa

Jointly with Nara Institute of Science and Technology, Yokogawa has developed a reinforcement learning AI algorithm "FKDPP" to identify the optimal operating conditions for complex equipment and processes in a short timeframe. With AI that can autonomously select appropriate actions or outputs based on an optimal policy learned through a small number of trial-and-error, without requiring large volumes of data, we are supporting the improvement of operating efficiency and reduction of energy consumption of plants and manufacturing equipment.

* Autonomous control AI (reinforcement learning AI algorithm, FKDPP: Factorial Kernel Dynamic Policy Programming): Yokogawa defines autonomous control AI as "a robust system capable of deriving optimal control methods and autonomously responding to unexperienced situations to a certain extent." In 2023, it received the Prime Minister's Prize, the highest award at the 52nd Japan Industrial Technology Awards (Nihon Sangyo Gijyutsu Taisho), organized by the Nikkan Kogyo Shimbun, Ltd.

Expanding Yokogawa's AI Solutions

Centered on the autonomous control AI "FKDPP," we are expanding the domains for the application of AI. Leveraging the knowledge and insights gained from the application of AI to plant control and adapting it to areas such as large-scale gas plants and beer recipe development, we are supporting solutions to issues faced by diverse industries, such as productivity improvement and enhancement of operations. In addition, loading planning AI incorporates the judgment criteria and expertise of experienced plant personnel into the AI, helping to enhance planning operations and support the transfer of skills. The use of AI is being expanded to a wide range of areas as a technology that assists with challenges such as reduction of energy consumption, optimization of resource use, responses to labor shortages, and the transfer of the expertise of skilled workers.

Examples of Yokogawa's AI solutions



Optimal inventory control using AI

Solving the problems of inventory shortage or excess faced by the manufacturing industry and improving corporate profitability



Distillation column control for energy saving

While utilizing AI to control heaters that use waste heat, we reduced steam and CO₂ emissions compared to conventional manual control.



AI-based energy saving for air conditioning

By reusing exhaust heat from factory clean rooms, AI-based valve control of water heat exchange realizes energy savings for air conditioning



Faster beer brewing

In the fermentation process that requires long-term temperature control, we discovered a temperature control pattern that makes the process shorter than before.

Case Study of AI Solutions and Related Initiatives

March 30, 2023

In a World First, Yokogawa's Autonomous Control AI Is Officially Adopted for Use at an ENEOS Materials Chemical Plant

— Since 2023, stable operation demonstrates this next-generation control technology can decrease environmental impact, achieve stable quality, and transform operations —



For more information, see our website.

August 20, 2025

Yokogawa AI-powered Solution Drastically Cuts Planning Time for Loading Operations

— Expert-level decision making considers constraints on loading operations and the burden on delivery personnel —



For more information, see our website.

September 26, 2025

Yokogawa and Kyoto Brewer Craft Bank Successfully Test Optimization of Fermentation Process with AI-Guided Temperature Setting Schedule

— 28% reduction in fermentation time while maintaining quality and aroma —



For more information, see our website.

October 29, 2025

Aramco and Yokogawa Achieve a Major Milestone with Commissioning of Multiple Autonomous Control AI Agents at Major Gas Facility

— Groundbreaking deployment successfully optimizes gas treatment unit, reducing energy and chemical use —



For more information, see our website.

September 29, 2026

Yokogawa to Assist the Scale Up of Tropical Climate AI Data Center Testbed into a Multi-megawatt Pilot Facility

— Contributing to Singapore's sustainable digital infrastructure initiative —



For more information, see our website.





Yokogawa's Product Sustainability – Trusted Green –

For many years, Yokogawa has emphasized the establishment of environmental design standards for products and the evaluation of environmental performance at production plants. In addition to these ongoing initiatives, we have established the “Trusted Green” sustainability guiding principles that take the entire product supply chain and lifecycle into account, and we will strive to achieve a circular economy through the provision of sustainable products.



For details of the Trusted Green sustainability guiding principles, see our website.

The Story Behind Trusted Green

Yokogawa began making full-fledged efforts to reduce its environmental impact in 1998. At that time, the term “sustainability” was not yet in common usage, making our efforts remarkably pioneering. The Yokogawa Technical Reports that we sent to customers at the time documented concrete, practical examples, including environmental considerations in product design and waste management in production processes. Currently, in terms of product design, we have established “environmentally friendly product design standards,” and environmental consideration initiatives at our production sites have become widely established as part of daily operations.

Yokogawa has consistently supported its customers' production activities through highly reliable products and services. In recent years, companies are being called on to act responsibly throughout their supply chains and the entire product lifecycle to address social issues regarding the environment, resources, human rights, and safety. In response to such changes, Yokogawa has formulated Trusted Green, which is a set of guidelines that define the future of sustainable products. This initiative goes beyond providing value through highly reliable products and services to encompass the mitigation of environmental impact and promotion of resource recycling across the entire product lifecycle.



For the details of the environmentally friendly product design standards, see our website.

The Concept Behind the Trusted Green Yokogawa Product Sustainability Guidelines

The word “Trusted” reflects our commitment to providing highly reliable products and services while earning the trust of our stakeholders, while “Green” expresses our determination to continue delivering environmentally friendly, safe, and secure products and services into the future.

From the perspectives of products, customer challenges, and social issues, Trusted Green outlines the core requirements for Yokogawa products, categorizing them into the following three pillars, thus defining our vision for sustainable products.

- 1 Provision of highly reliable products
- 2 Reduction of environmental footprint over the entire product lifecycle
- 3 Building a circular ecosystem

What is a Sustainable Product? — Our Commitment to the Three Pillars —

1 Provision of highly reliable products

High reliability is the essential core value of Yokogawa products. With advanced functions installed in highly reliable measurement and control products, we maximize their performance to continuously optimize the use of energy and raw materials in our customers' production activities, while contributing to the effective use of resources and regional safety. Given these unique strengths, our delivery of highly reliable products is positioned as a vital contribution toward achieving a sustainable society.

The CENTUM VP Distributed Control System (DCS) achieves an extremely high availability with the redundancy technology that Yokogawa has refined. Yokogawa's proprietary silicon resonant sensor found in the EJX S Series differential pressure and pressure transmitters is able to provide stable measurement to support precise control.

2 Reduction of environmental footprint over the entire product lifecycle

Future product manufacturing requires initiatives that look across the entire supply chain, in addition to performance, quality, and cost. The consumption of energy and resources spans every single stage of the product lifecycle, from parts manufacturing, transportation, manufacturing, and packaging to shipping, operation, maintenance, and disposal or recycling. Furthermore, the following are also recognized as crucial factors: the environmental and human rights conditions during the parts manufacturing stage, consideration for environmental and working conditions in production and services, including those of business partners, and tracking of energy consumption across entire customer facilities.

Meanwhile, Yokogawa products are generally made to order, which eliminates waste from unsold product inventory in general. Furthermore, close collaboration between design and production has enabled us to improve both operational efficiency and environmental performance. Leveraging these experiences, we are currently reviewing our evaluation methods across the entire product lifecycle, from upstream to downstream.

3 Building a circular ecosystem

Yokogawa products typically reach the point where they need to be replaced after a period of 15 to 20 years. Planning replacement based on ensuring reliability and maximizing product longevity will lead to a reduction in waste generation. Another important initiative is the recycling and reuse of end-of-life products as resources. Furthermore, software for engineering data, parameters, and operational data is also an important resource, making continuity with existing systems a crucial factor. The CENTUM VP Distributed Control System (DCS) is designed for long-term use, offering a wide range of options for migration and retrofitting.

Also, for our vibration monitoring packages, we have begun the provision of a subscription-based service that includes hardware. We are taking on new challenges to realize a circular economy that encompasses product reuse and recycling.



Yokogawa's Product Sustainability – Trusted Green –

Product Stewardship Committee

To realize Trusted Green, we established the Product Stewardship Committee in 2026. This organization covers the entire lifecycle of products and services and is responsible for formulating environmental and safety policies and targets, addressing issues common to products, and developing strategies and policies for product sustainability. The Committee is chaired by the Chief Technology Officer (CTO), who oversees group-wide technologies across divisions and promotes the enhancement of product competitiveness. Its other members are the Head of Corporate Administration Headquarters, who provides group-wide corporate management and external engagement perspectives, and the Head of Marketing Headquarters, who brings a marketability perspective.

Taking into account medium- to long-term environmental issues, societal demands, and regulatory trends, the Product Stewardship Committee examines ways to contribute to the environment through our products and enhance product competitiveness across the entire product lifecycle.

Creation of Environmental Value Through Highly Reliable Products and Services

Initiatives to reduce environmental impact

Yokogawa supports customers' production activities through highly reliable products and services, creating environmental value. Furthermore, for the CENTUM VP Distributed Control System (DCS) and the EJX S Series of differential pressure and pressure transmitters, we are working to reduce environmental impact across the entire product lifecycle by extending product lifespans, improving maintainability, conserving energy in production processes, and reviewing packaging materials and forms.



For details of our sustainability initiatives in the CENTUM VP Distributed Control System (DCS), see our website.



For details of our sustainability initiatives in the EJX S Series of differential pressure and pressure transmitters, see our website.

Establishment of resource recycling indicators

As responses to resource recycling accelerate on a global scale, Yokogawa has established new resource recycling indicators and targets in the social impact indicators within its sustainability indicators. This initiative aims to drive Group-wide efforts to create environmental value throughout the entire product lifecycle. Under Trusted Green, we will execute initiatives that take into account customer needs, economic rationality, regulatory requirements, and other factors.



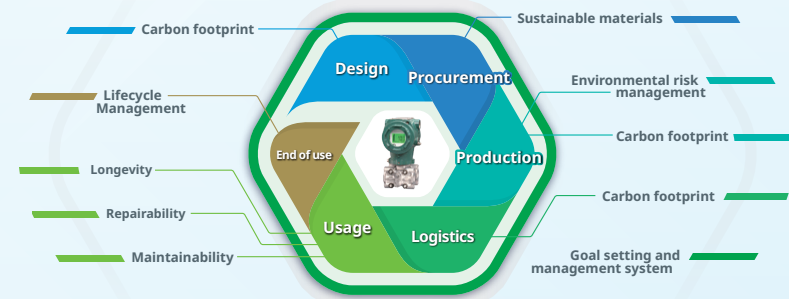
For details of social impact indicators, see P.16.

Design that contributes to the reduction of environmental impact —OpreX Pressure Transmitter EJX S Series—

The EJX S Series are differential pressure and pressure transmitters developed with the goal of reducing environmental impact over the entire product lifecycle. In addition to the high reliability and durability cultivated since the launch of the EJX Series in 2002, it delivers a long-term stability of $\pm 0.1\%$ over 20 years, contributing to an extended product lifespan. Furthermore, we have promoted product designs that anticipate future environmental regulations, while also realizing designs that take into consideration the improvement of maintainability and recyclability by adopting modular designs.



EJX S Series of differential pressure and pressure transmitters



For details of the EJX S Series of differential pressure and pressure transmitters, see our website.

Vibration Monitoring Package contributes to efficient equipment maintenance and effective utilization of resources

The Vibration Monitoring Package is a subscription-based service that provides wireless vibration sensors and software necessary for monitoring the condition of equipment. Customers do not need to own a monitoring system, which allows them to easily achieve digital transformation (DX) in equipment maintenance while reducing the burden of asset management. Furthermore, it enables the verification of effectiveness through short-term use, making decisions to introduce the service easier. We have adopted systems to collect and reuse equipment after the customer has finished using it, contributing to both the efficiency of equipment maintenance and the effective use of resources.



XS770A Integrated Wireless Vibration Sensor



Chapter 4 Social

- P.31 Human Resource Management
- P.34 Comfortable Work Environment
- P.38 Occupational Health and Safety
- P.40 Respect for Human Rights
- P.43 Community Engagement

Related Materiality

Risks

- Corporate culture
- Talent acquisition and capability development
- Safety and security

 For Materiality Analysis, see P.13.





Human Resource Management

Indicator	Engagement survey score	 
Target	84% or higher (FY2030 target)	
Performance	82% (FY2025)	

Key Points of the Human Resources Strategy in GS2028

Upholding Yokogawa's Purpose of "Utilizing our ability to measure and connect, we fulfill our responsibilities for the future of our planet," we have set out a medium-term business plan, Growth for Sustainability 2028 (GS2028). This plan aims to drive growth by delivering shared value to society. In order to create the future we aim for, each and every employee must become a "Customer-Oriented Value Co-Creation Promoter," with a mindset of taking on the challenge of innovation. These are individuals who, through actions and collaboration rooted in their expertise, can foster alignment and lead consensus-building among diverse stakeholders—both internal and external—with differing interests. We believe that human resources are the source of value. Through sustained human capital management, we will achieve both our business strategies and corporate growth alongside improving employee well-being and engagement.



For the details on our Human Resources Strategy, see 2026 Yokogawa Report P.30.

Improvement of Employee Engagement

Importance of Employee Engagement

Yokogawa positions employee engagement as a key driver that underpins long-term growth and the enhancement of corporate value. The company is committed to creating an environment where each employee can connect their work to Yokogawa's Purpose and Growth for Sustainability 2028 (GS2028) and proactively contribute to value creation.

Global Employee Engagement Survey

Yokogawa conducts the Global Employee Engagement Survey (GEES) every two years to comprehensively understand employee sentiment and engagement across the organization. FY2025 marked the year for conducting the full survey. In the years when the full survey is not conducted, the company carries out a simplified pulse survey with a reduced set of questions to assess the effectiveness of initiatives and to capture evolving employee needs. Beyond simply sharing the survey results, each organization engages in dialogue and reflection to identify priority issues, define concrete actions, and establish a continuous improvement cycle.

2025 Survey Results and Key Initiatives

The response rate for the Fiscal Year 2025 survey remained at a high level of 93%, indicating a strong level of employee engagement. In addition, the Sustainable Engagement score reached 82%, marking a record high for the second consecutive year.

The survey results indicated that the following three themes are particularly important factors in further enhancing employee engagement.

Based on these findings, we will continue to strengthen our initiatives in the following priority areas:

- Diversity and Work-Life Management: Promoting an inclusive environment where diverse talent can fully realize their potential, along with more flexible ways of working
- Efficiency: Creating an environment where employees can focus on high-value work through the simplification and optimization of business processes
- Strategy and Direction: Strengthening the connection between individual roles and the Growth for Sustainability 2028 medium-term business plan (GS2028) to enhance clarity around the purpose and value of work

In addition, many employees indicated that they are willing to go above and beyond what is expected to contribute to the company's success. This high level of commitment represents a significant strength for the organization.

Driving Engagement Through Local Initiatives

Embodying that spirit is Yokogawa Fluid Imaging Technologies, which has earned recognition as one of the Best Places to Work in Maine for nine years — a testament to its strong culture of employee engagement, collaboration, and workplace satisfaction. As part of Best Places to Work rigorous assessment, 97% of employees reported a high satisfaction rate, reflecting a positive workplace experience that contributed to this external recognition. Leveraging insights from GEES and the Best Places to Work Survey results, they drive continuous workplace improvements each year, including enhancing internal information sharing based on employee feedback.

Employee Appreciation Week was organized locally in Singapore to recognize and celebrate the contributions of employees across the organization. Through simple gestures of appreciation, the event encouraged colleagues and managers to express gratitude, acknowledge everyday efforts, and strengthen workplace relationships by sending each other gift packs. This supported creating a positive and appreciative environment where employees feel seen, valued, and respected, while reinforcing Yokogawa's culture of gratitude, respect, and collaboration.





Human Resource Management

■ DE&I (Diversity, Equity and Inclusion)

■ Yokogawa's DE&I Statement

Yokogawa believes in building a culture that accepts, values, and celebrates individual differences. Yokogawa is committed to providing an equitable and inclusive environment where everyone can belong, contribute, succeed, and demonstrate their full potential without fear of harassment, verbal abuse, or other behaviors that inhibit someone from fully contributing or harms their dignity. To achieve this, Yokogawa will actively recruit, develop, and promote people from a variety of backgrounds who differ in terms of experience, knowledge, thinking styles, perspective, cultural background, and socioeconomic status. We will utilize digital technology and cultivate an inclusive working environment to make it possible for every employee to demonstrate his or her full potential and work comfortably leveraging flexible workstyles. Engaging communication and constructive collaboration based on mutual respect facilitate innovation and the co-creation of new value for our customers, partners, suppliers, which, in turn, improves our planet.

■ DE&I Initiatives Around the World

Yokogawa endeavors to foster a culture and workplace where employees have a sense of belonging and are respected and empowered to demonstrate their full potential. The following are some of the initiatives that are taking place in Yokogawa globally to continue to build a diverse, equitable and inclusive culture:

- Following the previous fiscal year, Yokogawa continued the reverse mentoring program, in which top management are mentored by earlier-career employees. The program aims to deepen the organizational capability of leading inclusively and creating conditions for psychological safety while also establishing an environment that enables the creation of more innovative solutions.
- An effort to increase women in leadership roles, lead to implement SPARK- a multi-day global women leaders' program at Yokogawa headquarter office. This leadership development program brought together 27 emerging women leaders from the Yokogawa Group around the world to design their career vision that leverages their strengths, as well as build a global network.
- Human rights education continues to be a priority in Yokogawa. An e-learning based on the "Yokogawa Group Human Rights Policy" is available in multiple languages, and approximately 80% of employees have completed the training.
- Yokogawa conducted audits of human resource management systems globally, with DE&I as one of the policies reviewed.



▶ For global DE&I, see our website.

■ Enabling Women's Empowerment

Globally, Yokogawa is promoting women's advancement to leadership in the workplace. A goal of achieving a ratio of 20% women managers by fiscal year 2030 has been set. At the end of fiscal year 2025, the Women Manager Ratio was at 15.5% which exceeded our target of 14.7%.

Companies around the globe leverage employee impact groups to advance DE&I strategies. KBC Advanced Technologies' Women Empowerment Network fosters a global community where women connect, learn and support one another, building their confidence and amplifying unique voices. International Women's Day prompted a series of events including a virtual Women's Leadership Dialogue in Singapore, a platform for siloed voices to remove geographic barriers, create connection and challenge the norms in order to create more collaborative workspaces. And in Brazil, employees marked #IWD with meaningful conversations on inclusion and well-being, followed by an afternoon coffee with the President.

Indicator	Percentage of women in managerial positions
Target	20% (FY2030 target)
Performance	15.5% (FY2025)



U.S.

The US demonstrated our commitment to nurturing and inspiring the minds of brilliant, underserved women students in our community through our STEMPOWERMENT Camp. As part of this effort, YCA hosts an annual three-day immersive STEM Camp to empower high school students at a pivotal stage in their development.

Through hands-on learning and interactive engagement, the program strengthens our long-term talent pipeline and reflects Yokogawa's commitment to advancing gender equity in STEM fields.

In 2025, we expanded our reach—growing participation by 47% and providing even more women students access to this immersive experience.



STEMPOWERMENT Camp Women Students

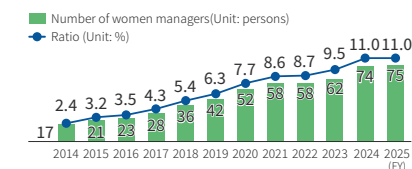
Japan

In Japan, mentoring programs are provided to support the career development of women employees, targeting early-career to mid-level employees. Management training for their supervisors is also conducted to foster an environment where diverse talent can thrive regardless of gender. Yokogawa also promotes awareness of DE&I through initiatives such as seminars under the theme "Why Diversity is Essential for Organizations," featuring journalist Keiko Hamada, and by issuing a message from the Head of Human Resources and General Affairs to all employees in Japan on International Women's Day (March 8). Campus recruitment in Japan is aiming to optimize gender balance by setting a target of at least 30% of new hires being women.



▶ Changes in the ratio and number of our women managers*

*Originally employed by Yokogawa Electric Corporation



■ Inclusion of Employees with Disabilities

Japan

Employees with disabilities engage in various fields, such as engineering, manufacturing, sales, and administrative work. In Japan, Yokogawa Foundry Corporation, a Group company, has been certified as a special subsidiary conforming to The Act for Promotion of Employment of Persons with Disabilities.

Korea

Yokogawa Electric Korea Co., Ltd. operates an in-house café "KOKORO" (meaning "heart" in Japanese) where employees with disabilities work as baristas. The café improves the quality of the working environment and fosters a culture that accepts, values and celebrates individual differences.

KOKORO is a cornerstone of expanding diversity and inclusion and is a space for Yokogawa Electric Korea Co., Ltd. employees and visiting customers to take a break, Yokogawa Electric Korea Café KOKORO relax, and socialize.



Yokogawa Electric Korea Café KOKORO



Human Resource Management

Human Resources Development

A diverse workforce is an indispensable management resource and a key driver for Yokogawa's growth and creation of value.

To achieve the targets of the medium-term business plan GS2028, Yokogawa is pursuing business transformation through strengthening of human resources and creating new value through co-innovation with customers. Moreover, to be a "Trusted Partner" to our various stakeholders, we will establish a framework that allows each employee to share in Yokogawa's Purpose and take on challenges to achieve their career goals, and we will continue to create a corporate culture that is rewarding to work in.

Promoting Human Resource Development to Support the Creation of Sustainable Corporate Value

Yokogawa positions "Sustainable Value Creation through Autonomy and Symbiosis" as its corporate vision, believing that the growth of each individual employee is essential to generating lasting corporate value. Strengthening talent capabilities is regarded as a key management priority. Through diverse learning opportunities, we support employees' proactive growth and leadership development, aiming to become a true "Learning Company."

As a foundation for this effort, we have implemented the globally unified "Yokogawa Leadership Competency (YLC)" as a behavioral guideline, applying it across recruitment, evaluation, and development processes in talent management. In addition, Yokogawa University, the company's corporate university, serves as the core platform for employee learning, fostering a culture in which all employees take initiative in learning and actively learn from one another. To further enhance these initiatives, Yokogawa has begun developing optimized learning content aligned with employees' development needs, while strengthening the foundation to support autonomous career development through learning.

Building on this foundation, we are promoting initiatives for career autonomy. To enable employees to proactively shape their careers and grow through challenges and learning, we are building an environment that supports autonomous career development, supported by talent management systems. At the same time, we are also focusing on developing people managers, who play a key role in unlocking employees' potential. By establishing a globally common approach that integrates continuous learning and on-the-job practice, we aim to enable managers to support their team members' growth through ongoing conversation and feedback, thereby helping them develop into talent who can "shape their own future" and actively drive their career development.

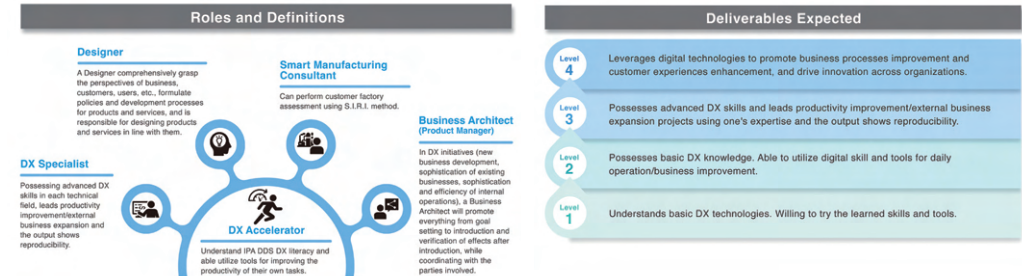
Global Talent Management System

To sustain growth and enhance its corporate value over the medium to long term, Yokogawa is also prioritizing the development of leaders who can achieve success in the global business arena. To systematically recruit and develop global human resources and prepare them for managerial roles, in fiscal year 2018 Yokogawa established an organization to pursue a group-wide, strategic approach to human resources allocation and development. Moving forward, we will further expand our efforts to develop more leaders at an early stage.

Yokogawa Xcelerate: Global DX Talent Development

"Yokogawa Xcelerate" has been launched as a global DX talent development program for all employees. To advance its digital transformation (DX) strategy, the company provides structured learning opportunities that incorporate both internal and external expertise, aiming to enhance the skills and mindsets necessary for DX. The program offers level-based training through e-learning and live sessions, supporting employees' self-directed learning. In addition, by leveraging internal social platforms and webinars, Yokogawa is fostering a culture of continuous learning and working to enhance corporate value through the development of DX talent.

Yokogawa Xcelerate: Global DX Talent Development



African Talent Development

Yokogawa endorses the philosophy of the African Union (AU) of "an Africa driven by its own citizens" and is engaged in human resources development activities to support Africa's sustainable advancement and business growth. In particular, we are advancing initiatives centered on three key pillars: (1) Developing local engineers (2) Developing sales engineers (3) Developing future executive personnel. For the development of local engineers, we conduct internships in collaboration with local universities to provide young talents with practical experience through our engineering centers located in Africa. For sales engineers, we recruit graduates of the Egypt-Japan University of Science and Technology (E-JUST) and provide them with specialized training at our Regional Headquarters in Bahrain. This enables them to build strong technical expertise in our products and solutions and develop the skills required to provide effective solutions and proposals to customers across Africa.

Furthermore, we are focusing on the development of future African business leaders as a priority within our human resources strategy. Currently, five African nationals who graduated from Japanese universities are working at Yokogawa's headquarters in Tokyo. Through their work experience, they are deepening their understanding of Japanese corporate culture and Yokogawa's values while developing the skills and experience needed to contribute to our future business in Africa.

We aim to develop these individuals into future leaders of our African business by advancing human resource development at three levels: in Africa, at our regional bases, and at our headquarters in Tokyo. Through this approach, we will strengthen our capabilities across the region, support sustainable business growth, and contribute to the development of local communities.



Employees Contributing to Yokogawa's African Business



Comfortable Work Environment

Promoting Work-Life Management

Yokogawa promotes “work-life management,” enabling employees from diverse backgrounds to balance and mutually enhance their life events and work.

We continuously develop systems that enable employees to autonomously take on highly productive work. At the same time, we are fostering a flexible and supportive environment where employees can focus on their work with peace of mind as their life stages change. Through these efforts, we are contributing to the sustainable growth of both our employees and the company.

In particular, for balancing childcare and work, we have established a system of working hours and leave that exceeds the legal requirements in the process of pregnancy, childbirth and childcare, and we also provide financial support. In addition, by enhancing and spreading awareness of systems that make it easy to return to work after leave, and by fostering a workplace culture of understanding and mutual support, we have maintained a 100% rate of childcare leave uptake by women, and the rate of men taking childcare leave is on an increasing trend. All those who take childcare leave have been able to return to work and are active in their jobs. In recognition of these initiatives, Yokogawa Electric Corporation has held “Platinum Kurumin Certification” from the Ministry of Health, Labour and Welfare since February 2021.

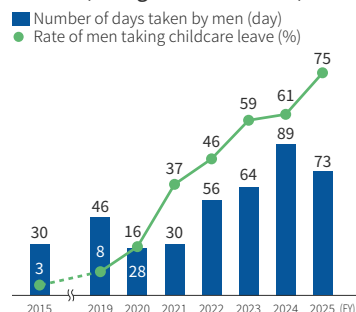
To support employees in balancing work and caregiving responsibilities, we have established systems of working hours and leave that exceed the legal requirements, including a caregiving leave system of up to one year and a system for using expired annual paid leave, and provide ongoing support.

In terms of working hours, we offer flexible work arrangements such as a flextime system and



Platinum Kurumin mark

Trends in childcare leave taken by men (Yokogawa Electric Co.)



Main support systems for balancing life events and work

	[For Women]	[For Men]
Everyone	<ul style="list-style-type: none"> Full flex time Telework/Long-Distance Remote Work Satellite office Annual paid leave (up to 27 days/year) *Possible to split into a half-day or hourly basis. 	<ul style="list-style-type: none"> Refreshment leave (15 days *Only once) Volunteer activities leave Study support leave (up to 2 years) Spouse expatriate leave of absence (total 3 years) Group Long Term Disability Insurance (GLTD)
Marriage	<ul style="list-style-type: none"> Marriage leave (5 days) 	<ul style="list-style-type: none"> Marriage gift money
Pregnancy	<ul style="list-style-type: none"> Leave for Fertility Treatment Visits (use of expired paid leave) Pregnancy support leave (up to 1 year) Measures to avoid commuter congestion Restricted work measures 	
Childbirth	<ul style="list-style-type: none"> Childbirth gift money Childbirth leave (15 days) Maternity leave before/after childbirth (6 weeks before childbirth, 8 weeks after childbirth) 	<ul style="list-style-type: none"> Spouse childbirth leave (3 days)
Childcare	<ul style="list-style-type: none"> Childcare leave (5 days paid leave) Childcare hours (2 hours/day) *Until child graduates from elementary school Restricted work measures 	<ul style="list-style-type: none"> Time-Off for Sick/Injured Childcare (up to 15 days/year) Support allowance for raising the next-generation (100,000 yen/year) *For children aged 17 years and under (as of April 1) Allowance for home help and babysitter
Caregiving	<ul style="list-style-type: none"> Caregiving leave (up to 1 year) Caregiving hours (up to 2 hours/day) Short-term leave for caregiving (up to 10 days/year) Short-term leave for caregiving (use of expired paid leave) 	<ul style="list-style-type: none"> Restricted work measures Nursing care leave benefits (welfare program) Allowance for home help and babysitter

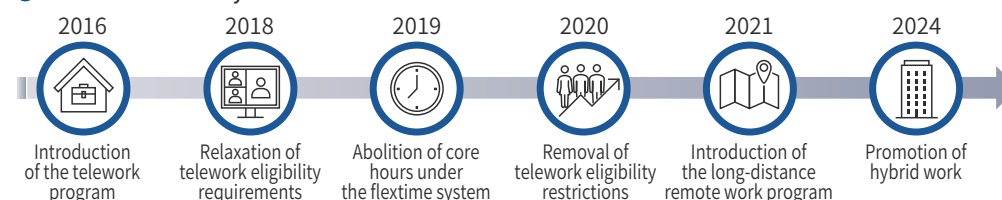
shortened working hours for childcare and caregiving. For senior employees, we have introduced three-day and four-day workweek programs as new ways of working after reaching mandatory retirement age, providing diverse options that enable employees to continue working actively over the long term in accordance with their individual circumstances.

Transforming the Way We Work

The spread of telework has made it easier for individuals to achieve work-life balance. At the same time, relying too heavily on telework could lead to issues such as insufficient day-to-day communication and difficulties in passing on technical expertise, and there is a growing need to recognize anew the value of in-person communication.

Yokogawa’s strengths include its in-depth knowledge of on-site operations, its willingness to persist with even difficult projects, and its ability to overcome challenges through teamwork. Many of these strengths have been cultivated through in-person communication. For this reason, we are promoting “hybrid work,” in which working at the office is the basic rule and is flexibly combined with telework.

Transition of work style measures



Harassment Prevention

Yokogawa prohibits harassment under the “Yokogawa Group Code of Conduct” and is working to prevent it. In fiscal 2016, we revised the “Corporate Policy on Harassment” and established the “Harassment Prevention Guidelines” in order to promote DE&I and create an environment where diverse talent can thrive. Through these measures, we have informed employees of Yokogawa Electric Corporation and its domestic group companies of our policy of not tolerating any form of harassment. This includes sexual harassment, power harassment, harassment that interferes with the use of systems related to pregnancy, childcare, and caregiving, stalking, and discriminatory words and actions toward sexual minorities (LGBTQ). We are also promoting compliance with and implementation of this policy.

In addition, we have established the “Yokogawa Group General Consultation Desk,” a point of contact where employees of Yokogawa Electric Corporation and its domestic group companies can seek advice on a variety of matters, including harassment. When a consultation is received, we conduct the necessary interviews and workplace investigations while protecting the privacy of the person seeking advice. If harassment is confirmed, we deal strictly with the offender and take appropriate measures, such as implementing steps to prevent recurrence. Employees who seek consultation or cooperate in confirming the facts will not be subject to any disadvantageous treatment.



Comfortable Work Environment

■ Labor Practices Commitments and Programs

■ Setting Maximum Working Hours

Under Japanese Labor Standards Act, companies are generally prohibited from requiring employees to work more than 8 hours per day or 40 hours per week. Yokogawa Japan complies with the Labor Standards Act. Our internal work rules stipulate standard working hours of 7 hours and 50 minutes per day for a total of 39 hours and 10 minutes per week. Work exceeding 7 hours and 50 minutes per day is treated as overtime and is automatically eligible for overtime pay.

In addition, the “Agreement on Overtime and Work on Rest Days(Article 36 Agreement),” concluded between the company and the labor union pursuant to the Labor Standards Act, includes a special provision allowing for overtime work in excess of 45 hours per month and 360 hours per year; however, the company has set the upper limits for the first and second halves of the fiscal year at 345 hours each, thereby establishing levels that fall below the statutory maximum working hours.

■ Prevention and Monitoring of Long Working Hours

Yokogawa accurately monitors and manages the working hours of all employees, including managers and supervisors, and reviews trends in working hours and the use of paid annual leave on a quarterly basis through meetings with leaders from each department.

Employees’ working hours are monitored through our time and attendance management system. We are committed to protecting employee health and ensuring sustainable performance by addressing extended working hours when overtime or late-night work reaches certain thresholds. In such cases, we provide access to consultation with an occupational physician and work collaboratively with labor representatives to support constructive dialogue among workplace managers and employees.

■ Ensure Employees are Paid for Overtime Work

Yokogawa is working to eliminate unpaid overtime work (commonly referred to as “service overtime”) by cross-checking working hours recorded in its time and attendance management system against employees’ computer log-in and log-out data.

If any inconsistencies are identified, the company reviews them carefully to ensure that all working hours are accurately recorded and properly reflected. Where necessary, the company takes corrective actions to ensure that employees are appropriately compensated and that working hours are managed in a fair and compliant manner.

■ Ensure Employees are Taking Their Paid Annual Leave Entitlements

During the Japanese Golden Week period (with May 1 designated as a non-business day), when holidays are scattered, we designate the intervening weekdays as scheduled paid annual leave days to encourage company-wide use of paid leave.

In addition, we designate specific days each year as recommended days for taking paid annual leave and clearly communicate across the company that non-urgent meetings and similar activities should be avoided on those days. Through these initiatives, we promote the use of paid annual leave and support employees in achieving a better work-life balance by fostering a workplace environment that makes it easier to take leave.

■ Ensuring Fair and Competitive Compensation

Yokogawa not only pays wages that exceed statutory minimum wage levels but also considers the concept of a living wage, so that employees and their families can maintain a decent standard of living while addressing cost of living considerations.

In addition, the Company offers competitive compensation to support employee motivation and enable employees to fully utilize their abilities and expertise.

Furthermore, we have established a fair and transparent compensation system based on job responsibilities, roles, and performance, promoting the maximization of employee performance and the creation of high value-added outcomes.

When determining compensation levels, the Company continuously collects and analyzes objective external market wage benchmark data. From a living wage perspective, we also consider the results of the “Survey on Actual Living Expenses” conducted annually by the YHQ labor union and adjust as necessary to maintain appropriate compensation levels.

■ Regularly Engage with Workers’ Representatives on Working Conditions

Company executives and labor union representatives hold regular monthly meetings based on a spirit of mutual understanding and trust to share and discuss the company’s business environment, performance progress, and management policies. As of April 2026, a cumulative total of 773 meetings have been held.

In addition, committees composed of company-appointed members and labor union representatives discuss the review and improvement of various working conditions, as well as other relevant topics.

Furthermore, at the workplace level, forums are established to address matters specific to each workplace, such as business division policies and initiatives and the status of key projects. These efforts promote ongoing communication between labor and management and contribute to a positive and collaborative work environment.

These initiatives support constructive labor-management relations and contribute to sustainable organizational performance.



Meeting with Company Management and Labor Union Representatives



Comfortable Work Environment

Health and Productivity Management

In order for Yokogawa to provide sustainable value and lead the way in solving social issues, we believe it is important for diverse human resources to continue to grow and take on challenges with their own initiative. For this reason, it is essential to promote health and productivity management in which health is considered from a management perspective and strategically practiced. Our health and productivity management is aimed at helping employees autonomously maintain their health while improving their physical and mental health, satisfaction, and happiness in order to improve employee engagement and productivity across the Group.

In fiscal year 2016, Yokogawa formulated a Health Declaration as a basic policy for health and productivity management with the aim to further accelerate initiatives related to employee health. At Yokogawa Electric Co., the President & CEO, Representative Executive Officer serves as the Chief Health Officer. Under the leadership of the executive team—centered around the officer in charge of occupational health and safety, who also serves as the General Safety and Health Manager—the company promotes health management. This is driven by the Health and Safety Committee and coordinated by relevant departments within the Human Resources and General Affairs Headquarters, in collaboration with occupational physicians, the Yokogawa Electric Health Insurance Society, and the Labor Union. Yokogawa Electric has worked on various initiatives under its policy relating to maintaining and improving the health of employees, including working styles that allow flexibility in work locations and times, creating employee-friendly office environments, management of working hours, and health improvement programs. As a result of these initiatives, Yokogawa Electric has been continuously certified as an “outstanding health and productivity management organization” by the Ministry of Economy, Trade and Industry since fiscal year 2016. In fiscal year 2025, Yokogawa’s initiatives were recognized, and it was certified as a “2026 White 500 / Corporation for Excellent Health Management.” It has also been certified by the Japan Sports Agency as a “Sports Yell Company” in recognition of Yokogawa’s actively encouraging its employees to participate in sporting activities.

* “Health and productivity management” is a registered trademark of Workshop for the Management of Health on Company and Employee.

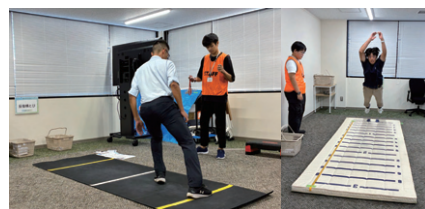


Health Improvement Measures

At Yokogawa Electric, we believe that healthy lifestyle habits, including exercise, diet, sleep, mindset, and communication, are important not only for preventing and remedying physical and mental health conditions, but also for reducing stress and enhancing work performance. Based on that belief, we established the “Yokogawa Eight Principles for Good Health” in fiscal year 2015. Based on these principles, we launched a health promotion program “Let’s Shine!” since fiscal year 2022. In addition to individual health behaviors, the program focuses on sharing challenges and promoting action at the workplace level. The program promotes self-care through activities such as walking challenges and physical fitness assessments, while creating opportunities for employees to work toward better health while feeling a sense of connection with each other.

We also conduct e-learning and seminars on topics such as oral care, mental health, and support for work-life balance, with the aim of increasing health literacy to support employees’ autonomous maintenance and improvement of good health. Moreover, from fiscal year 2024, with the objectives of increasing health awareness and creating an environment conducive to seeking advice, we have established “Mobile Health Consultation Station” within workplaces to encourage greater awareness and behavioral changes regarding health.

Through these initiatives, we will strive to improve mental and physical health, job satisfaction, and a sense of wellbeing and connect these to the improvement of organizational vitality and productivity.



Scene from a physical fitness assessment

Utilizing Data on Health

Since fiscal year 2020, Yokogawa Electric has tallied and analyzed various data, including data from health examinations, stress checks, the Health Improvement Program, and work attendance. The results are compiled into the Health and Productivity Management White Paper, shared within the organization through the management team, the Health and Safety Committee, and other channels, and used to enhance health improvement measures.

In addition, based on our Health and Productivity Management Strategy Map, we have organized the relationship between health issues, initiatives, and outcome indicators and are evaluating the effectiveness of our initiatives. By reflecting the results of these evaluations in the review of existing initiatives and in new initiatives, we are promoting a continuous cycle of improvement.

Global Coverage

Yokogawa Electric provides ongoing health support for expatriates and their families at overseas locations, including pre-relocation training on health management, vaccinations, and medical examinations, from the time of relocation to the return home. In addition, each overseas company conducts activities that are suited to the actual conditions of each region and custom, etc. From fiscal year 2024, Yokogawa Electric has launched new initiatives, including opportunities for employees across the organization to collectively reflect on health-related themes.

Providing Learning Opportunities to Promote Mental and Physical Health

To promote employees’ autonomous health behavior, we are working to raise their health awareness through e-learning, manager training, health education such as various seminars, various exercise-related events, health-related measuring events, etc.

EAP for a Healthy and Fulfilling Professional Life

To help employees avoid situations where health issues or life stage changes prevent them from fully realizing their potential, Yokogawa Electric has introduced an Employee Assistance Program (EAP). This program is continuously reviewed and adapted to meet employees’ needs, creating a supportive work environment. It provides care for mental health, including stress management, and career support such as assistance with returning to work, empowering employees to lead healthy and fulfilling professional lives.

Employee Assistance Program (EAP)

Education/PR	Utilize e-mail and web pages to provide relevant information that will help employees gain a better understanding of mental health.
Mental health training	Implement self-care, line care, training for new employees and managers, etc. to prevent or detect mental health problems early.
Stress check	Based on the results of the stress check, identify causes of stress in the workplace. Implement programs and activities involving the entire workplace to prevent, contain, and eliminate these causes to ensure a more comfortable workplace.
Health Promotion Program	Implement the “Health Promotion Program” that focuses on improving lifestyle habits, especially exercise habits, with the aim of improving the physical and mental health of each employee. Exercise is believed to be effective in preventing not only physical illnesses but also mental illnesses, and we support our employees in improving their health by checking their own physical condition and taking care of themselves.
Consultation	Establish a system to help our employees seek consultation within or outside the Company regarding not only mental health but also various areas of human relationships, career issues, sexual harassment, abuse of authority, and discrimination against individuals including members of the LGBTQ community.
Support for employee's reinstatement to work	To care for employees who suffer from mental health problems or take a leave of absence, and to ensure the smooth reinstatement of those who return to work after recovery to prevent recurrence, establish a system to provide proper support for each individual and workplace in all stages of mental health response.



Comfortable Work Environment

■ Workplace Transformation

■ Evolution of Workplace Transformation

In the past, our offices emphasized efficiency and control through fixed seating arrangements. However, following the diversification of work styles, the roles of offices and how they are used have changed significantly. In light of these changes, we are transforming our workplaces into places where employees can proactively choose the environment that best suits their work style and duties.

We will continue to create working environments that respond to changes in work styles and society.



"Place of collaboration" in an open environment



"Place of relaxation" where people can take a break

■ Office Environments That Support Proactive Work

We are building workplaces on the premise of a hybrid work style that flexibly combines teleworking with office work as a general rule. To give employees an independent choice of working environment, we have established diverse spaces that cater to a variety of uses, including "solo work" areas for focused individual tasks, "collaboration" areas to facilitate teamwork, and "relaxation" areas to inspire new ideas.



Open solo work seats



Sofa booth seats suitable for meetings

■ Using Shared Offices as a Third Place

Working in an office used to be the norm, but now working at home has become a part of our daily lives. Shared offices are being used so that employees can choose to work at locations other than the office or at home according to their own work schedule.

■ Facilities Dedicated to Human Resources Development

Yokogawa has a "learning center" used for various human resources development, including



Learning center Yokogawa Campus



Room with an open atmosphere on the second floor



Relaxed space suitable for group training for large number of employees on the third floor

new employee training. Room sizes are adjusted to accommodate the number of participants in each program. The center provides environments tailored to different purposes: the first floor supports project and recruitment activities, the second floor offers an open space conducive to creative training, and the third floor provides a relaxed environment for focused learning.

■ Reception Spaces Symbolizing Yokogawa's Purpose and Co-innovating tomorrow

Reception spaces renewed in the image of the Yokogawa brand. Each room is designed differently with motifs of various natural elements. All rooms can be used for both face-to-face and online interactions.



Reception rooms with different designs featuring motifs of the natural environment



Entrance with a spacious feel

■ Building an Environment That Accepts Diversity

As our employees become more diverse, we are working hard to create an environment where everyone's "differences" are understood and everyone feels comfortable working.

● Prayer room

We have set up facilities for employees who need to pray during working hours for religious reasons.

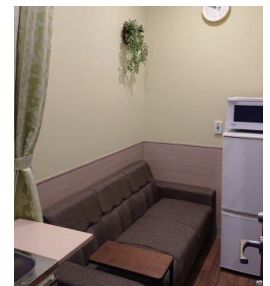
● Wellness/Relaxation Room for Women

Through conversations with employees raising children, we received feedback such as: "There's no place where I can comfortably express breast milk," "I'd like a space to stretch my legs during pregnancy," and "I need a place to lie down temporarily." Creating an environment where each individual is respected, treated equally, and empowered to thrive is a critical issue. To support a safe and comfortable workplace for women during pregnancy and childcare, Yokogawa Electric has established a "Women's Rest Room" – a space where women can express breast milk, recover physically, and take breaks with peace of mind.

To support breastfeeding while working, the room is equipped with a freezer and refrigerator for milk storage, as well as a microwave for sterilizing breast pumps.



Prayer room



Wellness/Relaxation Room for Women



Occupational Health and Safety

Occupational Health and Safety (OHS) Initiatives

The Yokogawa Group has introduced an Occupational Health and Safety Management System and seeks to continuously enhance the level of occupational health and safety initiatives and promote risk reduction. We continuously improve occupational health and safety by identifying and reducing potential risks through risk assessments, and by regularly evaluating and reviewing our initiatives through internal audits of Group companies. These efforts help us steadily raise our occupational health and safety performance over time. Yokogawa is also enhancing the effectiveness of the system by combining these initiatives with existing activities, such as the analysis of and countermeasures against near-misses and OHS inspections. OHS risk assessments, OHS training, and OHS inspections are Group-wide key initiatives, and we monitor the hours spent on each activity. From fiscal year 2024, we have set a target, as one of our social impact indicators, to reduce the total reportable incidents frequency rate* to 0.40 or less by fiscal year 2030. We will work more strategically to reduce occupational accidents.

*Total number of occupational accidents (Number of accidents with lost days + Number of accidents without lost days) ÷ Total actual working hours × 1,000,000

Occupational Health and Safety Policy

In recognition that occupational health and safety is a basis for the management of the Yokogawa Group, Yokogawa shall pursue the following initiatives to promote, create and maintain health and safety for not only employees working within the Yokogawa Group but also contractors, temporary workers, and all others who work under our supervision.

- Establish an occupational health and safety management system, clarify roles, authorities, and responsibilities, and promote occupational health and safety management activities.
- Work to improve occupational health and safety by observing relevant laws and regulations as well as establishing the necessary independent standards.
- Seek to eliminate or lessen risks to occupational health and safety by first assessing their danger level.
- Establish occupational health and safety indicators and targets, and strive for improvement.
- Promote open communications with Yokogawa Group personnel, customers, shareholders, members of the local community, and contractors.
- Provide the education and training to all Yokogawa Group personnel to ensure occupational health and safety.
- Perform audits on a regular basis and make continual improvements in our occupational health and safety management system.

Operation of the Occupational Health and Safety Management System

We continuously improve occupational health and safety by conducting risk assessments on a regular basis and whenever there are changes in work activities or work methods, implementing measures to eliminate or reduce potential risks, and evaluating and reviewing our activities

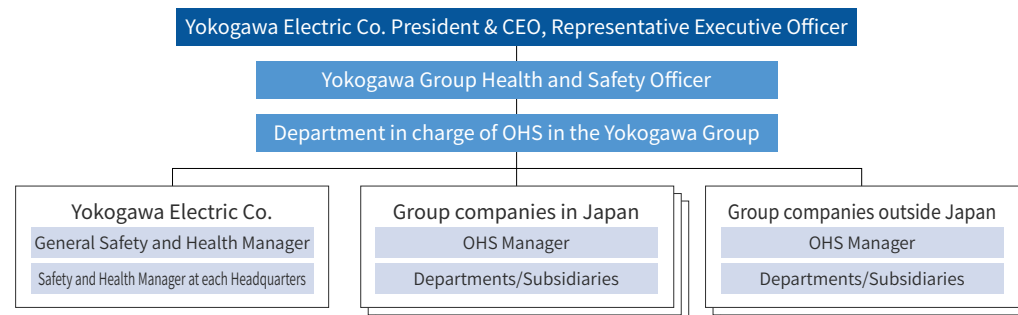
through internal audits of Group companies. In addition, we implement our occupational health and safety management system through ongoing communication with all people working within the Group, including temporary staff and contract workers. We also enhance the effectiveness of our system and activities by integrating established practices such as near-miss reporting and analysis, corrective actions, and workplace health and safety inspections.

To improve the effectiveness of our system and activities, we aim to obtain ISO 45001 certification, the international standard for occupational health and safety management. As of the end of fiscal year 2025, 15 out of the Group's 17 manufacturing sites are certified to ISO 45001, representing a certification rate of 88%. We will continue to promote activities toward achieving 100% certification.

Yokogawa Group Occupational Health and Safety Objectives

- **Elimination and reduction of occupational accidents**
Secure safety and promote health of all personnel working for the Yokogawa Group.
- **Establishment, maintenance, and improvement of the Occupational Health and Safety Management System**
 - 1 Make continual improvements in OHS activities, through implementation of PDCA cycle and sharing OHS activity information.
 - 2 Conduct OHS risk assessments in all Yokogawa Group companies, to eliminate or reduce risks.
 - 3 Maintain and improve the current OHS level by conducting internal audits.
- **Observing laws and regulations**
Observe OHS-related laws and regulations.
- **Conducting OHS activities**
 - 1 Activities to ensure safety as well as to maintain and improve health
 - 2 Activities to build awareness of traffic safety
 - 3 OHS training
 - 4 Fire and evacuation drills
- **Disclosure of OHS information**
Disclose our occupational health and safety initiatives and performance and promote open communication with people working within the Yokogawa Group and society.

Occupational Health and Safety Management System Structure





Occupational Health & Safety

Occupational Health and Safety Education and Training

To maintain and improve the standard of activities throughout the Yokogawa Group and eliminate occupational accidents, we are committed to providing awareness programs for all Group employees. We provide training on the prevention of slips, trips, and falls, as well as Yokogawa QHSE Month, an awareness program covering quality, occupational health and safety, and environment. We also provide education for newly appointed personnel responsible for occupational health and safety activities, hold workshops through the Health and Safety Committee, conduct training to ensure safety when working at customer sites, and provide traffic safety education.

We have designated occupational health and safety (OHS) training as a group-wide key initiative and we monitor training hours. In fiscal year 2025, we provided approximately 140,500 hours of OHS training in total across the Yokogawa Group.

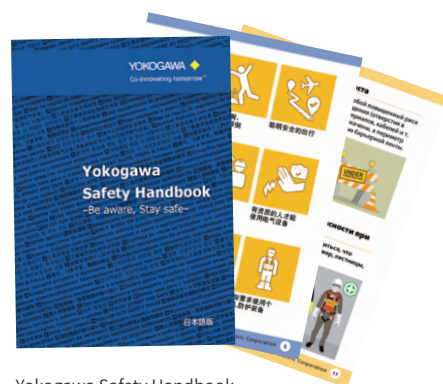


Evacuation drill (Yokogawa Electric Corporation)

Yokogawa Safety Handbook

As part of our measures to eliminate and reduce occupational accidents, we published the Yokogawa Safety Handbook. Shared across the Yokogawa Group, the handbook serves as a guide to help employees ensure safety and behave in a safe manner.

The handbook consists of nine basic safety rules and three important practices on occupational health and safety. The nine basic safety rules focus on reducing the risk of occupational accidents. The three important practices introduce topics that help build and maintain a safe workplace environment. The handbook was translated into nine languages and distributed to all staff members of the Yokogawa Group.



Yokogawa Safety Handbook

Indicator	Total reportable incidents frequency rate*
Target	0.40 or less (FY2030 target)
Performance	0.89 (FY2025)

*Total number of occupational accidents (Number of accidents with lost days + Number of accidents without lost days) ÷ Total actual working hours × 1,000,000

Elimination and Reduction of Occupational Accidents

When an occupational injury or illness occurs, including incidents involving temporary staff and contract workers, it is reported by the OHS Manager of each Group company to the Group-wide occupational health and safety governance function through an established reporting process.

Under the guidance of the OHS Manager, each Group company investigates the cause of the incident and implements measures to prevent recurrence. In addition, the lessons learned from occupational accidents are shared across the Group to prevent the recurrence of similar accidents.

In addition, to eliminate and reduce occupational accidents and improve the quality of health and safety activities, we aggregate and analyze occupational accident data and information on a quarterly basis.

In fiscal year 2025, the number of reportable incidents and total reportable incidents frequency rate decreased compared to fiscal year 2024, as did the number of slips, trips, and falls accidents, which had been a key issue. These improvements were achieved through initiatives such as rolling out Group-wide training on the prevention of slips, trips, and falls accidents, as well as reinforcing awareness of fall prevention rules and sharing top management messages during Yokogawa QHSE Month. To achieve our Fiscal Year 2030 target of a total reportable incidents frequency rate of 0.40 or less, in addition to implementing Group-wide initiatives concerning slips, trips, and falls accidents with greater frequency, we will also consider and roll out Group-wide initiatives on other types of occupational accidents in our efforts to reduce such accidents.

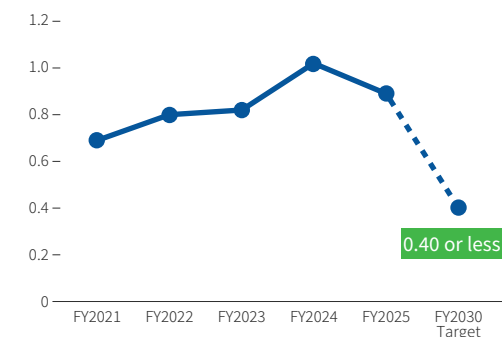
Total reportable lost time incidents frequency rate (Yokogawa Group)

Total reportable lost time incidents frequency rate = Number of accidents with lost days ÷ Total actual working hours × 1,000,000



Total reportable incidents frequency rate (Yokogawa Group)

Total reportable incidents frequency rate = (Number of accidents with lost days + Number of accidents without lost days) ÷ Total actual working hours × 1,000,000





Respect for Human Rights

Yokogawa Group Human Rights Policy

All of our business activities for value co-creation are based on respect for human rights. By deepening our understanding of the various human rights issues in the countries and regions where we conduct our business, and by being actively involved in resolving them, we must strive to ensure that people's dignity is protected and respected. We hereby establish the Yokogawa Group Human Rights Policy as a commitment to fulfill this responsibility.

1. Compliance with Human Rights-related Laws and Regulations and Respect for the International Code of Conduct
2. Implementation of Human Rights Due Diligence
3. Yokogawa's Priority Human Rights Issues
4. Communication and Engagement



For the full text of the Yokogawa Group Human Rights Policy, see our website.

Human Rights Management

Yokogawa Group Human Rights Policy was established with the approval of the Board of Directors. We have established an internal system in which the President & CEO, Representative Executive Officer holds the greatest responsibility for human rights in the Group, and we are implementing ongoing efforts. We set up the Human Rights Working Group, whose members are selected from the departments related to human rights, under the umbrella of the Sustainability Committee to work on specific human rights initiatives.



For details of the Sustainability Committee, see P.56.

Human Rights Due Diligence

Yokogawa is committed to implementing human rights due diligence, under which we identify, prevent, and mitigate potential adverse impacts on human rights arising from our business activities, supply chain, and other business-related operations, while also assessing and monitoring these activities, taking prompt corrective and remedial actions when issues arise, and appropriately disclosing relevant information.

We have established and are operating the Group Management Standards (GMS), which serve as the fundamental rules for management across all business processes, thereby building an internal control system that applies to the entire Group. Each GMS is aligned with the Yokogawa Group Human Rights Policy and incorporates the principles of human rights due diligence into the internal control system.

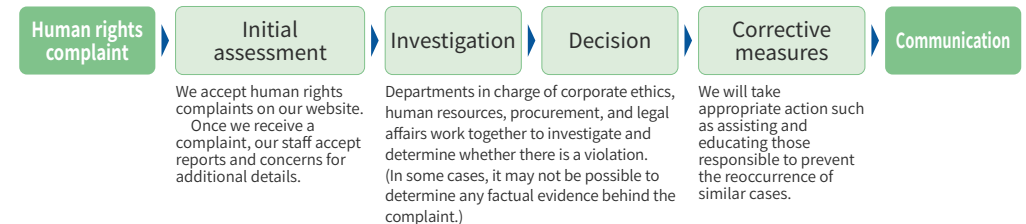
Human Rights Helpline and Remedy Procedures

To swiftly detect and rectify any human rights violations that we may have directly caused or be indirectly involved in, Yokogawa has established an in-house reporting and consultation desk for all people working at Yokogawa, as well as a helpline for our suppliers. Furthermore, we accept reports and concerns from all stakeholders, including the general public and supply chains, about human rights violations through the "Contact Us" section on our website. Anonymous reporting and consultation are also accepted, and the helpline is available in Japanese and other languages. We operate the helpline in accordance with our rules set to protect the privacy of whistleblowers, secure confidentiality, and prohibit retaliation or any disadvantageous treatment. For human rights violations reported by our stakeholders, the corporate ethics department, together with the human resources, procurement, and legal departments, and in collaboration with external legal experts, will investigate and take recurrence corrective actions, such as advising and educating those responsible, to prevent the reoccurrence of similar cases.

In fiscal year 2025, incidents related to human rights included power harassment involving abuse of authority in the workplace and discriminatory or insulting remarks. In response, we took disciplinary action against the employees concerned, provided guidance, and issued warnings to their supervisors, to improve the workplace environment.

We have also made efforts to prevent recurrence of the issue by announcing the details of the disciplinary action to all Group employees while also highlighting this incident in employee training.

Remedy Procedures Flow Chart



Human Rights Risk Assessment

In fiscal year 2019, Yokogawa assessed the potential human rights risks in Yokogawa's business activities and value chain together with Business for Social Responsibility (BSR), a global NGO active in the field of business and sustainability. Then, in fiscal year 2022, we deepen our understanding of the current situation and risks based on changes in the external environment and the progress of internal initiatives. Since then, we have continued to monitor the identified human rights risks on an annual basis and have confirmed that no significant changes have occurred.

This human rights risk assessment identifies human rights issues of high priority by confirming company policies, business activities, and the operating status of the internal control systems, as well as by interviewing relevant parties in the Group. The priority is determined from two perspectives: salience of the risk of causing an adverse impact through our business activities and business relationships, and Yokogawa's ability to manage the risks.



Respect for Human Rights

Process of identifying the risk of violating human rights



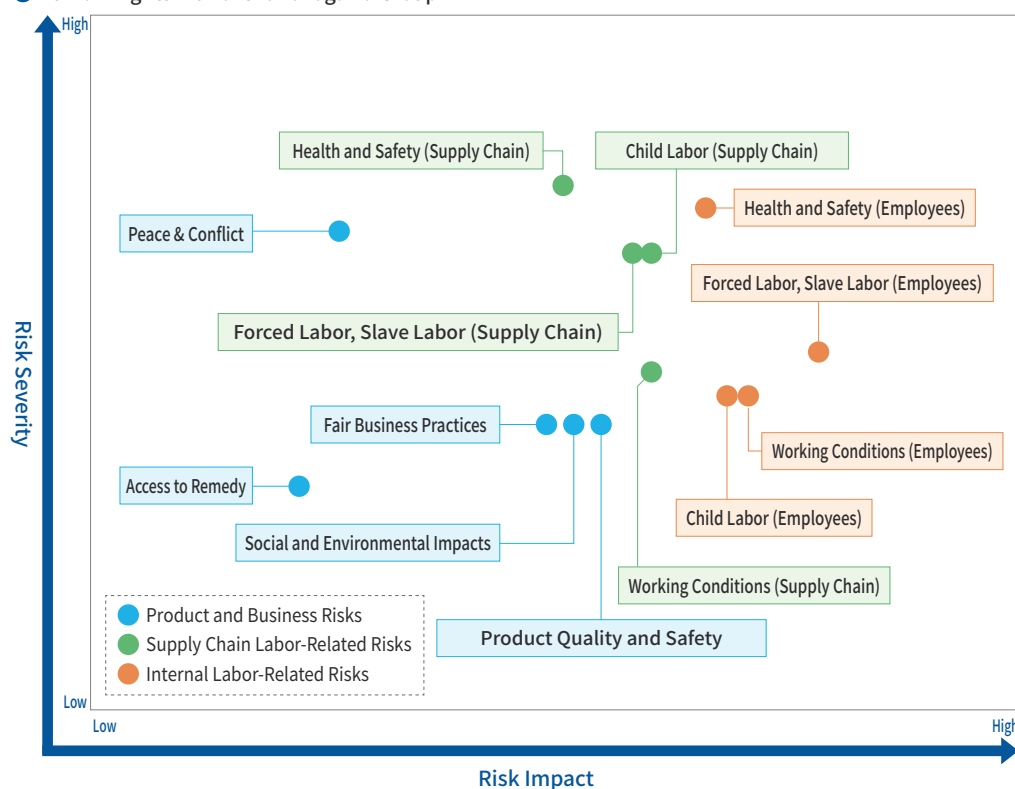
Key stakeholders subject to due diligence:

Direct employees / Indirect employees, Women and girls, Children and adolescents, Communities, Migrant workers, Indigenous peoples, Workers in supply chain and Others (Rural population, Low-income segments of the population, Segments of the population with low education)

Human rights risks identified:

Product quality and safety, social and environmental impacts, fair business practices, forced labor, slave labor, child labor, working conditions (including freedom from discrimination, fair remuneration, freedom of association, right to collective bargaining), health and safety, peace and conflict, access to remedy

Human Rights Risk of the Yokogawa Group



Major Human Rights Initiatives in fiscal year 2025

• Cross-Functional Working Group for Promoting Respect for Human Rights

To advance human rights initiatives throughout the Group, Yokogawa has established a Human Rights Working Group consisting of representatives from functions related to human rights management. In fiscal year 2025, members from Compliance, Human Resources, Corporate Administration, Legal, Occupational Health and Safety, Supply Chain Management, and Manufacturing shared the progress of their respective initiatives. The Group also used the European Corporate Sustainability Due Diligence Directive (CSDDD) as a benchmark to discuss its approach to human rights risk assessment, stakeholder engagement, and transparency through information disclosure.

• Conducting human rights due diligence for critical suppliers

We leveraged expert knowledge to identify critical suppliers, focusing on transaction amount and the content of the purchase (including services). For selected suppliers, we conducted human rights due diligence at their business sites using a supplier self-assessment questionnaire (SAQ). Based on the evaluation of SAQ responses, eight sites were identified as high risk in Fiscal Year 2025. Improvement actions were requested, and follow-up on the implementation status will be conducted in the following fiscal year. For key suppliers, an on-site assessment by an independent third-party organization was conducted for one supplier. In addition, face-to-face engagements were undertaken with 6 suppliers at their operational sites to assess human rights-related conditions and facilitate dialogue on improvement opportunities and corrective actions.

• Promoting Human Rights Education

To enhance human rights awareness in Yokogawa, we promote participation in human rights training programs that include content on preventing harassment and discrimination. The completion rate reached about 80%. We continue to encourage participation to further embed respect for human rights throughout the Group. In addition, classroom-based human rights training was conducted at North America and Asia Group companies, with 511 employees participating. These sessions helped deepen understanding of human rights issues and foster dialogue among participants.

Besides, in conjunction with the World Human Rights Day, we issued a compliance Newsletter to all employees on the topics of 'Human rights risks in business' and 'Human rights in the workplace'.

• Human Rights Due Diligence in M&A

We have integrated human rights considerations, based on the Yokogawa Group Human Rights Policy, into our due diligence process for mergers and acquisitions. For all M&A transactions conducted in fiscal year 2025 that were subject to human rights due diligence, assessments were carried out using a Human Rights Questionnaire. Based on the evaluation of the responses, no significant human rights risks were identified, and no cases requiring corrective actions were found.

• Creating a Safe and Comfortable Workplace at Production Sites

We are committed to ensuring the safety and health of employees at our production sites. Safety and Health Committee meetings have been held at our Headquarters, Kofu, Komine, Komagane, and Kanazawa sites, and monthly safety inspections are conducted at each location. In addition, under the principle of "Respect for Human Rights," which is a core philosophy of the New Yokogawa Production System (NYPS), our production sites prioritize safety above all else and continuously pursue improvement activities while eliminating all forms of waste. In Fiscal Year 2025, we also focused on developing the next generation of talent who will support future manufacturing operations.

• Human rights helpline

To enable the early detection and remediation of human rights violations, we have established multiple reporting and consultation channels.

For employees, we provide an internal reporting and consultation channel through which concerns can be reported either anonymously or with identification, as well as a direct reporting channel to the Audit Committee at headquarters that is independent of management. The direct Audit Committee reporting channel began operation in Japan in fiscal year 2024, and in fiscal year 2025, the Audit Committee Hotline was also launched in regions outside Japan. This initiative helps deter misconduct and compliance violations among the management of Group companies.

In addition, reports and consultations regarding human rights violations from the general public and all stakeholders, including those in the supply chain, are accepted through the "Contact Us" section of our website. These reporting and consultation channels are operated in accordance with our internal rules, which stipulate the protection of the whistleblower's privacy, the maintenance of confidentiality, and the prohibition of retaliation or any disadvantageous treatment against whistleblowers.



Respect for Human Rights

■ Strengthening Relationships with Stakeholders

Yokogawa conducts a variety of initiatives to identify adverse impacts of business activities on the human rights of stakeholders and to continuously take corrective measures. Through communication with employees, suppliers, customers, and other stakeholders, we strive to strengthen relationships of trust with them.

➤ Adverse impacts on human rights and initiatives

Stakeholders	Adverse Impacts on Human Rights	Major Initiatives
Employees	<ul style="list-style-type: none"> Inhumane treatment (discrimination, harassment, forced labor, etc.) Inadequate health and safety measures 	<ul style="list-style-type: none"> Held dialogue with employee representatives (labor unions) during labor-management talks Established general consultation hotline and internal whistleblowing hotline Conducted Global Employee Engagement Survey Convened Health and Safety Committee meetings at individual business sites
Suppliers	<ul style="list-style-type: none"> Violations of workers' rights, such as the right to collective bargaining 	<ul style="list-style-type: none"> Held "Partners' Day," an event for interaction with suppliers Explained the importance of respect for human rights using the Sustainable Procurement Guidelines explanatory handbook
Customers	<ul style="list-style-type: none"> Human safety associated with use of products (quality defects, chemicals, etc.) Human rights violations resulting from inappropriate AI 	<ul style="list-style-type: none"> Implemented thorough quality assistance based on the spirit of "Quality First" Conducted regular servicing and maintenance Improved working environment for on-site workers in cooperation with customers Developed AI governance
Local communities	<ul style="list-style-type: none"> Damage to health due to environmental destruction Restriction on access to natural resources Forced displacement due to land expropriation or other actions 	<ul style="list-style-type: none"> Promoted environmental impact reduction at individual business sites Coordinated with administrative organs to contribute to disaster prevention and regional safety Held dialogue with NGOs and other experts

■ Engagement with the Supply Chain Through Collaboration with Industry Associations

To promote sustainable procurement across the entire supply chain, Yokogawa has joined the Sustainable Procurement Partnership Working Group promoted by the Japan Electronics and Information Technology Industries Association (JEITA) and participates in the deliberation of educational activities for suppliers, information sharing, and operations.

In fiscal year 2025, in addition to sharing knowledge and practical examples regarding human rights due diligence and responsible procurement, we contributed to the implementation of a human rights due diligence support program targeting small and medium-sized enterprises. In coordination with industry organizations and industry peers, we will work to strengthen engagement, particularly with small and medium-sized suppliers.



▶ For more details about the Sustainable Procurement Partnership Working Group, please refer to the website of JEITA's CSR Committee.

■ Dialogue with Stakeholders

Yokogawa places importance on dialogue with stakeholders as part of its efforts in the area of respect for human rights.

Health and Safety Committee run jointly by labor and management

Emphasizing constructive dialogue with employees, Yokogawa conducts ongoing communication through labor-management talks with the labor union and other opportunities.

Yokogawa Electric Co. has established a Health and Safety Committee to maintain and strengthen health and safety. Comprising members nominated by the company and members recommended by the labor union, this committee holds continued discussions on occupational accidents, long working hours, high stress, and other health and safety risks, as well as measures to respond to such risks. Committee members also conduct patrols to understand the actual situation at worksites, connecting them to continuous improvements. By reflecting the opinions of employees obtained through such labor-management discussions in various initiatives, we are striving to reduce adverse impacts on human rights.

Roundtable discussions with international human rights organization

In April 2026, we participated in a roundtable event that was jointly organized by the law firm, Nishimura & Asahi, and Walk Free, an international human rights organization working to eradicate modern slavery, where we held group discussions with Walk Free and other participating companies. The details of these discussions were shared with the Sustainability Committee and the Human Rights Working Group and will be put to use in future human rights initiatives.

Comment from a participating employee

The dialogue with an international human rights organization was Yokogawa Electric Corporation's first and an invaluable opportunity to reaffirm the current situation and risks related to modern slavery.

On we asked questions about human rights risk management in the supply chain, which prompted a lively discussion. It was suggested that we needed to review the viewpoints of quality, cost, and delivery that had been our greatest emphasis so far from the perspective of the risk of modern slavery in the supply chain. This was an important insight in terms of building a sustainable supply chain.

We view international human rights organizations such as Walk Free as partners in addressing human rights issues, we hope to build a relationship of trust with them.



A scene from the roundtable



Community Engagement

Yokogawa strives for harmonious coexistence with local communities as a good citizen, recognizing that companies are also members of society. We not only contribute to society through our business, but also promote a variety of local contribution activities. We cooperate in achieving common goals shared by local communities and society and contribute to their development in all countries and regions where we operate our business.

We also support our employees to actively participate in local contribution activities as good citizens and provide volunteer programs in which employees can make the most of their diverse skills and capabilities, including local human resources development and environmental conservation activities within local communities.

■ Policy for Corporate Citizenship Activities

Based on the Yokogawa Philosophy and the Yokogawa Group Code of Conduct, we engage in corporate citizenship activities by prioritizing fields related to our core business. We place importance on collaboration and dialogue with stakeholders, aiming to contribute to the realization of a sustainable society, respect for human rights, protection of the global environment, and the advancement of local communities. Based on this approach, we have established four priority areas in our corporate citizenship activities and are promoting support activities.

Priority areas

- Regions in which we conduct business
- Our business fields
- Large-scale disasters
- Contribution to social progress

■ Guidelines for Corporate Citizenship Activities

Yokogawa Group has established the “Guidelines for Corporate Citizenship Activities” to promote corporate citizenship activities accordingly. We ensure the transparency of our corporate citizenship activities that involve donations and expenditures by clarifying resolution/approval procedures and standards.

■ Achievements of Corporate Citizenship Activities

In fiscal year 2025, we conducted a variety of corporate citizenship activities in the regions where Yokogawa conducts its business. They included participating in local clean-up activities and holding seminars and events for students.

Yokogawa’s donations and community investments in fiscal year 2025 took the form of funding (270.99 million yen), donations of goods and the opening of facilities to the public (equivalent to 15.91 million yen), and support activities by employees (equivalent to 6.70 million yen).

Yokogawa Signs Memorandum of Understanding with Congo Children Trust and Kumi Foundation to Support Education and Protection for Vulnerable Children in Mining Regions of the Democratic Republic of the Congo

Yokogawa has signed a Memorandum of Understanding (MOU) with the Kumi Foundation and the Congo Children Trust (CCT), two UK-based charitable organizations active in Lubumbashi, Democratic Republic of the Congo (DRC), to support the Kimbilio Project, a local social initiative led by CCT that provides education and support to vulnerable children.

In addition to offering access to education, the Kimbilio Project provides a safe environment where vulnerable children are protected and can receive essential healthcare, and livelihood support allowing them to build the foundation for a brighter future. Collaborating in this project reflects Yokogawa’s commitment to support quality education access, promoting respect for human rights, and contributing to the sustainable development of local communities by enabling children to realize their full potential.

As a first step to this collaboration, Yokogawa, through Yokogawa Middle East & Africa B.S.C. (c), its regional headquarters for the Middle East and Africa, donated digital learning tools to Kimbilio School. These resources will enhance the school’s digital learning environment, improve access to technology-enabled education, and support one of the world most vulnerable children’s learning and personal development.

In addition, discussions are underway to support the Kimbilio vocational training college currently under construction. By providing practical skills and vocational education, the training college will equip young people with the knowledge and capabilities needed to pursue sustainable livelihoods, achieve their dreams, and contribute to the long-term development of their communities.

At Yokogawa, we believe that meaningful social impact is enabled through collaboration. Partnerships that bring together complementary expertise, resources, and trusted local relationships can strengthen community-led initiatives and create the right conditions for lasting, sustainable change. Through such initiatives, Yokogawa will continue to contribute to the self-sustaining development of the African continent while pursuing sustainable growth and creating social value through its business activities.



At the signing ceremony, from left: Mr. Takeshi Hasegawa, Yokogawa Electric Corporation; Ms. Bahati Muhiya Nono-Carline, National Coordinator of the Kimbilio project, CCT; H.E. Mr. Hidetoshi Ogawa, Ambassador Extraordinary and Plenipotentiary of Japan to the Democratic Republic of the Congo; Ms. Karen Britton, Managing Director and Founder of Kumi Foundation; Ms. Rachel Pungu Luamba, Managing Director of the National Investment Promotion Agency (ANAPI) (Photo courtesy of the National Investment Promotion Agency)



Children of the Kimbilio Project (Photo courtesy of Kumi Foundation)



Chapter 5 Environment

- P.45 Environmental Management
- P.47 Initiatives Toward Achieving Carbon Neutrality
- P.50 Environmental Initiatives at Business Facilities
- P.52 Environmental Practices and Data Disclosure

Related Materiality

Risks

- Product environmental footprint
- Climate change
- Energy
- Resource recycling

 For Materiality Analysis, see P.13.



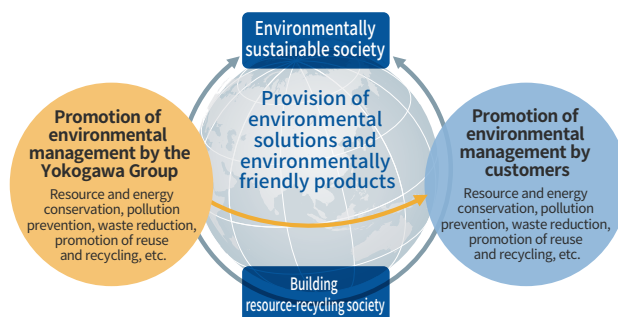


Environmental Management

Environmental Policy

Based on the Yokogawa Philosophy which states, “Our goal is to contribute to the realization of a sustainable society through broad-ranging activities in the areas of measurement, control, and information,” Yokogawa will pursue the following environmental activities to achieve our Three Goals by the year 2050 and realize a sustainable society.

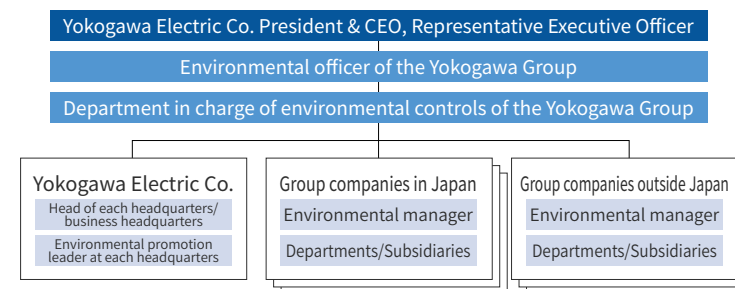
- Establish its environmental management system, clarify its roles, authorities and responsibilities and pursue the environmental activities.
- Observe the laws and regulations, set voluntary standard if needed and strive to prevent pollution.
- Promote environmental protection by setting objectives about environmental issues such as climate change, biodiversity and use of resources.
 - 1 Carry out resource recycling management by endeavoring to reduce, reuse and recycle resources, conserve energy consumption and prevent global warming, and minimizing the risks of environmental pollution in all of the operations.
 - 2 Develop and produce environmentally friendly “green” products in consideration of the environmental burden throughout the products’ lifecycle, from material purchase, manufacturing and distribution, to use and disposal of the products.
 - 3 Supply society with value-added solutions for conserving the earth’s environment through measurement, control, and information technologies.
 - 4 Encourage its employees to participate in environmental conservation activities under their own initiative as good corporate citizens.
- Provide all working people in the Yokogawa Group the education and training necessary for promoting environmental conservation activities.
- Disclose information and promote open communications with all working people in the Yokogawa Group, customers, shareholders, members of the local communities and contractors to deepen and co-create environmental conservation actions and initiatives.
- Evaluate environmental performance, conduct audits on a regular basis, and make continual improvements in the Yokogawa Group environmental management system.



Promotion Structure

To promote environmental management across the Yokogawa Group, environmental management leaders from Group companies in Japan and overseas work under the direction of the Environmental Officer of the Yokogawa Group to discuss initiatives and review performance.

Environmental promotion structure



Environmental Management System

The Yokogawa Group is implementing an environmental management system in its Group companies to ensure full compliance with laws, regulations, and agreements for the prevention of environmental pollution. Moreover, we are working to reduce the impact on the environment by means such as saving energy and transitioning to alternative technologies with a lower environmental footprint.

Yokogawa has obtained ISO 14001 certification at its major offices and manufacturing sites as part of its efforts to improve its environmental management system.

Internal audits

Internal audits for ISO 14001 are conducted at least once a year.

Annual Audits

Regular audits (renewal audit or surveillance) are conducted once a year at each ISO 14001-certified Group company by a certifying organization to maintain ISO 14001 certification.

ISO 14001 Certification Status at the Yokogawa Group

The Yokogawa Group has achieved ISO 14001 certification primarily at its major offices and manufacturing sites in and outside Japan. As of the end of fiscal year 2025, 16 out of the Group's 17 manufacturing sites are certified to ISO 14001, representing a certification rate of 94%.

For our certification status, see our website.



Environmental Management

■ Environmentally Friendly Product Design

Yokogawa is promoting the development of environmentally friendly products under “Trusted Green,” our sustainability policy that considers the entire product supply chain and lifecycle. We have established design and assessment standards concerning long-term usability and energy conservation, which we apply to product development. In addition, new products are evaluated for energy consumption as well as their environmental impact, including emissions of carbon dioxide (CO₂), nitrogen oxide (NO_x) and sulfur oxide (SO_x), based on “Life Cycle Assessment (LCA),” one of our assessment standards. Some of the evaluated products bear the LCA label, which shows the LCA results.

1. Environmental Assessment Standards for Product Design

We have established assessment standards in eight areas: ease of recycling and treatment, resource conservation, energy conservation, long-term usability, ease of collection and transport, safety and environmental protection, information disclosure, and packaging. These standards are used in conducting assessments during each inspection (initial design, intermediate design, and final design).

2. Life Cycle Assessment (LCA) Standards

The LCA standards are used for preliminary assessments of energy consumption, CO₂ emissions, NO_x emissions, SO_x emissions, and the like throughout the lifecycle of a product. These standards are used in conducting assessments during each inspection (initial design, intermediate design, and final design).

3. Environmentally Friendly Product Design Guidelines

These guidelines state principles for long-life design, energy-saving design, resource-saving design, design considering recycling and disposal, design considering processing and assembly, and the guideline for selecting materials and components.

4. Management criteria for hazardous substances contained in products

Yokogawa has established chemical substance management categories to be the criteria for selecting environmentally friendly components and materials in the design stage.

Banned Substance 1: Substances globally prohibited for use in products

Banned Substance 2: Substances nationally/regionally prohibited for use in products

Banned Substance 3: Substances prohibited for use in products for specific uses

Controlled substance: Substances whose content should be known and notified

5. Recycled Product Design Standards

These standards encourage the three Rs: the reduction of waste, the reuse, and recycling of used products.

6. Energy-Saving Design Guidelines

These guidelines state the matters to be ensured in energy-saving design in product use and manufacturing processes.



For the sustainability policy “Trusted Green,” see our website.

■ LCA Label

Yokogawa began to conduct the lifecycle assessment (LCA) in 1999 in the design phase of all new products as part of efforts to minimize our products’ environmental impact. Some of the results of the LCA are disclosed on our website. When LCA data is disclosed for a product, the applicable product is “LCA labeled” in the product webpage and/or sales brochure. This corresponds to Type II environmental labelling as stipulated by ISO 14021.



■ Concept/Implementation of the LCA

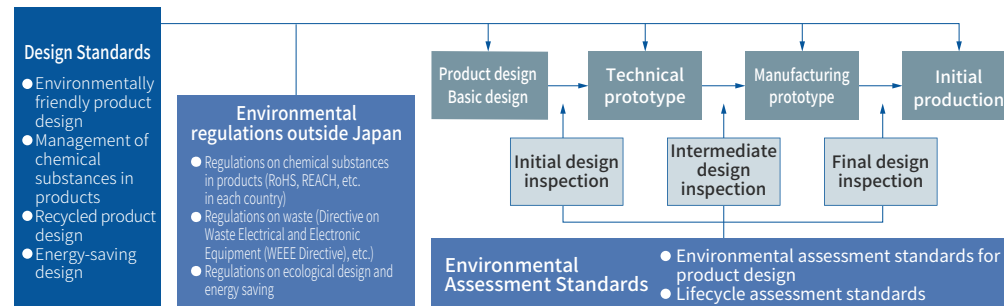
Yokogawa has set its unique LCA standards based on JIS Q 14040 “Environmental management - Life cycle assessment - Principles and framework.” We compare a new product with our previous product for assessment purposes. The results of the LCA of the previous product are multiplied by the “functional factor” to compare the environmental impacts based on the equivalent functionality of the new product. When the results of the LCA on the previous products clearly suggest how these products would impact the environment, we may only conduct LCA on the elements significantly affecting the environmental impact.

■ Requirements for LCA Labeling

A product will be LCA-labeled if it meets all the requirements described below:

1. Lifecycle assessment has been conducted according to Yokogawa’s engineering specifications.
2. The results of lifecycle assessment are disclosed on the Yokogawa website according to its internal rules.

➤ Environmentally Friendly Design and Environmental Assessment Standards



For LCA-labeled products, see our website.



Initiatives Toward Achieving Carbon Neutrality

Activities Toward Achieving Carbon Neutrality

In its aim to achieve net-zero greenhouse gas (GHG) emissions by fiscal year 2050, Yokogawa is advancing emissions reductions across its entire supply chain.

In recognition of our emissions reduction targets and initiatives, which are aligned with the Paris Agreement's 1.5°C goal^{*1}, we have obtained validation of our Net-Zero^{*2} target from the Science Based Targets initiative (SBTi).

Further, regarding Scope 1 and Scope 2 emissions, we have set a target of achieving carbon neutrality in fiscal year 2030 as a sustainability indicator in the GS2028 medium-term business plan. To achieve this target, the entire group is working together to reduce emissions.

^{*1} 1.5°C target: A goal to limit the increase in the global average temperature to well below 2°C above pre-industrial levels, and as close to 1.5°C as possible. This is stipulated in the Paris Agreement.

^{*2} Net-Zero: The plan is to reduce Scope 1, 2, and 3 GHG emissions by 90%, with the remaining 10% of emissions expected to be offset through carbon credits.



Yokogawa's GHG Reduction Targets

	Yokogawa Group Reduction Targets	SBTi-validated Targets
Scope 1 + Scope 2	• Achieve carbon neutrality by FY2030 ^{*3}	• 90% reduction by FY2030 (compared to FY2019)
Scope 3	• 30% reduction by FY2030 (compared to FY2019) ^{*4} • Achieve carbon neutrality by FY2050 ^{*3}	• 30% reduction by FY2030 (compared to FY2019) ^{*4}
Scope 1 + 2 + 3	—	• 90% reduction by FY2050 (compared to FY2019) • Achieve Net-Zero by FY2050

^{*3} The plan is to reduce GHG emissions by 90%, with the remaining 10% of emissions expected to be offset through carbon credits

^{*4} Reductions in Category 1 (purchased goods and services) and Category 11 (use of sold products)

Scope 1 and 2: Initiatives to Reduce GHG Emissions

We are working toward the achievement of carbon neutrality based on three key pillars: “Reduce” (energy conservation), “Create” (generation of renewable energy), and “Replace” (switch to sourcing clean energy). While aiming to achieve our targets through these activities, we will also clearly define Group-wide strategies and roadmaps and reflect them in investment and management decisions. Furthermore, when considering capital investments and initiatives, we use Internal Carbon Pricing (ICP) to factor CO₂ reduction effects into our decision-making. We have also incorporated GHG emissions and energy-related indicators into the executive compensation system and the employee performance management framework to promote reduction activities across the entire organization.



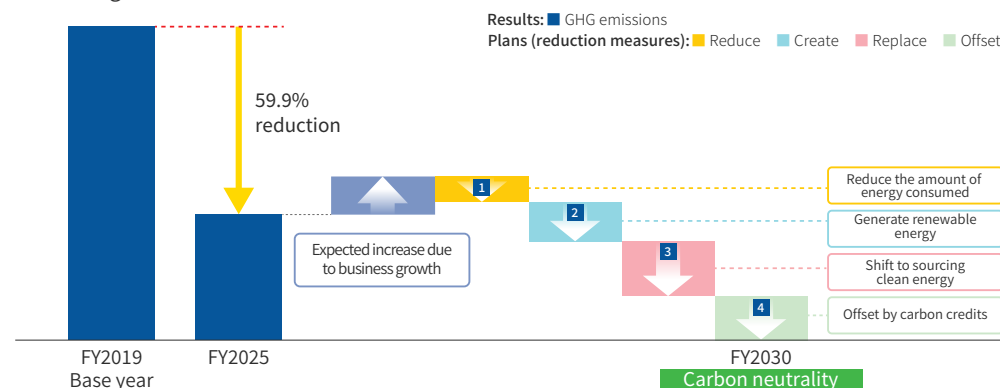
For more details on our initiatives to reduce Scope 1 and 2 emissions, see our website.

Indicator	GHG emissions Scope 1 and 2 (base year FY2019)	7 climate action 13 net zero
Target	Achieve carbon neutrality ^{*5} (FY2030 target)	
Performance	59.9% reduction (FY2025)	

^{*5} The plan is to reduce GHG emissions by 90%, with the remaining 10% of emissions expected to be offset through carbon credits.

Scope 1 and 2: Roadmap for Reducing GHG Emissions

Yokogawa aims to achieve carbon neutrality by fiscal year 2030 through the three key initiatives: “Reduce,” “Create,” and “Replace,” and by considering the use of carbon credits to offset remaining emissions.

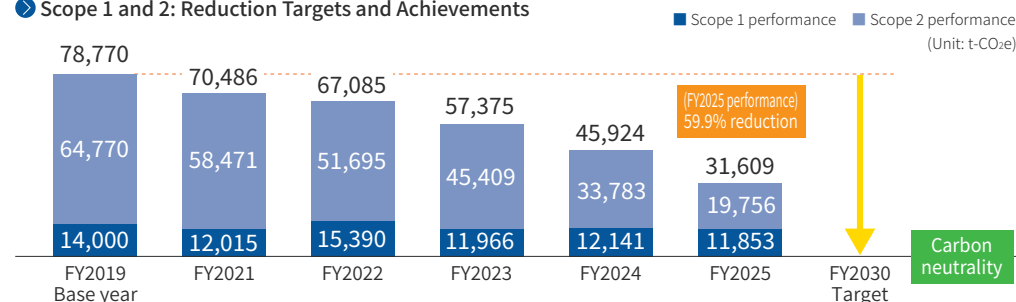


Scope 1 and 2: Reduction Targets and Achievements

In fiscal year 2025, while our business activities expanded year-on-year, the Yokogawa Group achieved significant reduction in GHG emissions (Scope 1 and 2) by 31.3% year on year and 59.9% compared to the base year of fiscal year 2019. This progress was driven by key initiatives involving “Reduce” initiatives aimed at lowering energy consumption and “Replace” initiatives focused on transitioning to clean energy sources. These results were made possible through the group-wide investments of around 340 million yen^{*6} across around 80 projects to support these initiatives, which reflect our collective efforts to advance technology, develop knowledge, and promote emission reduction projects throughout the Group.

^{*6} Includes all investments for GHG reduction

Scope 1 and 2: Reduction Targets and Achievements





Initiatives Toward Achieving Carbon Neutrality

1
Reduce

Reduce Energy Consumption

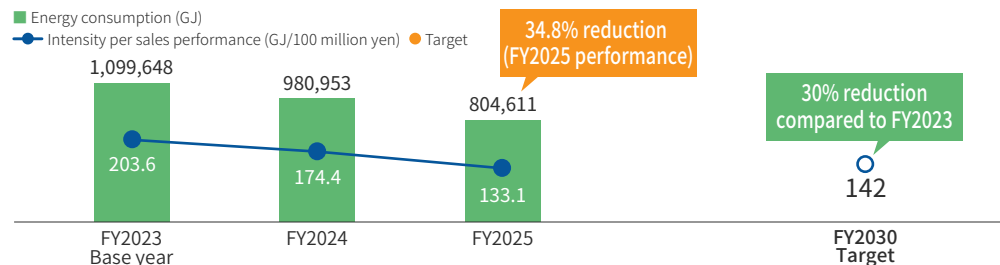
Indicator and Target for Energy Consumption Efficiency

To drive efficiency improvements across the Group, Yokogawa has introduced an energy efficiency indicator and set a target to reduce energy consumption (intensity per sales)*1 by 30% by fiscal year 2030, compared to fiscal year 2023.

In fiscal year 2025, by implementing energy reduction measures across Group companies, we achieved a 23.6% reduction in energy consumption (intensity per sales) compared to the previous fiscal year. This marks a 34.8% reduction compared to the fiscal year 2023 base year, surpassing our fiscal year 2030 target of a 30% reduction. Going forward, we will continue our efforts to achieve both “energy efficiency improvement” and “value expansion” at the same time.

*1 Calculated based on energy consumption converted to primary energy and consolidated sales

Target and Performance of Energy Consumption Efficiency

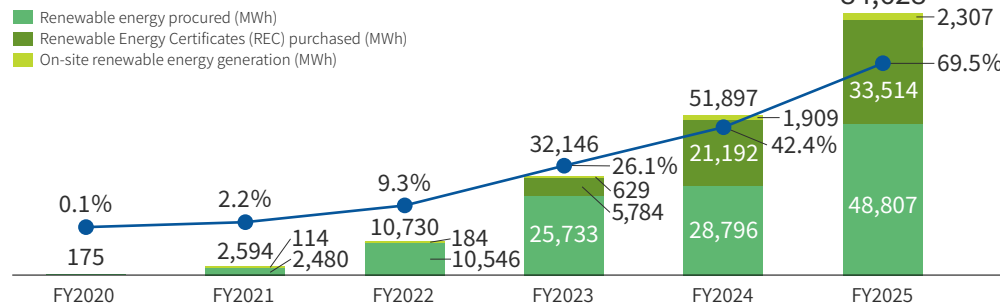
2
Create3
Replace

Creation and Procurement of Power from Renewable Energy Sources

Yokogawa is actively promoting the adoption of electricity derived from renewable energy sources across our global sites. As of March 31, 2026, this practice has expanded to 50 sites across 28 countries, including Asia, Europe, North America, and the Middle East and Africa.

Through the expansion of these initiatives, the share of renewable energy in the Group's total electricity consumption reached 69.5% in fiscal year 2025.

Proportion of Renewable Energy Consumption to Total Electricity Consumption



Indicator	Energy consumption (Intensity per sales, base year FY2023)
Target	30% reduction (FY2030 target)
Performance	34.8% reduction (FY2025)

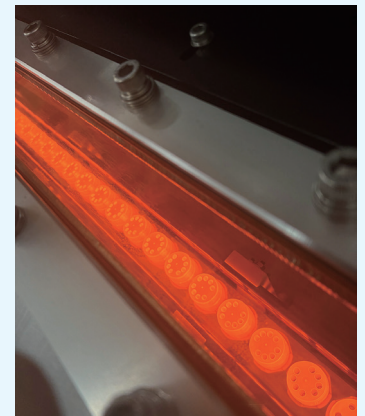


Case Study

Reduction in Energy Consumption Through the Adoption of Induction Heating and Automation in Heat Treatment Processes

Yokogawa Manufacturing Corporation's Kofu Factory is promoting production innovations to reduce energy consumption while responding to increased production of our mainstay transmitter products. This initiative involved a fundamental review of the heat treatment process for the hermetic terminal, which is a core component. Previously, an air-heating system using a large tunnel kiln had been used, which presented major challenges of high energy consumption, heat loss, and long processing times. To address these challenges, Yokogawa Manufacturing Corporation adopted induction heating (IH) technology and shifted to a system that heats the object directly, achieving higher heat treatment efficiency and reduced heat loss.

In implementing the system, the company conducted phased verification of processing volumes and developed equipment in-house over several years, while also promoting automation and cell-based manufacturing in the production process. As a result, power consumption has fallen by 76% annually while productivity has improved, and labor saving has also been achieved. This initiative received the Prize of the Chairman of ECCJ at the 2025 Energy Conservation Grand Prize Award in Japan organized by the Energy Conservation Center, Japan.



A heat treatment process that uses IH technology to heat the hermetic terminal directly



Employee Voice

This initiative was the first attempt of its kind for the Yokogawa Group, and we faced many challenges. It involved developing the necessary production and testing equipment in-house, and we have spent a great deal of time on ensuring safety and building the cooling functions. Another area where we struggled greatly was in developing the carbon jigs essential for implementing IH. Some issues that were not apparent during the initial evaluation came to light during the mass production stage. To resolve them, we optimized the jigs by reviewing their dimensions in increments of 0.01 mm. Furthermore, in a first for the Yokogawa Group, we achieved high-precision robotic assembly through repeated trial and error in collaboration with the relevant departments.

This process is now being showcased to many customers and employees as one of Yokogawa's flagship production processes, giving us a true sense of the significance of this achievement. Through these kinds of challenges, we have gained a strong conviction that we can achieve both automation and environmental contribution simultaneously. Going forward, we will continue to challenge ourselves to achieve even greater energy savings and production innovations.

Project Team Member Yokogawa Electric Co. Daiki Koshiishi





Initiatives Toward Achieving Carbon Neutrality

■ Scope 3: Initiatives to Reduce GHG Emissions

In Scope 3, Yokogawa aims to reduce emissions from purchased goods and services (Category 1) and use of sold products (Category 11) by 30% compared to fiscal year 2019 by fiscal year 2030 and to achieve carbon neutrality in all categories of Scope 3 by fiscal year 2050.

As Category 1 and Category 11 accounted for approximately 90% of Scope 3 emissions, we have designated them as priority reduction areas to advance our initiatives.

In Category 1, we are advancing initiatives to reduce emissions through collaboration with suppliers, while in Category 11, we are working to reduce the power consumption of existing products and develop low-GHG emission products and solutions. As Scope 3 reductions are difficult to achieve in the short term, we are advancing continuous reduction activities based on a long-term roadmap.

■ Towards Reducing Emissions from Purchased Goods and Services (Category 1)

Category 1 emissions had previously been calculated by multiplying procurement expenditures by emission intensity published in external databases. However, this method posed a challenge because reduction efforts could not be reflected in the calculation results. Therefore, by strengthening dialogue and engagement with our business partners, since fiscal year 2024, we have been able to obtain actual GHG emissions results (primary data) from some of our major suppliers and reflect them in the calculation of Category 1 emissions.

In fiscal year 2025, we expanded the proportion of primary data used in the calculation of Category 1 emissions to 6%. Additionally, third-party certified data accounted for 5% of Category 1 emissions. Going forward, in cooperation with our business partners, we will work to expand the proportion of primary data and enhance the reliability of our calculations.

■ Reducing the Use of Sold Products (Category 11)

We are working to improve the design of existing products, prioritizing those with a major impact on emissions, by switching to components with lower power consumption, optimizing product weight, and adding power-saving modes. We are also promoting energy-saving design in the development of new products. Further, we are working to improve the accuracy of calculations of the amount of energy used by products by using actual operational energy consumption instead of maximum power consumption values.

Indicator	GHG emissions Scope 3 (base year FY2019)
Target	Achieve carbon neutrality*1 (FY2050 target) 30% reduction (FY2030 target)*2
Performance	0.7% reduction (FY2025)*2

*1 The plan is to reduce GHG emissions by 90%, with the remaining 10% of emissions expected to be offset through carbon credits

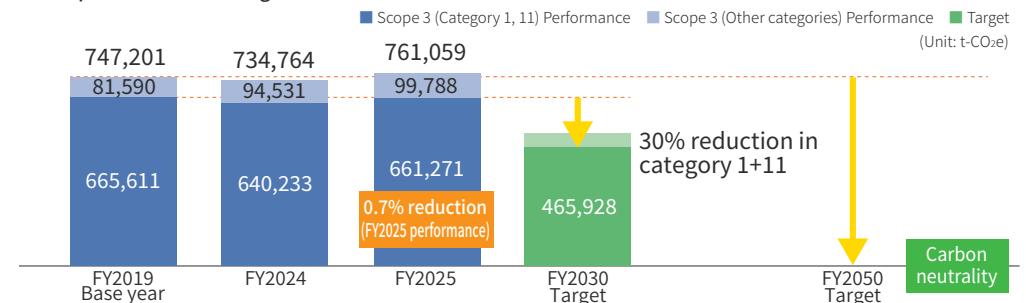
*2 Reductions in Category 1 (purchased goods and services) and Category 11 (use of sold products)



■ Scope 3: Reduction Target and Performance

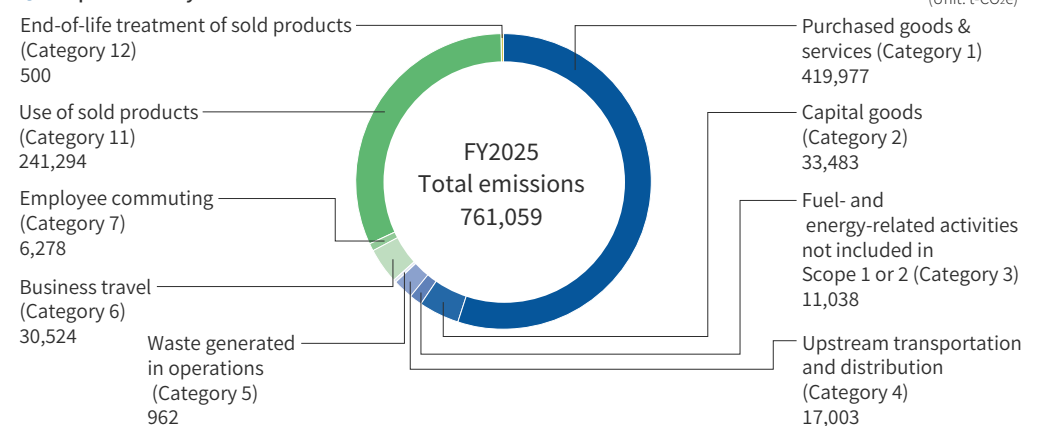
In fiscal year 2025, we achieved a 0.7% reduction in emissions in Scope 3 (total of Categories 1 and 11) compared to the baseline year of fiscal year 2019. On the other hand, emissions increased by 3.3% compared to the previous fiscal year. The main factor in this increase was a 7.4% increase in Category 1 emissions caused by rising procurement costs and increased procurement volumes. On the other hand, in Category 11, sales of products with high GHG emissions per unit decreased due to the postponed investment by customers in the battery market, which led to a 3.1% reduction in emissions compared to the previous fiscal year.

➤ Scope 3: Reduction Target and Performance



(Please note that the emission data for fiscal years 2019 and 2030 have been recalculated based on the updated calculation method applied in fiscal year 2024, and may differ from figures disclosed in previous years. There were no changes to the calculation method for the fiscal year 2025 performance from fiscal year 2024.)

➤ Scope 3: Fiscal year 2025 Performance





Environmental Initiatives at Business Facilities

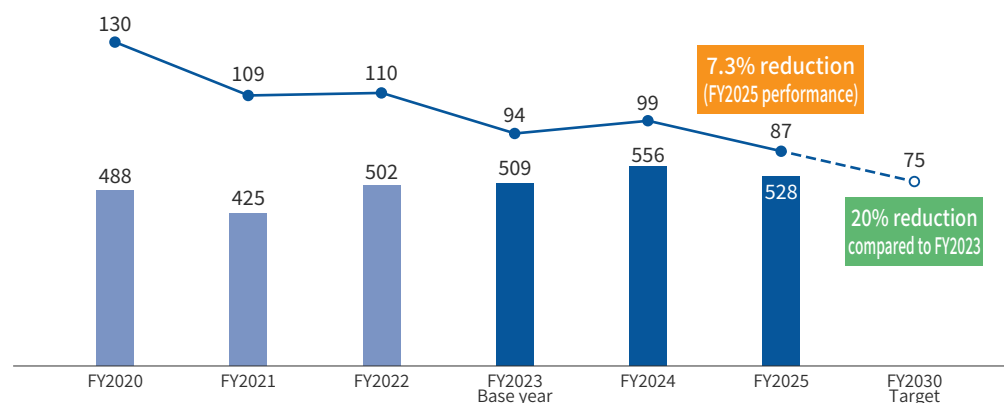
■ Initiatives for Reducing Water Use

Yokogawa is working to reduce the amount of water use by improving our production processes and introducing water-saving systems to our office water supplies.

In fiscal year 2025, the installation of a zero wastewater discharge system at a plant in China (see “Case Study: Recycling of Water Resources and Realization of Zero Water Discharge”) led to a decrease in absolute water withdrawal volume. Water withdrawal intensity per unit of sales improved from the previous fiscal year, partly due to an increase in sales. We will strive to achieve a 20% reduction in water withdrawal intensity from fiscal year 2023 levels by fiscal year 2030.

▶ Water withdrawals

■ Water withdrawal volume (1,000m³) ● Intensity per sales (m³/consolidated net sales, 100 million yen)



■ Risk Response and Water Management

In fiscal year 2025, we carried out an assessment of water risks on a global basis. In addition to performing analysis using “Aq-ueduct*,” a comprehensive water risk assessment tool, we used the “Aqueduct Floods” tool and hazard maps of each region to assess the flooding risk of bases’ locations and the water risks of the regions. We also conducted a comprehensive assessment using water use data such as water withdrawal volumes at each base.

The assessment found no water scarcity or flooding risks that could have a significant impact on operations at this time. Going forward, we will continuously assess water risks conditions, monitor the status of water use, and work to strengthen management related to water resources.

In addition, with the aim of preventing water pollution caused by water discharge, we conduct legal compliance audits on a global basis to confirm the status of compliance with related laws and regulations, including laws and regulations related to water discharge.

*Aqueduct, Aqueduct Floods: Global water-risk assessment tools developed and operated by the World Resources Institute

Indicator	Water withdrawal amount at Yokogawa sites (Intensity per sales, base year FY2023)
Target	20% reduction (FY2030 target)
Performance	7.3% reduction (FY2025)



Case Study Recycling of Water Resources and Realization of Zero Water Discharge

Yokogawa Electric China Co., Ltd. installed a zero wastewater discharge treatment system in its surface treatment process with the aim of resolving water discharge issues in production and shifting to sustainable production activities through the recycling of water resources.

Based on the concept of overall optimization through a process of source reduction, process management, and final reuse, this system establishes a closed-loop water circulation system that collects, purifies, and reuses wastewater generated from production processes within the facility. First, production wastewater is placed into a pre-treatment system, where it undergoes primary treatment to remove suspended solids and impurities by sedimentation and filtration. Next, the water undergoes advanced (secondary) treatment using reverse osmosis membranes (RO). Water that meets the required standards after this step is reused in the production process. Meanwhile, the concentrate generated during the membrane treatment is sent to an evaporative crystallization system, where it undergoes solid-liquid separation. The separated water is recovered and reused, while the solids are collected and centrally treated. This process primarily employs physical methods to minimize the use of chemicals while achieving total recycling of wastewater (100% reuse).

Furthermore, in addition to preventing the external discharge of pollutants such as nitrogen and phosphorus, it also contributes to lowering wastewater discharge-related costs by reducing water consumption by 600 cubic meters per year and achieving zero water discharge.

The system also complies with the requirements of the Regulations on the Prevention and Control of Water Pollution in Taihu Lake Basin of Jiangsu Province and has been highly commended by local governments and environmental authorities as an outstanding example of environmental compliance and green development.



Zero water discharge treatment system

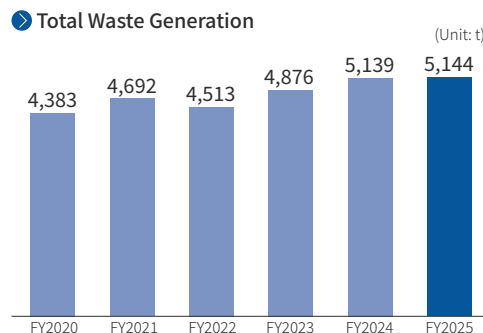


Environmental Initiatives at Business Facilities

Effective Use of Resources

Yokogawa is working to make effective use of resources by reducing, reusing, and recycling resources at our factories and offices, for example, in product packaging.

As a result, the total volume of waste generated by the Group as a whole in fiscal year 2025 was largely unchanged from the previous fiscal year, despite factors that could have increased waste generation due to business expansion. We will continue to promote thorough waste separation and recycling measures.



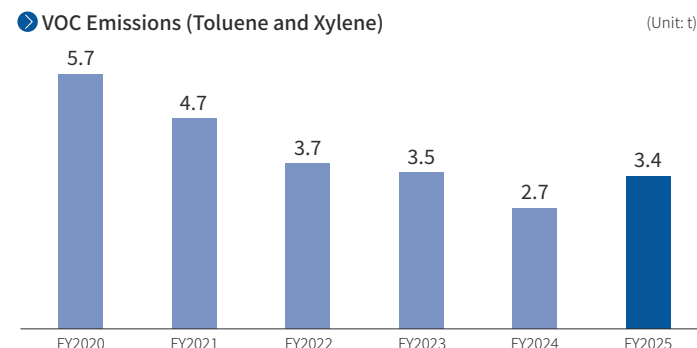
Initiatives for Chemical Substance Reduction

Yokogawa is committed to the strict management of chemical substances that may adversely affect the global environment or human health. Through the development and implementation of alternative technologies, Yokogawa strives to reduce both the consumption and disposal of chemical substances. In alignment with the RoHS Directive and REACH Regulation, Yokogawa continues to strengthen the efforts to reduce the presence of regulated substances in the products and ensure proper management throughout the supply chain.

We are also working on safety measures for our employees. Only employees who possess the required specialist qualifications are allowed to handle chemical substances. We also provide personal protective equipment, conduct employee training, and carry out drills based on the assumption of chemical spills and leaks.

Volatile Organic Compounds (VOCs)

In the management of VOC, Yokogawa is working to reduce their emissions by monitoring toluene and xylene emitted from the painting and other manufacturing processes.



PRTR Substances

The amount of substances reported under PRTR*1 requirements (1,000 kg/year or more handled) is shown in the table below.

*1 PRTR: Pollutant Release and Transfer Register. The PRTR was established to enable society as a whole to manage chemical substances through the disclosure of toxic chemical emissions data and other information.

➤ PRTR Data (Fiscal year 2025)

Factory	Substance	Amount used (kg)	Amount emitted (kg)				Amount transported (kg)	
			Air	Public water bodies	Soil	Landfilled	Sewage system	External site
Yokogawa Manufacturing Co. Komagane Factory	Xylene	1,090	340	0	0	0	0	750
	Heptane	1,683	1,381	0	0	0	0	0
Yokogawa Manufacturing Co. Kofu Factory	Butyl Cellosolve*2	1,994	1,795	0	0	0	0	199

*2 Butyl Cellosolve: another name of ethylene glycol monobutyl ether

Case Study Enhancement of Resource Recycling Through Precise Waste Separation

At the Kofu Factory of Yokogawa Manufacturing Corporation, waste generated within the plant is appropriately separated for each workplace. In cooperation with outsourcing partners, the waste is further dismantled and sorted into finer categories, enabling highly precise recycling. Plastic and cardboard boxes that are no longer needed are collected on-site and carefully separated by material.

Collected items are classified into metals, plastics, cables, printed wiring board (PWB), and other materials. Metals are carefully sorted by material, such as stainless steel and aluminum. In addition to this sorting, gold-plated parts mounted on PWBs are removed and recycled by subcontractors as valuable resources. Many of these separation and dismantling processes are carried out manually, requiring the contents of a wide variety of waste materials to be checked and handled individually. A high degree of specialization and meticulousness is required for both on-site waste separation and advanced waste treatment by subcontractors, which leads to improved separation precision and the maximization of resource value.

In addition, the thorough implementation of detailed processes, including the use of magnets to check for foreign matter and the removal of labels attached to metal, has further improved the precision of sorting. Through these efforts, we are continuously working to improve the reuse of resources and reduce waste.



Gold-plated parts separated from PWBs



Checking for foreign matter using magnets



Environmental Practices and Data Disclosure

■ Data of Environmental Practices

■ Overview of Environmental Impact

Yokogawa monitors the inputs of energy and raw materials, and the outputs of emissions to air and water as well as waste generated, across its business activities, including manufacturing, sales, and services. These inputs and outputs are presented in an annual eco-balance. By analyzing this eco-balance, we promote the effective use of resources, improve energy efficiency, and increase the rate of resource recycling.

➤ Eco-Balance (Annual Input and Output)

		Environmental Impacts		FY2025
INPUT	 Energy	Total Energy		805TJ
		Electricity	Purchased electricity	119,525MWh
			Self-generated (Solar)	2,307MWh
		Petroleum	Light oil	377kL
			Gasoline	2,057kL
			Kerosene	4kL
		Gas	Natural gas	2,190kNm³
			LPG	378t
	Heat		423GJ	
	 Water	Utility water		355,841m³
		Groundwater		172,594m³
	 Substances	Paper		143t
		Butyl Cellosolve		2.0t
Heptane		1.7t		
Xylene		5.0t		
Toluene		1.0t		

		Environmental Impacts		FY2025
 Air	Greenhouse gases (GHGs)		31,609t-CO₂e	
	NOx		4.1t	
	SOx		0.2t	
	Volatile Organic Compounds (VOCs)	Xylene	2.6t	
		Toluene	0.8t	
 Water bodies	Industrial wastewater		60,695m³	
	General wastewater		467,740m³	
 Waste	Non-hazardous	Recycled	3,516t	
		Incinerated	307t	
		Landfilled	567t	
	Hazardous	Recycled	675t	
		Incinerated	54t	
		Landfilled	25t	

Scope of data compilation: the Yokogawa Group

■ Compliance and Awareness Activities

■ Compliance

In fiscal year 2025, Yokogawa continued its efforts to ensure full compliance with environmental laws, regulations, agreements, and other requirements. As a result, Yokogawa committed no major violations and faced no fines or other penalties resulting from such violations.

In recent years, environment-related regulations have expanded to also cover packaging materials. As a company that conducts business in various countries and regions, including the EU and India, the Yokogawa Group identifies the requirements of packaging-related regulations in each jurisdiction and takes appropriate measures to ensure compliance.

■ Conserving Water and Soil

Yokogawa has been conducting soil and water surveys at former plant sites in accordance with its proprietary control standards since before the Japan Soil Contamination Countermeasures Act came into effect.

■ Awareness Programs

To raise employee awareness of environmental conservation, awareness programs such as e-learning courses and seminars on quality, occupational health and safety, and environment are periodically provided to all employees of the Yokogawa Group.

■ Environment-related Financial Data Disclosures

■ Information Disclosure Based on TCFD Recommendations

In February 2019, Yokogawa expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board (FSB) to promote the disclosure of climate-related financial information. Yokogawa makes disclosures based on the TCFD framework.



For more details on TCFD Disclosures, see our website.

■ Information Disclosure Based on TNFD Recommendations

Yokogawa has registered as a TNFD Adopter, declaring the commitment to disclosures aligned with the TNFD^{*1} framework. We are conducting analysis and evaluation using the TNFD's LEAP^{*2} approach.

^{*1} TNFD: Taskforce on Nature-related Financial Disclosures

^{*2} LEAP is a comprehensive method recommended by the TNFD for identifying, evaluating, and managing dependence, impact, risks, and opportunities relating to a business' s natural capital. It consists of four phases of Locate, Evaluate, Assess and Prepare, and supports disclosure in line with the TNFD' s disclosure recommendations.



For more details on TNFD Disclosures, see our website.

Chapter 6 Governance

- P.54 Sustainability Governance
- P.57 Risk Management
- P.59 Code of Conduct and Compliance
- P.63 AI Governance
- P.64 Supply Chain Management
- P.68 Information Security
- P.71 Privacy and Data Protection
- P.72 Quality Assurance

Related Materiality

Risks

- Supply chain
- IT security
- Corporate culture
- Reliable AI
- Compliance
- Safety and security

 For Materiality Analysis, see P.13.





Sustainability Governance

Yokogawa regards sustainability as one of our key management issues and is continuously working on the improvement of governance. Moreover, with the goals of achieving sustainable growth and earning the trust of every stakeholder through continuing contributions to society and the environment in accordance with the GS2028 medium-term business plan, we monitor sustainability indicators and Material Risks. Our governance structure adopted the system of a company with a Nomination Committee, etc.

■ Corporate Governance

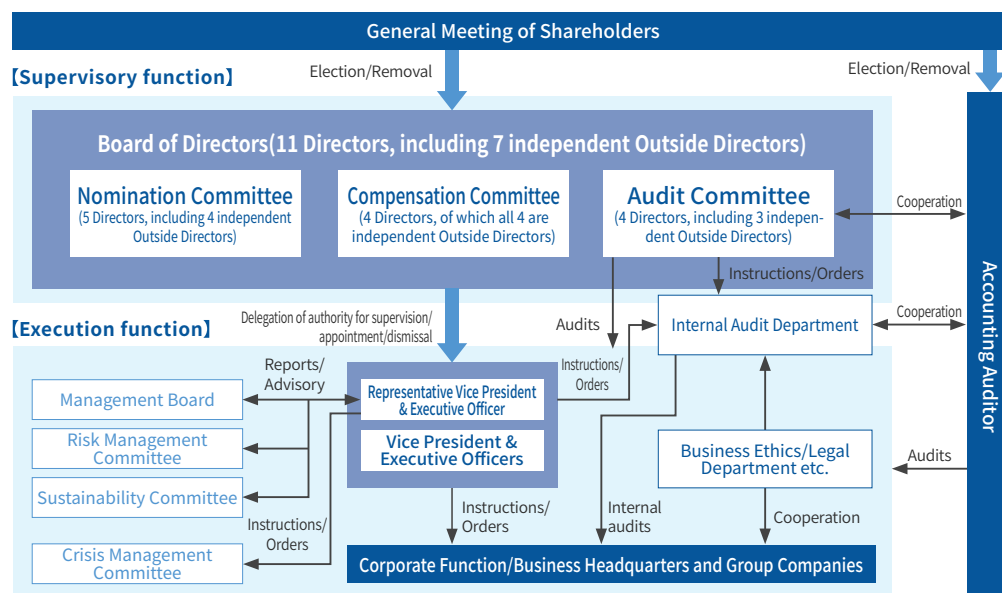
■ Basic Views on Corporate Governance

Yokogawa is striving to achieve sustainable growth and to increase medium- to long-term corporate value under the Yokogawa's Purpose and Corporate Philosophy as the basic policy for sustainability initiatives. To maximize its corporate value, the Group has formulated the Yokogawa Corporate Governance Guidelines which serve as a basic policy for continuously working on corporate governance and discloses them on its website. Yokogawa respects the principles of the Corporate Governance Code established by the Tokyo Stock Exchange and develops and operates its governance system in accordance with those principles.



▶ For the Yokogawa Corporate Governance Guidelines, see our website.

▶ Corporate Governance Structure (as of June 2026)

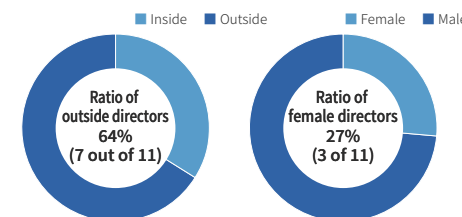


■ Board of Directors

Composition of the Board of Directors

In accordance with the Articles of Incorporation, the number of directors shall be limited to no more than 15 with the majority being Independent Outside Directors. Directors who concurrently serve as Vice President & Executive Officers are limited to a minimum number. Furthermore, to ensure management practices backed by shareholder trust, director's term of office shall be one year.

We organize the Board of Directors with the overall balance of their knowledge, experience, and competences that are required to effectively fulfill the roles and responsibilities, keeping a balance between diversity including gender, internationality, careers inside and outside the Company, and age, and an appropriate constituent number.



▶ For the expertise and experience of the directors (skills matrix), see 2026 Yokogawa Report P.54.

The Roles and Responsibilities of the Board of Directors

The Board of Directors is entrusted by shareholders to seek sustainable growth and increase the corporate value of the Group over the medium to long term. To achieve these goals, the Board of Directors positions sustainability initiatives as a key management issue, indicates the major direction of corporate strategies, while aiming to improve profitability and capital efficiency. In order to accelerate management decisions and business execution, decision-making on business execution is largely delegated to Vice President & Executive Officers. Vice President & Executive Officers oversee the execution of duties, establish the basic policies for the internal control system in business execution, and monitor and supervise the construction and operation of this system.

An independent outside director shall, in principle, act as the Chairperson of the Board of Directors in order to separate the execution and supervision of business, and the Chairperson of the Board of Directors shall strive to set the agenda and conduct the meetings of the Board of Directors in such a way that fosters free and open discussions and constructive debates based on individual knowledge and experience.

Nomination Committee

The Nomination Committee establishes the criteria and procedures for the selection, reappointment, and dismissal of Directors and Vice President & Executive Officers, ensuring that the desired qualifications (such as talents and achievements) and the selection process are optimal from the perspective of all stakeholders for the continuous development and corporate governance of the Group. Based on the criteria and procedures, the committee deliberates and decides on proposals for the appointment and dismissal of Directors to be submitted to the General Meeting of Shareholders.



Sustainability Governance

Compensation Committee

The Compensation Committee deliberates and decides on the remuneration system and compensation for Directors and Vice President & Executive Officers based on the prescribed criteria and procedures, ensuring that it encourages appropriate challenges for the development of the Group, attracts and retains talented individuals, and is appropriate from the perspective of all stakeholders.

Audit Committee

The Audit Committee is responsible for statutory duties such as auditing the execution of duties by Directors and Vice President & Executive Officers, preparing audit reports, and deciding on proposals for the appointment and dismissal of accounting auditors. From the perspective of Directors, it primarily conducts high-value-added audits and validity audits.

Composition of Officers' Compensation

Directors shall be paid a fixed remuneration of basic compensation. This is because variable compensation such as performance-linked compensation is not appropriate for Directors who maintain position independent from the performance of duties, and as such only fixed compensation is paid, identically for non-executive Directors. However, Vice President & Executive Officers who also serve as Directors shall be paid as Vice President & Executive Officers.

Vice President & Executive Officers' compensation is composed of (a) basic compensation, which is fixed compensation, and (b) performance-linked compensation ((b)-1 annual incentive and (b)-2 medium- to long-term incentive).

The levels of compensation for executives 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	(a)Basic compensation	Performance-linked compensation ((b)-2 including non-monetary compensation)	
		(b)-1 Annual Incentive	(b)-2 Mid- to Long-Term Incentive
Director	○	—	—
Director Concurrent Vice President & Executive Officer	○	○	○
Vice President & Executive Officer	○	○	○

a. Basic compensation

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

b. Performance-linked compensation

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

The concept of performance-linked compensation is as follows.

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

(b)-1 Annual Incentive

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

Based on the idea that the performance objectives that lead to an evaluation of the entire Company's results for a single fiscal year for the annual incentive are significant indicators for the Group to measure sustained growth, the performance objectives are composed of "consolidated sales" and "consolidated return on sales (ROS)." Furthermore, for Representative Executive Officers, "ESG-related external evaluations" and "engagement survey scores" shall be reflected in their evaluations.

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

Basic compensation 1	Annual Incentives 0.5(0~1)
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(b)-2 Medium- to Long-Term Incentives

The Performance Share Unit Plan (the "PSU Plan"), a performance-based stock compensation plan, will be applied to medium- to long-term incentives of performance-based compensation. The PSU Plan provides Company shares and money in accordance with the level of achievement of the Company's performance indicators and sustainability indicators for a period determined by the Compensation Committee.

The performance indicators in medium- to long-term incentives are based on links with the medium-term business plan, and based on the belief that they are important indicators in terms of enhancing corporate value and shareholder value, the indicators consist of return on invested capital (consolidated financial ROIC) and net income per share (EPS) growth rate.

Sustainability indicators consist of environmental indicators consisting of greenhouse gas emissions (Scope 1 and 2) and energy consumption (intensity per sales), as well as engagement survey scores.

During the period determined by the Compensation Committee, based on the performance targets and other requirements set by the Compensation Committee in advance, the number of shares obtained by dividing the standard amount of stock-based compensation set by the Compensation Committee for each position of Vice President & Executive Officers to be paid by the average closing price of the Company's shares for the month immediately preceding the applicable period shall be allotted, and at the end of the applicable period, the number of shares to be individually compensated through medium- to long-term incentives for each Vice President & Executive Officer to be paid shall be determined by multiplying the number of shares by a coefficient set in advance by the Compensation Committee in accordance with the conditions for achieving the performance targets (the "Payment Rate"), and the amount equivalent to 60% of the number of shares to be paid shall be the Company's shares, and the amount equivalent to 40% shall be the money calculated by using the closing price of the Company's shares in the ordinary trading on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the day of resolution of the Board of Directors. The Payment Rate is designed to vary from 0% to 200% depending on the degree of achievement of performance targets.

In the event of material accounting fraud or a large loss, or if an officer causes damage to the Company through gross negligence or intentional misconduct, the provisions stipulate that the Company may suspend payment of any unpaid compensation and seek the reimbursement of all or a portion of the basic compensation, annual incentive compensation, and medium- to long-term incentive compensation paid during the officer's term of office.

※ 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 to 0.375 for the representative executive officer, the overall average shall be approximately 1 to 0.5 to 0.25. This ratio may vary from 1:0 to 1:1:0.5, depending on the degree of achievement of the performance objectives for each of the annual incentives and the medium- to long-term incentives. However, the ratio for medium- to long-term incentives varies depending on the stock price.

Basic compensation 1	Annual Incentives 0.5(0~1)	Medium- to Long-Term Incentives 0.25(0~0.5)
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Sustainability Governance

■ Sustainability Management

Yokogawa conducts sustainability management as part of its overall management cycle, which includes the medium-term business plan, risk management, and internal control systems. From the dual perspectives of contributing to society and the environment while at the same time enhancing corporate value, Yokogawa identifies key sustainability issues and clarifies the indicators, targets, and the story of contribution and growth to conduct sustainability management, with the Board of Directors monitoring and supervising the process. Non-financial items, along with reports on important matters and the implementation of each management task, are presented to the Board of Directors, and the status of sustainability activities is also regularly reported. The Board of Directors monitors and supervises sustainability initiatives based on factors such as changes in social conditions, progress in sustainability indicators, feedback from external stakeholders including ESG evaluation organizations, and risk assessment results, incorporating independent perspectives from outside the Company. Through a clear division of roles between supervision and execution, Yokogawa streamlines decision-making processes, clarifies responsibilities for management decisions and the achievement of business plans, and strengthens and streamlines the audit function, thereby optimizing sustainability management.

Main Sustainability-Related Agenda Items of the Board of Directors (for Fiscal Year 2025)

- Business strategy based on the GS2028 medium-term business plan (Contribution to sustainability and business growth)
- Report of the Sustainability Committee (Materiality review, progress of medium - to long-term targets, response to climate change, etc.)
- Yokogawa Group's Material Risks
- Status of efforts to respect human rights and statement regarding the UK Modern Slavery Act

➤ Sustainability Management Cycle (as of September 2026)



■ Sustainability Committee

Since fiscal year 2022, Yokogawa has operated the Sustainability Committee with the aim of identifying priority issues from both corporate and social value perspectives, and formulating strategies to address sustainability issues and set the medium- to long- term direction of management. The Sustainability Committee serves as an advisory body to the President & CEO, Representative Executive Officer, with the President acting as chairperson and Vice President & Executive Officers and Corporate Officers as members, providing a forum for intensive discussions on sustainability-related topics from a management perspective. The contents discussed in the Sustainability Committee are reported to the Board of Directors.

In fiscal year 2025, the Sustainability Committee met twice, and lively discussions were held on various themes, including "Stories of growing our businesses and contributing to society", strategies for reducing Scope 1, 2, and 3 emissions, and non-financial information disclosure. In addition, we deepened discussions on the social issues faced by customers in each region and shared examples of how DX and AI can enhance and optimize processes, as well as cases contributing to energy conservation and safety.

In July 2026, the Sustainability Committee held a meeting in which members engaged in group discussions on Yokogawa's materiality. We discussed the importance of environmental and social issues from the perspective of business opportunities and risks, and received a wide range of opinions. The outcomes of the group discussions have been reflected in the results of the materiality review.

Structure of the Sustainability Committee



Main agenda of the Sustainability Committee (Fiscal Year 2025)

Themes	Agenda
Six contribution areas and sustainability indicators	<ul style="list-style-type: none"> •Review of materiality •“Stories of growing our businesses and contributing to society” •Sustainability opportunities and initiatives in local communities •Progress review of GS2028 sustainability indicators •Revision of sustainability transition sales indicators
Product sustainability	<ul style="list-style-type: none"> •Product sustainability initiatives based on Trusted Green •Establishment of Product Stewardship Committee
ESG management (response to climate change, respect for human rights, etc.)	<ul style="list-style-type: none"> •Strategies for reducing Scope 1, 2, and 3 emissions •Implementation of Internal Carbon Pricing •Initiatives of human rights due diligence •Analysis of external ESG evaluation result and response to issues
Data collection and information disclosure	<ul style="list-style-type: none"> •Policies of the Yokogawa Sustainability Report •System for collecting sustainability data



Risk Management

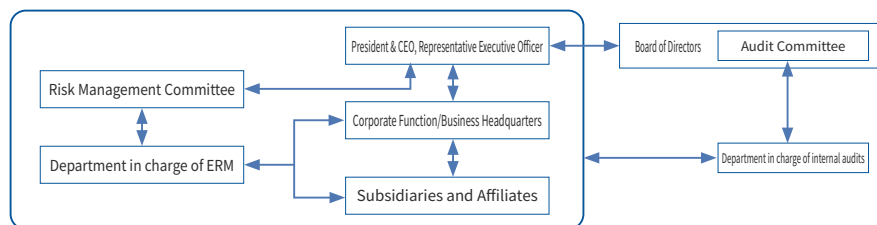
Yokogawa has in place within its organizational units a risk management system to control uncertainty affecting its corporate value, an internal control system to ensure the appropriateness of the businesses and a crisis management system to respond promptly to any event that could seriously impact its corporate management.

■ Risk Management System

Yokogawa has established an Enterprise Risk Management (ERM) system in accordance with ISO 31000. We have established the Risk Management Committee as a body that deliberates on risks in business execution and their management from a broad perspective. As an advisory body to the President & CEO, Representative Executive Officer, the Committee, chaired by the President and composed of Vice President & Executive Officers, deliberates on the identification of risks that could have a significant impact on the Group, the formulation of risk countermeasure plans, and the review of risk countermeasures, thereby supporting management judgment and decision-making related to risk management. The matters discussed and resolved by the Risk Management Committee are reported to and reviewed by the Board of Directors. Advice from the Board of Directors on countermeasures and related actions concerning inherent risks and risks requiring close attention in the execution of business operations is utilized to formulate our risk countermeasures and enhance risk management activities and related initiatives.

In addition, corporate functions, business headquarters, and subsidiaries and affiliates, which are responsible for implementing risk management, strive to manage risks autonomously. For these implementing entities, the departments responsible for risk management (the Department in charge of ERM and the Risk Management Committee Secretariat) promote and support various activities, with a focus on risks that could have a significant impact. The department in charge of internal audits annually evaluates the effectiveness of the risk management system and risk management process, and reports important findings to the Audit Committee and the Board of Directors.

► Enterprise Risk Management System



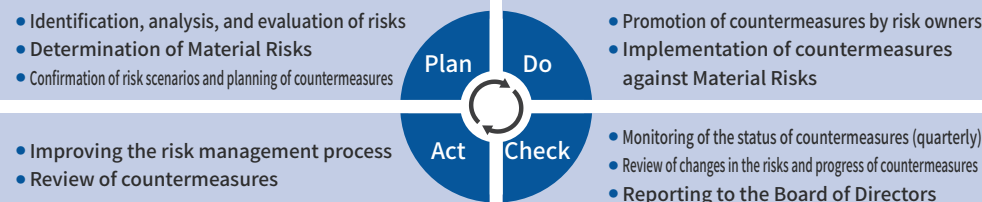
■ Promoting Risk Management

Each year, Yokogawa conducts a risk assessment on a global basis, including the identification, analysis, and evaluation of risks surrounding our business. The risks subject to assessment are defined as uncertainties that may affect the corporate value of the Group. We evaluate risks not only in terms of their potential negative impacts but also their positive impacts, and classify them into 60 key risk categories to ensure comprehensive coverage. The risks identified are analyzed from the perspective of their impact and likelihood of occurrence. In addition to financial and human aspects, impacts on external stakeholders such as social and environmental aspects are also considered in the analysis of impact. Based on business strategy, management challenges, changes in the external environment, and the adequacy of existing countermeasures, the Risk Management Committee selects the risks that management should

prioritize (Material Risks), and the selected risks are reported to the Board of Directors.

Responsible business units (risk owners) are assigned to each Material Risk, and countermeasures are proactively implemented in accordance with their respective plans. The progress of countermeasures and other relevant matters are monitored using methods appropriate to each category of Material Risk. Based on the monitoring outcomes, the Risk Management Committee reviews changes in risks and countermeasures and reports the results to the Board of Directors. The outcomes of these reviews and advice from the Board are reflected in the selection of Material Risks, as well as in reviews of the risk management process and countermeasures. Through ongoing improvements, we operate a PDCA management cycle aimed at achieving more effective risk management.

► PDCA cycle for Material Risks



■ Risks Surrounding Yokogawa

Representative examples of risks we have recognized are listed below. As these risks may affect our overall business activities, performance, and financial condition, we have established a risk management system and processes to mitigate or avoid such risks.



For the details on risks affecting Yokogawa, see 2026 Yokogawa Report P.69

External Environment

Factors related to:

- Social conditions
- Political aspects such as regulations and tax systems
- Economic aspects such as economic climate and inflation
- Social aspects such as riots and strikes
- Geopolitical aspects such as war and sanctions
- Changes in financial markets

Uncertainties in the external environment that may present opportunities or threats

Strategy

Factors related to:

- Changes in market and competitive environment
- Strategic investments
- Research and development
- Human capital acquisition and development and human rights initiatives
- Devaluation of owned assets

Uncertainties that may present strengths or weaknesses in business operations in strategic context

Operations

Factors related to:

- Compliance
- Quality
- Procurement and supply
- Project management
- Intellectual property rights
- Information security
- Natural disasters
- Nature and biodiversity

Uncertainties that may result from disruptions or misconduct in operational contexts due to ineffective internal controls



Risk Management

■ Internal Control

Yokogawa has established and is operating an internal control system to promote management efficiency while ensuring the appropriateness of business operations, and to achieve sustainable growth and increase medium- and long-term corporate value through its continuous improvement and enhancement.

The Group Management Standards (GMS) have been established as the fundamental policies and rules applied across the Yokogawa Group. By clarifying the roles and responsibilities of each business process and promoting business processes based on the GMS, we seek to achieve an internal control system. Internal control responsibilities are assigned to each organization, and the GMS are maintained and operated accordingly. Each GMS owner, who is responsible for the management and operation of their respective GMS, works to ensure (i.e., maintain and improve) the effectiveness and efficiency of business processes in line with the annual plan set at the beginning of each fiscal year.

The Board of Directors supervises the execution of duties by Vice President & Executive Officers, establishes the basic policy for the internal control system in business execution, and monitors and supervises its establishment and operation. The department in charge of internal audits conducts an audit of the effectiveness of the internal control system and reports important matters to the Board of Directors and the Audit Committee.

■ Escalation of Information and Crisis Management System

Yokogawa has prescribed basic considerations regarding crisis management system in the event of a disaster, accident, or incident that could seriously impact Yokogawa's management or endanger the lives of our employees, to ensure personnel safety and minimize economic damage, while at the same time fulfilling its corporate responsibility, through appropriate decision-making based on speedy information gathering. We have established the Crisis Management Committee, chaired by the President & CEO, Representative Executive Officer, which will respond to crises when they arise. We have also established the Yokogawa Group Guideline for Reporting Serious Disasters, Accidents, and Incidents, thereby thoroughly disseminate to all Group employees details such as the information to be reported, reporting routes and processes to enhance the escalation of information.

■ Business Continuity Management (BCM)

Yokogawa and its group companies have coordinated to formulate a Business Continuity Plan (BCP) and action guidelines that envisage risks that would severely impact the Group's business. The goal of the BCP is to enable Yokogawa to continue and restore operations of businesses, prioritizing products and services of a highly public nature related to social infrastructure, and contribute to the swift restoration of power, gas, water supply and sanitation, and other elements of social infrastructure in the event of natural disasters such as earthquakes, storms, and floods and man-made disasters such as accidents.

To enhance the effectiveness and workability of our BCP, BCP training for the identification of problems is provided by members of the crisis management system, including senior management, to continuously improve the BCP. In recent years, we strive to strengthen our ability to respond to various situations by conducting BCP training using complex disaster scenarios of major earthquakes and huge typhoons, in light of the increasing severity and frequency of windstorms and floods caused by climate change.

We have introduced a system for quickly ascertaining employees' safety, and provide regular training to enhance proficiency in using the system while also offering education on the basics of disaster prevention and BCP in case of an emergency.

In response to an increase in cyberattacks in recent years, we have formulated guidelines on an initial response to such attacks. We regularly share the latest information on the topic, conduct training sessions for senior management, and implement measures to ensure business continuity.



A cyber training session

■ Protecting Globally Active Employees from Crisis

Recently we have seen an increase in crime, terrorism, and violence occurring all over the world, including international travelers falling victim to crimes. In these circumstances, employees who are transferred to an international post or who travel abroad on business need to do more to prepare and take appropriate safety measures. To protect its employees working all over the world from crises (such as terrorism, riots, and crime), Yokogawa issues alerts. In addition, we hold seminars and provide education to help employees keep themselves safe when they are transferred to an international post or when travelling abroad on business.

■ Training for Protection from Terrorism and Crime

Yokogawa engages outside security experts to conduct instruction and demonstrations on various threats and how to deal with them, and conducts practical training involving the participation of the attendees in order to minimize damage in the event of a terrorist attack, riot or crime.



Overseas safety demonstration training



Code of Conduct and Compliance

Yokogawa's top priority is compliance and it conducts its business activities in compliance with the relevant laws, regulations, and ordinances. We respect social norms and international guidelines, and act with high ethical standards. The Yokogawa Group Code of Conduct sets out the guidelines that its employees should observe in their actions for the realization of Yokogawa's corporate philosophy, while the Yokogawa Group Compliance Guidelines prescribe specific actions that each and every employee should take. In fiscal year 2025, it also incorporates a commitment to minimizing environmental and social impacts throughout the supply chain and product lifecycle, while providing safe, high-quality, and sustainable products and services.

■ The Yokogawa Group Code of Conduct

The Yokogawa Group Code of Conduct sets forth guidelines for all employees of the Yokogawa Group to observe in their actions. The Code of Conduct, a basic policy adopted by the Board of Directors, governs the overall structure of the Group Management Standards (GMS), the highest level regulations of the Group. Chapter 1 describes the Yokogawa Group's basic policies, including the realization of its corporate philosophy, compliance with laws and regulations, respect for human rights, and contributions to the realization of a sustainable society. Chapter 2 specifies the Yokogawa Group's standards of conduct concerning the Group's relationship with stakeholders, workers' rights, and the responsibilities of the management team, among other things.



▶ For the full text of the Yokogawa Group Code of Conduct, see our website.

■ Yokogawa Group Compliance Guidelines

The Yokogawa Group Compliance Guidelines are practical guidelines that provide an easy-to-follow explanation of the Yokogawa Group Code of Conduct and describe specific actions that employees should take. The Guidelines have been prepared to educate employees and set forth the specific rules and standards that all Yokogawa Group employees should observe when they encounter ethical and legal issues in the course of their day-to-day business activities. The Guidelines have been translated into 14 languages, and we have taken multiple approaches tailored for employees with different styles of work to keep them aware of the Guidelines. Informing all Group employees of the content of the Guidelines enables Yokogawa to ensure that its corporate philosophy is embraced and upheld by each and every employee.



Yokogawa Group Compliance Guidelines

■ Supporting International Guidelines

United Nations Global Compact

The Yokogawa Group Code of Conduct sets out six basic Group policies: the realization of the Yokogawa Philosophy, compliance with laws and regulations and cooperation with society, respect for human rights, fair business practices, contribution to society and the environment, and trust based relationships with stakeholders. Yokogawa is committed to fulfilling its fundamental corporate responsibilities, including contributing to society through its business activities and ensuring compliance. In 2009, Yokogawa approved and signed the Global Compact, an international initiative proposed by the United Nations and has been endorsing and putting into practice its ten universal principles in the areas of human rights, labour, the environment, and the prevention of corruption. We share these principles with our Group companies and business partners around the world. In addition, we are working with our stakeholders to uphold the ten principles through efforts such as participation in Global Compact Network Japan, a local network in Japan. The Global Compact was first proposed by former Secretary-General of the UN Kofi Annan at the World Economic Forum in 1999 and was officially adopted in 2000. Participating companies are expected to practice and uphold international standards for human rights, labour, the environment, and the prevention of corruption.

ISO 26000

The ISO 26000 standard published by the International Standardization Organization in November 2010 is an international standard relating to the social responsibilities of organizations that presents seven core subjects including organizational governance, human rights, labour practices, environmental responsibility, and fair operating practices. Yokogawa is a company active in the global marketplace, and it adheres to the ISO 26000 standard and regards corporate governance as a foundation for corporate management. As such, we are committed to the implementation of socially responsible activities to meet our stakeholders' expectations, including contributing to communities through our business operations, environmental conservation, and respecting human rights.

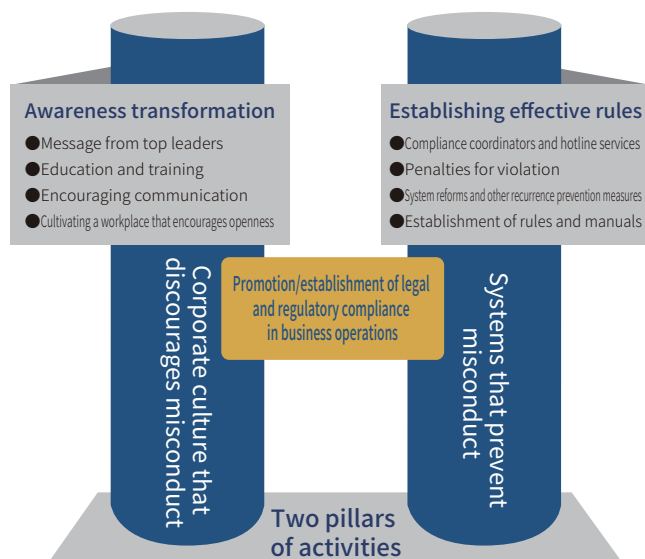


Code of Conduct and Compliance

■ Compliance Promotion Structure

To prevent wrongdoing and scandal, Yokogawa promotes sound and transparent business activities with a corporate culture that discourages misconduct and systems that prevent misconduct as two pillars of our compliance activities. The Yokogawa Group aggressively promotes management practices built upon a foundation of compliance through the establishment of a business ethics department that is responsible for developing a compliance promotion structure and identifying and addressing issues pertaining to it. We have established a workplace-based compliance promotion structure in our global offices. The business ethics department and the departments or persons responsible for compliance at each Group company cooperate to pursue compliance initiatives to raise and establish employee compliance awareness.

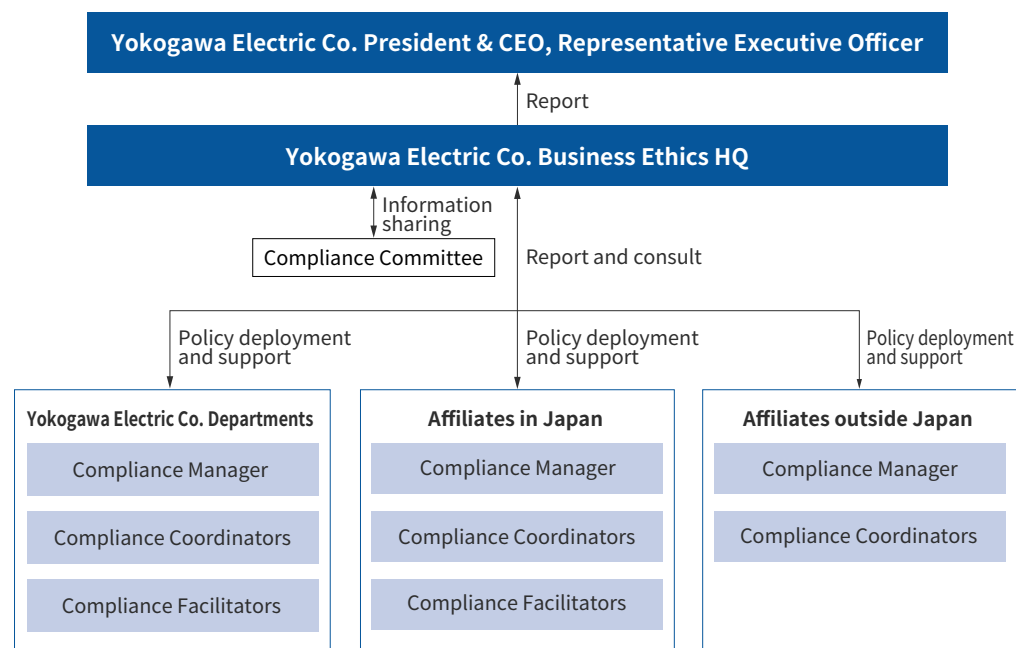
➤ Basic approach to thorough compliance



➤ PDCA Cycle for Promoting Compliance



➤ Compliance Promotion Structure





Code of Conduct and Compliance

■ Anti-corruption Initiatives

Yokogawa is working to prevent all forms of corruption, including the abuse of power for personal gain, coercion and bribery, by prescribing within the Yokogawa Group Code of Conduct appropriate relationships with business partners, politicians, and government officials and prohibiting conflicts of interest. Specifically, we develop and implement rules such as the Yokogawa Group Compliance Guidelines and Yokogawa Group Anti-bribery and Anti-corruption Code and conduct education and awareness programs as part of our compliance initiatives to spread and entrench anti-corruption awareness.

■ Anti-bribery Initiatives

Yokogawa observes the bribery prevention laws and regulations of all of the countries where its Group companies conduct business activities to prevent bribery involving domestic and foreign public officials and private citizens. In addition, Yokogawa assesses bribery risks and works to prevent bribery while ensuring that such risks are appropriately managed by each Group company. Further, we have communicated the Anti-bribery and Anti-corruption Code to all employees to ensure fair and proper business activities. In addition, based on the Yokogawa Group Sustainable Procurement Guidelines, we work together with our suppliers to promote the prevention of bribery. No bribery-related violations or penalties were reported in fiscal year 2025.

■ Measures to Prevent Anti-competitive Practices

Yokogawa considers that the observance of competition law is essential for ensuring the proper management of the Group and has set out its basic policy of fair, transparent, and free competition with competitors in the Yokogawa Group Code of Conduct.

To further ensure compliance with competition law, we prescribe specific rules in the Yokogawa Group Compliance Guidelines and the Competition Compliance Code and provide in-house training about the competition law to increase employee awareness. No legal measures were taken against Yokogawa due to any anticompetitive acts, anti-trust law violations or monopolistic practices in fiscal year 2025.

■ Measures to Counter Anti-social Forces

The entire Yokogawa Group is taking steps to eliminate antisocial forces and describes in the Yokogawa Group Compliance Guidelines its responses to anti-social forces that threaten social order and safety.

In compliance with the Tokyo Metropolitan Ordinance for Eliminating the Organized Crime Groups, we are engaged in initiatives such as including clauses concerning the elimination of anti-social forces in business contracts and other agreements and signing a memorandum on the elimination of anti-social forces with business partners, contractors, and customers.

■ Tax Policy

In light of the globalization of its business operations, Yokogawa believes it can fulfill its corporate social responsibilities and help realize a sustainable economy by properly meeting its tax obligations in the countries and regions where Yokogawa conducts business activities. Yokogawa takes the following actions in its tax accounting practices to ensure appropriate tax risk management.

- Placing the highest priority on complying with the spirit as well as the letter of the tax laws and regulations of each country, and appropriately paying taxes without applying preferential tax treatment by interpreting beyond its legislative intent.
- Implementing appropriate tax-related accounting processes and other related measures.
- Establishing a tax governance structure and striving to raise tax compliance awareness.
- Responsibly performing tax duties in compliance with international tax standards such as the OECD Transfer Pricing Guidelines and BEPS (Base Erosion and Profit Shifting) Action Plan.
- Conducting transactions with non-Japanese affiliates on an arm's length basis by properly allocating profit for their contributions in accordance with the roles and risk analysis of respective affiliates.
- Neither intentionally avoiding taxes by the act without commercial substance nor resorting to any abusive tax planning by utilizing low-tax jurisdictions.
- Not utilizing any tax haven for tax avoidance purposes. Appropriately filing and paying taxes in case becoming subject to the CFC rules by the effective tax rate reduction, legislative changes, etc.
- Optimizing tax costs by such means as avoiding double taxation and utilizing appropriate tax incentives.
- Reducing tax risk by obtaining advice from external professionals in case of uncertainty over the application or interpretation of tax laws and regulations.
- Building, maintaining, and developing sincere, sound, and cooperative relationships with the tax authorities of respective countries.

■ Preventing Insider Trading

To prevent insider trading, we have established the Code of Conduct for the Prevention of Insider Trading in the Group Management Standards (GMS) and have included a section on the prohibition of insider trading in the Yokogawa Group Compliance Guidelines. Further, we have established a group-wide compliance structure and provide education to thoroughly prevent insider trading. The officers or employees of the Group companies who intend to buy and sell Yokogawa Electric Corporation stock must follow the prior approval procedure through the person in charge of insider trading prevention at their company. In addition, the following individuals are subject to a blanket prohibition regarding the buying and selling of Yokogawa Electric Corporation stock from the last day of each quarter to the date of the announcement of the financial results for the quarter.

No insider trading was reported in fiscal year 2025.

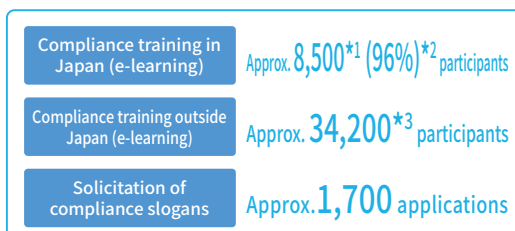
- Officers and managers of Yokogawa Electric Corporation, Yokogawa Solution Service Corporation, Yokogawa Manufacturing Corporation, Yokogawa Test & Measurement Corporation, and Yokogawa Digital Corporation
- People directly involved in the preparation and announcement of quarterly results in Yokogawa Electric Corporation and the Group companies in Japan



Code of Conduct and Compliance

Education and Awareness Activities

Yokogawa offers a broad range of awareness programs such as compliance education and training, with the aim of fostering employees' awareness and understanding of compliance and a corporate culture that promotes fair, transparent, and open business practices with high ethical standards.



*1 Including contract and temporary workers

*2 Training attendance rate

*3 Total number of training participants

Compliance Training and Education

In order to raise and establish employee compliance awareness in the entire Group, in fiscal year 2025, we included content such as “case studies of corporate scandals” and “the prevention of bribery” in the training for employees in Japan. We also conducted role-specific training at the time of on-boarding, promotion to manager, and other opportunities. In addition, training is also conducted at the companies outside Japan based on action plans designed to suit the issues and circumstances of each location.

Compliance Newsletter

We publish a Compliance Newsletter four times a year to communicate information about our corporate culture, recent business scandals, and other timely topics. The Compliance Newsletter helps improve employee compliance awareness through the internal publication of information for the entire Group. In fiscal year 2025, it highlighted topics such as remedies for human rights violations, the status of internal reporting and consultation systems, and the results of the global employee engagement survey.

Compliance Week

The Compliance Week campaign is conducted to ensure that the compliance mindset is embraced and upheld. In fiscal year 2025, we provided learning (e-learning) courses on the “Yokogawa Group Code of Conduct” and “Integrity and Compliance: Building Trust Through Ethical Conduct” for all of the employees of Yokogawa Group companies, solicited compliance slogans, and showcased them.

Compliance Awareness Survey

In fiscal year 2025, we conducted an engagement survey of all Yokogawa Group employees to assess the current situation, enhance employee engagement, and evaluate employee compliance awareness. The score improved compared with the previous survey conducted in fiscal year 2023, confirming that compliance continues to be one of the Yokogawa Group's strengths and that employees maintain a high level of awareness of the Group's ethical standards.

Contact for Whistle-blowing and Consultation

Yokogawa has a contact for whistleblowing and consultation for the early detection and prevention of compliance issues. Employees can blow the whistle or consult on compliance issues anonymously or by telling their name by email, over the telephone, in writing or by any other means in their own language. In order to further increase transparency with regard to whistleblowing and consultation on compliance issues related to the Group management and the management team, a direct contact point for the Audit Committee was established. The Audit Committee is independent of the management team, and the hotline is operated for employees of domestic Group companies and overseas locations (regional head offices).

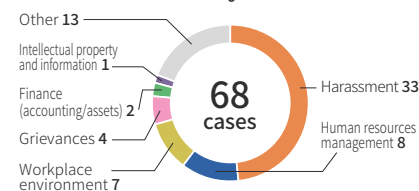
If any issue is reported and is likely to violate the Yokogawa Group Code of Conduct and/or be a compliance issue, then, a person in charge of the investigation appointed under the internal whistle-blowing and consultation rules will investigate and try to resolve the situation in cooperation with the human resources department, the legal affairs department, and the external lawyer in accordance with the rules. We protect the privacy of whistleblowers and do not ever tolerate retaliation or any disadvantageous treatment of them.

We will continue to strive to fully communicate information about the internal whistle-blowing and consultation system and establish an environment that allows whistleblowers to report without anxiety.

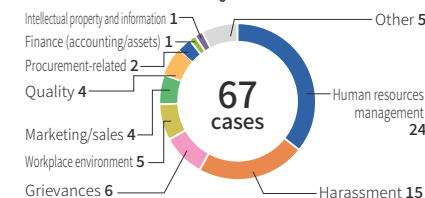
We accept reports from and listen to the problems of our customers, business partners, community members, and all stakeholders about human rights and other aspects of compliance through the “Contact Us” and “Helpline” sections of our website. “Helpline” is available in multiple languages and can be used either with their actual names or anonymously. The helpline is operated in accordance with our rules set to protect the privacy of whistleblowers, secure confidentiality, and prohibit retaliation or any disadvantageous treatment.

No incidents that became issues that would significantly impact management were reported in fiscal year 2025.

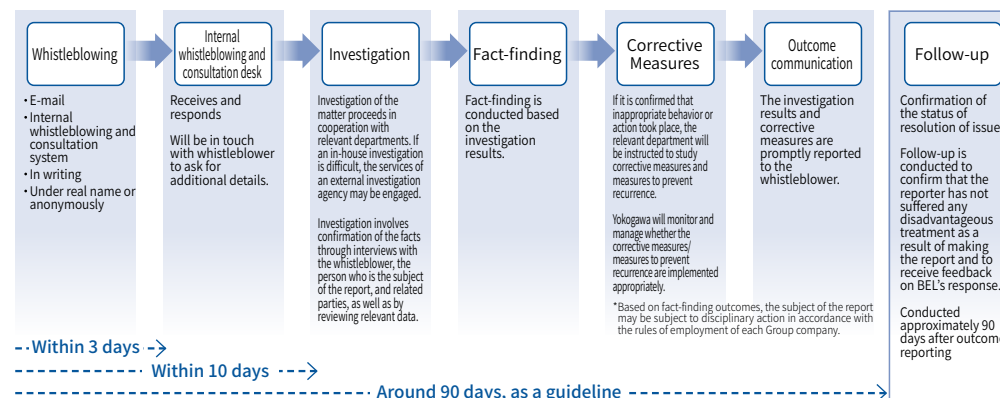
FY2025 Breakdown of whistleblowing and consultations received in Japan



FY2025 Breakdown of whistleblowing and consultations received outside Japan



Flow from the Whistleblowing to Outcome Reporting (Head Office Operations)





AI Governance

In the GS2028 medium-term business plan, Yokogawa has positioned artificial intelligence (AI) as a key technology for realizing IA2IA and Systems of Systems, achieving sustainability, and expanding its business, and is continuously working to enhance AI governance. In April 2025, we formulated our AI Policy that sets out our stance on AI governance, to clarify the purpose of using AI and the value this provides to customers. In addition, on the same day, we enacted the Group AI Governance Code as one of the Group Management Standards (GMS), which define the organizational framework and processes for establishing, continuously improving and strengthening a sound and responsible AI governance structure. Based on these policies, we will systematically promote AI governance initiatives, provide customers with safe, secure and reliable AI solutions, promote the responsible use of AI that earns the trust of society, and contribute to the realization of a sustainable society.

■ Yokogawa's AI Policy

The Yokogawa Group's AI Policy comprises the Preamble, Our Core Competence and the Value That AI Brings, Commitment, and Specific Measures. The Yokogawa Group is using AI to strengthen its "ability to measure and connect," further enhance its core competencies, and advance the provision of services that enable autonomous collaboration with people. However, we recognize that AI presents various risks and social issues, and that Yokogawa should play a proactive role in addressing them. This policy clarifies the value Yokogawa will contribute through the use of AI, and declares what measures will be taken to accomplish this. It has been formulated with the approval of the President & CEO, Representative Executive Officer.



▶ For the full text of the AI Policy, see our website.

■ Fiscal Year 2025 Initiatives

In fiscal year 2025, we promoted comprehensive initiatives centered on establishing the foundations for AI governance, focusing on multiple pillars including organizational structure, human capital, control processes and communication.

■ Establishment of the Yokogawa Group AI Governance Framework

Yokogawa is working to establish a common AI governance framework across the Group. Specifically, we have established a Group-wide AI governance oversight organization as well as AI governance organizations at individual sites and within each region. In addition, we are promoting the appointment of AI Governance Managers in departments that use, develop and provide AI. This framework is designed to achieve both Group-wide consistency and flexible operations tailored to the circumstances of individual sites and organizations. It also strengthens collaboration and connectivity between the operational functions within each organization, region and business unit and the corporate governance functions at the head offices.

■ Establishment of an AI Governance Human Capital Development and Certification Program

To ensure the effective implementation of AI governance, we established an internal certification program for AI Governance Managers. In designing the program, we developed a structured education and certification curriculum covering the fundamentals of AI governance, AI-specific risks and regulatory compliance, and are fostering human capital with specialized AI knowledge and governance capabilities.

In addition, to support the operation of the program, we are developing mechanisms that include approaches to certification, renewal and revocation, educational content, and the roles and responsibilities of relevant stakeholders, while also issuing function-specific guidance documents based on practical business scenarios.

Furthermore, to foster a common understanding of the fundamental principles of AI governance, we have developed and rolled out training content for employees across the Group.

■ Internal Awareness-Building and Communication Activities

AI governance cannot be achieved solely through the establishment of systems and rules. It is equally important to ensure that each employee understands the purpose and underlying principles of governance and is able to put them into practice in their daily work.

To promote understanding and implementation of AI governance, we established a cross-functional AI Governance Working Group, which regularly discusses AI governance and facilitates collaboration across organizational boundaries.

In addition, we developed the AI Navigator Handbook as a globally shared reference that systematically organizes AI strategies and use cases, and are promoting its adoption through the corporate portal and various explanatory sessions.

■ Development of AI Governance Control Processes

The Yokogawa Group is developing integrated control processes and related documentation to strengthen risk management associated with the development, provision and use of AI. Specifically, we use tools such as an AI inventory to gain visibility into AI utilization across the Group and are establishing appropriate management processes, including those for third-party AI tools. In addition, we have introduced a structured risk assessment process for AI development and deployment projects. These control processes are designed to ensure the transparency, safety and accountability of AI and promote the reliable use of AI.

■ Future AI Governance Initiatives

Going forward, we will transition from the foundational phase of AI governance to the operational and execution phase and further enhance our AI governance by focusing on the following priority areas.

- We will promote the deployment and adoption of the governance framework across each region and site through briefing sessions and onboarding activities, thereby establishing a consistent governance framework across the Group.
- We will also provide ongoing support to sites, including overseas locations, while promoting the continuous operation of control processes and the development of operational documents, and will review and improve control processes as necessary.
- To ensure compliance with international regulations, including the EU AI Act, we will continue to assess legal risks in collaboration with external experts and collect and organize regulatory information on a global basis.
- We will establish and operate working groups led by AI Governance Managers and promote more active communication through these platforms to further accelerate the use of AI across the Group.

At the same time, we will leverage the AI governance frameworks and expertise we have developed as value-added offerings for customers, helping to enhance the reliability of AI solutions and strengthen customers' own AI governance capabilities. These initiatives will promote the creation of customer value based on the safe and reliable use of AI and contribute to the sound development of AI throughout society.



Supply Chain Management

Yokogawa promotes procurement activities that contribute to building a sustainable society, in line with the Yokogawa Philosophy and the Yokogawa Group Code of Conduct. The Group has established common procurement process standards to ensure fair and impartial transactions with suppliers, build ethical partnerships based on mutual trust, and implement responsible procurement through appropriate information management.

Basic Policy and Framework

The Yokogawa Group's Procurement Philosophy

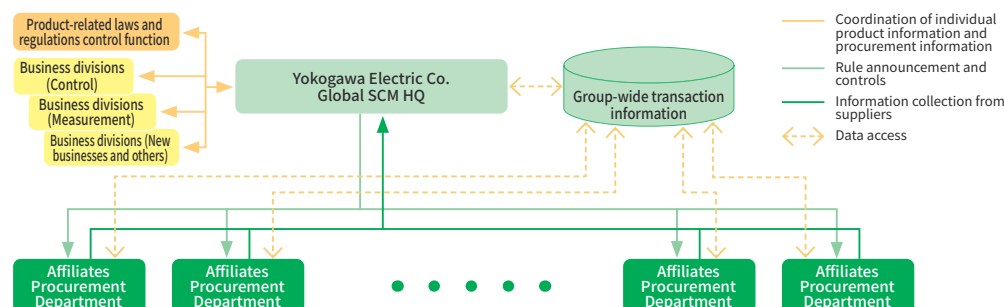
- Principles on Procurement Activities
The Yokogawa Group contributes to the realization of a sustainable society based on the Yokogawa Philosophy and the Yokogawa Group Code of Conduct
- Sustainability Embedded in Procurement Policy
To achieve its sustainability goals, the “Three Goals,” the Yokogawa Group works together as one Group and promotes sustainable procurement across the entire supply chain, including its suppliers. Through these efforts, we address Environmental, Social, and Governance (ESG) considerations, including:
Environment (E): reducing greenhouse gas (GHG) emissions, addressing climate change, and protecting biodiversity.
Social (S): respecting human rights and promoting employee health, well-being, and occupational health and safety.
Governance (G): preventing corruption, ensuring fair competition, and maintaining compliance with applicable laws and regulations.
- Evaluation and Selection Policy of Suppliers
When evaluating and selecting suppliers, we will also confirm their intention to comply with our Sustainable Procurement Guidelines.

For the details on the Procurement Policy, see our website.

Global Information Coordination

We continue to engage in globally coordinated supply chain management utilizing data integrated across the Group, while emphasizing our relationships with the suppliers of our affiliates in each country.

Global Cooperation Structure



Sustainable Procurement Activities

Sustainable Procurement Guidelines

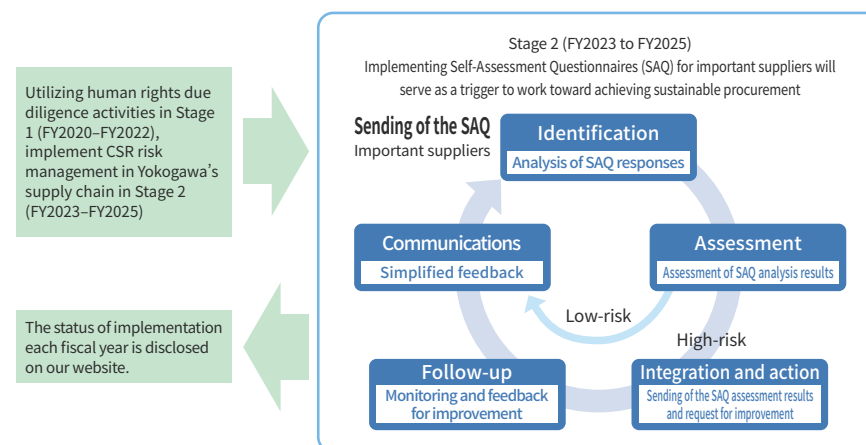
The Group believes that it is important to promote sustainability across the entire supply chain to build a sustainable society. We have established the Yokogawa Group Sustainable Procurement Guidelines by referring to the International Code of Conduct and incorporating the principles of ISO 20400:2017 — Sustainable Procurement — Guidance.

The Guidelines set forth codes of conduct related to human rights and labor, occupational health and safety, the environment, and ethics. Based on these Guidelines, we work to understand the actual conditions of our suppliers and identify and assess risks that may impede sustainable procurement. For risks that have become apparent, we collaborate with our suppliers to make improvements and aim to address social issues and build a sustainable society across the entire supply chain.

For the Yokogawa Group Sustainable Procurement Guidelines, see our website.

PDCA Cycle

Since fiscal year 2020, we have been working to reduce CSR risk in the supply chain by utilizing the Self-Assessment Questionnaire (SAQ) based on our Sustainable Procurement Guidelines and engaging in communication with our suppliers. In Stage 1 (from fiscal years 2020 to 2022), we promoted activities centered on human rights due diligence, and based on the results, in Stage 2 (from fiscal years 2023 to 2025), we expanded the scope to include environmental risks and advanced risk identification, assessment, and improvement activities.



For the status of implementation, see our website.



Supply Chain Management

Plan and Results of the Self-Assessment Questionnaire (SAQ)

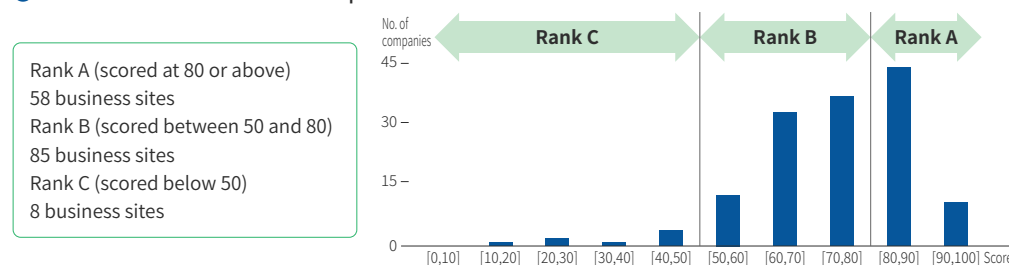
In the same way as Stage 1, under a three-year plan, we utilize group-wide transaction information and conduct scoring based on transaction amounts, risks associated with the items procured, and country risk ratings of each supplier's location. Based on the score, 600 important suppliers with higher risk ratings are selected, and the SAQ is conducted for 200 of them each year. Based on the responses obtained from the business places of our suppliers, we continue to analyze and evaluate supply chain risks.

The SAQ in Stage 2 is expanded to questions on all aspects of sustainable procurement, such as human rights and labor, health and safety, the environment, and compliance. A score distribution of the business sites which responded to the questions is shown below. We also analyze trends in detail for individual items and utilize them for risk assessment.

SAQ Summary for Fiscal Year 2025

Total number of Tier 1 suppliers (number of suppliers)	9,708
Total number of Tier 1 suppliers covered by supplier screening	9,708
Number of important Tier 1 suppliers	600
Number of Tier 1 suppliers to whom the SAQ was sent for desk top assessment	203
Number of SAQ sheets submitted in response to the above request for responses	151
Business sites identified as high-risk suppliers	8

Total score distribution of the responses received from 151 business sites*



*A higher SAQ evaluation score indicates a better level of sustainability-related initiatives.

Improvement Initiatives

To improve our activities together with suppliers, we ask them to agree to our sustainable procurement activities in Yokogawa's supply chain.

We mark all of the responses to the SAQ and return each to the relevant respondent, together with the average score, a comparison graph with our own results, and comments on points for improvement. We also confirm the subsequent improvements, depending on the score.

For important suppliers, we carry out individual interviews and present a detailed report on improvements. Furthermore, we have confirmed that some business sites which responded to the SAQ in Stage 1 have improved in categories of human rights and labor, health and safety in Stage 2.



Sustainable Procurement Education

Yokogawa has established an e-learning program about sustainable procurement, which employees are able to view on demand.

In addition, we have prepared a handbook to promote understanding of the Sustainable Procurement Guidelines, which our procurement members use as a basic text in workshop-style training.



Promotion of Green Procurement

Taking into account the entire lifecycle of products and solutions to be provided to customers, Yokogawa encourages the purchasing of products and services with a small environmental footprint and promotes transactions with the suppliers who are proactively involved in supporting biodiversity and environmental action for the reduction of their environmental footprint and the increase of added value. We also consider contribution to environmental conservation in our procurement strategy. For example, we use PCs with bioplastic casings as standard products for office equipment. Furthermore, we present the Yokogawa Group Green Procurement Guidelines when concluding transaction contracts with new suppliers. Having established a system to promote management of the chemical substances contained in our products, we investigate and manage the chemical substances contained in the materials and components we use for full compliance with the laws and regulations concerning chemical substances (such as the REACH Regulation, RoHS Directive, and TSCA). In addition, based on the SAQ responses, we actively communicate with suppliers who are working to reduce GHG emissions to request that they provide us with data related to their GHG emission reduction efforts.



For the Yokogawa Group Green Procurement Guidelines, see our website.

Strengthening Partnerships with Suppliers

Yokogawa is reinforcing its partnerships by creating opportunities at each location to interact with the management teams and sales representatives of key suppliers. We create opportunities for individual meetings and regular "Partners' Days" with our business partners, using the Sustainable Procurement Guidelines Handbook to share management policies and business plans, thereby helping to maintain and further strengthen good long-term relationships with the Yokogawa Group.

In addition, we hold face-to-face parts exhibitions and technical seminars featuring products handled by our suppliers, and work to strengthen mutual understanding by promoting technical exchanges among designers.



External Collaboration

We contribute to the enhancement of sustainability in the industry's supply chain as well as our own, through cross-industry sharing of challenges and the advancement of initiatives, by actively participating in industry group committees such as the CSR Committee and the Procurement Committee of the JEITA* and Global Compact Network Japan's study groups.

* JEITA: Japan Electronics and Information Technology Industries Association



Supply Chain Management

Reinforcement of Compliant Procurement

Yokogawa strives to reinforce compliant procurement across the Group by establishing standards for compliance in procurement to serve as group-wide management rules, while working closely with those responsible at the Group companies. We incorporate compliance-related provisions into our basic transaction agreements and strive to promote fair and highly transparent business practices.

In addition, we have established a Helpline as a reporting and consultation channel accessible to all stakeholders, including those in our supply chain, as well as the general public. The Helpline accepts reports and inquiries regarding violations of laws and regulations, human rights infringements, and acts or suspected acts that contravene the Yokogawa Group Philosophy, Yokogawa Group Code of Conduct, the Basic Procurement Policy, or contractual agreements. It also addresses human rights issues within the supply chain and is available in multiple languages, in addition to Japanese. Using the information received through the Helpline, we address issues at an early stage and work to implement corrective measures and prevent recurrence.

Procurement BCP

Recognizing that ensuring a stable supply of the products our customers need is an important social responsibility, we are taking action in line with our procurement business continuity plan (BCP). To respond to the new laws and regulations implemented in each country in recent years, our global organizational units for procurement, with the cooperation of our suppliers, have been working together to manage information on the areas producing the components used in our products and to understand the logistics situation, aiming to minimize any impact on our customers. In addition, we are proceeding with reforms to build a supply chain with a resilient and sustainable structure that will last into the future.

Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment (Proper Transactions Act)

In January 2026, when the Subcontract Act was revised into the Proper Transactions Act, Yokogawa established a task force composed of experts from domestic Group companies to promote proper transactions and strengthen compliance within the supply chain. The task force worked not only on system changes required by the legal revision but also on raising awareness. To support compliance with the revised Act, we released a program focused on understanding the new legal requirements and promoted e-learning for members involved in procurement. In addition, we rolled out a training program for all employees in Japan to deepen practical understanding aligned with actual operations, thereby raising awareness and preventing unintentional violations of the law. We also appoint compliance officers responsible for procurement in each department and each Group company to strengthen information sharing regarding the Proper Transactions Act and to build a compliance framework across the Group.

Cross-Departmental Team's Initiatives to Address Supply Chain Issues

Yokogawa's products and services rely on collaboration with our business partners. Ensuring fairness and transparency in our supply chain is a critical foundation for building sustainable business relationships that respect human rights and are considerate of the environment. To ensure fair trade and thorough compliance with laws and regulations throughout Yokogawa's supply chain, in fiscal year 2025, we brought experts from relevant fields together to form a taskforce (Tiger Team), establishing a framework that enables cross-departmental responses.

The task force will address key themes that have a significant impact on supply chains, such as the EU regulations that come into effect in 2026 and Japan's Proper Transactions Act.

Particularly in responding to the Proper Transactions Act, the procurement control department, which is the core of the Tiger Team, collaborated with domestic affiliates to implement measures in an integrated manner. Implemented measures included analyzing business partner data, upgrading systems, educating and raising awareness among employees, and establishing a consultation hotline on our website. The taskforce also engaged in dialogue with business partners, sharing details of the regulatory changes and explaining revisions to payment terms. Through these efforts, it sought to increase transaction transparency and promote mutual understanding. It strived to ensure fair dialogue that is not biased toward specific transactions or interests, from a position independent of the departments responsible for order placement. This approach allowed the taskforce to learn about the issues that our business partners are facing in their day-to-day business, as well as hear their candid opinions about Yokogawa. The details of these dialogues are shared with the relevant departments and used to improve our procurement activities. Initiatives are also being pursued to enhance business partner engagement across the entire Group.



Employee Voice

Through our participation in briefings held by the Small and Medium Enterprise Agency and various other learning opportunities regarding the recent amendments to the Proper Transactions Act, we have become deeply aware of the need to further enhance transparency and fairness in our transactions with business partners. Against this backdrop, we planned and conducted individual dialogues with our business partners from the perspective of the procurement management department, rather than the ordering departments, so they were not influenced by specific transaction conditions or interests.

By utilizing pre-interview questionnaires to ensure neutral dialogue, we efficiently deepened mutual understanding and successfully shared our approach to sustainable procurement. We received positive feedback from our business partners, who found these dialogues highly meaningful as a forum for exchanging information. We believe our initiatives have succeeded in strengthening our relationships with our business partners. These efforts also contributed to the implementation of "regular communication," as spoken of by the Japan Fair Trade Commission, marking a significant step toward strengthening procurement governance in the future.



Hiroko Mikami, SCM Center, Global SCM Headquarters, Yokogawa Electric Corporation



Supply Chain Management

■ Initiatives on Conflict Minerals

Basic Policy

Based on the Yokogawa Group Human Rights Policy, as a global company, Yokogawa seeks to prevent the serious risk of being complicit in human rights violations that may arise in connection with the mining, trading, and handling of minerals from conflict-affected and high-risk areas, and ensures responsible mineral procurement. With reference to the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Due Diligence Guidance)” *1 published by the Organisation for Economic Cooperation and Development (OECD), Yokogawa has constructed a structure to conduct surveys on minerals in the supply chain, including measures such as sharing and checking information submitted through the Conflict Minerals Reporting Template (CMRT)/Extended Minerals Reporting Template (EMRT)*2, and manage the supply chain as a corporate group. With this structure in place, we are engaged in activities aimed at preventing the purchase of products containing minerals that are associated with risks such as human rights violations and bribery in conflict-affected and high-risk areas.

*1 The OECD Due Diligence Guidance’s full name is the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

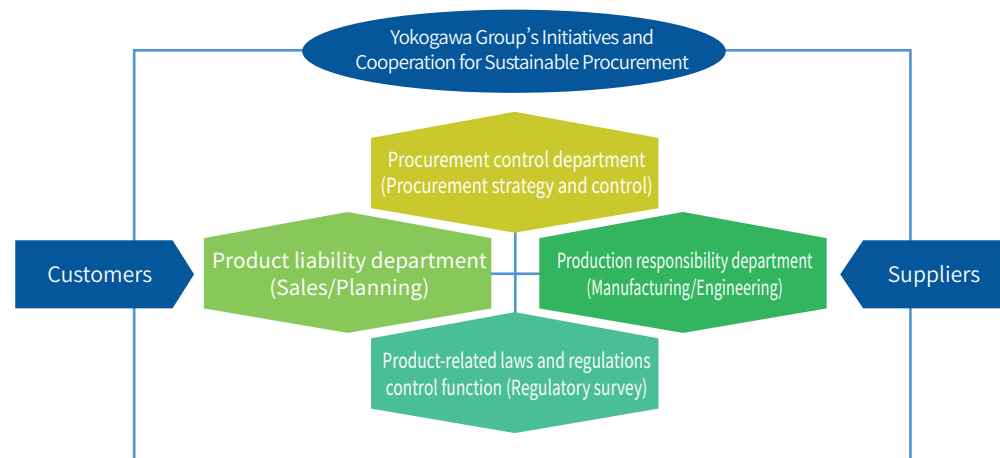
*2 The Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) are issued by the Responsible Minerals Initiative (RMI).

Structure and Initiatives

With reference to the steps described in the OECD Due Diligence Guidance, the structure encourages the departments to set the roles suited to their function in Yokogawa in addressing the conflict mineral issue. We cooperate with our suppliers to investigate the use of conflict minerals in certain products based on customers’ requests. If an investigation reveals that a mineral procured by Yokogawa is a source of funds for armed groups, we immediately take measures to avoid the use of the mineral in question.

As a member of the Responsible Minerals Trade Working Group run by the industry group Japan Electronics and Information Technology Industries Association (JEITA), we coordinate our efforts with those of other corporations in the industry and obtain the latest information. The latest information and standardized procedures for investigating conflict minerals are shared throughout Yokogawa.

Structure of Responsible Mineral Procurement Initiative



The roles of each division are as follows.

- The procurement control department is responsible for formulating the Sustainable Procurement Policy, overseeing governance across the Group, managing information and conducting risk assessments related to conflict minerals, and coordinating with human rights initiatives.
- The product-related laws and regulations control function conducts CMRT/EMRT investigations and maintains related records, collaborates with industry associations, promotes the standardization of internal procedures, and retains documentation of inquiries and other communications.
- The product liability department handles investigation requests and inquiries from customers and works in coordination with the departments that carry out the actual investigative activities.
- The production responsibility department promotes responsible mineral sourcing and strengthens relationships with suppliers by conducting surveys with business partners and collecting their responses.

Survey results

The results of Yokogawa’s conflict minerals survey are as follows.

Target materials	Tin, tantalum, tungsten, and gold	Tin, tantalum, tungsten, gold, cobalt, and mica	
Survey year	2023	2024	2025
No. of companies that responded to the survey	191	220	168
No. of identified smelters	340	422	464
No. of RMAP*3 compliant smelters	218	260	276

*3 RMAP refers to the Responsible Minerals Assurance Process advocated for by the Responsible Minerals Initiative (RMI) for validating whether minerals are responsibly sourced.



For the Responsible Mineral Procurement initiatives, see our website.



Information Security

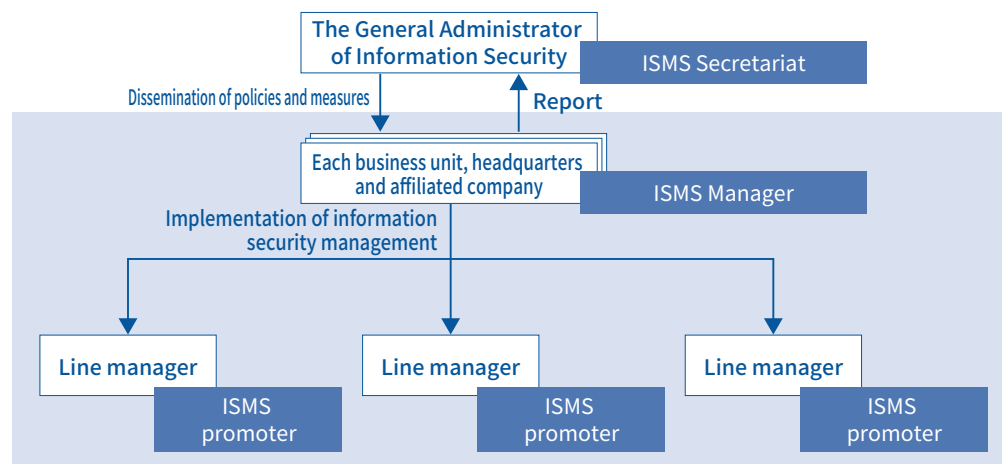
Yokogawa works together with customers to provide solutions. We contribute to protecting our stakeholders' important data with three pillars of “people”, “facilities”, and “information technology (IT)” through the measures of information security.

Information Security Management

Yokogawa conducts information security activities based on the concept of the ISO 27001 standard, and the general administrator of information security, a role assumed by the responsible officer, communicates policies and measures to each business unit, headquarters, and affiliated company. A secretariat conducts on-site inspections to monitor operations to ensure they are performed in line with rules and takes necessary improvement measures. In addition, we regularly review the rules to ensure they are appropriate for current working styles and security measures.

To enhance information security, Yokogawa has established the information security structure and has been developing it at each of its business units, headquarters, and affiliated companies. Each organization draws up an action plan at the beginning of the fiscal year and checks the level of the organization using a maturity confirmation check sheet at the end of the fiscal year. In addition, we manage information security to adopt the current and future generation with PDCA.

Information security organization

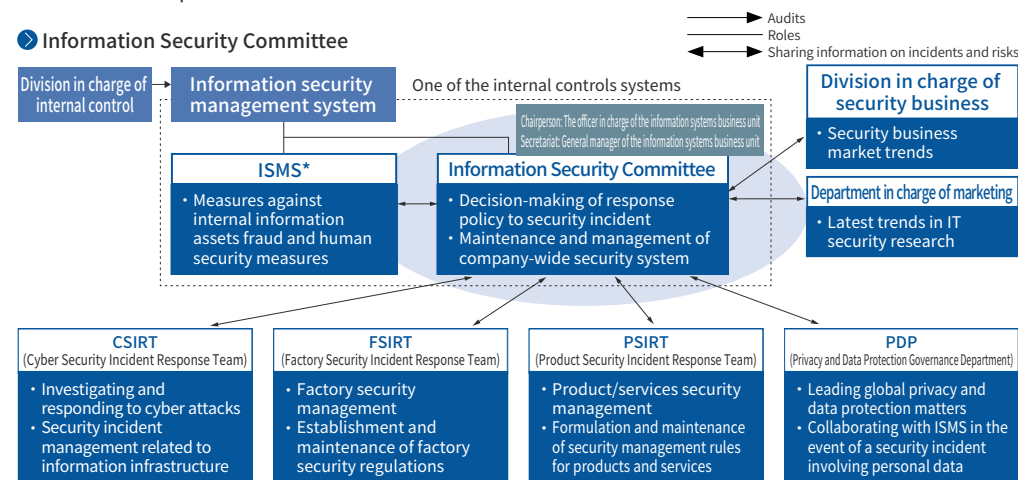


Information Security Committee

In conjunction with the above, Yokogawa also has an information security committee to improve its responses to cyberattacks and ensure that customers and Yokogawa are able to continue

their business activities safely and securely. This committee is chaired by the officer in charge of the information system division, and consists of cybersecurity experts from various fields, including products and services, striving to share information and keep up with the latest trends within the Group.

Information Security Committee



* For the structure of the ISMS (Information Security Management System), please refer to the information security organization diagram on the left.

Response to Cyberattacks

Cyberattacks show no sign of slowing down and are becoming increasingly sophisticated. Yokogawa Cyber Security Incident Response Team (CSIRT) is conducting for protecting Yokogawa resources and preventing cyberattacks. In recent years, the damage caused by ransomware has increased worldwide, and many companies and organizations were attacked. Yokogawa regularly investigates the vulnerability information of its own systems and networks and take measures to improve them. In addition, CSIRT carries out incident response (detection, response, and control of incidents) on a daily basis in order to minimize damage caused by security incidents.

And partnership with other departments is vital as many people are involved when responding to an incident. In fiscal year 2026, we will continue to increase opportunities for information sharing with relevant departments, strengthen our company-wide framework, and enhance the response capabilities of the CSIRT.

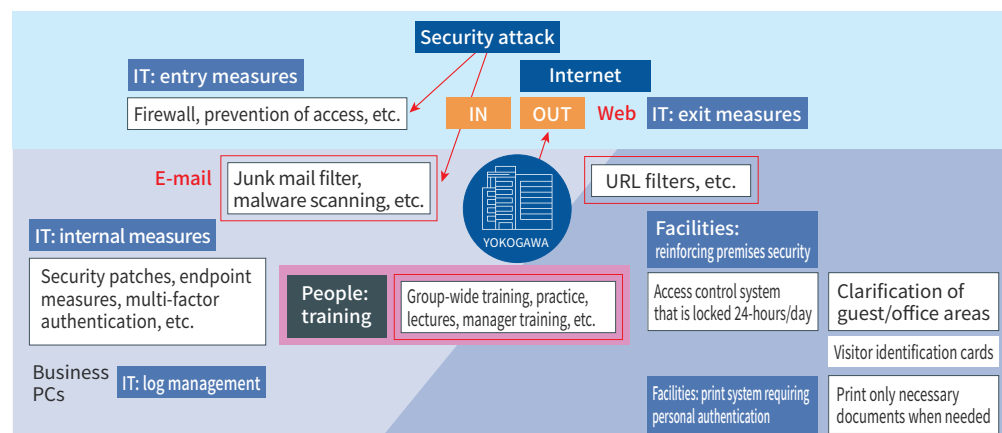


Information Security

■ Yokogawa's Security Management

In order to properly manage confidential information, it is necessary to be in a state where it can be objectively recognized as confidential. Yokogawa sets confidential information classification for confidential information and manages them according to classification. In addition, in order to protect confidential information, we are taking measures to enhance information security from the three pillars of People, Facilities, and IT.

▶ Information Security Measures



■ People: Information Security Training

To protect information, every individual employee should be aware of information security. Yokogawa provides training using e-learning to all its employees every year to enable employees to think for themselves about the handling of information they receive and appropriately act. We share up-to-date knowledge regarding information security, and publish internal bulletins whenever necessary to keep our employees informed of responses to security incidents and recurrence prevention measures based on actual events. Further, we provide more practical information in the form of lectures on information security featuring expert lecturers, as well as training on responses to targeted attacks, phishing, Business Email Compromise (BEC), and response to internal fraud. In addition, we provide training to suit specific roles, such as line managers or mobile users. Information security audits are also conducted to check whether the results of this training are reflected in day-to-day information security activities.

■ Facilities: Easy-to-understand and Secure (Security of Office Premises)

Information security must be easy to understand. We have clarified the areas that employees and visitors are permitted to enter. When a visitor enters an area other than a guest area, the visitor must wear a visitor identification card. We protect property and information assets on the premises of the head office using an access control system that keeps the office area locked 24 hours a day.

Moreover, we have introduced a managed print service (MPS) that requires personal authentication for the printing of only the necessary documents at the time they are required, preventing documents from being left behind on printers or mixed in with other documents.

■ IT: Protection Behind the Scenes

We use IT to prevent human error such as accidental leaks and the inappropriate use of information due to a lack of knowledge, and also adopt a multi-tiered approach to prepare for external cyberattacks. In response to cyberattacks, which are diversifying day by day, we obtain the latest vulnerability response information, regularly check the Security Scorecard's evaluations and tune the settings of our security equipment to maintain the standards we have set for ourselves. And we install a private Security Operation Center (SOC). Thereby, we are striving to prevent unauthorized access and early detection of signs and incidents.

We have introduced Data Loss Prevention (DLP) and Insider Risk Management (IRM) mechanisms to prevent the leakage of confidential information and reduce the risk of insider misconduct. By appropriately understanding and analyzing information usage and handling trends, we aim to detect risks at an early stage and strengthen our response capabilities, while continuously improving these measures to ensure their effectiveness going forward.

Last fiscal year, we upgraded to a next-generation Security Information and Event Management (SIEM) system that utilizes AI and machine learning technology to automate the detection, response, and control of security incidents, building a system that can respond immediately at all times. As a result, we were able to achieve early detection of threats, faster response, and improved control accuracy, while significantly reducing the human workload of the SOC and CSIRT. In fiscal year 2026, we plan to advance our autonomous security operations.

■ ISO 27001 Certification at Yokogawa Group

The status of ISO 27001 certification within the Yokogawa Group by region and organizational unit is as follows.

- Japan: Certification has been obtained by the information systems management division at the head office and the division in charge of Yokogawa Cloud.
- China and India: Certification has been obtained at each local legal entity and by the division in charge of Yokogawa Cloud.
- Southeast Asia, Europe, the Middle East, and South America: Certification has been obtained by the group companies in each region.

All of these certifications have completed the transition to the ISO 27001:2022 version.



Information Security

■ Security Management for Products and Services

The Yokogawa Group recognizes the importance of continuously providing measures to address cyber threats for both its customers and society. We are committed to working together with our customers to address security issues through the products and services we provide.

Recently, the risk of cyberattacks has increased. As a result, countries around the world are demanding higher levels of security for critical infrastructure. These requirements are being progressively codified into laws and regulations to maintain public order and safety. Likewise, in many business fields, it has become necessary to view the risk of cyberattacks from a broader perspective. This includes considering factors such as digital transformation and supply chain management. For companies, identifying these risks and improving countermeasures against cyber threats have become urgent tasks to ensure business continuity.

In this context, we strive to understand the legal regulations in each country and stay current with security trends, as well as international standards and industry associations. We actively pursue activities aimed at providing products and services that meet these security requirements. This includes sharing knowledge and holding demonstrations with cybersecurity vendors.

■ Major Initiatives

At Yokogawa, we view the entire process — from product development to system installation and operation — as the system lifecycle. By supporting our customers' security activities throughout this lifecycle, we work to reduce risks to critical infrastructure that originates in cyberspace.

■ Product Development

We have established a basic policy and standards for security measures. These are incorporated into our development process to enhance security.

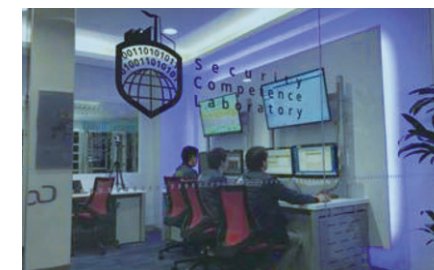
Yokogawa's control system product development department has obtained three types of ISASecure certification promoted by ISCI, an international security certification organization, providing third-party assurance that Yokogawa's control system products are secure. The first is the SDLA (Security Development Lifecycle Assurance) certification, which evaluates product development processes. Yokogawa's control system product development process has been assessed as meeting the requirements of the international standard IEC 62443-4-1, enabling the continuous development of secure products. The second is the CSA (Component Security Assurance) certification. Yokogawa's main products, CENTUM and ProSafe-RS, have been evaluated as meeting the security requirements of international standards such as IEC 62443-4-2. The third is the SSA (System Security Assurance) certification. The integrated control and safety system, including CENTUM and ProSafe-RS, has been evaluated as meeting the security requirements of the international standard IEC 62443-3-3.



ISASecure SDLA certificate

■ System Integration

Through security training for engineers, the research and study of security technology conducted mainly at the security laboratory, and support for the introduction of security measures to systems, we aim to realize a uniform implementation of security and secure progress for system integration.



Security laboratory

■ System Operation

Through the operation of a security program, we aim to reduce cybersecurity risks in customer systems throughout their lifecycles, connect OT security risk management to business risk management, and realize optimal security systems so that customers can operate safely and securely in the wake of the era of IT/OT convergence and System of Systems (SoS). The program follows the Plan-Do-Check-Act cycle and offers six phases in total for continuous improvement and updating.

Yokogawa provides consulting on both the required technology and the operation of systems, and provides support in the form of the development of policies and procedures for implementation, as well as the design and implementation of solutions. In addition, we provide extensive support relating to the operation of installed security measures throughout the entire product life cycle.



■ PSIRT (Product Security Incident Response Team)

Starting from October 2023, we have joined the international framework for vulnerabilities, Common Vulnerabilities and Exposures (CVE) program, as a CVE Numbering Authority (CNA). This allows us to assign CVE ID, an identifier for vulnerabilities used in the CVE program, ourselves. As a CNA, we extensively gather information about vulnerabilities related to our products, disseminate the information we obtain throughout the Yokogawa Group, investigate, and disclose relevant information regarding vulnerabilities and countermeasures to customers to support their security activities.



For Yokogawa's activities as a CNA, see our website.



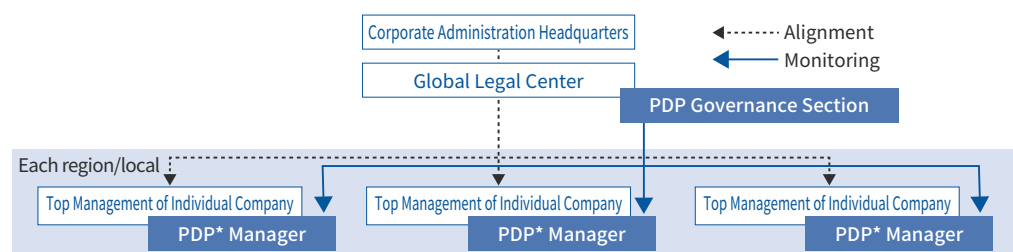
Privacy and Data Protection

■ Privacy and Data Protection (PDP) Governance Structure

As compliance is of utmost importance to Yokogawa, a global PDP management system is established for the purpose of ensuring compliance with PDP laws and regulations. As part of this management system Yokogawa's PDP Governance Section has been established, which is the organization within Yokogawa responsible for global PDP compliance. The PDP management system includes several internal PDP policies, which specify how personal information shall be processed by Yokogawa, to meet Yokogawa's PDP standards and to comply with applicable PDP laws and regulations. All Yokogawa employees must be familiar with and comply with Yokogawa's PDP policies and receive PDP training, which includes training on Yokogawa's PDP policies.

▶ Privacy and Data Protection (PDP) Governance Structure

Yokogawa has developed a global PDP structure for each individual company.



PDP* : Privacy and Data Protection

■ A number of principles included in Yokogawa's Privacy and Data Protection policies

- **Collection and Use:**When Yokogawa collects personal information, a Privacy Notice to inform the individual(s) from whom Yokogawa collects personal information must be provided with the content set forth by and in line with applicable Privacy and Data Protection laws and regulations. Personal information shall only be used for the specific purposes notified to the individual(s) through the relevant Privacy Notice, unless otherwise set forth in the applicable law.
- **Accuracy:**Personal information shall be accurate and kept up to date. Inaccurate or out-of-date personal information must be corrected/destroyed.
- **Retention Period:**Personal information shall not be retained any longer than is necessary for the purpose for which the personal information was acquired and/or as necessary to comply with legal retention requirements.
- **Transfer to third parties:**Personal information may only be transferred to a third party if the transfer is allowed under the applicable Privacy Notice; appropriate security measures have been taken to protect personal information, and other requirements under applicable Privacy and Data Protection laws and regulations have been met.
- **Data Processor:**When outsourcing operations processing personal information to subcontractors, before engaging with a subcontractor, Yokogawa conducts due diligence by using Yokogawa's supplier privacy compliance questionnaire form to validate if they ensure the same or higher level of PDP standards ensured by Yokogawa and Yokogawa concludes data processing agreements if necessary.

- **Privacy by Design:**To ensure that Yokogawa considers PDP in the development, design and implementation of any new process, application or product/service which involves the processing of personal information, Yokogawa's PDP policies contain strong Privacy by Design requirements, such as conducting privacy impact assessments, and where required data protection impacts assessments.
- **Incidents:**To respond promptly to a data breach and comply with global legal requirements, Yokogawa's PDP Governance Section and the global ISMS team have created a global Incident Procedure for all employees to follow.
- **Security:**In order to ensure proper security of personal information, Yokogawa maintains robust Information Security Management standards. Under these standards Yokogawa strives to prevent unauthorized access to, loss, destruction, falsification or leakage of personal information. When outsourcing operations which include processing of personal information to subcontractors, Yokogawa takes appropriate security measures, such as requiring the subcontractors to maintain a high level of information security. Information security incidents related to personal information, however trivial, are managed in line with Yokogawa's PDP policies.
- **Response to Individual Rights on personal information:**If Yokogawa receives a request from an individual concerning the individual's personal information, such as informing about the collection and use of their personal information, having inaccuracies regarding their personal information corrected, withdrawing their consent for the collection and use of their personal information, and/or having their personal information deleted, Yokogawa will respond to and handle the request in line with the applicable statutory requirements and in line with Yokogawa's PDP policies.
- **Audit:**To monitor Yokogawa's PDP compliance, the PDP Governance Section conducts PDP audits at company level in line with Yokogawa's PDP policies. Many Yokogawa entities are ISO 27001 certified.



▶ For the Yokogawa Group Privacy Statement, see our website.

■ Key activities Fiscal Year 2025

In Fiscal Year 2025, we continued our efforts to strengthen the Privacy and Data Protection (PDP) program through the use of digital tools to streamline Privacy Impact Assessments and Data Mapping and the enhancement of employee engagement, building on the initiatives implemented up to Fiscal Year 2024. In addition, we carried out the following activities:

- Conducted company-level internal audits targeting Yokogawa Group headquarters and regional headquarters to assess the development and operational status of internal policies and governance structures related PDP. The remedial actions identified through these audits will be addressed and followed up by each entity from Fiscal Year 2026 onward, contributing to the establishment of PDP governance and the strengthening of compliance at a global level.
- Delivered two targeted PDP e-learning modules for personnel of Human Resources and Marketing & Sales, which handle a significant volume of highly sensitive personal data. Through these initiatives, we enhanced the understanding of department-specific risks, promoted the adoption of appropriate operational practices, and contributed to the prevention of personal data breaches as well as the strengthening of compliance.



PDP Newsletter "Privacy Insights"



Quality Assurance

■ The Basic Quality Policy

- Quality management is carried out in order to implement customer focus based on “Quality First,” which is the spirit of foundation, and “Healthy and Profitable Management” through improvements in management quality.
- Products that meet statutory and regulatory requirements as well as customer requirements are supplied.
- Appropriate quality management systems conforming to the International Standard ISO 9001 requirements are established and implemented. In addition, the effectiveness of those systems is continually improved.
- Customer requirements are fulfilled and customer satisfaction is increased through the results of quality activities in all organizations and personnel. For this purpose, each employee must feel that the quality of his or her work has a direct bearing on product quality, and that the company believes in “Quality First.”
- The head of each organization is responsible for the quality of the relevant businesses. The responsibilities include ensuring that adequate resources are made available.

■ Customer Satisfaction and Quality

Yokogawa provides high-quality products and solutions that satisfy our customers. This is built upon the “Quality First” founding spirit that we have preserved for over 100 years. Our quality management consists of three basic elements: Quality Assurance (QA), Quality Improvement (QI), and Quality mind (the quality-first mindset) (Qm).

Quality Assurance (QA)

Continually seeking to provide better products to customers based on the philosophy of “quality being the highest priority.”

Quality Improvement (QI)

Establishing a system to provide high-quality products and services

Quality mind (the “Quality First” mindset) (Qm)

Each and every employee having the mindset of “Quality First” that is the Yokogawa Group’s founding spirit



Yokogawa believes that the customer expectations can only be met and long-lasting relationship built when all of these elements are engaged. We consider the principle of “Quality First” is essential for maintaining high levels of quality. Therefore, all employees across the Yokogawa Group incorporate quality in each operation, based on group-wide rules and an awareness of the importance of quality.

■ Quality Assurance Initiatives

Since its founding, Yokogawa has built quality management systems into each process from development, planning, design, and manufacturing to sales and service, in order to deliver

products and solutions that contribute to customer satisfaction. Yokogawa first obtained ISO 9001 certification in 1992, and major Group companies both in Japan and overseas have also acquired the certification. For product supports, specialists deal with the issues and problems with products that are encountered by customers. Yokogawa operates a globally integrated service system featuring its Global Response Center, which continually monitors customer equipment to ensure its safety. Yokogawa also ensures the traceability of measurement instruments as part of its quality assurance system. Yokogawa is an enterprise registered with Japan Calibration Service System (JCSS) for electricity, pressure, flowrate, and time.

■ Yokogawa QHSE* Month

In 1960 in Japan, November was set as Quality Month by the Union of Japanese Scientists and Engineers, the Japanese Standards Association, the Japan Productivity Center, and the Japan Management Association. Yokogawa has continuously engaged in related activities during Quality Month.

Starting in 2018, we engage in an array of activities within the Group in November every year, having added occupational health and safety and environmental conservation, which are the foundation of management, to quality and renamed the month Yokogawa QHSE Month.

To instill the importance of quality, occupational health and safety, and environmental conservation in the minds of all employees, we have put up QHSE Month posters designed by an employee of a Group company. In addition to the mindset of “Quality First,” we convey the thoughts of senior management regarding occupational health and safety, and environmental conservation to the employees of the Group in a QHSE Month message.



QHSE Month poster

*QHSE : Quality, Health, Safety, and Environment

■ Yokogawa QA Booklet and Awareness Notebook to prevent recurrence

To maintain and improve quality, Yokogawa has prepared a QA Booklet that explains the attitude that is necessary during work every day in easy-to-understand terms. Workers are expected to maintain the mindset of “Quality First” by carrying this booklet with them wherever they go. In addition, we have created a new collection of Awareness Notebook to prevent recurrence for manufacturing workers, which is deployed at manufacturing sites as an aid for maintaining awareness.

These have been translated into five languages to facilitate deployment across the Group.



QA Booklet for manufacturing workers



Questions to Ask to Prevent Recurrence

■ QHSE Management Maturity Assessment

Since 2018, Yokogawa has set its own numerical criteria to assess the maturity level of QHSE management system at major Group companies in Japan and overseas. The purpose is to identify issues related to the establishment and operation of quality, occupational health and safety, and environmental management system in the Yokogawa Group, and to promote continuous improvement.

Since 2022, Yokogawa has continued its assessment by adding perspectives such as strengthening of the governance in each Group company to our criteria.

The maturity score is set as a Group target to exceed the previous fiscal year’s result. Each Group company achieves this target by improving the maturity level through the promotion of improvement measures suggested in the assessment and through proactive activities.



Chapter

7

Information

P.74 Sustainability Data

P.75 Third-Party Verification and External Evaluations



Sustainability Data

The data presented in this report covers Yokogawa Electric Corporation and all consolidated subsidiaries.

Social data

Item	(FY)	2021	2022	2023	2024	2025
Number of employees (persons)	Yokogawa Group	17,258	17,084	17,365	17,670	18,313
	Yokogawa Electric Co.	2,503	2,342	2,269	2,242	2,240
Percentage of women in managerial positions (%)	Yokogawa Group	12.6	13.3	14.5	14.8	15.5
	Yokogawa Electric Co.	8.6	8.7	9.5	11.0	11.0
Percentage of women employees (%)	Yokogawa Group	22.5	23.1	23.8	23.9	24.1
	Yokogawa Electric Co.	18.1	18.8	19.6	20.3	21.7
Disability employment rate (%)		2.46	2.52	2.58	2.65	2.86
* Includes Yokogawa Foundry Corporation, a non-consolidated subsidiary.						
Collective agreement coverage (%)	In Japan	(2022/6)	(2023/6)	(2024/6)	(2025/6)	(2026/6)
	In Japan	72.7	77.7	76.8	76.0	76.6
Gender pay gap (%)	Mean gender pay gap	—	—	33.4	35.7	34.6
	Median gender pay gap	—	—	40.2	36.7	35.1
	Mean gender bonus gap	—	—	37.6	43.6	46.4
	Median gender bonus gap	—	—	32.9	37.5	38.5
Total reportable lost time incidents frequency rate (Number of accidents with lost days / Total actual working hours × 1,000,000)	Employees (Yokogawa Group)	0.41	0.34	0.34	0.44	0.52
	Temporary and contract employees (Yokogawa Group)	0.23	0.32	0.20	0.58	0.26
Total reportable incidents frequency rate ((Number of accidents with lost days + Number of accidents without lost days) / Total actual working hours × 1,000,000)	Employees, temporary and contract employees	0.69	0.80	0.82	1.02	0.89
	Employees (Yokogawa Group)	0	0	0	0	0
Fatal accidents (cases)	Temporary and contract employees (Yokogawa Group)	0	0	0	0	0
	Cash contributions	199.5	177.8	263.3	226.1	271.0
Donations and community investments (million yen)	Time	0.7	0.5	3.9	7.9	6.7
	In-kind giving	12.7	3.5	4.2	76.4	15.9
	Management overheads	18.0	18.0	18.0	18.0	18.0
	Total	230.9	199.8	289.4	328.5	311.6
Percentage of manufacturing sites certified with ISO 45001 (%)		—	78	88	82	88
Total number of Tier 1 suppliers		—	—	—	—	9,708
Total number of important Tier 1 suppliers		—	—	—	—	600
Percentage of total expenditure directed to important Tier 1 suppliers (%)		—	—	—	—	33.6
Total number of Tier 1 suppliers covered by supplier screening		—	—	—	—	9,708

Environmental data

Item	(FY)	2021	2022	2023	2024	2025
Energy consumption (GJ)	Total	1,386,688	1,317,451	1,099,648	980,953	804,611
	Intensity per sales (GJ/100 million yen)	356	289	204	174	133
Renewable energy (MWh)	Renewable electricity procurement	2,480	10,546	25,733	28,796	48,807
	Purchased renewable energy certificates	0	0	5,784	21,192	33,514
	Renewable energy generation	114	184	629	1,909	2,307
	Total	2,594	10,730	32,146	51,897	84,628
Greenhouse gas (GHG) emissions (t-CO ₂ e)	Scope 1	12,015	15,390	11,966	12,141	11,853
	Scope 2 Location	60,444	56,380	62,014	60,558	58,719
	Scope 2 Market	58,471	51,695	45,409	33,783	19,756
	Intensity per sales (t-CO ₂ e/100 million yen)	18.08	14.70	10.62	8.17	5.23

Environmental data

Item	Classification	Category	(FY)	2025
Supply chain GHG emissions (Scope 3) (t-CO ₂ e)	Upstream	1	Purchased goods & services	419,977
		2	Capital goods	33,483
		3	Fuel- and energy-related activities not included in Scope 1 or 2	11,038
		4	Transportation & distribution	17,003
		5	Waste generated in operations	962
		6	Business travel	30,524
		7	Employee commuting	6,278
		8	Leased assets	—
	Downstream	9	Transportation & distribution	—
		10	Processing of sold products	—
		11	Use of sold products	241,294
		12	End-of-life treatment of sold products	500
		13	Leased assets	—
		14	Franchises	—
		15	Investments	—
Total			761,059	

Item	(FY)	2021	2022	2023	2024	2025
Water withdrawals (m ³)	Total	424,967	501,680	509,055	555,933	528,435
	Intensity per sales (m ³ /100 million yen)	109	110	94	99	87
Water discharges (m ³)	Total	403,120	439,688	424,782	555,933	528,435
	Intensity per sales (t/100 million yen)	4,692	4,513	4,876	5,139	5,144
Waste generated (t)	Total	1.20	0.99	0.90	0.91	0.85
	Recycled	3,142	2,877	3,164	3,421	3,516
Non-hazardous waste (t)	Incinerated	434	393	404	415	307
	Landfilled (Final disposal of waste)	333	489	597	573	567
	Total	3,909	3,759	4,165	4,409	4,390
Hazardous waste (t)	Recycled	708	546	425	572	675
	Incinerated	75	207	279	158	54
	Landfilled (Final disposal of waste)	0	1	7	0	25
	Total	783	754	711	730	754
VOC emissions (t)		4.7	3.7	3.5	2.7	3.4
Percentage of manufacturing sites certified with ISO 14001 (%)		83	83	88	88	94



► For all sustainability data, see our website.



Third-Party Verification and External Evaluations

Third-Party Verification

To assure the reliability of sustainability information, Yokogawa has obtained limited assurance for social and environmental data from a third-party organization (LRQA Limited). The following data are subject to external assurance.

Environmental data

- Energy consumption (GJ)
- Renewable electricity procurement (MWh)
- Purchased renewable energy certificates (MWh)
- Renewable energy generation (MWh)
- GHG emissions (Scope 1, Scope 2 (location based, market-based), and Scope 3 (Category 1-7 and 11-12)) (tCO₂e)
- Water withdrawal volume (m³)
- Water discharge volume (m³)
- Total generated waste (t)
- Total landfilled waste (t)
- VOC emissions (t)
- Percentage of manufacturing sites certified with ISO 14001 (%)

Social data

- Total reportable incidents frequency rate
- Total reportable lost time incidents frequency rate
- Number of fatal accidents
- Percentage of women employees (%)
- Percentage of women in managerial positions (%)
- Gender pay gap (%)
- Percentage of manufacturing sites certified with ISO 45001 (%)
- Total number of Tier 1 suppliers
- Total number of important Tier 1 suppliers
- Percentage of total expenditure directed to important Tier 1 suppliers (%)
- Total number of Tier 1 suppliers covered by supplier screening



For the independent assurance statement, see our website.

External Evaluations

Yokogawa's ESG (Environment, Social, Governance) management has received high external ratings.

Global



Japan



FTSE Blossom
Japan Index



FTSE Blossom
Japan Sector
Relative Index



For more details on external ratings, see our website.

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<https://www.yokogawa.com/about/sustainability/>