

Summary of Q&A at FY2015 3Q Financial Results Briefing

February 10, 2016

<FY15 3Q results>

Q What is the reason for the relatively strong performance in FY15 3Q?

A Orders and sales were strong in the Middle East and Japan. This is mainly because of an increase in orders for replacing plant equipment and maintenance services, primarily maintenance repair orders (MRO).

Q Which industries were strongest for you in Japan?

A We were especially strong in the public works sector, primarily water supply and wastewater treatment. Orders and sales to the chemical industry were also up.

Q What is the aim of your acquisitions in Turkey and the US?

A Yokogawa's acquisition of the Turkish company will allow us to strengthen our position in that country.

The acquisition of the US company will allow us to acquire new technologies and improve our provision of solutions to our focus industries (upstream, power, and chemicals).

Our May 2015 mid-term business plan declared our intention to set aside about 50 billion yen for strategic investment in M&A deals that were to be undertaken over the three year period through to the end of FY2017, and this includes the acquisition of these companies.

<FY15 forecast>

Q What is the outlook for the FY15 forecast?

A The slowing in growth, particularly in emerging markets such as China, presents a risk factor as regards to the orders and sales forecast. There is no change in our plan to devote the entire 50 billion yen amount to strategic investments. Our minimum target is an operating income of 39 billion yen.

Q Are there any changes in your plans for this fiscal year to make ¥4 billion in strategic investments (expenditures)?

A We plan to devote this entire amount to strategic investments that will prepare the way for growth. At the same time, as the economic outlook appears to be growing more uncertain, we reserve the right to make adjustments that will maintain a proper balance between profits and investment.

Q What is the plan for payment of dividends to stockholders?

A As the economic outlook is growing more uncertain, we will evaluate our FY15 forecast very carefully and, if necessary, make adjustments in our dividend plans.

<FY16 forecast>

Q What is the outlook for the FY16 forecast?

A Due to the continued fall in the price of crude oil and the slowing of growth in emerging nations, we are not optimistic about a situation that appears to be growing more uncertain. We continue to develop our business by pursuing close relationships with customers, especially in the Middle East. To ensure that we achieve the targets of our mid-term business plan, we will focus on improving efficiency and establishing a foundation for growth.

Note: The information pertaining to our business plans and forecasts that has been provided in this presentation and at analyst meetings contains forward-looking statements that are based on our management's current knowledge and require the making of assumptions about future events. As such, it cannot be guaranteed that these statements will not differ materially from actual results. Some of the text in this document has been modified to aid understanding.