In the fiscal year ended March 31, 2015 (fiscal year 2014), the Yokogawa Group continued to strive for global growth by focusing on the industrial automation and control business and targeting principally the energy and materials related markets. With the benefit of the continued weakness of the yen, the Group reported year-on-year increases in net sales, operating income, and ordinary income. Both operating income and ordinary income reached record highs. The Group posted a business structure improvement expense for a voluntary retirement program that was instituted following an organizational review to strengthen global competitiveness. Net income was still up from a year ago due to factors such as a gain on the sale of leasehold rights and buildings.

The Yokogawa Group celebrated its 100th anniversary on September 1, 2015. The Company’s success in reaching this milestone can be attributed in good part to its staying true to the Yokogawa founding principles of putting quality first, having a pioneering spirit, and contributing to society, which has enabled it to create value for its customers and build a better world. We deeply appreciate the support that our shareholders, investors, and many others have given us over the years.

In this anniversary year, the Group has established a long-term business framework that specifies goals that are to be achieved within the next 10 years and the means for achieving them. Based on this, we drew up Transformation 2017, a new mid-term business plan that will run from fiscal year 2015 through fiscal year 2017. This three-year plan will lay a foundation for growth that will be needed to achieve the goals set out in the long-term business framework. We are focused on improving profitability to prepare the way for growth.

A fundamental mission of the Group is to maintain the trust that has been placed in us by our stakeholders, including shareholders. Accordingly, Yokogawa will be placing a high priority on enhancing its corporate governance in fiscal year 2015 and maximizing its corporate value by continuing to grow and securing healthy and profitable operations.

We aim to achieve the goals of the Transformation 2017 mid-term business plan and secure healthy and continuous growth by expanding our business and enhancing our corporate value, and will thereby fulfill the expectations of our shareholders.

We kindly request your continued support and understanding as we work toward these aims.

Shuzo Kaihori
Chairman

Takashi Nishijima
President and CEO