

Name of Listed Company: Yokogawa Electric Corporation
(URL: <http://www.yokogawa.com>) (Stock code: 6841, listed on TSE 1st section)
Name and Position of the Representative:
Takashi Nishijima, President and Chief Executive Officer
Name and Position of the Person in Charge:
Sadamu Kawanaka, General Manager of Corporate Communications Department
Telephone Number: 81-422-52-5530

April 8, 2016

Announcement of completion of acquisition of KBC by Yokogawa

Yokogawa Electric Corporation (hereafter “Yokogawa”) is pleased to announce that the acquisition of KBC Advanced Technologies plc (Headquarters: Walton on Thames, Surrey, UK, CEO: Andrew Howell) (hereafter “KBC”) previously announced on February 17, 2016 was implemented by means of a court sanctioned scheme of arrangement under Part 26 of the UK Companies Act on April 7, and that KBC has now become a member company of the Yokogawa Group.

KBC is a successful provider of software and consultancy to the global oil and gas industry that is focused on achieving operational excellence and improving profitability for both the upstream (oil production) and downstream (oil refineries and integrated refining and petrochemical production complexes) segments. KBC has been providing a unique blend of advanced software for process optimization and simulation and consulting services based on this technology, and benefits from having a well differentiated position in the market. Yokogawa provides high-reliable control systems, field instruments for measuring temperature, flow, and pressure, and various other solutions that support safe and efficient operations.

As a result of this acquisition, Yokogawa will strengthen its position as an eminent player in the industrial automation sector by being able to provide a unique range of services and robust product portfolio, including consulting, packaged software, control systems, and sensors. This will allow Yokogawa to provide a one-stop solution to the entire spectrum, from client senior management on down to field operators, mainly in the oil and gas industry. The addition of KBC’s customer base will also strengthen Yokogawa’s business.

Under the Transformation 2017 plan, Yokogawa is striving to expand its solutions service business by engaging its customers in a co-innovation process that will add value by achieving a company-wide optimization of their business operations. By merging KBC’s advanced solution technology with Yokogawa’s measurement, control, and information technologies and the secure cloud platform that Yokogawa acquired through the acquisition of Industrial Evolution, Inc. in December 2015, we aim to create new value and become the global leading company in the advanced solutions field.

A post-merger integration team will be formed with a mission to design an action plan that delivers strategic value to our clients and realizes identified synergies. Yokogawa will provide new value to its clients as quickly as possible to maximize the positive effects of this integration.

The consideration payable in connection with this acquisition is being funded by a new committed debt facility, and there is no plan to issue any new stock.

Yokogawa’s consolidated statement will reflect KBC’s financial information from the first quarter of fiscal year 2016.

For additional information on KBC, please refer to <http://www.kbc.com/>.

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