

December 6, 2016

Press Release

Company name: Future Corporation

Code: 4722, Tokyo Stock Exchange, Section I

Representative: Yasufumi Kanemaru, Chairman
and President

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Notice of Stock Acquisition of YDC Corporation (Conversion to Subsidiary)

Future Corporation (“the Company”) hereby announces that on December 6, 2016, the Board of Directors decided that the Company would acquire part of the shares of YDC Corporation (“YDC”) from Yokogawa Electric Corporation, and executed a Stock Transfer Agreement on the same day. Following the share transfer, the capital amount of YDC is more than ten-hundredth of the capital of the Company, and therefore YDC will be recognized as a specified subsidiary.

1. Reason for the acquisition

YDC, an IT service provider of Yokogawa Group, has a wealth of experience in the IT solution business, including development of core systems for production management and accounting for the manufacturing sector, provision of infrastructure technology services such as EDI and databases, provision of “YDC SONAR,” a solution for integrating and assessing quality information, and operational consultation “KYODO SOHATSU” in the design and development fields. In addition, YDC has many good customers mainly in the manufacturing sector in the Kansai and Chubu regions.

Our group company, Future Architect Inc., a group company of Future Corporation, under its key message “Design management and IT,” is renowned for its advanced IT consulting service that balances three perspectives including management strategy, operational reform and system renovation. Future Architect already has customers in the distribution, service and financial sectors, and now strives to expand its solution business to the manufacturing sector.

The Company believes that the acquisition of shares should synchronize YDC’s profound manufacturer-related operational knowledge and IT service know-how, which have been cultivated within Yokogawa Group, and our Group’s IT-related expertise and technical/developmental capabilities, which would eventually create services with higher added value and contribute to the Group’s further growth. Our Group and Yokogawa Group also strive to develop a cooperative relationship in the field of cutting-edge technology.

Moreover, the Group believes that YDC’s attitude in its vision “Work for a customer as one beyond the range of general consulting” and its corporate culture that encourages continuously challenging one’s self to generate new technology and ideas coincide with the Group’s concept, and create a powerful group synergy.

2. Overview of the new subsidiary

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(1) Company name	YDC Corporation		
(2) Address	1-9 Fuchu-cho, Fuchu-shi, Tokyo		
(3) Representative's name and title	Tomoaki Yamamoto, President		
(4) Description of business	Consulting, design and development of information systems Sales, maintenance and operation of equipment and software licenses		
(5) Capital	250 million yen		
(6) Established	January 18, 2000		
(7) Major shareholders and holding ratio	Yokogawa Electric Corporation 94.0%		
(8) Relationship with Future Corporation	Capital relationship	There is no capital relationship between Future Corporation and this company.	
	Personnel relationship	There is no personnel relationship between Future Corporation and this company.	
	Business relationship	There is no business relationship between Future Corporation and this company.	
(9) Financial conditions and operating results for the recent three years			
Fiscal period	Fiscal year ended March 2014	Fiscal year ended March 2015	Fiscal year ended March 2016
Net assets	2,132 million yen	2,280 million yen	1,964 million yen
Total assets	3,143 million yen	3,481 million yen	3,310 million yen
Net assets per share	426,535.54 yen	456,069.15 yen	392,902.27 yen
Net sales	4,171 million yen	4,442 million yen	4,885 million yen
Operating income	77 million yen	206 million yen	370 million yen
Ordinary income	65 million yen	185 million yen	277 million yen
Profit	43 million yen	120 million yen	238 million yen
Profit per share	8,694.04 yen	24,035.49 yen	47,732.27 yen
Dividend per share	4,000 yen	120,000 yen	24,000 yen

3. Overview of the other party to the acquisition

(1) Company name	Yokogawa Electric Corporation
(2) Address	2-9-32, Nakacho, Musashino-shi, Tokyo
(3) Representative's name and title	Takashi Nishijima, President and CEO
(4) Description of business	Development, sales, maintenance and provision of a solution service for industrial measurement devices and control systems for plants Research & development and production of electric and electronic products, automobiles and telecommunication infrastructure, and development and sales of measuring equipment
(5) Capital	43,401 million yen

(6) Established	December 1, 1920	
(7) Relationship with Future Corporation	Capital relationship	There is no capital relationship between Future Corporation and this company.
	Personnel relationship	There is no personnel relationship between Future Corporation and this company.
	Business relationship	There is no business relationship between Future Corporation and this company.
	Applicable relationship with related party	There is no applicable relationship between Future Corporation and this company.

4. Number of shares acquired and number of shares held before and after acquisition

(1) Number of shares held before acquisition	0 (Holding ratio of voting rights: 0.0%)
(2) Number of shares acquired	3,750
(3) Acquisition price	<div>Shares of YDC Corporation 2,025 million yen</div> <div>Advisory fees, etc. (Estimated amount) 10 million yen</div> <div>Total (estimated amount) 2,035 million yen</div>
(4) Number of shares held after acquisition	3,750 (Holding ratio of voting rights: 75.0%)

(Note 1) The Company may acquire the remaining 950 shares of YDC Corporation currently held by Yokogawa Electric Corporation after three years from the date of acquisition of shares.

(Note 2) All or part of the 300 shares of YDC currently held by shareholders other than Yokogawa Electric Corporation will be acquired by the Company. In this case, the number of shares to be acquired is up to 4,050 shares, the total acquisition price (Estimated amount) is up to 2,197 million yen, and the number of shares held after the acquisition is up to 4,050 shares (Holding ratio of voting rights 81.0%).

5. Schedule

(1) Date of resolution at Board of Directors Meeting	December 6, 2016
(2) Date of execution of agreement on share transfer	December 6, 2016
(3) Date of acquisition of shares	January 5, 2017 (Scheduled)

6. Future prospects

The impact of the share acquisition on the consolidated earnings for the fiscal year ending December 2016 is insignificant.

- Any questions relating to the above press release should be directed to:
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