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## Yokogawa Launches Industrial Knowledge Business Unit to Enhance Cloud-based Advanced Solution Business

– Multi-enterprise collaboration and integration for creating customer value –

Yokogawa Electric Corporation announces the establishment of Industrial Knowledge, a new business unit that will play a key role in accelerating expansion of Yokogawa's business in asset intensive industries through the provision of cloud-based advanced solutions. Expansion of the advanced solution business, whose goal is to maximize performance for our customers through the attainment of operational excellence, is one of the important strategies set out in Yokogawa's Transformation 2017 mid-term business plan.

### **Overview of the Industrial Knowledge Business Unit**

As called for under the Transformation 2017 plan announced in May of last year, 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. Advanced solutions are a core element of the company's solutions service business, and include packaged software solutions that improve productivity, safety, and energy efficiency and optimize the utilization of facilities.

Industrial Knowledge is the DBA <sup>\*1</sup> name of Yokogawa Venture Group, Inc., a wholly owned Yokogawa subsidiary that was established in December 2015 to engage in the provision of SaaS, <sup>\*2</sup> a cloud-based advanced solution business. Industrial Knowledge will play a central role in devising strategy and developing this business while seeking to extend the range of its solutions and technologies through the adoption of existing Yokogawa technologies and the use of M&A. Industrial Knowledge has experts in advanced solutions and M&A, and will be granted unprecedented leeway to undertake initiatives to develop this business. This is a key merit of the establishment of a business operation that is independent from Yokogawa's existing businesses.

To serve as a platform for the development of its cloud-based advanced solution business, in December 2015 Yokogawa acquired Industrial Evolution, Inc., a company with a strong track record in the provision of cloud-based site-connected data sharing services (DaaS<sup>\*3</sup>) that foster multi-enterprise collaboration.

### **Solutions to Be Provided by Industrial Knowledge**

Industrial Knowledge will focus on solutions that create value for industrial customers by collecting, integrating, and analyzing data and converting it into an actionable form.

Industrial Knowledge will rely on Industrial Evolution's secure cloud platform and technologies for the collection, integration, and analysis of real-time process data from firewall protected systems to quickly develop its business. Already in use by our customers to collect data from thousands of systems and devices and deliver services over the cloud, this platform is IIoT-ready. A prime example is a major process licensor that gathers data in real time from licensees' plants around the world and provides remote monitoring and support services for plant operations, including start-up assistance, warranty obligation fulfillment,

and plant performance guidance. Furthermore, this business unit will capitalize on the high reliability and quality of Yokogawa's measurement and control technologies as well as the proven track record and accumulated expertise of Yokogawa and Industrial Knowledge to co-create solutions that foster multi-enterprise collaboration through the sharing and utilization of data.

Yokogawa has drawn up a long-term business framework and formulated a vision statement that reads, *Through "Process Co-Innovation," Yokogawa creates new value with our clients for a brighter future.* "Process Co-Innovation" is a concept for an automation business that will utilize all of Yokogawa's measurement, control, and information technologies. According to this statement, Yokogawa will seek not only to optimize production processes but also the flow of material and information within and between companies, including their value and supply chains. Industrial Knowledge's solutions will be a key means for the realization of this "Process Co-Innovation."

While working together with existing Yokogawa businesses and pursuing its DaaS business, Industrial Knowledge will seek through M&A and alliances to widen its range of services to include advanced solutions in such areas as operation management, production management, asset management, simulation & design, and legacy system integration. In doing so it will be able to add to the value of its customers' products and services and contribute to the integration, collaboration, and optimization of entire supply chains.

With Industrial Knowledge as a core Yokogawa business unit, we will expand our cloud-based advanced solution business and create new value with our customers based on the Yokogawa corporate brand slogan, *Co-innovating tomorrow.*

\*1 Doing business as: A DBA name is an operating name for a business that differs from the legal registered name for the business.

\*2 Software as a Service: A cloud-based service for the provision of software functions that suit user needs

\*3 Data as a Service. A cloud-based service for the provision of data that facilitates its use as a management asset

January 7 press release on the acquisition of Industrial Evolution, Inc.:

<http://www.yokogawa.com/pr/news/2016/pr-news-2016-0107-en.htm>

The Industrial Knowledge website: [www.industrial-knowledge.com](http://www.industrial-knowledge.com)

## **About Yokogawa**

Yokogawa's global network of 88 companies spans 56 countries. Founded in 1915, the US\$3.5 billion company engages in cutting-edge research and innovation. Yokogawa is active in the industrial automation and control (IA), test and measurement, and aviation and other businesses segments. The IA segment plays a vital role in a wide range of industries including oil, chemicals, natural gas, power, iron and steel, pulp and paper, pharmaceuticals, and food. For more information about Yokogawa, please visit [www.yokogawa.com](http://www.yokogawa.com)

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