

Yokogawa Electric Corporation

Financial Results for 3rd Quarter of Fiscal Year 2012

February 8, 2013

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Corporate Administration & Marketing Headquarters

Summary of FY12 1Q-3Q Results

1. Orders and sales were up from FY11 1Q-3Q mainly for the control segment thanks to the growth in energy-related investment. Operating income was also up because of the higher sales and structural reforms that reduced fixed costs and R&D expenditure for the measurement segment. In Japan, rising expectations of economic recovery under the new government have prompted the yen to drop, but it remains to be seen whether this will become a steady trend.

Control segment: Orders and sales were up from FY11 1Q-3Q thanks to the continued robust conditions in the energy-related market, mainly in emerging and resource-rich countries. Operating income, however, was down from FY11 1Q-3Q, when higher-margin sales were buoyed by the recovery from the Great East Japan Earthquake. An additional factor that impacted operating income was a decline in profitability that can be attributed to an increase in orders for large-scale projects.

Measurement segment: Orders and sales were down from F11 1Q-3Q due to factors including slower growth in demand in the measuring instruments market, Yokogawa's withdrawal from the photonics business, and the discontinuation of the semiconductor tester business. Meanwhile, the operating loss shrank, thanks mainly to structural reforms that reduced fixed costs and R&D expenditure.

2. Ordinary income was up from FY11 1Q-3Q, which was primarily due to the increased operating income and foreign exchange gains. After the recording of extraordinary income from the sale of idle assets, net income was also up.

(Billion ¥)

	FY11 3Q	FY12 3Q	FY11 1Q-3Q	FY12 1Q-3Q
Orders	75.2	84.1	254.1	260.1
Sales	75.7	77.4	233.4	242.0
Operating income	2.5	1.3	9.4	10.1
Ordinary income	2.1	1.6	6.3	8.9
Net income	0.5	0.4	1.2	8.2

FY12 1Q-3Q Financial Results (FY11 1Q-3Q/FY12 1Q-3Q)

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(Billion ¥)

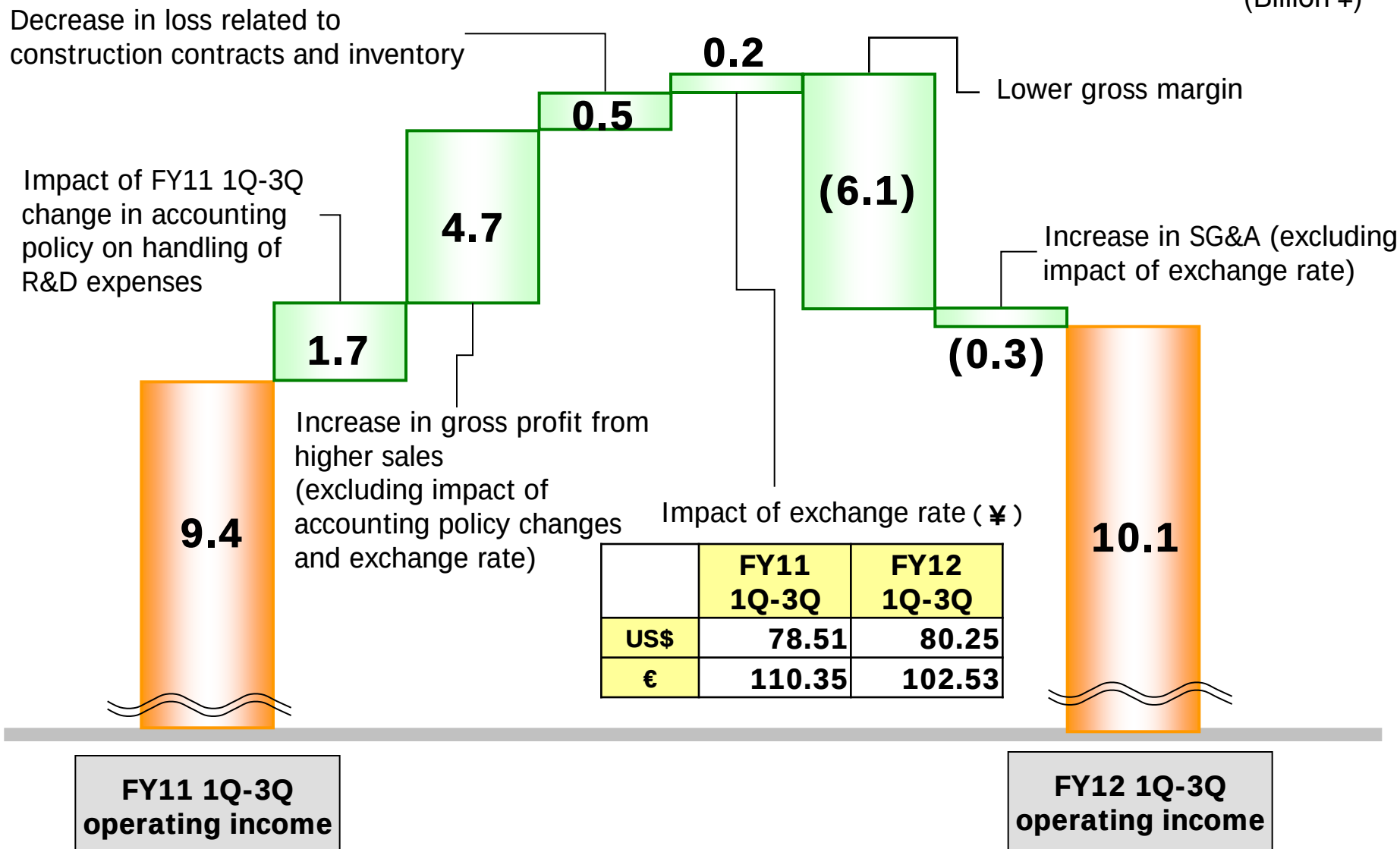
		FY11 1Q-3Q	FY12 1Q-3Q	Growth rate	Difference
Orders		254.1	260.1	2.3 %	6.0
Sales		233.4	242.0	3.7 %	8.6
Operating income		9.4	10.1	8.2 %	0.7
Ordinary income		6.3	8.9	42.4 %	2.6
Net income		1.2	8.2	576.8 %	7.0
Exchange rate	1\$=	78.51	80.25	—	1.74
(¥)	1€=	110.35	102.53		(7.82)

- Orders and sales were up due to the growth in energy-related investment (impact of exchange rate: ¥2.6 billion decrease in orders, ¥2.3 billion decrease in sales).
- Operating income was up as a result of the progress that has been achieved in restructuring the measurement segment.
- Ordinary income was up thanks to foreign exchange gains, and net income was also up after the recording of extraordinary income from the sale of idle assets.

Analysis of Operating Income (FY11 1Q-3Q/FY12 1Q-3Q)

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(Billion ¥)



Non-operating / Extraordinary Income and Expenses

(Billion ¥)

	FY11 1Q-3Q	FY12 1Q-3Q
Operating income	9.4	10.1
Non-operating income	2.0	1.6
Non-operating expenses	5.1	2.8
Ordinary income	6.3	8.9
Extraordinary income	0.1	4.0
Extraordinary expenses	1.1	1.0
Income before tax	5.3	12.0
Tax, etc.	4.1	3.8
Net income	1.2	8.2

Impact of foreign exchange rate:
¥1.1 billion loss in FY11
→¥0.2 billion gain in FY12

Interest paid:
¥2.0 billion in FY11
¥1.7 billion in FY12

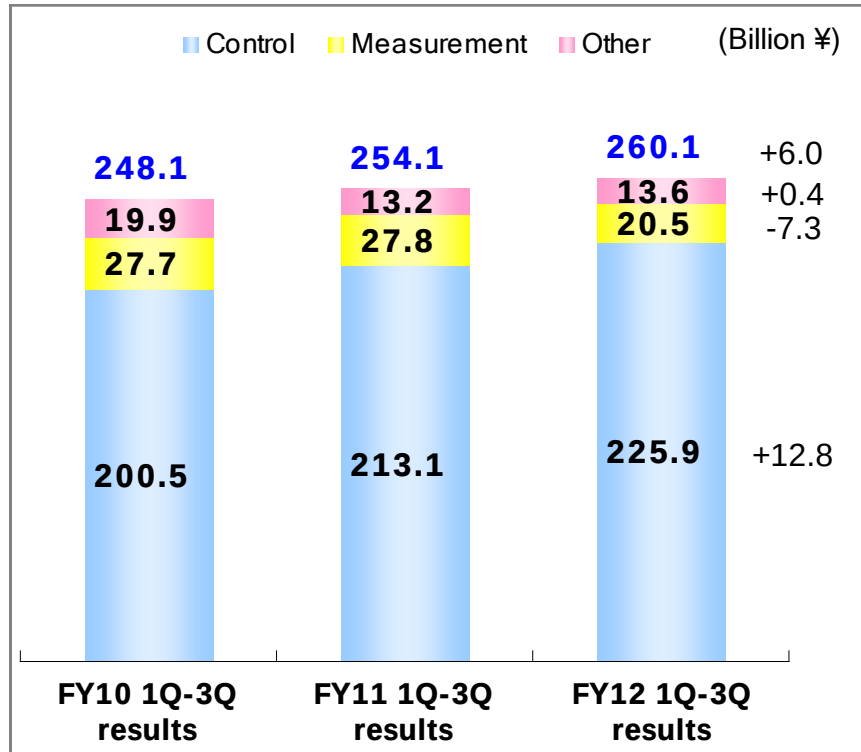
Sales of fixed assets:
¥3.8 billion
Impaired fixed assets:
¥0.8 billion

- The extraordinary expenses in FY12 1Q-3Q were lower than in FY11 1Q-3Q, when a ¥1.1 billion foreign exchange loss was reported. (In FY12 1Q-3Q, there was a ¥0.2 billion gain.)

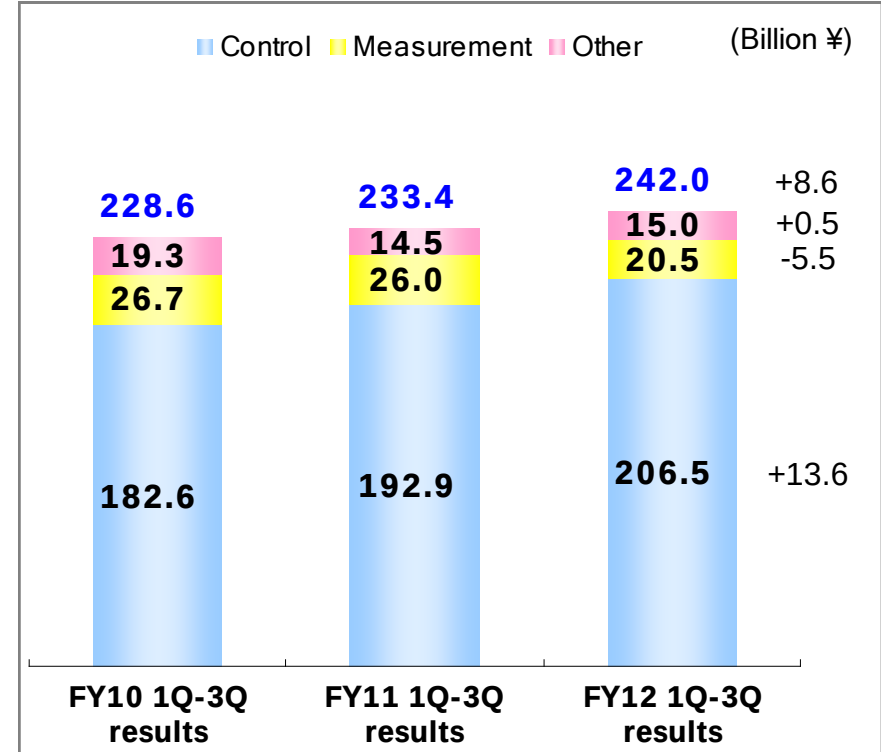
- Extraordinary income was recorded from the sale of idle assets.

FY11/FY12 Comparison for Orders and Sales by Segment (1Q-3Q)

Order



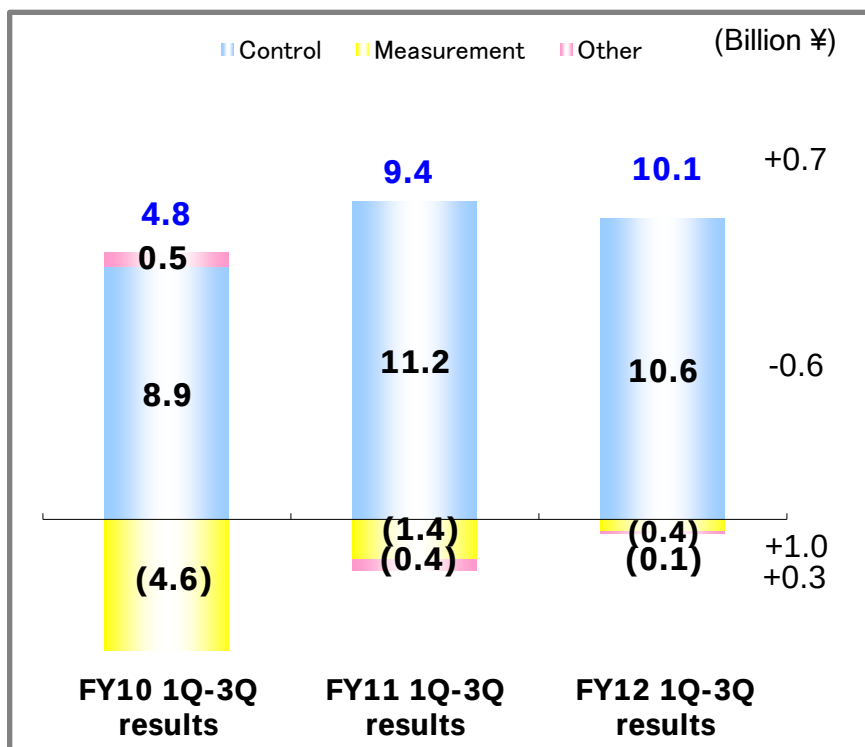
Sales



- Control: Despite stagnant conditions in Japan, demand stayed strong elsewhere in Asia, North America, and other markets, pushing up overall orders. Sales rose both in and outside Japan (impact of exchange rate: ¥2.2 billion decrease in orders, ¥2.0 billion decrease in sales).
- Measurement: Orders and sales declined due to factors including slower growth in demand in the measuring instruments market, Yokogawa's withdrawal from the photonics business, and the discontinuation of the semiconductor tester business.

FY10/FY11/FY12 Comparison for Operating Income by Segment (1Q-3Q)

Operating income



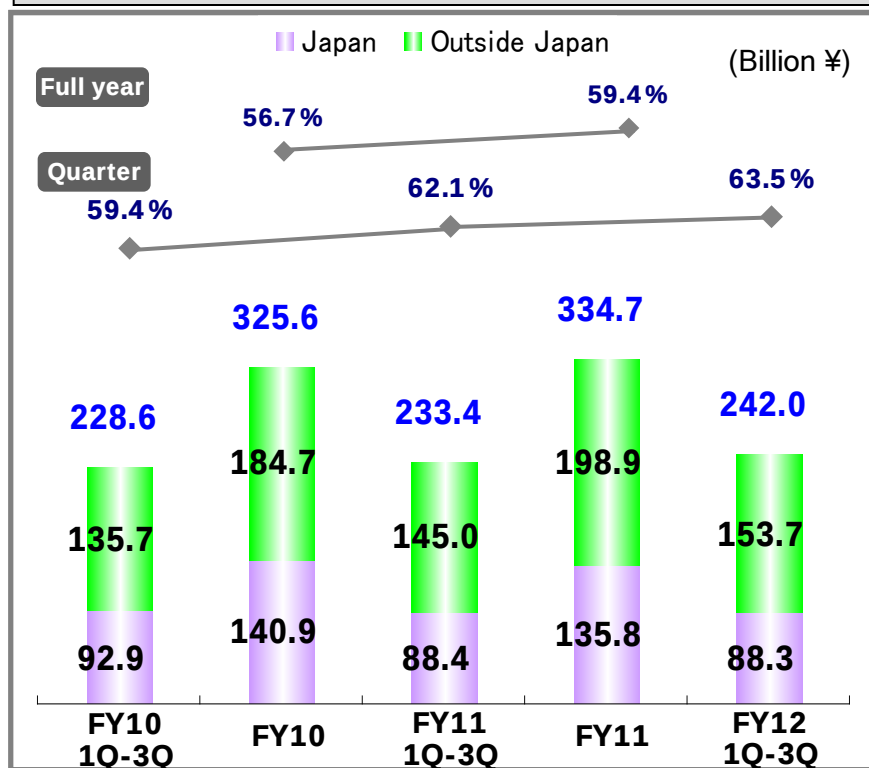
(Billion ¥)

	FY11 1Q-3Q results	FY12 1Q-3Q results	Difference
Control	11.2	10.6	(0.6)
Measurement	(1.4)	(0.4)	1.0
Other	(0.4)	(0.1)	0.3
Total	9.4	10.1	0.7

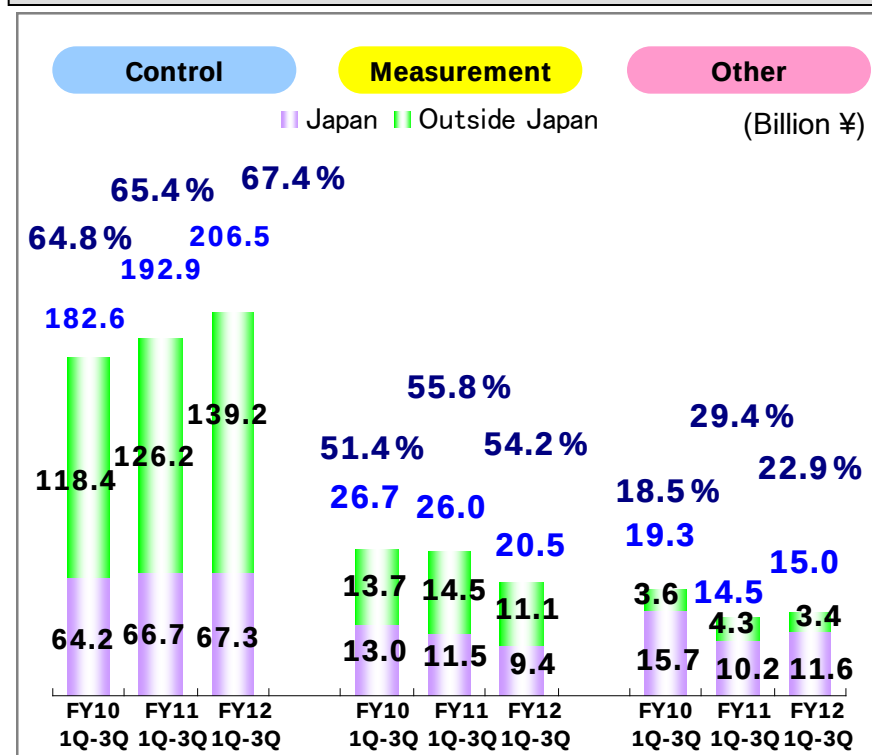
- Control: Operating income was down slightly from FY11 1Q-3Q, when higher-margin sales were buoyed by the recovery from the Great East Japan Earthquake. Operating income was also impacted by such factors as an increase in orders for large-scale projects, which led to a decline in profitability.
- Measurement: The operating loss decreased due to structural reforms that reduced fixed costs and R&D expenses.

Trend of Global Sales

Total



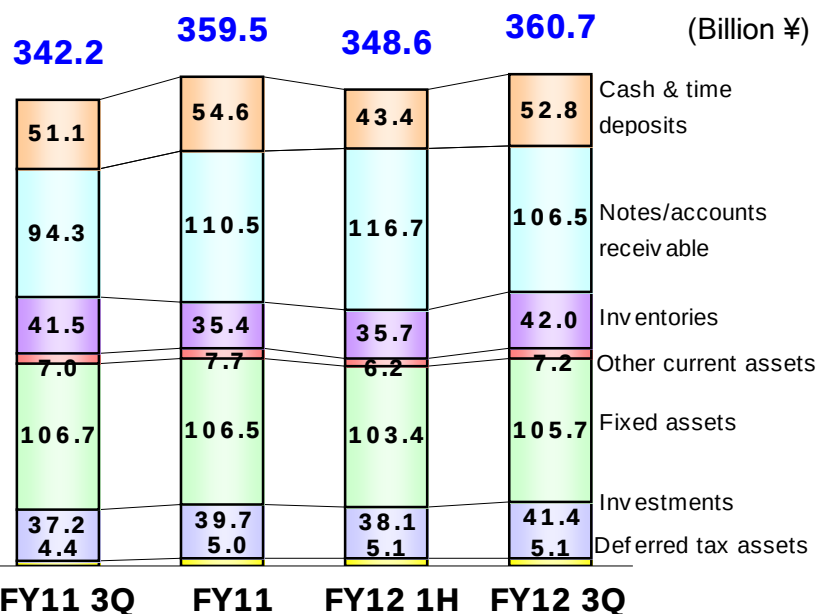
By segment



- The percentage of sales generated outside Japan rose in FY12 1Q-3Q, due largely to the strong performance of the control segment.

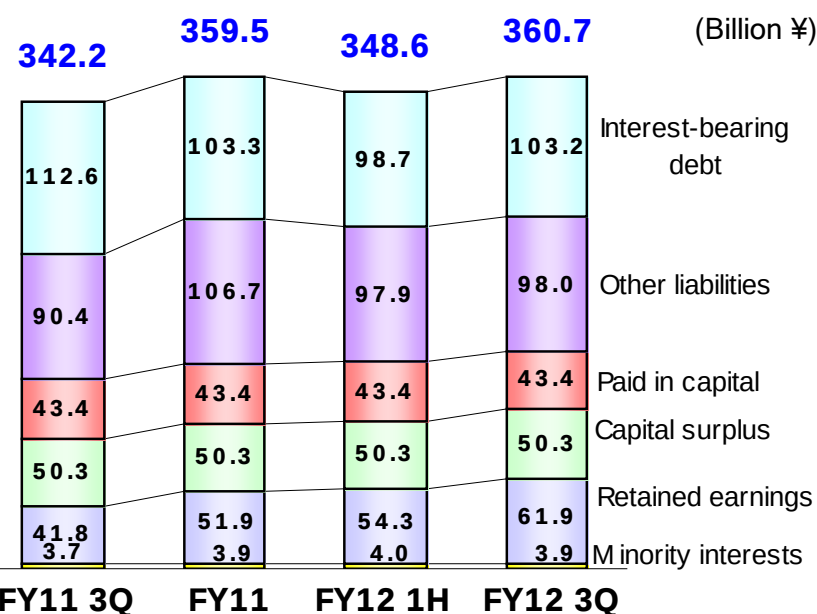
Trend of Balance Sheet

Assets



	FY11 3Q	FY11	FY12 1H	FY12 3Q
Total asset turnover	-	0.93	0.99	-
Shareholders' equity ratio	39.6%	40.5%	42.5%	43.1%

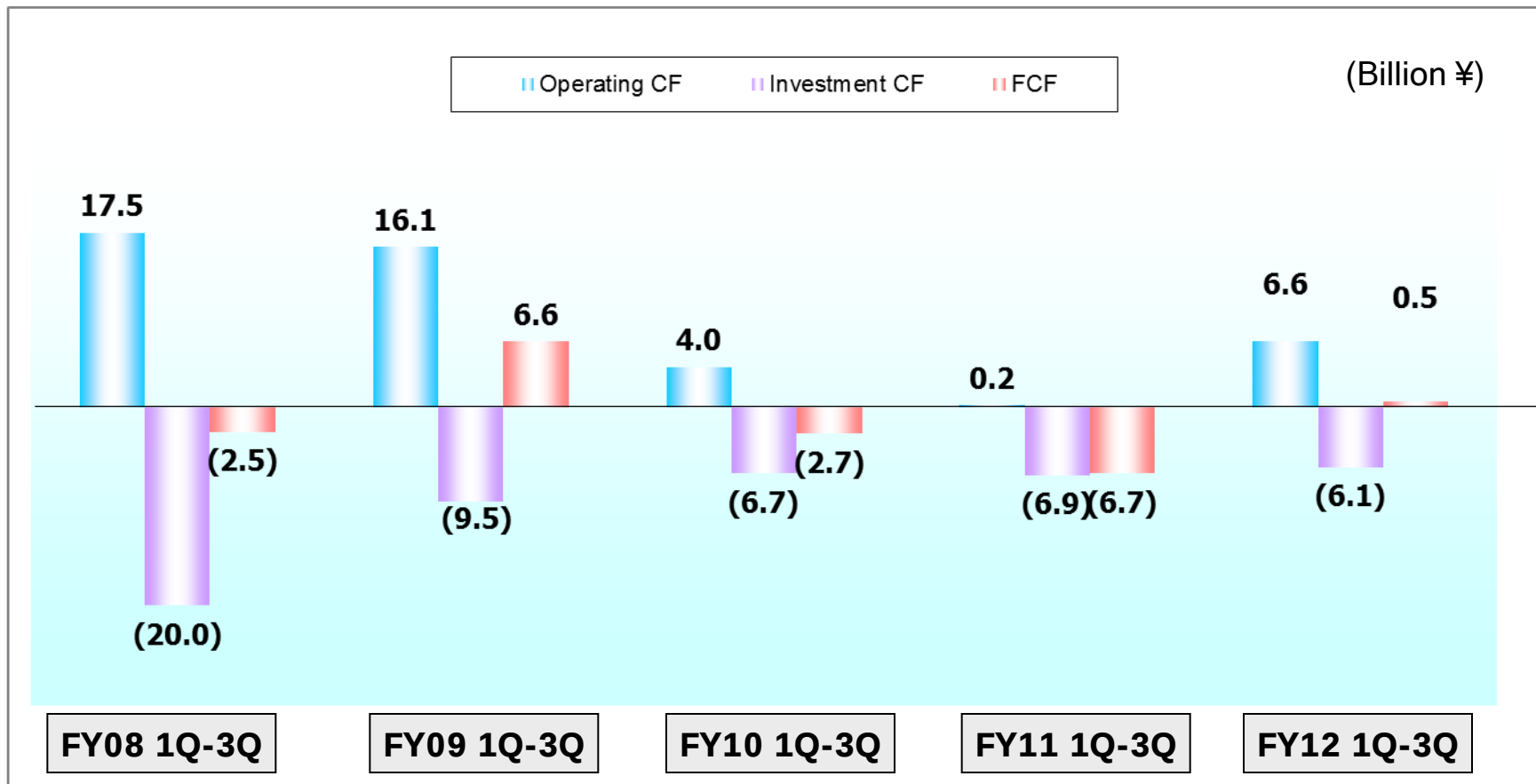
Liabilities and equity



	FY11 3Q	FY11	FY12 1H	FY12 3Q
Debt /equity ratio	83.1%	70.9%	66.7%	66.3%
Interest-bearing debt ratio	32.9%	28.7%	28.3%	28.6%

- The shareholders' equity ratio improved from FY11 because of increased retained earnings, an increase in the foreign currency translation adjustment due to the depreciation of the yen, an increase in the valuation of marketable securities due to higher stock prices, and other factors.

Trend of Cash Flow



- The cash inflow from operating activities is up from FY11 1Q-3Q because of an increase in working capital.

(Billion ¥)

		FY11 Results (A)	FY12 Budget (11/6)(B)	FY12 Budget (2/8)(C)	Difference (C-A)	Difference (C-B)
Orders		344.1	356.0	356.0	11.9	0
Sales		334.7	347.0	347.0	12.3	0
Operating income		16.6	20.0	20.0	3.4	0
Ordinary income		14.0	17.0	17.0	3.0	0
Net income		6.0	13.5	13.5	7.5	0
Exchange rate (¥)	1\$=	78.82	79.00	82.00	3.18	3.00
	1€=	109.34	100.00	106.00	(3.34)	6.00

- The FY12 budget is unchanged from November 6.
- The assumed exchange rates have been changed.

Quarterly Financial Results / Budget

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(Billion ¥)

	FY11				FY12				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q budget	Total budget
Orders	95.0	84.0	75.2	89.9	91.3	84.7	84.1	95.9	356.0
Sales	70.0	87.8	75.7	101.2	75.0	89.6	77.4	105.0	347.0
Operating income	0.5	6.3	2.5	7.3	2.9	5.9	1.3	9.9	20.0

FY11 Budget for Non-operating / Extraordinary Income and Expenses

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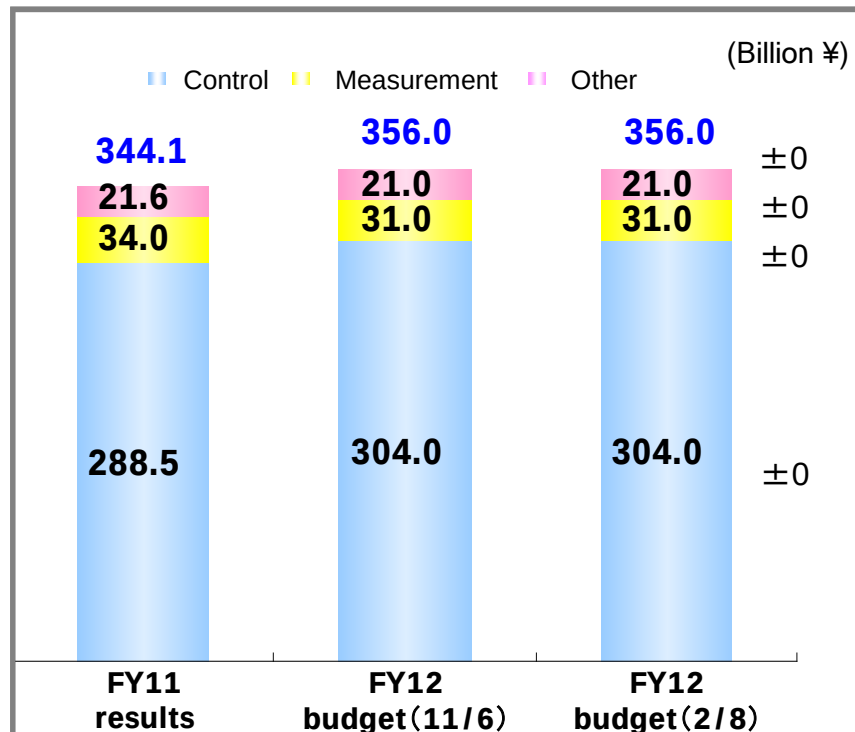
(Billion ¥)

	FY11 Results	FY12 Budget (11/6)	FY12 Budget (2/8)
Operating income	16.6	20.0	20.0
Non-operating income	3.4	(3.0)	(3.0)
Non-operating expenses	6.0		
Ordinary income	14.0	17.0	17.0
Extraordinary income	1.8	2.5	2.5
Extraordinary expenses	4.1		
Income before tax	11.7	19.5	19.5
Tax, etc.	5.7	6.0	6.0
Net income	6.0	13.5	13.5

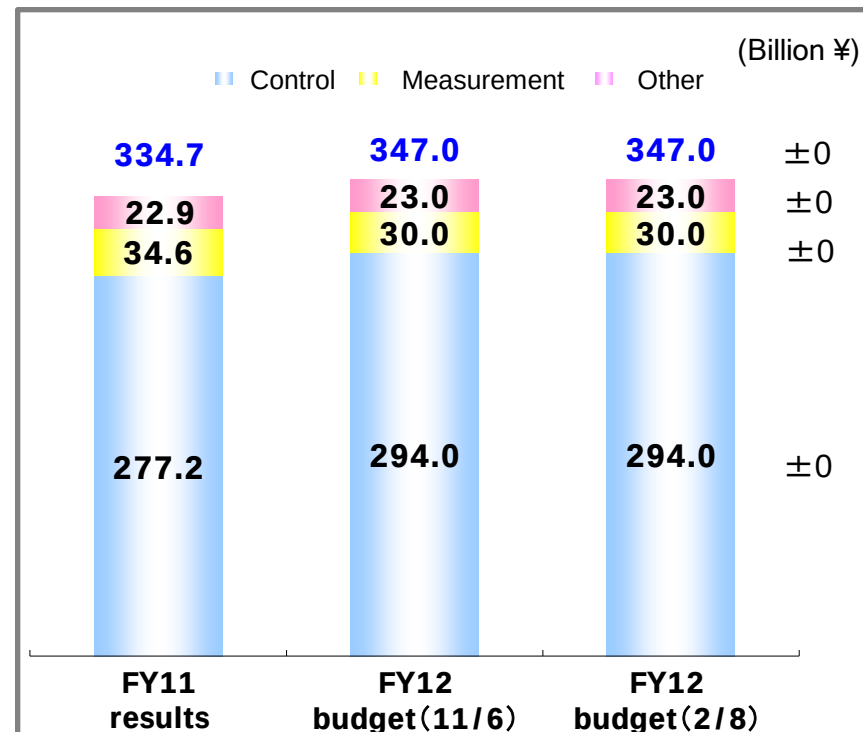
- The FY12 budget is unchanged from November 6.

FY12 Budget for Orders and Sales by Segment

Orders



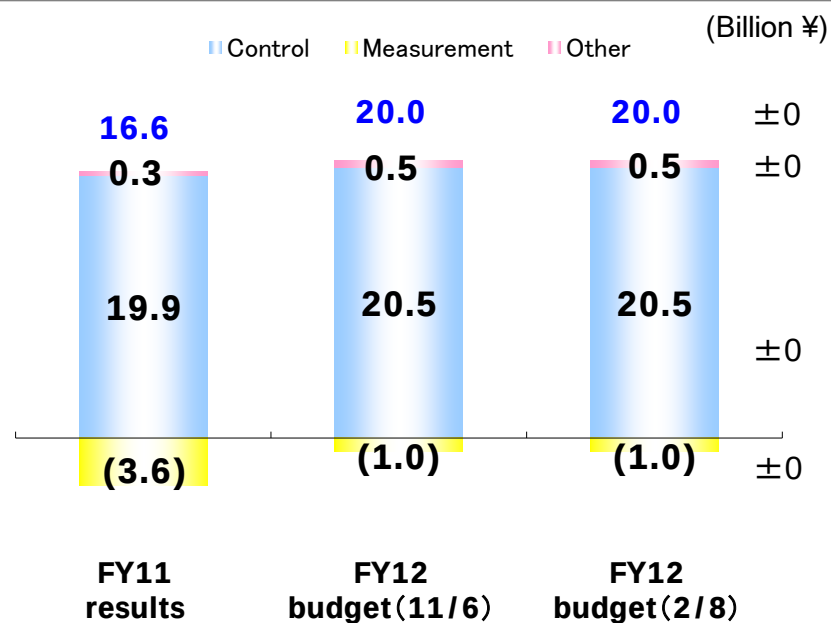
Sales



- The FY12 budget is unchanged from November 6.

FY12 Budget for Operating Income by Segment

Operating income



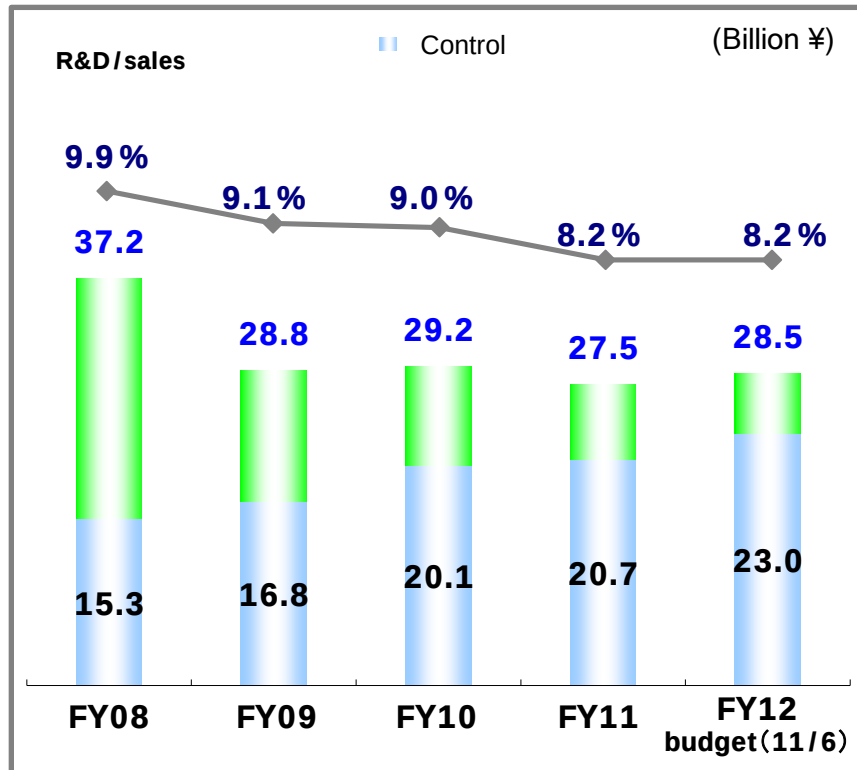
(Billion ¥)

	FY12 budget (11/6)	FY12 budget (2/8)	Difference
Control	20.5	20.5	0.0
Measurement	(1.0)	(1.0)	0.0
Other	0.5	0.5	0.0
Total	20.0	20.0	0.0

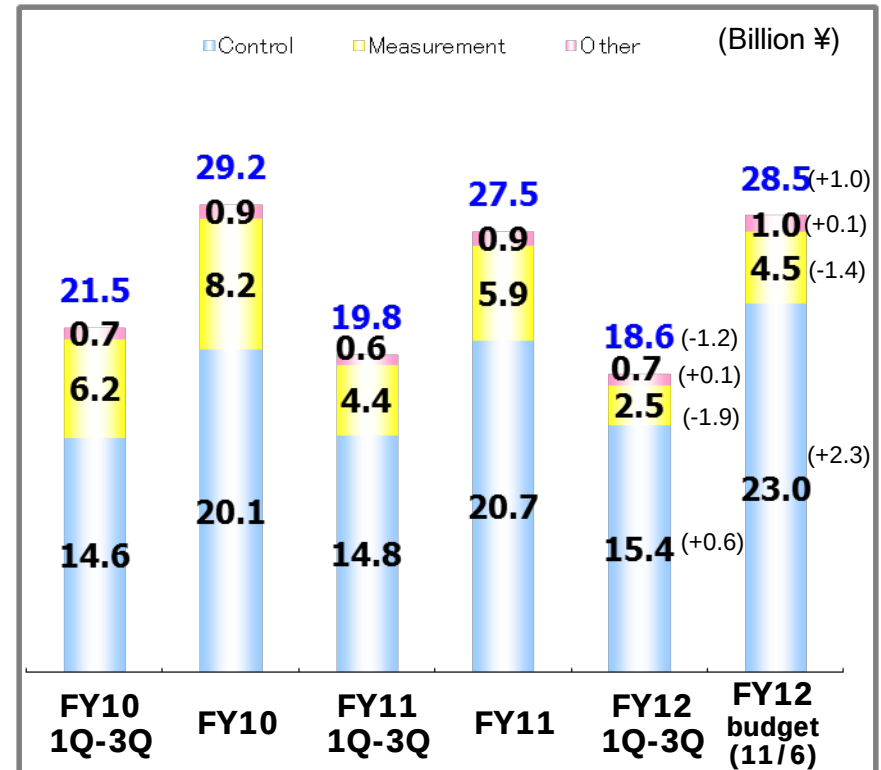
- The FY12 budget is unchanged from November 6.

Trend of R&D Expenses

Total

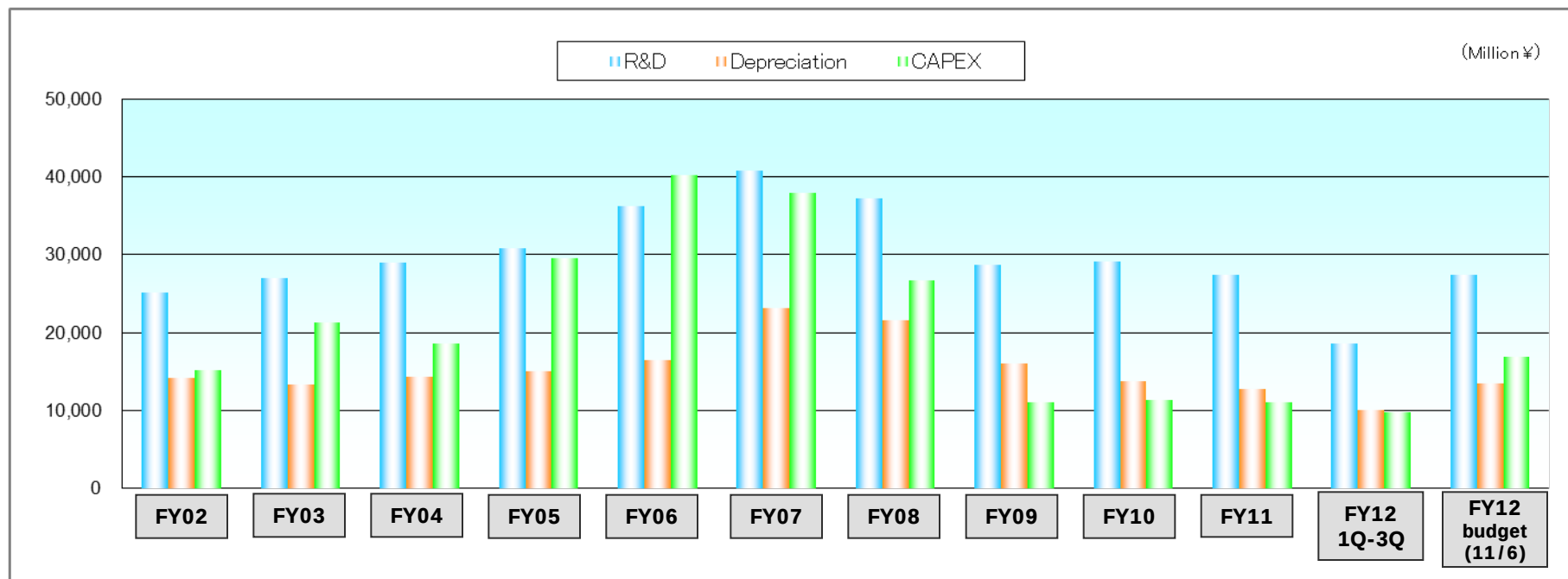


By Segment



- The FY12 R&D expense budget is unchanged from November 6.

R&D Expenses, Depreciation, and CAPEX

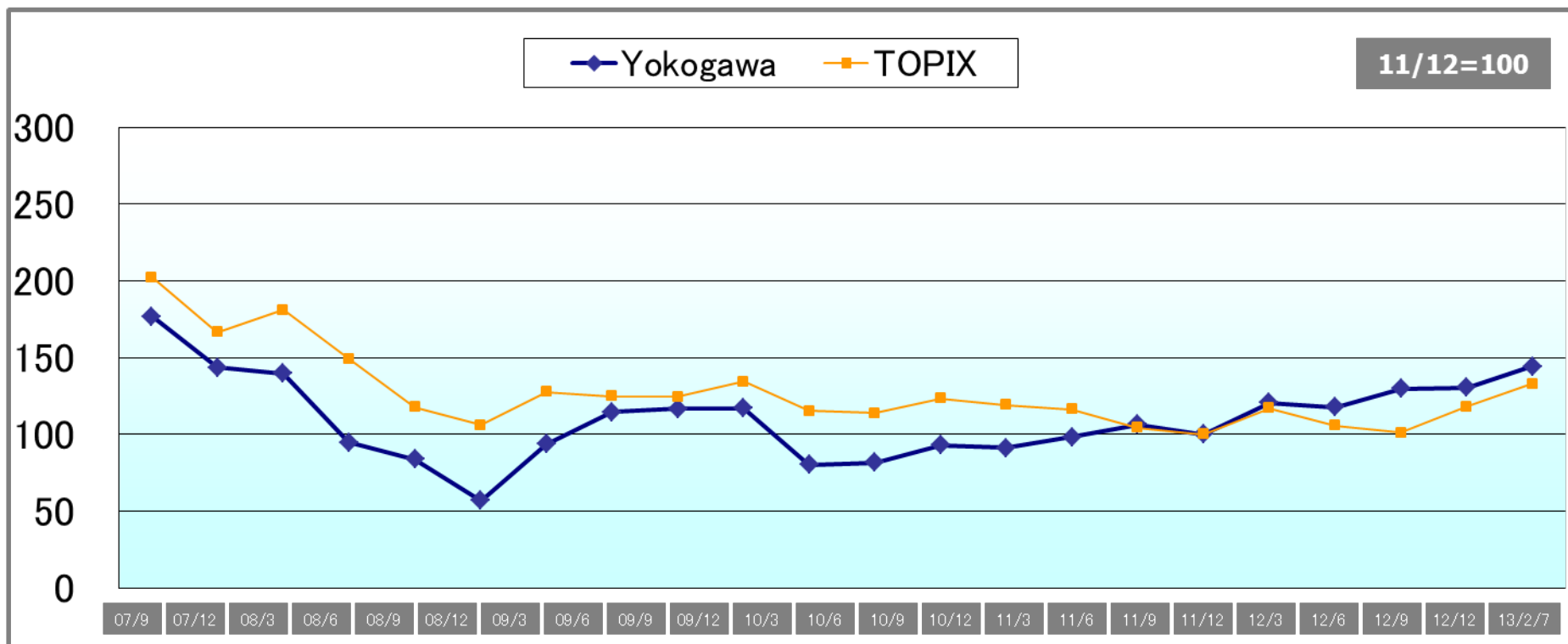


(Million ¥)

	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12 1Q-3Q	FY12 budget (11/6)
R&D expenses	25,233	26,991	28,998	30,917	36,223	40,875	37,229	28,786	29,179	27,472	18,602	28,500
(% of sales)	7.7 %	7.3 %	7.5 %	8.0 %	8.4 %	9.3 %	9.9 %	9.1 %	9.0 %	8.2 %	7.7 %	8.2 %
Depreciation	14,298	13,455	14,331	15,124	16,483	23,129	21,615	16,033	13,836	12,756	10,101	13,500
(% of sales)	4.3 %	3.6 %	3.7 %	3.9 %	3.8 %	5.3 %	5.7 %	5.1 %	4.2 %	3.8 %	4.2 %	3.9 %
CAPEX	15,264	21,355	18,652	29,540	40,284	37,990	26,813	11,125	11,337	11,143	9,836	18,000
(% of sales)	4.6 %	5.7 %	4.8 %	7.6 %	9.3 %	8.7 %	7.1 %	3.5 %	3.5 %	3.3 %	4.1 %	5.2 %

- The FY12 R&D expense, depreciation, and CAPEX budgets are all unchanged.

Trend of Stock Price



	07/9	07/12	08/3	08/6	08/9	08/12	09/3	09/6	09/9	09/12	10/3	10/6	10/9	10/12	11/3	11/6	11/9	11/12	12/3	12/6	12/9	12/12	13/02/07
Yokogawa	1,398	1,228	998	971	659	582	394	650	795	812	814	557	568	646	634	683	740	695	837	818	902	906	1,003
TOPIX	1,617	1,476	1,213	1,320	1,087	859	774	930	910	908	979	841	830	899	869	849	761	729	854	770	737	860	969

	07/9	07/12	08/3	08/6	08/9	08/12	09/3	09/6	09/9	09/12	10/3	10/6	10/9	10/12	11/3	11/6	11/9	11/12	12/3	12/6	12/9	12/12	13/02/07
Yokogawa	201	177	144	140	95	84	57	94	114	117	117	80	82	93	91	98	106	100	120	118	130	130	144
TOPIX	222	202	166	181	149	118	106	128	125	125	134	115	114	123	119	116	104	100	117	106	101	118	133

Appointment of President and Chairman

Effective April 1

◆Appointment

Name		New position	Present position
Shuzo Kaihori		Representative Director and Chairman	Representative Director President and CEO
Takashi Nishijima		Representative Director President and CEO	Director and Senior Vice President, Industrial Automation Platform Business Headquarters

◆Profile

Shuzo Kaihori

Date of birth: January 31, 1948

Apr. 1973 Joined the company

Apr. 2000 President of Yokogawa Corporation of America

Apr. 2005 Vice President, Head of IA Business Headquarters

Jun. 2006 Director and Senior Vice President, Head of IA Business Headquarters

Apr. 2007 President and COO

Apr. 2008 President and CEO

Takashi Nishijima

Date of birth: August 12, 1957

Apr. 1981 Joined the company

Oct. 2008 Head of Control Products Business Center, IA Business Headquarters

Apr. 2010 President of Yokogawa Meters & Instruments Corporation

Jun. 2011 Director; President of Yokogawa Meters & Instruments Corporation

Apr. 2012 Director and Senior Vice President, Head of IA Platform Business Headquarters

November

- 16** Control systems order for Wheatstone Gas Project in Australia

January

- 17** Control systems order for Maibarara Geothermal Power Project in the Philippines
- 18** Control systems order for large combined cycle power plant in Korea
- 22** Control systems order for Cygnus Offshore Development Project in the North Sea
- 22** Appointment of President and Chairman Effective April 1
- 29** Partnership agreement with McAfee to enhance security of industrial control systems
- 29** Included in RobecoSAM's Sustainability Yearbook 2013 and Awarded Sector Mover Title
- 31** Control systems order for large combined cycle power plant in Saudi Arabia



Note: The date for each news item indicates when it was published.

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.