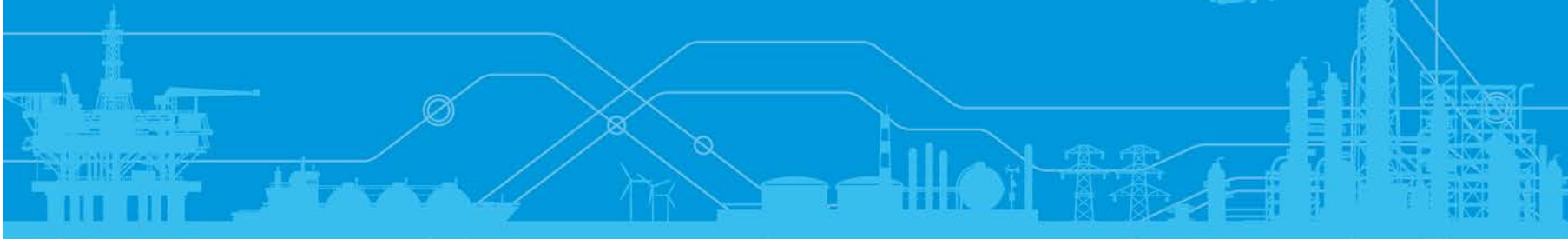


Transformation 2017

Yokogawa Electric Corporation

Financial Results for Fiscal Year 2014



May 12, 2015

Hiroshi Suzuki, Senior Vice President
Corporate Administration Headquarters

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Summary of FY14 Results

- Orders, sales, operating income, ordinary income, and net income all increased.
***The operating income and ordinary income figures are record highs.**
- Impact of weak yen
 →Orders up ¥13.5 billion, sales up ¥13.2 billion, operating income up ¥4 billion
- Net income → increased
 Extraordinary loss: ¥15.9 billion business structure improvement expense
 Extraordinary gain: ¥9.4 billion gain on sale of leasehold rights and buildings

(Billion ¥)

		FY13	FY14	Difference	Growth rate
Orders		406.0	417.1	11.1	2.7%
Sales		388.5	405.8	17.3	4.5%
Operating income		25.9	29.8	3.9	15.2%
Ordinary income		25.7	33.4	7.7	29.9%
Net income		12.3	17.2	4.9	39.6%
EPS(¥)		47.92	66.88	18.96	39.6%
Exchange	1\$=	100.67	110.58	9.91	—
Rate (¥)	1€=	135.24	138.41	3.17	

Summary of FY14 Results

(Comparison with Forecast)

- Orders, sales, and operating/ordinary/net income all exceeded the targets.

(Billion ¥)

		FY14 Forecast (3/9)	FY14	Difference
Orders		417.0	417.1	0.1
Sales		400.0	405.8	5.8
Operating income		28.0	29.8	1.8
Ordinary income		29.0	33.4	4.4
Net income		14.0	17.2	3.2
Exchange Rate (¥)	1\$=	110	110.58	0.58
	1€=	140	138.41	-1.59

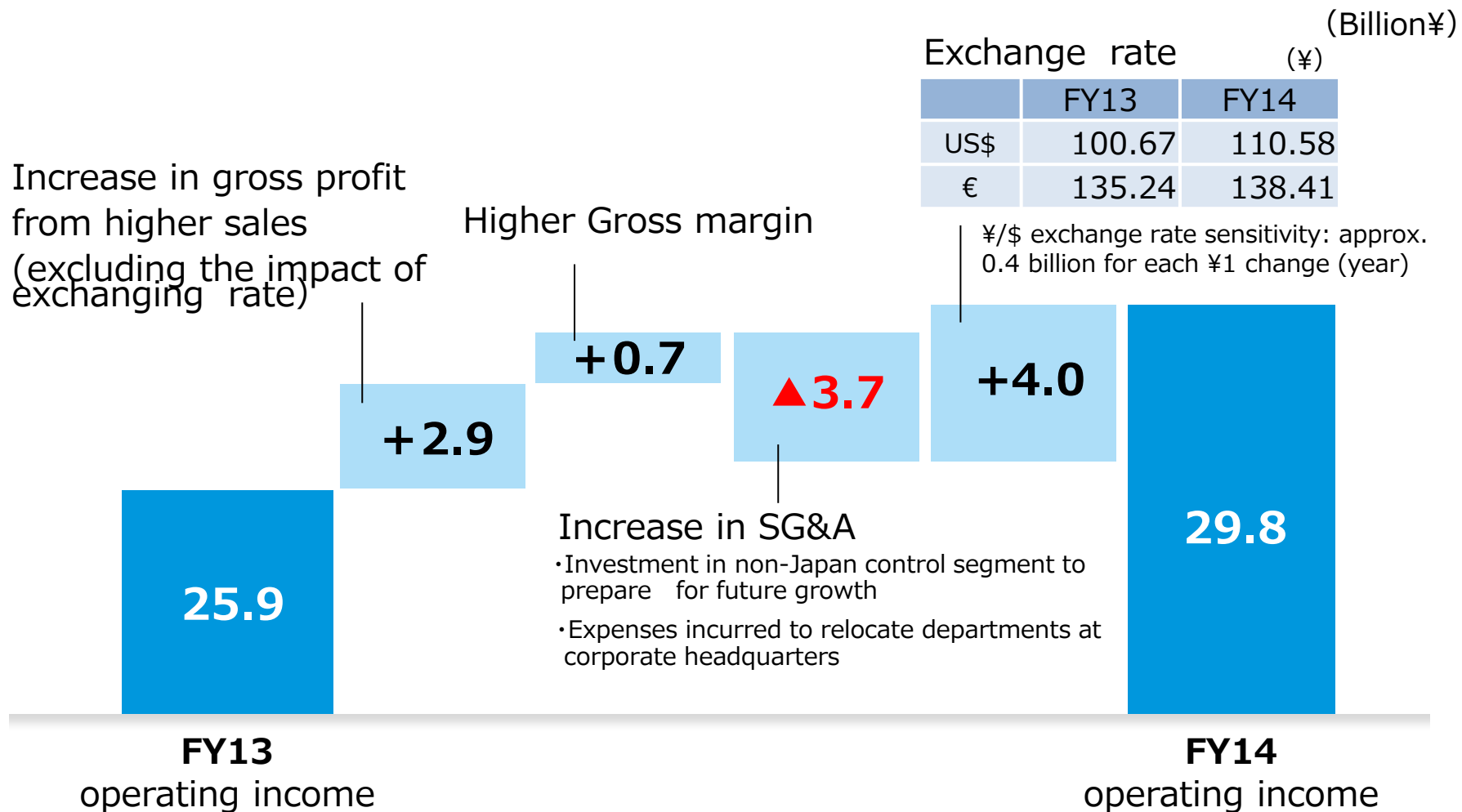
Quarterly Financial Results

-Sales and operating income tend to be higher in 2Q and 4Q, and this trend is particularly strong in the Japanese control segment

(Billion¥)

	FY13					FY14				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Orders	100.2	115.9	94.5	95.4	406.0	94.8	110.5	97.9	113.9	417.1
(Ratio)	25%	29%	23%	23%	100%	23%	26%	23%	27%	100%
Sales	80.8	98.8	90.7	118.2	388.5	82.8	101.6	96.8	124.6	405.8
(Ratio)	21%	25%	23%	31%	100%	20%	25%	24%	31%	100%
Operating income	3.3	7.7	3.2	11.7	25.9	2.6	7.7	6.2	13.3	29.8
(Ratio)	13%	30%	12%	45%	100%	9%	26%	21%	44%	100%

Operating income (FY13/FY14 Comparison)



Non-operating/Extraordinary Income and Expenses

(Billion¥)

	FY13	FY14
Operating income	25.9	29.8
Non-operating Income	4.2	6.5
Non-operating Expenses	4.4	3.0
Ordinary income	25.7	33.4
Extraordinary income	0.1	10.6
Extraordinary expenses	4.0	16.5
Income before tax	21.8	27.4
Tax, etc.	9.5	10.2
Net income	12.3	17.2

→Foreign exchange gains: ¥2.1 billion

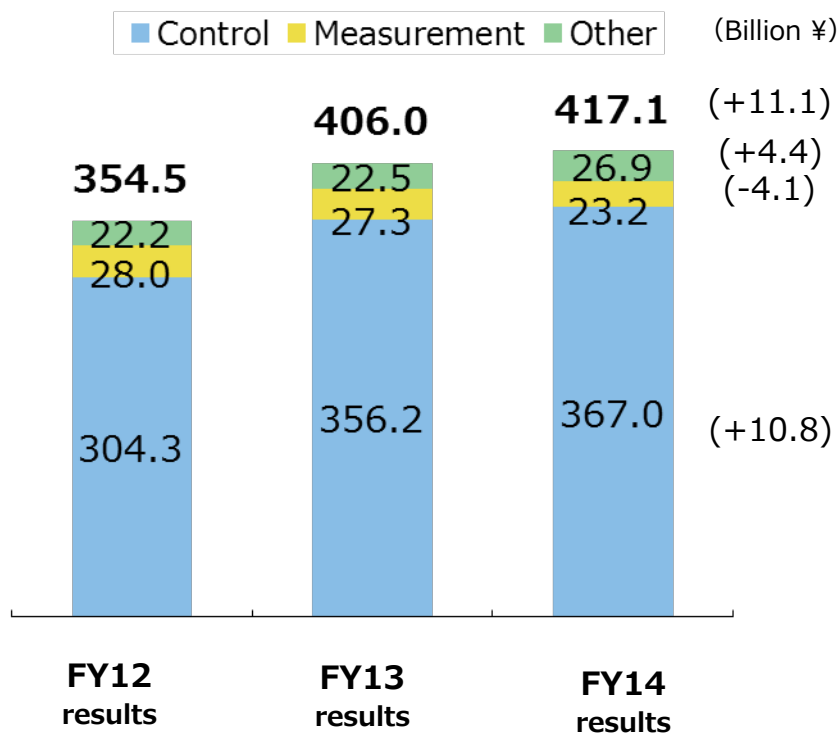
→Sale of leasehold rights and building :¥9.4 billion

→Business structure improvement : ¥15.9billion

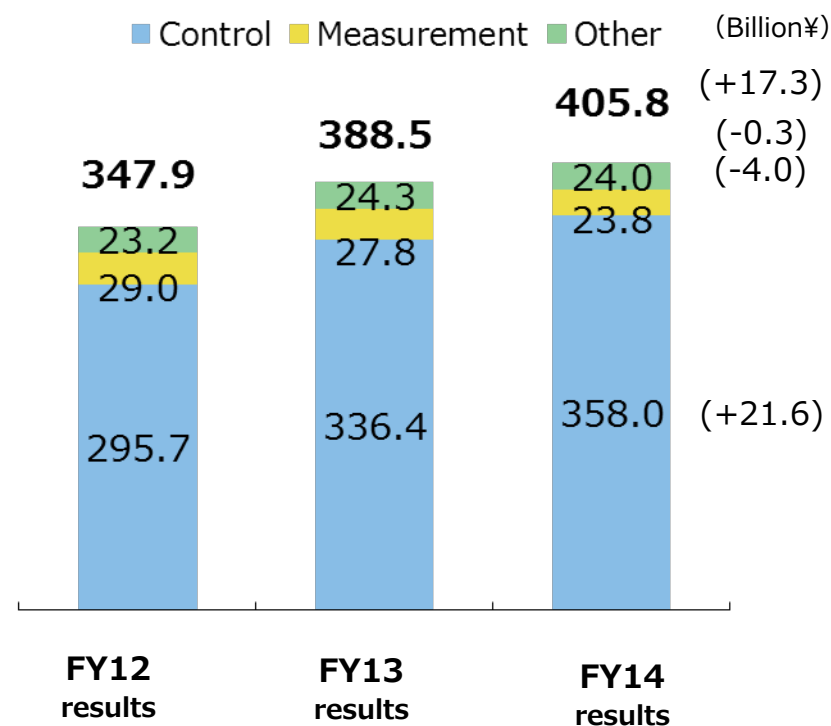
FY13/FY14 Comparison for Orders and Sales by Segment

- Control: Orders and sales increased due to the strong performance of the control segment in energy markets and the impact of the continued weak yen.
- Measurement: Both orders and sales were down from FY13 due to the withdrawal from and sale of businesses.
- Other: Orders increased due to large orders for the aviation business.

Orders



Sales

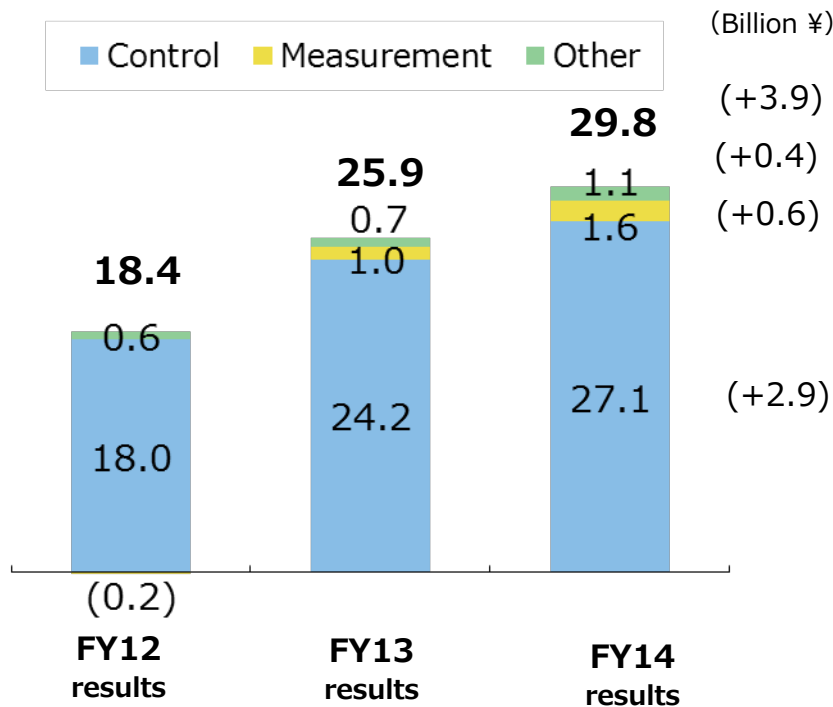


FY13/FY14 Comparison for Operating Income by Segment

- Control: Operating income was up from FY13 mainly due to higher sales and the weak yen.
- Measurement: Despite the lower sales, operating income was up from FY13 as lower costs were incurred for businesses that had been discontinued.
- Other: Operating income includes income of 0.3 billion yen generated by a real estate affiliate.

Operating income

(Billion ¥)

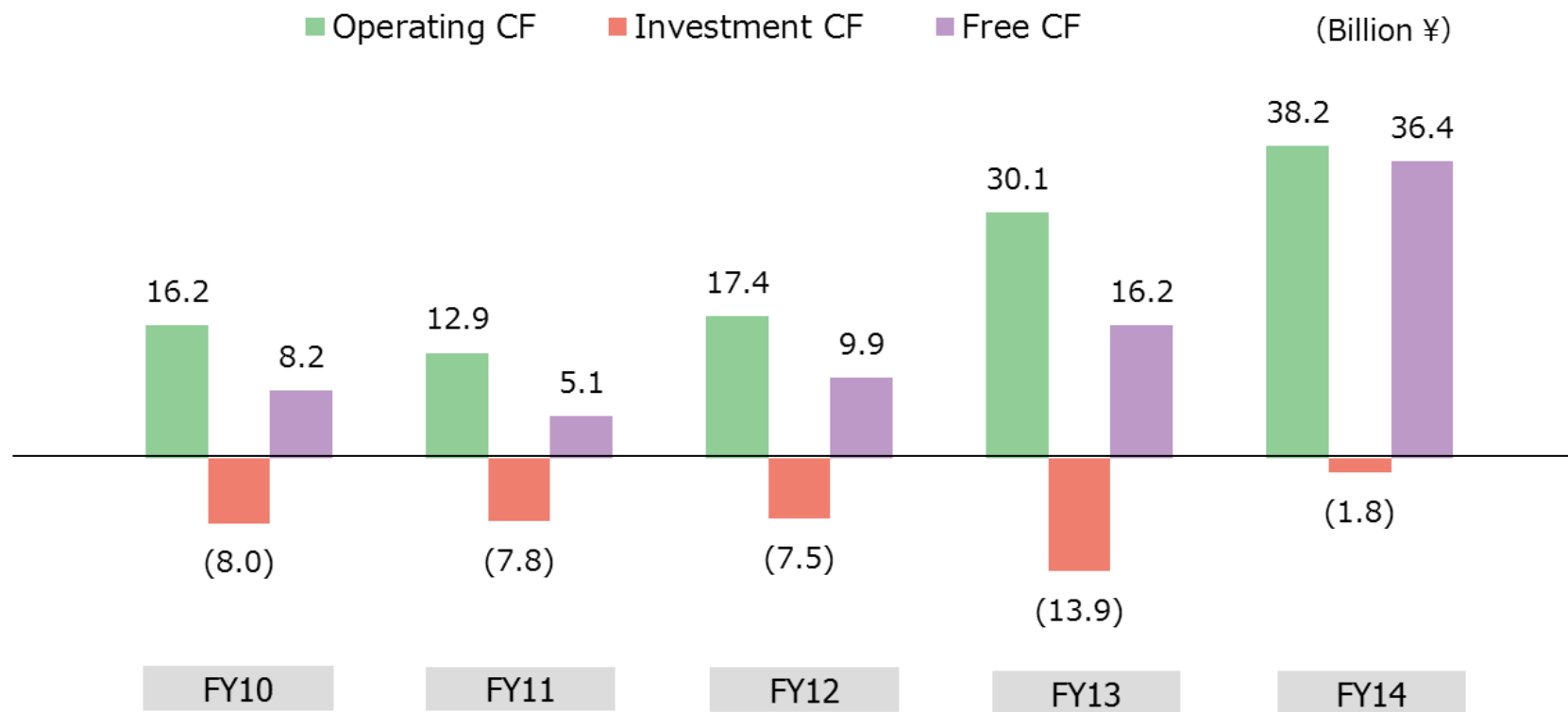


	FY13 results	FY14 results	Difference
Control	24.2	27.1	2.9
Measurement	1.0	1.6	0.6
Other	0.7	1.1	0.4
Total	25.9	29.8	3.9

Trend of Cash Flow

- Free CF was 36.4 billion yen mainly due to increased operating CF and an inflow of 9.4 billion yen from the sale of leasehold rights and buildings.

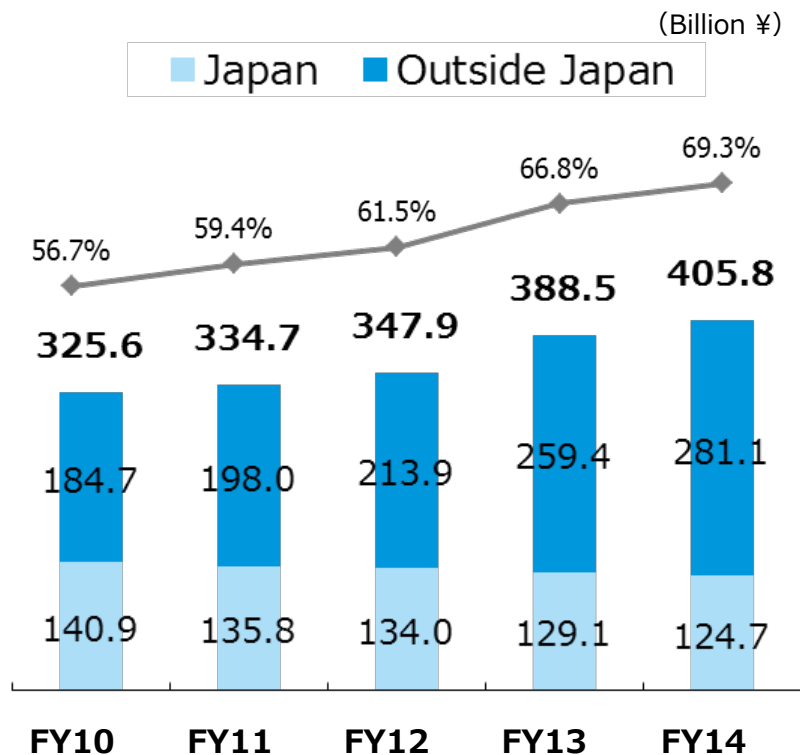
(A 15.9 billion yen business structure improvement expense will be recorded in FY15 for a voluntary retirement program.)



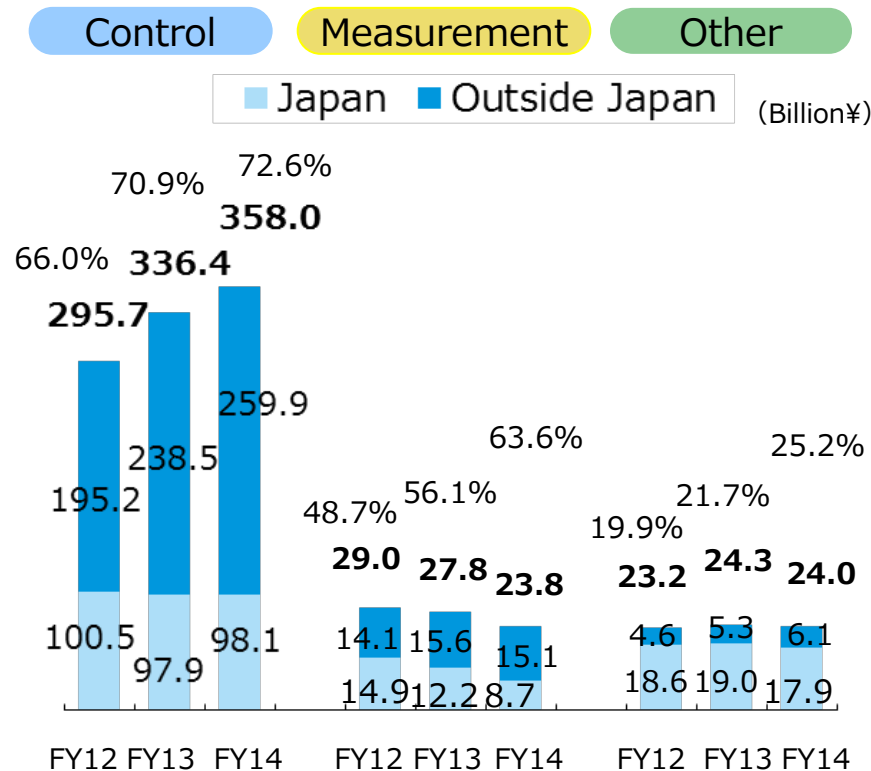
Trend of Global Sales

- The percentage of sales generated outside Japan is at a record high.
- The percentage of control segment sales generated outside Japan is at a record high.

Total



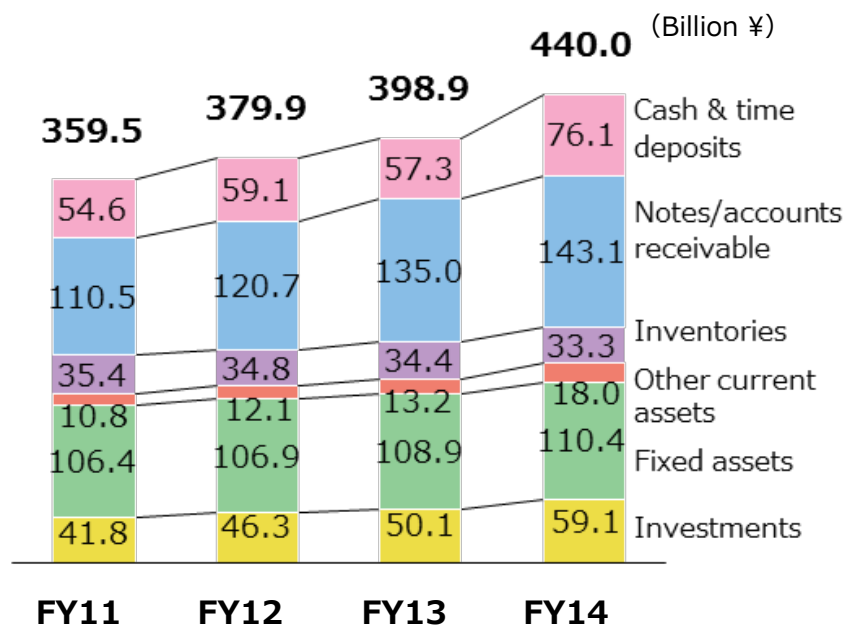
By segment



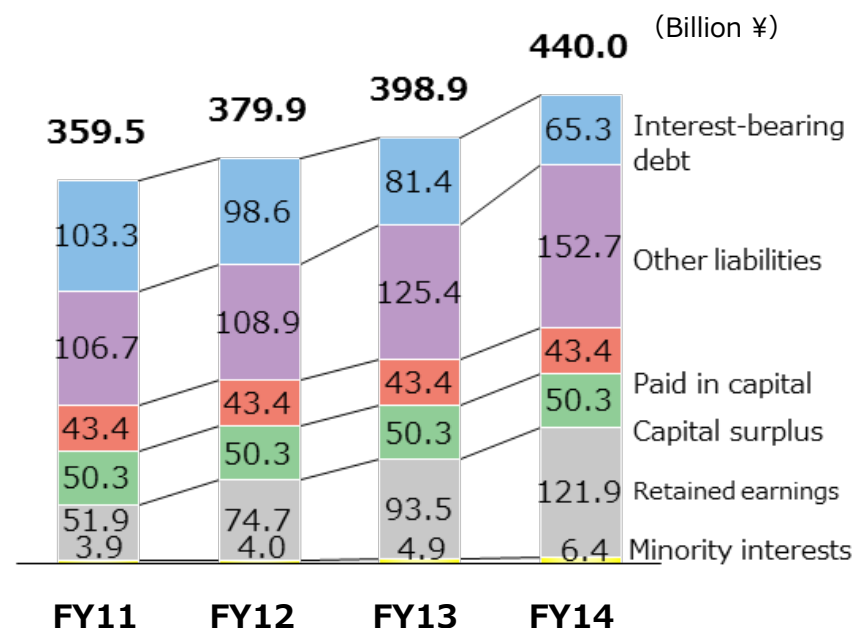
Trend of Balance Sheet

- Total assets were up thanks to the weak yen, high stock prices, and a 9.4 billion yen increase in cash holdings from the sale of leasehold rights and buildings.

Assets



Liabilities and equity



	FY11	FY12	FY13	FY14
Total asset turnover	0.93	0.94	1.00	0.97
Shareholders' equity ratio	40.5%	44.3%	46.9%	49.0%

	FY11	FY12	FY13	FY14
Debt/equity ratio	70.9%	58.6%	43.5%	30.3%
Interest-bearing debt ratio	28.7%	26.0%	20.4%	14.8%

FY15 Forecast

- Higher orders and sales and record high operating income are expected.
- Ordinary income is expected to decrease mainly due to foreign exchange losses.
- Net income is expected to increase.

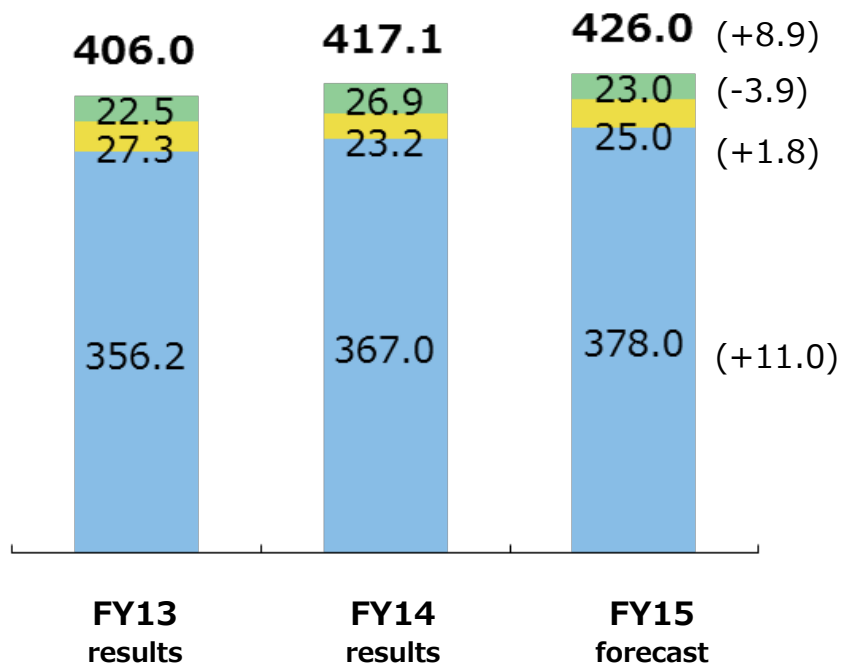
		FY13 (A)	FY14 (B)	FY15 Forecast(C)	Difference (C-B)	Growth ratio (C÷B-1)
Orders		406.0	417.1	426.0	8.9	2.1%
Sales		388.5	405.8	413.0	7.2	1.8%
Operating income		25.9	29.8	33.0	3.2	10.7%
Ordinary income		25.7	33.4	30.0	(3.4)	-10.1%
Net income		12.3	17.2	19.0	1.8	10.3%
EPS(¥)		47.92	66.88	73.78	6.9	10.3%
Exchange rate (¥)	1\$=	100.67¥	110.58¥	110.00¥	-0.58¥	—

FY15 Forecast for Orders and Sales by Segment

- Orders and sales are expected to be up year-on-year.

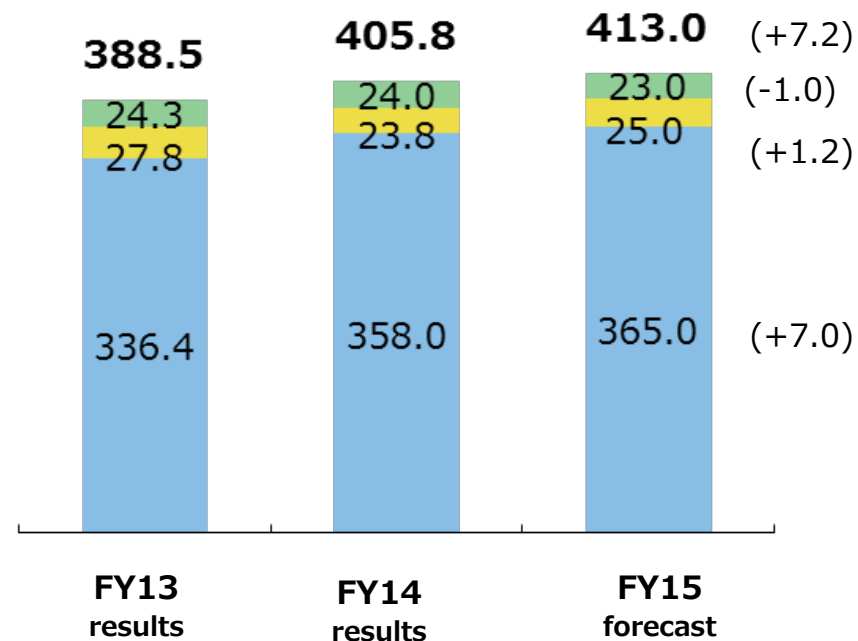
Orders

■ Control ■ Measurement ■ Aviation and Other
(Billion ¥)



Sales

■ Control ■ Measurement ■ Aviation and Other
(Billion ¥)



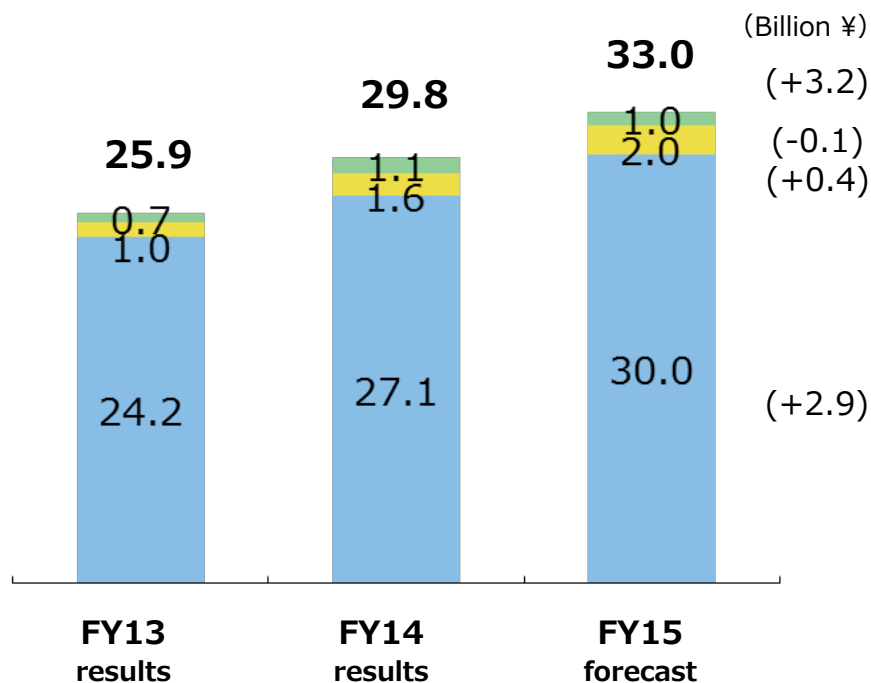
"Other Businesses" business segment was renamed
"Aviation and Other Businesses"

FY15 Forecast Operating Income by Segment

- Factoring in 4 billion yen of strategic investments in FY15, operating income of 33 billion yen (a record high) is forecast.

Operating income

■ Control ■ Measurement ■ Aviation and Other



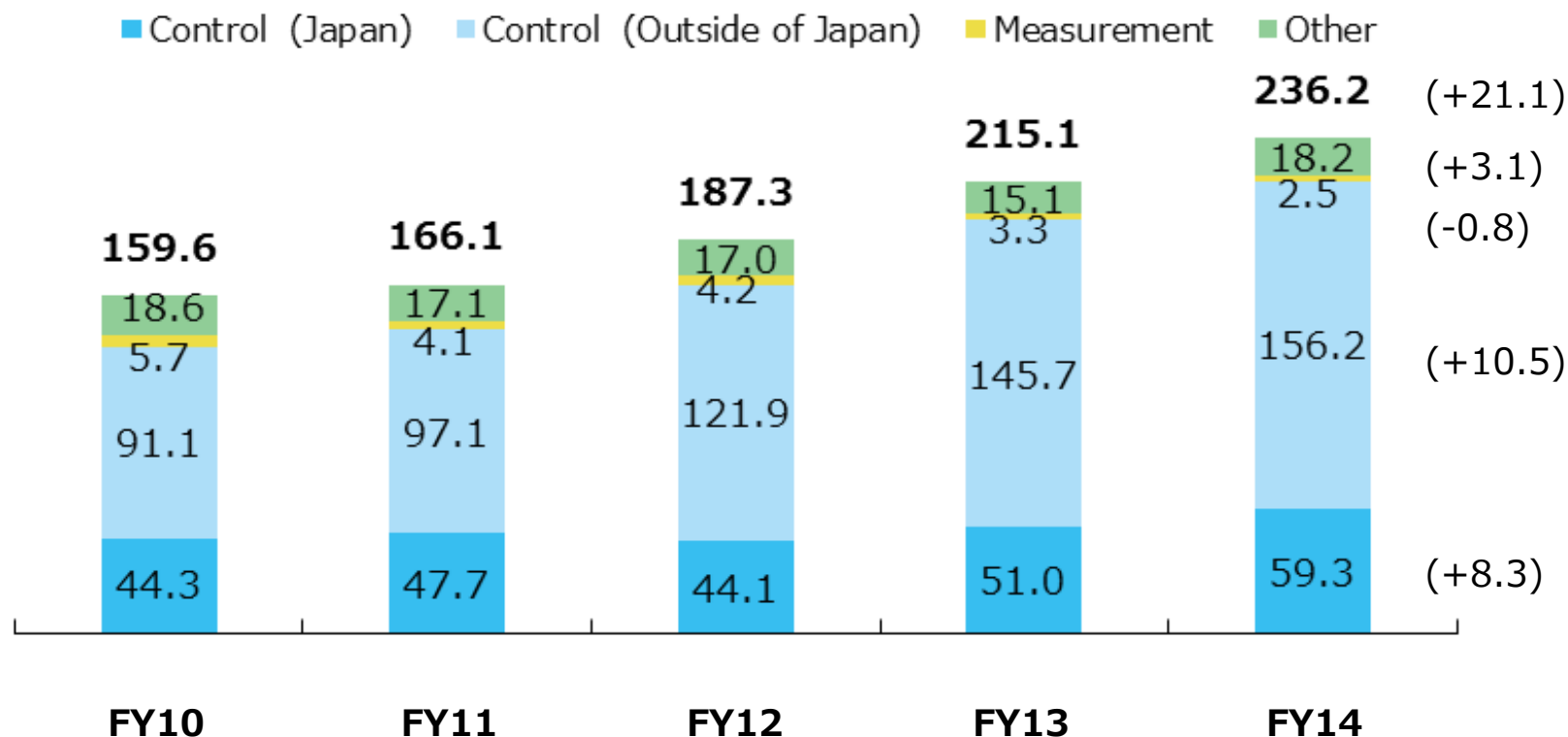
(Billion ¥)

	FY14 results	FY15 forecast	Difference
Control	27.1	30.0	2.9
Measurement	1.6	2.0	0.4
Aviation and Other	1.1	1.0	(0.1)
Total	29.8	33.0	3.2

Trend of Order Backlog by Segment

- The order backlog for the control segment has been steadily increasing, particularly in Japan, and is at a record high

(Billion ¥)

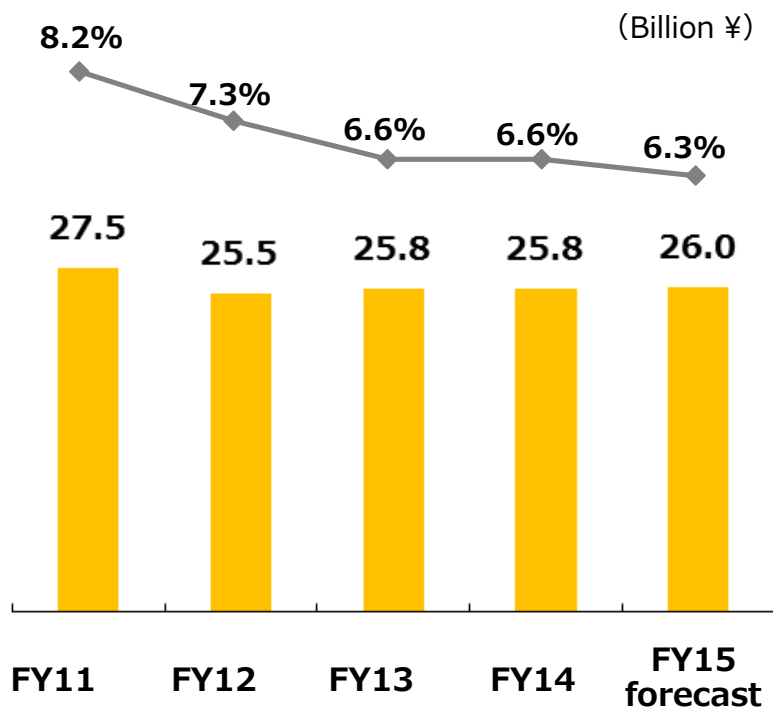


Trend of R&D Expenses

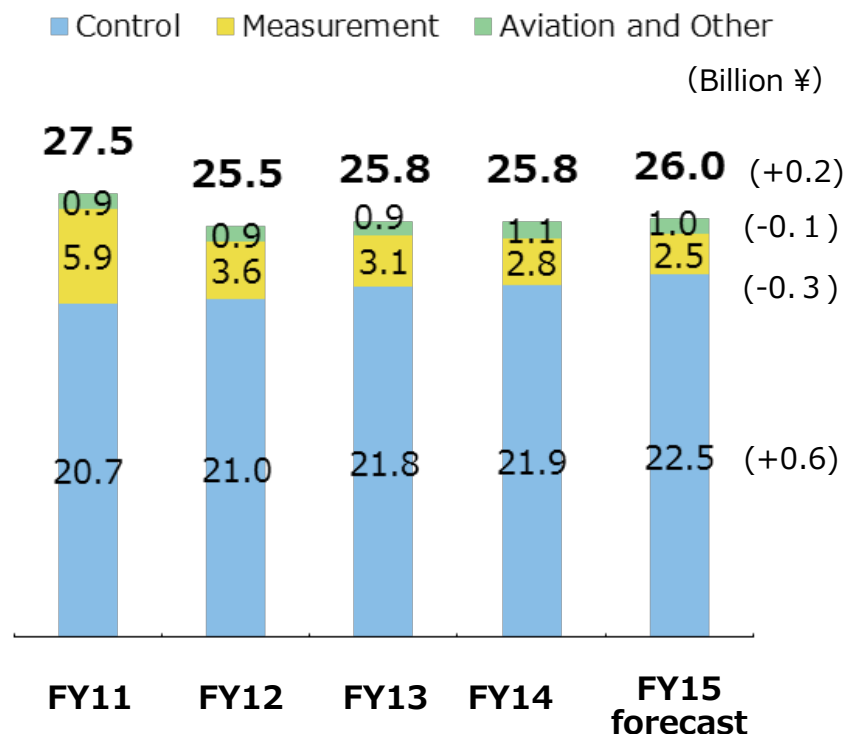
- Investment to improve added value and create new business

While maintaining Groupwide R&D investment at current levels, aim for a 6% R&D-to-sales ratio.

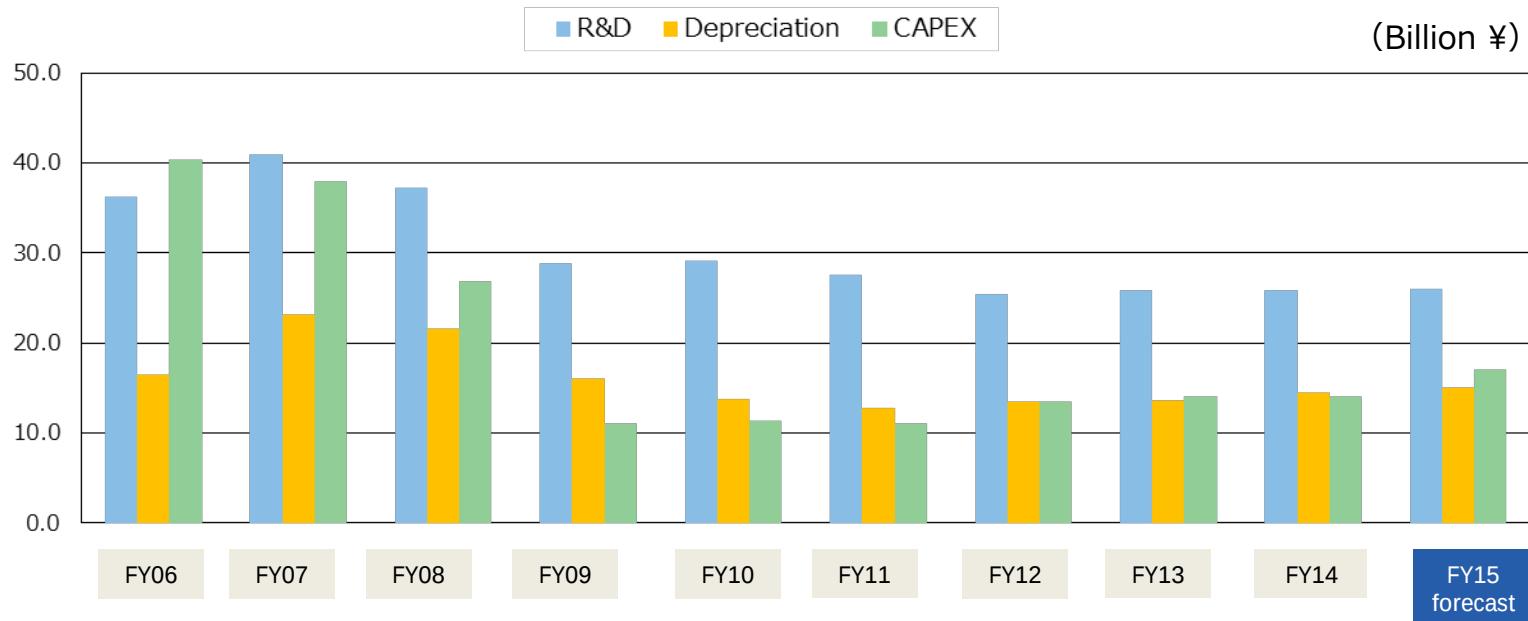
Trend of R&D Expenses



By Segment



R&D Expenses, Depreciation, and CAPEX



	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15 forecast
R&D expenses (% of sales)	36.2	40.9	37.2	28.8	29.2	27.5	25.5	25.8	25.8	26.0
	8.4%	9.3%	9.9%	9.1%	9.0%	8.2%	7.3%	6.6%	6.4%	6.3%
Depreciation (% of sales)	16.5	23.1	21.6	16.0	13.8	12.8	13.5	13.6	14.5	15.0
	3.8%	5.3%	5.7%	5.1%	4.2%	3.8%	3.9%	3.5%	3.6%	3.6%
CAPEX (% of sales)	40.3	38.0	26.8	11.1	11.3	11.1	13.5	14.0	14.1	17.0
	9.3%	8.7%	7.1%	3.5%	3.5%	3.3%	3.9%	3.6%	3.5%	4.1%

Dividend

Basic Policy

By achieving growth in earnings, we aim to steadily increase our dividend payments.

< FY14 dividend forecast >

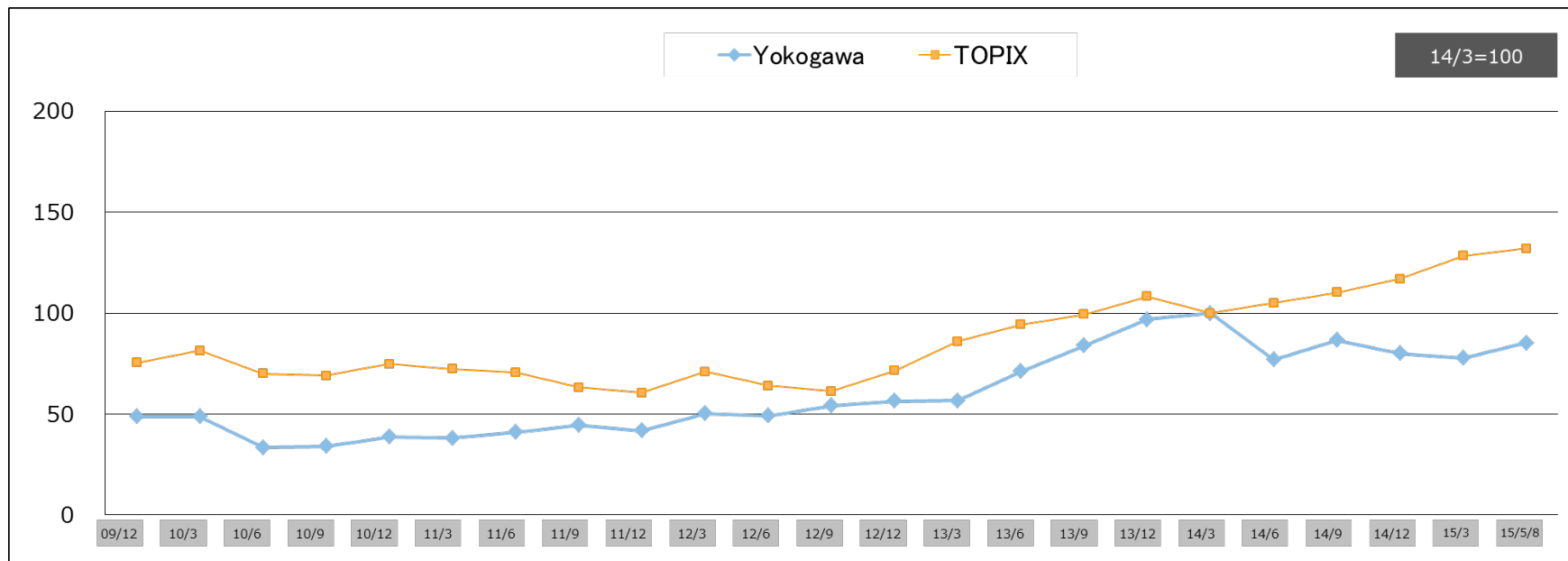
Interim period	End of term	Annual
¥6	¥6	¥12

< FY15 dividend forecast>

Including a 5 yen per share commemorative dividend.

Interim period	End of term	Annual
¥12.5	¥7.5	¥20

Trend of Stock Price



	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	13/3	13/6	13/9	13/12	14/3	14/6	14/9	14/12	15/3	15/5/8
Yokogawa	812	814	557	568	646	634	683	740	695	837	818	902	941	946	1,187	1,398	1,615	1,667	1,281	1,442	1,333	1,295	1,420
TOPIX	908	979	841	830	899	869	849	761	729	854	770	737	860	1,035	1,134	1,194	1,302	1,203	1,263	1,326	1,407	1,543	1,587

	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	13/3	13/6	13/9	13/12	14/3	14/6	14/9	14/12	15/3	15/5/8
Yokogawa	49	49	33	34	39	38	41	44	42	50	49	54	56	57	71	84	97	100	77	87	80	78	85
TOPIX	75	81	70	69	75	72	71	63	61	71	64	61	71	86	94	99	108	100	105	110	117	128	132

News (From February 2 to May 12)

Feb Yokogawa and Cisco deliver cybersecurity solutions for Shell

Mar DCS orders for two large combined cycle power plants in Saudi Arabia
Control system order for PETRONAS's second floating LNG facility

Apr Release of ISA100 Wireless solenoid valve module for emergency remote shut-down
Release of TDLS8000 tunable diode laser spectrometer with improved reliability and operability
Yokogawa Solution Service and Tokyo Electron to jointly develop quality management system for stem cell production

May Announcement of “ *Transformation2017* ” (May 12)

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

Disclaimer

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.

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