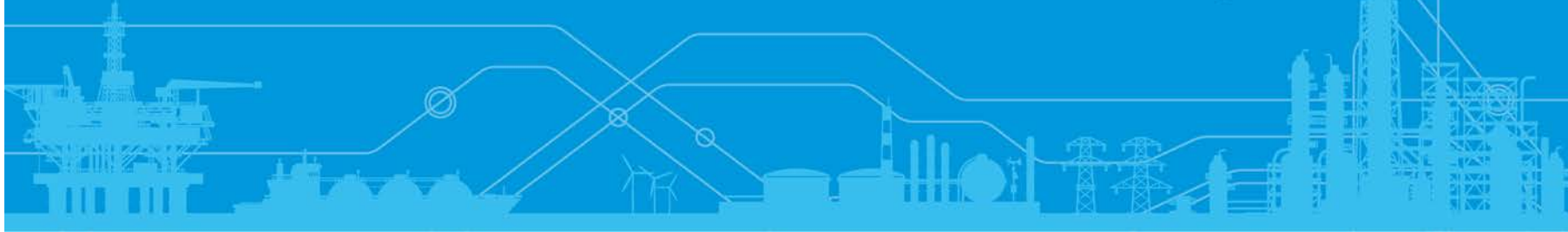


Transformation 2017

Yokogawa Electric Corporation

Financial Results for Fiscal Year 2015 1Q



August 7, 2015

Hiroshi Suzuki, Senior Vice President
Corporate Administration Headquarters

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Summary of FY15 1Q Results

- Orders, sales, operating income, ordinary income, and net income all increased.
***The sales, operating income, ordinary income, and net income figures are record highs.**
- Impact of weak yen:
 →Orders up ¥6.8 billion, sales up ¥4.9 billion, operating income up ¥2.3 billion

(Billion ¥)

		FY14 1Q	FY15 1Q	Difference	Growth rate
Orders		94.8	108.6	13.8	14.5%
Sales		82.8	92.7	9.9	12.0%
Operating income		2.6	6.6	4.0	154.2%
Ordinary income		2.7	6.8	4.1	151.3%
Net income		1.1	5.1	4.0	368.5%
Exchange rate (¥)	1\$	101.71	121.78	20.07	—

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					FY15
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q
Orders	100.2	115.9	94.5	95.4	406.0	94.8	110.5	97.9	113.9	417.1	108.6
(Ratio)	25%	29%	23%	23%	100%	23%	26%	23%	27%	100%	25%
Sales	80.8	98.8	90.7	118.2	388.5	82.8	101.6	96.8	124.6	405.8	92.7
(Ratio)	21%	25%	23%	31%	100%	20%	25%	24%	31%	100%	22%
Operating income	3.3	7.7	3.2	11.7	25.9	2.6	7.7	6.2	13.3	29.8	6.6
(Ratio)	13%	30%	12%	45%	100%	9%	26%	21%	44%	100%	20%

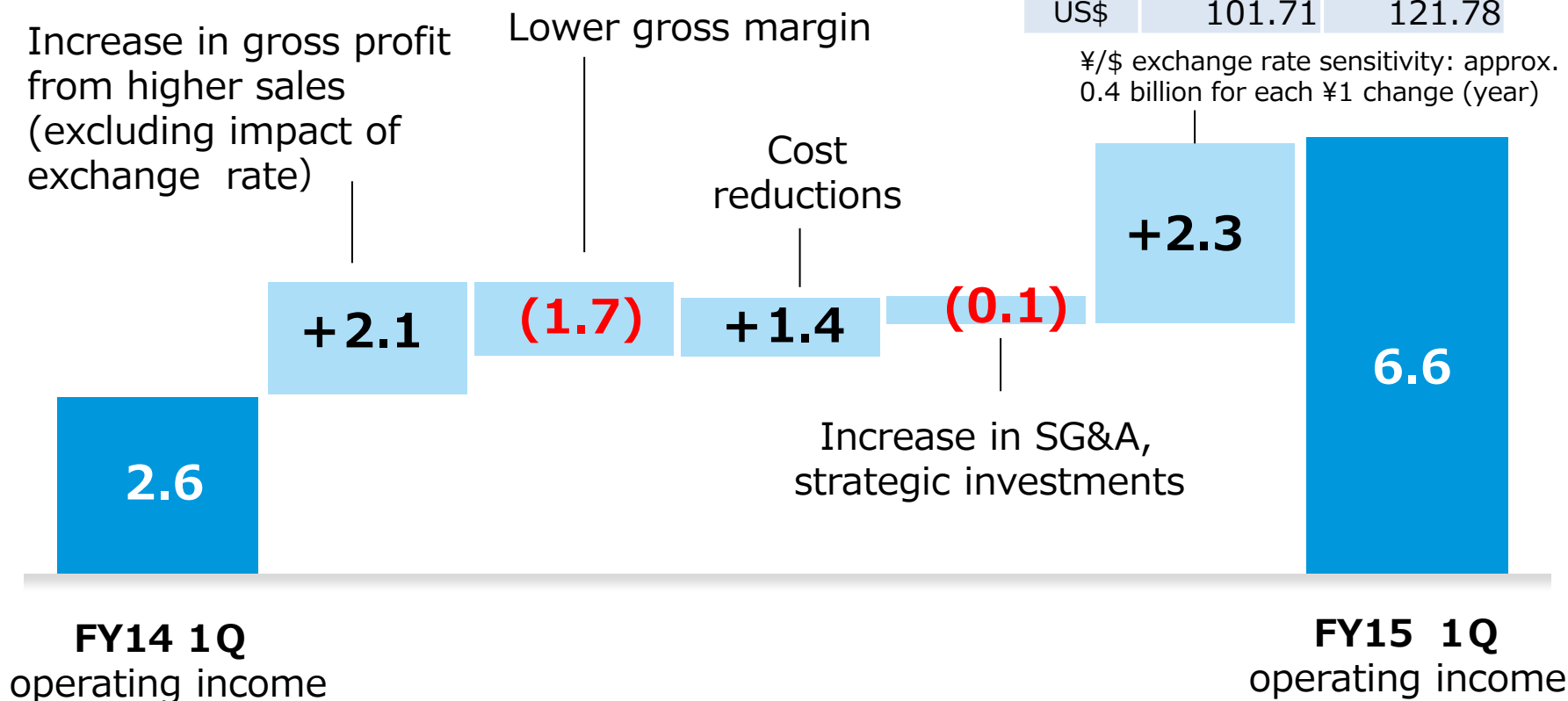
Note: The percentages in the FY15 column are based on the original May 12, 2015 forecast for FY15.

Analysis of Operating Income (FY14 1Q/FY15 1Q comparison)

(Billion¥)

Exchange rate (¥)		
	FY14 1Q	FY15 1Q
US\$	101.71	121.78

¥/\$ exchange rate sensitivity: approx.
0.4 billion for each ¥1 change (year)



Non-operating/Extraordinary Income and Expenses

(Billion¥)

	FY14 1Q	FY15 1Q
Operating income	2.6	6.6
Non-operating income	0.9	0.9
Non-operating expenses	0.8	0.8
Ordinary income	2.7	6.8
Extraordinary income	0.3	0.8
Extraordinary expenses	0.1	0
Income before tax	2.9	7.5
Tax, etc.	1.8	2.4
Net income	1.1	5.1

→ Gain on sale of non-current assets:
¥0.8 billion

(Effective tax rate)

49.1%

27.3%

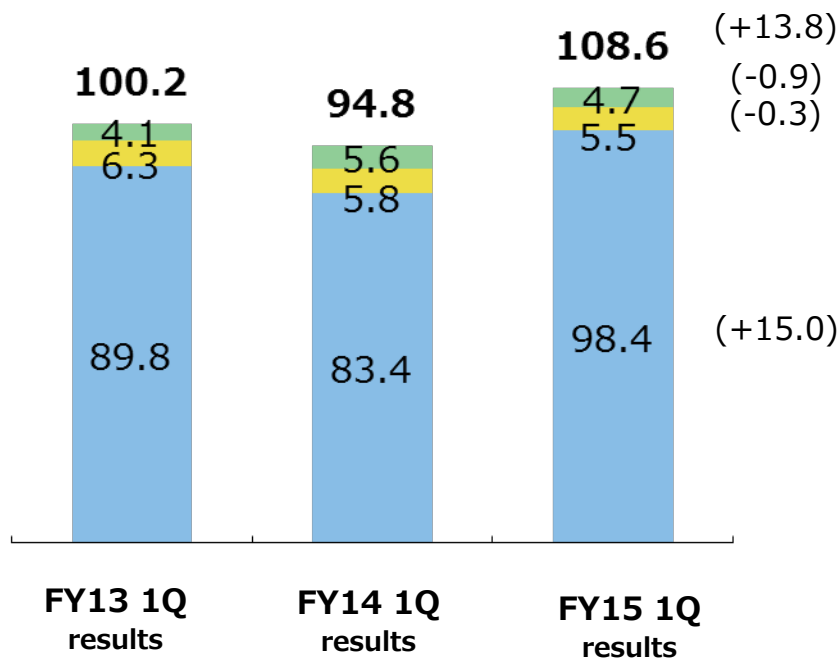
FY14 1Q/FY15 1Q Comparison for Orders and Sales by Segment

- Control: Orders and sales increased due to factors such as increased investments related to resources, energy, and materials, the replacement of plant equipment, increased demand for operation and maintenance services, and the continuing impact of the weak yen.
- Orders and sales were strong in the Middle East and Japan.

Orders

(Billion ¥)

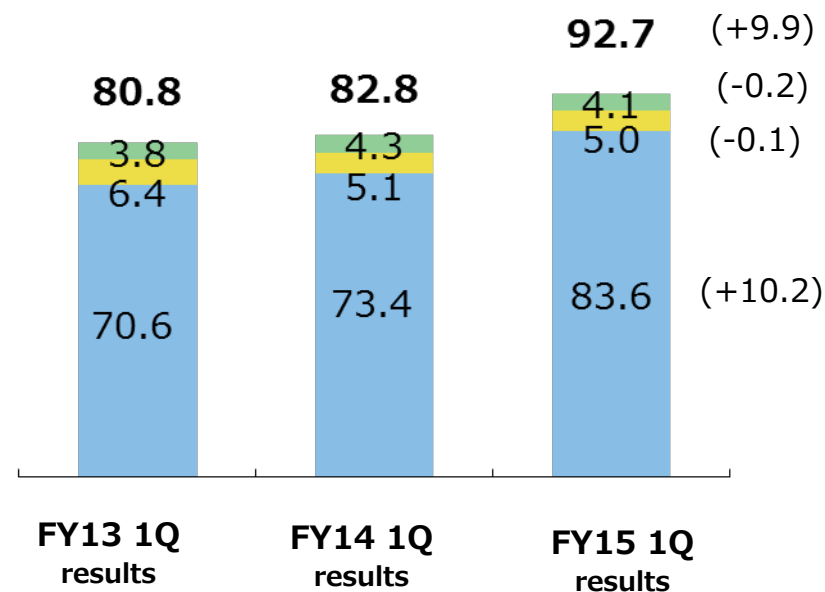
Control Measurement Aviation and Other



Sales

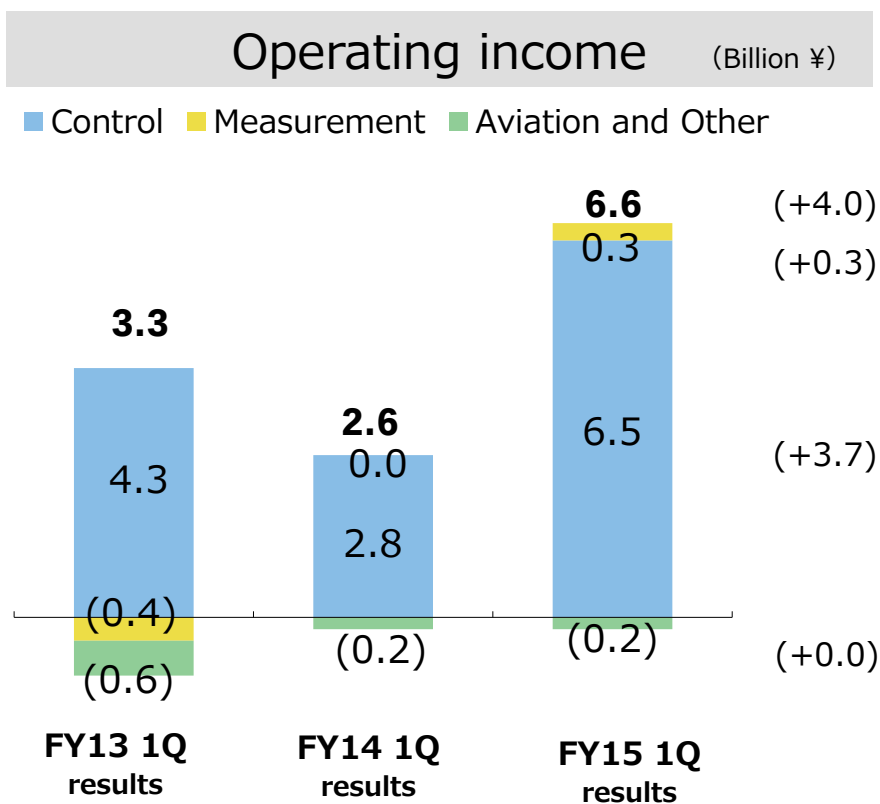
(Billion¥)

Control Measurement Aviation and Other



FY14 1Q/FY15 1Q Comparison for Operating Income by Segment

- Control: Operating income was up from FY14 1Q due mainly to higher sales and the weak yen.
- Measurement: Despite the lower sales, operating income was up from FY14 1Q due mainly to the weak yen.



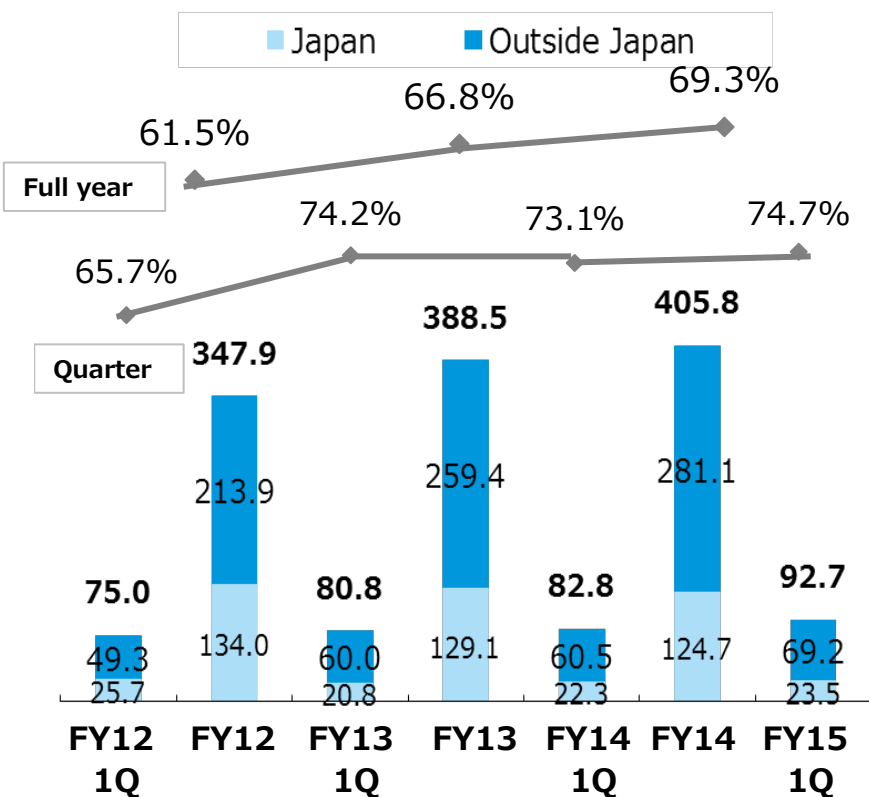
	FY14 1Q results	FY15 1Q results	Difference
Control	2.8	6.5	3.7
Measurement	0.0	0.3	0.3
Aviation and Other	(0.2)	(0.2)	0.0
Total	2.6	6.6	4.0

Trend of Global Sales

-Sales outside Japan are steadily increasing.

Total

(Billion ¥)



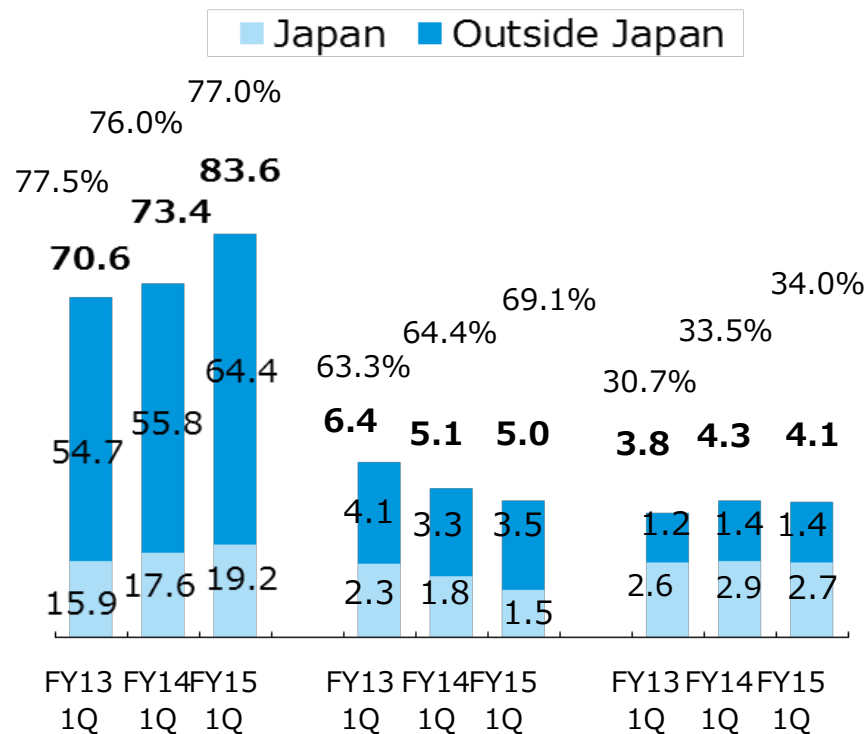
By segment

(Billion ¥)

Control

Measurement

Aviation and Other

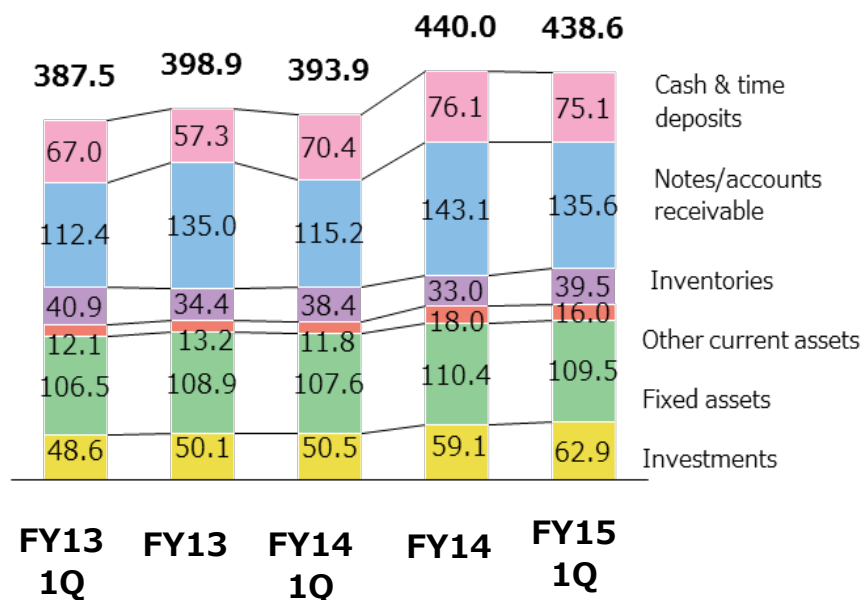


Trend of Balance Sheet

- Other liabilities declined thanks to a voluntary retirement program that decreased accounts payable.

Assets

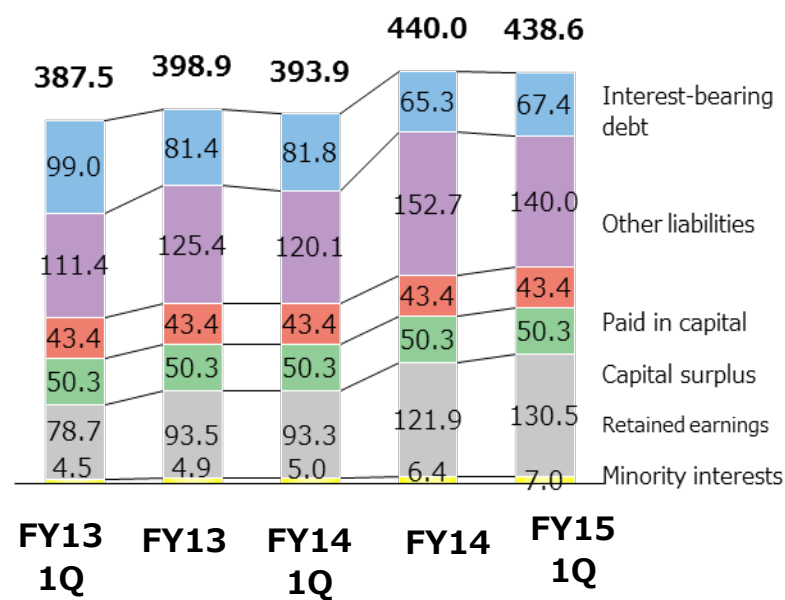
(Billion ¥)



	FY13 1Q	FY13	FY14 1Q	FY14	FY15 1Q
Total asset turnover	-	1.00	-	0.97	-
Shareholders' equity ratio	44.5%	46.9%	47.5%	49.0%	51.1%

Liabilities and equity

(Billion ¥)



	FY13 1Q	FY13	FY14 1Q	FY14	FY15 1Q
Debt/equity ratio	57.4%	43.5%	43.8%	30.3%	30.1%

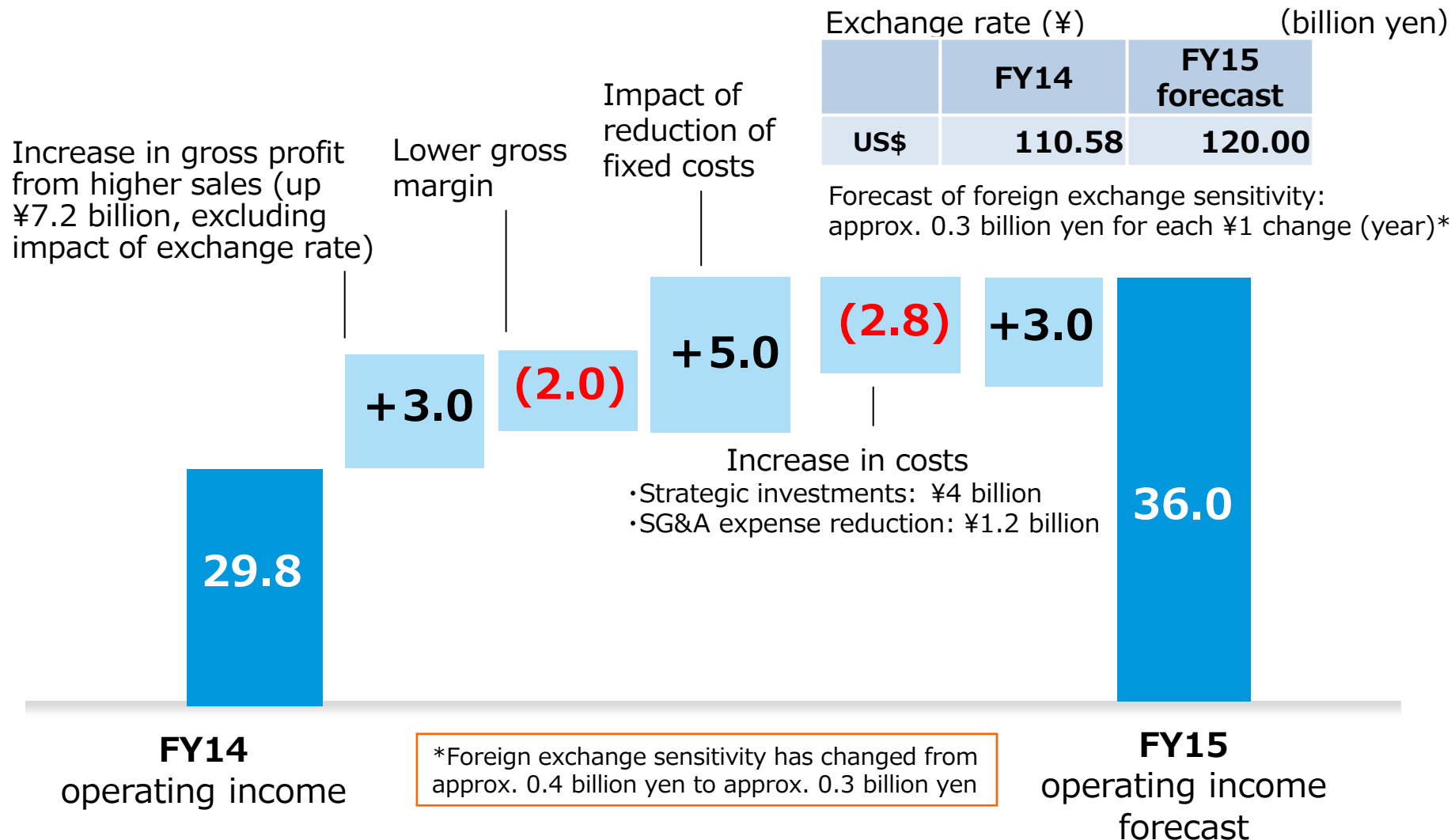
FY15 Forecast

-As a result of a change in the dollar/yen exchange rate from 110 yen to 120 yen, the consolidated business forecast in the control segment outside Japan has been revised.

(Billion ¥)

		FY14 (A)	FY15 (5/12 B)	FY15 (8/7 C)	Difference (C-B)	Difference (C-A)	Growth ratio (C÷A-1)
Orders		417.1	426.0	441.0	15.0	23.9	5.7%
Sales		405.8	413.0	427.0	14.0	21.2	5.2%
Operating income		29.8	33.0	36.0	3.0	6.2	20.7%
Ordinary income		33.4	30.0	34.0	4.0	0.6	1.9%
Net income		17.2	19.0	23.0	4.0	5.8	33.5%
EPS(¥)		66.88	73.78	86.98	13.2	20.10	30.1%
Exchange rate (¥)	1\$	¥110.58	110.0	¥120.00	¥10	¥9.42	—

Analysis of Operating Income (FY14/FY15)

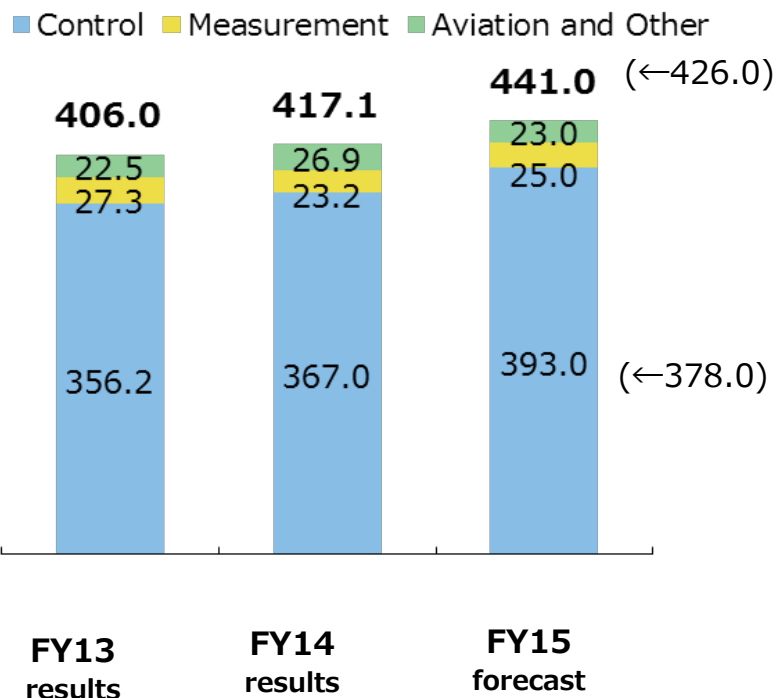


FY15 Forecast for Orders and Sales by Segment

- This forecast has been revised upward due to an anticipated increase in orders and sales for the control segment outside Japan.

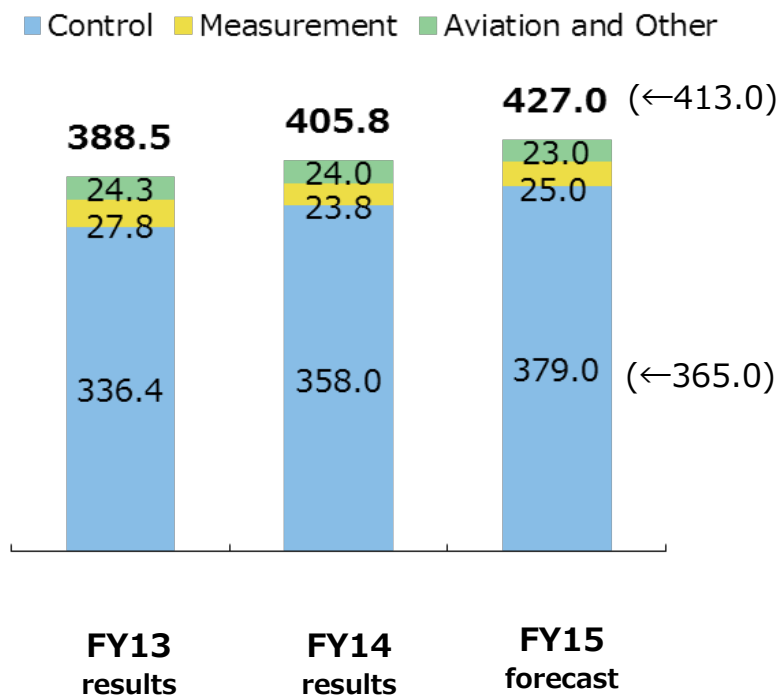
Orders

(Billion ¥)



Sales

(Billion ¥)

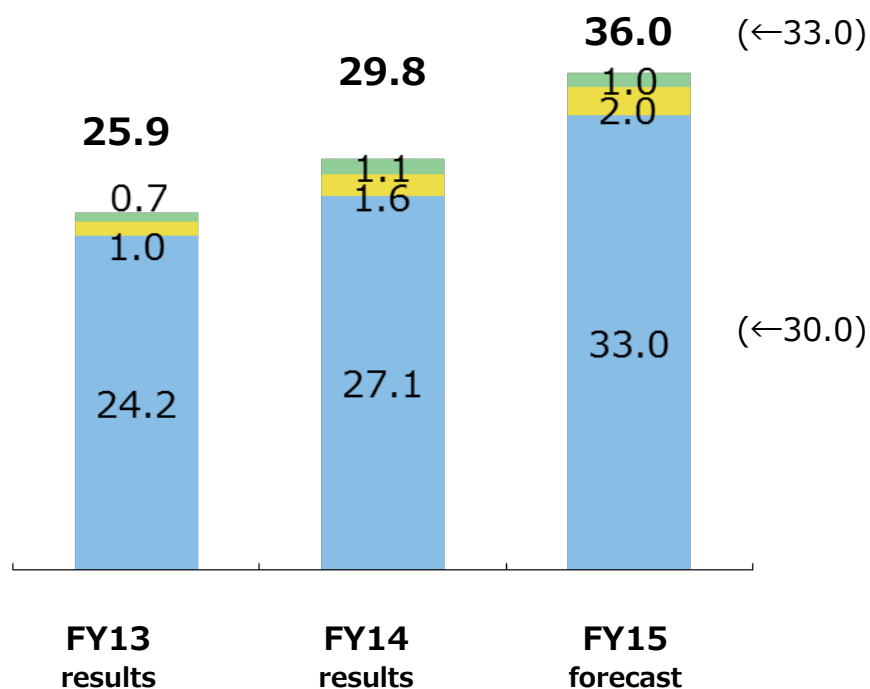


FY15 Forecast for Operating Income by Segment

- This forecast has been revised upward due to an anticipated increase in operating income for the control segment outside Japan.

Operating income (Billion ¥)

Control Measurement Aviation and Other

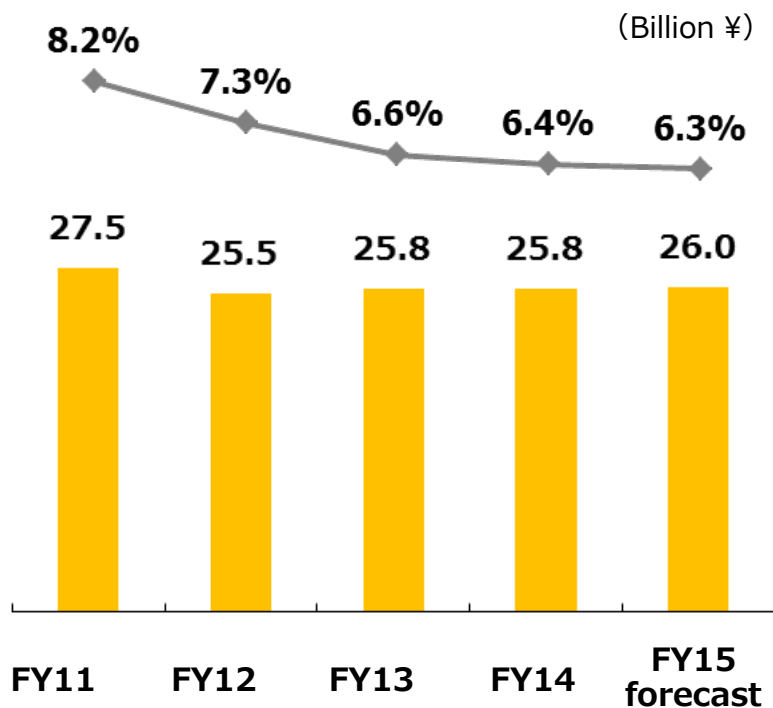


	FY14 results	FY15 forecast	Difference
Control	27.1	33.0	5.9
Measurement	1.6	2.0	0.4
Aviation and Other	1.1	1.0	(0.1)
Total	29.8	36.0	6.2

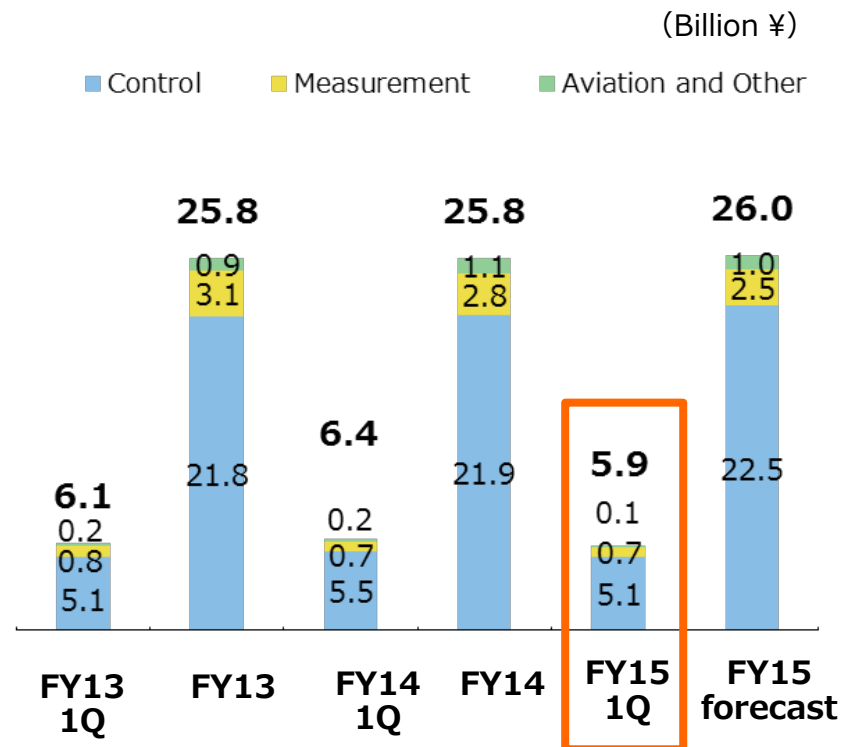
Trend of R&D Expenses

- R&D investment is on track to reach the forecast level for FY15.

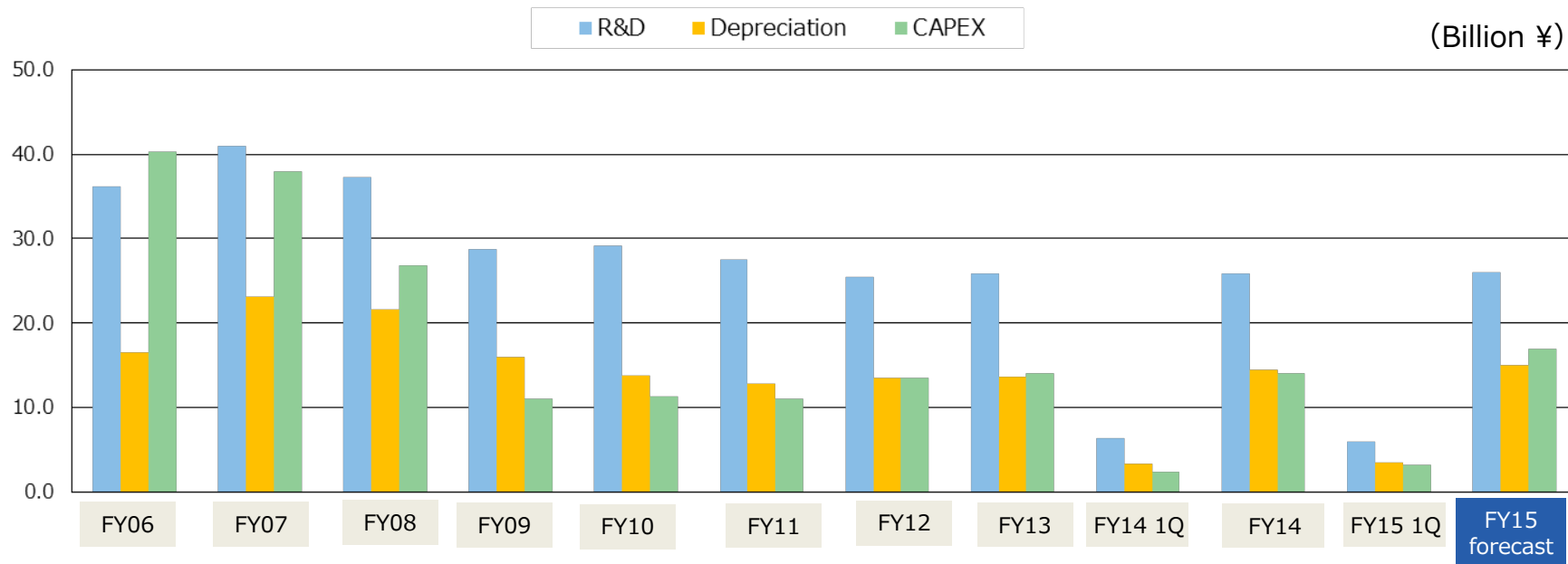
Trend of R&D expenses



By segment



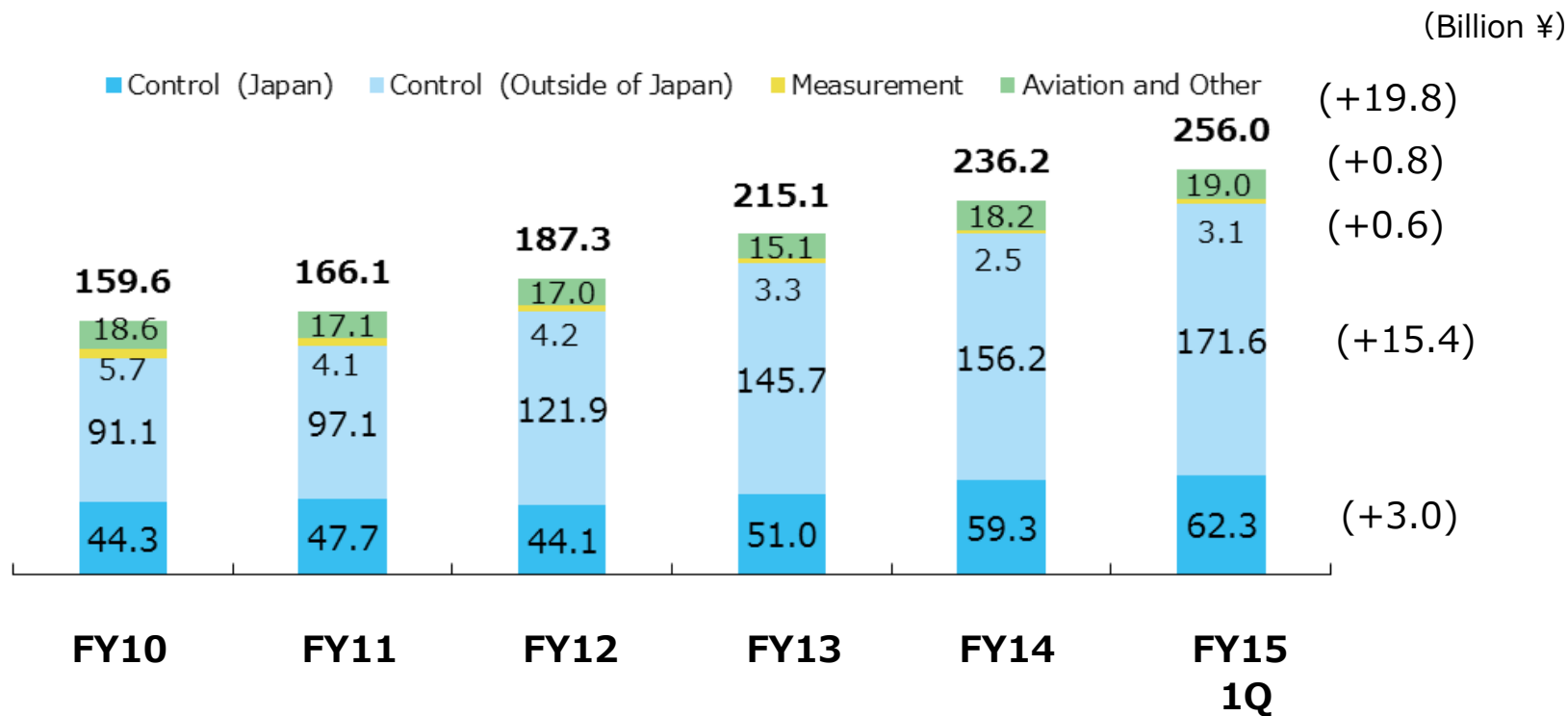
R&D Expenses, Depreciation, and CAPEX



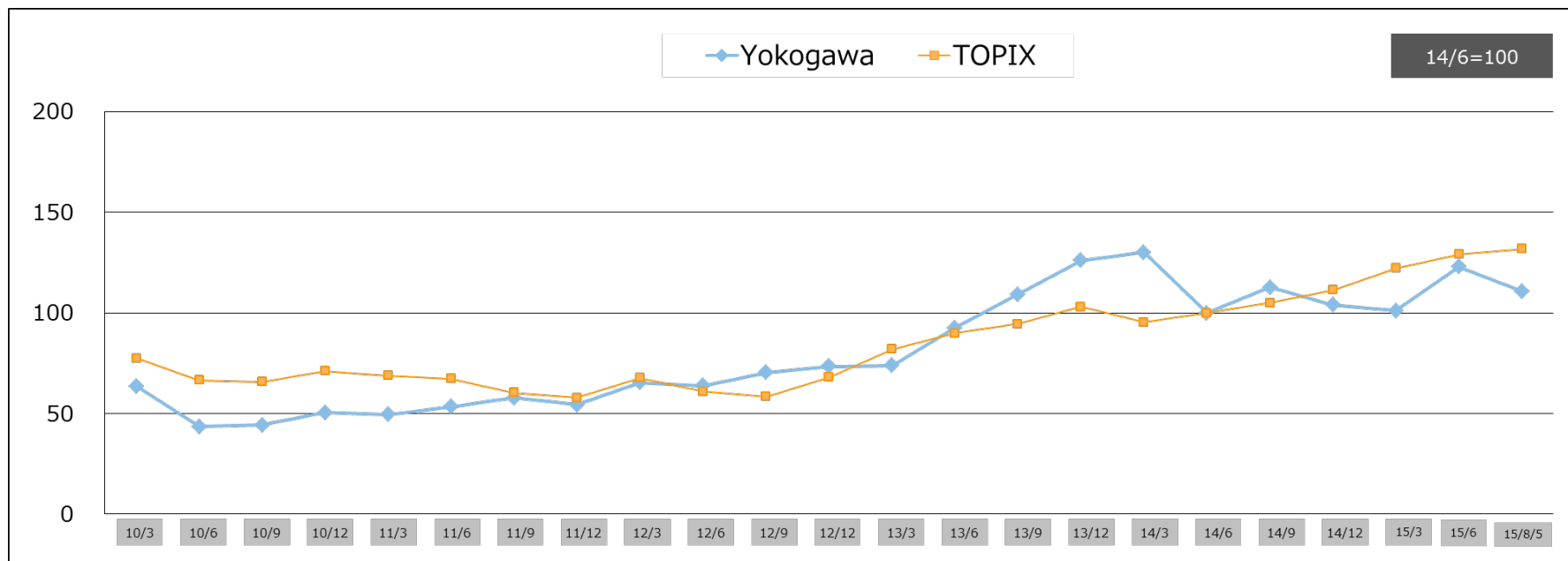
	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14 1Q	FY14	FY15 1Q	FY15 forecast
R&D expenses (% of sales)	8.4%	9.3%	9.9%	9.1%	9.0%	8.2%	7.3%	6.6%	7.8%	6.4%	6.5%	6.3%
Depreciation (% of sales)	3.8%	5.3%	5.7%	5.1%	4.2%	3.8%	3.9%	3.5%	4.0%	3.6%	3.8%	3.6%
CAPEX (% of sales)	9.3%	8.7%	7.1%	3.5%	3.5%	3.3%	3.9%	3.6%	2.9%	3.5%	3.5%	4.1%

Trend of Order Backlog by Segment

- The order backlog has been steadily increasing, primarily in the control segment, and is at a record high.



Trend of Stock Price



(¥)

	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	15/6	15/8/5
Yokogawa	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	1,574	1,418
TOPIX	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	1,630	1,665

	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	15/6	15/8/5
Yokogawa	64	43	44	50	49	53	58	54	65	64	70	73	74	93	109	126	130	100	113	104	101	123	111
TOPIX	78	67	66	71	69	67	60	58	68	61	58	68	82	90	95	103	95	100	105	111	122	129	132

News (From May 13 to August 7)

June

Acquisition of label-free image analysis technology from a Finnish company
Joint development by Yokogawa and Shell of Platform for Advanced Control and Estimation, a software suite that speeds up and simplifies the process of designing, deploying, and maintaining advanced process control applications

Alliances



July

Notification of determination of terms for the disposition of treasury shares through an international offering

Yokogawa and GasSecure provide SIL2-certified wireless gas detection system for LNG facility
Delivery of community energy management system to F-Grid Ohira, Miyagi LLP

August

Announcement of a simple share exchange that will make Yokogawa Denshikiki Corporation a wholly-owned subsidiary of Yokogawa Electric

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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