

Consolidated Financial Results for the First Quarter of the Year Ending March 31, 2025 (Japan GAAP)

August 6, 2024

Name of Listed Company: Yokogawa Electric Corporation (the “Company” herein)
 Stock Exchanges Where the Company’s Shares Are Listed: Tokyo Stock Exchange
 Securities Code: 6841 URL <https://www.yokogawa.com/>
 Name and Position of the Representative: Hitoshi Nara, Director, President & CEO, Representative Executive Officer
 Name and Position of Person in Charge: Hirohiko Nakatani, Department Manager of IR Department
 Telephone Number: +81-422-52-6845
 Planned Dividend Payment Starting Date: –
 Financial Results Supplemental Materials: Yes
 Financial Results Presentation Meeting: Yes (for institutional investors)

(Any amount less than one million yen is disregarded.)

1. Consolidated Business Results for the First Quarter of the Year Ending March 31, 2025 (April 1-June 30, 2024)

(1) Results of Operations on a Consolidated Basis (accumulated)

(Percentages show the change from the same period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For first quarter of year ending March 31, 2025	128,924	8.7	14,826	13.4	17,131	14.5	10,054	(59.3)
For first quarter of year ended March 31, 2024	118,646	26.2	13,075	842.1	14,967	479.5	24,675	–

(Note) Comprehensive income For first quarter of year ending March 31, 2025 23,272 million yen [(43.1)%]
 For first quarter of year ended March 31, 2024 40,893 million yen [122.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For first quarter of year ending March 31, 2025	38.65	–
For first quarter of year ended March 31, 2024	92.60	–

(2) Financial Conditions on a Consolidated Basis

	Total assets	Net assets	Shareholders’ equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	694,487	461,978	65.1
As of March 31, 2024	672,866	444,763	64.9

(Reference) Shareholders’ equity: As of June 30, 2024: 452,255 million yen As of March 31, 2024: 436,642 million yen

2. Dividend Status

	Dividends per share				
	June 30	September 30	December 31	End of period	Total
	Yen	Yen	Yen	Yen	Yen
For year ended March 31, 2024	–	17.00	–	23.00	40.00
For year ending March 31, 2025	–				
For year ending March 31, 2025 (forecast)		29.00	–	29.00	58.00

(Note) Adjustment on dividend forecast in this quarter: No

3. Consolidated Business Forecast for the Year Ending March 31, 2025 (April 1, 2024-March 31, 2025)

(Percentages show the change from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
Full year	563,000	4.2	75,000	(4.8)	75,000	(10.8)	49,000	(20.6)
								188.35

(Note) Adjustment on consolidated business forecast in this quarter: No

<Notes>

- (1) Significant changes in range of consolidation during the period: Yes
Newly included: 1 company (Company name) BaxEnergy GmbH
- (2) Application of special methods for quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
- a. Changes in accounting policies accompanying revision of accounting standards: No
 - b. Changes in accounting policies other than (a) above: No
 - c. Changes in accounting estimates: No
 - d. Restatements: No
- (4) Number of shares issued (common stock)
- a. Number of shares outstanding at the end of the period (including treasury shares)
 - As of June 30, 2024 268,624,510 shares
 - As of March 31, 2024 268,624,510 shares
 - b. Number of treasury shares at the end of the period
 - As of June 30, 2024 8,474,048 shares
 - As of March 31, 2024 8,473,826 shares
 - c. Average number of shares in the period (accumulated quarterly period)
 - For the first quarter of the year ending March 31, 2025 260,150,573 shares
 - For the first quarter of the year ended March 31, 2024 266,484,201 shares

Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit corporation: Yes (voluntary)

Note concerning appropriate use of business forecasts, etc.

The above forecasts are based on the information that was available at the time this document was released and involve assumptions regarding uncertain factors that may have an effect on future performance. Actual performance may vary greatly due to a variety of factors. For premises underlying the assumptions for business forecasts and cautions concerning the use of business forecasts, please refer to “1. Overview of Business Results and Others (3) Explanation of Consolidated Business Forecast and Other Expectations” on page 4.

The Company plans to hold a quarterly financial results presentation meeting for institutional investors via web conference on August 6, 2024. The Company also plans to promptly post to its website the materials that are used at the meeting.

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1. Overview of Business Results and Others

(1) Overview of Business Results for the Quarter Under Review

For the first quarter of the current fiscal year (April 1, 2024 to June 30, 2024), in accordance with the medium-term business plan, “Growth for Sustainability 2028 (GS2028),” where the current fiscal year is its first year, the Group has started efforts to realize Creating Shared Value (CSV) management, which aims to sustainably enhance corporate value while benefitting both society and the environment through our business.

In terms of the Group’s business performance during the first quarter of the current fiscal year, net sales, operating profit, and ordinary profit increased by 10.2 billion yen, 1.7 billion yen, and 2.1 billion yen year on year, respectively, mainly due to the impact of foreign exchange fluctuations. Profit attributable to owners of parent decreased by 14.6 billion yen from the same period of the previous fiscal year, when a gain on sale of investment securities was recorded in extraordinary income.

Business results are as follows.

	First quarter of FY2023	First quarter of FY2024	Difference	Change
Net sales	118.646	128.924	10.277	8.7%
Operating profit	13.075	14.826	1.750	13.4%
Ordinary profit	14.967	17.131	2.164	14.5%
Profit attributable to owners of parent	24.675	10.054	(14.620)	(59.3)%
(Reference) Average rate to 1 U.S. dollar (Yen)	139.63	158.15	18.52	—

Results by individual segment are outlined below.

<Industrial Automation and Control Business>

	First quarter of FY2023	First quarter of FY2024	Difference	Change
Net sales	110.135	120.650	10.514	9.5%
Operating profit	11.492	13.216	1.724	15.0%

<Measuring Instruments Business>

	First quarter of FY2023	First quarter of FY2024	Difference	Change
Net sales	7.471	7.306	(0.165)	(2.2)%
Operating profit	1.697	1.447	(0.249)	(14.7)%

<New Businesses and Others>

	First quarter of FY2023	First quarter of FY2024	Difference	Change
Net sales	1.038	0.967	(0.071)	(6.9)%
Operating profit	(0.114)	0.162	0.276	—

(2) Overview of Financial Conditions for the Quarter Under Review

In comparison to March 31, 2024, total assets as of June 30, 2024 were up 21.6 billion yen to 694.4 billion yen, due mainly to an increase in goodwill and the impact of foreign exchange fluctuations.

In addition, total liabilities were 232.5 billion yen, up 4.4 billion yen compared to March 31, 2024, due mainly to increases in contract liabilities and accounts payable - other, as well as the impact of foreign exchange fluctuations, despite a decrease in provision for bonuses.

As of June 30, 2024, net assets were 461.9 billion yen, up 17.2 billion yen compared to March 31, 2024, due mainly to the recognition of profit attributable to owners of parent and an increase in foreign currency translation adjustment.

As a result, the shareholders’ equity ratio was 65.1%, up 0.2 percentage points from the end of the previous fiscal year.

(3) Explanation of Consolidated Business Forecast and Other Expectations

The Group’s consolidated business forecast for the fiscal year ending March 31, 2025 is unchanged from the full-year forecast announced on May 7, 2024. The operating results forecast assumes a foreign exchange rate of 1 USD = 145 yen.

For the current consolidated business forecasts by segment, please see page 12.

<Cautions Concerning the Use of Business Forecasts>

As the above business forecast is based on certain assumptions judged by the Company to be reasonable at present, actual business results may differ.

The main factors that may cause changes in the results are as follows.

- Changes in foreign exchange rates, particularly the U.S. dollar, the euro, Asian currencies, and the currencies of the Middle East
- Sudden changes in the price of crude oil
- Sudden changes in the political and economic situation in major markets
- Geopolitical risks in the Middle East and East Asia, etc.
- Changes in the business environment such as revisions to trade regulations
- Dramatic shifts in product supply and demand in the market
- Changes in Japanese share prices
- Protection of the Company's patents and securement of the licensing of patents held by other companies
- M&A and business alliances with other companies for purposes such as product development
- Occurrences of natural disasters such as earthquakes, floods, and tsunamis

2. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	(Reference) End of FY2023 (March 31, 2024)	End of FY2024 1st quarter (June 30, 2024)
Assets		
Current assets		
Cash and deposits	139,884	145,796
Notes and accounts receivable - trade, and contract assets	242,704	242,950
Merchandise and finished goods	21,719	23,516
Work in process	5,857	6,993
Raw materials and supplies	27,138	28,175
Other	24,148	25,463
Allowance for doubtful accounts	(6,280)	(6,631)
Total current assets	455,173	466,263
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	47,022	47,619
Other	44,016	45,311
Total property, plant and equipment	91,038	92,930
Intangible assets		
Software	17,512	19,309
Goodwill	5,971	11,059
Other	20,283	22,210
Total intangible assets	43,767	52,578
Investments and other assets		
Investment securities	65,615	64,868
Other	17,864	18,541
Allowance for doubtful accounts	(593)	(694)
Total investments and other assets	82,887	82,714
Total non-current assets	217,693	228,224
Total assets	672,866	694,487

(Millions of yen)

	(Reference) End of FY2023 (March 31, 2024)	End of FY2024 1st quarter (June 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,818	28,838
Electronically recorded obligations - operating	9,657	8,409
Short-term borrowings	295	144
Accounts payable - other	21,274	26,749
Income taxes payable	9,795	8,196
Contract liabilities	51,588	61,314
Provision for bonuses	23,539	13,520
Provision for loss on construction contracts	8,746	9,929
Other	29,817	32,077
Total current liabilities	186,534	189,180
Non-current liabilities		
Long-term borrowings	24,000	24,030
Retirement benefit liability	6,048	6,889
Other	11,521	12,409
Total non-current liabilities	41,569	43,329
Total liabilities	228,103	232,509
Net assets		
Shareholders' equity		
Share capital	43,401	43,401
Capital surplus	54,464	54,464
Retained earnings	303,979	308,050
Treasury shares	(19,357)	(19,358)
Total shareholders' equity	382,487	386,558
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,953	21,431
Deferred gains or losses on hedges	43	48
Foreign currency translation adjustment	32,831	44,967
Remeasurements of defined benefit plans	(674)	(749)
Total accumulated other comprehensive income	54,154	65,697
Non-controlling interests	8,120	9,722
Total net assets	444,763	461,978
Total liabilities and net assets	672,866	694,487

(2) Consolidated Quarterly Statements of Income and Statements of Comprehensive Income
Consolidated Quarterly Statements of Income for the First Quarter of FY2024

(Millions of yen)

	(Reference) First quarter of FY2023 (April 1-June 30, 2023)	First quarter of FY2024 (April 1-June 30, 2024)
Net sales	118,646	128,924
Cost of sales	63,440	69,182
Gross profit	55,205	59,742
Selling, general and administrative expenses	42,130	44,915
Operating profit	13,075	14,826
Non-operating income		
Interest income	340	565
Dividend income	551	708
Share of profit of entities accounted for using equity method	907	515
Foreign exchange gains	516	1,024
Other	304	285
Total non-operating income	2,619	3,100
Non-operating expenses		
Interest expenses	241	283
Donations	183	153
Other	302	358
Total non-operating expenses	727	794
Ordinary profit	14,967	17,131
Extraordinary income		
Gain on sale of non-current assets	10	16
Gain on sale of investment securities	16,500	55
Total extraordinary income	16,510	72
Extraordinary losses		
Loss on sale of non-current assets	8	0
Loss on retirement of non-current assets	8	57
Loss on valuation of investment securities	1	593
Loss on sale of investments in capital of subsidiaries and associates	259	—
Total extraordinary losses	276	650
Profit before income taxes	31,201	16,553
Income taxes - current	6,890	5,338
Income taxes - deferred	(1,495)	(166)
Total income taxes	5,394	5,172
Profit	25,806	11,380
Profit attributable to non-controlling interests	1,131	1,326
Profit attributable to owners of parent	24,675	10,054

Consolidated Quarterly Statements of Comprehensive Income for the First Quarter of FY2024

(Millions of yen)

	(Reference) First quarter of FY2023 (April 1-June 30, 2023)	First quarter of FY2024 (April 1-June 30, 2024)
Profit	25,806	11,380
Other comprehensive income		
Valuation difference on available-for-sale securities	2,821	(518)
Deferred gains or losses on hedges	35	4
Foreign currency translation adjustment	12,330	12,282
Remeasurements of defined benefit plans, net of tax	(39)	(76)
Share of other comprehensive income of entities accounted for using equity method	(61)	200
Total other comprehensive income	15,087	11,892
Comprehensive income	40,893	23,272
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	39,544	21,597
Comprehensive income attributable to non-controlling interests	1,349	1,675

(3) Notes on Consolidated Quarterly Financial Statements

Notes for Going Concern

Not applicable

Notes If There Is a Remarkable Change in the Amount of Shareholders' Equity

Not applicable

Notes on Quarterly Consolidated Statements of Cash Flows

Quarterly consolidated statements of cash flows have not been prepared for the first quarter of the current fiscal year. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the current fiscal year are as follows. and amortization of goodwill for the first quarter of current fiscal year are as follows.

	(Millions of yen)	
	First quarter of FY2023 (April 1-June 30, 2023)	First quarter of FY2024 (April 1-June 30, 2024)
Depreciation	4,812	5,226
Amortization of goodwill	698	319

Notes on Segment Information

Segment Information

I First Quarter of FY2023 (April 1-June 30, 2023)

1. Segment Sales and Profits (Losses)

(Millions of yen)

	Reporting segments				Adjustment	Amount on consolidated quarterly statements of income
	Industrial automation and control	Measuring instruments	New businesses and others	Total		
Net sales						
Net sales to unaffiliated customers	110,135	7,471	1,038	118,646	—	118,646
Intersegment net sales or transfers	—	—	—	—	—	—
Total	110,135	7,471	1,038	118,646	—	118,646
Segment profit (loss)	11,492	1,697	(114)	13,075	—	13,075

(Note) The profit or loss of each reporting segment is its operating profit or loss.

II First Quarter of FY2024 (April 1-June 30, 2024)

1. Segment Sales and Profits (Losses)

(Millions of yen)

	Reporting segments				Adjustment	Amount on consolidated quarterly statements of income
	Industrial automation and control	Measuring instruments	New businesses and others	Total		
Net sales						
Net sales to unaffiliated customers	120,650	7,306	967	128,924	—	128,924
Intersegment net sales or transfers	—	—	—	—	—	—
Total	120,650	7,306	967	128,924	—	128,924
Segment profit	13,216	1,447	162	14,826	—	14,826

(Note) The profit of each reporting segment is its operating profit.

[Reference]

August 6, 2024
Yokogawa Electric Corporation

Consolidated Financial Statements for the First Quarter of FY2024

(Millions of yen)

	First quarter of FY2023		First quarter of FY2024		Change	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Amount	Ratio to net sales
Net sales	118,646	—	128,924	—	10,277	—
Operating profit	13,075	11.0%	14,826	11.5%	1,750	0.5%
Ordinary profit	14,967	12.6%	17,131	13.3%	2,164	0.7%
Profit attributable to owners of parent	24,675	20.8%	10,054	7.8%	(14,620)	(13.0)%
Total assets	633,786		694,487		60,700	
Net assets	420,195		461,978		41,782	
Return on equity	6.2%		2.3%		(4.0)%	
Basic earnings per share	92.60 yen		38.65 yen		(53.95) yen	
Capital investment	4,359		8,255		3,896	
Depreciation	5,511		5,546		34	
Research and development expenses	7,510		8,134		624	
Average exchange rate during the period (USD)	139.63 yen		158.15 yen		18.52 yen	

Orders Received

(Millions of yen)

	First quarter of FY2023	First quarter of FY2024	FY2024 full year (forecast)
Industrial automation and control business	130,646	147,680	533,000
Measuring instruments business	6,926	8,348	28,000
New businesses and others	730	953	4,000
Total	138,304	156,982	565,000

Net Sales

(Millions of yen)

	First quarter of FY2023	First quarter of FY2024	FY2024 full year (forecast)
Industrial automation and control business	110,135	120,650	531,000
Measuring instruments business	7,471	7,306	28,000
New businesses and others	1,038	967	4,000
Total	118,646	128,924	563,000

Operating Profit

(Millions of yen)

	First quarter of FY2023	First quarter of FY2024	FY2024 full year (forecast)
Industrial automation and control business	11,492	13,216	71,000
Measuring instruments business	1,697	1,447	5,000
New businesses and others	(114)	162	(1,000)
Total	13,075	14,826	75,000