

**Securities Code: 6841
Yokogawa Electric Corporation**

Financial Results for the First Quarter of Fiscal Year 2024

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Director, Vice President & Executive Officer,
Accounting & Treasury Headquarters

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Trend of Balance Sheet / Trend of Stock Price



Financial Results for the First Quarter of Fiscal Year 2024

(April 1, 2024 – June 30, 2024)

Key Points

■ FY24 1Q results: Sales and operating income were up mainly due to the impact of foreign exchange fluctuations.

- Summary:

- Orders increased (excluding the impact of exchange rates: +¥6.8 billion, +4.9%).
- Sales were up (excluding the impact of exchange rates: +¥1.1 billion, +0.9%).
- Operating income increased (excluding the impact of exchange rates: -¥1.0 billion, -7.8%).
- Profit attributable to owners of parent declined due to the recording of a gain on the sale of investment securities in the same period of the previous fiscal year.

- Segments:

Control: Sales and operating income were up
(excluding the impact of exchange rates, orders increased 4.5% and sales increased 1.8%).

Measuring instruments: Sales and operating income declined
(excluding the impact of exchange rates, orders increased 11.1% and sales decreased 9.9%).

New businesses and others: Sales and operating income were almost the same level as the previous fiscal year.

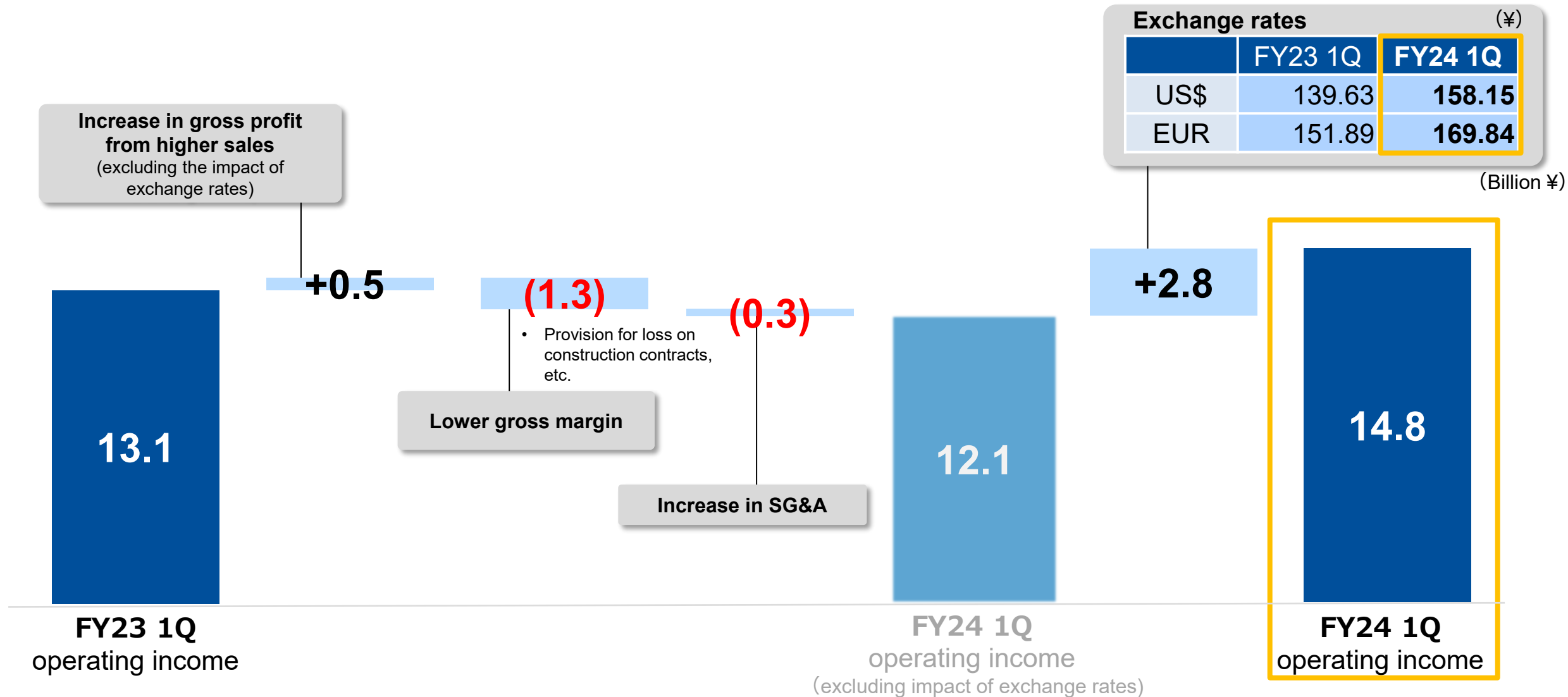
■ FY24 earnings forecasts: No change (including exchange rate forecasts).

Summary of FY24 1Q Results (year on year comparison)

- ◆ Orders increased (excluding the impact of exchange rates: +¥6.8 billion, +4.9%).
- ◆ Sales were up (excluding the impact of exchange rates: +¥1.1 billion, +0.9%).
- ◆ Operating income increased (excluding the impact of exchange rates: -¥1.0 billion, -7.8%).
- ◆ Profit attributable to owners of parent declined due to the recording of a gain on the sale of investment securities in the same period of the previous fiscal year (excluding the impact of exchange rates: -¥17.0 billion).

		FY23 1Q	FY24 1Q	Difference	Growth rate	Impact of exchange rate	(Billion ¥)
Orders		138.3	157.0	+18.7	+13.5%	+11.9	
Sales		118.6	128.9	+10.3	+8.7%	+9.2	
Operating income		13.1	14.8	+1.8	+13.4%	+2.8	
ROS(%)		11.0	11.5	+0.5pt	—	—	
Ordinary income		15.0	17.1	+2.2	+14.5%	+2.7	
Profit attributable to owners of parent		24.7	10.1	(14.6)	(59.3)%	+2.4	
Exchange rate	US\$1=	¥139.63	¥158.15	+18.52	—	—	

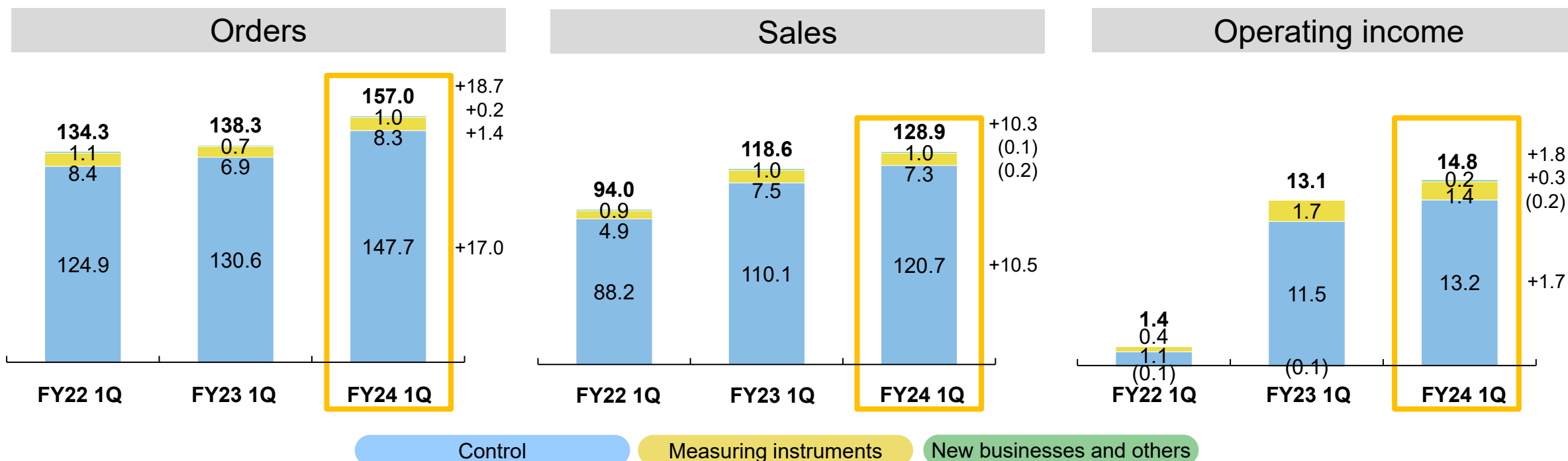
Analysis of Operating Income (year on year comparison)



Comparison for Orders, Sales, and Operating Income by Segment

- ◆ **Control:** Orders increased. Results were good for small projects, and particularly strong for large projects, especially in the Energy & Sustainability business. Sales were up, but were at almost the same level as the previous fiscal year if the impact of foreign exchange fluctuations is excluded (excluding the impact of exchange rates, orders increased ¥5.8 billion, +4.5%, and sales increased ¥2.0 billion, +1.8%). Operating income increased, but decreased excluding the impact of foreign exchange fluctuations (excluding the impact of exchange rates: -¥0.7 billion, -5.9%).
- ◆ **Measuring instruments:** Orders increased. Sales declined year on year due to progress made the previous year in reducing the order backlog (excluding the impact of exchange rates, orders increased ¥0.8 billion, +11.1%, and sales decreased ¥0.7 billion, -9.9%). Operating income decreased due to the decline in sales (excluding the impact of exchange rates: -¥0.6 billion, -35.6%).
- ◆ **New businesses and others:** Sales and operating income were at almost the same level as the previous fiscal year.

(Billion ¥)



Orders and Sales by Region in Control Segment

- ◆ Orders were strong in the Middle East and Africa, but remained sluggish in China.
- ◆ Orders: +¥5.8 billion, +4.5% (excluding the impact of exchange rates);
sales: +¥2.0 billion, +1.8% (excluding the impact of exchange rates)

(Billion ¥)

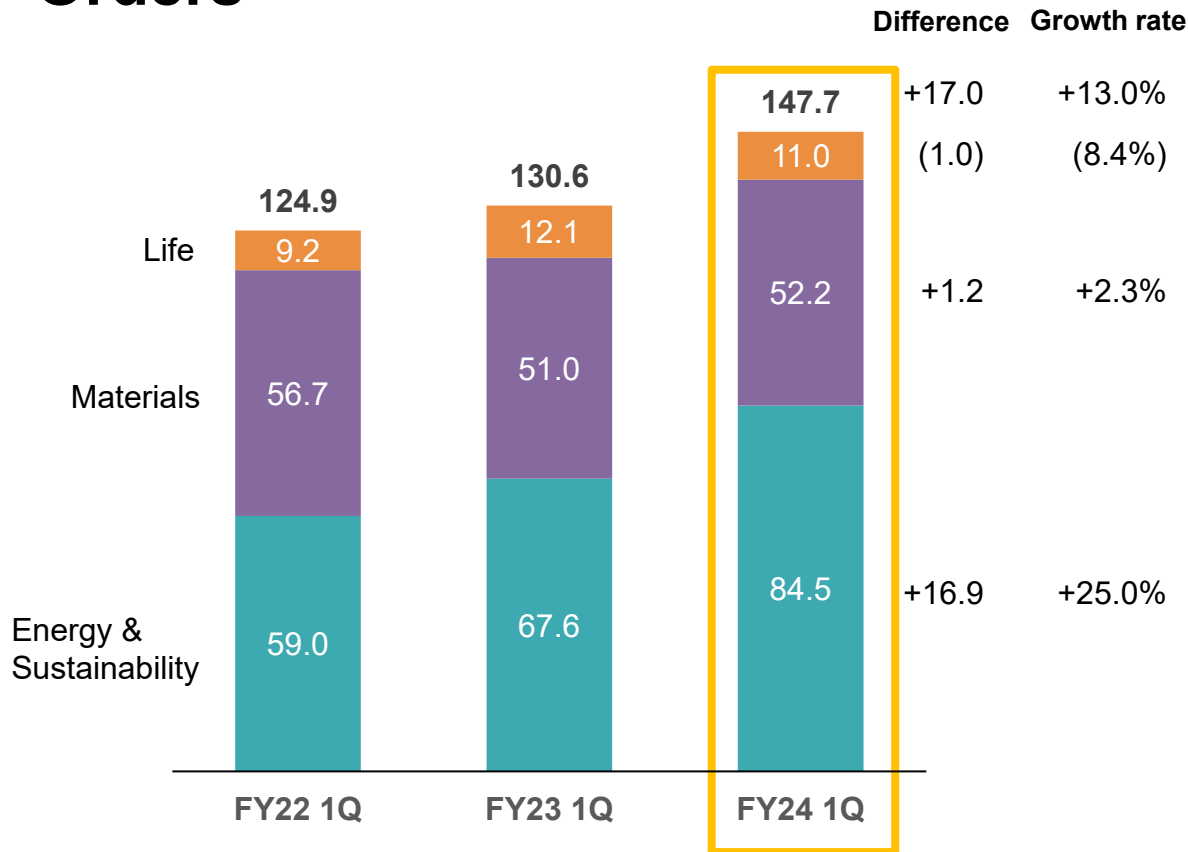
Orders	FY23 1Q (A)	FY24 1Q (B)	Difference (B-A)
Japan	28.7	32.5	+3.7
Asia	49.5	48.0	(1.5)
(Southeast Asia, Far East)	21.2	20.8	(0.4)
(China)	18.9	17.8	(1.0)
(India)	9.4	9.4	(0.0)
Europe and CIS	12.9	12.1	(0.9)
Middle East and Africa	21.7	39.0	+17.4
North America	12.0	11.1	(0.9)
Central and South America	5.8	5.0	(0.8)
Outside Japan	101.9	115.2	+13.3
Consolidated	130.6	147.7	+17.0
Exchange rate USD1\$ =	¥139.63	¥158.15	+18.52

Sales	FY23 1Q (A)	FY24 1Q (B)	Difference (B-A)
Japan	26.2	28.7	+2.5
Asia	39.5	42.4	+2.9
(Southeast Asia, Far East)	16.0	17.9	+1.9
(China)	18.3	18.6	+0.3
(India)	5.2	5.8	+0.7
Europe and CIS	11.5	12.6	+1.1
Middle East and Africa	15.8	19.3	+3.5
North America	11.9	12.7	+0.8
Central and South America	5.3	5.0	(0.3)
Outside Japan	83.9	91.9	+8.0
Consolidated	110.1	120.7	+10.5
Exchange rate USD1\$ =	¥139.63	¥158.15	+18.52

Orders and Sales by Control Subsegment

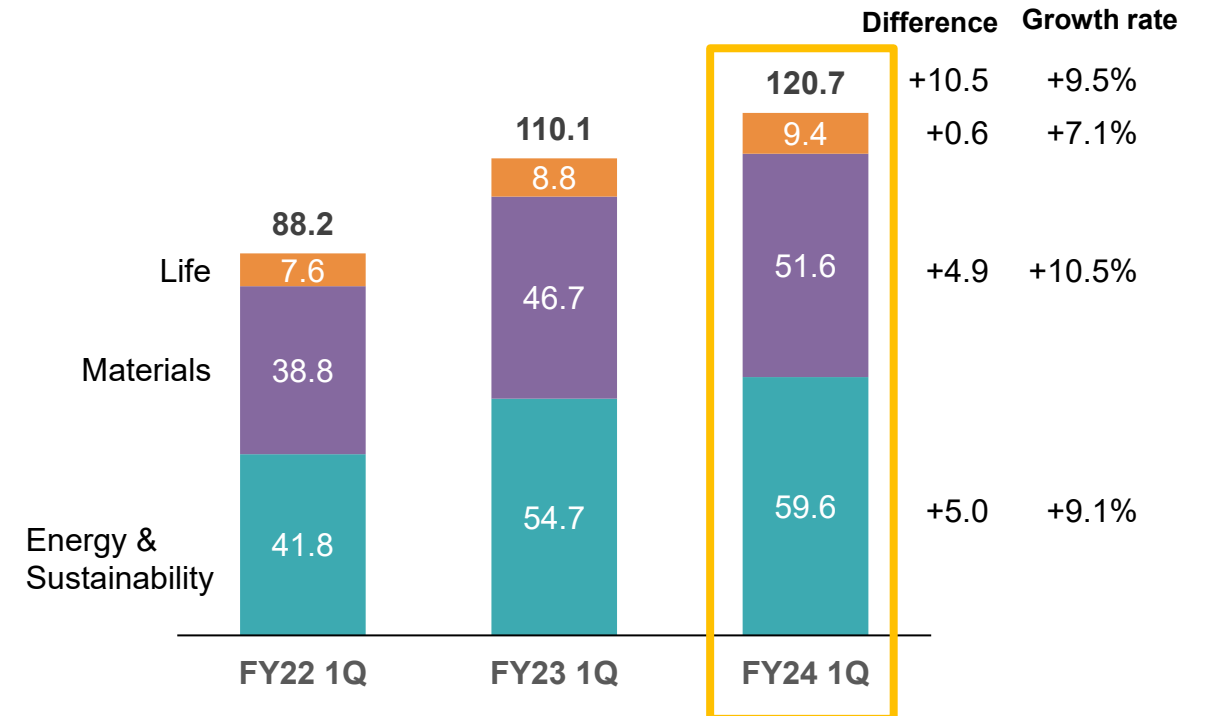
(Billion ¥)

Orders



Exchange rate (US\$1/¥) 131.25 139.63 158.15

Sales



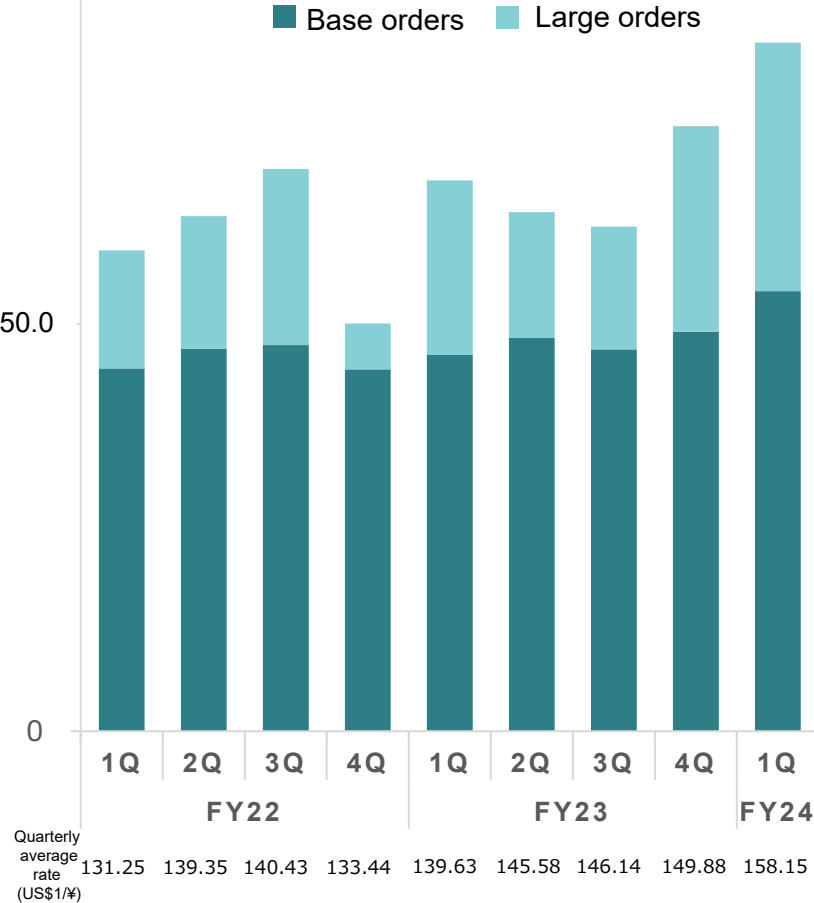
Exchange rate (US\$1/¥) 131.25 139.63 158.15

Control Subsegment Order Trend by Project Size

(Billion ¥)

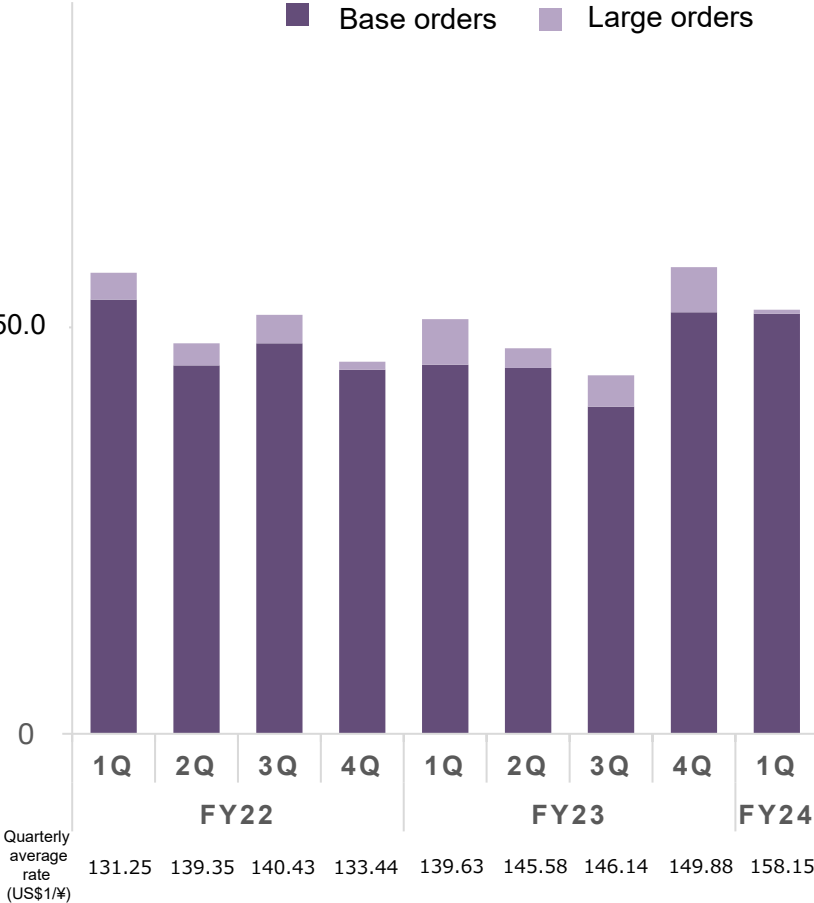
Energy & Sustainability

Base orders Large orders



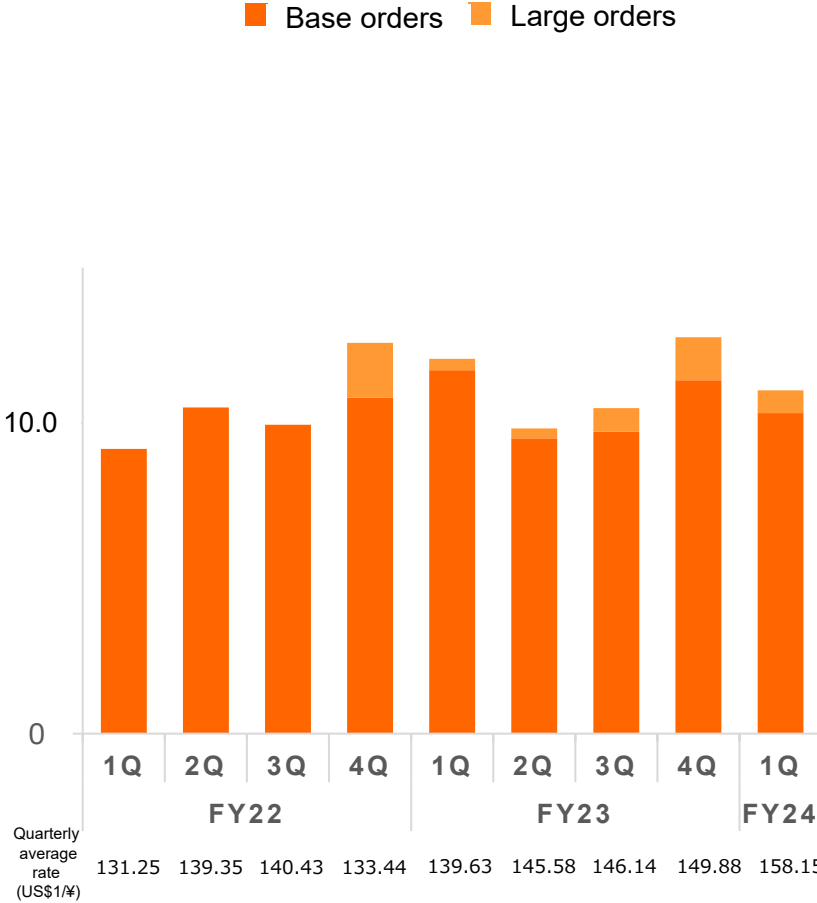
Materials

Base orders Large orders



Life

Base orders Large orders



Orders by Industry in Control Segment

Control Total

124.9 **121.7** **130.5** **108.3** **130.6** **120.9** **116.5** **144.4** **147.7** (Billion ¥)

Life

4.3 **5.0** **5.9** **6.3** **6.5** **4.9** **4.8** **5.0** **5.1** Other Life
4.8 **5.5** **4.1** **6.2** **5.6** **5.0** **5.7** **7.7** **5.9** Pharma/Food

Materials

26.9 **24.1** **25.1** **21.4** **22.3** **23.1** **20.7** **28.7** **24.6** Other Materials
29.8 **23.9** **26.5** **24.3** **28.7** **24.3** **23.4** **28.7** **27.6** Chemical

Energy & Sustainability

7.6 **6.9** **7.3** **7.7** **7.8** **7.1** **6.4** **8.6** **10.6** Other E&S
3.8 **5.9** **6.0** **2.8** **4.4** **5.7** **6.9** **4.8** **3.9** Water
2.0 **2.4** **1.6** **1.2** **1.4** **1.6** **1.1** **1.8** **2.0** Renewable Energy
4.6 **3.6** **3.6** **4.6** **4.5** **4.6** **5.8** **10.9** **7.1** Power
19.4 **26.9** **27.7** **19.0** **28.4** **18.6** **23.6** **30.3** **23.1** Downstream
21.6 **17.5** **22.8** **14.9** **21.0** **26.1** **18.1** **17.9** **37.8** Upstream

Quarterly average rate (US\$1/¥)

1Q FY22 **2Q** **3Q** **4Q** **1Q FY23** **2Q** **3Q** **4Q** **1Q FY24**

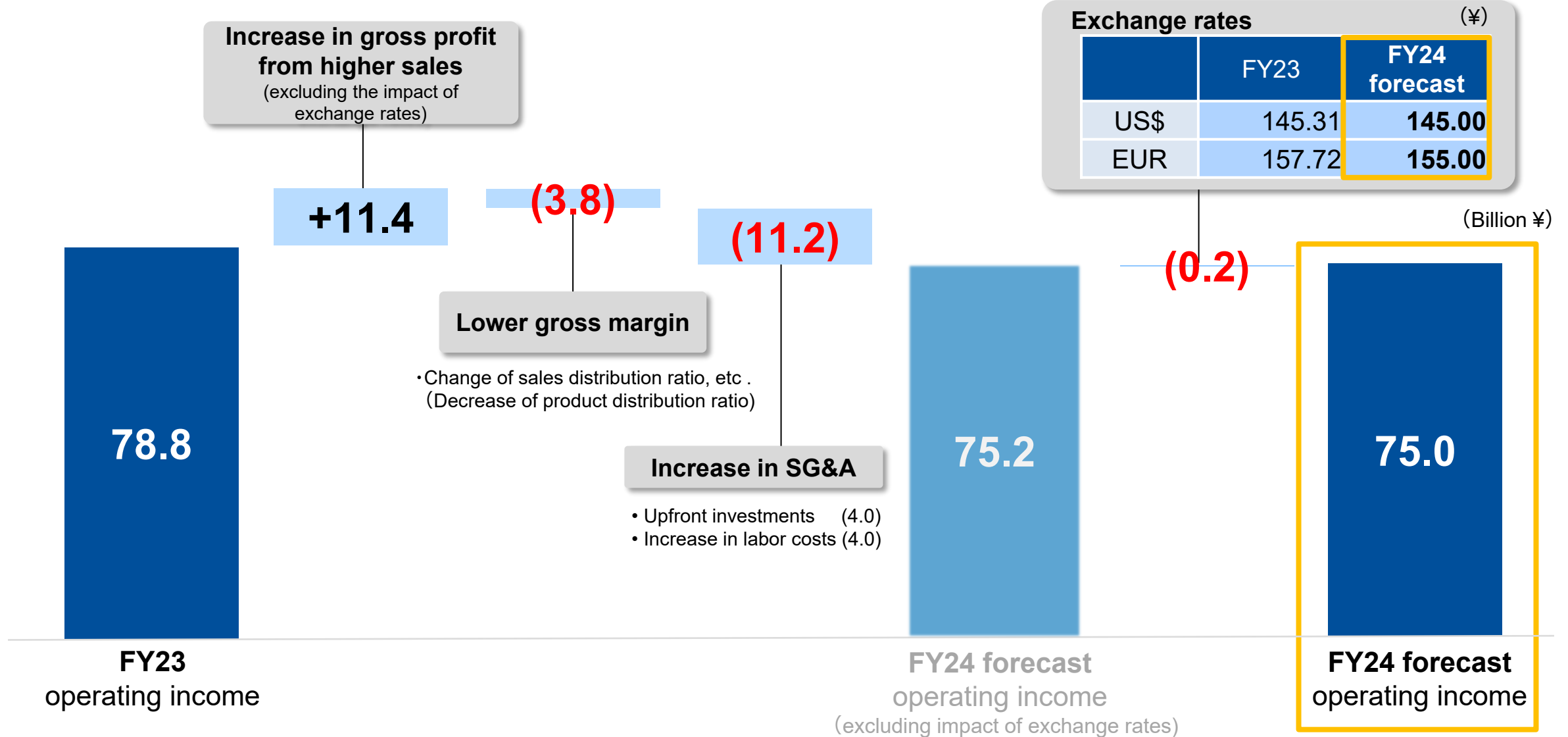
131.25 **139.35** **140.43** **133.44** **139.63** **145.58** **146.14** **149.88** **158.15**

FY24 Forecast (No change)

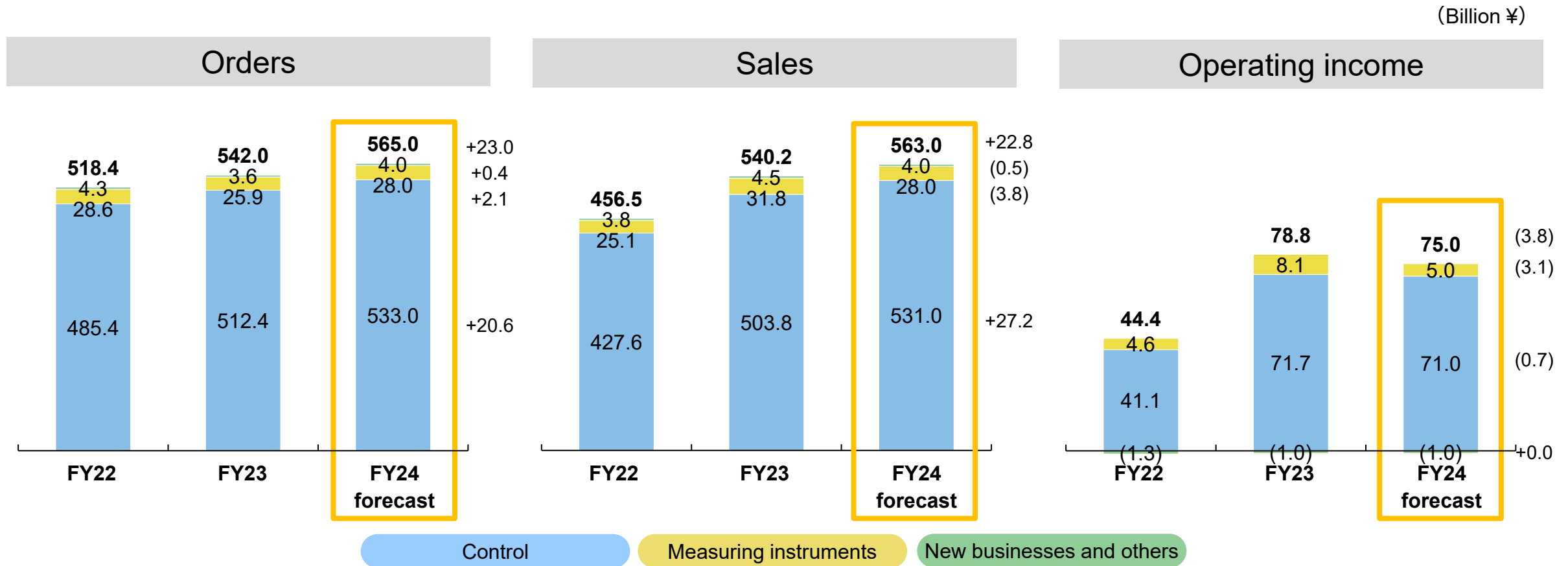
- ◆ Orders and sales are projecting increases due to firm energy demand, investment recovery in the materials industry, and other factors.
- ◆ Operating income is expected to decline mainly because the gross profit margin is expected to decline owing to changes to the product mix, upfront investments for future growth are set to increase and human capital investments are expected to rise through efforts to boost competitiveness.

	FY23	FY24 forecast	Difference	Growth rate	(Billion ¥)
Orders	542.0	565.0	+23.0	+4.3%	
Sales	540.2	563.0	+22.8	+4.2%	
Operating income	78.8	75.0	(3.8)	(4.8%)	
ROS(%)	14.6	13.3	(1.3pt)	—	
Ordinary income	84.1	75.0	(9.1)	(10.8%)	
Profit before income taxes	87.8	75.0	(12.8)	(14.5%)	
Tax, etc.	26.1	26.0	(0.1)	(0.3%)	
Profit attributable to owners of parent	61.7	49.0	(12.7)	(20.6%)	
EPS(¥)	234.83	188.35	(46.48)	—	
Exchange rate	US\$1=	¥145.00	(0.31)	—	

Factors Accounting for Increase/Decrease in FY24 Operating Income (No change)



FY24 Forecast for Orders, Sales and Operating Income by Segment (No change)



FY24 Forecast for Control Orders and Sales by Region (No change)

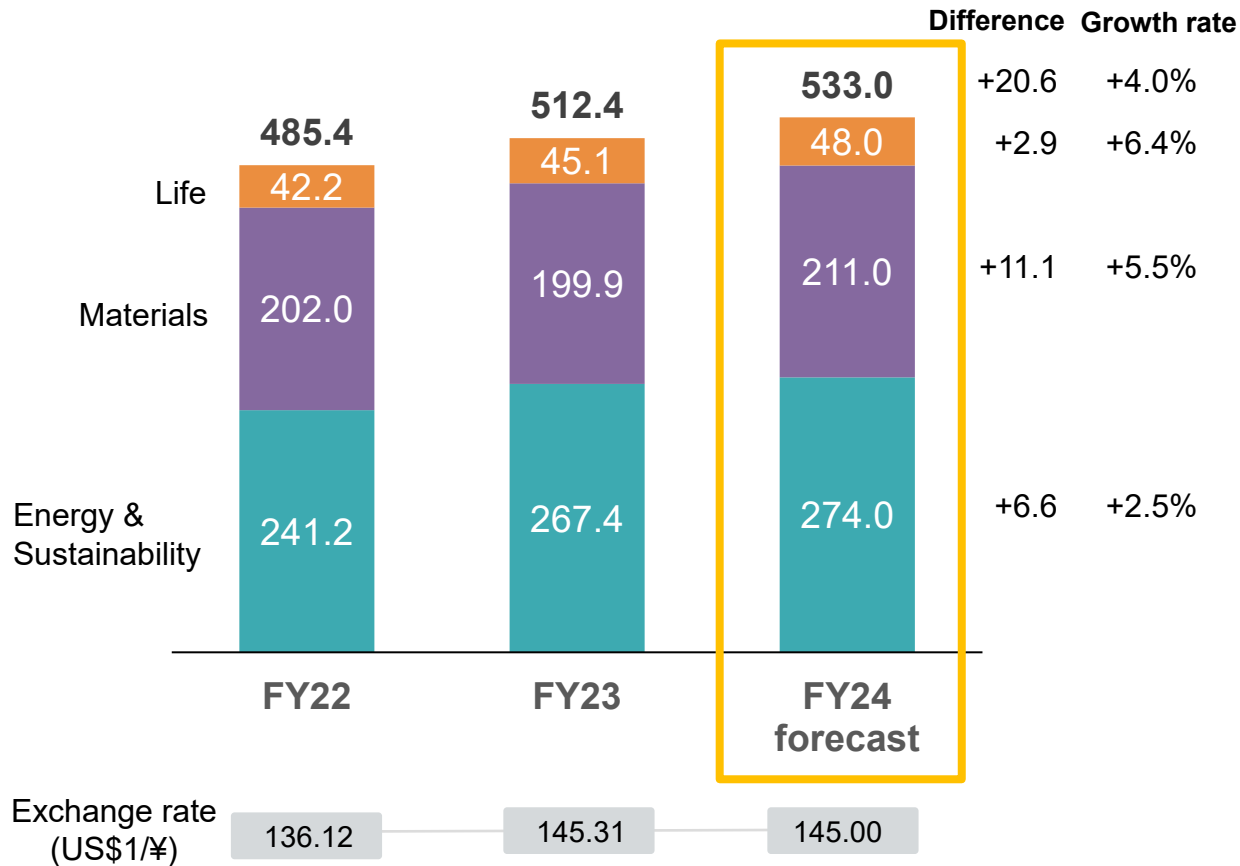
(Billion ¥)

Orders	FY23 (A)	FY24 (B)	Difference (B-A)
Japan	134.5	140.0	+5.5
Asia	175.6	182.5	+6.9
(Southeast Asia, Far East)	79.6	85.0	+5.4
(China)	65.9	67.0	+1.1
(India)	30.1	30.5	+0.4
Europe and CIS	52.5	53.0	+0.5
Middle East and Africa	82.9	87.5	+4.6
North America	47.4	50.0	+2.6
Central and South America	19.5	20.0	+0.5
Outside Japan	378.0	393.0	+15.0
Consolidated	512.4	533.0	+20.6
Exchange rate US\$1 =	¥145.31	¥145.00	(0.31)

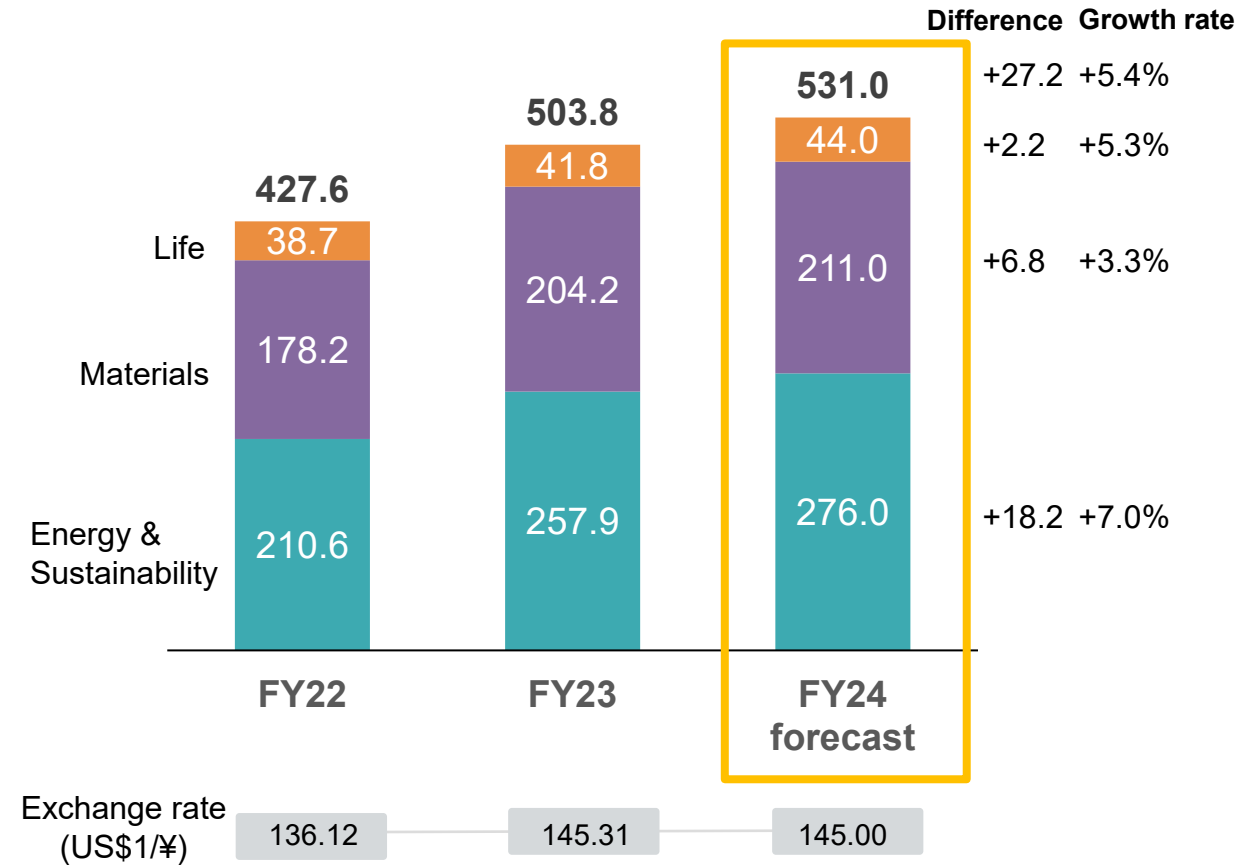
Sales	FY23 (A)	FY24 (B)	Difference (B-A)
Japan	129.0	138.0	+9.0
Asia	174.2	181.0	+6.8
(Southeast Asia, Far East)	73.7	79.0	+5.3
(China)	74.1	72.0	(2.1)
(India)	26.4	30.0	+3.6
Europe and CIS	50.5	55.0	+4.5
Middle East and Africa	82.9	87.0	+4.1
North America	48.1	50.0	+1.9
Central and South America	19.2	20.0	+0.8
Outside Japan	374.9	393.0	+18.1
Consolidated	503.8	531.0	+27.2
Exchange rate US\$1 =	¥145.31	¥145.00	(0.31)

FY24 Forecast for Orders and Sales by Control Subsegment (No change)

Orders



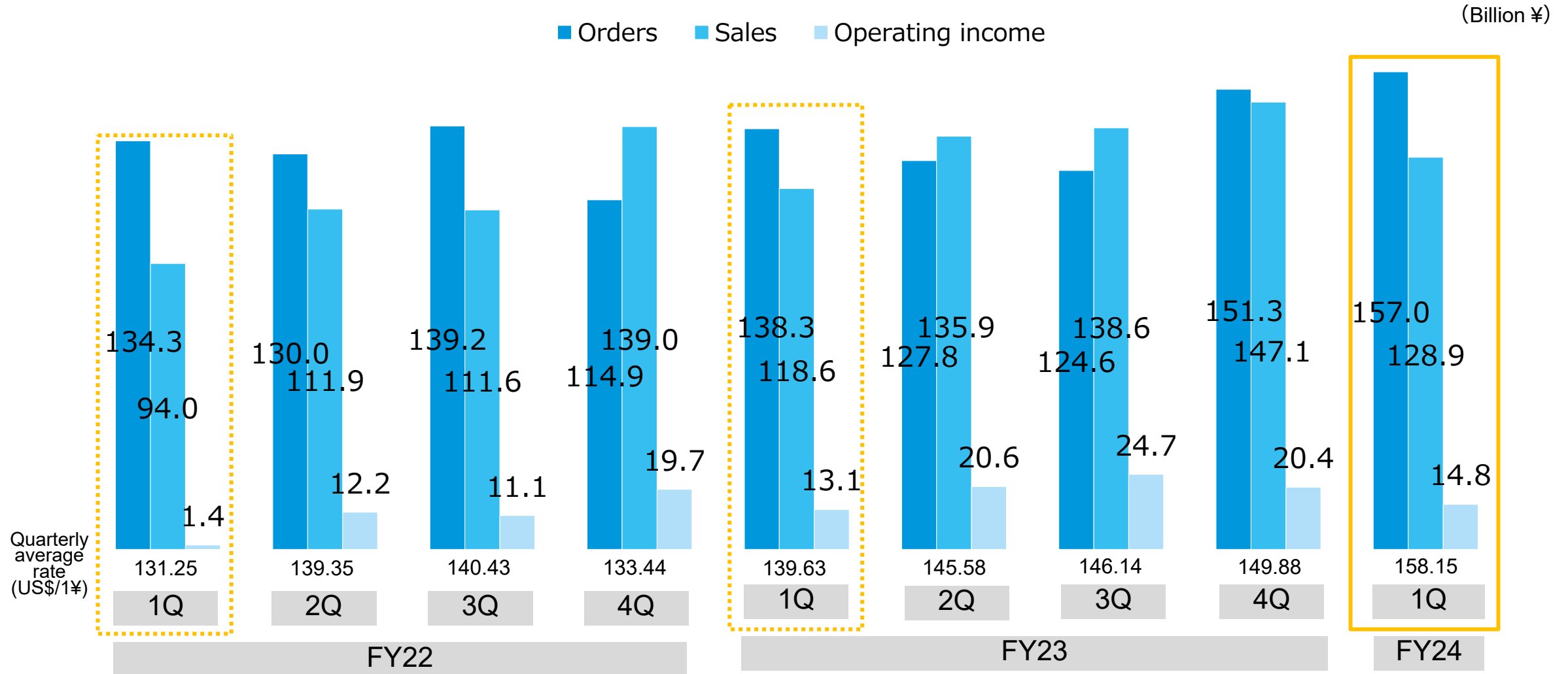
Sales



Financial Appendix:

- Quarterly Financial Results
- Non-operating / Extraordinary Income and Expenses
- Order Backlog Trend by Segment
- Control Segment Order Trend by Project Size
- Trend of R&D Expenses, Depreciation, and CAPEX
- Trend of Balance Sheet
- Trend of Stock Price

Appendix: Quarterly Financial Results



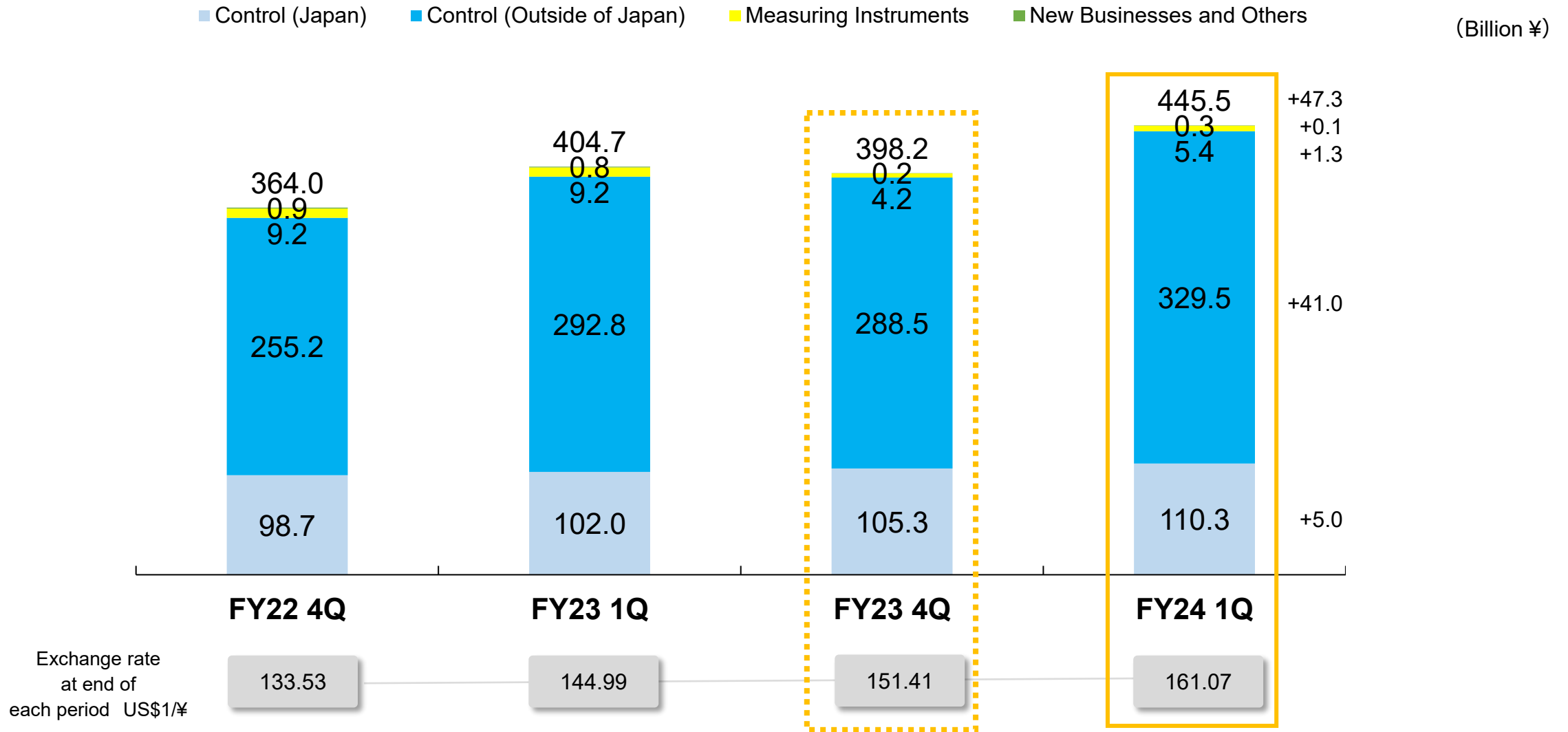
Appendix: Non-operating / Extraordinary Income and Expenses

	FY23 1Q	FY24 1Q
Operating income	13.1	14.8
Non-operating income	2.6	3.1
Non-operating expenses	0.7	0.8
Ordinary income	15.0	17.1
Extraordinary income	16.5	0.1
Extraordinary expenses	0.3	0.7
Income before tax	31.2	16.6
Tax, etc.	6.5	6.5
Profit attributable to owners of parent	24.7	10.1
(Effective tax rate)	17.3%	31.2%

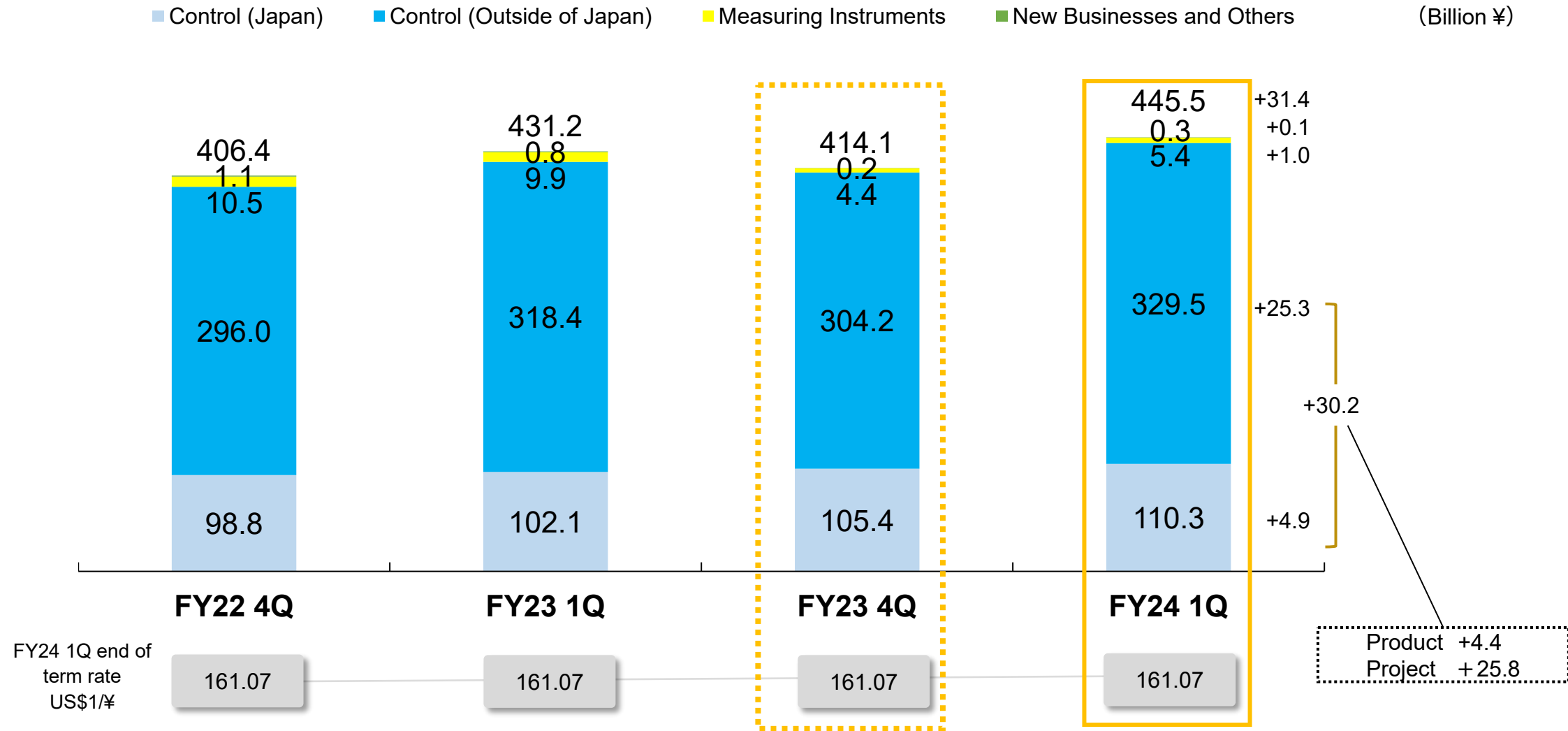
(Billion ¥)

[Extraordinary income]
FY23 1Q
Gain on sale of investment securities +¥16.5 billion

Appendix: Order Backlog Trend by Segment

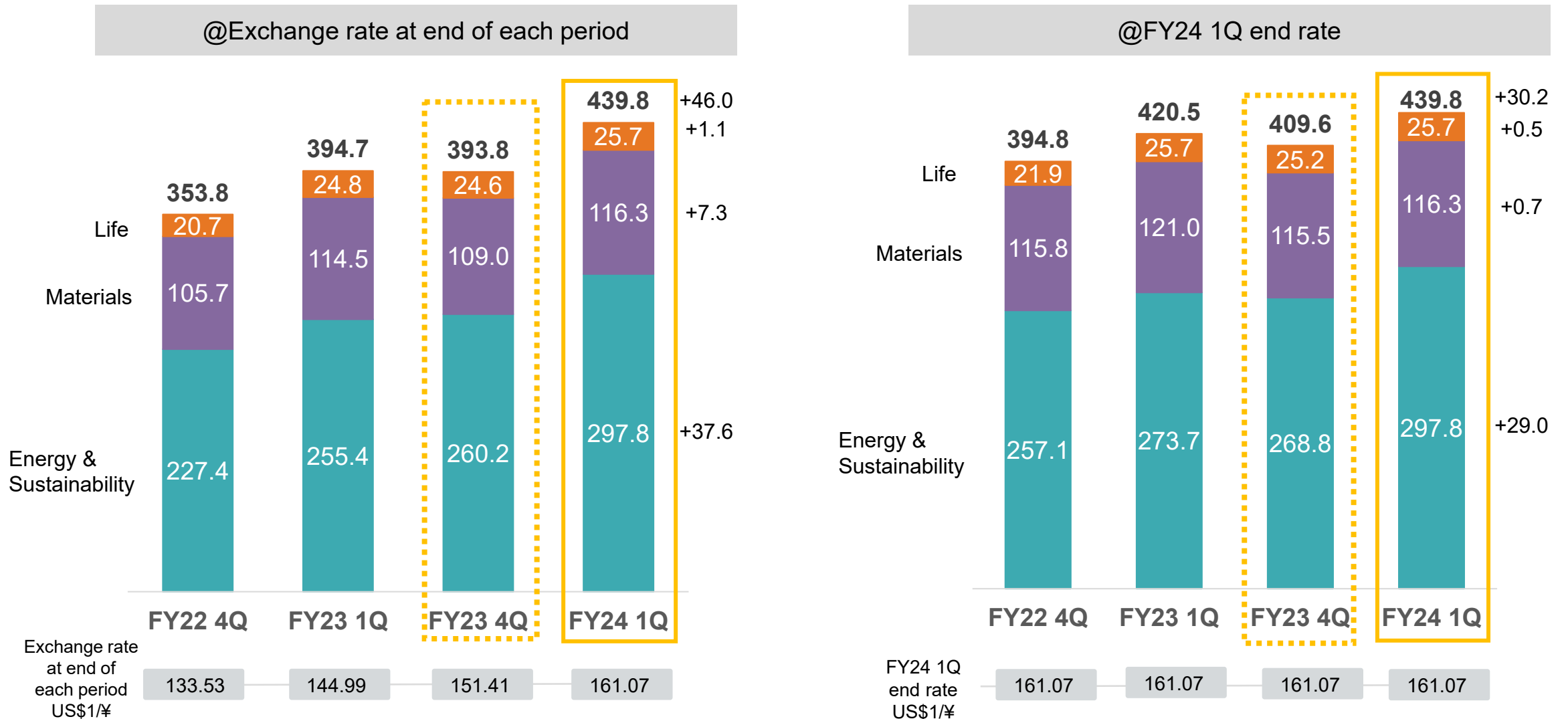


Appendix: Order Backlog Trend by Segment (using FY24 1Q end of term rate)



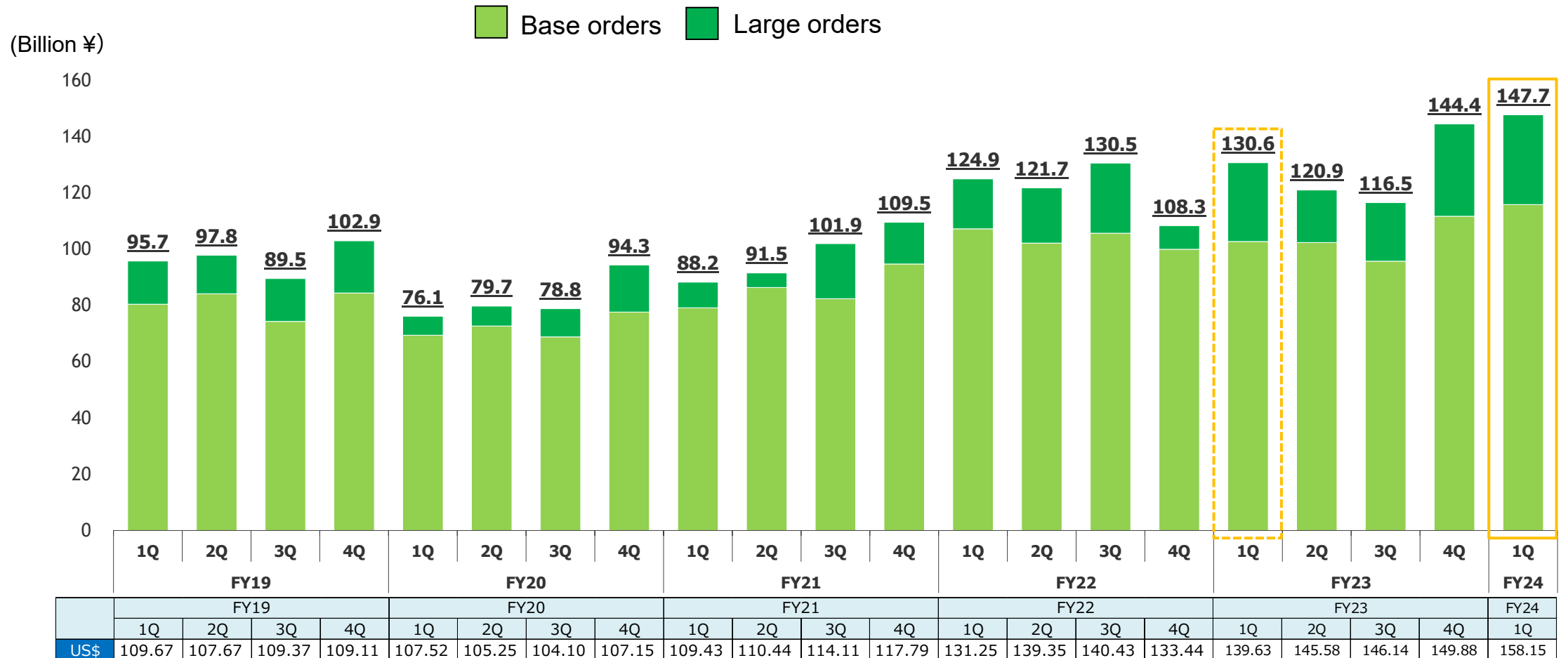
Appendix: Order Backlog Trend by Control Subsegment

(Billion ¥)

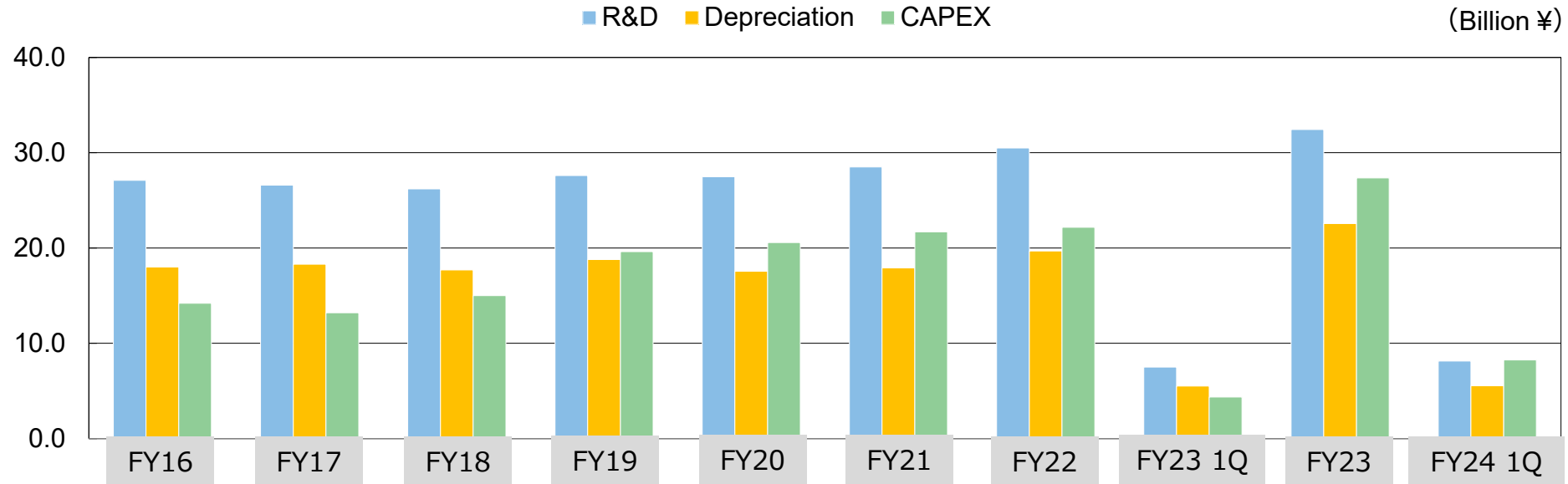


Appendix: Control Segment Order Trend by Project Size

Large orders (¥300 million* or larger) account for only 10-15% of control segment revenues.
 * 3MUS\$



Appendix: Trend of R&D Expenses, Depreciation, and CAPEX

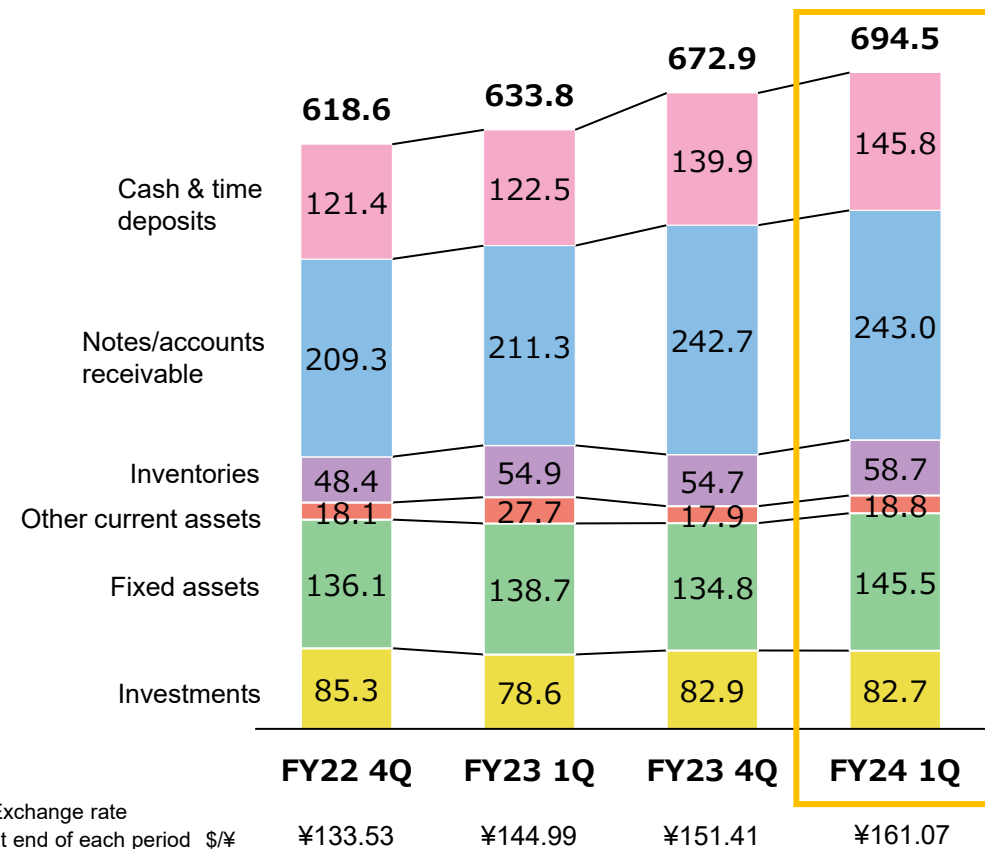


	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23 1Q	FY23	FY24 1Q
R&D expenses (% of sales)	27.1 6.9%	26.6 6.5%	26.2 6.5%	27.6 6.8%	27.5 7.3%	28.5 7.3%	30.5 6.7%	7.5 6.3%	32.4 6.0%	8.1 6.3%
Depreciation (% of sales)	18.0 4.6%	18.3 4.5%	17.7 4.4%	18.8 4.6%	17.6 4.7%	17.9 4.6%	19.7 4.3%	5.5 4.6%	22.6 4.2%	5.5 4.3%
CAPEX (% of sales)	14.2 3.6%	13.2 3.2%	15.0 3.7%	*19.6 4.9%	20.6 5.5%	21.7 5.6%	22.2 4.9%	4.4 3.7%	27.4 5.1%	8.3 6.4%

*The Group's consolidated subsidiaries outside Japan have adopted IFRS 16 (Leases) from FY19.

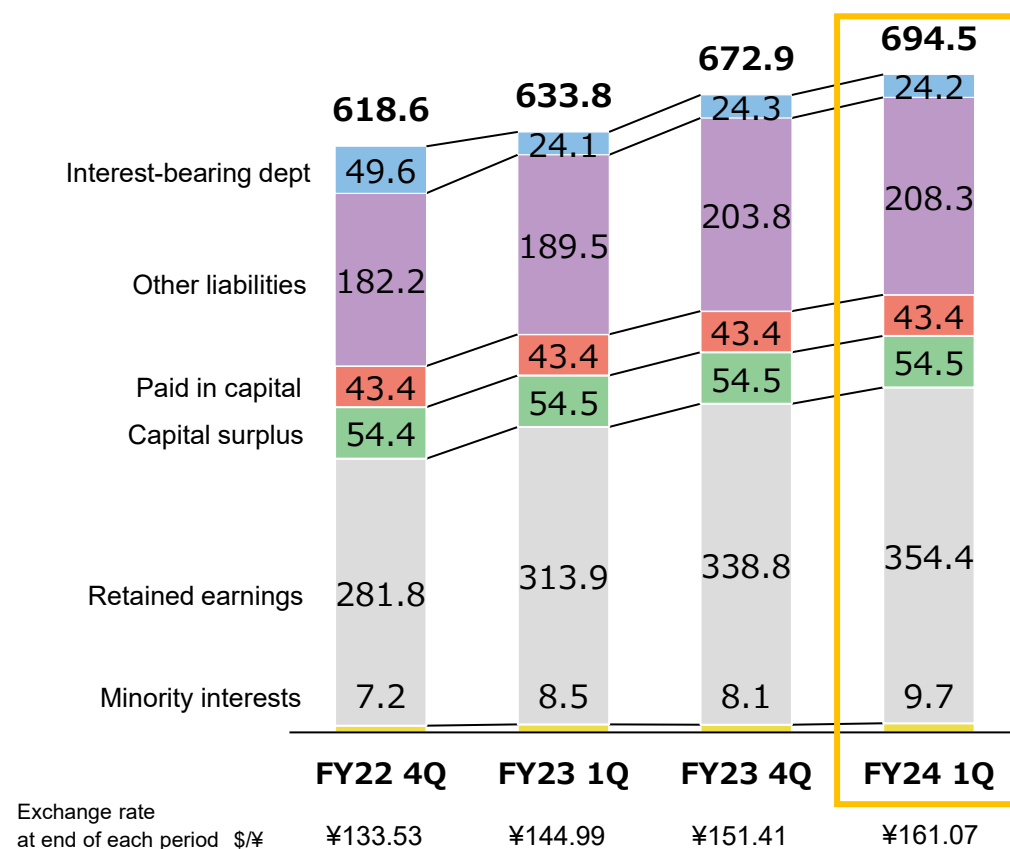
Appendix: Trend of Balance Sheet

Assets

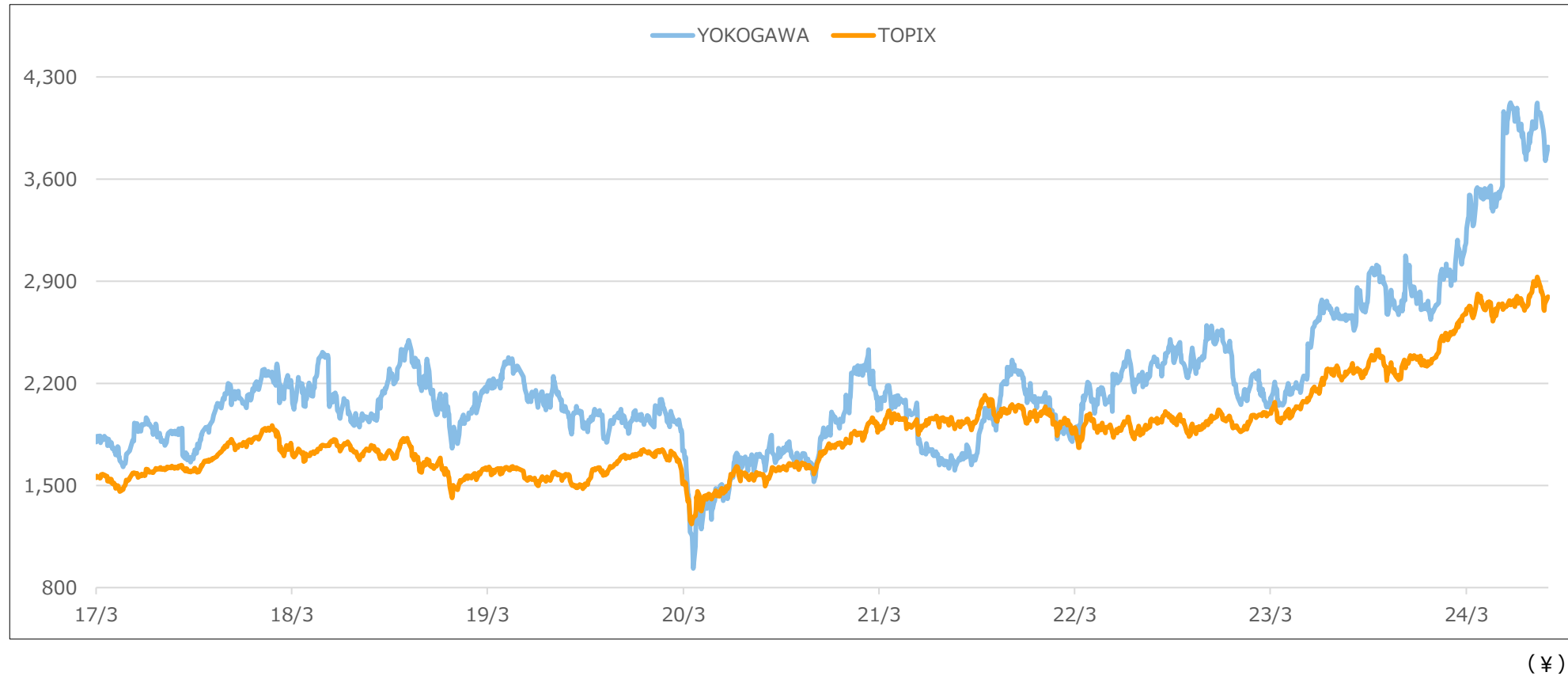


Liabilities and equity

(Billion ¥)



Reference: Trend of Stock Price



	17/3	18/3	19/3	20/3	21/3	22/3	23/3	23/6	23/9	23/12	24/3	24/6	24/7/31
YOKOGAWA	1,752	2,198	2,291	1,303	2,038	2,099	2,150	2,651	2,889	2,689	3,494	3,890	3,821
TOPIX	1,512	1,716	1,592	1,403	1,954	1,946	2,004	2,289	2,323	2,366	2,769	2,810	2,794

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.

Yokogawa undertakes no obligation to publicly update or revise any forward-looking statements after the issue of this document except as provided for in laws and ordinances.

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The information has not been restated to reflect the revision of the initially allocated acquired costs that was decided upon finalization of the tentative accounting treatment and application of the "Partial Amendments to Accounting Standard for Tax Effect Accounting."

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