

**Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022  
(Japan GAAP)**

August 10, 2021

Name of Listed Company: Yokogawa Electric Corporation (the “Company” herein)  
 Stock Exchanges Where the Company’s Shares Are Listed: Tokyo Stock Exchange, Section 1  
 Stock Code: 6841 URL <https://www.yokogawa.com/>  
 Name and Position of the Representative: Hitoshi Nara, President and Chief Executive Officer  
 Name and Position of Person in Charge: Hirohiko Nakatani, Department Manager of IR Department  
 Telephone Number: +81-422-52-6845  
 Planned Quarterly Report Filing Date: August 11, 2021  
 Planned Dividend Payment Starting Date: –  
 Quarterly Financial Results Supplemental Materials: Yes  
 Quarterly 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, 2022 (April 1-June 30, 2021)

(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, 2022	86,257	5.2	4,807	(25.2)	5,270	(26.5)	2,981	(0.1)
For first quarter of year ended March 31, 2021	81,961	(9.2)	6,425	(2.2)	7,172	6.1	2,984	42.1

(Note) Comprehensive income For first quarter of year ending March 31, 2022 4,861 million yen [(0.7)%]  
 For first quarter of year ended March 31, 2021 4,894 million yen [-%]

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
For first quarter of year ending March 31, 2022	11.17	–
For first quarter of year ended March 31, 2021	11.18	–

(2) Financial conditions on a consolidated basis

	Total Assets	Net Assets	Shareholders’ Equity Ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	512,556	315,090	60.1
As of March 31, 2021	519,081	314,770	59.4

(Reference) Shareholders’ equity: As of June 30, 2021: 308,048 million yen As of March 31, 2021: 308,323 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, 2021	-	17.00	-	17.00	34.00
For year ending March 31, 2022	–				
For year ending March 31, 2022 (forecast)		17.00	-	17.00	34.00

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

3. Consolidated business forecast for the year ending March 31, 2022 (April 1, 2021-March 31, 2022)

(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	370,000	(1.1)	25,000	(20.9)	25,000	(26.7)	16,000	(16.7)	59.94

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

<Notes>

- (1) Changes to important subsidiaries during the period: No  
(changes to specific subsidiaries resulting in the change in range of consolidation)
- (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: | Yes |
| 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, 2021  | 268,624,510 shares |
| As of March 31, 2021   | 268,624,510 shares |
| b. Number of treasury shares at the end of the period                                |                    |
| As of June 30, 2021  | 1,692,793 shares   |
| As of March 31, 2021   | 1,692,594 shares   |
| c. Average number of shares in the period (accumulated quarterly period)             |                    |
| For the first quarter of the year ending March 31, 2022                              | 266,931,724 shares |
| For the first quarter of the year ended March 31, 2021                               | 266,933,698 shares |

Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

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. Qualitative Information on Quarterly Consolidated Financial Results (3) Explanation of consolidated business forecast and other expectations" on page 5

The Company plans to hold a quarterly financial results presentation meeting for institutional investors via telephone conference on August 10, 2021.

The Company also plans to promptly post to its website the materials that are used at the meeting.

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## 1. Qualitative Information on Quarterly Consolidated Financial Results

### (1) Explanation of business results

For the first quarter of the current fiscal year (April 1, 2021 to June 30, 2021), as the Group strove to implement measures to prevent the spread of the novel coronavirus disease (hereinafter referred to as "COVID-19"), in accordance with the mid-term business plan, "Accelerate Growth 2023," which started in the current fiscal year, the Company started initiatives aimed at establishing a business structure centered on common social issues towards growth, focusing on four key strategies: "Implement IA2IA and smart manufacturing and transform value provision," "Strengthen industry responsiveness and expand cross-industry business," "Ensure profitability and sound growth," and "Optimize internal operations and transform mindsets."

In terms of the Group's business performance during the first quarter of the current fiscal year, net sales increased by 4.2 billion yen year on year due to foreign exchange fluctuations and other factors. Meanwhile, operating profit fell 1.6 billion yen year on year, mainly due to a deterioration in the gross profit margin ratio, a reaction caused by a decrease in subsidies and an increase in selling, general and administrative expenses. In addition, ordinary profit decreased by 1.9 billion yen. However, profit attributable to owners of parent was about the same as the same period of the previous fiscal year, partly due to recording extraordinary losses in the previous fiscal year.

Business results are as follows.

	Unit: billion yen			
	First quarter of FY2020	First quarter of FY2021	Difference	Change
Net Sales	81.961	86.257	4.295	5.2%
Operating Profit	6.425	4.807	(1.618)	(25.2)%
Ordinary Profit	7.172	5.270	(1.901)	(26.5)%
Profit Attributable to Owners of Parent	2.984	2.981	(0.002)	(0.1)%
(Reference) Average Rate to 1 U.S. Dollar (Yen)	107.52 yen	109.43 yen	1.91 yen	—

Results by individual segment are outlined below.

From the first quarter of the current fiscal year, as a result of revising the Group's internal management classification, the life innovation business that was previously included in the test and measurement business segment has been reclassified into the industrial automation and control business segment. In addition, the name of the reportable segment previously known as the test and measurement business has been changed to the measuring instruments business.

Moreover, segment information for the first quarter of the previous fiscal year has been presented based on the changed classification.

#### <Industrial Automation and Control Business>

	Unit: billion yen			
	First quarter of FY2020	First quarter of FY2021	Difference	Change
Net Sales	76.177	79.924	3.746	4.9%
Operating Profit	6.183	4.904	(1.278)	(20.7)%

Net sales for the industrial automation and control business segment increased by 3.7 billion yen year on year, mainly due to foreign exchange fluctuations. Meanwhile, operating profit fell 1.2 billion yen year on year mainly due to a deterioration in the gross profit margin ratio, a reaction caused by a decrease in subsidies and an increase in selling, general and administrative expenses.

#### <Measuring instruments business>

	Unit: billion yen			
	First quarter of FY2020	First quarter of FY2021	Difference	Change
Net Sales	4.668	5.072	0.403	8.7%
Operating Profit	0.646	0.857	0.210	32.6%

In the measuring instruments business, net sales remained strong and revenue and profit both increased.

#### <Aviation and Other Businesses>

	Unit: billion yen			
	First quarter of FY2020	First quarter of FY2021	Difference	Change
Net Sales	1.115	1.260	0.144	13.0%
Operating Profit	(0.404)	(0.954)	(0.550)	—

In the aviation and other businesses segment, while net sales remained strong, operating profit was down mainly due to an increase

in selling, general and administrative expenses in other businesses.

(2) Explanation of financial conditions

In comparison to March 31, 2021, total assets as of June 30, 2021 were down 6.5 billion yen to 512.5 billion yen, mainly due to decreases in notes and accounts receivable - trade, and contract assets, despite increases in cash and deposits and inventories.

In addition, total liabilities were 197.4 billion yen, down 6.8 billion yen compared to March 31, 2021, due mainly to decreases in notes and accounts payable - trade and provision for bonuses despite an increase in accounts payable - other.

Also, net assets increased by 0.3 billion yen to 315.0 billion yen compared to March 31, 2021, due mainly to increases in foreign currency translation adjustment and valuation difference on available-for-sale securities.

As a result, the shareholders' equity ratio was 60.1%, up 0.7 percentage points from the end of the previous fiscal year.

(3) Explanation of consolidated business forecast and other expectations

No changes have been made to the consolidated business forecast for the fiscal year ending March 31, 2022, which was announced on May 11, 2021. There have been no changes to the foreign exchange rate of 1 USD = 105 yen for the business forecast.

Please refer to page 12 for the current consolidated business forecast by segment.

This consolidated business forecast has been calculated using information, etc. available at the present time. Actual business performance may vary from this forecast due to a variety of factors arising in the future. The impact of the spread of COVID-19 on our business may vary significantly. If any changes arise that will impact the Group's business performance, the Company will revise the consolidated business forecast and promptly announce the revised forecast.

The Company's net sales and operating profit tend to increase in the second and fourth quarters, and this is particularly the case with the industrial automation and control business in Japan.

<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 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

	(Reference) End of FY2020 (March 31, 2021)	End of FY2021 1st quarter (June 30, 2021)
(Millions of yen)		
<b>Assets</b>		
Current assets		
Cash and deposits	102,916	105,494
Notes and accounts receivable - trade	187,266	-
Notes and accounts receivable - trade, and contract assets	-	173,632
Merchandise and finished goods	14,599	16,842
Work in process	5,335	6,137
Raw materials and supplies	15,796	15,006
Other	22,953	25,410
Allowance for doubtful accounts	(3,555)	(3,482)
<b>Total current assets</b>	<b>345,311</b>	<b>339,042</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	45,408	44,722
Other	39,170	38,749
<b>Total property, plant and equipment</b>	<b>84,579</b>	<b>83,471</b>
Intangible assets		
Software	12,779	13,380
Goodwill	4,247	4,119
Other	9,275	8,634
<b>Total intangible assets</b>	<b>26,302</b>	<b>26,135</b>
Investments and other assets		
Investment securities	50,887	51,846
Other	14,182	14,343
Allowance for doubtful accounts	(2,181)	(2,281)
<b>Total investments and other assets</b>	<b>62,887</b>	<b>63,907</b>
<b>Total non-current assets</b>	<b>173,769</b>	<b>173,514</b>
<b>Total assets</b>	<b>519,081</b>	<b>512,556</b>

(Millions of yen)

	(Reference) End of FY2020 (March 31, 2021)	End of FY2021 1st quarter (June 30, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	25,147	19,220
Electronically recorded obligations - operating	9,573	11,397
Short-term borrowings	6,921	6,237
Commercial papers	20,000	20,000
Accounts payable - other	16,806	22,154
Income taxes payable	5,646	5,442
Advances received	35,317	-
Contract liabilities	-	38,141
Provision for bonuses	16,228	8,848
Provision for loss on construction contracts	7,419	6,601
Other	25,932	24,554
Total current liabilities	168,993	162,599
Non-current liabilities		
Long-term borrowings	20,000	20,000
Retirement benefit liability	4,373	4,375
Other	10,943	10,491
Total non-current liabilities	35,317	34,866
Total liabilities	204,310	197,466
<b>Net assets</b>		
Shareholders' equity		
Share capital	43,401	43,401
Capital surplus	54,392	54,392
Retained earnings	209,240	207,684
Treasury shares	(1,404)	(1,404)
Total shareholders' equity	305,629	304,072
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,351	11,945
Foreign currency translation adjustment	(7,568)	(6,895)
Remeasurements of defined benefit plans	(1,088)	(1,075)
Total accumulated other comprehensive income	2,694	3,975
Non-controlling interests	6,447	7,042
Total net assets	314,770	315,090
Total liabilities and net assets	519,081	512,556

(2) Consolidated quarterly statements of income and statements of comprehensive income  
Consolidated quarterly statements of income for the first quarter of FY2021

(Millions of yen)

	(Reference) First quarter of FY2020 (April 1-June 30, 2020)	First quarter of FY2021 (April 1-June 30, 2021)
Net sales	81,961	86,257
Cost of sales	44,362	47,651
Gross profit	37,599	38,606
Selling, general and administrative expenses	31,173	33,798
Operating profit	6,425	4,807
Non-operating income		
Interest income	73	95
Dividend income	326	366
Share of profit of entities accounted for using equity method	336	529
Foreign exchange gains	250	-
Other	340	104
Total non-operating income	1,327	1,095
Non-operating expenses		
Interest expenses	119	150
Foreign exchange losses	-	63
Donations	140	142
Other	321	275
Total non-operating expenses	580	632
Ordinary profit	7,172	5,270
Extraordinary income		
Gain on sale of non-current assets	5	22
Total extraordinary income	5	22
Extraordinary losses		
Loss on sale of non-current assets	0	17
Loss on retirement of non-current assets	9	19
Loss on valuation of investment securities	29	235
Business restructuring expenses	* 882	-
Total extraordinary losses	921	272
Profit before income taxes	6,256	5,020
Income taxes - current	2,249	2,111
Income taxes - deferred	605	(621)
Total income taxes	2,854	1,489
Profit	3,402	3,531
Profit attributable to non-controlling interests	418	549
Profit attributable to owners of parent	2,984	2,981



Consolidated quarterly statements of comprehensive income for the first quarter of FY2021

(Millions of yen)

	(Reference) First quarter of FY2020 (April 1-June 30, 2020)	First quarter of FY2021 (April 1-June 30, 2021)
Profit	3,402	3,531
Other comprehensive income		
Valuation difference on available-for-sale securities	850	561
Foreign currency translation adjustment	626	711
Remeasurements of defined benefit plans, net of tax	(0)	10
Share of other comprehensive income of entities accounted for using equity method	15	46
Total other comprehensive income	1,492	1,330
Comprehensive income	4,894	4,861
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,481	4,262
Comprehensive income attributable to non- controlling interests	412	598

(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

Consolidated quarterly statements of income

\* Business restructuring expenses

Business restructuring expenses pertaining to extraordinary measures at a portion of consolidated subsidiaries with the aim of optimizing the Group overall were recorded.

Changes in accounting policies

Application of Accounting Standard for Fair Value Measurement

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter "The Accounting Standard for Fair Value Measurement") has been applied from the start of the first quarter. In accordance with the transitional treatment provided in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019) the new accounting policy set out in the Accounting Standard for Fair Value Measurement will be applied in the future.

The impact of the application of the accounting standard on the consolidated financial statements is negligible.

Segment information

Segment sales and profits (losses)

Millions of yen

		(Reference) First quarter of FY2020 (April 1-June 30, 2020)	First quarter of FY2021 (April 1-June 30, 2021)	Change
Industrial automation and control	Net sales to unaffiliated customers	76,177	79,924	3,746
	Operating profit (loss)	6,183	4,904	(1,278)
Measuring instruments	Net sales to unaffiliated customers	4,668	5,072	403
	Operating profit (loss)	646	857	210
Aviation and other	Net sales to unaffiliated customers	1,115	1,260	144
	Operating profit (loss)	(404)	(954)	(550)
Amount on consolidated statements of income	Net sales to unaffiliated customers	81,961	86,257	4,295
	Operating profit (loss)	6,425	4,807	(1,618)

From the first quarter of the current fiscal year, as a result of revising the Group's internal management classification, the life innovation business that was previously included in the test and measurement business segment has been reclassified into the industrial automation and control business segment. In addition, the name of the reportable segment previously known as the test and measurement business has been changed to the measuring instruments business. Moreover, segment information for the first quarter of the previous fiscal year has been presented based on the changed classification.

[Reference]

Sales by geographical location

Millions of yen

	(Reference) First quarter of FY2020 (April 1-June 30, 2020)		First quarter of FY2021 (April 1-June 30, 2021)		Change
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount
Japan	24,629	30.0	24,135	28.0	(494)
Outside Japan	57,332	70.0	62,122	72.0	4,790
Southeast Asia, Far East	13,867	16.9	14,229	16.5	361
China	12,460	15.2	14,498	16.8	2,037
India	2,115	2.6	2,341	2.7	225
Europe	6,973	8.5	8,393	9.7	1,420
Russia	3,661	4.5	3,198	3.7	(463)
North America	7,651	9.3	7,870	9.1	218
Middle East, Africa	8,994	11.0	8,958	10.4	(35)
Central and South America	1,606	2.0	2,632	3.1	1,026
Consolidated net sales	81,961	100.0	86,257	100.0	4,295

[Reference]

August 10, 2021  
Yokogawa Electric Corporation

### Consolidated Financial Statements for the First Quarter of FY2021

(Millions of yen)

	First quarter of FY2020		First quarter of FY2021		Change	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Amount	Ratio to net sales
Net Sales	81,961	–	86,257	–	4,295	–
Operating Profit	6,425	7.8%	4,807	5.6%	(1,618)	(2.2)%
Ordinary Profit	7,172	8.8%	5,270	6.1%	(1,901)	(2.6)%
Profit Attributable to Owners of Parent	2,984	3.6%	2,981	3.5%	(2)	(0.1)%
Total Assets	477,087		512,556		35,468	
Net Assets	291,787		315,090		23,302	
Return on Equity	1.0%		1.0%		(0.0)%	
Basic Earnings per Share	11.18 yen		11.17 yen		(0.01) yen	
Capital Investment	3,311		2,977		(333)	
Depreciation	4,337		4,439		101	
Research and Development Expenses	6,261		6,707		445	
Average Exchange Rate During the Period (USD)	107.52 yen		109.43 yen		1.91 yen	

#### Consolidated orders by segment

(Millions of yen)

	First quarter of FY2020	First quarter of FY2021	FY2021 full year (forecast)
Industrial automation and control business	76,096	88,222	353,500
Measuring instruments business	5,128	6,243	19,500
Aviation and other businesses	1,881	1,176	7,000
Total	83,106	95,642	380,000

#### Net Sales

(Millions of yen)

	First quarter of FY2020	First quarter of FY2021	FY2021 full year (forecast)
Industrial automation and control business	76,177	79,924	344,500
Measuring instruments business	4,668	5,072	19,500
Aviation and other businesses	1,115	1,260	6,000
Total	81,961	86,257	370,000

#### Operating Profit

(Millions of yen)

	First quarter of FY2020	First quarter of FY2021	FY2021 full year (forecast)
Industrial automation and control business	6,183	4,904	24,000
Measuring instruments business	646	857	3,000
Aviation and other businesses	(404)	(954)	(2,000)
Total	6,425	4,807	25,000