

**Consolidated Financial Results for the Year Ended March 31, 2022  
(Japan GAAP)**

May 10, 2022

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, 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 Date of the Regular General Meeting of Shareholders: June 22, 2022  
 Planned Dividend Payment Starting Date: June 23, 2022  
 Planned Annual Report Filing Date: June 22, 2022  
 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 year ended March 31, 2022 (April 1, 2021-March 31, 2022)

(1) Results of operations on a consolidated basis

(Percentages show the change from 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 year ended March 31, 2022	389,901	4.2	30,685	(2.9)	35,757	4.8	21,282	10.7
For year ended March 31, 2021	374,206	(7.5)	31,599	(11.2)	34,107	(6.0)	19,219	30.9

(Note) Comprehensive income For year ended March 31, 2022 37,305 million yen [9.7%]  
 For year ended March 31, 2021 34,007 million yen [398.6%]

	Basic Earnings per Share	Diluted Earnings per Share	Return on Equity	Ordinary Profit to Total Asset Ratio	Operating Profit to Net Sales Ratio
	Yen	Yen	%	%	%
For year ended March 31, 2022	79.73	-	6.6	6.7	7.9
For year ended March 31, 2021	72.00	-	6.5	6.8	8.4

(Reference) Profit or loss from investments accounted for by the equity method: For year ended March 31, 2022 3,128 million yen  
 For year ended March 31, 2021 818 million yen

(2) Financial conditions on a consolidated basis

	Total Assets	Net Assets	Shareholders’ Equity Ratio	Shareholders’ Equity per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	555,822	340,356	60.0	1,249.72
As of March 31, 2021	519,081	314,770	59.4	1,155.06

(Reference) Shareholders’ equity: As of March 31, 2022: 333,587 million yen As of March 31, 2021: 308,323 million yen

(3) Consolidated cash flow status

	Net Cash Provided by Operating Activities	Net Cash Used in Investing Activities	Net Cash Used in Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For year ended March 31, 2022	51,644	(28,327)	(16,165)	115,541
For year ended March 31, 2021	32,842	(18,617)	(17,105)	101,204

## 2. Dividend status

	Dividends per Share					Total Dividends (annual)	Payout Ratio (consol.)	Net Asset Dividend Rate (consol.)
	June 30	September 30	December 31	End of Period	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
For year ended March 31, 2021	-	17.00	-	17.00	34.00	9,075	47.2	3.1
For year ended March 31, 2022	-	17.00	-	17.00	34.00	9,075	42.6	2.8
For year ending March 31, 2023 (forecast)	-	17.00	-	17.00	34.00		36.3	

## 3. Consolidated business forecast for the year ending March 31, 2023 (April 1, 2022-March 31, 2023)

(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	407,000	4.4	37,000	20.6	38,000	6.3	25,000	17.5		93.66

<Notes>

- (1) Changes to important subsidiaries during the period: No  
(changes to specific subsidiaries resulting in the change in range of consolidation)
- (2) 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
- (3) Number of shares issued (common stock)
  - a. Number of shares outstanding at the end of the period (including treasury shares)
 

As of March 31, 2022	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 March 31, 2022	1,694,095 shares
As of March 31, 2021	1,692,594 shares
  - c. Average number of shares in the period
 

For year ended March 31, 2022	266,931,237 shares
For year ended March 31, 2021	266,933,013 shares

(Reference) Summary of non-consolidated business results

### 1. Non-consolidated business results for the year ended March 31, 2022 (April 1, 2021-March 31, 2022)

#### (1) Results of operations on a non-consolidated basis

(Percentages show the change from the previous year.)

	Net Sales		Operating Profit		Ordinary Profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For year ended March 31, 2022	104,926	0.1	(3,570)	-	15,054	1.0	12,822	-
For year ended March 31, 2021	104,797	(5.0)	(5,507)	-	14,866	(16.0)	(2,657)	-

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
For year ended March 31, 2022	48.04	-
For year ended March 31, 2021	(9.96)	-

In the non-consolidated financial statements for the year ended March 31, 2021, the Company recorded an extraordinary loss (impairment losses) of 14,931 million yen on shared use assets held by the Company. Because the recoverability of the shared use assets is recognized in the consolidated financial statements, there was no impact on consolidated financial results.

(2) Financial conditions on a non-consolidated basis

	Total Assets	Net Assets	Shareholders' Equity Ratio	Shareholders' Equity per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	275,623	187,045	67.9	700.73
As of March 31, 2021	272,663	183,062	67.1	685.80

(Reference) Shareholders' equity: As of March 31, 2022: 187,045 million yen As of March 31, 2021: 183,062 million yen

Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

Other special notes

The Company plans to hold a financial results presentation meeting for institutional investors via telephone conference on May 10, 2022. 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 fiscal year under review

In accordance with the mid-term business plan, “Accelerate Growth 2023,” which started in the current fiscal year, the Group has been working to establish a business structure centered on solving 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 fiscal year under review, net sales increased by 15.6 billion yen year on year mainly due to foreign exchange fluctuations. However, operating profit fell 0.9 billion yen year on year mainly due to the reaction to the decrease in subsidies, an increase in new business-related investments, and the recording of allowance for doubtful accounts associated with the intensifying situation between Russia and Ukraine. Ordinary profit increased by 1.6 billion yen year on year and profit attributable to owners of parent increased by 2.0 billion yen year on year.

Business results are as follows.

	Unit: billion yen			
	FY2020	FY2021	Difference	Change
Net Sales	374.206	389.901	15.695	4.2%
Operating Profit	31.599	30.685	(0.913)	(2.9)%
Ordinary Profit	34.107	35.757	1.649	4.8%
Profit Attributable to Owners of Parent	19.219	21.282	2.062	10.7%
(Reference) Average Rate to 1 U.S. Dollar (Yen)	106.01	112.94	6.93	–

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 previous fiscal year has been presented based on the changed classification.

#### <Industrial Automation and Control Business>

	Unit: billion yen			
	FY2020	FY2021	Difference	Change
Net Sales	347.827	362.408	14.580	4.2%
Operating Profit	29.375	29.771	0.395	1.3%

Net sales for the industrial automation and control business segment increased by 14.5 billion yen year on year, mainly due to foreign exchange fluctuations. The rise in operating profit was limited to 0.3 billion yen year on year, due to mainly the pullback from the decline in subsidies and the recording of a provision of allowance for doubtful accounts in relation the growing severity of the Russia-Ukraine situation, despite the increase in revenue due to foreign exchange fluctuations.

#### <Measuring instruments business>

	Unit: billion yen			
	FY2020	FY2021	Difference	Change
Net Sales	20.034	21.218	1.183	5.9%
Operating Profit	3.294	3.419	0.124	3.8%

In the measuring instruments business, net sales increased by 1.1 billion yen year on year, mainly due to foreign exchange fluctuations, but operating profit was flat year on year mainly due to changes in the model mix.

#### <Aviation and Other Businesses>

	Unit: billion yen			
	FY2020	FY2021	Difference	Change
Net Sales	6.343	6.274	(0.069)	(1.1)%
Operating Profit	(1.069)	(2.504)	(1.434)	–

In the aviation and other businesses, net sales was about the same as the previous year, and operating loss increased, mainly due to an increase in selling, general and administrative expenses for new businesses.

(2) Overview of financial conditions for the fiscal year under review

In comparison to March 31, 2021, total assets as of March 31, 2022, were up 36.7 billion yen to 555.8 billion yen, mainly due to increases in cash and deposits and goodwill.

In addition, total liabilities were 215.4 billion yen, up 11.1 billion yen compared to March 31, 2021, due mainly to increases in contract liabilities and accounts payable - other.

As of March 31, 2022, net assets were 340.3 billion yen, up 25.5 billion yen compared to March 31, 2021, 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 60.0%, up 0.6 percentage points from the end of the previous fiscal year.

(3) Overview of cash flow for the fiscal year under review

The cash flow from operating activities in the fiscal year under review was a net inflow of 51.6 billion yen (up 18.8 billion yen from the previous fiscal year), reflecting the recording of profit before income taxes, depreciation, and a decrease in trade receivables.

The cash flow from investing activities was a net outflow of 28.3 billion yen (up 9.7 billion yen from the previous fiscal year), mainly reflecting purchase of property, plant and equipment, intangible assets, and shares of subsidiaries resulting in change in scope of consolidation.

The cash flow from financing activities was a net outflow of 16.1 billion yen (down 0.9 billion yen from the previous fiscal year), mainly due to dividends paid.

As a result, the balance of cash and cash equivalents at the end of the fiscal year under review was 115.5 billion yen, up 14.3 billion yen from the end of the previous fiscal year.

(4) Future forecast

While the effects of the spread of COVID-19 are gradually diminishing with progressing vaccinations, and the overall market is in a trend of recovery, there are still concerns over COVID-19's effect on economic activities, such as continued localized lockdowns causing disruptions in the supply chain. Furthermore, intensifying conditions between Russia and Ukraine are causing stressed energy supply-and-demand and surging prices for resources and raw materials, and there is increasing uncertainty over these trends on world affairs and the global economy.

The Group's consolidated earnings forecasts for the coming fiscal year (FY2022) are projecting growth for orders and sales based on an increase in demand that is expected to accompany economic growth and a ramping up of industrial activity among major customers, industrial sectors and regions against the backdrop of a recovery in economic activity, which has been stalled due to the effects of COVID-19. Amid this, orders and sales are expected to decline due to large-scale contraction of the Russia business as a result of the Russia-Ukraine situation. Looking ahead, the Group expects an increasing move toward alternative supply sources from Russian-produced energy and toward energy security. Orders are expected to recover to a certain degree but the Group expects much time will be required before such projects can turn into concrete business opportunities, and the recovery of sales of FY2022 will be limited. When these effects are also taken into account, the Group expects orders received and net sales to increase in the next fiscal year. In terms of operating profit, while we expect an impact from surging parts prices and logistics costs, we forecast a year-on-year increase in profit due to mainly increased revenues. Accordingly, increases are expected for ordinary profit, and profit attributable to owners of parent.

The world is experiencing increasing needs for the resolution of social issues such as the energy transition to realize a low-carbon society, innovation in digital technology, and paradigm shifts due to the spread of COVID-19. The Group sees these changes in the business environment as opportunities and will establish a business structure focused on solving common social issues for growth, while expanding its contribution to society and the environment to achieve growth.

In addition, the operating results forecast assumes a foreign exchange rate of 1 USD = 120 yen (compared to 1 USD = 112.94 yen in the fiscal year ended March 31, 2021).

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 reemergence of COVID-19 infections and intensifying situation between Russia and Ukraine, as well as impact of supply-demand congestion for semiconductors, etc. worldwide on our business may fluctuate significantly, and in the event of any changes affecting the Group's business performance, this consolidated business forecast will be revised and announced swiftly.

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.

Based on the above, the current consolidated business forecasts are as follows. The results for fiscal year 2021 are provided for comparison.

<Consolidated business forecast (full year)>

	Unit: billion yen			
	FY2021 (results)	FY2022 (forecast)	Difference	Change
Orders Received	420.496	439.0	18.503	4.4%
Net Sales	389.901	407.0	17.098	4.4%
Operating Profit	30.685	37.0	6.314	20.6%
Ordinary Profit	35.757	38.0	2.242	6.3%
Profit Attributable to Owners of Parent	21.282	25.0	3.717	17.5%
(Reference) Average Rate to 1 U.S. Dollar (Yen)	112.94	120.00	7.06	–

The forecast by segment is as follows.

In our mainstay industrial automation and control business, amid a full-scale recovery from COVID-19, customers' willingness of investment is robust and we expect both orders and sales to increase.

In our measuring instruments business, we expect orders to perform generally on par with the current fiscal year. We also expect both net sales and operating profit to increase due mainly to the effect of foreign exchange.

The name of the reportable segment previously known as the "aviation and other businesses" has been changed to the "new businesses and other" since FY2022 following the transfer of the aviation equipment business. As a result of said transfer, on a year-on-year basis, we expect decreases in orders, net sales and operating loss.

(Reference) Consolidated business forecast by new segment

<Orders received (full year)>

	Unit: billion yen			
	FY2021 (results)	FY2022 (forecast)	Difference	Change
Industrial automation and control business	391.063	413.0	21.936	5.6%
Measuring instruments business	23.968	23.5	(0.468)	(2.0)%
New businesses and other	5.464	2.5	(2.964)	(54.3)%
Total	420.496	439.0	18.503	4.4%

<Net sales (full year)>

	Unit: billion yen			
	FY2021 (results)	FY2022 (forecast)	Difference	Change
Industrial automation and control business	362.408	381.5	19.091	5.3%
Measuring instruments business	21.218	23.0	1.781	8.4%
New businesses and other	6.274	2.5	(3.774)	(60.2)%
Total	389.901	407.0	17.098	4.4%

<Operating profit (full year)>

	Unit: billion yen			
	FY2021 (results)	FY2022 (forecast)	Difference	Change
Industrial automation and control business	29.771	34.5	4.728	15.9%
Measuring instruments business	3.419	4.5	1.080	31.6%
New businesses and other	(2.504)	(2.0)	0.504	–
Total	30.685	37.0	6.314	20.6%

(5) Policy on appropriation of profit and dividends for the period under review and subsequent periods

The distribution of earnings to shareholders is a top management priority for the Company. By achieving growth in earnings, we aim to steadily increase our dividend payments. While giving overall consideration to our business results, the need to secure investment funds for maximizing mid- to long-term shareholder value, and maintain the financial base supporting growth investment, we will strive to secure a consolidated dividend payout ratio in excess of 30%. Furthermore, we will maintain a stable

dividend based on the shareholders' equity ratio, even when business results deteriorate due to temporary factors.

Furthermore, regarding the year-end dividend for the fiscal year under review, the year-end dividend will be 17 yen per share as planned initially by giving consideration on the consolidated dividend payout ratio, shareholders' equity ratio, financial positions and other related factors based on the above dividend policy. As a result, we plan to pay 34 yen per share in dividend payments for the fiscal year when including the interim dividend.

With regard to dividends for the next fiscal year, we plan to pay 34 yen per share (interim dividend of 17.00 yen and year-end dividend of 17.00 yen) based on the above policy.

## 2. Policy on Selection of Accounting Standards

For the time being, the Group will compile its consolidated financial statements based on generally accepted Japanese accounting principles.

We have been monitoring accounting trends in and outside Japan and will consider the adoption of other accounting standards if it is judged that this will enhance our corporate value.



3. Consolidated Financial Statements

(1) Consolidated balance sheets

	(Reference) End of FY2020 (March 31, 2021)	End of FY2021 (March 31, 2022)
(Millions of yen)		
<b>Assets</b>		
Current assets		
Cash and deposits	102,916	117,687
Notes and accounts receivable - trade	187,266	-
Notes receivable - trade	-	11,572
Accounts receivable - trade	-	116,601
Contract assets	-	58,155
Merchandise and finished goods	14,599	16,662
Work in process	5,335	4,584
Raw materials and supplies	15,796	21,758
Other	22,953	22,479
Allowance for doubtful accounts	(3,555)	(5,304)
<b>Total current assets</b>	<b>345,311</b>	<b>364,195</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	45,408	46,089
Machinery, equipment and vehicles, net	7,154	8,159
Tools, furniture and fixtures, net	6,270	6,144
Land	15,325	15,448
Leased assets, net	124	57
Right-of-use assets, net	7,405	8,083
Construction in progress	2,889	2,961
<b>Total property, plant and equipment</b>	<b>84,579</b>	<b>86,943</b>
Intangible assets		
Software	12,779	13,997
Goodwill	4,247	12,378
Other	9,275	11,940
<b>Total intangible assets</b>	<b>26,302</b>	<b>38,316</b>
Investments and other assets		
Investment securities	50,887	53,241
Deferred tax assets	6,246	7,154
Other	7,935	7,124
Allowance for doubtful accounts	(2,181)	(1,154)
<b>Total investments and other assets</b>	<b>62,887</b>	<b>66,366</b>
<b>Total non-current assets</b>	<b>173,769</b>	<b>191,626</b>
<b>Total assets</b>	<b>519,081</b>	<b>555,822</b>

(Millions of yen)

	(Reference) End of FY2020 (March 31, 2021)	End of FY2021 (March 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	25,147	26,590
Electronically recorded obligations - operating	9,573	10,119
Short-term borrowings	6,921	1,576
Commercial papers	20,000	20,000
Accounts payable - other	16,806	19,046
Income taxes payable	5,646	5,926
Advances received	35,317	-
Contract liabilities	-	41,124
Lease obligations	2,183	2,758
Provision for bonuses	16,228	17,127
Provision for loss on construction contracts	7,419	6,499
Other	23,748	26,424
<b>Total current liabilities</b>	<b>168,993</b>	<b>177,192</b>
Non-current liabilities		
Long-term borrowings	20,000	24,095
Deferred tax liabilities	3,288	2,077
Retirement benefit liability	4,373	4,687
Lease obligations	5,544	5,619
Other	2,110	1,792
<b>Total non-current liabilities</b>	<b>35,317</b>	<b>38,272</b>
<b>Total liabilities</b>	<b>204,310</b>	<b>215,465</b>
Net assets		
Shareholders' equity		
Share capital	43,401	43,401
Capital surplus	54,392	54,392
Retained earnings	209,240	221,446
Treasury shares	(1,404)	(1,407)
<b>Total shareholders' equity</b>	<b>305,629</b>	<b>317,832</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,351	11,592
Foreign currency translation adjustment	(7,568)	5,138
Remeasurements of defined benefit plans	(1,088)	(976)
<b>Total accumulated other comprehensive income</b>	<b>2,694</b>	<b>15,754</b>
Non-controlling interests	6,447	6,769
<b>Total net assets</b>	<b>314,770</b>	<b>340,356</b>
<b>Total liabilities and net assets</b>	<b>519,081</b>	<b>555,822</b>

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

	(Reference) FY2020 (April 1, 2020-March 31, 2021)	FY2021 (April 1, 2021-March 31, 2022)
Net sales	374,206	389,901
Cost of sales	210,036	217,091
Gross profit	164,169	172,810
Selling, general and administrative expenses	132,569	142,124
Operating profit	31,599	30,685
Non-operating income		
Interest income	393	605
Dividend income	1,499	1,785
Foreign exchange gains	550	1,346
Share of profit of entities accounted for using equity method	818	3,128
Miscellaneous income	1,171	679
Total non-operating income	4,433	7,546
Non-operating expenses		
Interest expenses	566	684
Provision of allowance for doubtful accounts	41	294
Commission expenses	218	244
Donations	217	174
Miscellaneous losses	881	1,077
Total non-operating expenses	1,925	2,475
Ordinary profit	34,107	35,757
Extraordinary income		
Gain on sale of non-current assets	70	33
Gain on sale of investment securities	155	58
Total extraordinary income	226	92
Extraordinary losses		
Loss on sale of non-current assets	17	1
Loss on retirement of non-current assets	565	372
Impairment losses	*1,486	*1,410
Loss on sale of investment securities	0	-
Loss on valuation of investment securities	0	1,758
Loss on sale of shares of subsidiaries and associates	-	139
Business restructuring expenses	*2,1739	*2,058
Total extraordinary losses	2,809	5,740
Profit before income taxes	31,524	30,109
Income taxes - current	8,807	8,165
Income taxes - deferred	1,413	(1,730)
Total income taxes	10,220	6,435
Profit	21,303	23,674
Profit attributable to non-controlling interests	2,084	2,392
Profit attributable to owners of parent	19,219	21,282

Consolidated statements of comprehensive income for the FY2021

(Millions of yen)

	(Reference) FY2020 (April 1, 2020-March 31, 2021)	FY2021 (April 1, 2021-March 31, 2022)
Profit	21,303	23,674
Other comprehensive income		
Valuation difference on available-for-sale securities	4,352	221
Foreign currency translation adjustment	7,388	12,971
Remeasurements of defined benefit plans, net of tax	785	81
Share of other comprehensive income of entities accounted for using equity method	177	356
Total other comprehensive income	12,704	13,630
Comprehensive income	34,007	37,305
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	31,476	34,342
Comprehensive income attributable to non-controlling interests	2,530	2,963

(3) Consolidated statements of changes in net assets  
(Reference) FY2020 (April 1, 2020-March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	43,401	54,386	199,080	(1,400)	295,466
Cumulative effects of changes in accounting policies			15		15
Restated balance	43,401	54,386	199,096	(1,400)	295,482
Changes during period					
Dividends of surplus			(9,075)		(9,075)
Profit attributable to owners of parent			19,219		19,219
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares				0	0
Change in ownership interest of parent due to transactions with non-controlling interests		5			5
Net changes in items other than shareholders' equity					
Total changes during period	—	5	10,144	(3)	10,146
Balance at end of period	43,401	54,392	209,240	(1,404)	305,629

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,020	(14,677)	(1,905)	(9,562)	5,568	291,472
Cumulative effects of changes in accounting policies				—		15
Restated balance	7,020	(14,677)	(1,905)	(9,562)	5,568	291,488
Changes during period						
Dividends of surplus						(9,075)
Profit attributable to owners of parent						19,219
Purchase of treasury shares						(3)
Disposal of treasury shares						0
Change in ownership interest of parent due to transactions with non-controlling interests						5
Net changes in items other than shareholders' equity	4,330	7,109	817	12,257	878	13,135
Total changes during period	4,330	7,109	817	12,257	878	23,282
Balance at end of period	11,351	(7,568)	(1,088)	2,694	6,447	314,770

FY2021 (April 1, 2021-March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	43,401	54,392	209,240	(1,404)	305,629
Changes during period					
Dividends of surplus			(9,075)		(9,075)
Profit attributable to owners of parent			21,282		21,282
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	—	0	12,206	(3)	12,203
Balance at end of period	43,401	54,392	221,446	(1,407)	317,832

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,351	(7,568)	(1,088)	2,694	6,447	314,770
Changes during period						
Dividends of surplus						(9,075)
Profit attributable to owners of parent						21,282
Purchase of treasury shares						(3)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	241	12,706	111	13,059	321	13,381
Total changes during period	241	12,706	111	13,059	321	25,585
Balance at end of period	11,592	5,138	(976)	15,754	6,769	340,356

(4) Consolidated cash flow statements

(Millions of yen)

	(Reference) FY2020 (April 1, 2020-March 31, 2021)	FY2021 (April 1, 2021-March 31, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	31,524	30,109
Depreciation	16,988	16,926
Amortization of goodwill	574	1,011
Increase (decrease) in allowance for doubtful accounts	(337)	185
Increase (decrease) in provision for bonuses	152	123
Increase (decrease) in retirement benefit liability	(381)	(64)
Interest and dividend income	(1,892)	(2,391)
Interest expenses	566	684
Share of loss (profit) of entities accounted for using equity method	(818)	(3,128)
Loss (gain) on sale of investment securities	(155)	(58)
Loss (gain) on valuation of investment securities	0	1,758
Loss on retirement of non-current assets	565	372
Provision for reinforcing measures against soft errors	432	247
Increase (decrease) in provision for reinforcing measures against soft errors	(2,414)	(507)
Impairment losses	486	1,410
Decrease (increase) in trade receivables	(5,535)	13,684
Decrease (increase) in inventories	3,037	(4,906)
Increase (decrease) in trade payables	(151)	858
Increase (decrease) in accounts payable - other	1,064	714
Increase (decrease) in accrued expenses	(493)	(173)
Other	(3,536)	1,789
<b>Subtotal</b>	<b>39,677</b>	<b>58,648</b>
Interest and dividends received	2,118	2,214
Interest paid	(675)	(690)
Income taxes refund (paid)	(8,278)	(8,528)
<b>Net cash provided by (used in) operating activities</b>	<b>32,842</b>	<b>51,644</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(243)	(892)
Proceeds from withdrawal of time deposits	580	705
Purchase of property, plant and equipment	(8,689)	(8,281)
Proceeds from sale of property, plant and equipment	237	140
Purchase of intangible assets	(7,827)	(9,838)
Purchase of investment securities	(2,762)	(1,310)
Proceeds from sale and redemption of investment securities	1,563	807
Purchase of shares of subsidiaries and associates	—	(438)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,284)	(9,330)
Other	(190)	111
<b>Net cash provided by (used in) investing activities</b>	<b>(18,617)</b>	<b>(28,327)</b>

(Millions of yen)

	(Reference) FY2020 (April 1, 2020-March 31, 2021)	FY2021 (April 1, 2021-March 31, 2022)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	910	(1,388)
Net increase (decrease) in commercial papers	(10,000)	-
Proceeds from long-term borrowings	20,000	4,000
Repayments of long-term borrowings	(14,592)	(4,080)
Repayments of lease obligations	(2,882)	(3,116)
Dividends paid	(9,073)	(9,072)
Dividends paid to non-controlling interests	(1,463)	(2,261)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(0)	(242)
Other	(3)	(3)
Net cash provided by (used in) financing activities	(17,105)	(16,165)
Effect of exchange rate change on cash and cash equivalents	4,426	7,186
Net increase (decrease) in cash and cash equivalents	1,545	14,337
Cash and cash equivalents at beginning of period	99,658	101,204
Cash and cash equivalents at end of period	101,204	115,541



(5) Notes on consolidated financial statements

Notes for going concern

Not applicable

Important items used as the basis for creation of consolidated financial statements

1. Items related to the range of consolidation

(1) Consolidated subsidiaries: 116 companies

The range of consolidation has been revised due to changes involving the following companies:

As the Company acquired all equity interests in PXiSE Energy Solutions, LLC, it has been newly included in the scope of consolidation. As the Company also acquired all the shares in Insilico Biotechnology AG, both it and its two subsidiaries have been newly included in the scope of consolidation. The Company also established one company, which has been newly included in the scope of consolidation. As the Company sold our shares in Plant Electrical Instrumentation Pte Ltd, it has been removed from the scope of consolidation. The Company also liquidated one company, which has been removed from the scope of consolidation.

(2) Non-consolidated subsidiaries: 1 company

(Name of major company) Yokogawa Foundry Corporation

This company does not significantly influence the consolidated financial statements, and has therefore been excluded from the range of consolidation.

2. Items related to application of the equity method

(1) Non-consolidated subsidiaries: 1 company

(Name of major company) Yokogawa Foundry Corporation

(2) Affiliated companies: 4 companies

(Name of major company) Yokogawa Rental & Lease Corporation

The range of application of the equity method has been revised due to changes involving the following companies:

As the Company acquired Fluence Analytics Inc., it has been newly included in the range of the application of the equity method.

As the Company sold our shares in Sensire Ltd., it has been removed from the range of the application of the equity method.

(3) For certain equity method affiliates whose closing dates differ from the consolidated closing date, financial statements based on a provisional closing conducted as of the consolidated closing date are used.

3. Items related to the fiscal year of consolidated subsidiaries, etc.

Starting with the fiscal year under review, the closing date for Yokogawa Electric China Co., Ltd. and 17 other non-Japan subsidiaries is December 31. For creation of consolidated financial statements, financial statements based on the provisional settlement of accounts implemented on the consolidated closing date are used for these companies.

4. Application of consolidated taxation system

The Company and some of its consolidated subsidiaries have applied a consolidated taxation system.

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.

Consolidated statements of income

\*1 Impairment losses

I. (Reference) FY2020 (April 1, 2020-March 31, 2021)

Impairment losses were recorded for the following asset groups.

			Millions of yen
Location	Use	Category	Impairment losses
Norway	Business assets	Goodwill	163
		Other intangible assets	323
		Total	486

The Group's business assets are grouped based on management accounting classification.

The book values mainly with respect to the goodwill arising at the time of acquisition of shares of the Norway based consolidated subsidiary, Yokogawa TechInvent AS were reduced to their respective recoverable amounts and the amount of said reductions have been recorded as impairment losses on account of the business results of these companies falling below the initially forecasted business plans due to the impact of changes in the business environments surrounding the company.

The recoverable amounts for the said asset group are measured by value in use and are calculated by discounting future cash flows at a rate of 10%.

II.FY2021 (April 1, 2021-March 31, 2022)

Impairment losses were recorded for the following asset groups.

			Millions of yen
Location	Use	Category	Impairment losses
Denmark	Business assets	Goodwill	1,084
Japan	Business assets	Buildings and structures	7
		Machinery, equipment and vehicles	8
		Tools, furniture and fixtures	50
		Software	68
United States	Idle assets	Leased assets	191
		Total	1,410

The Group's business assets are grouped based on management accounting classification. Furthermore, idle assets have been grouped by individual property.

The book values mainly with respect to the goodwill arising at the time of acquisition of shares of the Denmark based consolidated subsidiary, Grazper Technologies ApS were reduced to their respective recoverable amounts and the amount of said reductions have been recorded as impairment losses on account of the business results of these companies falling below the initially forecasted business plans due to the impact of changes in the business environments surrounding the company. The recoverable amounts for the said asset group are measured by value in use and are calculated by discounting future cash flows at a rate of 10%.

As no future use is expected for idle assets, the book values for each asset group have been reduced to their respective recoverable amounts (true cash value), and the reductions have been recorded as impairment losses.

\*2 Business restructuring expenses

I. (Reference) FY2020 (April 1, 2020-March 31, 2021)

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

II. FY2021 (April 1, 2021-March 31, 2022)

Business restructuring expenses pertaining to extraordinary measures with the aim of optimizing the Group overall were recorded and the expenses were mainly related to the transfer of the aviation equipment business.

Segment information

1. Overview of reporting segments

The business segments for financial reporting are categorized as the industrial automation and control business, measuring instruments business, and aviation and other businesses.

The industrial automation and control business offers comprehensive solutions including field instruments such as flowmeters, differential pressure/pressure transmitters, and process analyzers; control systems, programmable controllers, industrial recorders, etc.; various types of software that enhance productivity; and services that minimize plant lifecycle costs.

The measuring instruments business offers waveform measuring instruments; optical communications measuring instruments; signal generators; and electric power, temperature, and pressure measuring instruments.

The aviation and other businesses offer instruments for aviation use.

2. Segment sales and profits (losses)

Millions of yen

		(Reference) FY2020 (April 1, 2020-March 31, 2021)		FY2021 (April 1, 2021-March 31, 2022)		Change
		Amount	Composi- tion ratio (%)	Amount	Composi- tion ratio (%)	Amount
Industrial automation and control	Net sales to unaffiliated customers	347,827	93.0	362,408	92.9	14,580
	Operating profit (loss)	29,375	93.0	29,771	97.0	395
Measuring instruments	Net sales to unaffiliated customers	20,034	5.4	21,218	5.4	1,183
	Operating profit (loss)	3,294	10.4	3,419	11.1	124
Aviation and other	Net sales to unaffiliated customers	6,343	1.7	6,274	1.6	(69)
	Operating profit (loss)	(1,069)	(3.4)	(2,504)	(8.2)	(1,434)
Consolidated net sales	Net sales to unaffiliated customers	374,206	100.0	389,901	100.0	15,695
	Operating profit (loss)	31,599	100.0	30,685	100.0	(913)

From the first quarter of the current fiscal year ended March 31, 2022, 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 previous fiscal year has been presented based on the changed classification.

3. Sales by geographical location

Millions of yen

	(Reference) FY2020 (April 1, 2020-March 31, 2021)		FY2021 (April 1, 2021-March 31, 2022)		Change
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount
Japan	120,338	32.2	118,960	30.5	(1,378)
Outside Japan	253,867	67.8	270,941	69.5	17,073
Southeast Asia, Far East	58,641	15.7	60,708	15.6	2,066
China	52,217	14.0	61,044	15.7	8,827
India	13,415	3.6	15,407	3.9	1,992
Europe	30,073	8.0	33,012	8.5	2,938
Russia	14,293	3.8	13,239	3.4	(1,053)
North America	33,430	8.9	33,160	8.5	(270)
Middle East, Africa	42,013	11.2	43,409	11.1	1,396
Central and South America	9,782	2.6	10,959	2.8	1,177
Consolidated	374,206	100.0	389,901	100.0	15,695

Sales are based on a customer's geographical location (classified above as a country or region).

The breakdown of countries and regions belonging to groups is as follows.

- |                               |  |
|-------------------------------|--|
| (1) Southeast Asia, Far East  | Singapore, South Korea, etc.                       |
| (2) China                     | China  |
| (3) India                     | India  |
| (4) Europe                    | Netherlands, France, United Kingdom, Germany, etc. |
| (5) Russia                    | Russia   |
| (6) North America             | United States, Canada                              |
| (7) Middle East, Africa       | Bahrain, Saudi Arabia, etc.                        |
| (8) Central and South America | Brazil, etc.                                       |

Per-share information

	FY2020	FY2021
Net assets per share (yen)	1,155.06	1,249.72
Basic earnings per share (yen)	72.00	79.73

(Notes) 1. The amount of the fully diluted earnings per share for the fiscal year under review is not described because there is no residual security.

2. The basis for calculation of basic earnings per share is as follows:

Millions of yen

	FY2020	FY2021
Profit attributable to owners of parent	19,219	21,282
Profit attributable to owners of parent related to common stock	19,219	21,282
Average number of shares during the period	266,933,013	266,931,237

Important post-balance sheet events

Business transfer

On April 1, 2022, the Company transferred the aviation equipment business from the Company and Yokogawa Manufacturing Corporation to Oki Electric Industry Co., Ltd.

1. Outline of the business divestiture

- (1) Name of successor company  
Oki Electric Industry Co., Ltd.
- (2) Content of the divested business  
Aviation equipment business
- (3) Main reason for business divestiture

Under its Accelerate Growth 2023 mid-term business plan, the Company is aiming to create new value by focusing on the energy and sustainability, materials, and life industry business segments. Oki Electric Industry Co., Ltd., on the other hand, is focusing on possibilities from leveraging the Company's aviation equipment technology and know-how as well as its customer base to develop new products that combine the technological assets of both companies, and to open up new markets. Given the aforementioned shared interest that both companies have in the continued growth of this business, the Company has decided to transfer its aviation equipment business to Oki Electric Industry Co., Ltd.

- (4) Date of business divestiture  
April 1, 2022
- (5) Other items regarding overview of transaction including its legal form  
Transfer of business with consideration only received by assets such as cash

2. Outline of accounting treatment applied

- (1) Amount of profit and loss transferred  
Profit and loss transferred - million yen

In the fiscal year ended March 31, 2022, the profit and loss transfer and other expenses of 1,390 million yen related to the business transfer were included in "Business restructuring expenses" under "Extraordinary losses."

- (2) Appropriate book values of assets and liabilities of transferred business and main contents thereof

Millions of yen	
Current assets	1,443
Non-current assets	39
Total assets	1,483

- (3) Accounting treatment

The Company accounted for this divestiture in accordance with the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

3. Reporting segment in which the divested business was included

Aviation and other businesses

4. Approximate amounts of profit or loss of the divested business included in consolidated statements of income for the current fiscal year

Millions of yen	
	Cumulative period
Net sales	4,871
Operating profit	(1,034)

[Reference]

May 10, 2022  
Yokogawa Electric Corporation

### Consolidated Financial Statements for the Year Ended March 31, 2022

(Millions of yen)

	FY2020		FY2021		Change	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Amount	Ratio to net sales
Net Sales	374,206	-	389,901	-	15,695	-
Operating Profit	31,599	8.4%	30,685	7.9%	(913)	(0.6)%
Ordinary Profit	34,107	9.1%	35,757	9.2%	1,649	0.1%
Profit Attributable to Owners of Parent	19,219	5.1%	21,282	5.5%	2,062	0.3%
Comprehensive Income	34,007	9.1%	37,305	9.6%	3,297	0.5%
Total Assets	519,081		555,822		36,741	
Net Assets	314,770		340,356		25,585	
Return on Equity	6.5%		6.6%		0.2%	
Basic Earnings per Share	72.00 yen		79.73 yen		7.73 yen	
Shareholders' Equity per Share	1,155.06 yen		1,249.72 yen		94.66 yen	
Capital Investment	20,567		21,698		1,131	
Depreciation	17,563		17,937		374	
Research and Development Expenses	27,477		28,520		1,043	
Average Exchange Rate During the Period (USD)	106.01 yen		112.94 yen		6.93 yen	

#### Consolidated orders by segment

(Millions of yen)

	FY2020	FY2021	FY2022 full year (forecast)
Industrial automation and control business	328,986	391,063	Please refer to page 7 for the consolidated business forecast by segment for the fiscal year ending March 31, 2023.
Measuring instruments business	19,756	23,968	
Aviation and other businesses	7,086	5,464	
Total	355,828	420,496	

#### Consolidated sales by segment

(Millions of yen)

	FY2020	FY2021	FY2022 full year (forecast)
Industrial automation and control business	347,827	362,408	Please refer to page 7 for the consolidated business forecast by segment for the fiscal year ending March 31, 2023.
Measuring instruments business	20,034	21,218	
Aviation and other businesses	6,343	6,274	
Total	374,206	389,901	

#### Consolidated operating profit by segment

(Millions of yen)

	FY2020	FY2021	FY2022 full year (forecast)
Industrial automation and control business	29,375	29,771	Please refer to page 7 for the consolidated business forecast by segment for the fiscal year ending March 31, 2023.
Measuring instruments business	3,294	3,419	
Aviation and other businesses	(1,069)	(2,504)	
Total	31,599	30,685	