

**Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023
(Japan GAAP)**

August 9, 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 Quarterly Report Filing Date: August 10, 2022
 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, 2023 (April 1-June 30, 2022)

(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, 2023	93,999	9.0	1,406	(70.7)	2,601	(50.6)	1,335	(55.2)
For first quarter of year ended March 31, 2022	86,257	5.2	4,807	(25.2)	5,270	(26.5)	2,981	(0.1)

(Note) Comprehensive income For first quarter of year ending March 31, 2023 18,400 million yen (278.5%)
 For first quarter of year ended March 31, 2022 4,861 million yen [(0.7)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For first quarter of year ending March 31, 2023	5.00	-
For first quarter of year ended March 31, 2022	11.17	-

(2) Financial Conditions on a Consolidated Basis

	Total assets	Net assets	Shareholders’ equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	575,287	354,102	60.2
As of March 31, 2022	555,822	340,356	60.0

(Reference) Shareholders’ equity: As of June 30, 2022: 346,334 million yen As of March 31, 2022: 333,587 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, 2022	-	17.00	-	17.00	34.00
For year ending March 31, 2023	-				
For year ending March 31, 2023 (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, 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	421,000	8.0	41,000	33.6	42,000	17.5	28,000	31.6	104.90

(Note) Adjustment on consolidated business forecast in this quarter: Yes

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.

<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, 2022	268,624,510 shares
As of March 31, 2022	268,624,510 shares
 - b. Number of treasury shares at the end of the period

As of June 30, 2022	1,694,316 shares
As of March 31, 2022	1,694,095 shares
 - c. Average number of shares in the period (accumulated quarterly period)

For the first quarter of the year ending March 31, 2023	266,930,271 shares
For the first quarter of the year ended March 31, 2022	266,931,724 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 9, 2022. The Company also plans to promptly post to its website the materials that are used at the meeting.

Attachment Contents

1. Qualitative Information on Quarterly Consolidated Financial Results	- 4 -
(1) Explanation of Business Results	- 4 -
(2) Explanation of Financial Conditions	- 4 -
(3) Explanation of Consolidated Business Forecast and Other Expectations	- 5 -
2. Consolidated Quarterly Financial Statements	- 7 -
(1) Consolidated Quarterly Balance Sheets	- 7 -
(2) Consolidated Quarterly Statements of Income and Statements of Comprehensive Income	- 9 -
Consolidated Quarterly Statements of Income for the First Quarter of FY2022	- 9 -
Consolidated Quarterly Statements of Comprehensive Income for the First Quarter of FY2022	- 10 -
(3) Notes on Consolidated Quarterly Financial Statements	- 11 -
Notes for Going Concern	- 11 -
Notes If There Is a Remarkable Change in the Amount of Shareholders' Equity	- 11 -
Changes in Accounting Policies	- 11 -
Segment Information	- 12 -
[Reference]	- 13 -
Consolidated Financial Statements for the First Quarter of FY2022	- 13 -

1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Explanation of Business Results

For the first quarter of the current fiscal year (April 1, 2022 to June 30, 2022), in accordance with the mid-term business plan, “Accelerate Growth 2023,” 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 first quarter of the current fiscal year, net sales increased by 7.7 billion yen year on year mainly due to foreign exchange fluctuations. Meanwhile, operating profit fell 3.4 billion yen year on year mainly due to a deterioration in the gross profit margin ratio and an increase in selling, general and administrative expenses. In addition, ordinary profit decreased by 2.6 billion yen year on year and profit attributable to owners of parent decreased by 1.6 billion yen year on year.

Business results are as follows.

	Unit: billion yen			
	First quarter of FY2021	First quarter of FY2022	Difference	Change
Net sales	86.257	93.999	7.741	9.0%
Operating profit	4.807	1.406	(3.400)	(70.7)%
Ordinary profit	5.270	2.601	(2.668)	(50.6)%
Profit attributable to owners of parent	2.981	1.335	(1.646)	(55.2)%
(Reference) Average rate to 1 U.S. dollar (Yen)	109.43 yen	131.25 yen	21.82 yen	-

Results by individual segment are outlined below.

The name of the reportable segment previously known as “aviation and other businesses” has been changed to “new businesses and others” since the first quarter of the current fiscal year following the transfer of the aviation equipment business.

<Industrial Automation and Control Business>

	Unit: billion yen			
	First quarter of FY2021	First quarter of FY2022	Difference	Change
Net sales	79.924	88.180	8.255	10.3%
Operating profit	4.904	1.117	(3.787)	(77.2)%

Net sales for the industrial automation and control business segment increased by 8.2 billion yen year on year, mainly due to foreign exchange fluctuations. Meanwhile, operating profit fell 3.7 billion yen year on year mainly due to a deterioration in the gross profit margin ratio and an increase in selling, general and administrative expenses.

<Measuring Instruments Business>

	Unit: billion yen			
	First quarter of FY2021	First quarter of FY2022	Difference	Change
Net sales	5.072	4.924	(0.147)	(2.9)%
Operating profit	0.857	0.411	(0.445)	(52.0)%

In the measuring instruments business, net sales was about the same as that for the same period of the previous fiscal year, and operating profit decreased by 0.4 billion yen year on year.

<New Businesses and Others>

	Unit: billion yen			
	First quarter of FY2021	First quarter of FY2022	Difference	Change
Net sales	1.260	0.893	(0.366)	(29.1)%
Operating profit	(0.954)	(0.122)	0.832	-

With the transfer of the aviation equipment business, new businesses and others net sales decreased by 0.3 billion yen year on year, and operating loss shrunk by 0.8 billion yen year on year.

(2) Explanation of Financial Conditions

In comparison to March 31, 2022, total assets as of June 30, 2022, were up 19.4 billion yen to 575.2 billion yen, mainly due to increases in cash and deposits and other current assets.

In addition, total liabilities were 221.1 billion yen, up 5.7 billion yen compared to March 31, 2022, due mainly to an increase in contract liabilities.

Also, net assets increased by 13.7 billion yen to 354.1 billion yen compared to March 31, 2022, due mainly to an increase in foreign currency translation adjustment.

As a result, the shareholders' equity ratio was 60.2%, up 0.2 percentage points from the end of the previous fiscal year.

(3) Explanation of Consolidated Business Forecast and Other Expectations

With regard to the Group's consolidated business forecast for the fiscal year ending March 31, 2023, we changed the foreign exchange rate from 1 USD=120 yen announced in the full-year consolidated business forecast on May 10, 2022, to 1 USD=130 yen.

With factors such as the impact of the re-emergence of COVID-19 infections and the situation between Russia and Ukraine, as well as the impact of supply-demand congestion for semiconductors, etc. worldwide on our business may fluctuate significantly, and there is increasing uncertainty. We will continue to monitor the situation closely 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 following compares the full-year consolidated business forecast announced on May 10, 2022, with the revised forecast announced on August 9, 2022.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	Yen
Previously announced forecast (A)	407.0	37.0	38.0	25.0	93.66
Revised forecast (B)	421.0	41.0	42.0	28.0	104.90
Difference (B) - (A)	14.0	4.0	4.0	3.0	-
Change (%)	3.4%	10.8%	10.5%	12.0%	-
(Reference) Results for fiscal year ended March 31, 2022	389.9	30.6	35.7	21.2	79.73

(Reference) Consolidated Business Forecast by New Segment

<Orders Received>

Unit: billion yen

	Previously announced forecast (May 10, 2022)	Revised forecast (August 9, 2022)	Difference
Industrial automation and control business	413.0	426.5	up 13.5
Measuring instruments business	23.5	24.0	up 0.5
New businesses and others	2.5	2.5	-
Total	439.0	453.0	up 14.0

<Net Sales>

Unit: billion yen

	Previously announced forecast (May 10, 2022)	Revised forecast (August 9, 2022)	Difference
Industrial automation and control business	381.5	395.0	up 13.5
Measuring instruments business	23.0	23.5	up 0.5
New businesses and others	2.5	2.5	-
Total	407.0	421.0	up 14.0

<Operating Profit>

Unit: billion yen

	Previously announced forecast (May 10, 2022)	Revised forecast (August 9, 2022)	Difference
Industrial automation and control business	34.5	38.5	up 4.0
Measuring instruments business	4.5	4.5	-
New businesses and others	(2.0)	(2.0)	-
Total	37.0	41.0	up 4.0

<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

	(Reference) End of FY2021 (March 31, 2022)	End of FY2022 1st quarter (June 30, 2022)
(Millions of yen)		
Assets		
Current assets		
Cash and deposits	117,687	121,159
Notes and accounts receivable - trade, and contract assets	186,328	189,166
Merchandise and finished goods	16,662	18,782
Work in process	4,584	5,444
Raw materials and supplies	21,758	22,293
Other	22,479	26,199
Allowance for doubtful accounts	(5,304)	(6,249)
Total current assets	364,195	376,796
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	46,089	47,013
Other	40,854	41,885
Total property, plant and equipment	86,943	88,899
Intangible assets		
Software	13,997	15,083
Goodwill	12,378	13,118
Other	11,940	11,062
Total intangible assets	38,316	39,264
Investments and other assets		
Investment securities	53,241	56,216
Other	14,279	15,421
Allowance for doubtful accounts	(1,154)	(1,310)
Total investments and other assets	66,366	70,327
Total non-current assets	191,626	198,491
Total assets	555,822	575,287

(Millions of yen)

	(Reference) End of FY2021 (March 31, 2022)	End of FY2022 1st quarter (June 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,590	23,647
Electronically recorded obligations - operating	10,119	12,381
Short-term borrowings	1,576	1,209
Commercial papers	20,000	20,000
Accounts payable - other	19,046	21,756
Income taxes payable	5,926	6,099
Contract liabilities	41,124	49,318
Provision for bonuses	17,127	9,484
Provision for loss on construction contracts	6,499	7,482
Other	29,183	30,006
Total current liabilities	177,192	181,388
Non-current liabilities		
Long-term borrowings	24,095	24,116
Retirement benefit liability	4,687	5,352
Other	9,489	10,327
Total non-current liabilities	38,272	39,796
Total liabilities	215,465	221,184
Net assets		
Shareholders' equity		
Share capital	43,401	43,401
Capital surplus	54,392	54,392
Retained earnings	221,446	218,244
Treasury shares	(1,407)	(1,407)
Total shareholders' equity	317,832	314,630
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,592	12,983
Foreign currency translation adjustment	5,138	19,759
Remeasurements of defined benefit plans	(976)	(1,038)
Total accumulated other comprehensive income	15,754	31,704
Non-controlling interests	6,769	7,768
Total net assets	340,356	354,102
Total liabilities and net assets	555,822	575,287

(2) Consolidated Quarterly Statements of Income and Statements of Comprehensive Income
Consolidated Quarterly Statements of Income for the First Quarter of FY2022

(Millions of yen)

	(Reference) First quarter of FY2021 (April 1-June 30, 2021)	First quarter of FY2022 (April 1-June 30, 2022)
Net sales	86,257	93,999
Cost of sales	47,651	54,325
Gross profit	38,606	39,673
Selling, general and administrative expenses	33,798	38,266
Operating profit	4,807	1,406
Non-operating income		
Interest income	95	210
Dividend income	366	546
Share of profit of entities accounted for using equity method	529	703
Foreign exchange gains	-	448
Other	104	365
Total non-operating income	1,095	2,273
Non-operating expenses		
Interest expenses	150	225
Foreign exchange losses	63	-
Provision of allowance for doubtful accounts	-	356
Donations	142	122
Other	275	373
Total non-operating expenses	632	1,078
Ordinary profit	5,270	2,601
Extraordinary income		
Gain on sale of non-current assets	22	0
Total extraordinary income	22	0
Extraordinary losses		
Loss on sale of non-current assets	17	-
Loss on retirement of non-current assets	19	51
Loss on valuation of investment securities	235	-
Total extraordinary losses	272	51
Profit before income taxes	5,020	2,550
Income taxes - current	2,111	1,498
Income taxes - deferred	(621)	(1,038)
Total income taxes	1,489	460
Profit	3,531	2,090
Profit attributable to non-controlling interests	549	754
Profit attributable to owners of parent	2,981	1,335

Consolidated Quarterly Statements of Comprehensive Income for the First Quarter of FY2022

(Millions of yen)

	(Reference) First quarter of FY2021 (April 1-June 30, 2021)	First quarter of FY2022 (April 1-June 30, 2022)
Profit	3,531	2,090
Other comprehensive income		
Valuation difference on available-for-sale securities	561	1,397
Foreign currency translation adjustment	711	14,822
Remeasurements of defined benefit plans, net of tax	10	(14)
Share of other comprehensive income of entities accounted for using equity method	46	104
Total other comprehensive income	1,330	16,310
Comprehensive income	4,861	18,400
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,262	17,285
Comprehensive income attributable to non-controlling interests	598	1,115

(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

Changes in Accounting Policies

Application of Implementation Guidance on Accounting Standard for Fair Value Measurement

The "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter "The Implementation Guidance on Accounting Standard for Fair Value Measurement") has been applied from the start of the first quarter of the current fiscal year. In accordance with the transitional treatment provided in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the new accounting policy set out in the Implementation Guidance on 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 FY2021 (April 1-June 30, 2021)	First quarter of FY2022 (April 1-June 30, 2022)	Change
Industrial automation and control	Net sales to unaffiliated customers	79,924	88,180	8,255
	Operating profit (loss)	4,904	1,117	(3,787)
Measuring instruments	Net sales to unaffiliated customers	5,072	4,924	(147)
	Operating profit (loss)	857	411	(445)
New businesses and others	Net sales to unaffiliated customers	1,260	893	(366)
	Operating profit (loss)	(954)	(122)	832
Amount on consolidated statements of income	Net sales to unaffiliated customers	86,257	93,999	7,741
	Operating profit (loss)	4,807	1,406	(3,400)

(Reportable Segment Name Change)

The name of the reportable segment previously known as “aviation and other businesses” has been changed to “new businesses and others” since the first quarter of the current fiscal year following the transfer of the aviation equipment business. There is no change in segment classification due to this change.

(Significant Decrease in Assets Due to Business Transfer)

During the first quarter of the current fiscal year, we transferred the Company’s and Yokogawa Manufacturing Corporation’s aviation equipment business, which comprised “aviation and other businesses.” As a result, “new businesses and others” segment assets decreased 1.483 billion yen compared to the last day of FY2021.

[Reference]

Net Sales by Geographical Location

(Millions of yen)

	(Reference) First quarter of FY2021 (April 1-June 30, 2021)		First quarter of FY2022 (April 1-June 30, 2022)		Change
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount
Japan	24,135	28.0	25,465	27.1	1,330
Outside Japan	62,122	72.0	68,533	72.9	6,411
Southeast Asia, Far East	14,229	16.5	15,592	16.6	1,363
China	14,498	16.8	16,609	17.7	2,111
India	2,341	2.7	3,681	3.9	1,340
Europe	8,393	9.7	8,436	9.0	42
Russia	3,198	3.7	2,124	2.3	(1,073)
North America	7,870	9.1	9,167	9.7	1,297
Middle East, Africa	8,958	10.4	10,065	10.7	1,106
Central and South America	2,632	3.1	2,855	3.0	223
Consolidated	86,257	100.0	93,999	100.0	7,741

[Reference]

August 9, 2022
Yokogawa Electric Corporation

Consolidated Financial Statements for the First Quarter of FY2022

(Millions of yen)

	First quarter of FY2021		First quarter of FY2022		Change	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Amount	Ratio to net sales
Net sales	86,257	-	93,999	-	7,741	-
Operating profit	4,807	5.6%	1,406	1.5%	(3,400)	(4.1)%
Ordinary profit	5,270	6.1%	2,601	2.8%	(2,668)	(3.3)%
Profit attributable to owners of parent	2,981	3.5%	1,335	1.4%	(1,646)	(2.0)%
Total assets	512,556		575,287		62,731	
Net assets	315,090		354,102		39,012	
Return on equity	1.0%		0.4%		(0.6)%	
Basic earnings per share	11.17 yen		5.00 yen		(6.17) yen	
Capital investment	2,977		3,632		654	
Depreciation	4,439		4,697		257	
Research and development expenses	6,707		7,167		460	
Average exchange rate during the period (USD)	109.43 yen		131.25 yen		21.82 yen	

Orders Received

(Millions of yen)

	First quarter of FY2021	First quarter of FY2022	FY2022 full year (forecast)
Industrial automation and control business	88,222	124,864	426,500
Measuring instruments business	6,243	8,365	24,000
New businesses and others	1,176	1,070	2,500
Total	95,642	134,300	453,000

Net Sales

(Millions of yen)

	First quarter of FY2021	First quarter of FY2022	FY2022 full year (forecast)
Industrial automation and control business	79,924	88,180	395,000
Measuring instruments business	5,072	4,924	23,500
New businesses and others	1,260	893	2,500
Total	86,257	93,999	421,000

Operating Profit

(Millions of yen)

	First quarter of FY2021	First quarter of FY2022	FY2022 full year (forecast)
Industrial automation and control business	4,904	1,117	38,500
Measuring instruments business	857	411	4,500
New businesses and others	(954)	(122)	(2,000)
Total	4,807	1,406	41,000