

**Securities Code: 6841
Yokogawa Electric Corporation**

**Financial Results for
the First Quarter of Fiscal Year 2022**

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Financial Results for the First Quarter of Fiscal Year 2022

(April 1, 2022 – June 30, 2022)

■ FY22 1Q results: Sales were up, but operating income declined.

- **Summary:** Orders increased significantly year on year. Sales were up due to the impact of fluctuations in exchange rates and other factors. Operating income and profit attributable to owners of parent decreased.

- Segments

Control: Sales were up, but operating income declined. (Excluding the impact of exchange rates, orders increased 28.6%, and sales increased 0.2% year on year.)

Measuring instruments: Sales were nearly at the same level as the previous fiscal year. Operating income declined.

New businesses and others: Sales declined. The operating loss shrunk.

- **Regions:** Orders were firm in the Middle East, Africa, and Central and South America.

- **Industries:** Orders were strong in the upstream sector and the chemicals industry.

■ FY22 earnings forecasts: Change (only forecast exchange rate revised: US\$1:¥120→¥130)

- From FY21, 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.
- The name of the reportable segment previously known as "aviation and other businesses" has been changed to "new businesses and others" since the current fiscal year following the transfer of the aviation equipment business.

Summary of FY22 1Q Results (year on year comparison)

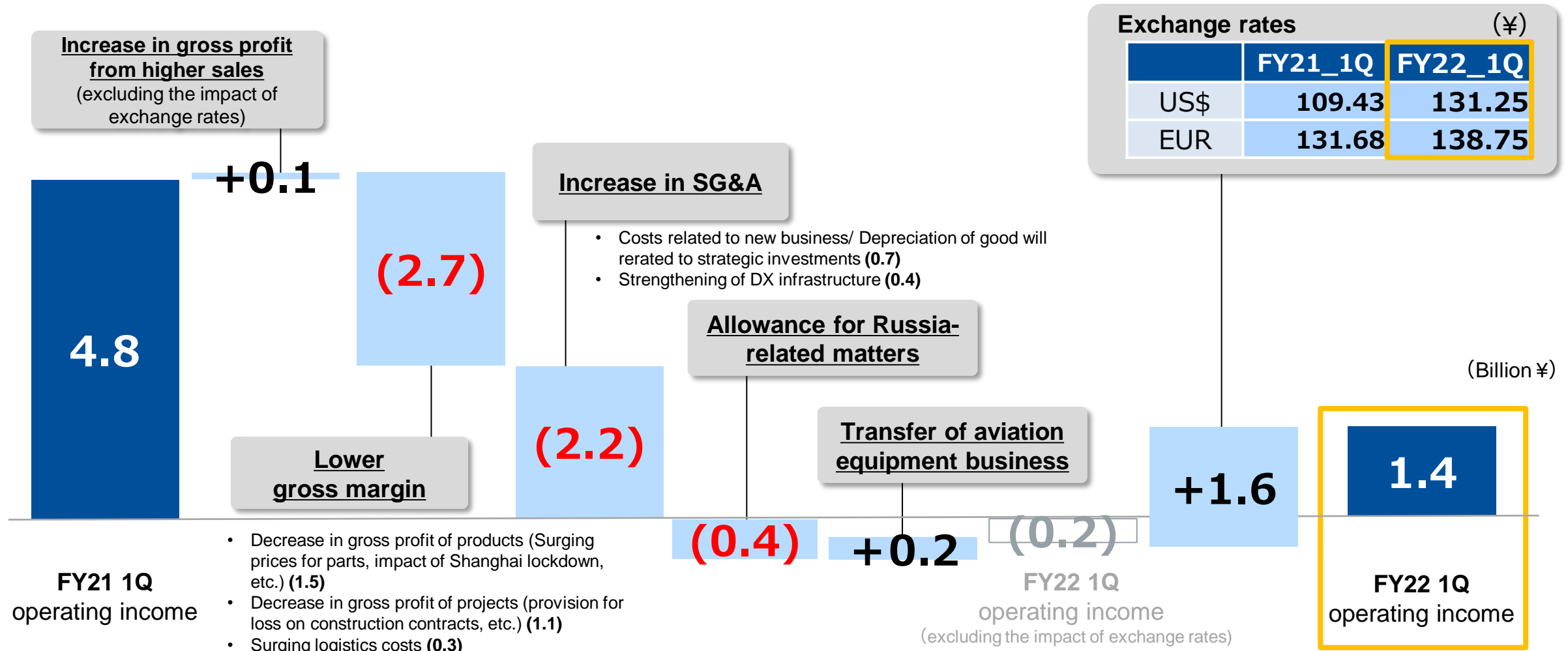
- ◆ Orders increased significantly (excluding the impact of exchange rates: +27.6%).
- ◆ Sales increased due to the impact of fluctuations in exchange rates and other factors (excluding the impact of exchange rates: -1.1%).
- ◆ Operating income decreased due to a decrease in the gross margin, an increase in SG&A expenses, and other factors.
- ◆ Profit attributable to owners of parent decreased.

(Billion ¥)

	FY21_1Q	FY22_1Q	Difference	Growth rate	Impact of exchange rate
Orders	95.6	134.3	+38.7	+40.4%	+12.3
Sales	86.3	94.0	+7.7	+9.0%	+8.7
Operating income	4.8	1.4	(3.4)	(70.7)%	+1.6
ROS(%)	5.6	1.5	(4.1)pts	—	—
Ordinary income	5.3	2.6	(2.7)	(50.6)%	+1.5
Profit attributable to owners of parent	3.0	1.3	(1.6)	(55.2)%	+1.5
Exchange rate	1\$= ¥109.43	¥131.25	+21.82	—	—

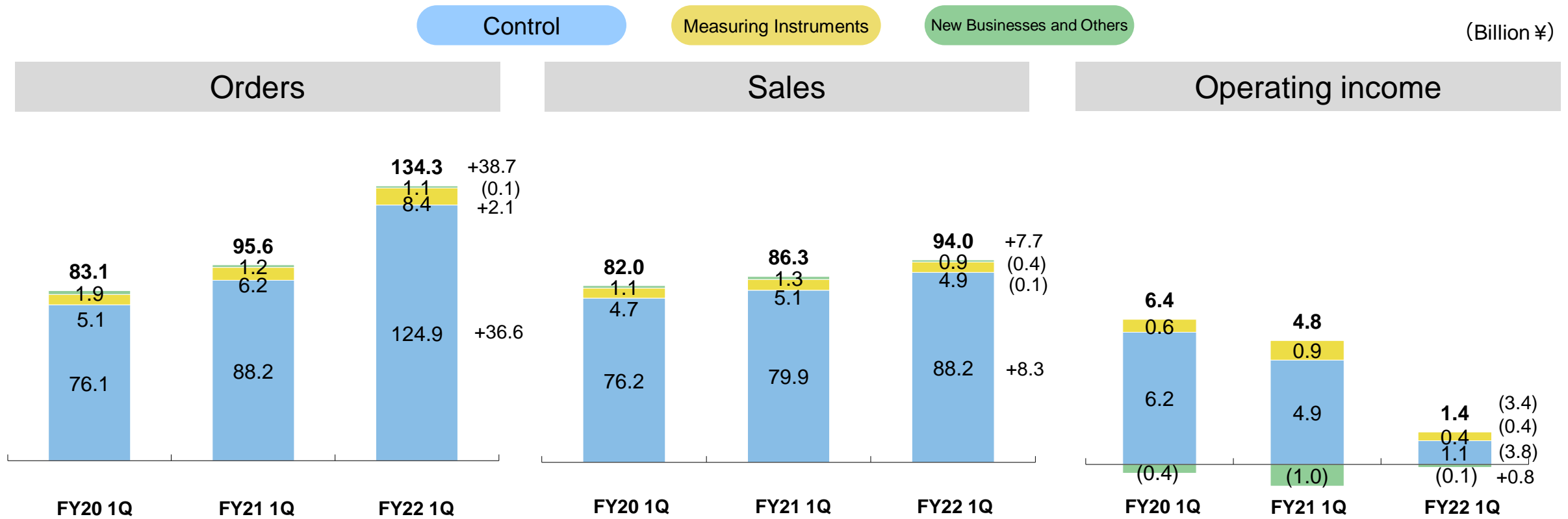
Analysis of Operating Income (year on year comparison)

◆ Operating income decreased due to a decrease in the gross margin, an increase in SG&A expenses, and other factors.



Comparison for Orders, Sales, and Operating Income by Segment

- ◆ **Control:** Orders were firm. Sales increased due to the impact of fluctuations in exchange rates and other factors (Excluding the impact of exchange rates, orders increased 28.6%, and sales increased 0.2% year on year). Operating income decreased due to a decrease in the gross margin, an increase in SG&A expenses, and other factors (excluding the impact of exchange rates: -¥5.2 billion).
- ◆ **Measuring instruments:** Sales were nearly at the same level as the previous fiscal year. Operating income declined.
- ◆ **New businesses and others:** Sales declined, and the operating loss shrunk due to the transfer of the aviation equipment business.



Orders and Sales by Region in Control Segment

- ◆ Orders were firm in the Middle East, Africa, and Central and South America.
- ◆ Orders: +¥25.2 billion, +28.6% (excluding the impact of exchange rates); sales: +¥0.1 billion, +0.2% (excluding the impact of exchange rates)

(Billion ¥)

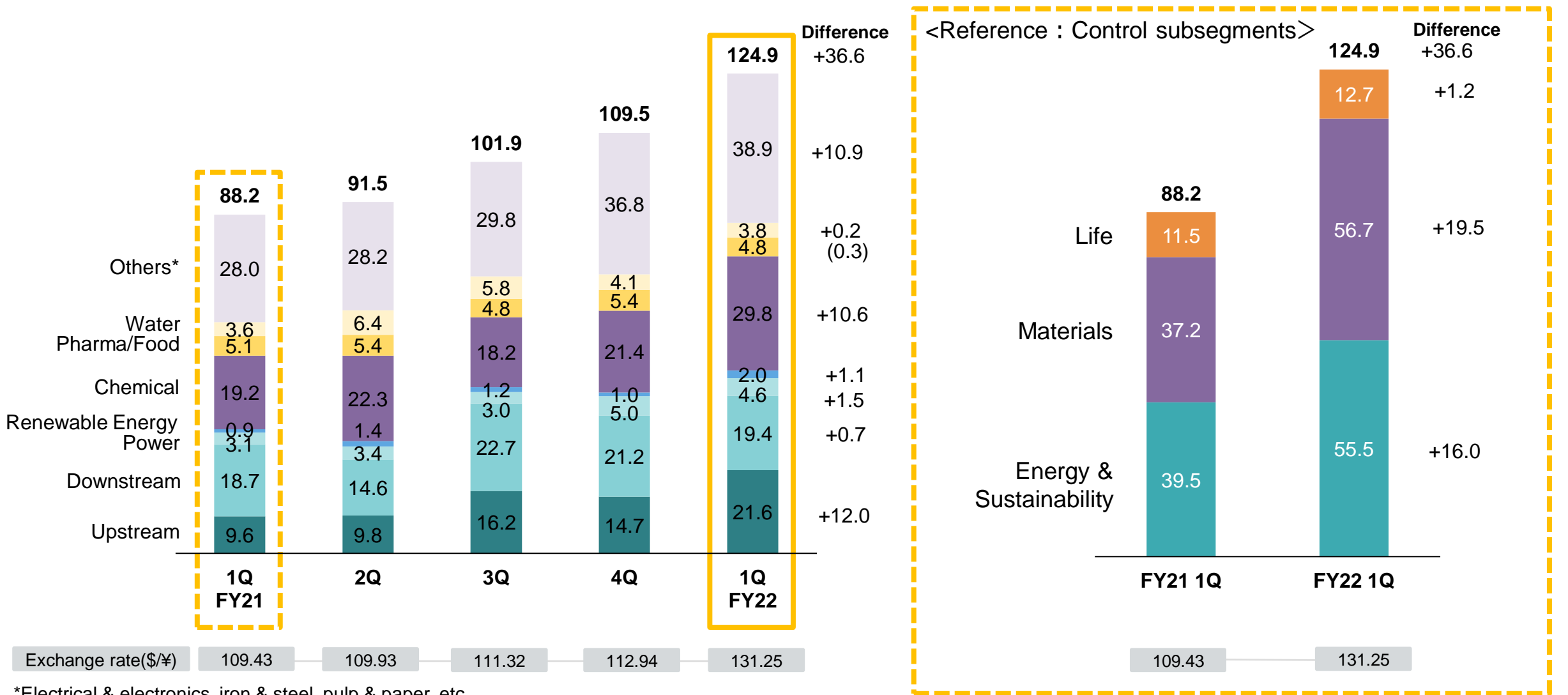
Orders	FY21 1Q (A)	FY22 1Q (B)	Difference (B-A)
Japan	26.0	33.9	+7.9
Asia	32.6	45.2	+12.6
(Southeast Asia, Far East)	14.4	16.9	+2.5
(China)	15.1	22.9	+7.8
(India)	3.1	5.4	+2.3
Europe and CIS	12.4	9.4	(3.0)
Middle East and Africa	8.8	21.4	+12.6
North America	5.9	9.1	+3.2
Central and South America	2.5	5.8	+3.3
Outside Japan	62.2	90.9	+28.7
Consolidated	88.2	124.9	+36.6
Exchange rate USD1\$ =	¥109.43	¥131.25	+21.82

Sales	FY21 1Q (A)	FY22 1Q (B)	Difference (B-A)
Japan	22.0	23.6	+1.7
Asia	28.3	33.1	+4.8
(Southeast Asia, Far East)	13.4	15.0	+1.6
(China)	12.8	14.6	+1.8
(India)	2.1	3.5	+1.4
Europe and CIS	10.7	9.8	(0.9)
Middle East and Africa	9.0	10.4	+1.4
North America	7.3	8.6	+1.3
Central and South America	2.6	2.7	+0.1
Outside Japan	57.9	64.6	+6.7
Consolidated	79.9	88.2	+8.3
Exchange rate USD1\$ =	¥109.43	¥131.25	+21.82

Orders by Industry in Control Segment

◆ Orders were strong in the upstream sector and the chemicals industry.

(Billion ¥)



*Electrical & electronics, iron & steel, pulp & paper, etc.

Orders and Sales by Control Subsegment

(Billion ¥)

Orders	FY21_1Q	FY22_1Q	Difference	Growth rate
Energy & Sustainability	39.5	55.5	+16.0	+40.5%
Materials	37.2	56.7	+19.5	+52.4%
Life	11.5	12.7	+1.2	+10.1%
Control total	88.2	124.9	+36.6	+41.6%
Exchange rate 1\$=	¥109.43	¥131.25	+21.82	—

Sales	FY21_1Q	FY22_1Q	Difference	Growth rate
Energy & Sustainability	37.1	38.9	+1.8	+4.8%
Materials	32.6	38.8	+6.2	+18.9%
Life	10.2	10.5	+0.3	+2.8%
Control total	79.9	88.2	+8.3	+10.3%
Exchange rate 1\$=	¥109.43	¥131.25	+21.82	—

FY22 Forecast

◆ Only the forecast exchange rate has been revised (US\$1: ¥120→¥130).

(Billion ¥)

	FY21 (A)	FY22 forecast 5/10(B)	FY22 forecast 8/9(C)	Forecast difference (C-B)	Year on year difference (C-A)	Growth rate (C/A-1)	
Orders	420.5	439.0	453.0	+14.0	+32.5	+7.7%	
Sales	389.9	407.0	421.0	+14.0	+31.1	+8.0%	
Operating income	30.7	37.0	41.0	+4.0	+10.3	+33.6%	
ROS(%)	7.9	9.1	9.7	+0.6pt	+1.8pts	—	
Ordinary income	35.8	38.0	42.0	+4.0	+6.2	+17.5%	
Profit before income taxes	30.1	38.0	42.0	+4.0	+11.9	+39.5%	
Tax, etc.	8.8	13.0	14.0	+1.0	+5.2	+59.1%	
Profit attributable to owners of parent	21.3	25.0	28.0	+3.0	+6.7	+31.6%	
EPS(¥)	79.73	93.66	104.90	+11.24	+25.17	—	
Exchange rate	1\$=	¥112.94	¥120.00	¥130.00	+10.00	+17.06	—

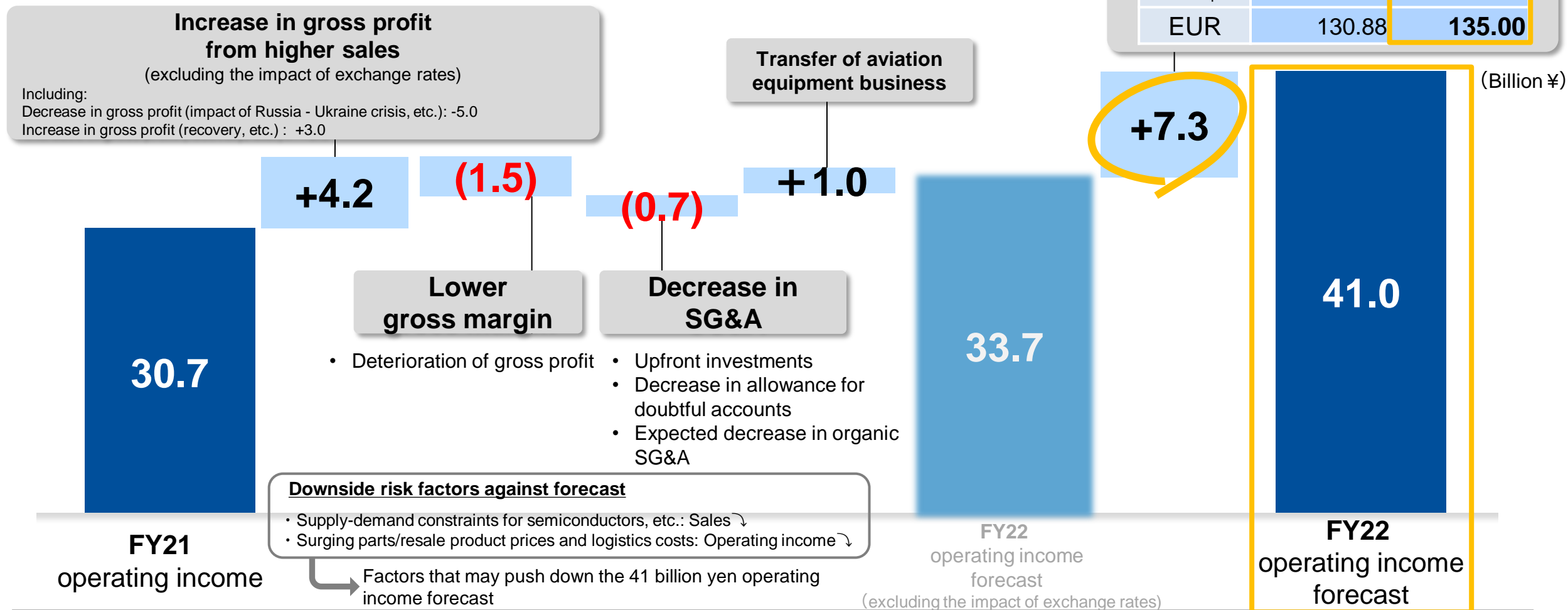
■ Downside risk factors against forecast

- Supply-demand constraints for semiconductors, etc.: Sales ↘
- Surging parts/resale product prices and logistics costs: Operating income ↘

Factors Accounting for Increase/Decrease in FY22 Operating Income (change from May 10, 2022)

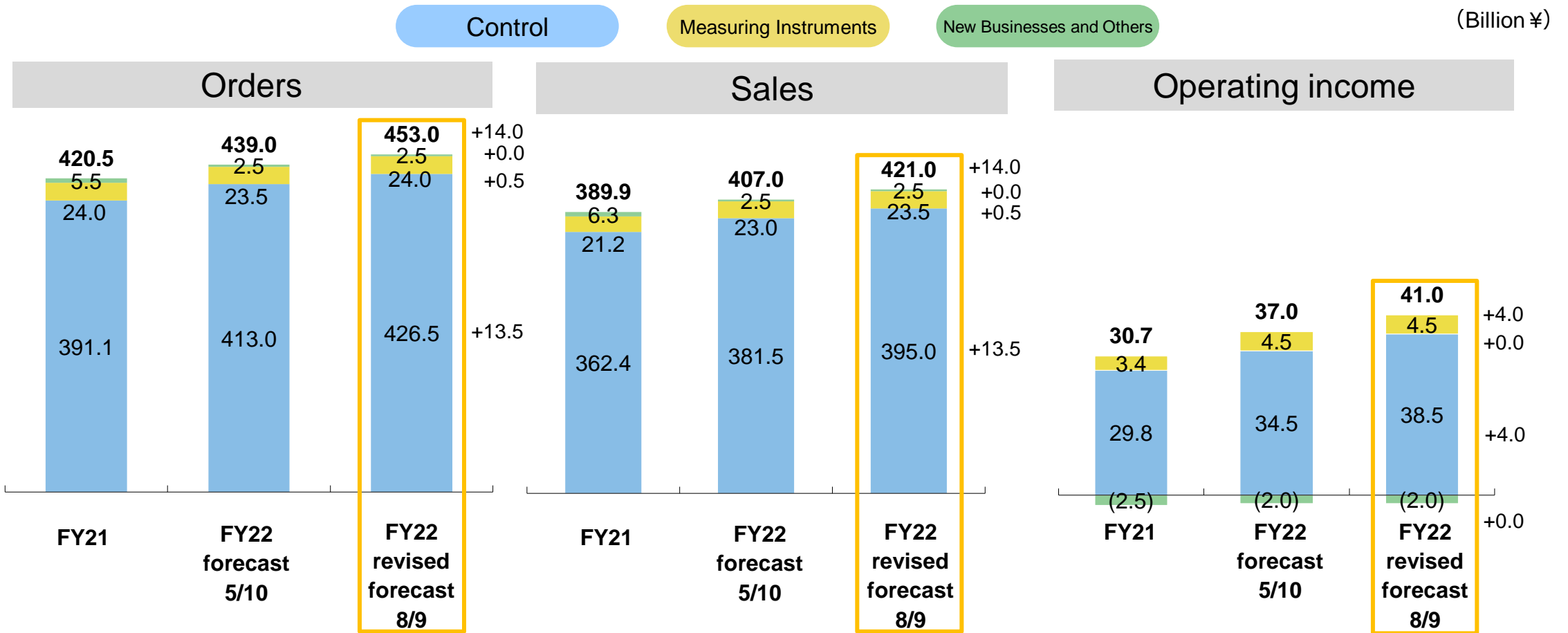
◆ Only the forecast exchange rate has been revised (US\$1: ¥120→¥130).

Exchange rates (¥)		
	FY21	FY22 forecast
US\$	112.94	130.00
EUR	130.88	135.00



FY22 Forecast for Orders, Sales, and Operating Income by Segment (change from May 10, 2022)

◆ Only the forecast exchange rate has been revised (US\$1: ¥120→¥130).



*New Businesses and Others: The FY21 figures are for the aviation and other businesses.

FY22 Forecast for Control Orders and Sales by Region

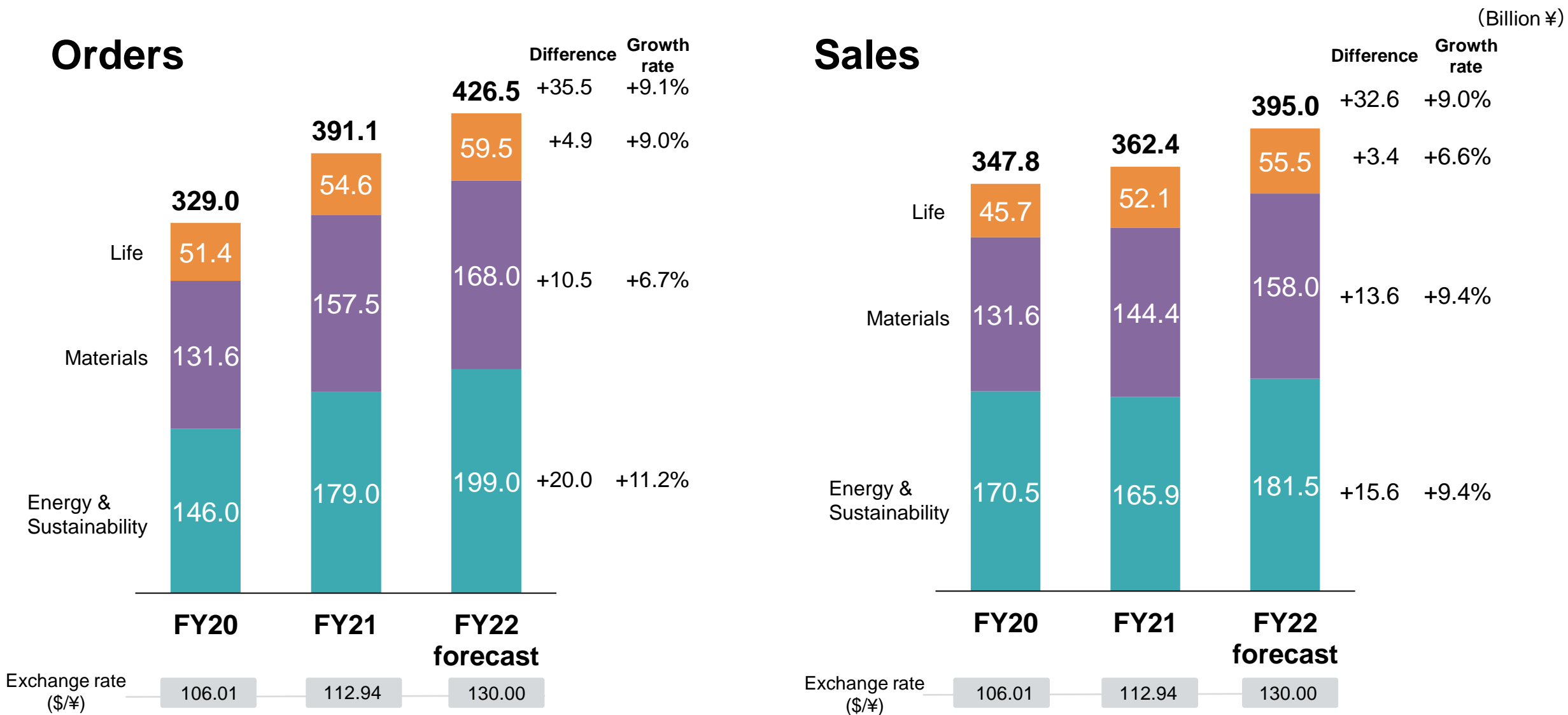
◆ Only the forecast exchange rate has been revised (US\$1: ¥120→¥130).

(Billion ¥)

Orders	FY21 (A)	FY22 (B)	Difference (B-A)
Japan	120.2	125.0	+4.8
Asia	134.0	150.0	+16.0
(Southeast Asia, Far East)	59.7	68.0	+8.3
(China)	59.1	64.0	+4.9
(India)	15.2	18.0	+2.8
Europe and CIS	42.1	38.0	(4.1)
Middle East and Africa	51.7	61.5	+9.8
North America	31.8	39.0	+7.2
Central and South America	11.3	13.0	+1.7
Outside Japan	270.9	301.5	+30.6
Consolidated	391.1	426.5	+35.5
Exchange rate USD1\$ =	¥112.94	¥130.00	+17.06

Sales	FY21 (A)	FY22 (B)	Difference (B-A)
Japan	109.4	117.5	+8.1
Asia	125.7	140.0	+14.3
(Southeast Asia, Far East)	56.7	63.0	+6.3
(China)	54.6	60.0	+5.4
(India)	14.4	17.0	+2.6
Europe and CIS	43.2	38.0	(5.2)
Middle East and Africa	43.2	53.5	+10.3
North America	30.2	34.0	+3.8
Central and South America	10.7	12.0	+1.3
Outside Japan	253.0	277.5	+24.5
Consolidated	362.4	395.0	+32.6
Exchange rate USD1\$ =	¥112.94	¥130.00	+17.06

FY22 Forecast for Orders and Sales by Control Subsegment

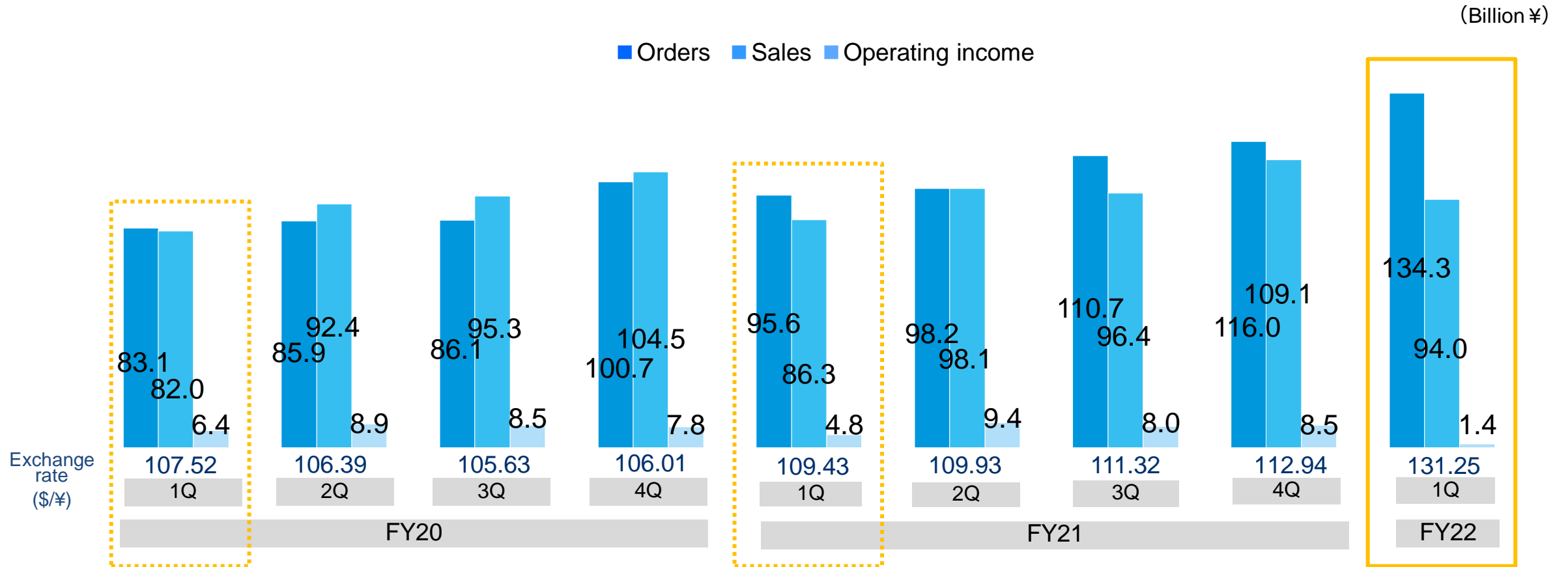


Financial Appendix:

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

Appendix: Quarterly Financial Results

◆ Sales and operating income tend to be higher in 2Q and 4Q, and this trend is robust in the Japanese control segment.

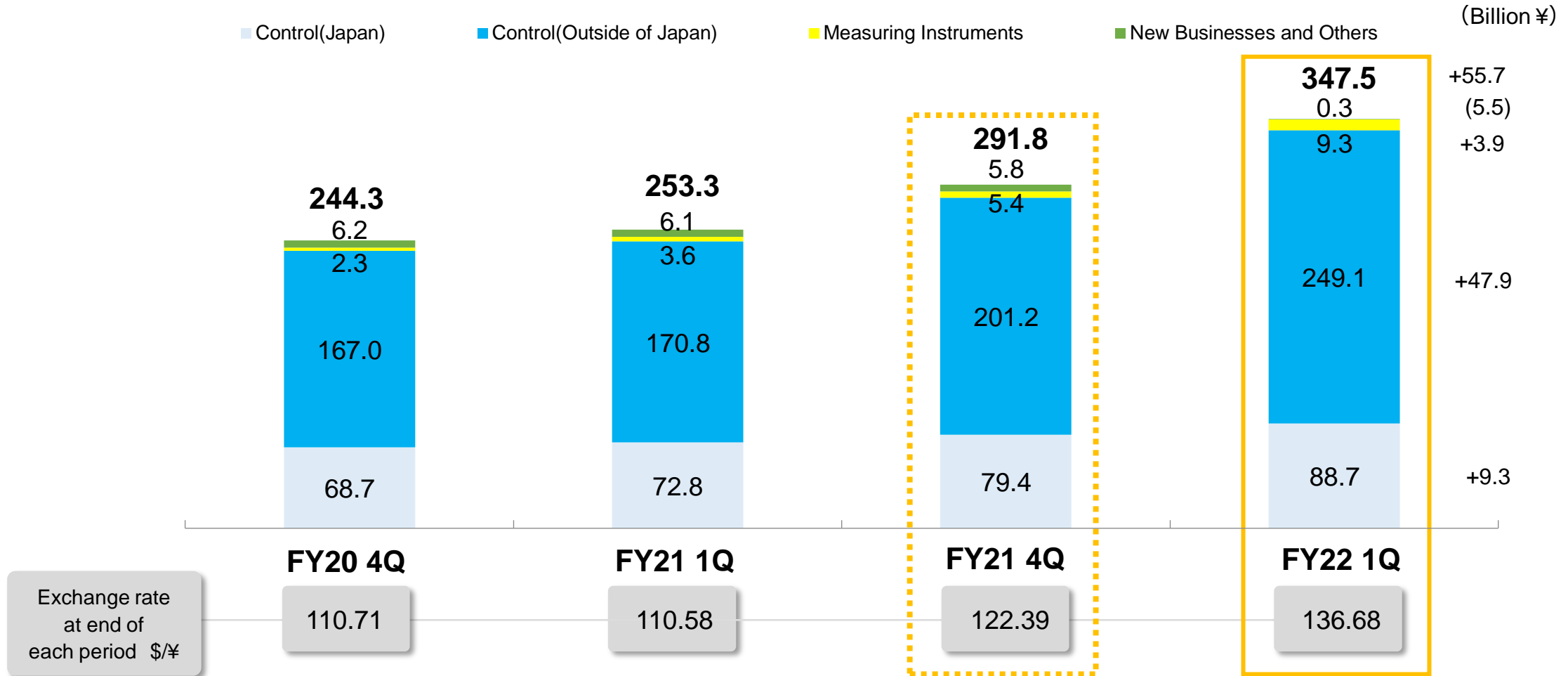


Appendix: Non-operating /Extraordinary Income and Expenses

(Billion ¥)

	FY21_1Q	FY22_1Q
Operating income	4.8	1.4
Non-operating income	1.1	2.3
Non-operating expenses	0.6	1.1
Ordinary income	5.3	2.6
Extraordinary income	0.0	0.0
Extraordinary expenses	0.3	0.1
Income before tax	5.0	2.6
Tax, etc.	2.0	1.2
Profit attributable to owners of parent	3.0	1.3
(Effective tax rate)	29.7%	18.0%

Appendix: Order Backlog Trend by Segment

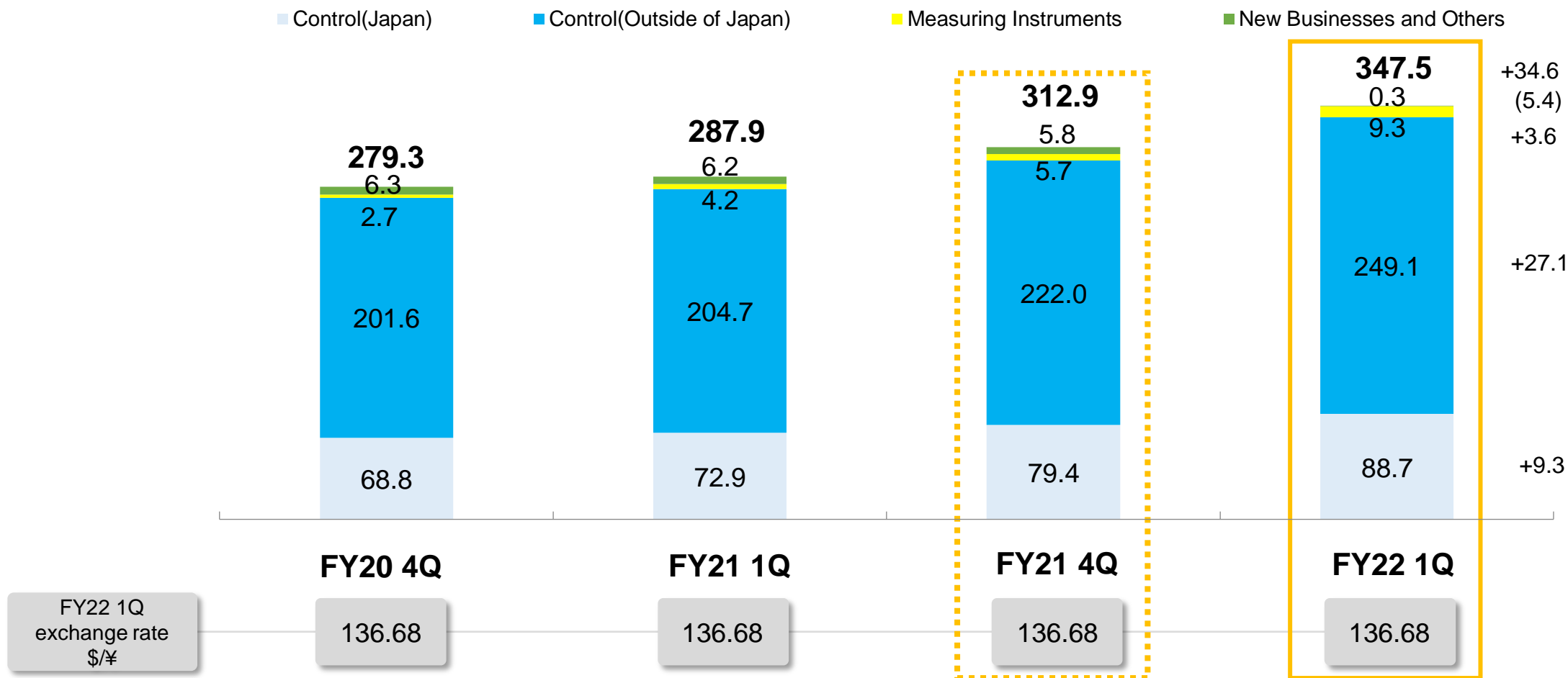


*FY20 figures have been changed based on the new segmentation.

The order backlog at the end of FY21 for the aviation and other businesses includes the portion subject to transfer as of April 1.

Appendix: Order Backlog Trend by Segment (using FY22 1Q exchange rate)

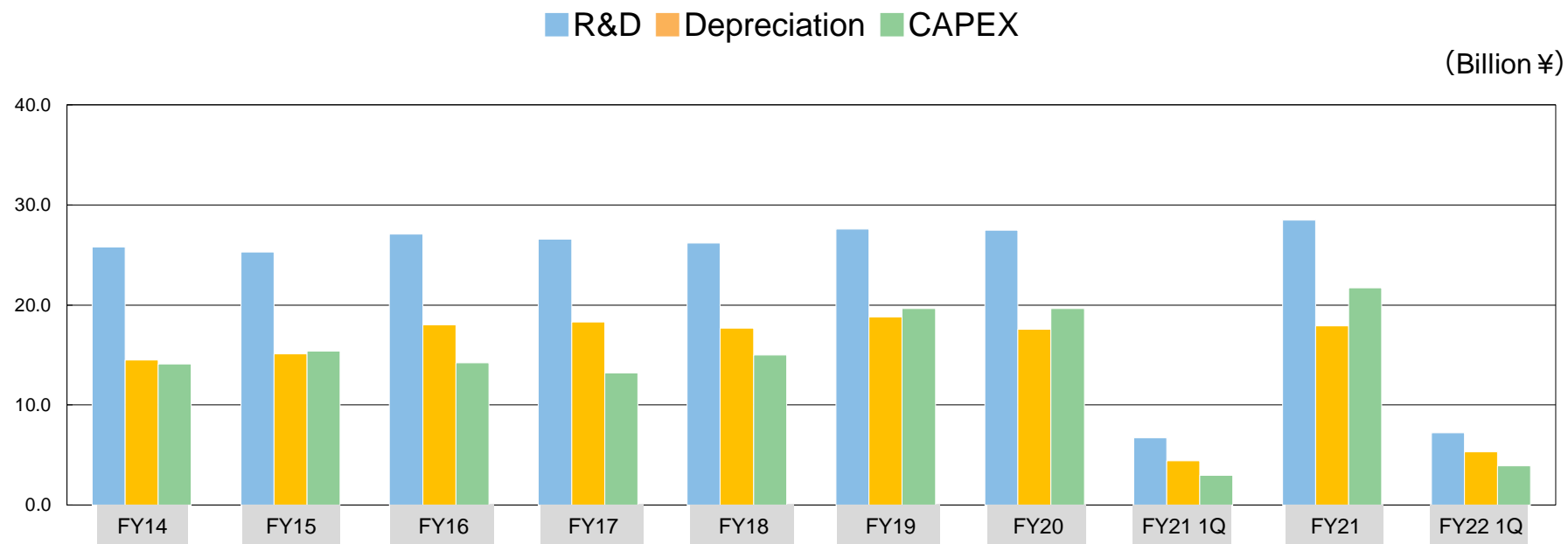
(Billion ¥)



*FY20 figures have been changed based on the new segmentation.

The order backlog at the end of FY21 for the aviation and other businesses includes the portion subject to transfer as of April 1.

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

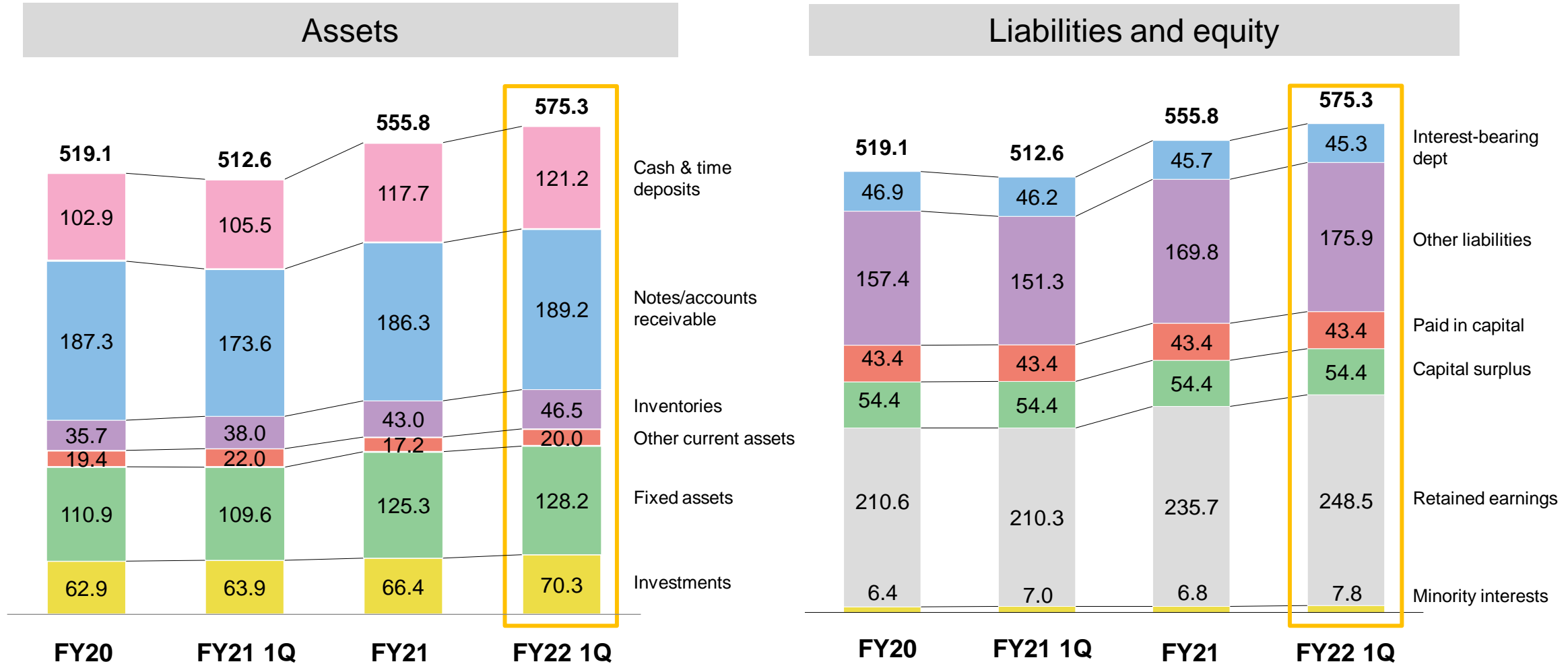


	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 1Q	FY21	FY22 1Q
R&D expenses (% of sales)	25.8	25.3	27.1	26.6	26.2	27.6	27.5	6.7	28.5	7.2
	6.4%	6.1%	6.9%	6.5%	6.5%	6.8%	7.3%	7.8%	7.3%	7.6%
Depreciation (% of sales)	14.5	15.1	18.0	18.3	17.7	18.8	17.6	4.4	17.9	4.7
	3.6%	3.6%	4.6%	4.5%	4.4%	4.6%	4.7%	5.1%	4.6%	5.0%
CAPEX (% of sales)	14.1	15.4	14.2	13.2	15.0	* 19.6	20.6	3.0	21.7	3.6
	3.5%	3.7%	3.6%	3.2%	3.7%	4.9%	5.5%	3.5%	5.6%	3.9%

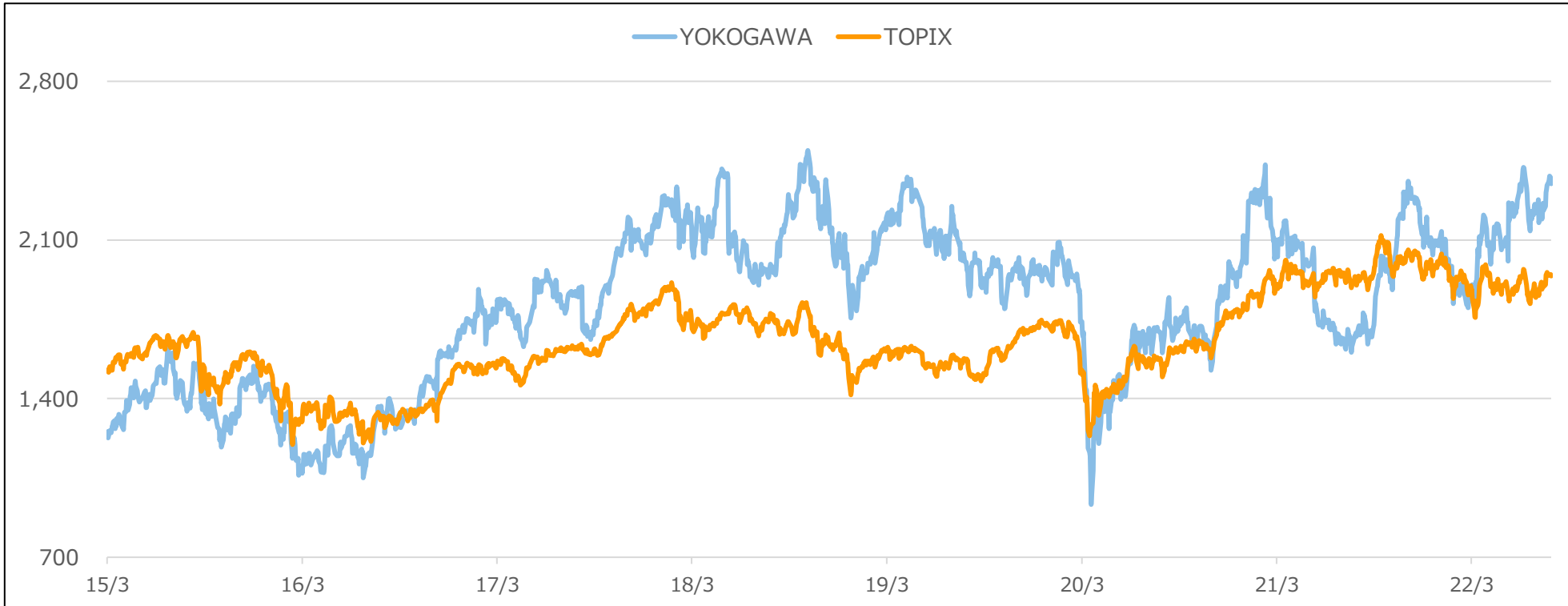
*The Group's consolidated subsidiaries outside Japan adopted IFRS 16 (Leases) in FY19.

Appendix: Trend of Balance Sheet

(Billion ¥)



Appendix: Trend of Stock Price



	15/3	16/3	17/3	18/3	19/3	20/3	21/3	22/3	22/6	22/7/29	(¥)
Yokogawa	1,295	1,163	1,752	2,198	2,291	1,303	2,038	2,099	2,241	2,347	
TOPIX	1,543	1,347	1,512	1,716	1,592	1,403	1,954	1,946	1,871	1,940	

Reference:

- Control Segment Order Trend by Project Size
- News
- Yokogawa's Main ESG Indexes, etc.

Reference: Control Segment Order Trend by Project Size

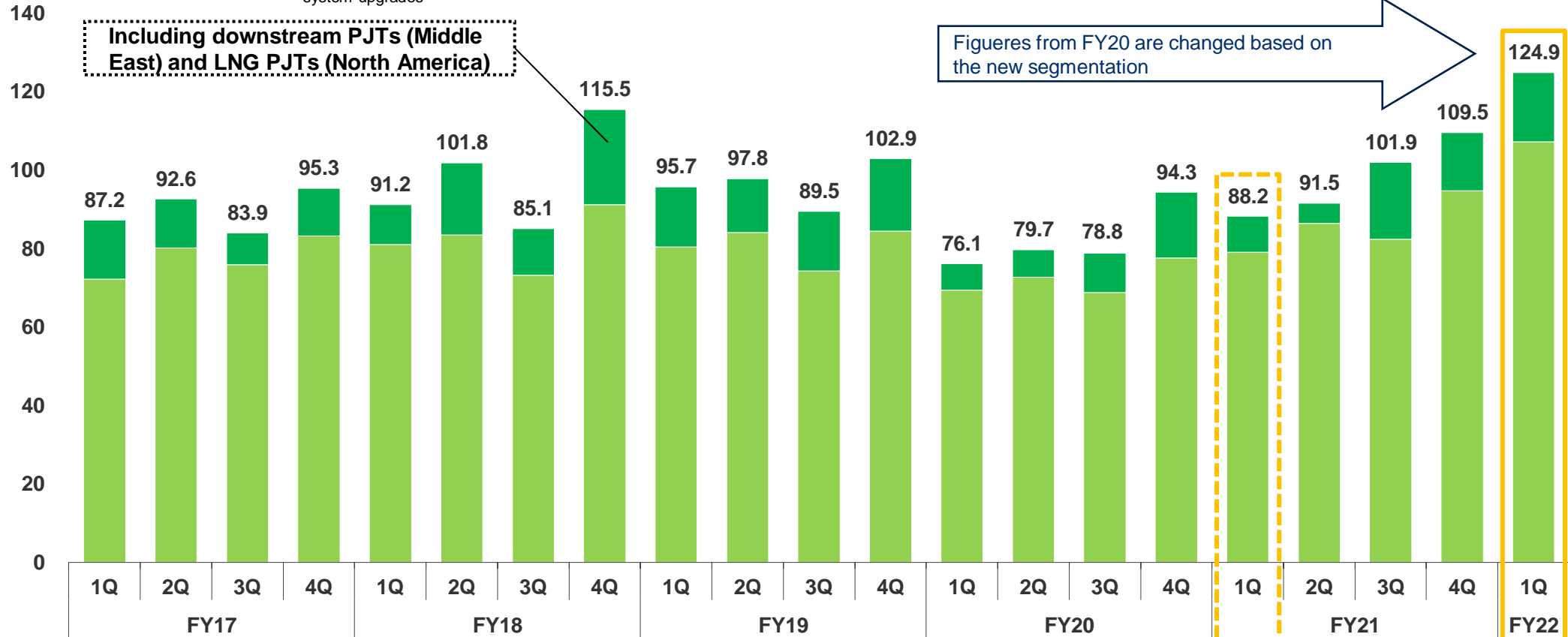
Large projects (¥300 million* or larger) account for only 10-15% of control segment revenues.

* 3MUS\$

(Billion ¥)

■ Less than ¥300 M (small PJTs)
Mainly OPEX business such as MRO and system upgrades

■ More than ¥300 M (large PJTs)
Mainly CAPEX business such as FEED and engineering



USD	FY17				FY18				FY19				FY20				FY21				FY22
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
	111.42	111.29	111.77	110.70	109.53	110.72	111.34	111.07	109.67	108.67	108.90	108.96	107.52	106.39	105.63	106.01	109.43	109.93	111.32	112.94	131.25

Reference: News (from April 1 to June 30)

Apr.

Notice of Commencement of Business of Pharmira Co., Ltd., a Joint Venture for Contract Development and Manufacturing of Active Pharmaceutical Ingredients and Intermediates
Yokogawa to Release Equipment/Quality Predictive Detection Tool for SMARTDAC+ Paperless Recorders and Data Loggers



May

Yokogawa Acquires Dublix, a Provider of Optimization Technologies for Waste-to-Energy and Biomass Power Plants
Yokogawa and DOCOMO Successfully Conduct Test of Remote Control Technology Using 5G, Cloud, and AI
Yokogawa and Mitsubishi Heavy Industries to Undertake AI-enabled Robot System Project for the Nippon Foundation
Omega Simulation to Undertake Two Offshore Oil and Gas-Related Decarbonization Promotion Projects for the Nippon Foundation

Jun.

Yokogawa to Launch Cloud-based OpreX Asset Health Insights Service
Yokogawa Selected as "Noteworthy DX Company for 2022" by METI and the Tokyo Stock Exchange
Yokogawa Invests in Waylay to Support Continued Rapid Expansion of Cloud-based Solutions
Yokogawa to Join HAKUTO-R Commercial Lunar Exploration Program as a Supporting Company



Jul.

Yokogawa Digital Corporation Established to Support DX in Manufacturing
Yokogawa Receives EcoVadis Gold Rating for Sustainability



Note: The month for each news item indicates when it was published.

| August 9, 2022 |

Reference: Yokogawa's Main ESG Indexes, etc.

- DJSI-Asia Pacific Index
- FTSE4Good Index Series
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI ESG Ratings AA
- MSCI ESG Leaders Indexes
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index
- ISS ESG - ESG Corporate Rating Prime status
- Sustainalytics Top-Rated ESG Regional Performer
- CDP Supplier Engagement Leader
- SNAM Sustainability Index
- S&P/JPX Carbon Efficient Index
- Carbon Clean 200 (Clean200) selected
- EcoVadis Gold Rating for Sustainability **(NEW)**



FTSE4Good FTSE Blossom Japan



FTSE Blossom Japan Sector Relative Index

Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA



2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

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As of July 2022

The information pertaining to our business plans and forecasts that has been provided in this presentation and at analyst meetings contains forward-looking statements that are based on our management's current knowledge and require the making of assumptions about future events.

As such, it cannot be guaranteed that these statements will not differ materially from actual results.

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

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

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