

**Securities Code: 6841
Yokogawa Electric Corporation**

**Financial Results for
the First Three Quarters of Fiscal Year
2023**

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Financial Results for the First Three Quarters of Fiscal Year 2023

(April 1, 2023 – December 31, 2023)

Key Points

■ FY23 3Q results: Sales and operating income were up

- Summary:

- Orders decreased.
- Sales were up mainly due to an improved procurement environment for production parts and project-procured products, the effect of price hike measures, recording sales of large-scale projects ordered after COVID-19, and the impact of foreign exchange fluctuations.
- Operating income was up mainly due to an increase in the gross profit margin with an increase in sales.
- Profit attributable to owners of parent increased.

- Segments:

Control: Sales and operating income were up

(excluding the impact of exchange rates, orders decreased 4.9% and sales increased 19.7% year on year).

Measuring instruments: Sales and operating income were up.

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

■ FY23 earnings forecasts: Upward revision

■ Dividend forecasts: Dividend increase revision

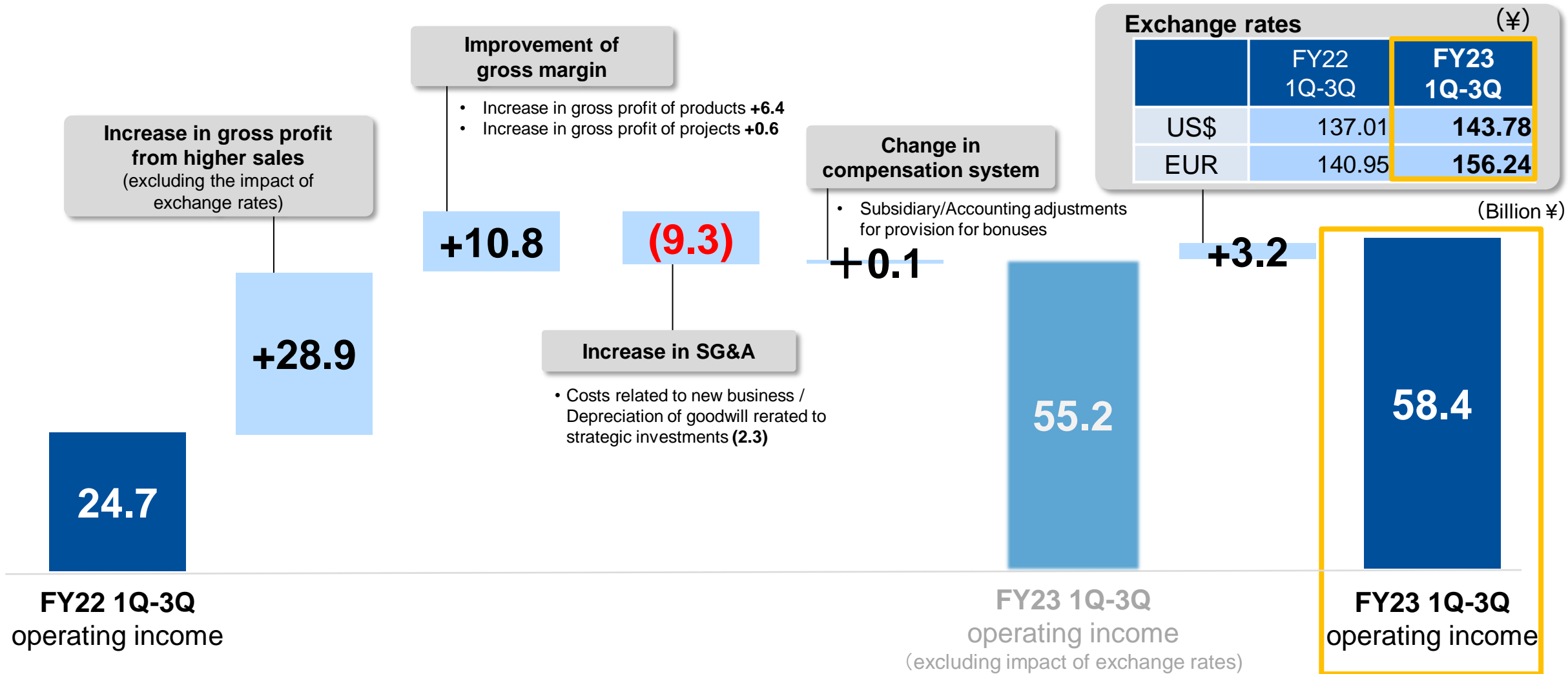
Summary of FY23 1Q-3Q Results (1Q-3Q year on year comparison)

- ◆ Orders decreased (excluding the impact of exchange rates: -¥23.1 billion, -5.7%).
- ◆ Sales were up due to an improved procurement environment for production parts and project-procured products, the effect of price hike measures, recording sales of large-scale projects ordered after COVID-19, and the impact of foreign exchange fluctuations (excluding the impact of exchange rates: +¥65.1 billion, +20.5%).
- ◆ Operating income was up mainly due to an increase in the gross profit margin with an increase in sales (excluding the impact of exchange rates: +¥30.5 billion).
- ◆ Profit attributable to owners of parent increased (excluding the impact of exchange rates: +¥32.8 billion).

		FY22 1Q-3Q	FY23 1Q-3Q	Difference	Growth rate	Impact of exchange rate	(Billion ¥)
Orders		403.5	390.7	(12.8)	(3.2%)	+10.3	
Sales		317.5	393.1	+75.6	+23.8%	+10.6	
Operating income		24.7	58.4	+33.6	+135.9%	+3.2	
ROS(%)		7.8	14.9	+7.1pt	—	—	
Ordinary income		26.8	61.0	+34.2	+127.7%	+3.2	
Profit attributable to owners of parent		16.9	52.1	+35.3	+209.2%	+2.4	
Exchange rate	US\$1=	¥137.01	¥143.78	+6.77	—	—	

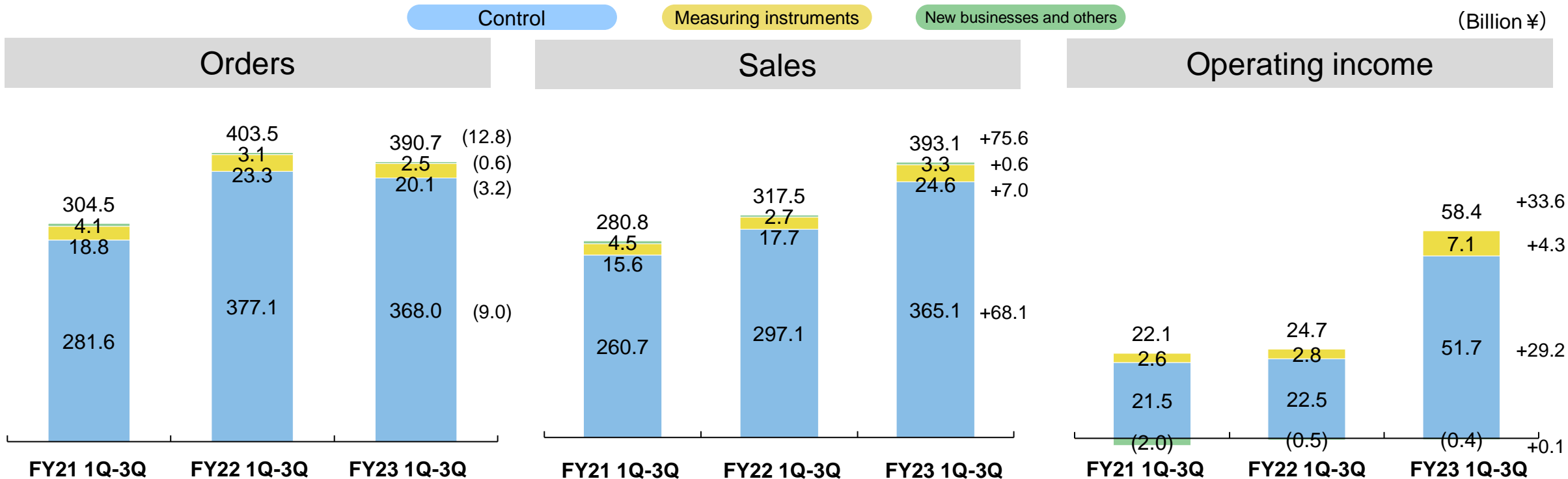
Analysis of Operating Income (1Q-3Q year on year comparison)

◆ Operating income was up mainly due to an increase in the gross profit margin with an increase in sales.



Comparison for Orders, Sales, and Operating Income by Segment

- ◆ **Control:** Orders decreased. Sales were up mainly due to an improved procurement environment for production parts and project-procured products, the effect of price hike measures, recording sales of large-scale projects ordered after COVID-19, and the impact of foreign exchange fluctuations (excluding the impact of exchange rates, orders decreased ¥18.6 billion, a 4.9% decline, and sales increased ¥58.4 billion, 19.7% increase). Operating income was up mainly due to an increase in the gross profit margin with an increase in sales (excluding the impact of exchange rates: +¥26.6 billion).
- ◆ **Measuring instruments:** Orders decreased. Sales were up mainly due to an improved procurement environment for production parts. Operating income was up mainly due to the increase in sales and the accompanying rise in the gross profit margin.
- ◆ **New businesses and others:** Sales and operating were almost the same level as the previous fiscal year.



Orders and Sales by Region in Control Segment

- ◆ Orders remained strong in India, the Middle East, and Africa, but slowed in China.
- ◆ Orders: -¥18.6 billion, -4.9% (excluding the impact of exchange rates); sales: +¥58.4 billion, +19.7% (excluding the impact of exchange rates)

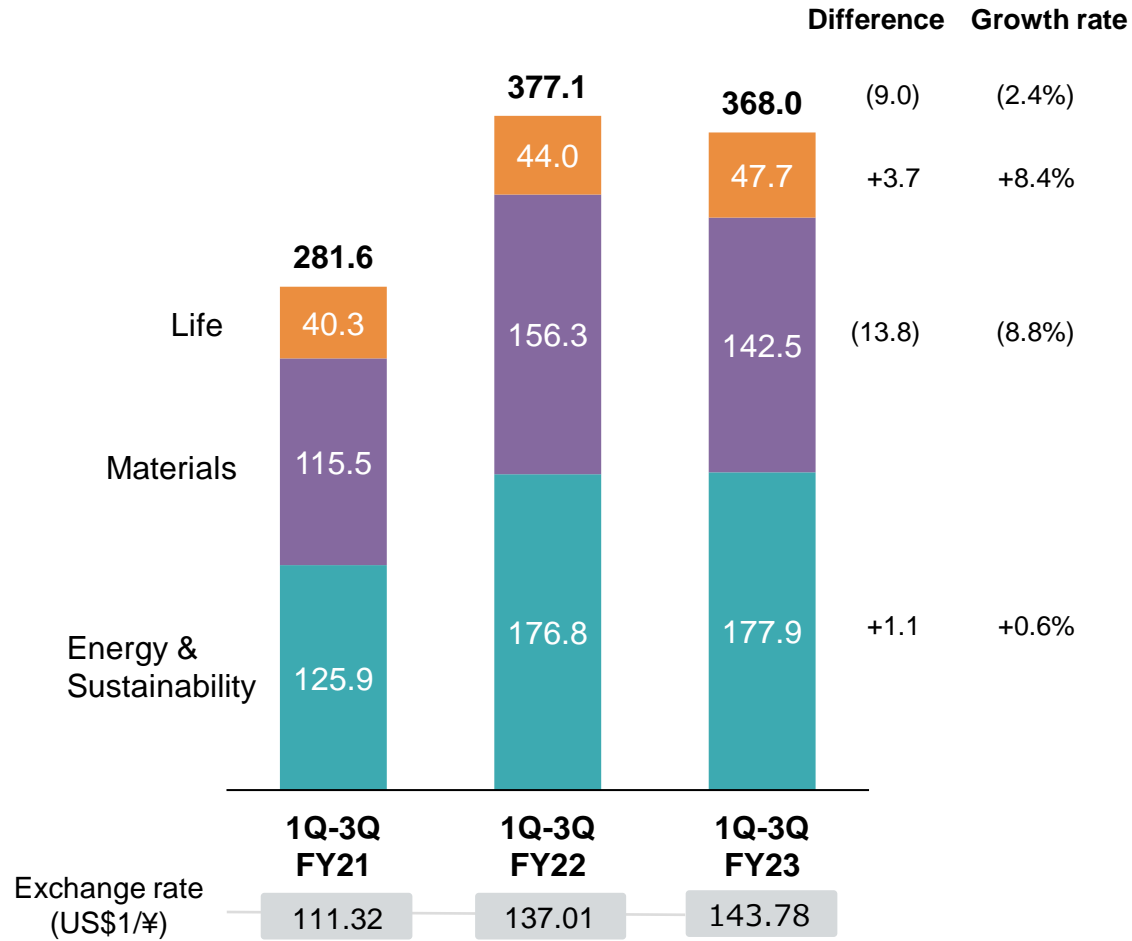
(Billion ¥)

Orders	FY22 1Q-3Q (A)	FY23 1Q-3Q (B)	Difference (B-A)
Japan	93.1	90.8	(2.3)
Asia	135.2	133.5	(1.8)
(Southeast Asia, Far East)	55.8	60.5	+4.7
(China)	61.1	50.2	(10.9)
(India)	18.3	22.8	+4.5
Europe and CIS	35.6	33.8	(1.8)
Middle East and Africa	60.4	62.3	+1.9
North America	35.7	33.3	(2.5)
Central and South America	17.0	14.4	(2.6)
Outside Japan	284.0	277.3	(6.7)
Consolidated	377.1	368.0	(9.0)
Exchange rate USD1\$ =	¥137.01	¥143.78	+6.77

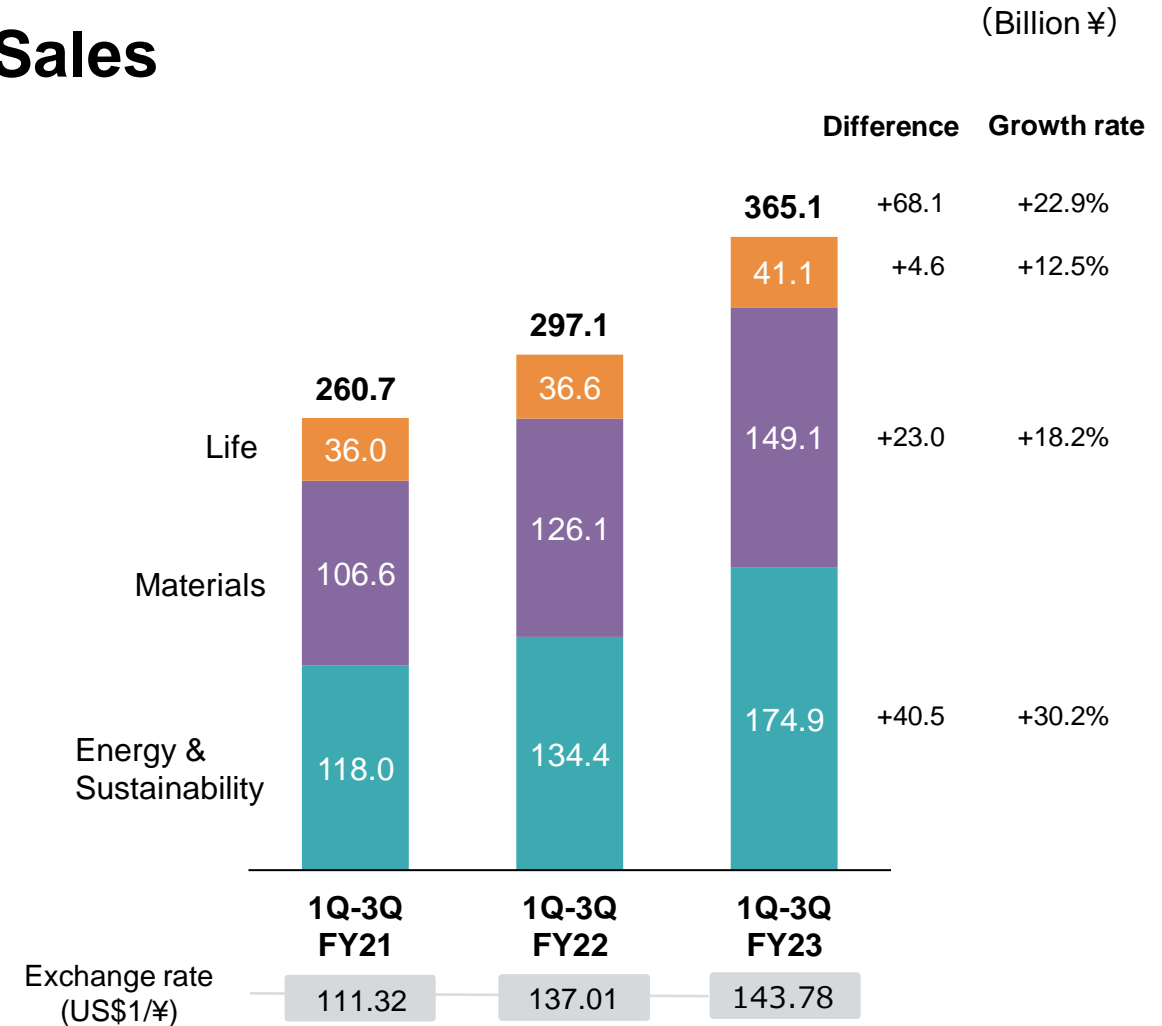
Sales	FY22 1Q-3Q (A)	FY23 1Q-3Q (B)	Difference (B-A)
Japan	78.6	89.8	+11.2
Asia	110.8	129.3	+18.5
(Southeast Asia, Far East)	49.3	54.9	+5.6
(China)	48.8	56.5	+7.7
(India)	12.7	17.8	+5.2
Europe and CIS	30.6	36.5	+5.9
Middle East and Africa	38.3	59.1	+20.8
North America	28.6	36.5	+7.9
Central and South America	10.2	13.9	+3.7
Outside Japan	218.4	275.3	+56.9
Consolidated	297.1	365.1	+68.1
Exchange rate USD1\$ =	¥137.01	¥143.78	+6.77

Orders and Sales by Control Subsegment

Orders



Sales



Orders by Industry in Control Segment

Control Total

88.2 91.5 101.9 109.5 124.9 121.7 130.5 108.3 130.6 120.9 116.5 (14.0) (10.7%) (Billion ¥)

Life

2.8	4.0	2.4	4.8	4.0	4.7	5.0	6.1	6.2	4.0	4.2	(0.8)	(16.9%)	Other Life
3.6	6.4	5.8	4.1	3.8	5.9	6.0	2.8	4.4	5.7	6.9	+0.9	+14.9%	Water
5.1	5.4	4.8	5.4	4.8	5.5	4.1	6.2	5.6	5.0	5.7	+1.6	+39.5%	Pharma/Food

Materials

18.0	18.3	19.5	20.6	26.9	24.1	25.1	21.4	22.3	23.1	20.7	(4.4)	(17.4%)	Other Materials
19.2	22.3	18.2	21.4	29.8	23.9	26.5	24.3	28.7	24.3	23.4	(3.1)	(11.8%)	Chemical

Energy & Sustainability

7.2	5.9	8.1	11.3	7.9	7.0	8.3	7.9	8.0	7.9	7.0	(1.2)	(14.6%)	Other E&S
0.9	1.4	1.2	1.0	2.0	2.4	1.6	1.2	1.4	1.6	1.1	(0.5)	(33.6%)	Renewable Energy
3.1	3.4	3.0	5.0	4.6	3.6	3.6	4.6	4.5	4.6	5.8	+2.3	+64.1%	Power
18.7	14.6	22.7	21.2	19.4	26.9	27.7	19.0	28.4	18.6	23.6	(4.1)	(14.7%)	Downstream
9.6	9.8	16.2	14.7	21.6	17.5	22.8	14.9	21.0	26.1	18.1	(4.7)	(20.7%)	Upstream

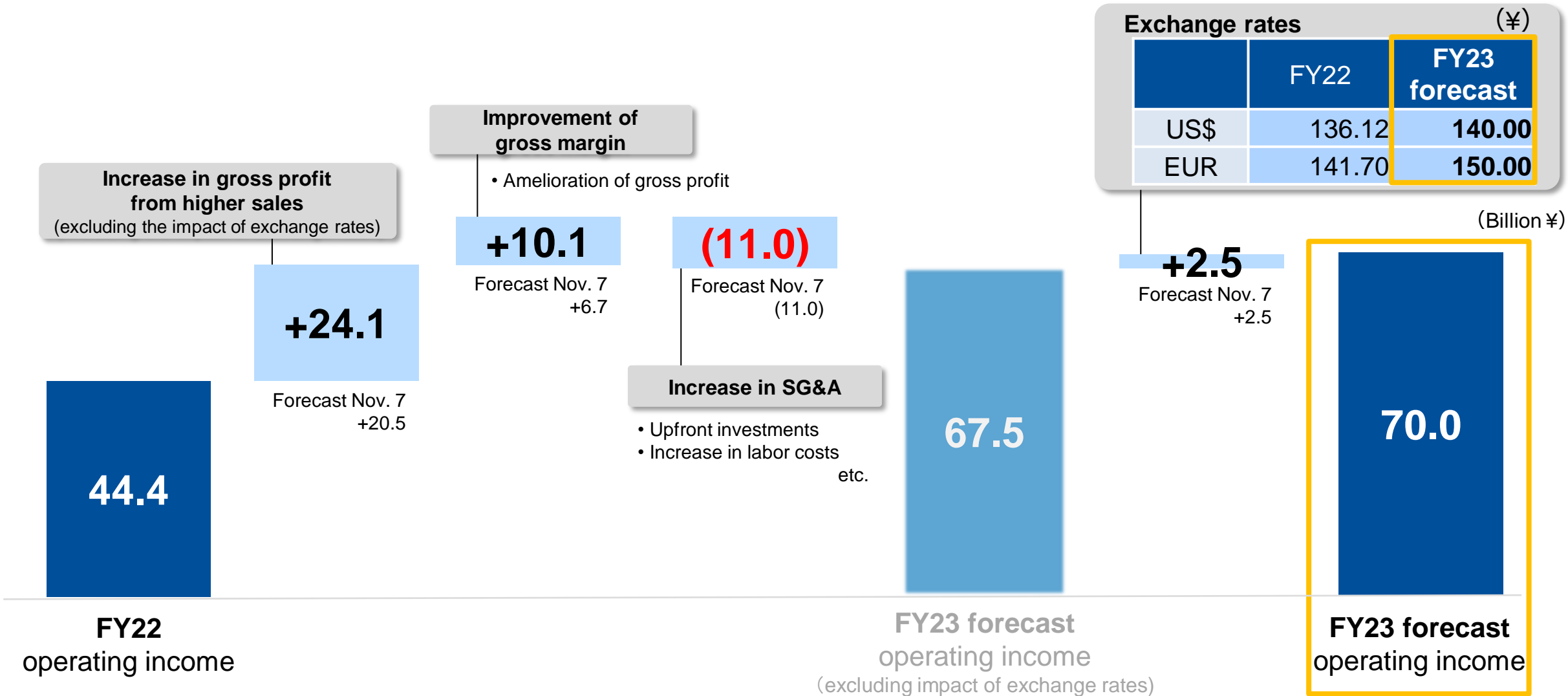
Quarterly average rate (US\$/1¥)

FY21: 109.43 110.44 114.11 117.79
 FY22: 131.25 139.35 140.43 133.44
 FY23: 139.63 145.58 146.14

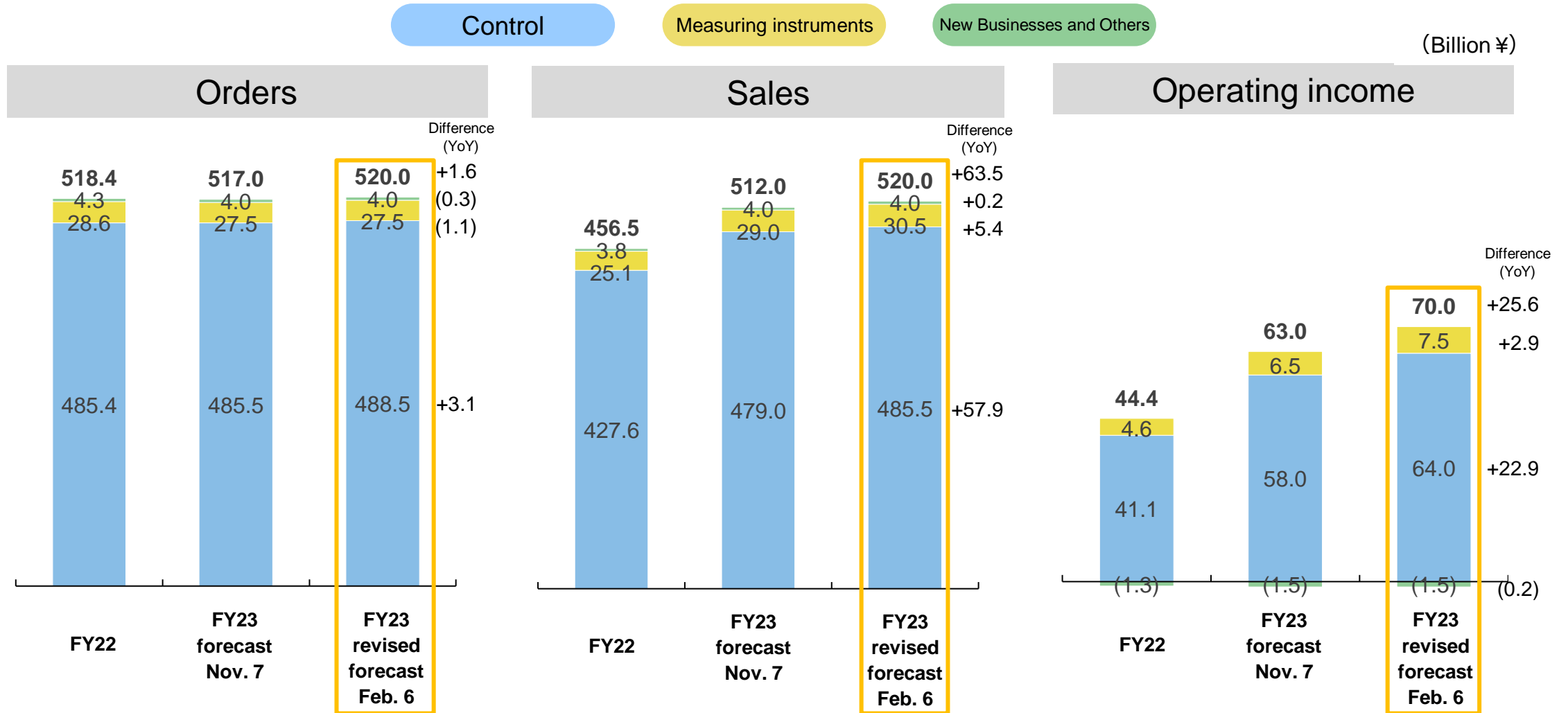
FY23 Forecast (change from November 7, 2023)

	FY22 (A)	FY23 forecast Nov. 7 (B)	FY23 forecast Feb. 6 (C)	Forecast difference (C-B)	Year on year difference (C-A)	Growth rate (C/A-1)	(Billion ¥)
Orders	518.4	517.0	520.0	+3.0	+1.6	+0.3%	
Sales	456.5	512.0	520.0	+8.0	+63.5	+13.9%	
Operating income	44.4	63.0	70.0	+7.0	+25.6	+57.6%	
ROS(%)	9.7	12.3	13.5	+1.2pt	+3.8pt	—	
Ordinary income	48.6	64.0	71.0	+7.0	+22.4	+46.1%	
Profit before income taxes	49.8	74.5	81.5	+7.0	+31.7	+63.7%	
Tax, etc.	10.9	26.5	27.0	+0.5	+16.1	+148.2%	
Profit attributable to owners of parent	38.9	48.0	54.5	+6.5	+15.6	+40.0%	
EPS(¥)	145.81	182.41	207.47	+25.06	+61.66	—	
Exchange rate	US\$1=	¥136.12	¥140.00	+0.00	+3.88	—	

Factors Accounting for Increase / Decrease in FY23 Operating Income (change from November 7, 2023)



FY23 Forecast for Orders, Sales and Operating Income by Segment (change from November 7, 2023)



FY23 Forecast for Control Orders and Sales by Region (change from November 7, 2023)

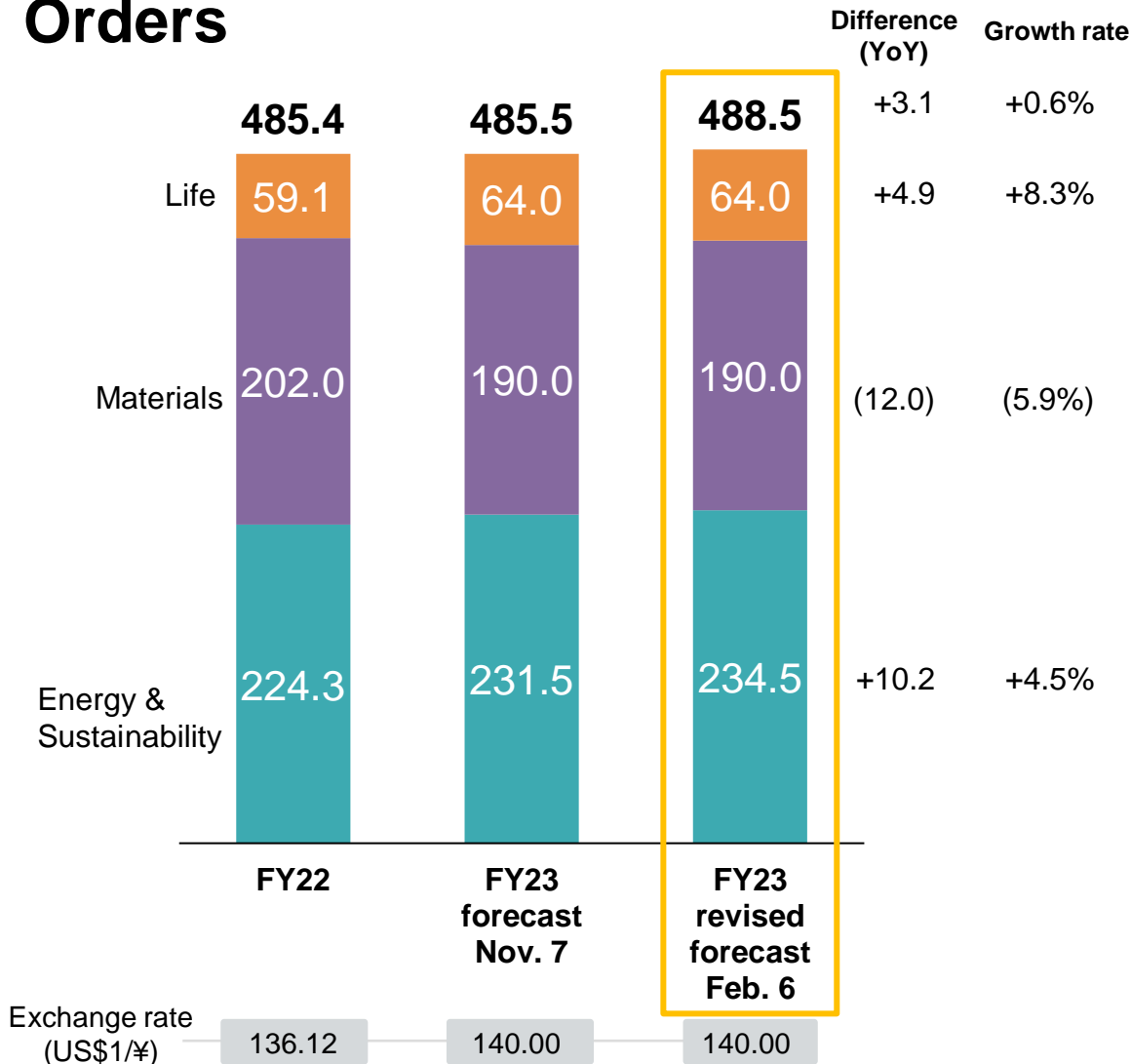
(Billion ¥)

Orders	FY22 (A)	FY23 (B)	Difference (B-A)
Japan	134.0	128.0	(6.0)
Asia	168.0	168.5	+0.5
(Southeast Asia, Far East)	71.0	73.0	+2.0
(China)	76.1	70.5	(5.6)
(India)	20.9	25.0	+4.1
Europe and CIS	46.4	46.0	(0.4)
Middle East and Africa	71.4	76.0	+4.6
North America	47.3	52.0	+4.7
Central and South America	18.3	18.0	(0.3)
Outside Japan	351.4	360.5	+9.1
Consolidated	485.4	488.5	+3.1
Exchange rate US\$1 =	¥136.12	¥140.00	+3.88

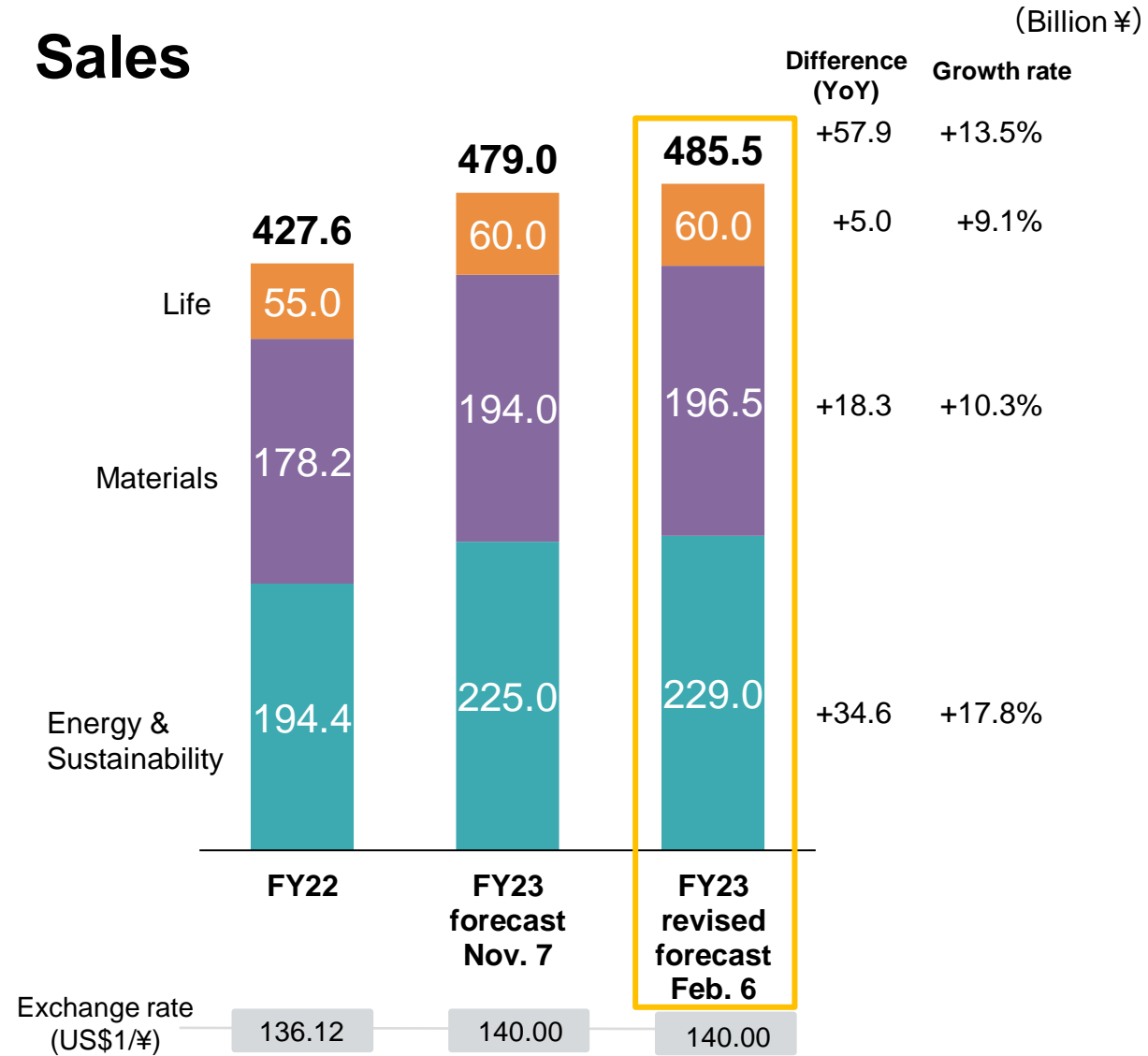
Sales	FY22 (A)	FY23 (B)	Difference (B-A)
Japan	116.0	124.5	+8.5
Asia	153.8	169.5	+15.7
(Southeast Asia, Far East)	68.5	72.5	+4.0
(China)	66.8	74.0	+7.2
(India)	18.5	23.0	+4.5
Europe and CIS	42.4	46.5	+4.1
Middle East and Africa	59.9	77.0	+17.1
North America	40.7	49.5	+8.8
Central and South America	14.8	18.5	+3.7
Outside Japan	311.6	361.0	+49.4
Consolidated	427.6	485.5	+57.9
Exchange rate US\$1 =	¥136.12	¥140.00	+3.88

FY23 Forecast for Orders and Sales by Control Subsegment (change from November 7, 2023)

Orders



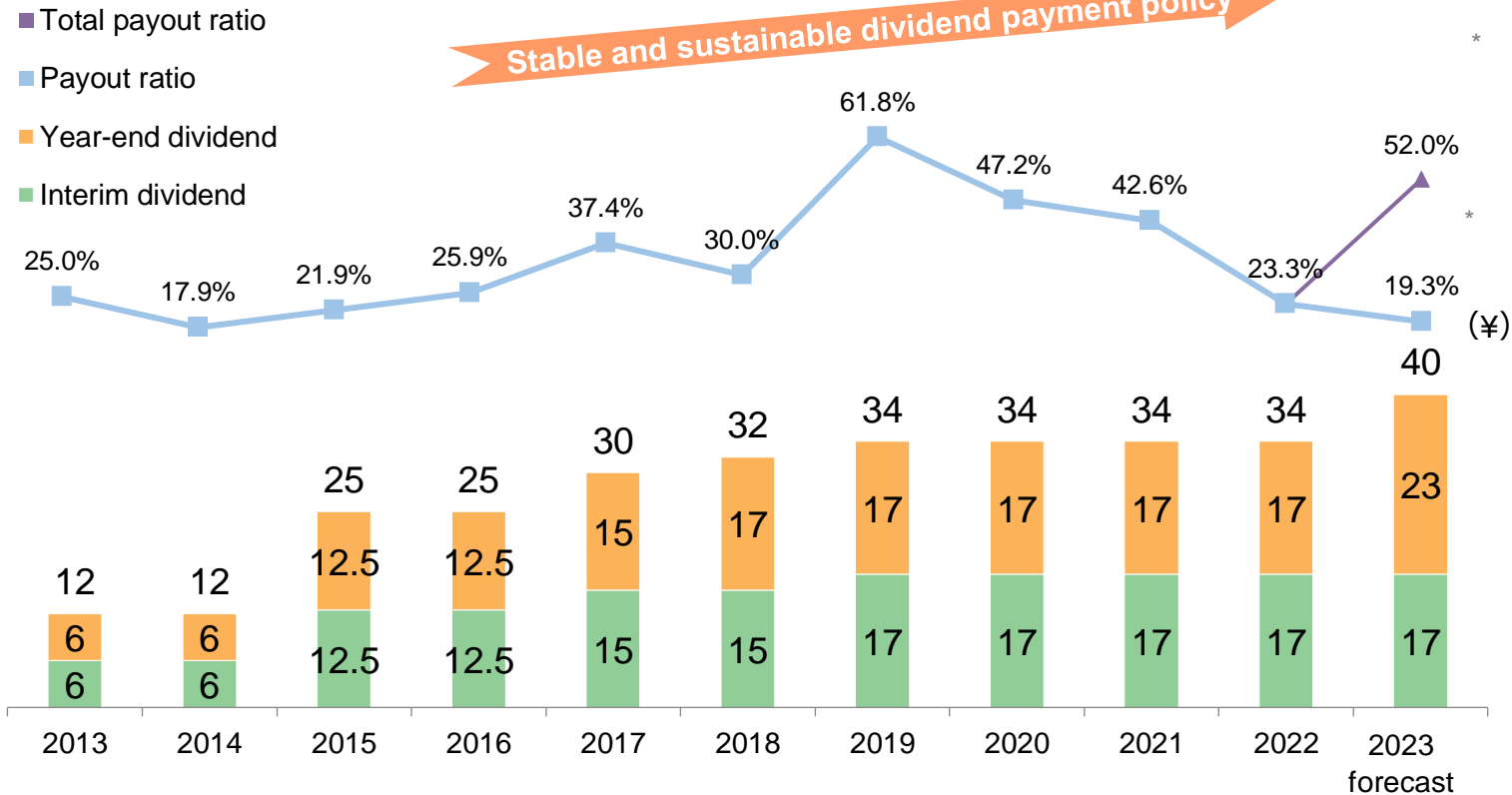
Sales



Dividend (change from November 7, 2023)

- ◆ FY23 dividend forecast: increase
Year-end dividend forecast: ¥17 to ¥23.
Annual dividend: ¥34 to ¥40.

[Dividend]



[Acquisition of own shares]

- * Total number of acquired shares: 6,776,300 shares
- Total price of acquired shares : ¥17.9 billion
- (Maximum: ¥20.0 billion)

Ended December 29, 2023

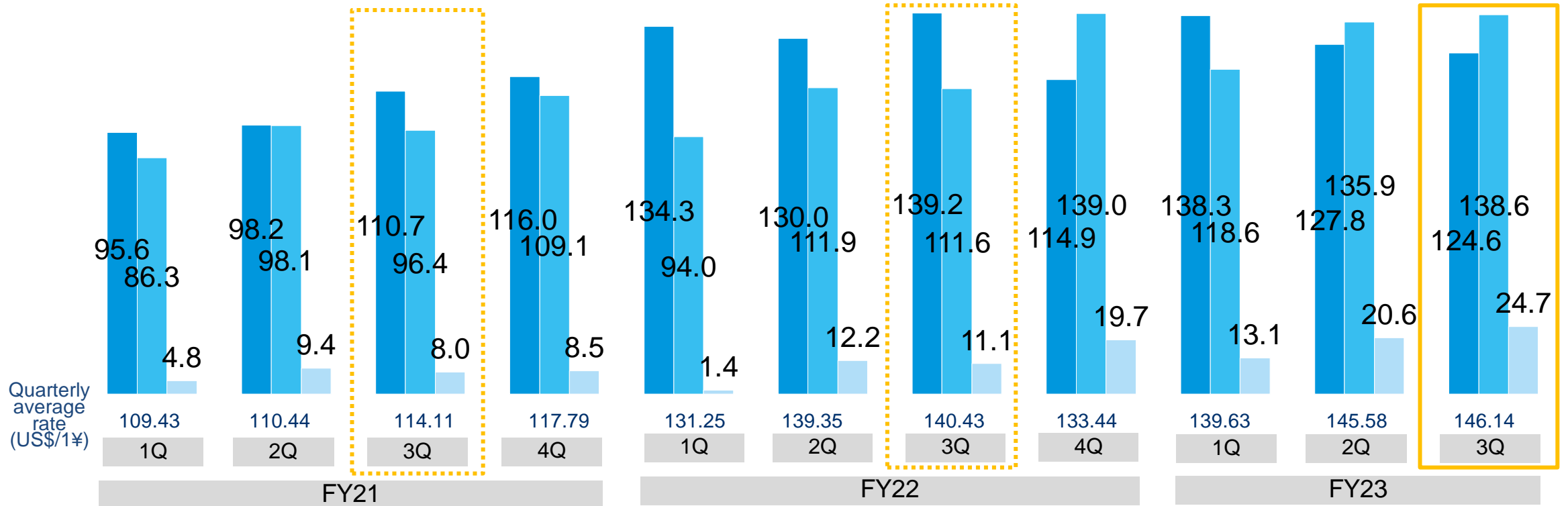
Financial Appendix:

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

Appendix: Quarterly Financial Results

■ Orders ■ Sales ■ Operating Income

(Billion ¥)

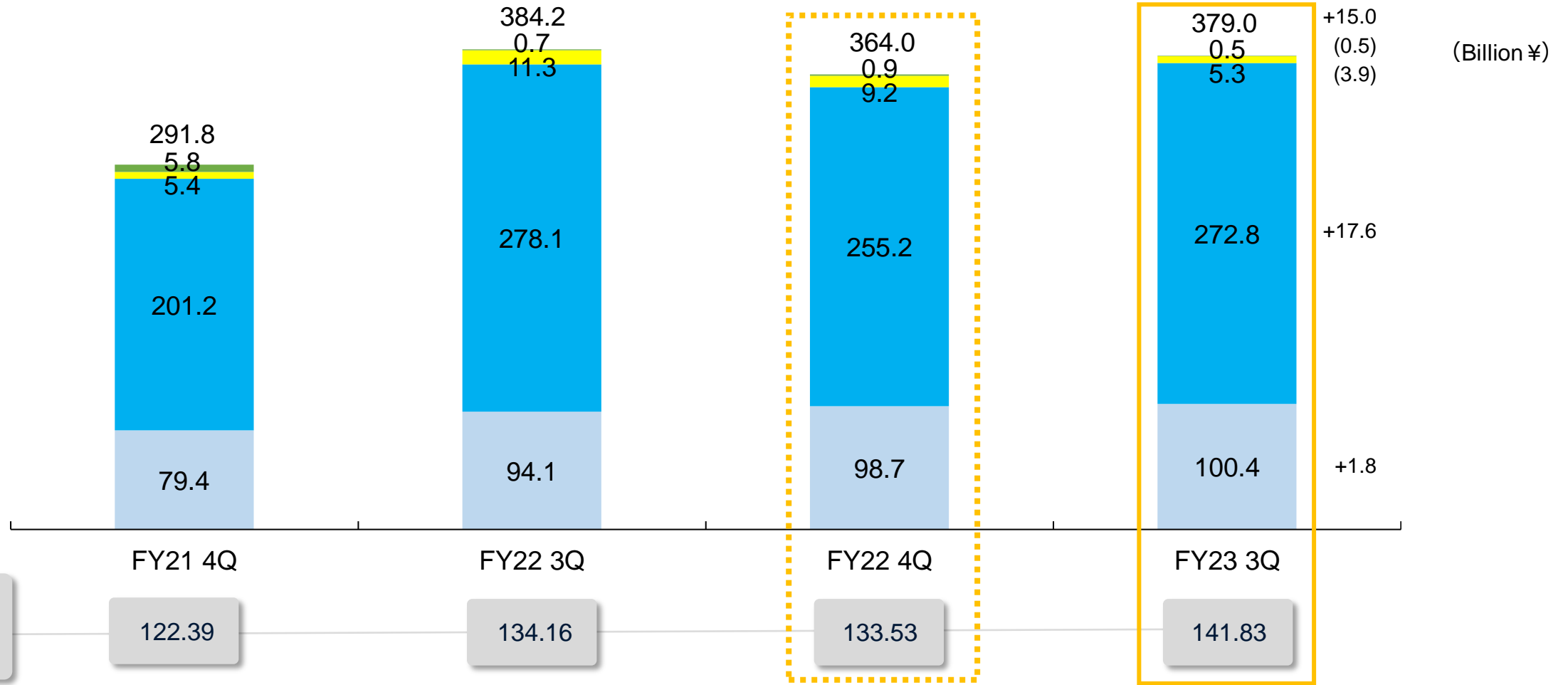


Appendix: Non-operating / Extraordinary Income and Expenses

	FY22 1Q-3Q	FY23 1Q-3Q	(Billion ¥)
Operating income	24.7	58.4	
Non-operating income	4.7	5.6	
Non-operating expenses	2.7	2.9	
Ordinary income	26.8	61.0	
Extraordinary income	1.3	16.7	[Extraordinary income] FY23 1Q: Gain on sale of investment securities +¥16.5 billion
Extraordinary expenses	0.5	6.2	[Extraordinary expenses] FY23 2Q: Impairment loss -¥5.6 billion (PXiSE Energy Solutions, LLC)
Income before tax	27.6	71.4	
Tax, etc.	10.8	19.3	
Profit attributable to owners of parent	16.9	52.1	
(Effective tax rate)	31.2%	22.5%	

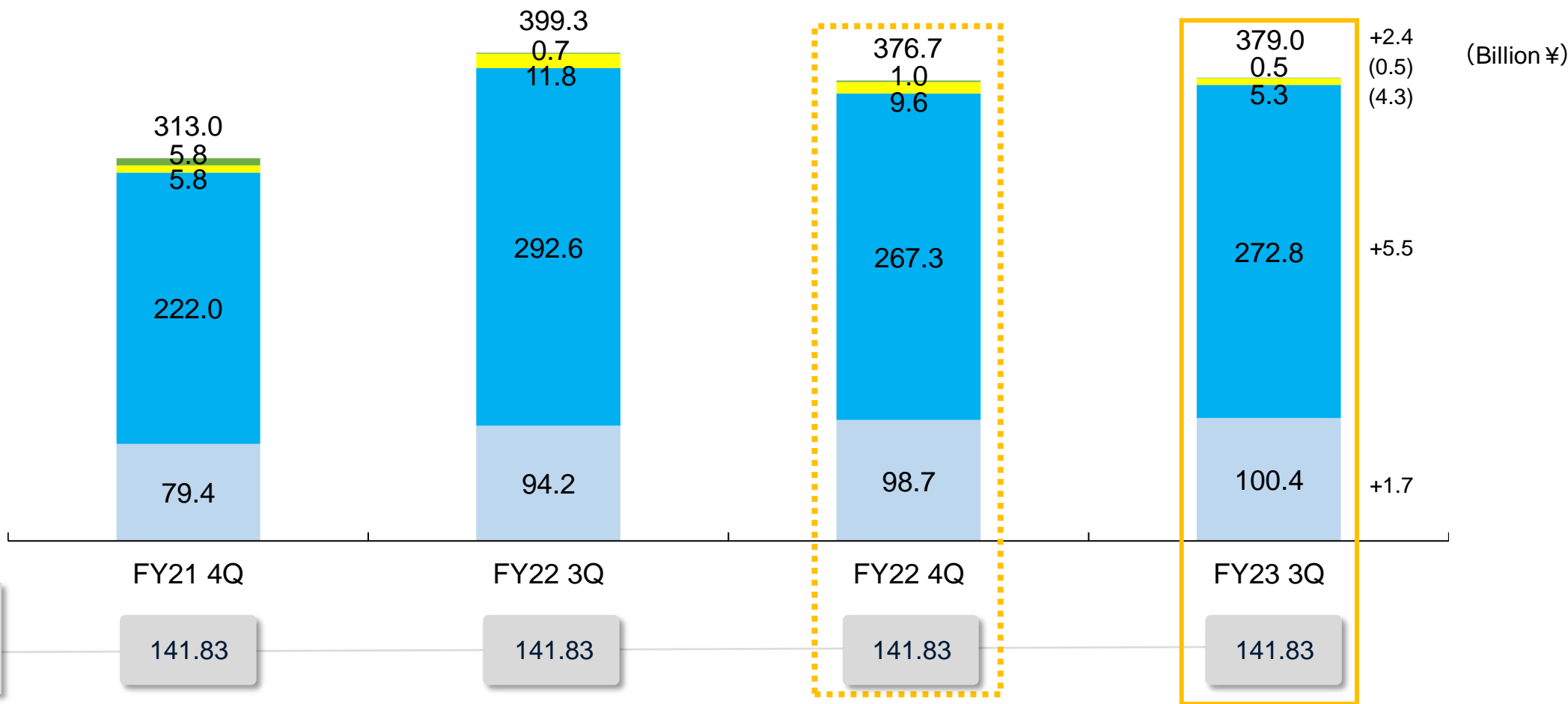
Appendix: Order Backlog Trend by Segment

■ Control (Japan)
 ■ Control (Outside of Japan)
 ■ Measuring Instruments
 ■ New Businesses and Others



Appendix: Order Backlog Trend by Segment (using FY23 3Q end of term rate)

■ Control (Japan)
 ■ Control (Outside of Japan)
 ■ Measuring Instruments
 ■ New Businesses and Others

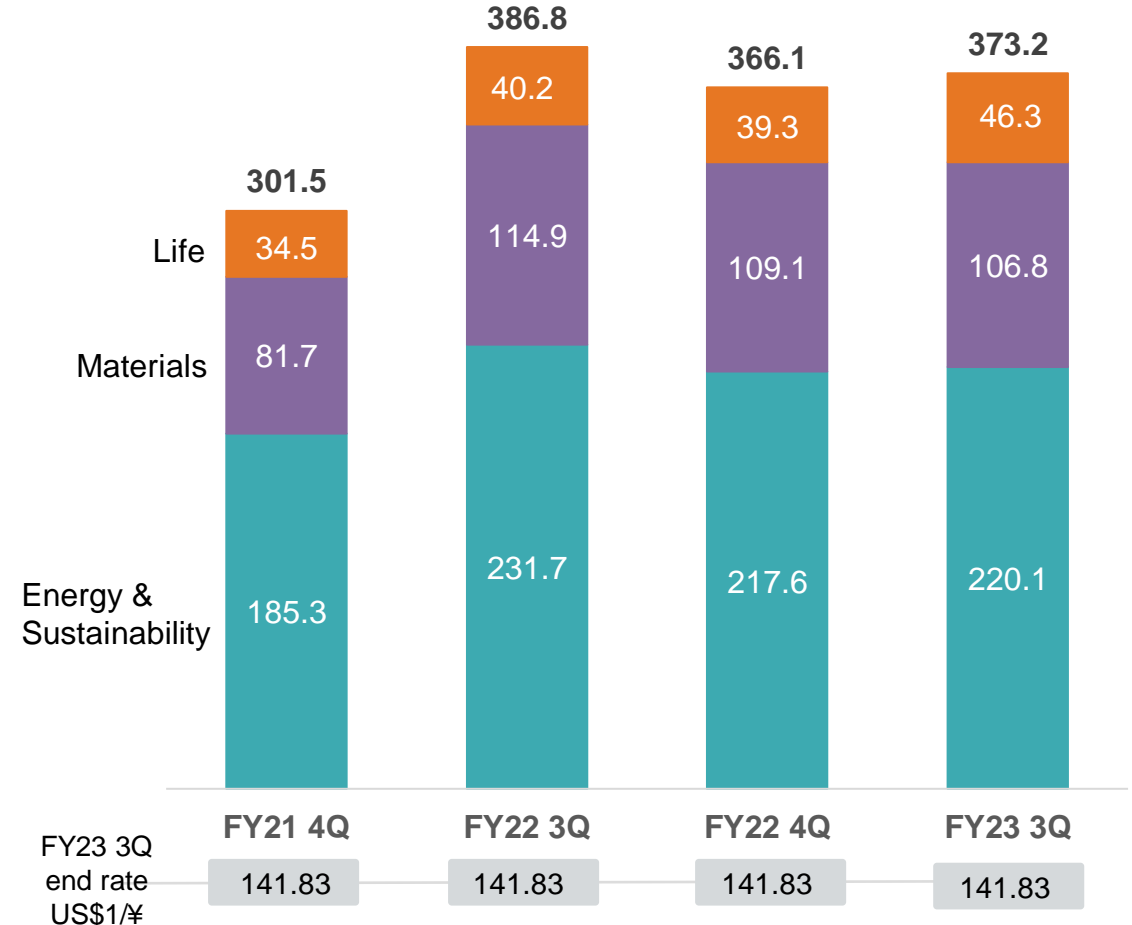
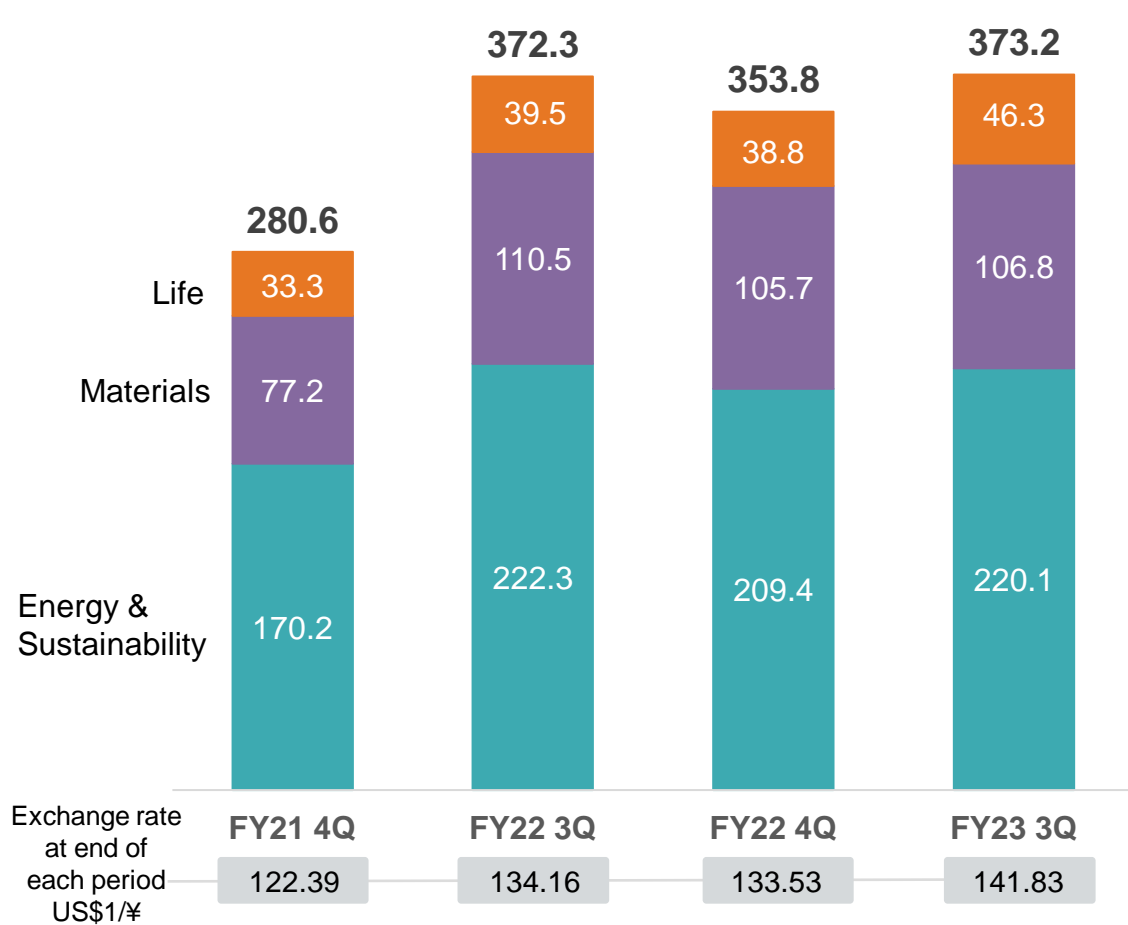


Appendix: Order Backlog Trend by Control Subsegment

(Billion ¥)

@Exchange rate at end of each period

@FY23 3Q end rate



Reference: Control Segment Order Trend by Project Size

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

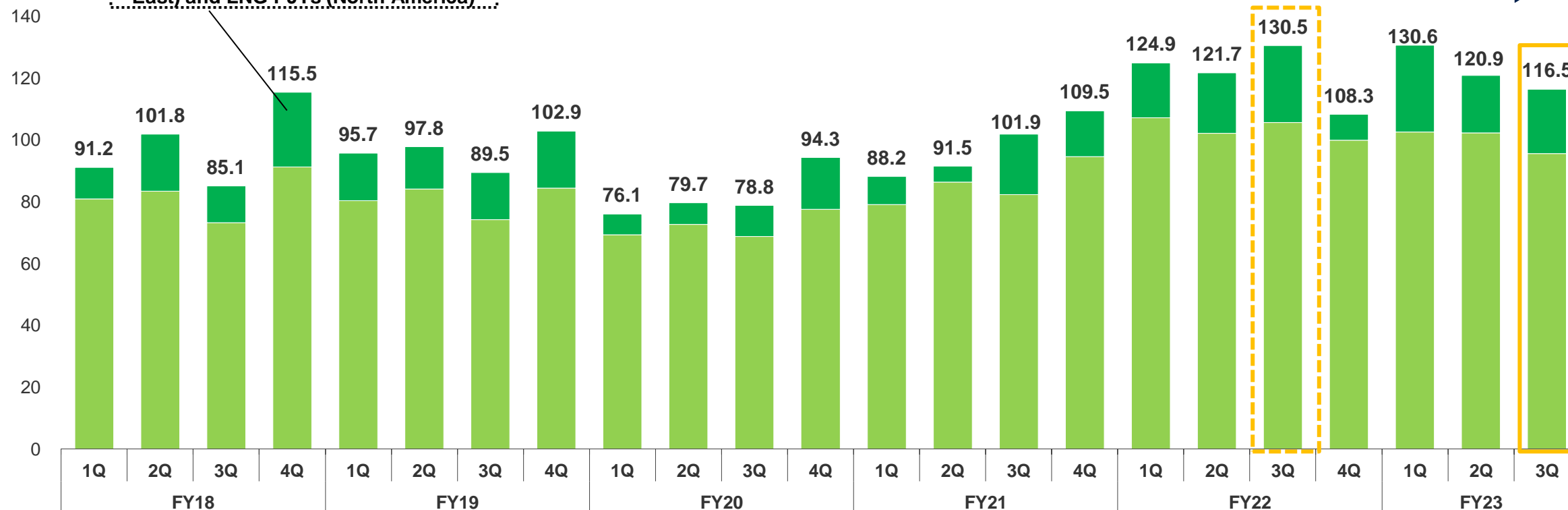
(Billion ¥)

■ 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

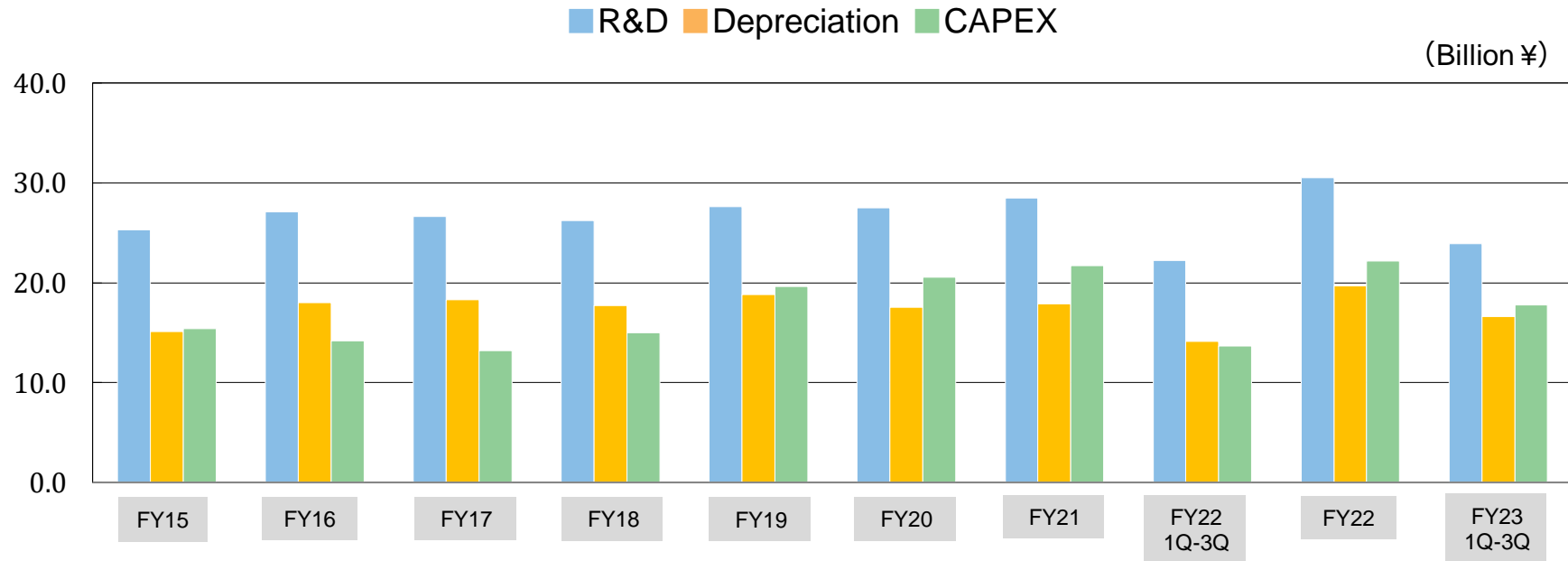
Including downstream PJTs (Middle East) and LNG PJTs (North America)

Figures from FY20 are changed based on the new segmentation



	FY18				FY19				FY20				FY21				FY22				FY23		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
US\$	109.53	111.92	112.58	110.27	109.67	107.67	109.37	109.11	107.52	105.25	104.10	107.15	109.43	110.44	114.11	117.79	131.25	139.35	140.43	133.44	139.63	145.58	146.14

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



	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22 1Q-3Q	FY22	FY23 1Q-3Q
R&D expenses (% of sales)	25.3	27.1	26.6	26.2	27.6	27.5	28.5	22.2	30.5	23.9
	6.1%	6.9%	6.5%	6.5%	6.8%	7.3%	7.3%	7.0%	6.7%	6.1%
Depreciation (% of sales)	15.1	18.0	18.3	17.7	18.8	17.6	17.9	14.1	19.7	16.6
	3.6%	4.6%	4.5%	4.4%	4.6%	4.7%	4.6%	4.4%	4.3%	4.2%
CAPEX (% of sales)	15.4	14.2	13.2	15.0	19.6*	20.6	21.7	13.6	22.2	17.4
	3.7%	3.6%	3.2%	3.7%	4.9%	5.5%	5.6%	4.3%	4.9%	4.4%

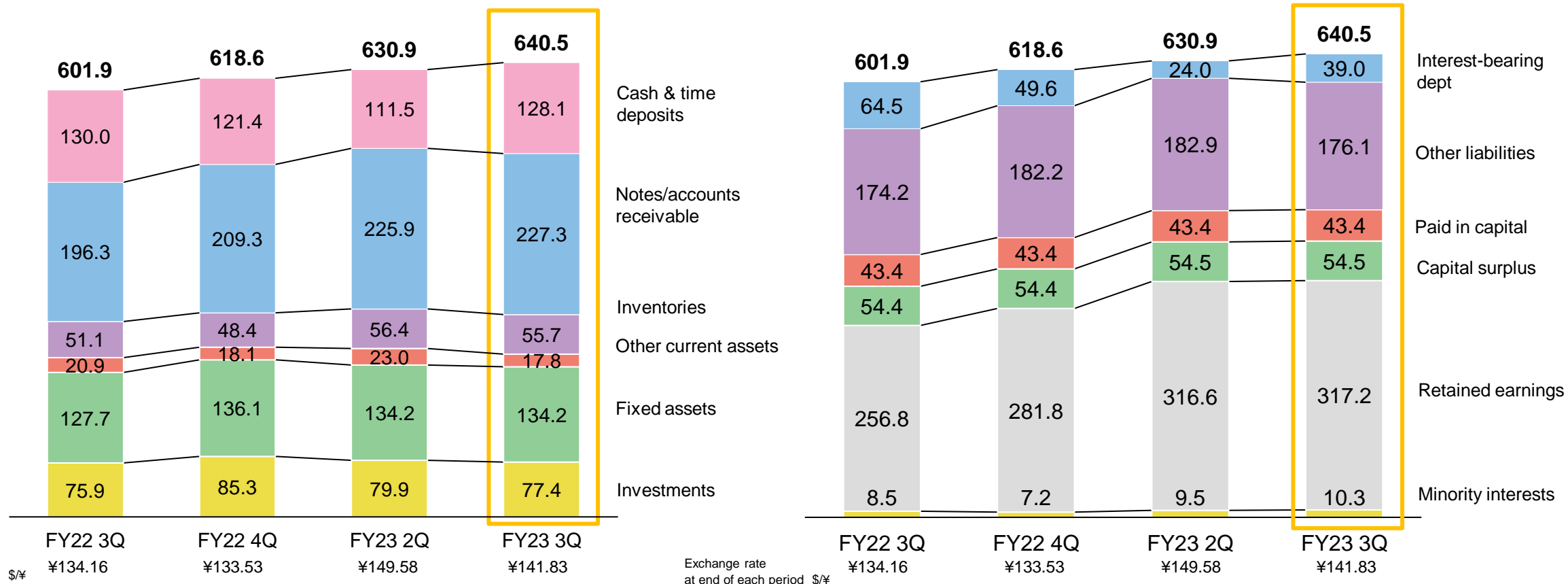
*The Group's consolidated subsidiaries outside Japan have adopted IFRS 16 (Leases) from FY19.

Appendix: Trend of Balance Sheet

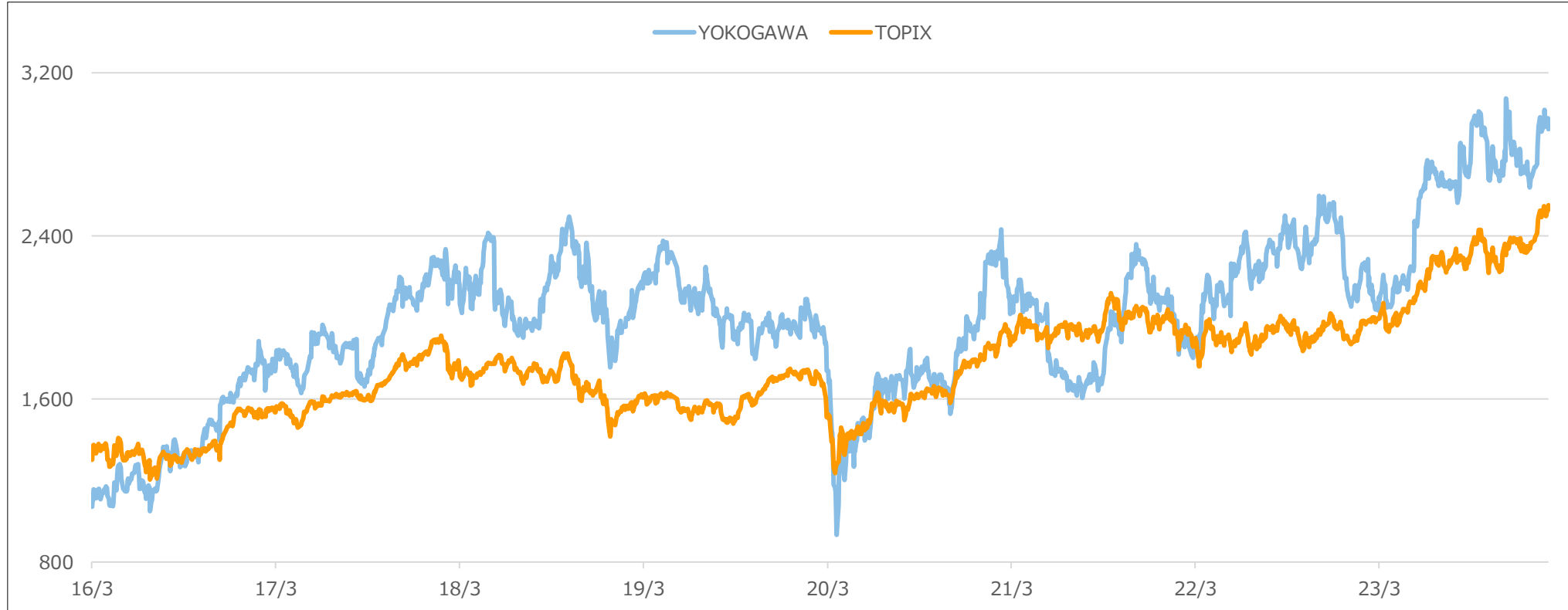
(Billion ¥)

Assets

Liabilities and equity



Appendix: Trend of Stock Price



(¥)

	16/3	17/3	18/3	19/3	20/3	21/3	22/3	23/3	23/6	23/9	23/12	24/1/31
YOKOGAWA	1,163	1,752	2,198	2,291	1,303	2,038	2,099	2,150	2,651	2,889	2,689	2,924
TOPIX	1,347	1,512	1,716	1,592	1,403	1,954	1,946	2,004	2,289	2,323	2,366	2,551

Reference:

- News
- Yokogawa's Main ESG Indexes etc.

Reference: News (from October 1 to December 31)

Oct.

Yokogawa Completes Installation of High-Performance Combustion Control Solution at Poland's Largest Waste-to-Energy Plant
- Increases waste incineration volume by 5,500 tons annually if operated at full capacity -

Yokogawa Solution Service and Microwave Chemical Conclude a Joint Development Agreement for Construction of a Small-scale Distributed Chemical Recycling System that Uses Microwave Heating
- Working toward a circular economy through a high-efficiency system that utilizes renewable energy -

Yokogawa Joins Avelia's Blockchain-Powered Sustainable Aviation Fuel Purchasing Program

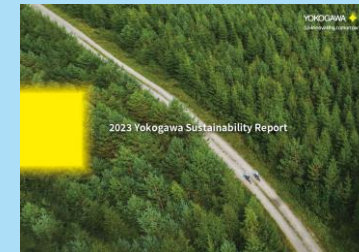
Nov.

TECO 2030 and Yokogawa Sign Partnership and Investment Agreement for the Utilization of Hydrogen Fuel Cells in Industrial Applications

Yokogawa and FPT Software Ink Global Partnership to Advance DX Solution Offerings
- Promoting the expansion of the provision of digital services to accelerate OT/IT convergence -

Yokogawa Receives Highest MSCI ESG Rating of AAA for the First Time

Publishing of 2023 Yokogawa Sustainability Report



Dec.

Cosmo Oil and Yokogawa Start Exploring Possibilities for Refinery Digitalization
- Aiming for more reliable and efficient refineries -

JGC and Yokogawa Team up to Develop Lunar Plant Control System That Will Support Ultra-remote Communications

Yokogawa Included in the Dow Jones Sustainability World Index for the Second Year in a Row

Yokogawa Recognized as 'Leader' in the Verdantix Green Quadrant Report for Process Safety Management Software



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

Reference: Yokogawa's Main ESG Indexes, etc.

- DJSI-World Index
- DJSI-Asia Pacific Index
- FTSE4Good Index Series
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI ESG Ratings AAA
- 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 Water Security A List
- CDP Supplier Engagement Leader
- SNAM Sustainability Index
- S&P/JPX Carbon Efficient Index
- EcoVadis Gold Rating for Sustainability
- Morningstar Japan ex-REIT Gender Diversity Tilt Index

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

2023 MSCI ESG Leaders Indexes Constituent

As of January 2024



2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



FTSE Blossom Japan Sector Relative Index



FTSE4Good FTSE Blossom Japan

Please visit our website for more details about ESG indexes and evaluations from outside the company.
<https://www.yokogawa.com/about/ir/>

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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