

**Consolidated Financial Results for the First Two Quarters of the Fiscal Year Ending March 31, 2013  
(Japan GAAP)**

November 6, 2012

Name of Listed Company: Yokogawa Electric Corporation (the “Company” herein)  
 Stock Exchanges Where the Company’s Shares Are Listed: Tokyo Stock Exchange, Section 1  
 Stock Code: 6841 (URL: <http://www.yokogawa.com/>)  
 Name and Position of the Representative: Shuzo Kaihori, President and Chief Executive Officer  
 Name and Position of Person in Charge: Sadamu Kawanaka, General Manager of Corporate Communication Dept.  
 Telephone Number: +81-422-52-5530  
 Planned Quarterly Report Filing Date: November 7, 2012  
 Planned Dividend Payment Starting Date: December 7, 2012  
 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 two quarters of the year ending March 31, 2013 (April 1-September 30, 2012)

(1) Results of operations on a consolidated basis (accumulated)

(Percentages show the change from the same period of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For first two quarters of year ending March 31, 2013	164,615	4.4	8,766	28.6	7,269	72.4	7,778	970.7
For first two quarters of year ended March 31, 2012	157,751	2.9	6,816	76.1	4,216	128.7	726	—

Note: Comprehensive income: For first two quarters of year ending March 31, 2013 3,747 million yen (—%)  
 For first two quarters of year ended March 31, 2012 (6,269) million yen (—%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
For first two quarters of year ending March 31, 2013	30.20	—
For first two quarters of year ended March 31, 2012	2.82	—

(2) Financial conditions on a consolidated basis

	Total Assets	Net Assets	Shareholders’ Equity Ratio
	Million yen	Million yen	%
As of September 30, 2012	348,628	152,014	42.5
As of March 31, 2012	359,500	149,574	40.5

Note: Shareholders’ equity: As of September 30, 2012: 147,968 million yen As of March 31, 2012: 145,691 million yen

2. Dividend status

	Dividends per Share				
	June 30	September 30	December 31	End of term	Total
	Yen	Yen	Yen	Yen	Yen
For year ended March 31, 2012	—	0.00	—	5.00	5.00
For year ending March 31, 2013	0.00	5.00			
For year ending March 31, 2013 (forecast)			—	5.00	10.00

Note: Adjustment on dividend forecast in this quarter: No

3. Business forecast for the year ending March 31, 2013 (April 1, 2012-March 31, 2013)

(Percentages show the change from the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Annual	347,000	3.7	20,000	20.5	17,000	21.1	13,500	126.8	52.42

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

<Notes>

- (1) Changes to important subsidiaries during the period: No  
(changes to consolidated subsidiaries accompanying changes to specific subsidiaries)
- (2) Application of special methods for quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, restatements
- a. Changes accompanying revision of accounting standards: No
  - b. Changes 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 stock)
    - For the 2nd quarter of the year ending March 31, 2013 268,624,510 shares
    - For the year ended March 31, 2012 268,624,510 shares
  - b. Treasury stock at the end of the period
    - For the 2nd quarter of the year ending March 31, 2013 11,079,083 shares
    - For the year ended March 31, 2012 11,078,187 shares
  - c. Average number of shares in the period (quarterly consolidated accumulated period)
    - For the 2nd quarter of the year ending March 31, 2013 257,545,767 shares
    - For the 2nd quarter of the year ended March 31, 2012 257,552,377 shares

Note regarding the implementation of the quarterly review procedures

This quarterly consolidated financial results report is not subject to the quarterly review procedures specified in the Financial Instruments and Exchange Act. A review of the quarterly financial statements based on the Act was completed before the release of the quarterly consolidated financial results.

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. Please refer to page 5 for a disclaimer regarding the assumptions used in performance forecasts, as well as the use of such forecasts.

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## 1. Qualitative Information on Quarterly Consolidated Financial Results

### (1) Qualitative information on consolidated business results

This section reviews the performance of the Yokogawa Group for the first two quarters of the current fiscal year, from April 1, 2012 to September 30, 2012.

During the first two quarters of the current fiscal year (April 1, 2012 to September 30, 2012), the global economy continued to face a severe situation due to such factors as the prolonged financial crisis in Europe and the slowdown of emerging economies, including China and India. Although the Japanese economy had shown signs of a rebound from the downturn caused by the Great East Japan Earthquake, the recovery has paused, with capital investment declining due to such factors as the uncertain global economic outlook, the prolonged strength of the yen and falling stock prices, and concerns about the power supply.

Under these circumstances, the Group continued striving for growth by focusing on the industrial automation and control business, which stayed strong thanks to the growth in energy-related investment. This was in accordance with the Evolution 2015 mid-term business plan that was drawn up in November 2011. As a result, net sales and operating income were up year on year.

In the first two quarters of the current fiscal year, the Group's net sales were 164.615 billion yen, up 6.863 billion yen year on year, and operating income was 8.766 billion yen, up 1.949 billion yen.

Although there were non-operating expenses such as interest payments of 1.139 billion yen and foreign exchange losses of 709 million yen, ordinary income came to 7.269 billion yen, up 3.053 billion yen over a year earlier, thanks to the increased operating income. After recording such items as extraordinary income of 3.747 billion yen from the sale of idle assets, the net income for the first two quarters under review was 7.778 billion yen, up 7.052 billion yen.

Results by individual segment are outlined below.

#### Industrial Automation and Control Business

In the industrial automation and control business, although the Japan market faced uncertainty, the energy-related market mainly in emerging and resource-rich countries remained robust. As a result, despite the negative influence of the prolonged strength of the yen, net sales and operating income were up over the same period of the previous fiscal year.

In the first two quarters of the current fiscal year, net sales for the industrial automation and control business came to 140.223 billion yen, up 10.390 billion yen year on year, and operating income was 9.123 billion yen, up 1.224 billion yen.

#### Test and Measurement Business

Net sales for the test and measurement business were down year on year due to factors including slowing demand in the measuring instruments market outside Japan, Yokogawa's withdrawal from the photonics business, and the discontinuation of the semiconductor business. Meanwhile, thanks mainly to structural reforms that reduced fixed costs and R&D expenditure, the operating loss shrank year on year.

In the first two quarters of the current fiscal year, net sales for the test and measurement business fell 4.403 billion yen year on year, to 13.849 billion yen, while the operating loss shrank by 371 million yen, to 430 million yen.

#### Other Businesses

In the other businesses segment, for the first two quarters of the current fiscal year, net sales increased by 875 million yen from the same period of the previous fiscal year, to 10.541 billion yen, and operating income came to 72 million yen. (The same period of the previous fiscal year saw an operating loss of 282 million yen.)

### (2) Qualitative information on consolidated financial conditions

#### a. Conditions of assets, liabilities, and net assets

In comparison with the end of the previous fiscal year, the assets, liabilities, and net assets at the end of the second quarter of the current fiscal year were as follows.

Total assets decreased by 10.871 billion yen, to 348.628 billion yen. The principal changes to assets were a 6.152 billion yen increase in notes and accounts receivable-trade, an 11.229 billion yen decrease in cash and deposits, and a 2.438 billion yen decrease in property, plant and equipment.

Total liabilities decreased by 13.312 billion yen, to 196.614 billion yen. This decrease was mainly attributable to a 4.070 billion yen decrease in notes and accounts payable-trade, a 5.376 billion yen decrease in short-term borrowings, and a 5.159 billion yen decrease in the provision for bonuses.

Net assets were 152.014 billion yen, up 2.440 billion yen. This increase was mainly because of a 6.534 billion yen increase in retained earnings and a 3.437 billion yen decrease in foreign currency transaction adjustments.

#### b. Cash flow status

The balance of cash and cash equivalents at the end of the second quarter of the current fiscal year was 43.053 billion yen, down 10.376 billion yen from the end of the previous fiscal year. The cash flows from each activity in the first two quarters of the current fiscal year were as follows.

Cash flow from operating activities

The cash flow from operating activities in the first two quarters of the current fiscal year was a net outflow of 2.240 billion yen. (The same period of the previous fiscal year saw a net inflow of 4.313 billion yen.) Following income of 10.197 billion yen before income taxes and other minority interests, this was mainly due to negative factors such as a 6.929 billion yen increase in trade receivables and a 4.971 billion yen decrease in the provision for bonuses.

Cash flow from investment activities

The cash flow from investment activities in the first two quarters of the current fiscal year was a net outflow of 746 million yen, down 3.862 billion yen year on year. This was mainly the result of a 3.919 billion yen outflow for acquisition of property, plant and equipment, a 2.540 billion yen outflow for acquisition of intangible assets, and a 4.197 billion yen inflow from the sale of property, plant and equipment.

Cash flow from financing activities

The cash flow from financing activities in the first two quarters of the current fiscal year was a net outflow of 5.572 billion yen. (The same period of the previous fiscal year saw a net inflow of 512 million yen.) This was mainly the result of a 3.808 billion yen decrease in long-term borrowings and a 1.287 billion yen outflow for dividend payments.

(3) Qualitative information on consolidated business forecast

There has been no change to the fiscal year 2012 consolidated business forecast that was announced on August 10, 2012. However, based on the results of the first two quarters under review, the company has adjusted the operating income forecast between segments.

[Reference]

1. Order forecast by segment (full year)

Unit: billion yen

Segment	Full year		
	Previous forecast	Revised forecast	Change
Industrial automation and control business	304.0	304.0	—
Test and measurement business	31.0	31.0	—
Other businesses	21.0	21.0	—
Total	356.0	356.0	—

2. Sales forecast by segment (full year)

Unit: billion yen

Segment	Full year		
	Previous forecast	Revised forecast	Change
Industrial automation and control business	294.0	294.0	—
Test and measurement business	30.0	30.0	—
Other businesses	23.0	23.0	—
Total	347.0	347.0	—

3. Operating income forecast by segment (full year)

Unit: billion yen

Segment	Full year		
	Previous forecast	Revised forecast	Change
Industrial automation and control business	22.5	20.5	(2.0)
Test and measurement business	(3.0)	(1.0)	2.0
Other businesses	0.5	0.5	—
Total	20.0	20.0	—

Notes regarding the use of forecasts

The above forecasts are based on certain assumptions deemed reasonable by Yokogawa at the present time, and may differ from actual business results.

Major factors that may affect business performance include the following:

- Fluctuations in the US dollar, the euro, Asian currencies, Middle Eastern currencies, etc., relative to the yen
- Sudden changes in economic conditions in major markets
- Changes in trade regulations or other aspects that have an impact on the business environment
- Sudden fluctuations in supply or demand
- Fluctuations in Japanese share prices
- Protection of Yokogawa patents and the licensing of patents held by other companies
- Alliances with other companies for product development or other purposes
- Earthquakes, floods, tsunamis, and other natural disasters

2. Notes on Summary Information  
Not applicable

3. Consolidated Quarterly Financial Statements  
(1) Consolidated quarterly balance sheets

Millions of yen

	(Reference) End of FY2011 (March 31, 2012)	End of FY2012 2nd quarter (September 30, 2012)
<b>Assets</b>		
Current assets		
Cash and deposits	54,624	43,394
Notes and accounts receivable-trade	110,540	116,693
Merchandise and finished goods	14,699	13,986
Work in process	7,993	8,852
Raw materials and supplies	12,665	12,882
Other	14,025	11,955
Allowance for doubtful accounts	(3,247)	(3,142)
Total current assets	211,302	204,622
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	46,167	44,371
Other, net	31,993	31,350
Total property, plant and equipment	78,160	75,721
Intangible assets		
Software	23,349	21,913
Other	4,909	5,671
Total intangible assets	28,258	27,585
Investments and other assets		
Investment securities	31,849	30,530
Other	10,493	10,710
Allowance for doubtful accounts	(563)	(542)
Total investments and other assets	41,779	40,698
Total noncurrent assets	148,198	144,005
Total assets	359,500	348,628

Millions of yen

	(Reference) End of FY2011 (March 31, 2012)	End of FY2012 2nd quarter (September 30, 2012)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	30,658	26,588
Short-term loans payable	14,605	9,228
Income taxes payable	3,307	2,614
Provision for bonuses	14,970	9,810
Accounts payable-other	8,070	10,135
Other	43,004	42,740
Total current liabilities	114,616	101,117
Noncurrent liabilities		
Long-term loans payable	88,655	89,454
Provision for retirement benefits	2,441	2,456
Other	4,213	3,586
Total noncurrent liabilities	95,310	95,496
Total liabilities	209,926	196,614
<b>Net assets</b>		
Shareholders' equity		
Capital stock	43,401	43,401
Capital surplus	50,344	50,344
Retained earnings	79,002	85,536
Treasury stock	(11,005)	(11,006)
Total shareholders' equity	161,741	168,275
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,483	1,673
Deferred gains or losses on hedges	9	(5)
Pension liability adjustment	(677)	(639)
Foreign currency translation adjustment	(17,865)	(21,303)
Total accumulated other comprehensive income	(16,050)	(20,274)
Minority interests	3,882	4,013
Total net assets	149,574	152,014
Total liabilities, net assets	359,500	348,628

(2) Consolidated quarterly statements of income and statements of comprehensive income  
Consolidated quarterly statements of income for the first two quarters of FY2012

Millions of yen

	(Reference) First two quarters of FY2011 (April 1-September 30, 2011)	First two quarters of FY2012 (April 1-September 30, 2012)
Net sales	157,751	164,615
Cost of sales	90,667	95,674
Gross profit	67,084	68,941
Selling, general and administrative expenses	60,267	60,174
Operating income	6,816	8,766
Non-operating income		
Interest income	165	145
Dividend income	333	283
Equity in earnings of affiliates	254	179
Other	800	377
Total non-operating income	1,555	986
Non-operating expenses		
Interest expenses	1,322	1,139
Foreign exchange losses	1,361	709
Other	1,471	633
Total non-operating expenses	4,154	2,482
Ordinary income (loss)	4,216	7,269
Extraordinary income		
Gain on sale of noncurrent assets	97	3,815
Gain on sale of investment securities	0	76
Total extraordinary income	98	3,891
Extraordinary losses		
Loss on sale of noncurrent assets	2	1
Loss on retirement of noncurrent assets	87	74
Impairment loss	6	813
Loss on valuation of investment securities	—	73
Business structure improvement expense	707	—
Others	10	—
Total extraordinary losses	814	963
Income (loss) before income taxes and minority interests	3,500	10,197
Income taxes-current	2,342	2,352
Income taxes-deferred	132	(281)
Total income taxes	2,474	2,071
Income (loss) before minority interests	1,025	8,126
Minority interests in income	299	347
Net income (loss)	726	7,778

Consolidated quarterly statements of comprehensive income for the first two quarters of FY2012

Millions of yen

	(Reference) First two quarters of FY2011 (April 1-September 30, 2011)	First two quarters of FY2012 (April 1-September 30, 2012)
Income (loss) before minority interests	1,025	8,126
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,504)	(824)
Deferred gains or losses on hedges	165	(14)
Pension liability adjustment	29	37
Foreign currency translation adjustment	(5,961)	(3,566)
Share of other comprehensive income of associates accounted for using equity method	(25)	(11)
Total other comprehensive income	(7,295)	(4,378)
Comprehensive income	(6,269)	3,747
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(6,410)	3,554
Comprehensive income attributable to minority interests	141	193

(3) Consolidated quarterly statements of cash flows

Millions of yen

	(Reference) First two quarters of FY2011 (April 1-September 30, 2011)	First two quarters of FY2012 (April 1-September 30, 2012)
<b>Net cash provided by (used in) operating activities</b>		
Income (loss) before income taxes and minority interests	3,500	10,197
Depreciation and amortization	5,674	6,796
Increase (decrease) in allowance for doubtful accounts	(91)	50
Increase (decrease) in provision for bonuses	(541)	(4,971)
Impairment loss	6	813
Decrease (increase) in notes and accounts receivable-trade	3,553	(6,929)
Decrease (increase) in inventories	(1,981)	(1,793)
Increase (decrease) in notes and accounts payable-trade	(156)	(2,194)
Increase (decrease) in accounts payable-other	(410)	2,162
Other	578	(3,540)
Subtotal	10,130	591
Interest and dividend income received	1,610	1,318
Interest expenses paid	(1,325)	(1,133)
Payments for extra retirement payments	(3,370)	—
Income taxes (paid) refund	(2,731)	(3,017)
Net cash provided by (used in) operating activities	4,313	(2,240)
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(2,158)	(1,947)
Proceeds from withdrawal of time deposits	2,293	2,746
Purchase of property, plant and equipment	(3,620)	(3,919)
Proceeds from sale of property, plant and equipment	628	4,197
Purchase of intangible assets	(2,759)	(2,540)
Proceeds from sales and redemption of investment securities	2	491
Other	1,004	226
Net cash provided by (used in) investment activities	(4,608)	(746)
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	303	(1,288)
Proceeds from long-term loans payable	420	1,000
Repayment of long-term loans payable	(96)	(3,808)
Cash dividends paid	(0)	(1,287)
Other	(114)	(187)
Net cash provided by (used in) financing activities	512	(5,572)
Effect of exchange rate change on cash and cash equivalents	(3,120)	(1,779)
Net increase (decrease) in cash and cash equivalents	(2,902)	(10,337)
Cash and cash equivalents at beginning of period	57,334	53,429
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(0)	(38)
Cash and cash equivalents at end of period	54,432	43,053

(4) Notes for going concern  
Not applicable

(5) Notes if there is a remarkable change in the amount of shareholders' equity  
Not applicable

(6) Segment information

Segment sales and profits (losses)

Millions of yen

Business		Term	(Reference)	First two quarters of	Change
			First two quarters of FY2011 (Apr. 1-Sep. 30, 2011)	First two quarters of FY2012 (Apr. 1-Sep. 30, 2012)	
Industrial automation and control business	Net sales to unaffiliated customers		129,833	140,223	10,390
	Operating income (loss)		7,899	9,123	1,224
Test and measurement business	Net sales to unaffiliated customers		18,252	13,849	(4,403)
	Operating income (loss)		(801)	(430)	371
Other businesses	Net sales to unaffiliated customers		9,666	10,541	875
	Operating income (loss)		(282)	72	354
Consolidated	Net sales to unaffiliated customers		157,751	164,615	6,863
	Operating income (loss)		6,816	8,766	1,949

[Reference]

Sales by geographical location

Millions of yen

Region	Term	(Reference)		First two quarters of FY2012		Change
		First two quarters of FY2011 (Apr. 1-Sep. 30, 2011)		First two quarters of FY2012 (Apr. 1-Sep. 30, 2012)		
		Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount
Japan		60,771	38.5	62,267	37.8	1,495
Outside Japan		96,979	61.5	102,347	62.2	5,367
	Asia	43,821	27.8	43,798	26.6	(22)
	Europe	13,182	8.4	13,101	7.9	(80)
	North America	10,275	6.5	10,476	6.4	201
	Middle East	11,256	7.1	14,455	8.8	3,199
	Other	18,445	11.7	20,514	12.5	2,069
Consolidated net sales		157,751	100.0	164,615	100.0	6,863

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

[Reference]

November 6, 2012  
Yokogawa Electric Corporation

## Consolidated Financial Statements for the First Two Quarters of FY2012

Millions of yen

	First two quarters of FY2011		First two quarters of FY2012		Change	
	Amount	Ratio to Net Sales	Amount	Ratio to Net Sales	Amount	Ratio to Net Sales
Net Sales	157,751	—	164,615	—	6,863	—
Operating Income	6,816	4.3%	8,766	5.3%	1,949	1.0%
Ordinary Income	4,216	2.7%	7,269	4.4%	3,053	1.7%
Net Income	726	0.5%	7,778	4.7%	7,052	4.2%
Total Assets	342,456		348,628		6,172	
Shareholders' Equity	138,944		152,014		13,070	
Net Income to Shareholders' Equity Ratio	0.5%		5.3%		4.8%	
Net Income per Share	2.82 yen		30.20 yen		27.38 yen	
Capital Investment	5,934		6,661		727	
Depreciation	5,674		6,796		1,122	
Research and Development Expenses	13,285		12,763		(521)	
Average Exchange Rate during the Term						
USD	76.16 yen		78.98 yen		(0.18) yen	
EUR	113.52 yen		99.70 yen		(13.82) yen	

### Consolidated orders by segment

Millions of yen

	First two quarters of FY2011	First two quarters of FY2012	FY2012 full year (forecast)
Industrial automation and control business	151,859	152,530	304,000
Test and measurement business	17,961	14,503	31,000
Other businesses	9,135	8,990	21,000
Total	178,955	176,025	356,000

### Consolidated sales by segment

Millions of yen

	First two quarters of FY2011	First two quarters of FY2012	FY2012 full year (forecast)
Industrial automation and control business	129,833	140,223	294,000
Test and measurement business	18,252	13,849	30,000
Other businesses	9,666	10,541	23,000
Total	157,751	164,615	347,000

### Consolidated operating income by segment

Millions of yen

	First two quarters of FY2011	First two quarters of FY2012	FY2012 full year (forecast)
Industrial automation and control business	7,899	9,123	20,500
Test and measurement business	(801)	(430)	(1,000)
Other businesses	(282)	72	500
Total	6,816	8,766	20,000