

**Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2014
(Japan GAAP)**

August 9, 2013

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: Takashi Nishijima, President and Chief Operating 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: August 12, 2013
 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, 2014 (April 1-June 30, 2013)

(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 quarter of year ending March 31, 2014	80,764	7.6	3,311	14.7	3,520	55.0	1,487	-63.3
For first quarter of year ended March 31, 2013	75,044	7.2	2,887	459.6	2,271	—	4,059	—

(Note) Comprehensive income: For first quarter of year ending March 31, 2014 5,821 million yen (—%)
 For first quarter of year ended March 31, 2013 (473) million yen (—%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
For first quarter of year ending March 31, 2014	5.78	—
For first quarter of year ended March 31, 2013	15.76	—

(2) Financial conditions on a consolidated basis

	Total Assets	Net Assets	Shareholders’ Equity Ratio
	Million yen	Million yen	%
As of June 30, 2013	387,465	176,972	44.5
As of March 31, 2013	379,931	172,396	44.3

(Note) Shareholders’ equity: As of June 30, 2013: 172,470 million yen As of March 31, 2013: 168,389 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, 2013	—	5.00	—	5.00	10.00
For year ending March 31, 2014	—	—	—	—	—
For year ending March 31, 2014 (forecast)	—	6.00	—	6.00	12.00

(Note) Adjustment on dividend forecast in this quarter: No

3. Business forecast for the year ending March 31, 2014 (April 1, 2013-March 31, 2014)

(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
Interim period	185,000	12.4	9,500	8.4	8,500	16.9	5,000	-35.7	19.41
Annual	385,000	10.7	24,000	30.4	21,500	19.4	13,500	-8.1	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 1st quarter of the year ending March 31, 2014 268,624,510 shares
 - For the year ended March 31, 2013 268,624,510 shares
 - b. Treasury stock at the end of the period
 - For the 1st quarter of the year ending March 31, 2014 11,081,018 shares
 - For the year ended March 31, 2013 11,080,045 shares
 - c. Average number of shares in the period (quarterly consolidated accumulated period)
 - For the 1st quarter of the year ending March 31, 2014 257,543,890 shares
 - For the 1st quarter of the year ended March 31, 2013 257,546,013 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.

Attachment
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1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Explanation of business results

This section reviews the performance of the Yokogawa Group for the first quarter of the current fiscal year, from April 1 to June 30, 2013.

While the U.S. economy improved slowly, the global economy remained in an uncertain situation due to the continuing financial crisis in Europe, lagging growth in emerging economies such as China and India, and other concerns. In Japan, expectations rose that bold fiscal and monetary policies would produce an economic recovery, and this has led to a weakening of the yen, rising stock prices, improved corporate performance, and some initial signs that manufacturers may finally be ready to increase their capital investments. However, these developments have not yet provided a boost to the real economy.

Under these circumstances, based on the Evolution 2015 mid-term business plan, the Group continued to strive for growth by focusing on the industrial automation and control business, which remained strong thanks to the growth in energy-related investment. As a result, net sales and operating income were up year on year.

In the first quarter of the current fiscal year, the Group's net sales were 80.764 billion yen, up 5.720 billion yen year on year, and operating income was 3.311 billion yen, up 423 million yen.

Thanks mainly to the increased operating income and foreign exchange gains, ordinary income came to 3.520 billion yen, up 1.249 billion yen over a year ago. The net income for the first quarter under review was 1.487 billion yen, down 2.571 billion yen from a year earlier when extraordinary income from the sale of idle assets was recorded.

Results by individual segment are outlined below.

Industrial Automation and Control Business

In the industrial automation and control business, although capital investment lagged in Japan, demand was robust in energy-related markets outside Japan. As a result, net sales and operating income were up year on year.

In the first quarter of the current fiscal year, net sales for the industrial automation and control business came to 70.605 billion yen, up 6.438 billion yen year on year, and operating income was 4.345 billion yen, up 924 million yen.

Test and Measurement Business

In the first quarter of the current fiscal year, net sales for the test and measurement business fell 239 million yen year on year, to 6.380 billion yen, and the operating loss increased by 169 million yen, to 440 million yen.

Other Businesses

In our other businesses segment, for the first quarter of the current fiscal year, net sales decreased by 479 million yen from the same period of the previous fiscal year, to 3.777 billion yen, and the operating loss increased by 331 million yen, to 593 million yen.

(2) Explanation of 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 first quarter of the current fiscal year were as follows.

Total assets increased by 7.533 billion yen, to 387.465 billion yen. This increase is mainly due to an increase of 7.880 billion yen in cash and deposits, an increase of 6.129 billion yen in inventory, an increase of 2.602 billion yen in investment securities, and a decrease of 8.236 billion yen in notes and accounts receivable-trade.

Total liabilities increased by 2.956 billion yen, to 210.492 billion yen. The principal factors here were an increase of 10.634 billion yen in other accounts payable, an increase of 3.062 billion yen in current liabilities-other, an increase of 718 million yen in noncurrent liabilities-other, a decrease of 3.602 billion yen in notes and accounts payable-trade, and a decrease of 8.447 billion yen in the provision for bonuses.

Net assets increased by 4.576 billion yen, to 176.972 billion yen. The principal factors were an increase of 1.820 billion yen in valuation differences on available-for-sale securities and an increase of 2.175 billion yen in foreign currency translation adjustments.

b. Cash flow status

The balance of cash and cash equivalents at the end of the first quarter of the current fiscal year was 66.606 billion yen, up 7.779 billion yen from the end of the previous fiscal year. The cash flows from each activity in the first quarter of the current fiscal year were as follows.

Cash flow from operating activities

The cash flow from operating activities in the first quarter of the current fiscal year was a net inflow of 10.379 billion yen, up 1.000 billion yen from the same period of the previous fiscal year. Following income of 3.528 billion yen before income taxes and minority interests, this is a consequence of positive factors such as a decrease of 14.039 billion yen in trade receivables and an increase of 10.995 billion yen in other accounts payable, and negative factors such as a decrease of 8.586 billion yen in the provision for bonuses, an increase of 5.517 billion yen in inventory, and a decrease of 5.125 billion yen in trade payables.

Cash flow from investing activities

The cash flow from investing activities in the first quarter of the current fiscal year was a net outflow of 2.468 billion yen (the same period of the previous fiscal year saw a net inflow of 2.451 billion yen). This is mainly the result of an outflow of 1.770 billion yen for acquisition of property, plant and equipment, and an outflow of 1.223 billion yen for the acquisition of intangible assets.

Cash flow from financing activities

The cash flow from financing activities in the first quarter of the current fiscal year was a net outflow of 1.223 billion yen, down 3.162 billion yen from the same period of the previous fiscal year. This is mainly attributable to an outflow of 1.287 billion yen for dividend payments.

(3) Explanation of consolidated business forecast and other expectations

There is no change to the fiscal year 2013 consolidated business forecast that was announced on May 14, 2013.

2. Notes on Summary Information

Not applicable

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

Millions of yen

	(Reference) End of FY2012 (March 31, 2013)	End of FY2013 1st quarter (June 30, 2013)
Assets		
Current assets		
Cash and deposits	59,111	66,992
Notes and accounts receivable-trade	120,679	112,442
Merchandise and finished goods	15,860	17,184
Work in process	7,524	11,460
Raw materials and supplies	11,412	12,281
Other	15,929	15,762
Allowance for doubtful accounts	(3,828)	(3,711)
Total current assets	226,689	232,412
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	47,836	47,846
Other, net	31,971	31,935
Total property, plant and equipment	79,807	79,781
Intangible assets		
Software	20,795	21,445
Other	6,290	5,207
Total intangible assets	27,086	26,652
Investments and other assets		
Investment securities	35,873	38,476
Other	11,021	10,617
Allowance for doubtful accounts	(546)	(475)
Total investments and other assets	46,347	48,618
Total noncurrent assets	153,241	155,052
Total assets	379,931	387,465

Millions of yen

	(Reference) End of FY2012 (March 31, 2013)	End of FY2013 1st quarter (June 30, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	29,240	25,638
Short-term loans payable	34,255	34,639
Accounts payable-other	8,980	19,614
Income taxes payable	3,132	3,110
Provision for bonuses	12,893	4,445
Other	46,468	49,531
Total current liabilities	134,970	136,978
Noncurrent liabilities		
Long-term loans payable	64,342	64,331
Provision for retirement benefits	2,872	3,114
Other	5,349	6,068
Total noncurrent liabilities	72,564	73,514
Total liabilities	207,535	210,492
Net assets		
Shareholders' equity		
Capital stock	43,401	43,401
Capital surplus	50,344	50,344
Retained earnings	90,960	91,161
Treasury stock	(11,007)	(11,008)
Total shareholders' equity	173,698	173,898
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,576	7,397
Deferred gains or losses on hedges	116	40
Pension liability adjustment	(837)	(877)
Foreign currency translation adjustment	(10,163)	(7,988)
Total accumulated other comprehensive income	(5,308)	(1,428)
Minority interests	4,006	4,502
Total net assets	172,396	176,972
Total liabilities, net assets	379,931	387,465

(2) Consolidated quarterly statements of income and statements of comprehensive income
Consolidated quarterly statements of income for the first quarter of FY2013

Millions of yen

	(Reference) First quarter of FY2012 (April 1-June 30, 2012)	First quarter of FY2013 (April 1-June 30, 2013)
Net sales	75,044	80,764
Cost of sales	42,906	46,378
Gross profit	32,138	34,386
Selling, general and administrative expenses	29,250	31,074
Operating income	2,887	3,311
Non-operating income		
Interest income	70	86
Dividend income	260	324
Foreign exchange gains	—	146
Equity in earnings of affiliates	160	207
Other	187	377
Total non-operating income	679	1,142
Non-operating expenses		
Interest expenses	547	561
Foreign exchange losses	370	—
Other	377	371
Total non-operating expenses	1,295	932
Ordinary income (loss)	2,271	3,520
Extraordinary income		
Gain on sale of noncurrent assets	3,755	20
Gain on sale of investment securities	—	107
Total extraordinary income	3,755	128
Extraordinary losses		
Loss on sale of noncurrent assets	0	27
Loss on retirement of noncurrent assets	9	86
Impairment loss	804	—
Loss on valuation of investment securities	26	7
Total extraordinary losses	841	120
Income (loss) before income taxes and minority interests	5,185	3,528
Income taxes-current	1,560	1,952
Income taxes-deferred	(572)	(212)
Total income taxes	987	1,739
Income (loss) before minority interests	4,197	1,788
Minority interests in income	137	300
Net income (loss)	4,059	1,487

Consolidated quarterly statements of comprehensive income for the first quarter of FY2013

Millions of yen

	(Reference) First quarter of FY2012 (April 1-June 30, 2012)	First quarter of FY2013 (April 1-June 30, 2013)
Income (loss) before minority interests	4,197	1,788
Other comprehensive income		
Valuation difference on available-for-sale securities	(931)	1,827
Deferred gains or losses on hedges	30	(75)
Pension liability adjustment	23	(40)
Foreign currency translation adjustment	(3,778)	2,311
Share of other comprehensive income of associates accounted for using equity method	(14)	9
Total other comprehensive income	(4,670)	4,033
Comprehensive income	(473)	5,821
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(487)	5,368
Comprehensive income attributable to minority interests	14	453

(3) Consolidated quarterly statements of cash flows

Millions of yen

	(Reference) First quarter of FY2012 (April 1-June 30, 2012)	First quarter of FY2013 (April 1-June 30, 2013)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	5,185	3,528
Depreciation and amortization	3,316	3,185
Increase (decrease) in allowance for doubtful accounts	(0)	(301)
Increase (decrease) in provision for bonuses	(10,639)	(8,586)
Decrease (increase) in notes and accounts receivable-trade	7,236	14,039
Decrease (increase) in inventories	(4,587)	(5,517)
Increase (decrease) in notes and accounts payable-trade	(2,885)	(5,125)
Increase (decrease) in accounts payable-other	13,387	10,995
Other	(9)	(463)
Subtotal	11,002	11,754
Interest and dividend income received	1,181	1,229
Interest expenses paid	(925)	(287)
Income taxes (paid) refund	(1,879)	(2,316)
Net cash provided by (used in) operating activities	9,379	10,379
Net cash provided by (used in) investing activities		
Payments into time deposits	(977)	(167)
Proceeds from withdrawal of time deposits	1,695	76
Purchase of property, plant and equipment	(1,600)	(1,770)
Proceeds from sale of property, plant and equipment	4,155	26
Purchase of intangible assets	(1,187)	(1,223)
Other	366	590
Net cash provided by (used in) investment activities	2,451	(2,468)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(806)	161
Repayment of long-term loans payable	(2,295)	(99)
Cash dividends paid	(1,223)	(1,287)
Other	(61)	1
Net cash provided by (used in) financing activities	(4,386)	(1,223)
Effect of exchange rate change on cash and cash equivalents	(1,732)	1,091
Net increase (decrease) in cash and cash equivalents	5,712	7,779
Cash and cash equivalents at beginning of period	53,429	58,826
Cash and cash equivalents at end of period	59,142	66,606

4. Notes on Consolidated Quarterly Financial Statements

(1) Notes for going concern
Not applicable

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

(3) Segment information

Segment sales and profits (losses)

Millions of yen

Business		Term	(Reference)	First quarter of FY2013	Change
			First quarter of FY2012 (April 1-June 30, 2012)	(April 1-June 30, 2013)	
Industrial automation and control business	Net sales to unaffiliated customers		64,167	70,605	6,438
	Operating income		3,421	4,345	924
Test and measurement business	Net sales to unaffiliated customers		6,619	6,380	(239)
	Operating income (loss)		(271)	(440)	(169)
Other businesses	Net sales to unaffiliated customers		4,257	3,777	(479)
	Operating income (loss)		(262)	(593)	(331)
Consolidated	Net sales to unaffiliated customers		75,044	80,764	5,720
	Operating income (loss)		2,887	3,311	423

[Reference]

Sales by geographical location

Millions of yen

Region	Term	(Reference)		First quarter of FY2013		Change
		First quarter of FY2012 (April 1-June 30, 2012)		(April 1-June 30, 2013)		
		Amount	Composition Ratio (%)	Amount	Composition Ratio (%)	Amount
Japan		25,715	34.3	20,825	25.8	(4,890)
Outside Japan		49,328	65.7	59,938	74.2	10,610
Asia		20,848	27.8	24,472	30.3	3,624
Europe		5,975	8.0	8,232	10.2	2,257
North America		5,216	6.9	6,248	7.7	1,031
Middle East		7,137	9.5	7,192	8.9	55
Other		10,150	13.5	13,792	17.1	3,642
Consolidated net sales		75,044	100.0	80,764	100.0	5,720

(Note) 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) Asia China, Singapore, South Korea, India, etc.
- (2) Europe The Netherlands, France, the United Kingdom, Germany, etc.
- (3) North America The United States, Canada
- (4) Middle East Bahrain, Saudi Arabia, etc.
- (5) Other Russia, Brazil, Australia, etc.

[Reference]

August 9, 2013
Yokogawa Electric Corporation

Consolidated Financial Statements for the First Quarter of FY2013

Millions of yen

	First quarter of FY2012		First quarter of FY2013		Change	
	Amount	Ratio to Net Sales	Amount	Ratio to Net Sales	Amount	Ratio to Net Sales
Net Sales	75,044	—	80,764	—	5,720	—
Operating Income	2,887	3.8%	3,311	4.1%	423	0.3%
Ordinary Income	2,271	3.0%	3,520	4.4%	1,249	1.4%
Net Income	4,059	5.4%	1,487	1.8%	(2,571)	-3.6%
Total Assets	353,486		387,465		33,978	
Shareholders' Equity	147,772		176,972		29,200	
Net Income to Shareholders' Equity Ratio	2.8%		0.9%		-1.9%	
Net Income per Share	15.76 yen		5.78 yen		(9.98) yen	
Capital Investment	2,705		2,572		(133)	
Depreciation	3,316		3,185		(131)	
Research and Development Expenses	6,253		6,081		(171)	
Average Exchange Rate during the Term						
USD	79.81 yen		99.64 yen		19.83 yen	
EUR	101.20 yen		129.83 yen		28.63 yen	

Consolidated orders by segment

Millions of yen

	First quarter of FY2012	First quarter of FY2013	First two quarters of FY2013 (Forecast)	FY2013 Full year (Forecast)
Industrial automation and control business	79,686	89,757	167,000	340,000
Measurement business	7,107	6,354	15,000	30,000
Other businesses	4,462	4,087	8,000	20,000
Total	91,257	100,199	190,000	390,000

Consolidated sales by segment

Millions of yen

	First quarter of FY2012	First quarter of FY2013	First two quarters of FY2013 (Forecast)	FY2013 Full year (Forecast)
Industrial automation and control business	64,167	70,605	160,000	332,000
Measurement business	6,619	6,380	16,000	31,000
Other businesses	4,257	3,777	9,000	22,000
Total	75,044	80,764	185,000	385,000

Consolidated operating income by segment

Millions of yen

	First quarter of FY2012	First quarter of FY2013	First two quarters of FY2013 (Forecast)	FY2013 Full year (Forecast)
Industrial automation and control business	3,421	4,345	9,000	22,000
Measurement business	(271)	(440)	500	1,500
Other businesses	(262)	(593)	0	500
Total	2,887	3,311	9,500	24,000