Key Points

- **FY19 1Q results: Steady start**
  Summary: Orders, sales, and operating income were strong.
  Profit attributable to owners of parent declined due to the recognition of extraordinary expenses.
  Segments:
  - Control: Increased sales and profits. Orders +7.7%, sales +5.2%, operating income +29.0% year on year (excluding impact of exchange rate).
  - Measurement: Orders and sales were up, but operating income declined due to the year on year impact of investments.
  - Aviation and Other: Although sales declined year on year, the operating loss decreased.
  Regions: Orders were up most significantly in Japan and the Middle East, and India and the Middle East showed the largest increases in sales.
  Industries: Downstream orders were strong. The chemical business remained strong.

- **FY19 forecast: No change** (Exchange rates: USD 110¥, EUR 130¥)
  - Risks such as (1) A global economic slowdown due to geopolitical factors and escalating trade disputes and (2) rapid appreciation of the yen.
Contents

1. FY19 1Q Results

2. Current Situation and Forecast (no change in forecast)

3. Appendix: Financial Results
   - 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

4. Appendix: Other Items
   - Solution Portfolio in Control Segment
   - Trend of Global Sales in Control Segment (2009 – 2019)
   - News
   - Yokogawa’s Main ESG Indexes
   - Trend of Stock Price
Summary of FY19 1Q Results

- 1Q results indicate an increase in both sales and operating income compared with the same period of the previous year.

- Orders : 104.2 billion¥, up 2.1% year on year. The Control segment was showing steady results.

- Sales : 90.3 billion¥, up 1.5% year on year. Firm results in the Control Segment overseas.

- Operating income : 6.6 billion¥, up 37.5% year on year due to increased sales and improvement of the gross margin.

- Profit attributable to owners of parent was 2.1 billion¥, down 1.3 billion¥ year on year, reflected the ¥3 billion to the recognition of extraordinary expenses (Provision for reinforcing measures against soft error).
Analysis of Operating Income (FY18 1Q/FY19 1Q comparison)

- Operating income was 6.6 billion¥, an increase of 1.8 billion¥ from the same period of the previous year.

- Major factors were:
  1. The impacts of increase in sales and improvement of the gross margin excluding the impact of exchange rate were up 3 billion¥ year on year;
  2. SG&A expenses increased by 1.4 billion¥ year on year due to the advance of orders, excluding impact of exchange rate. It was the negative factor;
  3. The impact of transfer of subsidiary’s shares was a 100 million¥ increase year on year;
  4. The impact of changes in the exchange rate was a 100 million¥ increase year on year.
FY18 1Q/FY19 1Q Comparison for Orders, Sales, and Operating Income by Segment

- The Control Segment was a firm.
- Orders were up most significantly in Japan and the Middle East. Orders increased by 4.5 billion ¥ year on year and by 7 billion ¥ year on year excluding impact of exchange rate.
- Sales increased by 2.2 billion ¥ year on year despite a strong yen and by 4.2 billion ¥ excluding the impact of exchange rate.
- Operating income increased by 1.6 billion ¥ year on year due to the impacts of increase in sales and improvement in gross margin.

- In the Measurement Segment, orders increased by 700 million ¥ year on year, and sales increased by 600 million ¥ year on year. Operating income decreased by 300 million ¥ year on year due to the effects of investments for the life innovation business.

- In the Aviation and Other Segment, orders decreased by 3 billion ¥ year on year and sales decreased by 1.4 billion ¥ year on year due to the effect of the transfer of subsidiary’s shares. Operating loss was 200 million ¥ which improved by 500 million ¥ year on year, due to a decrease in expenses related to the jobs with greater development manpower.
Orders and Sales by Region in Control Segment

- Orders increased significantly, mainly India and the Middle East. Sales in Asia, Europe and CIS declined due to the impact of the large projects in the previous year.

- Sales expanded in India and China.
Orders by Industry in Control Segment

- Orders of downstream expanded significantly, increasing 7 billion ¥ from the same period in the previous year.

- Chemical was also firm.

* In the short term, it is easy to be affected by the projects. Please check it over a long period of time.
Current Situation

- As a whole, despite concerns of an economic slowdown, demand for productivity improvement and environmental measures is increasing.
- In addition, Some companies have resumed active CAPEX investment due to a shift to clean energy sources to solve social issues is accelerating.
- The external environment is increasingly uncertain due to trade friction between the United States and China, concerns over a sharp strong yen and geopolitical risks. Currently, there has been no concrete impact on our Company’s earnings, but we will closely monitor the situation.

(Region)
- Orders increased in the Middle East and Japan from our strength. Sales also increased in the Middle East and India.
- We are focusing on the Middle East and Africa.
- The North American market is also going strongly at the present moment and Latin American market is showing signs of improvement.

(Industry)
- There is a lot of activity going on downstream including petrochemicals. Demand in chemicals also appears to have stabilized, and is likely to begin broadening. There are also good signs in “oil to chemical” activities (i.e. the conversion of crude oil to chemicals).
- We also expect continued investment in natural gas, including LNG.
- Although the business environment surrounding our Company has become increasingly uncertain due to trade friction between the United States and China and concerns over a sharp strong yen, there have been no major changes over the past 3 months, and the Company has not revised the FY19 forecast at this stage.
Factors Accounting for Increase/Decrease in FY19 Operating Income (No change)

*No change
FY19 Forecast for Orders, Sales, and Operating Income by Segment (No change)

*No change*
○FY19 Forecast for Orders and Sales by Region in Control Segment (No change)

- Exchange rate fluctuations may affect earnings in some regions, but no changes have been made at this time.
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
Appendix: Quarterly Financial Results

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

Actual results of transferred subsidiary (Aviation and Other segment) in FY18
FY18 1Q Orders: ¥2.7 billion sales: ¥1.8 billion operating income: ¥0.1 billion
FY18 1Q-4Q Orders: ¥7.8 billion sales: ¥7.7 billion operating income: ¥0.3 billion

(Billion ¥)

Orders  Sales  Operating income

Exchange rate (%)

FY17

1Q  111.42
2Q  111.29
3Q  111.77
4Q  110.70

FY18

1Q  109.53
2Q  110.72
3Q  111.34
4Q  111.07

FY19

1Q  109.67

Aug 8, 2019
© Yokogawa Electric Corporation
## Appendix: Non-operating / Extraordinary Income and Expenses

(Billion ¥)

<table>
<thead>
<tr>
<th></th>
<th>FY18 1Q</th>
<th>FY19 1Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>4.8</td>
<td>6.6</td>
</tr>
<tr>
<td>Non-operating income</td>
<td>1.1</td>
<td>1.2</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>0.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>5.6</td>
<td>6.8</td>
</tr>
<tr>
<td>Extraordinary income</td>
<td>0.4</td>
<td>0.9</td>
</tr>
<tr>
<td>Extraordinary expenses</td>
<td>0.0</td>
<td>3.2</td>
</tr>
<tr>
<td>Income before tax</td>
<td>6.0</td>
<td>4.5</td>
</tr>
<tr>
<td>Tax, etc.</td>
<td>2.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td>3.4</td>
<td>2.1</td>
</tr>
</tbody>
</table>

(Effective tax rate) 37.0% 45.3%

- FY19: Foreign exchange losses: ¥0.5 billion
- FY19: Gain on sale of business: ¥0.8 billion
- FY19: Provision for reinforcing measures against soft errors: ¥3.0 billion
Appendix: Order Backlog Trend by Segment

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
<th>FY18 1Q</th>
<th>FY18</th>
<th>FY19 1Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control (Japan)</td>
<td>61.9</td>
<td>62.9</td>
<td>64.9</td>
<td>64.7</td>
<td>71.2</td>
</tr>
<tr>
<td>Control (Outside of Japan)</td>
<td>157.7</td>
<td>151.3</td>
<td>160.9</td>
<td>178.3</td>
<td>180.5</td>
</tr>
<tr>
<td>Measurement</td>
<td>4.1</td>
<td>4.1</td>
<td>4.9</td>
<td>4.3</td>
<td>3.9</td>
</tr>
<tr>
<td>Aviation and Other</td>
<td>17.1</td>
<td>15.3</td>
<td>17.0</td>
<td>6.8</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Exchange rate at end of each period
 FY16: 112.19
 FY17: 106.24
 FY18 1Q: 110.54
 FY18: 110.99
 FY19 1Q: 107.79

(Billion$)

+8.5
+0.2
+2.2
+6.5

Aug 9, 2019
© Yokogawa Electric Corporation
17
Appendix: Trend of R&D Expenses, Depreciation, and CAPEX

- CAPEX is expected to increase slightly due to strategic investments in line with the new mid-term business plan.

<table>
<thead>
<tr>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18 1Q</th>
<th>FY18</th>
<th>FY19 1Q</th>
<th>FY19 forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D expenses</td>
<td>27.5</td>
<td>25.5</td>
<td>25.8</td>
<td>25.8</td>
<td>25.3</td>
<td>27.1</td>
<td>26.6</td>
<td>6.2</td>
<td>26.2</td>
<td>6.2</td>
</tr>
<tr>
<td>(% of sales)</td>
<td>8.2%</td>
<td>7.3%</td>
<td>6.6%</td>
<td>6.4%</td>
<td>6.1%</td>
<td>6.9%</td>
<td>6.5%</td>
<td>7.0%</td>
<td>6.5%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>12.8</td>
<td>13.5</td>
<td>13.0</td>
<td>14.0</td>
<td>15.1</td>
<td>18.0</td>
<td>18.3</td>
<td>4.3</td>
<td>17.7</td>
<td>4.6</td>
</tr>
<tr>
<td>(% of sales)</td>
<td>3.8%</td>
<td>3.9%</td>
<td>3.5%</td>
<td>3.6%</td>
<td>3.6%</td>
<td>4.6%</td>
<td>4.5%</td>
<td>4.8%</td>
<td>4.4%</td>
<td>5.1%</td>
</tr>
<tr>
<td>CAPEX</td>
<td>11.1</td>
<td>13.5</td>
<td>14.0</td>
<td>14.1</td>
<td>14.4</td>
<td>14.2</td>
<td>13.2</td>
<td>2.2</td>
<td>15.0</td>
<td>2.4</td>
</tr>
<tr>
<td>(% of sales)</td>
<td>3.3%</td>
<td>3.9%</td>
<td>3.6%</td>
<td>3.5%</td>
<td>3.7%</td>
<td>3.6%</td>
<td>3.2%</td>
<td>2.4%</td>
<td>3.7%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>
Appendix: Trend of Balance Sheet

Assets

<table>
<thead>
<tr>
<th>FY17</th>
<th>FY18 1Q</th>
<th>FY18</th>
<th>FY19 1Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>448.8</td>
<td>443.4</td>
<td>470.1</td>
<td>465.7</td>
</tr>
<tr>
<td>78.3</td>
<td>85.4</td>
<td>86.5</td>
<td>83.2</td>
</tr>
<tr>
<td>153.6</td>
<td>141.6</td>
<td>171.1</td>
<td>162.7</td>
</tr>
<tr>
<td>32.2</td>
<td>38.1</td>
<td>38.8</td>
<td>39.9</td>
</tr>
<tr>
<td>19.8</td>
<td>12.1</td>
<td>12.1</td>
<td>11.2</td>
</tr>
<tr>
<td>114.2</td>
<td>112.1</td>
<td>109.2</td>
<td>113.4</td>
</tr>
<tr>
<td>50.7</td>
<td>53.6</td>
<td>54.4</td>
<td>55.3</td>
</tr>
</tbody>
</table>

Liabilities and equity

<table>
<thead>
<tr>
<th>FY17</th>
<th>FY18 1Q</th>
<th>FY18</th>
<th>FY19 1Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>448.8</td>
<td>443.4</td>
<td>470.1</td>
<td>465.7</td>
</tr>
<tr>
<td>30.3</td>
<td>30.4</td>
<td>32.3</td>
<td>32.3</td>
</tr>
<tr>
<td>139.7</td>
<td>134.7</td>
<td>141.5</td>
<td>144.1</td>
</tr>
<tr>
<td>43.4</td>
<td>43.4</td>
<td>43.4</td>
<td>43.4</td>
</tr>
<tr>
<td>54.5</td>
<td>54.5</td>
<td>54.6</td>
<td>54.6</td>
</tr>
<tr>
<td>173.5</td>
<td>173.5</td>
<td>191.8</td>
<td>184.9</td>
</tr>
<tr>
<td>6.8</td>
<td>6.9</td>
<td>6.7</td>
<td>6.4</td>
</tr>
</tbody>
</table>

Impact of adoption of IFRS 16 (guidance on accounting of leases)
(Debit) Property, plant and equipment/other +¥7.4 billion
(Credit) Current liabilities/other +¥2.0 billion, non-current liabilities/other +¥5.4 billion

Co-innovating tomorrow™

© Yokogawa Electric Corporation

Aug 8, 2019
Appendix: Solution Portfolio in Control Segment

From “Automation Supplier” to “Trusted Partner”

<table>
<thead>
<tr>
<th>Application</th>
<th>Consulting</th>
<th>Engineering &amp; design</th>
<th>Lifecycle service</th>
<th>System integration</th>
<th>Physical security &amp; cyber security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>Strategy planning</td>
<td>Supply chain optimization</td>
<td>Asset lifecycle optimization</td>
<td>Operational risk management, etc.</td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>Production management</td>
<td>Asset management</td>
<td>Energy management</td>
<td>Quality management, etc.</td>
<td></td>
</tr>
<tr>
<td>Automation</td>
<td>Control systems</td>
<td>Safety systems</td>
<td>Edge controllers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Field Devices</td>
<td>OT sensors</td>
<td>IoT sensors</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Operational Technology & Information Technology

Integrated performance management and process optimization

Value
Insights
Analytics
Data

Aug 8, 2019
© Yokogawa Electric Corporation
Appendix: Trend of Global Sales in Control Segment

Record high sales are expected in the control segment

Operating income to sales ratio

<table>
<thead>
<tr>
<th>Japan</th>
<th>Outside Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.7%</td>
<td>10.1%</td>
</tr>
<tr>
<td>6.3%</td>
<td>+</td>
</tr>
<tr>
<td>7.2%</td>
<td>+</td>
</tr>
<tr>
<td>6.1%</td>
<td>+</td>
</tr>
<tr>
<td>7.2%</td>
<td>8.8%</td>
</tr>
<tr>
<td>7.8%</td>
<td>8.4%</td>
</tr>
<tr>
<td>10.0%</td>
<td>9.3%</td>
</tr>
<tr>
<td>36.7%</td>
<td>34.0%</td>
</tr>
<tr>
<td>30.6%</td>
<td>30.4%</td>
</tr>
<tr>
<td>30.4%</td>
<td>34.0%</td>
</tr>
<tr>
<td>39.0%</td>
<td></td>
</tr>
</tbody>
</table>

Operating income (Billions)

<table>
<thead>
<tr>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>256.8</td>
<td>260.6</td>
<td>277.2</td>
<td>295.7</td>
<td>336.3</td>
<td>358.0</td>
<td>366.7</td>
<td>348.1</td>
<td>363.3</td>
<td>364.8</td>
<td>387.0</td>
</tr>
</tbody>
</table>

Exchange rate (US$) (¥)

<table>
<thead>
<tr>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>92.61</td>
<td>85.13</td>
<td>78.82</td>
<td>83.33</td>
<td>100.67</td>
<td>110.38</td>
<td>119.99</td>
<td>108.95</td>
<td>110.70</td>
<td>111.07</td>
<td>110.00</td>
</tr>
</tbody>
</table>
Appendix: News (from May 9 to August 6)

**May.**
Yokogawa participates in Task Force on Climate-related Financial Disclosures (TCFD) Consortium of Japan

Yokogawa takes strategic stake in Finnish company Sensire Ltd. to collaborate in cold chain monitoring

Jun.

amnimo subsidiary launches *amnimo sense beta*, a package of services covering all the necessary functions for the introduction of IoT solutions

Yokogawa launches ERP solutions business targeting manufacturers in Southeast Asia

Yokogawa participates in Japan-Saudi Vision 2030 Business Forum

Jul.

Yokogawa selected by ExxonMobil to establish OPA test bed as Open Process Automation (OPA) system integrator

Yokogawa releases Sushi Sensor 2 equipment monitoring solution with wireless pressure and temperature sensors

- Enhances plant maintenance by enabling the online collection of pressure and temperature data

Yokogawa releases CENTUM VP R6.07

- Uses field digital technology to improve productivity by expanding the scope of integrated operation monitoring

Aug.

Yokogawa wins bulk order to supply 1,350 pressure transmitters to Argentine national oil company.

- Improves productivity of oil and natural gas upstream processes

Note: The month for each news item indicates when it was published.
Appendix: Yokogawa’s Main ESG Indexes

As of June 2019

Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

FTSE4Good Index Series
MSCI ESG Leaders Indexes
FTSE Blossom Japan Index
MSCI Japan ESG Select Leaders Index
MSCI Japan Empowering Women Index
SNAM Sustainability Index
CDP
S&P/JPX Carbon Efficient Index
Global 100 Most Sustainable Corporations in the World Index

MSCI 2019 Constituent
MSCI ESG Leaders Indexes
MSCI Japan Empowering Women Index (WIN)
MSCI Japan ESG Select Leaders Index

Aug 6, 2019
© Yokogawa Electric Corporation
Appendix: Trend of Stock Price

<table>
<thead>
<tr>
<th></th>
<th>13/3</th>
<th>14/3</th>
<th>15/3</th>
<th>16/3</th>
<th>17/3</th>
<th>18/3</th>
<th>19/3</th>
<th>19/6</th>
<th>19/6/1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yokogawa</td>
<td>946</td>
<td>1,667</td>
<td>1,295</td>
<td>1,163</td>
<td>1,752</td>
<td>2,198</td>
<td>2,291</td>
<td>2,112</td>
<td>1,972</td>
</tr>
<tr>
<td>TOPIX</td>
<td>1,035</td>
<td>1,203</td>
<td>1,543</td>
<td>1,347</td>
<td>1,512</td>
<td>1,716</td>
<td>1,592</td>
<td>1,551</td>
<td>1,567</td>
</tr>
</tbody>
</table>

Co-Innovating tomorrow™
Disclaimer

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.

The copyright to all materials in this document is held by Yokogawa.

No part of this document may be reproduced or distributed without the prior permission of the copyright holder.

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."

IR Sec., Treasury & IR Department
Yokogawa Electric Corporation
Email: Yokogawa_Electric_IR6841@cs.jp.yokogawa.com
Phone: +81-422-52-6845
URL: https://www.yokogawa.com/about/ir/