

Consolidated Financial Results for the First Three Quarters of the Fiscal Year Ending March 31, 2020 (Japan GAAP)

February 4, 2020

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: Hitoshi Nara, President and Chief Executive Officer
 Name and Position of Person in Charge: Hirohiko Nakatani, Department Manager of Treasury & IR Department
 Telephone Number: +81-422-52-6845
 Planned Quarterly Report Filing Date: February 5, 2020
 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 three quarters of the year ending March 31, 2020 (April 1-December 31, 2019)

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

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

| | Net Sales | | Operating Profit | | Ordinary Profit | | Profit Attributable to Owners of Parent | |
|--|-----------------|-----|------------------|------|-----------------|------|---|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| For first three quarters of year ending March 31, 2020 | 297,345 | 0.7 | 28,149 | 12.1 | 28,196 | 8.2 | 12,480 | (34.5) |
| For first three quarters of year ended March 31, 2019 | 295,280 | 0.4 | 25,117 | 22.2 | 26,064 | 26.9 | 19,060 | 119.5 |

(Note) Comprehensive income: For first three quarters of year ending March 31, 2020 12,147 million yen [(22.1)%]
 For first three quarters of year ended March 31, 2019 15,595 million yen [(14.0)%]

| | Basic Earnings per Share | Diluted Earnings per Share |
|--|--------------------------|----------------------------|
| | Yen | Yen |
| For first three quarters of year ending March 31, 2020 | 46.76 | – |
| For first three quarters of year ended March 31, 2019 | 71.38 | – |

(2) Financial conditions on a consolidated basis

| | Total Assets | Net Assets | Shareholders’ Equity Ratio |
|-------------------------|-----------------|-----------------|----------------------------|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2019 | 470,296 | 297,944 | 62.0 |
| As of March 31, 2019 | 470,114 | 296,150 | 61.7 |

(Reference) Shareholders’ equity: As of December 31, 2019: 291,479 million yen As of March 31, 2019: 289,859 million yen

2. Dividend status

| | Dividends per Share | | | | |
|---|---------------------|--------------|-------------|---------------|-------|
| | June 30 | September 30 | December 31 | End of Period | Total |
| | Yen | Yen | Yen | Yen | Yen |
| For year ended March 31, 2019 | – | 15.00 | – | 17.00 | 32.00 |
| For year ending March 31, 2020 | – | 17.00 | – | | |
| For year ending March 31, 2020 (forecast) | | | | 17.00 | 34.00 |

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

3. Business forecast for the year ending March 31, 2020 (April 1, 2019-March 31, 2020)

(Percentages show the change from the previous year.)

| | Net Sales | | Operating Profit | | Ordinary Profit | | Profit Attributable to Owners of Parent | | Basic Earnings per Share |
|-----------|-----------------|-----|------------------|-----|-----------------|-----|---|--------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 408,000 | 1.1 | 38,000 | 9.8 | 38,000 | 3.3 | 18,000 | (36.7) | 67.43 |

(Note) Adjustment on consolidated business forecast in this quarter: Yes

The Company’s net sales and operating profit tend to increase in the second and fourth quarters, and this is particularly the case with the industrial automation and control business in Japan.

<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 in accounting policies accompanying revisions to accounting standards: | No | Yes |
| b. Changes in accounting policies due to reasons 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 shares) | | |
| As of December 31, 2019 | 268,624,510 shares | |
| As of March 31, 2019 | 268,624,510 shares | |
| b. Treasury shares at the end of the period | | |
| As of December 31, 2019 | 1,690,611 shares | |
| As of March 31, 2019 | 1,689,149 shares | |
| c. Average number of shares in the period (accumulated quarterly period) | | |
| For the first three quarters of the year ending March 31, 2020 | 266,934,513 shares | |
| For the first three quarters of the year ended March 31, 2019 | 267,033,032 shares | |

Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

Note concerning appropriate use of business forecasts, etc.

The above forecasts are based on the information available as of the release date of this document and on the assumptions as of the same date regarding uncertain factors that may have an effect on future performance. Actual performance may vary greatly due to a variety of factors. For premises underlying the assumptions for business forecasts and cautions concerning the use of business forecasts, please refer to “1. Qualitative Information on Quarterly Consolidated Financial Results (3) Explanation of consolidated business forecast and other expectations” on page 5.

The Company plans to hold a quarterly financial results presentation meeting for institutional investors via telephone conference on February 4, 2020. The Company also plans to promptly post to its website the materials that are used at the meeting.

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1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Explanation of business results

For the first three quarters of the current fiscal year (April 1, 2019 to December 31, 2019), the Yokogawa Group (“the Group”) implemented the three basic strategies of “transformation of existing businesses,” “creation of new businesses and transformation of business model,” and “improvement of productivity through Group-wide optimization,” based on the “Transformation 2020” mid-term business plan, which is now in its second year, and has been working on “consolidating the foundation for growth” and “creating opportunity for growth” while utilizing digital technology.

In terms of the Group’s business performance during the first three quarters of the current fiscal year, revenue and operating profit both increased year on year mainly because the industrial automation and control business was firm, despite the impact of the transfer of its subsidiaries and exchange rate fluctuations. Net sales were robust, particularly overseas, increasing 2.0 billion yen year on year. Operating profit was up 3.0 billion yen year on year on account of increased revenues and improvements in the gross profit margin ratio. However, profit attributable to owners of parent decreased 6.5 billion yen year on year mainly because 3.0 billion yen of provision for reinforcing measures against soft errors in the first quarter and 5.6 billion yen of impairment loss including goodwill in the third quarter were recorded as extraordinary losses, despite the recording of gain on sales of shares of subsidiaries and associates, and gain on sale of businesses, as extraordinary income.

Business results are as follows.

Unit: billion yen

| | First three quarters of FY2018 | First three quarters of FY2019 | Difference | Change |
|--|-----------------------------------|-----------------------------------|------------|---------|
| Net Sales | 295.280 | 297.345 | 2.065 | 0.7% |
| Operating Profit | 25.117 | 28.149 | 3.031 | 12.1% |
| Ordinary Profit | 26.064 | 28.196 | 2.132 | 8.2% |
| Profit Attributable to Owners of Parent | 19.060 | 12.480 | (6.579) | (34.5)% |
| (Reference) Average rate to 1 U.S. dollar (Yen) | 111.34 | 108.90 | (2.44) | - |

Results by individual segment are outlined below.

<Industrial Automation and Control Business>

Unit: billion yen

| | First three quarters of FY2018 | First three quarters of FY2019 | Difference | Change |
|------------------|-----------------------------------|-----------------------------------|------------|--------|
| Net Sales | 265.654 | 271.647 | 5.992 | 2.3% |
| Operating Profit | 24.756 | 26.709 | 1.953 | 7.9% |

Net sales for the industrial automation and control business segment increased 5.9 billion yen year on year mainly due to robust operating performance particularly overseas. Operating profit rose 1.9 billion yen year on year mainly due to the rise in revenue and the improvements in the gross profit margin ratio.

<Test and Measurement Business>

Unit: billion yen

| | First three quarters of FY2018 | First three quarters of FY2019 | Difference | Change |
|------------------|-----------------------------------|-----------------------------------|------------|--------|
| Net Sales | 16.107 | 18.556 | 2.449 | 15.2% |
| Operating Profit | 1.299 | 1.522 | 0.223 | 17.2% |

In the test and measurement business segment, the measuring instruments business and the life innovation business were firm, which led to both increased revenue and profit.

<Aviation and Other Businesses>

Unit: billion yen

| | First three quarters of FY2018 | First three quarters of FY2019 | Difference | Change |
|------------------|-----------------------------------|-----------------------------------|------------|---------|
| Net Sales | 13.518 | 7.142 | (6.376) | (47.2)% |
| Operating Profit | (0.938) | (0.083) | 0.854 | — |

In the aviation and other businesses segment, the transfer of subsidiaries led net sales to decrease significantly but due to improvements in the gross profit margin ratio, etc., the profit increased.

(2) Explanation of financial conditions

In comparison to March 31, 2019, total assets as of December 31, 2019, were up 0.1 billion yen to 470.2 billion yen, on account of an increase in other in property, plant and equipment due to the application of IFRS 16 (Leases) as stipulated in “Changes in accounting policies,” despite decreases in cash and deposits, and goodwill, etc. owing to the recognition of impairment loss.

In addition, total liabilities were 172.3 billion yen, down 1.6 billion yen compared to March 31, 2019, due to decreases in accounts payable – other, and notes and accounts payable – trade, despite an increase in other non-current liabilities following the application of IFRS 16 (Leases).

As of December 31, 2019, net assets were 297.9 billion yen, up 1.7 billion yen compared to March 31, 2019, due mainly to the recognition of profit attributable to owners of parent.

As a result, the shareholders’ equity ratio was 62.0%, up 0.3 percentage points from the end of the previous fiscal year.

(3) Explanation of consolidated business forecast and other expectations

The consolidated business forecast for the year ending March 31, 2020 has been revised as follows from the full-year consolidated business forecast announced on May 8, 2019, due mainly to the recording of 5.6 billion yen of impairment loss including goodwill and the revision of the exchange rate assumption.

For the details, please refer to the “Notice Regarding the Recording of Extraordinary Losses (Impairment Loss) and Adjustments to the Consolidated Business Forecast for the Year Ending March 31, 2020” announced today (February 4, 2020).

The Company’s net sales and operating profit tend to increase in the second and fourth quarters, and this is particularly the case with the industrial automation and control business in Japan.

<Exchange rate assumption and consolidated business forecast for fiscal year ending March 31, 2020>

| | Previously announced forecast (May 8, 2019) | Revised forecast (February 4, 2020) |
|-------------------------------|--|--|
| Average rate to 1 U.S. dollar | 110 yen | 109 yen |
| Average rate to 1 euro | 130 yen | 121 yen |

The following compares the full-year consolidated business forecast announced on May 8, 2019 with the revised forecast that is to be announced on February 4, 2020.

| | Net Sales | Operating Profit | Ordinary Profit | Profit Attributable to Owners of Parent | Basic Earnings per Share |
|--|--------------------------|-------------------------|-------------------------|--|-----------------------------|
| Previously announced forecast (A) | Billions of yen 420.0 | Billions of yen 40.0 | Billions of yen 40.0 | Billions of yen 29.0 | Yen 108.64 |
| Revised forecast (B) | 408.0 | 38.0 | 38.0 | 18.0 | 67.43 |
| Difference (B) - (A) | (12.0) | (2.0) | (2.0) | (11.0) | – |
| Change (%) | (2.9) | (5.0) | (5.0) | (37.9) | – |
| (Reference) Results for fiscal year ended March 31, 2019 | 403.7 | 34.6 | 36.8 | 28.4 | 106.54 |

(Reference) Consolidated business forecast by segment

<Orders received>

Unit: billion yen

| | Previously announced forecast (May 8, 2019) | Revised forecast (February 4, 2020) | Difference |
|---|--|--|------------|
| Industrial automation and control business | 400.0 | 385.5 | down 14.5 |
| Test and measurement business | 24.0 | 26.0 | up 2.0 |
| Aviation and other businesses | 6.0 | 6.5 | up 0.5 |
| Total | 430.0 | 418.0 | down 12.0 |

<Net sales>

Unit: billion yen

| | Previously announced forecast (May 8, 2019) | Revised forecast (February 4, 2020) | Difference |
|---|--|--|------------|
| Industrial automation and control business | 387.0 | 373.5 | down 13.5 |
| Test and measurement business | 24.0 | 25.0 | up 1.0 |
| Aviation and other businesses | 9.0 | 9.5 | up 0.5 |
| Total | 420.0 | 408.0 | down 12.0 |

<Operating Profit>

Unit: billion yen

| | Previously announced forecast (May 8, 2019) | Revised forecast (February 4, 2020) | Difference |
|---|--|--|------------|
| Industrial automation and control business | 39.0 | 36.0 | down 3.0 |
| Test and measurement business | 1.5 | 2.2 | up 0.7 |
| Aviation and other businesses | (0.5) | (0.2) | up 0.3 |
| Total | 40.0 | 38.0 | down 2.0 |

<Cautions concerning the use of business forecasts>

As the above business forecast is based on certain assumptions judged by the Company to be reasonable at present, actual business results may differ.

The main factors that may cause changes in the results are as follows.

- Changes in foreign exchange rates, particularly the U.S. dollar, the euro, Asian currencies, and the currencies of the Middle East
- Sudden changes in the price of crude oil
- Sudden changes in the political and economic situation in major markets
- Geopolitical risks in the Middle East and East Asia, etc.
- Changes in the business environment such as revisions to trade regulations
- Dramatic shifts in product supply and demand in the market
- Changes in Japanese share prices
- Protection of the Company's patents and the licensing of patents held by other companies
- M&A and business alliances with other companies for purposes such as product development
- Occurrences of natural disasters such as earthquakes, floods, and tsunamis

2. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

| | Millions of yen | |
|---------------------------------------|--|--|
| | (Reference) End of FY2018 (March 31, 2019) | End of FY2019 3rd quarter (December 31, 2019) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 86,515 | 72,503 |
| Notes and accounts receivable - trade | 171,084 | 177,983 |
| Merchandise and finished goods | 13,092 | 14,798 |
| Work in process | 9,126 | 8,822 |
| Raw materials and supplies | 14,622 | 15,890 |
| Other | 16,250 | 19,735 |
| Allowance for doubtful accounts | (4,130) | (4,010) |
| Total current assets | 306,560 | 305,723 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 45,721 | 44,196 |
| Other, net | 29,420 | 39,566 |
| Total property, plant and equipment | 75,141 | 83,763 |
| Intangible assets | | |
| Software | 15,798 | 14,112 |
| Goodwill | 6,608 | 2,162 |
| Other | 11,650 | 8,918 |
| Total intangible assets | 34,057 | 25,193 |
| Investments and other assets | | |
| Investment securities | 42,550 | 45,793 |
| Other | 13,820 | 11,808 |
| Allowance for doubtful accounts | (2,016) | (1,987) |
| Total investments and other assets | 54,354 | 55,615 |
| Total non-current assets | 163,553 | 164,572 |
| Total assets | 470,114 | 470,296 |

(Millions of yen)

| | (Reference) End of FY2018 (March 31, 2019) | End of FY2019 3rd quarter (December 31, 2019) |
|--|--|--|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 25,130 | 24,540 |
| Electronically recorded obligations - operating | 9,966 | 9,154 |
| Short-term borrowings | 13,832 | 26,064 |
| Accounts payable - other | 13,530 | 9,122 |
| Income taxes payable | 4,332 | 4,069 |
| Advances received | 36,891 | 37,583 |
| Provision for bonuses | 15,538 | 9,886 |
| Provision for loss on construction contracts | 7,806 | 6,311 |
| Provision for reinforcing measures against soft errors | – | 701 |
| Other | 20,639 | 23,708 |
| Total current liabilities | 147,669 | 151,143 |
| Non-current liabilities | | |
| Long-term borrowings | 18,670 | 4,168 |
| Retirement benefit liability | 4,050 | 4,150 |
| Provision for reinforcing measures against soft errors | – | 2,165 |
| Other | 3,572 | 10,724 |
| Total non-current liabilities | 26,293 | 21,208 |
| Total liabilities | 173,963 | 172,351 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 43,401 | 43,401 |
| Capital surplus | 54,602 | 54,386 |
| Retained earnings | 193,468 | 196,873 |
| Treasury shares | (1,397) | (1,400) |
| Total shareholders' equity | 290,074 | 293,260 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 9,431 | 10,257 |
| Deferred gains or losses on hedges | 20 | 9 |
| Foreign currency translation adjustment | (8,314) | (10,727) |
| Remeasurements of defined benefit plans | (1,351) | (1,320) |
| Total accumulated other comprehensive income | (214) | (1,781) |
| Non-controlling interests | 6,290 | 6,464 |
| Total net assets | 296,150 | 297,944 |
| Total liabilities and net assets | 470,114 | 470,296 |

(2) Consolidated quarterly statements of income and statements of comprehensive income
Consolidated quarterly statements of income for the first three quarters of FY2019

(Millions of yen)

| | (Reference) First three quarters of FY2018 (April 1-December 31, 2018) | First three quarters of FY2019 (April 1-December 31, 2019) |
|---|--|---|
| Net sales | 295,280 | 297,345 |
| Cost of sales | 166,591 | 163,563 |
| Gross profit | 128,688 | 133,782 |
| Selling, general and administrative expenses | 103,571 | 105,633 |
| Operating profit | 25,117 | 28,149 |
| Non-operating income | | |
| Interest income | 519 | 394 |
| Dividend income | 548 | 631 |
| Share of profit of entities accounted for using equity method | 793 | 1,107 |
| Other | 628 | 659 |
| Total non-operating income | 2,489 | 2,792 |
| Non-operating expenses | | |
| Interest expenses | 303 | 460 |
| Foreign exchange losses | 613 | 1,065 |
| Other | 626 | 1,219 |
| Total non-operating expenses | 1,543 | 2,745 |
| Ordinary profit | 26,064 | 28,196 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 21 | 416 |
| Gain on sales of investment securities | 718 | 13 |
| Gain on sales of shares of subsidiaries and associates | 1,804 | 1,468 |
| Gain on sale of businesses | – | *1 823 |
| Total extraordinary income | 2,544 | 2,722 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | 5 | 12 |
| Loss on retirement of non-current assets | 195 | 164 |
| Impairment loss | – | *2 5,655 |
| Loss on sales of investment securities | 2 | – |
| Loss on valuation of investment securities | – | 46 |
| Provision for reinforcing measures against soft errors | – | *3 3,049 |
| Total extraordinary losses | 203 | 8,927 |
| Profit before income taxes | 28,405 | 21,991 |
| Income taxes - current | 7,490 | 6,666 |
| Income taxes - deferred | 589 | 1,505 |
| Total income taxes | 8,080 | 8,171 |
| Profit | 20,325 | 13,819 |
| Profit attributable to non-controlling interests | 1,265 | 1,338 |
| Profit attributable to owners of parent | 19,060 | 12,480 |

Consolidated quarterly statements of comprehensive income for the first three quarters of FY2019

(Millions of yen)

| | (Reference) First three quarters of FY2018 (April 1-December 31, 2018) | First three quarters of FY2019 (April 1-December 31, 2019) |
|--|--|---|
| Profit | 20,325 | 13,819 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (4,078) | 789 |
| Deferred gains or losses on hedges | 47 | (10) |
| Foreign currency translation adjustment | (605) | (2,408) |
| Remeasurements of defined benefit plans, net of tax | (66) | 29 |
| Share of other comprehensive income of entities accounted for using equity method | (27) | (72) |
| Total other comprehensive income | (4,729) | (1,672) |
| Comprehensive income | 15,595 | 12,147 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 14,498 | 10,914 |
| Comprehensive income attributable to non- controlling interests | 1,097 | 1,232 |

(3) Notes on consolidated quarterly financial statements

Notes for going concern

Not applicable

Consolidated quarterly statements of income

*1 Gain on sale of businesses

This gain relates to the transfer of the plastic vortex flow sensors business.

*2 Impairment loss

An impairment loss was recorded for the following asset groups during the first three quarters of the current fiscal year.

Millions of yen

| Location | Use | Category | Impairment loss |
|----------------|-----------------|-------------------------|-----------------|
| United Kingdom | Business assets | Goodwill | 2,927 |
| | | Other intangible assets | 1,591 |
| United States | Business assets | Goodwill | 1,015 |
| | | Other intangible assets | 120 |
| | | Total | 5,655 |

The Group's business assets are grouped based on management accounting classification.

The book values mainly with respect to the goodwill arising at the time of acquisition of shares of the U.K. based consolidated subsidiary, KBC Advanced Technologies Limited and the U.S. based consolidated subsidiary, Soteica Visual Mesa, Limited Liability Company were reduced to their respective recoverable amounts and the amount of said reductions have been recorded as impairment losses on account of the business results of these companies falling below the initially forecasted business plans due to the impact of changes in the business environments surrounding each company.

The recoverable amounts for the said asset groups are measured by value in use and are calculated by discounting future cash flows at a rate of 10%.

*3 Provision for reinforcing measures against soft errors

This provision is the amount of projected expenses incurred with the reinforcement of soft error measures and support for customers.

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

Changes in accounting policies

The Group's consolidated subsidiaries outside Japan have adopted IFRS 16 (Leases) from the first quarter of the fiscal year ending March 31, 2020. Due to the application of this accounting standard, for lease transactions as a lessee, in principle, along with recognizing right-of-use assets and lease liabilities, the Group is recording the depreciation of the right-of-use assets and interest expenses related to the lease liabilities.

As a result, as of the end of the third quarter of the fiscal year ending March 31 2020, other in property, plant and equipment increased by 9,352 million yen, other current liabilities increased by 2,112 million yen, and other non-current liabilities increased by 7,112 million yen. The impact of this change on the consolidated quarterly statements of income is insignificant. In the application of IFRS 16, the Group has adopted the method where the cumulative effect of applying this standard is recognized at the date of initial application, subject to the transitional treatment.

Segment information

Segment sales and profits (losses)

Millions of yen

| | | (Reference) First three quarters of FY2018 (April 1-December 31, 2018) | First three quarters of FY2019 (April 1-December 31, 2019) | Change |
|---|-------------------------------------|--|---|---------|
| Industrial automation and control | Net sales to unaffiliated customers | 265,654 | 271,647 | 5,992 |
| | Operating profit (loss) | 24,756 | 26,709 | 1,953 |
| Test and measurement | Net sales to unaffiliated customers | 16,107 | 18,556 | 2,449 |
| | Operating profit (loss) | 1,299 | 1,522 | 223 |
| Aviation and other | Net sales to unaffiliated customers | 13,518 | 7,142 | (6,376) |
| | Operating profit (loss) | (938) | (83) | 854 |
| Amount on consolidated statements of income | Net sales to unaffiliated customers | 295,280 | 297,345 | 2,065 |
| | Operating profit (loss) | 25,117 | 28,149 | 3,031 |

[Reference]

Sales by geographical location

Millions of yen

| | (Reference) First three quarters of FY2018 (April 1-December 31, 2018) | | First three quarters of FY2019 (April 1-December 31, 2019) | | Change |
|------------------------------|--|--------------------------|---|--------------------------|---------|
| | Amount | Composition ratio (%) | Amount | Composition ratio (%) | Amount |
| Japan | 89,511 | 30.3 | 87,480 | 29.4 | (2,031) |
| Outside Japan | 205,768 | 69.7 | 209,865 | 70.6 | 4,097 |
| Southeast Asia, Far East | 53,930 | 18.3 | 50,137 | 16.9 | (3,793) |
| China | 36,029 | 12.2 | 37,695 | 12.7 | 1,666 |
| India | 8,779 | 3.0 | 11,540 | 4.0 | 2,760 |
| Europe | 24,920 | 8.4 | 23,858 | 8.0 | (1,062) |
| Russia | 14,808 | 5.0 | 14,968 | 5.0 | 160 |
| North America | 23,714 | 8.0 | 24,494 | 8.2 | 780 |
| Middle East, Africa | 37,189 | 12.6 | 40,558 | 13.6 | 3,369 |
| Central and South America | 6,396 | 2.2 | 6,612 | 2.2 | 216 |
| Consolidated net sales | 295,280 | 100.0 | 297,345 | 100.0 | 2,065 |

[Reference]

February 4, 2020
Yokogawa Electric Corporation

Consolidated Financial Statements for the First Three Quarters of FY2019

Millions of yen

| | First three quarters of FY2018 | | First three quarters of FY2019 | | Change | |
|---|--------------------------------|--------------------|--------------------------------|--------------------|-------------|--------------------|
| | Amount | Ratio to net sales | Amount | Ratio to net sales | Amount | Ratio to net sales |
| Net Sales | 295,280 | – | 297,345 | – | 2,065 | – |
| Operating Profit | 25,117 | 8.5% | 28,149 | 9.5% | 3,031 | 1.0% |
| Ordinary Profit | 26,064 | 8.8% | 28,196 | 9.5% | 2,132 | 0.7% |
| Profit Attributable to Owners of Parent | 19,060 | 6.5% | 12,480 | 4.2% | (6,579) | (2.3)% |
| Total Assets | 444,154 | | 470,296 | | 26,141 | |
| Net Assets | 285,943 | | 297,944 | | 12,000 | |
| Return on Equity | 6.9% | | 4.3% | | (2.6)% | |
| Basic Earnings per Share | 71.38 yen | | 46.76 yen | | (24.62) yen | |
| Capital Investment | 8,401 | | 13,260 | | 4,859 | |
| Depreciation | 12,667 | | 13,985 | | 1,318 | |
| Research and Development Expenses | 19,646 | | 20,410 | | 764 | |
| Average Exchange Rate During the Period (USD) | 111.34 yen | | 108.90 yen | | (2.44) yen | |

Consolidated orders by segment

Millions of yen

| | First three quarters of FY2018 | First three quarters of FY2019 | FY2019 full year (forecast) |
|--|--------------------------------|--------------------------------|-----------------------------|
| Industrial automation and control business | 278,073 | 282,952 | 385,500 |
| Test and measurement business | 17,117 | 20,037 | 26,000 |
| Aviation and other businesses | 13,706 | 5,456 | 6,500 |
| Total | 308,897 | 308,446 | 418,000 |

Consolidated net sales by segment

Millions of yen

| | First three quarters of FY2018 | First three quarters of FY2019 | FY2019 full year (forecast) |
|--|--------------------------------|--------------------------------|-----------------------------|
| Industrial automation and control business | 265,654 | 271,647 | 373,500 |
| Test and measurement business | 16,107 | 18,556 | 25,000 |
| Aviation and other businesses | 13,518 | 7,142 | 9,500 |
| Total | 295,280 | 297,345 | 408,000 |

Consolidated operating profit by segment

Millions of yen

| | First three quarters of FY2018 | First three quarters of FY2019 | FY2019 full year (forecast) |
|--|--------------------------------|--------------------------------|-----------------------------|
| Industrial automation and control business | 24,756 | 26,709 | 36,000 |
| Test and measurement business | 1,299 | 1,522 | 2,200 |
| Aviation and other businesses | (938) | (83) | (200) |
| Total | 25,117 | 28,149 | 38,000 |