

Name of Listed Company: Yokogawa Electric Corporation

(URL: <http://www.yokogawa.com>) (Stock code: 6841, listed in TSE 1st section)

Name and Position of the Representative:

Shuzo Kaihori, President and Chief Executive Officer

Name and Position of the Person in Charge:

Hikaru Kikkawa, General Manager of Public Relations and Investor Relations

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November 9, 2010

Announcement on Differences between FY2010 1st Half Forecast and Consolidated Financial Results and on Revision of Financial Forecasts for FY2010

Yokogawa Electric Corporation (the “Company” herein) is notifying you of differences between the FY2010 1st half forecast announced on August 10, 2010 and the consolidated financial results. The Company also is notifying you of a revision to the financial forecast for FY2010 that was announced on May 14, 2010.

1. Differences between FY2010 1st half forecast and consolidated financial results

Unit: million yen

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share(¥)
Original forecast announced on August 10, 2010 (A)	154,000	2,000	0	(3,000)	(11.65)
Results (B)	153,341	3,871	1,844	(3,489)	(13.55)
Difference (B)-(A)	(659)	1,871	1,844	(489)	(1.9)
Difference (%)	-0.4%	93.6%	—	—	—
(Reference) Financial results for 1 st half of FY09	150,655	(2,380)	(4,102)	(14,535)	(56.43)

Reasons for the difference

The improved operating income is mainly due to better than expected results in reducing fixed costs and improving gross margin. As a result, both ordinary income and operating income were improved. At the same time, the quarterly net loss increased mainly due to a loss on the valuation of investment securities.

2. Revision to forecast of consolidated results for FY2010

Unit: million yen

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share(¥)
Original forecast announced on May 14, 2010 (A)	335,000	8,000	5,000	0	0
Revised forecast announced on November 9, 2010 (B)	328,000	11,000	8,000	(2,500)	(9.71)
Difference (B)-(A)	(7,000)	3,000	3,000	(2,500)	(9.71)
Difference (%)	-2.1%	37.5%	60.0%	—	—
(Reference) Financial results for FY09	316,606	2,619	239	(14,799)	(57.45)

Note: As the full-year consolidated business forecast, the Company assumes an exchange rate of 1\$ = 85 yen and 1€ = 110 yen.

Reasons for the revision

Our business forecast of May 14, 2010 for the consolidated fiscal year ending March 2011 has been revised as follows.

The sales forecast has been revised downward by 7.0 billion yen, due to an upward revision in the sales forecast for Other Businesses by 2.0 billion yen and downward revisions for the Industrial Automation and Control Business and Test and Measurement Business by 5.0 billion yen and 4.0 billion yen, respectively. The forecasts for both operating income and ordinary income have been revised upward by 3.0 billion yen as the actual operating income in the first two quarters of the current fiscal year exceeded the original forecast. The net income forecast has been revised downward by 2.5 billion yen. This is mainly due to a 2.6 billion yen unrealized loss on investment securities recorded in the second quarter of the current consolidated fiscal year as well as 2.5 billion yen in extraordinary losses that are expected as the result of the solicitation of applications for the Expanded Second-life Program, a restructuring loss, and other expenses that are to be incurred in the second half.

By individual segment, with the Industrial Automation and Control Business we expect to see active energy-related investments outside Japan. However, as the USD/JPY exchange rate used for the full-year consolidated business forecast has been revised from 90 yen to 85 yen, we have left the orders forecast unchanged. The sales forecast has been revised downward by 5.0 billion yen due to the expected stronger yen. The operating income forecast, however, has been revised upward by 1.0 billion yen as a result of a decrease in expenses which is expected to more than offset the adverse effects of a decrease in net sales and a stronger yen. As for the Test and Measurement Business, although we expect an increase in sales for measuring instruments, we expect a decrease in semiconductor tester sales. As a result, we have revised downward the forecasts for overall orders and sales by 4.0 billion yen each. Meanwhile, we have revised upward the forecast for operating income by 1.0 billion yen because the reduction in expenses is expected to more than offset the decrease in sales. As for Other Businesses, we have revised upward the forecasts for orders, net sales, and operating income by 4.0 billion yen, 2.0 billion yen, and 1.0 billion yen, respectively, as the actual results of the aircraft-related businesses for the first two quarters of the current fiscal year surpassed the original estimates.

Reference

1. Order forecast by segment

Unit: billion yen

Segment	Full year		
	Previous forecast	Revised forecast	Difference
Industrial Automation and Control Business	272.0	272.0	0.0
Test and Measurement Business	43.0	39.0	(4.0)
Other Businesses	25.0	29.0	4.0
Total	340.0	340.0	0.0

2. Sales forecast by segment

Unit: billion yen

Segment	Full year		
	Previous forecast	Revised forecast	Difference
Industrial Automation and Control Business	267.0	262.0	(5.0)
Test and Measurement Business	43.0	39.0	(4.0)
Other Businesses	25.0	27.0	2.0
Total	335.0	328.0	(7.0)

3. Operating income forecast by segment

Unit: billion yen

Segment	Full year		
	Previous forecast	Revised forecast	Difference
Industrial Automation and Control Business	15.0	16.0	1.0
Test and Measurement Business	(7.0)	(6.0)	1.0
Other Businesses	0.0	1.0	1.0
Total	8.0	11.0	3.0