

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:

Yuusuke Ichinose, General Manager of Public Relations and Investor Relations

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May 8, 2008

Revision of Financial Forecast for FY07 (the fiscal year ended March 31, 2008)

We are notifying you of a revision to the forecast of our consolidated and non-consolidated results for FY07 that was announced on October 31, 2007.

1. Revision to forecast of consolidated results for FY07 (April 1, 2007 to March 31, 2008)

Unit: million yen

	Net Sales	Operating Income	Ordinary Income	Net Income
Original forecast announced on October 31, 2007 (A)	450,000	31,000	24,000	12,000
Revised forecast announced on May 8, 2008 (B)	437,440	27,410	16,450	11,660
Difference (B)-(A)	(12,560)	(3,590)	(7,550)	(340)
Difference (%)	-2.8%	-11.6%	-31.5%	-2.8%
Financial results for fiscal year 2006	433,405	29,274	29,616	12,563

2. Revision to forecast of non-consolidated results for FY07

Unit: million yen

	Net Sales	Operating Income	Ordinary Income	Net Income
Original forecast announced on October 31, 2007 (A)	250,000	11,000	9,000	5,000
Revised forecast announced on May 8, 2008 (B)	238,780	3,980	(2,420)	(2,130)
Difference (B)-(A)	(11,220)	(7,020)	(11,420)	(7,130)
Difference (%)	-4.5%	-63.8%	-	-
Financial results for fiscal year 2006	239,399	10,605	14,946	5,039

3. Reasons for the revision

[Consolidated results]

The sales forecast has been revised downward by 12.5 billion yen to 437.4 billion yen. Although sales for the core industrial automation and control business are up over the previous year as the result of active investment in energy related projects worldwide, the increase fell below our original forecast. Another reason for the revision was a decline in sales for the measurement business that can be attributed to restrained investment in the semiconductor test system market.

The operating income forecast has been revised downward by 3.5 billion yen to 27.4 billion yen because of the lower sales. The ordinary income forecast has also been revised downward by 7.5 billion yen to 16.4 billion yen as the result of the downward revision for operating income, a 5.5 billion yen loss from disposal of inventory, and an exchange loss of 4.5 billion yen due to the sharp increase in the value of the yen. The net income forecast has been revised downward by 0.3 billion yen to 11.6 billion yen.

The decrease in the net income forecast is smaller than that for ordinary income due to a decrease in corporate tax that can be attributed to a decrease in net income before income tax and an expected recognition of deferred tax assets by a subsidiary.

[Non-consolidated results]

The sales forecast has been revised downward by 11.2 billion yen to 238.7 billion yen while that for operating income has been revised downward by 7 billion yen to 3.9 billion yen. The ordinary income forecast has been revised downward by 11.4 billion yen to an ordinary loss of 2.4 billion yen. The net income forecast has also been revised downward by 7.1 billion yen to a net loss of 2.1 billion yen.

Note: 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.

Reference

1. Order forecast by business segment

Unit: Billion yen

Business Segment	Previous Forecast*	Revised Forecast	Difference
Control	356.0	343.2	(12.8)
Measurement	70.0	67.6	(2.4)
New and others	44.0	44.3	0.3
Total	470.0	455.1	(14.9)

2. Sales forecast by business segment

Unit: Billion yen

Business Segment	Previous Forecast*	Revised Forecast	Difference
Control	332.0	322.2	(9.8)
Measurement	71.0	68.8	(2.2)
New and others	47.0	46.4	(0.6)
Total	450.0	437.4	(12.6)

3. Operating income forecast by business segment

Unit: Billion yen

Business Segment	Previous Forecast*	Revised Forecast	Difference
Control	43.0	39.1	(3.9)
Measurement	(2.0)	(2.0)	0.0
New and others	(10.0)	(9.7)	0.3
Total	31.0	27.4	(3.6)

* The previous forecasts for the business segments were included in the financial statements disclosed on TD-Net on January 31, 2008.