



Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2009

August 12, 2008

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: Shuzo Kaihori, President and Chief Executive Officer

Name and Position of Person in Charge: Yuusuke Ichinose, General Manager of Public Relations & Investor Relations Dept.

Telephone Number: +81-422-52-5530

Planned Date to File Quarterly Report: August 12, 2008

(Any amount less than one million yen is disregarded.)

1. Consolidated business results for the first quarter of the year ending March 31, 2009 (April 1-June 30, 2008)

(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 the 1 st quarter of the year ending March 2009	83,538	0.1	(4,311)	--	(3,531)	--	(1,796)	--
For the 1 st quarter of the year ended March 2008	83,482	20.0	(423)	--	(71)	--	(315)	--

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
For the 1 st quarter of the year ending March 2009	(6.97)	--
For the 1 st quarter of the year ended March 2008	(1.20)	--

(2) Financial conditions on a consolidated basis

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	Million yen	Million yen	%	Yen
For the 1 st quarter of the year ending March 2009	435,956	227,778	51.3	867.67
For the year ended March 2008	444,644	224,844	49.6	856.72

(Note)

Shareholders' equity

For the 1st quarter of the year ending March 2009

223.493 billion yen

For the year ended March 2008

220.674 billion yen

2. Dividend status

(Record date)	Dividends per Share				
	End of First Quarter	End of Second Quarter	End of Third Quarter	End of Term	Annual Total
For the year ended March 2008	Yen --	Yen 8.00	Yen --	Yen 8.00	Yen 16.00
For the year ending March 2009	--	--	--	--	--
For the year ending March 2009 (Forecast)	--	8.00	--	8.00	16.00

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

3. Business forecast for the year ending March 31, 2009 (April 1, 2008-March 31, 2009)

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

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
	Million yen %	Million yen %	Million yen %	Million yen %	Yen
For the half year ending September 30, 2008	196,000 -4.1	2,500 -71.5	1,500 -73.8	0 --	0.00
For the year ending March 31, 2009	446,000 2.0	24,500 -10.6	21,000 27.6	11,000 -5.7	42.70

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

4. Other

- (1) Changes to important subsidiaries during the period (changes to specific subsidiaries accompanying changes to consolidated subsidiaries) No
- (2) Introduction of simplified accounting method and other accounting methods specific in creation of quarterly consolidated financial statements Yes
- (3) Changes to the principles/procedures for accounting or the method of display, etc., related to the creation of quarterly consolidated financial statements
- (Items listed in changes to important items that serve as the foundation for the creation of quarterly consolidated financial statements)
- a. Changes accompanying revision of accounting standards Yes
- b. Changes other than (1) No

(Note) For details, see “Qualitative Information and Financial Statements (4. Others)” on page 5.

(4) Number of shares issued (common stock)

a. Number of shares outstanding at the end of the period (including treasury stock)

For the 1 st quarter of the year ending March 2009	268,624,510 shares
For the year ended March 2008	268,624,510 shares

b. Treasury stock at the end of the period

For the 1 st quarter of the year ending March 2009	11,044,100 shares
For the year ended March 2008	11,045,061 shares

c. Average number of shares in the period (quarterly consolidated accumulated period)

For the 1 st quarter of the year ending March 2009	257,579,473 shares
For the 1 st quarter of the year ended March 2008	260,673,826 shares

* Explanation on the appropriate use of business forecasts / other notes

1. The above forecasts are based on the information available at the release of this document 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..

2. Beginning with this consolidated fiscal year, we use an Accounting Standard - ASBJ Statement No. 12 *Accounting Standard for Quarterly Financial Reporting* and its Implementation Guidance - ASBJ Guidance No. 14 *Guidance on Accounting Standard for Quarterly Financial Reporting*. We created the quarterly consolidated financial statements according to *the rules of quarterly consolidated financial statements*.

Qualitative Information and Financial Statements

1. Qualitative Information of Consolidated Business Results

In the first quarter of the current fiscal year, Yokogawa Group's consolidated sales were 83.538 billion yen, the same level as the same quarter of the previous fiscal year. The operating loss was 4.311 billion yen, an increase of 3.887 billion yen from the same quarter of the previous fiscal year. The main factors were a decrease in gross profit arising from the appreciation of the Japanese yen, allowances for additional cost of received orders in the Japan industrial automation and control business, and an increase in bonus allowances in this accounting period by changing the quarterly allocation method of bonus expenses. As a result, the ordinary loss was 3.531 billion yen, up 3.459 billion yen from the same quarter of the previous fiscal year. The net loss was 1.796 billion yen, up 1.480 billion yen from the same quarter of the previous year. The net loss increased less than ordinary loss because of the recording of deferred tax assets that resulted in lower adjustments for corporate tax.

The Group's sales tend to be higher in the last month of each half of the fiscal year (September for the first half and March for the second half), and this tendency is particularly strong with industrial automation and control business sales. It follows that sales in the first and third quarters are usually lower than those in the second and fourth.

Results by individual business segment are outlined below. The results of the same quarter of the previous year are not listed because the segments by business type were changed in the first half of the previous fiscal year. The comparison to the previous year is based on qualitative analysis.

Industrial Automation and Control Business

In our core industrial automation and control business market, there was a conservative attitude to capital investment caused by factors such as the high cost of raw materials and oil in Japan. On the other hand, active investment in petroleum, petrochemical, natural gas, and other plants, was seen outside Japan, resulting in a favorable trend for this business. In such circumstances, sales have increased from the same quarter of the previous year. However, operating income has decreased because of the strong yen, the additional cost of the Japan industrial automation and control business, and the bonus allowances. The industrial automation and control business generated 65.796 billion yen in sales and 1.899 billion yen in operating income.

Test and Measurement Business

In the semiconductor test system segment of the test and measurement market, DRAM and FPD driver IC manufacturing companies cut back on investments, resulting in a decline. As the result, both sales and operating income have decreased from the same quarter of the previous year. The test and measurement business recorded 10.116 billion yen in sales and 3.559 billion yen in operating loss.

New and Other Businesses

In the new and other businesses, the photonics business centering on the 40 Gbps optical communications market has just begun moving ahead thanks to the construction of next-generation networks. The advanced stage business, however, has been weak due to a sluggish semiconductor manufacturing equipment market. In such circumstances, sales in the photonics business have increased from the same quarter of the previous year while sales in the advanced stage business have decreased. As a result, sales in the new and other businesses have decreased but operating loss has slightly decreased from the same quarter of the previous year. The new and other businesses recorded 7.626 billion yen in sales and 2.651 billion yen in operating loss.

2. Qualitative Information of Consolidated Financial Conditions

(1) Conditions of assets, liabilities, and net assets

Financial conditions of assets, liabilities and net assets for the first quarter are as follows. These figures are provided in comparison with the end of the previous fiscal year.

Total assets at the end of this first quarter of accounting period were 435.9 billion yen, down 8.6 billion yen from the end of the previous period. Cash and cash equivalents increased by 3.8 billion yen, inventories increased by 10.1 billion yen, other current assets increased by 0.9 billion yen, tangible and intangible fixed assets increased by 4.1 billion yen, and investments and other assets increased by 4.6 billion yen, but notes and accounts receivable decreased by 32.5 billion yen. The balance of notes and accounts receivable decreased because the collection of the concentrated orders in the fourth quarter of the previous year was done in this first quarter.

Total liabilities were 208.1 billion yen, down 11.6 billion yen from the end of the previous period. Although accounts payable increased by 14.1 billion yen, this decrease can be attributed to a 5.5 billion yen decrease in notes and accounts payable, a 10.6 billion yen decrease in bonus allowances, and a 12.1 billion yen decrease in other current liabilities. Bonus allowances of 15.4 billion yen was transferred to account payable.

Net assets were 227.7 billion yen, up 2.9 billion yen from the end of the previous period. The main factors were a 3.1 billion yen increase in net unrealized gains on other securities due to the recovery of the stock market and a 3.4 billion yen increase in foreign currency translation adjustments but a 3.7 billion yen decrease in retained earnings.

(2) Cash flow status

The balance of cash and cash equivalents at the end of this first quarter was 34.5 billion yen, up 4.2 billion yen from the end of the previous period. The main factors were proceeds of 28.9 billion yen from operating activities, payments of 7 billion yen from investment activities, and payments of 18.7 billion yen from financing activities.

Cash flow from operating activities was 28.9 billion yen, an increase of 8.4 billion yen compared to the same quarter of the previous period, from a net loss before tax and other adjustments of 4.4 billion yen, after adjusting for items such as a 5 billion yen increase in depreciation, a 39.7 billion yen decrease in trade receivables, a 14.5 billion yen increase in accounts payable, a 10.8 billion yen decrease in bonus allowances, an 8.9 billion yen increase in inventories, and a 7.6 billion yen decrease in trade payable.

Cash flow from investment activities saw an expenditure of 7 billion yen, a decrease of 5.7 billion yen compared to the same quarter of the previous period. The main factors were due to outlays of 4.2 billion yen for the acquisition of tangible fixed assets and 3 billion yen for the acquisition of intangible fixed assets.

Cash flow from financing activities saw an expenditure of 18.7 billion yen. The main factor was due to an 18 billion yen decrease in commercial paper.

3. Qualitative Information on Consolidated Business Forecast

The sales forecast of the core industrial automation and control business has been revised upward by 10 billion yen for both the second quarter and FY08. This is due to the favorable market conditions worldwide where energy-related investment remains active. The operating income forecast of this business has not changed.

As for the test and measurement business, its consolidated sales forecast and operating income forecast have been revised downward by 4 billion yen and 1.5 billion yen, respectively, for both the second quarter and FY08. The reason for this revision is that the semiconductor test system market is expected to recover in the third quarter or thereafter. Both the sales forecast and operating income forecast of the new and other businesses have not changed from the previous forecasts.

In total, the consolidated sales forecast has been revised upward by 6 billion yen while the consolidated operating income forecast and the consolidated ordinary income forecast have been revised downward by 1.5 billion yen and 1.0 billion yen, respectively. The consolidated net income forecast for FY08 remains unchanged.

Revision to forecast of consolidated results for FY08 1st Half (April 1, 2008 to September 30, 2008)

Unit: million yen

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share(¥)
Original forecast announced on May 13, 2008 (A)	190,000	4,000	2,500	0	0.00
Revised forecast announced on August 12, 2008 (B)	196,000	2,500	1,500	0	0.00
Difference (B)-(A)	6,000	(1,500)	(1,000)	0	—
Difference (%)	3.2	-37.5	-40.0	—	—
Financial results for 1 st half of fiscal year 2007	204,283	8,764	5,720	2,718	10.34

Revision to forecast of consolidated results for FY08 (April 1, 2008 to September 30, 2008)

Unit: million yen

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share(¥)
Original forecast announced on May 13, 2008 (A)	440,000	26,000	22,000	11,000	42.70
Revised forecast announced on August 12, 2008 (B)	446,000	24,500	21,000	11,000	42.70
Difference (B)-(A)	6,000	(1,500)	(1,000)	0	—
Difference (%)	1.4	-5.8	-4.5	—	—
Financial results for 1 st half of fiscal year 2007	437,448	27,412	16,453	11,667	44.76

4. Others

(1) Changes to important subsidiaries during the period (changes to specific subsidiaries accompanying changes to consolidated subsidiaries)

Not applicable

(2) Introduction of simplified accounting method and other accounting methods specific in creation of quarterly consolidated financial statements

For calculating the amount of the corporate tax, etc., we use the method to consider only the important addition/subtraction items and tax credit items.

For judging collectibility of the deferred tax assets, we use the same performance prediction and the tax planning method as used at the end of the previous consolidated fiscal year as long as there have been no considerable changes in the situation of a business environment and temporary differences after that time.

(3) Changes to the principles/procedures for accounting or the method of display, etc., related to the creation of quarterly consolidated financial statements

a. Beginning with the current consolidated accounting period, we use the Accounting Standard - ASBJ Statement No. 12 *Accounting Standard for Quarterly Financial Reporting* and its Implementation Guidance - ASBJ Guidance No. 14 *Guidance on Accounting Standard for Quarterly Financial Reporting*. We have created the quarterly consolidated financial statements according to *the rules of quarterly consolidated financial statements*.

b. As for the inventories for usual sales, we chiefly used the cost method by the specific identification or average cost method. However, beginning with this first quarter of the current consolidated accounting period, we use the Accounting Standard ASBJ Statement No. 9 *Accounting Standard for Measurement of Inventories* issued on July 5, 2006 and chiefly calculate the value of the inventories with the cost method by the specific identification or average cost method (As for the value on the balance sheet, we use an asset write-down method based on the decreased profitability). There is no influence on the profit and loss and the segmental information.

c. Beginning with this first quarter of the current consolidated accounting period, we use the *Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements* (ASBJ PITF No. 18) issued on May 17, 2006 and adjust the consolidated results accordingly. Its influence on the profit and loss or the segmental information is negligible.

d. As for the financial lease transaction without ownership transfer, we used the accounting procedure based on the method related to the leasing transaction. However, the *Accounting Standard for Lease Transactions* (Statement No.13) which was issued by the First Subcommittee of the Business Accounting Council on June 17, 1993 and revised on March 30, 2007 and the *Guidance on Accounting Standard for Lease Transactions* (Guidance No.16) which was issued by the Accounting Practice Committee of the Japan Institute of Certified Public Accountants on January 18, 1994 and revised on March 30, 2007 apply to the quarterly consolidated financial statements related to the consolidated accounting period which begins on and after April 1, 2008, so we adopt these accounting standards to this first quarter of the consolidated accounting period and use for the accounting of usual sales transactions. As for the depreciation of the leased asset related to the financial lease transaction without ownership transfer, we consider the lease period as service life and use the straight line method in which the residual value is set to zero.

For the financial lease transaction without ownership transfer which began before the applicable accounting period, we still use the accounting procedure based on the method related to usual lease transactions. Its influence on the profit and loss is negligible.

5. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

	The 1 st quarter of year ending March 31, 2009 (June 30, 2008)	(Reference) Year ended March 31, 2008
Assets		
Current assets		
Cash and deposits	35,539	31,738
Notes and accounts receivable-trade	110,326	142,902
Short-term investment securities	375	301
Merchandise and finished goods	23,085	18,856
Work in process	16,316	11,794
Raw materials and supplies	15,527	14,164
Other	26,786	25,864
Allowance for doubtful accounts	(3,067)	(3,256)
Total current assets	224,890	242,366
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	53,875	51,132
Other, net	59,837	60,410
Total property, plant and equipment	113,713	111,543
Intangible assets		
Total intangible assets	24,008	22,036
Investments and other assets		
Investment securities	45,502	40,266
Other	28,479	29,070
Allowance for doubtful accounts	(638)	(639)
Total investments and other assets	73,343	68,697
Total noncurrent assets	211,065	202,277
Total assets	435,956	444,644

(Million yen)

	The 1 st quarter of year ending March 31, 2009 (June 30, 2008)	(Reference) Year ended March 31, 2008
Liabilities		
Current liabilities		
Notes and accounts payable-trade	34,530	40,034
Short-term loans payable	21,663	18,979
Income taxes payable	2,198	2,604
Provision for bonuses	3,905	14,511
Accounts payable-other	33,326	19,137
Other	37,952	50,103
Total current liabilities	133,576	145,370
Noncurrent liabilities		
Long-term loans payable	55,919	55,993
Provision for retirement benefits	5,414	5,221
Long-term accounts payable-other	11,777	11,832
Other	1,490	1,381
Total noncurrent liabilities	74,601	74,429
Total liabilities	208,177	219,799
Net assets		
Shareholders' equity		
Capital stock	43,401	43,401
Capital surplus	50,353	50,355
Retained earnings	136,184	139,952
Treasury stock	(10,989)	(10,990)
Total shareholders' equity	218,949	222,718
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,164	2,991
Deferred gains or losses on hedges	7	1
Foreign currency translation adjustment	(1,627)	(5,036)
Total valuation and translation adjustments	4,544	(2,044)
Minority interests	4,284	4,170
Total net assets	227,778	224,844
Total liabilities and net assets	435,956	444,644

(2) Consolidated quarterly statements of income

The 1st quarter for the year ending March 31, 2009

	(Millions of yen)
	The 1 st quarter for the year ending March 31, 2009 (April 1-June 30, 2008)
Net sales	83,538
Cost of sales	56,105
Gross profit	27,433
Selling, general and administrative expenses	31,744
Operating loss	(4,311)
Non-operating income	
Interest income	52
Dividends income	348
Foreign exchange gains	900
Equity in earnings of affiliates	187
Other	161
Total non-operating income	1,650
Non-operating expenses	
Interest expenses	372
Other	497
Total non-operating expenses	870
Ordinary loss	(3,531)
Extraordinary income	
Gain on sales of noncurrent assets	10
Gain on sales of investment securities	9
Other	6
Total extraordinary income	25
Extraordinary loss	
Loss on sales of noncurrent assets	6
Loss on retirement of noncurrent assets	127
Loss on valuation of investment securities	190
Other	656
Total extraordinary losses	980
Loss before income taxes and minority interests	(4,486)
Income taxes-current	995
Income taxes-deferred	(3,922)
Total income taxes	(2,927)
Minority interests in income	237
Net loss	(1,796)

(3) Consolidated quarterly statements of cash flows

	(Millions of yen)
	The 1 st quarter for the year ending March 31, 2009 (April 1-June 30, 2008)
<hr/>	
Net cash provided by (used in) operating activities	
Loss before income taxes and minority interests	(4,486)
Depreciation and amortization	5,061
Increase (decrease) in allowance for doubtful accounts	(373)
Increase (decrease) in provision for bonuses	(10,800)
Decrease (increase) in notes and accounts receivable-trade	39,749
Decrease (increase) in inventories	(8,910)
Increase (decrease) in notes and accounts payable-trade	(7,656)
Increase (decrease) in accounts payable-other	14,545
Other, net	2,386
Subtotal	<u>29,517</u>
Interest and dividends income received	1,494
Interest expenses paid	(151)
Income taxes paid	(1,895)
Net cash provided by (used in) operating activities	<u>28,965</u>
Net cash provided by (used in) investment activities	
Payments into time deposits	(1,030)
Proceeds from withdrawal of time deposits	1,545
Purchase of property, plant and equipment	(4,227)
Proceeds from sales of property, plant and equipment	32
Purchase of intangible assets	(3,048)
Purchase of investment securities	(272)
Proceeds from sales of investment securities	26
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(756)
Other, net	636
Net cash provided by (used in) investment activities	<u>(7,095)</u>
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	1,627
Increase (decrease) in commercial papers	(18,000)
Cash dividends paid	(1,915)
Other, net	(430)
Net cash provided by (used in) financing activities	<u>(18,718)</u>
Effect of exchange rate change on cash and cash equivalents	<u>1,146</u>
Net increase (decrease) in cash and cash equivalents	<u>4,297</u>
Cash and cash equivalents at beginning of period	<u>30,209</u>
Cash and cash equivalents at end of period	<u>34,507</u>

(4) Notes for going concern

Not applicable

(5) Segment information

a. Segment information by business type

For the 1st quarter of the year ending March 31, 2009 (April 1-June 30, 2008)

	Millions of yen					
	Industrial Automation and Control Business	Test and Measurement Business	New and Other Businesses	Total	Inter-segment Elimination	Consolidated
Sales						
1) Net sales to unaffiliated customers	65,796	10,116	7,626	83,538	--	83,538
2) Net intersegment sales or transfer amount	11	--	--	11	(11)	--
Total	65,807	10,116	7,626	83,549	(11)	83,538
Operating income or loss	1,899	(3,559)	(2,651)	(4,311)	—	(4,311)

(Note) 1. Method of categorizing business

Businesses have been grouped according to similarities in product line and market, as well as the profit and loss summary of the Yokogawa Group.

2. The major products belonging to these business categories are as follows.

Business Category	Major Products
Industrial Automation and Control Business	Production control systems, flowmeters, differential pressure/pressure transmitters, process analyzers, programmable controllers, etc.
Test and Measurement Business	Semiconductor test systems, waveform measuring instruments, optical communication devices, waveform generators, power/temperature/pressure measurement devices, etc.
New and Other Businesses	Optical communication modules and sub-systems, XY stages, confocal scanners, aircraft navigation-related devices, marine equipment, meteorological/hydrological measurement devices, etc.

b. Segment information by geographical location

For the 1st quarter of the year ending March 31, 2009 (April 1-June 30, 2008)

Millions of yen

	Japan	Asia	Europe	North America	Other	Total	Inter-segment Elimination	Consolidated
Net Sales								
(1) Net sales to unaffiliated customers	35,669	18,716	12,131	7,488	9,532	83,538	--	83,538
(2) Net intersegment sales or transfer amount	12,260	5,929	1,358	312	297	20,157	(20,157)	--
Total	47,930	24,646	13,489	7,801	9,829	103,696	(20,157)	83,538
Operating income or loss	(7,691)	1,573	651	119	936	(4,409)	98	(4,311)

(Note) 1. Countries and regions are grouped according to geographical proximity.

2. The breakdown of countries and regions belonging to groups other than Japan is as follows.

- (1) Asia Singapore, China, South Korea, etc.
- (2) Europe Netherlands, France, the United Kingdom, Germany, etc.
- (3) North America the United States, Canada
- (4) Other Brazil, Australia, the Middle East, etc.

c. Non-Japan net sales

For the 1st quarter of the year ending March 31, 2009 (April 1-June 30, 2008)

	Asia	Europe	North America	Other	Total
1. Non-Japan net sales (million yen)	22,517	9,478	7,055	14,584	53,636
2. Consolidated net sales (million yen)					83,538
3. Percentage of Non-Japan net sales in consolidated net sales (%)	26.9	11.4	8.5	17.4	64.2

(Note) 1. Countries and regions are grouped according to geographical proximity.

2. The breakdown of countries and regions belonging to groups is as follows.

- (1) Asia Singapore, China, South Korea, etc.
- (2) Europe Netherlands, France, the United Kingdom, Germany, etc.
- (3) North America the United States, Canada
- (4) Other Brazil, Australia, the Middle East, etc.

3. Non-Japan net sales are net sales of the Company and consolidated subsidiaries in the countries or regions outside Japan.

(6) Notes if there is a remarkable change in the amount of shareholders' equity

Not applicable

[Reference]

Consolidated Financial Statements and Other Information of the Previous 1st Quarter

1. Consolidated Statements of Income

Item	For the 1 st quarter of the year ended March 2008
	Amount (million yen)
1. Net sales	83,482
2. Cost of sales	53,030
Gross profit	30,452
3. Selling, general, and administrative expenses	30,876
Operating loss	(423)
4. Non-operating income	1,304
5. Non-operating expense	952
Ordinary loss	(71)
6. Extraordinary income	1,089
7. Extraordinary loss	629
Profit before income taxes	388
Corporate tax, etc.	633
Minority shareholders' gain	71
Net loss	(315)

2. Consolidated Cash Flow Statements

	For the 1 st quarter of the year ended March 2008
Item	Amount (million yen)
1. Cash flow from operating activities	
Net income for the period before tax and other adjustments	388
Depreciation	5,067
Increase in accrued bonuses	3,904
Decrease in accounts receivable	36,504
Changes in inventories	(13,303)
Decrease in trade payable	(7,990)
Other	(2,515)
Subtotal	22,057
Interest and dividend income received	1,294
Interest expenses paid	(240)
Income taxes paid or refund	(2,580)
Total net cash provided by operating activities	20,530
2. Cash flow from investment activities	
Payments for purchase of property, plant, and equipment	(10,749)
Proceeds from sales of property, plant, and equipment	26
Payment for purchase of intangible fixed assets	(2,080)
Payments for purchase of investments in marketable securities	(1,548)
Proceeds from sales of investments in marketable securities	2,000
Other	(480)
Total net cash provided by investment activities	(12,832)
3. Cash flow from financing activities	
Net increase in short-term loans	387
Payment for refund of long-term loans	(27)
Dividend payment	(1,863)
Other	(160)
Total net cash provided by financing activities	(1,664)
4. Effect of exchange rate on cash and cash equivalents	746
5. Net change in cash and cash equivalents	6,780
6. Cash and cash equivalents at the beginning of the period	38,178
7. Increase in cash and cash equivalents due to changes in scope of consolidated subsidiaries	6
8. Cash and cash equivalents at the end of the period	44,965

August 12, 2008

Yokogawa Electric Corporation

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2009

Millions of yen

	For 1 st Quarter of Year Ended March 31, 2008		For 1 st Quarter of Year Ending March 31, 2009		Change	
	Amount	Ratio to Net Sales	Amount	Ratio to Net Sales	Amount	Ratio to Net Sales
Net Sales	83,482	--	83,538	--	55	--
Operating Income	(423)	-0.5%	(4,311)	-5.2%	(3,887)	-4.7%
Ordinary Income	(71)	-0.1%	(3,531)	-4.2%	(3,459)	-4.1%
Net Income	(315)	-0.4%	(1,796)	-2.2%	(1,480)	-1.8%
Total Assets	443,123		435,956		(7,167)	
Shareholders' Equity	240,961		227,778		(13,182)	
Net Income to Shareholders' Equity Ratio	-0.1%		-0.8%		-0.7%	
Net Income per Share	(1.20) yen		(6.97) yen		(5.77) yen	
Shareholders' Equity per Share	898.49 yen		867.67 yen		(30.82) yen	
Capital Investment	--		6,923		--	
Depreciation	5,067		5,061		(6)	
Research and Development Expenses	--		9,444		--	
Average Exchange Rate during the Term						
USD	121.58 yen		105.44 yen		(16.14) yen	
EUR	163.99 yen		164.77 yen		0.78 yen	

Consolidated orders by segment

Millions of yen

	For 1 st Quarter of Year Ended March 31, 2008	For 1 st Quarter of Year Ending March 31, 2009	Year ending March 31, 2009 (Forecast)
Industrial Automation and Control Business	--	92,779	355,000
Test and Measurement Business	--	10,802	61,000
New and Other Businesses	--	8,351	44,000
Total	--	111,932	460,000

Consolidated sales by segment

Millions of yen

	For 1 st Quarter of Year Ended March 31, 2008	For 1 st Quarter of Year Ending March 31, 2009	Year ending March 31, 2009 (Forecast)
Industrial Automation and Control Business	--	65,796	340,000
Test and Measurement Business	--	10,116	62,000
New and Other Businesses	--	7,626	44,000
Total	--	83,538	446,000

Consolidated operating income by segment

Millions of yen

	For 1 st Quarter of Year Ended March 31, 2008	For 1 st Quarter of Year Ending March 31, 2009	Year ending March 31, 2009 (Forecast)
Industrial Automation and Control Business	--	1,899	40,000
Test and Measurement Business	--	(3,559)	(6,000)
New and Other Businesses	--	(2,651)	(9,500)
Total	--	(4,311)	24,500