



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

February 10, 2009

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

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Planned Quarterly Report Filing Date: February 12, 2009

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

1. Consolidated business results for the first three quarters of the year ending March 31, 2009 (April 1- December 31, 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 first three quarters of year ending March 31, 2009	272,933	-	(766)	-	(5,902)	-	(37,171)	-
For first three quarters of year ended March 31, 2008	292,459	7.7	9,083	-28.4	5,139	-64.8	1,910	-64.0

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
For first three quarters of year ending March 31, 2009	(144.31)	-
For first three quarters of year ended March 31, 2008	7.30	-

(2) Financial conditions on a consolidated basis

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
As of December 31, 2008	378,042	171,812	44.4	651.52
As of March 31, 2008	444,644	224,844	49.6	856.72

(Note)

Shareholders' equity

As of December 31, 2008 167.820 billion yen

As of March 31, 2008 220.674 billion yen

2. Dividend status

	Dividend per Share				
	June 30	September 30	December 31	March 31	Annual Total
	Yen	Yen	Yen	Yen	Yen
For year ended March 31, 2008	-	8.00	-	8.00	16.00
For year ending March 31, 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 year ending March 31, 2009	380,000	-13.1	1,000	-96.4	(4,000)	-	(40,000)	-	(155.29)

(Note) Adjustment on consolidated business forecast in this quarter: No

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 specifically related to 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 (a) above Yes

(Note) For details, see “Qualitative Information and Financial Statements, 4. Other (page 7).”

- (4) Number of shares issued (common stock)
- a. Number of shares outstanding at the end of the period (including treasury stock)
- | | |
|---|--------------------|
| Third quarter of year ending March 31, 2009 | 268,624,510 shares |
| Year ended March 31, 2008 | 268,624,510 shares |
- b. Treasury stock at the end of the period
- | | |
|---|-------------------|
| Third quarter of year ending March 31, 2009 | 11,041,385 shares |
| Year ended March 31, 2008 | 11,045,061 shares |
- c. Average number of shares in the period (quarterly consolidated accumulated period)
- | | |
|---|--------------------|
| Third quarter of year ending March 31, 2009 | 257,580,296 shares |
| Third quarter of year ended March 31, 2008 | 261,705,232 shares |

* Notes concerning appropriate use of business forecasts, etc.

- The business forecast for the year ending March 31, 2009 that was announced on January 27, 2009 has not been revised in this report.
- This forecast is based on the information that was available at the release of this document and involves assumptions regarding uncertain factors that may have an effect on future performance. Actual performance may vary greatly due to a variety of factors.
- Beginning this consolidated fiscal year, we are using the ASBJ Statement No. 12 *Accounting Standard for Quarterly Financial Reporting* and ASBJ Guidance No. 14 *Guidance on Accounting Standard for Quarterly Financial Reporting*. We have followed the rules for the creation of quarterly consolidated financial statements.

[Reference]

Comparison of consolidated business results for the 3rd quarter of the year ending March 31, 2009 (October 1- December 31, 2008)

(1) Results of operations on a consolidated basis (three months)

(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	%
Third quarter of year ending March 31, 2009	76,143	-13.6	(5,745)	-	(10,305)	-	(40,960)	-
Third quarter of year ended March 31, 2008	88,175	3.6	319	-91.2	(580)	-	(807)	-

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Third quarter of year ending March 31, 2009	(159.02)		-	
Third quarter of year ended March 31, 2008	(3.12)		-	

Note: Different rules were followed when creating the statements of income for the 3rd quarter of the year ending March 31, 2009 (FY2008) and the 3rd quarter of the year ended March 31, 2008 (FY2007), so the above comparison is for reference purposes only.

Qualitative Information and Financial Statements

1. Qualitative Information of Consolidated Business Results

Each of Yokogawa's businesses faces unprecedented and challenging circumstances that include the freezing of capital investment and the rapid appreciation of the yen. The economic slowdown and the worsening conditions for raising funds are the result of the global financial turmoil that originated with the sub-prime crisis in the US.

As a result, in the first three quarters of the Yokogawa Group's current fiscal year (April 1, 2008 to December 31, 2008), consolidated sales were 272.933 billion yen, down 19.525 billion yen from the same period of the previous fiscal year. Operating loss was 766 million yen, down 9.85 billion yen from the operating income of 9.083 billion yen in the same period of the previous fiscal year. Ordinary loss was 5.902 billion yen, down 11.041 billion yen from the ordinary income of 5.139 billion yen in the same period of the previous fiscal year.

Net loss in the first three quarters was 37.171 billion yen, down 39.082 billion yen compared with the net income of 1.910 billion yen in the same period of the previous fiscal year. The main factors for this decrease are as follows: (1) The Company recorded an extraordinary loss of 3.992 billion yen due to the write-down of securities whose market value had significantly declined. (2) Due to the difficulty of forecasting future taxable income in the current harsh business environment, the decision was made to reverse 30.462 billion yen of deferred tax assets at the end of the second quarter.

In the third quarter of the Yokogawa Group's current fiscal year (October 1, 2008 to December 31, 2008), consolidated sales were 76.143 billion yen, operating loss was 5.745 billion yen, ordinary loss was 10.305 billion yen, and net loss was 40.960 billion yen.

The Group's sales tend to be higher in the second quarter (especially in September) and the fourth quarter (especially in March), and this tendency is particularly strong in the industrial automation and control business. It follows that the first and third quarters account for a smaller portion of annual sales.

Results by individual business segment are outlined below.

Industrial Automation and Control Business

In the industrial automation and control business, despite strong growth outside Japan that continued until the first two quarters of the current fiscal year, production at existing plants fell sharply at the start of the third quarter and many new plant construction projects were postponed. This is due to shrinking worldwide demand for energy resources such as oil and natural gas and for industrial materials for steel and petrochemical products, and the sharp plunge in energy and material prices. In addition, due to the rapid appreciation of the yen, sales that are denominated in foreign currencies (which account for more than 65% of the sales in this segment) have decreased from the same period of the previous year when they are converted into yen.

As a result, although the industrial automation and control business generated 218.05 billion yen in sales during the first three quarters of the current year (up 1.355 billion yen from the same period of the previous year), the sales growth rate for these three quarters was lower than the rate for the first two quarters. Operating income was 17.596 billion yen, down 3.192 billion yen. In the third quarter, sales were 61.963 billion yen and operating income was 1.098 billion yen for this segment.

Test and Measurement Business

In the semiconductor tester segment of the test and measurement business, a decline in semiconductor prices and low demand due to the economic slowdown have constrained capital investment by semiconductor manufacturers. In the measuring instrument business, investment has declined at an accelerating rate.

As a result, in the first three quarters of the current year, the test and measurement business recorded sales of 27.499 billion yen, down 17.889 billion yen from the same period of the previous year, and an operating loss of 9.391 billion yen, up 5.754 billion yen. In the third quarter of the current fiscal year, this segment had 6.472 billion yen in sales and a 3.842 billion yen operating loss.

New and Other Businesses

In the new and other businesses, the photonics business performed well, thanks to large orders for 40-Gbps optical communications subsystems used in next-generation networks. However, the advanced stage business has been weak due to the sluggish semiconductor manufacturing equipment market.

As a result, in the first three quarters of the current year, new and other businesses recorded 27.384 billion yen in sales, down 2.992 billion yen from the same period of the previous year, and an operating loss of 8.971 billion yen, up 903 million yen. In the third quarter of the current fiscal year, this segment had 7.708 billion yen in sales and a 3.001 billion yen operating loss.

The results for the third quarter of the previous year are from the document “Consolidated Financial Statements for First Three Quarters of Fiscal Year Ending March 31, 2008.”

2. Qualitative Information on Consolidated Financial Conditions

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

Assets, liabilities and net assets at the end of the third quarter are as follows, and are compared with those at the end of the previous year.

Total assets at the end of this third quarter of the accounting period were 378.042 billion yen, down 66.601 billion yen. Inventories increased by 12.231 billion yen and intangible fixed assets increased by 6.402 billion yen, but notes and accounts receivable decreased by 47.945 billion yen, tangible fixed assets decreased by 5.783 billion yen, investment securities decreased by 6.626 billion yen, and short and long-term deferred tax assets decreased by 21.846 billion yen.

Total liabilities were 206.230 billion yen, down 13.569 billion yen. Long-term loans payable increased by 25.708 billion yen, but this decrease is attributed to a 9.16 billion yen decrease in notes and accounts payable, a 10.54 billion yen decrease in bonus allowances, a 4.479 billion yen decrease in accounts payable-other, and an 11.305 billion yen decrease in other current liabilities including commercial paper.

Net assets were 171.812 billion yen, down 53.032 billion yen. This decrease is attributed to a 41.311 billion yen decrease in retained earnings, a 2.182 billion yen decrease in the valuation difference on available-for-sale securities, and a 9.36 billion yen decrease in the foreign currency translation adjustment.

(2) Cash flow status

The balance of cash and cash equivalents at the end of this third quarter was 30.698 billion yen, up 488 million yen from the end of the previous year. The main factors were proceeds of 17.455 billion yen from operating activities, payments of 19.986 billion yen from investment activities, and proceeds of 5.89 billion yen from financing activities.

Cash flow from operating activities was 17.455 billion yen, an increase of 8.746 billion yen compared to the same quarter of the previous year. This came from a net loss before tax and other adjustments of 10.49 billion yen after adjusting for the positive factors of a 15.773 billion yen in depreciation and a 42.023 billion yen decrease in trade receivables, and the negative factors of a 10.252 billion yen decrease in bonus allowances and a 15.829 billion yen increase in inventories.

Cash flow from investment activities saw an expenditure of 19.986 billion yen, a decrease of 22.299 billion yen compared to the same quarter of the previous year. The main factors were outlays of 11.762 billion yen for the acquisition of tangible fixed assets and 9.786 billion yen for the acquisition of intangible fixed assets.

Cash flow from financing activities was 5.89 billion yen. This was due to the raising of 26.0 billion yen through long-term loans, payment of 4.102 billion yen in cash dividends, and repayment of 18.0 billion yen in commercial paper.

3. Qualitative Information on Consolidated Business Forecast

On January 27, 2009, the consolidated business forecast announced on October 28, 2008 was revised as follows:

In the industrial automation and control business, the decline in production due to the economic slowdown has been particularly rapid in Japan's materials industries. Outside Japan, investment in new plant construction was active until the second quarter due to increased energy demand, but these investments are being postponed at an accelerating rate. These factors have resulted in sluggish orders. In addition, the appreciation of the Japanese yen has negatively impacted our sales from outside Japan as these figures must be converted into yen. Accordingly, the Company has revised downward this segment's forecasts for both sales and operating income by 32.0 billion yen and 12.0 billion yen, respectively.

In the test and measurement business, the slumping demand for semiconductors has caused semiconductor manufacturers to freeze capital investment, and the investment in measuring instruments has further declined. Accordingly, the Company has revised downward this segment's forecasts for both sales and operating income by 9.0 billion yen and 4.5 billion yen, respectively.

In the new businesses, the photonics business performed well thanks to the 40-Gbps optical communications market used in next-generation networks. However, some of the sales in this business will be postponed until the next fiscal year. Accordingly, the Company has revised downward its sales and operating income forecasts for the new and other businesses by 3.0 billion yen and 500 million yen, respectively.

As a result, the Company has revised downward its forecasts for both consolidated sales and consolidated operating income by 44.0 billion yen and 17.0 billion yen, respectively. The Company has also revised downward its forecast for ordinary income by 20.0 billion yen due to the decrease in operating income and foreign exchange losses resulting from the yen's appreciation. The forecast for net income has been revised downward due to the reversal of 30.462 billion yen of deferred tax assets and the recording of this in the statement of income for the third quarter of FY2008, and other factors.

Revision to forecast of consolidated results for FY2008 (April 1, 2008 to March 31, 2009)

Unit: million yen

	Net Sales	Operating Income	Ordinary Income/Loss	Net Income/Loss	Net Income/Loss per Share
Previous forecast announced on October 28, 2008 (A)	424,000	18,000	16,000	5,000	19.41
Revised forecast announced on January 27, 2009 (B)	380,000	1,000	(4,000)	(40,000)	(155.29)
Difference (B)-(A)	(44,000)	(17,000)	(20,000)	(45,000)	(174.70)
Difference (%)	-10.4%	-94.4%	-	-	-
Financial results for FY2007	437,448	27,412	16,453	11,667	44.76

Note: The consolidated business forecast assumes an exchange rate of US\$1 = 85 yen, 1 euro = 115 yen.

The exchange rate was US\$1 = 100 yen / 1 euro = 125 yen, when the previous consolidated business forecast was announced on October 28, 2008.

[Reference]

1. Order forecast by business segment Unit: billion yen

Business segment	Full Year		
	Previous forecast	Revised forecast	Difference
Control	355.0	302.0	(53.0)
Measurement	45.0	35.0	(10.0)
New and others	47.0	46.0	(1.0)
Total	447.0	383.0	(64.0)

2. Sales forecast by business segment Unit: billion yen

Business segment	Full Year		
	Previous forecast	Revised forecast	Difference
Control	335.0	303.0	(32.0)
Measurement	45.0	36.0	(9.0)
New and others	44.0	41.0	(3.0)
Total	424.0	380.0	(44.0)

3. Operating income forecast by business segment Unit: billion yen

Business segment	Full Year		
	Previous forecast	Revised forecast	Difference
Control	39.0	27.0	(12.0)
Measurement	(11.5)	(16.0)	(4.5)
New and others	(9.5)	(10.0)	(0.5)
Total	18.0	1.0	(17.0)

4. Other

(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 to creation of quarterly consolidated financial statements

For calculating the amount of items such as the corporate tax, we considered only significant addition/subtraction items and tax credit items.

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

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

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

b. Regarding the inventories for ordinary sales, we rely on the specific identification cost method. However, during the first quarter of the current consolidated accounting period, we began using ASBJ Statement No. 9 *Accounting Standard for Measurement of Inventories* (issued on July 5, 2006). Accordingly, when calculating the value of inventories with the specific identification cost method, we use an asset write-down method, based on the decreased profitability, for the value on the balance sheet. Its influence on the profit and loss of the first three quarters and on the segmental information is negligible.

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 for the first three quarters and on the segmental information is negligible.

d. As for financial lease transactions without ownership transfer, we formerly relied on an accounting procedure that was based on the leasing transaction method. However, in view of the fact that the *Accounting Standard for Lease Transactions* (Statement No.13 - 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 - 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 quarterly consolidated financial statements for consolidated accounting periods beginning on or after April 1, 2008, we have adopted these accounting standards, starting with the first quarter of the current consolidated accounting period, and are using them for the accounting of ordinary sales transactions. As for the depreciation of leased assets related to financial lease transactions where there is no ownership transfer, we consider the lease period to be the service life and use the straight line method in which the residual value is set to zero.

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

5. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

	End of FY2008 3 rd quarter (December 31, 2008)	(Reference) End of FY2007 (March 31, 2008)
Assets		
Current assets		
Cash and deposits	30,988	31,738
Notes and accounts receivable-trade	94,956	142,902
Short-term investment securities	772	301
Merchandise and finished goods	22,691	18,856
Work in process	18,617	11,794
Raw materials and supplies	15,737	14,164
Other	13,936	25,864
Allowance for doubtful accounts	(2,633)	(3,256)
Total current assets	195,068	242,366
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	57,075	51,132
Other, net	48,684	60,410
Total property, plant and equipment	105,759	111,543
Intangible assets		
Total intangible assets	28,438	22,036
Investments and other assets		
Investment securities	33,639	40,266
Other	15,558	29,070
Allowance for doubtful accounts	(422)	(639)
Total investments and other assets	48,776	68,697
Total noncurrent assets	182,974	202,277
Total assets	378,042	444,644

(Millions of yen)

	End of FY2008 3 rd quarter (December 31, 2008)	(Reference) End of FY2007 (March 31, 2008)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	30,874	40,034
Short-term loans payable	19,143	18,979
Income taxes payable	1,066	2,604
Provision for bonuses	3,970	14,511
Accounts payable-other	14,657	19,137
Other	38,797	50,103
Total current liabilities	108,509	145,370
Noncurrent liabilities		
Long-term loans payable	81,701	55,993
Provision for retirement benefits	4,956	5,221
Long-term accounts payable-other	7,673	11,832
Other	3,389	1,381
Total noncurrent liabilities	97,721	74,429
Total liabilities	206,230	219,799
Net assets		
Shareholders' equity		
Capital stock	43,401	43,401
Capital surplus	50,346	50,355
Retained earnings	98,640	139,952
Treasury stock	(10,983)	(10,990)
Total shareholders' equity	181,404	222,718
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	808	2,991
Deferred gains or losses on hedges	4	1
Foreign currency translation adjustment	(14,396)	(5,036)
Total valuation and translation adjustments	(13,584)	(2,044)
Minority interests	3,992	4,170
Total net assets	171,812	224,844
Total liabilities and net assets	378,042	444,644

(2) Consolidated quarterly statements of income

For the first three quarters of FY2008

(Millions of yen)

	First three quarters of FY2008 (April 1-December 31, 2008)
Net sales	272,933
Cost of sales	182,268
Gross profit	90,665
Selling, general and administrative expenses	91,431
Operating loss	(766)
Non-operating income	
Interest income	146
Dividend income	559
Equity in earnings of affiliates	526
Other	461
Total non-operating income	1,694
Non-operating expenses	
Interest expenses	1,127
Foreign exchange losses	3,809
Other	1,892
Total non-operating expenses	6,830
Ordinary loss	(5,902)
Extraordinary income	
Gain on sale of noncurrent assets	58
Gain on sale of investment securities	1,335
Other	198
Total extraordinary income	1,592
Extraordinary loss	
Loss on sale of noncurrent assets	16
Loss on retirement of noncurrent assets	412
Impairment losses	485
Loss on valuation of investment securities	3,992
Other	1,273
Total extraordinary losses	6,180
Loss before income taxes and minority interests	(10,490)
Income taxes-current	2,045
Income taxes-deferred	24,203
Total income taxes	26,248
Minority interests in income	431
Net loss	(37,171)

For the third quarter of FY2008

(Millions of yen)

	Third quarter of FY2008 (October 1-December 31, 2008)
Net sales	76,143
Cost of sales	53,004
Gross profit	23,138
Selling, general and administrative expenses	28,884
Operating loss	(5,745)
Non-operating income	
Interest income	55
Dividend income	100
Equity in earnings of affiliates	119
Other	93
Total non-operating income	368
Non-operating expenses	
Interest expenses	383
Foreign exchange losses	3,716
Other	828
Total non-operating expenses	4,928
Ordinary loss	(10,305)
Extraordinary income	
Gain on sale of noncurrent assets	36
Gain on prior periods adjustment	135
Other	37
Total extraordinary income	209
Extraordinary loss	
Loss on sale of noncurrent assets	2
Loss on retirement of noncurrent assets	147
Impairment losses	25
Loss on valuation of investment securities	2,324
Other	198
Total extraordinary losses	2,698
Loss before income taxes and minority interests	(12,793)
Income taxes-current	(114)
Income taxes-deferred	28,320
Total income taxes	28,206
Minority interests in losses	(40)
Net loss	(40,960)

(3) Consolidated quarterly statements of cash flows

	(Millions of yen)
	First three quarters of FY2008 (April 1-December 31, 2008)
Net cash provided by (used in) operating activities	
Loss before income taxes and minority interests	(10,490)
Depreciation and amortization	15,773
Increase (decrease) in allowance for doubtful accounts	(404)
Increase (decrease) in provision for bonuses	(10,252)
Loss (gain) on sale of investment securities	(1,335)
Loss (gain) on valuation of investment securities	3,992
Decrease (increase) in notes and accounts receivable-trade	42,023
Decrease (increase) in inventories	(15,829)
Increase (decrease) in notes and accounts payable-trade	(4,383)
Other, net	965
Subtotal	20,059
Interest and dividend income received	1,788
Interest expenses paid	(846)
Income taxes paid	(3,546)
Net cash provided by (used in) operating activities	17,455
Net cash provided by (used in) investment activities	
Payments into time deposits	(2,724)
Proceeds from withdrawal of time deposits	3,450
Purchase of property, plant and equipment	(11,762)
Proceeds from sale of property, plant and equipment	111
Purchase of intangible assets	(9,786)
Purchase of investment securities	(2,477)
Proceeds from sale of investment securities	2,327
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(775)
Proceeds from transfer of business	1,011
Other, net	638
Net cash provided by (used in) investment activities	(19,986)
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	2,678
Proceeds from long-term loans payable	26,000
Increase (decrease) in commercial paper	(18,000)
Cash dividends paid	(4,102)
Other, net	(684)
Net cash provided by (used in) financing activities	5,890
Effect of exchange rate change on cash and cash equivalents	(2,870)
Net increase (decrease) in cash and cash equivalents	488
Cash and cash equivalents at beginning of period	30,209
Cash and cash equivalents at end of period	30,698

Beginning with this consolidated fiscal year, we use ASBJ Statement No. 12 *Accounting Standard for Quarterly Financial Reporting* and ASBJ Guidance No. 14 *Guidance on Accounting Standard for Quarterly Financial Reporting*. We have followed the rules for the creation of quarterly consolidated financial statements.

(4) Notes for going concern

Not applicable

(5) Segment information

a. Segment information by business type

		Term	Third quarter of FY2008 (October 1-December 31, 2008)	
			Amount (Million yen)	Composition Ratio (%)
Business				
Industrial Automation and Control Business	Net sales		61,964	
	Net sales to unaffiliated customers		61,963	81.4
	Net intersegment sales		0	
	Operating expenses		60,867	
	Operating income		1,098	-
Test and Measurement Business	Net sales		6,472	
	Net sales to unaffiliated customers		6,472	8.5
	Net intersegment sales		-	
	Operating expenses		10,313	
	Operating loss		(3,842)	-
New and Other Businesses	Net sales		7,708	
	Net sales to unaffiliated customers		7,708	10.1
	Net intersegment sales		-	
	Operating expenses		10,710	
	Operating loss		(3,001)	-
Inter-segment Elimination	Net sales		(0)	
	Net sales to unaffiliated customers		-	
	Net intersegment sales		(0)	
	Operating expenses		(0)	
	Operating income		-	
Consolidated	Net sales		76,143	
	Net sales to unaffiliated customers		76,143	100.0
	Net intersegment sales		-	
	Operating expenses		81,889	
	Operating loss		(5,745)	-

Business		Term	First three quarters of FY2008 (April 1-December 31, 2008)	
			Amount (Million yen)	Composition Ratio (%)
Industrial Automation and Control Business	Net sales		218,067	
	Net sales to unaffiliated customers		218,050	79.9
	Net intersegment sales		16	
	Operating expenses		200,471	
	Operating income		17,596	-
Test and Measurement Business	Net sales		27,499	
	Net sales to unaffiliated customers		27,499	10.1
	Net intersegment sales		-	
	Operating expenses		36,890	
	Operating loss		(9,391)	-
New and Other Businesses	Net sales		27,384	
	Net sales to unaffiliated customers		27,384	10.0
	Net intersegment sales		-	
	Operating expenses		36,356	
	Operating loss		(8,971)	-
Inter-segment Elimination	Net sales		(16)	
	Net sales to unaffiliated customers		-	
	Net intersegment sales		(16)	
	Operating expenses		(16)	
	Operating income		-	
Consolidated	Net sales		272,933	
	Net sales to unaffiliated customers		272,933	100.0
	Net intersegment sales		-	
	Operating expenses		273,700	
	Operating loss		(766)	-

(Note) 1. Method of categorizing business

Businesses have been grouped according to similarities in product line and market as well as Yokogawa Group profit and loss category.

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
Test and Measurement Business	Semiconductor test systems, waveform measuring instruments, optical communication devices, waveform generators, power/temperature/pressure measuring instruments
New and Other Businesses	Optical communication modules and sub-systems, XY stages, confocal scanners, aircraft navigation-related devices, marine equipment, meteorological/hydrological measuring instruments

b. Segment information by geographical location

Term		Third quarter of FY2008 (October 1-December 31, 2008)	
		Amount (Million yen)	Composition Ratio (%)
Region			
Japan	Net sales	44,292	
	Net sales to unaffiliated customers	32,186	42.3
	Net intersegment sales	12,106	
	Operating expenses	52,272	
	Operating loss	(7,980)	-
Asia	Net sales	22,359	
	Net sales to unaffiliated customers	17,201	22.6
	Net intersegment sales	5,158	
	Operating expenses	21,134	
	Operating income	1,225	-
Europe	Net sales	12,049	
	Net sales to unaffiliated customers	11,220	14.7
	Net intersegment sales	828	
	Operating expenses	12,241	
	Operating loss	(191)	-
North America	Net sales	6,762	
	Net sales to unaffiliated customers	6,611	8.7
	Net intersegment sales	151	
	Operating expenses	6,680	
	Operating income	81	-
Other	Net sales	9,083	
	Net sales to unaffiliated customers	8,923	11.7
	Net intersegment sales	159	
	Operating expenses	8,463	
	Operating income	620	-
Inter-segment Elimination	Net sales	(18,403)	
	Net sales to unaffiliated customers	-	
	Net intersegment sales	(18,403)	
	Operating expenses	(18,902)	
	Operating income	498	-
Consolidated	Net sales	76,143	
	Net sales to unaffiliated customers	76,143	100.0
	Net intersegment sales	-	
	Operating expenses	81,889	
	Operating loss	(5,745)	-

Region		Term	First three quarters of FY2008 (April 1-December 31, 2008)	
			Amount (Million yen)	Composition Ratio (%)
Japan	Net sales		167,218	
	Net sales to unaffiliated customers		125,430	46.0
	Net intersegment sales		41,787	
	Operating expenses		178,145	
	Operating loss		(10,927)	-
Asia	Net sales		78,028	
	Net sales to unaffiliated customers		58,994	21.6
	Net intersegment sales		19,033	
	Operating expenses		72,834	
	Operating income		5,193	-
Europe	Net sales		39,167	
	Net sales to unaffiliated customers		35,078	12.8
	Net intersegment sales		4,088	
	Operating expenses		37,995	
	Operating income		1,171	-
North America	Net sales		23,425	
	Net sales to unaffiliated customers		22,681	8.3
	Net intersegment sales		743	
	Operating expenses		22,997	
	Operating income		427	-
Other	Net sales		31,396	
	Net sales to unaffiliated customers		30,747	11.3
	Net intersegment sales		648	
	Operating expenses		28,652	
	Operating income		2,743	-
Inter-segment Elimination	Net sales		(66,301)	
	Net sales to unaffiliated customers		-	
	Net intersegment sales		(66,301)	
	Operating expenses		(66,926)	
	Operating income		624	-
Consolidated	Net sales		272,933	
	Net sales to unaffiliated customers		272,933	100.0
	Net intersegment sales		-	
	Operating expenses		273,700	
	Operating loss		(766)	-

(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

Region \ Term	Third quarter of FY2008 (October 1-December 31, 2008)	
	Amount (Million yen)	Composition Ratio (%)
Asia	17,987	23.6
Europe	8,001	10.5
North America	6,645	8.7
Middle East	7,798	10.3
Other	6,975	9.2
Non-Japan net sales	47,408	62.3
Consolidated net sales	76,143	-

Region \ Term	First three quarters of FY2008 (April 1-December 31, 2008)	
	Amount (Million yen)	Composition Ratio (%)
Asia	63,959	23.4
Europe	28,430	10.4
North America	22,299	8.2
Middle East	22,666	8.3
Other	23,909	8.8
Non-Japan net sales	161,264	59.1
Consolidated net sales	272,933	-

- (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) Middle East Bahrain, Saudi Arabia, etc.
(5) Other Brazil, Australia, etc.
3. Non-Japan net sales are net sales for the Company and consolidated subsidiaries in countries or regions outside Japan.
4. We have created a separate category in this table for the Middle East figures as this region accounted for more than 10% of consolidated sales in the third quarter.

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

[Reference]

Consolidated Financial Statements and Other Information for the First Three Quarters of FY2007

1. Consolidated Statements of Income

Item	First three quarters of FY2007 (April 1- December 31, 2007)
	Amount (Million yen)
I Net Sales	292,459
II Cost of Sales	185,889
Gross profit	106,569
III Selling, General and Administrative Expenses	97,485
Operating income	9,083
IV Non-operating Income	2,080
V Non-operating Expenses	6,025
Ordinary income	5,139
VI Extraordinary Income	1,488
VII Extraordinary Losses	2,249
Current interim net income before tax and other adjustments	4,378
Corporate tax, etc.	2,093
Minority shareholders' income	373
Net income	1,910

2. Consolidated Cash Flow Statements

		First three quarters of FY2007 (April 1- December 31, 2007)
Item		Amount (Million yen)
I	Cash Flows from Operating Activities	
	Net income before tax and other adjustments	4,378
	Depreciation and amortization	16,941
	Changes in accrued bonuses	(12,058)
	Changes in trade receivables	(30,387)
	Changes in inventories	(16,258)
	Changes in trade payables	(7,278)
	Other	(3,152)
	Subtotal	12,959
	Interest and dividend income received	1,635
	Interest expenses paid	(875)
	Income taxes paid or refunded	(5,010)
	Cash flows from operating activities	8,709
II	Cash Flows from Investing Activities	
	Acquisition of tangible fixed assets	(30,632)
	Proceeds from sale of tangible fixed assets	1,326
	Acquisition of intangible fixed assets	(6,918)
	Acquisition of investments in marketable securities	(6,851)
	Proceeds from sale of investments in marketable securities	2,506
	Other	(1,716)
	Cash flows from investment activities	(42,285)
III	Cash Flows from Financing Activities	
	Change in short-term bank borrowings, net	11,199
	Net reduction in balance of commercial paper	20,000
	Proceeds from borrowing of long-term debt	25,510
	Payment for redemption of corporate bonds	(20,000)
	Cash dividends paid	(4,044)
	Other	(6,984)
	Cash flows from financing activities	25,680
IV	Effect of Exchange Rate Change on Cash and Cash Equivalents	41
V	Net Change in Cash and Cash Equivalents	(7,853)
VI	Cash and Cash Equivalents at Beginning of Period	38,178
VII	Increase in Cash and Cash Equivalents Due to Changes in Scope of Consolidated Subsidiaries	138
VIII	Cash and Cash Equivalents at End of Period	30,463

3. Segment Information

a. Segment information by business type

(Millions of yen)

Term Business		First three quarters of FY2007 (April 1- December 31, 2007)		First three quarters of FY2008 (April 1-December 31, 2008)		Change
		Amount	Composition Ratio (%)	Amount	Composition Ratio (%)	Amount
Industrial Automation and Control Business	Net sales	216,760		218,067		1,307
	Net sales to unaffiliated customers	216,695	74.1	218,050	79.9	1,355
	Net intersegment sales	65		16		(48)
	Operating expenses	195,971		200,471		4,500
	Operating income	20,788	228.8	17,596	-	(3,192)
Test and Measurement Business	Net sales	45,388		27,499		(17,889)
	Net sales to unaffiliated customers	45,388	15.5	27,499	10.1	(17,889)
	Net intersegment sales	-		-		-
	Operating expenses	49,025		36,890		(12,135)
	Operating loss	(3,637)	-40.0	(9,391)	-	(5,754)
New and Other Businesses	Net sales	30,376		27,384		(2,992)
	Net sales to unaffiliated customers	30,376	10.4	27,384	10.0	(2,992)
	Net intersegment sales	-		-		-
	Operating expenses	38,444		36,356		(2,088)
	Operating loss	(8,068)	-88.8	(8,971)	-	(903)
Inter-segment Elimination	Net sales	(65)		(16)		
	Net sales to unaffiliated customers	-		-		
	Net intersegment sales	(65)		(16)		
	Operating expenses	(65)		(16)		
	Operating income	-		-		
Consolidated	Net sales	292,459		272,933		(19,525)
	Net sales to unaffiliated customers	292,459	100.0	272,933	100.0	(19,525)
	Net intersegment sales	-		-		-
	Operating expenses	283,376		273,700		(9,675)
	Operating income	9,083	100.0	(766)	-	(9,850)

(Note) 1. Method of categorizing business

Businesses have been grouped according to similarities in product line and market and according to Yokogawa Group profit and loss category.

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
Test and Measurement Business	Semiconductor test systems, waveform measuring instruments, optical communication devices, waveform generators, power/temperature/pressure measuring instruments
New and Other Businesses	Optical communication modules and sub-systems, XY stages, confocal scanners, aircraft navigation-related devices, marine equipment, meteorological/hydrological measuring instruments

b. Segment information by geographical location

(Millions of yen)

Region		Term		First three quarters of FY2007 (April 1- December 31, 2007)		First three quarters of FY2008 (April 1-December 31, 2008)		Change
		Amount	Composition Ratio (%)	Amount	Composition Ratio (%)	Amount		
Japan	Net sales	191,938		167,218		(24,719)		
	Net sales to unaffiliated customers	146,921	50.3	125,430	46.0	(21,490)		
	Net intersegment sales	45,016		41,787		(3,228)		
	Operating expenses	193,508		178,145		(15,362)		
	Operating loss	(1,569)	-17.3	(10,927)	-	(9,357)		
Asia	Net sales	82,758		78,028		(4,730)		
	Net sales to unaffiliated customers	63,150	21.6	58,994	21.6	(4,156)		
	Net intersegment sales	19,607		19,033		(573)		
	Operating expenses	77,363		72,834		(4,529)		
	Operating income	5,394	59.4	5,193	-	(201)		
Europe	Net sales	37,649		39,167		1,517		
	Net sales to unaffiliated customers	33,765	11.5	35,078	12.8	1,313		
	Net intersegment sales	3,883		4,088		204		
	Operating expenses	34,528		37,995		3,467		
	Operating income	3,120	34.3	1,171	-	(1,949)		
North America	Net sales	23,266		23,425		158		
	Net sales to unaffiliated customers	22,618	7.7	22,681	8.3	62		
	Net intersegment sales	647		743		95		
	Operating expenses	22,865		22,997		132		
	Operating income	400	4.4	427	-	26		
Other	Net sales	26,818		31,396		4,578		
	Net sales to unaffiliated customers	26,001	8.9	30,747	11.3	4,746		
	Net intersegment sales	816		648		(168)		
	Operating expenses	24,422		28,652		4,229		
	Operating income	2,395	26.4	2,743	-	348		
Inter-segment Elimination	Net sales	(69,971)		(66,301)				
	Net sales to unaffiliated customers	-		-				
	Net intersegment sales	(69,971)		(66,301)				
	Operating expenses	(69,312)		(66,926)				
	Operating loss	(658)	-7.2	624	-			
Consolidated	Net sales	292,459		272,933		(19,525)		
	Net sales to unaffiliated customers	292,459	100.0	272,933	100.0	(19,525)		
	Net intersegment sales	-		-		-		
	Operating expenses	283,375		273,700		(9,675)		
	Operating income	9,083	100.0	(766)	-	(9,850)		

(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

(Millions of yen)

Region	Term	First three quarters of FY2007 (April 1- December 31, 2007)		First three quarters of FY2008 (April 1-December 31, 2008)		Change
		Amount	Composition Ratio (%)	Amount	Composition Ratio (%)	Amount
Asia		76,980	26.3	63,959	23.4	(13,021)
Europe		36,953	12.6	28,430	10.4	(8,522)
North America		23,667	8.1	22,299	8.2	(1,368)
Middle East		14,568	5.0	22,666	8.3	8,097
Other		20,335	7.0	23,909	8.8	3,573
Non-Japan net sales		172,506	59.0	161,264	59.1	(11,241)
Consolidated net sales		292,459	-	272,933	-	(19,525)

- (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) Middle East Bahrain, Saudi Arabia, etc.
 - (5) Other Brazil, Australia, etc.
 3. Non-Japan net sales are net sales for the Company and consolidated subsidiaries in countries or regions outside Japan.
 4. We have created a separate category in this table for the Middle East figures as this region accounted for more than 10% of consolidated sales in the third quarter.

February 10, 2009

Yokogawa Electric Corporation

Consolidated Financial Statements for First Three Quarters of FY2008

(Millions of yen)

	First three quarters of FY2007		First three quarters of FY2008		Change	
	Amount	Ratio to Net Sales	Amount	Ratio to Net Sales	Amount	Ratio to Net Sales
Net Sales	292,459	-	272,933	-	(19,525)	-
Operating Income	9,083	3.1%	(766)	-0.3%	(9,850)	-3.4%
Ordinary Income	5,139	1.8%	(5,902)	-2.2%	(11,041)	-4.0%
Net Income	1,910	0.7%	(37,171)	-13.6%	(39,082)	-14.3%
Total Assets		438,275		378,042		(60,232)
Shareholders' Equity		224,956		171,812		(53,144)
Net Income to Shareholders' Equity Ratio		0.8%		-19.1%		-20.0%
Net Income per Share		7.30 yen		(144.31) yen		(151.61) yen
Shareholders' Equity per Share		857.09 yen		651.52 yen		(205.57) yen
Capital Investment		29,739		21,188		(8,551)
Depreciation		16,941		15,773		(1,167)
Research and Development Expenses		32,017		28,884		(3,133)
Average Exchange Rate During the Term						
USD		117.14 yen		102.48 yen		(14.66) yen
EUR		163.56 yen		149.98 yen		(13.58) yen

Consolidated orders by segment

(Millions of yen)

	First three quarters of FY2007	First three quarters of FY2008	FY2008 (forecast)
Industrial Automation and Control Business	256,958	240,129	302,000
Test and Measurement Business	42,539	27,210	35,000
New and Other Businesses	39,506	30,822	46,000
Total	339,003	298,161	383,000

Consolidated sales by segment

(Millions of yen)

	First three quarters of FY2007	First three quarters of FY2008	FY2008 (forecast)
Industrial Automation and Control Business	216,695	218,050	303,000
Test and Measurement Business	45,388	27,499	36,000
New and Other Businesses	30,376	27,384	41,000
Total	292,459	272,933	380,000

Consolidated operating income by segment

(Millions of yen)

	First three quarters of FY2007	First three quarters of FY2008	FY2008 (forecast)
Industrial Automation and Control Business	20,788	17,596	27,000
Test and Measurement Business	(3,637)	(9,391)	(16,000)
New and Other Businesses	(8,068)	(8,971)	(10,000)
Total	9,083	(766)	1,000