

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

Telephone Number: 81-422-52-5530

September 29, 2009

Revision of Financial Forecast for FY09 1st Half

Yokogawa Electric Corporation (the "Company") is notifying you of a revision to the financial forecast that was announced on August 11, 2009.

Revision to forecast of consolidated results for FY09 1st Half (April 1, 2009 to September 30, 2009)

Unit: million yen

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share(¥)
Original forecast announced on August 11, 2009 (A)	145,000	(10,000)	(12,000)	(14,000)	-54.35
Revised forecast announced on September 29, 2009 (B)	148,000	(5,000)	(7,000)	(14,000)	-54.35
Difference (B)-(A)	3,000	5,000	5,000	-	-
Difference (%)	2.1%	-	-	-	-
Financial results for 1 st half of fiscal year 2008	196,790	4,979	4,403	3,789	14.71

Reasons for the revision

The sales forecast has been revised upward by 3 billion yen to 148 billion yen due to a recovery trend in the international control business. This comes despite the expectation that the sales for our measurement and other businesses segments will be slightly lower than originally forecast.

The operating loss forecast has been improved by 5 billion yen to 5 billion yen mainly due to the improvement in the sales forecast and the reduction of fixed costs. Due to this anticipated improvement in the operating loss, a lower ordinary loss is also forecast, with this number being revised downward by 5 billion yen to 7 billion yen. There is no change in the forecast for non-operating income and expenses. Despite the 5 billion yen improvement in the operating loss and ordinary loss forecasts, the net loss forecast remains unchanged, at 14 billion yen. This is due to an increase in the forecast for extraordinary losses, which can be attributed to a change in the photonics business strategy that has led the Company to write down this business's fixed assets based on an appraisal of their impaired value.

Reasons for the expected increase in the extraordinary losses

The Company has tried to make its photonics business profitable by promoting optical communications transponders as a main product. Following a review of the competitive environment and profitability forecast, we have decided to adopt a different strategy for the photonics business after determining that it would be difficult for this business to soon become profitable. We will henceforth focus on the

manufacturing and sales of existing products. In line with this change in business strategy, we will write down the fixed assets of the photonics business.

It is noted that the final figure for this write-down of the assets will be determined based on a review by the Company's accounting auditor and will be reflected in the income statement for the 1st half of FY09.

Revision to FY09 full-year forecast

After a careful review of the negative impact on sales of this change in photonics business strategy, the strong yen, and other factors, the revised full-year forecast will be announced on the same day that the FY09 1st half results are announced (expected announcement date: November 10, 2009).

Reference

1. Order forecast by business segment

Unit: billion yen

Business Segment	1 st Half		
	Previous forecast (8/11)	Revised forecast (9/29)	Difference
Control	132.0	132.0	0
Measurement	14.5	13.5	(10)
Other	10.5	9.5	(10)
Total	157.0	155.0	(20)

2. Sales forecast by business segment

Unit: billion yen

Business Segment	1 st Half		
	Previous forecast	Revised forecast	Difference
Control	118.0	122.0	4.0
Measurement	14.0	13.5	(0.5)
Other	13.0	12.5	(0.5)
Total	145.0	148.0	3.0

3. Operating income forecast by business segment

Unit: billion yen

Business Segment	1 st Half		
	Previous forecast	Revised forecast	Difference
Control	1.5	5.0	3.5
Measurement	(11.5)	(10.0)	1.5
Other	0	0	0
Total	(10.0)	(5.0)	5.0

The previous forecasts for the business segments were included in materials that were prepared for an analyst meeting and disclosed on TD-Net on August 11, 2009.