

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

October 27, 2009

Revision of Financial Forecast for FY09 1st Half

Yokogawa Electric Corporation is notifying you of a revision to the financial forecast that was announced on September 29, 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 September 29, 2009 (A)	148,000	(5,000)	(7,000)	(14,000)	-54.35
Revised forecast announced on October 27, 2009 (B)	150,700	(2,400)	(4,100)	(14,500)	-56.29
Difference (B)-(A)	2,700	2,600	2,900	(500)	-
Difference (%)	1.8	-	-	-	-
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 2.7 billion yen to 150.7 billion yen mainly due to an expected increase in control business sales. The operating loss forecast has been revised to 2.4 billion yen, a 2.6 billion yen improvement over the previous forecast, and the ordinary loss forecast has been revised to 4.1 billion yen, an improvement of 2.9 billion yen. Despite the fact that a higher operating loss is forecast for the measurement business due to an inventory valuation loss, the overall improvement in the operating loss and ordinary loss forecasts can be attributed to the expected increase in the control business's operating income as a result of higher sales and a higher gross margin ratio. A larger than predicted reduction in fixed costs by all business segments also helps to explain this improvement in the operating loss and ordinary loss forecasts. At the same time, a net loss of 145 billion yen is now forecast, which is an increase of 500 million yen. This can be mainly attributed to a 1.462 billion yen loss on valuation of investment securities and a 562 million yen software valuation loss. An additional factor that has impacted the net loss forecast is an expected 5.349 billion yen impairment loss on the fixed assets of the photonics business, which is up 349 million yen from the previous forecast.

Revision to FY09 full-year forecast

After a careful review of the negative impact on sales of the 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 (9/29)	Revised forecast (10/27)	Difference
Control	132.0	131.3	(0.7)
Measurement	13.5	12.7	(0.8)
Other	9.5	10.7	1.2
Total	155.0	154.7	(0.3)

2. Sales forecast by business segment

Unit: billion yen

Business Segment	1 st Half		
	Previous forecast (9/29)	Revised forecast (10/27)	Difference
Control	122.0	124.5	2.5
Measurement	13.5	13.3	(0.2)
Other	12.5	12.9	0.4
Total	148.0	150.7	2.7

3. Operating income forecast by business segment

Unit: billion yen

Business Segment	1 st Half		
	Previous forecast (9/29)	Revised forecast (10/27)	Difference
Control	5.0	8.4	3.4
Measurement	(10.0)	(11.1)	(1.1)
Other	0	0.3	0.3
Total	(5.0)	(2.4)	2.6