

Yokogawa Electric Corporation

# Financial Results for 1<sup>st</sup> Half of Fiscal Year 2006



YOKOGAWA

Oct. 31, 2006



# FY06 1H Financial Results

(Billion ¥)

	Initial budget	Revised budget	Results	Difference
	06/05/09	06/07/27 <A>	06/10/31 <B>	<B - A>
Orders	200.0	205.0	222.3	17.3
Sales	190.0	185.0	186.4	1.4
Operating income	10.0	8.0	9.1	1.1
ROS	5.3%	4.3%	4.9%	0.6%
Ordinary income	11.0	9.0	11.4	2.4
ROS	5.8%	4.9%	6.1%	1.2%
Net income	5.0	5.0	4.0	(1.0)
ROS	2.6%	2.7%	2.1%	-0.6%



# Comparison of FY06/05/04 1H Financial Results

(Billion ¥)

	FY04 1H	FY05 1H <A>	FY06 1H <B>	Difference <B-A>	Growth rate <(B-A)/A>
Orders	195.9	183.8	222.3	38.5	20.9%
Sales	187.1	177.8	186.4	8.6	4.8%
Operating income	10.6	7.7	9.1	1.4	18.2%
Ordinary income	10.0	8.4	11.4	3.0	35.7%
Net income	2.8	1.8	4.0	2.2	122.2%



# Comparison of FY06 1H Budget and Results by Expense Category

(Billion ¥)

	Revised budget		Results		Difference	
	06/07/27 <A>		06/10/31 <B>		<B-A>	
Sales	185.0	100.0%	186.4	100.0%	1.4	-
Cost of sales	105.5	57.0%	106.3	57.0%	0.8	0.0%
R&D expenses	17.5	9.5%	16.5	8.9%	(1.0)	-0.6%
SG&A	54.0	29.2%	54.5	29.2%	0.5	0.0%
Operating income	8.0	4.3%	9.1	4.9%	1.1	0.6%



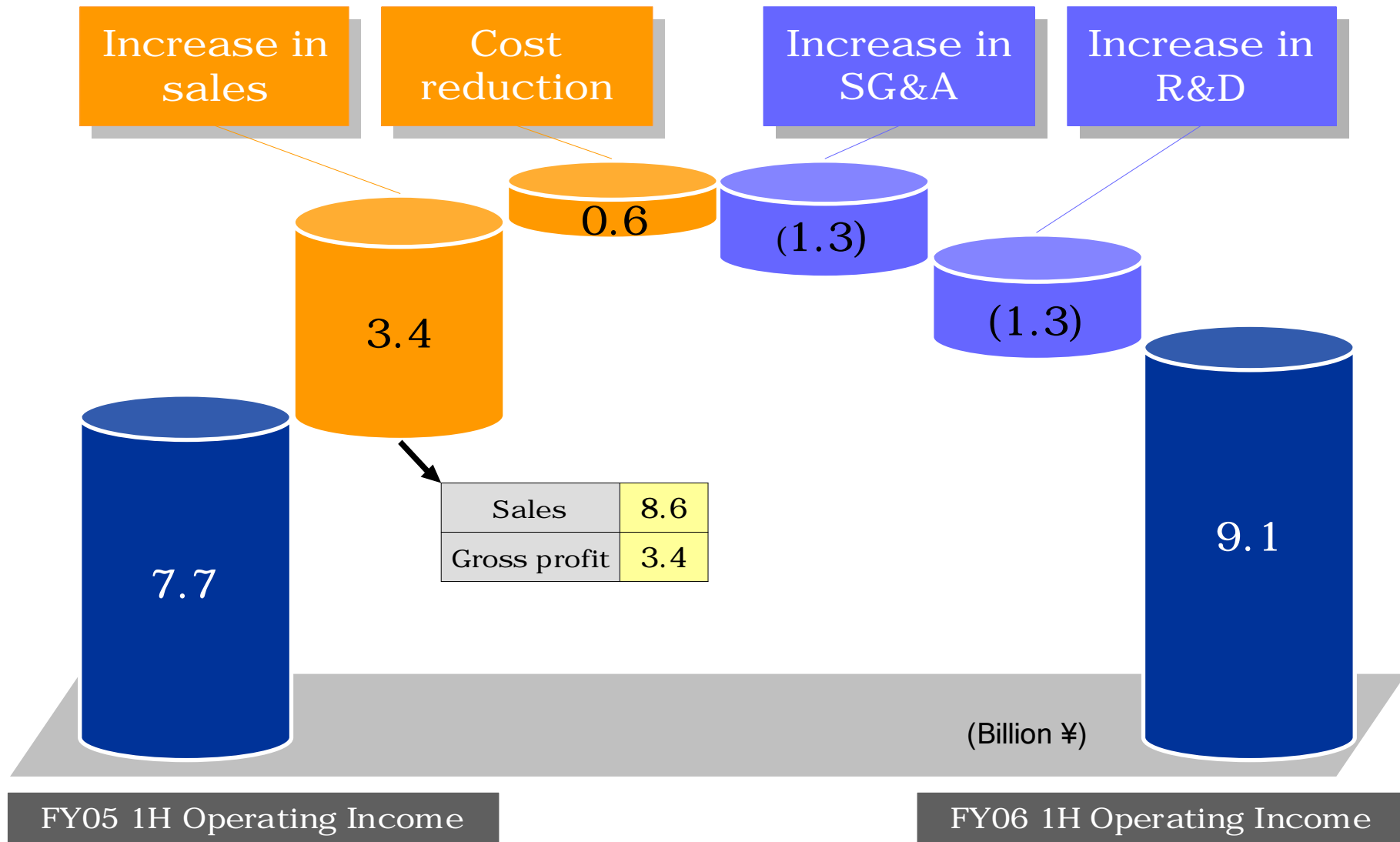
# Comparison of FY06/05/04 1H Financial Results

(Billion ¥)

	FY04 1H		FY05 1H <A>		FY06 1H <B>		Difference <B-A>	
Sales	187.1	100.0%	177.8	100.0%	186.4	100.0%	8.6	-
Cost of sales	107.8	57.6%	101.6	57.1%	106.3	57.0%	4.7	-0.1%
R&D expenses	14.3	7.6%	15.2	8.5%	16.5	8.9%	1.3	0.4%
SG&A	54.4	29.1%	53.2	29.9%	54.5	29.2%	1.3	-0.7%
Operating income	10.6	5.6%	7.7	4.3%	9.1	4.9%	1.4	0.6%



# Analysis of FY06 1H Operating Income





# Quarterly Financial Results

(Billion ¥)

	FY04					FY05					FY06	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q
Orders	99.3	96.6	85.8	93.8	375.5	92.0	91.8	98.8	117.9	400.5	110.7	111.6
Sales	76.4	110.7	73.6	126.4	387.1	70.9	106.9	75.7	135.4	388.9	69.6	116.8
Operating income	1.6	9.0	0.6	13.6	24.8	(1.5)	9.2	1.2	16.4	25.3	(1.4)	10.5



# Non-operating / Extraordinary Income and Expenses

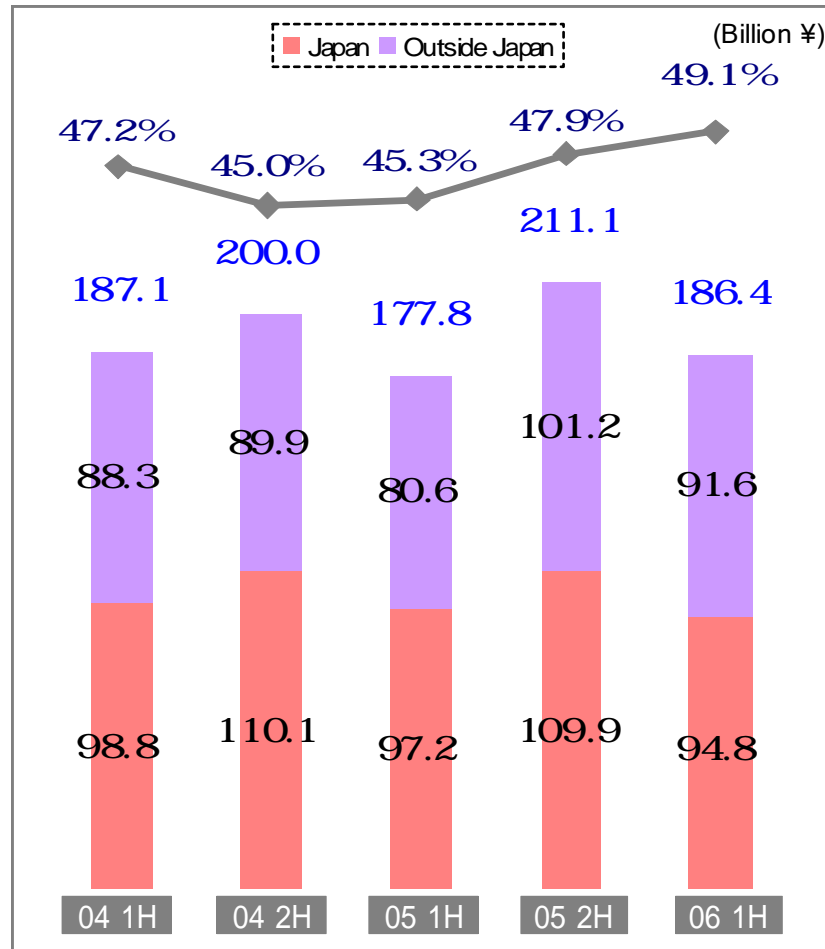
(Billion ¥)

	FY05 1H	FY06 1H Revised budget (7/27)	FY06 1H
Operating income	7.7	8.0	9.1
Non-operating income	2.4	1.0	5.2
Non-operating expenses	1.8		2.8
Ordinary income	8.4	9.0	11.4
Extraordinary income	0.1	(1.5)	0.4
Extraordinary expenses	3.8		2.8
Income before tax	4.7	7.5	9.0
Tax, etc.	2.9	2.5	5.0
Net income	1.8	5.0	4.0

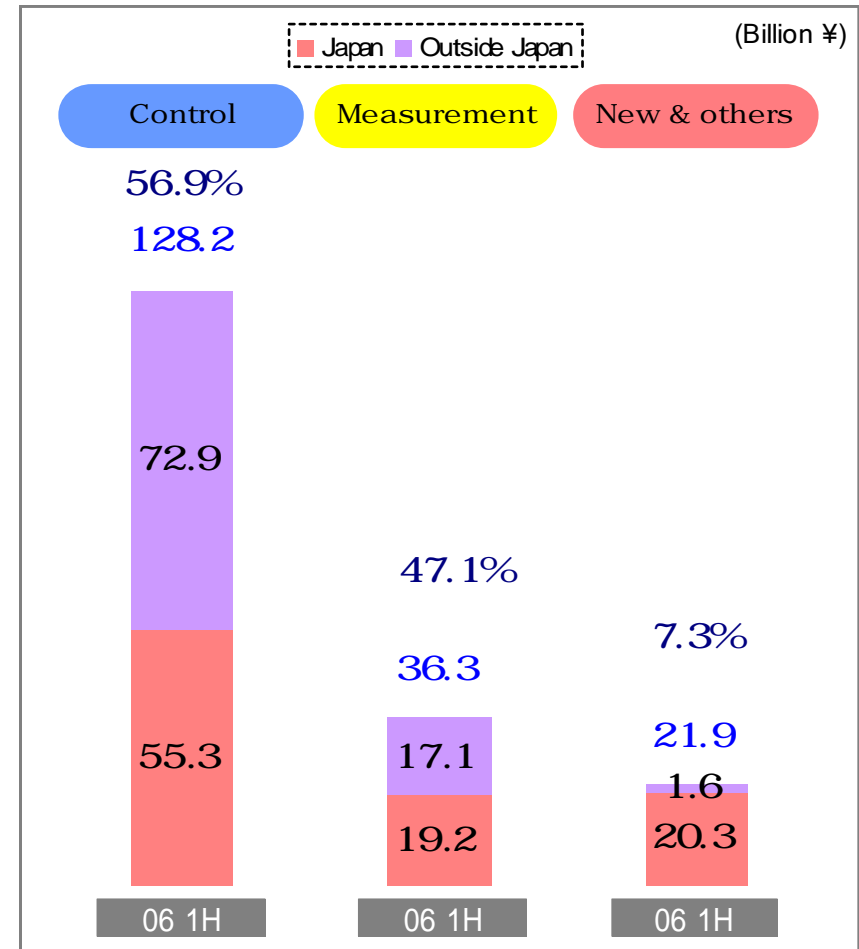


# Global Sales

## Total



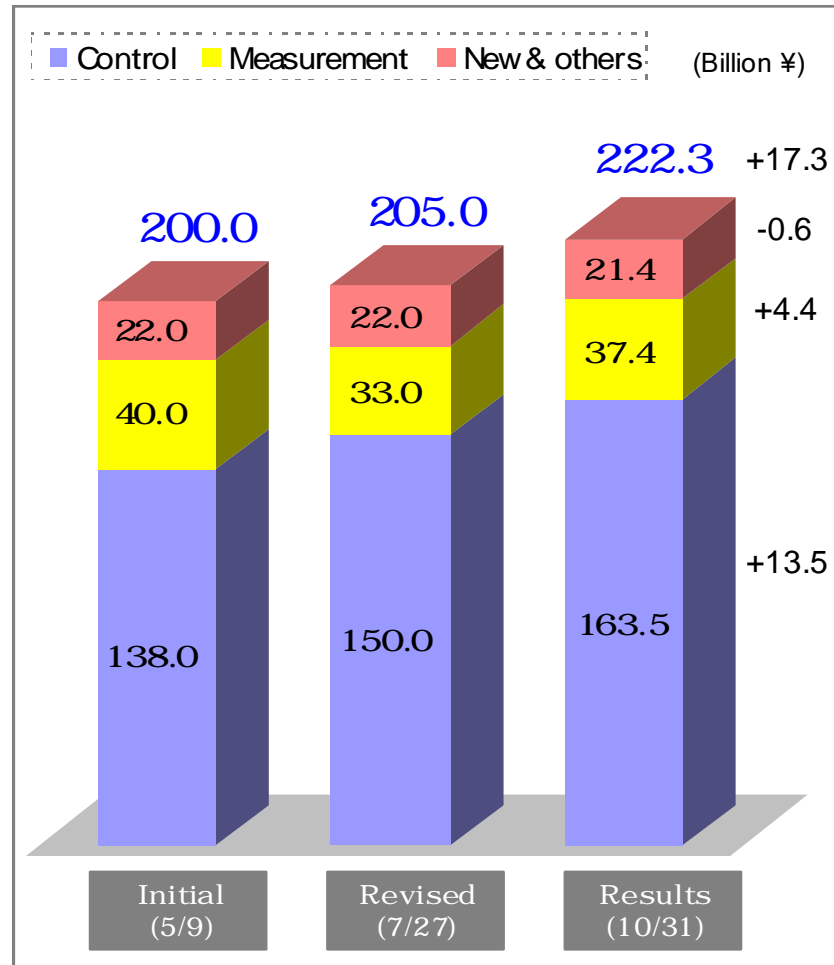
## By Segment



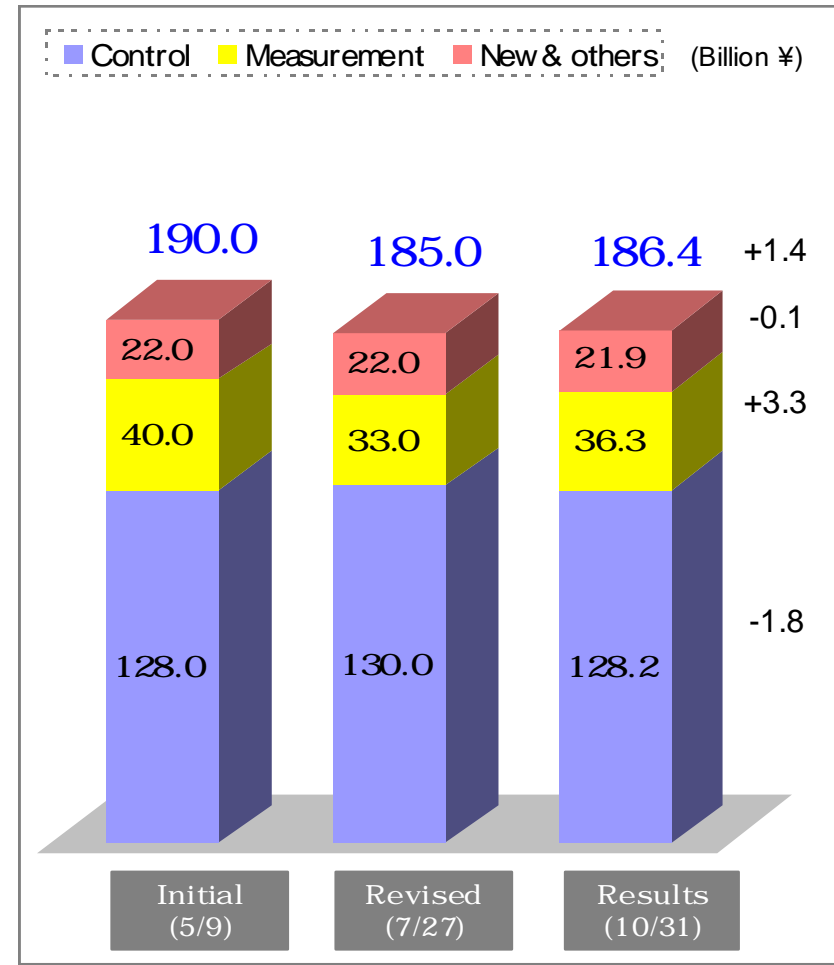


# FY06 1H Budget and Results Comparison for Orders and Sales by Segment

## Orders



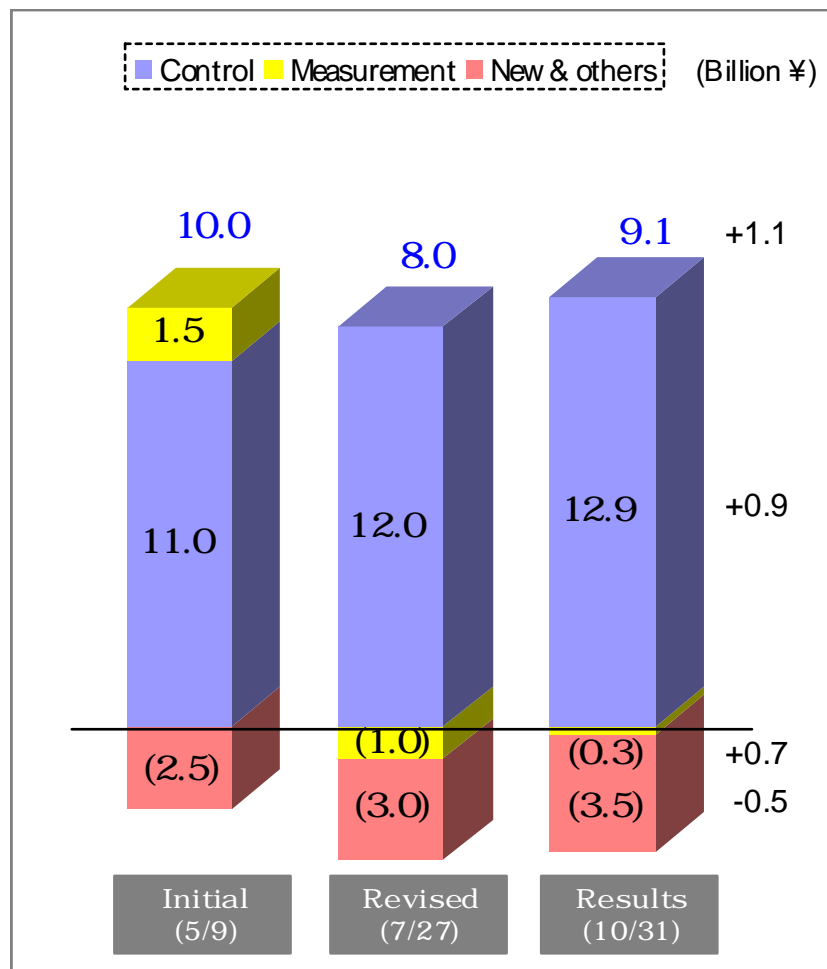
## Sales





# FY06 1H Budget and Results Comparison for Operating Income by Segment

## Operating Income



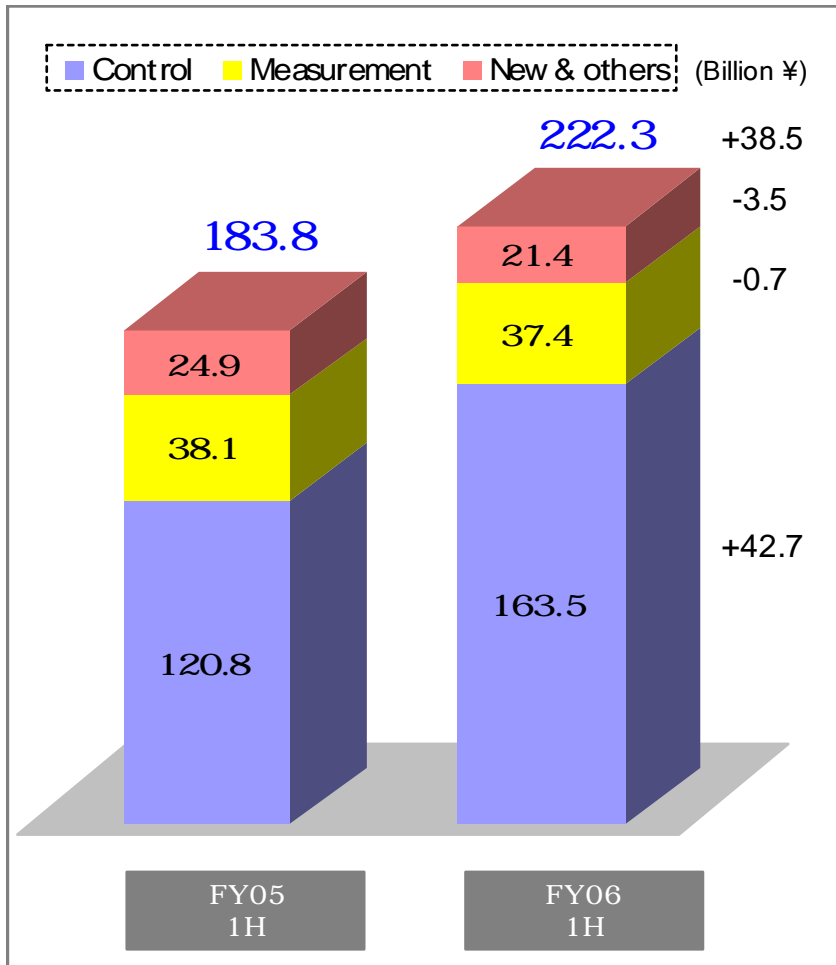
(Billion ¥)

	Initial (5/9)	Revised (7/27)	Results (10/31)	Difference
Control	11.0	12.0	12.9	0.9
Measurement	1.5	(1.0)	(0.3)	0.7
New & Others	(2.5)	(3.0)	(3.5)	(0.5)
Total	10.0	8.0	9.1	1.1

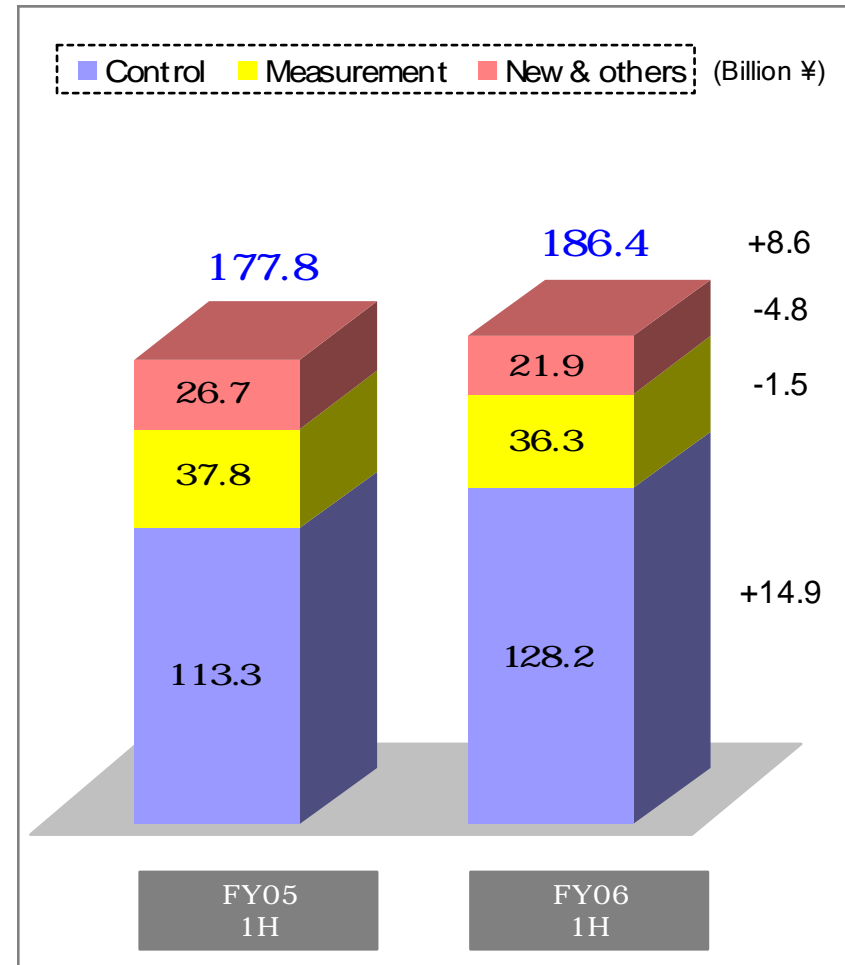


# FY06 1H Orders and Sales by Segment

## Orders



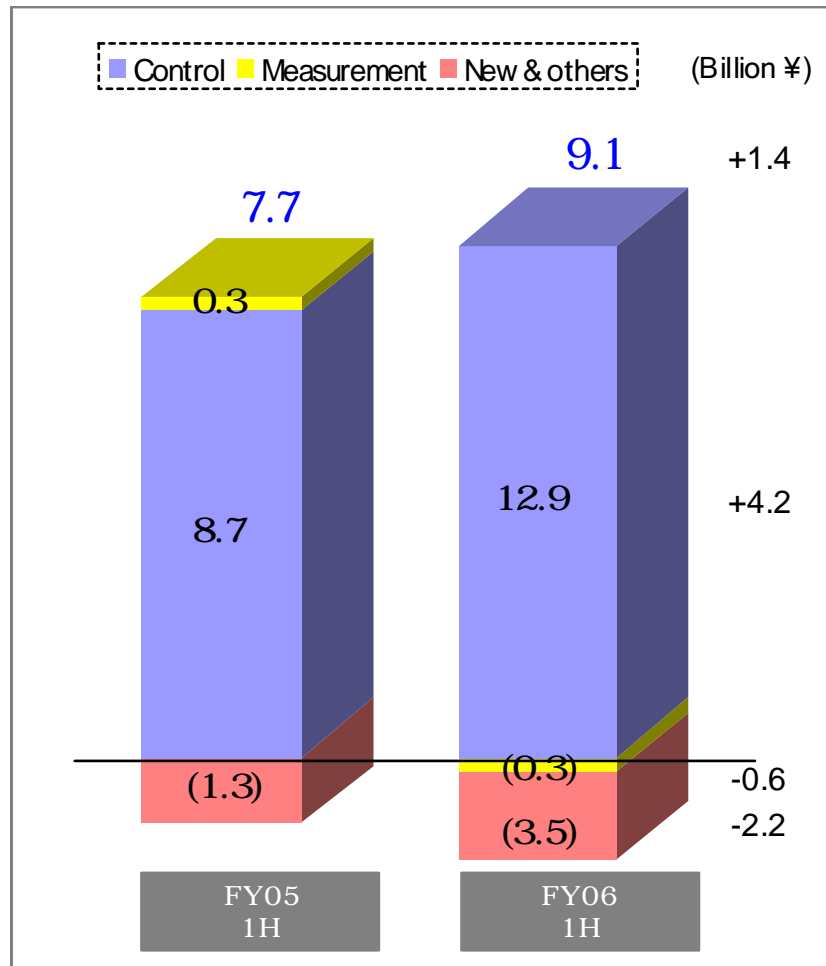
## Sales





# FY06 1H Operating Income by Segment

## Operating Income



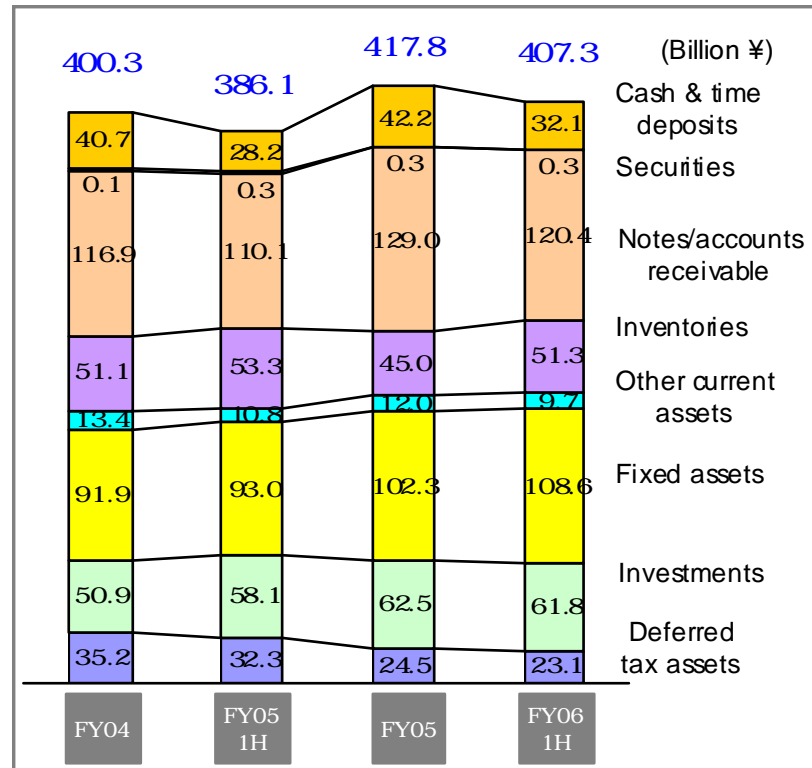
(Billion ¥)

	FY05 1H	FY06 1H	Difference
Control	8.7	12.9	4.2
Measurement	0.3	(0.3)	(0.6)
New & others	(1.3)	(3.5)	(2.2)
<b>Total</b>	<b>7.7</b>	<b>9.1</b>	<b>1.4</b>

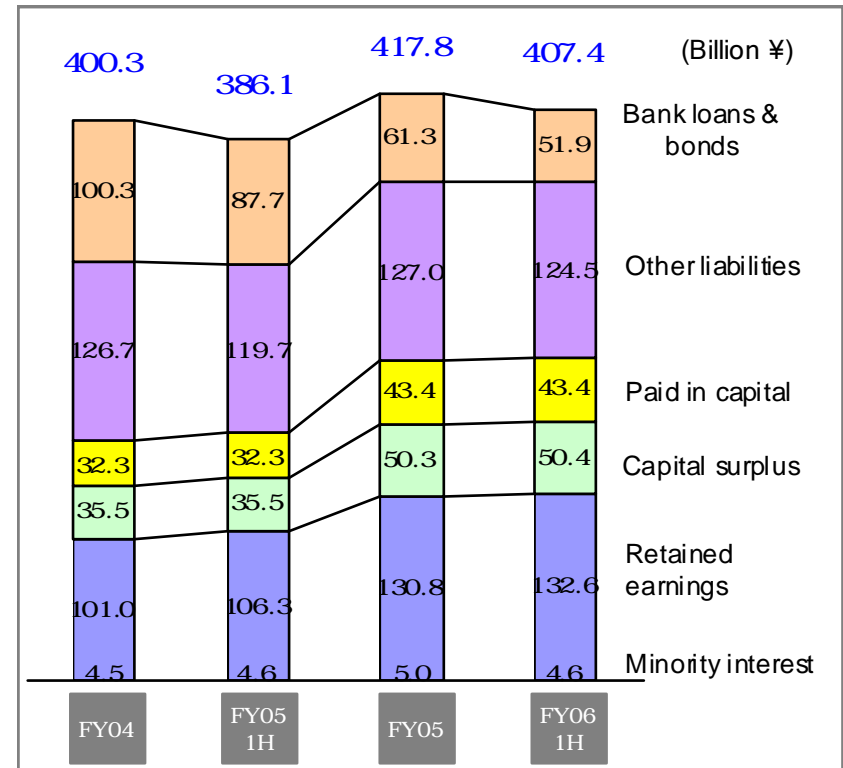


# Trend of Balance Sheet

## Assets



## Liabilities and Shareholders' Equity

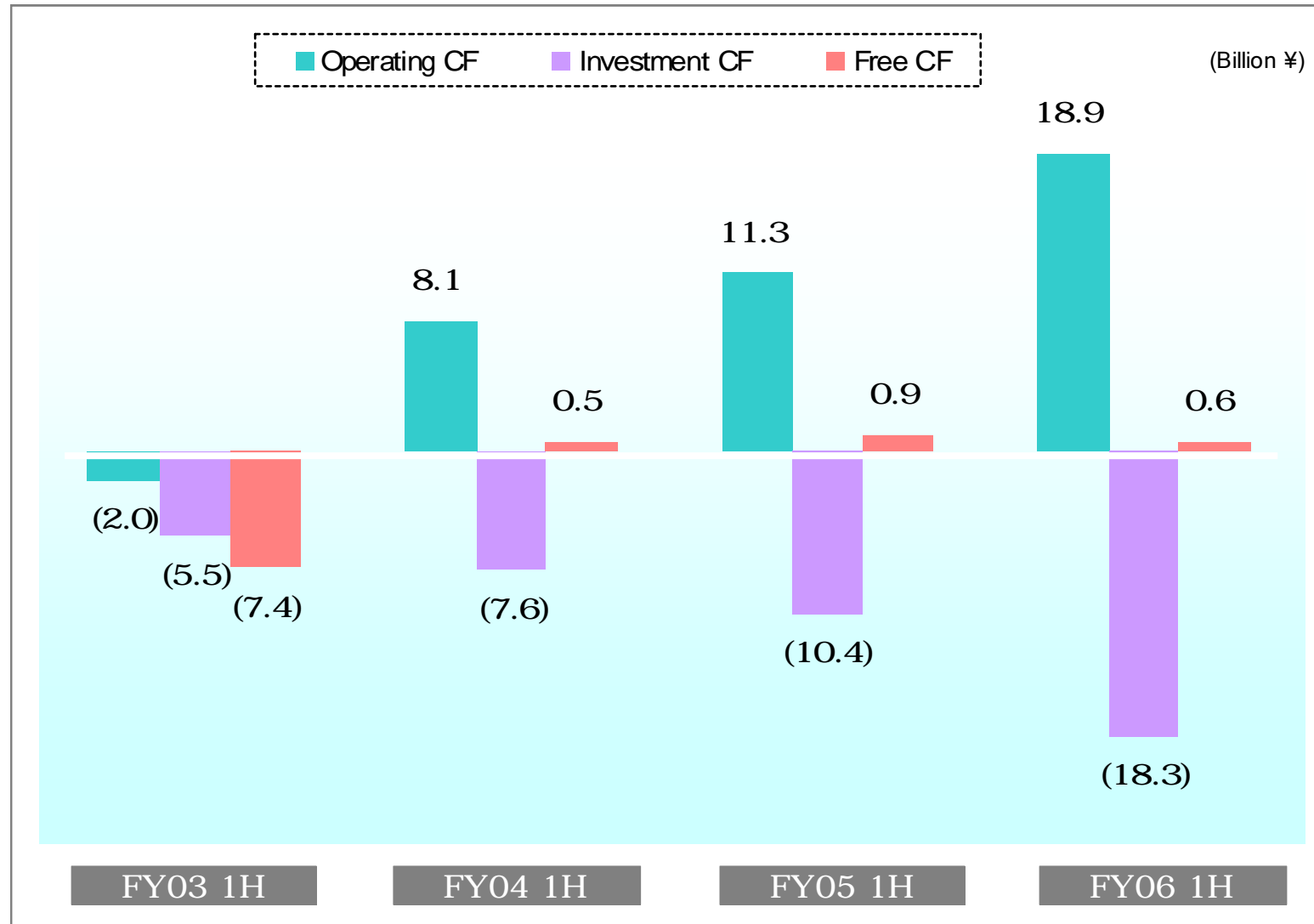


	FY04	FY05 1H	FY05	FY06 1H
Total asset turnover	0.97	0.98	0.95	1.00
Current ratio	200.5%	217.9%	209.1%	184.4%

	FY04	FY05 1H	FY05	FY06 1H
Interest-bearing debt ratio	25.1%	22.7%	14.7%	12.7%
Debt/equity ratio	59.4%	50.4%	27.3%	22.9%
Shareholders' equity	42.2%	45.1%	53.7%	55.6%



# Trend of Cash Flow





# FY06 Revised Budget

(Billion ¥)

	FY05 Results	FY06				
		Initial 06/5/9	Revised 06/7/27 <A>	Results 06/10/31 <B>	Difference <B-A>	Comparison with FY05
Orders	400.5	420.0	430.0	450.0	20.0	49.5
Sales	388.9	410.0	410.0	410.0	0.0	21.1
Operating income	25.3	31.0	31.0	31.0	0.0	5.7
ROS	6.5%	7.6%	7.6%	7.6%	0.0%	1.1%
Ordinary income	26.4	28.0	28.0	30.0	2.0	3.6
ROS	6.8%	6.8%	6.8%	7.3%	0.5%	0.5%
Net income	21.6	15.0	15.0	15.0	0.0	(6.6)
ROS	5.6%	3.7%	3.7%	3.7%	0.0%	-1.9%



# FY06 Revised Budget for Non-operating/ Extraordinary Income and Expenses

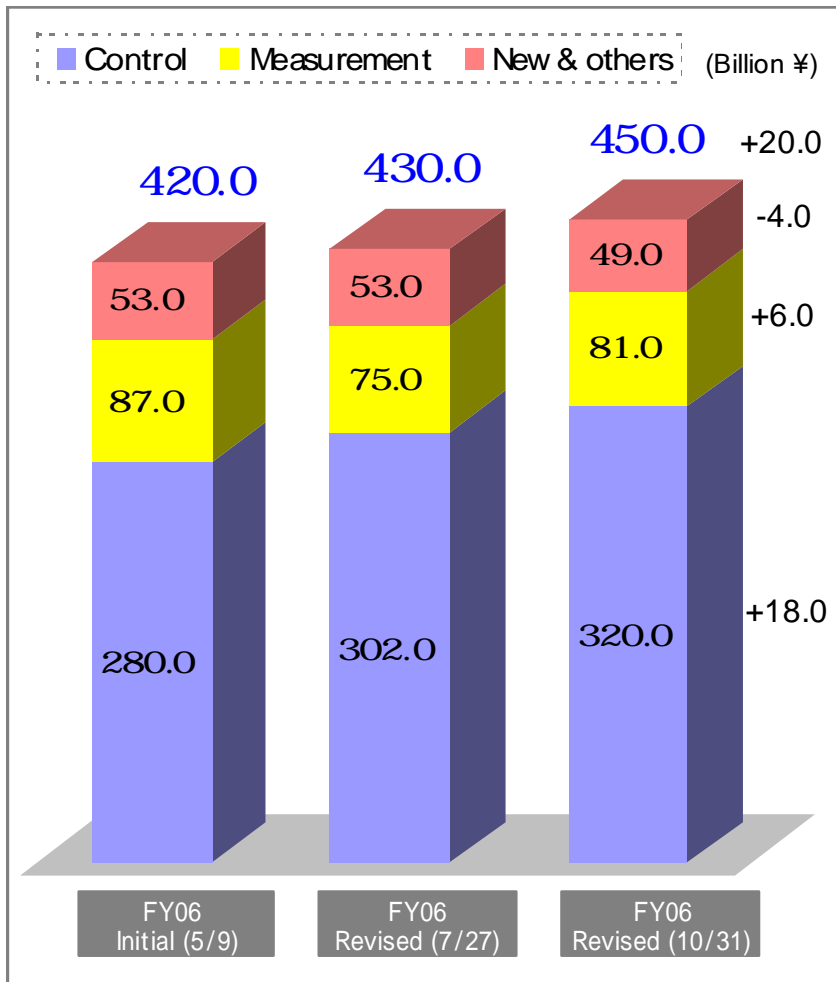
(Billion ¥)

	FY05		FY06	
	1H results	Results	1H results	Budget
Operating income	7.7	25.3	9.1	31.0
Non-operating income	2.4	6.5	5.2	(1.0)
Non-operating expenses	1.8	5.4	2.8	
Ordinary income	8.4	26.4	11.4	30.0
Extraordinary income	0.1	14.4	0.4	(4.0)
Extraordinary expenses	3.8	7.9	2.8	
Income before tax	4.7	32.9	9.0	26.0
Tax, etc.	2.9	11.3	5.0	11.0
Net income	1.8	21.6	4.0	15.0

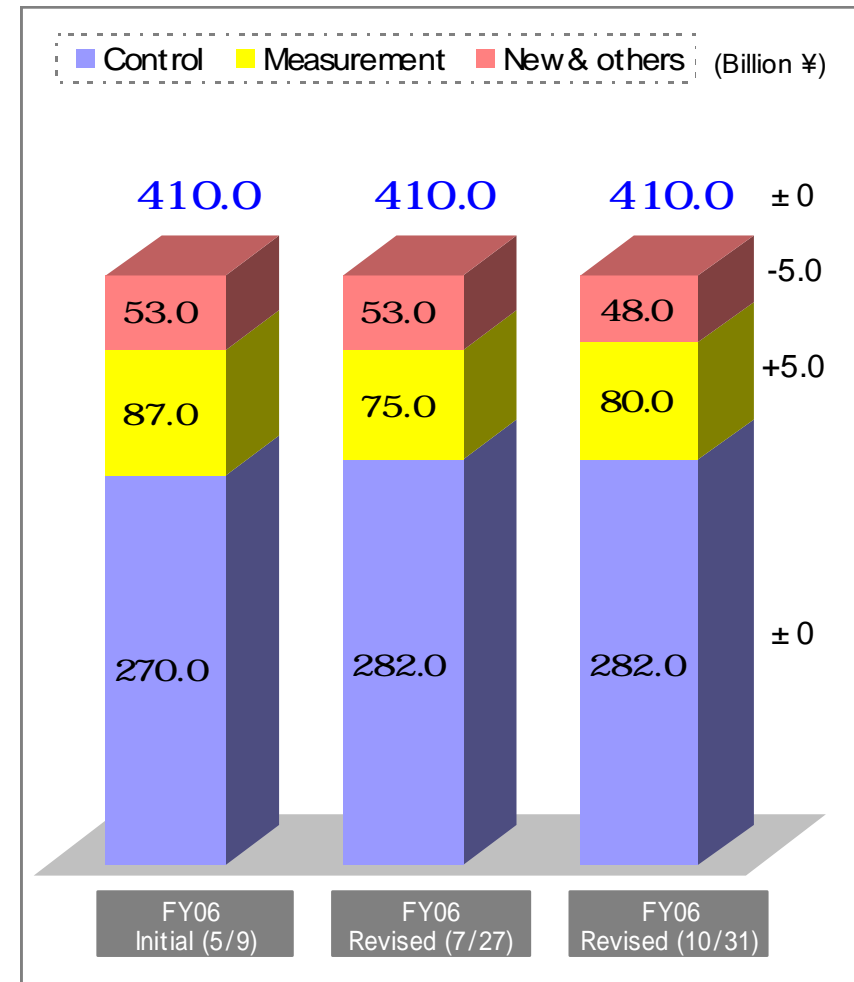


# FY06 Revised Budget for Orders and Sales by Segment

## Orders



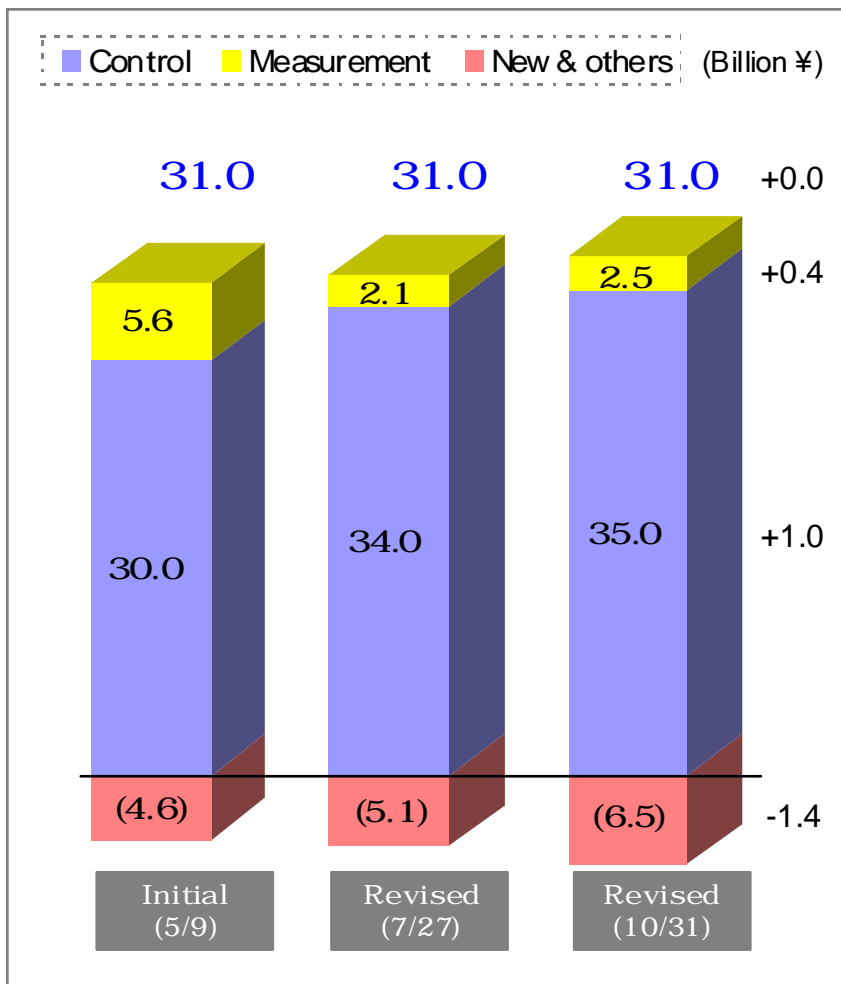
## Sales



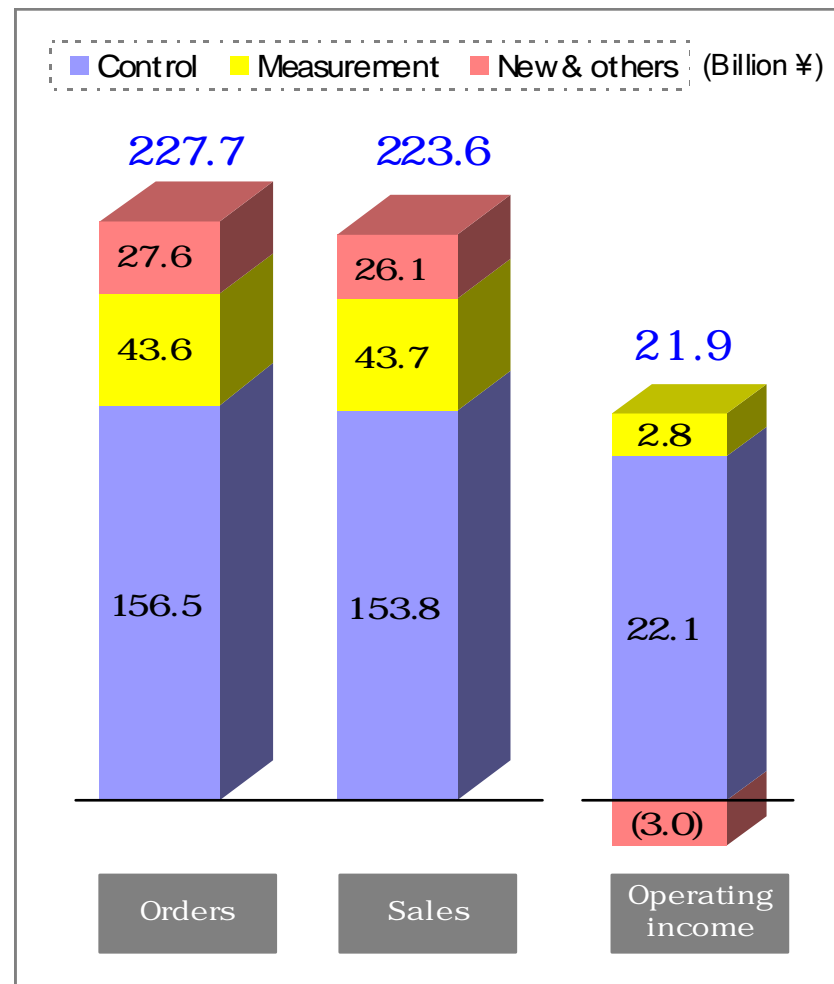


# FY06 Revised Budget for Operating Income by Segment

## Operating Income



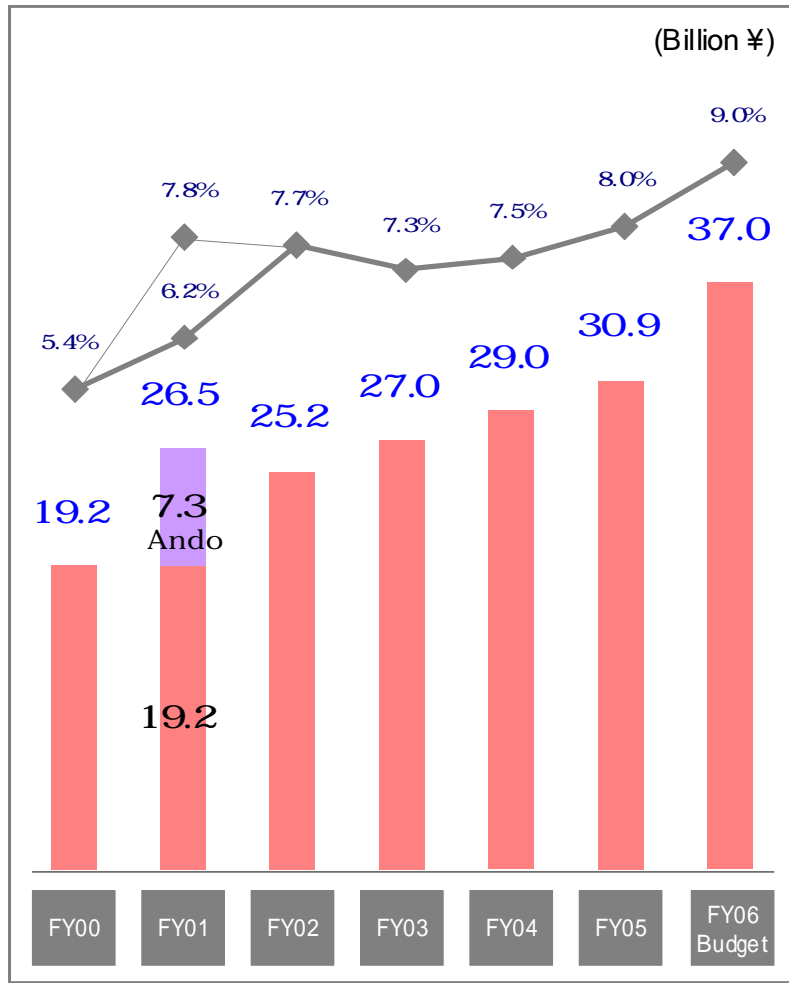
## FY06 2H



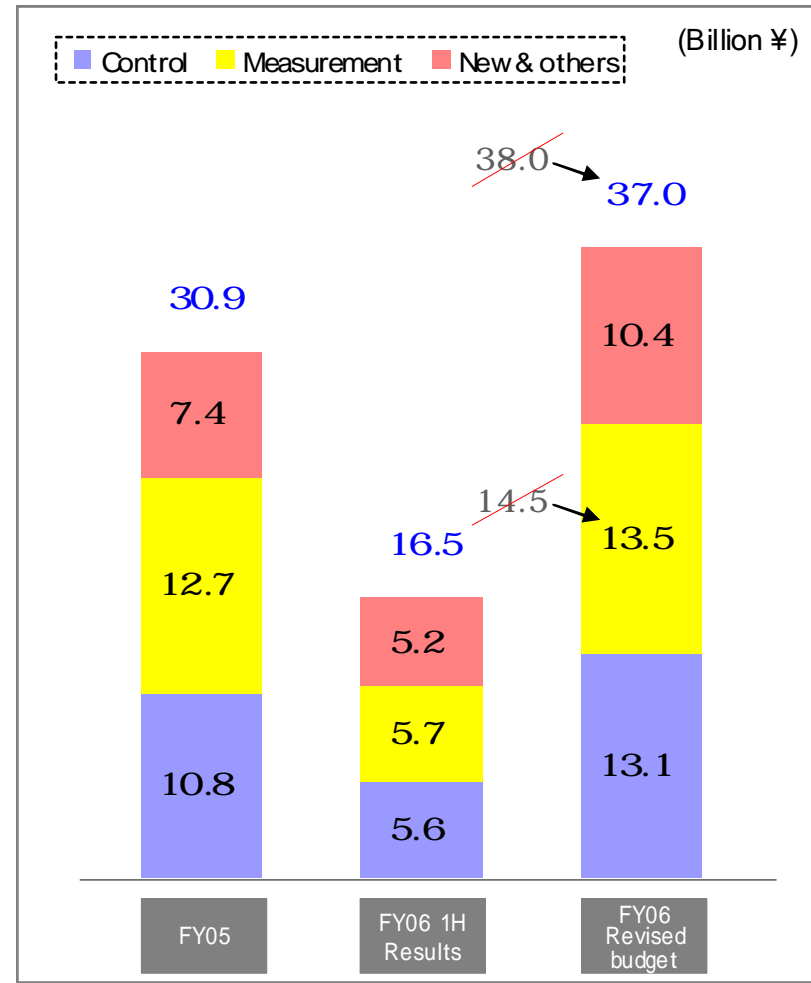


# Trend of R&D Expenses

## Trend of R&D Expenses

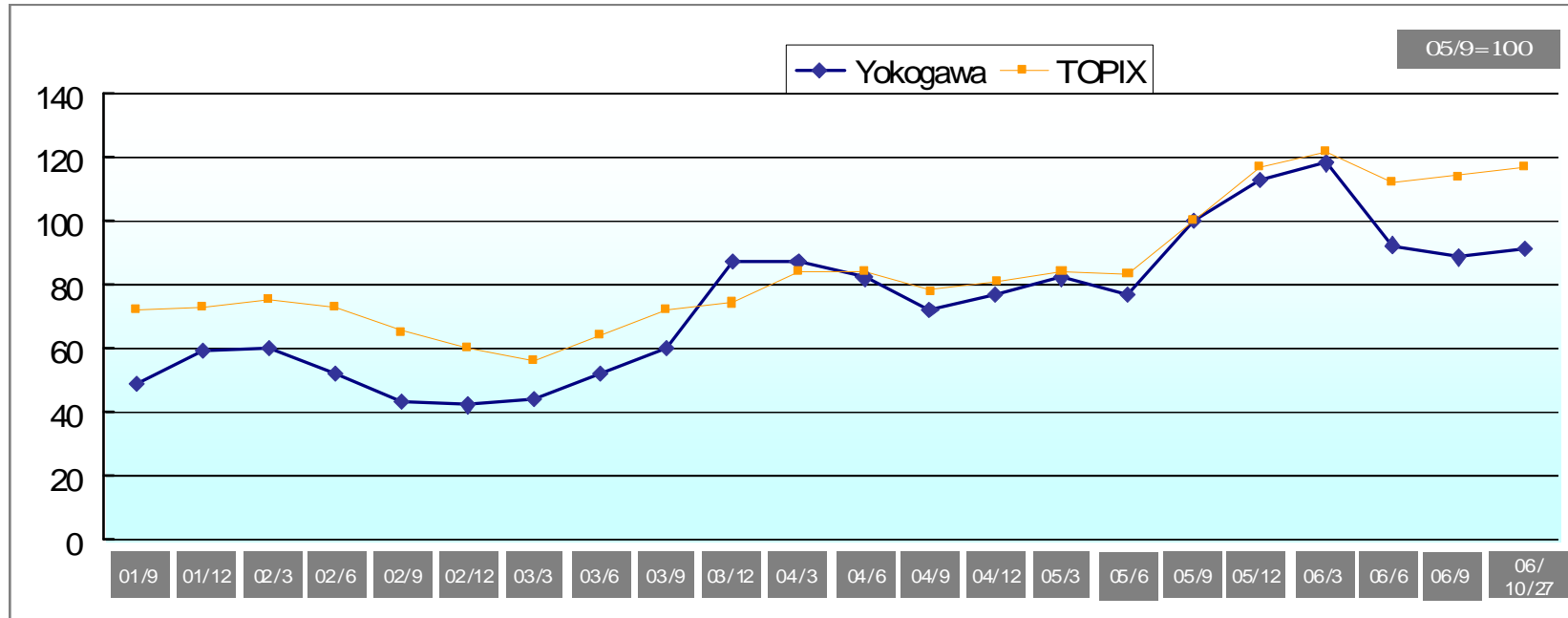


## Trend of R&D Expenses by Segment





# Trend of Stock Price



	01/9	01/12	02/3	02/6	02/9	02/12	03/3	03/6	03/9	03/12	04/3	04/6	04/9	04/12	05/3	05/6	05/9	05/12	06/3	06/6	06/9	06/10/27
Yokogawa	863	1,045	1,059	930	765	737	788	927	1,070	1,548	1,544	1,455	1,276	1,372	1,452	1,371	1,772	2,010	2,095	1,631	1,552	1,616
TOPIX	1,023	1,032	1,060	1,025	921	843	788	903	1,019	1,044	1,179	1,190	1,104	1,139	1,180	1,177	1,412	1,650	1,728	1,587	1,611	1,651

	01/9	01/12	02/3	02/6	02/9	02/12	03/3	03/6	03/9	03/12	04/3	04/6	04/9	04/12	05/3	05/6	05/9	05/12	06/3	06/6	06/9	06/10/27
Yokogawa	49	59	60	52	43	42	44	52	60	87	87	82	72	77	82	77	100	113	118	92	88	91
TOPIX	72	73	75	73	65	60	56	64	72	74	84	84	78	81	84	83	100	117	122	112	114	117



# Disclaimer

The information pertaining to our business plans and forecasts that has been provided in this presentation and at analyst meetings contains forward-looking statements that are based on our management's current knowledge and require the making of assumptions about future events. As such, it cannot be guaranteed that these statements will not differ materially from actual results.