

Yokogawa Electric Corporation

Financial Results for Fiscal Year 2006



YOKOGAWA

May 10, 2007



FY06 Financial Results

(Billion ¥)

	FY05	FY06				Difference (B-A)
	Results (06/5/9)	Initial budget (06/5/9)	Revised budget (06/7/27)	Revised budget (A) (06/10/31)	Results (B) (07/5/10)	
Orders	400.5	420.0	430.0	450.0	456.5	6.5
Sales	388.9	410.0	410.0	410.0	433.4	23.4
Operating income	25.3	31.0	31.0	31.0	29.3	(1.7)
ROS	6.5%	7.6%	7.6%	7.6%	6.8%	-0.8%
Ordinary income	26.4	28.0	28.0	30.0	29.6	(0.4)
ROS	6.8%	6.8%	6.8%	7.3%	6.8%	-0.5%
Net income	21.6	15.0	15.0	15.0	12.6	(2.4)
ROS	5.6%	3.7%	3.7%	3.7%	2.9%	-0.8%



Comparison of FY05 and FY06 Financial Results

(Billion ¥)

	FY05	FY06	Difference
Orders	400.5	456.5	56.0
Sales	388.9	433.4	44.5
Operating income	25.3	29.3	4.0
ROS	6.5%	6.8%	0.3%
Ordinary income	26.4	29.6	3.2
ROS	6.8%	6.8%	0.0%
Net income	21.6	12.6	(9.0)
ROS	5.6%	2.9%	-2.7%



FY06/05 Quarterly Financial Results

(Billion ¥)

	FY05					FY06				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q*	Total
Orders	92.0	91.8	98.8	117.9	400.5	110.7	111.6	109.7	124.5 [16.8]	456.5
Sales	70.9	106.9	75.7	135.4	388.9	69.6	116.8	85.1	161.9 [22.1]	433.4
Operating income	(1.5)	9.2	1.2	16.4	25.3	(1.4)	10.5	3.6	16.6 [1.4]	29.3

* In FY06 all subsidiaries outside Japan except those in China changed the fiscal year-end date from February 28 to March 31.

Subsidiaries in China changed from December 31 to March 31. The one-time increase resulting from this change is shown in brackets.



Comparison of FY06 Budget and Results by Expense Category

(Billion ¥)

	FY06 revised budget (06/5/9)		FY06 results (07/5/10)		Difference	
Sales	410.0	100.0%	433.4 [411.3]	100.0% [100.0%]	23.4 [1.3]	—
Cost of sales	231.5	56.5%	251.2 [235.5]	57.9% [57.2%]	19.7 [4.0]	1.4% [0.7%]
R&D	38.0	9.3%	36.2 [36.2]	8.4% [8.8%]	(1.8) [(1.8)]	-0.9% [-0.5%]
SG&A	109.5	26.6%	116.7 [111.7]	26.9% [27.2%]	7.2 [2.2]	0.2% [0.6%]
Operating income	31.0	7.6%	29.3 [27.9]	6.8% [6.8%]	(1.7) [(3.1)]	-0.8% [-0.8%]

*The numbers in brackets show the results without the increase from the fiscal year change by subsidiaries outside Japan.



Comparison of FY06/05 Financial Results by Expense Category

(Billion ¥)

	FY05		FY06		Difference	
Sales	388.9	100.0%	433.4 [411.3]	100.0% [100.0%]	44.5 [22.4]	—
Cost of sales	223.9	57.6%	251.2 [235.5]	57.9% [57.2%]	27.3 [11.6]	0.3% [-0.4%]
R&D	30.9	8.0%	36.2 [36.2]	8.4% [8.8%]	5.3 [5.3]	0.4% [0.8%]
SG&A	108.7	27.9%	116.7 [111.7]	26.9% [27.2%]	8.0 [3.0]	-1.0% [-0.7%]
Operating income	25.3	6.5%	29.3 [27.9]	6.8% [6.8%]	4.0 [2.6]	0.3% [0.3%]

*The numbers in brackets show the results without the increase from the fiscal year change by subsidiaries outside Japan.



Non-operating / Extraordinary Income and Expenses

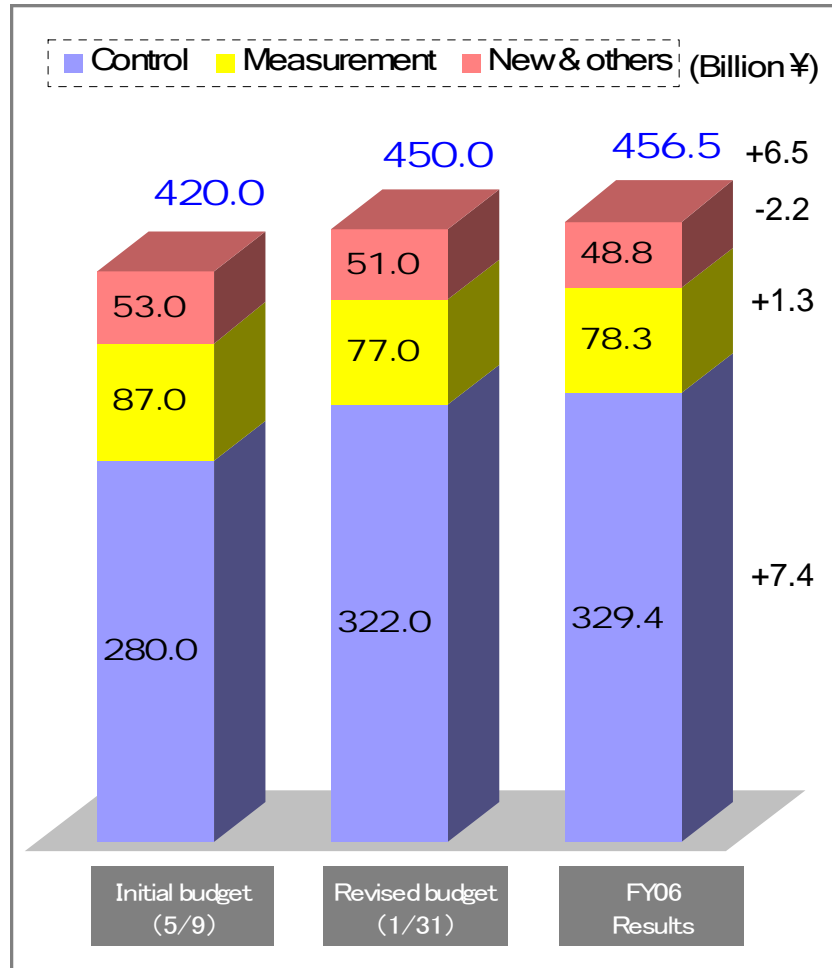
(Billion ¥)

	FY04	FY05
Operating income	25.3	29.3
Non-operating income	6.5	7.6
Non-operating expenses	5.4	7.3
Ordinary income	26.4	29.6
Extraordinary income	14.4	0.5
Extraordinary expenses	7.9	5.0
Income before tax	32.9	25.1
Tax, etc.	11.3	12.5
Net income	21.6	12.6

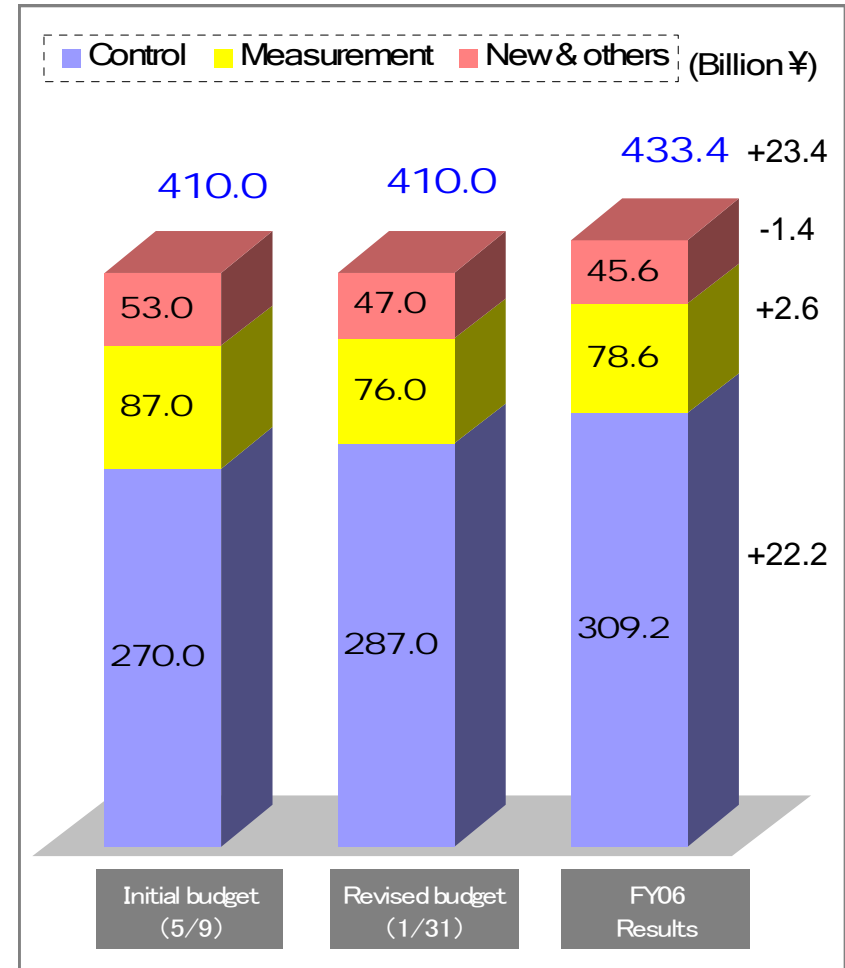


FY06 Budget and Results Comparison for Orders and Sales by Segment

Orders



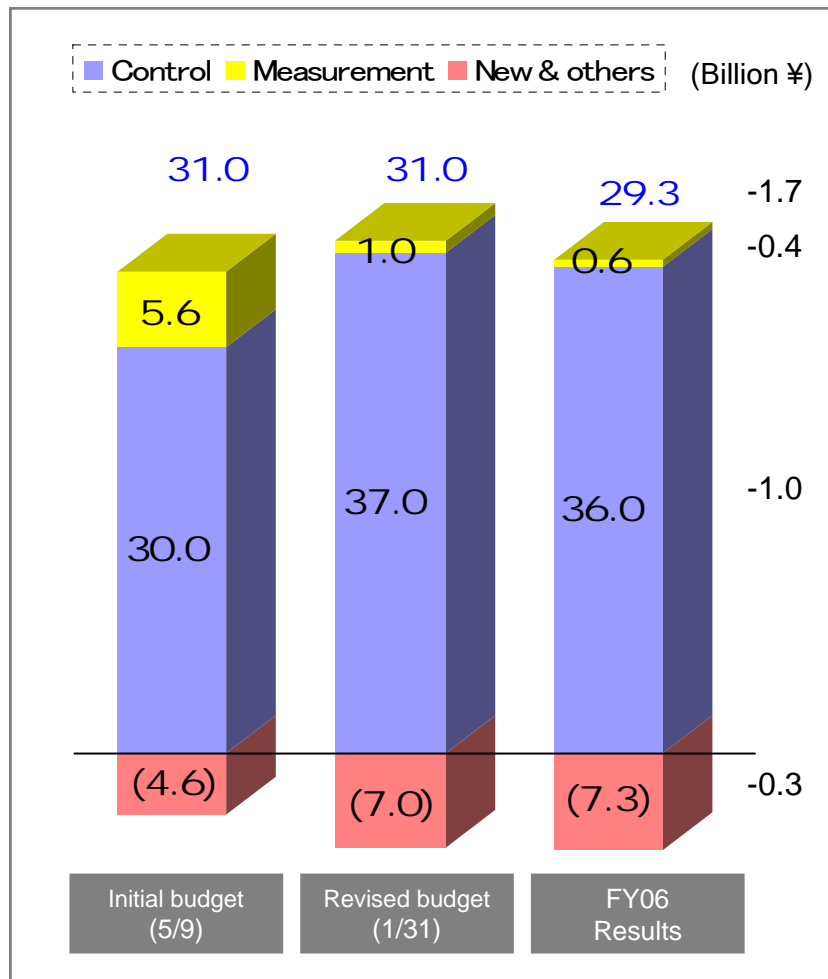
Sales





FY06 Budget and Results Comparison for Operating Income by Segment

Operating Income



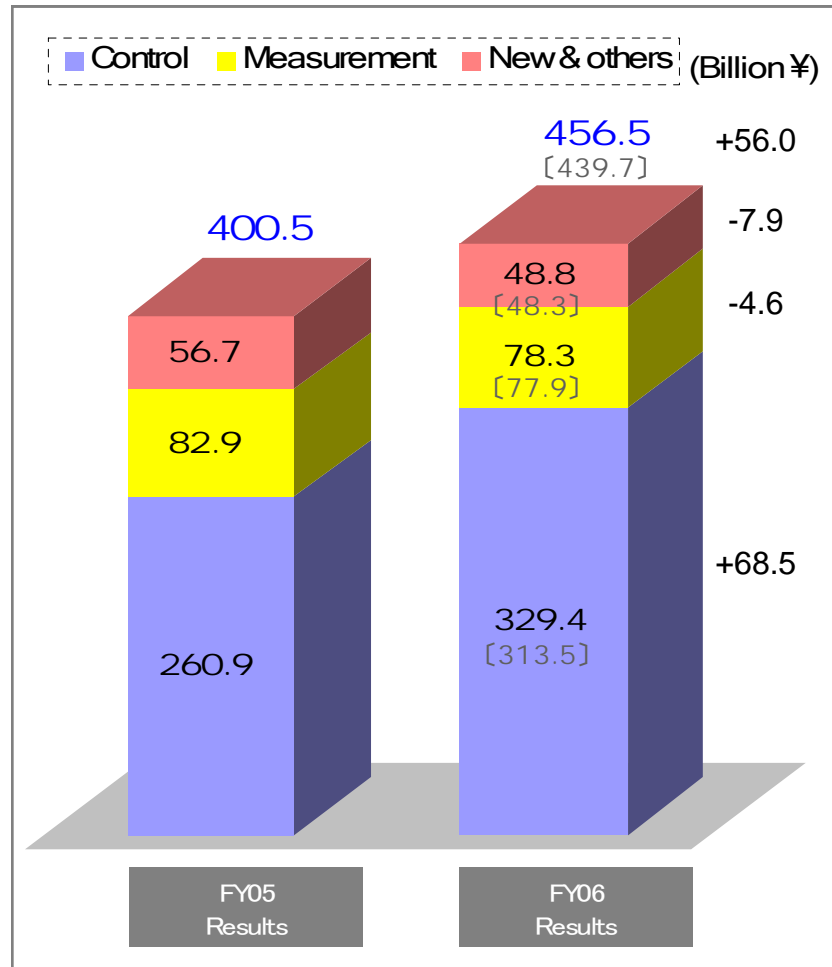
(Billion ¥)

	FY06 Revised budget (1/31)	FY06 Results (5/10)	Difference
Control	37.0	36.0	(1.0)
Measurement	1.0	0.6	(0.4)
New & others	(7.0)	(7.3)	(0.3)
Total	31.0	29.3	(1.7)

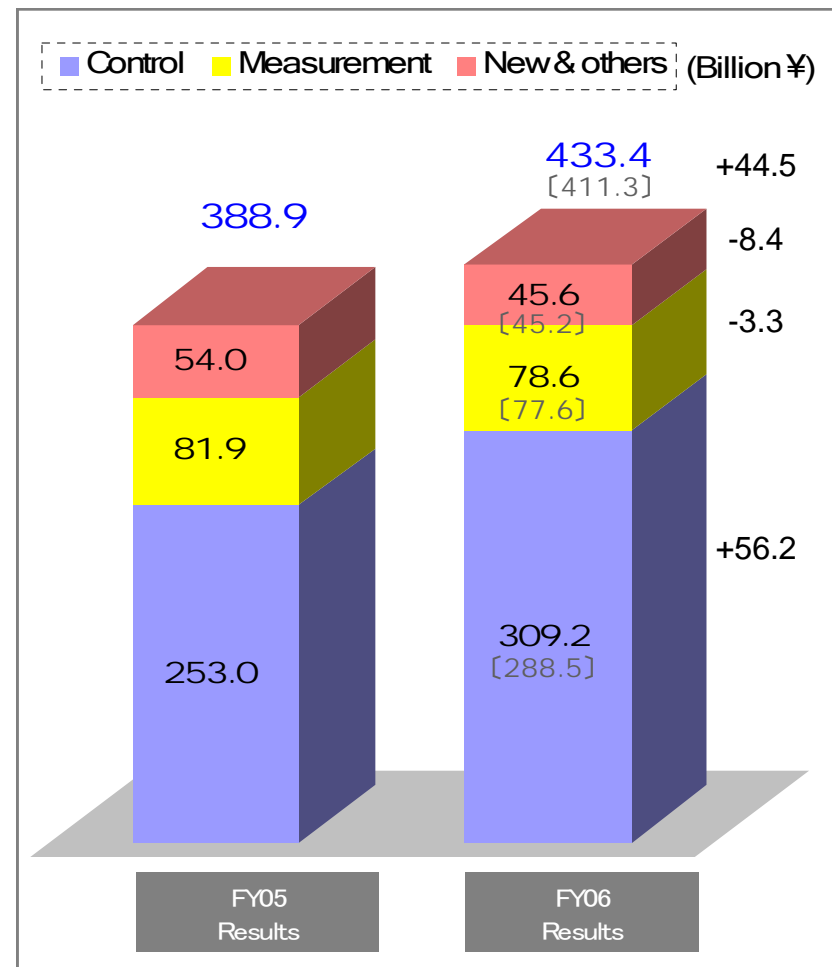


FY06/05 Comparison for Orders and Sales by Segment

Orders



Sales

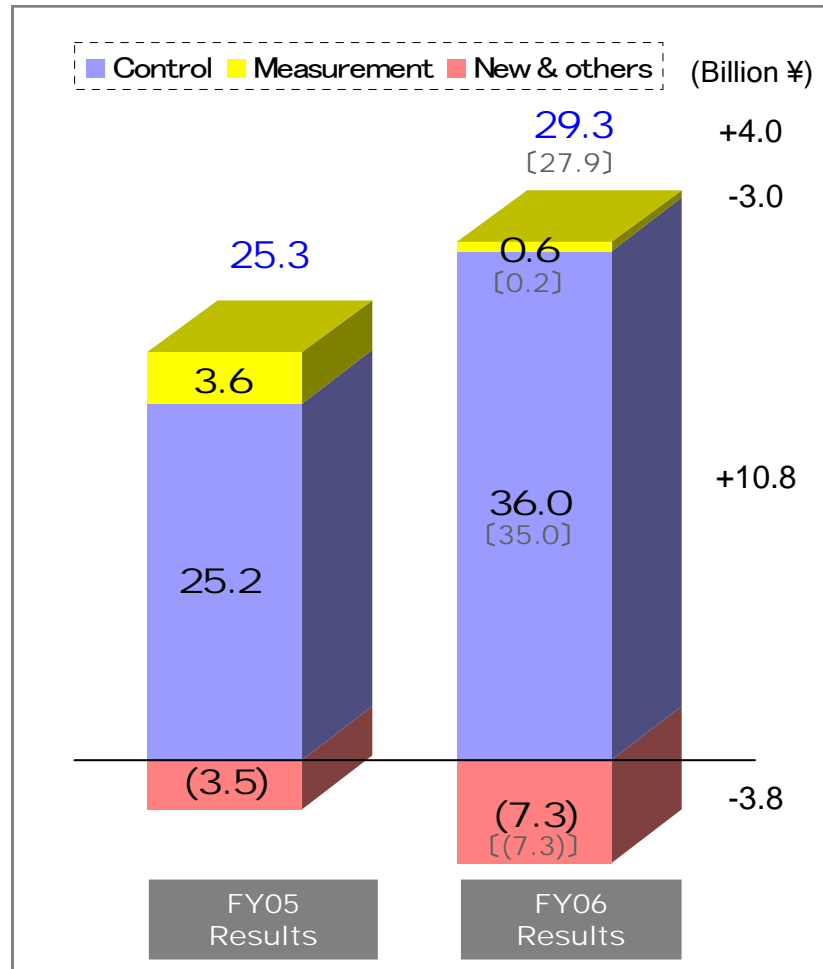


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FY06/05 Comparison for Operating Income by Segment

Operating Income



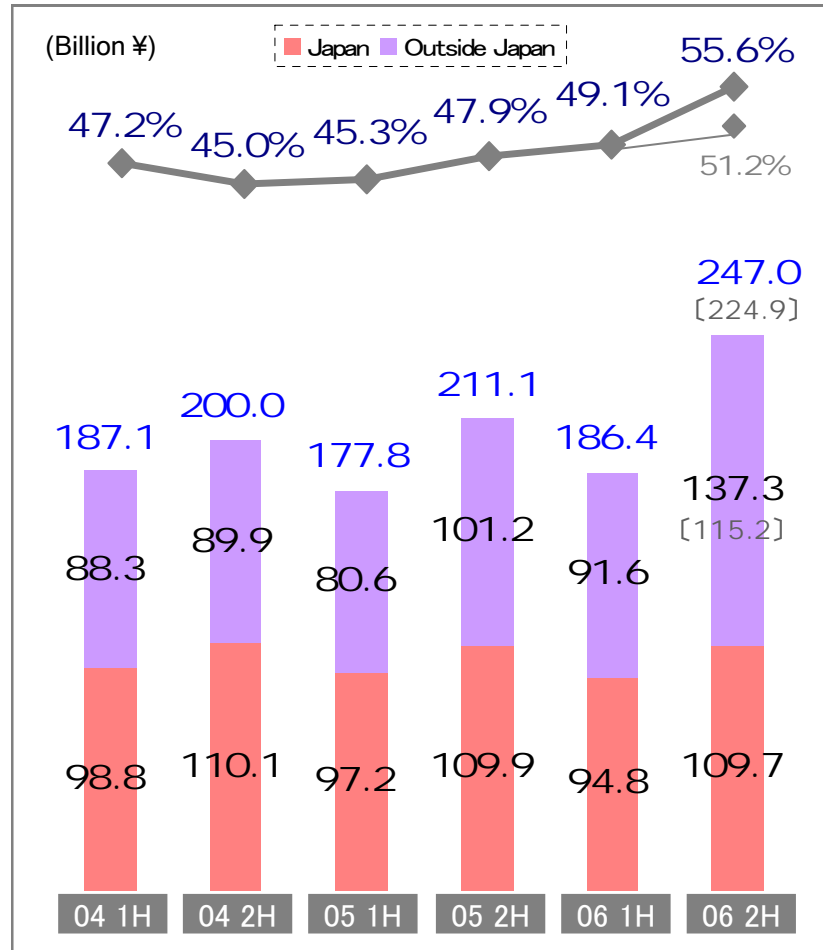
	FY05 Results	FY06 Results	Difference
Control	25.2	36.0 [35.0]	10.8
Measurement	3.6	0.6 [0.2]	(3.0)
New & others	(3.5)	(7.3) [(7.3)]	(3.8)
Total	25.3	29.3 [27.9]	4.0

*The numbers in brackets show the results without the increase from the fiscal year change by subsidiaries outside Japan.

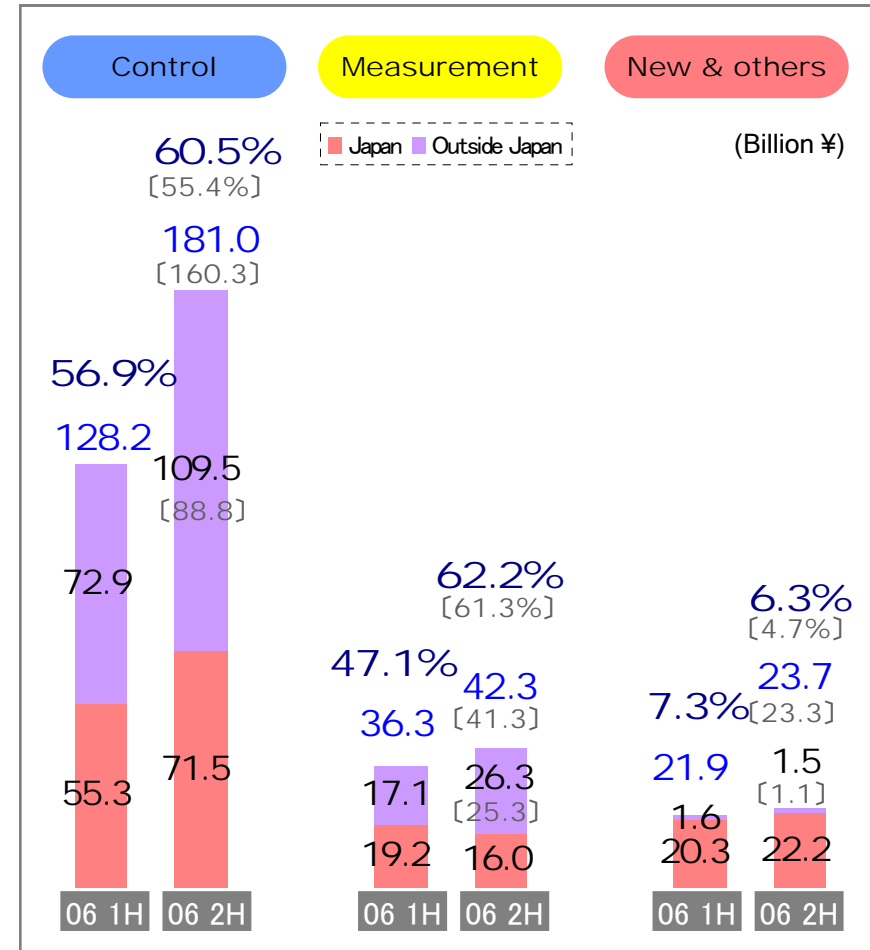


Global Sales

Total



By Segment

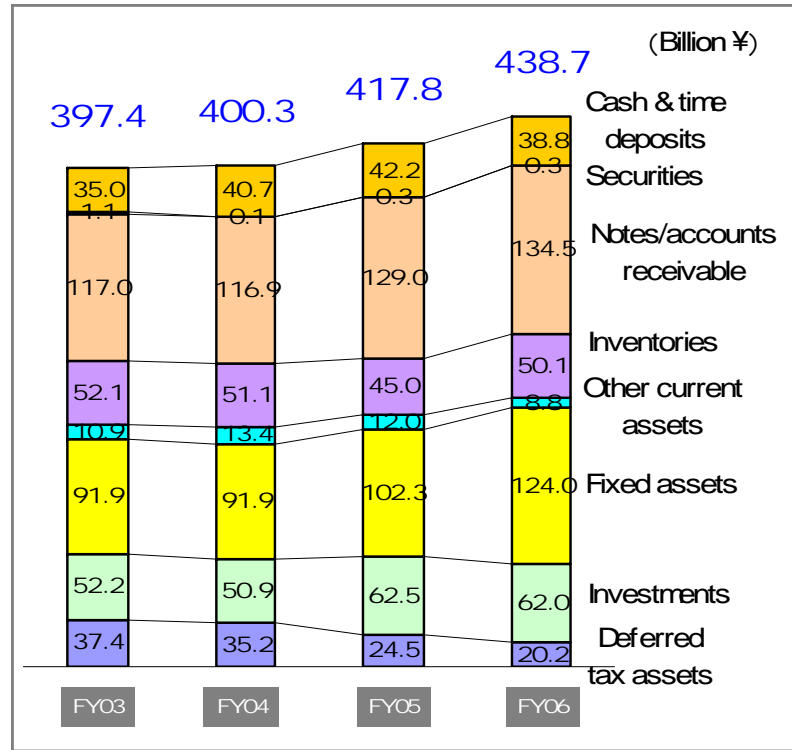


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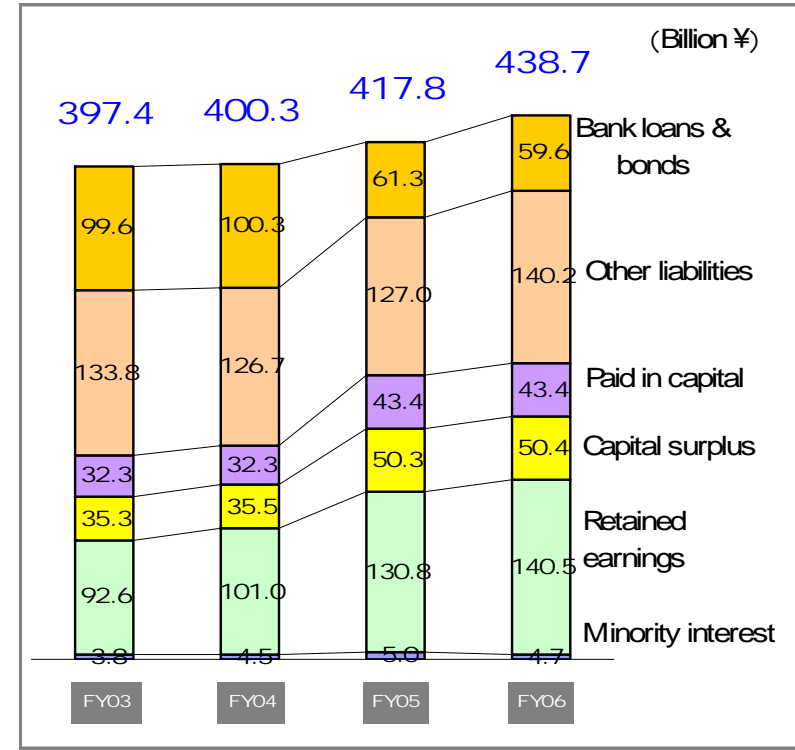
Trend of Balance Sheet

Assets



	FY03	FY04	FY05	FY06
Total asset turnover	0.98	0.97	0.95	1.01
Current ratio	215.7%	200.5%	209.1%	157.7%

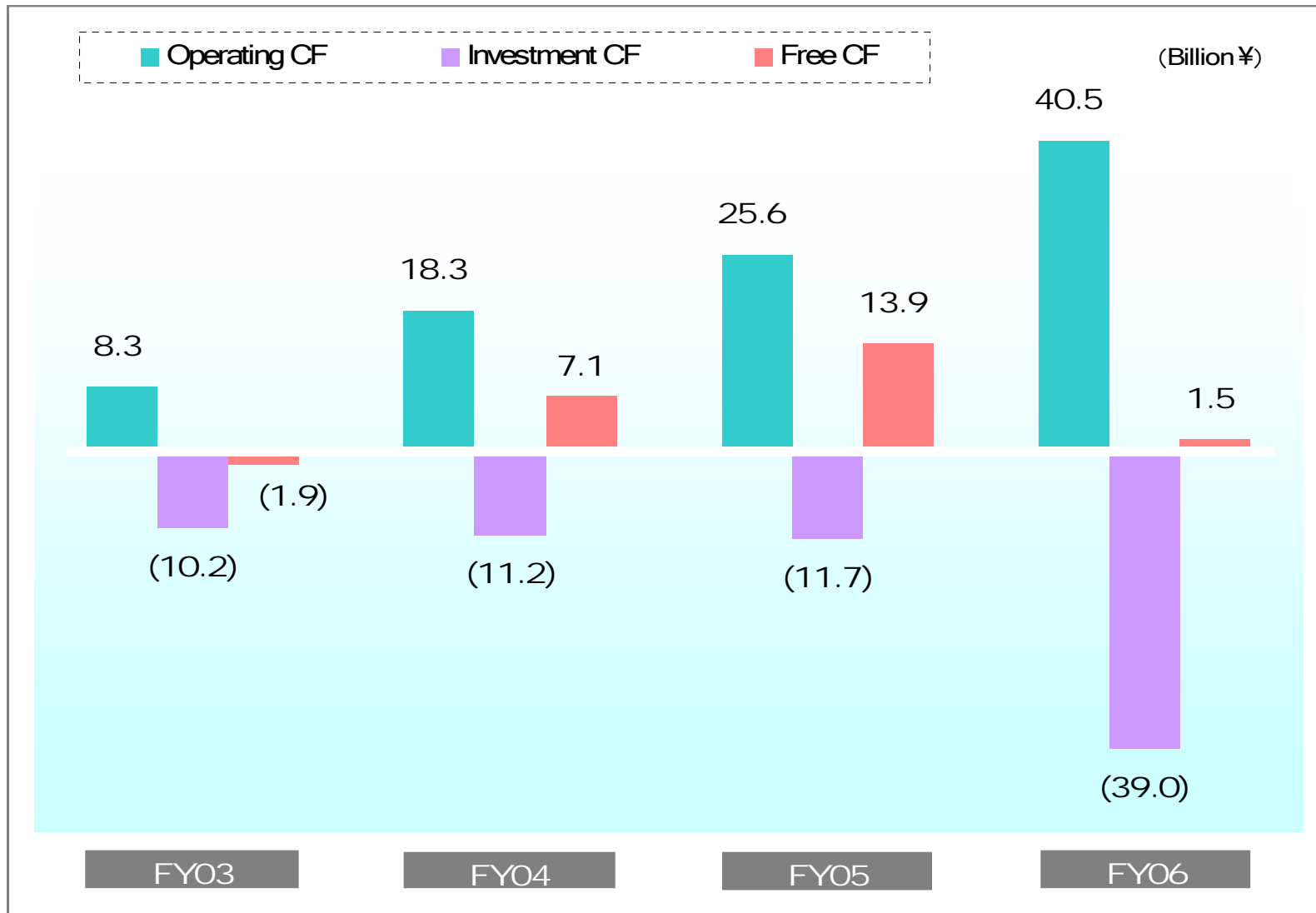
Liabilities and Shareholders' Equity



	FY03	FY04	FY05	FY06
Interest-bearing debt ratio	25.1%	25.1%	14.7%	13.6%
Debt/equity ratio	62.1%	59.4%	27.3%	25.5%
Shareholders' equity ratio	40.3%	42.2%	53.7%	53.4%



Trend of Cash Flow FY03 - 06





FY07 Budget

(Billion ¥)

	FY06 results	FY07 budget	Difference
Orders	456.5	470.0	13.5
Sales	433.4	450.0	16.6
Operating income	29.3	35.0	5.7
ROS	6.8%	7.8%	1.0%
Ordinary income	29.6	30.0	0.4
ROS	6.8%	6.7%	-0.1%
Net income	12.6	14.0	1.4
ROS	2.9%	3.1%	0.2%



FY07 Budget

(Billion ¥)

	FY06 results		FY07 budget		Difference	
Sales	433.4 [411.3]	100.0% [100.0%]	450.0	100.0%	16.6 [38.7]	—
Cost of sales	251.2 [235.5]	57.9% [57.2%]	255.0	56.6%	3.8 [19.5]	-1.3% [-0.6%]
R&D	36.2 [36.2]	8.4% [8.8%]	43.0	9.6%	6.8 [6.8]	1.2% [0.8%]
SG&A	116.7 [111.7]	26.9% [27.2%]	117.0	26.0%	0.3 [5.3]	-0.9% [-1.2%]
Operating income	29.3 [27.9]	6.8% [6.8%]	35.0	7.8%	5.7 [7.1]	1.0% [1.0%]

*The numbers in brackets show the results without the increase from the fiscal year change by subsidiaries outside Japan.



Budget for Non-operating / Extraordinary Income and Expenses

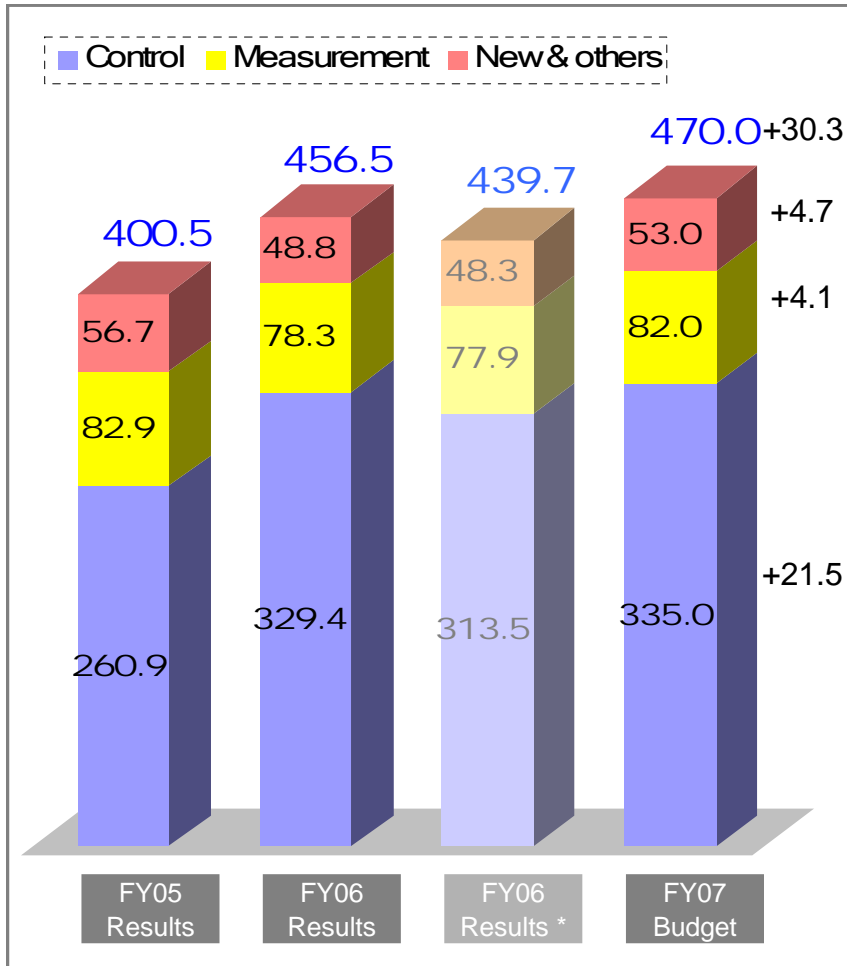
(Billion ¥)

	FY06	FY07
Operating income	29.3	35.0
Non-operating income	7.6	(5.0)
Non-operating expenses	7.3	
Ordinary income	29.6	30.0
Extraordinary income	0.5	(3.0)
Extraordinary expenses	5.0	
Income before tax	25.1	27.0
Tax, etc.	12.5	13.0
Net income	12.6	14.0

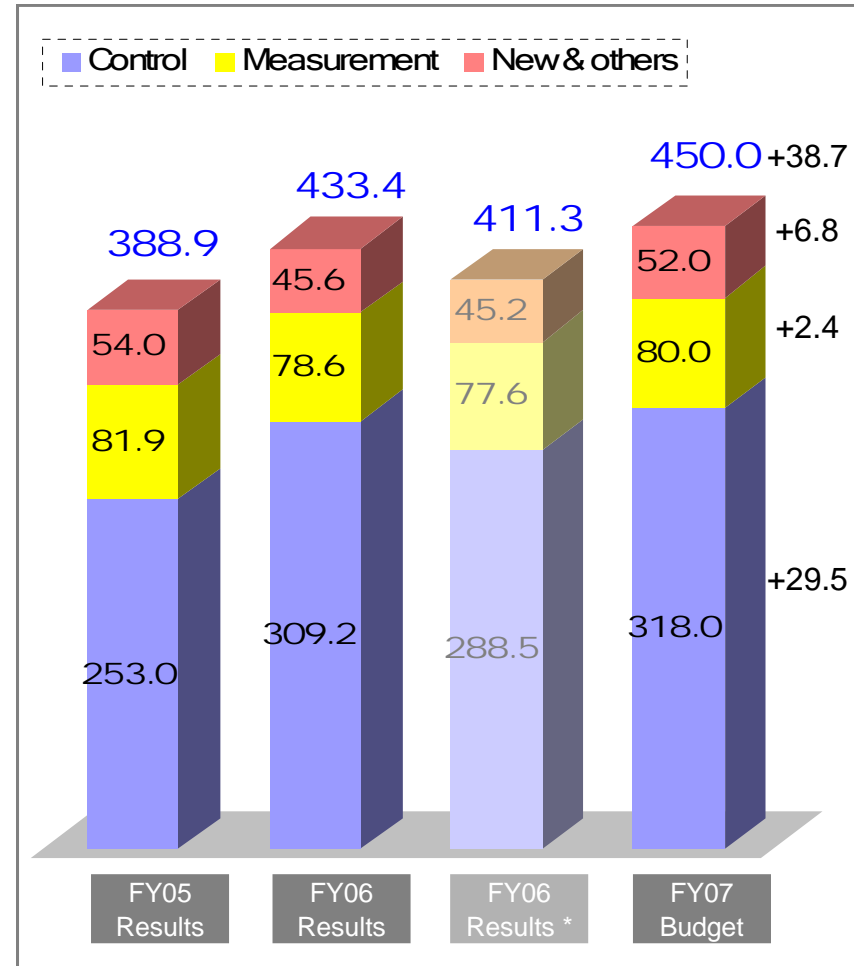


FY07 Orders and Sales Budget by Segment

Orders



Sales

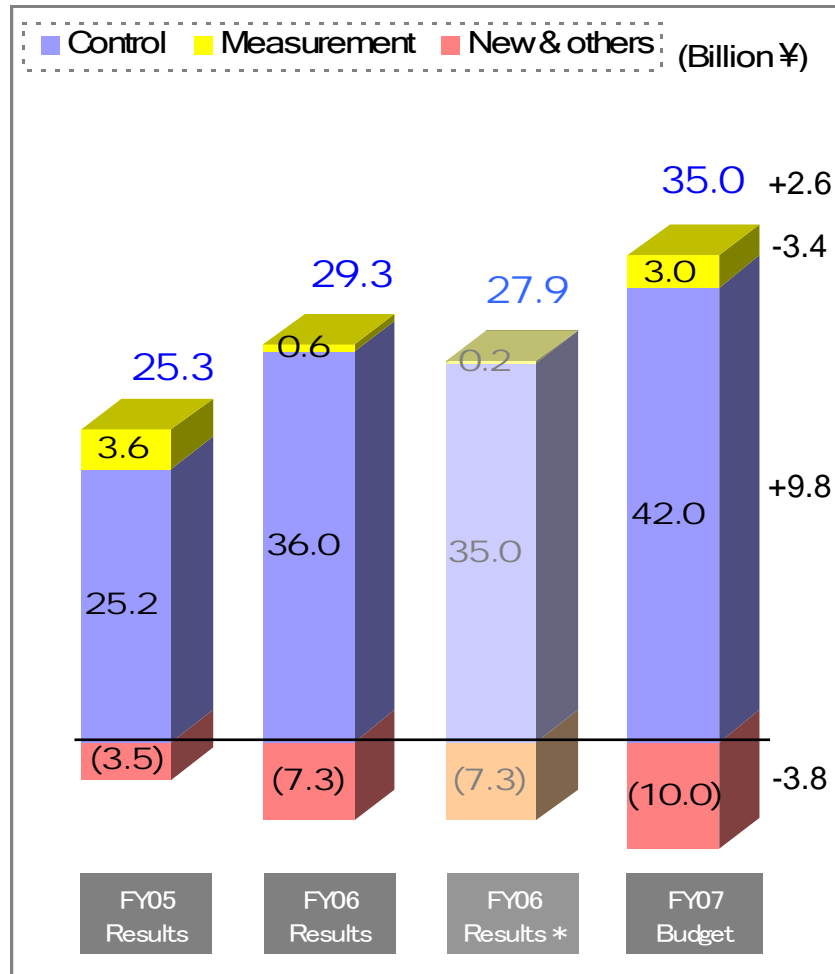


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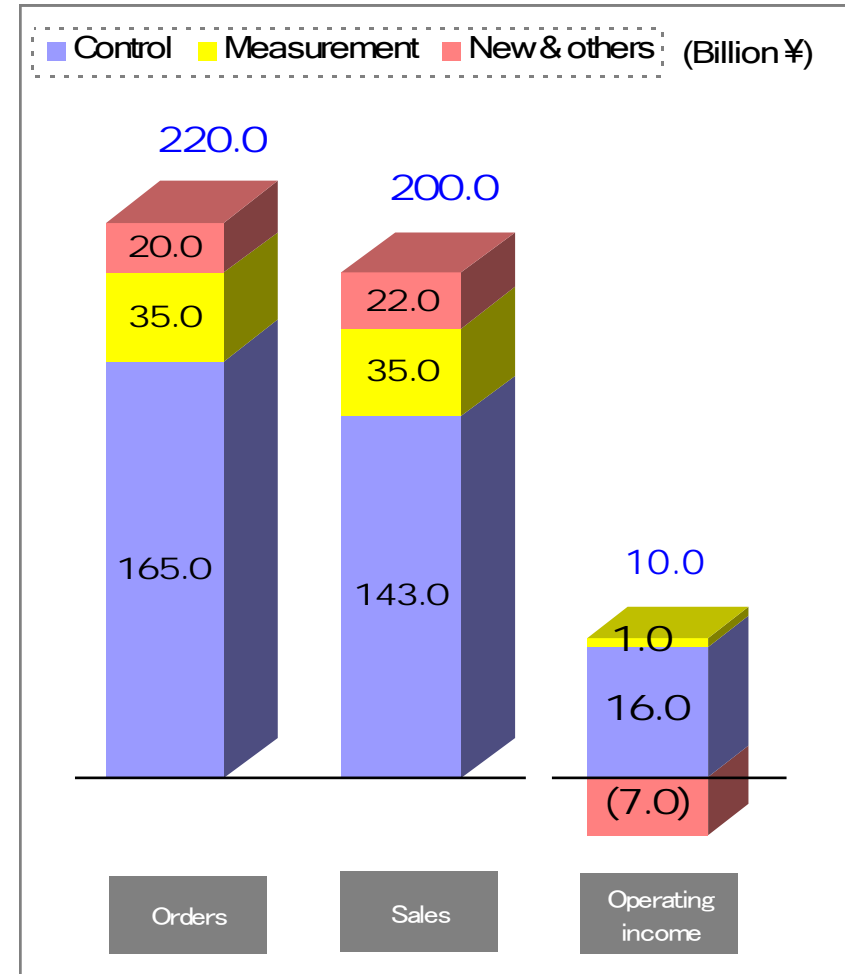


FY07 Operating Income and 1H Budget by Segment

Operating Income



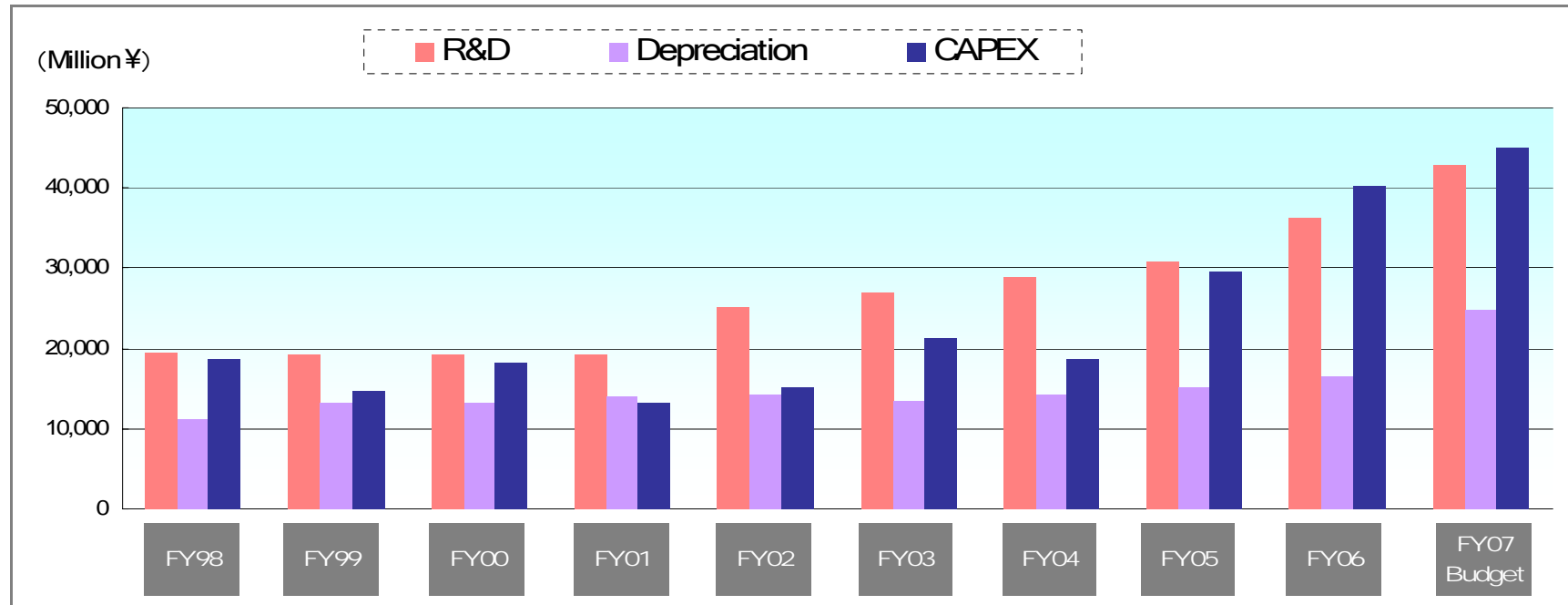
FY07 1H



*The numbers are the results without the increase from the fiscal year change by subsidiaries outside Japan.



R&D Expenses, CAPEX and Depreciation

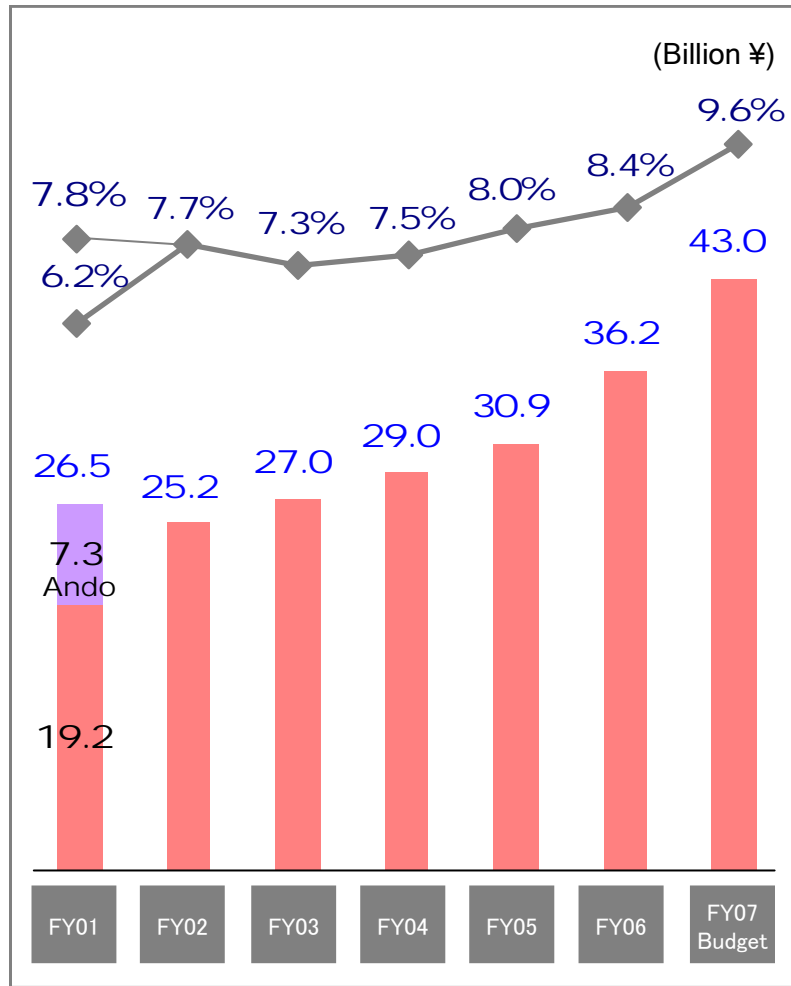


	Results										Budget
	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	
R&D	19,492	19,259	19,181	19,236	25,233	26,991	28,998	30,917	36,223	43,000	
(% of sales)	7.0%	6.1%	5.4%	6.2%	7.7%	7.3%	7.5%	8.0%	8.4%	9.6%	
Depreciation	11,031	13,197	13,190	13,964	14,298	13,445	14,331	15,124	16,483	25,000	
(% of sales)	3.9%	4.2%	3.7%	4.5%	4.3%	3.6%	3.7%	3.9%	3.8%	5.6%	
CAPEX	18,835	14,699	18,173	13,347	15,264	21,355	18,652	29,540	40,284	45,000	
(% of sales)	6.7%	4.7%	5.2%	4.3%	4.6%	5.7%	4.8%	7.6%	9.3%	10.0%	



Trend of R&D Expenses

Trend of R&D Expenses

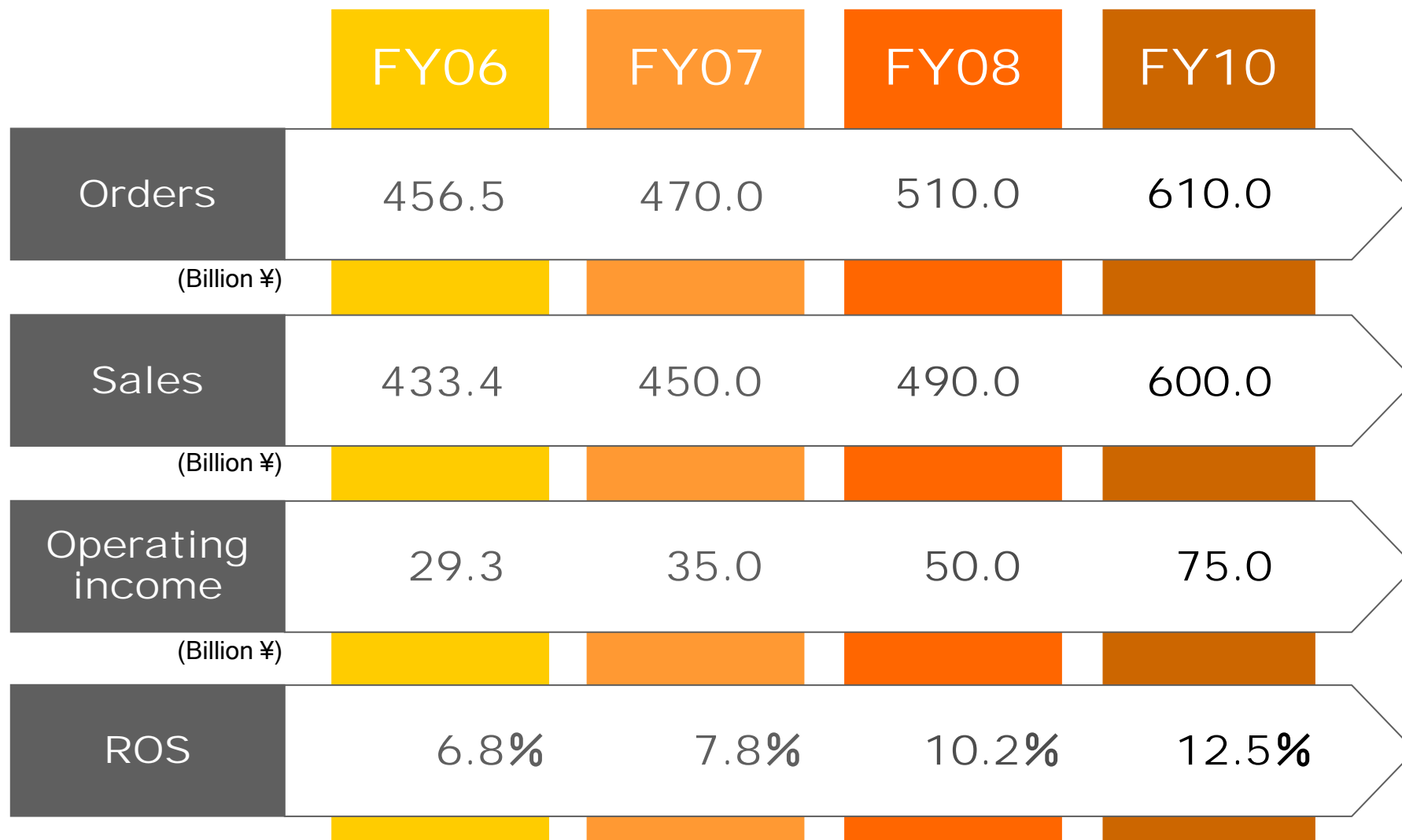


Trend of R&D Expenses by Segment





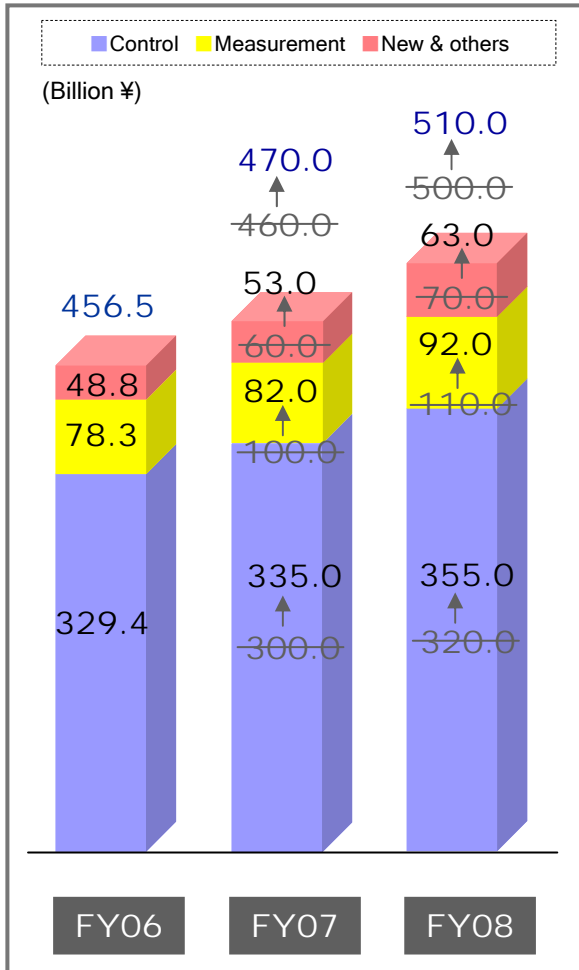
Management Targets



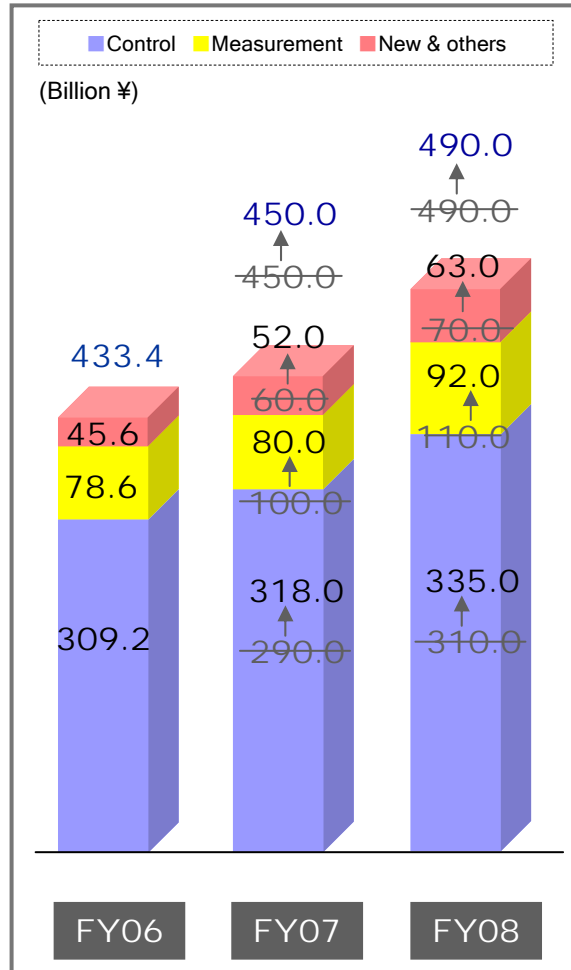


Targets for Orders, Sales, and Operating Income by Segment

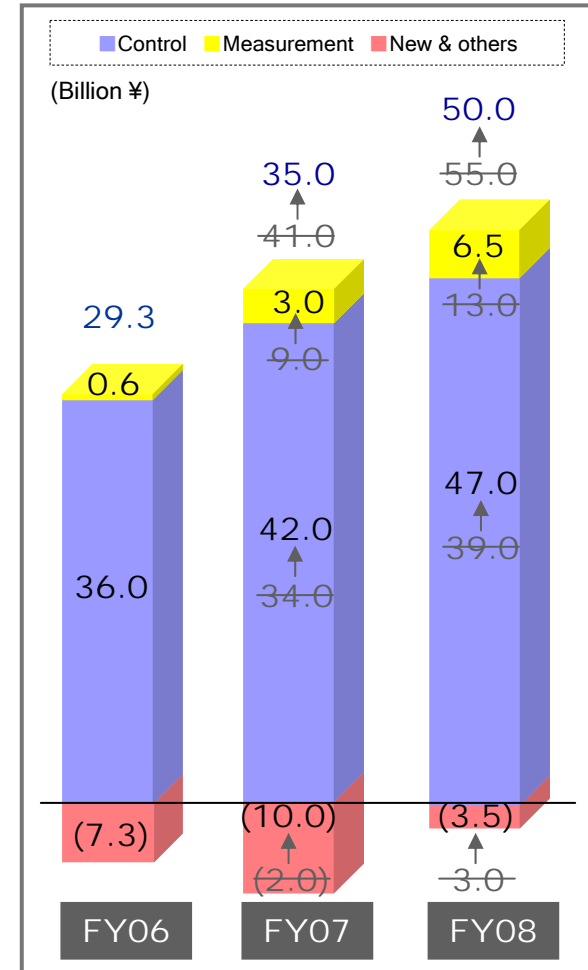
Orders



Sales



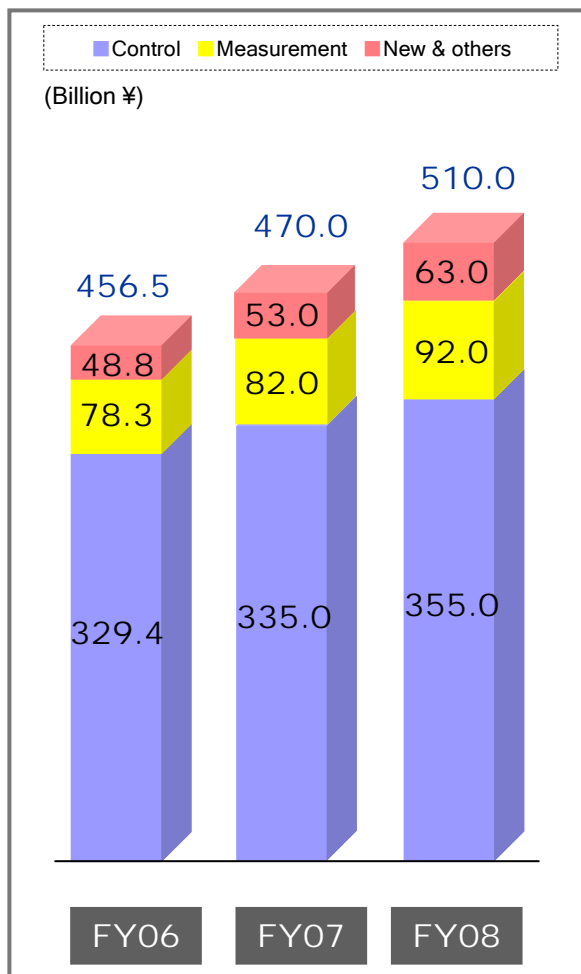
Operating Income



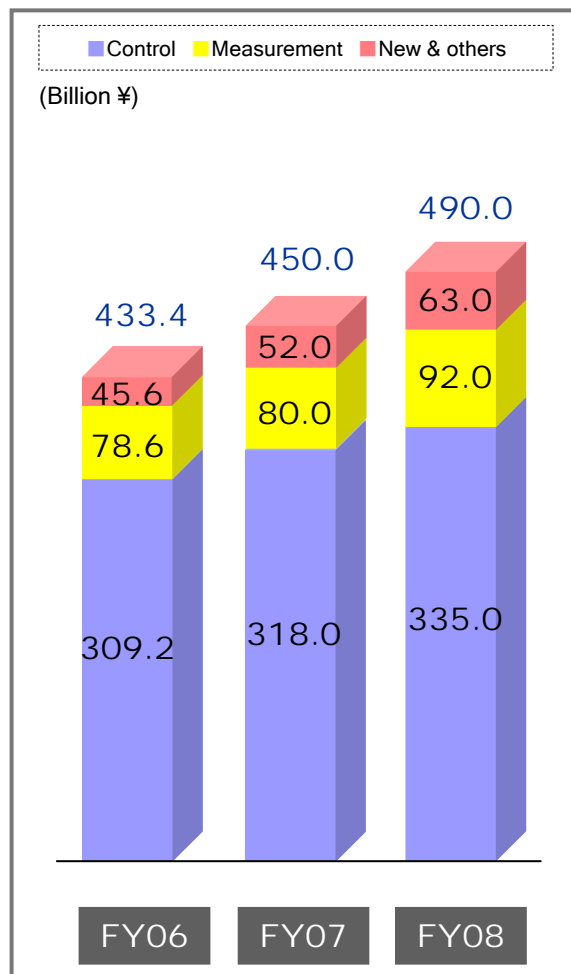


Targets for Orders, Sales, and Operating Income by Segment

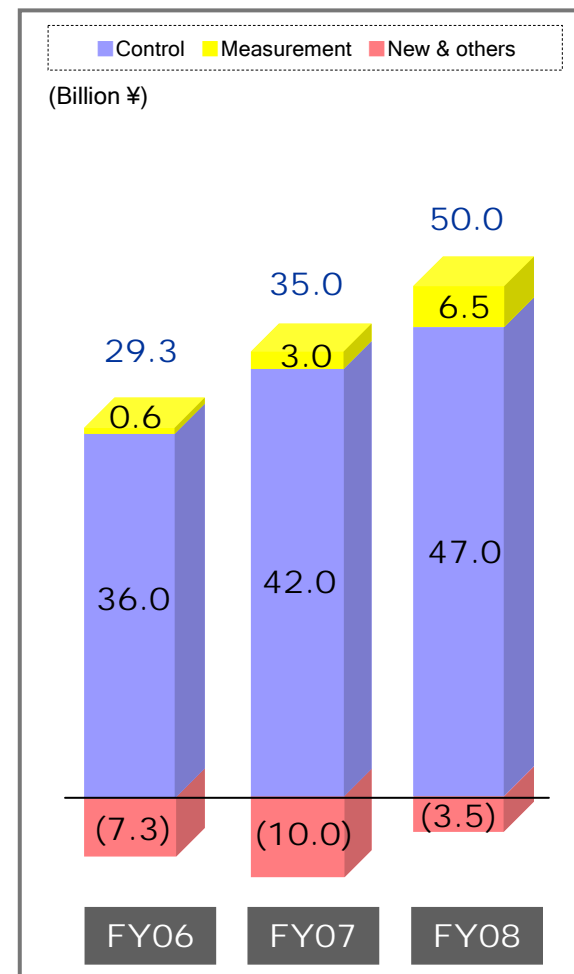
Orders



Sales

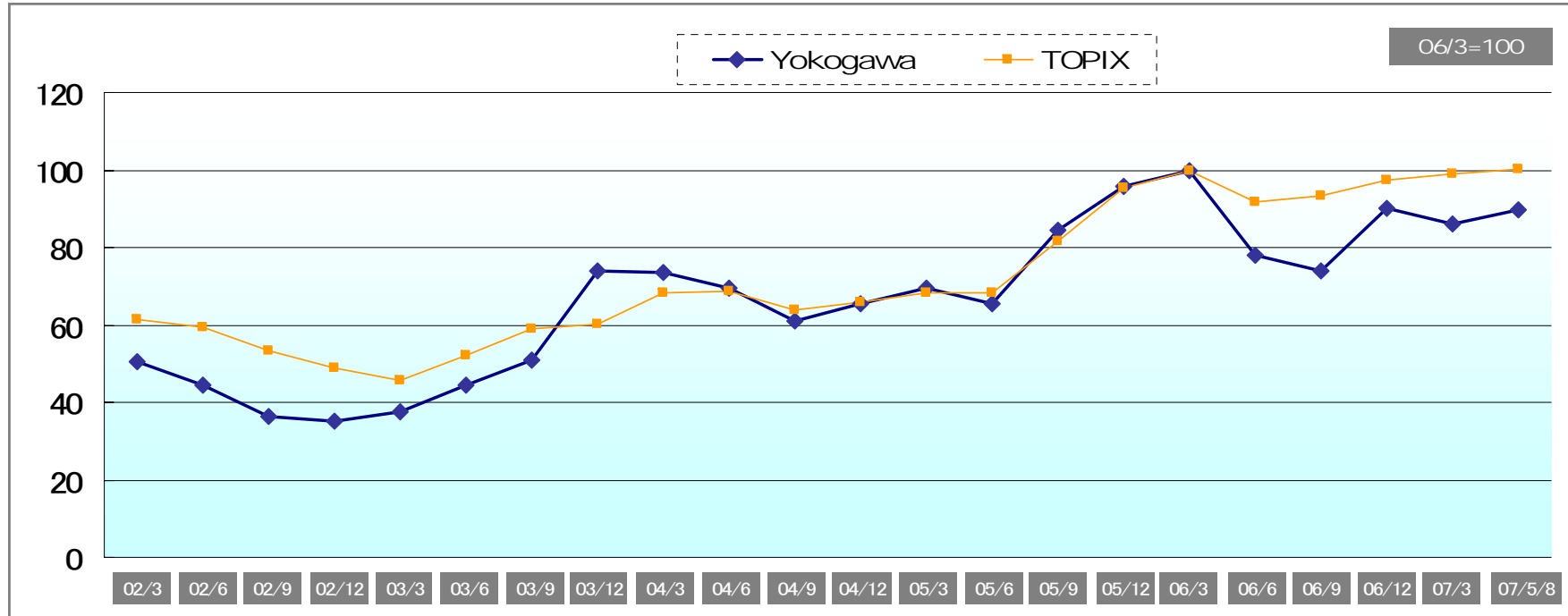


Operating Income





Trend of Stock Price



	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	06/12	07/3	07/5/8
Yokogawa	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	1,887	1,806	1,876
TOPIX	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	1,681	1,714	1,733
	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	06/12	07/3	07/5/8
Yokogawa	51	44	37	35	38	44	51	74	74	69	61	65	69	65	85	96	100	78	74	90	86	90
TOPIX	61	59	53	49	46	52	59	60	68	69	64	66	68	68	82	95	100	92	93	97	99	100



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