

**Consolidated Financial Results for the Year Ended March 31, 2019  
(Japan GAAP)**

May 8, 2019

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: Hitoshi Nara, President and Chief Executive Officer  
 Name and Position of Person in Charge: Hirohiko Nakatani, Department Manager of Treasury & IR Department  
 Telephone Number: +81-422-52-6845  
 Planned Date of the Regular General Meeting of Shareholders: June 25, 2019  
 Planned Dividend Payment Starting Date: June 26, 2019  
 Planned Annual Report Filing Date: June 25, 2019  
 Financial Results Supplemental Materials: Yes  
 Financial Results Presentation Meeting: Yes (for institutional investors)

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

1. Consolidated business results for the year ended March 31, 2019 (April 1, 2018-March 31, 2019)

(1) Results of operations on a consolidated basis

(Percentages show the change from the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the year ended March 31, 2019	403,711	(0.7)	34,594	5.8	36,770	10.3	28,446	32.4
For the year ended March 31, 2018	406,590	3.9	32,705	3.6	33,341	1.1	21,481	(16.6)

(Note) Comprehensive income: For the year ended March 31, 2019 27,513 million yen [14.0%]  
 For the year ended March 31, 2018 24,129 million yen [5.3%]

	Basic Earnings per Share	Diluted Earnings per Share	Return on Equity	Ordinary Income to Total Asset Ratio	Operating Income to Net Sales Ratio
	Yen	Yen	%	%	%
For the year ended March 31, 2019	106.54	–	10.1	8.0	8.6
For the year ended March 31, 2018	80.39	–	8.1	7.5	8.0

(Reference) Profit or loss from investments accounted for by the equity method: For the year ended March 31, 2019 1,086 million yen  
 For the year ended March 31, 2018 869 million yen

(2) Financial conditions on a consolidated basis

	Total Assets	Net Assets	Shareholders’ Equity Ratio	Shareholders’ Equity per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	470,114	296,150	61.7	1,085.88
As of March 31, 2018	444,617	278,704	61.2	1,017.51

(Reference) Shareholders’ equity: As of March 31, 2019: 289,859 million yen As of March 31, 2018: 271,907 million yen

(3) Consolidated cash flow status

	Net Cash Provided by Operating Activities	Net Cash Used in Investment Activities	Net Cash Used in Financing Activities	Cash and Cash Equivalents at the End of the Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For the year ended March 31, 2019	21,410	(4,088)	(6,988)	85,701
For the year ended March 31, 2018	31,980	(6,648)	(22,428)	75,836

## 2. Dividend status

	Dividends per Share					Total Dividends (annual)	Payout Ratio (consol.)	Net Asset Dividend Rate (consol.)
	June 30	September 30	December 31	End of Period	Annual Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
For the year ended March 31, 2018	–	15.00	–	15.00	30.00	8,016	37.4	3.0
For the year ended March 31, 2019	–	15.00	–	17.00	32.00	8,542	30.0	3.0
For year ending March 31, 2020 (forecast)	–	17.00	–	17.00	34.00		31.3	

## 3. Business forecast for the year ending March 31, 2020 (April 1, 2019-March 31, 2020)

(Percentages show the change from the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Basic Earnings per Share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Full year	420,000	4.0	40,000	15.6	40,000	8.8	29,000	1.9	108.64	

<Notes>

- (1) Changes to important subsidiaries during the period: No  
(changes to specific subsidiaries resulting in the change in range of consolidation)
- (2) Changes in accounting policies, changes in accounting estimates, and restatements
- |  |     |
|--|-----|
| a. Changes in accounting policies accompanying revision of accounting standards: | Yes |
| b. Changes in accounting policies other than (a) above:                          | No  |
| c. Changes in accounting estimates:  | No  |
| d. Restatements:   | No  |
- (3) Number of shares issued (common stock)
- |  |                    |
|--|--------------------|
| a. Number of shares outstanding at the end of the period (including treasury shares) |                    |
| As of March 31, 2019   | 268,624,510 shares |
| As of March 31, 2018   | 268,624,510 shares |
| b. Number of treasury shares at the end of the period                                |                    |
| As of March 31, 2019   | 1,689,149 shares   |
| As of March 31, 2018   | 1,397,149 shares   |
| c. Average number of shares in the period  |                    |
| For the year ended March 31, 2019  | 267,008,640 shares |
| For the year ended March 31, 2018  | 267,223,255 shares |

(Reference) Summary of non-consolidated business results

### 1. Non-consolidated business results for the year ended March 31, 2019 (April 1, 2018-March 31, 2019)

#### (1) Results of operations on a non-consolidated basis

(Percentages show the change from the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the year ended March 31, 2019	111,756	7.1	(209)	–	25,537	37.9	31,820	265.9
For the year ended March 31, 2018	104,385	6.9	(1,986)	–	18,521	28.1	8,696	(46.3)

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
For the year ended March 31, 2019	119.17	–
For the year ended March 31, 2018	32.54	–

#### (2) Financial conditions on a non-consolidated basis

	Total Assets	Net Assets	Shareholders' Equity Ratio	Shareholders' Equity per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	270,917	197,607	72.9	740.28
As of March 31, 2018	246,751	176,205	71.4	659.39

(Reference) Shareholders' equity: As of March 31, 2019: 197,607 million yen As of March 31, 2018: 176,205 million yen

Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

Note concerning appropriate use of business forecasts, etc.

The above forecasts are based on the information that was available at the time this document was released and involve assumptions regarding uncertain factors that may have an effect on future performance. Actual performance may vary greatly due to a variety of factors. For premises underlying the assumptions for business forecasts and cautions concerning the use of business forecasts, please refer to “1. Overview of Business Results and Others (4) Future forecast” on page 6.

The Company plans to hold a financial results presentation meeting for institutional investors on May 8, 2019. The Company also plans to promptly post to its website the materials that are used at the meeting.

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## 1. Overview of Business Results and Others

### (1) Overview of business results for the fiscal year under review

Based on the mid-term business plan Transformation 2020, which commenced in FY2018 (the fiscal year under review) and covers the three years through FY2020, the Yokogawa Group (“the Group”) worked toward the three reforms of “transformation of existing businesses,” “creation of new businesses and transformation of the company’s business model,” and “improvement of productivity through Group-wide optimization,” aiming to establish businesses to realize a sustainable society. Furthermore, as the foundation for all these reform initiatives, the Group worked toward “creating opportunity for growth” and “establishing a foundation for growth” using “digital transformation,” which makes full use of digital technology, as the driving force of value creation.

The Group’s business performance experienced decreased revenue and increased profit year on year. Net sales decreased 2.8 billion yen year on year due to yen appreciation centered on emerging country currencies and the transfer of shares of domestic subsidiaries in the aviation and other businesses segment. However, operating income was up 1.8 billion yen year on year due to reductions in selling, general, and administrative expenses. Profit attributable to owners of parent increased 6.9 billion yen year on year due to the recording of impairment loss including goodwill, etc. in the previous fiscal year.

Business results are as follows.

	Unit: billion yen			
	FY2017	FY2018	Difference	Change
Net Sales	406.590	403.711	(2.878)	(0.7)%
Operating Income	32.705	34.594	1.889	5.8%
Ordinary Income	33.341	36.770	3.428	10.3%
Profit Attributable to Owners of Parent	21.481	28.446	6.964	32.4%
(Reference) Average rate to 1 U.S. dollar (Yen)	110.70	111.07	0.37	–

Results by individual segment are outlined below.

#### <Industrial Automation and Control Business>

	Unit: billion yen			
	FY2017	FY2018	Difference	Change
Net Sales	363.290	364.774	1.484	0.4%
Operating Income	30.397	33.970	3.573	11.8%

Net sales for the industrial automation and control business segment increased 1.4 billion yen year on year despite the effects of yen appreciation centered on emerging country currencies, as business centered on solutions and operation/maintenance targeting increased productivity at existing facilities was strong. Furthermore, regarding operating income, while net sales were approximately the same as in the previous fiscal year, a decrease in allowance for doubtful accounts and other factors led to a 3.5 billion yen increase year on year.

#### <Test and Measurement Business>

	Unit: billion yen			
	FY2017	FY2018	Difference	Change
Net Sales	22.260	22.870	0.610	2.7%
Operating Income	2.533	1.939	(0.593)	(23.4)%

In the test and measurement business segment, while net sales remained strong, the effects of upfront investments to establish a bio-related business led operating income to decrease 0.5 billion yen year on year.

#### <Aviation and Other Businesses>

	Unit: billion yen			
	FY2017	FY2018	Difference	Change
Net Sales	21.039	16.066	(4.973)	(23.6)%
Operating Income	(0.225)	(1.315)	(1.089)	–

In the aviation and other businesses segment, in addition to decreased revenue from the transfer of shares in domestic subsidiaries, a deterioration in the gross profit margin led both net sales and operating income to fall year on year.

(2) Overview of financial conditions for the fiscal year under review

In comparison to March 31, 2018, total assets as of March 31, 2019 were up 25.4 billion yen to 470.1 billion yen, due mainly to increases in notes and accounts receivable – trade and inventories. In addition, total liabilities increased by 8.0 billion yen over the same period to 173.9 billion yen, due mainly to an increase in short-term loans payable. Also during this time period, net assets increased 17.4 billion yen to 296.1 billion yen due mainly to an increase in retained earnings. As a result, the shareholders' equity ratio was 61.7%, up 0.5 percentage points from March 31, 2018.

(3) Overview of cash flow for the fiscal year under review

The cash flow from operating activities in the fiscal year under review was a net inflow of 21.4 billion yen (a reduction in inflows of 10.5 billion yen year on year). Following 38.4 billion yen in profit before income taxes, this is a consequence of positive factors such as depreciation of 16.7 billion yen, and negative factors such as an increase in notes and accounts receivable - trade of 15.7 billion yen and an increase in inventories of 9.0 billion yen, and income taxes of 11.6 billion yen. The increase in notes and accounts receivable - trade was due mainly to discontinuing liquidation of receivables based on consideration of the cash reserve situation. Regarding the cash flow from investing activities, while there was 8.0 billion yen in sales income from the sale of shares in domestic subsidiaries, there was also 4.0 billion yen in outflows (a reduction in outflows of 2.5 billion yen year on year) from acquisitions of property, plant and equipment and acquisitions of intangible assets. The cash flow from financing activities was a net outflow of 6.9 billion yen (a reduction in outflows of 15.4 billion yen year on year) mainly due to cash dividends paid.

As a result, the balance of cash and cash equivalents at the end of the fiscal year under review was 85.7 billion yen, up 9.8 billion yen from the end of the previous fiscal year.

(4) Future forecast

We forecast an increase in both revenue and income in the Group's operating results in the next fiscal year (the fiscal year ending March 31, 2020) due to high levels of backlog of orders received in the industrial automation and control business segment, despite decreasing revenue and income factors following the transfer of shares in domestic subsidiaries in the aviation and other businesses segment.

The operating results forecast assumes a foreign exchange rate of 1 USD = 110 yen (compared to 1 USD = 111.07 yen in the fiscal year ended March 31, 2019).

Based on the above, the current consolidated business forecasts are as follows. The results for fiscal year 2018 are provided for comparison.

Business forecast for the year ending March 31, 2020 (full year)

Unit: billion yen

	FY2018	FY2019 (forecast)	Difference	Change
Net Sales	403.711	420.0	16.288	4.0%
Operating Income	34.594	40.0	5.405	15.6%
Ordinary Income	36.770	40.0	3.229	8.8%
Profit Attributable to Owners of Parent	28.446	29.0	0.553	1.9%
(Reference) Average rate to 1 U.S. dollar (Yen)	111.07	110	(1.07)	–

The forecast by segment is as follows.

In the mainstay industrial automation and control business segment, while a reduction in large-scale projects compared to the previous fiscal year, we expect orders received will once again increase with orders mainly in business including solutions and operation/maintenance. Furthermore, for net sales, we project an increase in revenue based on high levels of backlog of orders received. Operating income is projected to increase mainly due the effect of increased revenue.

In the test and measurement business segment, orders received, net sales, and operating income are all forecast to be about level year on year.

In the aviation and other businesses segment, while orders received and net sales are projected to fall largely mainly due to the transfer of shares in domestic subsidiaries, we also expect improvement in operating loss.

(Reference) Consolidated business forecast by segment

<Orders received (full year)>

Unit: billion yen

	FY2018	FY2019 (forecast)	Difference	Change
Industrial automation and control business	393.646	400.0	6.353	1.6%
Test and measurement business	22.938	24.0	1.061	4.6%
Aviation and other businesses	15.387	6.0	(9.387)	(61.0)%
Total	431.972	430.0	(1.972)	(0.5)%

<Net sales (full year)>

Unit: billion yen

	FY2018	FY2019 (forecast)	Difference	Change
Industrial automation and control business	364.774	387.0	22.225	6.1%
Test and measurement business	22.870	24.0	1.129	4.9%
Aviation and other businesses	16.066	9.0	(7.066)	(44.0)%
Total	403.711	420.0	16.288	4.0%

<Operating income (full year)>

Unit: billion yen

	FY2018	FY2019 (forecast)	Difference	Change
Industrial automation and control business	33.970	39.0	5.029	14.8%
Test and measurement business	1.939	1.5	(0.439)	(22.7)%
Aviation and other businesses	(1.315)	(0.5)	0.815	–
Total	34.594	40.0	5.405	15.6%

<Cautions concerning the use of business forecasts>

As the above business forecast is based on certain assumptions judged by the Company to be reasonable at present, actual business results may differ.

The main factors that may cause changes in the results are as follows.

- Changes in foreign exchange rates, particularly the U.S. dollar, the euro, Asian currencies, and the currencies of the Middle East
- Sudden changes in the price of crude oil
- Sudden changes in the political and economic situation in major markets
- Geopolitical risks in the Middle East and East Asia, etc.
- Changes in the business environment such as revisions to trade regulations
- Dramatic shifts in product supply and demand in the market
- Changes in Japanese share prices
- Protection of the Company's patents and the licensing of patents held by other companies
- M&A and business alliances with other companies for purposes such as product development
- Occurrences of natural disasters such as earthquakes, floods, and tsunamis

(5) Policy on appropriation of profit and dividends for the period under review and subsequent periods

The distribution of earnings to shareholders is a top management priority for the Company. By achieving growth in earnings, we aim to steadily increase our dividend payments. While giving overall consideration to our business results, the need to secure investment funds for maximizing mid- to long-term shareholder value, and maintain the financial base supporting growth investment, we will strive to secure a consolidated dividend payout ratio in excess of 30%. Furthermore, we will maintain a stable dividend based on the shareholders' equity ratio, even when business results deteriorate due to temporary factors.

Furthermore, regarding the year-end dividend for the fiscal year under review, while we had planned to pay a dividend of 15 yen per share, because operating results were strong, giving consideration to our future business plans and financial conditions, we have upwardly revised the year-end dividend to 17 yen per share. As a result, we plan to pay 32 yen per share in dividend

payments for the fiscal year when including the interim dividend, the highest level of annual dividends ever.

Moreover, in accordance with the above policy, regarding dividends for the next fiscal year, we plan to pay the highest level of annual dividends ever by paying 34 yen per share (interim 17.00 yen, year-end 17.00 yen).

## 2. Policy on Selection of Accounting Standards

For the time being, the Group will compile its consolidated financial statements based on generally accepted Japanese accounting principles. This is to ensure consistency in our financial statements for different accounting periods and to facilitate comparison with the financial statements of other companies.

We have been monitoring accounting trends in and outside Japan and will consider the adoption of other accounting standards if it is judged that this will enhance our corporate value.



3. Consolidated Financial Statements

(1) Consolidated balance sheets

Millions of yen

	As of March 31, 2018	As of March 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	78,264	86,515
Notes and accounts receivable - trade	153,646	171,084
Merchandise and finished goods	12,475	13,092
Work in process	8,573	9,126
Raw materials and supplies	11,206	14,622
Other	15,706	16,250
Allowance for doubtful accounts	(3,534)	(4,130)
Total current assets	276,337	306,560
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	45,730	45,721
Machinery, equipment and vehicles, net	7,000	6,492
Tools, furniture and fixtures, net	5,729	5,875
Land	15,811	15,750
Leased assets, net	318	198
Construction in progress	2,141	1,102
Total property, plant and equipment	76,731	75,141
Intangible assets		
Software	17,780	15,798
Goodwill	7,246	6,608
Other	12,765	11,650
Total intangible assets	37,791	34,057
Investments and other assets		
Investment securities	43,692	42,550
Deferred tax assets	4,979	6,606
Other	7,823	7,214
Allowance for doubtful accounts	(2,737)	(2,016)
Total investments and other assets	53,757	54,354
Total non-current assets	168,280	163,553
Total assets	444,617	470,114

Millions of yen

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	25,466	25,130
Electronically recorded obligations - operating	10,569	9,966
Short-term loans payable	1,539	13,832
Accounts payable - other	12,058	13,530
Income taxes payable	4,947	4,332
Advances received	32,173	36,891
Provision for bonuses	14,791	15,538
Provision for loss on construction contracts	5,881	7,806
Other	21,695	20,639
Total current liabilities	129,124	147,669
Non-current liabilities		
Long-term loans payable	28,936	18,670
Deferred tax liabilities	2,676	1,914
Net defined benefit liability	3,586	4,050
Other	1,588	1,658
Total non-current liabilities	36,789	26,293
<b>Total liabilities</b>	<b>165,913</b>	<b>173,963</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	43,401	43,401
Capital surplus	54,560	54,602
Retained earnings	173,034	193,468
Treasury shares	(1,393)	(1,397)
Total shareholders' equity	269,602	290,074
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,873	9,431
Deferred gains or losses on hedges	(29)	20
Foreign currency translation adjustment	(8,426)	(8,314)
Remeasurements of defined benefit plans	(1,112)	(1,351)
Total accumulated other comprehensive income	2,305	(214)
Non-controlling interests	6,796	6,290
<b>Total net assets</b>	<b>278,704</b>	<b>296,150</b>
<b>Total liabilities and net assets</b>	<b>444,617</b>	<b>470,114</b>

(2) Consolidated statements of income and statements of comprehensive income  
Consolidated statements of income for the FY2018

	(Reference) FY2017 (April 1, 2017-March 31, 2018)	FY2018 (April 1, 2018-March 31, 2019)
Millions of yen		
Net sales	406,590	403,711
Cost of sales	231,262	230,641
Gross profit	175,328	173,070
Selling, general and administrative expenses	142,623	138,475
Operating income	32,705	34,594
Non-operating income		
Interest income	575	672
Dividend income	1,757	1,650
Share of profit of entities accounted for using equity method	869	1,086
Miscellaneous income	922	1,138
Total non-operating income	4,125	4,549
Non-operating expenses		
Interest expenses	312	330
Commission fee	188	149
Foreign exchange losses	1,913	545
Miscellaneous loss	1,074	1,347
Total non-operating expenses	3,488	2,373
Ordinary income	33,341	36,770
Extraordinary income		
Gain on sales of non-current assets	2,085	33
Gain on sales of investment securities	3,731	718
Gain on sales of shares of subsidiaries and associates	-	1,804
Total extraordinary income	5,816	2,557
Extraordinary losses		
Loss on sales of non-current assets	6	14
Loss on retirement of non-current assets	213	365
Impairment loss	9,199	113
Loss on sales of investment securities	39	2
Loss on valuation of investment securities	86	176
Loss on sales of shares of subsidiaries and associates	-	227
Loss on employees' pension fund withdrawal	223	-
Total extraordinary losses	9,768	899
Profit before income taxes	29,389	38,428
Income taxes - current	10,737	10,784
Income taxes - deferred	(4,127)	(2,530)
Total income taxes	6,610	8,253
Profit	22,779	30,174
Profit attributable to non-controlling interests	1,297	1,727
Profit attributable to owners of parent	21,481	28,446

Consolidated statements of comprehensive income for the FY2018

	(Reference) FY2017 (April 1, 2017-March 31, 2018)	Millions of yen FY2018 (April 1, 2018-March 31, 2019)
Profit	22,779	30,174
Other comprehensive income		
Valuation difference on available-for-sale securities	1,398	(2,449)
Deferred gains or losses on hedges	(31)	49
Foreign currency translation adjustment	(112)	(5)
Remeasurements of defined benefit plans, net of tax	124	(162)
Share of other comprehensive income of entities accounted for using equity method	(27)	(93)
Total other comprehensive income	1,350	(2,661)
Comprehensive income	24,129	27,513
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,777	25,926
Comprehensive income attributable to non-controlling interests	1,352	1,586

(3) Consolidated statements of changes in net assets  
(Reference) FY 2018 (April 1, 2017-March 31, 2018)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	43,401	54,494	158,901	(1,409)	255,386
Changes of items during period					
Dividends of surplus			(7,348)		(7,348)
Profit attributable to owners of parent			21,481		21,481
Purchase of treasury shares				(6)	(6)
Disposal of treasury shares		18		22	40
Change in ownership interest of parent due to transactions with non-controlling interests		48			48
Other					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	66	14,133	16	14,216
Balance at end of current period	43,401	54,560	173,034	(1,393)	269,602

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	10,450	2	(8,286)	(1,156)	1,009	6,107	262,503
Changes of items during period							
Dividends of surplus							(7,348)
Profit attributable to owners of parent							21,481
Purchase of treasury shares							(6)
Disposal of treasury shares							40
Change in ownership interest of parent due to transactions with non-controlling interests							48
Other							-
Net changes of items other than shareholders' equity	1,422	(31)	(139)	44	1,295	689	1,984
Total changes of items during period	1,422	(31)	(139)	44	1,295	689	16,200
Balance at end of current period	11,873	(29)	(8,426)	(1,112)	2,305	6,796	278,704

FY 2018 (April 1, 2018-March 31, 2019)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	43,401	54,560	173,034	(1,393)	269,602
Changes of items during period					
Dividends of surplus			(8,012)		(8,012)
Profit attributable to owners of parent			28,446		28,446
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares					-
Change in ownership interest of parent due to transactions with non-controlling interests					-
Other		41			41
Net changes of items other than shareholders' equity					
Total changes of items during period	-	41	20,434	(4)	20,471
Balance at end of current period	43,401	54,602	193,468	(1,397)	290,074

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	11,873	(29)	(8,426)	(1,112)	2,305	6,796	278,704
Changes of items during period							
Dividends of surplus							(8,012)
Profit attributable to owners of parent							28,446
Purchase of treasury shares							(4)
Disposal of treasury shares							-
Change in ownership interest of parent due to transactions with non-controlling interests							-
Other							41
Net changes of items other than shareholders' equity	(2,442)	49	111	(239)	(2,519)	(506)	(3,026)
Total changes of items during period	(2,442)	49	111	(239)	(2,519)	(506)	17,445
Balance at end of current period	9,431	20	(8,314)	(1,351)	(214)	6,290	296,150

(4) Consolidated cash flow statements

Millions of yen

	(Reference) FY2017 (April 1, 2017-March 31, 2018)	FY2018 (April 1, 2018-March 31, 2019)
<b>Cash flows from operating activities</b>		
Profit before income taxes	29,389	38,428
Depreciation	16,689	16,770
Amortization of goodwill	1,623	880
Increase (decrease) in allowance for doubtful accounts	3,443	52
Increase (decrease) in provision for bonuses	321	940
Increase (decrease) in net defined benefit liability	(290)	406
Interest and dividend income	(2,333)	(2,323)
Interest expenses	312	330
Share of loss (profit) of entities accounted for using equity method	(869)	(1,086)
Loss (gain) on sales of investment securities	(3,691)	(716)
Loss (gain) on valuation of investment securities	86	–
Loss (gain) on sales of shares of subsidiaries and associates	–	(1,576)
Loss (gain) on sales of non-current assets	(2,078)	(19)
Loss on retirement of non-current assets	213	365
Impairment loss	9,199	113
Decrease (increase) in notes and accounts receivable - trade	(11,885)	(15,733)
Decrease (increase) in inventories	(1,521)	(9,017)
Increase (decrease) in notes and accounts payable - trade	3,753	1,860
Other, net	(2,568)	1,552
<b>Subtotal</b>	<b>39,793</b>	<b>31,228</b>
Interest and dividend income received	2,334	2,184
Interest expenses paid	(358)	(337)
Income taxes (paid) refund	(9,787)	(11,664)
<b>Net cash provided by (used in) operating activities</b>	<b>31,980</b>	<b>21,410</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(111)	–
Proceeds from withdrawal of time deposits	417	1,568
Purchase of property, plant and equipment	(6,565)	(7,890)
Proceeds from sales of property, plant and equipment	3,202	174
Purchase of intangible assets	(7,018)	(5,593)
Purchase of investment securities	–	(1,392)
Proceeds from sales and redemption of investment securities	4,660	1,100
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,391)	(194)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	–	8,027
Other, net	158	112
<b>Net cash provided by (used in) investing activities</b>	<b>(6,648)</b>	<b>(4,088)</b>

	Millions of yen	
	(Reference) FY2017 (April 1, 2017-March 31, 2018)	FY2018 (April 1, 2018-March 31, 2019)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(3,935)	2,481
Repayments of long-term loans payable	(10,088)	(176)
Cash dividends paid	(7,344)	(8,008)
Dividends paid to non-controlling interests	(637)	(773)
Other, net	(423)	(511)
Net cash provided by (used in) financing activities	(22,428)	(6,988)
Effect of exchange rate change on cash and cash equivalents	(631)	(469)
Net increase (decrease) in cash and cash equivalents	2,273	9,864
Cash and cash equivalents at beginning of period	73,563	75,836
Cash and cash equivalents at end of period	75,836	85,701



(5) Notes on consolidated financial statements

(Notes for going concern)

Not applicable

(Important items used as the basis for creation of consolidated financial statements)

1. Items related to the range of consolidation

(1) Consolidated subsidiaries: 108 companies

The range of consolidation has been revised due to changes involving the following companies:

(Increase: 2 companies)

Acquisition of Shares: NKS Corporation (Japan)

Establishment: Yokogawa Norge AS (Norway)

(Decrease: 3 companies)

Sale of Shares: Yokogawa Denshikiki Co., Ltd. (Japan)

Yokogawa Shanghai Instrumentation Co., Ltd. (China)

Liquidation: Suzhou Yokogawa Meter Company (China)

(2) Non-consolidated subsidiaries: 1 company

(Name of the company) Yokogawa Foundry Corporation

This company does not significantly influence the consolidated financial statements, and has therefore been excluded from the range of consolidation.

2. Items related to application of the equity method

(1) Non-consolidated subsidiaries: 1 company

(Name of the company) Yokogawa Foundry Corporation

(2) Affiliated companies: 3 companies

(Name of major company) Yokogawa Rental & Lease Corporation

(3) Financial statements related to a company's most recent fiscal year are used if the equity method is applicable to the company and the company has a closing date that differs from the consolidated closing date.

(4) The scope of application of the equity method has been revised due to changes involving the following company:

(Increase: 1 company)

Sale of Shares: Yokogawa Shanghai Instrumentation Co., Ltd. (China)

Because our ownership ratio of voting rights fell due to the sale of some of our shares, this company has been excluded from the range of consolidation and has been newly included in the scope of application of the equity method.

3. Items related to the fiscal year of consolidated subsidiaries, etc.

Starting with the fiscal year under review, the closing date for Yokogawa Electric China Co., Ltd. and 16 other non-Japan subsidiaries is December 31. For creation of consolidated financial statements, financial statements based on the provisional settlement of accounts implemented on the consolidated closing date are used for these companies.

4. Application of consolidated taxation system

The Company and some of its consolidated subsidiaries have applied a consolidated taxation system.

(Changes in accounting policies)

The consolidated subsidiaries outside Japan have adopted IFRS 15 (Revenue from Contracts with Customers) from the beginning of the fiscal year under review. The impact of the application of IFRS 15 on the consolidated financial statements is insignificant.

(Changes to the method of display)

Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting" and relevant Guidances

The Group has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the fiscal year under review. Accordingly, deferred tax assets were presented under "Investments and other assets" and deferred tax liabilities were presented under "Non-current liabilities."

(Segment information)

1. Overview of reporting segments

The business segments for financial reporting are categorized as the industrial automation and control business, test and measurement business, and aviation and other businesses.

The industrial automation and control business offers comprehensive solutions including field instruments such as flowmeters, differential pressure/pressure transmitters, and process analyzers; control systems, programmable controllers, industrial recorders, etc.; various types of software that enhance productivity; and services that minimize plant lifecycle costs.

The test and measurement business offers waveform measuring instruments; optical communications measuring instruments; signal generators; electric power, temperature, and pressure measuring instruments; and confocal scanners for observation of live cells.

The aviation and other businesses mainly offer aviation equipment such as cockpit flat-panel displays, engine meters, and other instruments for aviation use; marine navigation equipment such as gyrocompasses and autopilot systems; and meteorological/hydrological measurement devices such as meteorological monitoring systems equipment and flowmeters.

2. Segment sales and profits (losses)

Millions of yen

		(Reference) FY2017 (April 1, 2017-March 31, 2018)		FY2018 (April 1, 2018-March 31, 2019)		Change
		Amount	Composition ratio (%)	Amount	Composition ratio (%)	
		Industrial automation and control business	Net sales to unaffiliated customers	363,290	89.3	
	Operating income (loss)	30,397	92.9	33,970	98.2	3,573
Test and measurement business	Net sales to unaffiliated customers	22,260	5.5	22,870	5.7	610
	Operating income (loss)	2,533	7.7	1,939	5.6	(593)
Aviation and other businesses	Net sales to unaffiliated customers	21,039	5.2	16,066	4.0	(4,973)
	Operating income (loss)	(225)	(0.6)	(1,315)	(3.8)	(1,089)
Consolidated	Net sales to unaffiliated customers	406,590	100.0	403,711	100.0	(2,878)
	Operating income (loss)	32,705	100.0	34,594	100.0	1,889

3. Sales by geographical location

Millions of yen

	(Reference) FY2017 (April 1, 2017-March 31, 2018)		FY2018 (April 1, 2018-March 31, 2019)		Change Amount	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)		
	Japan	130,466	32.1	128,080		31.7
Outside Japan	276,123	67.9	275,631	68.3	(492)	
	Southeast Asia/ Far East	73,034	18.0	72,558	18.0	(475)
	China	41,267	10.2	47,049	11.6	5,782
	India	13,116	3.2	13,839	3.4	722
	All Europe	35,568	8.7	34,223	8.5	(1,345)
	Russia	19,843	4.9	18,086	4.5	(1,757)
	North America	30,935	7.6	31,759	7.9	824
	Middle East/ Africa	53,760	13.2	49,776	12.3	(3,984)
	South and Central America	8,596	2.1	8,338	2.1	(258)
Consolidated net sales	406,590	100.0	403,711	100.0	(2,878)	

(Note) For net sales for "Southeast Asia/Far East," "China," and "India," which had been included in "Asia" in the previous fiscal year, as well as net sales for "Russia," "All Europe," "Middle East/Africa," "South and Central America," and "Southeast Asia/Far East," which had been included in "Other" in the previous fiscal year, given the increasing

importance of each region, we organized a system to collect precise information, and have thus changed the method of display starting in the fiscal year under review.

Sales are based on a customer's geographical location (classified above as a country or region).

The breakdown of countries and regions belonging to groups is as follows.

- |                               |  |
|-------------------------------|--|
| (1) Southeast Asia/ Far East  | Singapore, South Korea, etc.                       |
| (2) China                     | China  |
| (3) India                     | India  |
| (4) All Europe                | Netherlands, France, United Kingdom, Germany, etc. |
| (5) Russia                    | Russia   |
| (6) North America             | United States, Canada                              |
| (7) Middle East/ Africa       | Bahrain, Saudi Arabia, etc.                        |
| (8) South and Central America | Brazil, etc.                                       |

(Per-share information)

	FY2017	FY2018
Net assets per share (yen)	1,017.51	1,085.88
Basic earnings per share (yen)	80.39	106.54

(Notes) 1. The amount of the fully diluted earnings per share for the fiscal year under review is not described because there is no residual security.

2. The basis for calculation of basic earnings per share is as follows:

	FY2017	FY2018
Profit attributable to owners of parent (millions of yen)	21,481	28,446
Profit attributable to owners of parent related to common stock (millions of yen)	21,481	28,446
Average number of shares during the period	267,223,255	267,008,640

(Important post-balance sheet events)

Not applicable

[Reference]

May 8, 2019  
Yokogawa Electric Corporation

### Consolidated Financial Statements for the Year Ended March 31, 2019

Millions of yen

	FY2017		FY2018		Change	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Amount	Ratio to net sales
Net Sales	406,590	–	403,711	–	(2,878)	–
Operating Income	32,705	8.0%	34,594	8.6%	1,889	0.6%
Ordinary Income	33,341	8.2%	36,770	9.1%	3,428	0.9%
Profit Attributable to Owners of Parent	21,481	5.3%	28,446	7.0%	6,964	1.7%
Comprehensive Income	24,129	5.9%	27,513	6.8%	3,383	0.9%
Total Assets	444,617		470,114		25,496	
Shareholders' Equity	278,704		296,150		17,445	
Return on Equity	8.1%		10.1%		2.0%	
Basic Earnings per Share	80.39 yen		106.54 yen		26.15 yen	
Shareholders' Equity per Share	1,017.51 yen		1,085.88 yen		68.37 yen	
Capital Investment	13,230		14,959		1,728	
Depreciation	18,312		17,651		(661)	
Research and Development Expenses	26,575		26,249		(326)	
Average Exchange Rate during the Period (USD)	110.70 yen		111.07 yen		0.37 yen	

#### Consolidated orders by segment

Millions of yen

	FY2017	FY2018	FY2019 full year (forecast)
Industrial automation and control business	358,961	393,646	400,000
Test and measurement business	22,408	22,938	24,000
Aviation and other businesses	18,946	15,387	6,000
Total	400,317	431,972	430,000

#### Consolidated sales by segment

Millions of yen

	FY2017	FY2018	FY2019 full year (forecast)
Industrial automation and control business	363,290	364,774	387,000
Test and measurement business	22,260	22,870	24,000
Aviation and other businesses	21,039	16,066	9,000
Total	406,590	403,711	420,000

#### Consolidated operating income by segment

Millions of yen

	FY2017	FY2018	FY2019 full year (forecast)
Industrial automation and control business	30,397	33,970	39,000
Test and measurement business	2,533	1,939	1,500
Aviation and other businesses	(225)	(1,315)	(500)
Total	32,705	34,594	40,000