

**Consolidated Financial Results for the Year Ended March 31, 2024
(Japan GAAP)**

May 7, 2024

Name of Listed Company: Yokogawa Electric Corporation (the “Company” herein)
 Stock Exchanges Where the Company’s Shares Are Listed: Tokyo Stock Exchange
 Securities Code: 6841 URL <https://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 IR Department
 Telephone Number: +81-422-52-6845
 Planned Date of the Regular General Meeting of Shareholders: June 18, 2024
 Planned Dividend Payment Starting Date: June 19, 2024
 Planned Annual Report Filing Date: June 18, 2024
 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, 2024 (April 1, 2023-March 31, 2024)

(1) Results of Operations on a Consolidated Basis

(Percentages show the change from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For year ended March 31, 2024	540,152	18.3	78,800	77.4	84,098	73.0	61,685	58.5
For year ended March 31, 2023	456,479	17.1	44,409	44.8	48,608	36.0	38,920	83.0

(Note) Comprehensive income For year ended March 31, 2024 88,743 million yen [52.2%]
 For year ended March 31, 2023 58,314 million yen [56.4%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total asset ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
For year ended March 31, 2024	234.83	–	15.1	13.0	14.6
For year ended March 31, 2023	145.81	–	10.9	8.3	9.7

(Reference) Profit or loss from investments accounted for by the equity method: For year ended March 31, 2024 3,163 million yen
 For year ended March 31, 2023 3,374 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, 2024	672,866	444,763	64.9	1,678.42
As of March 31, 2023	618,637	386,825	61.4	1,422.20

(Reference) Shareholders’ equity: As of March 31, 2024: 436,642 million yen As of March 31, 2023: 379,625 million yen

(3) Consolidated Cash Flow Status

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For year ended March 31, 2024	63,001	3,484	(57,496)	134,428
For year ended March 31, 2023	40,422	(32,939)	(10,932)	116,378

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	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
For year ended March 31, 2023	–	17.00	–	17.00	34.00	9,075	23.3	2.5
For year ended March 31, 2024	–	17.00	–	23.00	40.00	10,428	17.0	2.6
For year ending March 31, 2025 (forecast)	–	29.00	–	29.00	58.00		30.8	

3. Consolidated Business Forecast for the Year Ending March 31, 2025 (April 1, 2024-March 31, 2025)

(Percentages show the change from the previous year.)

	Net sales		Operating profit		Ordinary profit		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	563,000	4.2	75,000	(4.8)	75,000	(10.8)	49,000	(20.6)	188.35	

<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: No
 - 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, 2024 268,624,510 shares
 - As of March 31, 2023 268,624,510 shares
 - b. Number of treasury shares at the end of the period
 - As of March 31, 2024 8,473,826 shares
 - As of March 31, 2023 1,695,433 shares
 - c. Average number of shares in the period
 - For year ended March 31, 2024 262,686,997 shares
 - For year ended March 31, 2023 266,929,766 shares

(Reference) Summary of Non-consolidated Business Results

1. Non-consolidated Business Results for the Year Ended March 31, 2024 (April 1, 2023-March 31, 2024)

(1) Results of Operations on a Non-consolidated Basis

(Percentages show the change from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For year ended March 31, 2024	141,035	13.3	13,713	–	50,934	121.2	56,318	121.1
For year ended March 31, 2023	124,495	18.7	(268)	–	23,023	52.9	25,471	98.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For year ended March 31, 2024	214.39	–
For year ended March 31, 2023	95.42	–

(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, 2024	317,683	243,330	76.6	935.35
As of March 31, 2023	303,905	211,065	69.5	790.72

(Reference) Shareholders' equity: As of March 31, 2024: 243,330 million yen As of March 31, 2023: 211,065 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 via web conference on May 7, 2024. 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

In accordance with the mid-term business plan, “Accelerate Growth 2023,” which ends in the current fiscal year (fiscal year ended March 31, 2024), the Group worked to establish a business structure centered on solving common social issues towards growth, focusing on four key strategies: “Implement IA2IA and smart manufacturing and transform value provision,” “Strengthen industry responsiveness and expand cross-industry business,” “Ensure profitability and sound growth,” and “Optimize internal operations and transform mindsets.”

In terms of the Group’s business performance during the fiscal year under review, net sales increased by 83.6 billion yen year on year, mainly due to an improved procurement environment for production parts and project-procured products, the effect of price hike measures, recording sales of large-scale projects ordered after COVID-19, and the impact of foreign exchange fluctuations. Operating profit increased by 34.3 billion yen year on year, mainly due to an increase in the gross profit margin with an increase in sales. Ordinary profit increased by 35.4 billion yen year on year. Profit attributable to owners of parent increased by 22.7 billion yen year on year, mainly due to the increase in ordinary profit and to recording gain on sale of investment securities in extraordinary income, despite recording impairment losses on goodwill, etc. related to overseas subsidiaries in extraordinary losses.

Business results are as follows.

	Unit: billion yen			
	FY2022	FY2023	Difference	Change
Net sales	456.479	540.152	83.672	18.3%
Operating profit	44.409	78.800	34.391	77.4%
Ordinary profit	48.608	84.098	35.490	73.0%
Profit attributable to owners of parent	38.920	61.685	22.764	58.5%
(Reference) Average rate to 1 U.S. dollar (Yen)	136.12	145.31	9.19	–

Results by individual segment are outlined below.

<Industrial Automation and Control Business>

	Unit: billion yen			
	FY2022	FY2023	Difference	Change
Net sales	427.569	503.849	76.279	17.8%
Operating profit	41.081	71.666	30.585	74.5%

Net sales for the industrial automation and control business segment increased by 76.2 billion yen year on year, mainly due to an improved procurement environment for production parts and project-procured products, the effect of price hike measures, recording sales of large-scale projects ordered after COVID-19, and the impact of foreign exchange fluctuations. Operating profit increased by 30.5 billion yen year on year, mainly due to an increase in the gross profit margin with an increase in sales.

<Measuring Instruments Business>

	Unit: billion yen			
	FY2022	FY2023	Difference	Change
Net sales	25.065	31.817	6.751	26.9%
Operating profit	4.632	8.138	3.506	75.7%

In the measuring instruments business, net sales increased by 6.7 billion yen year on year, mainly due to the progress in reducing the order backlog as a result of an improved procurement environment for production parts. Operating profit increased by 3.5 billion yen year on year, mainly due to an increase in the gross profit margin with an increase in sales.

<New Businesses and Others>

	Unit: billion yen			
	FY2022	FY2023	Difference	Change
Net sales	3.844	4.485	0.640	16.7%
Operating profit	(1.304)	(1.004)	0.299	–

Net sales and operating loss for new businesses and others were almost the same level as the previous fiscal year.

(2) Overview of Financial Conditions for the Fiscal Year Under Review

In comparison to March 31, 2023, total assets as of March 31, 2024 were up 54.2 billion yen to 672.8 billion yen, mainly due to increases in accounts receivable - trade, contract assets, and cash and deposits.

In addition, total liabilities were 228.1 billion yen, down 3.7 billion yen compared to March 31, 2023, due mainly to a decrease in commercial papers, despite increases in contract liabilities and income taxes payable.

As of March 31, 2024, net assets were 444.7 billion yen, up 57.9 billion yen compared to March 31, 2023, due mainly to the recognition of profit attributable to owners of parent and an increase in foreign currency translation adjustment, despite a decrease due to purchase of treasury shares.

As a result, the shareholders' equity ratio was 64.9%, up 3.5 percentage points from the end of the previous fiscal year.

(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 63.0 billion yen (up 22.5 billion yen from the previous fiscal year), mainly reflecting the recording of profit before income taxes and depreciation.

The cash flow from investing activities was a net inflow of 3.4 billion yen (compared to a net outflow of 32.9 billion yen in the previous fiscal year), mainly reflecting proceeds from sale of investment securities, despite purchase of property, plant and equipment, and intangible assets.

The cash flow from financing activities was a net outflow of 57.4 billion yen (up 46.5 billion yen from the previous fiscal year), mainly due to redemption of commercial papers, purchase of treasury shares, and dividends paid.

As a result, the balance of cash and cash equivalents at the end of the fiscal year under review was 134.4 billion yen, up 18.0 billion yen from the end of the previous fiscal year.

(4) Future Forecast

In April 2024, the Group launched its new Growth for Sustainability 2028 (GS2028) medium-term business plan. This is for a world that is experiencing drastic change due to pressing issues that call for solutions such as an energy transition to enable a carbon-neutral society, and due to innovations in digital technologies. We eagerly embrace these shifts in our landscape and perceive them as valuable opportunities to create shared value. We will accomplish this by making contributions through our business that benefit both society and the environment and lead to the sustainable enhancement of corporate value.

In the consolidated earnings forecast for the coming fiscal year (FY2024), the Group is projecting increases in orders and net sales due to firm energy demand, investment recovery in the materials industry, and other factors. Although an increase in the gross profit is expected due to higher revenue, operating profit is expected to decline mainly because the gross profit margin is expected to decline owing to changes to the product mix, upfront investments for future growth are set to increase and human capital investments are expected to rise through efforts to boost competitiveness. As a result, ordinary profit and profit attributable to owners of parent are expected to decrease respectively.

The operating results forecast assumes a foreign exchange rate of 1 USD = 145 yen (compared to 1 USD = 145.31 yen in the fiscal year ended March 31, 2023).

Based on the above, the current consolidated business forecasts are as follows. The results for fiscal year 2023 are provided for comparison.

<Consolidated Business Forecast (Full Year)>

	Unit: billion yen			
	FY2023 (results)	FY2024 (forecast)	Difference	Change
Orders received	541.961	565.0	23.038	4.3%
Net sales	540.152	563.0	22.847	4.2%
Operating profit	78.800	75.0	(3.800)	(4.8)%
Ordinary profit	84.098	75.0	(9.098)	(10.8)%
Profit attributable to owners of parent	61.685	49.0	(12.685)	(20.6)%
(Reference) Average rate to 1 U.S. dollar (Yen)	145.31	145	(0.31)	–

The forecast by segment is as follows.

In our industrial automation and control business, given the aforementioned expected trend of customer investments, we expect orders and net sales to increase. Operating profit is expected to perform on par with the previous fiscal year.

In our measuring instruments business, although we expect an increase in orders, both net sales and operating profit are expected to perform below the level of this segment's strong previous year performance, when sales were robust due to the progress in reducing the order backlog as a result of improvement in the procurement environment for production parts, among other factors.

In our new businesses and others, we expect orders, net sales and operating profit to perform on par with the previous fiscal year.

(Reference) Consolidated Business Forecast by Segment

<Orders Received (Full Year)>

	Unit: billion yen			
	FY2023 (results)	FY2024 (forecast)	Difference	Change
Industrial automation and control business	512.436	533.0	20.563	4.0%
Measuring instruments business	25.925	28.0	2.074	8.0%
New businesses and others	3.599	4.0	0.400	11.1%
Total	541.961	565.0	23.038	4.3%

<Net Sales (Full Year)>

	Unit: billion yen			
	FY2023 (results)	FY2024 (forecast)	Difference	Change
Industrial automation and control business	503.849	531.0	27.150	5.4%
Measuring instruments business	31.817	28.0	(3.817)	(12.0)%
New businesses and others	4.485	4.0	(0.485)	(10.8)%
Total	540.152	563.0	22.848	4.2%

<Operating Profit (Full Year)>

	Unit: billion yen			
	FY2023 (results)	FY2024 (forecast)	Difference	Change
Industrial automation and control business	71.666	71.0	(0.666)	(0.9)%
Measuring instruments business	8.138	5.0	(3.138)	(38.6)%
New businesses and others	(1.004)	(1.0)	0.004	–
Total	78.800	75.0	(3.800)	(4.8)%

<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 securement of 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.

We will then flexibly consider additional shareholder returns through acquisition of own shares, taking into account opportunities for investment in growth, financial conditions, and stock price levels.

Furthermore, regarding the year-end dividend for the fiscal year under review, the year-end dividend will be 23 yen per share as the dividend forecast announced on February 6, 2024 by giving consideration on the consolidated dividend payout ratio, shareholders' equity ratio, financial positions and other related factors based on the above dividend policy. As a result, we plan to pay 40 yen per share in dividend payments for the fiscal year when including the interim dividend.

With regard to dividends for the next fiscal year, we plan to pay 58 yen per share (interim dividend of 29.00 yen and year-end dividend of 29.00 yen) based on the above policy.

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.

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

	(Reference) End of FY2022 (March 31, 2023)	End of FY2023 (March 31, 2024)
(Millions of yen)		
Assets		
Current assets		
Cash and deposits	121,438	139,884
Notes receivable - trade	10,318	14,278
Accounts receivable - trade	133,654	142,569
Contract assets	65,297	85,856
Merchandise and finished goods	18,467	21,719
Work in process	4,932	5,857
Raw materials and supplies	25,006	27,138
Other	24,251	24,148
Allowance for doubtful accounts	(6,106)	(6,280)
Total current assets	397,261	455,173
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	46,183	47,022
Machinery, equipment and vehicles, net	9,354	10,178
Tools, furniture and fixtures, net	6,550	7,261
Land	15,570	15,852
Leased assets, net	22	10
Right-of-use assets, net	8,097	8,598
Construction in progress	1,780	2,113
Total property, plant and equipment	87,559	91,038
Intangible assets		
Software	14,137	17,512
Goodwill	14,614	5,971
Other	19,782	20,283
Total intangible assets	48,534	43,767
Investments and other assets		
Investment securities	70,786	65,615
Deferred tax assets	8,921	10,526
Other	6,433	7,337
Allowance for doubtful accounts	(859)	(593)
Total investments and other assets	85,281	82,887
Total non-current assets	221,375	217,693
Total assets	618,637	672,866

(Millions of yen)

	(Reference) End of FY2022 (March 31, 2023)	End of FY2023 (March 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,226	31,818
Electronically recorded obligations - operating	10,098	9,657
Short-term borrowings	20,475	295
Commercial papers	25,000	–
Accounts payable - other	18,741	21,274
Income taxes payable	6,472	9,795
Contract liabilities	45,837	51,588
Lease liabilities	2,219	2,780
Provision for bonuses	20,776	23,539
Provision for loss on construction contracts	7,380	8,746
Other	24,869	27,036
Total current liabilities	213,097	186,534
Non-current liabilities		
Long-term borrowings	4,087	24,000
Deferred tax liabilities	2,519	3,864
Retirement benefit liability	5,081	6,048
Lease liabilities	5,292	5,808
Other	1,732	1,848
Total non-current liabilities	18,713	41,569
Total liabilities	231,811	228,103
Net assets		
Shareholders' equity		
Share capital	43,401	43,401
Capital surplus	54,392	54,464
Retained earnings	251,277	303,979
Treasury shares	(1,410)	(19,357)
Total shareholders' equity	347,660	382,487
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,106	21,953
Deferred gains or losses on hedges	(98)	43
Foreign currency translation adjustment	13,812	32,831
Remeasurements of defined benefit plans	(854)	(674)
Total accumulated other comprehensive income	31,965	54,154
Non-controlling interests	7,200	8,120
Total net assets	386,825	444,763
Total liabilities and net assets	618,637	672,866

(2) Consolidated Statements of Income and Statements of Comprehensive Income
Consolidated Statements of Income for the FY2023

(Millions of yen)

	(Reference) FY2022 (April 1, 2022-March 31, 2023)	FY2023 (April 1, 2023-March 31, 2024)
Net sales	456,479	540,152
Cost of sales	252,019	285,260
Gross profit	204,459	254,891
Selling, general and administrative expenses	160,050	176,091
Operating profit	44,409	78,800
Non-operating income		
Interest income	1,058	1,887
Dividend income	1,970	957
Foreign exchange gains	–	1,049
Share of profit of entities accounted for using equity method	3,374	3,163
Miscellaneous income	1,617	1,396
Total non-operating income	8,021	8,454
Non-operating expenses		
Interest expenses	1,091	1,179
Foreign exchange losses	1,009	–
Provision of allowance for doubtful accounts	21	54
Commission expenses	332	305
Miscellaneous losses	1,365	1,617
Total non-operating expenses	3,821	3,156
Ordinary profit	48,608	84,098
Extraordinary income		
Gain on sale of non-current assets	526	39
Gain on sale of investment securities	834	16,990
Gain on step acquisitions	*1 1,066	–
Total extraordinary income	2,428	17,030
Extraordinary losses		
Loss on sale of non-current assets	5	10
Loss on retirement of non-current assets	432	193
Impairment losses	*2 558	*2 11,473
Loss on valuation of investment securities	–	1,041
Loss on sale of investments in capital of subsidiaries and associates	–	259
Loss on termination of retirement benefit plan	–	107
Business restructuring expenses	240	283
Total extraordinary losses	1,237	13,368
Profit before income taxes	49,799	87,760
Income taxes - current	11,662	22,531
Income taxes - deferred	(3,799)	(763)
Total income taxes	7,863	21,768
Profit	41,936	65,992
Profit attributable to non-controlling interests	3,015	4,306
Profit attributable to owners of parent	38,920	61,685

Consolidated Statements of Comprehensive Income for the FY2023

(Millions of yen)

	(Reference) FY2022 (April 1, 2022-March 31, 2023)	FY2023 (April 1, 2023-March 31, 2024)
Profit	41,936	65,992
Other comprehensive income		
Valuation difference on available-for-sale securities	7,529	2,840
Deferred gains or losses on hedges	(98)	142
Foreign currency translation adjustment	8,826	19,580
Remeasurements of defined benefit plans, net of tax	57	53
Share of other comprehensive income of entities accounted for using equity method	63	134
Total other comprehensive income	16,378	22,751
Comprehensive income	58,314	88,743
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	55,131	83,874
Comprehensive income attributable to non-controlling interests	3,183	4,869

(3) Consolidated Statements of Changes in Net Assets
(Reference) FY2022 (April 1, 2022-March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	43,401	54,392	221,431	(1,407)	317,817
Changes during period					
Dividends of surplus			(9,075)		(9,075)
Profit attributable to owners of parent			38,920		38,920
Purchase of treasury shares				(2)	(2)
Capital increase of consolidated subsidiaries					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	29,845	(2)	29,842
Balance at end of period	43,401	54,392	251,277	(1,410)	347,660

	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 period	11,592	-	5,137	(976)	15,753	6,769	340,340
Changes during period							
Dividends of surplus							(9,075)
Profit attributable to owners of parent							38,920
Purchase of treasury shares							(2)
Capital increase of consolidated subsidiaries							-
Net changes in items other than shareholders' equity	7,513	(98)	8,674	122	16,211	431	16,642
Total changes during period	7,513	(98)	8,674	122	16,211	431	46,485
Balance at end of period	19,106	(98)	13,812	(854)	31,965	7,200	386,825

FY2023 (April 1, 2023-March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	43,401	54,392	251,277	(1,410)	347,660
Changes during period					
Dividends of surplus			(8,983)		(8,983)
Profit attributable to owners of parent			61,685		61,685
Purchase of treasury shares				(17,947)	(17,947)
Capital increase of consolidated subsidiaries		72			72
Net changes in items other than shareholders' equity					
Total changes during period	-	72	52,702	(17,947)	34,827
Balance at end of period	43,401	54,464	303,979	(19,357)	382,487

	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 period	19,106	(98)	13,812	(854)	31,965	7,200	386,825
Changes during period							
Dividends of surplus							(8,983)
Profit attributable to owners of parent							61,685
Purchase of treasury shares							(17,947)
Capital increase of consolidated subsidiaries							72
Net changes in items other than shareholders' equity	2,847	142	19,018	180	22,189	920	23,109
Total changes during period	2,847	142	19,018	180	22,189	920	57,937
Balance at end of period	21,953	43	32,831	(674)	54,154	8,120	444,763

(4) Consolidated Cash Flow Statements

(Millions of yen)

	(Reference) FY2022 (April 1, 2022-March 31, 2023)	FY2023 (April 1, 2023-March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	49,799	87,760
Depreciation	18,037	20,272
Impairment losses	558	11,473
Amortization of goodwill	1,659	2,298
Increase (decrease) in allowance for doubtful accounts	128	(782)
Increase (decrease) in provision for bonuses	3,091	1,476
Increase (decrease) in retirement benefit liability	49	378
Interest and dividend income	(3,029)	(2,844)
Interest expenses	1,091	1,179
Share of loss (profit) of entities accounted for using equity method	(3,374)	(3,163)
Loss (gain) on sale of investment securities	(834)	(16,990)
Loss (gain) on sale of non-current assets	(520)	(29)
Loss on retirement of non-current assets	432	193
Loss (gain) on step acquisitions	(1,066)	-
Increase (decrease) in allowance for soft error	(272)	339
Loss (gain) on valuation of investment securities	-	1,041
Decrease (increase) in trade receivables	(13,692)	(17,364)
Decrease (increase) in inventories	(5,415)	(4,103)
Increase (decrease) in trade payables	3,421	(1,819)
Increase (decrease) in accounts payable - other	587	1,203
Increase (decrease) in accrued expenses	(874)	175
Other, net	(253)	863
Subtotal	49,521	81,559
Interest and dividends received	2,983	3,789
Interest paid	(1,002)	(1,143)
Income taxes refund (paid)	(11,080)	(21,203)
Net cash provided by (used in) operating activities	40,422	63,001
Cash flows from investing activities		
Payments into time deposits	(3,284)	(8,862)
Proceeds from withdrawal of time deposits	278	8,973
Purchase of property, plant and equipment	(8,637)	(8,718)
Proceeds from sale of property, plant and equipment	554	152
Purchase of intangible assets	(12,205)	(14,578)
Purchase of investment securities	(2,540)	(1,276)
Proceeds from sale and redemption of investment securities	1,087	28,266
Proceeds from sale of businesses	428	-
Purchase of shares of subsidiaries and associates	(2,021)	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(6,744)	-
Other, net	145	(469)
Net cash provided by (used in) investing activities	(32,939)	3,484

(Millions of yen)

	(Reference) FY2022 (April 1, 2022-March 31, 2023)	FY2023 (April 1, 2023-March 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,144)	(225)
Net increase (decrease) in commercial papers	5,000	(25,000)
Proceeds from long-term borrowings	–	20,000
Repayments of long-term borrowings	–	(20,110)
Repayments of lease liabilities	(3,432)	(2,556)
Dividends paid	(9,078)	(8,982)
Purchase of treasury shares	–	(17,947)
Dividends paid to non-controlling interests	(2,274)	(2,757)
Other, net	(2)	83
Net cash provided by (used in) financing activities	(10,932)	(57,496)
Effect of exchange rate change on cash and cash equivalents	4,286	9,060
Net increase (decrease) in cash and cash equivalents	836	18,050
Cash and cash equivalents at beginning of period	115,541	116,378
Cash and cash equivalents at end of period	116,378	134,428

- (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: 122 companies

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

The newly established Yokogawa Middle East and Africa Regional Office L.L.C. and Yokogawa Africa Holding W.L.L have been included in the range of consolidation.

Industrial Evolution, LLC and Soteica Europe SL, Visual Mesa LLC are no longer subsidiaries due to liquidation, and are therefore excluded from the range of consolidation.

(2) Non-consolidated subsidiaries: 1 company

(Name of major company) Yokogawa Foundry Corporation

Non-consolidated subsidiaries do not significantly influence the consolidated financial statements regarding to any of their total assets, net sales, profit or loss for the period (amount corresponding to the Company's ownership interest) as well as retained earnings (amount corresponding to the Company's ownership interest) and others, and have 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 major company) Yokogawa Foundry Corporation

(2) Affiliated companies: 3 companies

(Name of major company) Yokogawa Rental & Lease Corporation

The range of application of the equity method has been revised due to changes involving the following companies:

Yokogawa Shanghai Instrumentation Co., Ltd., which had been an equity method affiliate, has been excluded from the range of application of the equity method due to the dissolution of a joint venture agreement with a partner company.

(3) For certain equity method affiliates whose closing dates differ from the consolidated closing date, financial statements based on a provisional closing conducted as of the consolidated closing date are used.

3. Items Related to the Fiscal Year of Consolidated Subsidiaries, Etc.

The closing date for Yokogawa Electric China Co., Ltd. and 15 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 Group Tax Sharing System

The Company and some of its domestic consolidated subsidiaries have applied the group tax sharing system.

Consolidated Statements of Income

*1 Gain on Step Acquisitions

FY2022 (April 1, 2022-March 31, 2023)

This was recognized as a result of the step acquisition of shares of Yokogawa Fluence Analytics, Inc. (former Fluence Analytics, Inc.).

*2 Impairment Losses

I. (Reference) FY2022 (April 1, 2022-March 31, 2023)

Impairment losses were recorded for the following asset groups.

(Millions of yen)			
Location	Use	Category	Impairment losses
United Kingdom	Business assets	Goodwill	261
Norway	Business assets	Other intangible assets	296
		Total	558

The Group's business assets are grouped based on management accounting classification.

The book value with respect to the goodwill arising at the time of acquisition of shares of the UK-based consolidated subsidiary, Yokogawa RAP Limited was reduced to its recoverable amount and the amount of said reduction has been recorded as impairment loss because the non-consolidated business performance of the company is expected to fall below the initially forecasted business plans in line with changes made to the company's positioning with respect to business expansion.

The recoverable amount for the said asset group is measured by value in use and is calculated by discounting future cash flows at a rate of 10%.

The book value with respect to the other intangible assets arising at the time of acquisition of shares of the Norway based consolidated subsidiary, Yokogawa TechInvent AS, was reduced to its recoverable amount and the amount of said reduction has been recorded as impairment loss on account of the business results of the company falling below the initially forecasted business plans due to the impact of changes in the business environments surrounding the company.

The recoverable amount for the said asset group is measured by value in use and is calculated by discounting future cash flows at a rate of 10%.

II. FY2023 (April 1, 2023-March 31, 2024)

Impairment losses were recorded for the following asset groups.

(Millions of yen)			
Location	Use	Category	Impairment losses
United States	Business assets	Tools, furniture and fixtures	38
		Leased assets	103
		Goodwill	3,563
		Other intangible assets	3,701
Germany	Business assets	Goodwill	3,104
		Other intangible assets	881
Japan	Business assets	Machinery, equipment and vehicles	46
		Other intangible assets	1
		Long-term prepaid expenses	4
	Idle assets	Machinery, equipment and vehicles	28
		Total	11,473

The Group's business assets are grouped based on management accounting classification.

The book values, mainly with respect to the goodwill, etc. arising at the time of acquisition of U.S. based consolidated subsidiaries PXiSE Energy Solutions, LLC and Yokogawa Fluence Analytics, Inc., and Germany based consolidated subsidiary Yokogawa Insilico Biotechnology GmbH, were reduced to their respective recoverable amounts and the amount of

said reductions have been recorded as impairment losses on account of the business results of the relevant companies falling below the initially forecasted business plans.

The recoverable amounts for the said asset group are measured by value in use and are calculated by discounting future cash flows at a rate of 10%.

Segment Information

1. Overview of Reporting Segments

The business segments for financial reporting are categorized as the industrial automation and control business, measuring instruments business, and new businesses and others.

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 measuring instruments business offers waveform measuring instruments; optical communications measuring instruments; signal generators; and electric power, temperature, and pressure measuring instruments.

New businesses and others provide services that utilize IoT and AI, and manufacture and sell biomass materials, etc.

2. Segment Sales and Profits (Losses)

(Millions of yen)

		(Reference) FY2022 (April 1, 2022-March 31, 2023)		FY2023 (April 1, 2023-March 31, 2024)		Change
		Amount	Composi- tion ratio (%)	Amount	Composi- tion ratio (%)	Amount
Industrial automation and control	Net sales to unaffiliated customers	427,569	93.7	503,849	93.3	76,279
	Operating profit (loss)	41,081	92.5	71,666	90.9	30,585
Measuring instruments	Net sales to unaffiliated customers	25,065	5.5	31,817	5.9	6,751
	Operating profit (loss)	4,632	10.4	8,138	10.3	3,506
New businesses and others	Net sales to unaffiliated customers	3,844	0.8	4,485	0.8	640
	Operating profit (loss)	(1,304)	(2.9)	(1,004)	(1.2)	299
Consolidated net sales	Net sales to unaffiliated customers	456,479	100.0	540,152	100.0	83,672
	Operating profit (loss)	44,409	100.0	78,800	100.0	34,391

3. Net Sales by Geographical Location

(Millions of yen)

	(Reference) FY2022 (April 1, 2022-March 31, 2023)		FY2023 (April 1, 2023-March 31, 2024)		Change
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount
Japan	124,329	27.2	138,601	25.7	14,272
Outside Japan	332,150	72.8	401,550	74.3	69,400
Southeast Asia, Far East	73,064	16.0	79,065	14.6	6,000
China	74,865	16.4	84,021	15.6	9,155
India	19,528	4.3	27,420	5.1	7,892
Europe	38,298	8.4	52,650	9.7	14,352
Russia	7,199	1.6	2,767	0.5	(4,432)
North America	44,475	9.7	52,882	9.8	8,407
Middle East, Africa	59,730	13.1	83,222	15.4	23,492
Central and South America	14,987	3.3	19,520	3.6	4,532
Consolidated	456,479	100.0	540,152	100.0	83,672

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) 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) Central and South America | Brazil, etc. |

Per-Share Information

	FY2022	FY2023
Net assets per share (yen)	1,422.20	1,678.42
Basic earnings per share (yen)	145.81	234.83

(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:

(Millions of yen)

	FY2022	FY2023
Profit attributable to owners of parent	38,920	61,685
Profit attributable to owners of parent related to common stock	38,920	61,685
Average number of shares during the period	266,929,766	262,686,997

Important Post-Balance Sheet Events

Not applicable

[Reference]

May 7, 2024
Yokogawa Electric Corporation

Consolidated Financial Statements for the Year Ended March 31, 2024

(Millions of yen)

	FY2022		FY2023		Change	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Amount	Ratio to net sales
Net sales	456,479	–	540,152	–	83,672	–
Operating profit	44,409	9.7%	78,800	14.6%	34,391	4.9%
Ordinary profit	48,608	10.6%	84,098	15.6%	35,490	4.9%
Profit attributable to owners of parent	38,920	8.5%	61,685	11.4%	22,764	2.9%
Comprehensive income	58,314	12.8%	88,743	16.4%	30,428	3.7%
Total assets	618,637		672,866		54,229	
Net assets	386,825		444,763		57,937	
Return on equity	10.9%		15.1%		4.2%	
Basic earnings per share	145.81 yen		234.83 yen		89.02 yen	
Shareholders' equity per share	1,422.20 yen		1,678.42 yen		256.22 yen	
Capital investment	22,176		27,360		5,184	
Depreciation	19,696		22,571		2,875	
Research and development expenses	30,492		32,435		1,943	
Average exchange rate during the period (USD)	136.12 yen		145.31 yen		9.19 yen	

Consolidated Orders by Segment

(Millions of yen)

	FY2022	FY2023	FY2024 full year (forecast)
Industrial automation and control business	485,440	512,436	533,000
Measuring instruments business	28,603	25,925	28,000
New businesses and others	4,344	3,599	4,000
Total	518,389	541,961	565,000

Consolidated Sales by Segment

(Millions of yen)

	FY2022	FY2023	FY2024 full year (forecast)
Industrial automation and control business	427,569	503,849	531,000
Measuring instruments business	25,065	31,817	28,000
New businesses and others	3,844	4,485	4,000
Total	456,479	540,152	563,000

Consolidated Operating Profit by Segment

(Millions of yen)

	FY2022	FY2023	FY2024 full year (forecast)
Industrial automation and control business	41,081	71,666	71,000
Measuring instruments business	4,632	8,138	5,000
New businesses and others	(1,304)	(1,004)	(1,000)
Total	44,409	78,800	75,000