

2008 Users Conference & Technology Fair

David Johnson

President & CEO

Yokogawa Corporation of America

April 8-10, 2008



Agenda

» Yokogawa Electric -YHQ

» FY08 News & Initiatives

» #1 in 2010



YHQ



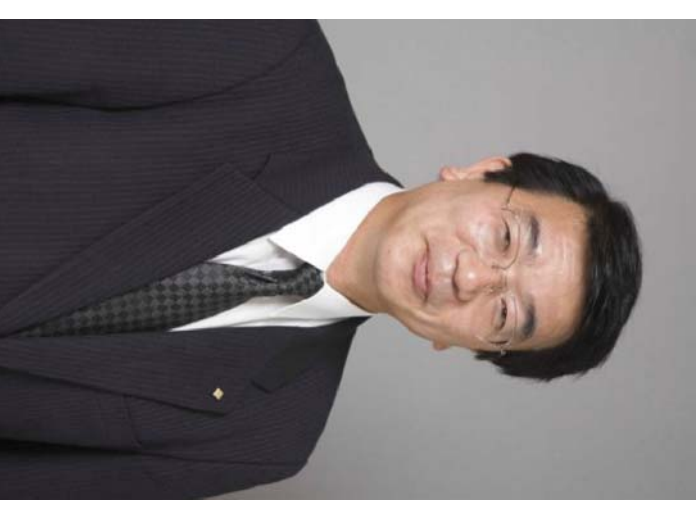
> Yokogawa Leaders



Shuzo Kaihori
President & Chief Executive Officer
Yokogawa Electric Corporation



Isao Uchida
Chairman & Board of Director Officer
Yokogawa Electric Corporation

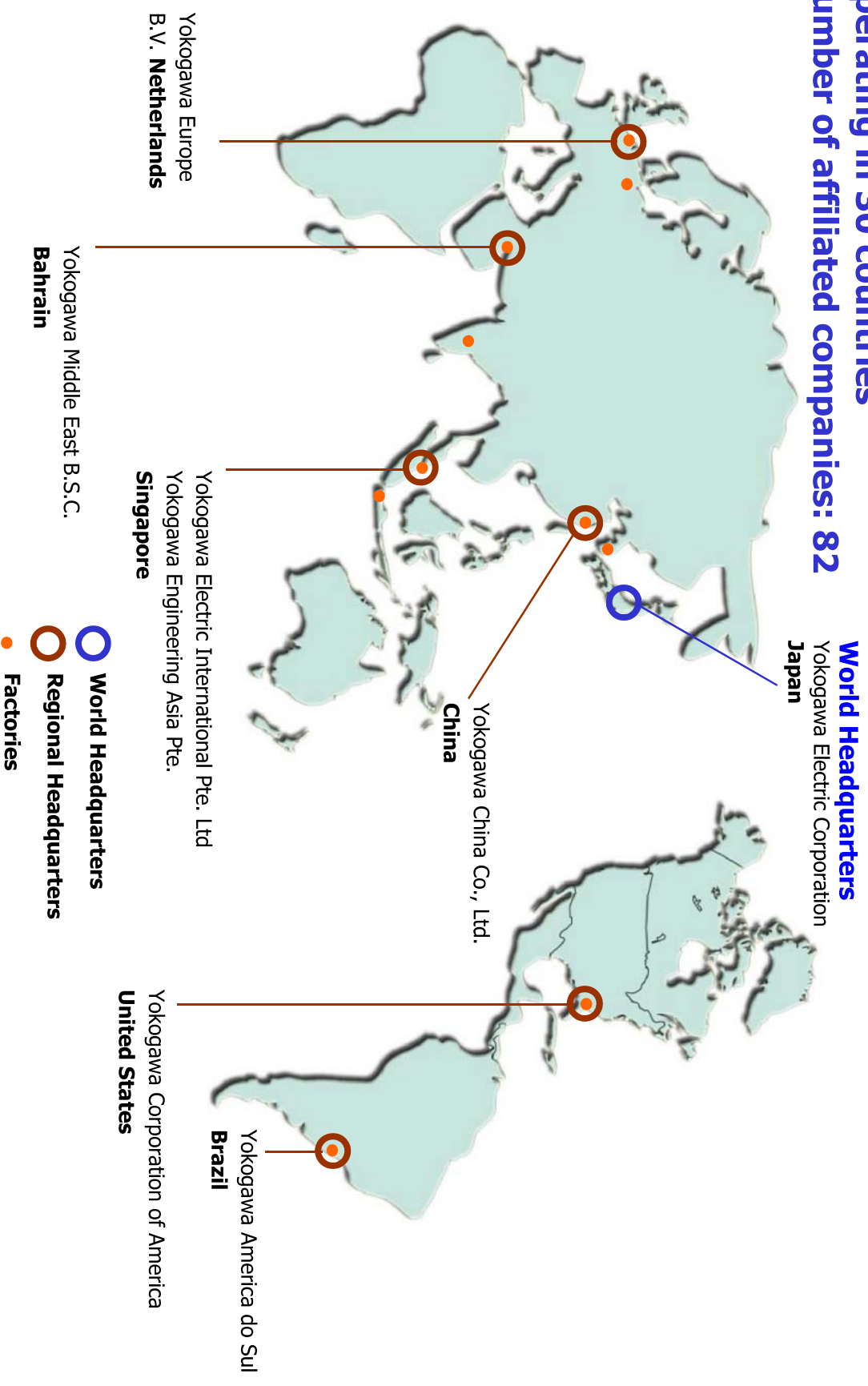


Teruyoshi Minaki
President & Chief Executive Officer
Yokogawa Electric International



> Yokogawa Business Operations Worldwide

Operating in 30 countries
Number of affiliated companies: 82



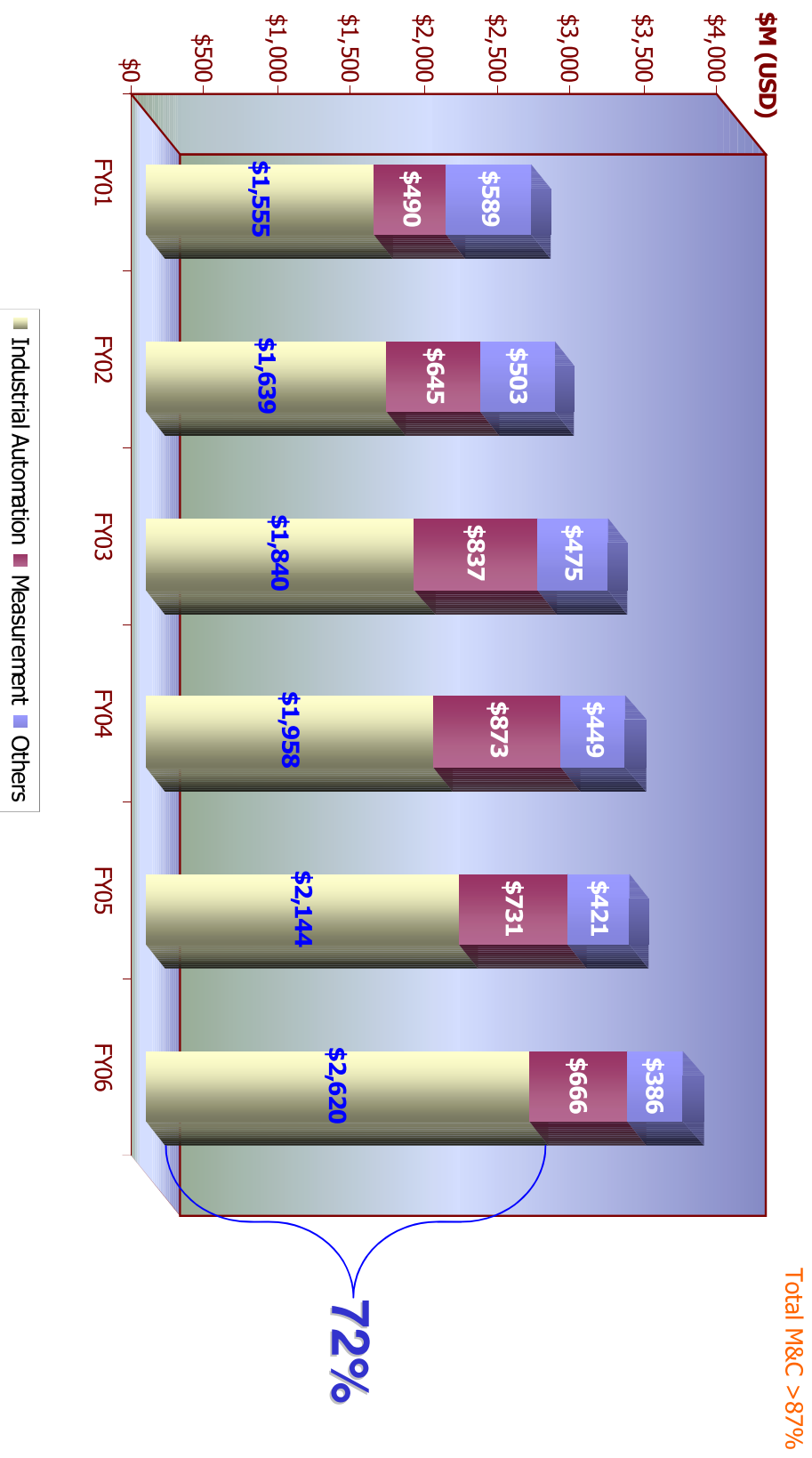


> Revenue Trend (Business Domain)

1. Continuous growth of our business.

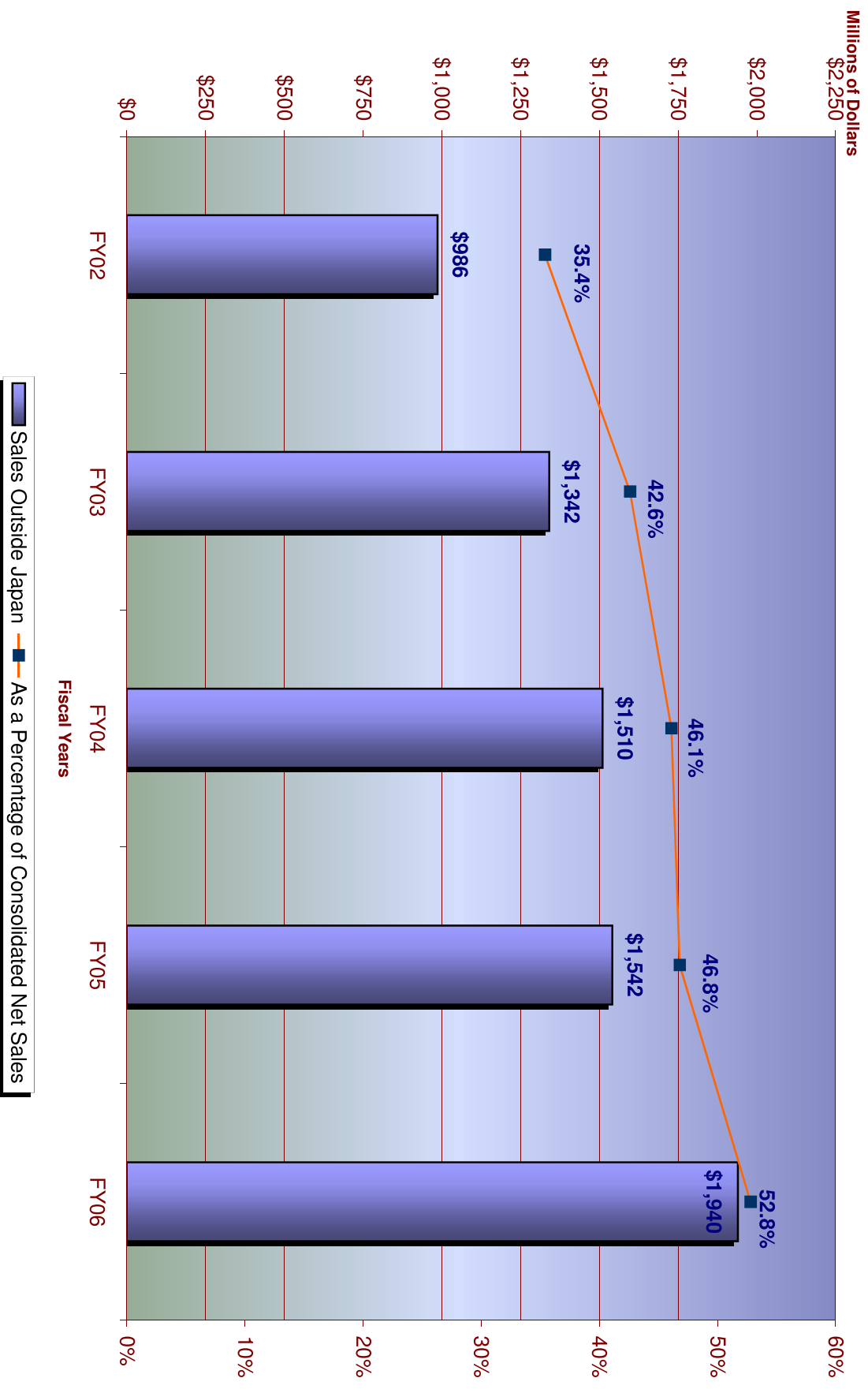
Revenue in FY06 → US\$3.67 Billion

2. Industrial Automation is our core business





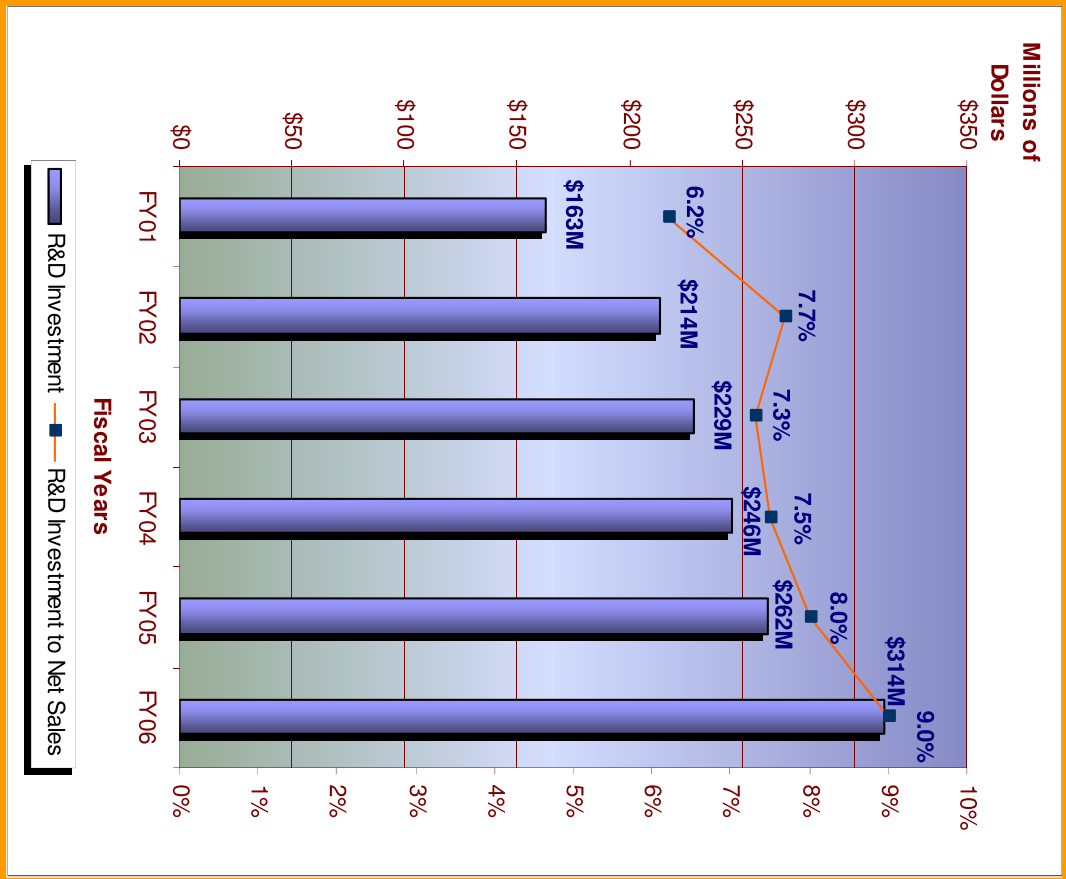
Yokogawa Sales Trend Outside Japan





> R&D and Intellectual Property

R&D investment / R&D investment to net sales



Registrations and applications for patents and other intellectual property rights (as of March 31, 2006)

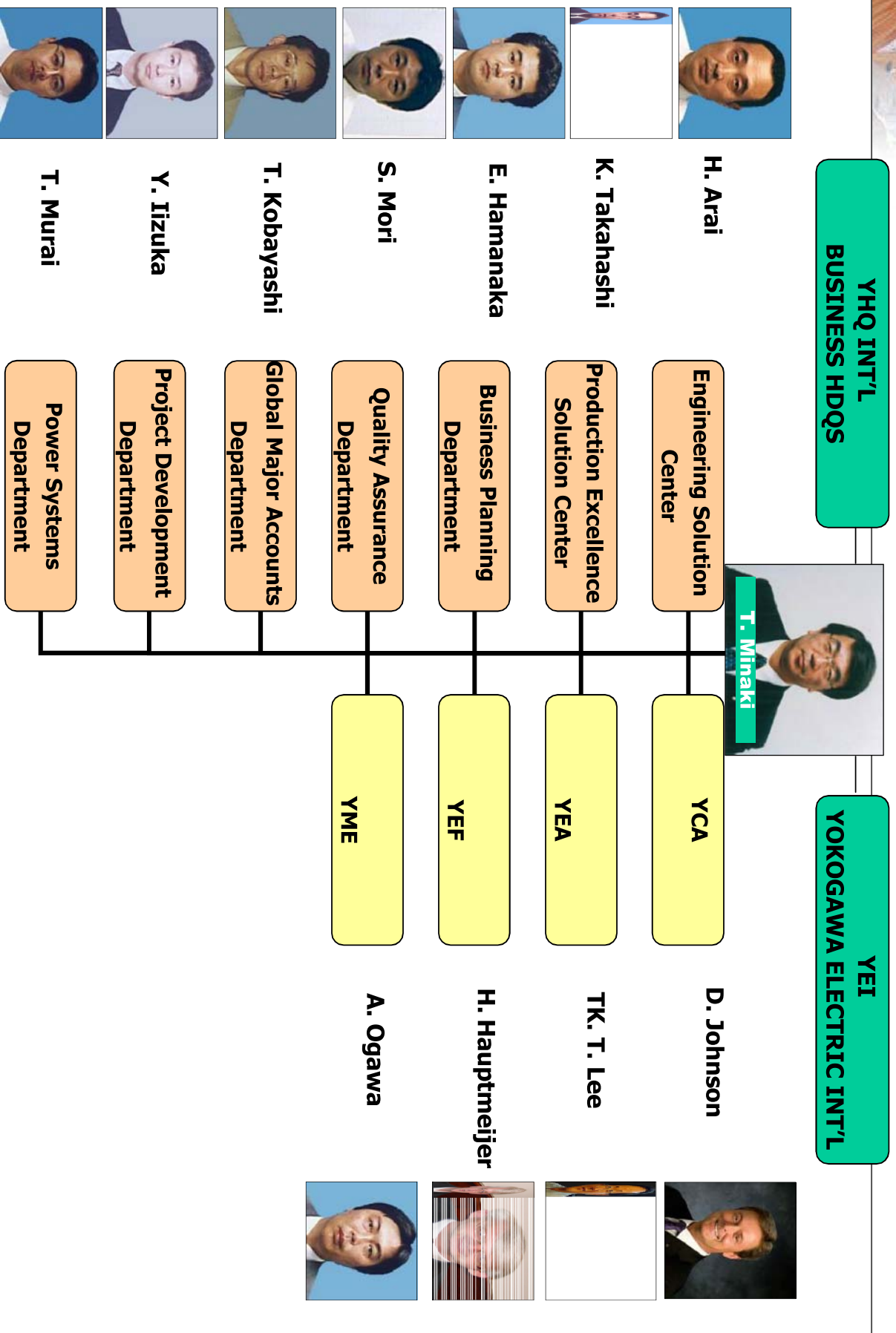
Patents	6,194
Utility Models	90
Registered Designs	172
Trademarks	1,190
Total	7,646



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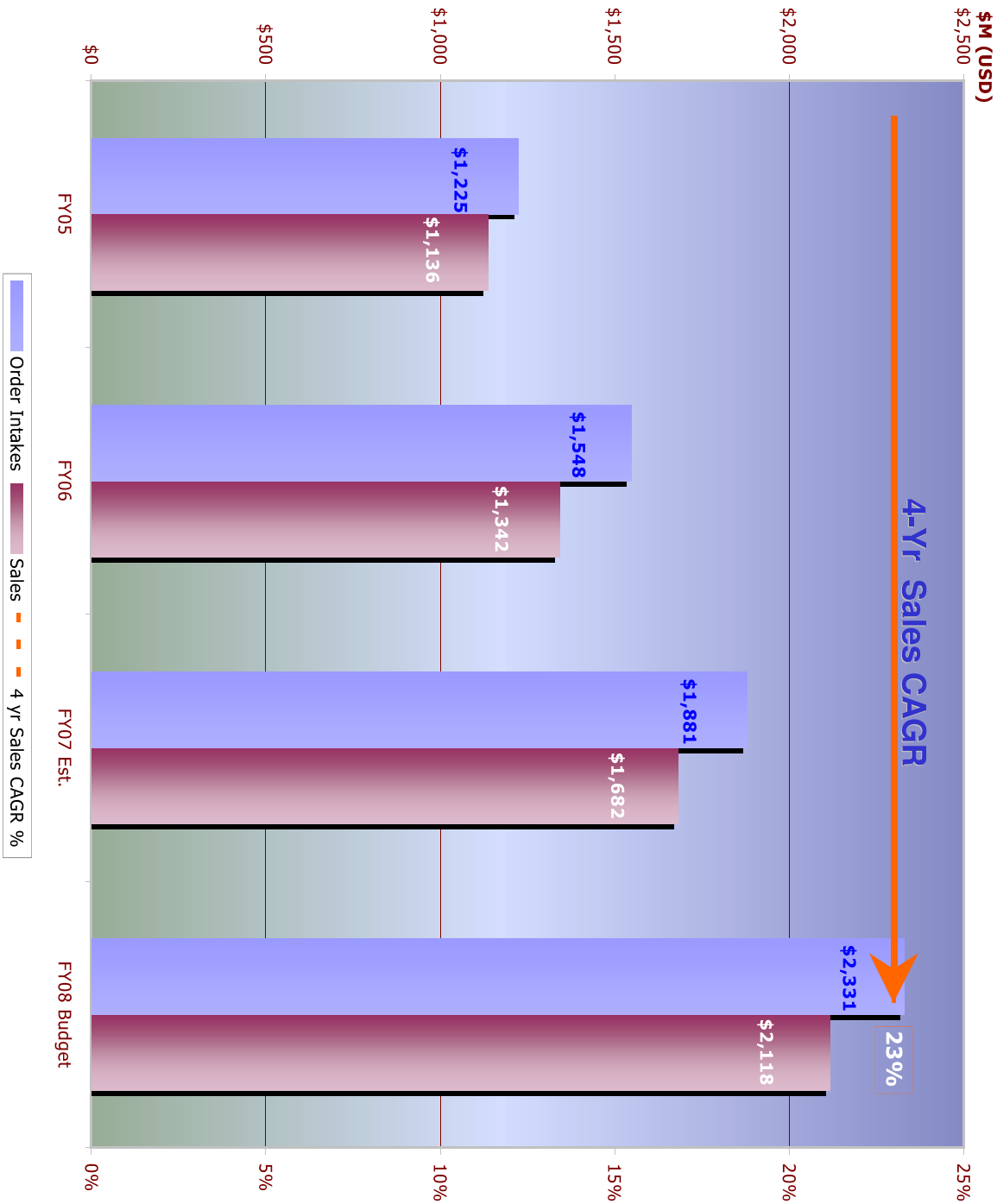
YET

> FY08 YEI Organization



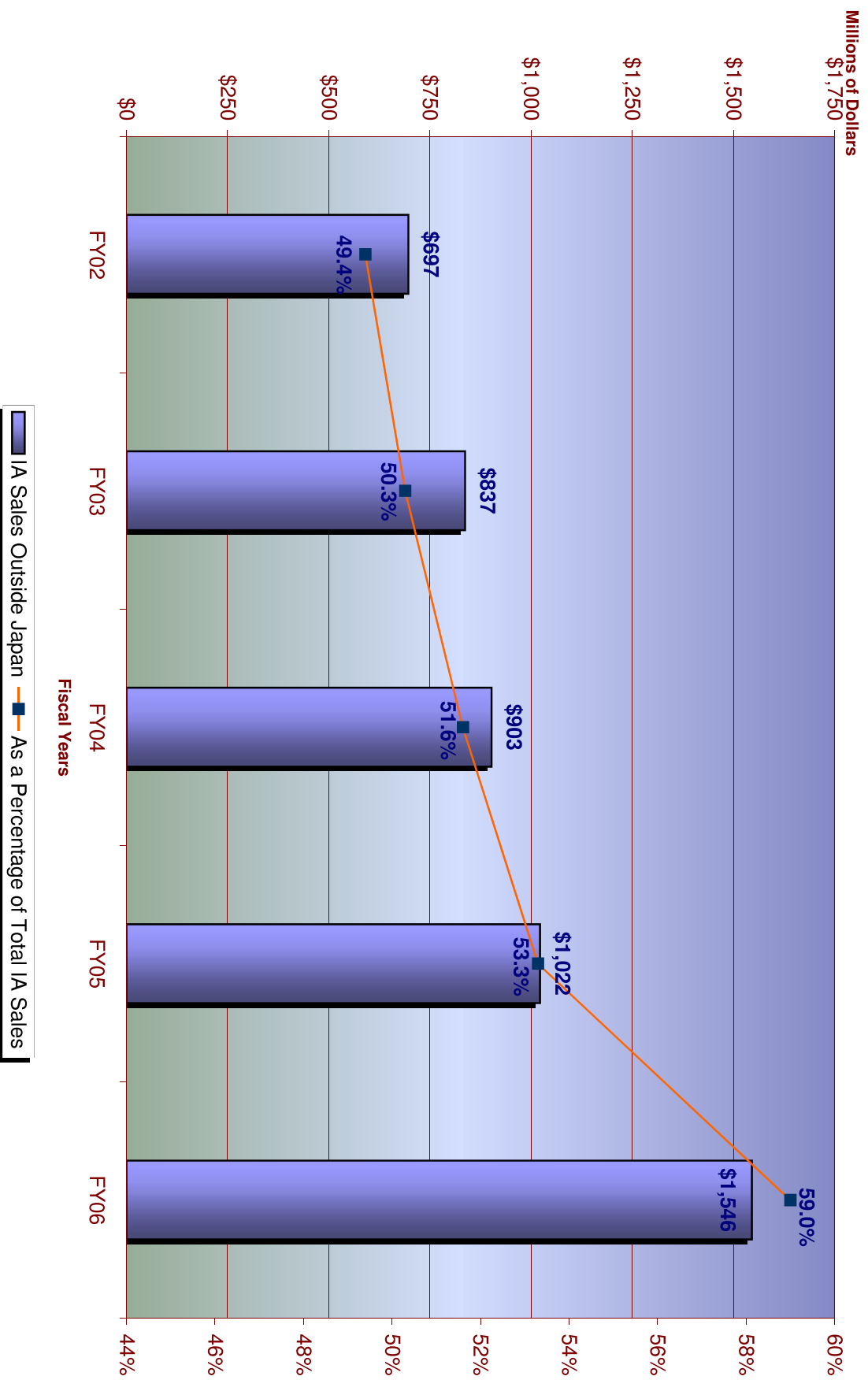


> YEI Sales Trend





> IA Business Outside Japan





YCA



North America Expansion



Facilities update “Atlanta”

❖ **The Atlanta Engineering Center (AEC) build-out**

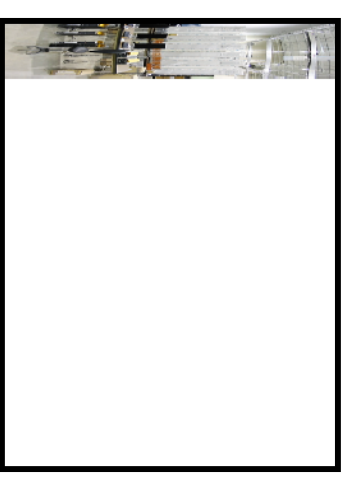
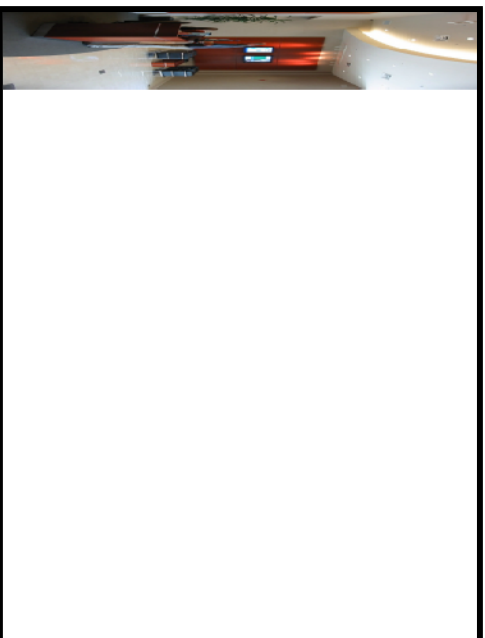
- (50K sq ft.) Staging and Engineering
- Area prepared for projects < \$1 million dollars





A new facility in the Houston area

- Total 100,000 sq. ft. building
- 30,000 sq. ft. staging area
- 3,200 sq. ft. demonstration area



Sugar Land expansion



YOKOGAWA PARK
PROPOSED EXPANSION MASTER PLAN '07



Existing



Phase II



Phase III



YMAC facility

❖ **New Stafford Systems/Operations Facility**

- (47K sq ft.) Staging and Engineering

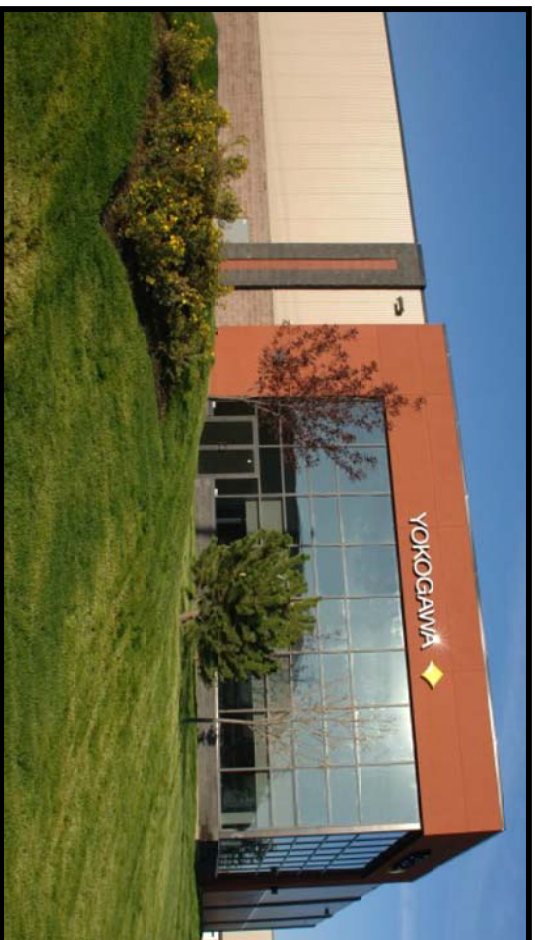




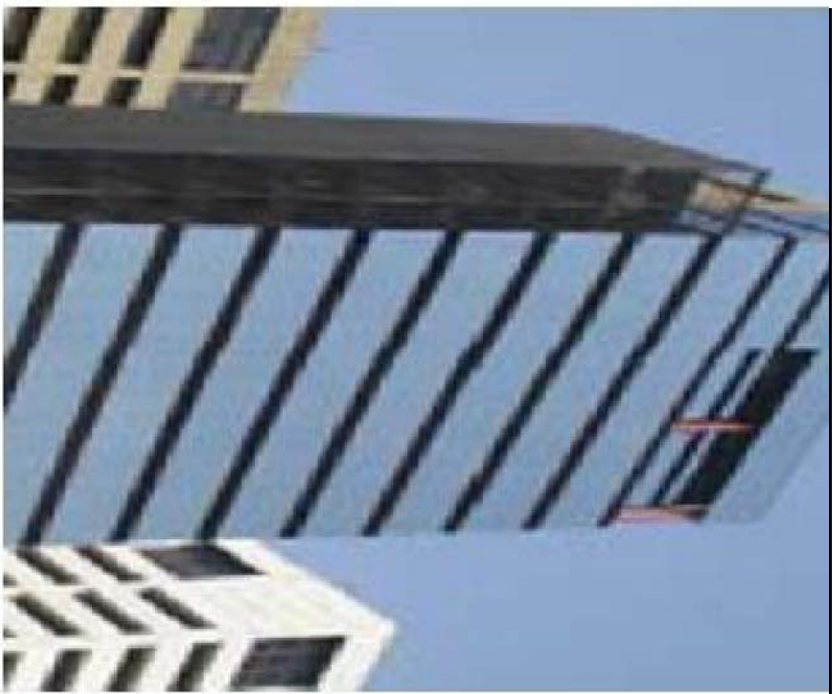
A new facility in Canada in 2007

11133 40TH Street SE, Calgary

- **Business development**
- **Sales and Marketing**
- **Field Service**
- **Training**
- **Project Implementation**
- **Project Management**
- **Engineering**
- **Commissioning/Start-up**



Mexico operation expansion - 2008



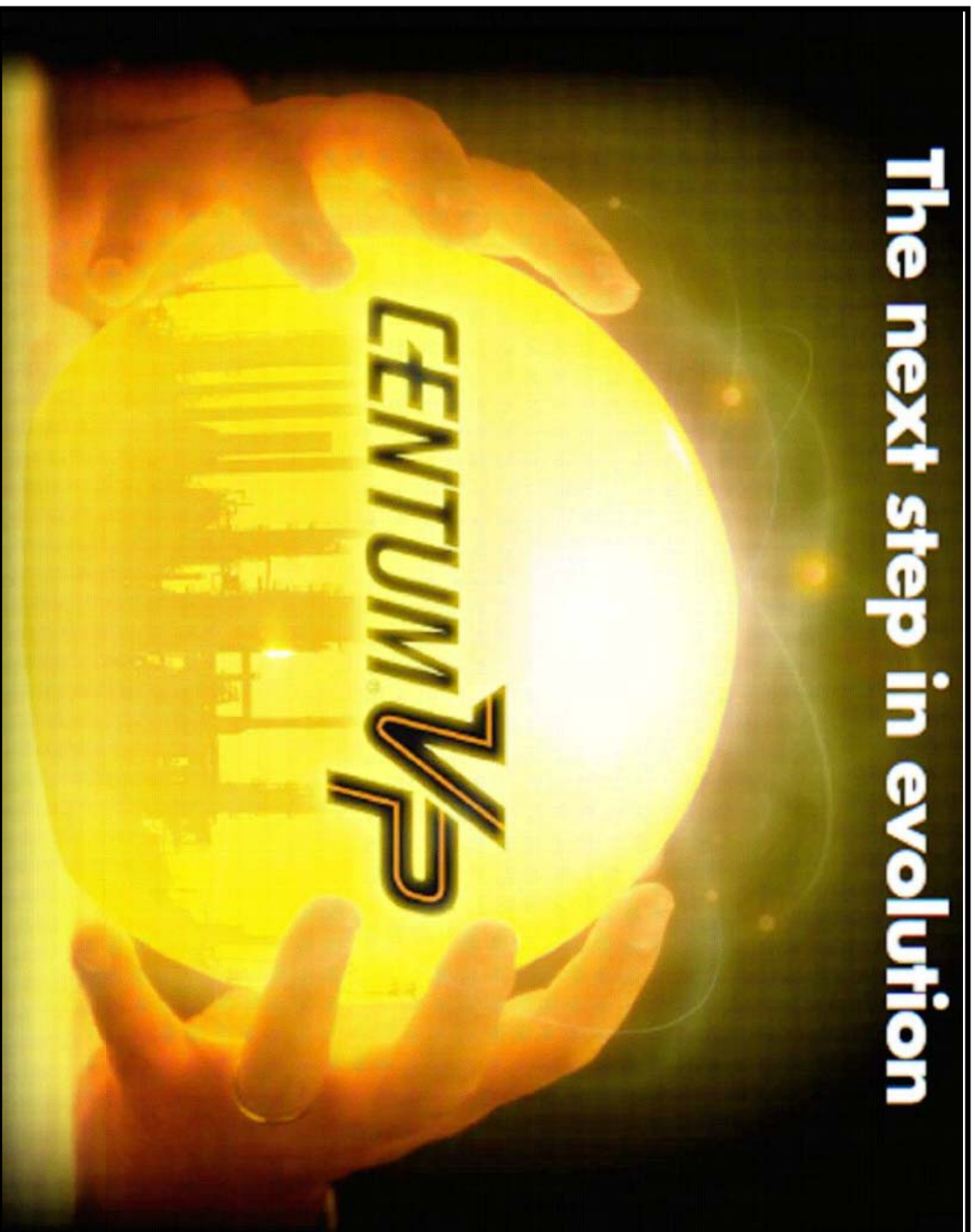
- ❖ Established Mexican company 2006
- ❖ Focus on Business Development and Sales and Marketing
- ❖ Project Implementation
 - Project Management
 - Engineering
 - Commissioning/Start-up
- ❖ Field Service
- ❖ Training



FY08 News & Initiatives

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CENTUM VP introduced February 2008





North American road show





Acquisition

Yokogawa Electric Corporation announces
the acquisition of

Analytical Specialties, Inc.





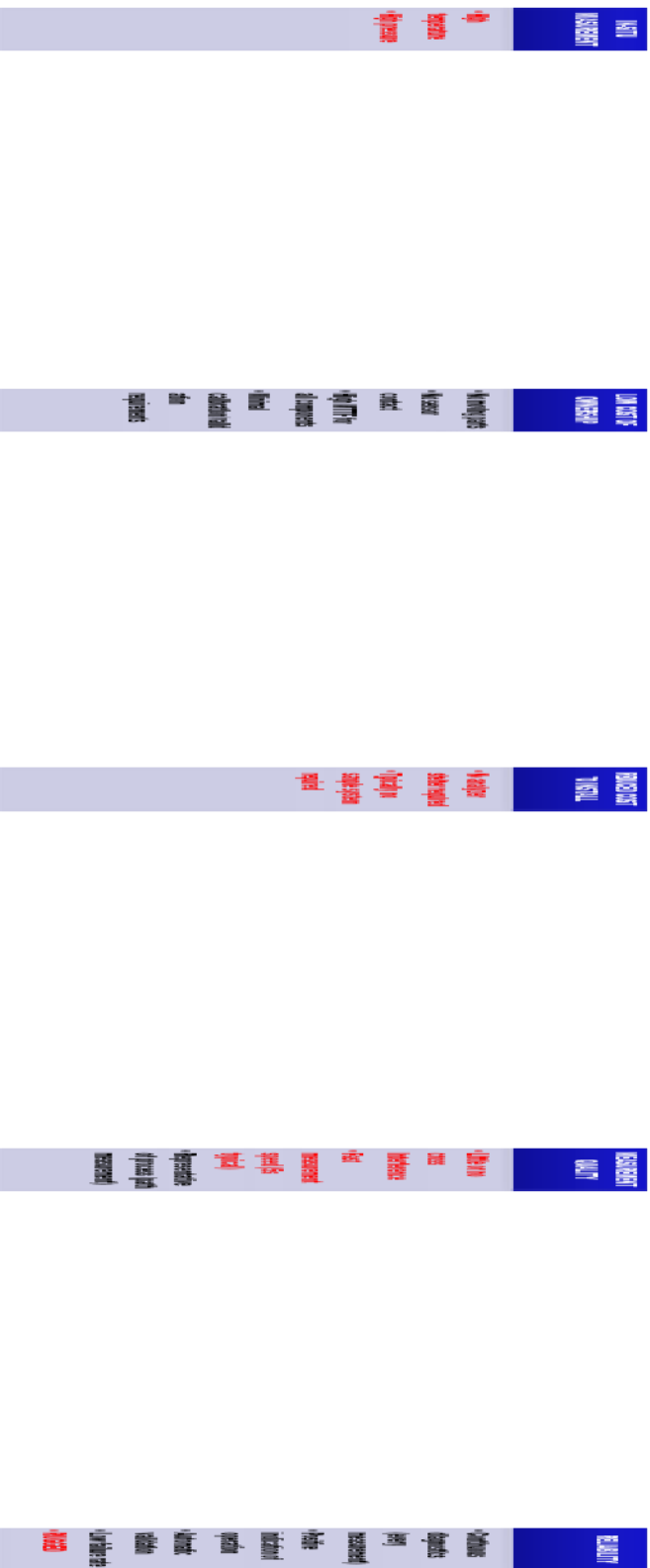
Acquisition

Yokogawa is adding the TruePeak Tunable Diode Laser Gas Analyzer products to strengthening its ability to deliver comprehensive solutions in the industrial automation market.

- Tunable Diode Laser Spectroscopy (TDLS) Technology is used in many industries for :
 - measuring oxygen and carbon monoxide concentrations for combustion control
 - detecting moisture in corrosive gas applications
 - monitoring process oxygen for safety and reactor control
- Yokogawa has established an Laser Analytical Division within its US subsidiary as a core unit for the industrial automation and environmental measurement business



TruePeak Tunable Diode Laser



The first tunable diode laser analyzer designed **specifically** for process analysis



#1 in 2010

Where are we now?





Comparison to competitors

⇒ Most IA vendors achieved double-digit sales growth in 2006.

⇒ Yokogawa has the highest #1 growth ratio of order intake.

⇒ 5-year revenue trend proves Yokogawa is the fastest growing IA company in 21st century.





Double-digit sales growth in 2006

- Yokogawa vs B company had similar growth.
- D company continues to struggle.

Unit M\$	PA Segment Revenue				Consolidated Revenue		
	FY05	FY06	Annual growth	Remark	FY05	FY06	Annual growth
YOKOGAWA ♦	1,900	2,175	14.5%	(Forecast)	3,310	yet	#VALUE!
B	4,200	4,875	16.1%	Total	17,305	20,133	16.3%
B	2,940	3,364	14.4%	(Excluding Valve)	= Mostly same as Yokogawa IA		
B	1,092	1,219	11.6%	(System& Service Only)			
C	1,800	2,040	13.3%	Estimation from various public source	27,652	31,367	13.4%
D	1,396	1,493	6.9%	(Forecast)	2,923	2,923	0.0%
A	--	--	--		22,012	24,412	10.9%
E	--	--	--		98,832	114,396	15.7%

Sourceb 2006 IR (1\$=119\$, 1€=1.31\$, 1£=1.96\$)

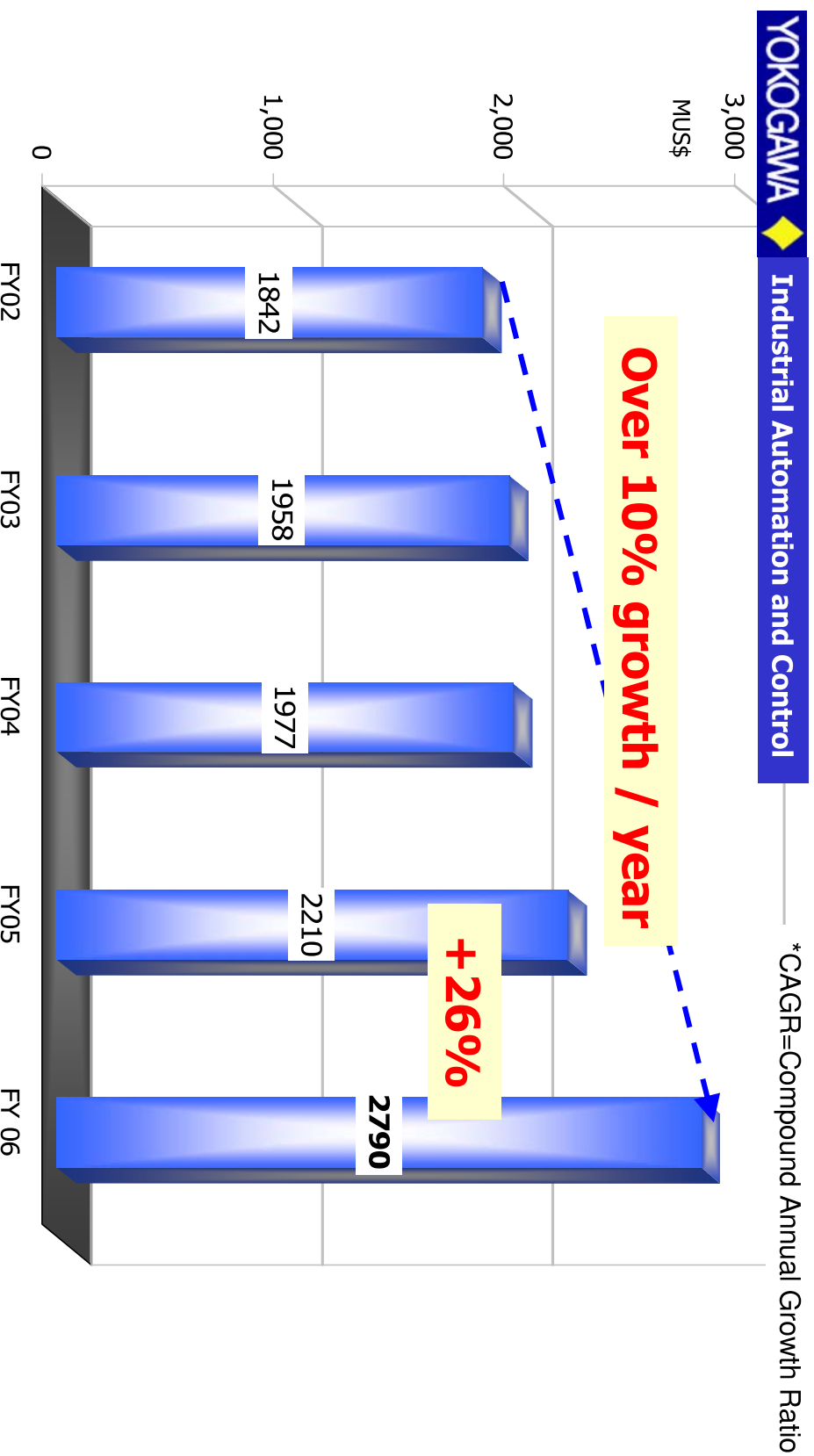


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The world's fastest growing IA supplier



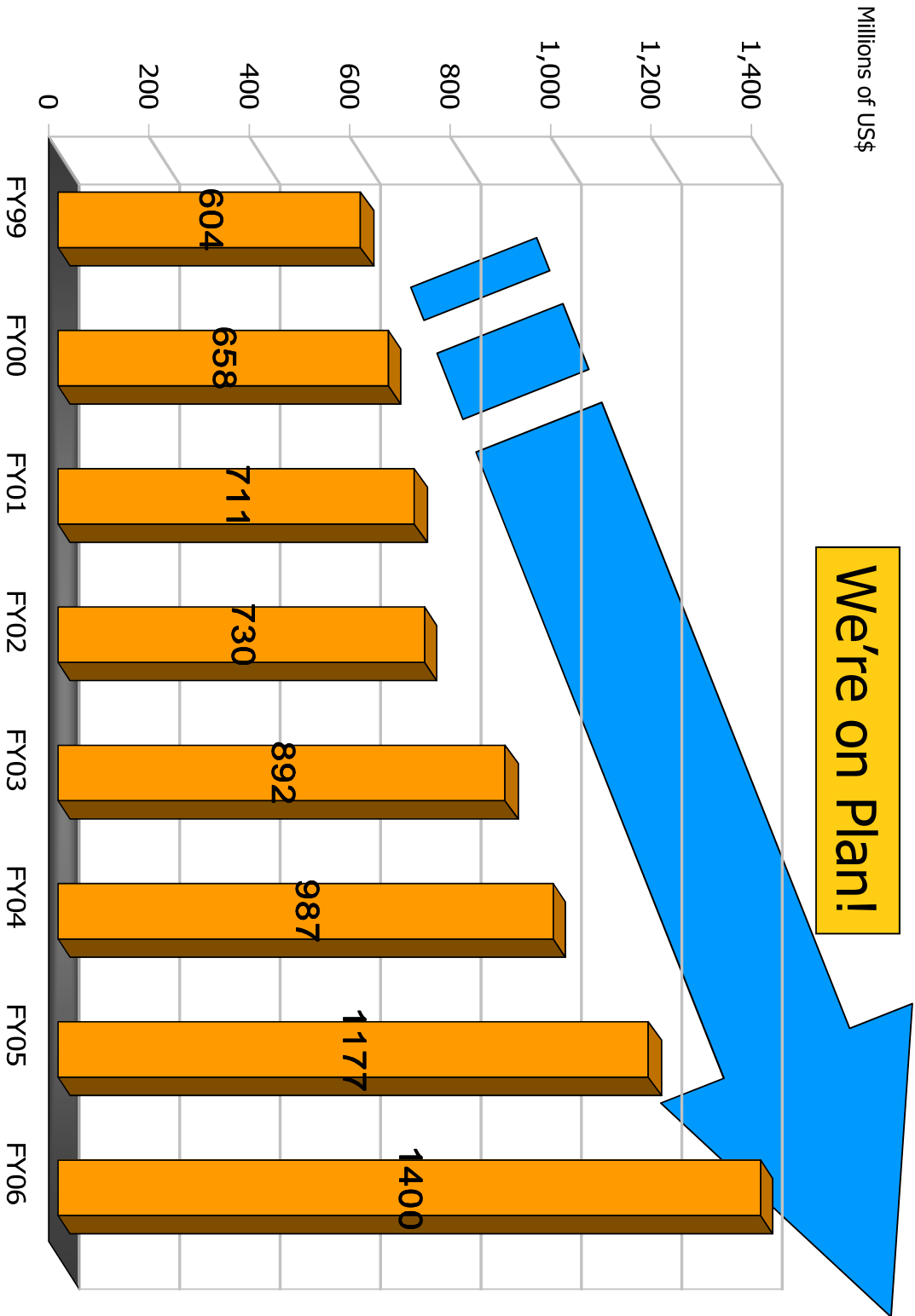
FY06/FY05 = 26% growth !
FY06/FY02 = Over 10% ! in CAGR *



Note: Exchange rate US\$ = \118.05 (fiscal 2006 closing rate). Past data also adjusted to eliminate currency fluctuation from the revenue trend




Our growth outside of Japan



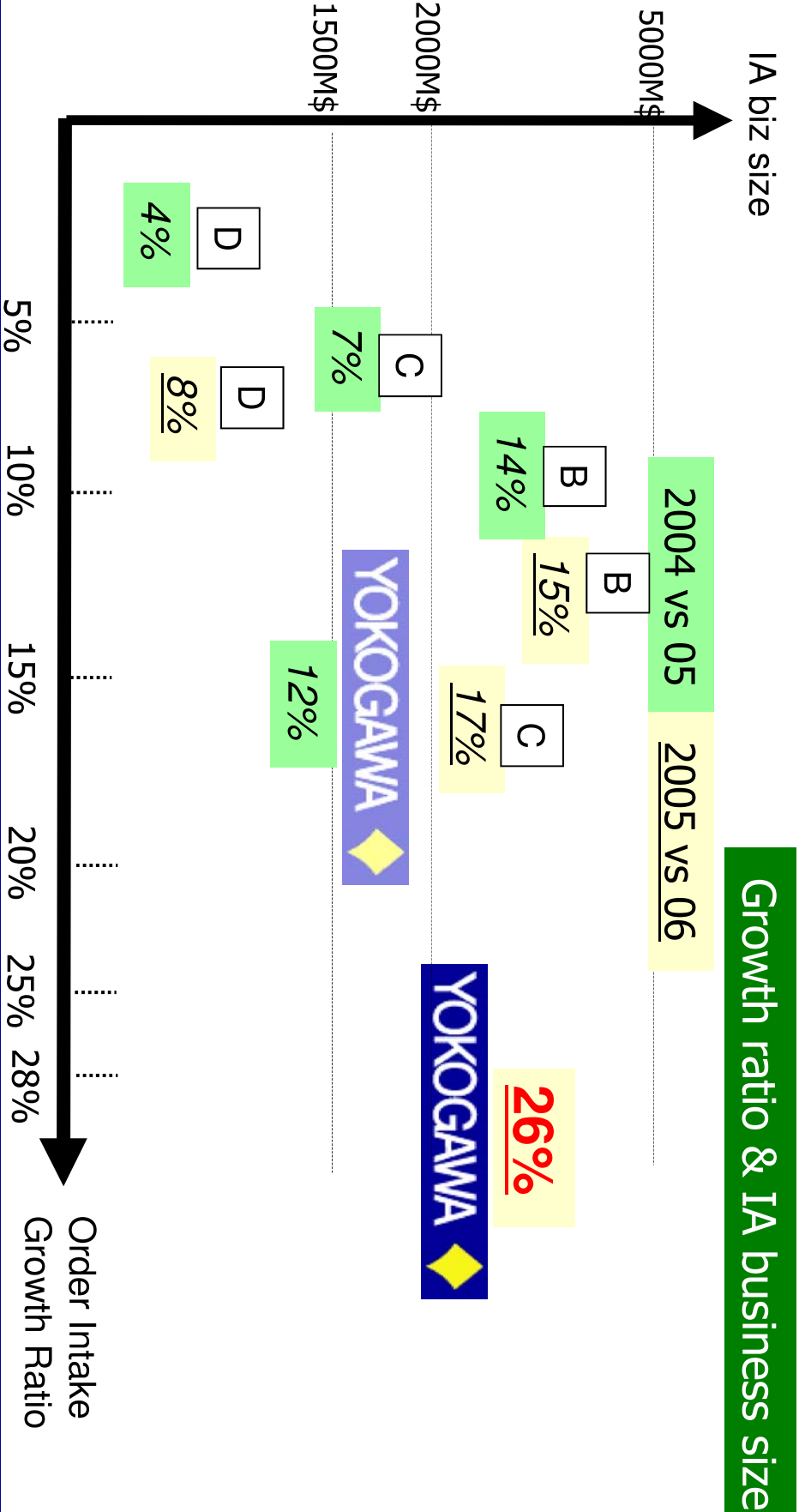
Note : the above trend include T&M businesses



Growth ratio & IA business size

 **#1 in order growth rate**

 **Yokogawa is arguably equal in size to Honeywell in overall IA business...**



Conclusion

... Each IA vendor has their own unique strategy, however the numbers tell the story...

- Fact & figures prove Yokogawa's is the fastest growing IA company in the world...
- Customers appreciate Yokogawa's commitment to technology customer satisfaction...

We are on plan to be #1!