January 30, 2015

Posting of extraordinary income on sale of leasehold rights and buildings

Yokogawa Electric Corporation ("the Company") announces that it has decided to sell certain of its leasehold rights and buildings to another company, and expects to record extraordinary income accordingly.

1. Reason for sale
   To increase our asset efficiency and place our finances on a more solid foundation

2. Assets to be sold
   (1) Assets and address: Leasehold rights and buildings
       3-1649-1, 3-1649-5, 3-1667-1 Nakacho, Musashino-shi, Tokyo
   (2) Area: 13,507.50 m²
   (3) Estimated proceeds: Approximately 9.3 billion yen
   (4) Assets’ current use: Office space
   The sales amount was deemed to be appropriate based on a fair and valid evaluation. Under the terms of an agreement between buyer and seller, the final sales figure cannot be disclosed until the sale and purchase contract has been signed by both parties. A prompt announcement of this figure will be made as soon as the signing has taken place.

3. Purchasing company
   We have no significant capital, personal, or business relationships with the purchasing company, which is based in Japan. Under the terms of an agreement between buyer and seller, the name of the purchasing company cannot be disclosed until the sale and purchase contract has been signed by both parties. A prompt announcement of the name of the purchasing company will be made as soon as the signing has taken place.

4. Schedule
   Signing of sale and purchase contract: February 20, 2015 (planned)
   Transfer of the deed on the property: March 13, 2015 (planned)

5. Impact on the consolidated business results
   For this deal, we will book extraordinary income of approximately 9.3 billion yen in the fourth quarter of the current fiscal year. Ordinarily, this would require the immediate announcement of a revision of the Group’s full-year forecast. However, we have elected to postpone this announcement as we do not yet know how many individuals will apply for a voluntary retirement program that was announced on September 2, 2014, and thus cannot calculate the associated expenses. Once that information is available, we will announce our revised full-year forecast.