

Name of Listed Company: Yokogawa Electric Corporation

(URL: <http://www.yokogawa.com>) (Stock code: 6841, listed in TSE 1st section)

Name and Position of the Representative:

Shuzo Kaihori, President and Chief Executive Officer

Name and Position of the Person in Charge:

Hikaru Kikkawa, General Manager of Public Relations and Investor Relations

Telephone Number: 81-422-52-5530

March 27, 2012

Conclusion of Leasing Agreement for Sagamihara Office

The Yokogawa Group has been concentrating on measures to complete within this fiscal year the structural reforms that were initiated in fiscal year 2009.

One of these measures has involved a decision on a course of action that will allow the most effective use to be made of the Sagamihara Office. Yokogawa Electric Corporation's ("the Company") Board of Directors resolved on March 27 to conclude a leasing agreement for the Sagamihara Office as follows.

1. Overview of the Leasing Agreement

(1) Main building of the Sagamihara Office and its infrastructure (physical plant)

Sagamihara Office address: 4-1-55 Koyama, Chuo-ku, Sagamihara, Kanagawa, Japan

Land: 17,985 m², building: 31,836 m² (total floor area)

(2) Leasing period

20 years from April 1, 2013 to March 31, 2033

(3) Overview of the counterparty

Name	Opnext Japan, Inc.
Address	216 Totsuka-cho, Totsuka-ku, Yokohama, Kanagawa, Japan
Representative	Kei Oki, President
Business	<ul style="list-style-type: none">- Development, design, manufacture, sales, and maintenance of optical communications equipment and components- Development, design, manufacture, sales, and maintenance of ICs, other types of semiconductor devices, and other electronic components
Pain in capital	1.5 billion yen
Founded	September 28, 2000
Major shareholder and shareholding	Owned 100% by Opnext, Inc. (USA)
Relationship with the Company	No special capital, human, or business transaction relationship

2. Schedule

March 27, 2012: Resolution at the Company's Board of Directors meeting.

April 2012 to March 2013: Preparation period

April 1, 2013: Start of lease

3. Future Outlook

In line with this leasing agreement, the Company plans to record an extraordinary loss of approximately 900 million yen for fiscal year 2011, for which a detailed investigation is being conducted. Should this necessitate a revision to our forecast of the consolidated financial results for fiscal year 2011, we will disclose it immediately.

During the leasing preparation period (fiscal year 2012), the Company will bear part of the Sagamihara Office's normal operating and depreciation costs, but this will be recouped by the leasing fee and other income starting in fiscal year 2013.

4. Other

As for another measure involving the entry into semiconductor tester related alliances, we will notify you of a decision on this matter by May 11, which is the date on which our financial results for fiscal year 2011 are to be announced.