

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

May 13, 2011

Reduction of Capital Surplus and Retained Earnings Reserve and Disposition of Other Reserve

Yokogawa Electric Corporation (the Company) hereby informs that its Board of Directors resolved on May 13 to submit a proposal to the annual general meeting of shareholders (scheduled for June 24) on the reduction of the capital surplus and the retained earnings reserve and the disposition of the other reserve through a transfer to retained earnings.

1. Purpose

Based on Article 448, Section 1 of the Companies Act, the Company will reduce its capital surplus and its retained earnings reserve through a transfer of funds to the other capital reserve and to retained earnings. Pursuant to Article 452 of the Companies Act, the Company will dispose of the other reserve through a transfer of funds to retained earnings. .

2. Reduction of capital surplus and retained earnings reserve

(1) Reserve items and amount to be reduced

Capital surplus	10,000,000,000 yen
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Retained earnings reserve	5,372,415,957 yen
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(2) Retained earnings items and amount to be increased

Other capital reserve	10,000,000,000 yen
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Retained earnings	5,372,415,957 yen
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3. Disposition of other reserve

(1) Retained earnings item and amount to be reduced

Other reserve	11,783,500,000 yen
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(2) Retained earnings item and amount to be increased

Retained earnings	11,783,500,000 yen
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4. Schedule

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| (1) Shareholders resolution | June 24, 2011 (planned) |
| (2) Public notice to creditors | July 1-31, 2011 (planned) |
| (3) Effective date | August 10, 2011(planned) |

5. Outlook

As these transfers are all within the “Net Assets” section, there is no change in the net asset amount. Therefore, this has no impact on the Company’s business forecast. Disposal of the other reserve through a transfer of funds to retained earnings will eliminate the negative earned surplus that existed at the fiscal year end (March 31, 2011).