

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

February 9, 2011

Spin-off of Semiconductor Tester Business

Yokogawa Electric Corporation announces that its Board of Directors resolved on February 8 to spin off the company's semiconductor tester business on April 1, 2011.

1. Reasons for the spin-off

To become profitable again, the company is undergoing a restructuring of its businesses with an emphasis on improving operating efficiency by reducing fixed costs and reviewing its business portfolio. Among other measures, a review of the structure of the semiconductor tester business, which has been recording losses due to worsening market conditions, was the highest priority. This spin-off aims to cut fixed costs and thus establish a sound foundation for the generation of profits by reducing the number of employees engaged in the semiconductor tester business from the current 300 to 180 (both are approximate figures) and to build an organization that allows quick decision making for the forging of alliances with other companies.

2. Spin-off method

Yokogawa Electric will form a wholly owned subsidiary in March 2011 and transfer its semiconductor tester business to it on April 1, 2011.

3. Overview of the new company

- (1) Company name: Yokogawa Test Solutions Corporation
- (2) Headquarters: 2-9-32 Nakacho, Musashino-shi, Tokyo 180-8750, Japan (within the Yokogawa Electric premises)
- (3) Representative: Yasunori Kawada (Vice President, ATE Business Headquarters, Yokogawa Electric)
- (4) Businesses: Providing semiconductor testing solutions
- (5) Paid-in capital: 900 million yen
- (6) Founded: March 2011 (planned)
- (7) Capital composition: Owned 100% by Yokogawa Electric
- (8) Number of employees: approximately 180

4. Impact on fiscal year 2010 consolidated financial results

This spin-off will have a negligible impact on our financial results for the fiscal year ending March 31, 2011.