

Tokyo, Japan — June 17, 2005

Yokogawa To Build Semiconductor R&D and Production Facility in Sagamihara, Kanagawa Prefecture

- For the stable supply of optical communications semiconductor devices -

Yokogawa Electric Corporation has decided to construct a facility for the development and manufacturing of compound semiconductors. The site for this new facility is in Sagamihara, Kanagawa Prefecture, near Tokyo.

Since its founding, Yokogawa has contributed in building and improving social infrastructure through the supply of measuring instruments and control systems. To create a new optical communications infrastructure for the 21st century, the company has been working since the 1980s on the development of optical communication compound semiconductors and has achieved world-class results. An optical packet switch was successfully developed last year that will be key to the realization of next-generation optical communications networks. In January of this year, the company carried out the first ever practical demonstration of image data transmission over an optical packet network. The company aims to commercialize this system in fiscal year 2006, something that was not thought possible until 2015 at the earliest.

Large-scale investments are expected to continue in the optical communications equipment market as communications service providers have stated their intent to convert to optical communication lines. This new facility is being built to quickly set up the manufacturing systems and accelerate the development of technologies that are geared toward this fast-growing market. Yokogawa believes that its ability to provide a stable supply of such products is consistent with its long-term focus on providing products that improve social infrastructure.

A five-story above-ground earthquake-proof R&D and production building is being constructed at the Sagamihara site. The compound semiconductors produced at this facility will be used in the company's optical communications equipment, measuring instruments, and IC testers, and the annual production target is one million units.

Key facts

Address: Oyama 4-803, Sagamihara-shi, Kanagawa Prefecture

Ground-floor area: 19,294 m²

Total floor space: approximately 28,000 m²

Total investment: approximately 25 billion yen

Scheduled start of operation: November 2006

Number of employees: 200