

Tokyo, Japan – February 2, 2010

Reorganization of Measuring Instruments Business

Yokogawa Electric Corporation announces that on April 1, 2010 it will reorganize its measuring instruments business by transferring its main product lines to Yokogawa Meters & Instruments Corporation.

Currently, Yokogawa's measuring instruments are divided into two categories: advanced measuring instruments for R&D and other uses that are sold by Yokogawa Electric, and other products used mainly in electrical equipment maintenance that are sold by Yokogawa Meters & Instruments. Integrating and optimizing the two companies' resources will establish a new value chain and create an organization that can quickly respond to rapidly changing circumstances in the global market. Yokogawa Meters & Instruments will lead Yokogawa's measuring instruments business and aim for greater growth by improving efficiency and cost competitiveness in all aspects of its businesses, as well as by expanding business in Japan and growth markets in other countries.

Reasons for the Integration

In our test and measurement segment, although the measuring instruments business has been slow due to curbs on capital investment by major customers in the Japan automotive and electronics industries, signs of growth are becoming apparent. Thanks to a global trend towards a low-carbon society, sales of measuring instruments that help to save energy are booming. In addition, a steep increase in demand for electronic and optical measuring instruments is expected mainly in emerging markets such as China. This makes it essential to drastically revamp the business organization and speed up its activities focusing on new markets for energy-saving-related solutions and emerging markets.

We must develop products that meet user needs and allow us to build a strong position in these markets. We must also enhance our cost competitiveness. Consequently, all business processes in marketing, development, and sales have to be conducted more quickly and efficiently, with a customer centric approach. To prevail in these circumstances, Yokogawa will improve efficiency and achieve greater cost competitiveness by integrating the resources of its measuring instruments business.

Yokogawa Electric will continue to invest actively in its secondary battery solutions business and its advanced measurement business, which provides solutions based on such technologies as spectroscopic analysis. Our core measurement technologies can be applied in many fields including control. The R&D efforts of Yokogawa headquarters will yield advanced measurement technologies that can be used by every company in the Yokogawa Group.

Product Lines to Be Transferred

- High-accuracy measuring instruments: Power meters, pressure meters, voltage/current sources, and digital multimeters
- Waveform instruments: Digital oscilloscopes
- Communications measuring instruments: Optical spectrum analyzers and optical time domain reflectometers

Yokogawa Meters & Instruments on April 1, 2010

Company name : Yokogawa Meters & Instruments Corporation

Headquarters : 6-1-3 Sakae-cho, Tachikawa-shi, Tokyo 190-8586, Japan

Representative : Takashi Nishijima

Paid-in capital : 90 million yen (owned 100% by Yokogawa Electric)

Businesses : Development, production, and sales of electronic measuring instruments and meters

Number of employees: Approximately 220

Sales target : 10 billion yen in fiscal year 2010

Impact on Fiscal Year 2009 Consolidated Financial Results

This reorganization will have a negligible impact on our consolidated financial results for the fiscal year ending March 31, 2010.