

**Notice of Intention to Exercise Call Option on
the ¥30,000,000,000 Zero Coupon Convertible Bonds due 2010**

TOKYO, 31 January 2006 – Yokogawa Electric Corporation (the "Company") is exercising a 120% call option to redeem the ¥30,000,000,000 Zero Coupon Convertible Bonds due in 2010. The right to redeem the bonds became effective on 5 January 2006. The bonds will be redeemed at their principal amount of ¥30 billion on 2 March 2006. The last date on which the Conversion Right may be exercised by bondholders will be 27 February 2006.

The bonds are listed on the London Stock Exchange.

In summary:

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| 1. Bonds to be Redeemed | ¥30,000,000,000 Zero Coupon Convertible Bonds due 2010 |
| 2. Outstanding Amount | ¥ 29,450,000,000 (as of 30 January 2006) |
| 3. Redemption Date | 2 March 2006 (Thursday) |
| 4. Redemption Price | 100% of principal amount (¥2,000,000 each) |
| 5. Last Date for Conversion | 27 February 2006 (Monday) |
| 6. Conversion Price | ¥1,514 per share (as at 31 January 2006) |
| 7. Closing Price of the Share | ¥2,215 per share (as of 30 January 2006) |