

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:

Isao Uchida, President and Chief Executive Officer

Name and Position of the Person in Charge:

Masatoshi Okabe, General Manager of Public Relations and Investor Relations

Telephone Number: 81-422-52-5530

January 31, 2006

### Transfer of Subsidiary's Shares and Revision of Financial Forecast

In a meeting of the Board of Directors held on this date, Yokogawa Electric Corporation has decided to transfer ownership of its shares of Yokogawa Analytical Systems Inc., a Yokogawa subsidiary, to Agilent Technologies. We also are notifying a revision to the forecast of our consolidated results for the fiscal year ending March 31, 2006, as the result of this transfer of shares.

#### 1. Outline of transfer of shares

##### (1) Background of share transfer

Yokogawa Analytical Systems Inc. was established in 1992 as a 51:49 joint venture between Hewlett-Packard (US) and Yokogawa Electric Corporation, and has been engaged in gas-chromatography for laboratory and other scientific applications. (Hewlett-Packard's interest in this venture was subsequently transferred to Agilent Technologies Inc..) Recently, Agilent Technologies Inc. has decided to pursue this advanced analytical system business in Japan through its wholly owned subsidiary and Yokogawa Electric Corporation has elected to take a return on its investment. Accordingly, both parties have agreed to enter into a share transfer agreement.

##### (2) Shares to be transferred

Shares of Yokogawa Analytical Systems Inc. Ordinary Shares: 14,000 Shares

##### (3) Counter party of share transfer transaction and transfer price of shares

Counter Party	Number of Shares	%	Price of Shares
Agilent Technologies Inc.	14,000	49.0	11,517 million yen

In addition to this transfer of shares, a special dividend of 884 million yen will be paid by Yokogawa Analytical Systems Inc. Hence the total consideration of these transactions amounts to 12,401 million yen.

(4) Date of transaction: February 1, 2006

(5) Impact on financial forecast for the year ending March 31, 2006

From the sale of its interest in this subsidiary, Yokogawa Electric Corporation will realize an extraordinary income of 10.4 billion yen in its consolidated results and 11.7 billion yen in its non-consolidated results.

## 2, Revision to forecast for fiscal year 2005

The forecast of consolidated results for fiscal year 2005 announced on October 31, 2005 is revised as follows to take into consideration the impact that the share transfer will have on our financial results. There is no revision to the forecast of non-consolidated results for fiscal year 2005 that was announced on October 31, 2005.

### Revision to forecast of consolidated results for fiscal year 2005

Units: million yen

Items	Net Sales	Operating Income	Ordinary Income	Net Income
Original forecast announced on October 31, 2005 (A)	390,000	30,000	28,000	13,000
Revised forecast announced on January 31, 2006 (B)	390,000	30,000	28,000	16,000
Difference (A)-(B)	-	-	-	3,000
Difference (%)	-	-	-	23.1
Financial results for fiscal year 2004	387,053	24,756	22,401	9,372