

PRESS RELEASE

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Yokogawa Receives Control System Order for Large Oil and Petrochemical Project in Tatarstan

Yokogawa Electric Corporation announces that its subsidiary, Yokogawa Electric CIS Ltd., has signed a contract with Taneco to be the main automation contractor (MAC) for a refinery and petrochemical complex that this company will construct in Nizhnekamsk, Russian Republic of Tatarstan. Taneco is engaged in the refinery and petrochemical business as a subsidiary of the Russian oil major Tatneft.

As the designated control system supplier for Taneco, the end user, Yokogawa will receive control system orders from each of the companies that are building plants for this complex.

This construction project will be conducted in three phases. Orders for the first phase will be received from the second half of 2008 to 2009, and are estimated to be worth 69 million dollars. The total value of the orders for all three phases will be approximately 107 million dollars.

Until now Tatneft has not had major refineries. As Tatarstan has 900 million tons in oil reserves - over 10% of the Federation's total - Tatneft has launched this refinery construction project to utilize this substantial resource. The refinery will have an annual capacity of 7 million tons, heavy oil crackers, and a petrochemical complex that will produce polypropylene, polyethylene, and other products. This is a symbolic project for Russia, which has been actively pursuing a number of energy measures but has not constructed any new major refineries for many years.

In the first phase of this project, refining facilities, sulfur recovery facilities, an aromatic complex, and other facilities will be built. Heavy oil crackers such as a fluid catalytic cracking furnace will be constructed in the second phase, and polypropylene and polyethylene plants will follow in the third phase.

Yokogawa will design the control system for these plants as the MAC, and will deliver an integrated process control system that will include an integrated production control system, a safety instrumented system, and a plant information system.

Our Approach in Russia and Other CIS Nations

Yokogawa has had a foothold in the Russian market since 1993, when it opened a representative office in Moscow. In 1997, Yokogawa Electric Ltd. was founded to launch business on a full scale. The company changed its name to Yokogawa Electric CIS Ltd. in 2005 and has been aggressively expanding business not only in Russia but also in other CIS nations. It has reinforced its service system by setting up sales offices in various locations and establishing a number of technical centers for customer support.

Yokogawa has been actively building its control business in the Russian Republic of Tatarstan since 1996, and has delivered its control systems to about 30 projects. As a result, sales for Yokogawa Electric CIS rose from 10 million dollars in 2003 to about 70 million dollars in 2007, a more than six-fold increase.

In 2006, Yokogawa signed a strategic partnership agreement with JSC Sibur Holding, which is the holding company for Sibur, the largest petrochemical and chemical industry group in Russia. Furthermore, it signed a similar partnership agreement in 2008 with JSC Gazprom Neft, a unit of the Gazprom Group.

In addition to these efforts, the large-scale project with Taneco has given momentum to Yokogawa's oil and natural gas businesses in Russia. Yokogawa will expand and accelerate its business, and aims to achieve sales of 140 million dollars in Russia and other CIS nations by 2010.

About Taneco

Taneco is a company set up by the Russian oil major Tatneft to lead this oil and petrochemical complex project. The headquarters is located in the city of Nizhnekamsk, Russian Republic of Tatarstan, and the General Director is K.A. Bagmanov.

About Yokogawa

Yokogawa's global network of 19 manufacturing facilities and 89 companies spans 32 countries. Since its founding in 1915, the US\$4 billion company has been engaged in cutting-edge research and innovation, securing more than 7,500 patents and registrations, including the world's first digital sensors for flow and pressure measurement. Industrial automation and control, test and measurement, information systems and industry support are the core businesses of Yokogawa. For more information about Yokogawa, please visit our web site at www.yokogawa.com.