

Listed company name: YASKAWA Electric Corporation

<http://www.yaskawa.co.jp/en/>

President: Koji Toshima

Stock exchange listings: Tokyo(First section), Fukuoka

Stock ticker number: 6506

9th May, 2008

Announcement of Partnership with Shenyang City of Liaoning Province, China

YASKAWA Electric Corporation (Head Office: Kitakyushu, Japan, President: Koji Toshima) today announced that it entered into a strategic partnership with Shenyang city of Liaoning province, China (Mayor: Li Yingjie) in order to expand and develop the Chinese machinery industry.

1. About the Partnership

Yaskawa Electric positions high-growth China as the most important market, and is working on expansion of market share with an aim of establishing firm global No.1 business. Recently, we are strengthening our effort to develop markets especially in the Huanbohai area including Liaoning province, Beijing, and Shandong province, which is a center of the traditional machinery industries with high-growth potential.

Meanwhile, Liaoning province and Shenyang city are aggressively working on the advancement of the machinery industry, which the Chinese government is promoting. In order to accelerate that purpose, they were making solicitation to leading foreign manufacturers to advance into Shenyang city.

The partnership today is reached upon strong request by Shenyang city to Yaskawa Electric, which now is determined to contribute to the advancement of the Chinese machinery industry and to the expansion of domestic machinery production. Yaskawa Electric expects the partnership will also help in attaining the largest market share with its main products in the Chinese market.

2. Details of the Partnership

- 1) Yaskawa Electric will establish a wholly-owned company to manufacture and sell servomotors in Shenyang Economic and Technological Development Zone within 2008.
- 2) Yaskawa Electric will contribute to increasing competitiveness of the machinery industry in Shenyang by cooperating with the leading local companies.
- 3) Shenyang city will prepare approximately 50,000 m² of land for the new factory and entitle land-use rights to Yaskawa Electric, while it provides full support for factory construction and start-up of commercial production.

3. Aim of the Partnership

With an aim of market cultivation, Yaskawa Electric will advance into Huanbohai area which is a large potential market for its products. Liaoning province and Shenyang city have introduced us to several leading local companies, which we may cooperate with to turn up markets.

Also, Yaskawa Electric will construct a factory in Shenyang to manufacture servomotors and servo amplifiers in order to meet the increasing demand for its products in the expanding Chinese market. We think that Shenyang city is an optimal location to build a new factory as the city has a history of developing mainly with the machinery manufacturing industry, and therefore has a large demand for our products. The city also has plenty of parts suppliers and excellent human resources. Besides, Shenyang city has promised us wide-ranging support in factory construction and market cultivation.

Yaskawa Electric believes that the new factory, together with the existing factory in Shanghai, will enable us to enhance customer satisfaction with the ability to quickly respond to the diversified customers' needs and with the stable supply system, which covers all over China.

4. New Company Profile

Company name (Provisional):	Yaskawa Electric(Shenyang)Co.,Ltd
Foundation schedule:	End of June, 2008
Start of production:	June, 2009
Capital:	CNY 142,860,000 (Approximately JPY two billion)
Investment ratio:	100% by YASKAWA Electric Corporation
Business:	Production and sales of servomotors and servo amplifiers for the Chinese market
Revenue (target):	JPY 30 billion (in 2012)
Total investment:	Approximately JPY five billion