YASKAWA Electric Corporation
(TSE 6506)

- FY2008 Financial Results (Summary)
  (Ended March 20, 2009)
- FY2009 Forecast and Measures (Summary)
  (Ending March 20, 2010)

Presented by Koji Toshima, President

The information within this document is made as of the date of writing. Any forward-looking statements are made according to the assumptions of management and are subject to change as a result of risks and uncertainties. YASKAWA Electric Corporation undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.
Sales Break Down by Business Segment

**Information Technologies : (IT)**
- Core products:
  - Computer peripherals, laser marking devices, etc.
  - Information management software and services

**System Engineering : (S)**
- Core products:
  - Electrical systems for steel plants
  - Electrical instrumentation for water supply plants and sewage treatment facility systems, etc.

**Robotics : (R)**
- Core products:
  - Arc and spot welding robots, Painting robots, Handling robots
  - FPD glass sheet transfer robots
  - New generation robots
  - Semiconductor wafer transfer robots, etc.

**Main applications**
- Electronic components
  - Chip munter
- Machine tools
  - Tapping machine

**Motion Control : (M)**
- Core products:
  - AC servo motors and controllers, Linear servo
  - General purpose AC drives, etc.

**FY2008 consolidated sales of ¥350.2 billion**

- Information Technologies: 6%
- System Engineering: 13%
- Robotics: 33%
- Motion Control: 46%
Sales Break Down by Destination

Overseas sales exceeded 50% due to the growth in Asia.

FY2008 consolidated sales of ¥350.2 billion

Asia
Major subsidiaries
- YASKAWA Electric (Shanghai) Co., Ltd. (China)
- YASKAWA Electric (Singapore) PTE Ltd. (Singapore)
- YASKAWA Electric Korea Corporation (Korea)
- YASKAWA Electric Taiwan Corporation (Taiwan)
- Shougang Motoman Robot Co., Ltd. (China)
- Motoman Motherson Robotics Ltd. (India)

Europe
Major subsidiaries
- YASKAWA Electric Europe GmbH (Germany)
- Motoman Robotics Europe AB (Sweden)
- Motoman Robotec GmbH (Germany)
- YASKAWA Electric UK, Ltd. (UK)

The Americas
Major subsidiaries
- YASKAWA Electric America, Inc. (U.S.)
- YASKAWA Eletrico do Brasil Ltda. (Brazil)
- Motoman, Inc. (U.S.)

Japan
Major subsidiaries
- YE DATA INC.
- YASKAWA INFORMATION SYSTEMS Corporation
- YASKAWA Electric Engineering Corp.
- YASKAWA Controls Co., Ltd.
- YASKAWA Motor Corp.
FY2008 Financial Highlights

Although the business in the first half of the fiscal year was robust, sales and profits decreased due to the rapid decrease in orders and appreciation of the yen in the second half.

<table>
<thead>
<tr>
<th>Category</th>
<th>Figures</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>¥350.2 billion, down by 8.4%</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>¥20.8 billion, down by 43.0% (Operating income ratio 5.9%)</td>
<td></td>
</tr>
<tr>
<td>Ordinary income</td>
<td>¥20.0 billion, down by 43.1% (Ordinary income ratio 5.7%)</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>¥6.8 billion, down by 65.9%</td>
<td></td>
</tr>
</tbody>
</table>

(M) AC drives: Robust in the first half. Energy-saving demand was unable to make up for the downturn in the second half.

AC servomotors: Sharp decline in orders since the second quarter of the fiscal year.

(R) Automobile: Largely affected by a freeze and delay in capital expenditures although the business in Europe was robust in the first half.

FPD: Sales increased due to large-scale orders received, although the orders decreased in the second half.

Semiconductor: Capital expenditures were cut back even further.

(S) Profits increased due to thorough cost management while steel industry continued to be robust.

(IT) Profits increased due to improvements made in the profit structure.
## FY2008 Results by Business Segment

*Strong impact of rapid decrease in orders of (M) and (R) in the second half.*

(unit: billion yen, %)

<table>
<thead>
<tr>
<th></th>
<th>FY2008</th>
<th>FY2007</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>income ratio</td>
<td>income ratio</td>
<td>(billion yen)</td>
</tr>
<tr>
<td>Sales</td>
<td>350.2</td>
<td>382.3</td>
<td>(32.1)</td>
</tr>
<tr>
<td>(M)</td>
<td>160.8</td>
<td>177.8</td>
<td>(17.1)</td>
</tr>
<tr>
<td>(R)</td>
<td>114.1</td>
<td>123.5</td>
<td>(9.4)</td>
</tr>
<tr>
<td>(S)</td>
<td>46.7</td>
<td>50.5</td>
<td>(3.7)</td>
</tr>
<tr>
<td>(IT)</td>
<td>21.3</td>
<td>23.1</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Operating income</td>
<td>20.8</td>
<td>36.4</td>
<td>(15.7)</td>
</tr>
<tr>
<td>(M)</td>
<td>11.7</td>
<td>21.3</td>
<td>(9.6)</td>
</tr>
<tr>
<td>(R)</td>
<td>3.2</td>
<td>8.5</td>
<td>(5.4)</td>
</tr>
<tr>
<td>(S)</td>
<td>4.6</td>
<td>3.9</td>
<td>+0.7</td>
</tr>
<tr>
<td>(IT)</td>
<td>0.6</td>
<td>0.4</td>
<td>+0.2</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>20.0</td>
<td>35.2</td>
<td>(15.2)</td>
</tr>
<tr>
<td>Net income</td>
<td>6.8</td>
<td>20.2</td>
<td>(13.3)</td>
</tr>
</tbody>
</table>
Breakdown of Changes in Operating Income (FY2007 to FY2008)

- Profit decrease due to sales decrease
  - Slowdown in demand of (M) and (R)
- Added value / Improved efficiency
- Increase in strategic costs
  - Measures taken against sudden decline in production
  - Investments in R&D and equipments
- Effects of changes in Forex rates

FY2007: 36.4 billion yen
FY2008: 20.8 billion yen

(billion yen)
FY2009 Financial Forecast : Main Points - 1

Get over the severe business environment by developing new markets and seizing shares in the existing markets while keeping an eye on the economic recovery. Return to profitability in the second half.

<table>
<thead>
<tr>
<th>FY2009</th>
<th>1st Half</th>
<th>2nd Half</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>¥220.0 billion</td>
<td>¥90.0 billion</td>
</tr>
<tr>
<td>Operating income</td>
<td>(¥8.0 billion)</td>
<td>(¥10.0 billion)</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>(¥8.0 billion)</td>
<td>(¥10.0 billion)</td>
</tr>
<tr>
<td>Net income</td>
<td>(¥5.5 billion)</td>
<td>(¥7.0 billion)</td>
</tr>
</tbody>
</table>

(M) AC Drives: Launch new products for energy-saving to the promising markets.

AC Servomotors: Expand sales by stimulating potential needs while making sure to capture demand recovery.

(R) Focus on the demands in the emerging countries and for small cars. Expand application of dual-arm robots and 7 axis robots.

There is a possibility that demand for FPD glass handling robots will increase.

(S) Improve profitability by enhancing efficiency for the demand in steel and water treatment industries, which are robust.

(IT) Aim at increasing orders by developing markets and demands.

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Organizational reinforcement aimed at accelerating orders
Enhance sales activities by market development led by the top management and by mobilizing different business segments to meet customers’ needs.
“Corporate sales & marketing division” was created with the president as the chief.

Discovery of new products that can overcome severe economic environments
Reinforce market development, acceleration of technology development, and the ability to meet customers’ needs with systems.
“Environmental & Energy Business Promotion Dept.” and “Service Robot Business Promotion Dept.” were created.

Implementation of R1000 project
Provide customers with the solutions and know-how earned by introduction of in-house robots to the in-house production facilities, while enhancing productivity.
“R1000 Promotion Div.” was created with full-time employees in charge.
(Previously operated by a project team.)

Implementation of cost reduction measures with instant results
Build lean management with minimum workforce and costs
Strengthen corporate-wide cost reduction

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Breakdown of Changes in Operating Income
(FY2008 to FY2009 Forecast)

- Decrease in sales of (M)(R)
- Streamlining
- Added value / Improved efficiency
- Effects of changes in Forex rates

FY2008:
- Profit decrease due to sales decrease
- 20.8 billion yen

FY2009 Forecast:
- (8.0) billion yen

(8.0)
(28.8)
(billion yen)

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Risk Factors

1. **Change in exchange rates**
   There is a possibility that changes in exchange rates, such as sharp appreciation of the Japanese yen, may affect our business results negatively.

   (Reference)  
   Actual exchange rates in FY2008 $1=¥101.5  Euro1=¥148.4  
   Estimated exchange rates in FY2009 $1=¥90  Euro1=¥120

2. **Market environment**
   There is a risk that we are negatively affected by prolonged global economic slowdown, which may lead to decline in orders.

3. **Price increase for raw materials and parts**
   The price fluctuation is unstable. If a price hike occurs, it may compress profits.

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