



YASKAWA

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.

April 2009

Sales Break Down by Business Segment

Main applications

Information Technologies :(IT)

Core products

Computer peripherals, laser marking devices, etc.
Information management software and services



[Electronic components]
Chip mounter

[Machine tools]
Tapping machine

System Engineering :(S)

Core products

Electrical systems for steel plants
Electrical instrumentation for water supply plants
and sewage treatment facility systems, etc.



Motion Control :(M)

Core products

AC servo motors and controllers, Linear servo
General purpose AC drives, etc.



Robotics :(R)

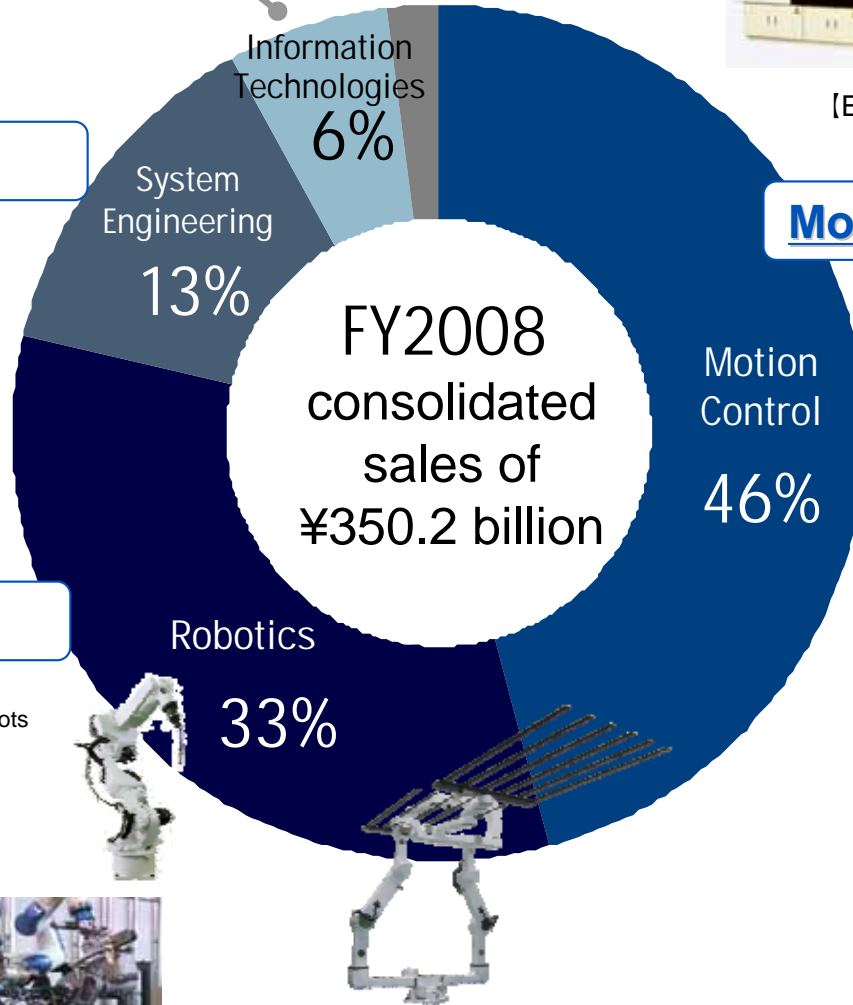
Core products

Arc and spot welding robots, Painting robots, Handling robots
FPD glass sheet transfer robots
New generation robots
Semiconductor wafer transfer robots, etc.

Welding of
automobile
components by
arc-welding robots



Assembly by new
generation robots



Main applications

Sales Break Down by Destination

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

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

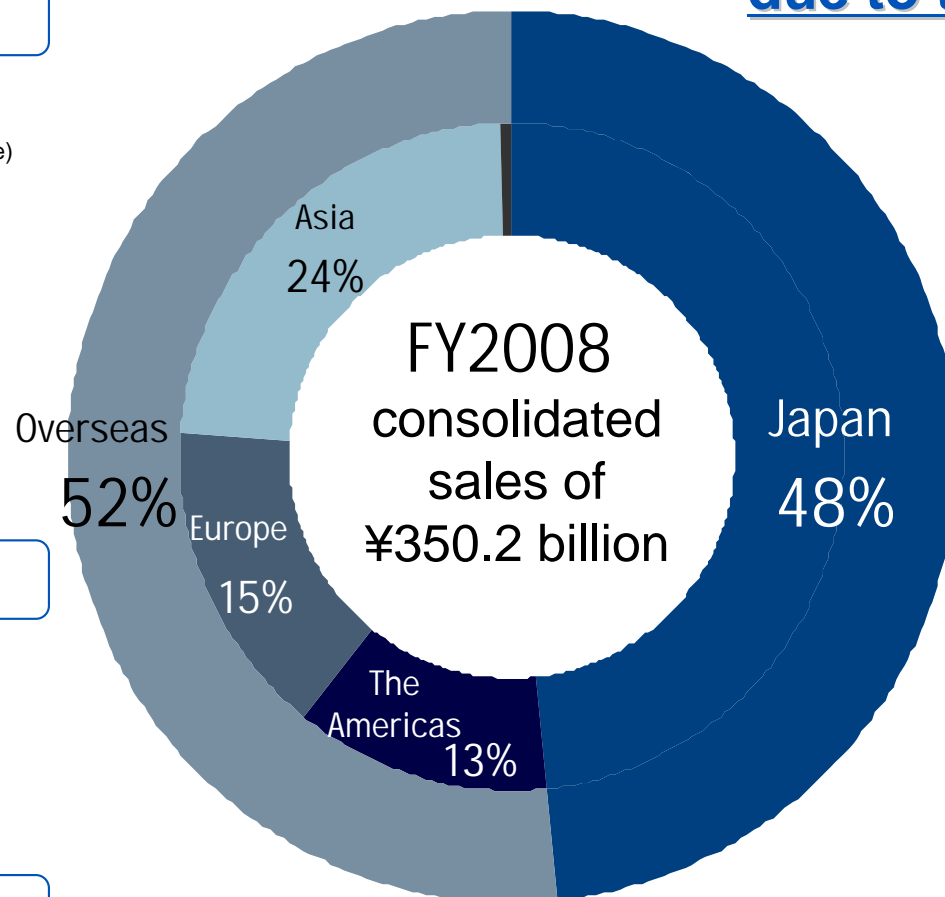
Major subsidiaries

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.

Sales	¥350.2 billion, down by 8.4%
Operating income	¥20.8 billion, down by 43.0% (Operating income ratio 5.9%)
Ordinary income	¥20.0 billion, down by 43.1% (Ordinary income ratio 5.7%)
Net income	¥6.8 billion, down by 65.9%

(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.

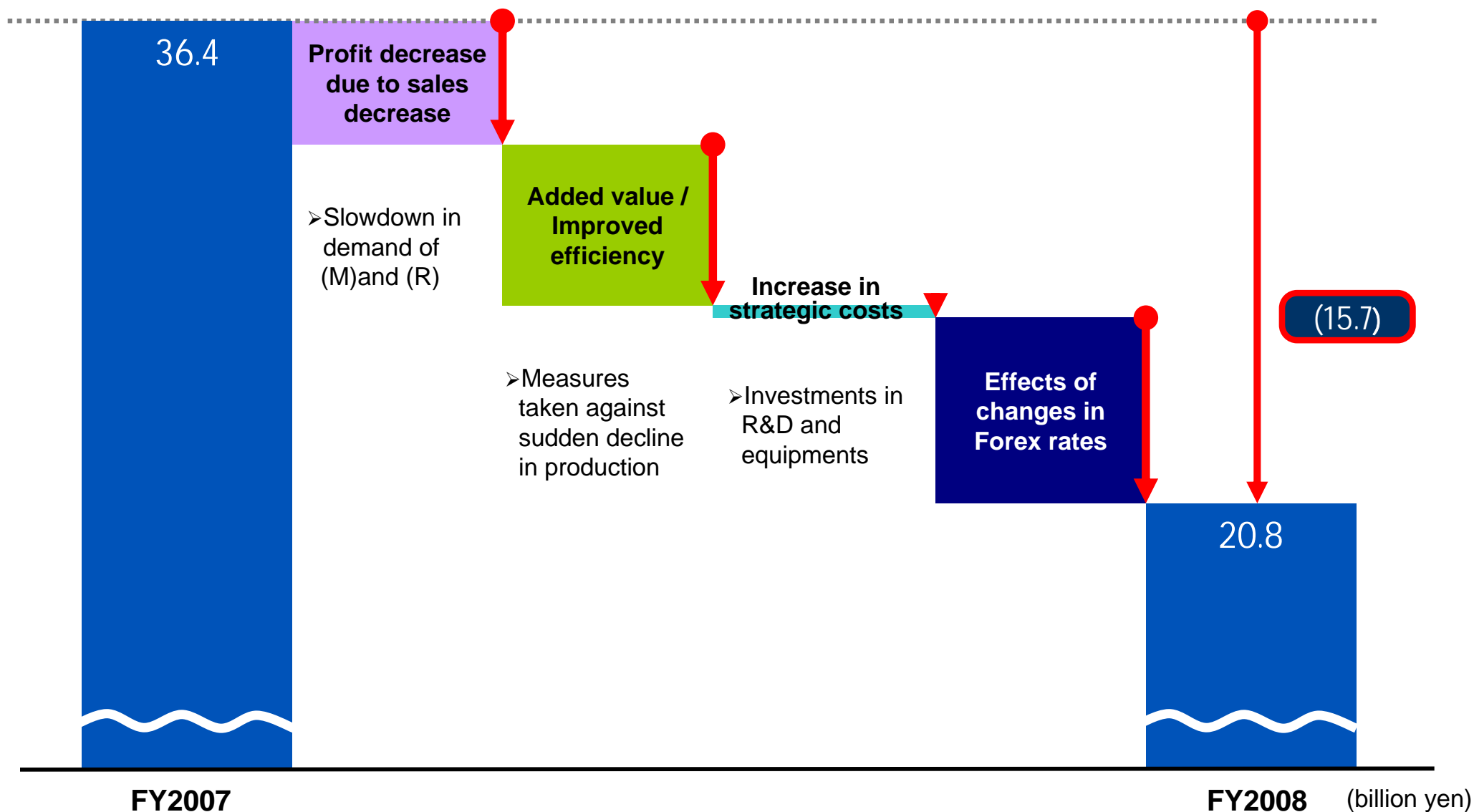
FY2008 Results by Business Segment

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

(unit: billion yen, %)

	FY2008		FY2007		Change	
		income ratio		income ratio	(billion yen)	(%)
Sales	350.2		382.3		(32.1)	(8.4%)
(M)	160.8		177.8		(17.1)	(9.6%)
(R)	114.1		123.5		(9.4)	(7.6%)
(S)	46.7		50.5		(3.7)	(7.4%)
(IT)	21.3		23.1		(1.8)	(7.9%)
Operating income	20.8	5.9%	36.4	9.5%	(15.7)	(43.0%)
(M)	11.7	7.3%	21.3	12.0%	(9.6)	(45.0%)
(R)	3.2	2.8%	8.5	6.9%	(5.4)	(62.7%)
(S)	4.6	9.9%	3.9	7.8%	+0.7	+17.7%
(IT)	0.6	2.9%	0.4	1.8%	+0.2	+46.4%
Ordinary income	20.0	5.7%	35.2	9.2%	(15.2)	(43.1%)
Net income	6.8	2.0%	20.2	5.3%	(13.3)	(65.9%)

Breakdown of Changes in Operating Income (FY2007 to FY2008)



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.

	FY2009	1st Half	2nd Half
Sales	¥220.0 billion	¥90.0 billion	¥130.0 billion
Operating income	(¥8.0 billion)	(¥10.0 billion)	¥2.0 billion
Ordinary income	(¥8.0 billion)	(¥10.0 billion)	¥2.0 billion
Net income	(¥5.5 billion)	(¥7.0 billion)	¥1.5 billion

(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.

FY2009 Financial Forecast : Main Points - 2

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.)

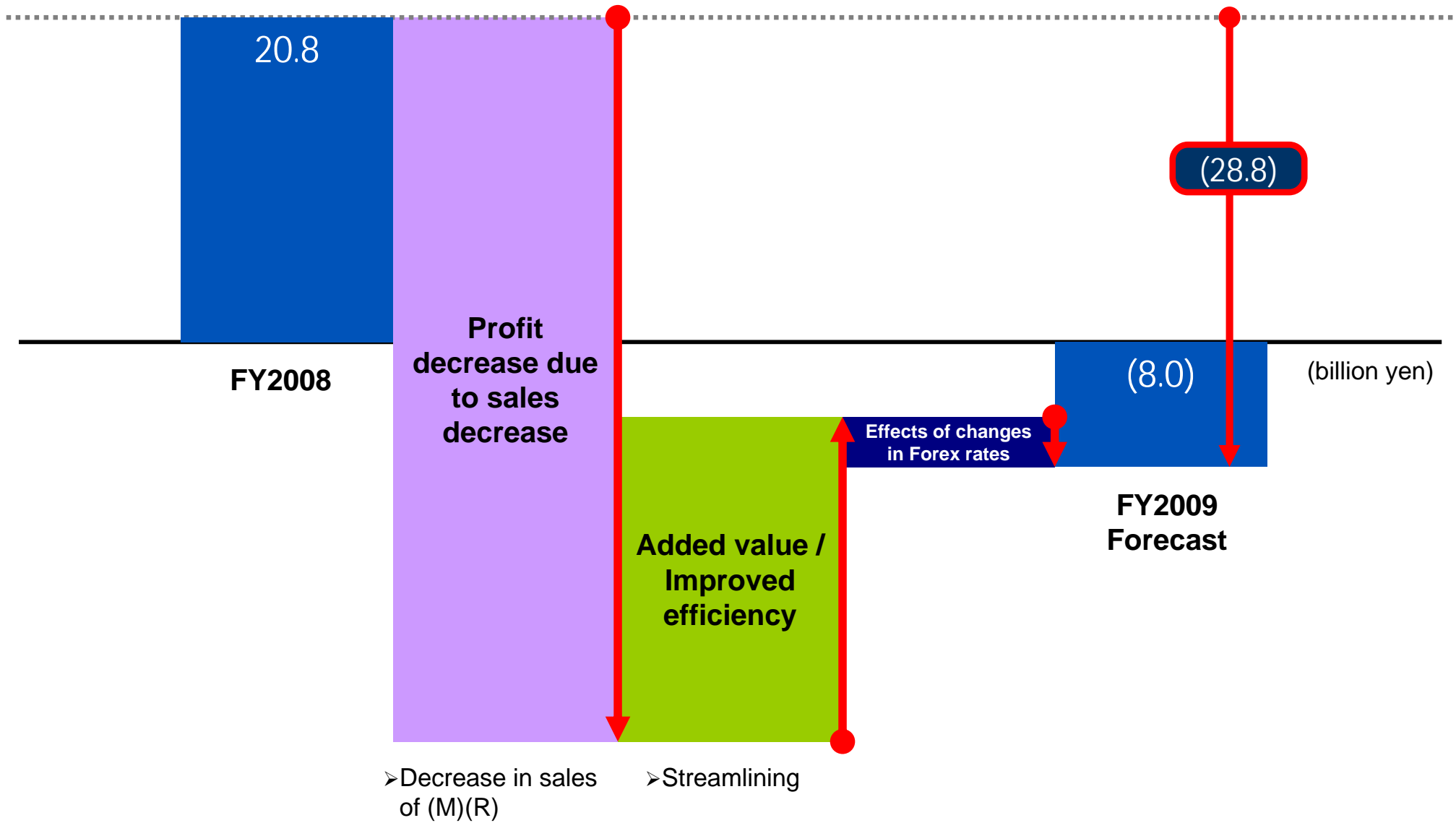
Implementation of cost reduction measures with instant results

Build lean management with minimum workforce and costs

Strengthen corporate-wide cost reduction



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



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.