

Summary of Consolidated Results for the Six Months Ended September 20, 2007

October 17, 2007

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

1. Summary of Consolidated Results for the First Half of Fiscal Year 2007 (March 21, 2007 to September 20, 2007)

(Note: This document was translated from the financial statement submitted to the Tokyo Stock Exchange for the period stated above. The figures under one million are rounded down.)

(1) Summary of Consolidated Statements of Income

	(Millions of yen, except for per share data)					
	Six months ended September 20, 2007	Change	Six months ended September 20, 2006	Change	Year ended March 20, 2007	Change
Net sales	183,794	2.3%	179,732	23.0%	368,971	14.3%
Operating income	16,466	9.0%	15,101	85.0%	33,564	37.1%
Ordinary income	16,907	11.5%	15,166	85.2%	33,383	37.2%
Net income	9,668	10.8%	8,722	217.3%	18,982	86.9%
Earnings per share (basic, Yen)	39.34		37.55		81.12	
Earnings per share (diluted, Yen)	38.36		34.67		75.29	

Reference: Equity in earnings of affiliates

Six months ended September 20, 2007: ¥638 million

Six months ended September 20, 2006: ¥410 million

Year ended March 20, 2007: ¥523 million

(2) Summary of Consolidated Financial Position

	(Millions of yen, except ratio and per share data)		
	Six months ended September 20, 2007	Six months ended September 20, 2006	Year ended March 20, 2007
Total assets	278,198	261,916	273,180
Net assets	100,535	66,423	86,242
Shareholders' equity ratio (%)	34.2	23.4	29.6
Net assets per share (Yen)	377.47	285.96	331.94

Reference: Shareholders' equity

Six months ended September 20, 2007: ¥95,017 million

Six months ended September 20, 2006: ¥61,272 million

Year ended March 20, 2007: ¥80,787 million

(3) Summary of Consolidated Statements of Cash Flows

	(Millions of yen)		
	Six months ended September 20, 2007	Six months ended September 20, 2006	Year ended March 20, 2007
Net cash provided by (used in)			
operating activities	11,256	5,701	14,990
Net cash provided by (used in)			
investing activities	(4,277)	(1,329)	(6,119)
Net cash provided by (used in)			
financing activities	(6,189)	(4,282)	(8,960)
Cash and cash equivalents at end of period	<u>14,100</u>	<u>13,272</u>	<u>13,214</u>

2. Dividend Distribution

		Year Ended March 20, 2007	Year Ending March 20, 2008	Year Ending March 20, 2008 (forecast)
Dividend per share (Yen)	Interim	3.00	5.00	-
	Year-end	3.00	-	5.00
	Annual total	<u>6.00</u>	<u>-</u>	<u>10.00</u>

3. Projected Consolidated Results for the Fiscal Year Ending March 20, 2008

	(Millions of yen)	
	Year ending March 20, 2008	Change
Net sales	383,000	3.8%
Operating income	37,000	10.2%
Ordinary income	37,000	10.8%
Net income	20,000	5.4%
Earnings per share (Yen)	<u>81.37</u>	

4. Other

(1) Changes in Scope of Consolidation: None

(2) Changes in Accounting Methods and Description

1. Changes related to revision of accounting standards: Yes
2. Other changes: None

(3) Number of Common Shares Outstanding

1. The number of shares outstanding including treasury stock:
 - Six months ended September 20, 2007: 252,331,938 shares
 - Six months ended September 20, 2006: 233,050,869 shares
 - Year ended March 20, 2007: 243,953,569 shares
2. The number of treasury stocks at the end of the period:
 - Six months ended September 20, 2007: 607,932 shares
 - Six months ended September 20, 2006: 771,354 shares
 - Year ended March 20, 2007: 574,704 shares

Note: Per Share Information

	Six months ended September 20, 2007	Six months ended September 20, 2006	Year Ended March 20, 2007
			(Millions of yen)
Net income	9,668	8,722	18,982
Amount not attributable to common shareholders	-	-	-
Net income on common shares: A	<u>9,668</u>	<u>8,722</u>	<u>18,982</u>
			(Thousands of shares)
Average number of common shares outstanding: B	245,788	232,259	234,012
Diluted effect of:			
Net income adjustments	-	-	-
Increase of common shares (Converted bonds): C	<u>6,257</u>	<u>19,310</u>	<u>18,105</u>
Earnings per share (basic, Yen)	39.34	37.55	81.12
Earnings per share (diluted, Yen)*	<u>38.36</u>	<u>34.67</u>	<u>75.29</u>

*Earnings per share (diluted, Yen) = A*1000 / (B+C)

(Reference) Non-Consolidated Information

1. Summary of Non-Consolidated Results for the First Half of Fiscal Year 2007 (March 21, 2007 to September 20, 2007)

(1) Summary of Non-Consolidated Statements of Income

	(Millions of yen, except for per share data)					
	Six months ended September 20, 2007	Change	Six months ended September 20, 2006	Change	Year ended March 20, 2007	Change
Net sales	105,490	1.7%	103,729	17.9%	216,268	14.1%
Operating income	7,145	51.5%	4,716	179.2%	14,139	73.6%
Ordinary income	10,013	20.4%	8,316	97.2%	19,828	52.0%
Net income	6,851	10.4%	6,203	1,048.7%	12,860	238.1%
Earnings per share (Yen)	<u>27.84</u>		<u>26.65</u>		<u>54.86</u>	

(2) Summary of Non-Consolidated Financial Position

	(Millions of yen, except ratio and per share data)		
	Six months ended September 20, 2007	Six months ended September 20, 2006	Year ended March 20, 2007
Total assets	186,404	177,219	185,651
Net assets	65,297	39,372	54,125
Shareholders' equity ratio (%)	35.0	22.2	29.2
Net assets per share (Yen)	<u>259.11</u>	<u>169.13</u>	<u>222.14</u>

Reference: Shareholders' equity

Six months ended September 20, 2007: ¥65,297 million

Six months ended September 20, 2006: ¥39,372 million

Year ended March 20, 2007: ¥54,125 million

2. Projected Non-Consolidated Results for the Fiscal Year Ending March 20, 2008

	(Millions of yen)	
	Year ending March 20, 2008	Change
Net sales	222,000	2.7%
Operating income	16,500	16.7%
Ordinary income	22,000	11.0%
Net income	14,000	8.9%
Earnings per share (Yen)	56.89	

Warning

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.

1. Business Results

(1) Overview on Business Performance

1. Business Performance of the First Half of Fiscal Year 2007

The economic conditions in Europe and Asia during the first half of fiscal year 2007 were generally positive, however in the latter half of the period, economic uncertainty began to prevail with the U.S. subprime mortgage crisis and sudden fluctuations in exchange rates.

As for the conditions of the Yaskawa group's main markets, each market showed different trends. The electronic component industry continued to be robust, and air-conditioning and steel industries were booming. However, the FPD industry and the U.S. automobile industry saw restrained capital expenditures.

In the midst of this economic environment, the Yaskawa Group is implementing the necessary measures, as we position the fiscal year 2007, the second year of the mid-term business plan "DASH 100", as the year to build a firm basis toward achieving its goals. These necessary measures include marketing of competitive new products with higher added value, sales expansion with synthesized efforts of development, sales, and production, as well as increasing market share. We also strengthened efforts toward improving product quality and human resource development.

As a result, the Yaskawa Group's sales exceeded its sales of the corresponding period last fiscal year, which showed significant growth. The profits also increased as sales of high-value added products expanded. Both sales and profits hit record highs for the first half of the fiscal year. Ordinary income ratio rose to 9.2%, and is steadily approaching the target ratio of 10% of "DASH100".

	Six Months Ended September 20, 2007 (percentage change from the previous fiscal year)
Net sales	¥183,794 million (up by 2.3%)
Operating income	¥16,466 million (up by 9.0%)
Ordinary income	¥16,907 million (up by 11.5%)
Net income	¥9,668 million (up by 10.8%)

2. Results by Business Segment

The Yaskawa Group has five separate business segments. The business results of each segment are as follows.

Business segment	Six Months Ended September 20, 2007	
	Net sales (percentage change from the previous fiscal year)	Operating income (percentage change from the previous fiscal year)
Motion Control	¥86,448 million (up by 9.8%)	¥10,460 million (up by 2.8%)
Robotics	¥60,236 million (down by 4.5%)	¥4,042 million (up by 0.2%)
System Engineering	¥22,300 million (up by 5.7%)	¥798 million (up by ¥1,555 million)
Information Technologies	¥11,263 million (down by 14.0%)	¥188 million (down by 70.8%)
Other	¥3,545 million (down by 4.5%)	¥973 million (down by 2.1%)

■ Motion Control

As for AC servo drives and controllers, we focused on marketing new products and strengthening sales operations, which yielded positive results in electronic component markets. Meanwhile the demand in FPD market did not see full recovery. As for AC drives, the demand continued to be strong from the last fiscal year as domestic and overseas air-conditioning markets grew and as overseas infrastructure investment expanded.

■ Robotics

Although the sales of robots for welding, handling and painting mainly for the automobile industry in Japan and Europe were robust, the segment was affected by stagnant capital expenditures in the U.S. The demand in the FPD industry did not reach full recovery. We were able to secure profit increase as sales of small-to-medium sized robots, which are our strong business, increased.

■ System Engineering

The System Engineering segment successfully took in the continuously increasing demand for capital expenditures in steel industry, which led to increased orders, sales and profits. The segment is stabilizing its profitability.

■ Information Technologies

As for the Information Technologies segment, there was steady demand for system integration for telecommunication businesses. System integration for production and sales management for manufacturing companies was also robust. However, the segment was affected by the stagnant demand in FPD markets and by sales decrease of equipments for a specific application.

■ Other

The Other segment includes businesses such as logistic services and temporary staffing services.

(Reference) Non-Consolidated Information

The non-consolidated business results are as follows. All of these marked record highs.

	Six months ended September 20, 2007 (percentage change from the previous fiscal year)
Net sales	¥105,490 million (up by 1.7%)
Operating income	¥7,145 million (up by 51.5%)
Ordinary income	¥10,013 million (up by 20.4%)
Net income	¥6,851 million (up by 10.4%)

3. Outlook for Fiscal Year 2007

Although some concerns remain over economic slowdown in the U.S., fluctuations in exchange rates, rise in prices of crude oil and other resources, trend in interest rates, and so on, steady economic growth is expected to continue. Based on the conditions mentioned above, projected results for the fiscal year 2007 disclosed on April 19, 2007, were revised as follows.

Assumed exchange rates for the second half of fiscal year 2007 are 110 yen/dollar and 145 yen/euro.

Fiscal Year 2007 Consolidated

	Fiscal Year 2007 (forecast)	Year-on-year Change
Net sales	¥383,000 million	Up by ¥14,029 million (3.8%)
Operating income	¥37,000 million	Up by ¥3,436 million (10.2%)
Ordinary income	¥37,000 million	Up by ¥3,617 million (10.8%)
Net income	¥20,000 million	Up by ¥1,018 million (5.4%)

(Reference) Fiscal Year 2007 Non-Consolidated

	Fiscal Year 2007 (forecast)	Year-on-year Change
Net sales	¥222,000 million	Up by ¥5,732 million (2.7%)
Operating income	¥16,500 million	Up by ¥2,361 million (16.7%)
Ordinary income	¥22,000 million	Up by ¥2,172 million (11.0%)
Net income	¥14,000 million	Up by ¥1,140 million (8.9%)

(2) Overview on Financial Condition

1. Balance Sheet Highlights

At the end of the first half of this fiscal year, current assets increased by ¥12,974 million to ¥191,434 million compared to the corresponding date of last year, as trade notes and accounts receivable increased by ¥11,646 million.

As for fixed assets, tangible fixed assets, as well as investments and other assets increased by ¥2,295 million and ¥1,641 million respectively. Total fixed assets increased by ¥3,308 million to ¥86,764 million.

Total assets therefore increased by ¥16,282 million to ¥278,198 million compared to the corresponding date of last year.

Current liabilities increased by ¥10,932 million to ¥136,039 million, as corporate bonds of ¥10,000 million redeemable within one year was transferred from long-term liability to current liability.

Long-term liabilities decreased by ¥28,762 million to ¥41,623 million, as corporate bonds of ¥10,000 million redeemable within one year was transferred to current liability, and convertible bonds of ¥14,268 million was converted into shares of common stock.

Total liabilities at the end of the first half of this fiscal year therefore decreased by ¥17,829 million to ¥177,663 million compared to the corresponding date last year.

As for net assets, conversion of bonds led to common stock increasing by ¥7,153 million, and additional paid-in capital increased by ¥7,271 million, and retained earnings increased by ¥18,566 million as net income was recorded. Total net assets therefore increased by ¥34,112 million to ¥100,535 million.

2. Cash Flow

The balance of cash and cash equivalents at the end of the first half of this fiscal year was ¥14,100 million yen, up by ¥828 million yen from the corresponding date of the previous year.

Net cash provided by operating activities was ¥11,256 million. Its rough breakdown is income before income taxes and minority interests of ¥16,450 million, depreciation and amortization of ¥3,516 million, decrease of trade payables by ¥3,031 million, and income taxes paid of ¥5,562 million.

Net cash used in investing activities was ¥4,277 million as a result of purchases of property, plant and equipment of ¥4,138 million.

Free cash flow, which is a sum of cash flows from operating and investing activities, resulted in an increase of ¥6,979 million.

Net cash used in financing activities was ¥6,189 million as repayments were made for the debt.

3. Cash Flow Indicator Trends

Cash Flow Indicator Trends for the Yaskawa Group are shown below.

	Fiscal Year 2005		Fiscal Year 2006		Fiscal Year 2007
	End of first half	End of full year	End of first half	End of full year	End of first half
Shareholders' equity ratio (%)	17.1	20.7	23.4	29.6	34.2
Shareholders' equity ratio based on market value (%)	81.0	118.2	105.2	118.9	123.1
Ratio of interest-bearing debt against cash flow (years)	4.6	3.3	5.1	3.1	1.6
Interest coverage ratio (times)	12.8	12.8	9.2	11.8	19.7

Notes: Shareholders' equity ratio = shareholders' equity/total assets

Shareholders' equity ratio based on market value = market value of total shares/total assets

Ratio of interest-bearing debt against cash flow = interest-bearing debt/operating cash flow

(Operating cash flows as of the end of the first half of the fiscal years are doubled to convert to the annual figure.)

Interest coverage ratio = operating cash flow/interest expense

*All calculations were made on a consolidated basis.

*Market value of total shares is calculated based on the number of shares issued except treasury stock.

*Interest incurring debt consists of all debt appearing on the balance sheet that incurs interest.

*Amounts used for operating cash flow and interest expense were taken from "cash flows from operating activities" and "interest expense" reported in consolidated statements of cash flows.

(3) Policy on Profit Distribution and Dividends for Fiscal Year 2007

Regarding profit distribution, our goal is to secure stable and continuous cash dividends to our shareholders as well as some in reserve to enrich our business base and to enable future business expansion. We base our decision of profit distribution on the integrated consideration of our business performance, the business environment, and the financial conditions.

The interim dividend for this fiscal year was set at ¥5 per share, ¥2 increase from the previous interim dividend, considering the business performance.

As for the projected cash dividend for the fiscal year 2007, the Company expects to pay the annual dividend of ¥10 per share, including the interim dividend.

2. Management Policies

(1) Fundamental Management Policies

(2) Management Goals

(3) Mid- to Long-term Business Strategies

As for the above-mentioned items, disclosure is omitted as no significant changes were made to the corresponding items in "Summary of Consolidated Results for the Six Months Ended September 20, 2006"

disclosed on October 31, 2006. This document can be obtained from the URL below.

< Yaskawa Electric Corporation Website >

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

(4) Management Initiatives and Challenges

The Yaskawa Group will continue to implement measures in accordance with the main objectives and action plans to achieve the goals of “DASH 100” as soon as possible, while fully understanding the changes in the markets and paying attention to economic fluctuations.

Specifically, we will enhance product lineup of such competitive mechatronic products as AC servomotors and controllers, drives and robots to increase market share. We will also improve production capacity and efficiency by promoting automation and streamlining of production lines by making the best use of our own robots and controllers in Drive Center, the new drive factory that was completed in the first half of this fiscal year.

We will also continue the corporate-wide thorough pursuit of enhancing customer satisfaction by improving further the product quality, which determine our brand value.

Furthermore, in order to broaden our future possibilities, we will work on creation of new markets by seeking various applications of new-generation robots. The Yaskawa Group will also work on human resource development by enhancing further the ability of each employee to strengthen the personnel foundation to be able to exercise maximum organizational strength.

3. Consolidated Financial Statements

Interim Consolidated Balance Sheet

	As of September 20, 2007		As of September 20, 2006		Change	(Millions of yen) As of March 20, 2007	
		% of Total		% of Total			% of Total
Assets							
Current assets							
Cash and time deposits	14,246		13,418		828	13,356	
Trade notes and accounts receivable	98,961		87,315		11,646	99,231	
Short-term investments	31		38		(7)	26	
Inventories	59,988		58,820		1,168	58,136	
Deferred tax assets	7,426		5,474		1,952	6,944	
Other current assets	11,617		14,239		(2,621)	11,063	
Allowance for doubtful accounts	(837)		(845)		8	(998)	
Total current assets	191,434	68.8	178,460	68.1	12,974	187,760	68.7
Fixed assets							
Tangible fixed assets							
Buildings and structures	17,338		17,767		(429)	17,703	
Other tangible fixed assets	24,109		21,384		2,724	22,092	
Total tangible fixed assets	41,447		39,152		2,295	39,795	
Intangible fixed assets							
	7,132		7,760		(628)	7,679	
Investments and other assets							
Investments	22,232		21,479		753	23,001	
Deferred tax assets	12,533		11,908		624	11,790	
Other investments	3,741		3,583		157	3,467	
Allowance for doubtful accounts	(323)		(429)		106	(324)	
Total investments and other assets	38,183		36,542		1,641	37,945	
Total fixed assets	86,764	31.2	83,455	31.9	3,308	85,419	31.3
Total Assets	278,198	100.0	261,916	100.0	16,282	273,180	100.0
Liabilities							
Current liabilities							
Trade notes and accounts payable	67,467		67,322		145	69,318	
Short-term bank loans	19,823		24,987		(5,163)	23,111	
Corporate bonds redeemable within one year	10,000		-		10,000	10,000	
Accrued expenses	18,858		18,278		579	19,083	
Other current liabilities	19,889		14,517		5,371	15,764	
Total current liabilities	136,039	48.9	125,106	47.7	10,932	137,278	50.2
Long-term liabilities							
Corporate bonds	-		10,000		(10,000)	-	
Convertible bonds	-		14,268		(14,268)	6,200	
Long-term debt	5,649		9,370		(3,721)	7,439	
Accrued retirement benefits for employees	34,442		35,583		(1,140)	34,912	
Accrued directors' retirement benefits	779		599		179	701	
Other long-term liabilities	752		564		188	406	
Total long-term liabilities	41,623	15.0	70,386	26.9	(28,762)	49,659	18.2
Total liabilities	177,663	63.9	195,492	74.6	(17,829)	186,938	68.4
Net assets							
Shareholders' equity							
Common stock	23,062	8.3	15,908	6.1	7,153	19,953	7.3
Additional paid-in capital	18,651	6.7	11,379	4.3	7,271	15,489	5.7
Retained earnings	47,674	17.1	29,107	11.1	18,566	38,736	14.2
Treasury stock, at cost	(337)	(0.1)	(332)	(0.1)	(5)	(282)	(0.1)
Total shareholders' equity	89,050	32.0	56,063	21.4	32,986	73,897	27.1
Evaluation and translation adjustments							
Net unrealized holding gain on securities	3,498	1.2	3,827	1.5	(328)	4,619	1.7
Deferred hedge income	(6)	(0.0)	(31)	(0.0)	24	(8)	(0.0)
Foreign currency translation adjustments	2,474	0.9	1,411	0.5	1,062	2,280	0.8
Total evaluation and translation adjustments	5,967	2.1	5,208	2.0	758	6,890	2.5
Minority interests	5,518	2.0	5,151	2.0	366	5,454	2.0
Total net assets	100,535	36.1	66,423	25.4	34,112	86,242	31.6
Total liabilities and net assets	278,198	100.0	261,916	100.0	16,282	273,180	100.0

Interim Consolidated Statements of Income

	Six Months Ended September 20, 2007		Six Months Ended September 20, 2006		Change	(Millions of yen) Year Ended March 20, 2007	
		% of Total		% of Total			% of Total
Net sales	183,794	100.0	179,732	100.0	4,062	368,971	100.0
Cost of sales	131,310	71.4	128,815	71.7	2,494	264,084	71.6
Gross profit	52,483	28.6	50,916	28.3	1,567	104,886	28.4
Selling, general and administrative expenses	36,017	19.6	35,815	19.9	202	71,322	19.3
Operating income	16,466	9.0	15,101	8.4	1,365	33,564	9.1
Non-operating income							
Interest received	90		92			179	
Dividends received	253		234			333	
Foreign exchange profit	-		117			-	
Equity in earnings of affiliates	638		410			523	
Miscellaneous income	352		357			830	
Total non-operating income	1,336	0.7	1,213	0.7	122	1,867	0.5
Non-operating expenses							
Interest expense	581		590			1,207	
Foreign exchange loss	164		-			6	
Miscellaneous expenses	148		557			835	
Total non-operating expenses	895	0.5	1,148	0.6	(253)	2,048	0.6
Ordinary income	16,907	9.2	15,166	8.4	1,741	33,383	9.0
Extraordinary gains							
Proceeds from sales of investment securities	24		3			120	
Proceeds from sales of securities of affiliates	-		1,856			1,856	
Proceeds from sales of fixed assets	4		1,048			1,069	
Other extraordinary gains	90		89			29	
Total extraordinary gains	118	0.1	2,998	1.7	(2,879)	3,076	0.8
Extraordinary losses							
Loss on disposal of fixed assets	52		136			398	
Loss on structural business reforms	-		586			1,845	
Impairment loss	301		2,030			2,167	
Other extraordinary losses	222		1,491			2,074	
Total extraordinary losses	575	0.3	4,245	2.4	(3,669)	6,486	1.7
Income before income taxes and minority interests	16,450	9.0	13,919	7.7	2,531	29,973	8.1
Provision for income taxes- current	6,688	3.6	3,253	1.8	3,435	10,948	3.1
Provision for income taxes- deferred	(104)	(0.0)	1,325	0.7	(1,430)	(794)	(0.2)
Minority interests	198	0.1	617	0.3	(419)	836	0.2
Net income	9,668	5.3	8,722	4.9	946	18,982	5.1

Interim Consolidated Statement of Changes in Net Assets

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 20, 2007	19,953	15,489	38,736	(282)	73,897
Changes during the first half of fiscal year					
Exercise of stock acquisition rights	3,108	3,091			6,199
Cash dividends			(730)		(730)
Net income			9,668		9,668
Acquisition of treasury stock				(79)	(79)
Disposition of treasury stock		70		24	94
Increase due to increase in consolidated subsidiaries			0		0
Net changes in items other than shareholders' equity					
Total changes during the first half of fiscal year	3,108	3,162	8,937	(55)	15,153
Balance at September 20, 2007	23,062	18,651	47,674	(337)	89,050

	Valuation and translation adjustments				Minority interests	Total net assets
	Net unrealized gains on other securities	Net deferred hedge income (losses)	Foreign currency translation	Total valuation and translation adjustments		
Balance at March 20, 2007	4,619	(8)	2,280	6,890	5,454	86,242
Changes during the first half of fiscal year						
Exercise of stock acquisition rights						6,199
Cash dividends						(730)
Net income						9,668
Acquisition of treasury stock						(79)
Disposition of treasury stock						94
Increase due to increase in consolidated subsidiaries						0
Net changes in items other than shareholders' equity	(1,120)	2	194	(923)	63	(859)
Total changes during the first half of fiscal year	(1,120)	2	194	(923)	63	14,293
Balance at September 20, 2007	3,498	(6)	2,474	5,967	5,518	100,535

Interim Consolidated Statement of Changes in Net Assets (First half of previous fiscal year)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 20, 2006	15,858	11,329	20,367	(309)	47,246
Changes during the first half of fiscal year					
Exercise of stock acquisition rights	50	49			99
Cash dividends*			(1,394)		(1,394)
Bonuses to directors and corporate auditors*			(169)		(169)
Net income			8,722		8,722
Acquisition of treasury stock				(23)	(23)
Disposition of treasury stock		0		0	1
Increase due to increase in consolidated subsidiaries			1,246		1,246
Decrease due to increase in consolidated subsidiaries			(21)		(21)
Increase due to decrease in consolidated subsidiaries			1,602		1,602
Decrease due to decrease in affiliates accounted for by the equity-method			(1,246)		(1,246)
Net changes in items other than shareholders' equity					
Total changes during the first half of fiscal year	50	50	8,739	(22)	8,817
Balance at September 20, 2006	15,908	11,379	29,107	(332)	56,063

	Valuation and translation adjustments				Minority interests	Total net assets
	Net unrealized gains on other securities	Net deferred hedge income (losses)	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at March 20, 2006	4,739	-	764	5,503	4,090	56,840
Changes during the first half of fiscal year						
Exercise of stock acquisition rights						99
Cash dividends*						(1,394)
Bonuses to directors and corporate auditors*						(169)
Net income						8,722
Acquisition of treasury stock						(23)
Disposition of treasury stock						1
Increase due to increase in consolidated subsidiaries						1,246
Decrease due to increase in consolidated subsidiaries						(21)
Increase due to decrease in consolidated subsidiaries						1,602
Decrease due to decrease in affiliates accounted for by the equity-method						(1,246)
Net changes in items other than shareholders' equity	(911)	(31)	647	(295)	1,061	765
Total changes during the first half of fiscal year	(911)	(31)	647	(295)	1,061	9,583
Balance at September 20, 2006	3,827	(31)	1,411	5,208	5,151	66,423

* Items of profit appropriation at Shareholders' meeting in June 2006.

Consolidated Statement of Changes in Net Assets (Previous fiscal year)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 20, 2006	15,858	11,329	20,367	(309)	47,246
Changes during the year					
Exercise of stock acquisition rights	4,095	4,072			8,167
Cash dividends*			(1,394)		(1,394)
Cash dividends			(698)		(698)
Bonuses to directors and corporate auditors*			(169)		(169)
Net income			18,982		18,982
Acquisition of treasury stock				(62)	(62)
Disposition of treasury stock		87		89	176
Increase due to increase in consolidated subsidiaries			1,246		1,246
Decrease due to increase in consolidated subsidiaries			(21)		(21)
Increase due to decrease in consolidated subsidiaries			1,602		1,602
Decrease due to decrease in consolidated subsidiaries			(141)		(141)
Increase due to increase in affiliates accounted for by the equity-method			141		141
Increase due to decrease in affiliates accounted for by the equity-method			89		89
Decrease due to decrease in affiliates accounted for by the equity-method			(1,268)		(1,268)
Net changes in items other than shareholders' equity					
Total changes during the year	4,095	4,160	18,368	26	26,650
Balance at March 20, 2007	19,953	15,489	38,736	(282)	73,897

	Valuation and translation adjustments				Minority interests	Total net assets
	Net unrealized gains on other securities	Net deferred hedge income (losses)	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at March 20, 2006	4,739	-	764	5,503	4,090	56,840
Changes during the year						
Exercise of stock acquisition rights						8,167
Cash dividends*						(1,394)
Cash dividends						(698)
Bonuses to directors and corporate auditors*						(169)
Net income						18,982
Acquisition of treasury stock						(62)
Disposition of treasury stock						176
Increase due to increase in consolidated subsidiaries						1,246
Decrease due to increase in consolidated subsidiaries						(21)
Increase due to decrease in consolidated subsidiaries						1,602
Decrease due to decrease in consolidated subsidiaries						(141)
Increase due to increase in affiliates accounted for by the equity-method						141
Increase due to decrease in affiliates accounted for by the equity-method						89
Decrease due to decrease in affiliates accounted for by the equity-method						(1,268)
Net changes in items other than shareholders' equity	(120)	(8)	1,516	1,387	1,364	2,751
Total changes during the year	(120)	(8)	1,516	1,387	1,364	29,401
Balance at March 20, 2007	4,619	(8)	2,280	6,890	5,454	86,242

* Items of profit appropriation at Shareholders' meeting in June 2006.

Interim Consolidated Statements of Cash Flows (summary)

	(Millions of yen)		
	Six Months Ended September 20, 2007	Six Months Ended September 20, 2006	Year Ended March 20, 2007
Cash flows from operating activities			
Income before income taxes and minority interests	16,450	13,919	29,973
Depreciation and amortization	3,516	3,359	6,962
Impairment loss	301	2,030	2,167
Increase (decrease) in employee retirement allowance	(509)	(477)	(1,122)
Gain on sales of investment securities	(24)	(3)	(120)
Gain on sales of securities of affiliates	-	(1,856)	(1,856)
Loss on devaluation of investment securities	133	596	727
Interest and dividend income	(344)	(327)	(512)
Interest expense	581	590	1,207
(Increase) decrease in trade receivables	(156)	(5,530)	(12,016)
(Increase) decrease in inventories	(1,572)	(554)	802
Increase (decrease) in trade payables	(3,031)	(197)	1,100
Increase (decrease) in accrued expenses	521	50	(298)
Other, net	1,058	(1,295)	(1,300)
Subtotal	<u>16,924</u>	<u>10,305</u>	<u>25,713</u>
Interest and dividends received	466	513	694
Interest paid	(572)	(622)	(1,270)
Income taxes paid	<u>(5,562)</u>	<u>(4,494)</u>	<u>(10,147)</u>
Net cash provided by (used in) operating activities	<u>11,256</u>	<u>5,701</u>	<u>14,990</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	(4,138)	(4,146)	(8,429)
Proceeds from sales of property, plant and equipment	168	1,066	1,103
Purchases of investment securities	(619)	(506)	(585)
Proceeds from sales of investment securities	50	34	207
Acquisition of securities of affiliates, which changed the scope of consolidation	165	-	-
Proceeds from sales of securities of affiliates, which changed the scope of consolidation	-	-	1,801
Proceeds from sales of securities of affiliates	-	1,781	-
Other, net	96	442	(216)
Net cash provided by (used in) investing activities	<u>(4,277)</u>	<u>(1,329)</u>	<u>(6,119)</u>
Cash flows from financing activities			
Increase (decrease) in short-term debt	(2,106)	(3,449)	(4,517)
Proceeds from long-term debt	290	3,680	3,715
Repayments of long-term debt	(3,503)	(2,987)	(6,062)
Dividends paid to shareholders of the Company	(730)	(1,394)	(2,093)
Dividends paid to minority shareholders	(128)	(108)	(161)
Other, net	(10)	(22)	158
Net cash provided by (used in) financing activities	<u>(6,189)</u>	<u>(4,282)</u>	<u>(8,960)</u>
Effect of exchange rate changes on cash and cash equivalents	69	104	226
Net increase (decrease) in cash and cash equivalents	858	194	137
Cash and cash equivalents at beginning of year	13,214	12,102	12,102
Increase due to inclusion of subsidiaries in consolidation	27	975	975
Cash and cash equivalents at end of term	<u>14,100</u>	<u>13,272</u>	<u>13,214</u>

Segment Information

Business Segments

(Millions of yen)

	Six months ended September 20, 2007							Consolidated
	Motion Control	Robotics	System Engineering	Information Technologies	Other	Total	Eliminations & Corporate	
Net sales								
Sales to third parties	86,448	60,236	22,300	11,263	3,545	183,794	-	183,794
Intersegment sales and transfers	10,904	234	1,236	1,760	9,227	23,363	(23,363)	-
Total sales	97,353	60,470	23,536	13,023	12,772	207,157	(23,363)	183,794
Operating costs and expenses	86,893	56,428	22,738	12,835	11,799	190,694	(23,366)	167,327
Operating income (loss)	10,460	4,042	798	188	973	16,463	3	16,466

(Note)

1. Business segments are divided according to the classification adopted for internal management.

	Six months ended September 20, 2006							Consolidated
	Motion Control	Robotics	System Engineering	Information Technologies	Other	Total	Eliminations & Corporate	
Net sales								
Sales to third parties	78,733	63,088	21,097	13,101	3,711	179,732	-	179,732
Intersegment sales and transfers	9,577	287	1,616	1,621	8,747	21,849	(21,849)	-
Total sales	88,310	63,375	22,714	14,722	12,458	201,581	(21,849)	179,732
Operating costs and expenses	78,131	59,340	23,471	14,078	11,463	186,485	(21,854)	164,630
Operating income (loss)	10,179	4,034	(757)	644	994	15,096	5	15,101

(Note)

1. Business segments are divided according to the classification adopted for internal management.

2. The name of the "Robotics Automation" segment was changed to "Robotics". This change has no effect.

3. Changes in accounting methods

(1)The Company has adopted "Accounting Standard for Directors' Bonus". As a result of this change, operating costs and expenses for the first half of fiscal year 2006 increased for Motion Control by 30 million yen, Robotics by 16 million yen, System Engineering by 12 million yen, Information Technologies by 10 million yen, and Other by 9 million yen. Operating income decreased as much for each segment.

(2)Directors' retirement benefits had previously been recognized when actual payment was made, however the company decided to make an allowance for directors' retirement benefits as necessary according to the provisions of the Company's bylaw at the end of the period. As a result of this change, operating costs and expenses increased for Motion Control by 25 million yen, Robotics by 16 million yen, System Engineering by 11 million yen, and Other by 3 million yen. Operating income decreased as much for each segment.

(3) The earnings and expenses of overseas subsidiaries had previously been calculated using the spot exchange rate on the record date, however the Company decided to use the average exchange rate during the accounting period. As a result of this change, net sales decreased for Motion Control by 714 million yen, Robotics by 636 million yen, and Information Technologies by 2 million yen. Operating costs and expenses decreased for Motion Control by 636 million yen, Robotics by 619 million yen, and Information Technologies by 1 million yen. Operating income decreased for Motion Control by 78 million yen, Robotics by 16 million yen, and Information Technologies by 0 million yen.

	Year ended March 20, 2007							Consolidated
	Motion Control	Robotics	System Engineering	Information Technologies	Other	Total	Eliminations & Corporate	
Net sales								
Sales to third parties	159,601	126,723	49,487	26,472	6,686	368,971	-	368,971
Intersegment sales and transfers	18,331	432	2,681	3,363	18,559	43,369	(43,369)	-
Total sales	177,932	127,156	52,169	29,836	25,246	412,340	(43,369)	368,971
Operating costs and expenses	158,100	118,172	50,355	28,643	23,370	378,642	(43,236)	335,406
Operating income (loss)	19,832	8,983	1,814	1,192	1,875	33,697	(133)	33,564

(Note)

1. Business segments are divided according to the classification adopted for internal management.

2. Changes in accounting methods

(1)The Company has adopted "Accounting Standard for Directors' Bonus". As a result of this change, operating costs and expenses for the fiscal year 2006 increased for Motion Control by 66 million yen, Robotics by 35 million yen, System Engineering by 19 million yen, Information Technologies by 13 million yen, and Other by 21 million yen. Operating income decreased as much for each segment.

(2)Directors' retirement benefits had previously been recognized when actual payment was made, however the company decided to make an allowance for directors' retirement benefits as necessary according to the provisions of the Company's bylaw at the end of the period. As a result of this change, operating costs and expenses increased for Motion Control by 56 million yen, Robotics by 36 million yen, System Engineering by 24 million yen, and Other by 7 million yen. Operating income decreased as much for each segment.

(3) The earnings and expenses of overseas subsidiaries had previously been calculated using the spot exchange rate on the record date, however the Company decided to use the average exchange rate during the accounting period. As a result of this change, net sales decreased for Motion Control by 2,759 million yen, Robotics by 1,485 million yen, and Information Technologies by 5 million yen. Operating costs and expenses decreased for Motion Control by 2,479 million yen, Robotics by 1,453 million yen, and Information Technologies by 4 million yen. Operating income decreased for Motion Control by 280 million yen, Robotics by 32 million yen, and Information Technologies by 1 million yen.

Geographical Areas

(Millions of yen)

	Six months ended September 20, 2007						Consolidated
	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	
Net sales							
Sales to third parties	115,456	23,445	25,995	18,896	183,794	-	183,794
Intersegment sales and transfers	29,848	81	225	5,431	35,587	(35,587)	-
Total sales	145,304	23,527	26,220	24,328	219,381	(35,587)	183,794
Operating costs and expenses	135,179	21,231	24,174	22,280	202,866	(35,538)	167,327
Operating income	10,125	2,296	2,046	2,047	16,515	(49)	16,466

(Note)

1. Geographical areas are divided into categories based on their geographical proximity.

2. The regions that belong to each area are as follows.

(1) The Americas - U.S.A., etc

(2) Europe – Germany, Sweden, The United Kingdom, etc

(3) Asia – The People's Republic of China, Singapore, Korea, etc

	Six months ended September 20, 2006						Consolidated
	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	
Net sales							
Sales to third parties	116,657	27,689	21,196	14,189	179,732	-	179,732
Intersegment sales and transfers	27,481	111	201	5,059	32,853	(32,853)	-
Total sales	144,138	27,800	21,397	19,248	212,585	(32,853)	179,732
Operating costs and expenses	134,607	25,135	20,446	17,536	197,726	(33,095)	164,630
Operating income	9,531	2,665	951	1,711	14,859	242	15,101

(Note)

1. Geographical areas are divided into categories based on their geographical proximity.

2. The regions that belong to each area are as follows.

(1) The Americas - U.S.A., etc

(2) Europe – Germany, Sweden, The United Kingdom, etc

(3) Asia – The People's Republic of China, Singapore, Korea, etc

3. Changes in accounting methods

(1)The Company has adopted "Accounting Standard for Directors' Bonus". As a result of this change, operating costs and expenses for the first half of fiscal year 2006 increased for Japan by 79 million yen. Operating income decreased as much.

(2)Directors' retirement benefits had previously been recognized when actual payment was made, however the company decided to make an allowance for directors' retirement benefits as necessary according to the provisions of the Company's bylaw at the end of the period. As a result of this change, operating costs and expenses increased for Japan by 57 million yen. Operating income decreased as much.

(3) The earnings and expenses of overseas subsidiaries had previously been calculated using the spot exchange rate on the record date, however the Company decided to use the average exchange rate during the accounting period. As a result of this change, net sales decreased for The Americas by 447 million yen, Europe by 869 million yen, and Asia by 87 million yen. Operating costs and expenses decreased for The Americas by 404 million yen, Europe by 827 million yen, and Asia by 77 million yen. Operating income decreased for The Americas by 42 million yen, Europe by 41 million yen, and Asia by 10 million yen.

Year ended March 20, 2007

	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	Consolidated
Net sales							
Sales to third parties	243,127	50,635	45,505	29,703	368,971	-	368,971
Intersegment sales and transfers	53,816	514	288	10,717	65,336	(65,336)	-
Total sales	296,944	51,149	45,794	40,420	434,307	(65,336)	368,971
Operating costs and expenses	274,481	46,191	43,350	36,482	400,504	(65,098)	355,406
Operating income	22,462	4,958	2,443	3,938	33,803	(238)	33,564

(Note)

1. Geographical areas are divided into categories based on their geographical proximity.

2. The regions that belong to each area are as follows.

(1) The Americas - U.S.A., etc

(2) Europe – Germany, Sweden, The United Kingdom, etc

(3) Asia – The People's Republic of China, Singapore, Korea, etc

3. Changes in accounting methods

(1)The Company has adopted "Accounting Standard for Directors' Bonus". As a result of this change, operating costs and expenses for the fiscal year 2006 increased for Japan by 156 million yen. Operating income decreased as much.

(2)Directors' retirement benefits had previously been recognized when actual payment was made, however the company decided to make an allowance for directors' retirement benefits as necessary according to the provisions of the Company's bylaw at the end of the period. As a result of this change, operating costs and expenses increased for Japan by 125 million yen. Operating income decreased as much.

(3) The earnings and expenses of overseas subsidiaries had previously been calculated using the spot exchange rate on the record date, however the Company decided to use the average exchange rate during the accounting period. As a result of this change, net sales decreased for The Americas by 641 million yen, Europe by 2,435 million yen, and Asia by 1,334 million yen. Operating costs and expenses decreased for The Americas by 579 million yen, Europe by 2,297 million yen, and Asia by 1,219 million yen. Operating income decreased for The Americas by 61 million yen, Europe by 137 million yen, and Asia by 114

Overseas Sales

(Millions of yen)

	Six months ended September 20, 2007				
	The Americas	Europe	Asia	Other	Total
Overseas sales	25,556	27,031	36,614	681	89,883
Consolidated net sales	-	-	-	-	183,794
Overseas sales as a percentage of consolidated net sales	14%	15%	20%	0%	49%

(Note)

1. Geographical areas are divided into categories based on their geographical proximity.

2. Major nations or regions included in each geographical area are as follows:

(1) The Americas - U.S.A., etc

(2) Europe – Germany, Sweden, The United Kingdom, etc

(3) Asia – The People's Republic of China, Singapore, Korea, etc

(4) Other – Australia, etc

3. Overseas sales are sales made by Yaskawa Electric and its subsidiaries to countries and regions excluding Japan.

	Six months ended September 20, 2006				
	The Americas	Europe	Asia	Other	Total
Overseas sales	28,020	22,173	31,679	691	82,565
Consolidated net sales	-	-	-	-	179,732
Overseas sales as a percentage of consolidated net sales	16%	12%	18%	0%	46%

(Note)

1. Geographical areas are divided into categories based on their geographical proximity.

2. Major nations or regions included in each geographical area are as follows:

(1) The Americas - U.S.A., etc

(2) Europe – Germany, Sweden, The United Kingdom, etc

(3) Asia – The People’s Republic of China, Singapore, Korea, etc

(4) Other – Australia, etc

3. Overseas sales are sales made by Yaskawa Electric and its subsidiaries to countries and regions excluding Japan.

4. Changes in accounting methods

The earnings and expenses of overseas subsidiaries had previously been calculated using the spot exchange rate on the record date, however the Company decided to use the average exchange rate during the accounting period. As a result of this change, overseas sales decreased for The Americas by 429 million yen, Europe by 852 million yen, Asia by 67 million yen, and Other by 5 million yen. Consolidated sales decreased by 1,353 million yen. This change had minor effect on percentage of overseas sales against consolidated sales.

Year ended March 20, 2007

	<u>The Americas</u>	<u>Europe</u>	<u>Asia</u>	<u>Other</u>	<u>Total</u>
Overseas sales	55,343	46,566	65,249	1,538	168,698
Consolidated net sales	-	-	-	-	368,971
Overseas sales as a percentage of consolidated net sales	<u>15%</u>	<u>13%</u>	<u>18%</u>	<u>0%</u>	<u>46%</u>

(Note)

1. Geographical areas are divided into categories based on their geographical proximity.

2. Major nations or regions included in each geographical area are as follows:

(1) The Americas - U.S.A., etc

(2) Europe – Germany, Sweden, The United Kingdom, etc

(3) Asia – The People’s Republic of China, Singapore, Korea, etc

(4) Other – Australia, etc

3. Overseas sales are sales made by Yaskawa Electric and its subsidiaries to countries and regions excluding Japan.

4. Changes in accounting methods

The earnings and expenses of overseas subsidiaries had previously been calculated using the spot exchange rate on the record date, however the Company decided to use the average exchange rate during the accounting period. As a result of this change, overseas sales decreased for The Americas by 613 million yen, Europe by 2,372 million yen, Asia by 1,095 million yen, and Other by 29 million yen. Consolidated sales decreased by 4,114 million yen. This change had minor effect on percentage of overseas sales against consolidated sales.