

Summary of Consolidated Results for the Fiscal Year Ended March 20, 2008

April 15, 2008

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 Fiscal Year 2007 (March 21, 2007 to March 20, 2008)

(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)			
	Year ended March 20, 2008	Change	Year ended March 20, 2007	Change
Net sales	382,327	3.6%	368,971	14.3%
Operating income	36,487	8.7%	33,564	37.1%
Ordinary income	35,212	5.5%	33,383	37.2%
Net income	20,242	6.6%	18,982	86.9%
Earnings per share (basic, Yen)	81.46	-	81.12	-
Earnings per share (diluted, Yen)	80.50	-	75.29	-
Return on shareholders' equity (%)	22.3	-	28.4	-
Return on assets (%)	12.5	-	12.6	-
Operating income ratio (%)	9.5	-	9.1	-

Reference: Equity in earnings of affiliated companies

Year ended March 20, 2008: ¥1,195 million

Year ended March 20, 2007: ¥523 million

(2) Summary of Consolidated Financial Position

	(Millions of yen, except ratio and per share data)	
	Year ended March 20, 2008	Year ended March 20, 2007
Total assets	289,206	273,180
Net assets	106,454	86,242
Shareholders' equity ratio (%)	34.9	29.6
Net assets per share (Yen)	400.71	331.94

Reference: Shareholders' equity

Year ended March 20, 2008: ¥100,862 million

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

(3) Summary of Consolidated Statements of Cash Flows

	(Millions of yen)	
	Year ended March 20, 2008	Year ended March 20, 2007
Net cash provided by (used in) operating activities	17,688	14,990
Net cash provided by (used in) investing activities	(9,933)	(6,119)
Net cash provided by (used in) financing activities	(8,790)	(8,960)
Cash and cash equivalents at end of period	11,864	13,214

2. Dividend Distribution

	Year Ended March 20, 2007	Year Ended March 20, 2008	Year Ending March 20, 2009 (forecast)
Dividend per share (Yen)			
Interim	3.00	5.00	6.50
Year-end	3.00	5.00	6.50
Annual total	6.00	10.00	13.00
Annual cash dividends paid (millions of yen)	1,428	2,519	-
Dividend payout ratio (consolidated)	7.4%	12.3%	15.6%
Dividend on net assets (consolidated)	2.1%	2.7%	-

3. Projected Consolidated Results for the Fiscal Year Ending March 20, 2009

(Millions of yen, except for per share data)

	Six months ending September 20, 2008	Change	Year ending March 20, 2009	Change
Net sales	185,000	0.7%	400,000	4.6%
Operating income	15,500	(5.9%)	38,000	4.1%
Ordinary income	15,500	(8.3%)	38,000	7.9%
Net income	8,500	(12.1%)	21,000	3.7%
Earnings per share (Yen)	33.77	-	83.43	-

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:
Year ended March 20, 2008: 252,331,938 shares
Year ended March 20, 2007: 243,953,569 shares
2. The number of treasury stocks at the end of the period:
Year ended March 20, 2008: 622,312 shares
Year ended March 20, 2007: 574,704 shares

Note: Per Share Information

	Year Ended March 20, 2007	Year Ended March 20, 2008 (Millions of yen)
Net income	18,982	20,242
Amount not attributable to common shareholders (Directors' bonus as an appropriation of income)	-	-
Net income on common shares: A	18,982	20,242
	(Thousands of shares)	(Thousands of shares)
Average number of common shares outstanding: B	234,012	248,507
Diluted effect of:		
Convertible bonds: C	18,105	2,947
Earnings per share (basic, Yen)	81.12	81.46
Earnings per share (diluted, Yen)*	75.29	80.50

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

(Reference) Non-Consolidated Information

1. Summary of Non-Consolidated Results for Fiscal Year 2007 (March 21, 2007 to March 20, 2008)

(1) Summary of Non-Consolidated Statements of Income

	(Millions of yen, except for per share data)			
	Year ended March 20, 2008	Change	Year ended March 20, 2007	Change
Net sales	219,693	1.6%	216,268	14.1%
Operating income	15,576	10.2%	14,139	73.6%
Ordinary income	20,434	3.1%	19,828	52.0%
Net income	14,583	13.4%	12,860	238.1%
Earnings per share (basic, Yen)	58.61	-	54.86	-
Earnings per share (diluted, Yen)	57.92	-	50.93	-

(2) Summary of Non-Consolidated Financial Position

	(Millions of yen, except ratio and per share data)	
	Year ended March 20, 2008	Year ended March 20, 2007
Total assets	195,334	185,651
Net assets	69,961	54,125
Shareholders' equity ratio (%)	35.8	29.2
Net assets per share (Yen)	277.64	222.14

Reference: Shareholders' equity

Year ended March 20, 2008: ¥69,961 million

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

2. Projected Non-Consolidated Results for the Fiscal Year Ending March 20, 2009

	(Millions of yen, except for per share data)			
	Six months ending September 20, 2008	Change	Year ending March 20, 2009	Change
Net sales	106,000	0.5%	233,000	6.1%
Operating income	5,000	(30.0%)	16,500	5.9%
Ordinary income	9,500	(5.1%)	24,000	17.4%
Net income	6,000	(12.4%)	16,500	13.1%
Earnings per share (Yen)	23.81	-	65.48	-

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 Fiscal Year 2007

Both sales and income marked record highs in fiscal year 2007, although the Yaskawa Group's business was affected by sharp appreciation of yen against the US dollar at the end of the period.

The table below summarizes the Group's business results.

	Year Ended March 20, 2008 (percentage change from the previous fiscal year)
Net sales	¥382,327 million (up by 3.6%)
Operating income	¥36,487 million (up by 8.7%)
Ordinary income	¥35,212 million (up by 5.5%)
Net income	¥20,242 million (up by 6.6%)

The global economy during the first half of fiscal year 2007 was generally positive, however some concern arose over economic slowdown due to U.S. subprime mortgage crisis, sudden fluctuations in exchange rates, and soaring crude oil prices.

The industrial trends of our main customers during the fiscal year 2007 were as follows.

- The air-conditioning industry and steel industry were strong. At the same time, the electronic component industry and automobile industry were robust.
- The FPD industry saw restrained capital expenditures in the first half of fiscal year 2007. However, in the latter half, there was a sign of resumption of capital expenditure.
- Capital expenditures in the semiconductor industry continued to be weak.

In the midst of this economic environment, the Yaskawa Group implemented the necessary measures shown below, as we positioned 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. The three basic goals of "DASH100" are to establish businesses that are truly global No.1 in market share, size, and profitability, to start up and develop new businesses, and to realize ordinary income ratio of 10% as soon as possible.

- We marketed competitive new products with higher added value, including such mechatronic products as AC servomotors and controllers, AC drives, and robots. We also strengthened sales operations and increased market share.
- Drastic automation and streamlining of production line was carried out at the new AC drive factory "Drive Center" in order to improve production capacity and efficiency.
- We strengthened our efforts toward improving product quality and human resource development.

2. Results by Business Segment

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

Business segment	Year Ended March 20, 2008	
	Net sales (percentage change from the previous fiscal year)	Operating income (percentage change from the previous fiscal year)
Motion Control	¥177,899 million (up by 11.5%)	¥21,370 million (up by 7.8%)
Robotics	¥123,550 million (down by 2.5%)	¥8,576 million (down by 4.5%)
System Engineering	¥50,517 million (up by 2.1%)	¥3,940 million (up by 2.17 times)
Information Technologies	¥23,183 million (down by 12.4%)	¥420 million (down by 64.7%)
Other	¥7,176 million (up by 7.3%)	¥2,064 million (up by 10.1%)

■ Motion Control

As for AC servomotors 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 manufacturing market showed a sign of recovery. The markets in Europe and Asia were booming.

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

The sales of robots for welding and handling mainly for the automobile industry in Japan and Europe were robust. And, there was a sign of resumption of capital expenditure in the FPD manufacturing industry. However, the segment was significantly affected by restrained capital expenditures in the semiconductor industry and by transfer of a former U.S. subsidiary.

■ System Engineering

The System Engineering segment successfully took in the continuously increasing demand for capital expenditures in steel industry, which led to significantly increased profits.

■ 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 significantly affected by the stagnant demand in semiconductor and FPD manufacturing markets, and by decrease of business projects on information infrastructure for municipalities.

■ 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.

	Year ended March 20, 2008 (percentage change from the previous fiscal year)
Net sales	¥219,693 million (up by 1.6%)
Operating income	¥15,576 million (up by 10.2%)
Ordinary income	¥20,434 million (up by 3.1%)
Net income	¥14,583 million (up by 13.4%)

3. Outlook for Fiscal Year 2008

Although some concerns remain over economic slowdown in the U.S., sharp fluctuations in exchange rates, and rise in prices of crude oil and other resources, the Yaskawa Group aims to increase sales and profits continuously in the fiscal year 2008.

The business outlook for the fiscal year 2008 is as follows.

Assumed exchange rates for the fiscal year 2008 are 100 yen/dollar and 150yen/euro.

Fiscal Year 2008 Consolidated

	Fiscal Year 2008 (forecast)	Year-on-year Change
Net sales	¥400,000 million	Up by ¥17,673 million (4.6%)
Operating income	¥38,000 million	Up by ¥1,513 million (4.1%)
Ordinary income	¥38,000 million	Up by ¥2,788 million (7.9%)
Net income	¥21,000 million	Up by ¥758 million (3.7%)

(Reference) Fiscal Year 2008 Non-Consolidated

	Fiscal Year 2008 (forecast)	Year-on-year Change
Net sales	¥233,000 million	Up by ¥13,307 million (6.1%)
Operating income	¥16,500 million	Up by ¥924 million (5.9%)
Ordinary income	¥24,000 million	Up by ¥3,566 million (17.4%)
Net income	¥16,500 million	Up by ¥1,917 million (13.1%)

(2) Overview on Financial Condition

1. Balance Sheet Highlights

Total assets increased by ¥16,026 million to ¥289,206 million, as trade notes and accounts receivable increased by ¥11,242 million.

Total liabilities decreased by ¥4,186 million to ¥182,751 million, as trade notes and accounts payable increased by ¥5,051 million, and short-term bank loans increased by ¥3,144 million, while corporate bonds redeemable within a year and convertible bonds decreased by ¥10,000 million and ¥6,200 million respectively.

Total net assets amounted to ¥106,454 million, as common stock and additional paid-in capital increased by ¥3,108 million and ¥3,163 million respectively because of conversion of bonds. Retained earnings also increased by ¥18,252 million.

2. Cash Flow

The balance of cash and cash equivalents at the end of the fiscal year was ¥11,864 million yen, down by ¥1,350 million yen from the corresponding date of the previous year.

Net cash provided by operating activities was ¥17,688 million. Its rough breakdown is income before income taxes and minority interests of ¥34,295 million, depreciation and amortization of ¥7,676 million, increase of trade receivables by ¥17,795 million, increase of trade payables of ¥5,449 million and income taxes paid of ¥10,876 million.

Net cash used in investing activities was ¥9,933 million as a result of purchases of property, plant and equipment.

Free cash flow, which is a sum of cash flows from operating and investing activities, was positive ¥7,754 million.

Net cash used in financing activities was ¥8,790 million. This was mainly due to redemption of corporate bonds.

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	End of full year
Shareholders' equity ratio (%)	17.1	20.7	23.4	29.6	34.2	34.9
Shareholders' equity ratio based on market value (%)	81.0	118.2	105.2	118.9	123.1	81.6
Ratio of interest-bearing debt against cash flow (years)	4.6	3.3	5.1	3.1	1.6	1.9
Interest coverage ratio (times)	<u>12.8</u>	<u>12.8</u>	<u>9.2</u>	<u>11.8</u>	<u>19.7</u>	<u>15.5</u>

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 base.

*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 and 2008

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 year-end dividend for this fiscal year is ¥5 per share. Together with the interim dividend of ¥5 paid previously, total annual cash dividend for the fiscal year 2007 is ¥10 per share. As for the projected cash dividend for the fiscal year 2008, the Company expects to pay the annual dividend of ¥13 per share, including the interim dividend of ¥6.5 and the year-end dividend of ¥6.5.

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 positions the fiscal year 2008 as the year to finalize the mid-term business plan “DASH 100”. We will implement the following measures in order to achieve its goals.

- In addition to the new series of AC servomotors and AC drives released in fiscal year 2007, Motion Control segment will enrich its product lineup with unrivaled products, with which we will expand market globally. Robotics segment will focus its efforts on the FPD industry with prospect of investment expansion. At the same time, the segment will re-enhance its business strategies by product application and by region.
- The Yaskawa Group will reinforce its regional strategies for China and Asia, which are the growing markets. We will also accelerate business expansion in the emerging markets like India.
- In order to meet the society’s expectations for corporations that are able to contribute to solving such social problems as environmental problems, energy-saving demands, and labor shortage due to a low birthrate and an aging population, we will quickly create new business by accelerating application of our automation and energy-saving technologies, and by promoting new business with new-generation robots.
- The Yaskawa Group will continue human resource development by promoting awareness for self-development, with which each employee will keep pursuing higher goals.

By implementing the above-mentioned measures, the Yaskawa Group will achieve continuous expansion of sales and profits even when some concern remain over risks for economic slowdown in the U.S., sharp fluctuations in exchange rates, and rise in prices of crude oil and other resources.

3. Consolidated Financial Statements

Consolidated Balance Sheet

	As of March 20, 2007		As of March 20, 2008		(Millions of yen)
		% of Total		% of Total	Change
Assets					
Current assets					
Cash and time deposits	13,356		12,004		
Trade notes and accounts receivable	99,231		110,473		
Short-term investments	26		20		
Inventories	58,136		57,902		
Deferred tax assets	6,944		7,504		
Other current assets	11,063		17,634		
Allowance for doubtful accounts	(998)		(978)		
Total current assets	<u>187,760</u>	<u>68.7</u>	<u>204,561</u>	<u>70.7</u>	<u>16,801</u>
Fixed assets					
Tangible fixed assets					
Buildings and structures	17,703		18,460		
Machines and transportation devices	9,481		10,491		
Land	7,767		7,551		
Other tangible fixed assets	4,843		4,576		
Total tangible fixed assets	<u>39,795</u>	<u>14.6</u>	<u>41,079</u>	<u>14.2</u>	<u>1,284</u>
Intangible fixed assets					
Goodwill	1,766		1,546		
Software	5,389		4,209		
Other intangible fixed assets	522		1,032		
Total intangible fixed assets	<u>7,679</u>	<u>2.8</u>	<u>6,788</u>	<u>2.4</u>	<u>(890)</u>
Investments and other assets					
Investments	23,011		19,334		
Long-term loans	284		306		
Deferred tax assets	11,790		13,790		
Other investments	3,183		4,342		
Allowance for doubtful accounts	(324)		(998)		
Total investments and other assets	<u>37,945</u>	<u>13.9</u>	<u>36,776</u>	<u>12.7</u>	<u>(1,168)</u>
Total fixed assets	<u>85,419</u>	<u>31.3</u>	<u>84,644</u>	<u>29.3</u>	<u>(775)</u>
Total Assets	<u><u>273,180</u></u>	<u><u>100.0</u></u>	<u><u>289,206</u></u>	<u><u>100.0</u></u>	<u><u>16,026</u></u>

Consolidated Balance Sheet (Continued)

	(Millions of yen)				
	As of March 20, 2007		As of March 20, 2008		Change
	%	%	%	%	
	of Total	of Total	of Total	of Total	
Liabilities					
Current liabilities					
Trade notes and accounts payable	69,318		74,370		
Short-term bank loans	23,111		26,256		
Corporate bonds redeemable within a year	10,000		-		
Accrued expenses	19,083		19,152		
Accrued income taxes	5,600		8,337		
Accrued directors' bonus	153		223		
Other current liabilities	10,010		11,865		
Total current liabilities	<u>137,278</u>	<u>50.2</u>	<u>140,205</u>	<u>48.5</u>	<u>2,926</u>
Long-term liabilities					
Convertible bonds	6,200		-		
Long-term debt	7,439		7,573		
Accrued retirement benefits for employees	34,912		33,607		
Accrued directors' retirement benefits	701		823		
Other long-term liabilities	406		541		
Total long-term liabilities	<u>49,659</u>	<u>18.2</u>	<u>42,546</u>	<u>14.7</u>	<u>(7,113)</u>
Total liabilities	<u>186,938</u>	<u>68.4</u>	<u>182,751</u>	<u>63.2</u>	<u>(4,186)</u>
Net assets					
Shareholders' equity					
Common stock	19,953	7.3	23,062	8.0	3,108
Additional paid-in capital	15,489	5.7	18,652	6.4	3,163
Retained earnings	38,736	14.2	56,988	19.7	18,252
Treasury stock, at cost	(282)	(0.1)	(359)	(0.1)	(77)
Total shareholders' equity	<u>73,897</u>	<u>27.1</u>	<u>98,343</u>	<u>34.0</u>	<u>24,446</u>
Evaluation and translation adjustments					
Net unrealized holding gain on securities	4,619	1.7	1,607	0.6	(3,012)
Deferred hedge income (loss)	(8)	(0.0)	(10)	(0.0)	(1)
Foreign currency translation adjustments	2,280	0.8	921	0.3	(1,358)
Total evaluation and translation adjustments	<u>6,890</u>	<u>2.5</u>	<u>2,518</u>	<u>0.9</u>	<u>(4,372)</u>
Minority interests	<u>5,454</u>	<u>2.0</u>	<u>5,592</u>	<u>1.9</u>	<u>138</u>
Total net assets	<u>86,242</u>	<u>31.6</u>	<u>106,454</u>	<u>36.8</u>	<u>20,212</u>
Total liabilities and net assets	<u><u>273,180</u></u>	<u><u>100.0</u></u>	<u><u>289,206</u></u>	<u><u>100.0</u></u>	<u><u>16,026</u></u>

Consolidated Statements of Income

(Millions of yen)

	Year Ended March 20, 2007		Year Ended March 20, 2008		Change
		% of Total		% of Total	
Net sales	368,971	100.0	382,327	100.0	13,356
Cost of sales	264,084	71.6	271,725	71.1	7,641
Gross profit	104,886	28.4	110,601	28.9	5,714
Selling, general and administrative expenses	71,322	19.3	74,113	19.4	2,791
Operating income	33,564	9.1	36,487	9.5	2,923
Non-operating income					
Interest and dividends received	512		537		
Equity in earnings of associated companies	523		1,195		
Miscellaneous income	830		497		
Total non-operating income	1,867	0.5	2,230	0.6	363
Non-operating expenses					
Interest expense	1,207		1,137		
Foreign exchange loss	-		2,066		
Miscellaneous expenses	841		301		
Total non-operating expenses	2,048	0.6	3,505	0.9	1,457
Ordinary income	33,383	9.0	35,212	9.2	1,829
Extraordinary gains					
Proceeds from sales of fixed assets	1,069		7		
Proceeds from sales of securities of affiliates	1,856		-		
Proceeds from sales of investment securities	120		24		
Other extraordinary gains	29		117		
Total extraordinary gains	3,076	0.8	149	0.0	(2,927)
Extraordinary losses					
Loss from disposal of fixed assets	398		253		
Loss on devaluation of investment securities	727		150		
Impairment loss	2,167		301		
Loss on structural business reforms	1,845		-		
Other extraordinary losses	1,346		361		
Total extraordinary losses	6,486	1.7	1,066	0.2	(5,420)
Income before income taxes and minority interests	29,973	8.1	34,295	9.0	4,322
Provision for income taxes- current	10,654	2.9	13,432	3.5	2,778
Additional income tax for previous periods	842	0.2	604	0.2	(238)
Reversal of income taxes payable for previous periods	(549)	(0.1)	(262)	(0.1)	286
Provision for income taxes- deferred	(794)	(0.2)	(38)	(0.0)	755
Minority interests	836	0.2	317	0.1	(519)
Net income	18,982	5.1	20,242	5.3	1,260

Consolidated Statement of Changes in Net Assets (Fiscal year 2006: From March 21, 2006 to March 20, 2007)

	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 subsidiaries			1,246		1,246
Decrease due to increase in subsidiaries			(21)		(21)
Increase due to decrease in subsidiaries			1,602		1,602
Decrease due to decrease in 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 evaluation 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 subsidiaries						1,246
Decrease due to increase in subsidiaries						(21)
Increase due to decrease in subsidiaries						1,602
Decrease due to decrease in 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.

Consolidated Statement of Changes in Net Assets (Fiscal year 2007: From March 21, 2007 to March 20, 2008)

	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 year					
Exercise of stock acquisition rights	3,108	3,091			6,199
Cash dividends			(1,990)		(1,990)
Net income			20,242		20,242
Acquisition of treasury stock				(103)	(103)
Disposition of treasury stock		71		26	98
Increase due to increase in subsidiaries			0		0
Net changes in items other than shareholders' equity					
Total changes during the year	3,108	3,163	18,252	(77)	24,446
Balance at March 20, 2008	23,062	18,652	56,988	(359)	98,343

	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 evaluation and translation adjustments		
Balance at March 20, 2007	4,619	(8)	2,280	6,890	5,454	86,242
Changes during the year						
Exercise of stock acquisition rights						6,199
Cash dividends						(1,990)
Net income						20,242
Acquisition of treasury stock						(103)
Disposition of treasury stock						98
Increase due to increase in subsidiaries						0
Net changes in items other than shareholders' equity	(3,012)	(1)	(1,358)	(4,372)	138	(4,234)
Total changes during the year	(3,012)	(1)	(1,358)	(4,372)	138	20,212
Balance at March 20, 2008	1,607	(10)	921	2,518	5,592	106,454

Consolidated Statements of Cash Flows

	Year ended March 20, 2007	Year ended March 20, 2008	(Millions of yen) Year-on-year change
Cash flows from operating activities			
Income before income taxes and minority interests	29,973	34,295	
Depreciation and amortization	6,962	7,676	
Impairment loss	2,167	301	
Provision for employees' retirement benefits, net of payments	(1,122)	(1,342)	
Gain on sales of investment securities	(120)	(24)	
Proceeds from sales of securities of affiliates	(1,856)	-	
Loss on devaluation of investment securities	727	150	
Interest and dividend income	(512)	(537)	
Interest expense	1,207	1,137	
(Increase) decrease in trade receivables	(12,016)	(17,795)	
(Increase) decrease in inventories	802	(714)	
Increase (decrease) in trade payables	1,100	5,449	
Increase (decrease) in accrued expenses	(298)	435	
Other, net	(1,300)	(284)	
Subtotal	25,713	28,748	3,034
Interest and dividends received	694	960	
Interest paid	(1,270)	(1,143)	
Income taxes paid	(10,147)	(10,876)	
Net cash provided by (used in) operating activities	14,990	17,688	2,697
Cash flows from investing activities			
Purchases of property, plant and equipment	(8,429)	(9,116)	
Proceeds from sales of property, plant and equipment	1,103	174	
Purchases of investment securities	(585)	(1,252)	
Proceeds from sales of investment securities	207	50	
Proceeds from sales of securities of affiliates, which changed the scope of consolidation	1,801	-	
Proceeds from acquisition of securities of subsidiaries, which changed the scope of consolidation	-	165	
Other, net	(216)	44	
Net cash provided by (used in) investing activities	(6,119)	(9,933)	(3,814)
Cash flows from financing activities			
Increase (decrease) in short-term debt	(4,517)	3,287	
Proceeds from long-term debt	3,715	5,435	
Repayments of long-term debt	(6,062)	(5,359)	
Expense due to redemption of corporate bonds	-	(10,000)	
Dividends paid	(2,093)	(1,990)	
Cash dividends paid for minority shareholders	(161)	(180)	
Other, net	158	17	
Net cash provided by (used in) financing activities	(8,960)	(8,790)	169
Effect of exchange rate changes on cash and cash equivalents	226	(341)	(568)
Net increase (decrease) in cash and cash equivalents	137	(1,377)	(1,514)
Cash and cash equivalents at beginning of year	12,102	13,214	1,112
Increase due to change in scope of consolidation	975	27	(948)
Cash and cash equivalents at end of year	13,214	11,864	(1,350)

Segment Information

Business Segments

	Year ended March 20, 2007						(Millions of yen)	
	Motion Control	Robotics	System Engineering	Information Technologies	Other	Total	Eliminations & Corporate	Consolidated
<u>Net sales and operating income</u>								
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
<u>Assets, depreciation, and capital expenditure</u>								
Assets	104,021	84,052	35,125	22,754	13,260	259,214	13,966	273,180
Depreciation	4,300	1,566	793	215	196	7,071	(109)	6,962
Impairment loss	-	-	-	-	-	-	2,167	2,167
Capital expenditure	5,657	1,776	757	280	149	8,621	(169)	8,452

(Note)

1. The business segments are classified based on similarity of product nature and manufacturing methods and selling methods, etc.

2. Corporate assets included in "Eliminations & Corporate" amounted to 26,817 million yen. Those assets principally consisted of excess funds (cash and cash equivalents and short-term investments) and long-term investments (investment securities) of the Company.

3. Depreciation and capital expenditures include amortisation of and additions to long-term prepaid expenses.

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

5. 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.

Year Ended March 20, 2008

(Millions of yen)

	<u>Motion Control</u>	<u>Robotics</u>	<u>System Engineering</u>	<u>Information Technologies</u>	<u>Other</u>	<u>Total</u>	<u>Eliminations & Corporate</u>	<u>Consolidated</u>
<u>Net sales and operating income</u>								
Sales to third parties	177,899	123,550	50,517	23,183	7,176	382,327	-	382,327
Intersegment sales and transfers	18,932	419	2,500	3,806	19,125	44,782	(44,782)	-
Total sales	196,832	123,969	53,017	26,990	26,301	427,110	(44,782)	382,327
Operating costs and expenses	175,461	115,392	49,077	26,569	24,236	390,737	(44,897)	345,839
Operating income	<u>21,370</u>	<u>8,576</u>	<u>3,940</u>	<u>420</u>	<u>2,064</u>	<u>36,372</u>	<u>114</u>	<u>36,487</u>
<u>Assets, depreciation, impairment loss, and capital expenditure</u>								
Assets	117,520	84,225	38,418	19,603	13,994	273,762	15,444	289,206
Depreciation	5,180	1,405	744	254	193	7,779	(103)	7,676
Impairment loss	-	-	-	-	-	-	301	301
Capital expenditure	<u>7,181</u>	<u>1,535</u>	<u>512</u>	<u>275</u>	<u>126</u>	<u>9,630</u>	<u>(509)</u>	<u>9,121</u>

(Note)

1. The business segments are classified based on similarity of product nature and manufacturing methods and selling methods, etc.
2. Corporate assets included in "Eliminations & Corporate" amounted to 26,505 million yen. Those assets principally consisted of excess funds (cash and cash equivalents and short-term investments) and long-term investments (investment securities) of the Company.
3. Depreciation and capital expenditures include amortisation of and additions to long-term prepaid expenses.

Geographical Areas

	Year Ended March 20, 2007					(Millions of yen)	
	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	Consolidated
<u>Net sales and operating income</u>							
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)	335,406
Operating income	22,462	4,958	2,443	3,938	33,803	(238)	33,564
<u>Assets</u>	195,475	22,479	27,929	22,901	268,785	4,395	273,180

(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. Corporate assets included in "Eliminations & Corporate" amounted to 26,817 million yen. Those assets principally consisted of excess funds (cash and cash equivalents and short-term investments) and long-term investments (investment securities) of the Company.

4. 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 million yen.

Year Ended March 20, 2008

(Millions of yen)

	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	Consolidated
<u>Net sales and operating income</u>							
Sales to third parties	235,678	46,735	57,308	42,604	382,327	-	382,327
Intersegment sales and transfers	62,400	195	424	9,498	72,519	(72,519)	-
Total sales	298,078	46,931	57,733	52,103	454,846	(72,519)	382,327
Operating costs and expenses	275,967	42,356	52,737	47,323	418,383	(72,543)	345,839
Operating income	22,111	4,575	4,995	4,780	36,462	24	36,487
Assets	204,894	21,692	34,918	29,177	290,683	(1,476)	289,206

(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. Corporate assets included in "Eliminations & Corporate" amounted to 26,505 million yen. Those assets principally consisted of excess funds (cash and cash equivalents and short-term investments) and long-term investments (investment securities) of the Company.

Overseas Sales

	Year Ended March 20, 2007				(Millions of yen)
	<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 sales	-	-	-	-	368,971
Percentage of overseas sales in consolidated 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. 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

(4) Other – Australia, etc

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

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.

	Year Ended March 20, 2008				(Millions of yen)
	<u>The Americas</u>	<u>Europe</u>	<u>Asia</u>	<u>Other</u>	<u>Total</u>
Overseas sales	50,947	58,424	80,869	1,265	191,506
Consolidated sales	-	-	-	-	382,327
Percentage of overseas sales in consolidated sales	<u>13%</u>	<u>15%</u>	<u>22%</u>	<u>0%</u>	<u>50%</u>

(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

(4) Other – Australia, etc

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