

## Summary of First Quarter Results for the Period Ended June 20, 2008

July 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 the First Quarter of Fiscal Year 2008 (March 21, 2008 to June 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) Consolidated Statements of Income

	(Millions of yen, except per share data)				
	Three months ended June 20, 2008	Change	Three months ended June 20, 2007	Change	Year ended March 20, 2008
Net sales	86,708	0.5%	86,288	2.7%	382,327
Operating income	7,119	(4.1%)	7,425	12.4%	36,487
Ordinary income	8,024	0.6%	7,976	23.3%	35,212
Net income	4,554	24.7%	3,651	407.7%	20,242
Earnings per share (basic, Yen)	18.10		14.97		81.46
Earnings per share (diluted, Yen)	-		14.85		80.50

#### (2) Consolidated Financial Position

	(Millions of yen, except ratio and per share data)		
	As of June 20, 2008	As of June 20, 2007	As of March 20, 2008
Total assets	287,381	269,666	289,206
Net assets	110,836	91,140	106,454
Shareholders' equity ratio (%)	36.7	31.8	34.9
Net assets per share (Yen)	418.81	351.05	400.71

#### (3) Consolidated Statements of Cash Flows

	(Millions of yen)		
	Three months ended June 20, 2008	Three months ended June 20, 2007	Year ended March 20, 2008
Net cash provided by (used in) operating activities	641	1,856	17,688
Net cash provided by (used in) investing activities	(2,786)	(1,239)	(9,933)
Net cash provided by (used in) financing activities	(1,186)	(3,543)	(8,790)
Cash and cash equivalents at end of period	8,415	10,501	11,864

## 2. Dividend Distribution

		Year Ended March 20, 2008	Year Ending March 20, 2009 (forecast)
Dividend per share (Yen)	Interim	5.00	6.50
	Year-end	5.00	6.50
	Annual total	10.00	13.00

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

Projected consolidated results for the fiscal year 2008 disclosed on April 15, 2008 remain unchanged.

(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) Simplification of accounting methods: Yes
- (3) Changes in accounting methods from the most recent fiscal year: None

Note: Please refer to "4.Other" in "Business Results and Financial Statements" on page 6.

### (Reference)

## 1. Summary of Non-Consolidated Results for the First Quarter of Fiscal Year 2008 (March 21, 2008 to June 20, 2008)

### (1) Non-Consolidated Statements of Income

(Millions of yen, except for per share data)					
	Three months ended June 20, 2008	Change	Three months ended June 20, 2007	Change	Year ended March 20, 2008
Net sales	49,023	(1.3%)	49,661	5.5%	219,693
Operating income	2,476	(24.1%)	3,261	40.5%	15,576
Ordinary income	6,456	23.4%	5,230	32.0%	20,434
Net income	4,327	23.3%	3,509	-	14,583
Earnings per share (basic, Yen)	17.17		14.37		58.61

### (2) Non-Consolidated Financial Position

(Millions of yen, except ratio and per share data)			
	As of June 20, 2008	As of June 20, 2007	As of March 20, 2008
Total assets	183,928	180,735	195,334
Net assets	74,341	58,321	69,961
Shareholders' equity ratio (%)	40.4	32.3	35.8
Net assets per share (Yen)	295.02	238.27	277.64

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

Projected non-consolidated results for the fiscal year 2008 disclosed on April 15, 2008 remain unchanged.

(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.

## Business Results and Financial Statements

### 1. Overview on Business Performance

The first quarter of this fiscal year saw economic slowdown due to decelerating economy in the U.S. and rising prices of crude oil and materials. However, as for the focus markets which the Yaskawa Group is specialized and involved in, China and Asia are booming, and the FPD market has resumed capital expenditures. The demand in energy-saving-related market continues to be robust as well.

The Yaskawa Group is implementing the necessary measures listed below, as we position the fiscal year 2008, the final year of the mid-term business plan "DASH 100", as the year to finalize the plan. 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.

- Motion Control segment is working to achieve order increase from around the world with products with unrivaled competitiveness by enhancing the lineup of new products of servomotors and AC drives launched in fiscal year 2007. Robotics segment is working to increase sales and profits by launching new products for customers in automobile and FPD industries, which enjoy relatively favorable investment climate.

- The Yaskawa Group is reinforcing its regional strategies for China and Asia, which are the growing markets. We 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 are working to quickly commercialize new business by accelerating application of our automation and energy-saving technologies, and by promoting new business with new-generation robots.

As a result of the above, the Yaskawa Group's business results of the first quarter of fiscal year 2008, resulted in net sales, ordinary income and net income increasing from the corresponding period of the previous fiscal year.

	First Quarter of Fiscal Year 2008 (percentage change from the previous fiscal year)
Net Sales	¥86,708 million (Up by 0.5%)
Operating Income	¥7,119 million (Down by 4.1%)
Ordinary Income	¥8,024 million (Up by 0.6%)
Net Income	¥4,554 million (Up by 24.7%)

The first quarter business results of each business segment are as follows.

Business Segment	Net Sales (percentage change from the previous fiscal year)	Operating Income (Loss) (percentage change from the previous fiscal year)
Motion Control	¥43,572 million (Up by 5.5%)	¥5,219 million (Up by 6.0%)
Robotics	¥28,480 million (Up by 1.0%)	¥1,415 million (Down by 24.1%)
System Engineering	¥8,707 million (Down by 20.0%)	¥378 million (Down by 42.6%)
Information Technologies	¥4,127 million (Down by 1.9%)	(¥386 million) (Up by ¥138 million)
Other (Includes logistics services and temporary staffing services)	¥1,820 million (Up by 7.4%)	¥476 million (Up by 26.9%)

#### [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 FPD manufacturing market saw recovery in demand.

As for AC drives, the business was robust as energy-saving demand and overseas infrastructure investment continued.

#### [Robotics]

Sales and profits of the Robotics segment was significantly affected by restrained capital expenditures in the semiconductor-manufacturing equipment industry. Meanwhile, the sales of robots for welding and handling mainly for the automobile industry in Japan and Europe were robust. Although the demand in the FPD industry is beginning to fully recover, it is yet to contribute to actual sales.

#### [System Engineering]

The segment's business for the steel industry continues to be robust, however the first quarter was in the trough of sales recording.

#### [Information Technologies]

As for the Information Technologies segment, system integration for telecommunication businesses and computer peripherals business saw decline. Although the demand in the FPD industry is recovering, it is yet to contribute to actual sales.

## 2. Overview on Financial Condition

### (1) Balance Sheet Highlights

Total assets at the end of the first quarter of this fiscal year increased by ¥17,715 million to ¥287,381 million from the end of the first quarter of the previous fiscal year, as current assets increased by ¥17,463 million because of increase in trade notes and accounts receivable.

Corporate bonds redeemable within a year and convertible bonds decreased by ¥10,000 million and ¥5,370 million respectively, while trade notes and accounts payable, and short-term bank loans increased by ¥6,476 million and ¥4,730 million respectively. As a result, total liabilities decreased by ¥1,980 million to ¥176,544 million from the end of the first quarter of previous fiscal year.

Total net assets increased by ¥19,696 million to ¥110,836 million yen from the end of the first quarter of previous fiscal year, as retained earnings increased by ¥18,626 million.

### (2) Cash Flows

The balance of cash and cash equivalents at the end of the first quarter was ¥8,415 million yen, down by ¥2,085 million yen from the end of the first quarter of previous year.

Net cash provided by operating activities was ¥641 million. Its rough breakdown is income before income taxes and minority interests of ¥7,928 million, and income taxes paid of ¥7,578 million.

Net cash used in investing activities was ¥2,786 million as a result of purchases of property, plant and equipment of ¥1,852 million, and purchases of investment securities of ¥529 million.

Free cash flow, which is a sum of cash flows from operating and investing activities, was negative ¥2,145 million.

Net cash used in financing activities was ¥1,186 million as cash dividends were paid.

### 3. Overview on projected consolidated results

Projected business results disclosed on April 15, 2008 remain unchanged.

Assumed exchange rates from June 21, 2008 to March 20, 2009 are 100 yen/dollar and 150 yen/euro on average.

	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%)

### 4. Other

(1) Changes in scope of consolidation: N/A

(2) Simplification of accounting methods:

Some simplified methods are applied in depreciation of fixed assets and in valuation of inventory.

(3) Changes in accounting methods from the most recent fiscal year: N/A

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheet (Summary)

	As of June 20, 2007		As of June 20, 2008		Difference (B) - (A)	(Millions of Yen) As of March 20, 2008	
	(A)	% of Total	(B)	% of Total		Amount	% of Total
<b>Assets</b>							
Current assets							
Cash and time deposits	10,643		8,456		(2,186)	12,004	
Trade notes and accounts receivable	92,812		99,274		6,462	110,473	
Inventories	64,141		64,944		803	57,902	
Other current assets	16,321		28,705		12,384	24,181	
Total current assets	183,918	68.2	201,381	70.1	17,463	204,561	70.7
Fixed assets							
Property, plant and equipment	40,112		41,159		1,047	41,079	
Intangible fixed assets	7,205		6,479		(726)	6,788	
Investments and other assets	38,430		38,361		(69)	36,776	
Total fixed assets	85,747	31.8	85,999	29.9	251	84,644	29.3
Total Assets	269,666	100.0	287,381	100.0	17,715	289,206	100.0
<b>Liabilities</b>							
Current liabilities							
Trade notes and accounts payable	67,158		73,634		6,476	74,370	
Short-term bank loans	21,801		26,532		4,730	26,256	
Corporate bonds redeemable within a year	10,000		-		(10,000)	-	
Other current liabilities	31,520		34,230		2,710	39,578	
Total current liabilities	130,480	48.4	134,397	46.7	3,916	140,205	48.5
Long-term liabilities							
Convertible bonds	5,370		-		(5,370)	-	
Long-term debt	6,850		7,363		512	7,573	
Accrued retirement benefits for employees	34,683		33,419		(1,263)	33,607	
Other long-term liabilities	1,141		1,364		223	1,365	
Total long-term liabilities	48,044	17.8	42,147	14.7	(5,897)	42,546	14.7
Total liabilities	178,525	66.2	176,544	61.4	(1,980)	182,751	63.2
<b>Net assets</b>							
Shareholders' equity							
Common stock	20,369		23,062		2,692	23,062	
Additional paid-in capital	15,904		18,653		2,748	18,652	
Retained earnings	41,657		60,283		18,626	56,988	
Treasury stock, at cost	(292)		(365)		(73)	(359)	
Total shareholders' equity	77,639	28.8	101,633	35.4	23,994	98,343	34.0
Evaluation and translation adjustments							
Net unrealized holding gain on securities	5,212		2,965		(2,246)	1,607	
Deferred hedge income	(0)		(10)		(9)	(10)	
Foreign currency translation adjustments	2,981		827		(2,154)	921	
Total evaluation and translation adjustments	8,193	3.0	3,782	1.3	(4,410)	2,518	0.9
Minority interests	5,308	2.0	5,421	1.9	112	5,592	1.9
Total net assets	91,140	33.8	110,836	38.6	19,696	106,454	36.8
Total liabilities and net assets	269,666	100.0	287,381	100.0	17,715	289,206	100.0

## (2) Consolidated Statements of Income (Summary)

(Millions of yen)

	Three Months Ended		Three Months Ended		Difference	(%)
	20 June, 2007		20 June, 2008			
	(A)	% of Total	(B)	% of Total	(B) - (A)	(B) / (A)
Net sales	86,288	100.0	86,708	100.0	420	100.5
Cost of sales	60,969	70.7	61,294	70.7	324	100.5
Gross profit	25,318	29.3	25,414	29.3	95	100.4
Selling, general and administrative expenses	17,893	20.7	18,294	21.1	400	102.2
Operating income	7,425	8.6	7,119	8.2	(305)	95.9
Non-operating income						
Interest and dividends received	112		64		(48)	
Currency exchange profits	604		942		338	
Equity in earnings of associated companies	179		209		29	
Miscellaneous income	107		130		22	
Total non-operating income	1,004	1.1	1,346	1.6	342	134.1
Non-operating expenses						
Interest expense	291		252		(38)	
Miscellaneous expenses	160		189		28	
Total non-operating expenses	452	0.5	441	0.5	(10)	97.7
Ordinary income	7,976	9.2	8,024	9.3	47	100.6
Extraordinary gains	15	0.0	93	0.1	78	612.7
Extraordinary losses	178	0.1	188	0.2	10	105.9
Income before income taxes and minority interests	7,813	9.1	7,928	9.2	115	101.5
Provision for income taxes- current	2,048	2.4	2,293	2.6	245	112.0
Provision for income taxes- deferred	2,143	2.5	1,123	1.3	(1,020)	52.4
Minority interests	(29)	(0.0)	(42)	(0.0)	(13)	143.4
Net income	3,651	4.2	4,554	5.3	903	124.7



(3) Consolidated Statements of Cash Flows (Summary)

	(Millions of yen)		
	Three Months Ended	Three Months Ended	
	20 June, 2007	20 June, 2008	Difference
	(A)	(B)	(B) - (A)
Cash flows from operating activities			
Income before income taxes and minority interests	7,813	7,928	115
Depreciation and amortization	1,672	1,875	202
(Increase) decrease in trade receivables	5,791	7,578	1,787
(Increase) decrease in inventories	(5,286)	(6,894)	(1,607)
Increase (decrease) in trade payables	(2,865)	88	2,953
Income taxes paid	(4,788)	(7,578)	(2,790)
Other, net	(479)	(2,356)	(1,876)
Net cash provided by (used in) operating activities	<u>1,856</u>	<u>641</u>	<u>(1,215)</u>
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	(1,696)	(1,852)	(156)
Proceeds from sales of property, plant and equipment	140	16	(123)
Purchases of investment securities	(100)	(529)	(428)
Proceeds from sales of investment securities	11	-	(11)
Other, net	405	(421)	(827)
Net cash provided by (used in) investing activities	<u>(1,239)</u>	<u>(2,786)</u>	<u>(1,546)</u>
Cash flows from financing activities			
Increase (decrease) in short-term debt	(1,085)	763	1,848
Proceeds from long-term debt	124	195	70
Repayments of long-term debt	(1,722)	(783)	939
Dividends paid to shareholders of the Company	(730)	(1,258)	(527)
Dividends paid to minority shareholders	(121)	(97)	23
Other, net	(8)	(5)	3
Net cash provided by (used in) financing activities	<u>(3,543)</u>	<u>(1,186)</u>	<u>2,356</u>
Effect of exchange rate changes on cash and cash equivalents	<u>185</u>	<u>(117)</u>	<u>(303)</u>
Net increase (decrease) in cash and cash equivalents	(2,740)	(3,449)	(708)
Cash and cash equivalents at beginning of fiscal year	13,214	11,864	(1,350)
Increase due to inclusion of subsidiaries in consolidation	<u>27</u>	<u>1</u>	<u>(25)</u>
Cash and cash equivalents at the end of the first quarter	<u><u>10,501</u></u>	<u><u>8,415</u></u>	<u><u>(2,085)</u></u>

#### (4) Segment Information

##### Business Segments

	Three months ended June 20, 2007					(Millions of yen)		
	Motion Control	Robotics	System Engineering	Information Technologies	Other	Total	Eliminations & Corporate	Consolidated
Net sales								
Sales to third parties	41,294	28,206	10,882	4,208	1,696	86,288	-	86,288
Intersegment sales and transfers	4,249	120	624	599	4,391	9,985	(9,985)	-
Total sales	45,543	28,327	11,507	4,808	6,087	96,274	(9,985)	86,288
Operating costs and expenses	40,619	26,462	10,848	5,333	5,711	88,975	(10,112)	78,862
Operating income (loss)	4,924	1,864	658	(524)	375	7,298	126	7,425

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

	Three months ended June 20, 2008					(Millions of yen)		
	Motion Control	Robotics	System Engineering	Information Technologies	Other	Total	Eliminations & Corporate	Consolidated
Net sales								
Sales to third parties	43,572	28,480	8,707	4,127	1,820	86,708	-	86,708
Intersegment sales and transfers	4,636	105	581	675	5,106	11,106	(11,106)	-
Total sales	48,209	28,585	9,289	4,802	6,927	97,814	(11,106)	86,708
Operating costs and expenses	42,989	27,169	8,910	5,189	6,451	90,710	(11,122)	79,588
Operating income (loss)	5,219	1,415	378	(386)	476	7,103	16	7,119

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

## Geographical Areas

	Three months ended June 20, 2007					(Millions of yen)	
	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	Consolidated
Net sales							
Sales to third parties	54,800	11,140	12,529	7,816	86,288	-	86,288
Intersegment sales and transfers	12,703	31	94	2,774	15,603	(15,603)	-
Total sales	67,504	11,172	12,624	10,591	101,891	(15,603)	86,288
Operating costs and expenses	63,088	10,163	11,638	9,792	94,683	(15,820)	78,862
Operating income	4,415	1,008	985	799	7,208	216	7,425

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

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

The Americas - U.S.A., etc

Europe – Germany, Sweden, The United Kingdom, etc

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

	Three months ended June 20, 2008					(Millions of yen)	
	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	Consolidated
Net sales							
Sales to third parties	51,128	10,571	14,685	10,323	86,708	-	86,708
Intersegment sales and transfers	15,576	83	123	2,040	17,823	(17,823)	-
Total sales	66,704	10,654	14,808	12,363	104,531	(17,823)	86,708
Operating costs and expenses	62,838	9,641	13,526	11,356	97,362	(17,773)	79,588
Operating income	3,865	1,013	1,282	1,007	7,168	(49)	7,119

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

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

The Americas - U.S.A., etc

Europe – Germany, Sweden, The United Kingdom, etc

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

## Overseas Sales

	Three months ended June 20, 2007				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	12,129	13,454	16,617	396	42,598
Consolidated sales	-	-	-	-	86,288
Percentage of overseas sales in consolidated sales	14%	16%	19%	1%	50%

(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 Japan.

	Three months ended June 20, 2008				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	11,300	14,613	18,529	404	44,848
Consolidated sales	-	-	-	-	86,708
Percentage of overseas sales in consolidated sales	13%	17%	21%	1%	52%

(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
- (5) Asia – The People’s Republic of China, Singapore, Korea, etc
- (6) Other – Australia, etc

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