

Summary of Consolidated Results for the Six Months Ended September 20, 2008

October 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 Half of Fiscal Year 2008 (March 21, 2008 to September 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)					
	Six months ended September 20, 2008	Change	Six months ended September 20, 2007	Change	Year ended March 20, 2008	Change
Net sales	189,475	3.1%	183,794	2.3%	382,327	3.6%
Operating income	15,830	(3.9%)	16,466	9.0%	36,487	8.7%
Ordinary income	16,697	(1.2%)	16,907	11.5%	35,212	5.5%
Net income	9,514	(1.6%)	9,668	10.8%	20,242	6.6%
Earnings per share (basic, Yen)	37.80		39.34		81.46	
Earnings per share (diluted, Yen)	-		38.36		80.50	

Reference: Equity in earnings of affiliates

Six months ended September 20, 2008: ¥483 million

Six months ended September 20, 2007: ¥638 million

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

(2) Summary of Consolidated Financial Position

	(Millions of yen, except ratio and per share data)		
	Six months ended September 20, 2008	Six months ended September 20, 2007	Year ended March 20, 2008
Total assets	297,257	278,198	289,206
Net assets	114,635	100,535	106,454
Shareholders' equity ratio (%)	36.6	34.2	34.9
Net assets per share (Yen)	432.69	377.47	400.71

Reference: Shareholders' equity

Six months ended September 20, 2008: ¥108,904 million

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

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

(3) Summary of Consolidated Statements of Cash Flows

	(Millions of yen)		
	Six months ended September 20, 2008	Six months ended September 20, 2007	Year ended March 20, 2008
Net cash provided by (used in)			
operating activities	8,814	11,256	17,688
Net cash provided by (used in)			
investing activities	(6,342)	(4,277)	(9,933)
Net cash provided by (used in)			
financing activities	(2,324)	(6,189)	(8,790)
Cash and cash equivalents at end of period	11,913	14,100	11,864

2. Dividend Distribution

		Year Ended March 20, 2008	Year Ending March 20, 2009	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, 2008

	(Millions of yen)	
	Year ending March 20, 2008	Change
Net sales	385,000	0.7%
Operating income	34,000	(6.8%)
Ordinary income	35,000	(0.6%)
Net income	20,000	(1.2%)
Earnings per share (Yen)	79.46	

4. Other

(1) Changes in Scope of Consolidation: None

(2) Changes in Accounting Methods and Description

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

(3) Number of Common Shares Outstanding

1. The number of shares outstanding including treasury stock:
 - Six months ended September 20, 2008: 252,331,938 shares
 - Six months ended September 20, 2007: 252,331,938 shares
 - Year ended March 20, 2008: 252,331,938 shares
2. The number of treasury stocks at the end of the period:
 - Six months ended September 20, 2008: 638,611 shares
 - Six months ended September 20, 2007: 607,932 shares
 - Year ended March 20, 2008: 622,312 shares

Note: Per Share Information			
	Six months ended September 20, 2008	Six months ended September 20, 2007	Year Ended March 20, 2008
			(Millions of yen)
Net income	9,514	9,668	20,242
Amount not attributable to common shareholders	-	-	-
Net income on common shares: A	<u>9,514</u>	<u>9,668</u>	<u>20,242</u>
			(Thousands of shares)
Average number of common shares outstanding: B	251,702	245,788	248,507
Diluted effect of:			
Net income adjustments	-	-	-
Increase of common shares (Converted bonds): C	-	6,257	2,947
Earnings per share (basic, Yen)	37.80	39.34	81.46
Earnings per share (diluted, Yen)*	<u>-</u>	<u>38.36</u>	<u>80.50</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 2008 (March 21, 2008 to September 20, 2008)

(1) Summary of Non-Consolidated Statements of Income

	(Millions of yen, except for per share data)					
	Six months ended September 20, 2008	Change	Six months ended September 20, 2007	Change	Year ended March 20, 2008	Change
Net sales	104,921	(0.5%)	105,490	1.7%	219,693	1.6%
Operating income	5,559	(22.2%)	7,145	51.5%	15,576	10.2%
Ordinary income	10,445	4.3%	10,013	20.4%	20,434	3.1%
Net income	7,404	8.1%	6,851	10.4%	14,583	13.4%
Earnings per share (Yen)	<u>29.38</u>		<u>27.84</u>		<u>58.61</u>	

(2) Summary of Non-Consolidated Financial Position

	(Millions of yen, except ratio and per share data)		
	Six months ended September 20, 2008	Six months ended September 20, 2007	Year ended March 20, 2008
Total assets	186,656	186,404	195,334
Net assets	75,434	65,297	69,961
Shareholders' equity ratio (%)	40.4	35.0	35.8
Net assets per share (Yen)	<u>299.37</u>	<u>259.11</u>	<u>277.64</u>

Reference: Shareholders' equity

Six months ended September 20, 2008: ¥75,434 million

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

Year ended March 20, 2008: ¥69,961 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	215,000	(2.1%)
Operating income	13,000	(16.5%)
Ordinary income	21,000	2.8%
Net income	14,500	(0.6%)
Earnings per share (Yen)	57.55	

About the Appropriate Use of Business Forecasts

1. The consolidated and non-consolidated projected results disclosed on April 15, 2008 are revised.
2. 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 2008

The Japanese economy during the first half of fiscal year 2008 showed a declining trend due to the turmoil in the financial market which started in the U.S., soaring prices of crude oil and materials, and appreciation of yen.

In the midst of this economic environment, the Yaskawa Group strengthened its sales operations for the strong markets and customers with competitive products released since last year.

As a result, the growth of industrial robots and Asian markets contributed to the Yaskawa Group's sales increasing to 189,475 million yen (up by 3.1% from the corresponding period last year), which marked record high as an interim result. Meanwhile the operating income was 16,697 million yen (down by 1.2%) and net income was 9,514 million yen (down by 1.6%). Although the Group performance was affected negatively by the appreciation of yen compared with the corresponding period last year, the profits remained about the same and exceeded the original forecast.

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, 2008	
	Net sales (change from the corresponding period of previous fiscal year)	Operating income (change from the corresponding period of previous fiscal year)
Motion Control	¥90,990 million (up by ¥4,541 million)	¥10,280 million (down by ¥180 million)
Robotics	¥63,861 million (up by ¥3,625 million)	¥4,101 million (up by ¥58 million)
System Engineering	¥19,741 million (down by ¥2,558 million)	¥692 million (down by ¥105 million)
Information Technologies	¥11,161 million (down by ¥101 million)	¥395 million (up by ¥206 million)
Other	¥3,720 million (up by ¥175 million)	¥391 million (down by ¥582 million)

■ Motion Control

The demand increase in AC servo drives and controllers for electronic component and FPD markets drove overall sales. As for AC drives, increase in energy-saving demands and continued overseas infrastructure investments contributed to sales, and the business performance remained about the same as the corresponding period last year despite the unfavorable exchange rates.

■ Robotics

The sales in Europe increased due to growth in the welding and handling robots mainly for the automobile industry. Meanwhile we were affected by the continuing restrained capital expenditures of our customers in the semiconductor manufacturing equipment industry. The segment received record-high orders from the FPD industry, which will be recorded as sales in the second half of the fiscal year.

■ System Engineering

The steel industry continued to be robust and the orders received by the segment were positive. The sales recording, however, was in the trough compared with the corresponding period last year.

■ Information Technologies

Although the sales were about the same as the corresponding period last year, the income increased due to

improvements made in profitability.

3. Outlook for Fiscal Year 2008

The financial forecast for the fiscal year 2008 is revised as we expect a worsening business environment in the second half of the fiscal year due to slowdown of the global economy and sudden fluctuations in the exchange rates.

Although the Group faces tough conditions, we will strengthen sales of our competitive products, such as industrial robots and electric equipments for steel industry, and at the same time we will enhance our cost management. By taking these measures, we aim at achieving the following targets.

Fiscal Year 2008 Consolidated Financial Forecast

	Fiscal Year 2008 (forecast)	Year-on-year Change
Net sales	¥385,000 million	Up by ¥2,673 million (0.7%)
Operating income	¥34,000 million	Down by ¥2,487 million (6.8%)
Ordinary income	¥35,000 million	Down by ¥212 million (0.6%)
Net income	¥20,000 million	Down by ¥242 million (1.2%)

Assumed exchange rates for the second half of fiscal year 2008 are 100 yen/dollar and 140 yen/euro.

(Previous assumed rates were 100 yen/dollar and 150 yen/euro.)

Detailed measures are as follows.

- We will speed up expansion of sales and profits with the competitive new products released since last year.
 - AC servomotors: Market share expansion by full rollout of new products overseas from the second half of fiscal year
 - AC drives: Enhancement of the new product lineup and take in the global demand for energy saving
 - Industrial robots: Market cultivation as car manufacturers shift production lines for manufacturing of smaller cars
- We will secure sales and profits by producing efficiently the robots for FPD industry and electric equipments for steel industry for which we received large orders during the first half of this fiscal year.
- We will focus on sales expansion in China and other Asian markets, and promote business expansion in the emerging markets like India and Brazil.
- In order to contribute to solving such social problems as environmental / energy issues and labor shortage due to a low birthrate and an aging population, we will quickly create new business by expanding application of our automation and energy-saving technologies, and by promoting new business with new-generation robots.
- We will continue working on human resource development so that each employee will keep pursuing higher goals.
- We will continue to make strategic investments necessary for future growth while making efforts to thoroughly manage costs to remain prepared for sudden changes in the management environment.

(2) Overview on Financial Condition

1. Balance Sheet Highlights

At the end of the first half of this fiscal year, current assets increased by ¥20,203 million to ¥211,637 million compared to the corresponding date of last year, as trade notes and accounts receivable increased by ¥8,524 million and inventories increased by ¥5,781 million.

As for fixed assets, buildings and structures, as well as deferred tax assets increased by ¥931 million and ¥1,279 million respectively, while investments decreased by ¥3,293 million. Total fixed assets decreased by ¥1,144 million to

¥85,619 million.

Total assets therefore increased by ¥19,058 million to ¥297,257 million compared to the corresponding date of last year.

As for current liabilities, while corporate bonds of ¥10,000 million redeemable within one year were redeemed, trade notes and accounts payable as well as short-term bank loans increased by ¥7,386 million and ¥6,479 million respectively. Total current liabilities therefore increased by ¥5,533 million to ¥141,572 million.

Long-term liabilities decreased by ¥574 million to ¥41,049 million, as long-term debt increased by ¥980 million and accrued retirement benefits for employees decreased by ¥1,393 million.

Total liabilities at the end of the first half of this fiscal year therefore increased by ¥4,958 million to ¥182,622 million compared to the corresponding date last year.

As for net assets, retained earnings increased by ¥17,568 million and total evaluation and translation adjustments decreased by ¥3,644 million. Total net assets therefore increased by ¥14,099 million to ¥114,635 million.

2. Cash Flow

The balance of cash and cash equivalents at the end of the first half of this fiscal year was ¥11,913 million yen, down by ¥2,187 million yen from the corresponding date of the previous year.

Net cash provided by operating activities was ¥8,814 million. Its rough breakdown is income before income taxes and minority interests of ¥16,452 million, depreciation and amortization of ¥3,949 million, decrease of trade receivables by ¥1,540 million, increase in inventories by ¥7,222 million and income taxes paid of ¥8,877 million.

Net cash used in investing activities was ¥6,342 million as a result of purchases of property, plant and equipment of ¥4,245 million and investment securities of ¥2,016 million.

Free cash flow, which is a sum of cash flows from operating and investing activities, was positive ¥2,472 million.

Net cash used in financing activities was ¥2,324 million. Its rough breakdown is increase in short-term debt by ¥1,302 million, repayments of long-term debt of ¥2,873 million and dividends paid of ¥1,259 million.

3. Cash Flow Indicator Trends

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

	Fiscal Year 2006		Fiscal Year 2007		Fiscal Year 2008
	End of first half	End of full year	End of first half	End of full year	End of first half
Shareholders' equity ratio (%)	23.4	29.6	34.2	34.9	36.6
Shareholders' equity ratio based on market value (%)	105.2	118.9	123.1	81.6	54.4
Ratio of interest-bearing debt against cash flow (years)	5.1	3.1	1.6	1.9	1.9
Interest coverage ratio (times)	9.2	11.8	19.7	15.5	18.9

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 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.

Following the above policy, the interim dividend for this fiscal year was set at ¥6.5 per share, ¥1.5 increase from the previous interim dividend, considering the business performance and financial situation.

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.

2. Management Policies

As for “Fundamental Management Policies”, “Management Goals” and “Mid- to Long-term Business Strategies”, disclosure is omitted as no significant changes were made to these items in “Summary of Consolidated Results for the Six Months Ended September 20, 2007” disclosed on October 31, 2007. Also “Management Initiatives and Challenges” is omitted as no significant changes were made to the corresponding item in “Summary of Consolidated Results for the Fiscal Year Ended March 20, 2008” disclosed on April 15, 2008. These documents can be obtained from the URL below.

< Yaskawa Electric Corporation Website >

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

3. Consolidated Financial Statements

Interim Consolidated Balance Sheet

	As of September 20, 2007		As of September 20, 2008		Change	(Millions of yen) As of March 20, 2008	
		% of Total		% of Total			% of Total
Assets							
Current assets							
Cash and time deposits	14,246		12,055		(2,191)	12,004	
Trade notes and accounts receivable	98,961		107,486		8,524	110,473	
Short-term investments	31		20		(11)	20	
Inventories	59,988		65,769		5,781	57,902	
Deferred tax assets	7,426		8,091		665	7,504	
Other current assets	11,617		19,056		7,438	17,634	
Allowance for doubtful accounts	(837)		(842)		(4)	(978)	
Total current assets	191,434	68.8	211,637	71.2	20,203	204,561	70.7
Fixed assets							
Tangible fixed assets							
Buildings and structures	17,338		18,270		931	18,460	
Other tangible fixed assets	24,109		23,116		(993)	22,619	
Total tangible fixed assets	41,447		41,386		(61)	41,079	
Intangible fixed assets	7,132		6,763		(369)	6,788	
Investments and other assets							
Investments	22,232		18,938		3,293	19,334	
Deferred tax assets	12,533		13,812		1,279	13,790	
Other investments	3,741		5,741		1,999	4,648	
Allowance for doubtful accounts	(323)		(1,022)		(699)	(998)	
Total investments and other assets	38,183		37,469		(713)	36,776	
Total fixed assets	86,764	31.2	85,619	28.8	(1,144)	84,644	29.3
Total Assets	278,198	100.0	297,257	100.0	19,058	289,206	100.0
Liabilities							
Current liabilities							
Trade notes and accounts payable	67,467		74,854		7,386	74,370	
Short-term bank loans	19,823		26,302		6,479	26,256	
Corporate bonds redeemable within one year	10,000		-		(10,000)	-	
Accrued expenses	18,858		19,083		225	19,152	
Other current liabilities	19,889		21,331		1,442	20,426	
Total current liabilities	136,039	48.9	141,572	47.6	5,533	140,205	48.5
Long-term liabilities							
Long-term debt	5,649		6,629		980	7,573	
Accrued retirement benefits for employees	34,442		33,048		(1,393)	33,607	
Accrued directors' retirement benefits	779		225		(554)	823	
Other long-term liabilities	752		1,146		393	541	
Total long-term liabilities	41,623	15.0	41,049	13.8	(574)	42,546	14.7
Total liabilities	177,663	63.9	182,622	61.4	4,958	182,751	63.2
Net assets							
Shareholders' equity							
Common stock	23,062	8.3	23,062	7.8	-	23,062	8.0
Additional paid-in capital	18,651	6.7	18,653	6.3	2	18,652	6.4
Retained earnings	47,674	17.1	65,243	21.9	17,568	56,988	19.7
Treasury stock, at cost	(337)	(0.1)	(376)	(0.1)	(39)	(359)	(0.1)
Total shareholders' equity	89,050	32.0	106,581	35.9	17,531	98,343	34.0
Evaluation and translation adjustments							
Net unrealized holding gain on securities	3,498	1.2	923	0.3	(2,574)	1,607	0.6
Deferred hedge income	(6)	(0.0)	(0)	(0.0)	5	(10)	(0.0)
Foreign currency translation adjustments	2,474	0.9	1,399	0.5	(1,075)	921	0.3
Total evaluation and translation adjustments	5,967	2.1	2,322	0.8	(3,644)	2,518	0.9
Minority interests	5,518	2.0	5,730	1.9	212	5,592	1.9
Total net assets	100,535	36.1	114,635	38.6	14,099	106,454	36.8
Total liabilities and net assets	278,198	100.0	297,257	100.0	19,058	289,206	100.0

Interim Consolidated Statements of Income

	Six Months Ended September 20, 2007		Six Months Ended September 20, 2008		Change	(Millions of yen) Year Ended March 20, 2008	
		% of Total		% of Total			% of Total
Net sales	183,794	100.0	189,475	100.0	5,681	382,327	100.0
Cost of sales	131,310	71.4	135,897	71.7	4,586	271,725	71.1
Gross profit	52,483	28.6	53,578	28.3	1,094	110,601	28.9
Selling, general and administrative expenses	36,017	19.6	37,748	19.9	1,731	74,113	19.4
Operating income	16,466	9.0	15,830	8.4	(636)	36,487	9.5
Non-operating income							
Interest received	90		85		(5)	195	
Dividends received	253		276		23	341	
Foreign exchange profit	-		579		579	-	
Equity in earnings of affiliates	638		483		(155)	1,195	
Miscellaneous income	352		386		33	497	
Total non-operating income	1,336	0.7	1,811	0.9	475	2,230	0.6
Non-operating expenses							
Interest expense	581		482		(98)	1,137	
Foreign exchange loss	164		-		(164)	2,066	
Miscellaneous expenses	148		462		313	301	
Total non-operating expenses	895	0.5	944	0.5	49	3,505	0.9
Ordinary income	16,907	9.2	16,697	8.8	(210)	35,212	9.2
Extraordinary gains							
Proceeds from sales of fixed assets	4		3		(1)	7	
Proceeds from sales of investment securities	24		3		(21)	24	
Other extraordinary gains	90		30		(59)	117	
Total extraordinary gains	118	0.1	37	0.0	(81)	149	0.0
Extraordinary losses							
Loss on disposal of fixed assets	52		91		38	253	
Impairment loss	301		-		(301)	301	
Other extraordinary losses	222		189		(32)	511	
Total extraordinary losses	575	0.3	281	0.1	(294)	1,066	0.2
Income before income taxes and minority interests	16,450	9.0	16,452	8.7	2	34,295	9.0
Provision for income taxes- current	6,688	3.6	6,788	3.6	100	13,774	3.6
Provision for income taxes- deferred	(104)	(0.0)	(79)	(0.0)	24	(38)	(0.0)
Minority interests	198	0.1	229	0.1	31	317	0.1
Net income	9,668	5.3	9,514	5.0	(153)	20,242	5.3

Interim Consolidated Statement of Changes in Net Assets

First half of previous fiscal year (From 21 March, 2007 to 20 September, 2007)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 20, 2007 (million yen)	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 (million yen)	3,108	3,162	8,937	(55)	15,153
Balance at September 20, 2007 (million yen)	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 (million yen)	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 (million yen)	(1,120)	2	194	(923)	63	14,293
Balance at September 20, 2007 (million yen)	3,498	(6)	2,474	5,967	5,518	100,535

Interim Consolidated Statement of Changes in Net Assets

First half of this fiscal year (From 21 March, 2008 to 20 September, 2008)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 20, 2008 (million yen)	23,062	18,652	56,988	(359)	98,343
Changes during the first half of fiscal year					
Cash dividends			(1,259)		(1,259)
Net income			9,514		9,514
Acquisition of treasury stock				(19)	(19)
Disposition of treasury stock		0		2	3
Increase due to increase in consolidated subsidiaries			425		425
Decrease due to decrease in affiliates accounted for by the equity-method			(425)		(425)
Net changes in items other than shareholders' equity					
Total changes during the first half of fiscal year (million yen)	-	0	8,254	(17)	8,238
Balance at September 20, 2008 (million yen)	23,062	18,653	65,243	(376)	106,581

	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, 2008 (million yen)	1,607	(10)	921	2,518	5,592	106,454
Changes during the first half of fiscal year						
Cash dividends						(1,259)
Net income						9,514
Acquisition of treasury stock						(19)
Disposition of treasury stock						3
Increase due to increase in consolidated subsidiaries						425
Decrease due to decrease in affiliates accounted for by the equity-method						(425)
Net changes in items other than shareholders' equity	(683)	9	477	(195)	137	(58)
Total changes during the first half of fiscal year (million yen)	(683)	9	477	(195)	137	8,180
Balance at September 20, 2008 (million yen)	923	(0)	1,399	2,322	5,730	114,635

Consolidated Statement of Changes in Net Assets

Fiscal year 2007 (From 21 March, 2007 to 20 March, 2008)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 20, 2007 (million yen)	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 (million yen)	3,108	3,163	18,252	(77)	24,446
Balance at March 20, 2008 (million yen)	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 (million yen)	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 (million yen)	(3,012)	(1)	(1,358)	(4,372)	138	20,212
Balance at March 20, 2008 (million yen)	1,607	(10)	921	2,518	5,592	106,454

Interim Consolidated Statements of Cash Flows

	(Millions of yen)		
	Six Months Ended September 20, 2007	Six Months Ended September 20, 2008	Year Ended March 20, 2008
Cash flows from operating activities			
Income before income taxes and minority interests	16,450	16,452	34,295
Depreciation and amortization	3,516	3,949	7,676
Impairment loss	301	-	301
Increase (decrease) in employee retirement allowance	(509)	(560)	(1,342)
Gain on sales of investment securities	(24)	(3)	(24)
Loss on devaluation of investment securities	133	75	150
Interest and dividend income	(344)	(362)	(537)
Interest expense	581	482	1,137
(Increase) decrease in trade receivables	(156)	1,540	(17,795)
(Increase) decrease in inventories	(1,572)	(7,222)	(714)
Increase (decrease) in trade payables	(3,031)	268	5,449
Increase (decrease) in accrued expenses	521	775	435
Other, net	1,058	2,164	(284)
Subtotal	<u>16,924</u>	<u>17,561</u>	<u>28,748</u>
Interest and dividends received	466	597	960
Interest paid	(572)	(466)	(1,143)
Income taxes paid	<u>(5,562)</u>	<u>(8,877)</u>	<u>(10,876)</u>
Net cash provided by (used in) operating activities	<u>11,256</u>	<u>8,814</u>	<u>17,688</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	(4,138)	(4,245)	(9,116)
Proceeds from sales of property, plant and equipment	168	22	174
Purchases of investment securities	(619)	(2,016)	(1,252)
Proceeds from sales of investment securities	50	8	50
Acquisition of securities of affiliates, which changed the scope of consolidation	165	-	165
Other, net	96	(111)	44
Net cash provided by (used in) investing activities	<u>(4,277)</u>	<u>(6,342)</u>	<u>(9,933)</u>
Cash flows from financing activities			
Increase (decrease) in short-term debt	(2,106)	1,302	3,287
Proceeds from long-term debt	290	621	5,435
Repayments of long-term debt	(3,503)	(2,873)	(5,359)
Expense due to redemption of corporate bonds	-	-	(10,000)
Dividends paid to shareholders of the Company	(730)	(1,259)	(1,990)
Dividends paid to minority shareholders	(128)	(98)	(180)
Other, net	(10)	(15)	17
Net cash provided by (used in) financing activities	<u>(6,189)</u>	<u>(2,324)</u>	<u>(8,790)</u>
Effect of exchange rate changes on cash and cash equivalents	69	(100)	(341)
Net increase (decrease) in cash and cash equivalents	858	47	(1,377)
Cash and cash equivalents at beginning of year	13,214	11,864	13,214
Increase due to inclusion of subsidiaries in consolidation	27	1	27
Cash and cash equivalents at end of term	<u>14,100</u>	<u>11,913</u>	<u>11,864</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, 2008							Consolidated
	Motion Control	Robotics	System Engineering	Information Technologies	Other	Total	Eliminations & Corporate	
Net sales								
Sales to third parties	90,990	63,861	19,741	11,161	3,720	189,475	-	189,475
Intersegment sales and transfers	9,243	319	986	1,804	3,826	16,180	(16,180)	-
Total sales	100,233	64,181	20,727	12,966	7,547	205,655	(16,180)	189,475
Operating costs and expenses	89,953	60,080	20,035	12,570	7,156	189,795	(16,149)	173,645
Operating income (loss)	10,280	4,101	692	395	391	15,860	(30)	15,830

(Note)

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

2. The profits and expenses of logistics services accounted for by each segment, which previously were included in the "Other" segment, are distributed to each segment starting the first half of this fiscal year. This change is made in order to disclose segments' profit-loss information in a more appropriate form as we became prepared to measure logistics service costs of each segment. As a result of this change, operating costs and expenses decreased for Motion Control by 446 million yen, Robotics by 295 million yen, and System Engineering by 16 million yen. Operating income increased as much for each segment.

Meanwhile, net sales, operating costs and expenses, and operating income of Other segment decreased by 6,296 million yen, 5,539 million yen, and 757 million yen respectively.

	Year ended March 20, 2008							Consolidated
	Motion Control	Robotics	System Engineering	Information Technologies	Other	Total	Eliminations & Corporate	
Net sales								
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 (loss)	21,370	8,576	3,940	420	2,064	36,372	114	36,487

(Note)

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

Geographical Areas

(Millions of yen)

	Six months ended September 20, 2007						
	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	Consolidated
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, 2008						
	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	Consolidated
Net sales							
Sales to third parties	112,997	22,666	30,507	23,304	189,475	-	189,475
Intersegment sales and transfers	31,912	142	257	4,063	36,377	(36,377)	-
Total sales	144,910	22,809	30,764	27,367	225,852	(36,377)	189,475
Operating costs and expenses	135,291	20,611	28,388	25,178	209,470	(35,825)	173,645
Operating income	9,619	2,197	2,376	2,189	16,382	(552)	15,830

(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

	Year ended March 20, 2008						
	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	Consolidated
Net sales							
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

(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

Overseas Sales

(Millions of yen)

	Six months ended September 20, 2007				Total
	The Americas	Europe	Asia	Other	
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	<u>14%</u>	<u>15%</u>	<u>20%</u>	<u>0%</u>	<u>49%</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.

	Six months ended September 20, 2008				Total
	The Americas	Europe	Asia	Other	
Overseas sales	23,437	30,662	45,257	887	100,246
Consolidated net sales	-	-	-	-	189,475
Overseas sales as a percentage of consolidated net sales	<u>12%</u>	<u>16%</u>	<u>24%</u>	<u>1%</u>	<u>53%</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.

	Year ended March 20, 2008				Total
	The Americas	Europe	Asia	Other	
Overseas sales	50,947	58,424	80,869	1,265	191,506
Consolidated net sales	-	-	-	-	382,327
Overseas sales as a percentage of consolidated net 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. 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.