

Consolidated Results for the First Two Quarters of the Fiscal Year Ending March 20, 2010

October 16, 2009

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 Two Quarters of the Fiscal Year Ending March 20, 2010 (March 21, 2009 to September 20, 2009)

(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 ratio and per share data)			
	Six months ended September 20, 2009	Change	Six months ended September 20, 2008	Change
Net sales	98,355	-	189,475	3.1%
Operating income	(8,374)	-	15,830	(3.9)%
Ordinary income	(8,098)	-	16,697	(1.2)%
Net income	(6,262)	-	9,514	(1.6)%
Earnings per share (basic, Yen)	(24.88)	-	37.80	-
Earnings per share (diluted, Yen)	-	-	-	-

(2) Consolidated Financial Position

	(Millions of yen, except ratio and per share data)	
	As of September 20, 2009	As of March 20, 2009
Total assets	226,371	249,111
Net assets	93,967	102,421
Shareholders' equity ratio (%)	39.3	39.0
Net assets per share (Yen)	353.39	385.60

Reference: Shareholders' equity

As of September 20, 2009: ¥88,943 million

As of March 20, 2009: ¥97,068 million

2. Dividend Distribution

	Year Ended	Year Ending	Year Ending
	March 20, 2009	March 20, 2010	March 20, 2010 (forecast)
Dividend per share (Yen)	End of 1Q	-	-
	End of 2Q	6.50	1.50
	End of 3Q	-	-
	Year-end	6.50	1.50
	Annual total	13.00	-

Note: Change in the estimation of dividend for the fiscal year in this period: None

3. Projected Consolidated Results for the Fiscal Year Ending March 20, 2010

	(Millions of yen, except ratio and per share data)	
	Year ending March 20, 2010	Change
Net sales	228,000	(34.9)%
Operating income	(6,500)	-
Ordinary income	(6,500)	-
Net income	(5,000)	-
Earnings per share (Yen)	(19.86)	-

Note: Change in the projected consolidated results in this period: Yes

4. Other

(1) Change in Scope of Consolidation: None

(2) Use of simplified accounting methods and accounting methods solely for preparation of quarterly consolidated financial statements: Yes

(Note: Please refer to “4.Other” on page 5 for details.)

(3) Change in Accounting Methods and Description

1. Changes related to revision of accounting standards: Yes

2. Other changes: Yes

(Note: Please refer to “4.Other” on page 5 for details.)

(4) Number of Common Shares Outstanding

1. The number of shares outstanding including treasury stock:

As of September 20, 2009: 252,331,938 shares

As of March 20, 2009: 252,331,938 shares

2. The number of treasury stocks at the end of the period:

As of September 20, 2009: 643,415 shares

As of March 20, 2009: 596,451 shares

3. Average during period (consolidated quarter cumulative)

Six months ended September 2009: 251,718,007 shares

Six months ended September 2008: 251,702,833 shares

About the Appropriate Use of Business Forecasts

1. This earnings release contains revisions to the fiscal year forecast for consolidated performance that was announced on April 15, 2009.
2. Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. For information about the assumptions used for forecasts and precautions concerning the use of forecasts, please see “3. Overview on projected consolidated results” on page 5 of the business results and financial statements section.
3. Beginning with the current fiscal year, “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Implementation Guidance No. 14) have been applied. In addition, the quarterly consolidated financial statements have been prepared in accordance with “Rules for Quarterly Consolidated Financial Statements.”

Business Results and Financial Statements

1. Overview on Consolidated Business Performance

The operating environment for the Yaskawa Group showed signs of improving in the second quarter of the current fiscal year, indicating that the worst of the downturn may be over. However, market conditions remain very challenging. Companies continue to hold down capital expenditures, particularly in the automobile industry, demand for machine tools and industrial machinery is sluggish, and the yen continues to appreciate.

To succeed in this difficult business climate, the Yaskawa Group has been taking the following actions.

- For AC servomotors, AC drives, industrial robots and other core products, target promising new market sectors and increase market share in existing markets.
- Capture orders by using marketing activities led by top management and creating proposals for customers where there is substantial potential demand.
- Create proposals for new products faster by speeding up the development of technologies and improving skills in using systems to meet customers' needs.

Despite these actions, the volume of orders remains sluggish. However, there are signs of a recovery in some market sectors, such as the FPD and energy-saving sectors, mainly in the motion control segment, and in China and other areas of Asia.

The Yaskawa Group worked on securing profit in this environment by taking measures to cut costs immediately and enacting rigorous cost reduction programs. Unfortunately, the benefits of these actions were insufficient to overcome the negative impact of the decline in sales and capacity utilization rate.

First half consolidated sales fell 48.1% to ¥98,355 million, there was an operating loss of ¥8,374 million, down ¥24,204 million from the previous year's operating income, and an ordinary loss of ¥8,098 million, down ¥24,795 million from the previous year's ordinary income. The net loss was ¥6,262 million, ¥15,777 million less than the net income of one year earlier.

First half business results of each business segment are as follows. Please see page 7 (reference) for the main products of each segment.

	Six months ended September 20, 2009	
Business segment	Net sales (change from the corresponding period previous fiscal year)	Operating income (loss) (change from the corresponding period previous fiscal year)
Motion Control	¥44,999 million (down by ¥45,990 million)	¥(3,952) million (down by ¥14,232 million)
Robotics	¥25,196 million (down by ¥38,665 million)	¥(5,297) million (down by ¥9,398 million)
System Engineering	¥18,188 million (down by ¥1,553 million)	¥1,493 million (up by ¥801 million)
Information Technologies	¥7,378 million (down by ¥3,783 million)	¥(611) million (down by ¥1,007 million)
Other (Logistics service, temporary staffing service, etc.)	¥2,592 million (down by ¥1,127 million)	¥(83) million (down by ¥474 million)

■ Motion Control

Performance overall was weaker than in the first half of the previous fiscal year. There were signs of a recovery in orders for AC servo drives and controllers, mainly in Asia and the FPD industry. However, the increase in demand in semiconductor industry, the primary market for motion control products, is taking longer than expected.

Among the major products, AC drives are posting the fastest recovery due to demand for energy conservation applications and for use in infrastructure facilities, primarily in China.

■ Robotics

New investments are beginning in the FPD industry in Japan, China and other areas of Asia. However, performance was severely impacted by the reluctance of companies to make capital expenditures for welding and handling robots, mainly in the automobile industry, and for semiconductor wafer handling robots.

■ System Engineering

Performance in this segment was steady mainly because of sales to the steel industry.

■ Information Technologies

Demand was weak because of declines in capital expenditures associated with information technologies.

*Comparisons with the previous fiscal year are provided only for reference.

2. Overview of Financial Condition

(1) Balance Sheet Highlights

Total assets decreased ¥22,739 million from the end of the previous fiscal year to ¥226,371 million.

The main reason was a ¥20,160 million decrease in current assets due to a decline in trade notes and accounts receivable and other items.

Total liabilities decreased ¥14,285 million to ¥132,404 million. This was mainly the net result of a decrease of ¥22,219 million in trade notes and accounts payable and an increase of ¥7,423 million in long-term debt.

Net assets decreased ¥8,454 million to ¥93,967 million due to a decrease of ¥9,635 million in retained earnings.

(2) Cash Flows

Cash and cash equivalents totaled ¥19,532 million at the end of the first half, a net increase of ¥8,902 million compared with the end of the previous fiscal year.

Net cash provided by operating activities was ¥3,869 million. The major components of operating cash flows were a ¥10,385 million loss before income taxes and minority interests, a ¥22,673 million decrease in trade payables, and a ¥21,757 million decrease in trade receivables.

Net cash used in investing activities was ¥3,792 million. The major uses of cash were payments of ¥2,953 million for purchases of property, plant and equipment and ¥504 million for purchases of investment securities.

Free cash flows, the sum of cash flows from operating and investing activities, were a positive ¥76 million.

Net cash provided by financing activities was ¥8,663 million. The primary sources of cash were proceeds of ¥10,260 million from long-term debt and ¥1,675 million from short-term debt.

3. Overview on projected consolidated results

First half consolidated results of operations were slightly better than had been forecast. However, the outlook for the economy remains uncertain in the second half. Due to these factors, the forecast for the fiscal year has been revised as follows.

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Earnings per share (yen)
Previous forecast (A)	220,000	(8,000)	(8,000)	(5,500)	(21.85)
Revised forecast (B)	228,000	(6,500)	(6,500)	(5,000)	(19.86)
Difference (B-A)	8,000	1,500	1,500	500	-
Pct. change (%)	3.6	-	-	-	-
Previous fiscal year	350,249	20,806	20,024	6,892	27.38

To fulfill the revised forecast shown above, the Yaskawa Group will take the following actions to reinforce its operations in addition to ongoing initiatives.

- Quickly increase sales in China and emerging markets (India, Brazil, etc.), which have much potential.
- Quickly assemble a lineup of core products that reflect customers' needs.
- Rigorously cut costs to establish a big competitive edge in terms of prices and establish an efficient production system that can increase output along with the growth in orders.

From a medium-term perspective, in line with the "Challenge 100" mid-term business plan that began in the current fiscal year, the Yaskawa Group is aiming to create new markets in two business domains: "Robotics Human Assist" and "Environmental & Energy."

This forecast is based on average exchange rates of ¥90 to the U.S. dollar and ¥120 to the euro during the period from September 21, 2009 to March 20, 2010.

4. Other

(1) Change in Scope of Consolidation: None

(2) Use of simplified accounting methods and accounting methods solely for preparation of quarterly consolidated financial statements

1) Calculation of estimate of loan losses for ordinary loans

For some consolidated subsidiaries, the write-off ratio at the end of the previous fiscal year was used to calculate the estimate for write-offs because the write-off ratio at the end of the first half did not differ significantly from the write-off ratio at the end of the previous fiscal year.

2) Valuation method for inventories

Inventories at the end of the first half of the fiscal year were calculated using a reasonable method based on the physical count of inventories performed at the end of the previous fiscal year. No physical count of inventories was performed.

3) Method of calculating depreciation for fixed assets

For assets where depreciation is calculated using the declining-balance method, quarterly depreciation expenses are determined by using the proportional amount of annual depreciation expenses.

4) Calculation method for accrued items

An estimate is used that was determined using a reasonable calculation method.

5) Calculation method for income taxes and deferred tax assets and liabilities

When calculating accrued income taxes, only major additions and deductions are used.

To determine the likelihood of recovering deferred tax assets, the earnings forecast and tax planning items that were used at the end of the previous fiscal year were used because there have been no major changes in temporary differences and other items since then.

(3) Changes in Accounting Methods and Description

- 1) Beginning with the current fiscal year, “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Implementation Guidance No. 14) have been applied. In addition, the quarterly consolidated financial statements have been prepared in accordance with “Rules for Quarterly Consolidated Financial Statements.”
- 2) Beginning with the first quarter of the current fiscal year, “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) has been applied. Adoption of this accounting standard increased the first half consolidated operating loss and ordinary loss by ¥351 million each and increased the loss before income taxes and minority interests by ¥2,489 million. For valuations of certain products and raw materials, instead of using the semiannual total average method as in the past, the total average method is used beginning with the first quarter of the current fiscal year. This change was made to present earnings in each fiscal period more accurately by eliminating the effect of temporary changes in manufacturing expenses on inventory valuations. This change did not have an effect on earnings.
- 3) Beginning with the first quarter of the current fiscal year, the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18, May 17, 2006) has been applied and the consolidated financial statements were revised as necessary. This change reduced retained earnings at the beginning of the fiscal year by ¥1,330 million but did not have a material effect on earnings.

(Reference) The main products of each segment

Segments and Main Products
(Motion Control) AC servomotors and controllers, general-purpose AC drives, AC spindle motors and controllers for machine tools, linear motors and controllers, DC servomotors and controllers, high-speed motors, compact precision motors, hybrid motors, energy-saving motors and AC drives, high-frequency AC drives, programmable controllers, machine controllers, numerical control systems, vision systems, etc.
(Robotics) Arc welding robots, spot welding robots, painting robots, handling robots, clean/vacuum robots for semiconductor and FPD manufacturing equipment, special actuators, transfer systems for clean/vacuum environment, robot-application FA systems, medical care and welfare service robots, etc.
(System Engineering) Electrical systems for steel plants, electrical instrumentation for water supply plants and sewage treatment facilities systems, roadway equipment power supplies systems, electrical systems for environmental plants, power mechatronics systems, control systems for harbor loading and unloading cranes, variable-speed drive systems for printing machines and production equipments of paper, film and fabric, system information control equipment, medium-capacity medium-voltage AC drives, medium-voltage switching devices, control centers, system control panels, electric power distribution equipment, internal permanent magnet motors, medium and large induction motors, small power generators and power generation equipment, rotating machines for industrial uses, etc.
(Information Technologies) Floppy disk drives, 2-dimensional code marking and reading devices, information management software and services, machines for office applications, etc.
(Other) Logistics service, temporary staffing service, etc.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of September 20, 2009	As of March 20, 2009
Assets		
Current assets		
Cash and time deposits	19,699	10,794
Trade notes and accounts receivable	63,623	88,136
Merchandise and finished goods	32,174	37,365
Goods in process	6,022	6,353
Raw materials and supplies	7,780	10,985
Other	20,956	16,478
Allowance for doubtful accounts	(1,344)	(1,041)
Total current assets	148,912	169,073
Fixed assets		
Property, plant and equipment	38,615	39,871
Intangible assets	5,325	6,824
Investments and other assets		
Other	34,039	34,464
Allowance for doubtful accounts	(521)	(1,122)
Total investments and other assets	33,518	33,341
Total fixed assets	77,459	80,037
Total Assets	226,371	249,111
Liabilities		
Current liabilities		
Trade notes and accounts payable	32,033	54,252
Short-term bank loans	30,575	27,609
Accrued directors' bonus	14	60
Other	23,993	26,025
Total current liabilities	86,617	107,948
Long-term liabilities		
Long-term debt	12,708	5,285
Accrued retirement benefits for employees	31,705	32,034
Accrued retirement benefits for directors	250	266
Other	1,123	1,155
Total long-term liabilities	45,787	38,741
Total liabilities	132,404	146,689
Net assets		
Shareholders' equity		
Common stock	23,062	23,062
Additional paid-in capital	18,681	18,681
Retained earnings	51,348	60,983
Treasury stock, at cost	(402)	(357)
Total shareholders' equity	92,689	102,369
Valuation and translation adjustments		
Net unrealized holding gain (loss) on securities	932	(113)
Deferred gains (losses) on hedges	(22)	(67)
Foreign currency translation adjustments	(4,656)	(5,119)
Total valuation and translation adjustments	(3,746)	(5,301)
Minority interests	5,023	5,353
Total net assets	93,967	102,421
Total liabilities and net assets	226,371	249,111

(2) Consolidated Statements of Income

(Millions of yen)

	Six Months Ended September 20, 2009
Net sales	98,355
Cost of sales	77,901
Gross profit	20,454
Selling, general and administrative expenses	28,828
Operating income (loss)	(8,374)
Non-operating income	
Interest income	33
Dividends received	131
Government subsidies for employment adjustment	451
Other	619
Total non-operating income	1,235
Non-operating expenses	
Interest expense	370
Equity in losses of associated companies	163
Foreign exchange loss	260
Other	166
Total non-operating expenses	959
Ordinary income (loss)	(8,098)
Extraordinary gains	
Gain on sales of fixed assets	24
Total extraordinary gains	24
Extraordinary losses	
Loss on sales and disposal of fixed assets	88
Loss on valuation of inventories	2,138
Other	83
Total extraordinary losses	2,311
Income (Loss) before income taxes and minority interests	(10,385)
Provision for income taxes- current	321
Reversal of income taxes payable for previous periods	(139)
Provision for income taxes- deferred	(4,087)
Total income taxes	(3,905)
Minority interests in income (loss)	(216)
Net income (loss)	(6,262)

(3) Consolidated Statements of Cash Flows

(Millions of yen)

Six Months Ended September 20, 2009

Cash flows from operating activities	
Income (Loss) before income taxes and minority interests	(10,385)
Depreciation and amortization	3,864
Loss on valuation of inventories	2,138
Increase (decrease) in allowance for doubtful accounts	(316)
Provision for employees' retirement benefits, net of payments	(359)
Provision for directors' retirement benefits, net of payments	(16)
Loss (Gain) on sales and disposal of fixed assets	63
Interest and dividend income	(164)
Interest expense	370
(Increase) decrease in trade receivables	21,757
(Increase) decrease in inventories	6,826
Increase (decrease) in trade payables	(22,673)
Increase (decrease) in accrued expenses	(404)
Other, net	1,642
Subtotal	2,343
Interest and dividends received	337
Interest paid	(358)
Income taxes paid	(1,339)
Income taxes refund	2,886
Net cash provided by (used in) operating activities	3,869
Cash flows from investing activities	
Purchase of property, plant and equipment and intangible assets	(2,953)
Proceeds from sales of property, plant and equipment and intangible assets	30
Purchases of investment securities	(504)
Other, net	(365)
Net cash provided by (used in) investing activities	(3,792)
Cash flows from financing activities	
Increase (decrease) in short-term debt	1,675
Proceeds from long-term debt	10,260
Repayments of long-term debt	(1,550)
Dividends paid	(1,637)
Dividends paid to minority shareholders	(78)
Other, net	(5)
Net cash provided by (used in) financing activities	8,663
Effect of exchange rate changes on cash and cash equivalents	75
Net increase (decrease) in cash and cash equivalents	8,815
Cash and cash equivalents at beginning of year	10,629
Increase due to inclusion of subsidiaries in consolidation	87
Cash and cash equivalents at end of term	19,532

Beginning with the current fiscal year, “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Implementation Guidance No. 14) have been applied. In addition, the quarterly consolidated financial statements have been prepared in accordance with “Rules for Quarterly Consolidated Financial Statements.”

(4) Notes pertaining to the presumption of a going concern

There are no items in the current period.

(5) Segment Information

Business Segments

	Six months ended September 20, 2009						(Millions of yen)	
	Motion Control	Robotics	System Engineering	Information Technologies	Other	Total	Eliminations & Corporate	Consolidated
<u>Net sales</u>								
Sales to external customers	44,999	25,196	18,188	7,378	2,592	98,355	-	98,355
Intersegment sales and transfers	2,075	209	738	837	1,848	5,709	(5,709)	-
Total sales	47,075	25,405	18,927	8,215	4,441	104,065	(5,709)	98,355
Operating income (loss)	(3,952)	(5,297)	1,493	(611)	(83)	(8,452)	78	(8,374)

(Note)

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

Geographical Areas

	Six months ended September 20, 2009					(Millions of yen)	
	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	Consolidated
<u>Net sales</u>							
Sales to external customers	58,135	13,889	10,700	15,629	98,355	-	98,355
Intersegment sales and transfers	12,103	162	55	1,082	13,402	(13,402)	-
Total sales	70,238	14,052	10,755	16,711	111,758	(13,402)	98,355
Operating income (loss)	(10,769)	257	(725)	770	(10,467)	2,093	(8,374)

(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

	Six months ended September 20, 2009				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	14,416	10,329	22,877	630	48,254
Consolidated sales	-	-	-	-	98,355
Percentage of overseas sales in consolidated sales	15%	11%	23%	0%	49%

(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

Other – Australia, etc

(6) Notes on significant change in shareholders’ equity

Beginning with the first quarter of the current fiscal year, the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18, May 17, 2006) has been applied and the consolidated financial statements were revised as necessary. This change reduced retained earnings at the beginning of the fiscal year by ¥1,330 million.

Appendices

Consolidated Financial Statements of the First Half of Previous Fiscal Year

(1) Interim Consolidated Statements of Income

	(Millions of yen)
	Six Months Ended
	<u>September 20, 2008</u>
Net sales	189,475
Cost of sales	<u>135,897</u>
Gross profit	53,578
Selling, general and administrative expenses	<u>37,748</u>
Operating income	15,830
Non-operating income	
Interest received	85
Dividends received	276
Foreign exchange profit	579
Equity in earnings of affiliates	483
Miscellaneous income	<u>386</u>
Total non-operating income	1,811
Non-operating expenses	
Interest expense	482
Miscellaneous expenses	<u>462</u>
Total non-operating expenses	944
Ordinary income	<u>16,697</u>
Extraordinary gains	
Proceeds from sales of fixed assets	3
Proceeds from sales of investment securities	3
Other extraordinary gains	<u>30</u>
Total extraordinary gains	37
Extraordinary losses	
Loss on disposal of fixed assets	91
Other extraordinary losses	<u>189</u>
Total extraordinary losses	281
Income before income taxes and minority interests	<u>16,452</u>
Provision for income taxes- current	6,788
Provision for income taxes- deferred	(79)
Minority interests	<u>229</u>
Net income	<u><u>9,514</u></u>

(2) Interim Consolidated Statements of Cash Flows

	(Millions of yen) Six Months Ended <u>September 20, 2008</u>
Cash flows from operating activities	
Income before income taxes and minority interests	16,452
Depreciation and amortization	3,949
Increase (decrease) in employee retirement allowance	(560)
Gain on sales of investment securities	(3)
Loss on devaluation of investment securities	75
Interest and dividend income	(362)
Interest expense	482
(Increase) decrease in trade receivables	1,540
(Increase) decrease in inventories	(7,222)
Increase (decrease) in trade payables	268
Increase (decrease) in accrued expenses	775
Other, net	2,164
Subtotal	<u>17,561</u>
Interest and dividends received	597
Interest paid	(466)
Income taxes paid	(8,877)
Net cash provided by (used in) operating activities	<u>8,814</u>
Cash flows from investing activities	
Purchases of property, plant and equipment	(4,245)
Proceeds from sales of property, plant and equipment	22
Purchases of investment securities	(2,016)
Proceeds from sales of investment securities	8
Other, net	(111)
Net cash provided by (used in) investing activities	<u>(6,342)</u>
Cash flows from financing activities	
Increase (decrease) in short-term debt	1,302
Proceeds from long-term debt	621
Repayments of long-term debt	(2,873)
Dividends paid to shareholders of the Company	(1,259)
Dividends paid to minority shareholders	(98)
Other, net	(15)
Net cash provided by (used in) financing activities	<u>(2,324)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(100)</u>
Net increase (decrease) in cash and cash equivalents	47
Cash and cash equivalents at beginning of year	11,864
Increase due to inclusion of subsidiaries in consolidation	1
Cash and cash equivalents at end of term	<u><u>11,913</u></u>

(3)Segment Information

Business Segments

(Millions of yen)

	Six months ended September 20, 2008							
	<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>
Net sales								
Sales to third parties	90,990	63,861	19,741	11,161	3,720	189,475	-	189,475
Intersegment sales and transfers	<u>9,243</u>	<u>319</u>	<u>986</u>	<u>1,804</u>	<u>3,826</u>	<u>16,180</u>	<u>(16,180)</u>	<u>-</u>
Total sales	100,233	64,181	20,727	12,966	7,547	205,655	(16,180)	189,475
Operating costs and expenses	<u>89,953</u>	<u>60,080</u>	<u>20,035</u>	<u>12,570</u>	<u>7,156</u>	<u>189,795</u>	<u>(16,149)</u>	<u>173,645</u>
Operating income (loss)	<u>10,280</u>	<u>4,101</u>	<u>692</u>	<u>395</u>	<u>391</u>	<u>15,860</u>	<u>(30)</u>	<u>15,830</u>

(Note)

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

Geographical Areas

(Millions of yen)

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

Overseas Sales

(Millions of yen)

	Six months ended September 20, 2008				
	<u>The Americas</u>	<u>Europe</u>	<u>Asia</u>	<u>Other</u>	<u>Total</u>
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.