YASKAWA Electric Corporation
(TSE 6506)

- FY2009 Financial Results (Summary)
  ( Ended March 20, 2010)

- FY2010 Forecast and Measures (Summary)
  ( Ending March 20, 2011)

Presented by Junji Tsuda, President

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. YASKAWA Electric Corporation undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.
Sales Break Down by Business Segment

**Information Technologies : (IT)**
- Core products
  - Computer peripherals, laser marking devices, etc.
  - Information management software and services

**System Engineering : (S)**
- Core products
  - Electrical systems for steel plants
  - Electrical instrumentation for water supply plants and sewage treatment facility systems, etc.

**Robotics : (R)**
- Core products
  - Arc and spot welding robots, Painting robots, Handling robots
  - FPD glass sheet transfer robots
  - New generation robots
  - Semiconductor wafer transfer robots, etc.

**Motion Control : (M)**
- Core products
  - AC servo motors and controllers, Linear servo
  - General purpose AC drives, etc.

**FY2009 consolidated sales of ¥224.7 billion**

**Main applications**
- Electronic components
  - Chip mounter
- Machine tools
  - Tapping machine

- Welding of automobile components by arc-welding robots
- Assembly by new generation robots

- System Engineering
  - 19%
- Robotics
  - 25%
- Motion Control
  - 47%
- Information Technologies
  - 7%

- Sales Break Down by Business Segment
- YASKAWA
Sales Break Down by Destination

FY2009 consolidated sales of ¥224.7 billion

Asia
- Major subsidiaries
  - YASKAWA Electric (Shanghai) Co., Ltd. (China)
  - YASKAWA Electric (Singapore) PTE Ltd. (Singapore)
  - YASKAWA Electric Korea Corporation (Korea)
  - YASKAWA Electric Taiwan Corporation (Taiwan)
  - Shougang Motoman Robot Co., Ltd. (China)
  - Motoman Motherson Robotics Ltd. (India)

Japan
- Major subsidiaries
  - YE DATA INC.
  - YASKAWA INFORMATION SYSTEMS Corporation
  - YASKAWA Electric Engineering Corp.
  - YASKAWA Controls Co., Ltd.
  - YASKAWA Motor Corp.

Europe
- Major subsidiaries
  - YASKAWA Electric Europe GmbH (Germany)
  - Motoman Robotics Europe AB (Sweden)
  - Motoman Robotec GmbH (Germany)
  - YASKAWA Electric UK, Ltd. (UK)

The Americas
- Major subsidiaries
  - YASKAWA Electric America, Inc. (U.S.)
  - YASKAWA Eletrico do Brasil Ltda. (Brazil)
  - Motoman, Inc. (U.S.)

Overseas 48%
FY2009 Financial Highlights

Turned profitable in the second half by capturing the recovering demand in China and Asia while the business environment remained difficult.

<table>
<thead>
<tr>
<th></th>
<th>FY2009</th>
<th>First half</th>
<th>Second half</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>¥224.7 billion</td>
<td>¥98.3 billion</td>
<td>¥126.3 billion</td>
</tr>
<tr>
<td>Operating income</td>
<td>(¥6.9 billion)</td>
<td>(¥8.3 billion)</td>
<td>¥1.3 billion</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>(¥6.0 billion)</td>
<td>(¥8.0 billion)</td>
<td>¥2.0 billion</td>
</tr>
<tr>
<td>Net income</td>
<td>(¥5.7 billion)</td>
<td>(¥6.2 billion)</td>
<td>¥0.5 billion</td>
</tr>
</tbody>
</table>

(M) Achieved profitability in the second half thanks to demand recovery in China and Asia. Demand related to energy saving and infrastructure steadily recovered for AC drives. Semiconductor and FPD-related demand contributed to the result for AC servomotors. In the last quarter, recovery in the electronic parts industry and the U.S. also contributed.

(R) Although difficult conditions continue, the business is on a gradual recovery trend, due to expansion of investments in Chinese automobile and FPD industries. Semiconductor industry also improved starting second half.

(S) Achieved year-on-year profit growth, supported mainly by the strong steel industry.

(IT) Negatively affected by restrained capital spending in IT.
## FY2009 Results by Business Segment

### Profits backed up by (S)

(单位：亿日元，%)

<table>
<thead>
<tr>
<th></th>
<th>FY09</th>
<th>FY08</th>
<th>Change from FY08</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(billion yen)</td>
<td>(%)</td>
<td>(billion yen)</td>
</tr>
<tr>
<td>Sales</td>
<td>224.7</td>
<td>350.2</td>
<td>(125.5)</td>
</tr>
<tr>
<td>(M)</td>
<td>104.8</td>
<td>160.8</td>
<td>(56.0)</td>
</tr>
<tr>
<td>(R)</td>
<td>57.0</td>
<td>114.1</td>
<td>(57.0)</td>
</tr>
<tr>
<td>(S)</td>
<td>41.4</td>
<td>46.7</td>
<td>(5.3)</td>
</tr>
<tr>
<td>(IT)</td>
<td>15.5</td>
<td>21.3</td>
<td>(5.8)</td>
</tr>
<tr>
<td>Operating income</td>
<td>(6.9)</td>
<td>20.8</td>
<td>(27.8)</td>
</tr>
<tr>
<td>(M)</td>
<td>(3.1)</td>
<td>11.7</td>
<td>(14.9)</td>
</tr>
<tr>
<td>(R)</td>
<td>(8.3)</td>
<td>3.2</td>
<td>(11.5)</td>
</tr>
<tr>
<td>(S)</td>
<td>5.4</td>
<td>4.6</td>
<td>+0.8</td>
</tr>
<tr>
<td>(IT)</td>
<td>(0.9)</td>
<td>0.6</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>(6.0)</td>
<td>20.0</td>
<td>(26.1)</td>
</tr>
<tr>
<td>Net income</td>
<td>(5.6)</td>
<td>6.8</td>
<td>(12.6)</td>
</tr>
</tbody>
</table>
Breakdown of Changes in Operating Income (FY2008 to FY2009)

- **FY2008**
  - Profit decrease due to sales decrease: 20.8 billion yen

- **FY2009**
  - Added value: 6.9 billion yen
  - Cost reduction / improved efficiency: -27.8 billion yen
Forecast on FY2010 Business Environment

Although rapid growth in China and Asia may slow down, the level of demand remains high. Strong conditions for semiconductor and FPD-related investments, and energy-related demand is in a growing trend.

(Note) Trend from FY2009 to FY2010

<table>
<thead>
<tr>
<th>Market trends</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Semiconductor</td>
<td>→</td>
<td>High level of capital investment continues.</td>
</tr>
<tr>
<td>FPD</td>
<td>→</td>
<td>Strong demand for capital investment in China and Asia</td>
</tr>
<tr>
<td>Automobile</td>
<td>→</td>
<td>Steady in China. Signs of resumption of investments in Japan, U.S. and Europe following the recovery in production.</td>
</tr>
<tr>
<td>Steel</td>
<td>→</td>
<td>Large investments are in the trough. Environment-related investments continue.</td>
</tr>
<tr>
<td>Energy-related</td>
<td>→</td>
<td>Steady demand expansion is expected for energy saving and new energy.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regional trends</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The Americas</td>
<td>→</td>
<td>Capital investments continue to recover due to economic recovery.</td>
</tr>
<tr>
<td>Europe</td>
<td>→</td>
<td>Get out of economic slump and start on a gradual recovery trend.</td>
</tr>
<tr>
<td>China and Asia</td>
<td>→</td>
<td>Rapid growth may slow down, but the level of regional demand remains high.</td>
</tr>
</tbody>
</table>

Any forward-looking statements within this document are made according to the assumptions of management and are subject to change as a result of risks and uncertainties.
Aim for sales expansion and securing profits by accelerating penetration into Asia, especially China, and by start up of energy-related businesses, while the business environment continues to be difficult.

(M) AC drives: Demand for air conditioning, and also in China and Asia will continue to be strong.

(R) On track for improvement due to strong automobile-related investments in Asia, and resumption of investments in Europe and the U.S. Investments in FPD and semiconductor industries will remain high level.

(S) Investments in steel industry are in a trough. Secure sales and profits by offering proposals for energy saving investments.

(IT) Aim for securing profits by increasing sales and enhancing efficiency.

Any forward-looking statements within this document are made according to the assumptions of management and are subject to change as a result of risks and uncertainties.
FY2010 Financial Forecast: Main Points - 2

Promotion of shifts to Asian markets, especially China

• Start operation of AC servomotor plant in Shenyang (June, 2010)
  Promote sales to the Chinese market of machine tools
• Expand production capacity of AC drive plant in Shanghai
  Double production capacity (300 thousand units per year)
  Triple production capacity as for small AC drives with high demand in China
• Establish sales and business promotion division for robots in Shanghai
  Expand and strengthen sales and after-sales services in China
• Accelerate motion control business in India

Expansion of energy-related business

• ”EV Powertrain Business Promotion Dept.” was established in Technology & Development Div.
• ”Environmental Energy Business Div.” was established in Drives Div.
• ”Environmental Energy System Business Div.” was established in System Engineering Div.

Continuation of thorough cost reduction

• Strengthen cost reduction with immediate effects, e.g. overseas procurement
• Efficient use of expenses

Any forward-looking statements within this document are made according to the assumptions of management and are subject to change as a result of risks and uncertainties.
Breakdown of Changes in Operating Income (FY2009 to FY2010 Forecast)

- **Profit increase due to sales increase**: (-6.9) billion yen
- **Added value**
- **Increase in expenses due to increase in sales and production**
- **Effects of changes in forex rates**: +8.0 billion yen
- **Total change**: +15.0 billion yen

Any forward-looking statements within this document are made according to the assumptions of management and are subject to change as a result of risks and uncertainties.
Risk Factors

1. Changes in exchange rates
   There is a possibility that changes in exchange rates, such as sharp appreciation of the Japanese yen, may affect our business results negatively.

   (Reference) Actual exchange rates in FY2009  $1=¥92.4  Euro1=¥130.8
   Estimated exchange rates in FY2010  $1=¥90  Euro1=¥120

2. Trends in economic measures of market countries
   There is a possibility that the market environment may change according to the trends in economic measures that support our market countries’ economic recovery.

Any forward-looking statements within this document are made according to the assumptions of management and are subject to change as a result of risks and uncertainties.