

Summary of First Quarter Consolidated Results for Period Ended June 20, 2004

(Quarterly financial statements are unaudited)

July 29, 2004

Listed company name: Yaskawa Electric Corporation

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

President: Koji Toshima

Stock exchange listings: Tokyo, Fukuoka

Stock ticker number: 6506

1. Summary of Results for the First Quarter of Fiscal Year 2004 (March 21, 2004 to June 20, 2004)

(Quarterly results will be released beginning this year, meaning previous year results and ratios are currently unavailable)

(1) Summary of Consolidated Statements of Income

	(Millions of yen, except ratio and per share data)		
	3 months ended June 20, 2004	3 months ended June 20, 2003	Year ended March 20, 2004
Net sales	64,035	-	263,045
Operating income	1,165	-	12,407
Ordinary income	1,013	-	12,010
Net income	(386)	-	5,819
Earnings per share (basic)	(1.67)	-	24.80
Earnings per share (diluted)	-	-	23.32

The Japanese economy in the first quarter experienced an increase in exports and domestic capital expenditures, leading to improved corporate results and a strengthening of the recovery from the latter half of last year. Under these conditions, the Company plans this year to increase added-value and expand businesses through market strategy and innovation.

In the first quarter, beginning March 2004, strong growth was exhibited in the semiconductor-, LCD- and electronic component-related markets, and the automobile-related market also continued to expand. As a result, Motion Control and Robotics Automation segments both experienced high growth. Net sales for the quarter were 64,035 million yen. While ordinary income ended at 1,013 million yen, there was a net loss of 386 million yen due to extraordinary losses, such as employee retirement-related expenses.

Concerning the Company's sales, a trend exists for shipment and delivery dates to be concentrated in September and March, especially in the System Engineering segment. As a result, first quarter results will be relatively lower when compared to second and fourth quarter results.

(2) Summary of Consolidated Financial Position

	(Millions of yen, except ratio and per share data)		
	3 months ended June 20, 2004	3 months ended June 20, 2003	Year ended March 20, 2004
Total assets	252,011	-	249,829
Shareholders' equity	35,698	-	36,715
Shareholders' equity ratio (%)	14.2	-	14.7
Shareholders' equity per share	154.32	-	158.35

(3) Summary of Consolidated Statements of Cash Flows

	(Millions of yen)		
	3 months ended June 20, 2004	3 months ended June 20, 2003	Year ended March 20, 2004
Net cash provided by (used in) operating activities	(92)	-	18,504
Net cash provided by (used in) investing activities	(3,543)	-	1,118
Net cash provided by (used in) financing activities	3,752	-	(18,877)
Cash and cash equivalents at end of period	17,198	-	17,098

While trade receivables slightly decreased this quarter, inventories were expanded to meet the expected increase in sales for the second quarter. Combined with the payment of corporate taxes, first quarter cash flows from operating activities ended at a negative 92 million yen.

Cash flows from investing activities ended at a negative 3,543 million yen due to the acquisition of fixed assets and investment securities. Free cash flow for the quarter ended at a negative 3,635 million yen.

Although short-term debt supplied 5,425 million yen, the repayment of long-term debt and the payment of dividends lowered cash flows from financing activities to a positive 3,752 million yen.

As a result of these activities, cash and cash equivalents increased 100 million yen over last fiscal year to end at 17,198 million yen.

2. Projected Consolidated Results for the Fiscal Year Ending March 20, 2005

	(Millions of yen)	
	6 months ending September 20, 2004	Year ending March 20, 2005
Net sales	139,000	295,000
Ordinary income	4,400	18,000
Net income	1,000	8,000

Note: Earnings per share is estimated to be 34.58 yen at the end of the fiscal year

The consolidated projected results presented herein are unchanged from those presented in the May 6, 2004 statement.

Note:*

A subsidiary of the Company, Synetics Solutions, Inc., has filed for registration with the Securities and Exchange Commission on April 30 of this year relating to an initial public offering of shares of its common stock to be listed on the U.S. NASDAQ index.

Synetics Solutions, Inc. intended to go public this July, but due to external economic and market conditions, this plan has been changed. A listing date and price along with the influence of the listing on the Company's financial position are undetermined at the current time. The projected results contained herein have thus excluded any influence of Synetics Solutions, Inc. going public.

Profile of Synetics Solutions, Inc.

Date of Establishment: June, 2000

Industry Information: The development, production and sale of airflow management equipment for semiconductor production and wafer handling devices

Headquarters: Portland, Oregon, U.S.A.

Percentage of Shares Held: 87.05% (Yaskawa Electric America, Inc. separately holds 7.01%)

* This information is not intended to be a persuasive investment offering. In the case that a security offering occurs, a prospectus in accordance to the U.S. Securities Act of 1933 will be prepared.

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. Yaskawa Electric undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.

(Attachment)

1. Quarterly Consolidated Balance Sheet (summary)

	(Millions of Yen)			
	As of June 20, 2004		As of March 20, 2004	
		% of Total		% of Total
Assets				
Current assets				
Cash and time deposits	16,272		16,194	
Trade notes and accounts receivable	76,263		84,186	
Inventories	62,716		54,345	
Other current assets	15,050		14,885	
Total current assets	<u>170,302</u>	<u>67.6</u>	<u>169,611</u>	<u>67.9</u>
Fixed assets				
Property, plant and equipment	37,440		36,844	
Intangible fixed assets	13,701		13,997	
Investments and other assets	30,567		29,375	
Total fixed assets	<u>81,708</u>	<u>32.4</u>	<u>80,217</u>	<u>32.1</u>
Total Assets	<u>252,011</u>	<u>100.0</u>	<u>249,829</u>	<u>100.0</u>
	(Millions of Yen)			
	As of June 20, 2004		As of March 20, 2004	
		% of Total		% of Total
Liabilities				
Current liabilities				
Trade notes and accounts payable	62,820		63,382	
Short-term bank loans	45,648		40,372	
Current portion of convertible notes	15,000		15,000	
Accrued income taxes	1,261		2,791	
Other current liabilities	31,249		31,118	
Total current liabilities	<u>155,980</u>	<u>61.9</u>	<u>152,664</u>	<u>61.1</u>
Long-term liabilities	56,610	22.4	56,188	22.5
Total liabilities	<u>212,591</u>	<u>84.3</u>	<u>208,852</u>	<u>83.6</u>
Minority interests	3,721	1.5	4,261	1.7
Shareholders' equity				
Common stock	15,540	6.2	15,540	6.2
Additional paid-in capital	13,999	5.6	13,999	5.6
Retained earnings	5,059	2.0	6,171	2.5
Net unrealized holding gain on securities	1,268	0.5	1,040	0.4
Foreign currency translation adjustments	91	0.0	154	0.1
Treasury stock, at cost	(261)	(0.1)	(191)	(0.1)
Total shareholders' equity	<u>35,698</u>	<u>14.2</u>	<u>36,715</u>	<u>14.7</u>
Total liabilities, shareholders' equity	<u>252,011</u>	<u>100.0</u>	<u>249,829</u>	<u>100.0</u>

(Attachment)

2. Quarterly Consolidated Statements of Income (summary)

	(Millions of yen)			
	Three Months Ended		Year Ended	
	June 20, 2004		March 20, 2004	
		% of Total		% of Total
Net sales	64,035	100	263,045	100
Cost of sales	47,883	74.8	192,786	73.3
Gross profit	16,152	25.2	70,259	26.7
Selling, general and administrative expenses	14,986	23.4	57,851	22.0
Operating income	1,165	1.8	12,407	4.7
Non-operating income	304	0.5	2,333	0.9
Non-operating expenses	457	0.7	2,730	1.0
Ordinary income	1,013	1.6	12,010	4.6
Extraordinary gains	328	0.5	5,481	2.0
Extraordinary losses	1,271	2.0	6,402	2.4
Income before income taxes and minority interests	70	0.1	11,089	4.2
Provision for income taxes- current	826	1.2	4,206	1.6
Provision for income taxes- deferred	(213)	(0.3)	796	0.3
Minority interests	(155)	(0.2)	265	0.1
Net income (loss)	(386)	(0.6)	5,819	2.2

(Attachment)

3. Quarterly Consolidated Statements of Cash Flows (summary)

	(Millions of yen)	
	Three Months Ended	Year Ended
	June 20, 2004	March 20, 2004
Cash flows from operating activities		
Income before income taxes and minority interests	70	11,089
Depreciation and amortization	1,493	6,047
Gain on sales of investment securities	(324)	(1,883)
(Increase) decrease in trade receivables	7,851	(13,226)
(Increase) decrease in inventories	(8,458)	(202)
Increase (decrease) in trade payables	(492)	14,253
Income taxes paid	(2,351)	(3,978)
Other, net	2,119	6,405
Net cash provided by (used in) operating activities	<u>(92)</u>	<u>18,504</u>
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(2,101)	(6,178)
Proceeds from sales of property, plant and equipment	29	1,359
Purchases of investment securities	(1,821)	(1,404)
Proceeds from sales of investment securities	396	3,254
Other, net	(47)	4,087
Net cash provided by (used in) investing activities	<u>(3,543)</u>	<u>1,118</u>
Cash flows from financing activities		
Increase (decrease) in short-term debt	5,425	(14,071)
Proceeds from long-term debt	402	7,846
Repayments of long-term debt	(1,216)	(12,210)
Other, net	(859)	(441)
Net cash provided by (used in) financing activities	<u>3,752</u>	<u>(18,877)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(15)</u>	<u>(31)</u>
Net increase (decrease) in cash and cash equivalents	99	714
Cash and cash equivalents at beginning of year	17,098	16,267
Increase due to inclusion of subsidiaries in consolidation	0	148
Decrease due to exclusion of subsidiaries from consolidation	0	(32)
Cash and cash equivalents at end of year	<u>17,198</u>	<u>17,098</u>

(Attachment)

4. Segment Information

(Business Segment Information)

(Millions of yen)

	Three months ended June 20, 2004							Consolidated
	Motion Control	Robotics Automation	System Engineering	Information Technology	Other	Total	Eliminations & Corporate	
Net sales								
Sales to third parties	27,990	23,576	5,704	3,864	2,900	64,035	0	64,035
Intersegment sales and transfers	3,872	202	391	412	5,042	9,920	(9,920)	0
Total sales	31,863	23,778	6,095	4,276	7,942	73,956	(9,920)	64,035
Operating costs and expenses	29,837	23,107	7,559	4,662	7,513	72,680	(9,810)	62,870
Operating income	2,025	671	(1,464)	(386)	429	1,275	(110)	1,165

	Year ended March 20, 2004							Consolidated
	Motion Control	Robotics Automation	System Engineering	Information Technology	Other	Total	Eliminations & Corporate	
Net sales								
Sales to third parties	105,069	80,478	40,373	24,414	12,709	263,045	0	263,045
Intersegment sales and transfers	11,195	4,669	2,007	2,933	15,274	36,079	(36,079)	0
Total sales	116,265	85,147	42,380	27,347	27,983	299,124	(36,079)	263,045
Operating costs and expenses	112,227	79,881	41,421	26,175	26,911	286,618	(35,980)	250,637
Operating income	4,037	5,266	958	1,172	1,071	12,506	(98)	12,407

(Area Segment Information)

(Millions of yen)

	Three months ended June 20, 2004						Consolidated
	Japan	North America	Europe	Asia	Total	Eliminations & Corporate	
Net sales							
Sales to third parties	41,479	11,379	7,402	3,774	64,035	0	64,035
Intersegment sales and transfers	9,326	28	146	1,313	10,815	(10,815)	0
Total sales	50,806	11,408	7,549	5,087	74,851	(10,815)	64,035
Operating costs and expenses	51,317	10,546	7,147	4,599	73,610	(10,740)	62,870
Operating income	(511)	862	401	487	1,240	(74)	1,165

	Year ended March 20, 2004						Consolidated
	Japan	North America	Europe	Asia	Total	Eliminations & Corporate	
Net sales							
Sales to third parties	184,113	34,915	31,300	12,715	263,045	0	263,045
Intersegment sales and transfers	34,990	239	1,189	4,127	40,547	(40,547)	0
Total sales	219,104	35,154	32,490	16,843	303,593	(40,547)	263,045
Operating costs and expenses	211,705	33,762	30,145	15,650	291,264	(40,626)	250,637
Operating income	7,398	1,392	2,344	1,192	12,328	79	12,407