

March 4, 2005

Listed company name: Yaskawa Electric Corporation

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

President: Koji Toshima

Stock exchange listings: Tokyo, Fukuoka

Stock ticker number: 6506

## Financial Forecast and Dividend Forecast Revision

The financial forecast announced on February 4, 2005 and the dividend forecast announced on October 28, 2004 have been revised as follows.

### 1. Financial Forecast Revision for the Fiscal Year Ending March 20, 2005.

#### (1) Consolidated

(Millions of yen)

	Net Sales	Ordinary income	Net income
Previous Forecast Announced on February 4, 2005 (A)	300,000	17,000	6,000
Revised Forecast (B)	300,000	17,000	1,500
Change (B – A)	-	-	(4,500)
Change as a Percentage	-	-	(75.0%)
(Reference) Results for the Fiscal Year Ended March 20, 2004	263,045	12,010	5,819

#### (2) Unconsolidated

(Millions of yen)

	Net Sales	Ordinary income	Net income (loss)
Previous Forecast Announced on February 4, 2005 (A)	190,000	8,000	2,500
Revised Forecast (B)	190,000	8,000	(4,000)
Change (B – A)	-	-	(6,500)
Change as a Percentage	-	-	-
(Reference) Results for the Fiscal Year Ended March 20, 2004	155,501	4,501	1,723

2. Dividend Forecast Revision for the Fiscal Year Ending March 20, 2005.

	Dividend per share
Previous Forecast Announced on October 28, 2004	5 yen
Revised Forecast	0 yen
(Reference) Fiscal Year 2003 dividend	3 yen

Note: Yaskawa pays no semi-annual dividends.

3. Factors Relating to the Forecast Revision

During the course of the audit for the fiscal year ending February 28, 2005 at Synectics Solutions Inc., which is headquartered in Oregon, U.S.A. and is a subsidiary of Yaskawa, the auditing firm indicated that goodwill totaling \$38.7 million (approximately 4.1 billion yen) should be fully impaired. Based on this, the company will write off the total amount, which is expected to result in negative net worth.

As a result, Yaskawa will record an extraordinary loss of 7.2 billion yen, of which 5.9 billion yen is attributable to the devaluation of Synectics' shares and 1.3 billion yen is attributable to the increase in Yaskawa's allowance resulting from Synectics' negative net worth. Therefore, consolidated and unconsolidated revisions of prior forecasts for net income were made, and due to the unconsolidated net loss of 4.0 billion yen, we have regrettably canceled plans to pay dividends this fiscal year.

Synectics Solutions, Inc. has also withdrawn its application for listing on NASDAQ in the U.S.

**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.