



YASKAWA Electric Corporation

(TSE 6506)

- **FY2007 Financial Results (Summary)**
(Ended March 20, 2008)
- **FY2008 Forecast and Measures (Summary)**
(Ending March 20, 2009)

Presented by Koji Toshima, President

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

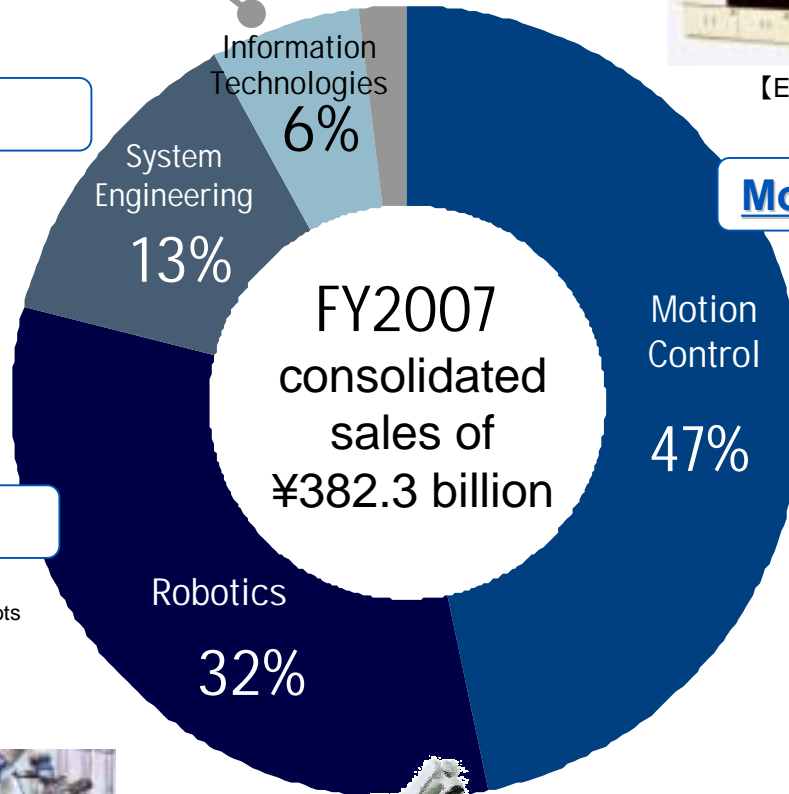
Arc and spot welding robots, Painting robots, Handling robots
FPD glass sheet transfer robots
New generation robots
Semiconductor wafer transfer robots, etc.

Welding of automobile components by arc-welding robots

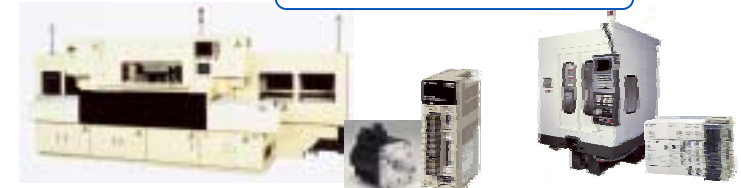


Assembly by new generation robots

FY2007 consolidated sales of ¥382.3 billion



Main applications



【Electronic components】
Chip moulder

【Machine tools】
Tapping machine

Motion Control : (M)

Core products

AC servo motors and controllers, Linear servo
General purpose AC drives, etc.



Main applications

Sales Break Down by Destination

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)

Europe

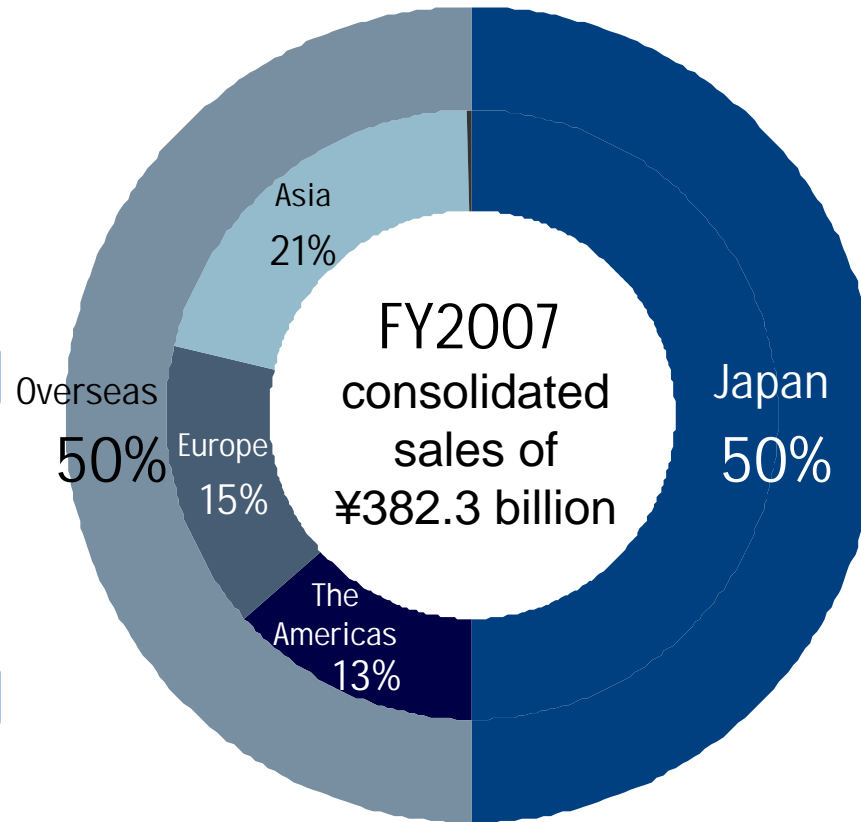
Major subsidiaries

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.)



Japan

Major subsidiaries

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

FY2007 Financial Highlights

Record highs achieved with sales and profits increasing
for six consecutive years

Sales	¥382.3 billion, up by 3.6%
Operating income	¥36.4 billion, up by 8.7% (Operating income ratio 9.5%)
Ordinary income	¥35.2 billion, up by 5.5% (Ordinary income ratio 9.2%)
Net income	¥20.2 billion, up by 6.6%

(All results were record highs.)

(M) AC drives: Significant growth in Europe and Asia

AC servomotors: Recovery in the second half of FY

(R) Automobile: Robust FPD: Recovery in orders in the second half of FY

Semiconductor: Adjustment phase

(S) Significant profit increase with strong business of electrical systems
for steel plants

(IT) Decrease in sales and profits with capital expenditure adjustments
in FPD markets. Now working on strengthening business structure

FY2007 Results by Business Segment

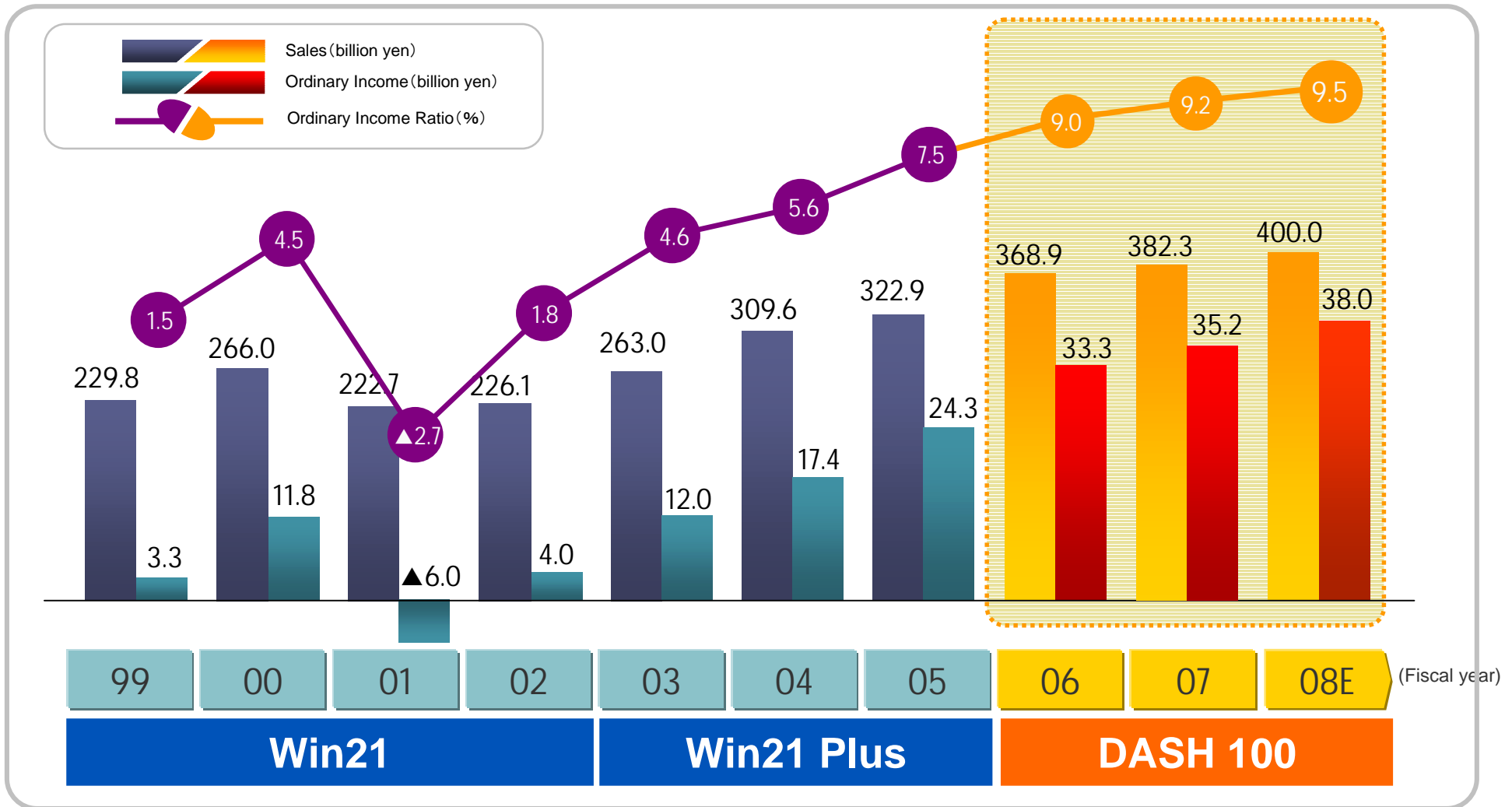
(M) Sales expansion (S) Improvement in profit contributed to the corporate business performance

(unit: billion yen, %)

	FY2007		FY2006		Change	
		income ratio		income ratio	(billion yen)	(%)
Sales	382.3		368.9		+13.4	+3.6%
(M)	177.8		159.6		+18.3	+11.5%
(R)	123.5		126.7		▲3.2	▲2.5%
(S)	50.5		49.4		+1.0	+2.1%
(IT)	23.1		26.4		▲3.3	▲12.4%
Operating income	36.4	9.5%	33.5	9.1%	+2.9	+8.7%
(M)	21.3	12.0%	19.8	12.4%	+1.5	+7.8%
(R)	8.5	6.9%	8.9	7.1%	▲0.4	▲4.5%
(S)	3.9	7.8%	1.8	3.7%	+2.1	+117.2%
(IT)	0.4	1.8%	1.1	4.5%	▲0.8	▲64.7%
Ordinary income	35.2	9.2%	33.3	9.0%	+1.8	+5.5%
Net income	20.2	5.3%	18.9	5.1%	+1.3	+6.6%

Recent Financial Results

FY08 is the year to finalize the mid-term business plan “DASH100”



FY2008 Financial Forecast : Main Points

Aiming at increase in sales and profit for seven consecutive years by capturing the growing markets with competitive products

Sales	¥400.0 billion, up by 4.6%
Operating income	¥38.0 billion, up by 4.1% (Operating income ratio 9.5%)
Ordinary income	¥38.0 billion, up by 7.9% (Ordinary income ratio 9.5%)
Net income	¥21.0 billion, up by 3.7%

(All predicted results above are record highs.)

(M) Expansion of global market share with the effect of new products

AC drives: Growth driven by energy-saving needs / AC servomotors: Sales expansion for FPD market

(R) Acceleration of market cultivation with launch of next series of main industrial robots and new-generation robots

Automobile: continuous high-level performance / FPD: Order increase contributing to sales and profit increase / Semiconductor: Thorough cost reduction

(S) Markets like steel industry that we are competitive at are robust. Realize income ratio of over 5% stably.

Annual dividend projected to increase to ¥13 per share

(Projected dividend payout ratio: 15.6%)

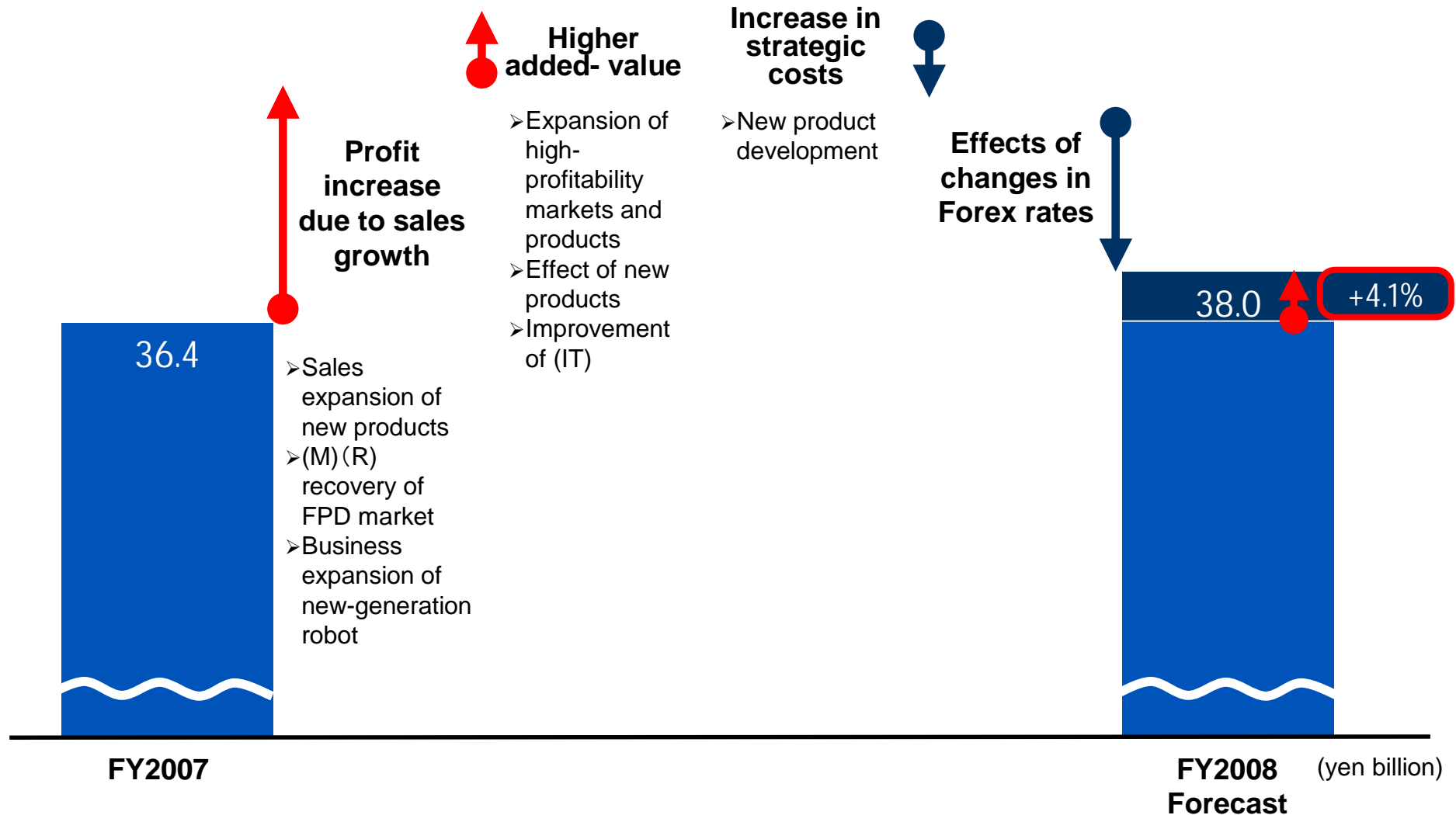
Assumption of FY2008 Plan

Acceleration of market cultivation with competitive new products
Macroenvironment anticipates gradual recovery in the second half of FY

Market environment	Semiconductor	Adjustment continues in the first half of FY. Recovery anticipated in the second half.
	FPD	Continuous growth since the second half of FY07. Approaching the peak level of FY04.
	Automobile	Continuous capital expenditure aimed at production innovation. Progress in application of robots to assembly and distribution.
	Steel	There is a move to expand overseas capital expenditure by Japanese manufacturers.

Regional trends	The Americas	Although there is a risk of further slowdown of capital expenditure in automobile industry, gradual recovery is expected in the second half of FY.
	Europe	Air-conditioning/automobile/general machinery markets are robust as a whole
	China/Asia	High growth continues as regional demand remains strong.

Breakdown of Changes in Operating Income



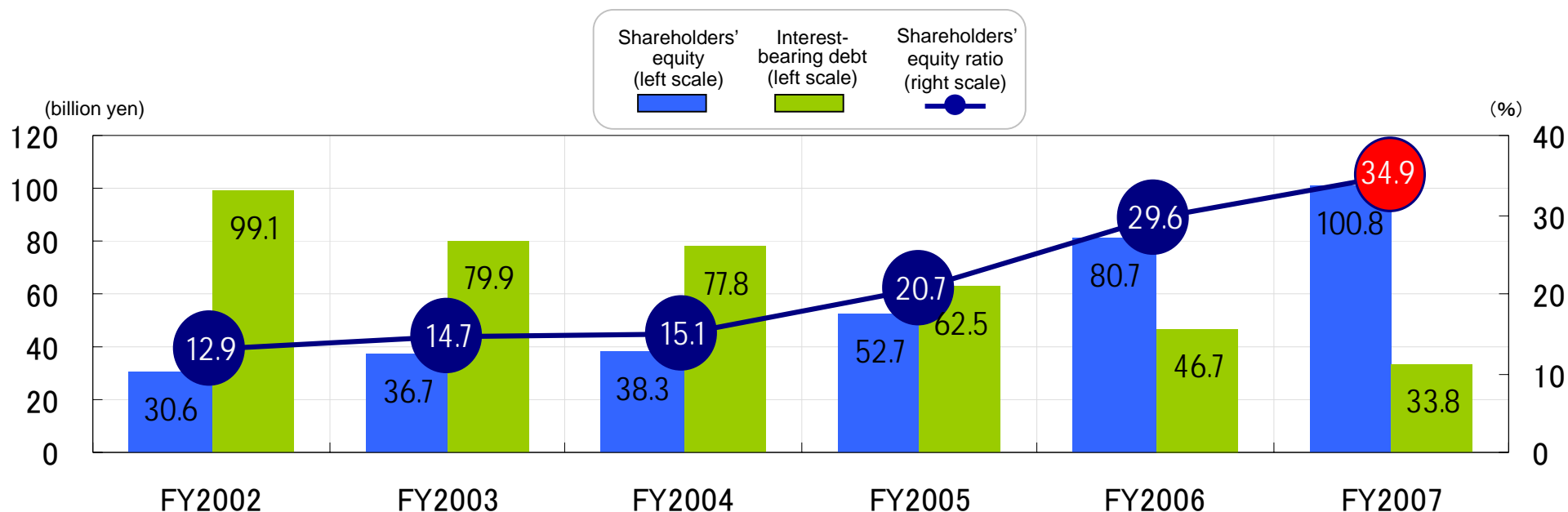
Balance Sheet Structural Reform (Consolidated)

FY2006	
➤ Shareholders' equity ratio	29.6%
➤ Shareholders' equity	¥80,7 bn.
➤ Interest-bearing debt	¥46,7 bn.
➤ D/E ratio	0.58
➤ Inventory (Turnover)	¥58,1bn. (1.9 months)



FY2007	
➤ Shareholders' equity ratio	34.9%
➤ Shareholders' equity	¥100.8 bn.
➤ Interest-bearing debt	¥33.8 bn.
➤ D/E ratio	0.34
➤ Inventory (Turnover)	¥57.9bn. (1.8 months)

※Average inventory during the FY is used for calculating turnover months.



Risk Factors

1. Change 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 of FY2007	\$1=¥115.4	€1=¥161.4
	Estimated exchange rates of FY2008	\$1=¥100.0	€1=¥150.0

2. Market environment

- (1) There is an increasing risk that we are negatively affected by global economic slowdown, especially in the U.S., which may lead to decline in overseas sales
- (2) There is a possibility that adjustment phase in the semiconductor manufacturing market may be prolonged

3. Price increase for raw materials and parts

We try our best to control the price within the scope of our expectation, however there remains strong pressure for price increase.

This may affect our profit in a negative way

Note

Disclaimer:

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.