

Summary of First Half Consolidated Results for the Period Ended September 20, 2005

October 31, 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

1. Summary of Results for the First Half of Fiscal Year 2005 (March 21, 2005 to September 20, 2005)

(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 off.)

(1) Summary of Consolidated Statements of Income

(Millions of yen, except ratio and per share data)				
	6 months ended September 20, 2005	6 months ended September 20, 2004	Change	Year ended March 20, 2005
Net sales	146,101	146,053	0.0%	309,615
Operating income	8,161	7,048	15.8%	17,527
Ordinary income	8,189	7,200	13.7%	17,414
Net income	2,748	2,160	27.2%	1,860
Earnings per share (basic)	11.88	9.34	-	7.80
Earnings per share (diluted)	10.93	8.69	-	7.30

Notes: 1. Equity in earnings of affiliated companies

6 months ended 9/20/05: ¥375 million

6 months ended 9/20/04: ¥254 million

Year ended 3/20/05: ¥268 million

2. Average number of shares during the period (consolidated)

6 months ended 9/20/05: 231,309,613 shares

6 months ended 9/20/04: 231,349,821 shares

Year ended 3/20/05: 231,328,828 shares

3. Changes in accounting methods: Yes

4. Percentage changes for the first half-year sales, operating income, ordinary income and net income are relative to the first half-year results of the previous fiscal year.

(2) Summary of Consolidated Financial Position

(Millions of yen, except ratio and per share data)			
	6 months ended September 20, 2005	6 months ended September 20, 2004	Year ended March 20, 2005
Total assets	246,849	267,802	254,438
Shareholders' equity	42,120	37,933	38,366
Shareholders' equity ratio (%)	17.1	14.2	15.1
Shareholders' equity per share	182.10	163.96	165.63

Note: Recorded number of shares issued at the end of the period

As of 9/20/05: 231,304,469 shares

As of 9/20/04: 231,358,133 shares

As of 3/20/05: 231,310,194 shares

(3) Summary of Consolidated Statements of Cash Flows

	(Millions of yen)		
	6 months ended September 20, 2005	6 months ended September 20, 2004	Year ended March 20, 2005
Net cash provided by (used in)			
operating activities	7,850	(5,994)	5,789
Net cash provided by (used in)			
investing activities	(3,576)	(4,716)	(2,242)
Net cash provided by (used in)			
financing activities	(6,027)	10,621	(2,823)
Cash and cash equivalents at end of period	16,275	16,982	17,906

(4) Scope of consolidation and application under equity method accounting

Total consolidated subsidiaries: 62 companies

Non-consolidated subsidiaries to which equity method accounting is applied: 3 companies

Affiliated companies to which equity method accounting is applied: 18 companies

(5) Changes in scope of consolidation and application under equity method accounting

Consolidated (new): 0 (eliminated): 0

Affiliated companies (new): 0 (eliminated): 0

2. Projected Consolidated Results for the Fiscal Year Ending March 20, 2006

	(Millions of yen)
	Year ending March 20, 2006
Net sales	314,000
Ordinary income	22,000
Net income	8,000

Notes: Projected earnings per share for the year are ¥34.59.

The above projections were made as of the day of writing and may vary from actual results.

3. Management Policies

Fundamental Management Policies

Yaskawa Electric Corporation, along with its subsidiaries and affiliated companies, has long held to its policy of committing ourselves to the development of society and the well-being of all people through business achievements. To accomplish these goals, Yaskawa Group follows three principles below.

- giving priority to product quality and developing cutting-edge technology in which we can take price throughout the world
- improving management efficiency and ensuring enough profit to stay competitive
- responding to the market needs and committing ourselves to serving the customers the best we can

Taking into consideration the increasing interest in the creation of corporate value, Yaskawa Group's priority is

to improve capital efficiency for greater financial returns to our shareholders. In order to do so, we will continue to provide products and services of great value to our customers in view of enhancing customer satisfaction. We will also continue our efforts to improve employee satisfaction so that our employees feel more loyal and proud to work at Yaskawa. We believe that these activities will result in increased corporate value, greater profitability, and a larger financial return on your investment.

Policy on Profit Distribution

Regarding profit distribution, our goal is to secure continuous and stable cash dividends to our shareholders. We base our decision for profit distribution on the integrated consideration of our business performance, the financial conditions, and the business environment.

Policy on Reduction of Share Trading Unit Size

Based on the share prices and liquidity, we decide on our policy on share trading unit size. Our belief is that Yaskawa Electric Corporation currently has sufficient liquidity. In consideration also of our current share price and the additional costs incurred in reducing the share trading unit size, we do not feel that reducing the unit size would create any additional value for the Company or for our shareholders. We will continue to monitor stock market trends and make any decisions for the benefit of our shareholders.

Management Goals

Our business performance is evaluated mainly by the following indicators: the Return-on-Equity (ROE), ordinary income ratio, and Debt-to-Equity (D/E) ratio. Yaskawa Group seeks to maximize earnings on invested shareholders' equity, which benefits all stakeholders including our employees and not to mention our shareholders. We also aim to structure the Company in such a way that it will remain profitable even in the rapidly changing business environments. We achieve this management structure by improving profitability and strengthening our credit rating to facilitate fund-raising.

Business Strategies

Yaskawa Group is currently completing a three-year business plan, *Win 21 Plus*, which is now in its final year. The plan focuses on obtaining higher results from the structural reforms in four areas of business, management, and finance as well as in corporate organization, worked on earlier in the previous business plan *Win 21*. We thereby attain efficient business operations and strengthen our competitiveness.

[Targets of *Win 21 Plus*]

The basic policy of *Win 21 Plus* is to promote real structural change in the finance and business areas that reflect the post-mechatronics shift and to turn the systematic reforms in management and corporate structure into ones that are truly effective. By reinforcing these reforms through cross-functional activities, the Company will create a new cost model, advance market strategies and innovation, and create a new business model, which are the goals of *Win21 Plus*. As we attain these goals, we aim to structure the Company in such a way

that we can remain profitable even if faced with demand changes greater than 30%.

The basic targets outlined in *Win 21 Plus* are as follows.

- To double added value productivity
- To increase ordinary income ratio to 10%
- To reduce Debt/Equity ratio to 1.0 or less

The financial targets outlined in *Win 21 Plus* are as follows.

	Fiscal Year 2005 Target (consolidated)	Fiscal Year 2005 Target (unconsolidated)
Net Sales (million yen)	300,000	160,000
Ordinary Income (million yen)	30,000	16,000
Ordinary Income Ratio (%)	10.00	10.00
Beginning Employee Count	7,450	2,600

Management Initiatives and Challenges

Yaskawa Group will make sure that timely marketing of semiconductor- and LCD-related products takes advantage of recoveries in these markets, which are expected to have mid- to long-term growth. We will at the same time penetrate into the growing automobile-related market and continue our effort to expand our global market.

In order to establish the Company as a high-earning enterprise, we will focus our marketing efforts on new cost-efficient products and on high-profit markets.

In order to enhance productivity, our efforts are focused on shortening lead-time and advancing cost-reduction measures, including global production. Also, our new robot factory will enable monthly production of 2000 units. These activities will help us improve profitability in a sustainable manner.

In view of expanding business opportunities, we strengthened coordination between the marketing strategies and product development strategies. From the beginning of the second half of this fiscal year, we established new business promotion division to capture the market by enhanced marketing efforts, and to enable timely introduction of strategic new products.

As for our long-term policy, we are accelerating the development and the fostering of new core technologies for the next generation of products to improve our competitiveness and make sustainable growth a certainty for our business. We thereby aim to create brand value, which is dependent upon quality as well as technology.

Governance Policy and Actions

Basic Premise on Governance

The social and economic conditions surrounding our businesses are ever changing. We aim to respond to these changes with quick decision-making. Legal compliance and corporate ethics are also high priorities. We believe these will help us ensure sound business operations and that the stakeholder value is thereby enhanced. At the same time, we commit ourselves to establishing better relationships with all of our stakeholders, including our shareholders, customers, clients, local communities and employees. The Company will enrich its corporate governance as we strengthen, improve and further develop the system of how our current shareholders' meetings, board of directors, auditors and certified public accountants operate. Furthermore, the Disclosure Committee ensures swift and accurate disclosure of information and makes our management open and transparent.

Governance Status and Actions

An auditing system is being adopted to oversee the managerial decision-making, the execution thereof and assessment. Yaskawa Electric Corporation also adopts an external director and two external auditors in order to assure compliance. No people from within the Company who are involved in the auditing system nor our external director and auditors are interested parties in either financing or trading relationships with the Company.

In addition to the Board of Directors regularly holding scheduled meetings, special meetings will be held accordingly to make decisions on important managerial issues and legal issues, and to oversee the business operations.

Shin Nihon is the auditing firm for Yaskawa Electric Corporation. As part of the contract for auditing services, we are required to provide accurate management information. The auditors provide an environment in which an open and impartial point of view can be attained. In any situation where the auditors' judgment is necessary, the Company will consult with the auditors to receive the necessary support.

We also consult with the legal counsel and receive legal advice whenever we find it necessary do so.

In regard to our company activity standards, the Company has enacted the Corporate Charter along with the Corporate Code of Conduct. In order to progress and promote the corporate-wide observance, enlightenment and abiding structure of the Yaskawa Electric Corporate Code of Conduct, the chairman of the board of directors was named chairman of the Corporate Ethics Committee.

During the past first half of this fiscal year, the Board of Directors met a total of five times to make decisions on important managerial issues and legal issues, and to oversee the business operations. On May 10, 2005, we held an analyst presentation as part of our Investor Relations program.

4. Business Performance During the First Half of Fiscal Year 2005

During the first half of fiscal year 2005, the economic conditions of our main markets in Europe, North America, and Asia were all positive. The Japanese economy was also boosted by increased corporate capital expenditures, improvements in employment conditions, and a gain in personal consumption, however some concerns arose over the soaring crude oil prices.

In the midst of this economic environment, Yaskawa Group's mid-term business plan *Win 21 Plus*, aimed at turning Yaskawa into a highly profitable enterprise is now in its final year. Its target on sales was achieved one year ahead last year, and this year we are strengthening our business competitiveness and establishing a firm corporate structure necessary to achieve high profitability and to enable continued efficient business operations.

Especially since last year the Company has focused on policies targeted at increasing added value and expanding business through market strategy and innovation. We strengthened our sales operations, introduced strategic new products in a timely manner, and focused our promotion efforts in high-profit markets and customers to raise profitability.

As a result, even though the sales remained almost the same compared to the corresponding period last year, to end the period at ¥146,101 million, operating income rose by 15.8% to ¥8,161 million. Ordinary income also rose by 13.7% to ¥8,189 million and net income rose as well by 27.2% to ¥2,748 million.

Results by Business Segment

Motion Control

The Motion Control segment has worked on strengthening sales operations and enforced cost reduction measures by enhancing global production and procurement in order to raise profitability.

The sales of AC servomotors did not recover up to the extent enjoyed in the corresponding period last year as the demand in the semiconductor- and LCD-related market experienced slow recovery. However, the markets for machine tools and metal working machinery were robust, and the sales remained almost the same as the corresponding period last year. The inverter market was also comparatively positive.

The overall results for the Motion Control segment, when compared to the corresponding period last year, show sales increasing by 0.3% to ¥61,520 million and operating income decreasing by 7.5% to ¥4,611 million. This is attributed to factors such as reduced sales of high added-value products in this period.

Robotics Automation

In order to make sure we meet high demand continuing from last year, we strengthened our production system.

We also focused our promotion efforts on core products with an already competitive advantage and large market shares. The sales of robots for arc welding, spot welding and painting continued to be robust in the automobile-related market.

As for the robots for LCD panel transfer, we made sure timely introduction and promotion of a new model designed to handle ever-larger panels. As for the semiconductor-related market, we were in joint projects with our customers to develop robots for semiconductor production equipments for clean and vacuum environments, and also developed relationship with new customers.

As a result, sales in Robotics Automation rose by 7.6% to ¥54,342 million compared to the corresponding period last year, and operating income dramatically increased by 59.7% to ¥4,408 million.

System Engineering

The System Engineering segment progressed reforms in the profit structure by focusing especially on its core businesses and competitive businesses areas. Although the business of automation systems for wastewater process equipments was affected by intense competition, we took in the demand for steel plant renovation, which emerged as the demand for steel materials grew. We also promoted new system instruments such as high-voltage inverters and control systems for elevators to develop new markets.

As a result, sales in System Engineering decreased by 9.9% to ¥14,413 million compared to the corresponding period last year, however the operating loss decreased by ¥298 million to ¥1,860 million.

Information Technologies

The Information Technologies segment was affected by the worsening price conditions for its products and services, and reduced sales in high added-value businesses in information services. The computer peripherals market also showed a decrease in demand for floppy disk drives.

This led to sales in this segment decreasing by 5.7% to ¥11,025 million and operating income decreasing by 67.8% to ¥197 million compared to the corresponding period last year.

Other

The Other segment includes businesses such as logistic services and temporary staffing services.

Sales in this segment decreased by 26.2% to ¥4,799 million, however operating income increased by 4.4% to ¥822 million compared to the corresponding period last year.

5. Balance Sheet Highlights

Assets

At the end of the first half of this fiscal year, current assets decreased by ¥20,153 million to ¥165,716 million

compared to the corresponding date of last year, while trade notes and account receivables decreased by ¥14,973 million.

As for fixed assets, intangible fixed assets decreased by ¥4,908 million, and investments and other assets increased by ¥3,715 million. Total fixed assets decreased by ¥800 million to ¥81,133 million.

Total assets therefore decreased by ¥20,953 million to end the first half of this fiscal year at ¥246,849 million.

Liabilities

Current liabilities decreased by ¥27,065 million to ¥127,962 million due to the arrival of redemption of bond worth ¥15,000 million. Trade notes and account payables of ¥4,350 million as well as short-term bank loans of ¥3,201 million were paid.

Regarding long-term liabilities, long-term debt decreased by ¥1,091 million and accrued retirement benefits increased by ¥3,271 million. As a result, total long-term liabilities at the end of the first half of this fiscal year increased by ¥1,795 million to ¥72,778 million.

Total liabilities at the end of the first half of this fiscal year therefore decreased by ¥25,269 million to ¥200,741 million compared to the corresponding date last year.

Equity

Capital surplus decreased by ¥2,988 million and retained earnings increased by ¥5,369 million. As a result, shareholder's equity at the end of the first half of this fiscal year increased by ¥4,186 million compared to the corresponding date last year to ¥42,120 million.

6. Cash Flow

Cash flows from operating activities ended at a positive ¥7,850 million. Even though there were a decrease in trade payables and an increase in the payment of income tax, more trade receivables were collected.

Cash flows from investing activities ended at a negative ¥3,576 million due to purchases of tangible fixed assets.

Free cash flow, which is a sum of cash flows from operating and investing activities, was at a positive ¥4,274 million.

Cash flows from financing activities ended at a negative ¥6,027 million as repayments were made for interest-incurring debt.

As a result of these activities, the balance of cash and cash equivalents at the end of the first half of this fiscal year was at ¥16,275 million, down by ¥707 million compared to the corresponding date of last year.

Cash Flow Indicator Trends

Cash Flow Indicator Trends for the Yaskawa Group are shown below.

	Fiscal Year 2003		Fiscal Year 2004		Fiscal Year 2005
	End of first half	End of full year	End of first half	End of full year	End of first half
Shareholders' equity ratio (%)	13.4	14.7	14.2	15.1	17.1
Shareholders' equity ratio based on market value (%)	75.0	75.8	48.6	56.5	81.0
Repayment of debt (years)	6.8	4.3	-	13.4	9.2
Interest coverage ratio (times)	<u>7.8</u>	<u>12.2</u>	<u>-</u>	<u>4.9</u>	<u>12.8</u>

Notes: shareholders' equity = shareholders' equity/total assets

shareholders' equity based on market value = market value of total shares/total assets

repayment of debt in years = interest-incurring debt/operating cash flow

interest coverage ratio = operating cash flow/interest expense

*All calculations were made on a consolidated base.

*Interest incurring debt consists of all debt appearing on the balance sheet that incurs interest.

*Amounts used for operating cash flow and interest expense were taken from "operating cash flow" and "interest expense" totals as calculated in first half and annual financial statements.

7. Outlook for Fiscal Year 2005

Although the IT-related sector is almost through with inventory adjustments, the forecast as of now is clouded by uncertainties remaining over the economic prospects caused by the prolonged high prices of crude oil, the concern for the economic slowdown in the U.S., and the rising material prices.

Forecasted business results for the fiscal year 2005 are shown below.

<u>Fiscal Year 2005 Consolidated</u>	(millions of yen)	
	Fiscal Year 2005 (forecast)	Year-on-year Change
Net Sales	314,000	4,385
Operating Income	22,200	4,673
Ordinary Income	22,000	4,586
Net Income	8,000	6,140

<u>Fiscal Year 2005 Unconsolidated</u>		(millions of yen)
	Fiscal Year 2005 (forecast)	Year-on-year Change
Net Sales	192,000	619
Operating Income	8,500	4,723
Ordinary Income	12,000	3,967
Net Income	3,500	7,482

Notes:

1. Exchange rates for the second half of the fiscal year are set in advance at 105 yen/dollar and 130 yen/euro.
2. The Company expects to pay a dividend of ¥6 per share (¥5 as regular payment and ¥1 as commemorative payment related to Yaskawa Electric Corporation's 90th anniversary) for fiscal year 2005.

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.

Appendix I

First Half Consolidated Balance Sheet (summary)

	As of September 20, 2005		As of September 20, 2004		Change	(Millions of yen) As of March 20, 2005	
	% of Total		% of Total			% of Total	
Assets							
Current assets							
Cash and time deposits	16,317		16,054		263	17,976	
Trade notes and accounts receivable	76,488		91,461		(14,973)	91,128	
Inventories	59,092		60,500		(1,408)	52,681	
Other current assets	13,817		17,852		(4,034)	13,717	
Total current assets	165,716	67.1	185,869	69.4	(20,153)	175,505	69.0
Fixed assets							
Property, plant and equipment	38,037		37,644		393	37,459	
Intangible fixed assets	8,799		13,707		(4,908)	9,328	
Investments and other assets	34,296		30,581		3,715	32,145	
Total fixed assets	81,133	32.9	81,933	30.6	(800)	78,933	31.0
Total Assets	246,849	100.0	267,802	100.0	(20,953)	254,438	100.0
	As of September 20, 2005		As of September 20, 2004		Change	(Millions of yen) As of March 20, 2005	
	% of Total		% of Total			% of Total	
Liabilities							
Current liabilities							
Trade notes and accounts payable	60,415		64,765		(4,350)	65,478	
Short-term bank loans	35,960		39,161		(3,201)	39,067	
Current portion of convertible notes	-		15,000		(15,000)	-	
Accrued expenses	14,733		16,147		(1,414)	15,423	
Other current liabilities	16,852		19,953		(3,101)	18,867	
Total current liabilities	127,962	51.8	155,027	57.9	(27,065)	138,837	54.6
Long-term liabilities	72,778	29.5	70,983	26.5	1,795	73,164	28.7
Total liabilities	200,741	81.3	226,010	84.4	(25,269)	212,002	83.3
Minority interests	3,988	1.6	3,858	1.4	131	4,069	1.6
Shareholders' equity							
Common stock	15,541	6.3	15,540	5.8	1	15,541	6.1
Additional paid-in capital	11,012	4.5	14,000	5.2	(2,988)	14,001	5.5
Retained earnings	12,959	5.2	7,589	2.9	5,369	7,291	2.9
Net unrealized holding gain on securities	2,656	1.1	1,008	0.4	1,648	1,933	0.7
Foreign currency translation adjustments	242	0.1	53	0.0	189	(115)	(0.0)
Treasury stock, at cost	(292)	(0.1)	(257)	(0.1)	(35)	(286)	(0.1)
Total shareholders' equity	42,120	17.1	37,933	14.2	4,186	38,366	15.1
Total liabilities, shareholders' equity	246,849	100.0	267,802	100.0	(20,953)	254,438	100.0

Appendix II

First Half Consolidated Statements of Income (summary)

	Six Months Ended September 20, 2005		Six Months Ended September 20, 2004		Change	(Millions of yen) Year Ended March 20, 2005	
		% of Total		% of Total			% of Total
Net sales	146,101	100.0	146,053	100.0	49	309,615	100.0
Cost of sales	106,948	73.2	107,747	73.8	(799)	229,498	74.1
Gross profit	39,152	26.8	38,305	26.2	847	80,116	25.9
Selling, general and administrative expenses	30,991	21.2	31,256	21.4	(265)	62,589	20.2
Operating income	8,161	5.6	7,048	4.8	1,112	17,527	5.7
Non-operating income	1,018	0.7	1,049	0.7	(31)	1,433	0.4
Non-operating expenses	989	0.7	898	0.6	91	1,546	0.5
Ordinary income	8,189	5.6	7,200	4.9	988	17,414	5.6
Extraordinary gains	91	0.0	359	0.2	(268)	2,861	0.9
Extraordinary losses	3,381	2.3	3,268	2.2	113	11,053	3.6
Income before income taxes and minority interests	4,900	3.3	4,292	2.9	607	9,222	2.9
Provision for income taxes- current	3,109	2.1	3,458	2.3	(348)	8,968	2.9
Provision for income taxes- deferred	(1,026)	(0.7)	(1,351)	(0.9)	325	(1,753)	(0.6)
Minority interests	67	0.0	24	0.0	43	147	0.0
Net income (loss)	2,748	1.9	2,160	1.5	587	1,860	0.6

Appendix III

First Half Consolidated Statements of Cash Flows (summary)

	Six Months Ended September 20, 2005	Six Months Ended September 20, 2004	(Millions of yen) Year Ended March 20, 2005
Cash flows from operating activities			
Income before income taxes and minority interests	4,900	4,292	9,222
Depreciation and amortization	3,307	3,102	6,499
Interest and dividend income	(197)	(235)	(328)
Interest expense	625	683	1,170
Increase (decrease) in employee retirement allowance	1,736	1,614	3,140
(Increase) decrease in trade receivables	15,160	(7,391)	(6,859)
(Increase) decrease in inventories	(5,872)	(6,301)	1,440
Increase (decrease) in trade payables	(5,736)	1,444	2,255
Loss on devaluation of investment securities	0	4	29
Gain on sales of investment securities	(77)	(338)	(468)
Increase (decrease) in other accounts payable	(325)	(1,776)	(3,159)
Other, net	1,635	2,193	(881)
Subtotal	15,156	(2,706)	12,059
Interest and dividends received	217	255	355
Interest paid	(613)	(667)	(1,178)
Income taxes paid	(6,910)	(2,875)	(5,447)
Net cash provided by (used in) operating activities	7,850	(5,994)	5,789
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	(3,747)	(3,909)	(6,889)
Proceeds from sales of property, plant and equipment	179	132	2,775
Purchases of investment securities	(54)	(1,146)	(2,812)
Proceeds from sales of investment securities	174	418	938
Other, net	(129)	(210)	3,744
Net cash provided by (used in) investing activities	(3,576)	(4,716)	(2,242)
Cash flows from financing activities			
Increase (decrease) in short-term debt	(3,065)	(1,336)	(1,901)
Proceeds from long-term debt	-	626	5,391
Repayments of long-term debt	(2,849)	(2,682)	(5,356)
Proceeds from issuance of convertible bonds, net	-	14,903	14,903
Other, net	(112)	(890)	(15,859)
Net cash provided by (used in) financing activities	(6,027)	10,621	(2,823)
Effect of exchange rate changes on cash and cash equivalents	122	(26)	84
Net increase (decrease) in cash and cash equivalents	(1,630)	(116)	808
Cash and cash equivalents at beginning of year	17,906	17,098	17,098
Cash and cash equivalents at end of year	16,275	16,982	17,906

Appendix IV

Segment Information

Business Segments

(Millions of yen)

		Six months ended September 20, 2005						(in millions of yen)	
		<u>Motion Control</u>	<u>Robotics Automation</u>	<u>System Engineerin</u>	<u>Information Technologies</u>	<u>Other</u>	<u>Total</u>	<u>Eliminations & Corporate</u>	<u>Consolidated</u>
Net sales									
Sales to third parties		61,520	54,342	14,413	11,025	4,799	146,101	-	146,101
Intersegment sales and transfers		<u>8,558</u>	<u>638</u>	<u>1,331</u>	<u>1,288</u>	<u>11,160</u>	<u>22,977</u>	<u>(22,977)</u>	<u>-</u>
Total sales		70,079	54,980	15,744	12,314	15,960	169,079	(22,977)	146,101
Operating costs and expenses									
		<u>65,467</u>	<u>50,572</u>	<u>17,604</u>	<u>12,116</u>	<u>15,137</u>	<u>160,898</u>	<u>(22,958)</u>	<u>137,940</u>
Operating income (loss)		<u>4,611</u>	<u>4,408</u>	<u>(1,860)</u>	<u>197</u>	<u>822</u>	<u>8,180</u>	<u>(19)</u>	<u>8,161</u>
		Six months ended September 20, 2004							
		<u>Motion Control</u>	<u>Robotics Automation</u>	<u>System Engineerin</u>	<u>Information Technologies</u>	<u>Other</u>	<u>Total</u>	<u>Eliminations & Corporate</u>	<u>Consolidated</u>
Net sales									
Sales to third parties		61,331	50,513	16,002	11,697	6,507	146,053	-	146,053
Intersegment sales and transfers		<u>7,810</u>	<u>987</u>	<u>640</u>	<u>1,499</u>	<u>9,631</u>	<u>20,569</u>	<u>(20,569)</u>	<u>-</u>
Total sales		69,142	51,500	16,642	13,196	16,139	166,622	(20,569)	146,053
Operating costs and expenses									
		<u>64,154</u>	<u>48,739</u>	<u>18,801</u>	<u>12,585</u>	<u>15,351</u>	<u>159,631</u>	<u>(20,627)</u>	<u>139,004</u>
Operating income (loss)		<u>4,987</u>	<u>2,761</u>	<u>(2,158)</u>	<u>611</u>	<u>787</u>	<u>6,991</u>	<u>57</u>	<u>7,048</u>
		Year ended March 20, 2005							
		<u>Motion Control</u>	<u>Robotics Automation</u>	<u>System Engineerin</u>	<u>Information Technologies</u>	<u>Other</u>	<u>Total</u>	<u>Eliminations & Corporate</u>	<u>Consolidated</u>
Net sales									
Sales to third parties		122,944	105,164	44,930	25,421	11,154	309,615	-	309,615
Intersegment sales and transfers		<u>15,918</u>	<u>2,666</u>	<u>1,969</u>	<u>3,460</u>	<u>21,431</u>	<u>45,446</u>	<u>(45,446)</u>	<u>-</u>
Total sales		138,863	107,830	46,900	28,881	32,585	355,062	(45,446)	309,615
Operating costs and expenses									
		<u>129,741</u>	<u>100,548</u>	<u>48,992</u>	<u>27,381</u>	<u>30,846</u>	<u>337,511</u>	<u>(45,423)</u>	<u>292,087</u>
Operating income (loss)		9,121	7,282	(2,092)	1,500	1,739	17,550	(23)	17,527

Geographical Areas

(Millions of yen)

		Six months ended September 20, 2005					(millions of yen)	
		Japan	North America	Europe	Asia	Total	Eliminations & Corporate	Consolidated
Net sales								
Sales to third parties		95,451	22,901	17,082	10,666	146,101	-	146,101
Intersegment sales and transfers		24,208	167	138	3,730	28,245	(28,245)	-
Total sales		119,659	23,068	17,221	14,396	174,346	(28,245)	146,101
Operating costs and expenses		115,497	21,092	15,876	13,351	165,817	(27,877)	137,940
Operating income		4,162	1,976	1,344	1,044	8,529	(367)	8,161

Six months ended September 20, 2004							
	Japan	North America	Europe	Asia	Total	Eliminations & Corporate	Consolidated
Net sales							
Sales to third parties	99,647	22,478	15,455	8,471	146,053	-	146,053
Intersegment sales and transfers	21,809	75	240	2,532	24,658	(24,658)	-
Total sales	121,457	22,553	15,695	11,004	170,711	(24,658)	146,053
Operating costs and expenses	117,687	20,764	15,060	10,183	163,695	(24,691)	139,004
Operating income (loss)	3,769	1,788	635	820	7,015	33	7,048
Year ended March 20, 2005							
	Japan	North America	Europe	Asia	Total	Eliminations & Corporate	Consolidated
Net sales							
Sales to third parties	214,890	41,785	34,306	18,633	309,615	-	309,615
Intersegment sales and transfers	42,471	175	514	5,178	48,340	(48,340)	-
Total sales	257,362	41,960	34,821	23,811	357,955	(48,340)	309,615
Operating costs and expenses	247,636	38,648	31,719	21,955	339,959	(47,871)	292,087
Operating income	9,725	3,312	3,101	1,856	17,996	(468)	17,527

Overseas Sales

(Millions of yen)

Six months ended September 20, 2005					
	North America	Europe	Asia	Other	Total
Overseas sales	22,795	17,596	25,706	680	66,779
Consolidated net sales	-	-	-	-	146,101
Overseas sales as a percentage of consolidated net sales	16%	12%	17%	1%	46%
Six months ended September 20, 2004					
	North America	Europe	Asia	Other	Total
Overseas sales	21,682	15,618	24,449	1,264	63,015
Consolidated net sales	-	-	-	-	146,053
Overseas sales as a percentage of consolidated net sales	15%	10%	17%	1%	43%
Year ended March 20, 2005					
	North America	Europe	Asia	Other	Total
Overseas sales	40,725	34,588	51,538	3,402	130,254
Consolidated net sales	-	-	-	-	309,615
Overseas sales as a percentage of consolidated net sales	13%	11%	17%	1%	42%

- 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) North America - U.S.A.
(2) Europe - Germany, Sweden, The United Kingdom
(3) Asia - Singapore, Korea, The People's Republic of China
3) Overseas sales consist of all sales in countries and regions outside of Japan.