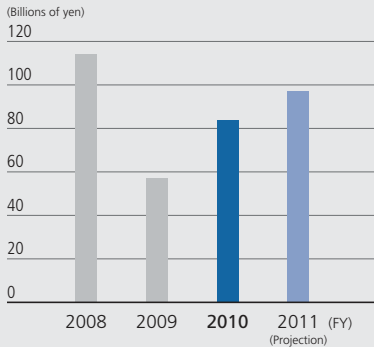


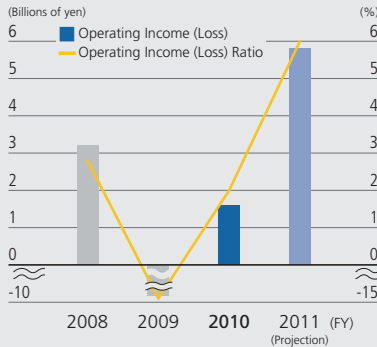
Review of Operations

Robotics

Net Sales
¥83.8 billion



Operating Income
¥1.6 billion



MOTOMAN-EPX1250, suitable for painting small components

Business Overview

Our Robotics segment contributes to the automation of various industrial processes — including arc welding, spot welding, painting, assembly, and handling — particularly in the automobile and electrical equipment markets. We also help support the progress of technology in the semiconductor and flat panel display (FPD) markets through the timely supply of robots and handling systems.

We use our proprietary servo technology, which enjoys the largest share in the global market, to develop our own mechanical components and controllers for robots. Thanks to the high rate of in-house procurement, we can develop products flexibly, enabling us to optimize our robots for a wide range of applications and precisely meet our customers' demanding requirements. Yaskawa Electric is the world's leading manufacturer of robots, with cumulative shipments surpassing 230,000 in fiscal 2010.

Recently, we have been actively leveraging the robotics technology we have built up over the years to develop non-manufacturing applications for our robots, such as in the service sector.

Review of FY2010 Operations

During fiscal 2010 this segment benefited from the economic recovery, with both orders and sales posting sharp growth, bringing earnings back into the black.

The recovery in demand for semiconductors used in smartphones and netbooks (mini-notebook computers) led to an early increase in orders for robots for semiconductor manufacturing. In addition, we received large-lot orders for large-scale robots used in vacuum environments thanks to the fully-fledged startup of the new market for organic light-emitting diodes (OLEDs). In the automobile industry, one of our principal markets, the year saw active capital investments to expand production capacity, including the construction of new

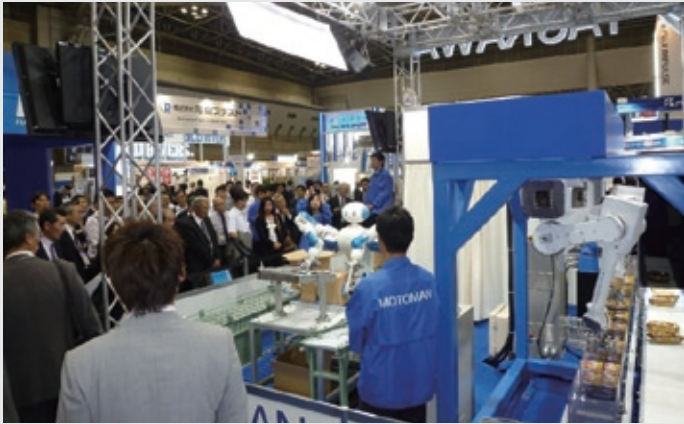
production lines, notably in China and other Asian countries. We also enjoyed an increase in demand for production facility renewal projects in Europe and America. These factors made a major contribution to the segment's improved business performance.

On the marketing front, we strengthened our marketing and service system in China with the establishment in Shanghai of a sales and business promotion division for robots. In India, where we anticipate strong growth over the near future, we acquired a 100% stake in our local joint-venture company to facilitate flexible and speedy decision-making with the goal of strengthening our brand power. In Korea, meanwhile, we took steps to reinforce our robotics service network.

We enhanced our lineup of products for the handling and transportation sector, where automation needs have been increasing in recent years, and we also expanded our range of handling robots for the distribution industry to meet the rising need for products that can handle large and/or heavy loads as well as for higher operating speeds. In the consumer products field, we developed a number of products that offer users greater convenience of operation, including new types of picking and packing robots ideal for high-speed packaging of small items.

Yaskawa Electric displayed its products for the first time at the **Tokyo International Packaging Exhibition 2010**. We introduced total robotics solutions for picking, packing, and palletizing processes. Visitors to the show were very impressed with Yaskawa Electric's handling robot technology, and our booth attracted considerable attention.

In the field of painting robots, we developed a robot for painting small products and components, targeted at a wide range of non-specialized industries, which has the merit of allowing a reduction in the size of paint booths.



Our booth at the Tokyo International Packaging Exhibition 2010



Delta Robot for high-speed material handling
MOTOMAN-MPP3

For the FPD industry we launched a robot for vacuum-environment work on large-size glass substrates, which was particularly well-received by OLED makers.

Outlook

During fiscal 2011 we plan to focus our efforts on expanding sales to overseas automakers, who are expected to continue enjoying strong business results. We will also work actively to expand sales of our painting and handling robots, which we launched on the market in fiscal 2010, to industries other than automobiles.

We aim to continue developing and launching new products to precisely meet market needs in Asian countries and emerging nations elsewhere, where demand is expected to grow strongly. We are drawing up plans to bolster our local solution proposal capabilities so as to expand orders. We will review our business management structure with the goal of strengthening our marketing system and after-sales services in that country, and we are also preparing for the scheduled start-up of production in China in 2012.

As one example of our efforts to build up our sales of robots for non-specialized applications, we plan to launch a **Delta robot** on the market to expand orders for handling robots from the food industry in Europe, America, and Japan, where demand is rising. We hope to raise our competitiveness by marketing these robots as a package together with newly-developed peripheral equipment such as compact controllers and optimum sensors.

In addition to our extensive lineup of painting robots, we are also

developing new peripheral equipment with an eye to offering our customers easy-to-use painting robot packages.

In Japan, as part of efforts to cultivate new customers by promoting a greater understanding of robots, we plan to open the **Kanto Robot Center** in Saitama City (Saitama Pref.) in September 2011. Visitors to the Center will be able to see and touch a variety of robots, and watch them in action.

From the long-term perspective, while developing products targeted at overseas markets where the use of robots is increasing, leveraging our manufacturing expertise, and strengthening our global marketing capabilities, we also hope to play an important part in expanding the field of application of service robots that can be of assistance to people in a variety of day-to-day situations.



A rendering of
the Kanto Robot Center