



Yaskawa Electric America, Inc.
2121 Norman Drive South, Waukegan, IL 60085

NEWS RELEASE

Contact: Neil Koepke
(262) 754-2220
neil_koepke@yaskawa.com

FOR IMMEDIATE RELEASE

Ten Million Strong and Growing

*Yaskawa Makes All the Right Moves in Becoming
First Manufacturer to Ship 10 Million Drives*

Waukegan, Ill. (June 4, 2008) Yaskawa Electric, a world leader in the manufacture of AC drives, servomotors, motion controllers and robotics, recently became the world's first to ship 10 million variable frequency drives. In reaching this milestone, the company now claims to have more than 14 percent of the global market for drives rated from 0.1 to 300kW.

For Yaskawa, developing world's firsts has been a common trait, helping numerous manufacturers contain production costs, which at the same time has contributed to the drive maker's unprecedented growth for more than 30 years.

"Throughout our history, Yaskawa has been ahead of the curve in developing products that push the envelope on quality and functionality," said Tom Sasada, director of development for Yaskawa Electric America. "As a result, we've engineered several new technologies that directly affect the profitability of our customers."

It took the company 19 years to manufacture its first million drives, a feat it achieved in 1993. Just nine years later, Yaskawa quadrupled this mark, shipping four million more drives. With a new global market strategy behind it, Yaskawa surged into the millennium by adding five million more drive shipments during a five-year period.

The 10-millionth drive was a model from Yaskawa's latest generation of variable frequency drives, the V1000, which it launched late last year.

Customer focus drives growth

Since day one, Yaskawa's unparalleled customer focus was one of the main reasons for its growth. The company's philosophy is simple: Ask the customers what they want and give them what they need to be competitive.

"Many of the new products that we've developed over the years have come directly from customers," said Mark Bernicky, director of drive sales for Yaskawa Electric America. "Every industry is unique and therefore requires drives designed for unique applications."

As a result, Yaskawa began innovating and pioneering new and better drive technologies, creating many "world's firsts" in the process.

The transistor inverter is born

One of those world's firsts developed by Yaskawa was the inaugural transistor inverter in 1974, whose roots trace back to the 1960s. Back then, high-speed, high-powered transistors had yet to appear on the market. Inverters relied on thyristor-based circuitry, which imposed limitations on performance. In realizing these limitations, the company began working with device manufacturers to develop new technology in efforts of producing a better drive.

"We found the key to this next step was to use transistors in our drives," said Nory Takada, vice president of drives engineering and development for Yaskawa. "At that time, transistors were commonly used in low-power circuits. We just needed to determine how to apply that technology to high-power electrical circuits involved in power conversion."

In the late 1980s Yaskawa introduced yet another world's first in the insulated gate bipolar transistor (IGBT) Low Noise Inverter. Not only did this innovation run motors much quieter, the IGBT also proved to the world that drive technology was dependable. With such reliability, customers were able to reduce maintenance costs.

The drive for quality

Meanwhile, Yaskawa continued to build on its reputation for producing high-quality products, rooted in the Japanese manufacturing tradition known as kaizen, which emphasizes continual improvement. The strive for perfection in production and manufacturing has enabled Yaskawa to maintain one of the highest accuracy rates in the industry – an astounding field assembly failure rate of 0.0062%.

"In pursuit of zero manufacturing defects we have created a system that uses man-robot symbiosis to consistently make inverters of the highest quality," said Craig Espevik, vice president of operations for Yaskawa Electric America.

Segmentation and customization

The 1990s proved to be a pivotal time for Yaskawa. As that is when the company realized that while the market for adjustable frequency drives was expanding, it needed to differentiate its products to fit the various new industries that were using them. Yaskawa began segmenting its markets and building drives for different applications.

One such drive was the G5, the world's first vector control general-purpose inverter. The G5 was programmable and could run software to specific sequences of operations or be programmed for particular applications that were proprietary for Yaskawa's OEM customers.

"In each segment of the market, customers continued to request additional software features that helped them run specific types of applications," said Mike Massie, director drives product marketing. "This led Yaskawa to increase customization of its products, a trend that continues today."

Think global, act local

To best serve an increasing worldwide demand for its products, Yaskawa realized it had to expand operations outside of Japan, where the company was founded in 1915. By 1992, Yaskawa opened its first production plant in the United States, followed two years later by a factory in the United Kingdom. To keep up with the steady economic rise of China and India, Yaskawa opened production facilities in Shanghai, China in 1996.

By 1998, Yaskawa had established production and distribution facilities throughout North America. This expansion not only allowed the company to be more responsive to market demand, it also led to a new way of approaching customer needs. While Yaskawa had already expanded its line of products to better fit specific industries, it now had the capability to customize products based on specific applications and deliver on these unique specifications rapidly.

"With our global and local presence, we are now able to modify specifications and efficiently ship products to customers within hours," said Mike Knapek, senior vice president of Yaskawa Electric America. "Having engineers and technicians more local means we also can also provide fast technical support."

The future

According to Joe Twohill, director of building automation for Yaskawa Electric America, as the cost of energy continues to rise and environmental concerns grow the combination of energy-saving and eco-friendly adjustable frequency drive sales are expected to rise. An increase in drive users is also expected.

"Only 30 percent of the manufacturing industry uses AC drives in their motors and demand for the technology is forecasted to be strong for the foreseeable future," said Massie. "Yaskawa is already investing in new production techniques that enable us to meet environmental needs and world market demands."

In August 2007, Yaskawa constructed a new landmark factory in Yukuhashi, Japan. This fully automated facility operates 24 hours per day, seven days a week. The new facility expands the company's output by 50 percent – enhancing global production and quality assurance systems.

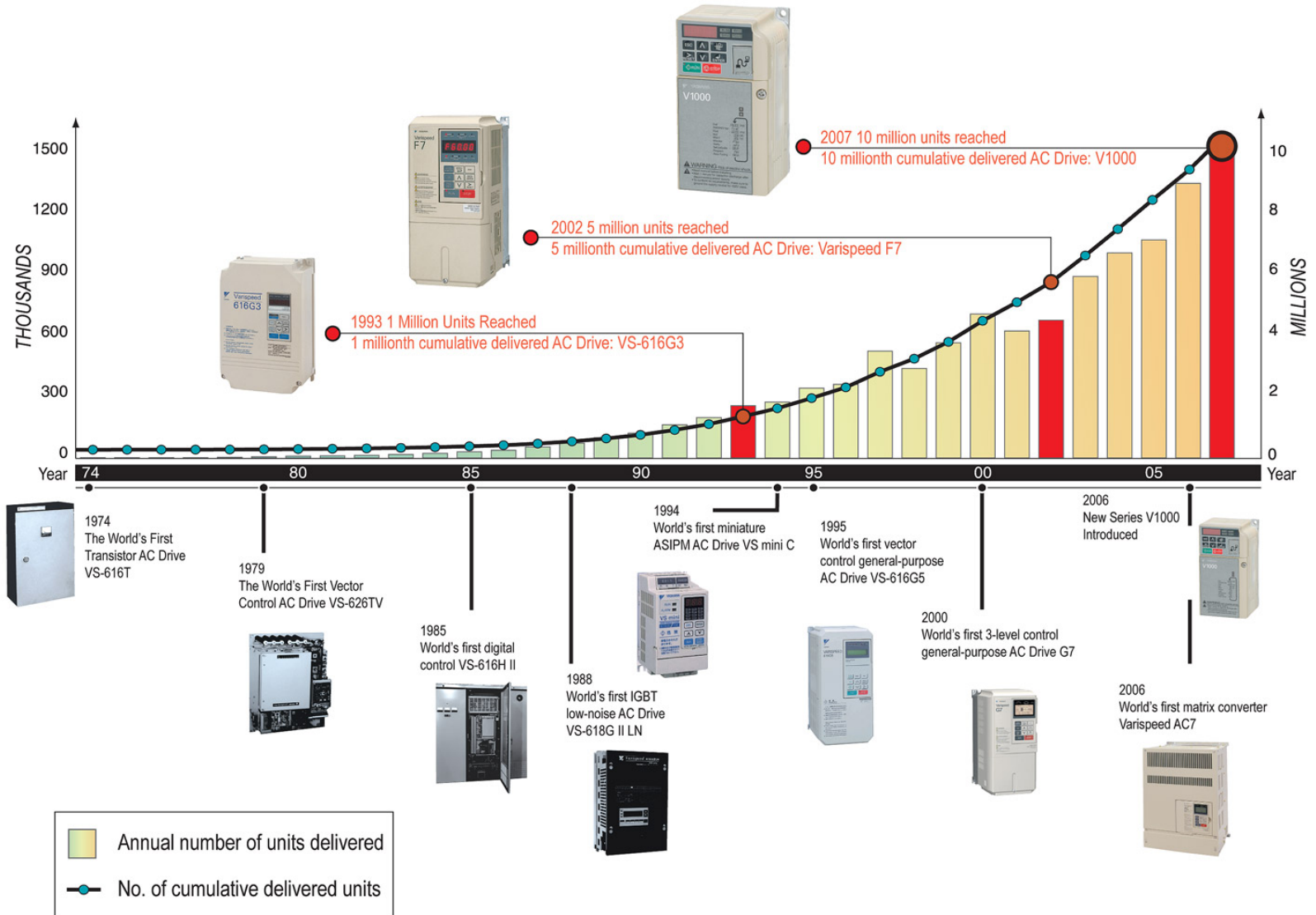
Another trend Yaskawa is already meeting is smart drive technology, meaning user-friendly interfaces that allow drives to be connected to both communication networks and the internet for greater functionality and control. The V1000, Yaskawa's 10-millionth drive is one example of this technology.

"Yaskawa could not have enjoyed such growth and sold 10-million units were it not for our customers," said Hiroshi Ogasawara, general manager of inverter business division. "We will continue to find new ways to meet our customers varied needs."

###

The Path to 10,000,000 Units

Cumulative Yaskawa AC Drive Global Shipments Break Through 10 Million Units



Billboards being displayed in Milwaukee, WI



Milwaukee...The Capital of AC Drives, Beer and Motorcycles.
The **ONLY** Maker of Over
10 Million AC Drives
Welcomes You!



YASKAWA *Enjoy your drive!*

This billboard features a blue background with a red and yellow gradient. On the left, there is a cluster of white Yaskawa AC drive units. The text is arranged in a hierarchy: a headline, a sub-headline, a large number '10' in red, followed by 'Million AC Drives' in yellow, and a closing phrase. The Yaskawa logo and slogan are at the bottom.

Mitchell International Airport
South Side of Airport Spur
East Facing



Welcome from the **ONLY** maker of
10 Million AC Drives



YASKAWA *Enjoy your drive!*

This billboard is similar to the one above but with a different headline. It features the same blue background, AC drive units on the left, and the '10 Million AC Drives' text in red and yellow. The Yaskawa logo and slogan are at the bottom.

Miller Park
South Side of I-94
East Facing