

YASKAWA Electric Corporation

(TSE 6506)

- **FY2013 1st Quarter Financial Results Summary
(Ended June 20, 2013)**
- **FY2013 1st Half Forecasts Summary
(Ending September 20, 2013)**

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.

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Business Overview

Motion Control (M)

Core products

AC servo motors and controllers, Linear servo motors, General purpose AC drives, Power conditioners, Motor drive systems for EV, etc.



AC servo drives



General purpose AC drive



Power conditioner for photovoltaic power generation



Motor drive system for EV

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, Biomedical Robots etc.



High path accuracy robot for laser cutting and welding



Robot system for preprocessing operations



Delta robot

System Engineering (S)

Core products

Electrical systems for steel plants
Electrical instrumentation systems for water supply plants and sewage treatment facilities, Large- and small-scale wind power generator and converter etc.



Electric instrumentation systems for water and sewerage



Continuous-casting machine



Large-scale wind power generator and converter

Other

Core products

IT-related services, Logistics, etc



Scanner head for high-power laser



NetSHAKER ProxyBox

1. FY2013 1st Quarter (1Q) Financial Results

FY2013/1Q Financial Highlights

- Sales and profits increased due to recovery in (M)
- Profits significantly increased because of the improving margins and weaker yen

	<u>FY2013</u> <u>1Q</u>	<u>FY2012</u> <u>1Q</u>	<u>Changes</u>	
Net Sales	<u>¥85.5 bn.</u>	¥72.5 bn.	<u>+¥12.9 bn.</u>	<u>+17.8%</u>
Operating Income	<u>¥6.3 bn.</u>	¥2.1 bn.	<u>+¥4.1 bn.</u>	<u>+191.9%</u>
Ordinary Income	<u>¥6.6 bn.</u>	¥1.9 bn.	<u>+¥4.6 bn.</u>	<u>+231.2%</u>
Net Income	<u>¥3.3 bn.</u>	¥0.8 bn.	<u>+¥2.4 bn.</u>	<u>+276.6%</u>

Note: (M)=Motion Control

FY2013/1Q Financial Results by Business Segment (1)

- Robust performance led to significant recovery in (M)
- Solid in (R) mainly in the automotive markets

(Unit: Billions of yen, %)

		FY2013/1Q		FY2012/1Q		Changes	
			Income Ratio		Income Ratio	Amounts	%
Net Sales		85.5		72.5		+12.9	+17.8%
(M)	Motion Control	41.7		32.0		+9.7	+30.5%
(R)	Robotics	27.8		26.8		+0.9	+3.7%
(S)	System Engineering	7.3		7.2		+0.1	+1.7%
	Other	8.4		6.4		+2.0	+32.4%
Operating Income		6.3	7.4%	2.1	3.0%	+4.1	+191.9%
(M)	Motion Control	4.5	10.8%	0.5	1.6%	+4.0	+737.1%
(R)	Robotics	2.4	8.7%	1.7	6.5%	+0.6	+39.9%
(S)	System Engineering	-0.1	-2.1%	-0.0	-1.0%	-0.0	-
	Other	-0.0	-1.1%	-0.0	-0.2%	-0.0	-
	Corporate or Elimination	-0.3	-	0.0	-	-0.3	-
Ordinary Income		6.6	7.7%	1.9	2.8%	+4.6	+231.2%
Net income		3.3	3.9%	0.8	1.2%	+2.4	+276.6%

Notes: The numbers in each segment are noted based on the numbers after segmentation changes announced at July 18, 2013.

FY2013/1Q Financial Results by Business Segment (2)

(M)

- **AC servo business recovered to the same level of FY12/1Q, led by the recovery of the electronics-related industries and Chinese market.**
- **AC drive business remained at a high level due to robust demands for PV power conditioners**

(R)

- **Solid demands for general industries continued in Japan and overseas, especially for automotive industry**

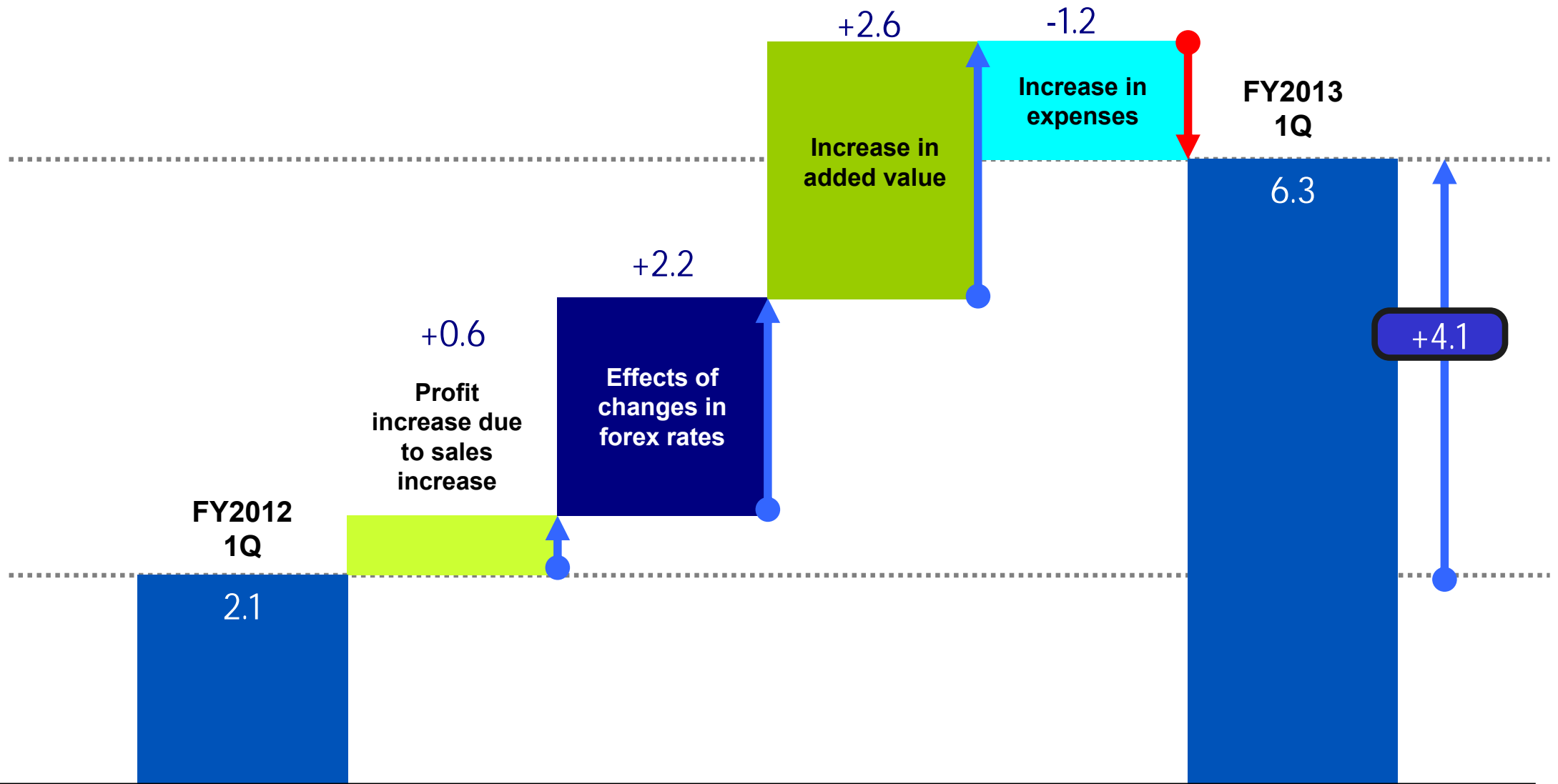
(S)

- **Sales for steel plants and water treatment facilities remained almost unchanged from FY12/1Q**

Note: (M)= Motion Control (R)= Robotics (S)=System Engineering

Breakdown of Changes in Operating Income (FY2012/1Q - FY2013/1Q)

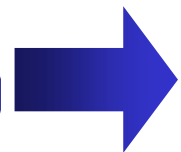
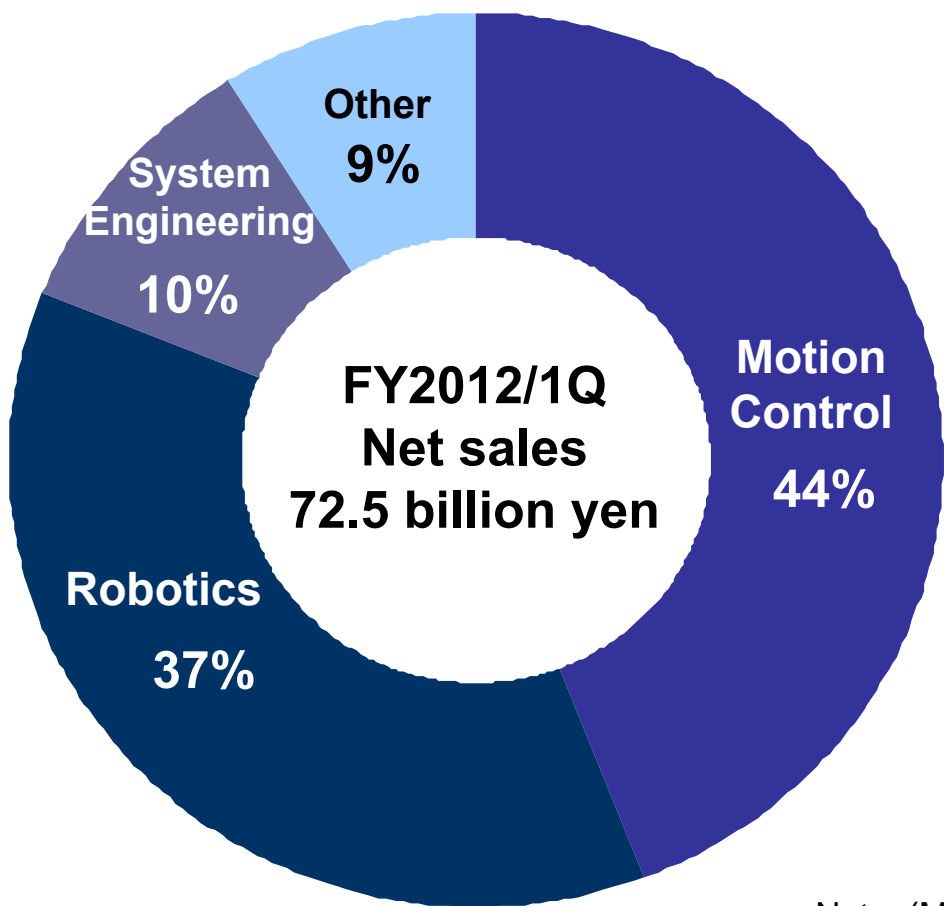
(Unit: Billions of yen)



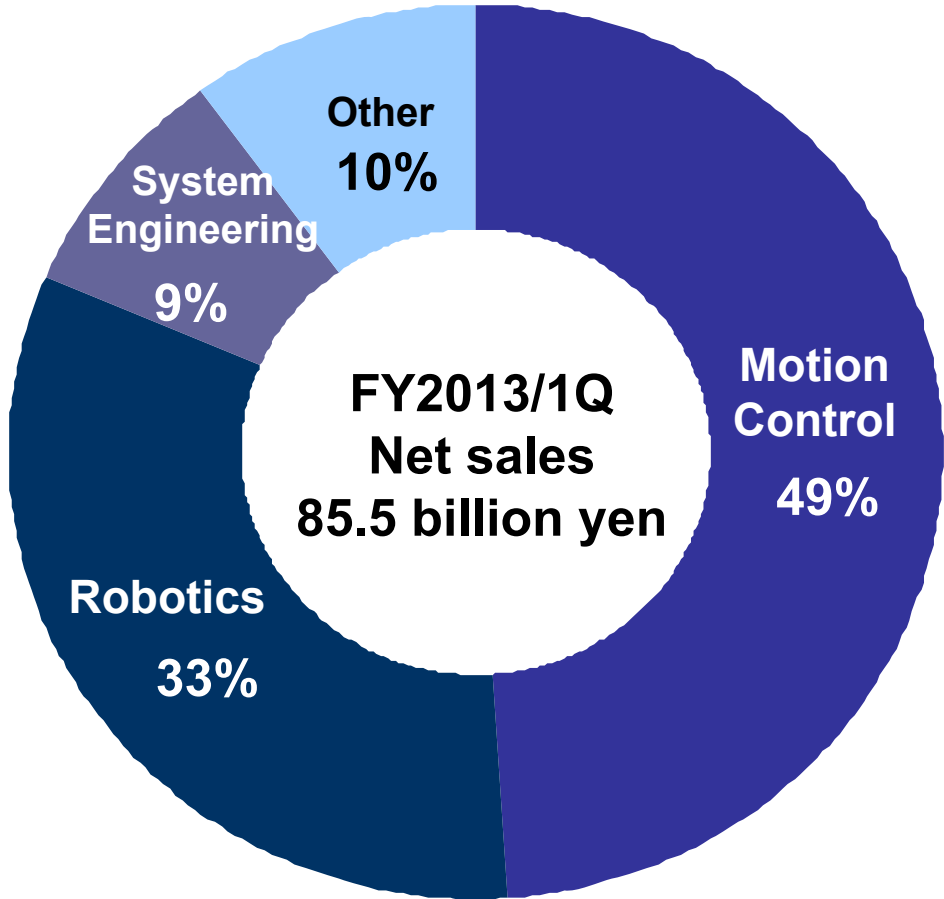
Sales Breakdown by Business Segment (FY2012/1Q FY2013/1Q)

• Recovery in (M) significantly increased its share

FY2012/1Q



FY2013/1Q



Note: (M)= Motion Control

Sales Breakdown by Destination (FY2012/1Q FY2013/1Q)

- Steady global recovery, especially in the Americas and Europe

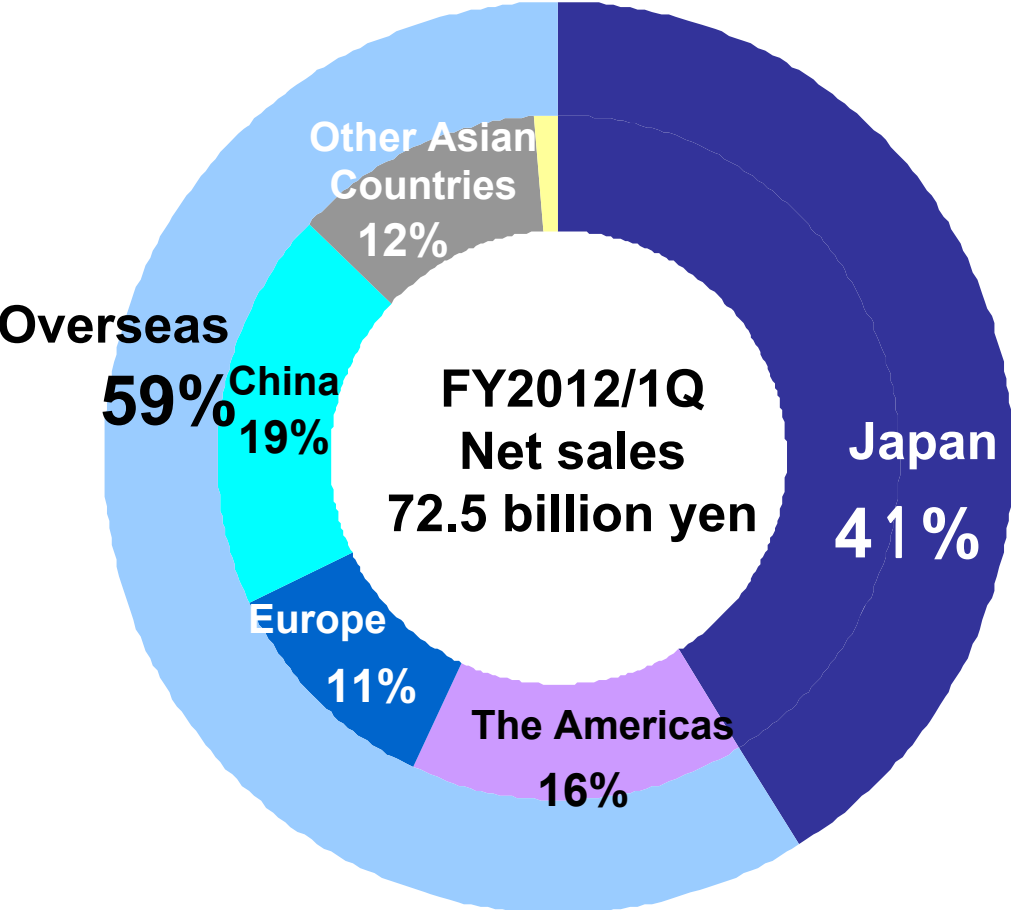
(Unit: Billions of yen, %)

	13/1Q	12/1Q	Changes	
			Amounts	%
Net Sales	85.5	72.5	+12.9	+17.8%
Japan	34.6	30.1	+4.5	+15.1%
Overseas	50.8	42.4	+8.3	+19.8%
The Americas	14.6	11.6	+2.9	+25.5%
Europe	10.2	7.9	+2.3	+29.6%
China	15.8	13.9	+1.8	+13.5%
Other Asian Countries	9.3	8.5	+0.7	+8.7%

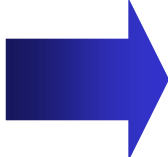
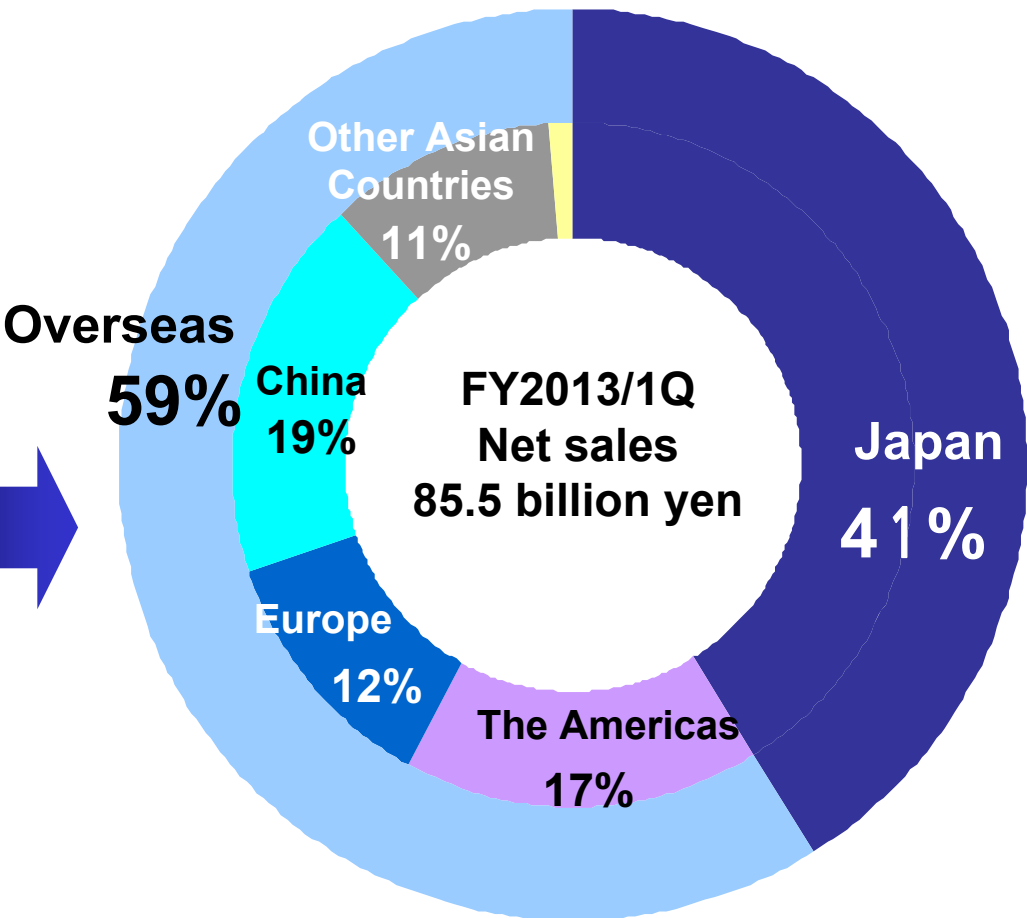
Note: The figures for "Other areas" including Australia and South Africa, etc. are omitted in the above table.

Sales Breakdown by Destination (FY2012/1Q FY2013/1Q)

FY2012/1Q



FY2013/1Q



2. FY2013 1st Half (1H) Forecasts

FY2013/1H Financial Forecasts

- 1H forecasts are revised up because of the improving profitability and market recovery
- Full-year forecasts are unchanged because of the uncertain outlook of the Chinese market.

	13/1H current forecasts	13/1H previous forecasts	Changes from the previous forecasts	12/1H	Changes	
					Amounts	%
Net Sales	<u>¥176.0 bn.</u>	¥165.0 bn.	+¥11.0 bn.	¥150.4 bn.	<u>+¥25.5 bn.</u>	<u>+17.0%</u>
Operating Income	<u>¥12.5 bn.</u>	¥8.5 bn.	+¥4.0 bn.	¥6.1 bn.	<u>+¥6.3 bn.</u>	<u>+103.6%</u>
Ordinary Income	<u>¥13.0 bn.</u>	¥8.5 bn.	+¥4.5 bn.	¥6.3 bn.	<u>+¥6.6 bn.</u>	<u>+104.6%</u>
Net income	<u>¥6.5 bn.</u>	¥4.5 bn.	+¥2.0 bn.	¥3.4 bn.	<u>+¥3.0 bn.</u>	<u>+85.8%</u>

Note: 13/1H previous forecasts are the numbers announced on April 18, 2013

FY2013/1H Financial Forecasts by Business Segment

• 1H forecasts are revised up, mainly in (M)

(Unit: Billions of yen, %)

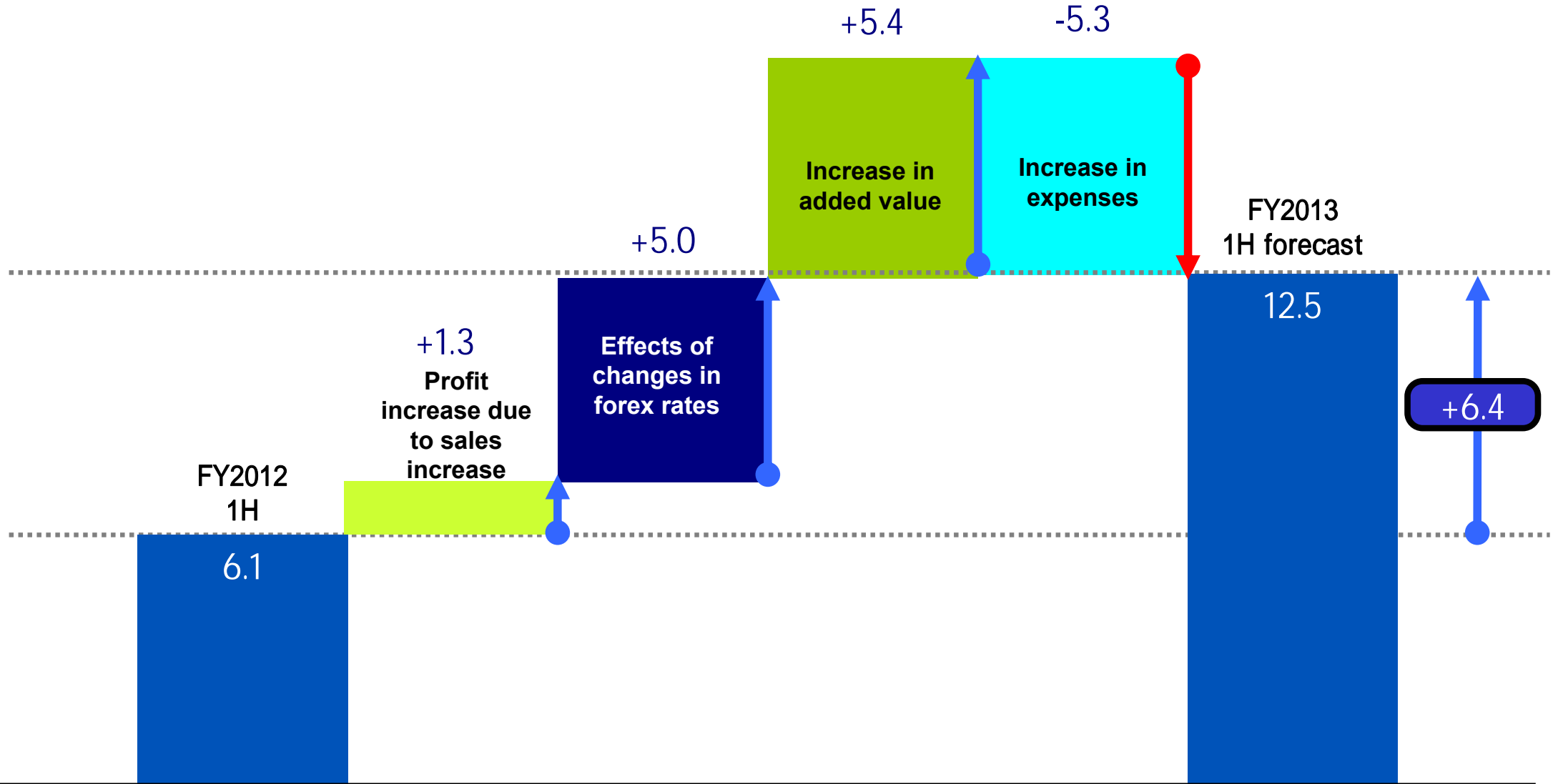
	FY13/1H		FY13/1H Previous Forecasts	Changes from the previous forecasts	FY12/1H		Changes	
	Current Forecasts	Income ratio			Income ratio	Amounts	%	
Net Sales	176.0		165.0	+11.0	150.4		+25.5	+17.0%
(M) Motion Control	83.3		75.6	+7.7	63.0		+20.2	+32.1%
(R) Robotics	58.5		57.2	+1.3	54.3		+4.1	+7.6%
(S) System Engineering	15.9		15.5	+0.4	17.4		-1.5	▲8.8%
Other	18.3		16.7	+1.6	15.6		+2.5	+17.0%
Operating Income	12.5	7.1%	8.5	+4.0	6.1	4.1%	+6.3	+103.6%
(M) Motion Control	8.5	10.3%	5.6	+2.9	1.5	2.5%	+7.0	+455.3%
(R) Robotics	4.9	8.4%	3.7	+1.2	3.9	7.3%	+0.9	+25.0%
(S) System Engineering	-0.4	-2.8%	-0.4	-0.0	0.4	2.7%	-0.9	-
Other	0.1	0.8%	0.0	+0.0	0.2	1.7%	-0.1	48.1%
Corporate or Elimination	-0.7	-	-0.5	-0.1	-0.0	-	-0.6	-
Ordinary Income	13.0	7.4%	8.5	+4.5	6.3	4.2%	+6.6	+104.6%
Net Income	6.5	3.7%	4.5	+2.0	3.4	2.3%	+3.0	+85.8%

Notes:1. FY13/1H previous forecasts are the figures announced on April 18, 2013

2. The figures in each segment reflect segmentation changes which were announced on July 18, 2013

Breakdown of Changes in Operating Income (FY2012/1H FY2013/1H forecast)

(Unit: Billions of yen)



3. Reference

Capital Expenditure, R&D Investment, Forex Rates

Capital expenditure (Consolidated)

(Unit: Billions of yen)

	FY2011	FY2012	FY2013 Plan
Capital Expenditure	9.91	15.89	22.00
Depreciation and Amortization	7.61	8.11	9.50

R&D investment (Consolidated)

(Unit: Billions of yen)

	FY2011	FY2012 Plan	FY2013 Plan
R&D investment	10.39	10.73	11.00

Forex rates (Consolidated)

(Unit: Yen)

	FY2011		FY2012		FY2013	
	1Q	1H	1Q	1H	1Q	1H Forecasts
U.S. dollar	82.17	80.56	81.26	80.10	97.93	96.47
Euro	116.85	115.07	106.07	101.96	127.13	126.07

(Note) Average rate during the period

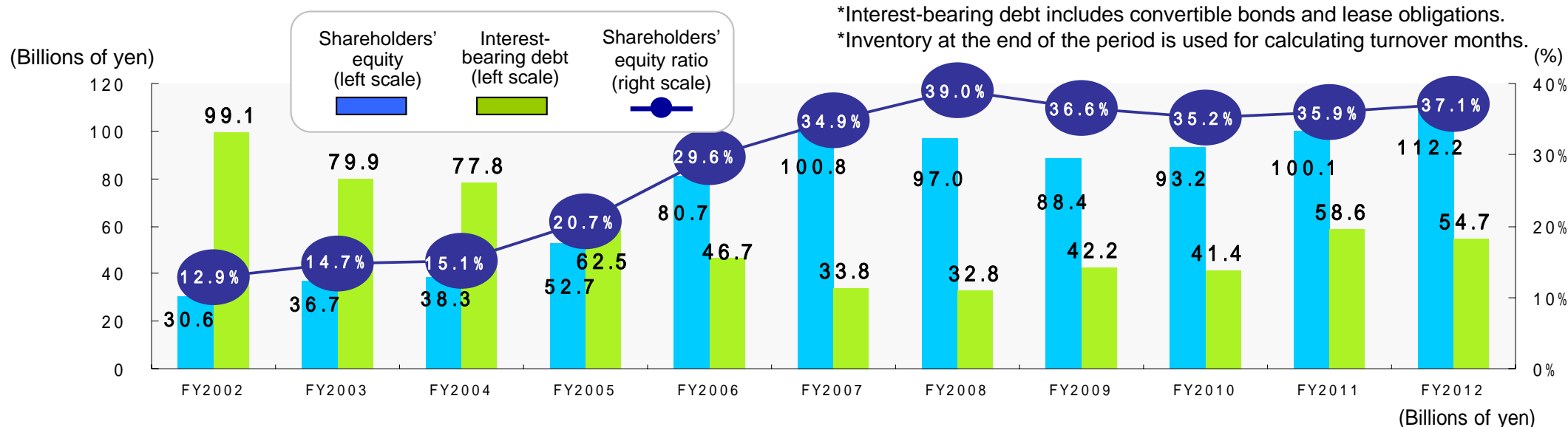
Balance Sheet Structural Trends (Consolidated)

As of March 20, 2013

- Shareholders' equity ratio 37.1%
- Shareholders' equity 112.2 billion yen
- Interest-bearing debt 54.7 billion yen
- D/E ratio 0.49
(Net D/E ratio) 0.31
- Inventory 64.3 billion yen
Turnover 2.5 months

As of June 20, 2013

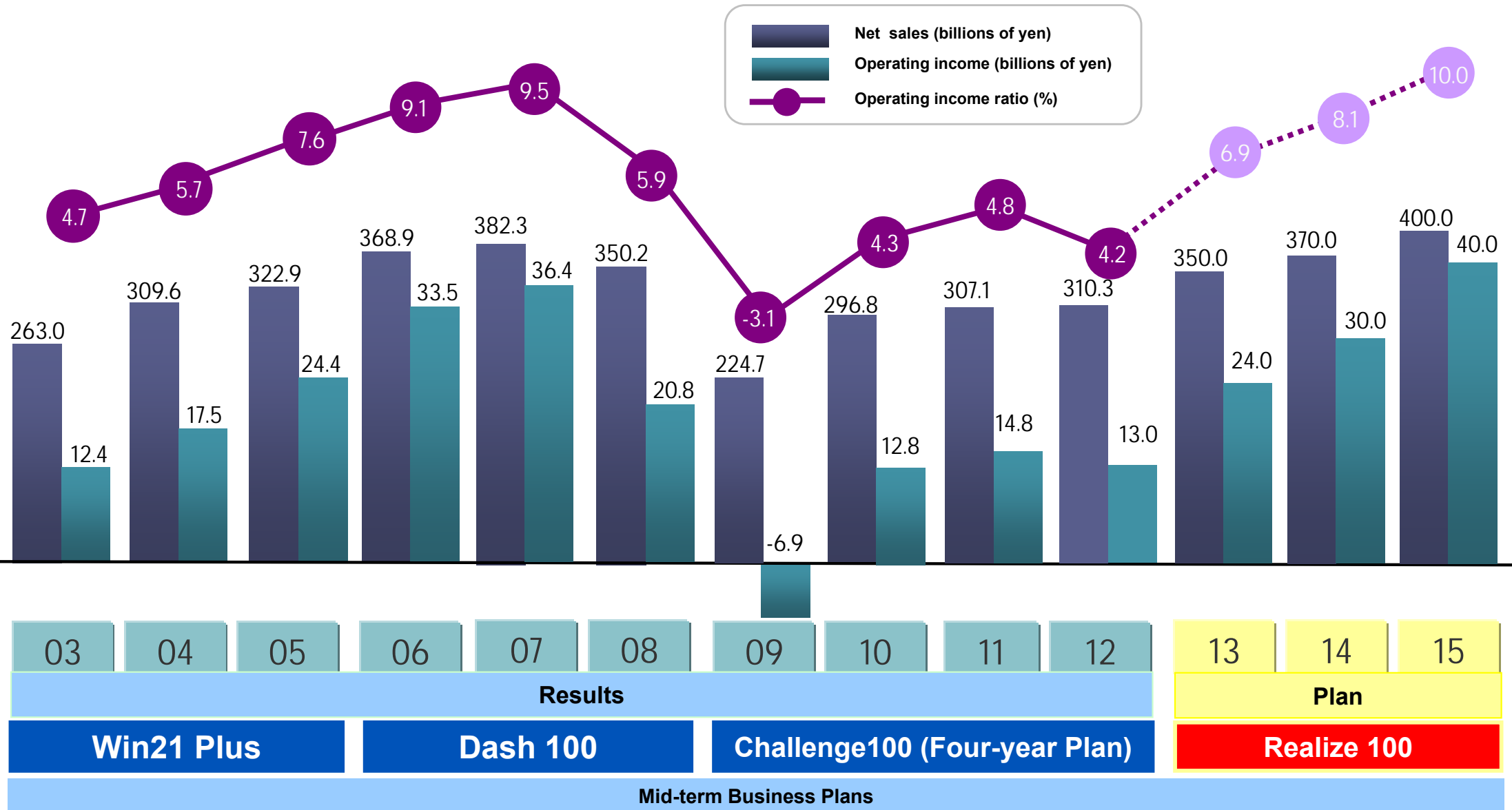
- Shareholders' equity ratio 38.0%
- Shareholders' equity 119.4 billion yen
- Interest-bearing debt 56.3 billion yen
- D/E ratio 0.47
(Net D/E ratio) 0.27
- Inventory 72.4 billion yen
Turnover 2.5 months



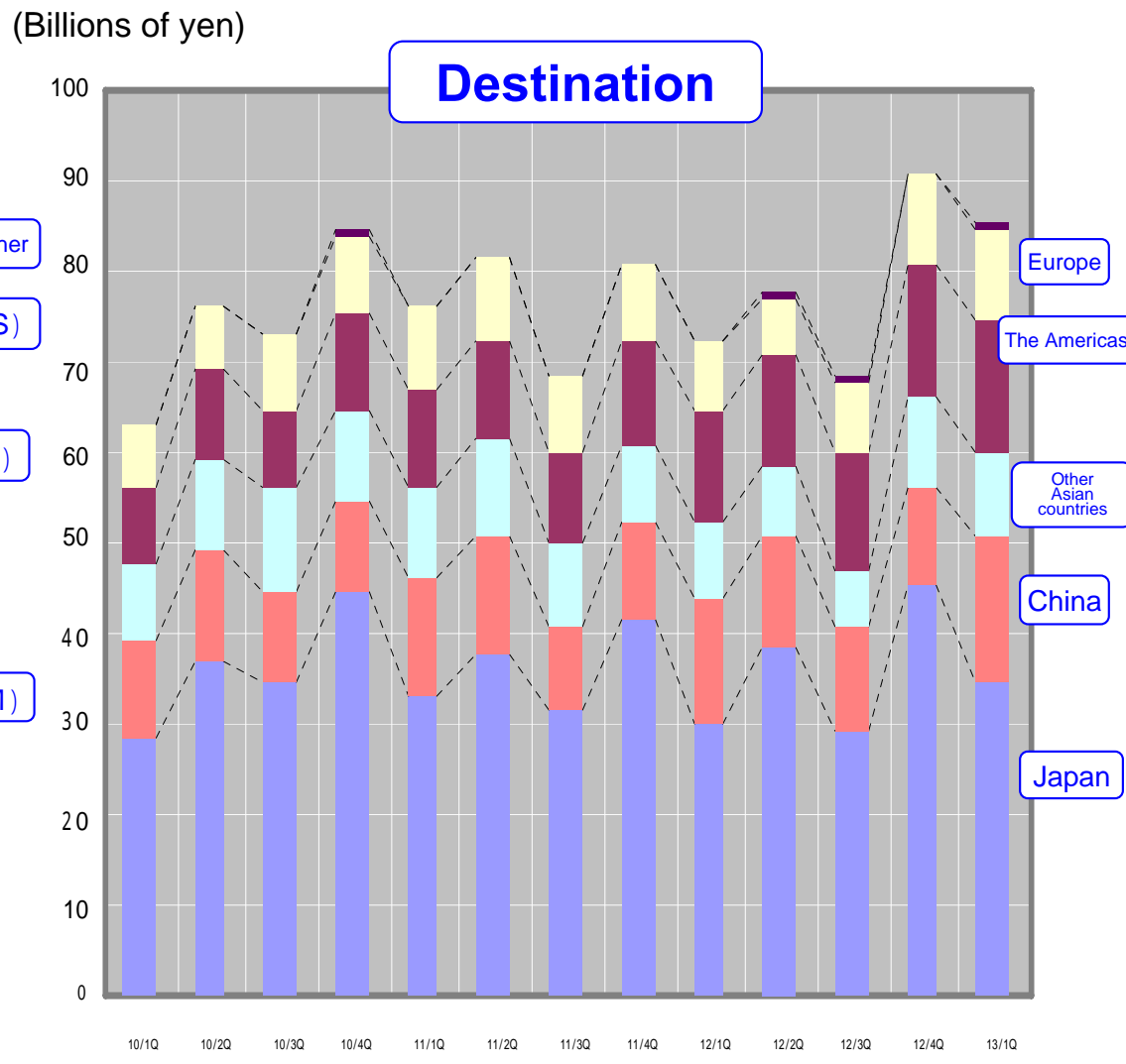
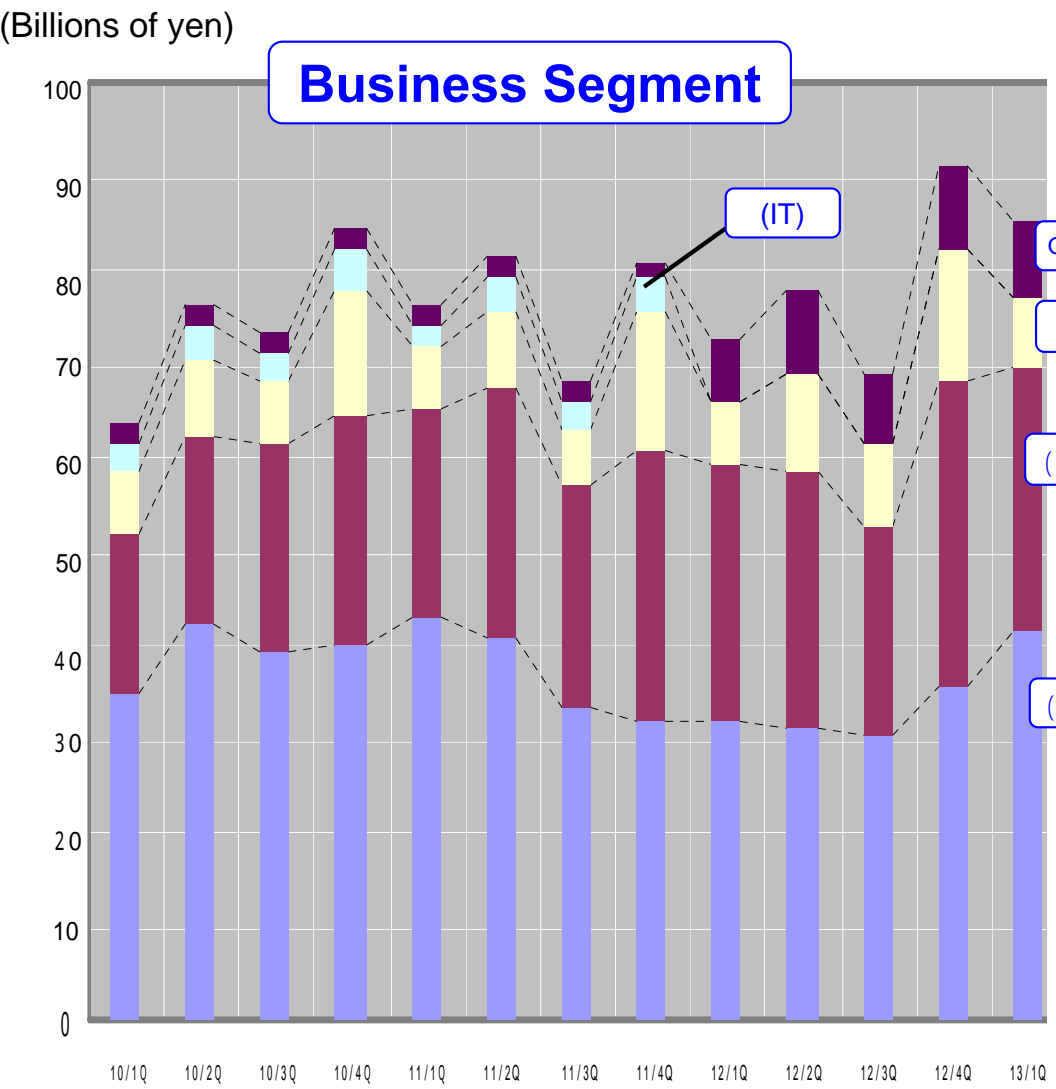
*Interest-bearing debt includes convertible bonds and lease obligations.
*Inventory at the end of the period is used for calculating turnover months.

Operating CF	8.4	18.5	5.7	18.7	14.9	17.6	12.4	4.0	2.4	6.3	24.6
Investment CF	-1.9	1.1	-2.2	9.7	-6.1	-9.9	-10.6	-6.4	-6.7	-11.8	-18.0
Free CF	6.4	19.6	3.5	8.9	8.8	7.7	1.7	-2.4	-4.2	-5.4	6.5

FY2003-2015 Sales/Operating Income

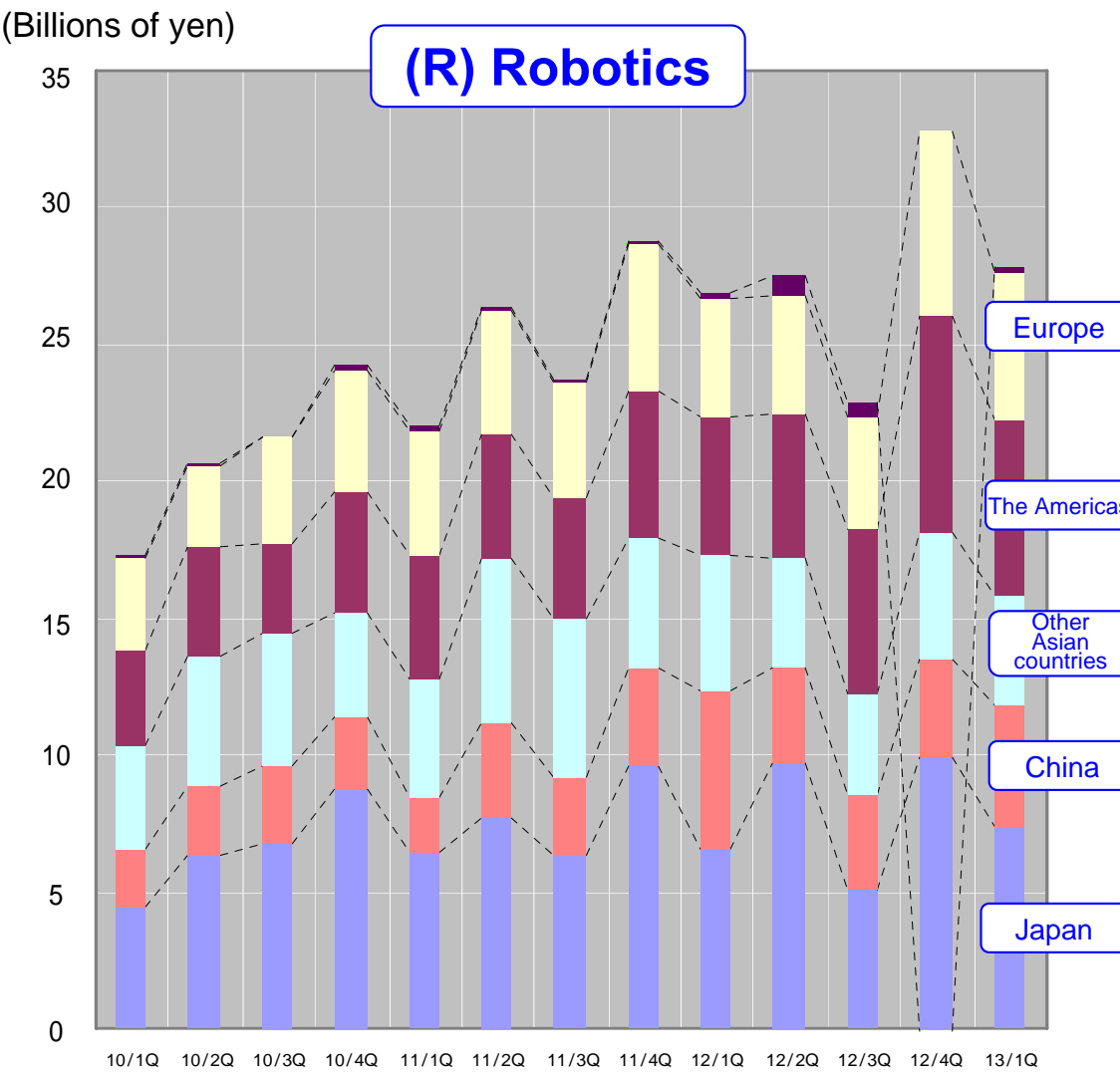
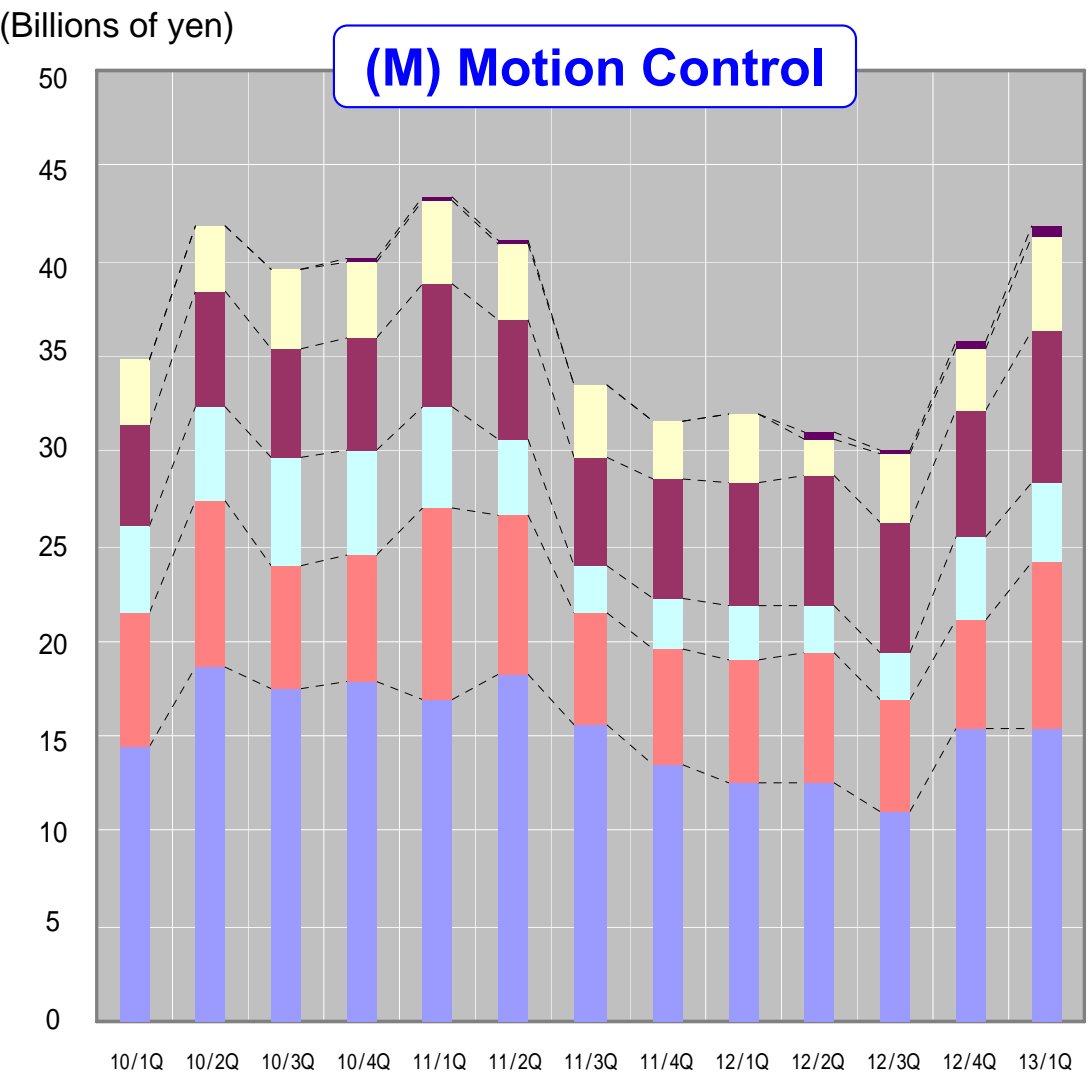


Quarterly Sales Trends by Business Segment and Destination



Notes: 1. (M) = Motion Control (R) = Robotics (S) = System Engineering (IT)=Information Technologies
 2. The figures for FY12 and FY 13 reflect segmentation changes announced on July 18, 2013.

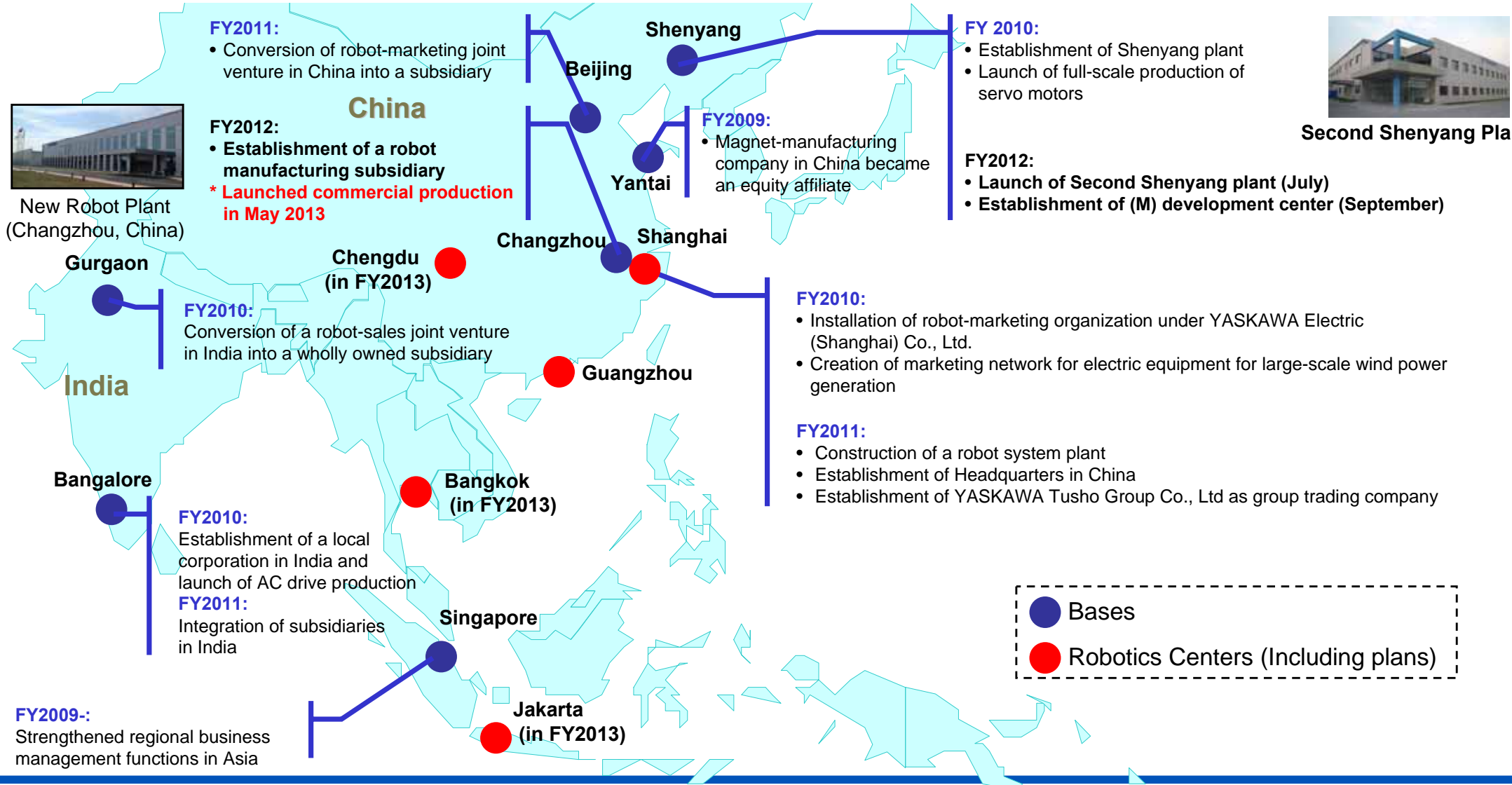
(M) And (R) Quarterly Sales Trends by Destination



Note: The figures for FY12 and FY 13 reflect segmentation changes announced on July 18, 2013.

Business Expansion in China and Other Asian Countries

- Expand local production and procurement mainly in China
- Expand sales in Asian countries including China by establishing new robotics centers



Major Production Bases (YASKAWA network supporting global business)



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