

Consolidated Results for the Fiscal Year Ended March 20, 2012 [Japan GAAP]

April 20, 2012

Listed company name: YASKAWA Electric Corporation

<http://www.yaskawa.co.jp/en/>

President: Junji Tsuda

Stock exchange listings: Tokyo (First section), Fukuoka

Stock ticker number: 6506

(Note: This document was translated from the financial statement submitted to the Tokyo Stock Exchange for the period stated above. Figures under ¥1 million are rounded down.)

1. Summary of Consolidated Results for the Fiscal Year Ended March 20, 2012 (March 21, 2011 to March 20, 2012)

(1) Consolidated Statements of Income

(Millions of yen, except ratio and per share data)

	Year ended March 20, 2012	Change	Year ended March 20, 2011	Change
Net sales	307,111	3.5%	296,847	32.1%
Operating income	14,818	15.1%	12,874	-
Ordinary income	15,626	16.4%	13,429	-
Net income	8,432	28.8%	6,544	-
Earnings per share (basic, Yen)	33.51	-	26.00	-
Earnings per share (diluted, Yen)	-	-	-	-
Return on shareholders' equity (%)	8.7	-	7.2	-
Return on assets (%)	5.7	-	5.3	-
Operating income ratio (%)	4.8	-	4.3	-

Note:	Year ended March 20, 2012	Change	Year ended March 20, 2011	Change
Comprehensive income (Millions of yen)	9,401	63.4%	5,755	-

Reference: Equity in earnings of affiliated companies

Year ended March 20, 2012: ¥760 million

Year ended March 20, 2011: ¥442 million

(2) Consolidated Financial Position

(Millions of yen, except ratio and per share data)

	As of March 20, 2012	As of March 20, 2011
Total assets	279,072	264,594
Net assets	104,507	98,029
Shareholders' equity ratio (%)	35.9	35.2
Net assets per share (Yen)	397.82	370.42

Reference: Shareholders' equity

As of March 20, 2012: ¥100,109 million

As of March 20, 2011: ¥93,220 million

(3) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Year ended March 20, 2012	Year ended March 20, 2011
Net cash provided by operating activities	6,391	2,489
Net cash used in investing activities	(11,874)	(6,741)
Net cash provided by (used in) financing activities	13,592	(786)
Cash and cash equivalents at end of period	20,206	11,885

2. Dividends

		Year ended March 20, 2011	Year ended March 20, 2012	Year ending March 20, 2013 (forecast)
Dividends per share (Yen)	End of 1Q	-	-	-
	End of 2Q	2.00	5.00	5.00
	End of 3Q	-	-	-
	Year-end	4.00	5.00	5.00
	Annual total	6.00	10.00	10.00
Annual cash dividends paid (Millions of yen)		1,511	2,519	-
Dividend payout ratio (Consolidated)		23.1%	29.8%	28.0%
Dividend on net assets (Consolidated)		1.7%	2.6%	-

3. Projected Consolidated Results for the Fiscal Year Ending March 20, 2013 (from March 21, 2012 to March 20, 2013)

	(Millions of yen, except per share data)			
	Six months ending September 20, 2012	Change	Year ending March 20, 2013	Change
Net sales	145,000	(8.3)%	310,000	0.9%
Operating income	3,000	(67.6)%	16,000	8.0%
Ordinary income	3,000	(67.7)%	16,000	2.4%
Net income	1,500	(76.9)%	9,000	6.7%
Earnings per share (Yen)	5.96	-	35.76	-

4. Other

(1) Change in Scope of Consolidation: None

(2) Change in Accounting Methods and Description

1. Changes related to revision of accounting standards: Yes

2. Other changes: None

Note: Please refer to "Changes in Basis of Presentation of Consolidated Financial Statements" on page 15 for details.

(3) Number of Common Shares Outstanding

1. The number of shares outstanding including treasury shares:

As of March 20, 2012: 252,331,938 shares

As of March 20, 2011: 252,331,938 shares

2. The number of treasury shares:

As of March 20, 2012: 688,631 shares

As of March 20, 2011: 671,388 shares

3. Average during period:

Year ended March 20, 2012: 251,650,027 shares

Year ended March 20, 2011: 251,670,931 shares

(Reference) Non-Consolidated Information

1. Summary of Non-Consolidated Results for the Fiscal Year Ended March 20, 2012 (from March 21, 2011 to March 20, 2012)

(1) Non-Consolidated Statements of Income

	(Millions of yen, except per share data)			
	Year ended March 20, 2012	Change	Year ended March 20, 2011	Change
Net sales	170,848	(7.0)%	183,767	52.8%
Operating income	292	(92.8)%	4,072	-
Ordinary income	4,693	(29.3)%	6,640	-
Net income	1,971	(42.7)%	3,440	-
Earnings per share (basic, Yen)	7.83	-	13.66	-
Earnings per share (diluted, Yen)	-	-	-	-

(2) Non-Consolidated Financial Position

	(Millions of yen, except ratio and per share data)	
	As of March 20, 2012	As of March 20, 2011
Total assets	177,545	172,570
Net assets	69,734	69,226
Shareholders' equity ratio	39.3%	40.1%
Net assets per share (Yen)	276.80	274.77

Reference: Shareholders' equity

As of March 20, 2012: ¥69,734 million

As of March 20, 2011: ¥69,226 million

*Information concerning implementation status of the auditing procedure

This earnings report is not subject to auditing procedure prescribed by the Financial Instruments and Exchange Act. The auditing procedure for the financial statements that is prescribed by the Financial Instruments and Exchange Act had not been completed when this earnings report was released.

*About the appropriate use of business forecasts

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons.

Yaskawa Electric plans to hold an information meeting for securities analysts and institutional investors on April 23, 2012. A summary of materials distributed at this meeting are to be posted on the company's website following the meeting.

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1. Business Results

1) Overview on Business Performance

1. Business Performance of Fiscal Year 2011

In the fiscal year that ended in March 2012, the business environment for the Yaskawa Group was different in the period up to the first half of the second quarter and the rest of the fiscal year.

Until the first half of the second quarter, demand was firm. Overseas demand was supported mainly by China and other Asian countries. Demand in Japan was solid due to the rapid restoration of supply chains for parts and products that were disrupted by the East Japan Great Earthquake.

From the second half of the second quarter, demand was severely impacted by slowing economic growth in China, sluggish investments in the semiconductor and FPD industries, and other events. Along with the yen's extreme strength and the sharp increase in prices of rare earth metals, the business environment was very difficult.

The Yaskawa Group responded to these challenges by placing priority on profitability when seeking new orders, reducing costs by making extensive use of overseas manufacturing bases, using expenses at a level that matches the amount of orders, and taking other actions.

Despite the difficult business environment in the fiscal year under review, among business segments, there were significant increases in sales and operating income in the Robotics segment and among geographical segments the group's performance was strong in the Americas and Europe. Furthermore, the measures outlined above produced benefits. As a result, sales increased 3.5% to ¥307,111 million, operating income increased 15.1% to ¥14,818 million, ordinary income increased 16.4% to ¥15,626 million, and net income increased 28.8% to ¥8,432 million.

2. Results by Business Segment

The Yaskawa Group has five separate business segments.

The business results of each segment are as follows.

(Millions of yen, except ratio)

Business segment	Year ended March 20, 2012	
	Net sales (year-on-year change from the previous fiscal year)	Operating income (loss) (year-on-year change from the previous fiscal year)
Motion Control	149,410 (down by 4.5%)	5,824 (down by 3,155)
Robotics	101,065 (up by 20.5%)	7,014 (up by 5,340)
System Engineering	35,520 (up by 3.4%)	1,917 (down by 143)
Information Technologies	12,826 (down by 9.2%)	(139) (less by 258)
Other	8,289 (up by 2.7%)	526 (down by 16)

Note:

Beginning with the fiscal year that ended in March 2012, "Accounting Standard for Segment Information Disclosures" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on Accounting Standard for Segment Information Disclosures" (ASBJ Guidance No. 20, March 21, 2008) have been applied. However, comparisons with prior-year business segments are shown because the application of this standard did not result in any change in business segments from the prior fiscal year.

■ Motion Control

Sales of AC servo motors and controllers started on a strong note. Orders were strong in Japan and overseas, particularly in the period up to the first half of the second quarter. Performance also benefited from measures to increase sales of new products. However, fiscal year sales were held down by the subsequent downturn in orders.

AC drives performed well in the period up to the first half of the second quarter because of demand for use in energy-conserving applications primarily in China and other Asian countries. However, sales were sluggish for the remainder of the fiscal year.

Overall, segment sales and operating income were lower than in the prior fiscal year.

■ Robotics

Orders for welding, handling, painting and other robots increased due to measures to increase sales in the automobile industry, chiefly outside Japan. In Japan, sales activities focused on capturing orders for robots in other industries.

In addition, activities that placed priority on profitability contributed to the growth in earnings.

As a result, there were significant increases in sales and operating income, which contributed to the improvement in consolidated performance.

■ System Engineering

In the steel industry and water treatment equipment sector, the core markets for this segment, sales and operating income were about the same as one year earlier despite the effects of the earthquake.

■ Information Technologies

IT investments have been delayed even more by the earthquake. Although this caused sales to decrease from one year earlier, the operating loss was smaller as the Yaskawa Group continued to take extensive actions to reduce costs.

(Reference) Non-Consolidated Information

On a non-consolidated basis, sales decreased 7.0% to ¥170,848 million, operating income decreased 92.8% to ¥292 million, ordinary income decreased 29.3% to ¥4,693 million, and net income decreased 42.7% to ¥1,971 million.

3. Overview on Projected Consolidated Results

The forecasts for consolidated sales and earnings in the fiscal year ending in March 2013 (from March 21, 2012 to March 20, 2013) are as follows.

	Fiscal Year 2012 (forecasts)	Year-on-year Change
Net sales	¥310,000 million	UP by ¥2,888 million (0.9%)
Operating income	¥16,000 million	UP by ¥1,181 million (8.0%)
Ordinary income	¥16,000 million	UP by ¥373 million (2.4%)
Net income	¥9,000 million	UP by ¥567 million (6.7%)

These forecasts are based on average yen exchange rates of ¥80 to the U.S. dollar and ¥105 to the euro

during the period from March 21, 2012 to March 20, 2013.

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons.

2) Overview on Financial Condition

1. Balance Sheet Highlights

Total assets were ¥279,072 million at the end of the fiscal year under review, ¥14,477 million higher than one year earlier. There was a ¥11,423 million increase in current assets, mainly the result of increases in cash and time deposits and inventories, and a ¥3,053 million increase in fixed assets.

Total liabilities increased ¥7,999 million to ¥174,564 million. This was the net result of a ¥9,646 million decrease in current liabilities, mainly due to a decrease in trade notes and accounts payable, and a ¥17,646 million increase in long-term liabilities that was attributable primarily to the sale of convertible bonds.

Total net assets increased ¥6,478 million to ¥104,507 million mainly because of a ¥6,068 million increase in shareholders' equity resulting from an increase in retained earnings.

2. Cash Flows

Cash and cash equivalents totaled ¥20,206 million at the end of the fiscal year under review, a net increase of ¥8,320 million compared with the end of the previous fiscal year.

Net cash provided by operating activities was ¥6,391 million. The major components were an income before income taxes and minority interests of ¥15,353 million, depreciation and amortization of ¥7,606 million, a decrease of ¥1,858 million in trade receivables, an increase of ¥2,632 million in inventories, a decrease of ¥10,289 million in trade payables and income taxes paid of ¥5,566 million.

Net cash used in investing activities was ¥11,874 million. The primary use of cash was expenditures of ¥9,863 million for purchases of property, plant and equipment and intangible assets.

Free cash flows, the sum of cash flows from operating and investing activities, were a negative ¥5,483 million.

Net cash provided by financing activities was ¥13,592 million. Major components were a ¥936 million decrease in short-term debt, proceeds of ¥5,424 million from long-term debt, repayments of long-term debt of ¥3,536 million, proceeds of ¥15 billion from issuance of bonds and dividend payments of ¥2,267 million to shareholders of the parent company.

3. Cash Flow Indicator Trends

Cash flow indicator trends for the Yaskawa Group are shown below.

	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>	<u>Fiscal Year 2011</u>
Shareholders' equity ratio (%)	36.6	35.2	35.9
Shareholders' equity ratio based on market value (%)	83.5	88.5	72.9
Ratio of interest-bearing debt against cash flow (years)	10.5	16.6	9.1
Interest coverage ratio (times)	<u>5.9</u>	<u>3.8</u>	<u>9.0</u>

Shareholders' equity ratio = shareholders' equity/total assets

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

Ratio of interest-bearing debt against cash flow = interest-bearing debt/operating cash flow

Interest coverage ratio = operating cash flow/interest expense

Notes:

1. All calculations were made on a consolidated base.
2. Market value of total shares is calculated based on the number of shares issued except treasury shares.
3. Interest-bearing debt consists of all debt appearing on the balance sheets that incurs interest.
4. Amounts used for operating cash flow and interest expense were taken from "cash flows from operating activities" and "interest expense" reported in consolidated statements of cash flows.

3) Policy on Profit Distribution and Dividends for Fiscal Years 2011 and 2012

Regarding profit distribution, our goal is to secure stable and continuous cash dividends to our shareholders as well as internal reserve to enrich our business base and to enable future business expansion. We base our decision of profit distribution on the integrated consideration of our business performance, the business environment, and the financial conditions.

As announced on May 26, 2011, the year-end dividend for this fiscal year is ¥5 per share. Together with the interim dividend of ¥5 paid previously, total annual cash dividend for the fiscal year 2011 is ¥10 per share.

As for the projected cash dividend for the fiscal year 2012, the Company expects to pay the total annual cash dividend of ¥10 per share, including the interim dividend of ¥5 and the year-end dividend of ¥5.

2. Management Policies

- 1) Fundamental Management Policies
- 2) Management Goals
- 3) Medium- to Long-term Business Strategies

These three sections are omitted because there have not been any material changes in the information that is contained in the earnings report “Consolidated Results for the Fiscal Year Ended March 20, 2011 [Japan GAAP]” dated April 20, 2011 for the fiscal year that ended in March 2011. However, regarding the numerical targets in section 3) for the final year of the “Challenge 100” mid-term business plan (sales of ¥380 billion and ordinary income of ¥38 billion), the outlook for the business results in the same year is as shown in the fiscal year column of “3. Projected Consolidated Results for the Fiscal Year Ending March 20, 2013” because of the challenging business environment, the yen’s strength and other factors.

The earnings report for the previous fiscal year can be viewed at the following website:

< Yaskawa Electric Corporation Website >

<http://www.yaskawa.co.jp/en/>

4) Management Initiatives and Challenges

In the fiscal year ending in March 2013, there are expectations for the U.S. economy to recover at a moderate pace and for economic recoveries in Japan and China. However, there are still sources of uncertainty such as the continuing strength of the yen, although there have been minor corrections to this trend, and the higher cost of crude oil.

In this highly uncertain economic environment, the Yaskawa Group is focusing resources on the selected activities and reexamining its cost structure. The goals are to become a highly profitable global corporate group and to create the group’s core businesses of the future. To accomplish these goals, the group is taking the following three actions.

1. Improve the profitability of core businesses

- Conduct speedy sales activities in strong markets and recovering markets in order to capture orders.
- Increase the scale of manufacturing bases in China and accelerate overseas procurement activities in response to the yen’s strength.
- Use expenses even more efficiently.

2. Channel resources to new businesses

- Use substantial resources for creating new markets and creating and expanding new businesses.

The goals are to accelerate the growth of the environmental energy business, which includes motor drive system for EV, photovoltaic power generation systems and large-scale wind power generation systems, and to increase activities to seek ways to launch a service robot business.

3. Constantly upgrade development, manufacturing, and sales capabilities

- Reinforce core technologies and upgrade capabilities for identifying local needs worldwide and quickly introducing products that target those needs.
- Enlarge activities aimed at using robots to automate manufacturing processes.

By taking these actions, the Yaskawa Group plans to create an organization that can evolve and advance even more, as stated in the “Challenge 100” mid-term business plan that will end in March 2013. The aim is to build a Yaskawa Group that is able to grow continuously in a global economy.

3. Consolidated Financial Statements

1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 20, 2011	As of March 20, 2012
Assets		
Current assets		
Cash and time deposits	12,032	20,343
Trade notes and accounts receivable	93,073	91,411
Merchandise and finished goods	36,783	41,869
Goods in process	8,494	7,793
Raw materials and supplies	12,787	14,136
Deferred tax assets	7,378	6,223
Other	19,289	19,234
Allowance for doubtful accounts	(1,691)	(1,440)
Total current assets	188,148	199,572
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	15,833	15,398
Machinery and transportation equipment, net	8,331	8,183
Land	7,952	8,312
Other, net	3,611	5,589
Total property, plant and equipment	35,729	37,484
Intangible assets		
Software	4,162	4,502
Other	1,687	2,232
Total intangible assets	5,849	6,734
Investments and other assets		
Investments	16,773	18,595
Long-term loans	194	168
Deferred tax assets	14,500	12,383
Other	3,908	4,511
Allowance for doubtful accounts	(509)	(377)
Total investments and other assets	34,867	35,280
Total fixed assets	76,446	79,499
Total assets	264,594	279,072

(Millions of yen)

	As of March 20, 2011	As of March 20, 2012
Liabilities		
Current liabilities		
Trade notes and accounts payable	63,235	53,073
Short-term bank loans	33,697	34,042
Accrued expenses	17,691	17,632
Income taxes payable	3,257	370
Accrued directors' bonus	56	57
Other	8,819	11,934
Total current liabilities	126,758	117,111
Long-term liabilities		
Bonds with warrants	-	15,000
Long-term debt	7,742	9,029
Provision for employees' retirement benefits	30,662	30,535
Provision for directors' retirement benefits	293	299
Other	1,109	2,589
Total long-term liabilities	39,807	57,453
Total liabilities	166,565	174,564
Net assets		
Shareholders' equity		
Common stock	23,062	23,062
Additional paid-in capital	18,682	18,684
Retained earnings	57,281	63,363
Treasury stock, at cost	(425)	(440)
Total shareholders' equity	98,600	104,669
Accumulated other comprehensive income		
Net unrealized holding gain on securities	1,731	2,547
Foreign currency translation adjustments	(7,111)	(7,107)
Total accumulated other comprehensive income	(5,380)	(4,559)
Minority interests	4,808	4,398
Total net assets	98,029	104,507
Total liabilities and net assets	264,594	279,072

2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year Ended March 20, 2011	Year Ended March 20, 2012
Net sales	296,847	307,111
Cost of sales	219,815	227,540
Gross profit	77,032	79,571
Selling, general and administrative expenses	64,157	64,752
Operating income	12,874	14,818
Non-operating income		
Interest income	73	62
Dividends received	270	329
Government subsidies for employment adjustment	284	152
Equity in earnings of associated companies	442	760
Foreign exchange gains	-	61
Miscellaneous income	665	399
Total non-operating income	1,735	1,764
Non-operating expenses		
Interest expenses	647	727
Foreign exchange losses	232	-
Miscellaneous expenses	301	230
Total non-operating expenses	1,180	957
Ordinary income	13,429	15,626
Extraordinary gains		
Gain on sales of fixed assets	46	24
Gain on sales of investment securities	39	8
Reversal of allowance for doubtful accounts	-	65
Gain on negative goodwill	-	1,091
Other	32	58
Total extraordinary gains	118	1,248
Extraordinary losses		
Loss on sales and disposal of fixed assets	82	112
Loss on devaluation of investment securities	1,084	170
Impairment loss	14	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	332
Loss on step acquisitions	-	146
Other	306	759
Total extraordinary losses	1,488	1,521
Income before income taxes and minority interests	12,060	15,353
Provision for income taxes- current	4,374	4,076
Provision for income taxes- deferred	1,131	2,684
Total income taxes	5,505	6,760
Income before minority interests	-	8,592
Minority interests in income	11	160
Net income	6,544	8,432

(Millions of yen)

	Year Ended March 20, 2011	Year Ended March 20, 2012
Income before minority interests	-	8,592
Other comprehensive income		
Net unrealized holding gain on securities	-	807
Foreign currency translation adjustment	-	(102)
Share of other comprehensive income of associates accounted for using equity method	-	104
Total other comprehensive income	-	808
Comprehensive income	-	9,401
(Breakdown)		
Comprehensive income attributable to shareholders of the Company	-	9,271
Comprehensive income attributable to minority interests	-	130

3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Year Ended March 20, 2011	Year Ended March 20, 2012
Shareholders' equity		
Common stock		
Balance at the end of previous period	23,062	23,062
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	23,062	23,062
Additional paid-in capital		
Balance at the end of previous period	18,682	18,682
Changes of items during the period		
Disposition of treasury stock	0	1
Total changes of items during the period	0	1
Balance at the end of current period	18,682	18,684
Retained earnings		
Balance at the end of previous period	51,534	57,281
Changes of items during the period		
Cash dividends	(881)	(2,267)
Net income	6,544	8,432
Change in scope of consolidation	85	249
Change in scope of equity method	-	(331)
Total changes of items during the period	5,747	6,081
Balance at the end of current period	57,281	63,363
Treasury stock		
Balance at the end of previous period	(407)	(425)
Changes of items during the period		
Acquisition of treasury stock	(22)	(18)
Disposition of treasury stock	3	3
Total changes of items during the period	(18)	(14)
Balance at the end of current period	(425)	(440)
Total shareholders' equity		
Balance at the end of previous period	92,871	98,600
Changes of items during the period		
Cash dividends	(881)	(2,267)
Net income	6,544	8,432
Acquisition of treasury stock	(22)	(18)
Disposition of treasury stock	4	4
Change in scope of consolidation	85	249
Change in scope of equity method	-	(331)
Total changes of items during the period	5,729	6,068
Balance at the end of current period	98,600	104,669

(Millions of yen)

	Year Ended March 20, 2011	Year Ended March 20, 2012
Accumulated other comprehensive income		
Net unrealized holding gain on securities		
Balance at the end of previous period	1,241	1,731
Changes of items during the period		
Net changes of items other than shareholders' equity	490	815
Total changes of items during the period	490	815
Balance at the end of current period	1,731	2,547
Deferred gains (losses) on hedges		
Balance at the end of previous period	(11)	-
Changes of items during the period		
Net changes of items other than shareholders' equity	11	-
Total changes of items during the period	11	-
Balance at the end of current period	-	-
Foreign currency translation adjustments		
Balance at the end of previous period	(5,641)	(7,111)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,470)	4
Total changes of items during the period	(1,470)	4
Balance at the end of current period	(7,111)	(7,107)
Total accumulated other comprehensive income		
Balance at the end of previous period	(4,412)	(5,380)
Changes of items during the period		
Net changes of items other than shareholders' equity	(968)	820
Total changes of items during the period	(968)	820
Balance at the end of current period	(5,380)	(4,559)
Minority interests		
Balance at the end of previous period	4,830	4,808
Changes of items during the period		
Net changes of items other than shareholders' equity	(21)	(410)
Total changes of items during the period	(21)	(410)
Balance at the end of current period	4,808	4,398
Total net assets		
Balance at the end of previous period	93,289	98,029
Changes of items during the period		
Cash dividends	(881)	(2,267)
Net income	6,544	8,432
Acquisition of treasury stock	(22)	(18)
Disposition of treasury stock	4	4
Change of scope of consolidation	85	249
Change of scope of equity method	-	(331)
Net changes of items other than shareholders' equity	(989)	409
Total changes of items during the period	4,740	6,478
Balance at the end of current period	98,029	104,507

4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year Ended March 20, 2011	Year Ended March 20, 2012
Cash flows from operating activities		
Income before income taxes and minority interests	12,060	15,353
Depreciation and amortization	7,057	7,606
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	332
Loss on step acquisitions	-	146
Gain on negative goodwill	-	(1,091)
Impairment loss	14	-
Decrease in allowance for doubtful accounts	-	(436)
Decrease in provision for employees' retirement benefits	(633)	(111)
Increase in provision for directors' retirement benefits	-	6
Loss on sales and retirement of fixed assets	-	87
Loss (gain) on sales of investment securities	(39)	12
Loss on valuation of investment securities	1,084	170
Interest and dividend income	(344)	(391)
Interest expense	647	727
(Increase) decrease in trade receivables	(19,549)	1,858
Increase in inventories	(13,425)	(2,632)
Increase (decrease) in trade payables	13,869	(10,289)
Increase in accrued expenses	305	111
Other, net	2,043	655
Subtotal	3,090	12,115
Interest and dividends received	439	549
Interest paid	(651)	(706)
Income taxes paid	(1,509)	(5,566)
Income taxes refund	1,120	-
Net cash provided by operating activities	2,489	6,391
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(6,266)	(9,863)
Proceeds from sales of property, plant and equipment and intangible assets	230	77
Purchases of investment securities	(668)	(1,837)
Proceeds from sales of investment securities	39	23
Proceeds from purchase of investments in capital of subsidiaries resulting in change in scope of consolidation	-	198
Other, net	(75)	(472)
Net cash used in investing activities	(6,741)	(11,874)
Cash flows from financing activities		
Increase (decrease) in short-term debt	2,991	(936)
Proceeds from long-term debt	1,050	5,424
Repayments of long-term debt	(3,922)	(3,536)
Proceeds from issuance of bonds	-	15,000
Dividends paid	(881)	(2,267)
Dividends paid to minority shareholders	(7)	(68)
Other, net	(16)	(24)
Net cash provided by (used in) financing activities	(786)	13,592
Effect of exchange rate changes on cash and cash equivalents	(298)	(39)
Net increase (decrease) in cash and cash equivalents	(5,337)	8,068
Cash and cash equivalents at beginning of year	16,296	11,885
Increase due to inclusion of subsidiaries in consolidation	926	251
Cash and cash equivalents at the end of period	11,885	20,206

5) Notes Pertaining to the Presumption of a Going Concern

None

6) Basis of Presentation of Consolidated Financial Statements

1. Scope of consolidation and application of equity method

There are 63 consolidated subsidiaries and 13 companies accounted for using the equity method.

2. Changes in scope of consolidation and application of equity method

Consolidation

New: 2 companies Eliminated: 1 company

Equity method

New: None Eliminated: 1 company

No further information is provided, except the information in “Changes in Basis of Presentation of Consolidated Financial Statements,” because there have been no significant changes since the most recent Securities Report (released on June 17, 2011).

7) Changes in Basis of Presentation of Consolidated Financial Statements

(Application of “Accounting Standard for Asset Retirement Obligations”)

Starting with the current fiscal year, “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) have been applied.

This change resulted in decreases of ¥8 million each in the fiscal year’s operating income and ordinary income and decreases of ¥341 million in the income before income taxes and minority interests.

(Application of “Accounting Standard for Equity-Method Accounting” and “Practical Solution on Accounting Treatment for Equity-Method Affiliates”)

Starting with the current fiscal year, “Accounting Standard for Equity-Method Accounting” (ASBJ Statement No. 16, announced on March 10, 2008) and “Practical Solution on Accounting Treatment for Equity-Method Affiliates” (PITF No. 24, March 10, 2008) have been applied.

This change had no effect on earnings.

8) Notes to the Consolidated Financial Statements

Consolidated Statements of Comprehensive Income

Year ended March 20, 2012

Comprehensive income in prior fiscal year

Comprehensive income attributable to shareholders of the Company	5,772	million yen
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Comprehensive income attributable to minority interests	(16)	million yen
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Total	5,755	million yen
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Other comprehensive income in prior fiscal year

Net unrealized holding gain on securities	471	million yen
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Foreign currency translation adjustment	(1,200)	million yen
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Share of other comprehensive income of associates accounted for using	(70)	million yen
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Total	(799)	million yen
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(Segment Information)

Business Segments

	Year ended March 20, 2011						(Millions of yen)	
	Motion Control	Robotics	System Engineering	Information Technologies	Other	Total	Eliminations & Corporate	Consolidated
Net sales and operating income (loss)								
Sales to external customers	156,450	83,843	34,349	14,132	8,072	296,847	-	296,847
Intersegment sales and transfers	14,147	887	1,455	3,397	4,832	24,720	(24,720)	-
Total sales	170,597	84,731	35,805	17,529	12,904	321,568	(24,720)	296,847
Operating costs and expenses	161,617	83,057	33,744	17,928	12,362	308,708	(24,735)	283,972
Operating income (loss)	8,980	1,673	2,061	(398)	542	12,859	15	12,874
Assets, depreciation and amortization, impairment loss, and capital expenditure								
Assets	125,606	71,646	31,340	15,692	8,241	252,527	12,067	264,594
Depreciation and amortization	4,801	1,455	493	231	114	7,095	(37)	7,057
Impairment loss	-	-	-	14	-	14	-	14
Capital expenditure	4,325	1,585	633	105	45	6,695	(40)	6,655

Notes

1. The business segments are classified based on similarity of product nature and manufacturing methods and selling methods, etc.
2. Corporate assets included in "Eliminations & Corporate" amounted to ¥20,553 million. Those assets principally consist of excess funds (cash and time deposits) and Long-term investments (investment securities) of the Company.
3. Depreciation and capital expenditures include amortization of and additions to long-term prepaid expenses.

Geographical Areas

	Year Ended March 20, 2011					(Millions of yen)	
	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	Consolidated
Net sales and operating income							
Sales to external customers	180,661	34,432	30,072	51,681	296,847	-	296,847
Intersegment sales and transfers	61,953	403	192	5,622	68,171	(68,171)	-
Total sales	242,614	34,836	30,264	57,304	365,019	(68,171)	296,847
Operating costs and expenses	234,215	32,867	29,346	53,266	349,696	(65,723)	283,972
Operating income	8,399	1,968	918	4,037	15,322	(2,448)	12,874
Assets	179,149	19,240	23,623	34,239	256,252	8,342	264,594

Notes

- Geographical areas are divided into categories based on their geographical proximity.
- The regions that belong to each area are as follows.
 - Americas – U.S.A., etc
 - Europe – Germany, Sweden, The United Kingdom, etc
 - Asia – The People’s Republic of China, Singapore, Republic of Korea, etc
- Corporate assets included in “Eliminations & Corporate” amounted to ¥20,553 million. Those assets principally consisted of excess funds (cash and time deposits) and long-term investments (investment securities) of the Company.

Overseas Sales

	Year Ended March 20, 2011				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	38,779	29,610	82,749	955	152,093
Consolidated sales					296,847
Percentage of overseas sales in consolidated sales	13%	10%	28%	0%	51%

Notes

- Geographical areas are divided into categories based on their geographical proximity.
- The regions that belong to each area are as follows.
 - Americas – U.S.A., etc
 - Europe – Germany, Sweden, The United Kingdom, etc
 - Asia – The People’s Republic of China, Singapore, Republic of Korea, etc
 - Other – Australia, etc
- Overseas sales are sales made by Yaskawa Electric and its subsidiaries to countries and regions excluding Japan.

Segment Information

1. Description of reporting segments

Segments used for financial reporting are the constituent components of the Yaskawa Group for which separate financial information is available and for which the board of directors conducts periodic examinations in order to determine the distribution of resources and evaluate result of operations.

The Yaskawa Group is basically organized into four business units: Motion Control, Robotics, System Engineering and Information Technologies. Each unit establishes comprehensive strategies for its operations in Japan and overseas and conducts its own business activities.

Consequently, the Yaskawa Group has four reporting segments: Motion Control, Robotics, System Engineering and Information Technologies.

Motion Control includes development, manufacturing, sales and service activities involving AC servo motors and controllers and AC drives. Robotics includes development, manufacturing, sales and service activities involving industrial robots. System Engineering includes development, manufacturing, sales and service activities involving primarily electrical systems at steel mills and electrical instrumentation used in water and sewerage systems. Information Technologies includes development, manufacturing, sales and service activities involving IT products and IT software.

2. Method of calculating sales, income (loss), assets and other items for each reporting business segment

The accounting methods used for reporting business segments are generally the same as the methods listed in “Basis of Presentation of Consolidated Financial Statements.”

Operating income is used for earnings in reporting segments.

Intersegment sales and transfers are based primarily on prevailing market prices.

3. Sales, income or loss for each reporting segment

	Year ended March 20, 2012						(Millions of yen)	
	Motion Control	Robotics	System Engineering	Information Technologies	Other *1	Total	Adjustment *2	Amounts in consolidated financial statements *3
Net sales								
Sales to external customers	149,410	101,065	35,520	12,826	8,289	307,111	-	307,111
Intersegment sales and transfers	14,184	425	1,885	2,710	4,756	23,962	(23,962)	-
Total sales	163,595	101,490	37,406	15,536	13,045	331,074	(23,962)	307,111
Segment operating income (loss)	5,824	7,014	1,917	(139)	526	15,142	(323)	14,818
Segment assets	115,260	81,455	35,818	14,987	9,304	256,827	22,245	279,072
Other items								
Depreciation and amortization	5,102	1,695	562	188	112	7,661	(55)	7,606
Increase in property, plant and equipment and intangible assets	6,016	4,203	377	96	108	10,801	(893)	9,907

Notes

1. Other is a business segment for activities that are not included in the reporting segments, such as logistics services and temporary staffing services.
2. The deduction of ¥323 million for Adjustment includes eliminations of inter-segment transactions and other items.
3. Segment operating income has been adjusted to consolidated operating income described in the consolidated financial statements.

(Additional Information)

Starting with the current fiscal year, the Yaskawa Group has applied “Accounting Standard for Segment Information Disclosures” (ASBJ Statement No.17, March 27, 2009), and “Guidance on Accounting Standard for Segment Information Disclosures” (ASBJ Guidance No.20, March 21, 2008).

(Reference Information)

Overseas Sales

	Year ended March 20, 2012				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	43,985	33,939	85,276	890	164,092
Consolidated sales					307,111
Percentage of overseas sales in consolidated sales	14%	11%	28%	0%	53%

Notes

1. Geographical areas are divided into categories based on their geographical proximity.
2. The regions that belong to each area are as follows.
 - (1) The Americas – U.S.A., etc
 - (2) Europe – Germany, Sweden, The United Kingdom, etc
 - (3) Asia – The People's Republic of China, Singapore, Republic of Korea, etc
 - (4) Other – Australia, etc

(Per Share Information)

(Yen)

Year Ended March 20, 2011	Year Ended March 20, 2012
Net assets per share 370.42	Net assets per share 397.82
Earnings per share (basic) 26.00	Earnings per share (basic) 33.51
Earnings per share (diluted) is not shown because there are no common stock equivalents.	Earnings per share (diluted) is not shown because there are no common stock equivalents that are dilutive.

Note: The basis for calculating earnings per share is shown below.

	Year Ended March 20, 2011	Year Ended March 20, 2012
Earnings per share (basic)		
Net income (Millions of yen)	6,544	8,432
Net income not available to common shareholders (Millions of yen)	-	-
Net income available to common shareholders (Millions of yen)	6,544	8,432
Weighted average number of shares outstanding (Thousands)	251,670	251,650
Summary of common stock equivalents that are not included in the calculation of earnings per share (diluted) because they are not dilutive	—	Stock acquisition rights Euro-yen denominated convertible bonds maturing in 2017 (aggregate face value of ¥15 billion, 3,000 stock acquisition rights)

(Subsequent events)

None