Consolidated Results for the First Half of the Fiscal Year Ending March 20, 2012
[Japan GAAP]

October 17, 2011

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 First Half of the Fiscal Year Ending March 20, 2012 (March 21, 2011 to September 20, 2011)

(1) Consolidated Statements of Income

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

	Six months ended September 20, 2011	Change	Six months ended September 20, 2010	Change
Net sales	158,052	13.3%	139,464	41.8%
Operating income	9,252	166.0%	3,478	-
Ordinary income	9,298	167.3%	3,478	-
Net income	6,493	281.7%	1,701	-
Earnings per share (basic, Yen)	25.80	-	6.76	-
Earnings per share (diluted, Yen)	-	-	-	-

(2) Consolidated Financial Position

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

	As of September 20, 2011	As of March 20, 2011
Total assets	272,892	264,594
Net assets	101,445	98,029
Shareholders' equity ratio (%)	35.6	35.2
Net assets per share (Yen)	385.59	370.42

Reference: Shareholders' equity
As of September 20, 2011: ¥97,032 million
As of March 20, 2011: ¥93,220 million

2. Dividends

		Year Ended March 20, 2011	Year Ending March 20, 2012	Year Ending March 20, 2012 (forecast)
Dividend per share (Yen)	End of 1Q	-	-	-
	End of 2Q	2.00	5.00	-
	End of 3Q	-	-	-
	Year-end	4.00	-	5.00
	Annual total	6.00	-	10.00

Note: Revisions to the most recently announced dividend forecast: None

3. Projected Consolidated Results for the Fiscal Year Ending March 20, 2012

(March 21, 2011 to March 20, 2012)

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

	Year ending March 20, 2012	Change
Net sales	310,000	4.4%
Operating income	14,000	8.7%
Ordinary income	14,000	4.2%
Net income	9,000	37.5%
Earnings per share (Yen)	35.76	-

Note: Revisions to the most recently announced sales and earnings forecast: Yes

4. Other (*Please refer to "2. Other Information" on page 5 for details.)

(1) Change in Scope of Consolidation: None

(2) Use of Simplified Accounting Methods and Particular Accounting Methods: Yes

(3) Change in Accounting Methods and Description

1. Changes related to revision of accounting standards: Yes
2. Other changes: None

(4) Number of Common Shares Outstanding

1. The number of shares outstanding including treasury shares:
   As of September 20, 2011: 252,331,938 shares
   As of March 20, 2011: 252,331,938 shares
2. The number of treasury shares:
   As of September 20, 2011: 683,321 shares
   As of March 20, 2011: 671,388 shares
3. Average during period (quarter cumulative):
   Six months ended September 20, 2011: 251,653,543 shares
   Six months ended September 20, 2010: 251,676,411 shares

*Information concerning implementation status of quarterly review procedure
This quarterly financial report is not subject to the quarterly review procedure prescribed by the Financial Instruments and Exchange Act. The review procedure for the quarterly consolidated financial statements had not been completed when this 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. For information about the assumptions used for forecasts and precautions concerning the use of forecasts, please see "3) Qualitative Information on Projected Consolidated Results" on page 4.
The Yaskawa Group will hold an information meeting for securities analysts on October 18, 2011 (Tuesday). A summary of the materials distributed at this meeting will be posted on the Yaskawa Group website following the meeting.

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1. Qualitative Information on Quarterly Results

1) Qualitative Information on Consolidated Business Performance

In the first half of the fiscal year, although the yen appreciated rapidly, the operating environment for the Yaskawa Group outside Japan was generally favorable as overseas economies expanded due mainly to growth in China and other Asian countries. In Japan, there were signs of a recovery because of rapid progress in restoring supply chains for parts and products that were disrupted by the East Japan Great Earthquake. However, the Japanese economy remains lackluster overall due to the uncertain outlook.

The Yaskawa Group placed the highest priority on minimizing the earthquake’s effect on the procurement of parts in order to fulfill its responsibility as a manufacturer to supply products following the earthquake. As a result, the group was able to sustain production activities.

The group is also taking numerous actions during the current fiscal year to achieve the following goals.

- Increase and sustain orders in established businesses
- Have new businesses contribute to earnings
- Constantly upgrade development, manufacturing and sales capabilities

By taking the measures outlined above, the group in the first half of the fiscal year achieved growth in sales and improvements in earnings that occurred mainly in the core Motion Control and Robotics segments. Sales increased 13.3% to ¥158,052 million, operating income increased 166.0% to ¥9,252 million, ordinary income increased 167.3% to ¥9,298 million, and net income increased 281.7% to ¥6,493 million.

The Yaskawa Group has five separate business segments. The business results of each segment are as follows.

(Millions of yen, except ratio)

	Six months ended September 20, 2011			
Business segment	Net sales (change from the corresponding period of previous fiscal year)		Operating income (loss) (change from the corresponding period of previous fiscal year)	
Motion Control	84,337	(up by 10.0%)	6,022	(up by 1,855)
Robotics	48,578	(up by 28.1%)	3,197	(up by 3,749)
System Engineering	14,356	(up by 3.4%)	46	(down by 72)
Information Technologies	6,057	(down by 14.4%)	(90)	(less by 448)
Other	4,723	(up by 22.1%)	265	(down by 9)

(Note)

Beginning with the first quarter of the current fiscal year, “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 in the current fiscal year.

- Motion Control

Sales of AC servo motors and controllers were robust mainly because of substantial orders in overseas markets, particularly in the first quarter.

AC drives performed well because of demand for use in energy-conserving applications primarily in China and other Asian countries.

As a result, sales and operating income in this segment were both higher than in the first half of the previous 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.

Sales of robots continued to be robust as well in the FPD and other industries.

As a result, there was significant growth in sales and a big improvement in profitability.

- System Engineering

In the steel industry and water treatment equipment sector, the core markets for this segment, there was a recovery in the second quarter following the delays in the first quarter in projects caused by the earthquake. Sales and operating income were about the same as one year earlier as a result.

- 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.

- Other

This segment includes logistics services, temporary staffing services and other business activities.

2) Qualitative Information on Consolidated Financial Condition

1. <u>Balance Sheet Highlights</u>

Total assets were ¥272,892 million at the end of the first half, ¥8,297 million higher than at the end of the previous fiscal year. The increase was attributable primarily to an increase in Cash and time deposits and Merchandise and finished goods.

Total liabilities increased ¥4,881 million to ¥171,446 million mainly because of an increase in short-term bank loans.

Total net assets increased ¥3,415 million to ¥101,445million mainly because of an increase in retained earnings.

2. <u>Cash Flows</u>

Cash and cash equivalents totaled ¥17,232 million at the end of the first half, a net increase of ¥5,346 million compared with the end of the previous fiscal year.

Net cash provided by operating activities increased ¥7,656 million from one year earlier to ¥12,126 million. The major components were an income before income taxes and minority interests of ¥10,161 million, depreciation and amortization of ¥3,617 million, a decrease of ¥6,205 million in trade receivables, an increase of ¥7,742 million in inventories and an increase of ¥1,992 in trade payables.

Net cash used in investing activities increased ¥3,355 million to ¥6,609 million. The primary use of cash was expenditures of ¥5,689 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 positive ¥5,517 million.

Net cash used in financing activities increased ¥179 million to ¥185 million. Major components were a ¥2,791 million increase in short-term debt, repayments of long-term debt of ¥1,944 million and dividend payments of ¥1,007 million to shareholders of the parent company.

3) Qualitative Information on Projected Consolidated Results

The forecast for the fiscal year has been revised as follows.

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

	Net sales	Operating income	Ordinary income	Net income	Earnings per share (yen)
Previous forecast (A)	320,000	20,000	20,000	12,000	47.68
Revised forecast (B)	310,000	14,000	14,000	9,000	35.76
Difference (B) – (A)	(10,000)	(6,000)	(6,000)	(3,000)	-
Pct. change (%)	(3.1)	(30.0)	(30.0)	(25.0)	-
Reference: Previous fiscal year	296,847	12,874	13,429	6,544	26.00

Declining orders in the core motion control segment along with the yen’s rapid appreciation and sharp increases in the cost of materials are having a negative impact on earnings. In response, the Yaskawa Group is capturing orders in new markets, making extensive use of overseas factories to reduce costs, optimizing expenses in relation to the amount of orders received, and taking other forceful actions. However, since it has become difficult to offset the entire negative impact on earnings with benefits of these actions, the consolidated forecast for the fiscal year ending in March 2012 has been revised as shown above.

For more information, please see the press release dated today (October 17, 2011) concerning this forecast revision.

This forecast is based on average yen exchange rates of ¥76 to the U.S. dollar and ¥102 to the euro during the second half of the current fiscal year.

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. Other Information

1) Change in Scope of Consolidation

None

2) Use of Simplified Accounting Methods and Particular Accounting Methods

a. Calculation of estimate of loan losses for ordinary loans

The actual write-off ratio at the end of the previous fiscal year was used to calculate the estimate for write-offs because the write-off ratio at the end of the first half of the current fiscal year did not differ significantly from the write-off ratio at the end of the previous fiscal year.

b. Valuation method for inventories

Some consolidated subsidiaries did not perform a physical count to calculate inventories at the end of the first half. Instead, inventories were calculated by using a reasonable method based on the physical count of inventories at the end of the previous fiscal year.

c. Method of calculating depreciation for fixed assets

For assets where depreciation is calculated using the declining-balance method, quarterly depreciation expenses are determined by using the proportional amount of annual depreciation expenses.

d. Calculation method for accrued items

An estimate is used that was determined using a reasonable calculation method.

e. Calculation method for income taxes and deferred tax assets and liabilities

When calculating accrued income taxes, only major additions and deductions are used.

To determine the likelihood of recovering deferred tax assets, the earnings forecast and tax planning items that were used at the end of the previous fiscal year were used because there have been no major changes in temporary differences and other items since then.

3) Change in Accounting Methods and Description

a. Application of “Accounting Standard for Asset Retirement Obligations”

Starting with the first quarter of 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 reduced first half operating income and ordinary income by ¥4 million each and reduced first half income before income taxes and minority interests by ¥337 million.

b. Application of “Accounting Standard for Equity-Method Accounting” and “Practical Solution on Accounting Treatment for Equity-method Affiliates”

Starting with the first quarter of the current fiscal year, “Accounting Standard for Equity-Method Accounting” (ASBJ Statement No. 16, 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.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of September 20, 2011	As of March 20, 2011
Assets		
Current assets		
Cash and time deposits	17,375	12,032
Trade notes and accounts receivable	86,380	93,073
Merchandise and finished goods	43,341	36,783
Goods in process	10,006	8,494
Raw materials and supplies	14,016	12,787
Other	26,225	26,668
Allowance for doubtful accounts	(1,449)	(1,691)
Total current assets	195,895	188,148
Fixed assets		
Property, plant and equipment	36,573	35,729
Intangible assets	6,458	5,849
Investments and other assets		
Other	34,442	35,377
Allowance for doubtful accounts	(478)	(509)
Total investments and other assets	33,964	34,867
Total fixed assets	76,996	76,446
Total assets	272,892	264,594
Liabilities		
Current liabilities		
Trade notes and accounts payable	64,520	63,235
Short-term bank loans	36,291	33,697
Accrued directors' bonus	30	56
Other	31,612	29,768
Total current liabilities	132,454	126,758
Long-term liabilities		
Long-term debt	6,153	7,742
Provision for employees' retirement benefits	30,399	30,662
Provision for directors' retirement benefits	260	293
Other	2,177	1,109
Total long-term liabilities	38,991	39,807
Total liabilities	171,446	166,565
Net assets		
Shareholders' equity		
Common stock	23,062	23,062
Additional paid-in capital	18,684	18,682
Retained earnings	62,684	57,281
Treasury shares, at cost	(437)	(425)
Total shareholders' equity	103,993	98,600
Valuation and translation adjustments		
Net unrealized holding gain on securities	1,213	1,731
Foreign currency translation adjustments	(8,174)	(7,111)
Total valuation and translation adjustments	(6,961)	(5,380)
Minority interests	4,412	4,808
Total net assets	101,445	98,029
Total liabilities and net assets	272,892	264,594

(2) Consolidated Statements of Income

(Millions of yen)

	Six Months Ended September 20, 2010	Six Months Ended September 20, 2011
Net sales	139,464	158,052
Cost of sales	105,022	115,596
Gross profit	34,442	42,455
Selling, general and administrative expenses	30,963	33,203
Operating income	3,478	9,252
Non-operating income		
Interest income	61	40
Dividends received	178	233
Equity in earnings of associated companies	-	175
Government subsidies for employment adjustment	185	96
Other	393	160
Total non-operating income	819	706
Non-operating expenses		
Interest expense	321	375
Foreign exchange loss	306	158
Equity in losses of associated companies	10	-
Other	181	126
Total non-operating expenses	819	660
Ordinary income	3,478	9,298
Extraordinary gains		
Gain on sales of fixed assets	42	2
Reversal of allowance for doubtful accounts	-	323
Gain on negative goodwill	-	1,091
Other	-	15
Total extraordinary gains	42	1,432
Extraordinary losses		
Loss on sales and disposal of fixed assets	37	22
Loss on devaluation of investment securities	358	39
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	332
Loss on step acquisitions	-	146
Other	106	28
Total extraordinary losses	502	569
Income before income taxes and minority interests	3,018	10,161
Provision for income taxes- current	2,056	2,672
Provision for income taxes- deferred	(685)	896
Total income taxes	1,370	3,568
Income before minority interests	-	6,592
Minority interests in income (loss)	(54)	98
Net income	1,701	6,493

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six Months Ended September 20, 2010	Six Months Ended September 20, 2011
Cash flows from operating activities		
Income before income taxes and minority interests	3,018	10,161
Depreciation and amortization	3,255	3,617
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	332
Loss on step acquisitions	-	146
Gain on negative goodwill	-	(1,091)
Increase (decrease) in allowance for doubtful accounts	162	(330)
Increase (decrease) in provision for employees' retirement benefits, net of payments	(96)	(259)
Increase (decrease) in provision for directors' retirement benefits, net of payments	(23)	(32)
Loss (gain) on sales and retirement of fixed assets	(4)	19
Loss on valuation of investment securities	358	39
Interest and dividend income	(239)	(274)
Interest expense	321	375
(Increase) decrease in trade receivables	(8,648)	6,205
(Increase) decrease in inventories	(9,075)	(7,742)
Increase in trade payables	12,336	1,992
Increase (decrease) in accrued expenses	(88)	(48)
Other, net	2,813	2,714
Subtotal	4,088	15,826
Interest and dividends received	317	372
Interest paid	(310)	(370)
Income taxes paid	(722)	(3,702)
Income taxes refund	1,098	-
Net cash provided by (used in) operating activities	4,470	12,126
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2,819)	(5,689)
Proceeds from sales of property, plant and equipment and intangible assets	98	27
Purchases of investment securities	(509)	(1,014)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	198
Other, net	(23)	(130)
Net cash provided by (used in) investing activities	(3,254)	(6,609)
Cash flows from financing activities		
Increase in short-term debt	1,547	2,791
Proceeds from long-term debt	770	-
Repayments of long-term debt	(1,932)	(1,944)
Dividends paid	(377)	(1,007)
Dividends paid to minority shareholders	(7)	(15)
Other, net	(5)	(7)
Net cash provided by (used in) financing activities	(5)	(185)
Effect of exchange rate changes on cash and cash equivalents	(390)	(237)
Net increase in cash and cash equivalents	820	5,095
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	18,043	17,232

(4) Notes Pertaining to the Presumption of a Going Concern

None

(5) Segment Information

Business Segments

Six months ended September 20, 2010 (Millions of yen)

	Motion Control	Robotics	System Engineering	Information Technologies	Other	Total	Eliminations & Corporate	Consolidated
Net sales								
Sales to external customers	76,698	37,934	13,885	7,076	3,869	139,464	-	139,464
Intersegment sales and transfers	6,092	439	694	1,522	2,360	11,109	(11,109)	-
Total sales	82,790	38,374	14,580	8,598	6,229	150,574	(11,109)	139,464
Operating income (loss)	4,166	(551)	119	(538)	275	3,471	7	3,478

(Note)

Business segments are divided according to the classification adopted for internal management.

Geographical Areas

Six months ended September 20, 2010 (Millions of yen)

	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	Consolidated
Net sales							
Sales to external customers	83,528	16,988	13,080	25,867	139,464	-	139,464
Intersegment sales and transfers	28,566	221	103	2,892	31,784	(31,784)	-
Total sales	112,094	17,209	13,184	28,759	171,248	(31,784)	139,464
Operating income (loss)	1,777	1,067	388	1,963	5,197	(1,718)	3,478

(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, Korea, etc

Overseas Sales

	Six months ended September 20, 2010				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	19,237	13,118	41,038	374	73,768
Consolidated sales	-	-	-	-	139,464
Percentage of overseas sales in consolidated sales	14%	9%	30%	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, Korea, etc
   (4) Other – Australia, etc

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. Sales, income or loss for each reporting segment

Six months ended September 20, 2011 (Millions of yen)

	Motion Control	Robotics	System Engineering	Information Technologies	Other *1	Total	Adjustment *2	Amounts in consolidated statement of income *3
Net sales								
Sales to external customers	84,337	48,578	14,356	6,057	4,723	158,052	-	158,052
Intersegment sales and transfers	7,140	246	1,067	1,170	2,474	12,098	(12,098)	-
Total sales	91,477	48,824	15,424	7,227	7,197	170,151	(12,098)	158,052
Segment operating income (loss)	6,022	3,197	46	(90)	265	9,442	(189)	9,252

(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 ¥189 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 quarterly consolidated statements of income.

(Additional Information)

Starting with the first quarter of the current fisical 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

	Six months ended September 20, 2011				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	21,985	17,573	47,635	663	87,859
Consolidated sales	-	-	-	-	158,052
Percentage of overseas sales in consolidated sales	14%	11%	30%	1%	56%

(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, Korea, etc
   (4) Other – Australia, etc

(6) Notes on Significant Change in Shareholders’ Equity
None