

**Consolidated Results for the First Quarter of the Fiscal Year Ending March 20, 2013**  
**[Japan GAAP]**

July 18, 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 First Quarter of the Fiscal Year Ending March 20, 2013**  
**(March 21, 2012 to June 20, 2012)**

(1) Consolidated Statements of Income

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

	Three months ended June 20, 2012	Change	Three months ended June 20, 2011	Change
Net sales	72,574	(5.1)%	76,457	20.7%
Operating income	2,180	(53.8)%	4,721	-
Ordinary income	1,998	(58.0)%	4,755	-
Net income	896	(76.2)%	3,765	-
Earnings per share (basic, Yen)	3.56	-	14.96	-
Earnings per share (diluted, Yen)	3.38	-	-	-

Note:	Three months ended June 20, 2012	Change	Three months ended June 20, 2011	Change
Comprehensive income (Millions of yen)	(1,594)	-	4,260	-

(2) Consolidated Financial Position

(Millions of yen, except ratio)

	As of June 20, 2012	As of March 20, 2012
Total assets	265,913	279,072
Net assets	101,658	104,507
Shareholders' equity ratio (%)	36.5	35.9

Reference: Shareholders' equity

As of June 20, 2012: ¥97,145 million

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

**2. Dividends**

	Year ended March 20, 2012	Year ending March 20, 2013	Year ending March 20, 2013 (forecast)
Dividends per share (Yen)			
End of 1Q	-	-	-
End of 2Q	5.00	-	5.00
End of 3Q	-	-	-
Year-end	5.00	-	5.00
Annual total	10.00	-	10.00

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

### 3. Projected Consolidated Results for the Fiscal Year Ending March 20, 2013 (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	150,000	(5.1)%	310,000	0.9%
Operating income	4,500	(51.4)%	16,000	8.0%
Ordinary income	4,500	(51.6)%	16,000	2.4%
Net income	2,500	(61.5)%	9,000	6.7%
Earnings per share (Yen)	9.93	-	35.76	-

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

**\*Notes:**

(1) Change in Scope of Consolidation: None

(2) Use of accounting methods that are specific to the preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatements:

(a) Changes in accounting policies accompanying revisions in accounting standards: None

(b) Changes other than in (a): None

(c) Changes in accounting estimates: None

(d) Restatements: None

(4) Number of Common Shares Outstanding

(a) The number of shares outstanding including treasury shares:

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

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

(b) The number of treasury shares:

As of June 20, 2012: 690,773 shares

As of March 20, 2012: 688,631 shares

(c) Average during period (quarter cumulative):

Three months ended June 20, 2012: 251,642,142 shares

Three months ended June 20, 2011: 251,656,435 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.

Supplementary materials on 1Q results will be available on our website.

Index of the Attachment

- 1. Qualitative Information on Quarterly Results ..... 2
  - 1) Qualitative Information on Consolidated Business Performance ..... 2
  - 2) Qualitative Information on Consolidated Financial Condition ..... 3
  - 3) Qualitative Information on Projected Consolidated Results ..... 4
- 2. Consolidated Financial Statements ..... 5
  - 1) Consolidated Balance Sheets ..... 5
  - 2) Consolidated Statements of Income and Comprehensive Income ..... 6
    - Consolidated Statements of Income (cumulative) ..... 6
    - Consolidated Statements of Comprehensive Income (cumulative) ..... 7
  - 3) Consolidated Statements of Cash Flows ..... 8
  - 4) Notes Pertaining to the Presumption of a Going Concern ..... 9
  - 5) Notes on Significant Changes in Shareholders' Equity ..... 9
  - 6) Segment Information, etc. .... 9
  - 7) Subsequent Events ..... 10

## 1. Qualitative Information on Quarterly Results

### 1) Qualitative Information on Consolidated Business Performance

In the first quarter of the fiscal year, the business environment for the Yaskawa Group outside Japan was difficult because of the debt and financial crisis in Europe, the persistent strength of the yen and other reasons. Meanwhile in Japan, the business environment remained weak despite a slow increase in capital expenditures along with demand associated with reconstruction activity following the East Japan Great Earthquake.

The Yaskawa Group concentrated on increasing sales by targeting strong market sectors primarily in other countries within this difficult business environment. In the two major business segments, performance in the Motion Control segment continued to recover after the low reached in the third quarter of the previous fiscal year and the Robotics segment had a firm performance.

To maintain a high level of profitability as a global corporate group, overseas manufacturing operations are expanded, the cost structure is reexamined and other actions are taken. In addition, numerous initiatives are under way based on the following goals for the current fiscal year.

- Improve the profitability of core businesses
- Channel resources to new businesses
- Constantly upgrade development, manufacturing and sales capabilities

Although the Yaskawa Group's performance continued to recover in the first quarter, sales and earnings were less than the first quarter of the previous fiscal year when performance was very strong. Sales were ¥72,574 million, down 5.1% from one year earlier, operating income fell 53.8% to ¥2,180 million, ordinary income was down 58.0% to ¥1,998 million and net income fell 76.2% to ¥896 million.

The Yaskawa Group has five separate business segments.

The business results of each segment are as follows.

(Millions of yen, except ratio)

Business segment	Three months ended June 20, 2012	
	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	35,268 (down by 18.5%)	810 (down by 3,148)
Robotics	26,937 (up by 22.4%)	1,815 (up by 747)
System Engineering	6,605 (up by 0.5%)	(107) (less by 60)
Information Technologies	2,257 (down by 6.8%)	(362) (down by 138)
Other	1,505 (down by 29.9%)	71 (down by 65)

#### ■ Motion Control

Sales of AC servo motors and controllers were sluggish because of the continuing financial crisis in Europe and slowing economic growth in China and other Asian countries. However, the business performance has been recovering slowly in Japan and overseas after the bottom of last year's downturn in the third quarter of the previous fiscal year.

AC drive sales were weak, particularly in Europe, but demand is recovering.

Despite the ongoing recoveries, segment sales and operating income were lower than one year earlier

when the segment posted a strong performance.

■ Robotics

Sales of welding, handling, painting and other robots were higher primarily to companies in the automobile industry outside Japan.

As a result, segment sales and operating income were higher than one year earlier.

■ System Engineering

Orders from companies in the steel industry and water treatment equipment sector, the core markets for this segment, were firm, and sales and the operating loss were about the same as one year earlier.

■ Information Technologies

Segment sales were lower than one year earlier and the operating loss increased as there is still no recovery in IT investments by customers.

■ Other

This segment includes logistics services and other business activities.

## 2) Qualitative Information on Consolidated Financial Condition

### (a) Balance Sheet Highlights

Total assets were ¥265,913 million at the end of the first quarter, ¥13,159 million lower than at the end of the previous fiscal year. The decrease was attributable primarily to a large decrease in trade notes and accounts receivable.

Total liabilities decreased ¥10,309 million to ¥164,254 million mainly because of a decrease in short-term bank loans.

Total net assets decreased ¥2,849 million to ¥101,658 million mainly because of decreases in net unrealized holding gain on securities and foreign currency translation adjustments.

### (b) Cash Flows

Cash and cash equivalents totaled ¥21,708 million at the end of the first quarter, a net increase of ¥1,502 million compared with the end of the previous fiscal year.

Net cash provided by operating activities increased ¥4,102 million from one year earlier to ¥10,912 million. The major components were an income before income taxes and minority interests of ¥1,697 million, depreciation and amortization of ¥1,883 million, a decrease of ¥4,253 million in provision for employees' retirement benefits, a decrease of ¥11,585 million in trade receivables and a decrease of ¥2,022 million in trade payables.

Net cash used in investing activities increased ¥60 million to ¥2,510 million. The primary use of cash was expenditures of ¥1,982 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 ¥8,402 million.

Net cash used in financing activities increased ¥6,105 million to ¥6,730 million. Major components were

a ¥5,547 million decrease in short-term debt, proceeds of ¥663 million from long-term debt, repayments of long-term debt of ¥570 million and dividend payments of ¥1,259 million to shareholders of the parent company.

### 3) Qualitative Information on Projected Consolidated Results

The forecast for consolidated results of operations for the first half of the current fiscal year has been revised as follows because of the volume of orders received in major business segments and for other reasons. For more information, please see the press release dated today (July 18, 2012) concerning this forecast revision.

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

	Net sales	Operating income	Ordinary income	Net income	Earnings per share (yen)
Previous forecast (A)	145,000	3,000	3,000	1,500	5.96
Revised forecast (B)	150,000	4,500	4,500	2,500	9.93
Difference (B – A)	5,000	1,500	1,500	1,000	
Pct. change (%)	3.4	50.0	50.0	66.7	
Reference: Previous fiscal year (1H)	158,052	9,252	9,298	6,493	25.80

No revisions have been made to the consolidated forecast announced on April 20, 2012 for the fiscal year ending on March 20, 2013.

This forecast is based on average yen exchange rates of ¥80 to the U.S. dollar and ¥100 to the euro during the period from June 21, 2012 to March 20, 2013.

## 2. Consolidated Financial Statements

### 1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 20, 2012	As of June 20, 2012
<b>Assets</b>		
Current assets		
Cash and time deposits	20,343	21,815
Trade notes and accounts receivable	91,411	78,538
Merchandise and finished goods	41,869	39,562
Goods in process	7,793	8,930
Raw materials and supplies	14,136	13,992
Other	25,457	25,738
Allowance for doubtful accounts	(1,440)	(1,370)
Total current assets	199,572	187,207
Fixed assets		
Property, plant and equipment	37,484	37,110
Intangible assets	6,734	6,626
Investments and other assets		
Other	35,658	35,348
Allowance for doubtful accounts	(377)	(378)
Total investments and other assets	35,280	34,969
Total fixed assets	79,499	78,706
Total assets	279,072	265,913
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	53,073	51,241
Short-term bank loans	34,042	27,402
Accrued directors' bonus	57	17
Other	29,938	28,403
Total current liabilities	117,111	107,064
Long-term liabilities		
Bonds with share option	15,000	15,000
Long-term debt	9,029	9,098
Provision for employees' retirement benefits	30,535	26,210
Provision for directors' retirement benefits	299	190
Other	2,589	6,690
Total long-term liabilities	57,453	57,190
Total liabilities	174,564	164,254
<b>Net assets</b>		
Shareholders' equity		
Common stock	23,062	23,062
Additional paid-in capital	18,684	18,684
Retained earnings	63,363	63,022
Treasury shares, at cost	(440)	(441)
Total shareholders' equity	104,669	104,326
Accumulated other comprehensive income		
Net unrealized holding gain on securities	2,547	1,497
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustments	(7,107)	(8,679)
Total accumulated other comprehensive income	(4,559)	(7,181)
Minority interests	4,398	4,513
Total net assets	104,507	101,658
Total liabilities and net assets	279,072	265,913

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

(Millions of yen)

	Three Months Ended June 20, 2011	Three Months Ended June 20, 2012
Net sales	76,457	72,574
Cost of sales	55,451	54,074
Gross profit	21,005	18,500
Selling, general and administrative expenses	16,283	16,319
Operating income	4,721	2,180
Non-operating income		
Interest income	10	11
Dividends received	21	23
Foreign exchange gains	67	-
Equity in earnings of associated companies	65	55
Government subsidies for employment adjustment	57	57
Other	79	217
Total non-operating income	302	366
Non-operating expenses		
Interest expenses	223	184
Foreign exchange losses	-	319
Other	44	43
Total non-operating expenses	268	547
Ordinary income	4,755	1,998
Extraordinary gains		
Gain on sales of fixed assets	1	5
Gain on sales of subsidiaries and affiliates' stocks	-	172
Reversal of allowance for doubtful accounts	251	-
Gain on negative goodwill	1,039	-
Other	-	70
Total extraordinary gains	1,292	248
Extraordinary losses		
Loss on sales and disposal of fixed assets	10	83
Loss on devaluation of investment securities	36	198
Impairment loss	-	250
Loss on adjustment for changes of accounting standard for asset retirement obligations	332	-
Other	22	17
Total extraordinary losses	402	550
Income before income taxes and minority interests	5,645	1,697
Provision for income taxes- current	1,355	1,075
Provision for income taxes- deferred	515	(395)
Total income taxes	1,870	680
Income before minority interests	3,774	1,016
Minority interests in income	8	120
Net income	3,765	896



## Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Three Months Ended June 20, 2011	Three Months Ended June 20, 2012
Income before minority interests	3,774	1,016
Other comprehensive income		
Valuation difference on available-for-sale securities	195	(1,042)
Foreign currency translation adjustment	255	(1,635)
Share of other comprehensive income of associates accounted for using equity method	35	67
Total other comprehensive income	486	(2,611)
Comprehensive income	4,260	(1,594)
(Breakdown)		
Comprehensive income attributable to shareholders of the Company	4,254	(1,719)
Comprehensive income attributable to minority interests	5	124

## 3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three Months Ended June 20, 2011	Three Months Ended June 20, 2012
Cash flows from operating activities		
Income before income taxes and minority interests	5,645	1,697
Depreciation and amortization	1,701	1,883
Loss on adjustment for changes of accounting standard for asset retirement obligations	332	-
Impairment loss	-	250
Gain on negative goodwill	(1,039)	-
Decrease in allowance for doubtful accounts	(242)	(17)
Decrease in provision for employees' retirement benefits, net of payments	(43)	(4,253)
Decrease in provision for directors' retirement benefits, net of payments	(50)	(109)
Loss on sales and retirement of fixed assets	9	77
Gain on sales of stocks of subsidiaries and affiliates	-	(172)
Loss on valuation of investment securities	36	198
Interest and dividend income	(32)	(35)
Interest expense	223	184
Decrease in trade receivables	8,194	11,585
(Increase) decrease in inventories	(4,824)	35
Decrease in trade payables	(2,474)	(2,022)
Increase (decrease) in accrued expenses	(111)	1,277
Other, net	2,849	1,676
Subtotal	10,174	12,257
Interest and dividends received	48	55
Interest paid	(181)	(176)
Income taxes paid	(3,230)	(1,223)
Net cash provided by operating activities	6,810	10,912
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2,427)	(1,982)
Proceeds from sales of property, plant and equipment and intangible assets	5	18
Purchase of investment securities	(2)	(667)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	158
Other, net	(24)	(37)
Net cash used in investing activities	(2,449)	(2,510)
Cash flows from financing activities		
Increase (decrease) in short-term debt	841	(5,547)
Proceeds from long-term debt	-	663
Repayments of long-term debt	(440)	(570)
Dividends paid	(1,007)	(1,259)
Dividends paid to minority shareholders	(15)	(8)
Other, net	(2)	(8)
Net cash used in financing activities	(624)	(6,730)
Effect of exchange rate changes on cash and cash equivalents	63	(392)
Net increase in cash and cash equivalents	3,799	1,279
Cash and cash equivalents at beginning of year	11,885	20,206
Increase due to inclusion of subsidiaries in consolidation	251	36
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	185
Cash and cash equivalents at the end of period	15,936	21,708

4) Notes Pertaining to the Presumption of a Going Concern

None

5) Notes on Significant Changes in Shareholders' Equity

None

6) Segment Information, etc.

Segment information

I. The first quarter ended June 2011 (March 21, 2011 – June 20, 2011)

Sales, income or loss for each reportable segment

	(Millions of yen)							
	Motion Control	Robotics	System Engineering	Information Technologies	Other *1	Total	Adjustment *2	Amounts in consolidated financial statements *3
<u>Net sales</u>								
Sales to external customers	43,298	22,015	6,573	2,421	2,148	76,457	-	76,457
Intersegment sales and transfers	3,167	149	510	441	1,205	5,474	(5,474)	-
Total sales	46,465	22,164	7,084	2,862	3,354	81,931	(5,474)	76,457
Segment operating income (loss)	3,958	1,067	(168)	(223)	136	4,771	(49)	4,721

(Notes)

1. Other is a business segment for activities that are not included in the reportable segments, such as logistics services and temporary staffing services.
2. The deduction of ¥49 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.

II. The first quarter ended June 2012 (March 21, 2012 – June 20, 2012)

Sales, income or loss for each reportable segment

	(Millions of yen)							
	Motion Control	Robotics	System Engineering	Information Technologies	Other *1	Total	Adjustment *2	Amounts in consolidated financial statements *3
<u>Net sales</u>								
Sales to external customers	35,268	26,937	6,605	2,257	1,505	72,574	-	72,574
Intersegment sales and transfers	3,389	86	278	417	852	5,024	(5,024)	-
Total sales	38,658	27,023	6,883	2,674	2,357	77,598	(5,024)	72,574
Segment operating income (loss)	810	1,815	(107)	(362)	71	2,226	(46)	2,180

(Notes)

1. Other is a business segment for activities that are not included in the reportable segments, such as logistics services.
2. The deduction of ¥46 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.

(Reference Information)

Overseas Sales

	Three months ended June 20, 2011				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	11,157	8,912	23,270	399	43,740
Consolidated sales	-	-	-	-	76,457
Percentage of overseas sales in consolidated sales	15%	12%	30%	0%	57%

(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

	Three months ended June 20, 2012				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	11,672	7,931	22,536	301	42,442
Consolidated sales	-	-	-	-	72,574
Percentage of overseas sales in consolidated sales	16%	11%	31%	1%	59%

(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

7) Subsequent Events

None