



YASKAWA Electric Corporation

(TSE 6506)

- **FY2012 Nine Months Results
(Ended December 20, 2012)**
- **FY2012 Full-year Forecasts
(Ending March 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, etc.



High path accuracy robot for laser cutting and welding



Assembly operation by a dual-arm robot



Delta robot

System Engineering (S)

Core products

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



Electric instrumentation systems for water and sewerage



Continuous-casting machine



Large-scale wind power generator and converter

Information Technologies (IT)

Core products

Computer peripherals, Laser-applied systems, Development of software, IT-related services, etc.



Scanner head for high-power laser



NetSHAKER ProxyBox

1. FY2012 Nine Months Financial Results

FY2012 Nine Months Financial Highlights

- Sales and profits decreased compared to the FY11 nine months when there were special demand spurred by the earthquake

	<u>FY2012</u> <u>Apr. - Dec.</u>	FY2011 Apr. - Dec.	<u>Changes</u>	
Net Sales	<u>¥219.1 bn.</u>	¥226.2 bn.	<u>-¥7.0 bn.</u>	<u>-3.1%</u>
Operating Income	<u>¥6.7 bn.</u>	¥11.2 bn.	<u>-¥4.4 bn.</u>	<u>-39.4%</u>
Ordinary Income	<u>¥7.5 bn.</u>	¥11.4 bn.	<u>-¥3.9 bn.</u>	<u>-34.6%</u>
Net Income	<u>¥3.8 bn.</u>	¥6.9 bn.	<u>-¥3.1 bn.</u>	<u>-44.6%</u>

FY2012 Nine Months Financial Results by Business Segment (1)

- Orders for PV Power Conditioners sharply increased, while AC servo business was weaker than expected
- (R) remained solid

(Units: Billions of yen, %)

	FY2012 Apr. - Dec.		FY2011 Apr. - Dec.		Changes	
		Income Ratio		Income Ratio	Amount	%
Net Sales	219.1	-	226.2	-	-7.0	-3.1%
(M) Motion Control	104.1	-	117.7	-	-13.5	-11.5%
(R) Robotics	77.4	-	72.2	-	+5.1	+7.2%
(S) System Engineering	24.3	-	20.6	-	+3.6	+17.6%
(IT) Information Technologies	8.7	-	8.9	-	-0.1	-2.0%
Other	4.4	-	6.5	-	-2.1	-32.2%
Operating Income	6.7	3.1%	11.2	5.0%	-4.4	-39.4%
(M) Motion Control	1.9	1.9%	6.6	5.6%	-4.6	-69.8%
(R) Robotics	4.7	6.1%	4.9	6.8%	-0.1	-3.7%
(S) System Engineering	0.5	2.1%	-0.1	-0.6%	+0.6	-
(IT) Information Technologies	-0.5	-6.6%	-0.3	-3.7%	-0.2	-
Other	0.2	5.6%	0.4	-	-0.1	-40.8%
Elimination or Corporate	-0.1	-	-0.3	-	+0.1	-
Ordinary Income	7.5	3.4%	11.4	5.1%	-3.9	-34.6%
Net Income	3.8	1.8%	6.9	3.1%	-3.1	-44.6%

FY2012 Nine Months Financial Results by Business Segment (2)

(M)

- AC servo business was sluggish due to the slowdown in electronics-related industries as well as in China
- AC drive business was strong, supported by the growing demand from energy-related industries in the Americas and for PV power conditioners.

(R)

- Solid performance in general industry, especially due to the demand from automotives in Japan and overseas
- Weak demand in FPD and semiconductor industries

(S)

- Sales for the water treatment equipment sector decreased
- Sales and profits increased year on year due to the recovery in steel industry

(IT)

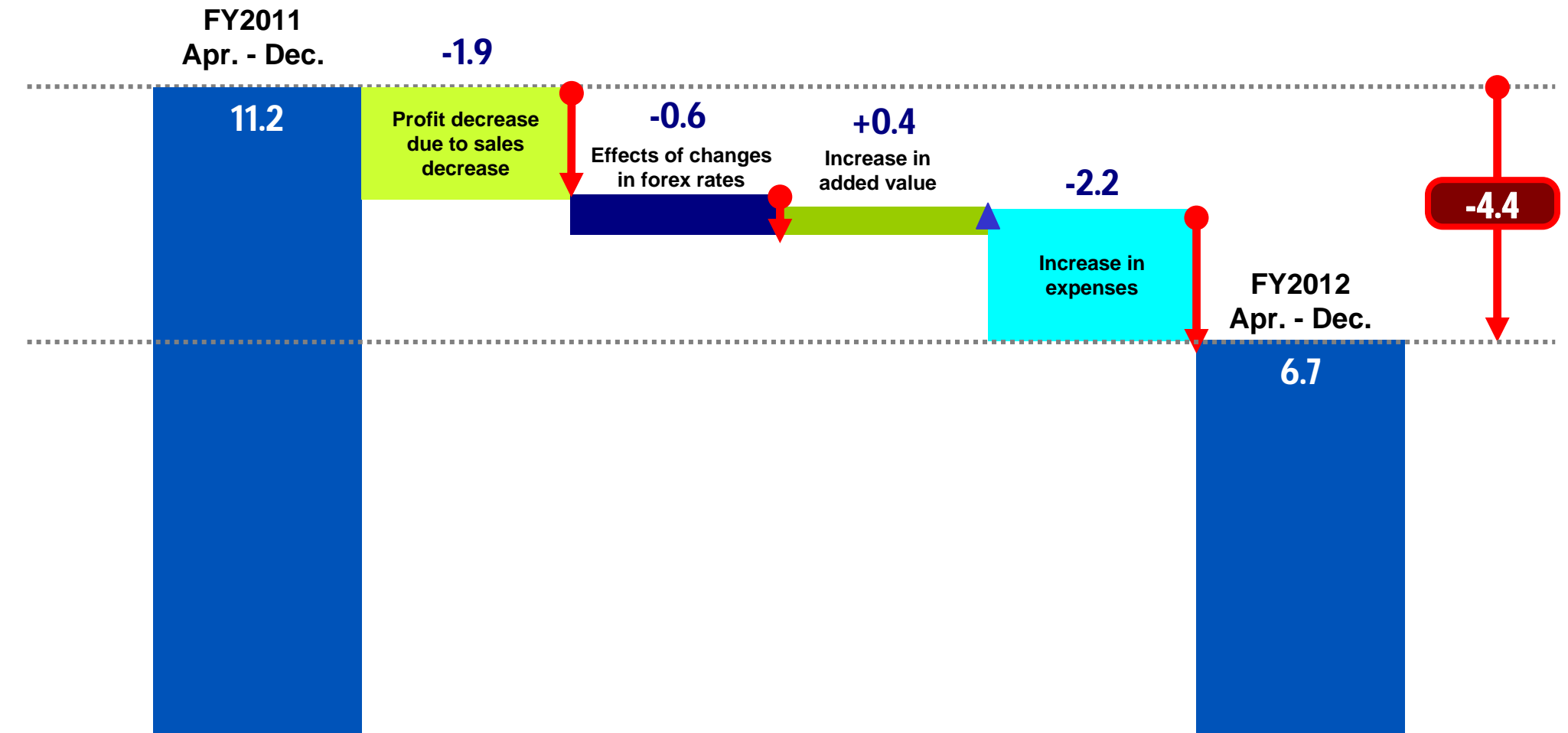
- Sluggish IT investments led to the decrease in sales and profits

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

Breakdown of Changes in Operating Income

(FY11 Nine Months ⇒ FY12 Nine Months)

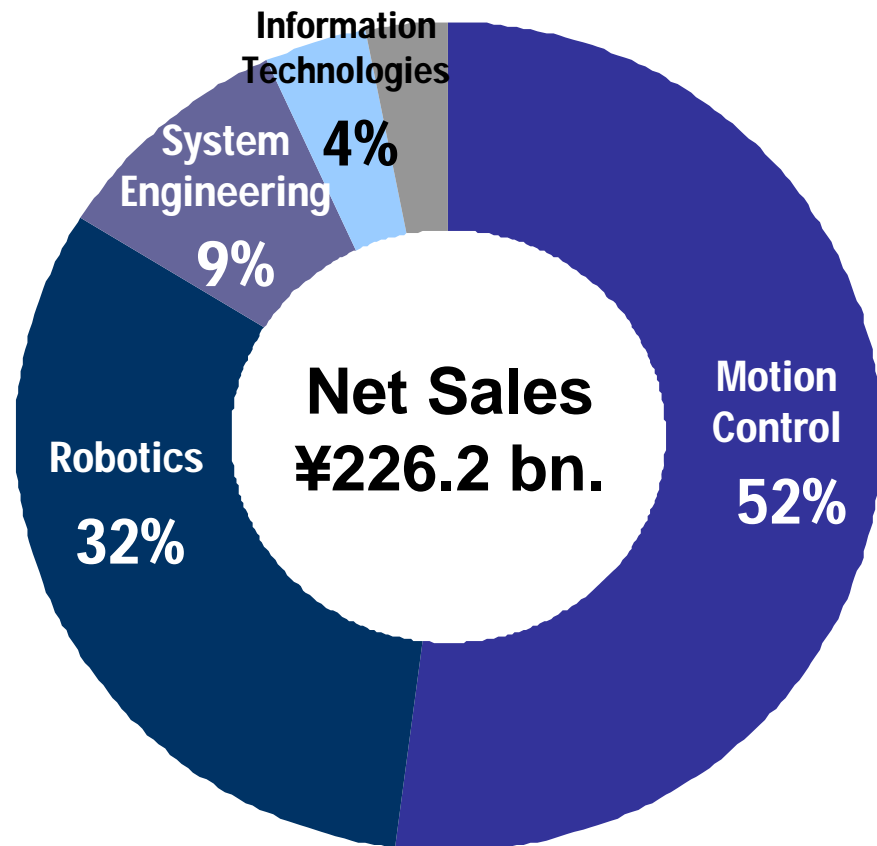
(Unit: Billions of yen)



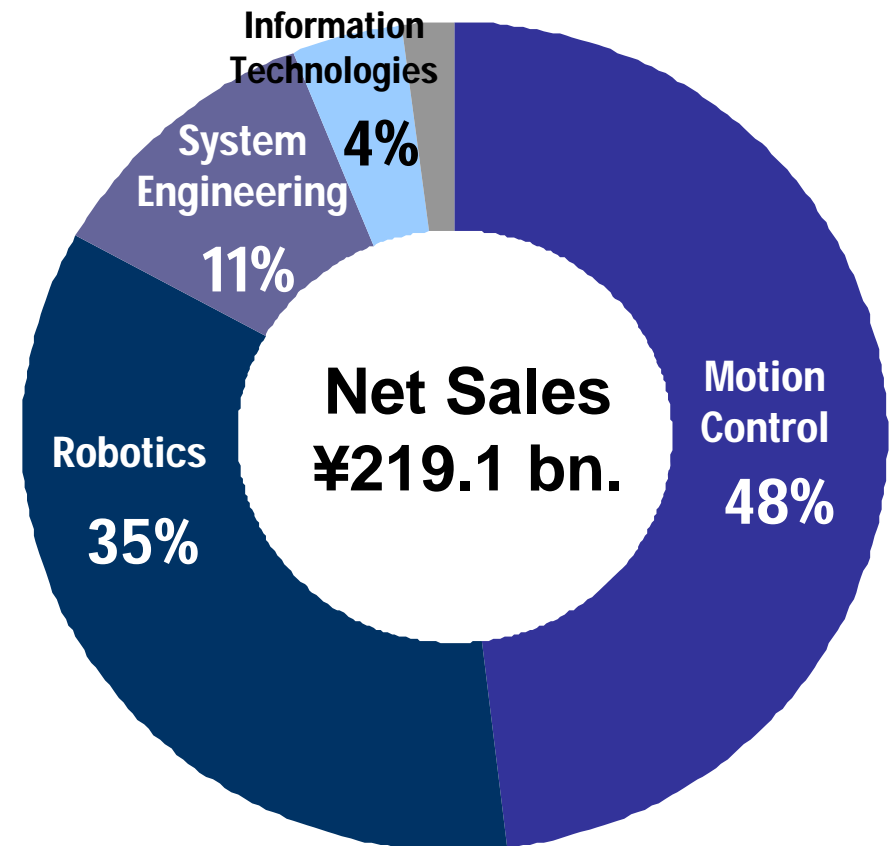
Sales Breakdown by Business Segment

- (R) significantly increased its share

FY11 Apr. - Dec.



FY12 Apr. - Dec.



Note: (R)= Robotics

Sales Breakdown by Destination (1)

- The Americas recovered steadily
- Europe was stagnant and the growth in China slowed down

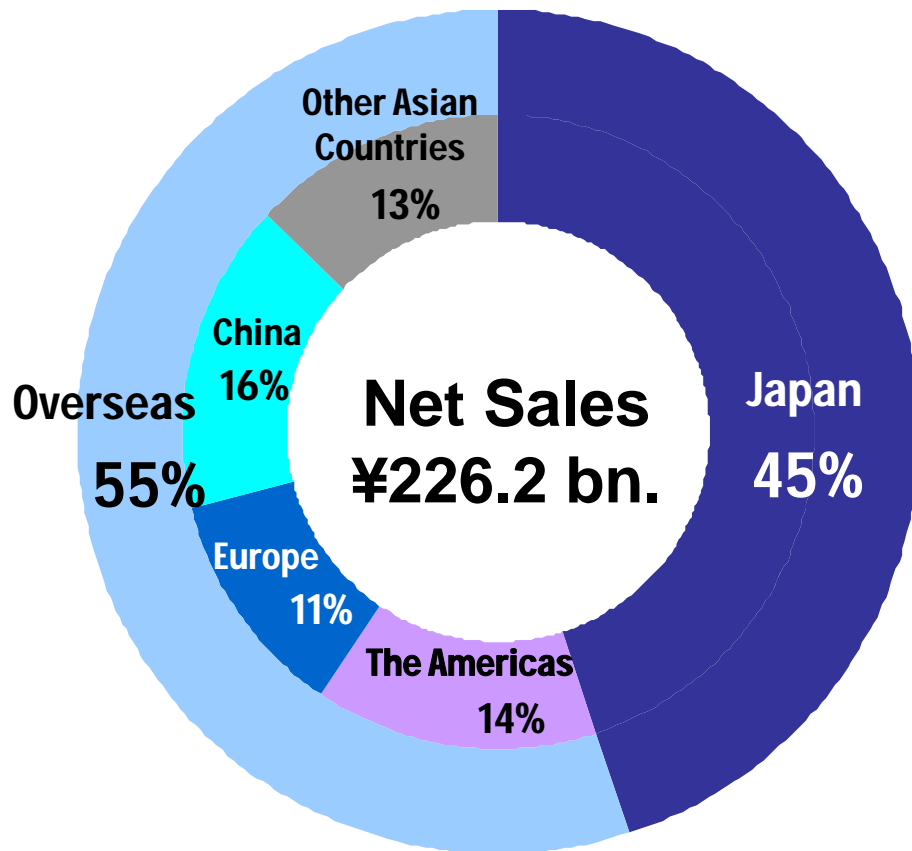
(Units: Billions of yen, %)

	FY2012 Apr. - Dec.	FY2011 Apr. - Dec.	Changes	
			Amount	%
Net Sales	219.1	226.2	-7.0	-3.1%
Japan	97.9	101.8	-3.9	-3.9%
Overseas	121.2	124.3	-3.1	-2.5%
The Americas	36.7	32.2	+4.4	+13.9%
Europe	21.9	25.4	-3.4	-13.7%
China	37.6	36.1	+1.4	+4.0%
Other Asian Countries	22.7	29.6	-6.8	-23.3%

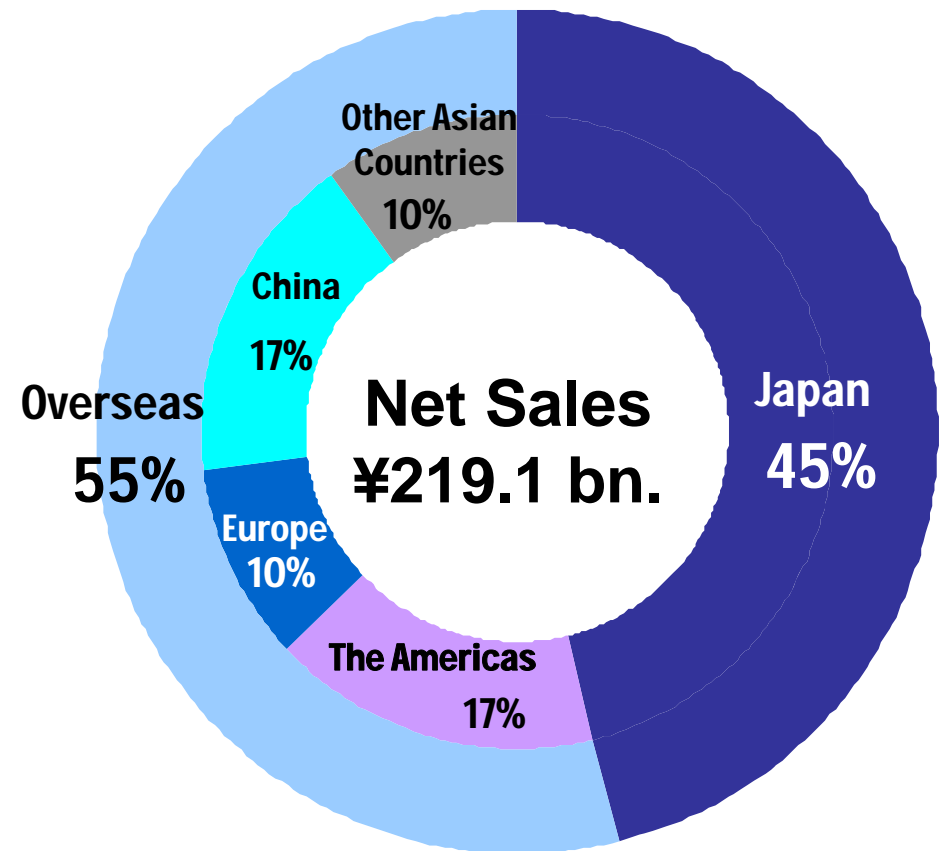
Sales Breakdown by Destination (2)

- The Share of the sales for the Americas increased to 17%

FY11 Apr. - Dec.



FY12 Apr. - Dec.



2. FY2012 Full-year Forecasts

FY2012 Full-year Financial Forecast Highlights

- A recovering trend in the main markets of (M). Strong demand for PV power conditioners
- Sluggish demand in the semiconductor and FPD for (R)
- The FY12 full-year corporate forecasts remain the same

	FY12/1H Actual	FY12/3Q Actual	FY12/4Q Forecasts	12/2H Forecasts	FY12 Forecasts	FY11 Actual	Changes	
							Amounts	%
Net Sales	¥ 150.4 bn.	¥ 68.6 bn.	¥ 80.8 bn.	¥ 149.5 bn.	¥ 300.0 bn.	¥ 307.1 bn.	-¥ 7.1 bn.	-2.3%
Operating Income	¥ 6.1 bn.	¥ 0.6 bn.	¥ 6.2 bn.	¥ 6.8 bn.	¥ 13.0 bn.	¥ 14.8 bn.	-¥ 1.8 bn.	-12.3%
Ordinary Income	¥ 6.3 bn.	¥ 1.1 bn.	¥ 5.4 bn.	¥ 6.6 bn.	¥ 13.0 bn.	¥ 15.6 bn.	-¥ 2.6 bn.	-16.8%
Net Income	¥ 3.4 bn.	¥ 0.3 bn.	¥ 3.1 bn.	¥ 3.5 bn.	¥ 7.0 bn.	¥ 8.4 bn.	-¥ 1.4 bn.	-17.0%

Note: (M)= Motion Control (R)= Robotics

Measures for FY2012 (1): Secure volume

1) Prioritize investments in the growing and focus markets

- Expand the shares of (M) in Germany
 - ⇒ Acquired a German PLC manufacturer (Vipa GmbH) in Dec. 2012
- Proactively enter the energy industry in the Americas
 - ⇒ Acquired a Canadian Sler (Wermac Electric) in Sep. 2012
- Strengthen the local capabilities to better respond to the customers in China
 - ⇒ Established the development center for AC servo in Shenyang, China
- Establish and strengthen robotics center
 - ⇒ Established in Europe and Brazil (Established in Japan, the Americas and China in FY2011)
 - ⇒ Further reinforce bases in Southeast Asia

2) Expand sales of new and core products

- Almost finished switching to the core products (Σ -V, 1000 series)
- Launch new products and expand their sales
 - Released new motors using less rare-earth metals in 1H/FY2012
 - Released 3D shape measurement unit “MotoEye-3D” in Oct. 2012
 - Released “ Σ -V-EX series” in Oct. 2012
 - Released 6 axis power sensor unit “MotoFit” in Jan. 2013



MotoEye-3D



Σ -V-EX series

Measures for FY2012 (2): Improve the profitability of core businesses

1) Increase overseas production and procurement

- ⇒ Reinforce overseas production and procurement in AC servo and AC drive businesses
- ⇒ Establish a robot production subsidiary in China
(Planned to start commercial production in June 2013)

2) Further streamline production systems

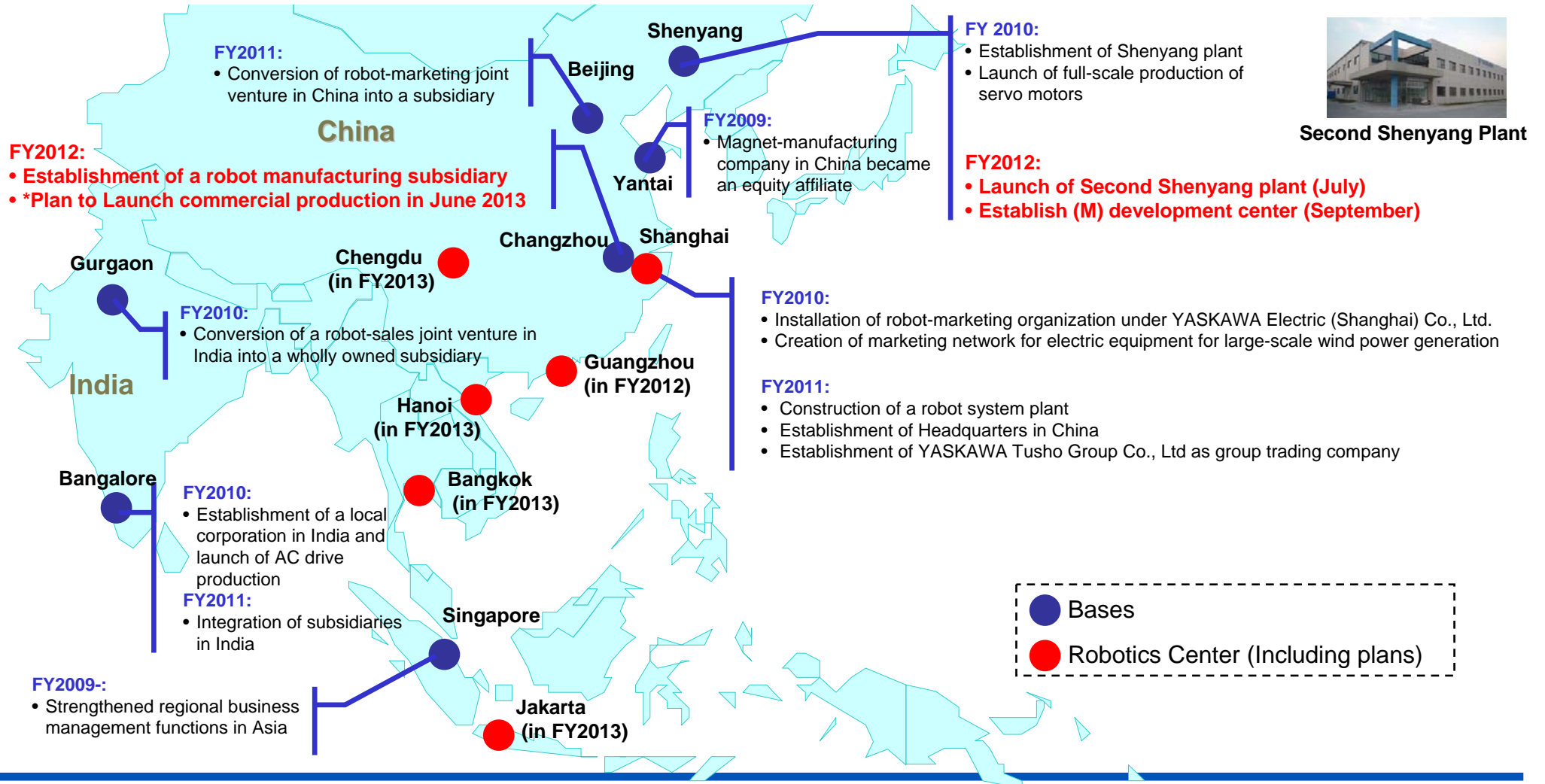
1. Reorganize robot factories in Japan
 - ⇒ Streamline operation by consolidating factories of semiconductor and FPD robots
 - ⇒ Enhance production efficiency by automation
2. Reorganize and strengthen industrial motor business to expand the environmental energy business field
 - ⇒ Consolidate industrial motor production subsidiaries
(Planned to consolidate in March 2013)

3) Streamline business operations

- ⇒ Progress the group-wide activities to make the business operations more efficient by 30%

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



Second Shenyang Plant

Reference

Capital Expenditure, R&D Investment, Forex Rates

◆ Capital expenditure (Consolidated)

(Unit: Billions of yen)

	FY2010	FY2011	FY2012 Plan
Capital Expenditure	6.66	9.91	13.00
Depreciation and Amortization	7.06	7.61	8.50

◆ R&D investment (Consolidated)

(Unit: Billions of yen)

	FY2010	FY2011	FY2012 Plan
R&D investment	9.72	10.39	11.00

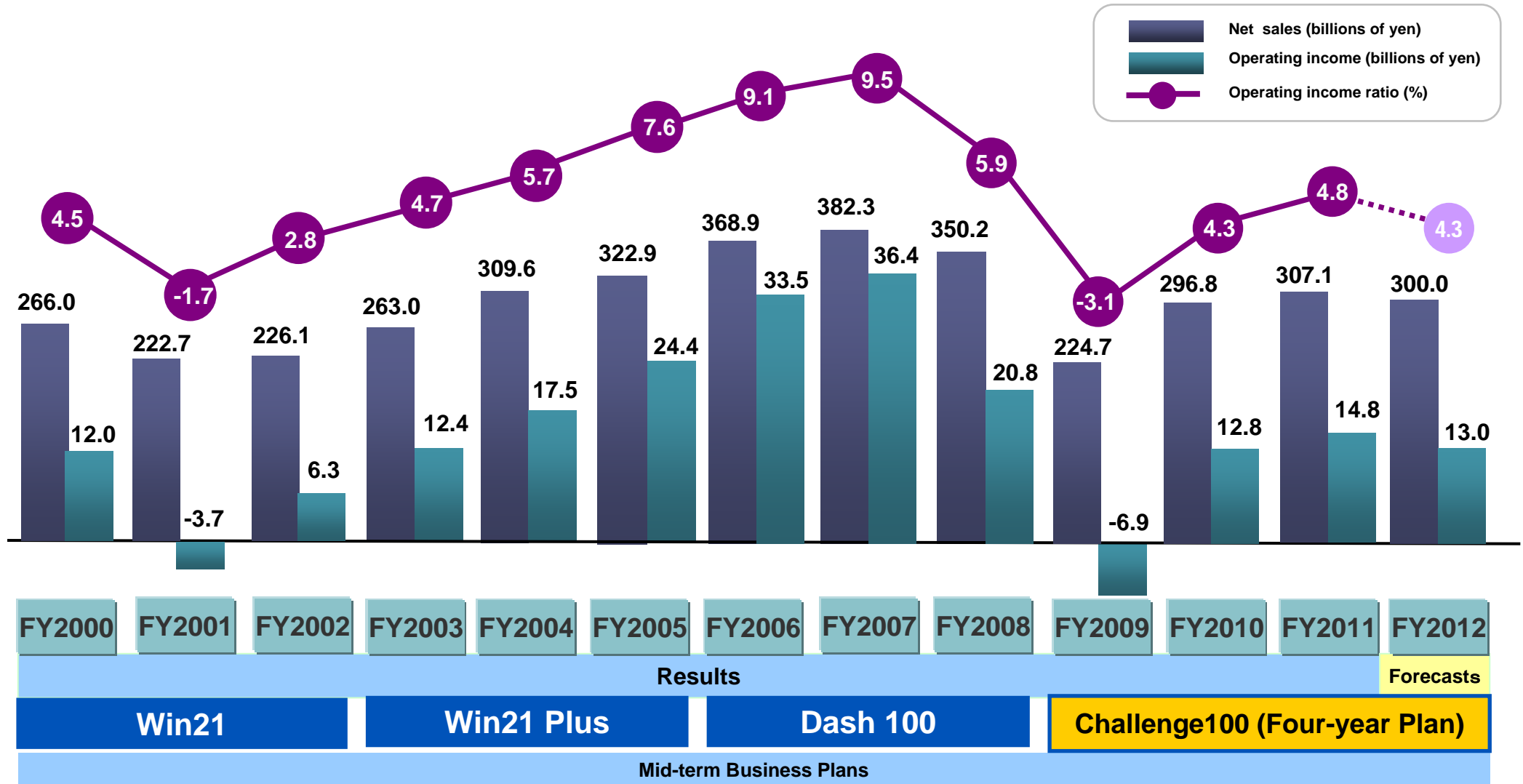
◆ Forex rates (Consolidated)

(Unit: Yen)

	FY2010		FY2011		FY2012 Projections	
	Apr. - Dec.	Full-year	Apr. - Dec.	Full-year	Apr. - Dec.	Full-year
U.S. dollar	87.66	86.52	79.43	79.02	79.87	81.51
Euro	114.77	113.90	111.97	109.49	102.05	105.29

(Note) Average rate during the period

FY2000-2012 Trends in Sales/Operating Income



Balance Sheet Structural Trends (Consolidated)

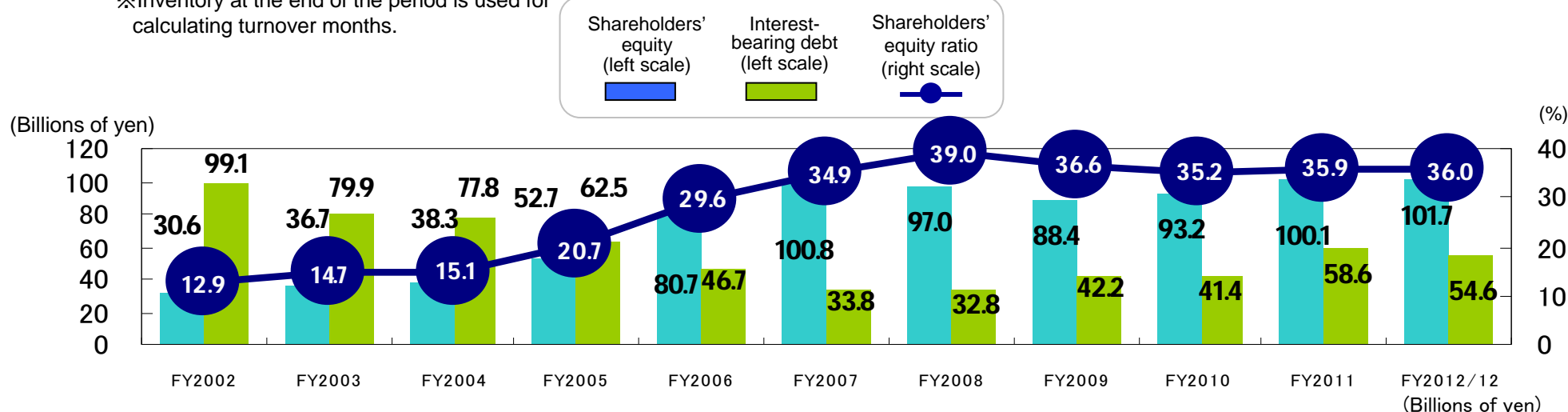
As of March 20, 2012

- Shareholders' equity ratio 35.9%
- Shareholders' equity 100.1 billion yen
- Interest-bearing debt 58.6 billion yen
- D/E ratio 0.59
(Net D/E ratio) 0.38
- Inventory 63.8 billion yen
Turnover 2.5 months

As of December 20, 2012

- Shareholders' equity ratio 36.0%
- Shareholders' equity 101.7 billion yen
- Interest-bearing debt 54.6 billion yen
- D/E ratio 0.54
(Net D/E ratio) 0.27
- Inventory 66.2 billion yen
Turnover 2.7 months

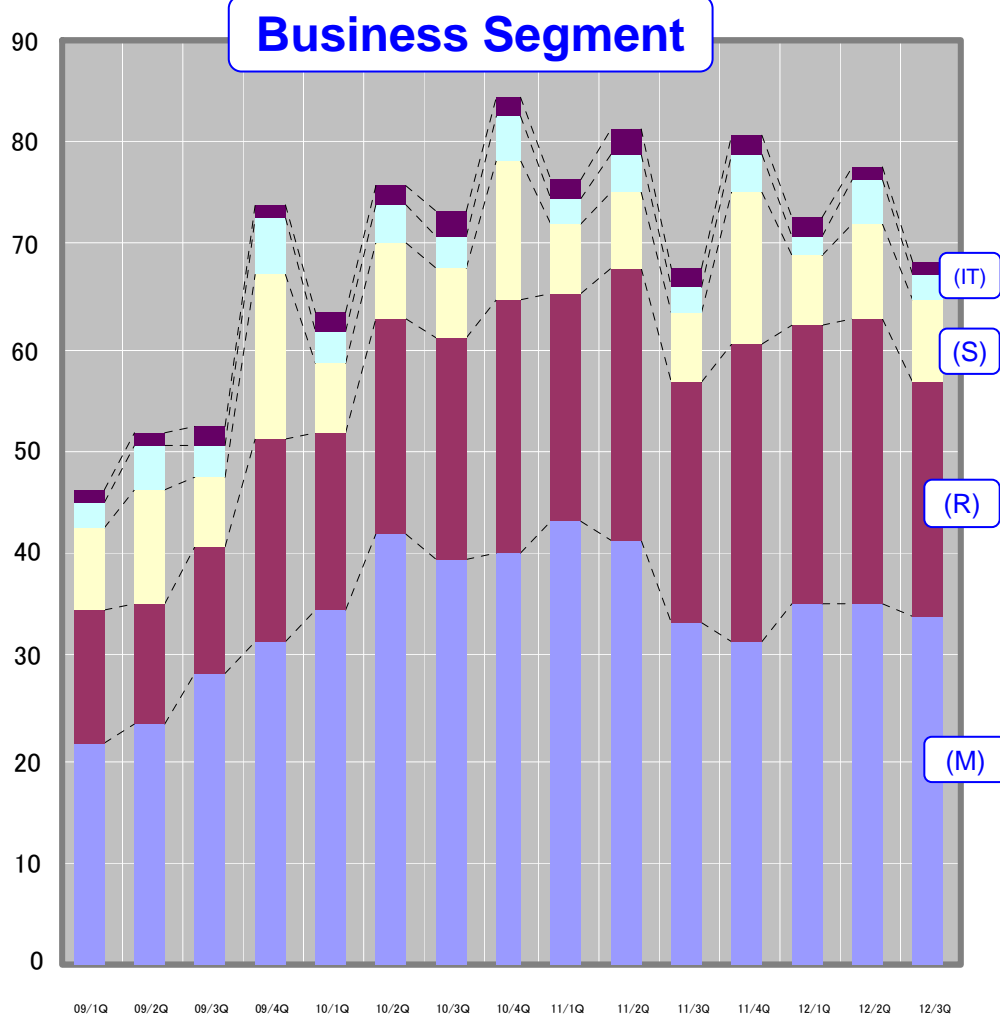
※Inventory at the end of the period is used for calculating turnover months.



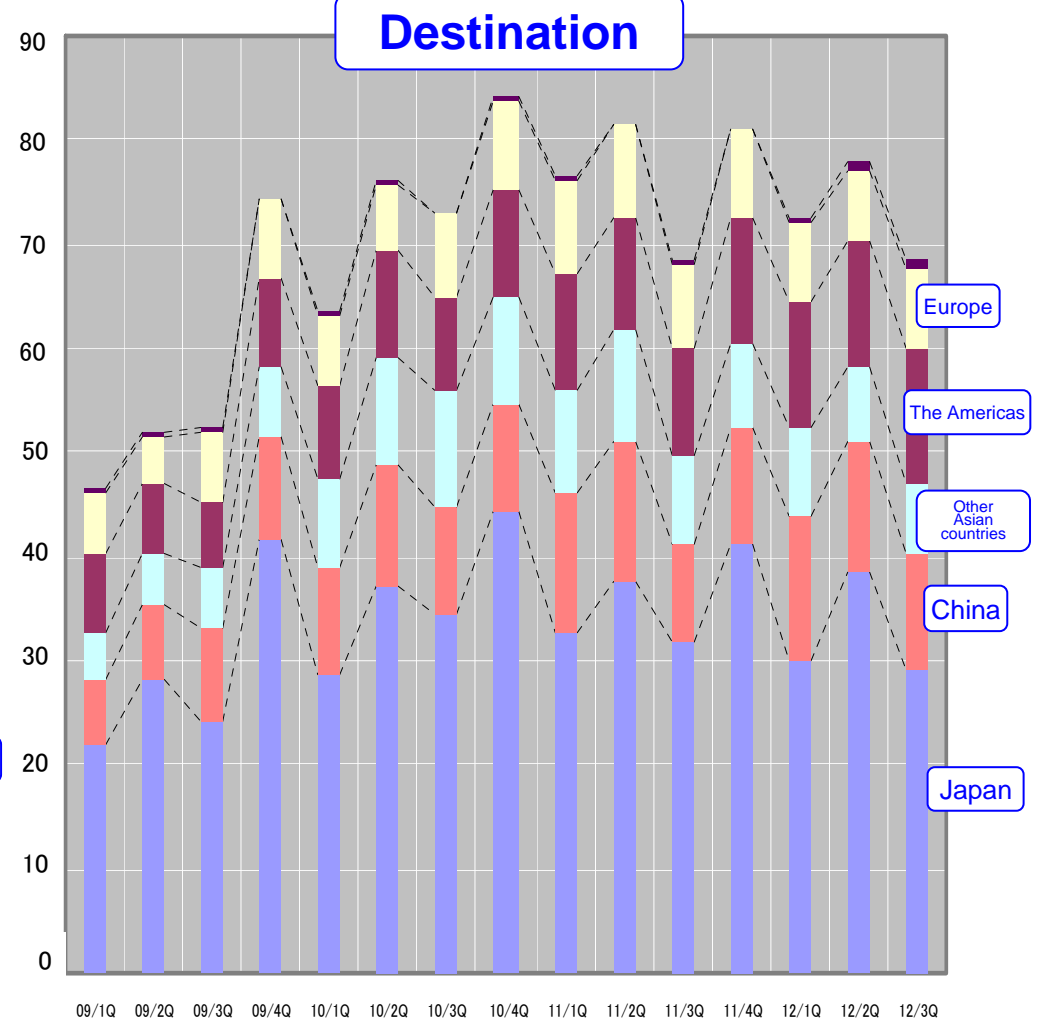
Operating CF	8.4	18.5	5.7	18.7	14.9	17.6	12.4	4.0	2.4	6.3	21.1
Investment CF	-1.9	1.1	-2.2	9.7	-6.1	-9.9	-10.6	-6.4	-6.7	-11.8	-6.6
Free CF	6.4	19.6	3.5	8.9	8.8	7.7	1.7	-2.4	-4.2	-5.4	12.3

Quarterly Sales Trends by Business Segment and Destination

(Billions of yen)



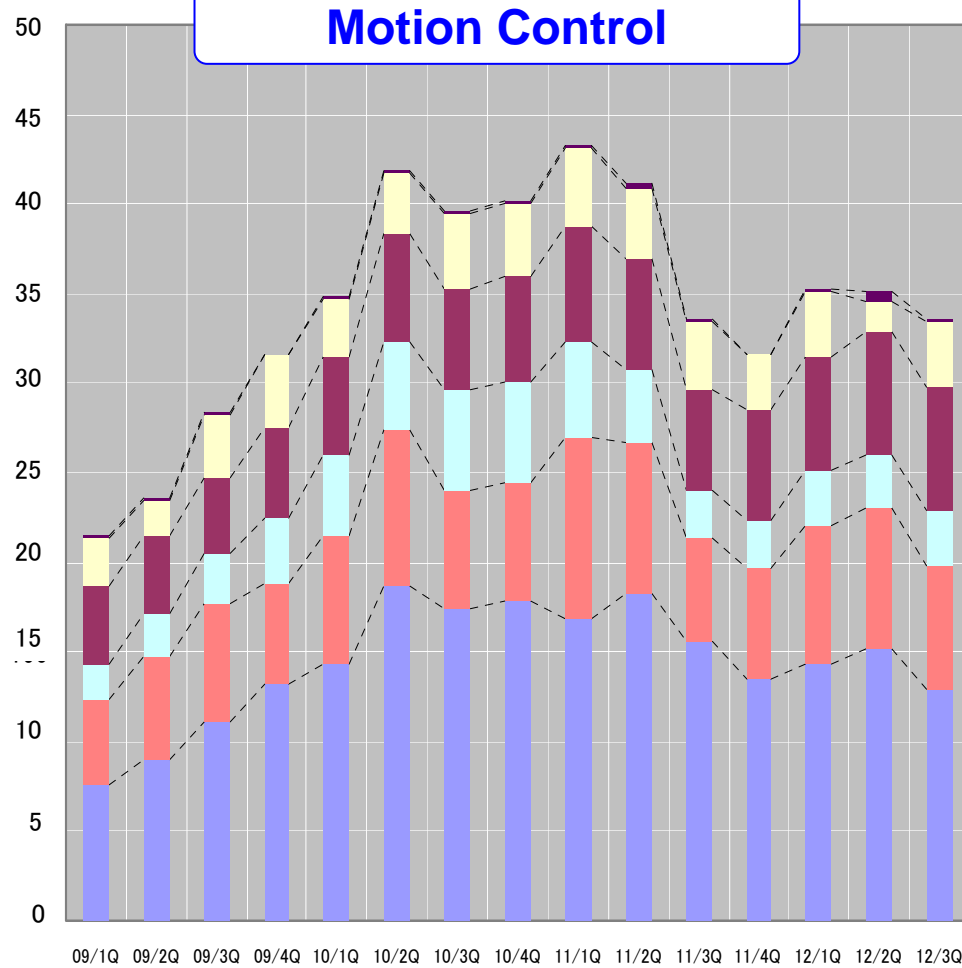
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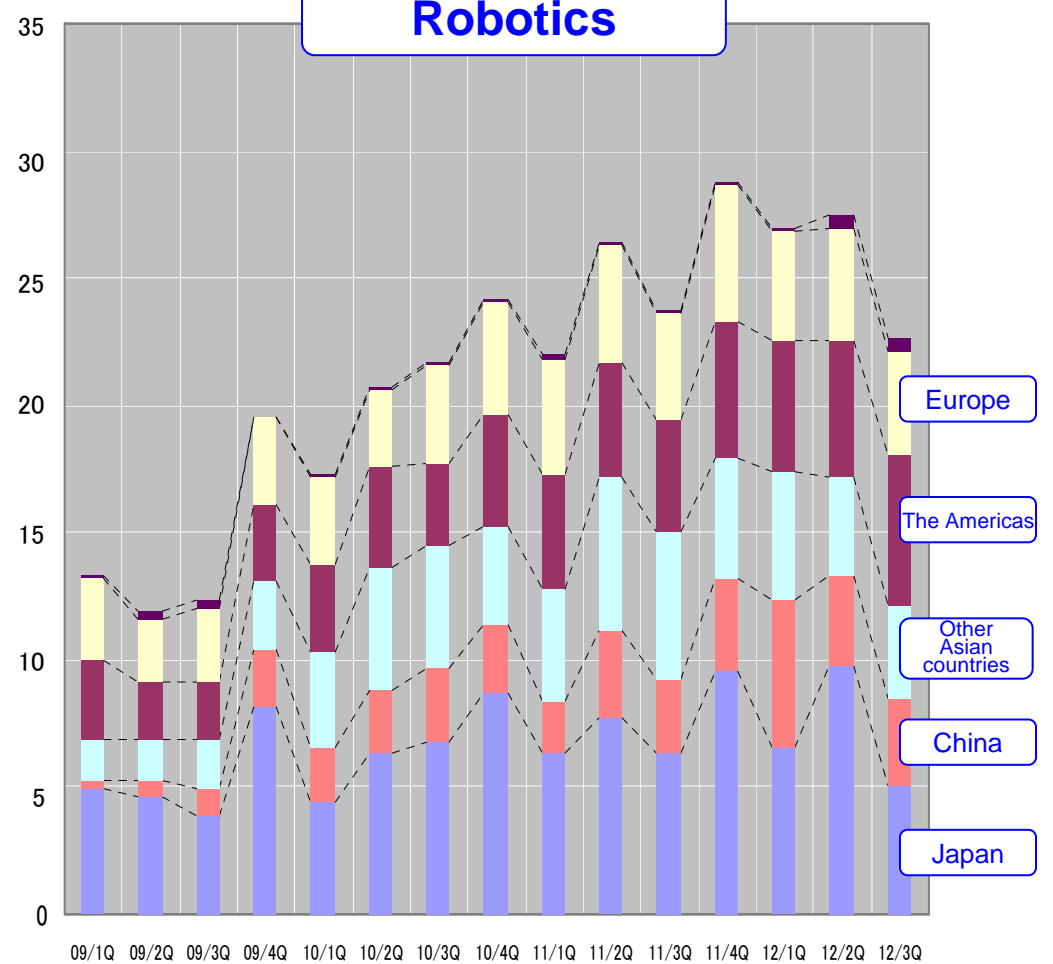
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Quarterly Sales Trends of (M) and (R) by Destination

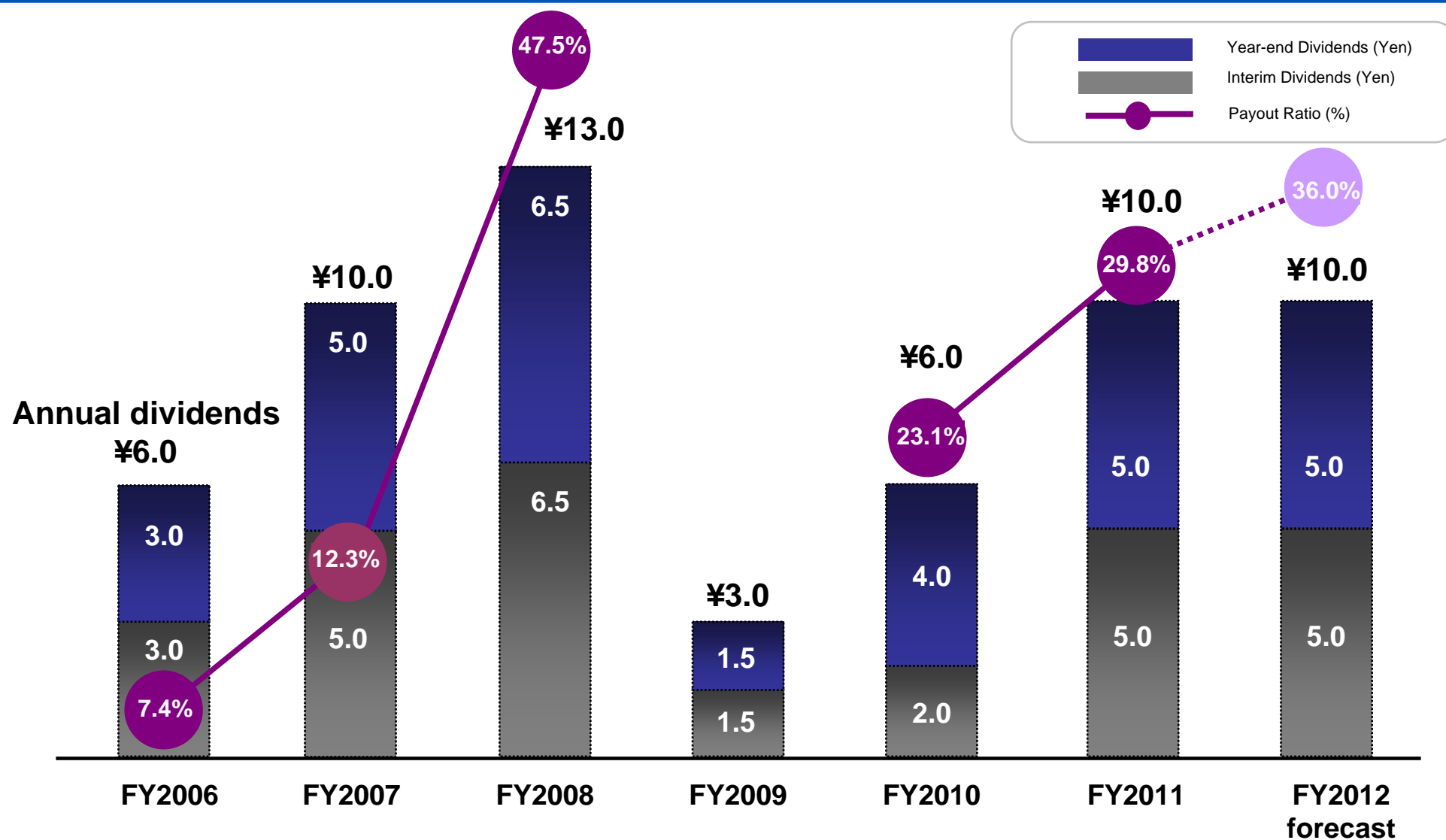
(Billions of yen)



(Billions of yen)



Dividends (FY2006-2012 forecast)



* No payout ratio is shown for FY2009 due to the net loss in that fiscal year.

Major Production Bases (YASKAWA network supporting global business)

