



# **YASKAWA Electric Corporation**

## **(TSE 6506)**

- **FY2013 Nine Months Results  
(Ended December 20, 2013)**
- **FY2013 Full-year Forecasts  
(Ending March 20, 2014)**

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, 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, FPD glass sheet transfer robots, New generation robots, Handling robots, Semiconductor wafer transfer robots, Biomedical robots etc.



High path accuracy robot for laser cutting and welding



Robot system for preprocessing operations



Delta robot

## System Engineering (S)

### Core products

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



Electric instrumentation systems for water and sewerage



Continuous-casting machine



Large-scale wind power generator and converter

## Other

### Core products

IT-related services, Logistics, etc



Scanner head for high-power laser



Wireless M2M service (Communication Adapter)

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# 1. FY2013 Nine Months Financial Results

# FY2013 Nine Months Financial Results (Highlights)

- Improve the profitability through enhancing overseas production and procurements
- Sales and profits significantly increased supported by the correction of the yen appreciation

	<u>FY13</u>	<u>FY12</u>	<u>Changes</u>	
	<u>Apr. - Dec.</u>	<u>Apr. - Dec.</u>	<u>Amounts</u>	<u>%</u>
Net Sales	<u>¥259.6 bn.</u>	¥219.1 bn.	<u>+¥40.5 bn.</u>	<u>+18.5%</u>
Operating Income	<u>¥17.1 bn.</u>	¥6.8 bn.	<u>+¥10.3 bn.</u>	<u>+151.6%</u>
Ordinary Income	<u>¥18.5 bn.</u>	¥7.5 bn.	<u>+11.0 bn.</u>	<u>+145.9%</u>
Net income	<u>¥11.3 bn.</u>	¥3.9 bn.	<u>+¥7.4 bn.</u>	<u>+191.5%</u>

# FY2013 Nine Months Financial Results by Business Segment (1)

- Sales and profits in (M) significantly increased, supported by the growing demand from PV power conditioners
- Sales and profits in (R) also grew due to the robust sales for the automotive industry.

(Unit: Billions of yen)

		FY2013 Apr.- Dec.		FY2012 Apr.- Dec.		Changes	
			Income Ratio		Income Ratio	Amounts	%
<b>Net Sales</b>		<b>259.6</b>	-	<b>219.1</b>	-	<b>40.5</b>	<b>+18.5%</b>
(M)	Motion Control	120.6	-	93.1	-	27.5	+29.6%
(R)	Robotics	86.5	-	77.3	-	9.3	+12.0%
(S)	System Engineerings	22.4	-	26.1	-	-3.8	-14.4%
	Other	30.1	-	22.6	-	7.4	+32.8%
<b>Operating Income</b>		<b>17.1</b>	<b>6.6%</b>	<b>6.8</b>	<b>3.1%</b>	<b>10.3</b>	<b>+151.6%</b>
(M)	Motion Control	12.0	10.0%	1.4	1.5%	10.6	+746.9%
(R)	Robotics	6.5	7.5%	4.6	5.9%	1.9	+41.5%
(S)	System Engineerings	-0.9	-3.9%	0.6	2.3%	-1.5	-
	Other	0.5	1.6%	0.3	1.1%	0.2	+86.9%
	Elimination or Corporate	-1.0	-	-0.0	-	-1.0	-
<b>Ordinary Income</b>		<b>18.5</b>	<b>7.1%</b>	<b>7.5</b>	<b>3.4%</b>	<b>11.0</b>	<b>+145.9%</b>
<b>Net Income</b>		<b>11.3</b>	<b>4.3%</b>	<b>3.9</b>	<b>1.8%</b>	<b>7.4</b>	<b>+191.5%</b>

## FY2013 Nine Months Financial Results by Business Segment (2)

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### (M):

- AC servo motor business were on a favorable trend both in Japan and overseas.
- AC drive business was led by the brisk sales increase from PV power conditioners
- Both sales and profits significantly increased year on year.

### (R):

- Sales and profit increased mainly led by strong demands from automotive industry both in Japan and overseas.

### (S):

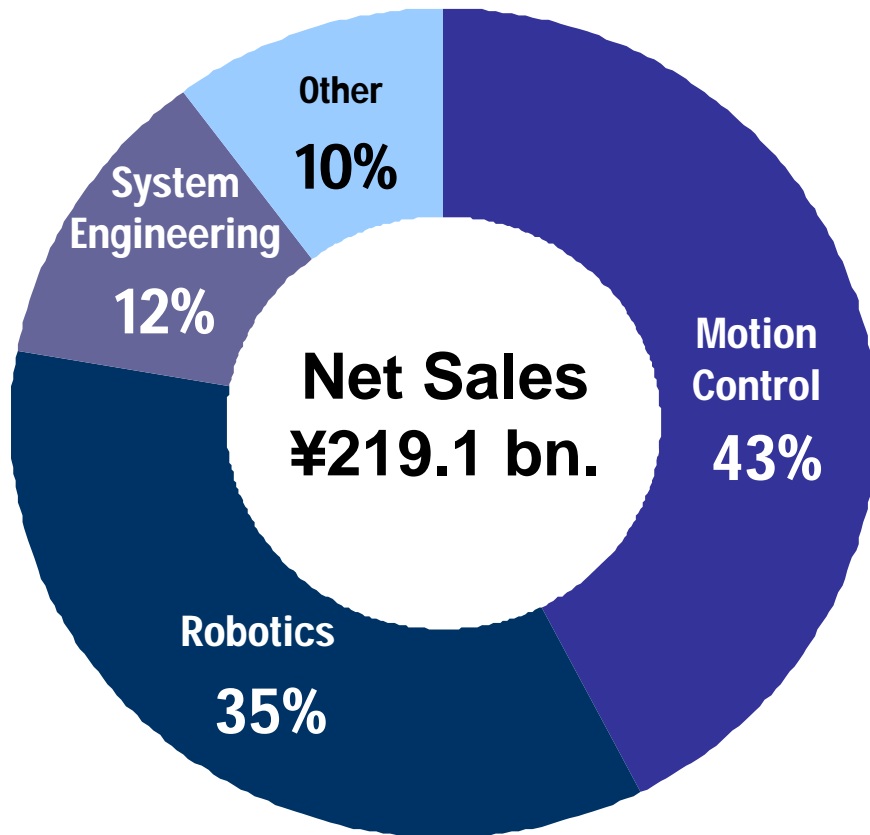
- Investment in steel plants are weak.
- Decreased in sales and profits due to the slump in main markets in Japan

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

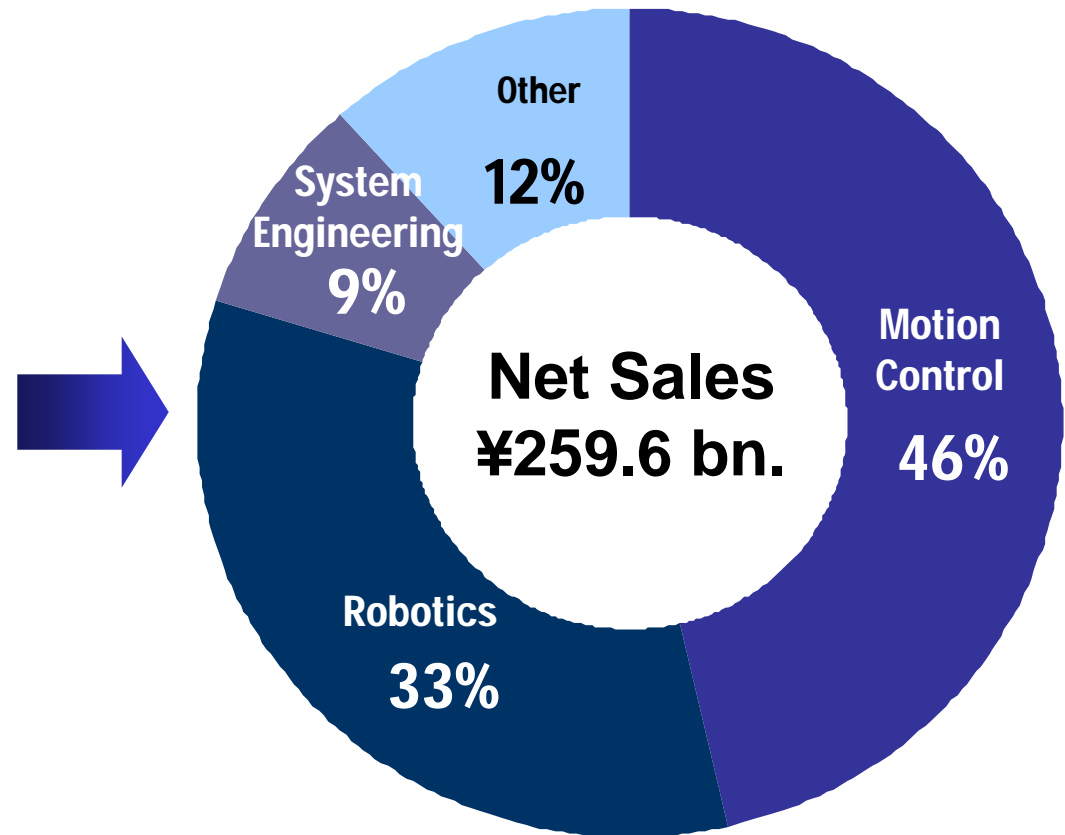
# Sales Breakdown by Business Segment

- (M) significantly grew mainly due to the sales increase in China as well as brisk performance in PV power conditioners

FY12 Apr. - Dec.



FY13 Apr. – Dec.



Note: The numbers in each segment are based on the new segmentation announced on July 18, 2013.



# Sales Breakdown by Destination (1)

- Expand overseas sales ratio due to the correction of the yen appreciation

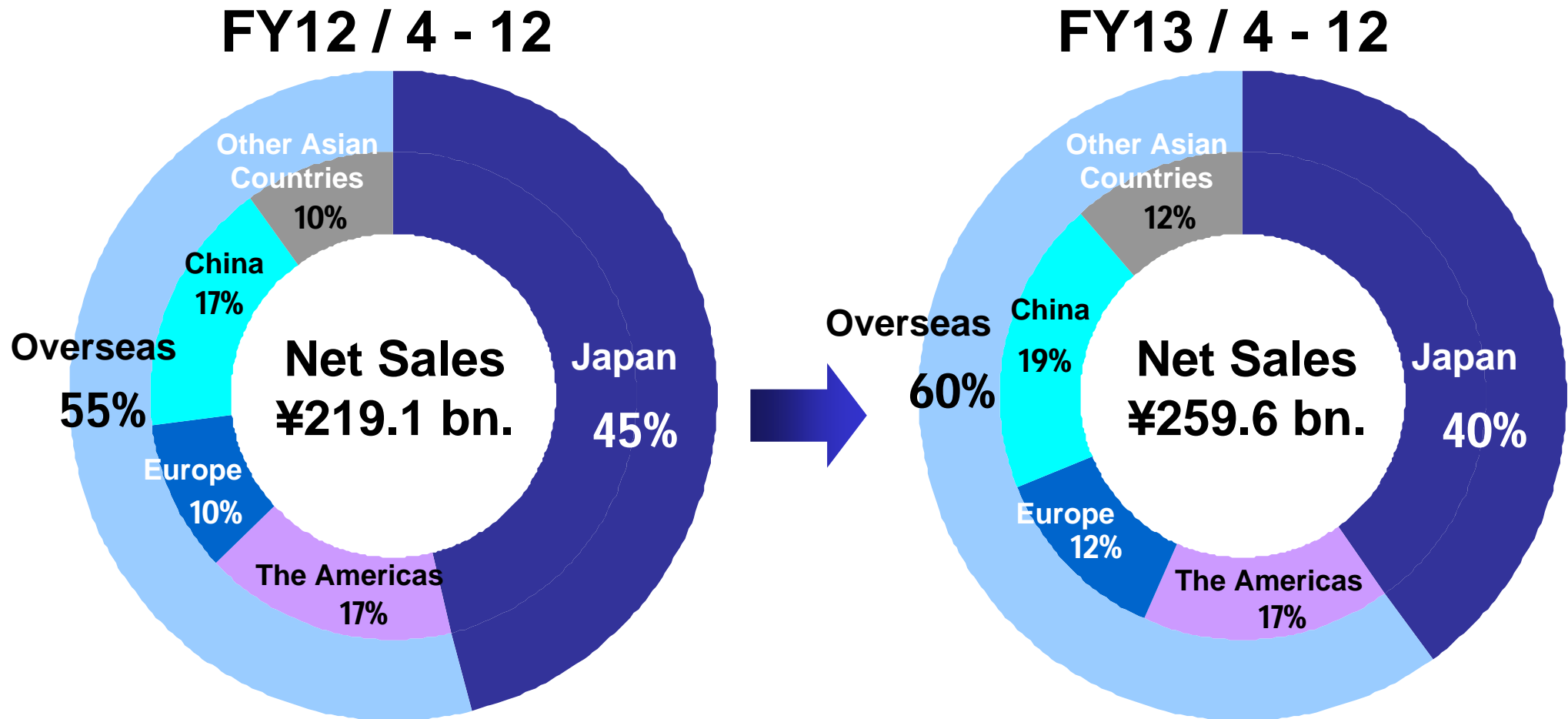
(Unit: Billions of yen)

	FY2013 Apr. - Dec.	FY2012 Apr. - Dec.	Changes	
			Amounts	%
<b>Net sales</b>	<b>259.6</b>	<b>219.1</b>	<b>+40.5</b>	<b>+18.5%</b>
<b>Japan</b>	<b>102.4</b>	<b>97.9</b>	<b>+4.5</b>	<b>+4.6%</b>
<b>Overseas</b>	<b>157.2</b>	<b>121.2</b>	<b>+36.0</b>	<b>+29.7%</b>
<b>The Americas</b>	<b>42.8</b>	<b>36.7</b>	<b>+6.1</b>	<b>+16.6%</b>
<b>Europe</b>	<b>31.3</b>	<b>21.9</b>	<b>+9.4</b>	<b>+42.7%</b>
<b>China</b>	<b>50.2</b>	<b>37.6</b>	<b>+12.6</b>	<b>+33.4%</b>
<b>Other Asian Countries</b>	<b>30.0</b>	<b>22.7</b>	<b>+7.2</b>	<b>+31.8%</b>

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

## Sales Breakdown by Destination (2)

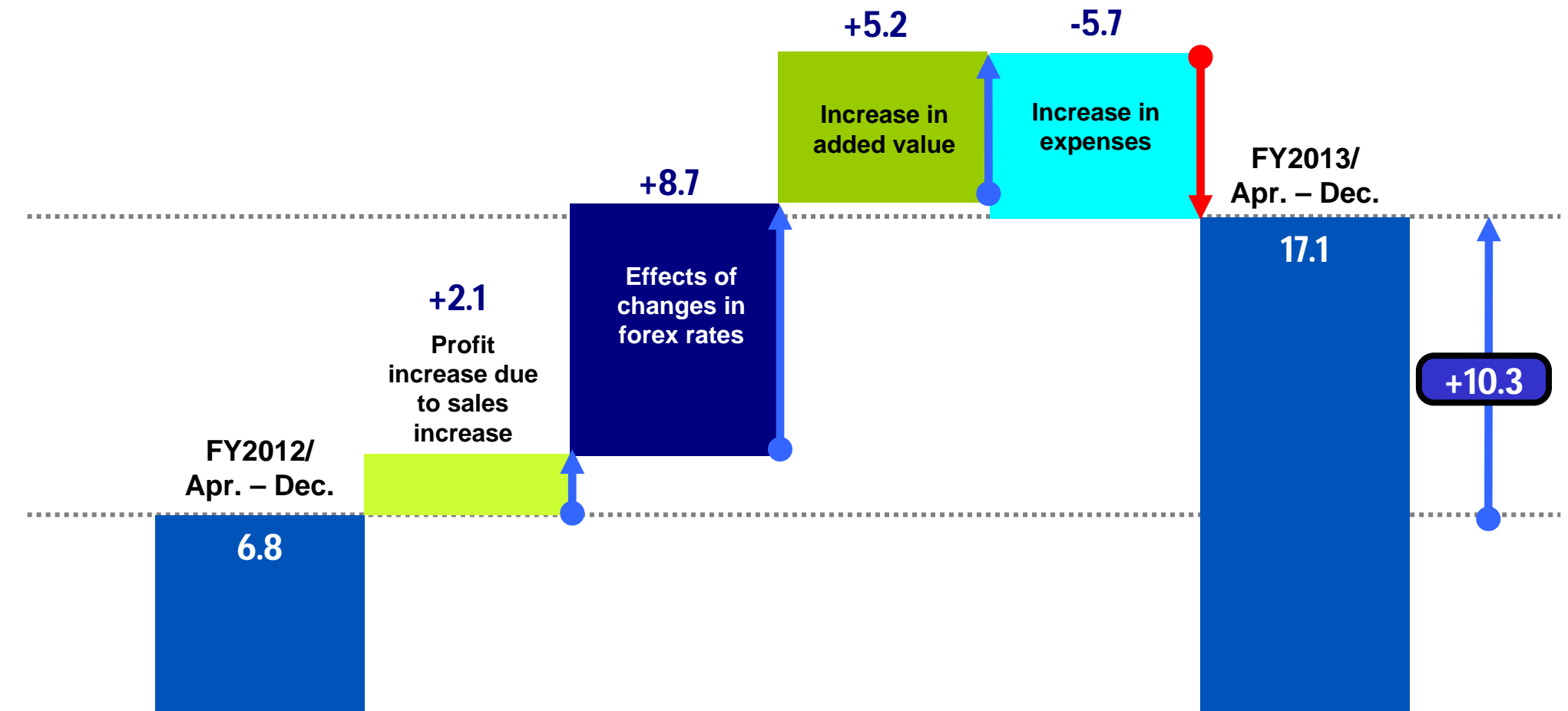
- Increase overseas sales ratio mainly in China and Europe



# Breakdown of Changes in Operating Income

(FY12 Nine months ⇒ FY13 Nine months)

(Unit: Billions of yen)



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## 2. FY2013 Full-year Forecasts

# FY2013 Full-year Financial Forecasts (Highlights)

- (M) is on a recovery trend mainly in semiconductor markets
- Strong demand for (R) continues mainly in automotive industry
- The FY13 full-year corporate forecasts remain the same

	FY13/1H	FY13/3Q	FY13/4Q	FY13/2H	FY13	FY12	Changes	
	Actual	Actual	Forecasts	Forecasts	Forecasts	Actual	Amounts	%
Net sales	¥177.2 bn.	¥82.4 bn.	¥100.4 bn.	¥182.8 bn.	¥360.0 bn.	¥310.4 bn.	+49.6 bn.	+16.0%
Operating income	¥12.6 bn.	¥4.5 bn.	¥8.4 bn.	¥12.9 bn.	¥25.5 bn.	¥13.1 bn.	+124.0 bn.	+95.1%
Ordinary income	¥13.4 bn.	¥5.1 bn.	¥7.5 bn.	¥12.6 bn.	¥26.0 bn.	¥14.1 bn.	+11.9 bn.	+85.0%
Net income	¥7.3 bn.	¥4.0 bn.	¥4.2 bn.	¥8.2 bn.	¥15.5 bn.	¥6.8 bn.	+8.7 bn.	+127.9%

Note: FY13 full-year forecasts are the figures announced on October 18, 2013.

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# Reference

# Capital Expenditure, R&D Investment, Forex Rates

## ◆ Capital expenditure (Consolidated)

(Unit: Billions of yen)

	FY2011	FY2012	FY2013 Plan
Capital Expenditure	9.9	15.9	22.0
Depreciation and Amortization	7.6	8.1	9.5

## ◆ R&D investment (Consolidated)

(Unit: Billions of yen)

	FY2011	FY2012	FY2013 Plan
R&D investment	10.4	10.7	13.0

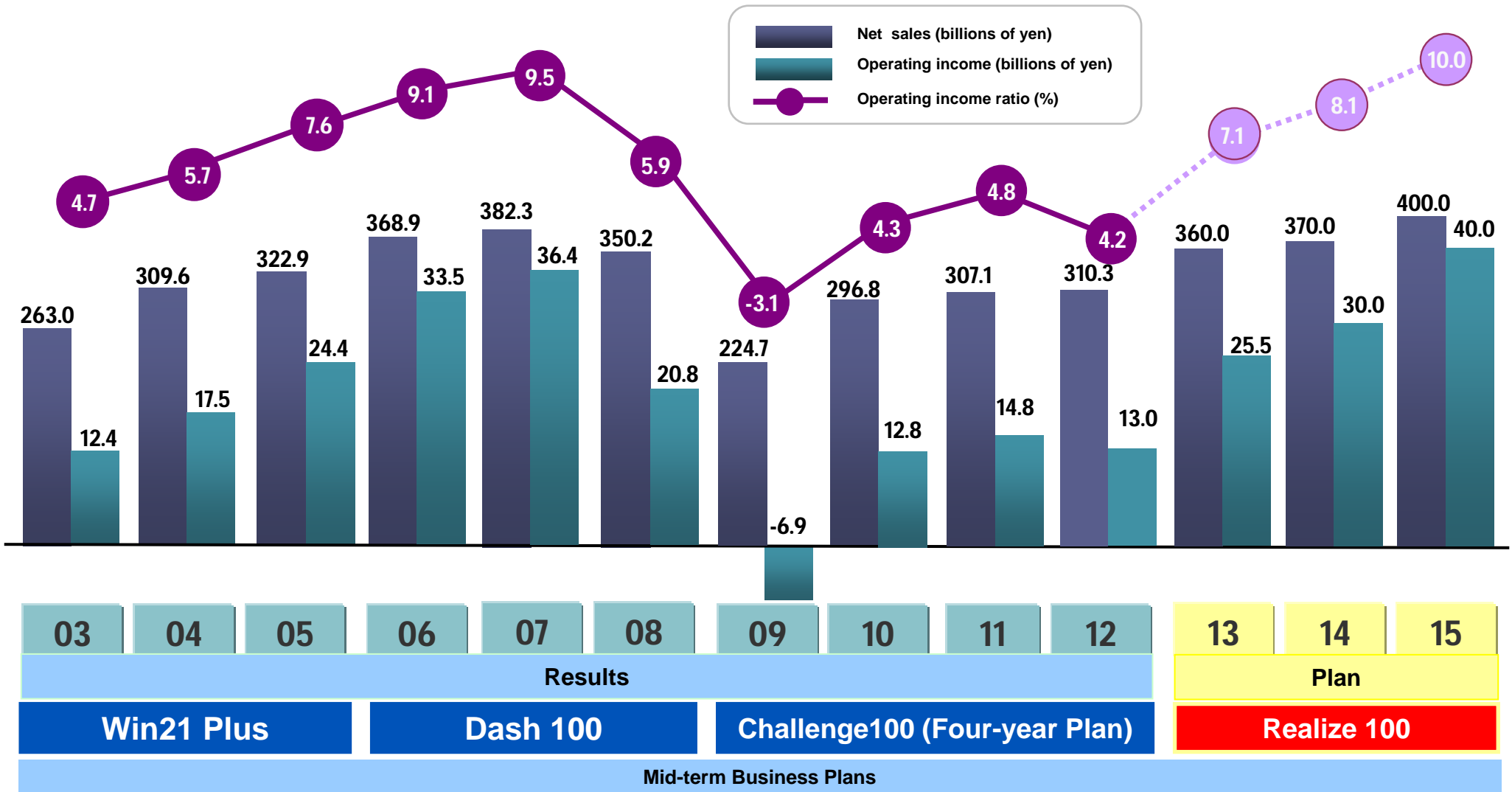
## ◆ Forex rates (Consolidated)

(Yen)

	FY2011		FY2012		FY2013 forecasts	
	Apr. - Dec.	Full-Year	Apr. - Dec.	Full-Year	Apr. - Dec.	Full-year
U.S. dollar	79.4	79.0	79.9	81.9	98.4	98.3
Euro	112.0	109.5	102.1	105.7	130.2	130.1

Note: Average rate during the period

# FY2003-2015 Net Sales/Operating Income





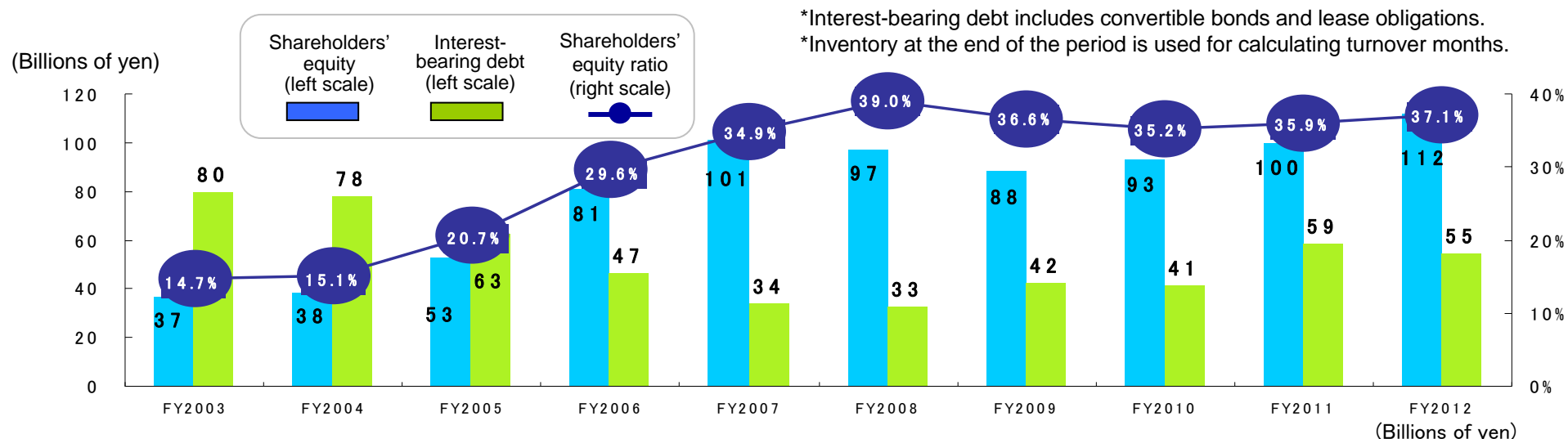
# Financial Indices

## As of March 20, 2013

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

## As of December 20, 2013

- Shareholders' equity ratio 39.5%
- Shareholders' equity 129.4 billion yen
- Interest-bearing debt 51.1 billion yen
- D/E ratio 0.40  
(Net D/E ratio) 0.22
- Inventory 82.0 billion yen  
Turnover 2.8 months

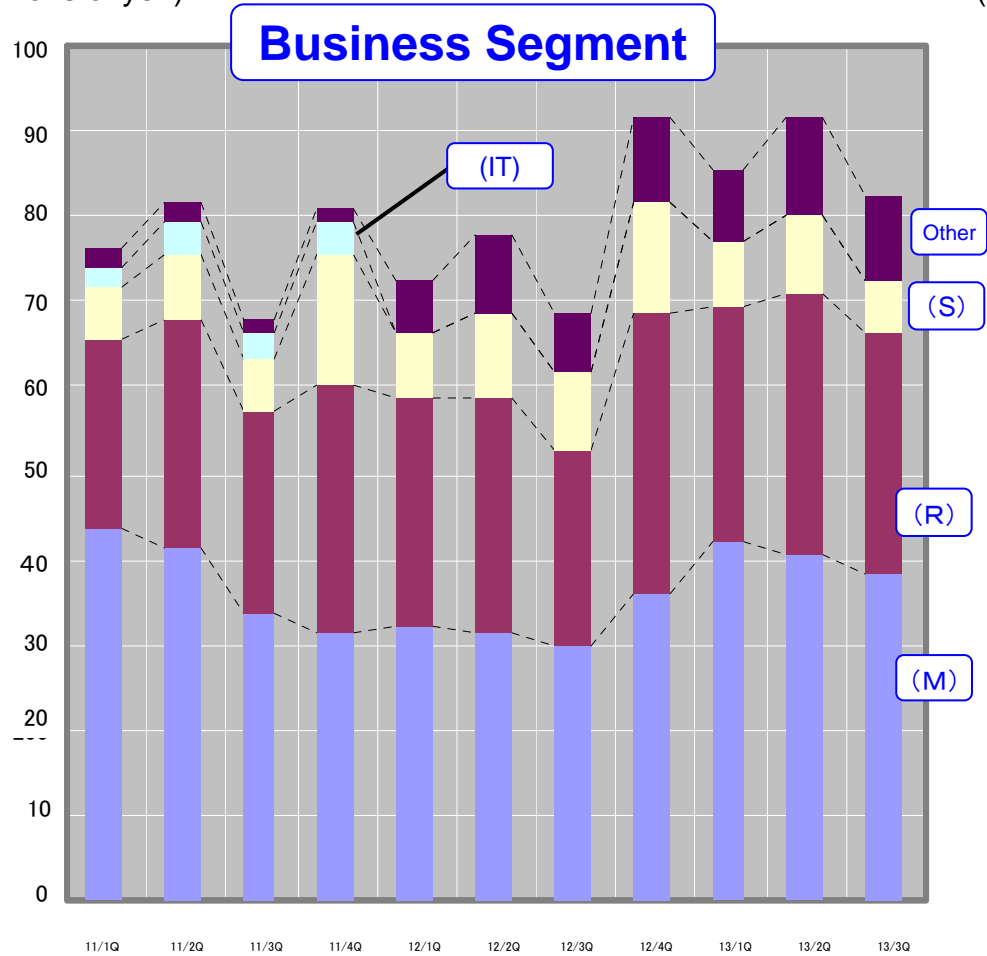


\*Interest-bearing debt includes convertible bonds and lease obligations.  
\*Inventory at the end of the period is used for calculating turnover months.

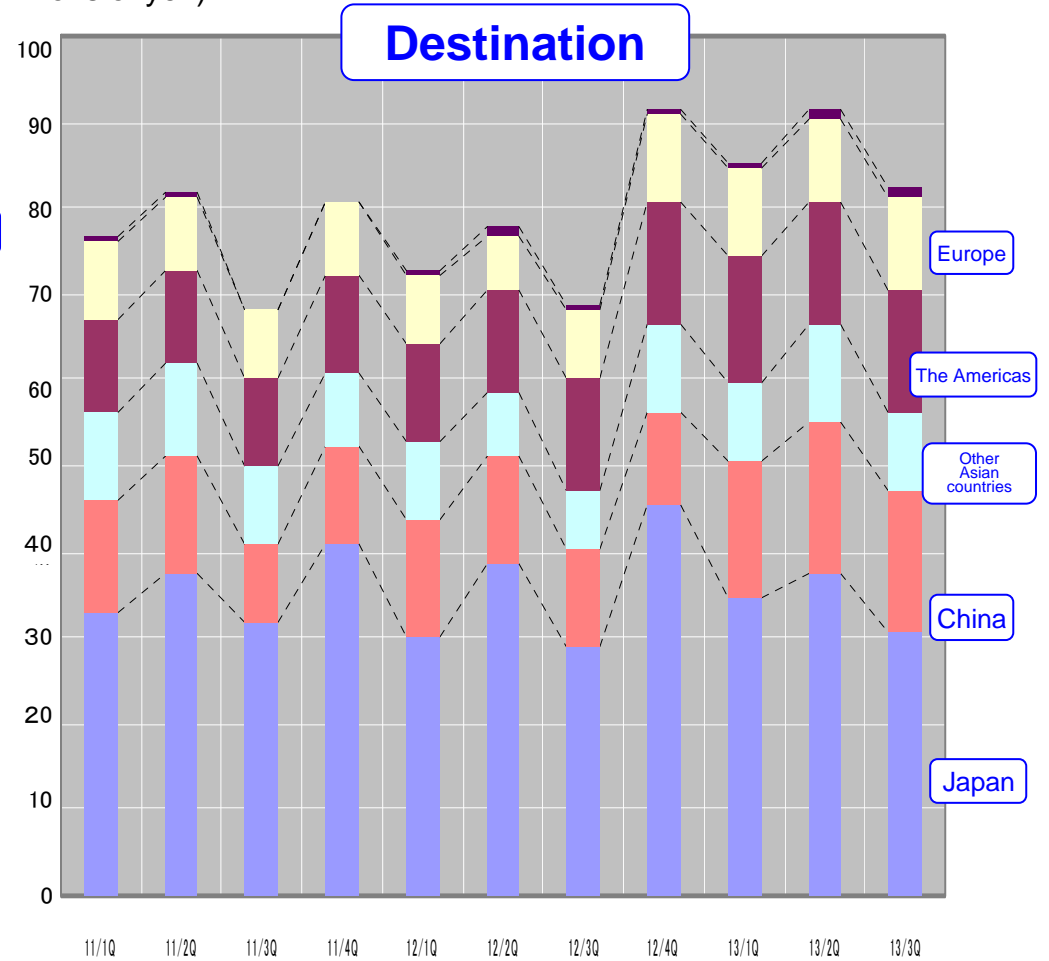
Operating CF	18.5	5.7	18.7	15.0	17.7	12.5	4.0	2.5	6.4	24.6
Investment CF	1.1	-2.2	9.7	-6.1	-9.9	-10.7	-6.4	-6.7	-11.9	-18.1
Free CF	19.6	3.5	9.0	8.9	7.8	1.8	-2.4	-4.3	-5.5	6.6

# Quarterly Sales Trends

(Billions of yen)



(Billions of yen)

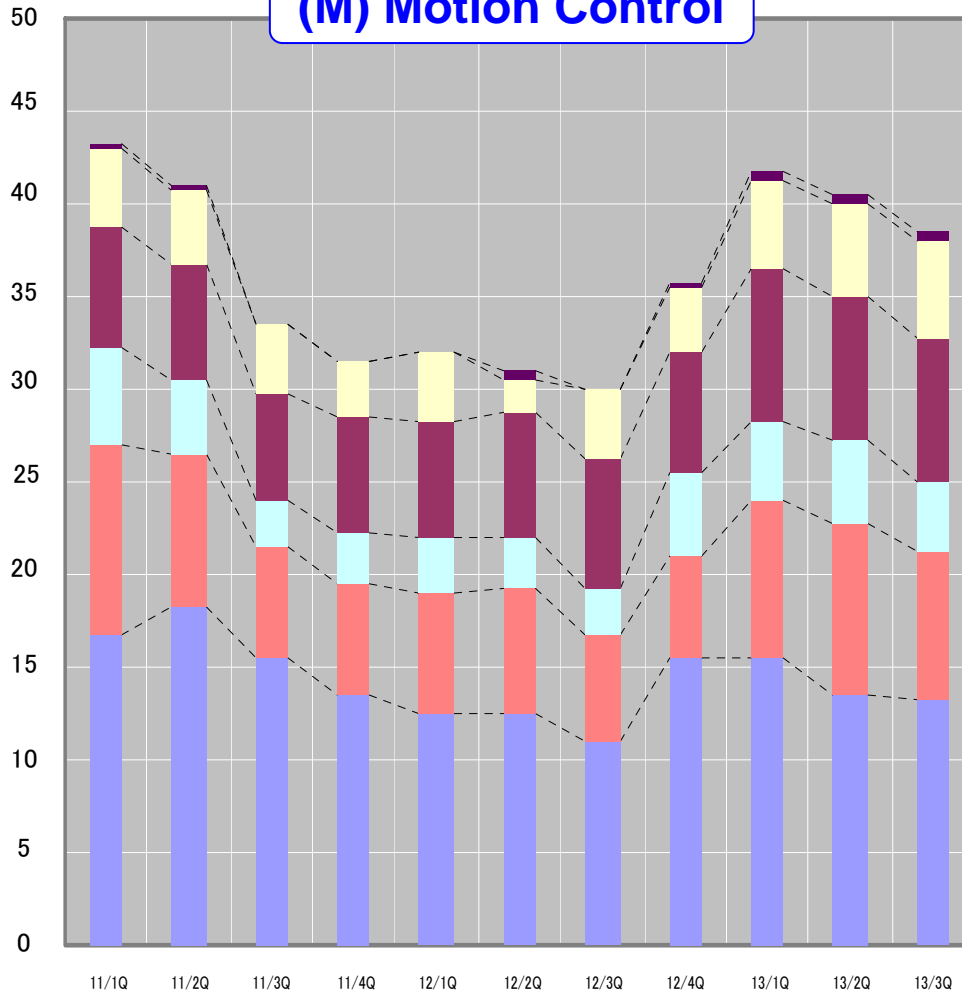


Notes: 1. (M) = Motion Control (R) = Robotics (S) = System Engineering (IT) = Information Technologies  
 2. The figures for FY12 and FY13 reflect segmentation changes announced on July 18, 2013.

# Quarterly Sales Trends

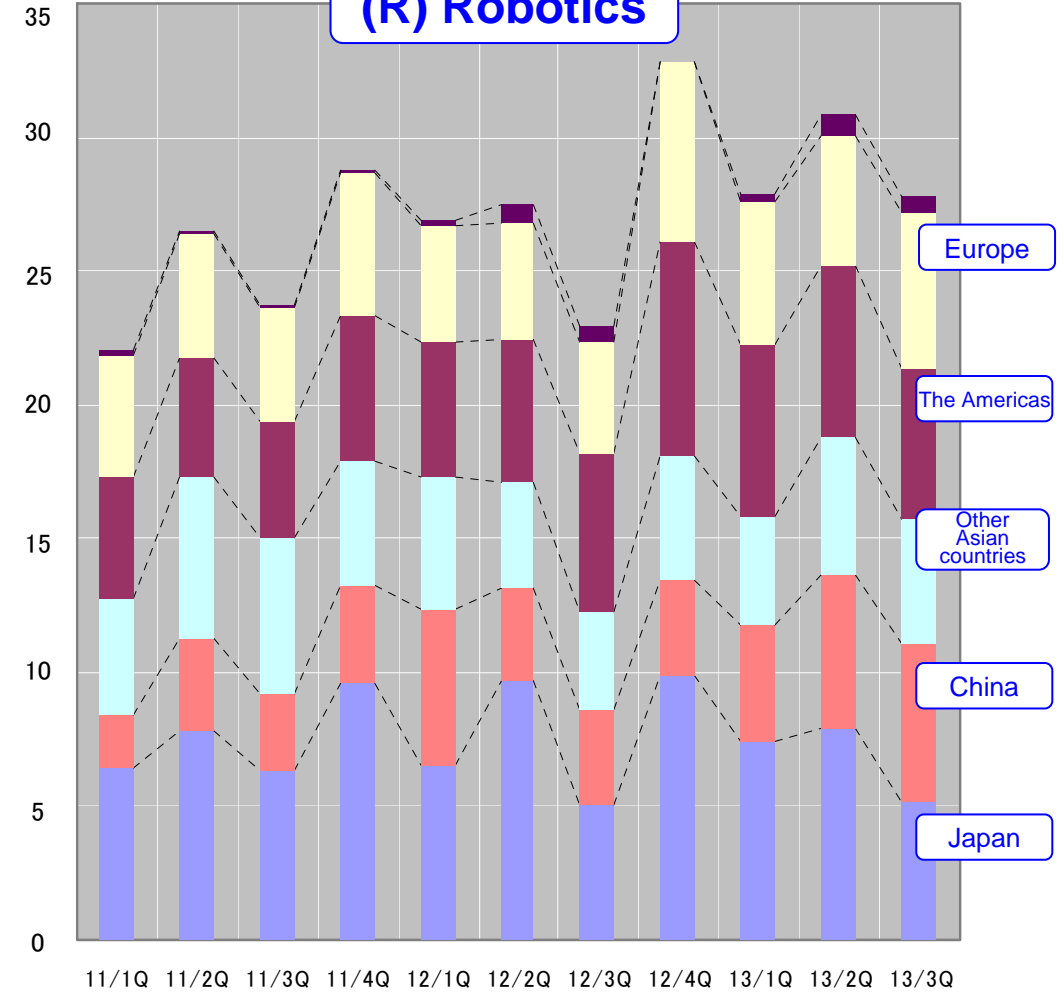
(Billions of yen)

**(M) Motion Control**



(Billions of yen)

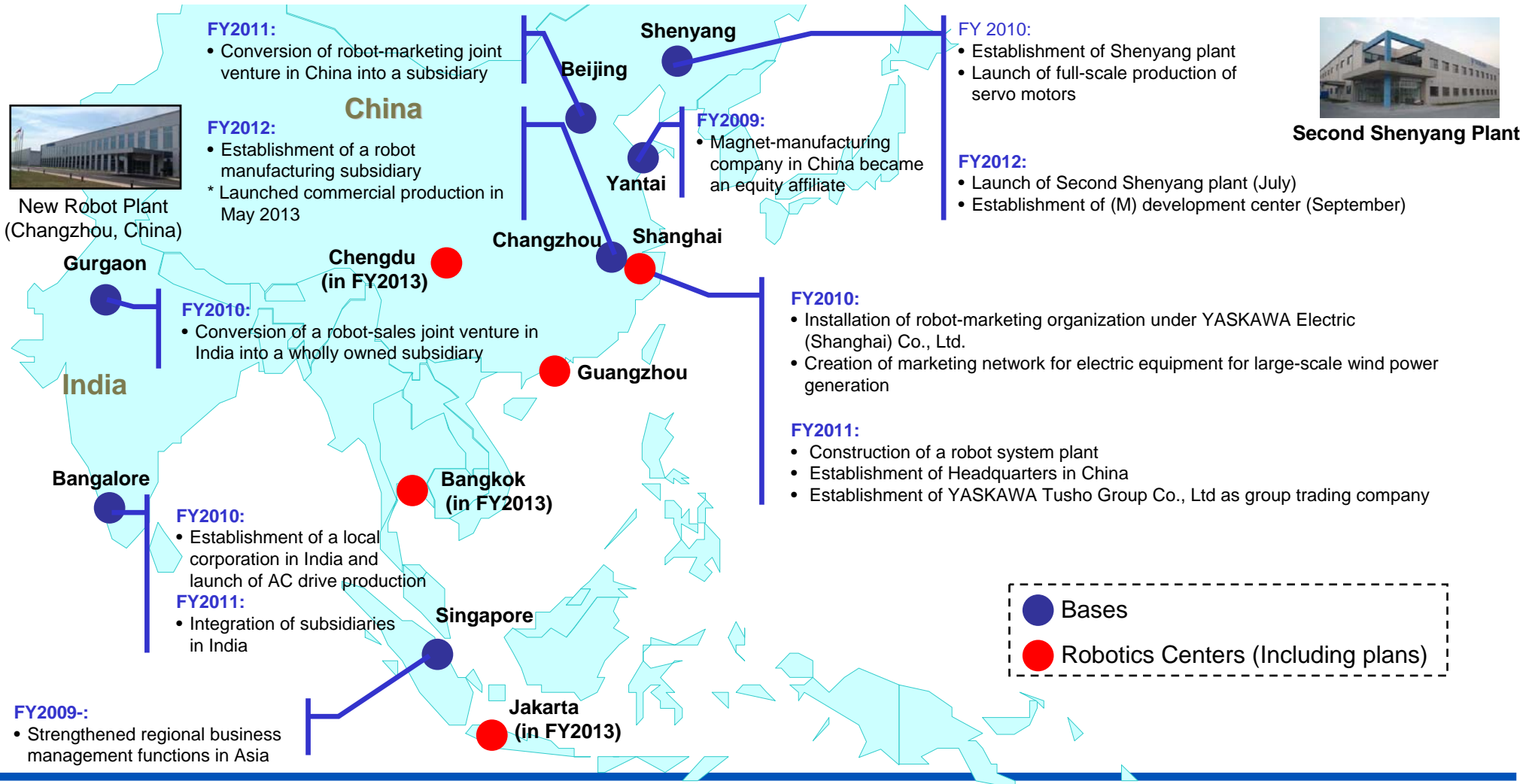
**(R) Robotics**



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

# Business Expansion in China and Other Asian Countries

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



# Major Production Bases (YASKAWA network supporting global business)



# Disclaimer

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