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.
Contents

1. FY2013 Nine Months Financial Results
   - FY2012 Nine Months Financial Results
   - Sales Breakdown by Business Segment (FY2012 Nine Months ⇒ FY2013 Nine Months)
   - Sales Breakdown by Destination (FY2012 Nine Months ⇒ FY2013 Nine Months)
   - Breakdown of Changes in Operating Income (FY2012 Nine Months ⇒ FY2013 Nine Months)

2. FY2012 Full-year Forecasts
   - FY2012 Full-year Financial Forecasts

3. Reference
   - Capital Expenditure, R&D Investment, Forex Rates
   - Balance Sheet Indices
   - Quarterly Sales Trends
   - Business Expansion in China and Other Asian Countries
   - Major Production Bases
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.

**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.

**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.

**Other**

Core products
- IT-related services, Logistics, etc

- High path accuracy robot for laser cutting and welding
- Robot system for preprocessing operations
- Delta robot

- Electric instrumentation systems for water and sewerage
- Continuous-casting machine
- Large-scale wind power generator and converter

- Scanner head for high-power laser
- Wireless M2M service (Communication Adapter)
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

<table>
<thead>
<tr>
<th></th>
<th>FY13 Apr. - Dec.</th>
<th>FY12 Apr. - Dec.</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>¥259.6 bn.</td>
<td>¥219.1 bn.</td>
<td>+¥40.5 bn.</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>¥17.1 bn.</td>
<td>¥6.8 bn.</td>
<td>+¥10.3 bn.</td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td>¥18.5 bn.</td>
<td>¥7.5 bn.</td>
<td>+11.0 bn.</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>¥11.3 bn.</td>
<td>¥3.9 bn.</td>
<td>+¥7.4 bn.</td>
</tr>
</tbody>
</table>
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)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income Ratio</td>
<td>Income Ratio</td>
<td>Amounts</td>
</tr>
<tr>
<td>Net Sales</td>
<td>259.6</td>
<td>219.1</td>
<td>40.5</td>
</tr>
<tr>
<td>(M) Motion Control</td>
<td>120.6</td>
<td>93.1</td>
<td>27.5</td>
</tr>
<tr>
<td>(R) Robotics</td>
<td>86.5</td>
<td>77.3</td>
<td>9.3</td>
</tr>
<tr>
<td>(S) System Engineerings</td>
<td>22.4</td>
<td>26.1</td>
<td>-3.8</td>
</tr>
<tr>
<td>Other</td>
<td>30.1</td>
<td>22.6</td>
<td>7.4</td>
</tr>
<tr>
<td>Operating Income</td>
<td>17.1</td>
<td>6.8</td>
<td>10.3</td>
</tr>
<tr>
<td>(M) Motion Control</td>
<td>12.0</td>
<td>1.4</td>
<td>10.6</td>
</tr>
<tr>
<td>(R) Robotics</td>
<td>6.5</td>
<td>4.6</td>
<td>1.9</td>
</tr>
<tr>
<td>(S) System Engineerings</td>
<td>-0.9</td>
<td>0.6</td>
<td>-1.5</td>
</tr>
<tr>
<td>Other</td>
<td>0.5</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Elimination or Corporate</td>
<td>-1.0</td>
<td>-0.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>18.5</td>
<td>7.5</td>
<td>11.0</td>
</tr>
<tr>
<td>Net Income</td>
<td>11.3</td>
<td>3.9</td>
<td>7.4</td>
</tr>
</tbody>
</table>
FY2013 Nine Months Financial Results by Business Segment (2)

(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.

- Robotics: 35%
- Motion Control: 43%
- System Engineering: 12%
- Other: 10%

Net Sales ¥219.1 bn.

FY13 Apr. – Dec.

- Robotics: 33%
- Motion Control: 46%
- System Engineering: 9%
- Other: 12%

Net Sales ¥259.6 bn.

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)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Amounts</td>
</tr>
<tr>
<td>Net sales</td>
<td>259.6</td>
<td>219.1</td>
<td>+40.5</td>
</tr>
<tr>
<td>Japan</td>
<td>102.4</td>
<td>97.9</td>
<td>+4.5</td>
</tr>
<tr>
<td>Overseas</td>
<td>157.2</td>
<td>121.2</td>
<td>+36.0</td>
</tr>
<tr>
<td>The Americas</td>
<td>42.8</td>
<td>36.7</td>
<td>+6.1</td>
</tr>
<tr>
<td>Europe</td>
<td>31.3</td>
<td>21.9</td>
<td>+9.4</td>
</tr>
<tr>
<td>China</td>
<td>50.2</td>
<td>37.6</td>
<td>+12.6</td>
</tr>
<tr>
<td>Other Asian Countries</td>
<td>30.0</td>
<td>22.7</td>
<td>+7.2</td>
</tr>
</tbody>
</table>

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

Net Sales ¥219.1 bn.

FY12 / 4 - 12

Japan 45%

Overseas 55%

Europe 10%

Other Asian Countries 10%

China 17%

The Americas 17%

Net Sales ¥259.6 bn.

FY13 / 4 - 12

Japan 40%

Overseas 60%

Europe 12%

Other Asian Countries 12%

China 19%

The Americas 17%
Breakdown of Changes in Operating Income
(FY12 Nine months ⇒ FY13 Nine months)

(Unit: Billions of yen)

- Profit increase due to sales increase: +6.8
- Effects of changes in forex rates: +2.1
- Increase in added value: +5.2
- Increase in expenses: -5.7
- FY2013/ Apr. – Dec.: +17.1
- Total increase: +10.3
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

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

Note: FY13 full-year forecasts are the figures announced on October 18, 2013.
Reference
### Capital expenditure (Consolidated)

<table>
<thead>
<tr>
<th></th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditure</td>
<td>9.9</td>
<td>15.9</td>
<td>22.0</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>7.6</td>
<td>8.1</td>
<td>9.5</td>
</tr>
</tbody>
</table>

### R&D investment (Consolidated)

<table>
<thead>
<tr>
<th></th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D investment</td>
<td>10.4</td>
<td>10.7</td>
<td>13.0</td>
</tr>
</tbody>
</table>

### Forex rates (Consolidated)

<table>
<thead>
<tr>
<th></th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013 forecasts</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. dollar</td>
<td>79.4</td>
<td>79.0</td>
<td>79.9</td>
</tr>
<tr>
<td>Euro</td>
<td>112.0</td>
<td>109.5</td>
<td>102.1</td>
</tr>
</tbody>
</table>

Note: Average rate during the period
FY2003-2015 Net Sales/Operating Income

Net sales (billions of yen)
Operating income (billions of yen)
Operating income ratio (%)

FY2003-2015 Net Sales/Operating Income

Win21 Plus
Dash 100
Challenge100 (Four-year Plan)
Realize 100

Mid-term Business Plans

Results

Plan

Copyright © 2014 YASKAWA Electric Corporation
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.
Quarterly Sales Trends

Notes:
1. (M) = Motion Control  (R) = Robotics  (S) = System Engineering (IT) = Information Technologies
2. The figures for FY12 and FY 13 reflect segmentation changes announced on July 18, 2013.
Quarterly Sales Trends

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

FY2009:
• Magnet-manufacturing company in China became an equity affiliate

FY2009–:
• Strengthened regional business management functions in Asia

FY2010:
• Installation of robot-marketing organization under YASKAWA Electric (Shanghai) Co., Ltd.
• Creation of marketing network for electric equipment for large-scale wind power generation

FY 2010:
• Establishment of Shenyang plant
• Launch of full-scale production of servo motors

FY2011:
• Launch of Second Shenyang plant (July)
• Establishment of (M) development center (September)

FY2011:
• Conversion of robot-marketing joint venture in China into a subsidiary
• Conversion of robot-sales joint venture in India into a wholly owned subsidiary

FY2012:
• Establishment of a robot-manufacturing subsidiary
• Launched commercial production in May 2013
• Establishment of (M) development center (September)

FY2012:
• Establishment of a local corporation in India and launch of AC drive production
• Integration of subsidiaries in India

FY2013:
• Establishment of Shenyang plant
• Launch of full-scale production of servo motors
• Establishment of (M) development center (September)
• Construction of a robot system plant
• Establishment of Headquarters in China
• Establishment of YASKAWA Tusho Group Co., Ltd as group trading company

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

New Robot Plant (Changzhou, China)
Second Shenyang Plant

Bases
Robotics Centers (Including plans)

FY2009:
• Strengthened regional business management functions in Asia

FY2010:
• Establishment of Shenyang plant
• Launch of full-scale production of servo motors

FY2011:
• Launch of Second Shenyang plant (July)
• Establishment of (M) development center (September)

FY2012:
• Establishment of a robot-manufacturing subsidiary
• Launched commercial production in May 2013
• Establishment of (M) development center (September)

FY2013:
• Establishment of Shenyang plant
• Launch of full-scale production of servo motors
• Establishment of (M) development center (September)
• Construction of a robot system plant
• Establishment of Headquarters in China
• Establishment of YASKAWA Tusho Group Co., Ltd as group trading company

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)

- YASKAWA Electric Corp.
  - Yahata-nishi Plant (Motoman Center/ Motoman Station)
  - Yahata-higashi Plant
  - Yukuhashi Plant (Drive Center/ System Engineering Center)
  - Iruma Plant (Solution Center)
  - Nakama Plant

- YASKAWA SHOUGANG ROBOT CO., LTD.
  - China

- YASKAWA Electric (Shenyang) Co., Ltd
  - China

- YASKAWA Electric UK Ltd.
  - Scotland

- YASKAWA Nordic AB
  - Sweden

- YASKAWA Ristro d.o.o.
  - Slovenia

- YASKAWA Electric (India) Private Ltd.
  - India

- YASKAWA Electric (Shanghai) Drive Co., Ltd.
  - China

- YASKAWA America, Inc.
  - Drives&Motion Div.
    - U.S.

- YASKAWA America, Inc.
  - Motoman Robotics Div.
    - Canada

- YASKAWA Europe GmbH Robotics Div.
  - Germany

- YASKAWA (China) Robotics Co., Ltd
  - China

- YASKAWA Ristro d.o.o.
  - Slovenia

- YASKAWA Robotics India Ltd.
  - India

- YASKAWA Motoman Mexico, S.A. de C.V.
  - Mexico

- YASKAWA Motoman Canada, Ltd.
  - Canada

- YASKAWA Motoman Mexico, S.A. de C.V.
  - Motoman Robotics Div.
    - U.S.

- YASKAWA Electric (China) Robotics Co., Ltd
  - China

- YASKAWA Motoman Canada, Ltd.
  - Motoman Robotica do Brasil
    - Brazil

- YASKAWA Elétrico do Brasil Ltda.
  - Motoman Robotica do Brasil
    - Brazil
Disclaimer

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.