

Consolidated Results for the First Three Quarters of the Fiscal Year Ending March 20, 2011
[Japan GAAP]

January 21, 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. The figures under one million are rounded down.)

1. Summary of Consolidated Results for the First Three Quarters of the Fiscal Year Ending March 20, 2011 (March 21, 2010 to December 20, 2010)

(1) Consolidated Statements of Income

	(Millions of yen, except ratio and per share data)			
	Nine months ended December 20, 2010	Change	Nine months ended December 20, 2009	Change
Net sales	212,518	41.2%	150,554	-
Operating income	7,684	-	(11,033)	-
Ordinary income	7,719	-	(10,553)	-
Net income	4,321	-	(8,161)	-
Earnings per share (basic, Yen)	17.17	-	(32.43)	-
Earnings per share (diluted, Yen)	-	-	-	-

(2) Consolidated Financial Position

	(Millions of yen, except ratio and per share data)	
	As of December 20, 2010	As of March 20, 2010
Total assets	261,936	241,649
Net assets	95,830	93,289
Shareholders' equity ratio (%)	34.8	36.6
Net assets per share (Yen)	361.82	351.47

Reference: Shareholders' equity

As of December 20, 2010: ¥91,058 million

As of March 20, 2010: ¥88,459 million

2. Dividend Distribution

	Year Ended March 20, 2010	Year Ending March 20, 2011	Year Ending March 20, 2011 (forecast)
Dividend per share (Yen)			
End of 1Q	-	-	-
End of 2Q	1.50	2.00	-
End of 3Q	-	-	-
Year-end	1.50	-	4.00
Annual total	3.00	-	6.00

Note: Change in the forecast of dividend in this period: Yes

3. Projected Consolidated Results for the Fiscal Year Ending March 20, 2011

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

	Year ending March 20, 2011	Change
Net sales	295,000	31.3%
Operating income	12,500	-
Ordinary income	12,500	-
Net income	6,500	-
Earnings per share (Yen)	25.83	-

Note: Change in the projected consolidated results in this period: None

4. Other (*Please refer to “2. Other Information” on page 4 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: No

(4) Number of Common Shares Outstanding

1. The number of shares outstanding including treasury stock:
As of December 20, 2010: 252,331,938 shares
As of March 20, 2010: 252,331,938 shares
2. The number of treasury stocks:
As of December 20, 2010: 666,718 shares
As of March 20, 2010: 649,178 shares
3. Average during period (quarter cumulative):
Nine months ended December 2010: 251,673,717 shares
Nine months ended December 2009: 251,709,088 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 3.

(Attachment)

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1. Qualitative Information on Quarterly Results

1) Qualitative Information on Consolidated Business Performance

In the first three quarters of the fiscal year, sales and earnings at the Yaskawa Group increased despite a sharp appreciation of the yen. Performance benefited from strong external demand mainly in China and other Asian countries, and a recovery in earnings at major customers in Japan.

To achieve growth in performance in the expanding market environment, the Yaskawa Group took the following actions in line with the growth strategy in its “Challenge 100” mid-term business plan.

- Increase sales even faster in the growing markets of China and other Asian countries and countries with emerging economies
- Grow in the environmental & energy business domain
- Continue to cut costs rigorously

Due to the steady performance in the operating environment as well as our implementation of the above measures, there were large increases and improvements in sales and earnings in the first three quarters from one year earlier, chiefly in the key motion control and robotics segments. Sales increased 41.2% to ¥212,518 million, operating income increased ¥18,718 million to ¥7,684 million, ordinary income increased ¥18,272 million to ¥7,719 million, and net income increased ¥12,482 million to ¥4,321 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	Nine months ended December 20, 2010	
	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	116,259 (up by 58.6%)	7,215 (up by 11,438)
Robotics	59,575 (up by 58.8%)	551 (up by 8,331)
System Engineering	20,774 (down by 17.5%)	209 (down by 1,754)
Information Technologies	9,835 (down by 5.5%)	(750) (less by 226)
Other	6,074 (up by 46.1%)	385 (up by 481)

■ Motion Control

Orders for AC servo motors and controllers were strong as demand increased along with the resumption of capital expenditures by customers. To meet the rapid upturn in orders, the Yaskawa Group focused on increasing sales by strengthening manufacturing operations and enhancing efficiency of production system.

Orders and sales for AC drives remained strong because of demand for use in energy-conserving applications and demand associated with infrastructure projects, mainly in China and other Asian countries.

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

■ Robotics

Orders for welding, handling and other robots increased as the Yaskawa Group worked on increasing sales overseas, particularly in the automobile industry and other market sectors. In Japan, demand from the automobile industry has yet to recover, but the Yaskawa Group concentrated on targeting demand for robots in other industries. In addition, sales remained strong to customers in the FPD and semiconductor manufacturing industries.

As a result, sales increased and operating income returned to profitability.

■ System Engineering

Sales were lower than one year earlier because of a downturn in orders from the steel industry. But the segment was profitable because of rigorous cost-cutting and profitability management measures.

■ Information Technologies

Sales were slightly lower than one year earlier due to intense competition. The segment loss decreased because of extensive measures to cut costs.

■ Other

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

2) Qualitative Information on Consolidated Financial Condition

Total assets were ¥261,936 million at the end of the third quarter, ¥20,287 million higher than at the end of the previous fiscal year. The increase was attributable primarily to growth in current assets.

Total liabilities increased ¥17,746 million to ¥166,106 million mainly because of growth in current liabilities.

Net assets increased ¥2,541 million to ¥95,830million.

3) Qualitative Information on Projected Consolidated Results

There are no revisions to the forecast for consolidated results of operations for the fiscal year ending March 20, 2011 that was announced on October 15, 2010. This forecast is based on average yen exchange rates of ¥80 to the U.S. dollar and ¥110 to the euro during the fourth quarter of the current fiscal year.

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 third quarter 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

No physical count was performed to calculate inventories at the end of the third quarter. Instead, inventories were calculated by using a reasonable method based on the physical count of inventories at the end of the previous fiscal year or the end of the first half of the current 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

(Change in standard for recognition of sales and cost of sales for completed construction projects)

Previously, sales and the cost of sales for construction contracts were recognized by using the completed-contract method. Beginning with the first quarter of the current fiscal year, "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007) have been applied. For construction contracts where work was started during the first quarter of the current fiscal year, the percentage-of-completion method (rate of progress estimated by the cost-ratio method) is used for contracts where the outcome with regard to progress made by the end of the third quarter is deemed to be certain and the completed-contract method is used for all other contracts.

This change had only a negligible effect on sales or earnings.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 20, 2010	As of March 20, 2010
Assets		
Current assets		
Cash and time deposits	15,663	16,430
Trade notes and accounts receivable	83,904	81,024
Merchandise and finished goods	37,442	30,747
Goods in process	10,324	5,935
Raw materials and supplies	12,888	9,517
Other	27,016	19,931
Allowance for doubtful accounts	(1,526)	(1,550)
Total current assets	185,713	162,036
Fixed assets		
Property, plant and equipment	35,891	36,390
Intangible assets	5,469	5,202
Investments and other assets		
Other	35,388	38,509
Allowance for doubtful accounts	(526)	(489)
Total investments and other assets	34,861	38,019
Total fixed assets	76,223	79,612
Total assets	261,936	241,649
Liabilities		
Current liabilities		
Trade notes and accounts payable	63,934	51,082
Short-term bank loans	33,229	31,830
Accrued directors' bonus	40	44
Other	27,210	22,294
Total current liabilities	124,414	105,252
Long-term liabilities		
Long-term debt	9,234	10,405
Provision for employees' retirement benefits	31,127	31,337
Provision for directors' retirement benefits	270	278
Other	1,059	1,085
Total long-term liabilities	41,691	43,107
Total liabilities	166,106	148,359
Net assets		
Shareholders' equity		
Common stock	23,062	23,062
Additional paid-in capital	18,682	18,682
Retained earnings	55,058	51,534
Treasury stock, at cost	(420)	(407)
Total shareholders' equity	96,382	92,871
Valuation and translation adjustments		
Net unrealized holding gain (loss) on securities	1,703	1,241
Deferred gains (losses) on hedges	0	(11)
Foreign currency translation adjustments	(7,027)	(5,641)
Total valuation and translation adjustments	(5,323)	(4,412)
Minority interests	4,772	4,830
Total net assets	95,830	93,289
Total liabilities and net assets	261,936	241,649

(2) Consolidated Statements of Income

(Millions of yen)

	Nine Months Ended December 20, 2009	Nine Months Ended December 20, 2010
Net sales	150,554	212,518
Cost of sales	118,648	157,668
Gross profit	31,905	54,849
Selling, general and administrative expenses	42,939	47,165
Operating income (loss)	(11,033)	7,684
Non-operating income		
Interest income	49	64
Dividends received	222	259
Equity in earnings of associated companies	-	60
Government subsidies for employment adjustment	882	239
Other	750	442
Total non-operating income	1,903	1,066
Non-operating expenses		
Interest expense	537	490
Equity in losses of associated companies	295	-
Foreign exchange loss	390	306
Other	199	234
Total non-operating expenses	1,422	1,032
Ordinary income (loss)	(10,553)	7,719
Extraordinary gains		
Gain on sales of fixed assets	45	44
Other	-	3
Total extraordinary gains	45	47
Extraordinary losses		
Loss on sales and disposal of fixed assets	109	62
Loss on valuation of inventories	2,138	-
Loss on devaluation of investment securities	-	389
Other	319	113
Total extraordinary losses	2,567	565
Income (Loss) before income taxes and minority interests	(13,075)	7,201
Provision for income taxes- current	658	2,939
Reversal of income taxes payable for previous periods	(139)	-
Provision for income taxes- deferred	(5,117)	(26)
Total income taxes	(4,598)	2,913
Minority interests in income (loss)	(314)	(32)
Net income (loss)	(8,161)	4,321

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

None

(4) Segment Information

Business Segments

	Nine months ended December 20, 2009						(Millions of yen)	
	Motion Control	Robotics	System Engineering	Information Technologies	Other	Total	Eliminations & Corporate	Consolidated
<u>Net sales</u>								
Sales to external customers	73,300	37,516	25,167	10,412	4,156	150,554	-	150,554
Intersegment sales and transfers	4,149	328	1,126	1,318	2,835	9,758	(9,758)	-
Total sales	77,450	37,845	26,293	11,731	6,992	160,312	(9,758)	150,554
Operating income (loss)	(4,223)	(7,780)	1,963	(976)	(95)	(11,112)	78	(11,033)

(Note)

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

	Nine months ended December 20, 2010						(Millions of yen)	
	Motion Control	Robotics	System Engineering	Information Technologies	Other	Total	Eliminations & Corporate	Consolidated
<u>Net sales</u>								
Sales to external customers	116,259	59,575	20,774	9,835	6,074	212,518	-	212,518
Intersegment sales and transfers	10,018	639	1,093	2,171	3,740	17,663	(17,663)	-
Total sales	126,277	60,215	21,867	12,006	9,814	230,182	(17,663)	212,518
Operating income (loss)	7,215	551	209	(750)	385	7,611	73	7,684

(Note)

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

Geographical Areas

	Nine months ended December 20, 2009					(Millions of yen)	
	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	Consolidated
<u>Net sales</u>							
Sales to external customers	88,182	19,906	17,484	24,980	150,554	-	150,554
Intersegment sales and transfers	21,233	231	105	1,855	23,424	(23,424)	-
Total sales	109,415	20,138	17,590	26,835	173,979	(23,424)	150,554
Operating income (loss)	(14,295)	479	(605)	1,352	(13,070)	2,036	(11,033)

(Notes)

- 1 Geographical areas are divided into categories based on their geographical proximity.
- 2 The regions that belong to each area are as follows.
 - The Americas - U.S.A., etc
 - Europe – Germany, Sweden, The United Kingdom, etc
 - Asia – The People’s Republic of China, Singapore, Korea, etc

	Nine months ended December 20, 2010					(Millions of yen)	
	Japan	The Americas	Europe	Asia	Total	Eliminations & Corporate	Consolidated
<u>Net sales</u>							
Sales to external customers	127,294	25,130	21,280	38,813	212,518	-	212,518
Intersegment sales and transfers	45,381	291	177	4,262	50,112	(50,112)	-
Total sales	172,675	25,421	21,458	43,075	262,631	(50,112)	212,518
Operating income (loss)	4,231	1,493	804	3,171	9,701	(2,016)	7,684

(Notes)

- 1 Geographical areas are divided into categories based on their geographical proximity.
- 2 The regions that belong to each area are as follows.
 - The Americas - U.S.A., etc
 - Europe – Germany, Sweden, The United Kingdom, etc
 - Asia – The People’s Republic of China, Singapore, Korea, etc

Overseas Sales

	Nine months ended December 20, 2009				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	21,005	16,878	37,525	768	76,177
Consolidated sales	-	-	-	-	150,554
Percentage of overseas sales in consolidated sales	14%	11%	25%	1%	51%

(Notes)

1 Geographical areas are divided into categories based on their geographical proximity.

2 The regions that belong to each area are as follows.

The Americas - U.S.A., etc

Europe – Germany, Sweden, The United Kingdom, etc

Asia – The People’s Republic of China, Singapore, Korea, etc

Other – Australia, etc

	Nine months ended December 20, 2010				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	28,254	21,147	62,248	533	112,183
Consolidated sales	-	-	-	-	212,518
Percentage of overseas sales in consolidated sales	13%	10%	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.

The Americas - U.S.A., etc

Europe – Germany, Sweden, The United Kingdom, etc

Asia – The People’s Republic of China, Singapore, Korea, etc

Other – Australia, etc

(5) Notes on Significant Change in Shareholders' Equity

None