FY2011 1st Half Financial Results Summary
(Ended September 20, 2011)

FY2011 2nd Half and Full-year Forecasts Summary
(Ending March 20, 2012)

Presented by Junji Tsuda, President
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Business Overview

**Motion Control**
AC servomotors are used in machine tools, robots, printing machines, and food and packaging machines. They are also widely used in semiconductor manufacturing machines and chip mounters as well as in machine presses and injection molding machines.

AC drives are used not only in industrial machinery, but also in the consumer products including air conditioners, refrigerators, washing machines, and health care devices. AC drives are also found in transport equipments such as elevators and cranes. They receive much attention as energy saving devices.

![Chip Mounter](image1)
![Escalator](image2)

**Robotics**
Robots contribute to the automation of manufacturing processes of automobile and electronic industries. The typically automated processes by robots include welding, painting, and handling.

In the semiconductor industry, robots are used in clean and vacuum environments. There are also robots to handle glass-substrates for use in the FPD industry.

![Collaborative Welding](image3)
![Assembly operation by a dual-arm robot](image4)
![10th generation FPD transfer robot](image5)

**System Engineering**
System Engineering business provides solutions for varieties of large-scale plant facilities such as steel plants and water treatment plants. They are indispensable for our daily lives and stable operation is an absolute requirement.

The demand for medium-voltage AC drives are growing for their significant energy saving effect in use for pumps and blowers, and other such wind of water force machinery and facilities.

![Electric instrumentation systems for water and sewerage](image6)
![Continuous-casting machine](image7)
![Monitoring control system of steel plants](image8)

**Information Technologies**
The entire businesses of Yaskawa Information Systems Corporation and YE Data Inc. which are two of the Yaskawa group of companies constitute the Information Technologies segment. They conduct businesses in software development and computer peripherals.

![Scanner head for high-power laser](image9)
![NetSHAKER ProxyBox](image10)
Sales and profits significantly increased mainly in the (M) Motion Control and (R) Robotics segments with the robust Chinese and Asian markets, economic recovery in Europe, the U.S. and Japan, and cost reduction efforts. Negative impact of the Great East Japan Earthquake in March 2011 on our supply chain was minimized.

<table>
<thead>
<tr>
<th></th>
<th>FY2011/1H</th>
<th>FY2010/1H</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>¥158.0 bn.</td>
<td>¥139.4 bn.</td>
<td>¥+18.5 bn.</td>
</tr>
<tr>
<td>Operating Income</td>
<td>¥9.2 bn.</td>
<td>¥3.4 bn.</td>
<td>¥+5.7 bn.</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>¥9.2 bn.</td>
<td>¥3.4 bn.</td>
<td>¥+5.8 bn.</td>
</tr>
<tr>
<td>Net Income</td>
<td>¥6.4 bn.</td>
<td>¥1.7 bn.</td>
<td>¥+4.7 bn.</td>
</tr>
</tbody>
</table>
Exceeded the revised forecast with the recovery in (M) Motion Control and (R) Robotics segments

<table>
<thead>
<tr>
<th></th>
<th>FY2011/1H</th>
<th>Changes from Previous Forecasts</th>
<th>FY2010/1H</th>
<th>Change from FY2010/1H</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q</td>
<td>2Q</td>
<td>Results</td>
<td>Forecasts</td>
</tr>
<tr>
<td>Net Sales</td>
<td>76.4</td>
<td>81.5</td>
<td>158.0</td>
<td>155.0</td>
</tr>
<tr>
<td>(M) Motion Control</td>
<td>43.2</td>
<td>41.0</td>
<td>84.3</td>
<td>84.6</td>
</tr>
<tr>
<td>(R) Robotics</td>
<td>22.0</td>
<td>26.5</td>
<td>48.5</td>
<td>47.3</td>
</tr>
<tr>
<td>(S) System Engineering</td>
<td>6.5</td>
<td>7.7</td>
<td>14.3</td>
<td>13.4</td>
</tr>
<tr>
<td>Information Technologies</td>
<td>2.4</td>
<td>3.6</td>
<td>6.0</td>
<td>6.2</td>
</tr>
<tr>
<td>Operating income</td>
<td>4.7</td>
<td>4.5</td>
<td>9.2</td>
<td>8.0</td>
</tr>
<tr>
<td>(M) Motion Control</td>
<td>3.9</td>
<td>2.0</td>
<td>6.0</td>
<td>5.7</td>
</tr>
<tr>
<td>(R) Robotics</td>
<td>1.0</td>
<td>2.1</td>
<td>3.1</td>
<td>2.6</td>
</tr>
<tr>
<td>(S) System Engineering</td>
<td>(0.1)</td>
<td>0.2</td>
<td>0.0</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Information Technologies</td>
<td>(0.2)</td>
<td>0.1</td>
<td>(0.0)</td>
<td>(0.0)</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>4.7</td>
<td>4.5</td>
<td>9.2</td>
<td>8.0</td>
</tr>
<tr>
<td>Net income</td>
<td>3.7</td>
<td>2.7</td>
<td>6.4</td>
<td>5.7</td>
</tr>
</tbody>
</table>

Note: Revised forecasts were disclosed on July 19, 2011
Robust in China and other Asian countries. The growing demands for AC drives in infrastructure and air conditioning for energy saving led steady sales growth, while the sales of AC servo drives increased due to strong demand in the overseas markets and expanding sales of new products. The production volume has been secured by enhancing component procurement.

Robust in the automobile industry in China and other Asian countries. Steady recovery in the Americas and Europe, while sales in Japan increased mainly in the non-automobile industries. Sales in FPD industries maintained a high level. Promoted business operation focusing on the profitability.

Maintained the same level of profitability as FY 2010/1H, despite the drop-off period in the steel industry, by pursuing the cost reduction and profitability.

Net loss significantly decreased with cost reduction measures, even though IT-related investment was suppressed.

Note: (M)= Motion Control (R)= Robotics (S)= System Engineering (IT)= Information Technologies
Breakdown of Changes in Operating Income  
(FY2010/1H => FY2011/1H)  

- Profit increase due to sales increase  
- Effects of changes in forex rates  
- Added value  
- Increase in expenses  

(FY2010/1H => FY2011/1H)  

- 3.4  
- +5.7  
- 9.2  

(Unit: Billions of yen)
Sales Breakdown by Business Segment

(R) Robotics significantly increased

FY2010/1H
- Consolidated sales: 139.4 billion yen
- Robotics: 27%
- Motion Control: 55%
- System Engineering: 10%
- Information Technologies: 5%

FY2011/1H
- Consolidated sales: 158.0 billion yen
- Robotics: 31%
- Motion Control: 53%
- System Engineering: 9%
- Information Technologies: 4%

(R) Robotics significantly increased
Sales expanded both in Japanese and overseas markets. Especially overseas sales increased 19% year on year.

Sales Breakdown by Destination (FY2010/1H=>FY2011/1H)

(Unit: Billions of yen, %)

<table>
<thead>
<tr>
<th></th>
<th>FY2011 1H</th>
<th>FY2010 1H</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amounts</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>158.0</td>
<td>139.4</td>
<td>+18.5</td>
</tr>
<tr>
<td>Japan</td>
<td>70.1</td>
<td>65.6</td>
<td>+4.4</td>
</tr>
<tr>
<td>Overseas</td>
<td>87.8</td>
<td>73.7</td>
<td>+14.0</td>
</tr>
<tr>
<td>The Americas</td>
<td>21.9</td>
<td>19.2</td>
<td>+2.7</td>
</tr>
<tr>
<td>Europe</td>
<td>17.5</td>
<td>13.1</td>
<td>+4.4</td>
</tr>
<tr>
<td>China</td>
<td>26.8</td>
<td>22.2</td>
<td>+4.6</td>
</tr>
<tr>
<td>Other Asian Countries</td>
<td>20.7</td>
<td>18.8</td>
<td>+1.9</td>
</tr>
<tr>
<td>Increases</td>
<td></td>
<td></td>
<td>+13.3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+6.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+19.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+14.3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+34.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+21.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+10.2%</td>
</tr>
</tbody>
</table>
Sales Breakdown by Destination

**Overseas sales ratio grew to 56% due to strong growth in China, Europe and the Americas.**

**FY2010/1H**
- **Overseas**: 53%
  - China: 16%
  - Europe: 9%
  - The Americas: 14%
  - Other Asian Countries: 14%
- **Japan**: 47%

**Consolidated sales**: 139.4 billion yen

**FY2011/1H**
- **Overseas**: 56%
  - China: 17%
  - Europe: 11%
  - The Americas: 14%
  - Other Asian Countries: 13%
- **Japan**: 44%

**Consolidated sales**: 158.0 billion yen

*YASKAWA*
Quarterly Sales Trends by Business Segment and Destination

Steady recovery from FY2009/1Q

(Billions of yen)

Steady recovery mainly in the overseas markets. Japan is also on a recovery trend.

Business Segments

Destinations

Note: (M)= Motion Control (R)= Robotics (S)= System Engineering (IT)= Information Technologies
(M) & (R) Quarterly Sales Trends by Destination

**Slowdown started in FY2011/2Q**

(Billions of yen)

**Steady year-on-year recovery and expansion**

Note: (M)= Motion Control (R)= Robotics
### FY2011/2H Business Environment Forecasts

**Business environment changed from FY2011/2Q. The trends in electronics-related and Chinese markets need attention.**

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#### Note: Trends from FY2011/2Q to FY2011/2H

<table>
<thead>
<tr>
<th>Market environment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Semiconductor</strong></td>
<td>Due to weak demand for PCs, the adjustments will continue within CY2011. The recovery is expected from the beginning of next year.</td>
</tr>
<tr>
<td><strong>FPD</strong></td>
<td>The investment for large-sized panel in China is slowed down. On the other hand, the investment for small- and mid-sized panels used for smart-phones and tablet PCs is robust. The demand for OLED is also expanding.</td>
</tr>
<tr>
<td><strong>Automobile</strong></td>
<td>Robust in China and S. Korea. Capital expenditures in Europe and the U.S. are on a recovery trend. The recovery in Japan is accelerated.</td>
</tr>
<tr>
<td><strong>Steel</strong></td>
<td>The drop-off period which started in FY2010 continues. Environment-related investment is maintained.</td>
</tr>
<tr>
<td><strong>New energy</strong></td>
<td>The demands for energy-saving and new energy are significantly expanding after the earthquake.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regional trends</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Americas</strong></td>
<td>Capital expenditure continues to recover, almost reaching record high.</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td>Steady recovery overall with varying degrees in different countries and industries. Need to pay attention to financial crises in Europe.</td>
</tr>
<tr>
<td><strong>China and other Asian countries</strong></td>
<td>Economic slowdown due to austerity measures, although the strong regional demand remains. Automation and robotization will accelerate the growth.</td>
</tr>
<tr>
<td><strong>Japan</strong></td>
<td>Favorable factors such as reconstruction needs and recovery in automotives production exist. However, uncertainty for overseas demands still remains.</td>
</tr>
</tbody>
</table>
Due to weakening orders from FY2011/2Q, soaring price of magnets and appreciation of the yen, FY2011 forecasts are revised down.

<table>
<thead>
<tr>
<th></th>
<th>FY'11/1H Forecasts</th>
<th>FY'11/2H Forecasts</th>
<th>FY'11 Forecasts</th>
<th>Changes from previous forecasts</th>
<th>FY'10 Amounts</th>
<th>Changes from FY'10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>¥ 158.0 bn.</td>
<td>¥ 151.9 bn.</td>
<td>¥ 310.0 bn.</td>
<td>¥ 320.0 bn.</td>
<td>¥ (10.0) bn.</td>
<td>¥ 296.8 bn.</td>
</tr>
<tr>
<td>Operating Income</td>
<td>¥ 9.2 bn.</td>
<td>¥ 4.7 bn.</td>
<td>¥ 14.0 bn.</td>
<td>¥ 20.0 bn.</td>
<td>¥ (6.0) bn.</td>
<td>¥ 12.8 bn.</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>¥ 9.2 bn.</td>
<td>¥ 4.7 bn.</td>
<td>¥ 14.0 bn.</td>
<td>¥ 20.0 bn.</td>
<td>¥ (6.0) bn.</td>
<td>¥ 13.4 bn.</td>
</tr>
<tr>
<td>Net Income</td>
<td>¥ 6.4 bn.</td>
<td>¥ 2.5 bn.</td>
<td>¥ 9.0 bn.</td>
<td>¥ 12.0 bn.</td>
<td>¥ (3.0) bn.</td>
<td>¥ 6.5 bn.</td>
</tr>
</tbody>
</table>

Note: Previous forecasts were disclosed on July 19, 2011.
FY2011 Full-year Financial Forecasts by Business Segment

(M) FY2011/2H forecasts in sales and profits are expected to decrease from 1H, because of slowdown in the industries of semiconductor, FPD, chip mounter as well as Chinese markets. Soaring magnet prices and appreciation of the yen will also have negative impacts.

(R) Robust in automobile industry. Marketing in the non-automobile area progresses and sales for general industries expand. Sales in FPD maintain a high level, while sales in semiconductor is expected to decrease due to weak demand.

(S) Sales and profits are expected to increase compared with the previous forecasts due to reconstruction demand and cost reduction.

(IT) Although sales will decrease due to the hold down of IT-related investment, the segment aims to recover to the profitability for the first time in three years by cost reduction.

Note: (M) Motion Control (R) Robotics (S) System Engineering (IT) Information Technologies
Breakdown of Changes in Operating Income
(FY2010=>FY2011 Forecast)

Any forward-looking statements within this document are made according to the assumptions of management and are subject to change as a result of risks and uncertainties.

(Unit: Billions of yen)
Focusing investment on growing areas/markets as well as on the markets where we are aiming to expand, and improving profitability

◆ Secure Orders
  • Strengthen sales capability in China and other Asian countries
    Establish a holding company in China, Strengthen and expand sales and production bases
  • Reinforce and expand business network to increase robot sales
    Enhance sales bases in Japan, the U.S. and Europe as well as corporate structure in China and India
  • Expand sales of core and new products

◆ Accelerate New Business Development
  • Expand product line-up for photovoltaic power generation and large-scale wind power generation, etc.
Strengthen countermeasures against appreciation of the yen
  • Accelerating local production and procurement
  • Reinforcing the cost reduction measures

Respond to soaring prices of magnets

Streamline expenses and investments

=> Strengthen growth and profitability by accelerating implementation of the above measures
(Reference) Capital Expenditure, R&D Investment, Forex Rates

◆ Capital expenditure (Consolidated)  

<table>
<thead>
<tr>
<th></th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011 Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure</td>
<td>4.12</td>
<td>6.66</td>
<td>11.00</td>
</tr>
<tr>
<td>Depreciation</td>
<td>7.84</td>
<td>7.06</td>
<td>8.00</td>
</tr>
</tbody>
</table>

◆ R&D investment (Consolidated)  

<table>
<thead>
<tr>
<th></th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011 Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D investment</td>
<td>8.49</td>
<td>9.72</td>
<td>11.00</td>
</tr>
</tbody>
</table>

◆ Forex rates (Non-consolidated)  

<table>
<thead>
<tr>
<th></th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011 Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1H</td>
<td>2H</td>
<td>Full-year</td>
</tr>
<tr>
<td>U.S. dollar</td>
<td>95.58</td>
<td>90.56</td>
<td>92.44</td>
</tr>
<tr>
<td>Euro</td>
<td>132.06</td>
<td>130.12</td>
<td>130.75</td>
</tr>
</tbody>
</table>

(Note) Average rate during the period

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**Balance Sheet Structural Trends (Consolidated)**

### As of March 31, 2011
- Shareholders’ equity ratio: 35.2%
- Shareholders’ equity: 93.2 billion yen
- Interest-bearing debt: 41.4 billion yen
- D/E ratio: 0.44
- Inventory: 58.1 billion yen
- Turnover: 2.3 months

### As of September 20, 2011
- Shareholders’ equity ratio: 35.6%
- Shareholders’ equity: 97.0 billion yen
- Interest-bearing debt: 42.4 billion yen
- D/E ratio: 0.44
- Inventory: 67.4 billion yen
- Turnover: 2.5 months

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

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**Operating CF**
- 2003/3: 8.4
- 2004/3: 18.5
- 2005/3: 5.7
- 2006/3: 18.7
- 2007/3: 14.9
- 2008/3: 17.6
- 2009/3: 12.4
- 2010/3: 4.0
- 2011/3: 2.4
- 2011/9: 12.1

**Investment CF**
- 2003/3: 1.9
- 2004/3: 1.1
- 2005/3: 2.2
- 2006/3: 9.7
- 2007/3: 6.1
- 2008/3: 9.9
- 2009/3: 10.6
- 2010/3: 6.4
- 2011/3: 6.7
- 2011/9: 6.6

**Free CF**
- 2003/3: 6.4
- 2004/3: 19.6
- 2005/3: 3.5
- 2006/3: 8.9
- 2007/3: 8.8
- 2008/3: 7.7
- 2009/3: 1.7
- 2010/3: 2.4
- 2011/3: 4.2
- 2011/9: 5.5
Despite of slowdown of economy, appreciation of the yen, and sharp increase of magnet price, sales and profits are expected to increase year on year.
(Reference) Major Production Sites
(World's strongest network supporting global business development)

YASKAWA America, Inc.
Drives&Motion Div.

YASKAWA Electric UK Ltd.
Scotland

YASKAWA NORDIC AB
Sweden

YASKAWA SHOUGANG
ROBOT CO., LTD.
China

YASKAWA Ristro d.o.o.
Slovenia

YASKAWA Robotics India Ltd.
India

YASKAWA Electric (Shenyang) Co., Ltd.
China

【Production sites in Japan】
- Yahata-nishi Plant (Motoman Center/Motoman Station)
- Yahata-higashi Plant
- Yukuhashi Plant (Drive Center/System Engineering Center)
- Tokyo Plant (Solution Center)
- Nakama Plant

Yaskawa Electric Corp.

Shanghai Yaskawa Drive Co., Ltd.
China

YASKAWA Electric (Shenyang) Co., Ltd.
China

YASKAWA AMERICA, Inc.
Drives&Motion Div.
U.S.

YASKAWA Motoman Canada, Ltd.
Canada

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

YASKAWA Motoman Robotics Div.
U.S.

YASKAWA Ristro d.o.o.
Slovenia

YASKAWA Europe
GmbH Robotics Div.
Germany

YASKAWA Robotics India Ltd.
India

YASKAWA AMERICA, Inc.
Motoman Robotics Div.
U.S.

YASKAWA Electric Corp.

YASKAWA India Private Ltd.
India

YASKAWA Electric's production sites in Japan

Major overseas production sites

YASKAWA Electric's production sites in Japan

Major overseas production sites
(Reference) Recent Activities in Asia

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

FY2009-:
- Strengthened regional business management functions in Asia

FY2010:
- Conversion of robot-marketing joint venture in India into wholly owned subsidiary
- Establishment of a local corporation in India and launch of AC drive production

FY2011:
- Conversion of robot-marketing joint venture in China into a subsidiary
- Construction of a robot system plant
- Establishment of Headquarters in China

FY2009:
- Expanding of the local procurement in China
- Installation of robot-marketing organization under YASKAWA Electric (Shanghai) Co., Ltd.
- Launch of local development team for AC drives in China
- Tripled production capability for AC drives at Shanghai plant
- Creation of marketing network for electric equipment for large-scale wind power generation

June CY2010-:
- Establishment of Shenyang plant
- Launch of full-scale production of servo motors
- Expansion of plant in Shenyang

FY2011:
- Expanding of the plant in Shenyang
- Installation of robot-marketing organization under YASKAWA Electric (Shanghai) Co., Ltd.
- Launch of local development team for AC drives in China
- Tripled production capability for AC drives at Shanghai plant
- Creation of marketing network for electric equipment for large-scale wind power generation

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