

Consolidated Results for the Fiscal Year Ended March 20, 2015 [Japan GAAP]

April 20, 2015

Listed company name: YASKAWA Electric Corporation

<http://www.yaskawa.co.jp/en/>

Representative: Junji Tsuda, Representative Director, Chairman of the Board, President

Stock exchange listings: Tokyo (First section), Fukuoka

Stock ticker number: 6506

(Note: This document is a summarized translation of the financial statement submitted to the Tokyo Stock Exchange and Fukuoka Stock Exchange for the period stated above. Figures under ¥1 million are rounded down.)

1. Summary of Consolidated Results for the Fiscal Year Ended March 20, 2015 (March 21, 2014 to March 20, 2015)

(1) Consolidated Statements of Income

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

	Year ended March 20, 2015	Change	Year ended March 20, 2014	Change
Net sales	400,153	+10.1%	363,570	+17.1%
Operating income	31,532	+22.7%	25,702	+96.6%
Ordinary income	33,884	+25.1%	27,084	+92.7%
Net income	24,819	+46.3%	16,964	+149.4%
Earnings per share (basic, Yen)	98.45	-	67.42	-
Earnings per share (diluted, Yen)	93.60	-	63.98	-
Return on shareholders' equity (%)	16.3	-	13.8	-
Return on assets (%)	9.3	-	8.4	-
Operating income ratio (%)	7.9	-	7.1	-

Note:	Year ended March 20, 2015	Change	Year ended March 20, 2014	Change
Comprehensive income (Millions of yen)	35,689	+41.0%	25,306	+62.9%

Reference: Equity in earnings of affiliated companies

Year ended March 20, 2015: ¥618 million

Year ended March 20, 2014: ¥855 million

(2) Consolidated Financial Position

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

	As of March 20, 2015	As of March 20, 2014
Total assets	388,205	340,506
Net assets	175,190	139,870
Shareholders' equity ratio (%)	44.1	39.4
Net assets per share (Yen)	658.55	532.86

Reference: Shareholders' equity

As of March 20, 2015: ¥171,388 million

As of March 20, 2014: ¥134,076 million

(3) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Year ended March 20, 2015	Year ended March 20, 2014
Net cash provided by operating activities	29,023	23,972
Net cash used in investing activities	(27,874)	(16,942)
Net cash used in financing activities	(1,471)	(5,983)
Cash and cash equivalents at end of period	24,347	22,992

2. Dividends

	Year ended March 20, 2014	Year ended March 20, 2015	Year ending March 20, 2016 (forecasts)
Dividends per share (Yen)			
End of 1Q	-	-	-
End of 2Q	6.00	8.00	10.0
End of 3Q	-	-	-
Year-end	6.00	12.00	10.00
Annual total	12.00	20.00	20.00
Annual cash dividends paid (Millions of yen)	3,022	5,141	-
Dividend payout ratio (Consolidated)	17.8%	20.3%	22.1%
Dividend on net assets (Consolidated)	2.5%	3.4%	-

Breakdown of the year-end dividend for the year ended March 20, 2015:

Ordinary dividend of 10 yen and commemorative dividend for the Company's centenary of 2 yen

3. Projected Consolidated Results for the Fiscal Year Ending March 20, 2016 (from March 21, 2015 to March 20, 2016)

	(Millions of yen, except per share data)			
	Six months ending September 20, 2015	Change	Year ending March 20, 2016	Change
Net sales	208,000	+7.3%	435,000	+8.7%
Operating income	15,500	+3.9 %	36,500	+15.8%
Ordinary income	16,000	+2.3 %	37,000	+9.2%
Net income	10,000	(14.5) %	24,000	(3.3)%
Earnings per share (Yen)	37.85	-	90.48	-

Reference: These forecasts are based on average exchange rate assumptions of 1 USD = 120 JPY and 1 EUR = 125 JPY during the period from March 21, 2015 to March 20, 2016.

*Notes:

(1) Major Change in Scope of Consolidation: None

(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements:

1. Changes in accounting policies accompanying revisions in accounting standards: Yes
2. Changes other than in 1.: None
3. Changes in accounting estimates: None
4. Restatements: None

Note: Please refer to "Changes in Accounting Policies" on page 16.

(3) Number of Common Shares Outstanding

1. The number of shares outstanding including treasury shares:
As of March 20, 2015: 260,967,884 shares
As of March 20, 2014: 252,331,938 shares

2. The number of treasury shares:
As of March 20, 2015: 717,242 shares
As of March 20, 2014: 712,921 shares
3. Average during period:
Year ended March 20, 2015: 252,102,620 shares
Year ended March 20, 2014: 251,619,040 shares

*Information concerning implementation status of review procedure

This quarterly financial report is not subject to the review procedure prescribed by the Financial Instruments and Exchange Act. The review procedure for the 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 from these statements for a number of reasons.

If all of the remaining convertible bonds expiring in 2017 as of 20 March, 2015 that the Company issued are converted, 4,914,182 new shares will be issued. Also, for the share exchange merger of YE Data, Inc. scheduled on July 21, 2015, the Company will allot its 329,243 own shares and issue 800,000 new shares. Earnings per share of the projected consolidated results include the effect of new shares issued through conversion of convertible bonds and share exchange merger of YE Data, Inc. Earnings per share of the projected consolidated results include these effects.

The Yaskawa Group will hold an information meeting for securities analysts and institutional investors on April 21, 2015 (Tuesday). A summary of the materials distributed at this meeting will be posted on the Yaskawa Group website following the meeting.

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1. Business Results

Overview on Business Performance

Business Performance of Fiscal Year 2014 (Fiscal year ended March 20, 2015)

- While the markets in emerging nations except China were stagnant, the U.S. market saw steady growth. In China, although conditions varied in different markets, the production expansion in the smartphone and automobile -related industries contributed to the steady growth of overall global economy.
- In Japan, capital expenditures gradually increased because of the growth in corporate earnings backed by improvements in export conditions.
- The Yaskawa Group has focused its sales promotion efforts on favorable markets outside Japan. In the Motion Control segment, the growth in demand for smartphone-related capital expenditures in Japan, China and other Asian countries led to our sales growth. In the Robotics segment, we achieved steady global growth by capturing the market growth in the automobile sector.

The Yaskawa Group implemented measures based on the following policies to achieve continuous growth, and to enhance our capabilities of global business operation:

- Increase bookings in core businesses
- Continue developing R&D, production and sales capabilities to achieve higher profitability
- Expand the Environment and Energy business, and establish a framework to fully commercialize the Human Assist business

The business performance of each business segment for fiscal 2014 is as follows.

(Millions of yen, except ratio)

Business segment	Year ended March 20, 2015	
	Net sales (year-on-year change from the previous fiscal year)	Operating income(loss) (year-on-year change from the previous fiscal year)
Motion Control	188,116 (up by 15.9%)	21,748 (up by 32.3%)
Robotics	135,956 (up by 10.9%)	10,558 (up by 11.0%)
System Engineering	40,980 (up by 16.0%)	(768) (-)
Other	35,101 (down by 19.0%)	1,277 (up by 14.9%)

Motion Control

- Growth in global sales of AC servo motors and controllers mainly for smartphones and automobile-related industries. Production increase at Shenyang plant contributed to the significant growth in earnings.
- The PV inverter business was affected negatively by the electric power companies' postponing acceptance of applications for connections to the power grid. However, the sales of general purpose AC drives were firm.
- Both net sales and operating income increased compared to fiscal 2013.

Robotics

- The business saw steady growth in sales of welding, handling and painting robots to global automobile-related industries. Captured increasing orders from the expanding Chinese market. Sales capability is also being enhanced by establishing new robot centers to expand sales to new markets.
- Accelerated efforts to expand business in new areas, such as biomedical field, with an aim to develop a market for new robot applications.
- Both net sales and operating income increased compared to fiscal 2013.

System Engineering

- Demand for steel plants was stagnant.
- Demand for the water and sewerage electric instrumentation systems are solid, although investment was suppressed.
- Focused efforts on the development of Environment and Energy business, especially in the prospective field of large-scale wind generation, by acquiring The Switch, a manufacturer of electrical products for wind generation in Finland.

Other

- The Group's information technology business and logistics business are included in this segment.

2. Management Policies

1) Fundamental Management Policies

Since its inception, the Yaskawa Group's mission is to contribute to the evolution of society and the welfare of mankind through the performance of its business. In order to achieve this mission, we particularly affirm the following three principles and will endeavor to realize them: (1) Emphasize the importance of quality of products and constantly develop and improve technologies in which we can take pride throughout the world; (2) Improve the efficiency of operation and secure profits necessary for the survival and continued growth of the company; and (3) Endeavor to keep a market-oriented attitude, to meet the needs of the market and do our utmost to serve our customers in the best way possible. Aiming for the fulfillment of these three principles is our management philosophy. With respect to management, our highest priority is to use capital even more efficiently based on a clear stance of placing importance on the interests of shareholders. We believe that supplying products and services that make customers happy and improving the satisfaction of employees to create a fulfilling workplace for our employees will lead to growth in corporate value and earnings, thereby allowing us to provide returns for shareholders.

2) Management Goals

Concerning points 2), please refer to the "New Mid-term Plan" news release dated April 18, 2013 for detailed information.

<“New Mid-term Plan” news release website>

<http://www.yaskawa.co.jp/en/ir/news/7015>

3) Medium- to Long-term Business Strategies

The Company has formulated a new long-term plan for the period from 2016 to 2025, “Vision 2025”, following the previous plan, “Vision 2015”, set for the centennial of the company’s founding. We will aim to provide a new value to society in “Vision 2025”. In order to achieve this goal, we will create new products/service through combination of the evolution of Yaskawa’s core technology and open innovation, while maintaining and developing the direction of “Vision 2015”. Together, we intend to strengthen organizational and individual capabilities to achieve “Glocal” management.

*Glocal management: A management style defined by both a global management mindset and best local support capabilities anywhere in the world

The content of “Vision 2025” can be obtained from the URL below.

<Yaskawa Electric’s website>

<http://www.yaskawa.co.jp/en/>

4) Management Objectives and Policies

We expect steady economic growth in the U.S. in fiscal 2015. European economy is expected to recover, but the reaction to and influence of the government debt need attention. Steady economic growth is expected also in China, but conditions may vary in different markets. The Japanese economy is expected to recover gradually.

Considering the above, the Yaskawa Group will implement measures based on the following policies in order to achieve the targets set in the mid-term business plan “Realize 100” as we reach its final year.

- a) Increase earnings of existing businesses
 - Accelerate sales expansion in the new business fields and growing markets by reconstructing sales system
 - Develop new customers by making new products penetrate into the market

- b) Enhance our business performance by continuously evolving our capabilities in development, manufacturing and sales
 - Build optimum production system to synchronize with the development of products to launch into new markets
 - Strengthen global production system by innovating the process of coordination between production and sales, and by building optimum parts supply system
 - Realize flexible production system to match the production scale by development and standardization of production technology and development new function
 - Expand business by enhancing the group’s development capability, and by optimizing our production and product lineup to match the needs

- Localize our sales strategy by enhancing our global back-office function

c) Accelerate enhancement of our corporate foundations

- Accelerate the global development of the Environment & Energy business and full-scale launch of the human-assist business, and search for the next new business
- Implement organizational reforms to realize work-life balance, and improve our work environment and job satisfaction by promoting diversity and standardization of our business process

3. Consolidated Financial Statements

1) Consolidated Balance Sheets

(Millions of yen)

	As of March 20, 2014	As of March 20, 2015
Assets		
Current assets		
Cash and deposits	23,104	24,472
Trade notes and accounts receivable	108,706	121,051
Merchandise and finished goods	48,251	54,369
Goods in process	11,637	12,451
Raw materials and supplies	18,476	18,648
Deferred tax assets	8,671	9,940
Other	19,848	19,303
Allowance for doubtful accounts	(1,626)	(3,146)
Total current assets	237,068	257,090
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	22,467	27,775
Machinery and transportation equipment, net	10,891	12,064
Land	7,848	8,633
Construction in progress	3,980	6,738
Other, net	5,398	5,584
Total property, plant and equipment	50,586	60,796
Intangible assets		
Goodwill	1,704	6,423
Software	6,218	9,013
Other	7,119	13,337
Total intangible assets	15,043	28,774
Investments and other assets		
Investments	24,259	30,461
Assets concerning retirement benefits	-	15
Deferred tax assets	8,104	7,452
Other	5,756	3,939
Allowance for doubtful accounts	(313)	(324)
Total investments and other assets	37,807	41,544
Total fixed assets	103,437	131,114
Total assets	340,506	388,205

(Millions of yen)

	As of March 20, 2014	As of March 20, 2015
Liabilities		
Current liabilities		
Trade notes and accounts payable	67,999	68,588
Short-term loans	24,395	24,185
Accrued expenses	23,223	23,449
Income taxes payable	2,535	4,490
Accrued directors' bonus	39	57
Other	16,280	27,132
Total current liabilities	134,474	147,903
Long-term liabilities		
Convertible bonds	15,000	5,440
Long-term debt	15,357	21,901
Provision for employees' retirement benefits	26,234	-
Provision for directors' retirement benefits	232	191
Liability concerning retirement benefits	-	28,792
Other	9,335	8,785
Total long-term liabilities	66,160	65,111
Total liabilities	200,635	213,014
Net assets		
Shareholders' equity		
Capital	23,062	27,842
Additional paid-in capital	18,689	23,474
Retained earnings	81,431	103,092
Treasury stock, at cost	(476)	(486)
Total shareholders' equity	122,706	153,922
Accumulated other comprehensive income		
Net unrealized holding gain on securities	5,286	9,456
Foreign currency translation adjustments	6,083	12,518
Accumulated adjustment concerning retirement benefits	-	(4,509)
Total accumulated other comprehensive income	11,370	17,465
Minority interests	5,794	3,802
Total net assets	139,870	175,190
Total liabilities and net assets	340,506	388,205

2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Year Ended March 20, 2014	Year Ended March 20, 2015
Net sales	363,570	400,153
Cost of sales	255,431	273,262
Gross profit	108,139	126,890
Selling, general and administrative expenses	82,436	95,357
Operating income	25,702	31,532
Non-operating income		
Interest income	181	253
Dividends received	375	453
Equity in earnings of associated companies	855	618
Foreign exchange gains	329	1,076
Subsidy income	611	911
Miscellaneous income	233	288
Total non-operating income	2,586	3,601
Non-operating expenses		
Interest expenses	789	928
Miscellaneous expenses	414	321
Total non-operating expenses	1,204	1,249
Ordinary income	27,084	33,884
Extraordinary gains		
Gain on sales of fixed assets	266	108
Gain on sales of investment securities	-	504
Gain on sales of shares of affiliated companies	-	445
Gain on sales of investment in affiliated companies	30	-
Total extraordinary gains	296	1,058
Extraordinary losses		
Loss on sales and disposal of fixed assets	332	148
Loss on devaluation of investment securities	1	33
Impairment loss	374	116
Loss on abolishment of retirement benefit plan	-	225
Reorganization costs	840	-
Other	113	5
Total extraordinary losses	1,663	529
Income before income taxes and minority interests	25,717	34,413
Provision for income taxes- current	7,206	10,840
Provision for income taxes- deferred	894	(1,210)
Total income taxes	8,100	9,629
Income before minority interests	17,617	24,783
Minority interests in income	652	(35)
Net income	16,964	24,819

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Year Ended March 20, 2014	Year Ended March 20, 2015
Income before minority interests	17,617	24,783
Other comprehensive income		
Net unrealized holding gain on securities	1,519	4,162
Foreign currency translation adjustment	5,798	6,570
Share of other comprehensive income of associates accounted for using equity method	371	173
Total other comprehensive income	<u>7,688</u>	<u>10,906</u>
Comprehensive income	<u>25,306</u>	<u>35,689</u>
(Breakdown)		
Comprehensive income attributable to shareholders of the Company	24,473	35,424
Comprehensive income attributable to minority interests	832	265

3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Year Ended March 20, 2014	Year Ended March 20, 2015
Shareholders' equity		
Common stock		
Balance at the beginning of current period	23,062	23,062
Changes of items during the period		
Issue of new shares		4,780
Total changes of items during the period	-	4,780
Balance at the end of current period	23,062	27,842
Additional paid-in capital		
Balance at the beginning of current period	18,684	18,689
Changes of items during the period		
Issue of new shares		4,780
Disposition of treasury stock	5	5
Total changes of items during the period	5	4,785
Balance at the end of current period	18,689	23,474
Retained earnings		
Balance at the beginning of current period	67,599	81,431
Changes of items during the period		
Cash dividends	(2,771)	(3,526)
Net income	16,964	24,819
Change in scope of consolidation	(361)	(107)
Change in scope of equity method		474
Total changes of items during the period	13,832	21,660
Balance at the end of current period	81,431	103,092
Treasury stock		
Balance at the beginning of current period	(449)	(476)
Changes of items during the period		
Acquisition of treasury stock	(35)	(14)
Disposition of treasury stock	8	5
Total changes of items during the period	(27)	(9)
Balance at the end of current period	(476)	(486)
Total shareholders' equity		
Balance at the beginning of current period	108,896	122,706
Changes of items during the period		
Issue of new shares	-	9,560
Cash dividends	(2,771)	(3,526)
Net income	16,964	24,819
Acquisition of treasury stock	(35)	(14)
Disposition of treasury stock	13	10
Change in scope of consolidation	(361)	(107)
Change in scope of equity method	-	474
Total changes of items during the period	13,810	31,215
Balance at the end of current period	122,706	153,922
Accumulated other comprehensive income		
Net unrealized holding gain on securities		
Balance at the beginning of current period	3,749	5,286
Changes of items during the period		
Net changes of items other than shareholders' equity	1,536	4,169
Total changes of items during the period	1,536	4,169
Balance at the end of current period	5,286	9,456

(Millions of yen)

	Year Ended March 20, 2014	Year Ended March 20, 2015
Foreign currency translation adjustments		
Balance at the end of previous period	(427)	6,083
Changes of items during the period		
Net changes of items other than shareholders' equity	6,511	6,435
Total changes of items during the period	6,511	6,435
Balance at the end of current period	6,083	12,518
Accumulated adjustment concerning retirement benefits		
Balance at the end of previous period	-	-
Changes of items during the period		
Net changes of items other than shareholders' equity	-	(4,509)
Total changes of items during the period	-	(4,509)
Balance at the end of current period	-	(4,509)
Total accumulated other comprehensive income		
Balance at the end of previous period	3,322	11,370
Changes of items during the period		
Net changes of items other than shareholders' equity	8,047	6,095
Total changes of items during the period	8,047	6,095
Balance at the end of current period	11,370	17,465
Minority interests		
Balance at the end of previous period	5,247	5,794
Changes of items during the period		
Net changes of items other than shareholders' equity	547	(1,991)
Total changes of items during the period	547	(1,991)
Balance at the end of current period	5,794	3,802
Total net assets		
Balance at the end of previous period	117,465	139,870
Changes of items during the period		
Issue of new shares	-	9,560
Cash dividends	(2,771)	(3,526)
Net income	16,964	24,819
Acquisition of treasury stock	(35)	(14)
Disposition of treasury stock	13	10
Change of scope of consolidation	(361)	(107)
Change of scope of equity method	-	474
Net changes of items other than shareholders' equity	8,595	4,103
Total changes of items during the period	22,405	35,319
Balance at the end of current period	139,870	175,190

4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year Ended March 20, 2014	Year Ended March 20, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	25,717	34,413
Depreciation and amortization	9,214	11,534
Goodwill amortization	434	753
Impairment loss	374	116
Increase in allowance for doubtful accounts	161	1,290
Increase in provision for employees' retirement benefits	392	-
Decrease in liability concerning retirement benefits	-	(276)
Decrease in provision for directors' retirement benefits	4	(9)
Loss on sales and retirement of fixed assets	66	40
Gain on sales of investment securities	-	(504)
Gain on sales of shares of affiliated companies	-	(445)
Gain on sales of investment in affiliated companies	(30)	-
Loss on valuation of investment securities	1	33
Interest and dividend income	(556)	(706)
Interest expense	789	928
Increase in trade receivables	(1,945)	(5,263)
Increase in inventories	(8,375)	(1,395)
Increase (decrease) in trade payables	3,430	(6,190)
Increase in accrued expenses	77	1,855
Increase in consumption tax receivable	(516)	(403)
Other	824	1,153
Subtotal	30,067	36,922
Interest and dividends received	1,097	1,272
Interest paid	(780)	(957)
Income taxes paid	(6,411)	(8,213)
Net cash provided by operating activities	23,972	29,023
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(15,898)	(18,509)
Proceeds from sales of property, plant and equipment and intangible assets	572	226
Purchases of investment securities	(1,432)	(3)
Proceeds from sales of investment securities	30	1,222
Purchase of investments in subsidiaries	-	(1,279)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(100)	(8,302)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(930)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	76
Other	(112)	(373)
Net cash used in investing activities	(16,942)	(27,874)
Cash flows from financing activities		
Decrease in short-term debt	(3,911)	(3,536)
Proceeds from long-term debt	5,886	12,240
Repayments of long-term debt	(4,794)	(6,035)
Dividends paid	(2,711)	(3,526)
Dividends paid to minority shareholders	(301)	(472)
Other	(92)	(140)
Net cash used in financing activities	(5,983)	(1,471)
Effect of exchange rate changes on cash and cash equivalents	1,315	1,676
Net increase in cash and cash equivalents	2,361	1,355
Cash and cash equivalents at beginning of year	19,389	22,992
Increase due to inclusion of subsidiaries in consolidation	1,183	-
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	58	-
Cash and cash equivalents at the end of period	22,992	24,347

5) Notes to the Consolidated Financial Statements
(Notes Pertaining to the Presumption of a Going Concern)

None

(Basis of Presentation of Consolidated Financial Statements)

1. Scope of consolidation and application of equity method

There are 71 consolidated subsidiaries and 19 companies accounted for using the equity method.

2. Changes in scope of consolidation and application of equity method

Consolidation

New: 7 companies Eliminated: 6 companies

Equity method

New: 2 companies Eliminated: 2 companies

(Changes in Accounting Policies)

(Application of Accounting Standard, etc., related to Retirement Benefits)

Effective as of the current consolidated fiscal year, the Company has applied the “Accounting Standard for Retirement Benefits” (Accounting Standards of Japan (ASBJ) No. 26, May 17, 2012. Hereinafter referred to as the “Accounting Standard for Retirement Benefits”) and the “Application Guidance of the Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012. Hereinafter referred to as the “Application Guidance of Retirement Benefits”). (Except for the provisions set forth in the text of paragraph 35 of the Accounting Standard for Retirement Benefits and the text of paragraph 67 of the Application Guidance of Retirement Benefits). As a result of this change, the accounting method was changed to record the amount deducting the pension asset amount from the retirement benefits liabilities as the assets and liabilities for retirement benefits and the unrecognized actuarial differences and unrecognized prior service cost are recorded in the assets and liabilities for retirement benefits.

Application of Accounting Standard for Retirement Benefits, etc., complies with the transitional treatment provided for in paragraph 37 of the Accounting Standard for Retirement Benefits and the amount of financial impact in connection with the change is reconciled in the adjustment cumulative amount for the retirement benefits in accumulated other comprehensive income in the current consolidated fiscal year. As a result, the assets for retirement benefits of 15 million yen and liabilities for retirement benefits of 28,792 million yen were recorded. In addition, accumulated other comprehensive income decreased by 4,509 million yen at the end of the current consolidated fiscal year.

In this regard, the amount of net assets per share decreased by 17.33 yen.

(Additional Information)

The Company and YE Data Inc. (hereinafter referred to as “YE DATA”) adopted resolutions on a share exchange by which the Company becoming the wholly owning parent and YE DATA becoming the wholly owned subsidiary (hereinafter referred to as the “Share Exchange”) at the respective board of directors’ meetings held on March 17, 2015 and a share exchange agreement was executed between both companies.

Through consolidation of the Company and YE DATA by implementation of the Share Exchange, we aim to optimize the value chain by integrating functions distributed within the group and optimum distribution of business resources and implementation of strategies by establishing an operating holding company and maximizing the synergistic effect from the combined companies.

For the Share Exchange, upon approval of the share exchange agreement at the annual general meeting of shareholders of YE DATA to be held on June 16, 2015, the Share Exchange will become effective on July 21, 2015. The Company will carry out the Share Exchange by a simplified share exchange procedure without approval of the share exchange agreement from the general meeting of shareholders in accordance with the Companies Act, Article 796, paragraph 3. In this regard, prior to the effective date of the Share Exchange (July 21, 2015), the common stock of YE DATA will be delisted from the Tokyo Stock Exchange, as of July 15, 2015 (the last trading date will be July 14, 2015).

(Segment Information)

1. Description of reporting segments

Segments used for financial reporting are the constituent components of the Yaskawa Group for which separate financial information is available and for which the board of directors conducts periodic examinations in order to determine the distribution of resources and evaluate result of operations.

The Yaskawa Group is basically organized into three business units: Motion Control, Robotics and System Engineering. Each unit establishes comprehensive strategies for its operations in Japan and overseas and conducts its own business activities.

Consequently, the Yaskawa Group has three reporting segments: Motion Control, Robotics and System Engineering.

Motion Control includes development, manufacturing, sales and service activities of AC servo motors and controllers and AC drives. Robotics includes development, manufacturing, sales and service activities of industrial robots. System Engineering includes development, manufacturing, sales and service activities of electrical systems at steel plants and electrical instrumentation used in water and sewerage systems.

2. Method of calculating sales, income (loss), assets and other items for each reporting segment

The accounting methods used for reporting segments are generally the same as the methods listed in “Basis of Presentation of Consolidated Financial Statements.”

Operating income is used for earnings in reporting segments.

Intersegment sales and transfers are based primarily on prevailing market prices.

3. Sales, income (loss), assets and other items for each reporting segment

	Year ended March 20, 2014					(Millions of yen)	
	Motion Control	Robotics	System Engineering	Other *1	Total	Adjustment *2	Amounts in consolidated financial statements *3
Sales							
Sales to external customers	162,346	122,543	35,327	43,353	363,570	-	363,570
Intersegment sales and transfers	13,240	434	1,298	20,135	35,109	(35,109)	-
Total sales	175,586	122,978	36,626	63,489	398,680	(35,109)	363,570
Segment operating income (loss)	16,444	9,511	(5)	1,111	27,062	(1,360)	25,702
Segment assets	135,716	110,205	32,137	48,820	326,881	13,624	340,506
Other items							
Depreciation and amortization	5,268	2,813	723	493	9,299	(84)	9,214
Goodwill amortization	385	48	-	-	434	-	434
Increase in property, plant and equipment and intangible assets	5,892	10,929	1,331	558	18,712	(1,731)	16,980

Notes

1. IT-related business and logistics services, etc. are included in the Other segment.
2. Adjustment in the segment operating income of (1,360) million yen includes expenses in basic research and other activities that do not belong to any reportable segments.
3. Segment operating income has been adjusted to consolidated operating income described in the consolidated financial statements.

	Year ended March 20, 2015					(Millions of yen)	
	Motion Control	Robotics	System Engineering	Other *1	Total	Adjustment *2	Amounts in consolidated financial statements *3
Sales							
Sales to external customers	188,116	135,956	40,980	35,101	400,153	-	400,153
Intersegment sales and transfers	13,077	293	965	18,087	32,424	(32,424)	-
Total sales	201,193	136,249	41,945	53,188	432,577	(32,424)	400,153
Segment operating income (loss)	21,748	10,558	(768)	1,277	32,816	(1,283)	31,532
Segment assets	163,550	118,705	38,686	36,346	357,289	30,915	388,205
Other items							
Depreciation and amortization	6,442	3,797	949	435	11,625	(91)	11,534
Goodwill amortization	557	55	141	-	753	-	753
Increase in property, plant and equipment and intangible	14,053	5,691	4,940	608	25,294	11,075	36,369

Notes

1. IT-related business and logistics services, etc. are included in the Other segment.
2. Adjustment in the segment operating income of (1,283) million yen includes expenses in basic research and other activities that do not belong to any reportable segments.
3. Segment operating income has been adjusted to consolidated operating income described in the consolidated financial

(Reference Information)

Overseas Sales

	Year ended March 20, 2014				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	58,481	42,499	108,595	3,892	213,469
Consolidated sales	-	-	-	-	363,570
Percentage of overseas sales in consolidated sales	16%	12%	30%	1%	59%

Notes

1. Regions are divided into categories based on their geographical proximity.
2. The regions that belong to each area are as follows.
 - (1) The Americas – U.S.A., etc.
 - (2) Europe – Germany, Sweden, The United Kingdom, etc.
 - (3) Asia – The People’s Republic of China, Singapore, Republic of Korea, etc.
 - (4) Other – South Africa, Australia, etc.

	Year ended March 20, 2015				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	72,616	46,921	132,779	3,590	255,906
Consolidated sales	-	-	-	-	400,153
Percentage of overseas sales in consolidated sales	18%	12%	33%	1%	64%

Notes

1. Regions are divided into categories based on their geographical proximity.
2. The regions that belong to each area are as follows.
 - (1) The Americas – U.S.A., etc.
 - (2) Europe – Germany, Sweden, The United Kingdom, etc.
 - (3) Asia – The People’s Republic of China, Singapore, Republic of Korea, etc.
 - (4) Other – South Africa, Australia, etc.

(Per Share Information)

(Yen)

	Year Ended March 20, 2014	Year Ended March 20, 2015
Net assets per share	532.86	658.55
Earnings per share (basic)	67.42	98.45
Earnings per share (diluted)	63.98	93.60

Note: 1. The basis for calculating earnings per share (basic and diluted) is shown below.

	Year Ended March 20, 2014	Year Ended March 20, 2015
Earnings per share (basic)		
Net income (Millions of yen)	16,964	24,819
Net income not available to common shareholders (Millions of yen)	-	-
Net income available to common shareholders (Millions of yen)	16,964	24,819
Weighted average number of shares outstanding (Thousands)	251,619	252,102
Earnings per share (diluted)		
Adjustments to net income (Millions of yen)	-	-
Increase in number of common shares (Thousands) (of which, convertible bonds (Thousands))	13,550 (13,550)	13,064 (13,064)
Summary of common stock equivalents that are not included in the calculation of earnings per share (diluted) because they are not dilutive	-	-

(Subsequent Events)

(Execution of share acquisition right concerning the bond with stock acquisition right)

The convertible bonds issued by the Company in March 2012 were converted to new shares after the end of the fiscal year ended March 20, 2015 by April 20, 2015.

Reduction in the convertible bonds	1,090 million yen
Increase in capital	545 million yen
Increase in capital reserve	545 million yen
Increase in the number of shares and their kind	984,637 common shares