FY2015 Nine Months Financial Results ( Ended December 20, 2015)

FY2015 Full-year Financial Forecasts ( Ending March 20, 2016)
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Business Overview

Motion Control (M)

[Core products]
- AC servo motors and controllers
- Linear servo motors
- AC drives
- PV inverters
- Motor drive systems for EV, etc.

Robotics (R)

[Core products]
- Industrial Robots
  - 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-scale wind power generator and converter, etc.

Other

[Core products]
- IT-related services
- Logistics, etc.
Both sales and profits are record high.

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>￥306.4bn.</td>
<td>￥287.4bn.</td>
<td>+￥19.0bn.</td>
</tr>
<tr>
<td>Operating income</td>
<td>￥27.2bn.</td>
<td>￥22.1bn.</td>
<td>+￥5.1bn.</td>
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<td>Ordinary income</td>
<td>￥27.6bn.</td>
<td>￥23.8bn.</td>
<td>+￥3.8bn.</td>
</tr>
<tr>
<td>Net income</td>
<td>￥18.2bn.</td>
<td>￥17.9bn.</td>
<td>+￥0.3bn.</td>
</tr>
</tbody>
</table>

Changes: +6.6% (+23.3%) (+15.9%) (+1.9%)
• Growth in both sales and operating income was led by (M) and (R).

(Billions of yen)

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<tbody>
<tr>
<td></td>
<td>Income ratio</td>
<td>Income ratio</td>
<td>Amounts</td>
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<tr>
<td>Net sales</td>
<td>306.4</td>
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<td>+19.0</td>
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<tr>
<td>(M) Motion Control</td>
<td>143.8</td>
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<td>+5.3</td>
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<tr>
<td>(R) Robotics</td>
<td>114.3</td>
<td>98.2</td>
<td>+16.2</td>
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<td>27.4</td>
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<td>+3.5</td>
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<tr>
<td>Other</td>
<td>20.9</td>
<td>26.8</td>
<td>-5.9</td>
</tr>
<tr>
<td>Operating income</td>
<td>27.2</td>
<td>22.1</td>
<td>5.1</td>
</tr>
<tr>
<td>(M) Motion Control</td>
<td>17.4</td>
<td>16.6</td>
<td>0.8</td>
</tr>
<tr>
<td>(R) Robotics</td>
<td>12.2</td>
<td>7.5</td>
<td>4.8</td>
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<td>-2.2</td>
<td>-1.7</td>
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<td>Ordinary income</td>
<td>27.6</td>
<td>23.8</td>
<td>3.8</td>
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<tr>
<td>Net income</td>
<td>18.2</td>
<td>17.9</td>
<td>0.3</td>
</tr>
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</table>
Motion Control

- Steady AC servo sales were led by the semiconductor industry in the U.S., although smart phone- and automotive-related demand in China was relatively weak. The profitability improved as switch to the new product progressed.

- AC drive demand was sluggish in the U.S. oil/gas industry and the Chinese infrastructure markets. However, the overall sales were firm as the PV inverter sales of Solectia Renewables, LLC contributed.

Robotics

- The global automotive related demand was strong especially in the U.S. while the demand in China deteriorated in the 2H of fiscal year.

- The sales for non-automotive general industries expanded by utilizing robot centers.

System Engineering

- The steel plant and social system businesses were solid.

- The large scale wind generation-related sales increased by the acquisition of The Switch Engineering Oy in Finland.
Sales Breakdown by Business Segment

FY14 Apr. - Dec.  

- **Motion Control**: 48%  
  - Net Sales: ¥ 287.4 bn.  
- **Robotics**: 34%  
- **Engineering**: 8%  
- **System**: 9%  
- **Other**: 9%

FY15 Apr. - Dec.  

- **Motion Control**: 47%  
  - Net Sales: ¥ 306.4 bn.  
- **Robotics**: 37%  
- **Engineering**: 9%  
- **System**: 7%  
- **Other**: 7%
Sales Breakdown by Destination (1)

- **Oversea sales expanded mainly in the Americas.**

<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Amounts</td>
<td>%</td>
<td></td>
</tr>
<tr>
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<td>306.4</td>
<td>287.4</td>
<td>+19.0</td>
</tr>
<tr>
<td>Japan</td>
<td>93.4</td>
<td>102.5</td>
<td>-9.1</td>
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<tr>
<td>Overseas</td>
<td>213.0</td>
<td>184.9</td>
<td>+28.1</td>
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<tr>
<td>The Americas</td>
<td>64.5</td>
<td>51.8</td>
<td>+12.7</td>
</tr>
<tr>
<td>Europe</td>
<td>39.1</td>
<td>34.1</td>
<td>+4.9</td>
</tr>
<tr>
<td>China</td>
<td>65.6</td>
<td>61.8</td>
<td>+3.8</td>
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<tr>
<td>Asian Countries Except China</td>
<td>40.5</td>
<td>34.4</td>
<td>+6.1</td>
</tr>
<tr>
<td>Other</td>
<td>3.3</td>
<td>2.7</td>
<td>+0.5</td>
</tr>
</tbody>
</table>

Note: “Other” include Australia and South Africa, etc.
• **Overseas sales grew significantly mainly due to strong sales in the Americas.**

FY14 Apr. - Dec.

Net Sales

- Japan: 36%
- China: 22%
- Other: 1%
- Overseas: 64%

Net Sales: ¥287.4 bn.

FY15 Apr. - Dec.

Net Sales

- Japan: 30%
- China: 21%
- The Americas: 21%
- Europe: 13%
- Other: 1%
- Overseas: 70%

Net Sales: ¥306.4 bn.

- Overseas sales grew significantly mainly due to strong sales in the Americas.
- Overseas sales include sales in the Americas, Europe, and other regions.
- China contributed to a significant portion of sales, especially in FY15.
- The Americas showed strong sales, contributing to the increase in overseas sales.

YASKAWA Electric Corporation
Breakdown of Changes in Operating Income
(FY14 Nine Months ➔ FY15 Nine Months)

Profit decrease due to sales decrease -0.1
Effects of changes in forex rates +4.6
Increase in added value +2.9
Increase in expenses -2.2
FY2015 Apr.-Dec. 27.2
FY2014 Apr.-Dec. 22.1

(Unit: Billions of yen)

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Measures for FY2015 3Q (1)

• **Development of next generation AC drive “ Zero series”**
  (Launch is scheduled in April, 2016)
  ➞ Renovated conventional series and developed new general-purpose AC drive “GA700”
  ➞ Develop value-added products for different applications optimized for regions and markets

• **Launch PV inverter with high-frequency insulating transformers “Enewell-SOL P2H”**
  (Launch is scheduled in January, 2016)
  ➞ Adopted high-frequency insulating transformers to match the market trend
  ➞ Realized downsizing, improved environmental performance and maintainability

• **Development of servo motor with built-in amplifier with GaN※** (Launch is scheduled by 2017)
  ➞ Integrated conventional servo mortar and servo pack functions
  ➞ Further downsizing (volume ratio: ¼), higher efficiency (Electric loss reduced by 12%)
    * Compund of Ga (Gallium) and N (Nitrogen)
Measures for FY2015 3Q (2)

- **Development of “2016 model” robots (MOTOMAN-GP series) and new controller (Launch is scheduled in June, 2016)**
  - Realize the fastest speed and slimmest shape in the world
  - Realize controller of the smallest size in the world

- **Development of robot “MOTOMAN-HC10” that collaborates with humans**
  - Realize coexistence with humans without safety fences based on International Standard
  - Promote its introduction with space saving and improved operability

- **Increase sales to the general industries through robot centers**
  - Foster and develop SIers in general industries
  - Newly established in Korea (Taegu) (Oct. 2015) and China (Foshan) (Dec. 2015)

- **Fortify product development in Humatronics fields**
  - Develop robot nursing care equipment “Indoor Movement Support Device”*
  - Support the movement in hospitals, care houses, and homes

* Initiative as a part of development and introduction promotion project for robot nursing care equipment Ministry of Economy, Trade, and Industry Japan Agency for Medical Research and Development

<table>
<thead>
<tr>
<th>By 3Q/FY15</th>
<th>4Q/FY (Plan)</th>
<th>End of FY15 (Plan)</th>
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</thead>
<tbody>
<tr>
<td>35</td>
<td>1</td>
<td>36</td>
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</table>
2. FY2015 Full-year Financial Forecasts (Ending March 20, 2016)
Both sales and profits are revised down mainly due to the slowdown of Chinese economy.

The projected sales and operating income are higher than the results of previous year.

<table>
<thead>
<tr>
<th></th>
<th>FY2015 Forecast</th>
<th>FY2015 Previous forecast</th>
<th>change from Previous forecast</th>
<th>FY2014 Results</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>¥ 410.0bn.</td>
<td>¥ 420.0bn.</td>
<td>-¥ 10.0bn.</td>
<td>¥ 400.2bn.</td>
<td>+¥ 9.8bn. +2.5%</td>
</tr>
<tr>
<td>Operating income</td>
<td>¥ 35.5bn.</td>
<td>¥ 36.5bn.</td>
<td>-¥ 1.0bn.</td>
<td>¥ 31.5bn.</td>
<td>+¥ 4.0bn. +12.6%</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>¥ 35.5bn.</td>
<td>¥ 37.0bn.</td>
<td>-¥ 1.5bn.</td>
<td>¥ 33.9bn.</td>
<td>+¥ 1.6bn. +4.8%</td>
</tr>
<tr>
<td>Net income</td>
<td>¥ 23.0bn.</td>
<td>¥ 24.0bn.</td>
<td>-¥ 1.0bn.</td>
<td>¥ 24.8bn.</td>
<td>-¥ 1.8bn. -7.3%</td>
</tr>
</tbody>
</table>

Notes: The figures of FY2015 Previous forecasts were announced on October 20, 2015
FY2015 Full-year Financial Forecasts (by Business Segment)

- **Sales and profits in (M) and (R) are revised down due to slowdown of Chinese markets.**

<table>
<thead>
<tr>
<th></th>
<th>FY2015 Current forecast</th>
<th>FY2015 Income ratio</th>
<th>FY2015 Previous forecast</th>
<th>FY2015 Income ratio</th>
<th>Change from previous forecast</th>
<th>FY2014 Income ratio</th>
<th>Income ratio</th>
<th>Amounts</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>410.0</td>
<td>420.0</td>
<td>-10.0</td>
<td>400.2</td>
<td>+9.8</td>
<td>+2.5%</td>
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<td></td>
<td></td>
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<tr>
<td>(M) Motion Control</td>
<td>186.0</td>
<td>194.5</td>
<td>-8.5</td>
<td>188.1</td>
<td>-2.1</td>
<td>-1.1%</td>
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<td></td>
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<tr>
<td>(R) Robotics</td>
<td>153.5</td>
<td>153.0</td>
<td>+0.5</td>
<td>136.0</td>
<td>+17.5</td>
<td>+12.9%</td>
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<tr>
<td>(S) System Engineering</td>
<td>42.0</td>
<td>43.0</td>
<td>-1.0</td>
<td>41.0</td>
<td>+1.0</td>
<td>+2.5%</td>
<td></td>
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<tr>
<td>Other</td>
<td>28.5</td>
<td>29.5</td>
<td>-1.0</td>
<td>35.1</td>
<td>-6.6</td>
<td>-18.8%</td>
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<tr>
<td>Operating income</td>
<td>35.5</td>
<td>8.7%</td>
<td>36.5</td>
<td>8.7%</td>
<td>-1.0</td>
<td>31.5</td>
<td>7.9%</td>
<td>+4.0</td>
<td>+12.6%</td>
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<tr>
<td>(M) Motion Control</td>
<td>20.7</td>
<td>11.1%</td>
<td>22.4</td>
<td>11.5%</td>
<td>-1.8</td>
<td>21.7</td>
<td>11.6%</td>
<td>-1.1</td>
<td>-5.0%</td>
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<tr>
<td>(R) Robotics</td>
<td>16.2</td>
<td>10.6%</td>
<td>15.6</td>
<td>10.2%</td>
<td>+0.6</td>
<td>10.6</td>
<td>7.8%</td>
<td>+5.6</td>
<td>+53.4%</td>
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<tr>
<td>(S) System Engineering</td>
<td>-1.1</td>
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<td>-1.3</td>
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<td>+0.2</td>
<td>-0.8</td>
<td>-</td>
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<td>Other</td>
<td>0.9</td>
<td>3.3%</td>
<td>1.0</td>
<td>3.2%</td>
<td>-0.0</td>
<td>1.3</td>
<td>3.6%</td>
<td>-0.3</td>
<td>-27.2%</td>
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<tr>
<td>Elimination or Corporate</td>
<td>-1.2</td>
<td>-</td>
<td>-1.2</td>
<td>-</td>
<td>+0.1</td>
<td>-1.3</td>
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<td>+0.1</td>
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<tr>
<td>Ordinary income</td>
<td>35.5</td>
<td>8.7%</td>
<td>37.0</td>
<td>8.8%</td>
<td>-1.5</td>
<td>33.9</td>
<td>8.5%</td>
<td>+1.6</td>
<td>+4.8%</td>
</tr>
<tr>
<td>Net income</td>
<td>23.0</td>
<td>5.6%</td>
<td>24.0</td>
<td>5.7%</td>
<td>-1.0</td>
<td>24.8</td>
<td>6.2%</td>
<td>-1.8</td>
<td>-7.3%</td>
</tr>
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</table>

Notes: The figures of FY2015 Previous forecasts were announced on October 20, 2015.
Breakdown of Changes in Operating Income (FY2014 ➞ FY2015 Forecast)

(Billions of yen)

- Profit decrease due to sales decrease
- Effects of changes in forex rates
- Increase in added value
- Increase in expenses

FY2014: 31.5
FY2015 Forecast: 35.5

Profit decrease due to sales decrease: -2.1
Increase in added value: +3.7
Increase in expenses: -0.9
Increase in added value: +3.3
Increase in expenses: -2.1
Increase in added value: +4.0

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3. Reference
## Capital Expenditure, R&D Investment, Forex Rates

### Capital Expenditure

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015 Plan</th>
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<tr>
<td>Capital Expenditure</td>
<td>17.0</td>
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<td>Depreciation and Amortization</td>
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### R&D Investment

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<td>R&amp;D investment</td>
<td>14.0</td>
<td>15.3</td>
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### Forex Rates

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<th>FY2015</th>
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<td>2H</td>
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<td></td>
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<td></td>
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<td>U.S. dollar</td>
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<td>101.0</td>
</tr>
<tr>
<td></td>
<td>104.8</td>
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<td>121.6</td>
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<td>Euro</td>
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<td></td>
<td>139.5</td>
<td>140.0</td>
<td>139.9</td>
</tr>
<tr>
<td></td>
<td>134.2</td>
<td>125.0</td>
<td>129.4</td>
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</table>

Note: Average rate during the period
Financial Indices

As of March 20, 2015

- Shareholders’ equity ratio: 44.1%
- Shareholders’ equity: 171.4 billion yen
- Interest-bearing debt: 52.4 billion yen
- D/E ratio: 0.31
  (Net D/E ratio): 0.16
- Inventory: 85.5 billion yen
- Turnover: 2.6 months
- ROE: 16.3%

As of December 20, 2015

- Shareholders’ equity ratio: 48.1%
- Shareholders’ equity: 187.4 billion yen
- Interest-bearing debt: 49.0 billion yen
- D/E ratio: 0.26
  (Net D/E ratio): 0.12
- Inventory: 88.6 billion yen
- Turnover: 2.6 months

*Interest-bearing debt includes convertible bonds and lease obligations.
*Inventory at the end of the period is used for calculating turnover months.
*ROE = Net income / Shareholders’ equity (average of beginning and end of fiscal year)
FY2003-2015 Net Sales/Operating Income

Results

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

Mid-term Business Plans

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

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

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

Mid-term Business Plans

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Quarterly Sales Trends (1)

**Business Segment**

- **Notes:** (M) = Motion Control  (R) = Robotics  (S) = System Engineering

**Destination**

- **Europe**
- **The Americas**
- **Japan**
- **China**
- **Other Asian countries**
- **Other**
Quarterly Sales Trends (2)

(M) Motion Control
(R) Robotics

The Americas
Japan
China
Europe
Other Asian countries

(Billions of yen)

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Major Production Bases

YASKAWA Electric's production bases in Japan
- Yahata-nishi Plant (Yaskawa Robot Center)
- Yahata-higashi Plant
- Yukuhashi Plant (Drive Center/System Engineering Center)
- Iruma Plant (Solution Center)
- Nakama Plant

Major overseas production bases

YASKAWA Electric (Shenyang) Co., Ltd
China

YASKAWA Electric UK Ltd.
Scotland

YASKAWA Electric UK Ltd.
Sweden

YASKAWA Nordic AB

YASKAWA SHOUGANG ROBOT CO., LTD.
China

YASKAWA Risto d.o.o.
Slovenia

YASKAWA Robotics India Ltd.
India

YASKAWA India Private Ltd.
India

YASKAWA (China) Robotics Co., Ltd
China

Shanghai Yaskawa Drive Co., Ltd.
China

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

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

YASKAWA Canada, Inc.
Canada

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

YASKAWA Elétrico do Brasil Ltda.
Motoman Robotica do Brasil
Brazil

YASKAWA Europe GmbH Robotics Div.
Germany

YASKAWA Ristro d.o.o.
Slovenia

YASKAWA Robotics India Ltd.
India

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

YASKAWA (China) Robotics Co., Ltd
China

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

YASKAWA Canada, Inc.
Canada

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

YASKAWA Elétrico do Brasil Ltda.
Motoman Robotica do Brasil
Brazil