

**Consolidated Results for the First Quarter of the Fiscal Year Ending February 28, 2019**  
**[Japan GAAP]**

July 12, 2018

Listed company name: YASKAWA Electric Corporation

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

Representative: Hiroshi Ogasawara, Representative Director, 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 First Quarter of the Fiscal Year Ending February 28, 2019 (March 1, 2018 to May 31, 2018)**

(1) Consolidated Statements of Income

(Millions of yen, percentage change from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Three months ended May 31, 2018	128,216	-	17,190	-	16,763	-	15,718	-
Three months ended June 20, 2017	107,498	18.9%	13,218	141.9%	12,568	138.3%	9,799	185.0%

Note: Comprehensive income

Three months ended May 31, 2018: 13,383 million yen (-%)

Three months ended June 20, 2017: 10,256 million yen (620.0%)

	Earnings per share (basic, Yen)	Earnings per share (diluted, Yen)
Three months ended May 31, 2018	59.36	-
Three months ended June 20, 2017	36.80	-

Note1: The Company changed its accounting period in fiscal 2017 from March 20 to the last day of February. As a result of this change, the period for the first quarter of the fiscal year ending February 2019 (From March 1, 2018 to May 31, 2018) is different from that of the first quarter of the previous fiscal year (From March 21, 2017 to June 20, 2017). Therefore, the percentage changes from the previous fiscal year are not shown.

Note2: Earnings per share (diluted) is not shown as there is no dilutive shares.

(2) Consolidated Financial Position

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

	Total assets	Net assets	Shareholders' equity ratio (%)
As of May 31, 2018	462,978	235,821	50.2
As of February 28, 2018	441,249	238,626	53.5

Reference: Shareholders' equity

As of May 31, 2018: ¥232,637 million

As of February 28, 2018: ¥235,865 million

## 2. Dividends

	Dividends per share (yen)				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual total
Year ended February 28, 2018	-	20.00	-	20.00	40.00
Year ending February 28, 2019	-				
Year ending February 28, 2019 (forecasts)		26.00	-	26.00	52.00

Note: Revisions to the most recently announced dividend forecast: No

## 3. Projected Consolidated Results for the Fiscal Year Ending February 28, 2019

(from March 1, 2018 to February 28, 2019)

(Millions of yen, percentage change from the corresponding period of the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Earnings per share (Yen)
Six months ending August 31, 2018	258,500	-	33,300	-	33,800	-	26,500	-	100.07
Year ending February 28, 2019	510,000	-	65,500	-	67,000	-	50,000	-	188.81

Note: Revisions to the most recently announced sales and earnings forecast: No

Note: As the transitional year for the change in accounting period, the previous fiscal year was from March 21, 2017 to February 28, 2018. Therefore, the percentage changes from the first half of the previous fiscal year and from the previous fiscal year are not shown.

Reference: These forecasts are based on average exchange rate assumptions of 1 USD = 105 JPY and 1 EUR = 130 JPY during the period from June 1, 2018 to August 31, 2018.

Please refer to the supplements to financial results available on Yaskawa Electric's website for details.  
(<https://www.yaskawa.co.jp/en/ir/materials/br>)

**\*Notes:**

(1) Major Change in Scope of Consolidation: No

(2) Use of accounting methods that are specific to the preparation of the quarterly consolidated financial statements: No

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

1. Changes in accounting policies accompanying revisions in accounting standards: No
2. Changes other than in 1.: No
3. Changes in accounting estimates: No
4. Restatements: No

(4) Number of Common Shares Outstanding

	First quarter of the fiscal year ending February 2019	First quarter of the fiscal year ended February 2018
The number of shares outstanding including treasury shares at the end of period	266,690,497	266,690,497
The number of treasury shares at the end of period	2,881,200	674,399
Average during period	264,809,354	266,302,312

Note: The number of treasury shares includes the shares of the Company (290,100 shares as of May 31, 2018, 290,100 shares as of February 28, 2018) held by “Board Benefit Trust (BBT)” and “Employee Stock Ownership Plan (J-ESOP).” The shares of the Company held by BBT and J-ESOP are included in treasury shares deducted in calculating the average number of shares during period. (290,100 shares for 1Q of the year ending February 2019, no shares for 1Q of the year ended February 2018)

\* This financial report is not subject to the audit procedure.

\*About the appropriate use of business forecasts and other matters

- 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, and are not disclosed for the purpose of making a commitment to their achievement. Actual results may differ from these statements for a number of reasons.
- The Company will hold a telephone conference for securities analysts and institutional investors on July 12, 2018.

#### 4. Qualitative Information on Quarterly Results

##### Business Performance

The Company changed its accounting period in fiscal 2017 from March 20 to the last day of February. As a result of this change, the period for the first quarter of the fiscal year ending February 2019 (From March 1, 2018 to May 31, 2018) is different from that of the first quarter of the previous fiscal year (From March 21, 2017 to June 20, 2017). Therefore, the year-on-year changes of the management results are not shown.

The business performance of the Yaskawa Group in the first quarter of fiscal 2018 (March 1, 2018 – February 28, 2019) was strong due to continued high demand on the back of sophistication and automation of production equipment in the global manufacturing industry. The Yaskawa Group captured the growth markets including those for the data centers, home electronics, lithium ion batteries, etc., and demand for investment in the automobile-related industry expanded. As a result, the Yaskawa Group achieved high levels of sales and operating income.

##### <Management environment of each region>

###### Japan:

Strong capital expenditures for the purpose of sophistication of production equipment and enhancement of production capacity continued in the manufacturing sector, especially in the automobile-related industry. Furthermore, the demand for semiconductor for data centers and also for electronic components for vehicles were steady.

###### U.S.:

On the back of stable economic growth, a high level of semiconductor- and oil&gas-related demand continued. Also, the demand for general industrial machinery including automobile-related demand continued to be steady.

###### Europe:

Demand for capital expenditures in the manufacturing sector, especially in the automobile-related industry was strong.

###### China:

Although smartphone-related capital investment saw a lull, the demand in the markets of lithium ion batteries and home electronics, etc. expanded on the back of sophistication and automation of production equipment in the manufacturing sector. Also, the environment-responsive demand remained at a high level.

###### Asia except China:

The OLED-related demand saw a slowdown in growth, while capital investment demand for memory remained steady in Korea.

The business performance of the first quarter of fiscal 2018 is as follows.

	Three months ended, June 20, 2017	Three months ended, May 31, 2018	Change
Net sales	107,498 million JPY	128,216 million JPY	-
Operating income	13,218 million JPY	17,190 million JPY	-
Ordinary income	12,568 million JPY	16,763 million JPY	-
Profit attributable to owners of parent	9,799 million JPY	15,718 million JPY	-
Average exchange rate for USD	111.85 JPY	107.76 JPY	-4.09 JPY
Average exchange rate for EUR	120.93 JPY	130.86 JPY	+9.93 JPY

#### Performance by Business Segment

The business of the Yaskawa Group is divided into four segments.

The performance of each business segment for the first quarter of fiscal 2018 is as follows.

Motion Control	Net sales	59,737 million JPY
	Operating income	12,384 million JPY
<p>Motion Control segment is comprised of AC servo &amp; controller business and drives business. Both sales and operating income for the segment were high level as both businesses achieved robust sales globally.</p> <p>&lt;AC servo &amp; controller business&gt;</p> <ul style="list-style-type: none"> <li>On the back of the progress of sophistication and automation of production equipment in the manufacturing sector, the demand for semiconductor for data centers and also for electronic components for vehicles were at high level, which led to strong sales. However, smartphone-related demand saw a lull.</li> </ul> <p>&lt;Drives business&gt;</p> <ul style="list-style-type: none"> <li>Sales remained steady on the back of recoveries in the environment-responsive demand in China and steady U.S. oil&amp;gas-related demand.</li> </ul>		
Robotics	Net sales	43,913 million JPY
	Operating income	5,005 million JPY
<p>Sales were strong on the back of strong global demand. Productivity improved because of the growth in the sales volume, which led to increase in profit.</p> <ul style="list-style-type: none"> <li>Automobile-related sales including such products as welding and painting robots were strong especially in Japan and Europe on the back of robust capital investment.</li> <li>Sales for the general industries were strong especially in China on the back of robust demand for production automation in the manufacturing sector overall.</li> </ul>		
System Engineering	Net sales	13,994 million JPY
	Operating loss	-319 million JPY
<p>Sales and operating loss saw a small improvement due to the change in accounting period.</p> <ul style="list-style-type: none"> <li>Sales of the steel plant and social system businesses were solid, even though there was some effect from the issue in the progress of projects in Japan.</li> <li>As for the clean power business, sales related to large-scale wind turbines grew in Europe, while the PV inverter sales in the U.S. market were sluggish.</li> </ul>		
Other	Net sales	10,571 million JPY
	Operating loss	601 million JPY
<p>Other segment is comprised of IT-related business and logistics business.</p> <p>Sales and operating income grew due to the effect from subsidiary newly consolidated and a temporary effect from the start of commercial production of EV-related products.</p>		

### 3. Consolidated Financial Statements

#### 1) Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2018	As of May 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	42,279	50,533
Notes and accounts receivable — trade	142,039	150,307
Merchandise and finished goods	58,640	61,472
Work in process	19,311	18,329
Raw materials and supplies	22,100	24,065
Other	23,320	18,836
Allowance for doubtful accounts	-2,695	-1,966
Total current assets	304,995	321,578
Non-current assets		
Property, plant and equipment	67,956	72,555
Intangible assets		
Goodwill	2,931	2,740
Other	19,108	20,716
Total intangible assets	22,039	23,456
Investments and other assets		
Other	46,637	45,639
Allowance for doubtful accounts	-379	-251
Total investments and other assets	46,258	45,387
Total non-current assets	136,254	141,399
Total assets	441,249	462,978

(Millions of yen)

	As of February 28, 2018	As of May 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable — trade	84,795	89,410
Short-term loans payable	22,498	23,006
Provision for directors' bonuses	59	68
Other	54,319	61,598
Total current liabilities	161,673	174,084
Non-current liabilities		
Long-term loans payable	8,977	18,803
Provision for directors' retirement benefits	202	217
Provision for stocks payment	367	367
Net defined benefit liability	25,917	25,500
Other	5,484	8,183
Total non-current liabilities	40,949	53,073
Total liabilities	202,623	227,157
Net assets		
Shareholders' equity		
Capital stock	30,562	30,562
Capital surplus	27,717	27,717
Retained earnings	164,360	174,755
Treasury shares	-1,338	-12,506
Total shareholders' equity	221,301	220,529
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,961	9,508
Deferred gains or losses on hedges	13	12
Foreign currency translation adjustment	4,126	2,995
Remeasurements of defined benefit plans	-538	-407
Total accumulated other comprehensive income	14,563	12,108
Non-controlling interests	2,761	3,183
Total net assets	238,626	235,821
Total liabilities and net assets	441,249	462,978

## 2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	Three months ended June 20, 2017	Three months ended May 31, 2018
Net sales	107,498	128,216
Cost of sales	70,029	84,665
Gross profit	37,468	43,550
Selling, general and administrative expenses	24,249	26,360
Operating profit	13,218	17,190
Non-operating income		
Interest income	47	49
Dividend income	23	7
Share of profit of entities accounted for using equity method	43	285
Subsidy income	9	59
Gain on bad debts recovered	95	—
Other	55	46
Total non-operating income	274	447
Non-operating expenses		
Interest expenses	155	152
Foreign exchange losses	622	631
Other	147	90
Total non-operating expenses	925	874
Ordinary profit	12,568	16,763
Extraordinary income		
Gain on sales of non-current assets	3	5
Gain on sales of investment securities	0	—
Gain on sales of shares of subsidiaries and associates	0	—
Gain on liquidation of subsidiaries and associates	7	—
Gain on acquisition of subsidiary	—	2,963
Other	—	1
Total extraordinary income	11	2,970
Extraordinary losses		
Loss on sales and retirement of non-current assets	23	15
Loss on valuation of investment securities	91	322
Other	—	0
Total extraordinary losses	114	337
Profit before income taxes	12,464	19,395
Income taxes — current	2,321	4,801
Income taxes — deferred	248	-1,243
Total income taxes	2,570	3,557
Profit	9,894	15,838
Profit attributable to non-controlling interests	95	119
Profit attributable to owners of parent	9,799	15,718



Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 20, 2017	Three months ended May 31, 2018
Profit	9,894	15,838
Other comprehensive income		
Valuation difference on available-for-sale securities	161	-1,317
Deferred gains or losses on hedges	-45	-0
Foreign currency translation adjustment	195	-1,024
Remeasurements of defined benefit plans, net of tax	22	114
Share of other comprehensive income of entities accounted for using equity method	27	-226
Total other comprehensive income	361	-2,455
Comprehensive income	10,256	13,383
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,175	13,264
Comprehensive income attributable to non-controlling interests	81	119

3) Notes to the Consolidated Financial Statements

(Notes pertaining to the presumption of a going concern)

None

(Note in case of significant changes in the amount of shareholders' equity)

None