

Consolidated Results for the First Quarter of the Fiscal Year Ending March 20, 2014
[Japan GAAP]

July 18, 2013

Listed company name: YASKAWA Electric Corporation

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

Chairman and President: Junji Tsuda

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 March 20, 2014
(March 21, 2013 to June 20, 2013)

(1) Consolidated Statements of Income

(Millions of yen, except ratio and per share data)				
	Three months ended June 20, 2013	Change	Three months ended June 20, 2012	Change
Net sales	85,518	17.8%	72,574	(5.1)%
Operating income	6,364	191.9%	2,180	(53.8)%
Ordinary income	6,620	231.2%	1,998	(58.0)%
Net income	3,376	276.6%	896	(76.2)%
Earnings per share (basic, Yen)	13.42	-	3.56	-
Earnings per share (diluted, Yen)	12.73	-	3.38	-
Note:	Three months ended June 20, 2013	Change	Three months ended June 20, 2012	Change
Comprehensive income (Millions of yen)	8,647	- %	(1,594)	- %

(2) Consolidated Financial Position

(Millions of yen, except ratio)	
	As of June 20, 2013
Total assets	314,673
Net assets	125,026
Shareholders' equity ratio (%)	38.0

Reference: Shareholders' equity

As of June 20, 2013: ¥119,471 million

As of March 20, 2013: ¥112,218 million

2. Dividends

	Year ended March 20, 2013	Year ending March 20, 2014	Year ending March 20, 2014 (forecast)
End of 1Q	-	-	-
End of 2Q	5.00	-	6.00
End of 3Q	-	-	-
Year-end	5.00	-	6.00
Annual total	10.00	-	12.00

Note: Revisions to the most recently announced dividend forecast: None

3. Projected Consolidated Results for the Fiscal Year Ending March 20, 2014 (from March 21, 2013 to March 20, 2014)

	(Millions of yen, except per share data)			
	Six months ending September 20, 2013	Change	Year ending March 20, 2014	Change
Net sales	176,000	17.0%	350,000	12.8%
Operating income	12,500	103.6%	24,000	83.6%
Ordinary income	13,000	104.6%	24,000	70.8%
Net income	6,500	85.8%	13,000	91.2%
Earnings per share (Yen)	25.83	-	51.66	-

Note: Revisions to the most recently announced sales and earnings forecast: Yes

Reference: These forecasts are based on average exchange rate assumptions of 1 USD = 95 JPY and 1 EUR = 125 JPY during the period from March 21, 2013 to September 20, 2013.

*Notes:

- (1) Major change in scope of consolidation: None
- (2) Use of accounting methods that are specific to the preparation of the quarterly consolidated financial statements: None
- (3) 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: Yes
 4. Restatements: None
- (4) Number of Common Shares Outstanding
 1. The number of shares outstanding including treasury shares:
 - As of June 20, 2013: 252,331,938 shares
 - As of March 20, 2013: 252,331,938 shares
 2. The number of treasury shares:
 - As of June 20, 2013: 712,030 shares
 - As of March 20, 2013: 703,075 shares
 3. Average during period (quarter cumulative):
 - Three months ended June 20, 2013: 251,624,413 shares
 - Three months ended June 20, 2012: 251,642,142 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.

Supplementary materials on 1Q results will be available on our website.

4. Qualitative Information on Quarterly Results

Qualitative Information on Consolidated Business Performance

- European markets were bearish due to the effects of the debt crisis. On the other hand, the Americas and Japanese markets were recovering, the latter due to the effects of a weaker Japanese yen.
- The Yaskawa Group has focused its sales promotion efforts on favorable markets outside of Japan, aided by a weaker Japanese yen. The sales of the Motion Control segment have been firm in Japan, China and the rest of Asia.

Considering the above, the Yaskawa Group is currently implementing the following policies and measures:

- Increase bookings in favorable and growth markets.
- Develop R&D, production and sales capabilities to quickly respond to rapid changes in the business environment.
- Shift resources to new business areas in order to speed up new business development.

The business performance of each business segment for the first quarter of fiscal 2013 is as follows.

The divisions of the reportable segments changed starting this first quarter. The changes from the corresponding period of previous fiscal year are calculated based on the new segment divisions.

(Millions of yen, except ratio)

	Three months ended June 20, 2013	
Business segment	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	41,773 (up by 30.5%)	4,525 (up by 4,015)
Robotics	27,873 (up by 3.7%)	2,432 (up by 693)
System Engineering	7,390 (up by 1.7%)	(152) (down by 78)
Other	8,479 (up by 32.4%)	(97) (down by 87)

Motion Control

- Strong growth in sales of AC servo motors and controllers in Japan and China.
- Sales of power conditioners for photovoltaic applications are pulling total drives sales. The overall drives' business was firm also due to the effects of cost reduction measures.
- Both net sales and operating income have increased compared to FY2012 Q1 due to the above.

Robotics

- Steady growth of sales to automobile industry segment outside of Japan.
- Both net sales and operating income have increased compared to FY2012 Q1 due to the above.

System Engineering

- Sales of products for both steel plants and water treatment facilities remained almost flat compared to FY2012 Q1.

Other

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

5. Consolidated Financial Statements

1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 20, 2013	As of June 20, 2013
Assets		
Current assets		
Cash and time deposits	19,493	23,851
Trade notes and accounts receivable	99,729	97,541
Merchandise and finished goods	39,208	42,000
Goods in process	9,530	12,568
Raw materials and supplies	15,586	17,880
Other	26,261	27,385
Allowance for doubtful accounts	(1,306)	(1,284)
Total current assets	208,505	219,944
Fixed assets		
Property, plant and equipment	40,866	44,337
Intangible assets	13,607	14,255
Investments and other assets		
Other	39,911	36,502
Allowance for doubtful accounts	(372)	(366)
Total investments and other assets	39,539	36,135
Total fixed assets	94,013	94,728
Total assets	302,518	314,673
Liabilities		
Current liabilities		
Trade notes and accounts payable	58,718	64,163
Short-term bank loans	24,262	25,994
Accrued directors' bonus	47	11
Other	37,436	36,420
Total current liabilities	120,464	126,590
Long-term liabilities		
Convertible bonds	15,000	15,000
Long-term debt	14,899	14,550
Provision for employees' retirement benefits	25,741	25,986
Provision for directors' retirement benefits	227	223
Other	8,719	7,294
Total long-term liabilities	64,588	63,055
Total liabilities	185,052	189,646
Net assets		
Shareholders' equity		
Common stock	23,062	23,062
Additional paid-in capital	18,684	18,684
Retained earnings	67,599	69,355
Treasury shares, at cost	(449)	(459)
Total shareholders' equity	108,896	110,642
Accumulated other comprehensive income		
Net unrealized holding gain on securities	3,749	4,199
Foreign currency translation adjustments	(427)	4,629
Total accumulated other comprehensive income	3,322	8,829
Minority interests	5,247	5,555
Total net assets	117,465	125,026
Total liabilities and net assets	302,518	314,673

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

(Millions of yen)

	Three Months Ended June 20, 2012	Three Months Ended June 20, 2013
Net sales	72,574	85,518
Cost of sales	54,074	59,681
Gross profit	18,500	25,836
Selling, general and administrative expenses	16,319	19,472
Operating income	2,180	6,364
Non-operating income		
Interest income	11	29
Dividends received	23	10
Foreign exchange gains	-	231
Equity in earnings of associated companies	55	31
Proceeds from subsidy	86	129
Other	188	74
Total non-operating income	366	508
Non-operating expenses		
Interest expenses	184	167
Foreign exchange losses	319	-
Other	43	83
Total non-operating expenses	547	251
Ordinary income	1,998	6,620
Extraordinary gains		
Gain on sales of fixed assets	5	4
Gain on sales of subsidiaries and affiliates' stocks	172	-
Other	70	-
Total extraordinary gains	248	4
Extraordinary losses		
Loss on sales and disposal of fixed assets	83	25
Loss on devaluation of investment securities	198	1
Impairment loss	250	-
Other	17	-
Total extraordinary losses	550	27
Income before income taxes and minority interests	1,697	6,598
Provision for income taxes- current	1,075	1,350
Provision for income taxes- deferred	(395)	1,715
Total income taxes	680	3,066
Income before minority interests	1,016	3,531
Minority interests in income	120	155
Net income	896	3,376

Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Three Months Ended June 20, 2012	Three Months Ended June 20, 2013
Income before minority interests	1,016	3,531
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,042)	443
Foreign currency translation adjustment	(1,635)	4,578
Share of other comprehensive income of associates accounted for using equity method	67	93
Total other comprehensive income	(2,611)	5,115
Comprehensive income	(1,594)	8,647
(Breakdown)		
Comprehensive income attributable to shareholders of the Company	(1,719)	8,344
Comprehensive income attributable to minority interests	124	302

3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three Months Ended June 20, 2012	Three Months Ended June 20, 2013
Cash flows from operating activities		
Income before income taxes and minority interests	1,697	6,598
Depreciation and amortization	1,883	2,235
Impairment loss	250	-
Decrease in allowance for doubtful accounts	(17)	(89)
Increase (decrease) in provision for employees' retirement benefits, net of payments	(4,253)	186
Decrease in provision for directors' retirement benefits, net of payments	(109)	(4)
Loss on sales and retirement of fixed assets	77	20
Gain on sales of stocks of subsidiaries and affiliates	(172)	-
Loss on valuation of investment securities	198	1
Interest and dividend income	(35)	(40)
Interest expense	184	167
Decrease in trade receivables	11,585	7,546
(Increase) decrease in inventories	35	(3,599)
Increase (decrease) in trade payables	(2,022)	486
Increase in accrued expenses	1,277	221
Other, net	1,676	(3,570)
Subtotal	12,257	10,160
Interest and dividends received	55	219
Interest paid	(176)	(169)
Income taxes paid	(1,223)	(2,320)
Net cash provided by operating activities	10,912	7,889
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,982)	(3,486)
Proceeds from sales of property, plant and equipment and intangible assets	18	244
Purchase of investment securities	(667)	(14)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	158	-
Other, net	(37)	130
Net cash used in investing activities	(2,510)	(3,126)
Cash flows from financing activities		
Decrease in short-term debt	(5,547)	(976)
Proceeds from long-term debt	663	70
Repayments of long-term debt	(570)	(628)
Dividends paid	(1,259)	(1,259)
Dividends paid to minority shareholders	(8)	(4)
Other, net	(8)	(17)
Net cash used in financing activities	(6,730)	(2,815)
Effect of exchange rate changes on cash and cash equivalents	(392)	1,159
Net increase in cash and cash equivalents	1,279	3,107
Cash and cash equivalents at beginning of year	20,206	19,389
Increase due to inclusion of subsidiaries in consolidation	36	1,183
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	185	58
Cash and cash equivalents at the end of period	21,708	23,737

4) Notes Pertaining to the Presumption of a Going Concern

None

5) Notes on Significant Changes in Shareholders' Equity

None

6) Segment Information, etc.

Segment information

I. The first quarter ended June 2012 (March 21, 2012-June 20, 2012)

Sales, income or loss for each reportable segment.

Please see "2. Change in the reportable segments" in "II. The first quarter ended June 2013 (March 21, 2013- June 20, 2013)"

II. The first quarter ended June 2013 (March 21, 2013- June 20, 2013)

1. Sales, income or loss for each reportable segment

	(Millions of yen)						
	Motion Control	Robotics	System Engineering	Other *1	Total	Adjustment *2	Amounts in consolidated financial statements *3
<u>Net sales</u>							
Sales to external customers	41,773	27,873	7,390	8,479	85,518	-	85,518
Intersegment sales and transfers	2,475	77	114	4,811	7,478	(7,478)	-
Total sales	44,249	27,951	7,505	13,291	92,996	(7,478)	85,518
Segment operating income (loss)	4,525	2,432	(152)	(97)	6,709	(345)	6,364

(Notes)

1. IT-related business and logistics services, etc. are included in the Other segment.
2. The deduction of ¥345 million for Adjustment includes eliminations of inter-segment transactions and other items.
3. Segment operating income has been adjusted to consolidated operating income described in quarterly consolidated income.

2. Change in the reportable segments

There were previously four reportable segments of "Motion Control", "Robotics", "System Engineering", and "Information Technologies". Starting this first quarter, development, production, sales and after-sales services of the IT-related products and IT software, which were included in the "Information Technologies", are included in the "Other" segment. Because of this change, there are three reportable segments of "Motion Control", "Robotics", and "System Engineering", and at the same time, partial change has been applied to the managerial segmentation. Sales, income or loss for each reportable segment of the first quarter of the previous fiscal year reflecting this change are as follows.

The first quarter ended June 2012 (March 21, 2012 – June 20, 2012)

Sales, income or loss for each reportable segment

	(Millions of yen)						
	Motion Control	Robotics	System Engineering	Other *1	Total	Adjustment *2	Amounts in consolidated financial statements *3
<u>Net sales</u>							
Sales to external customers	32,019	26,884	7,265	6,404	72,574	-	72,574
Intersegment sales and transfers	3,271	50	200	4,470	7,992	(7,992)	-
Total sales	35,290	26,935	7,465	10,874	80,566	(7,992)	72,574
Segment operating income (loss)	510	1,739	(73)	(9)	2,165	14	2,180

(Notes)

1. IT-related business and logistics services, etc. are included in the Other segment.
2. The deduction of ¥14 million for Adjustment includes eliminations of inter-segment transactions and other items.
3. Segment operating income has been adjusted to consolidated operating income described in quarterly consolidated statements of income.

(Reference Information)

Overseas Sales

	Three months ended June 20, 2012				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	11,672	7,931	22,536	301	42,442
Consolidated sales	-	-	-	-	72,574
Percentage of overseas sales in consolidated sales	16%	11%	31%	1%	59%

(Notes)

1. Geographical areas 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 – Australia, etc

	Three months ended June 20, 2013				(Millions of yen)
	The Americas	Europe	Asia	Other	Total
Overseas sales	14,647	10,279	25,162	750	50,840
Consolidated sales	-	-	-	-	85,518
Percentage of overseas sales in consolidated sales	17%	12%	29%	1%	59%

(Notes)

1. Geographical areas 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

7) Subsequent Events

None