

## FY2020 1st Quarter Financial Results (Three Months Ended May 31, 2020)

### Notes:

- **Yaskawa Group has voluntarily adopted International Financial Reporting Standards (IFRS) since its Annual Securities Report submitted on May 28, 2020, in order to enhance business management through the unification of accounting standards and to improve the international comparability of financial information in capital markets. We have also changed the segment classification since fiscal 2020. As a result, the figures for the same period of the previous fiscal year were calculated taking into account the impact of these changes. (Please see P.17)**
- The information within this document is made as of the date of writing. Any forward-looking statements are made according to the assumptions of management and are subject to change as a result of risks and uncertainties. YASKAWA Electric Corporation undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.
- Figures in this document are rounded off, and may differ from those in other documents such as financial results.
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**YASKAWA ELECTRIC CORPORATION**

## 1. FY2020 1Q Financial Results

- FY2020 1Q Financial Results
- Business Segment Overview
- Revenue Breakdown by Business Segment
- Revenue Breakdown by Destination
- Breakdown of Changes in Operating Income

## 2. FY2020 2Q Forecasts

- FY2020 2Q Financial Forecasts

## 3. Reference

- Retroactive application of IFRS/ Business Reclassification to the FY2019 1Q Results
- Capital Expenditure, R&D Investment, Forex Rates and Sensitivity
- Financial Indices
- Revenue / Operating profit
- Quarterly Revenue Trends
- Quarterly Order Trends
- Major Production Bases

# Business Overview

## Motion Control

### 【Core products】

- AC servo motors and controllers
- Linear servo motors
- AC drives
- PM motor



AC servo motor  
Σ-7 series



Yaskawa AC drive  
new series

GA700

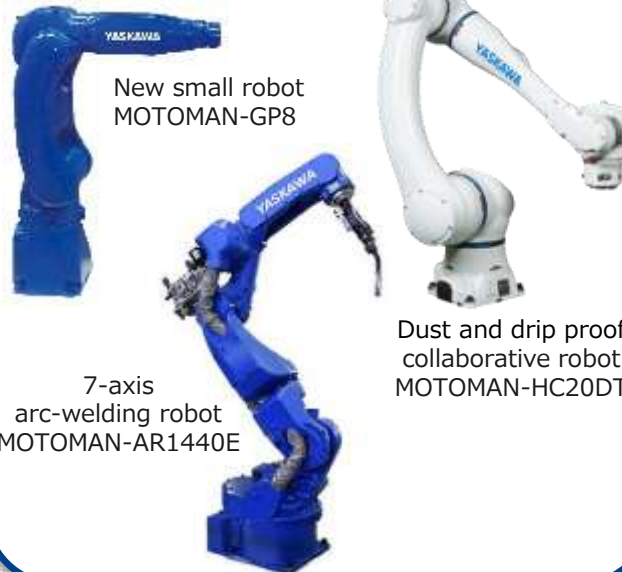
GA500

Matrix  
converter  
U1000

## Robotics

### 【Core products】

- Industrial robots
  - Arc and spot welding robots, painting robots
  - FPD glass sheet transfer robots, handling robots
- Semiconductor wafer transfer robots
- Biomedical robots
- Collaborative robots



New small robot  
MOTOMAN-GP8

7-axis  
arc-welding robot  
MOTOMAN-AR1440E

Dust and drip proof  
collaborative robot  
MOTOMAN-HC20DT

## System Engineering

### 【Core products】

- Large-scale wind power generator and converter
- PV inverters
- Electrical systems for steel plants
- Electrical instrumentation systems for water supply plants and sewage treatment facilities



Generator and converter for  
large-scale wind turbines



Continuous-casting machine



PV inverter  
XGI1500 150kW



Electrical instrumentation  
systems for water and  
sewerage

## Other

- Logistics

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# **1. FY2020 1Q Financial Results**

## **(Three Months Ended May 31, 2020)**

## FY2020 1Q Financial Results (Highlights)

- Revenue and profit decreased due to sluggish global capital investment demand affected by the spread of new coronavirus infection.

	FY2020 1Q Results	FY2019 1Q Results	Changes	
			Amounts	%
Revenue	¥ 90.8bn.	¥ 107.4bn.	-¥ 16.6bn.	-15.5%
Operating profit	¥ 6.2bn.	¥ 7.9bn.	-¥ 1.7bn.	-21.6%
Profit before tax	¥ 5.9bn.	¥ 7.5bn.	-¥ 1.6bn.	-21.4%
Profit attributable to owners of parent	¥ 4.5bn.	¥ 5.4bn.	-¥ 0.9bn.	-16.7%

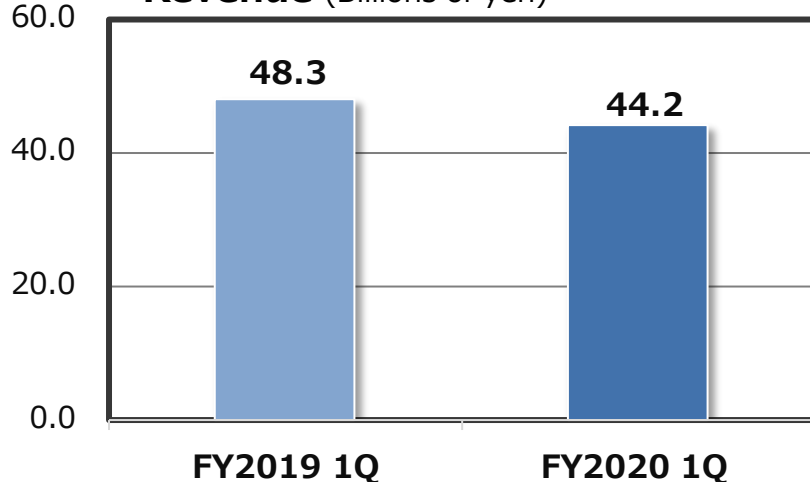
# FY2020 1Q Financial Results by Business Segment

- Revenue of Motion Control and System Engineering declined, but profits increased.
- Revenue and operating profit of Robotics declined due to the impact of the new coronavirus.

	FY2020 1Q		FY2019 1Q		Changes	
	Results	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
<b>Revenue</b>	<b>90.8</b>		107.4		<b>-16.6</b>	<b>-15.5%</b>
Motion Control	44.2		48.3		-4.0	-8.4%
Robotics	29.3		39.1		-9.9	-25.2%
System Engineering	12.0		14.3		-2.3	-16.1%
Other	5.3		5.7		-0.4	-7.2%
<b>Operating profit</b>	<b>6.2</b>	<b>6.9%</b>	7.9	7.4%	<b>-1.7</b>	<b>-21.6%</b>
Motion Control	6.6	14.9%	6.2	12.9%	+0.3	+5.4%
Robotics	0.3	0.9%	2.0	5.1%	-1.7	-87.0%
System Engineering	0.1	0.7%	0.1	0.5%	+0.0	+37.0%
Other	-0.1	-1.3%	0.0	0.8%	-0.1	-
Elimination or Corporate	-0.6	-	-0.4	-	-0.2	-

# Business Segment Overview: Motion Control

**Revenue** (Billions of yen)



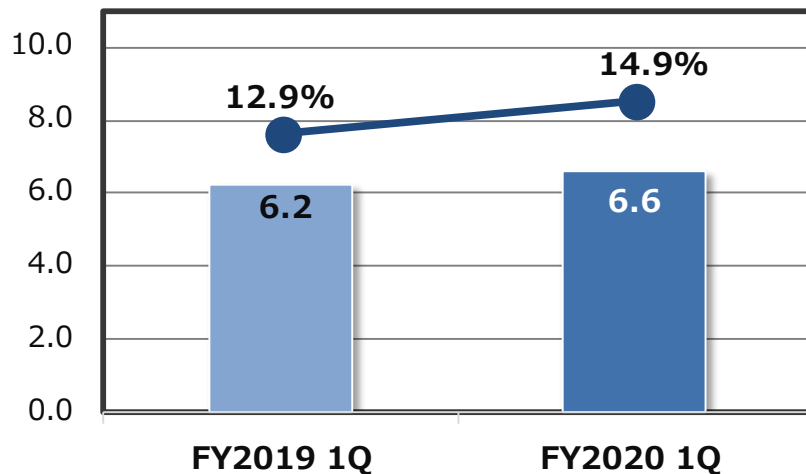
## **【Revenue】**

- AC servo & controller: Demand for 5G-related products increased in China, while semiconductor-related was firm in Japan, the United States and South Korea
- Drives: Domestic sales remained firm, but demand related to oil and gas in the United States fell sharply

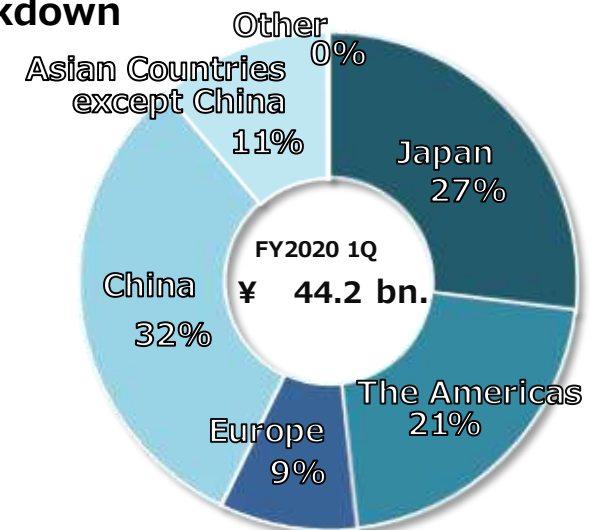
## **【Operating profit】**

- In addition to the recovery of AC servo revenue in China, the reduction of expenses has led to an increase in operating profit

**Operating profit/loss** (Billions of yen)  
**Operating profit ratio** (%)

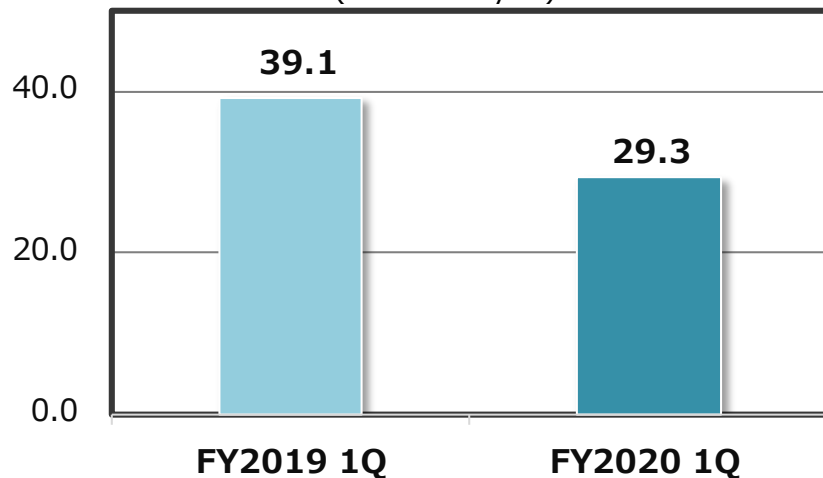


## **Revenue breakdown by region**



# Business Segment Overview: Robotics

**Revenue** (Billions of yen)



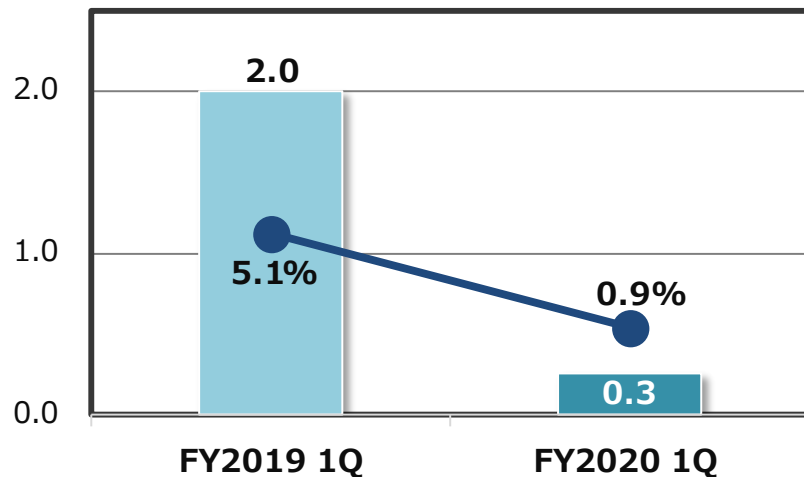
## 【Revenue】

- Automobile-related: Weak revenue due to restrained capital investment on a global basis and the impact of the suspension of operations at customers' plants
- General industry: Signs of recovery were seen in automation investment in the Chinese 3C market, but growth was sluggish due to the impact of the new coronavirus
- Semiconductor: Solid especially in Japan

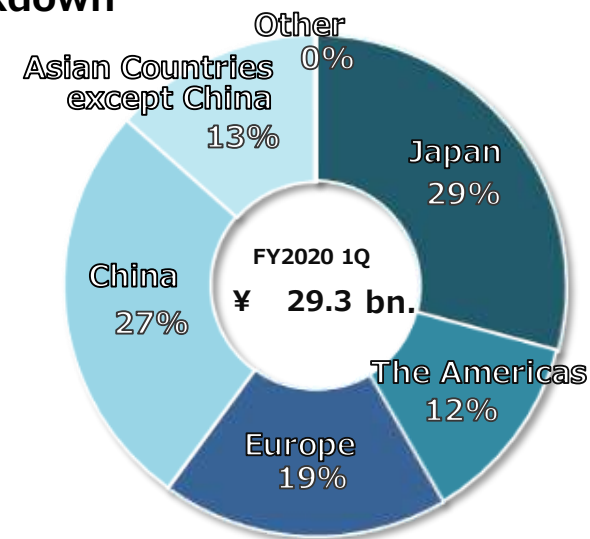
## 【Operating profit】

- Decreased due to the impact of a decline in revenue

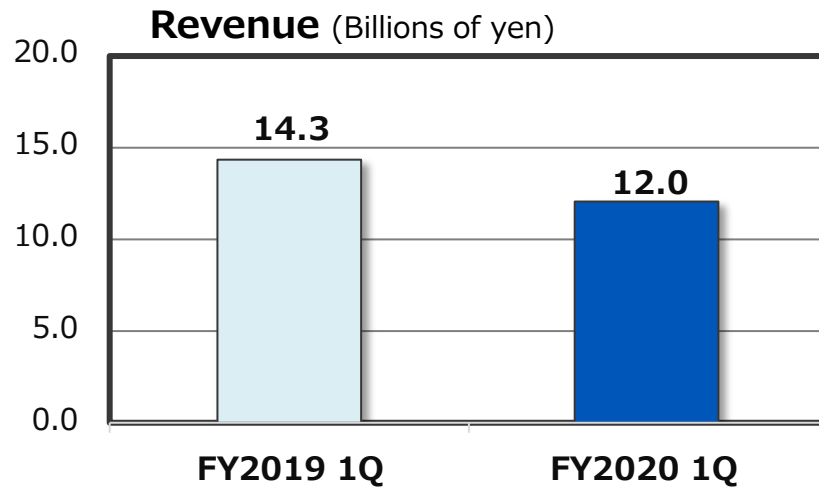
**Operating profit/loss** (Billions of yen)  
**Operating profit ratio** (%)



## Revenue breakdown by region



# Business Segment Overview: System Engineering

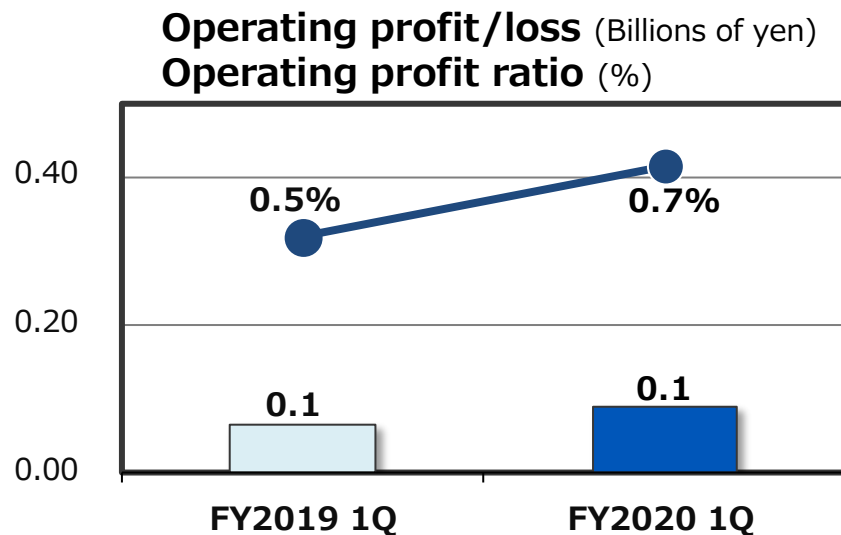


## 【Revenue】

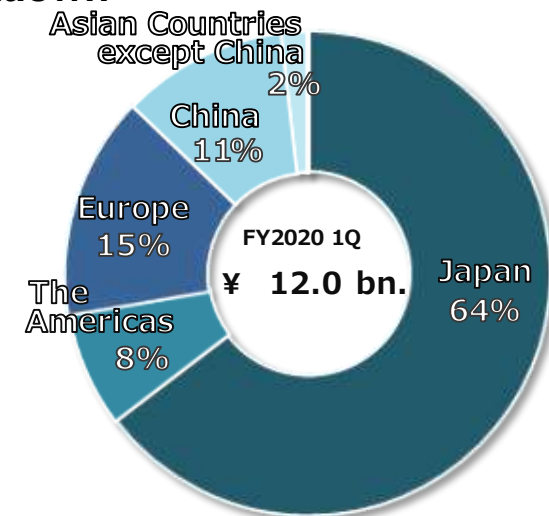
- Revenue related to steel plants and electric systems for water supply and sewerage in Japan were sluggish
- Revenue of PV inverter grew in the environmental energy field due to the launch of new products
- Segment revenue decreased mainly in Japan due to the impact of the new coronavirus

## 【Operating profit】

- Increased due to structural reforms and the launch of new products

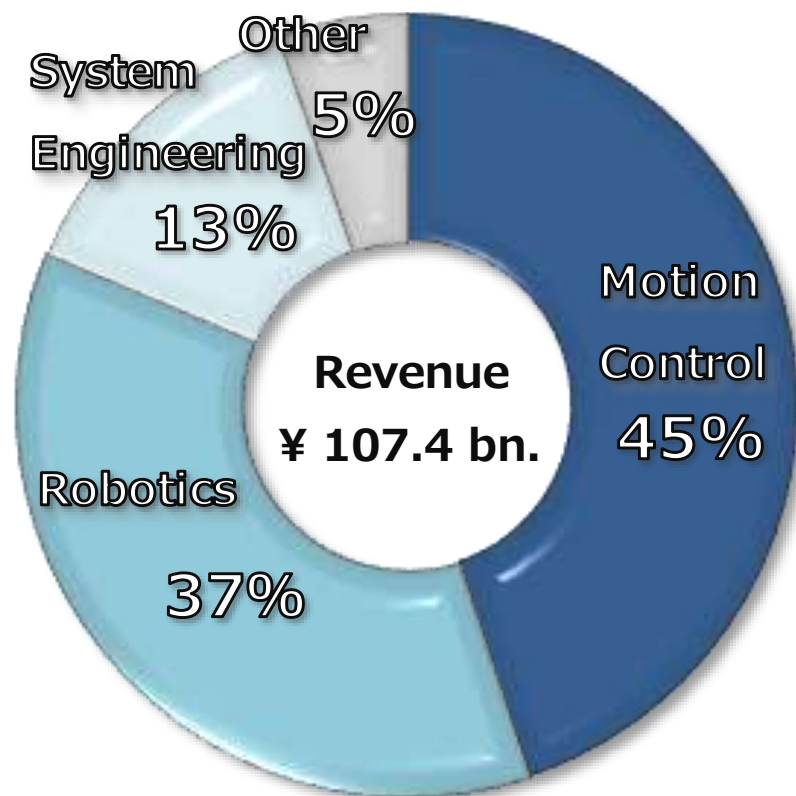


## Revenue breakdown by region

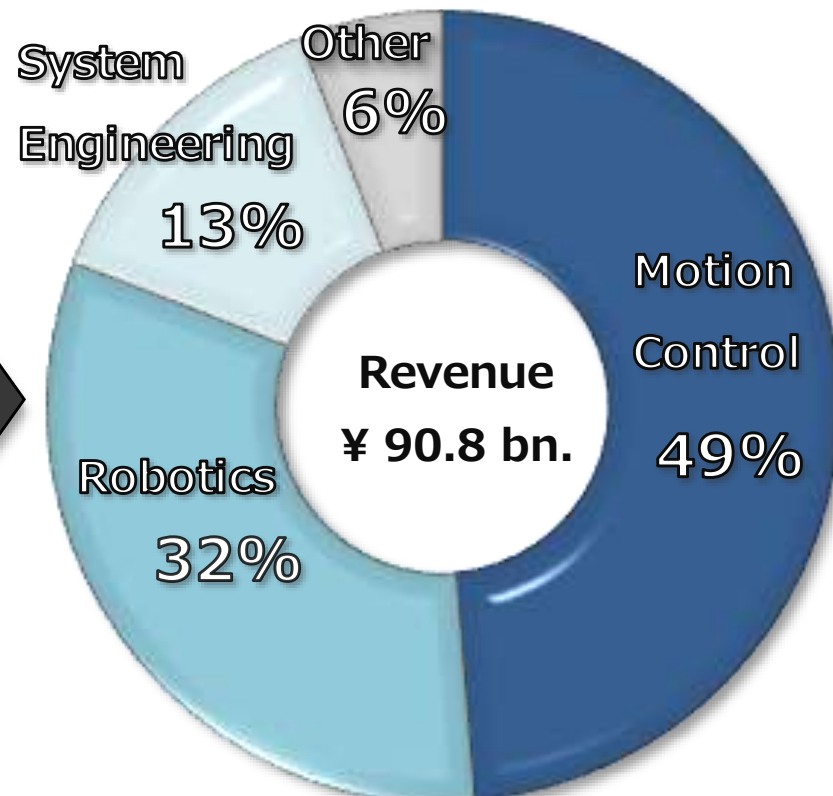


# Revenue Breakdown by Business Segment

## FY2019 1Q



## FY2020 1Q



## Revenue Breakdown by Region (1)

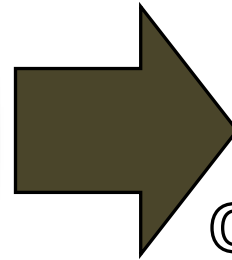
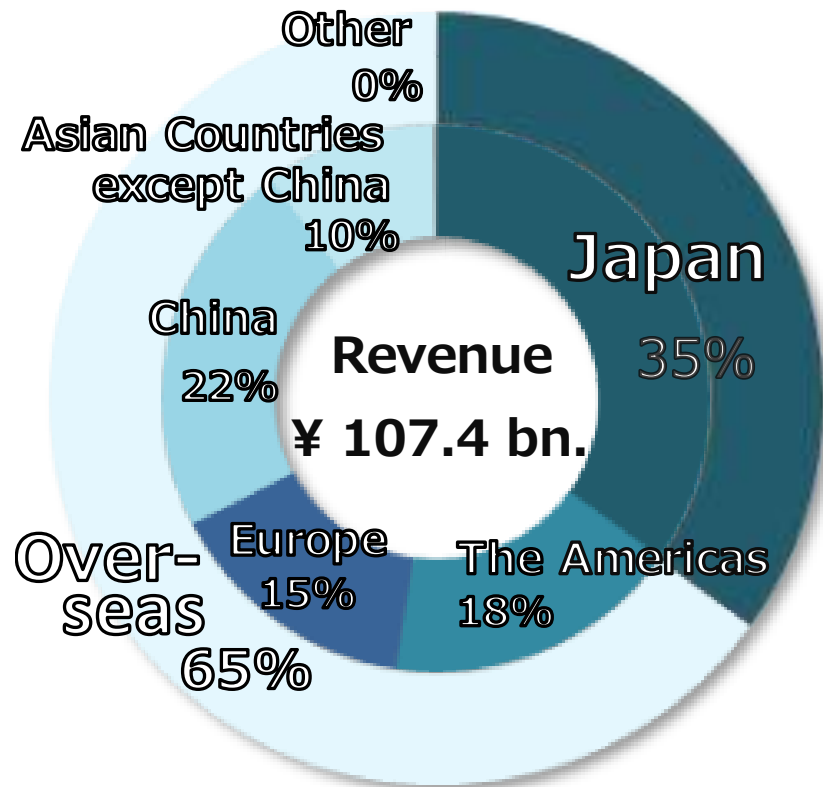
- Overall revenue declined despite solid performance in China

(Billions of yen)	FY2020	FY2019	Changes	
	1Q	1Q	Amounts	%
<b>Revenue</b>	<b>90.8</b>	107.4	<b>-16.6</b>	<b>-15.5%</b>
<b>Japan</b>	<b>32.6</b>	37.6	<b>-5.0</b>	<b>-13.4%</b>
<b>Overseas</b>	<b>58.2</b>	69.8	<b>-11.6</b>	<b>-16.6%</b>
<b>The Americas</b>	<b>14.0</b>	18.8	<b>-4.8</b>	<b>-25.4%</b>
<b>Europe</b>	<b>11.1</b>	16.1	<b>-4.9</b>	<b>-30.8%</b>
<b>China</b>	<b>23.9</b>	24.0	<b>-0.1</b>	<b>-0.4%</b>
Asian Countries except China	<b>9.1</b>	10.8	<b>-1.7</b>	<b>-15.7%</b>
<b>Other</b>	<b>0.0</b>	0.2	<b>-0.1</b>	<b>-75.6%</b>

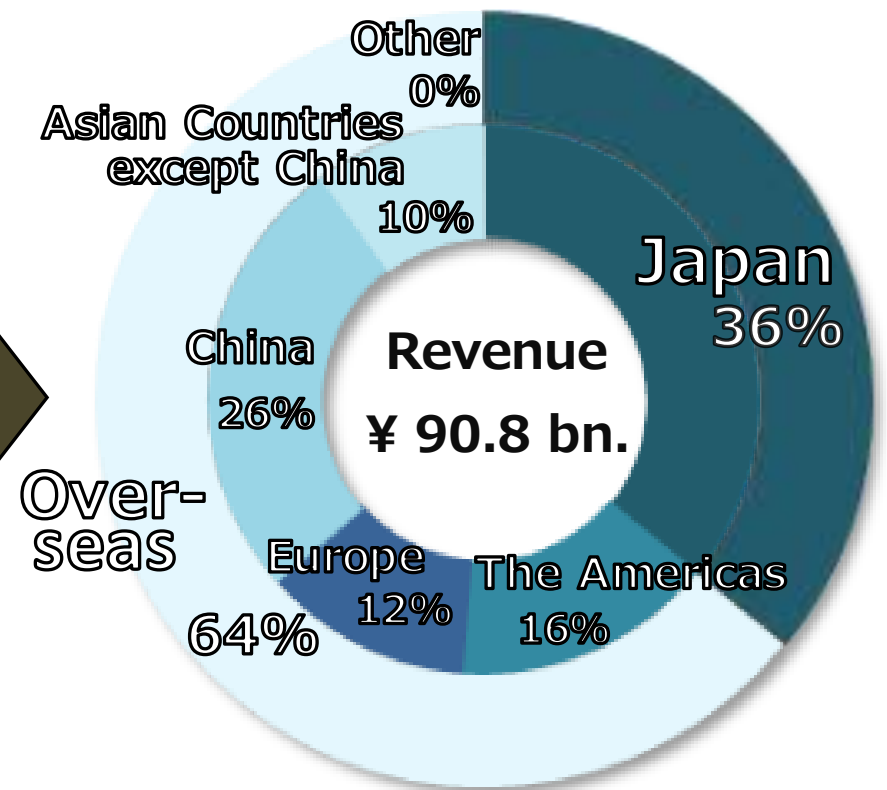
Note : Europe includes Middle East and Africa.

## Revenue Breakdown by Region (2)

### FY2019 1Q



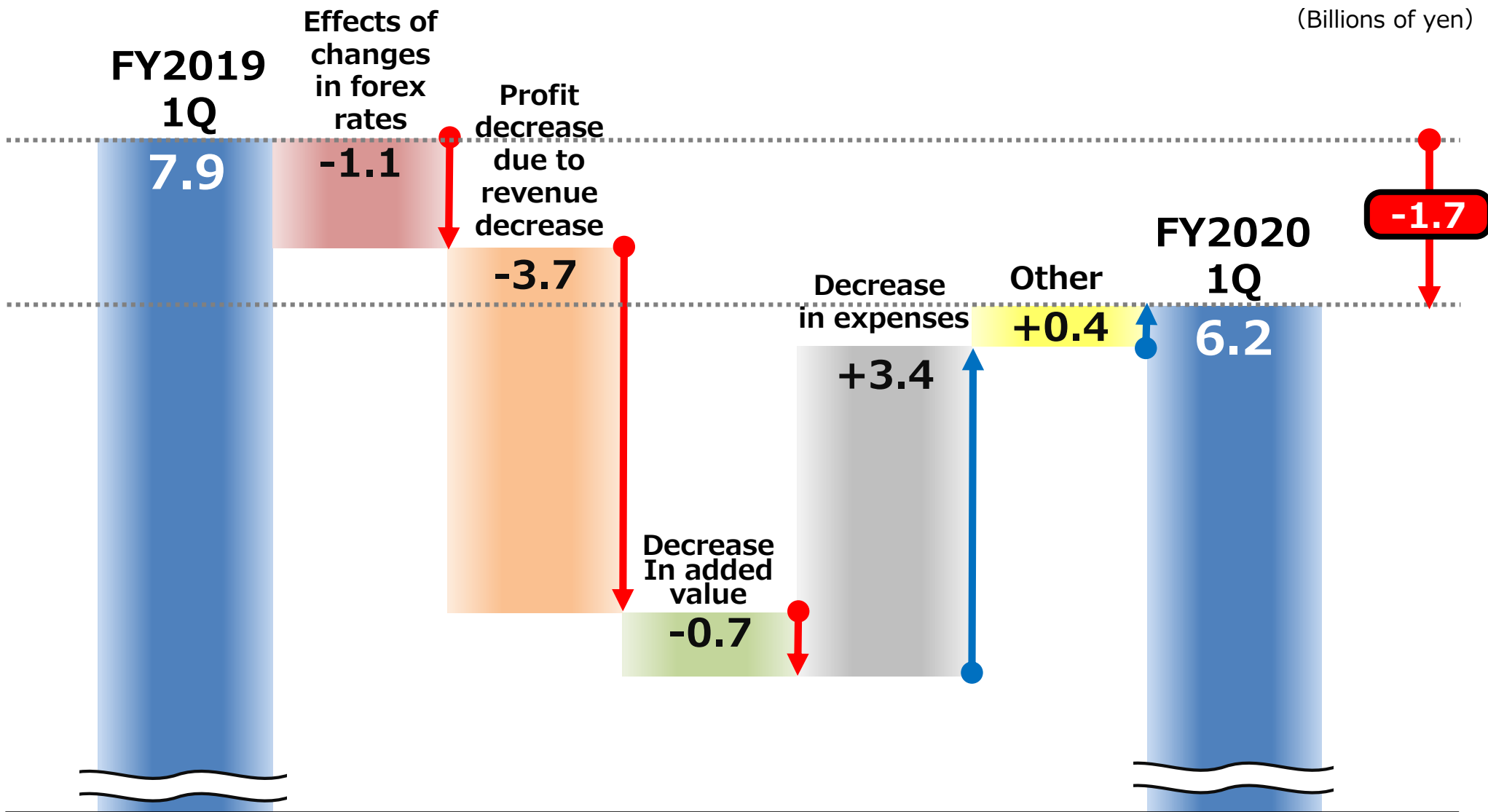
### FY2020 1Q



Note : Europe includes Middle East and Africa.

# Breakdown of Changes in Operating Profit ( FY2019 1Q → FY2020 1Q )

(Billions of yen)



# Measures for FY2020 1Q

## ➤ Increased line up of new products to expand "Robotics" business

### ➔ Launched new semiconductor wafer handling clean robot (May 2020)

- The direct drive system, which does not require a reduction gear, is used to achieve higher precision and lower vibration than conventional models

New semiconductor wafer handling clean robot  
"SEMISTAR-GEKKO MD124D"



## ➤ Enhanced profitability of Clean Power business

### ➔ Launched a new PV inverter "XGI1500 150kW" (June 2020)

- Contributes to system cost reduction through higher voltage (1500 V)



PV inverter  
"XGI1500 150kW"

## ➤ Enhanced industry-academia collaboration

### ➔ Participated in "The Consortium of Human Education for Future Robot System Integration"

- Cooperation between industry and educational institutions such as technical colleges to support the development of future human resources in the robotics field

### ➔ Opened Joint Research Course for Future Technologies with Tokyo Institute of Technology

- Research on ultralight actuator for human collaborative robot through industry-academia collaboration

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## **2. FY2020 2Q Financial Forecasts (Three Months Ended August 31, 2020)**

# FY2020 2Q Financial Forecasts

- Global trends in capital investment remain uncertain due to the spread of the new coronavirus infection and the resurgence of U.S. – China trade friction, therefore FY 2020 2Q results are forecasted as follows.

		FY2020 1Q		FY2020 2Q		FY2020 1H	
		Results	Profit ratio	Forecasts	Profit ratio	Forecasts	Profit ratio
(Billions of yen)							
<b>Revenue</b>		<b>90.8</b>		<b>90.0</b>		<b>180.8</b>	
	<b>Motion Control</b>	<b>44.2</b>		<b>41.8</b>		<b>86.0</b>	
	<b>Robotics</b>	<b>29.3</b>		<b>30.7</b>		<b>60.0</b>	
	<b>System Engineering</b>	<b>12.0</b>		<b>12.0</b>		<b>24.0</b>	
	<b>Other</b>	<b>5.3</b>		<b>5.5</b>		<b>10.8</b>	
<b>Operating profit</b>		<b>6.2</b>	<b>6.9%</b>	<b>4.5</b>	<b>5.0%</b>	<b>10.7</b>	<b>5.9%</b>
	<b>Motion Control</b>	<b>6.6</b>	<b>14.9%</b>	<b>5.5</b>	<b>13.1%</b>	<b>12.1</b>	<b>14.0%</b>
	<b>Robotics</b>	<b>0.3</b>	<b>0.9%</b>	<b>-0.3</b>	<b>-0.8%</b>	<b>0.0</b>	<b>0.0%</b>
	<b>System Engineering</b>	<b>0.1</b>	<b>0.7%</b>	<b>-0.1</b>	<b>-0.7%</b>	<b>-0.0</b>	<b>-0.0%</b>
	<b>Other</b>	<b>-0.1</b>	<b>-1.3%</b>	<b>-0.1</b>	<b>-1.1%</b>	<b>-0.1</b>	<b>-1.2%</b>
	<b>Elimination or Corporate</b>	<b>-0.6</b>	<b>-</b>	<b>-0.6</b>	<b>-</b>	<b>-1.2</b>	<b>-</b>
<b>Profit attributable to owners of parent</b>		<b>4.5</b>	<b>5.0%</b>	<b>3.5</b>	<b>3.9%</b>	<b>8.0</b>	<b>4.4%</b>

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## 3 . Reference

# Retroactive Application of IFRS/Business Reclassification to the FY2019 1Q Results

		F Y 2 0 1 9 1 Q			
(Unit: Billions of yen)		Japanese accounting standards	Changes of IFRS	Changes of Business reclassification	I F R S (After segment revision)
Net sales , Revenue		107.4	-	-	107.4
Motion Control		47.9	-	+0.4	48.3
Robotics		39.1	-	-	39.1
System Engineering		14.6	-	-0.4	14.3
Other		5.7	-	-	5.7
Operating profit		7.2	+0.8	-	7.9
Motion Control		6.1	+0.2	+0.0	6.2
Robotics		1.8	+0.1	+0.1	2.0
System Engineering		-0.2	+0.2	+0.1	0.1
Other		-0.1	+0.1	-	0.0
Elimination or Corporate		-0.4	+0.2	-0.2	-0.4
Profit attributable to owners of parent		4.7	+0.7	-	5.4

# Capital Expenditure, R&D Investment, Forex Rates and Sensitivity

- With the postponement of the announcement of the FY2020 full-year business forecast, the announcement of the "capital expenditure" "depreciation and amortization" and "R&D investment" plans will also be postponed.

## Capital expenditure, R&D investment

(Unit : Billions of Yen)

	F Y 2 0 1 7	F Y 2 0 1 8	F Y 2 0 1 9
Capital expenditure	<b>19.69</b>	<b>35.65</b>	<b>25.47</b>
Depreciation and Amortization	<b>12.69</b>	<b>14.31</b>	<b>16.75</b>
R&D investment	<b>19.07</b>	<b>20.79</b>	<b>19.00</b>

## Forex rates

Note: Average rate during the period

(Unit : Yen)

	F Y 2 0 1 8			F Y 2 0 1 9			F Y 2 0 2 0 (Forecasts)	
	1Q	1H	Full-year	1Q	1H	Full-year	1Q	1H
U.S. dollar	107.8	109.3	110.5	111.0	109.2	109.0	107.6	107.3
Euro	130.9	129.9	128.9	124.7	122.6	121.4	117.9	117.9
Yuan	17.05	16.81	16.56	16.38	15.91	15.70	15.21	15.21
Won	0.101	0.100	0.100	0.096	0.093	0.093	0.088	0.088

## Forex sensitivity

(Unit : Billions of Yen)

	Impact of 1% fluctuation (FY2020 1H Forecasts)	
	Net sales	Operating profit
U.S. dollar	approx. <b>0.32</b>	approx. <b>0.06</b>
Euro	approx. <b>0.24</b>	approx. <b>0.04</b>
Yuan	approx. <b>0.46</b>	approx. <b>0.12</b>
Won	approx. <b>0.10</b>	approx. <b>0.08</b>

# Financial Indices

## As of February 29, 2020

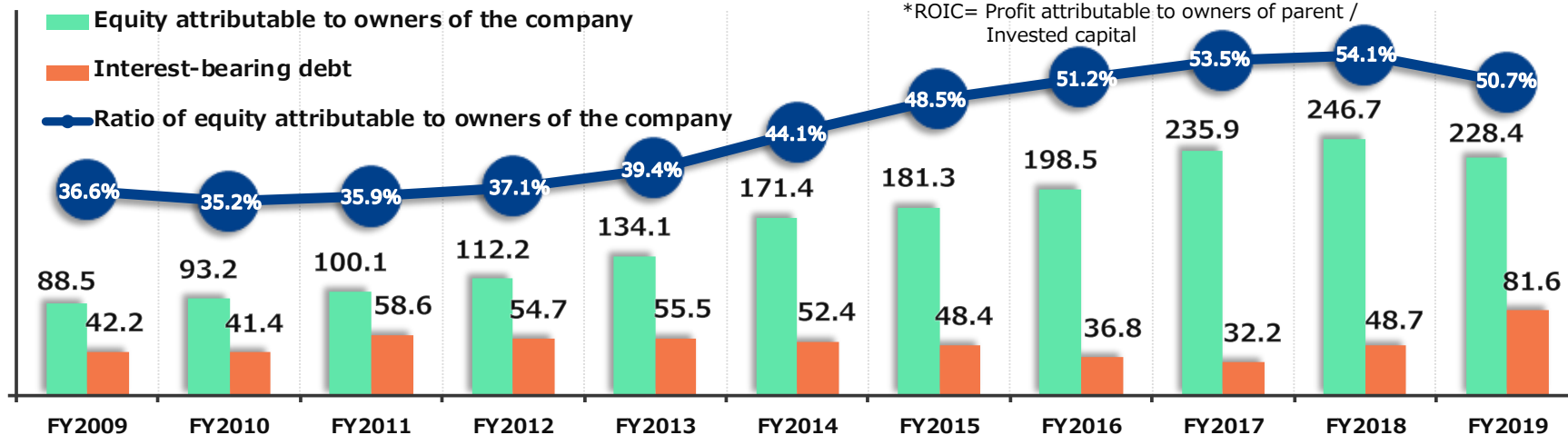
- Ratio of equity attributable to owners of the company 50.7%
- Equity attributable to owners of the company 228.4 billion yen
- Interest-bearing debt 81.6 billion yen
- D/E ratio 0.36
- (Net D/E ratio) 0.18
- Inventory 102.0 billion yen
- Turnover 3.0 months
- ROE 6.6%
- ROIC 5.9%

## As of May 31, 2020

- Ratio of equity attributable to owners of the company 49.0%
- Equity attributable to owners of the company 221.2 billion yen
- Interest-bearing debt 84.5 billion yen
- D/E ratio 0.38
- (Net D/E ratio) 0.16
- Inventory 106.8 billion yen
- Turnover 3.5 months

\*Interest-bearing debt includes lease obligations.  
 \*Inventory at the end of the period is used for calculating turnover months.  
 \*ROE= Profit attributable to owners of parent / Shareholders' equity (average of beginning and end of fiscal year)  
 \*ROIC= Profit attributable to owners of parent / Invested capital

(Billions of yen)

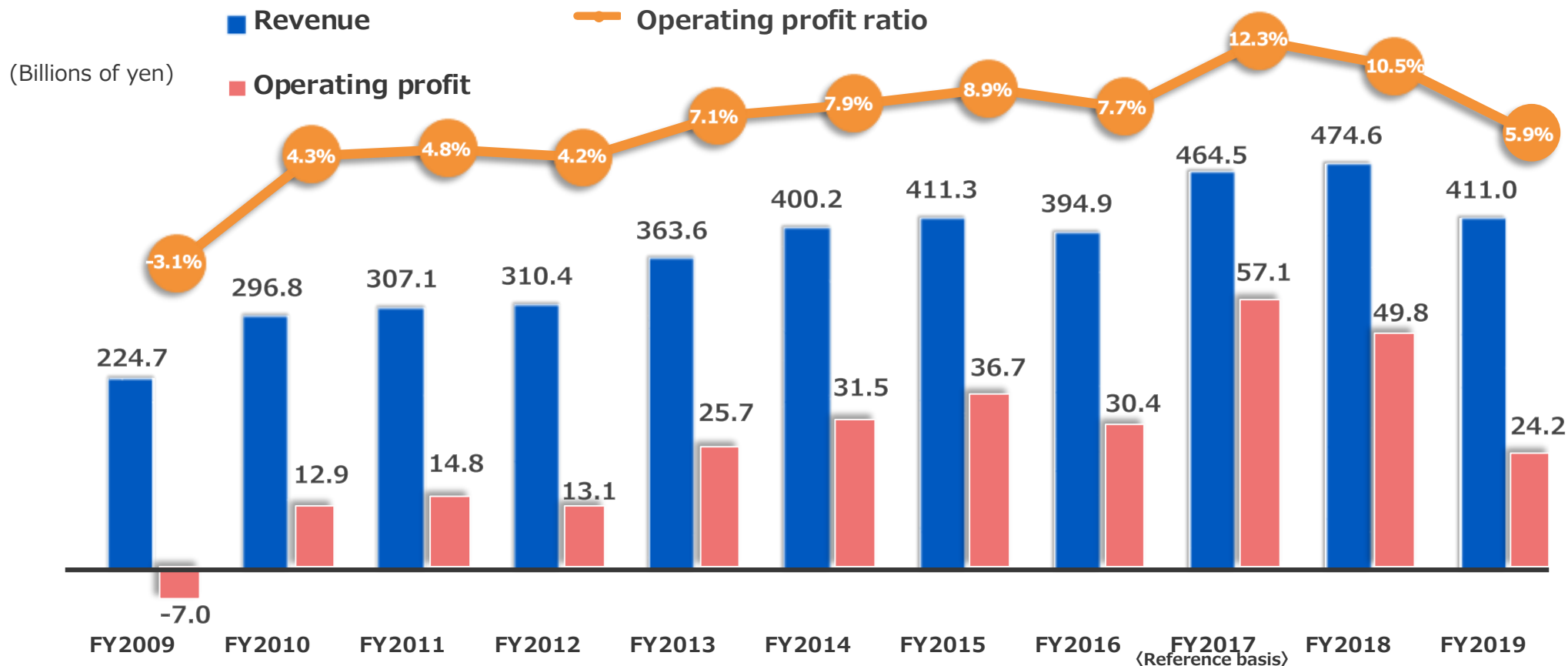


(Billions of yen)

Operating CF	4.0	2.5	6.4	24.6	24.0	29.0	32.0	33.8	46.1	32.8	21.5
Investment CF	- 6.5	- 6.7	- 11.9	- 18.1	- 16.9	- 27.9	- 22.4	- 18.9	- 18.9	- 27.1	- 20.6
Free CF	- 2.4	- 4.3	- 5.5	6.6	7.0	1.1	9.5	14.8	27.2	5.7	0.8

[Note] Data up to February 2019 are based on Japanese GAAP.

# Revenue / Operating Profit (FY2009 - FY2019)



**Challenge 100**

**Realize 100**

**Dash 25**

**Challenge 25**

**Mid-term business plans**

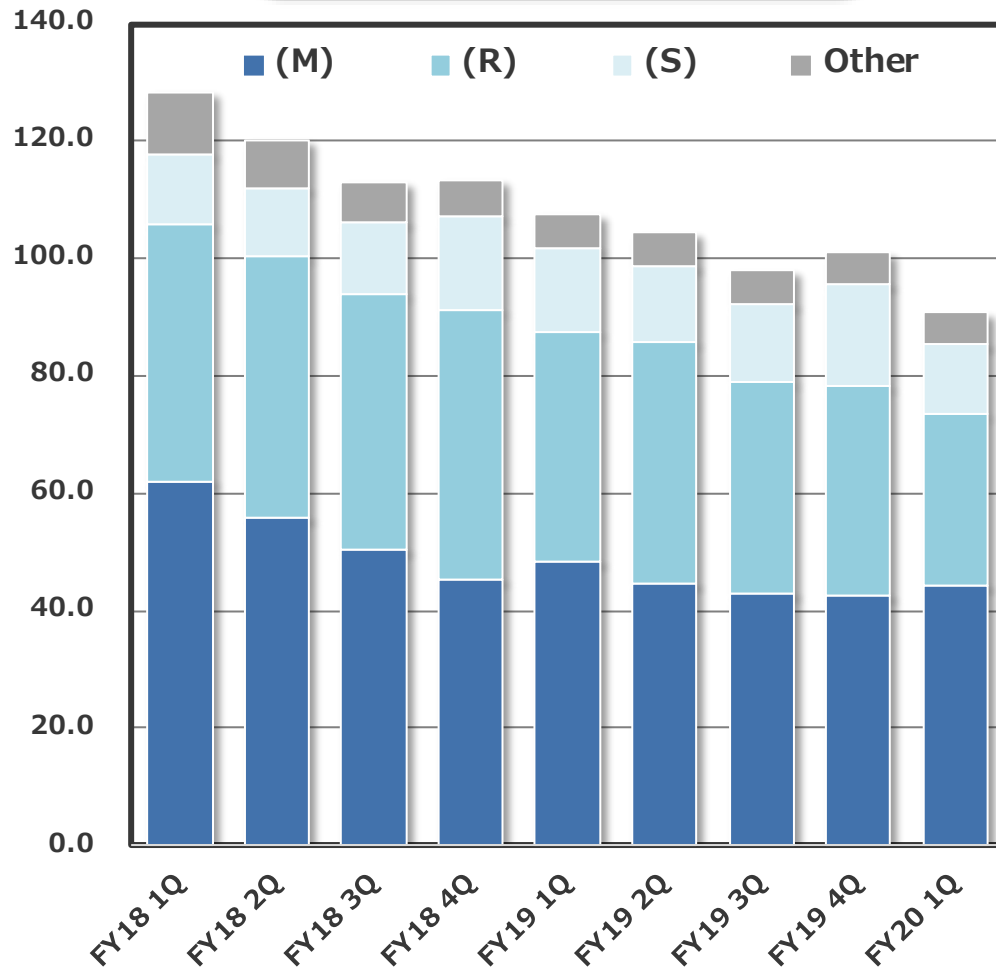
Note1: Data up to FY2018 are based on Japanese GAAP.

Note2: The data for FY2017 are made on a reference basis. (March 21, 2017 – March 20, 2018)

# Quarterly Revenue Trends (1)

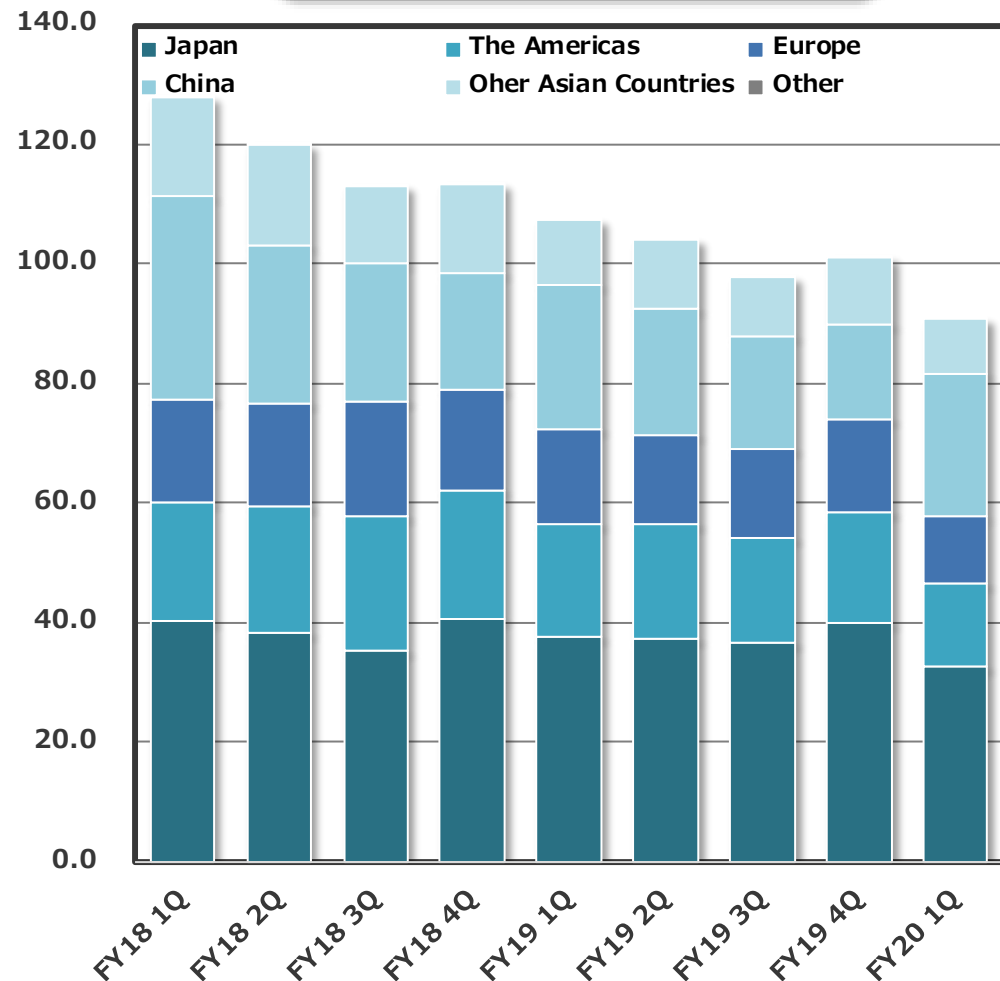
## Business segment

(Billions of yen)



## Destination

(Billions of yen)



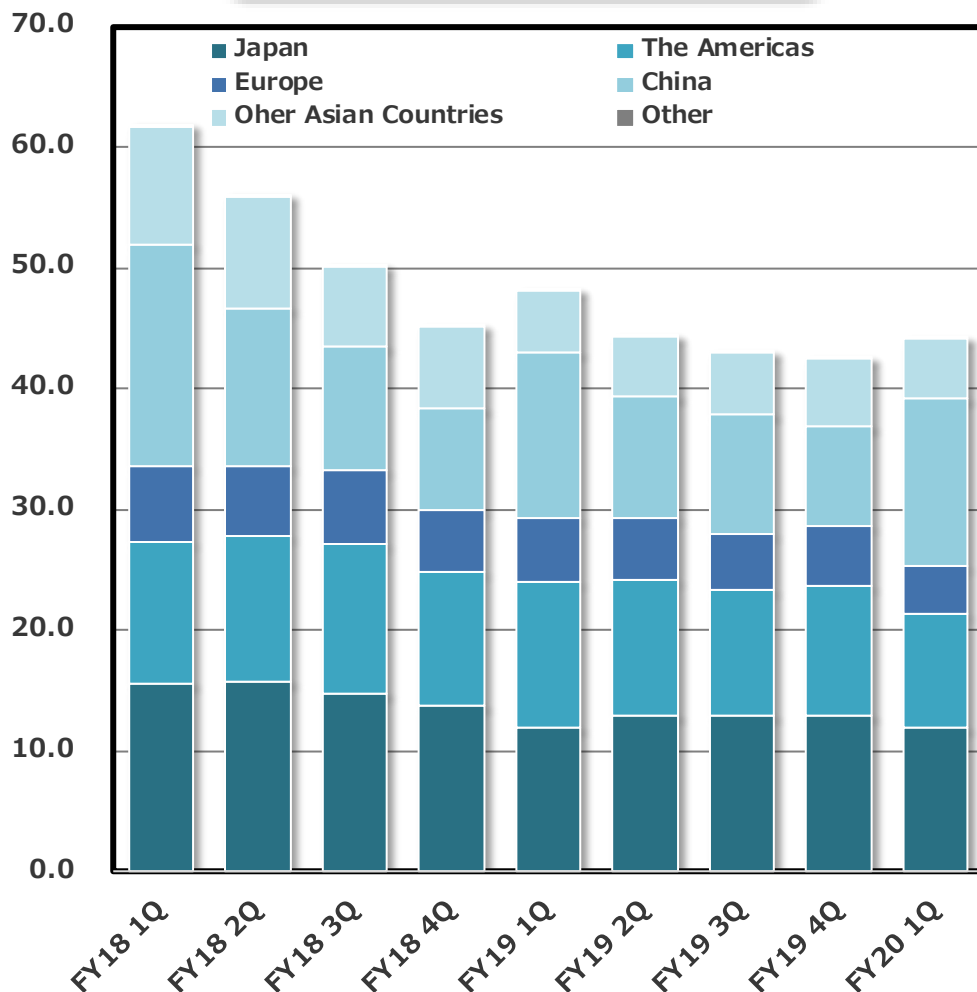
Note1: 1Q data of FY 19 and FY 20 are based on the values after segment reclassification.

Note2: (M) = Motion Control (R) = Robotics (S) = System Engineering

# Quarterly Revenue Trends (2)

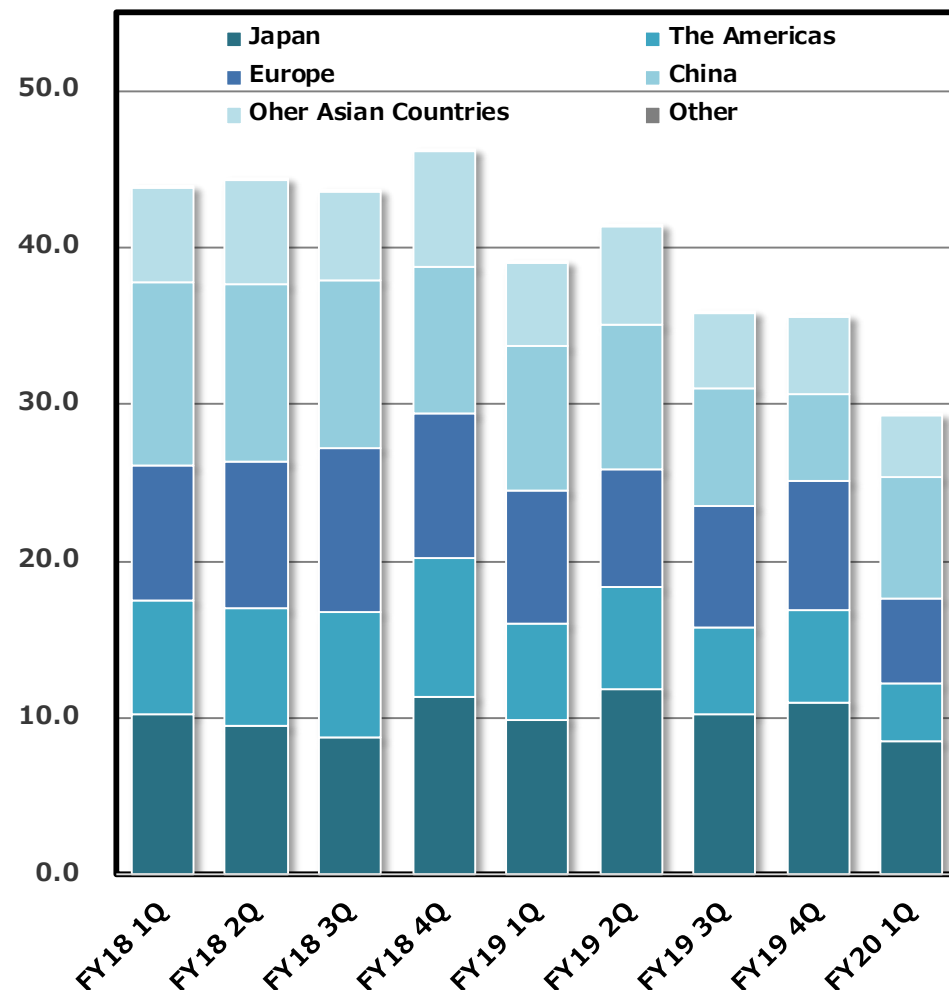
## Motion Control

(Billions of yen)



## Robotics

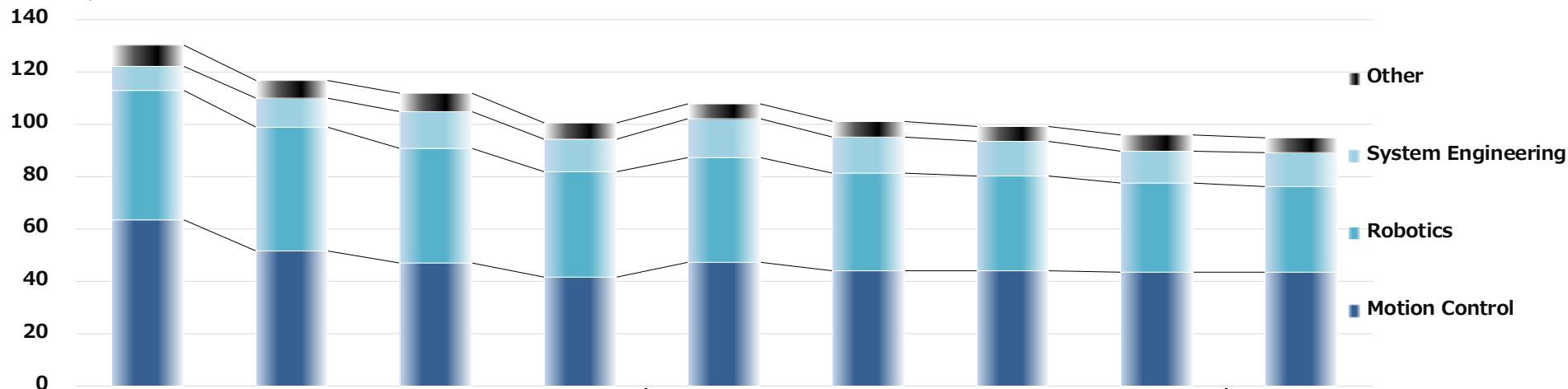
(Billions of yen)



Note: 1Q data of FY 19 and FY 20 are based on the values after segment reclassification.

# Quarterly Order Trends by Business Segment \*Average forex rates during period used

(Billions of Yen)

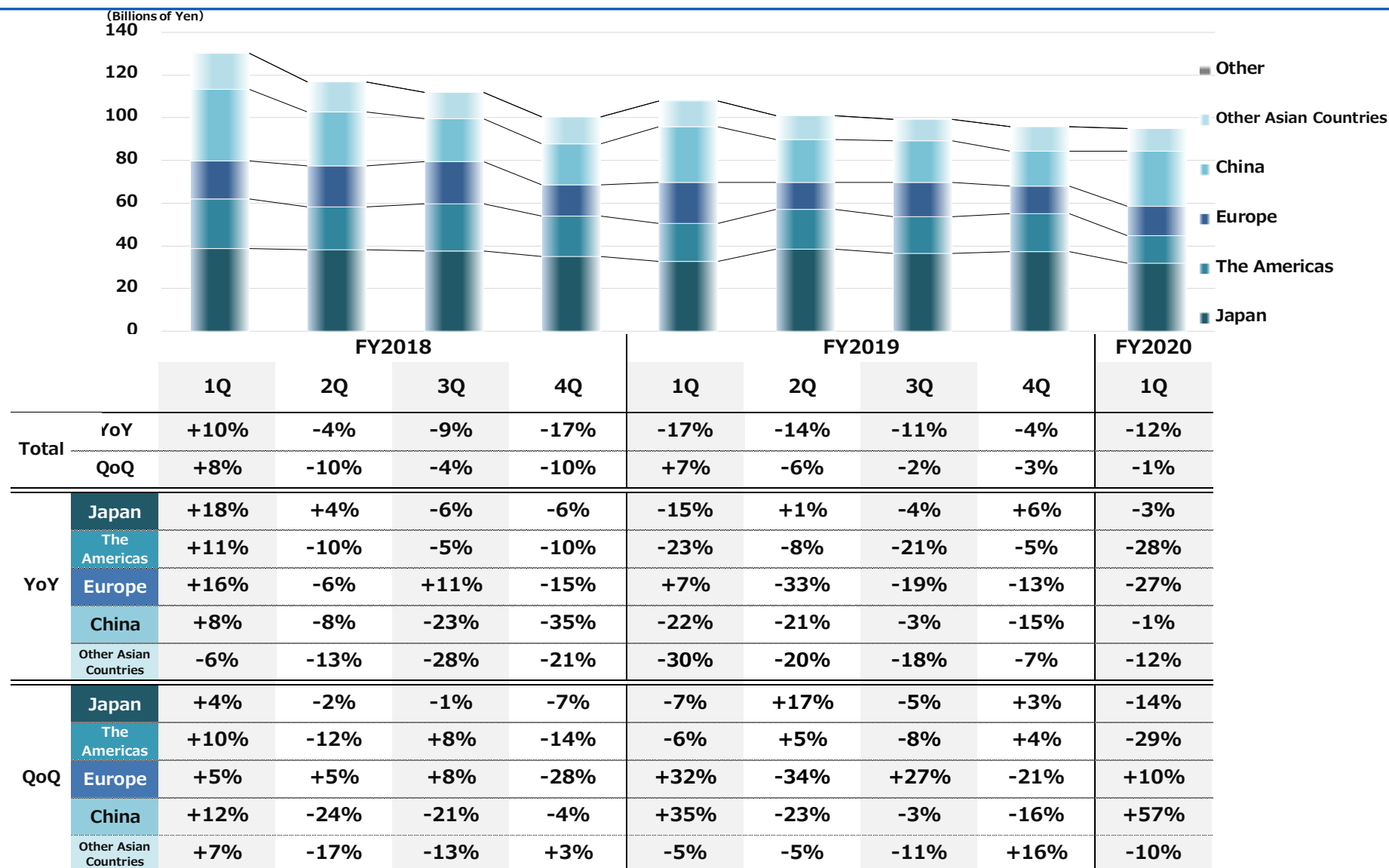


		FY2018				FY2019				FY2020
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
全社	YoY	+10%	-4%	-9%	-17%	-17%	-14%	-11%	-4%	-12%
	QoQ	+8%	-10%	-4%	-10%	+7%	-6%	-2%	-3%	-1%
YoY	( M )	+3%	-7%	-12%	-20%	-26%	-15%	-7%	+4%	-8%
	( R )	+15%	+7%	-8%	-10%	-19%	-22%	-17%	-15%	-18%
	( S )	+14%	-37%	+4%	-17%	+64%	+27%	-6%	-3%	-13%
QoQ	( M )	+21%	-19%	-9%	-11%	+13%	-7%	-0%	-1%	+0%
	( R )	+11%	-4%	-7%	-9%	-0%	-7%	-2%	-6%	-4%
	( S )	-39%	+20%	+27%	-11%	+21%	-7%	-6%	-8%	+8%
Forex rates	U.S. dollar	107.8	110.8	112.7	110.6	111.0	107.6	108.2	109.5	107.6
	Euro	130.9	128.9	129.6	125.9	124.7	120.6	119.3	120.9	117.9

Note1: (M) = Motion Control (R) = Robotics (S) = System Engineering

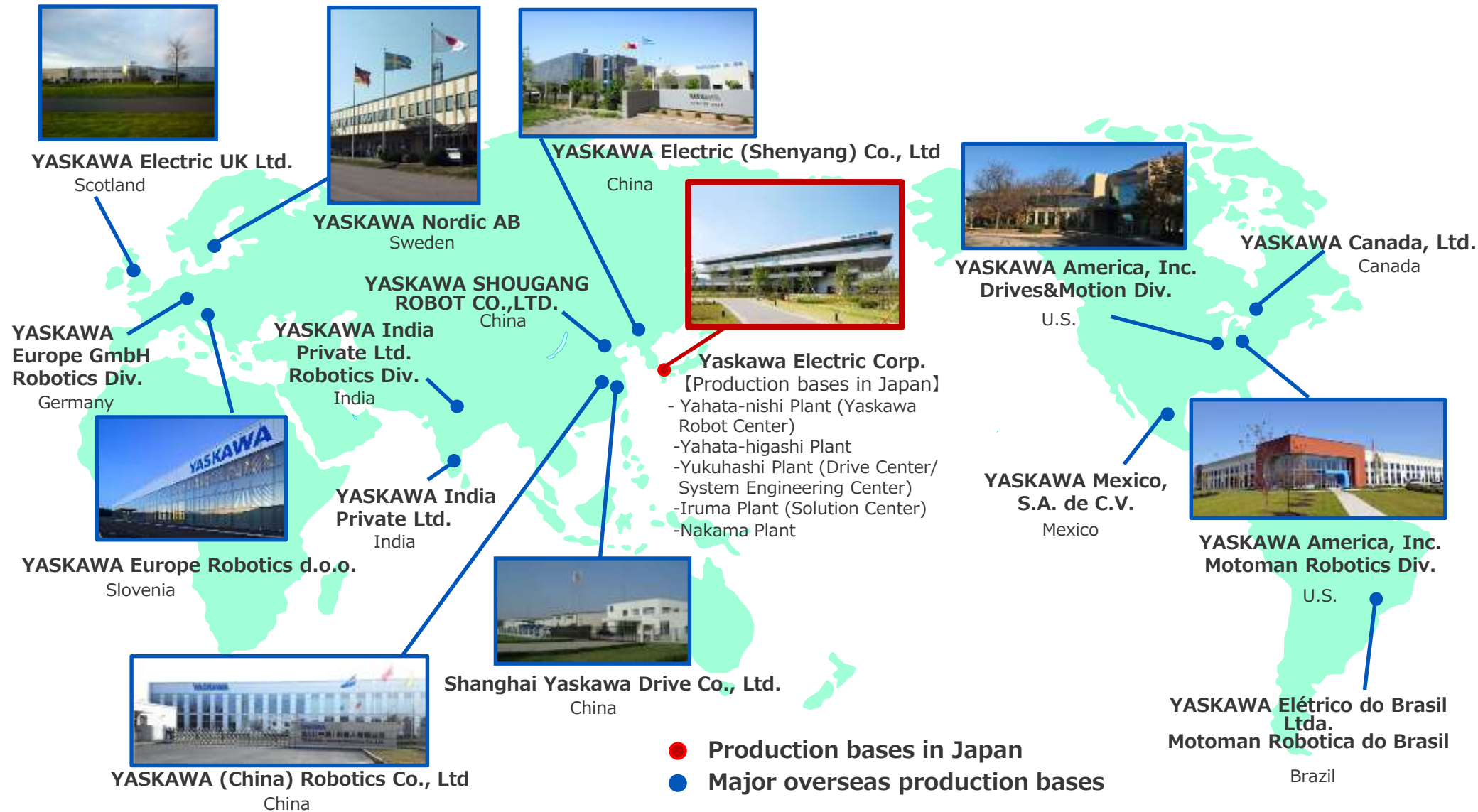
Note2: Data of FY2019 and FY2020 are based on the values after segment reclassification.

# Quarterly Order Trends by Destination \*Average forex rates during period used



Note: Data of FY2019 and FY2020 are based on the values after segment reclassification.

# Major Production Bases



# **YASKAWA**