

## FY2020 Nine Months Financial Results (Ended November 30, 2020)

## FY2020 Full-Year Forecasts (Ending February 28, 2021)

### 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.19)
- 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 Nine Months Financial Results**

- FY2020 Nine Months Financial Results
- Business Segment Overview
- Revenue Breakdown by Business Segment
- Revenue Breakdown by Destination
- Breakdown of Changes in Operating Profit
- Measures for FY2020 3Q

## **2. FY2020 Full-Year Forecasts**

- FY2020 Full-Year Financial Forecasts
- Breakdown of Changes in Operating Profit

## **3. Reference**

- Retroactive Application of IFRS/ Business Reclassification to the FY2019 Nine Months & Full-Year 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】

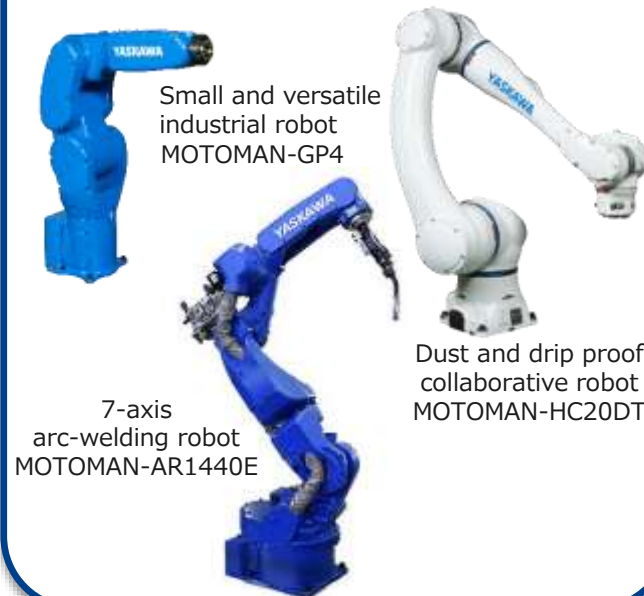
- AC servo motors and controllers
- Linear servo motors
- AC drives
- PM motor



## Robotics

### 【Core products】

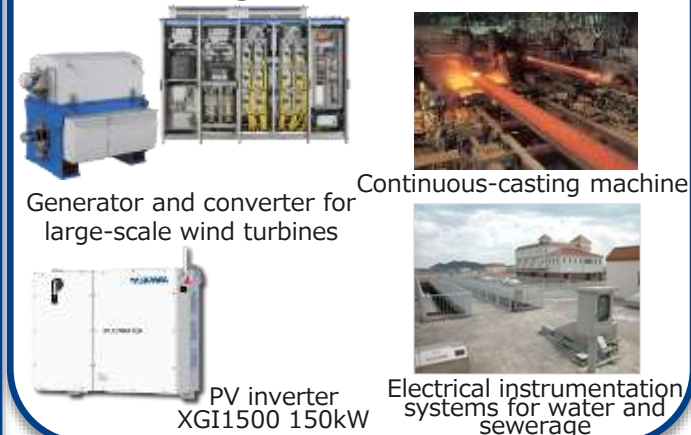
- Industrial robots
  - Arc and spot welding robots, painting robots
  - FPD glass sheet transfer robots, handling robots
- Semiconductor wafer transfer robots
- Biomedical robots
- Collaborative robots



## 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



## Other

- Logistics

## **1. FY2020 Nine Months Financial Results (Ended November 30, 2020)**

## FY2020 Nine Months Financial Results (Highlights)

- Revenue decreased due to decreased demand in the first half of the nine months due to the spread of new coronavirus infection
- Operating profit increased by improving profitability through thorough cost control

	FY2020 Mar.-Nov.	FY2019 Mar.-Nov.	Changes	
			Amounts	%
Revenue	¥ 279.9bn.	¥ 309.8bn.	-¥ 29.9bn.	-9.6%
Operating profit	¥ 20.0bn.	¥ 19.1bn.	+¥ 0.9bn.	+4.8%
Profit before tax	¥ 19.1bn.	¥ 19.2bn.	-¥ 0.1bn.	-0.5%
Profit attributable to owners of parent	¥ 14.1bn.	¥ 13.6bn.	+¥ 0.4bn.	+3.3%

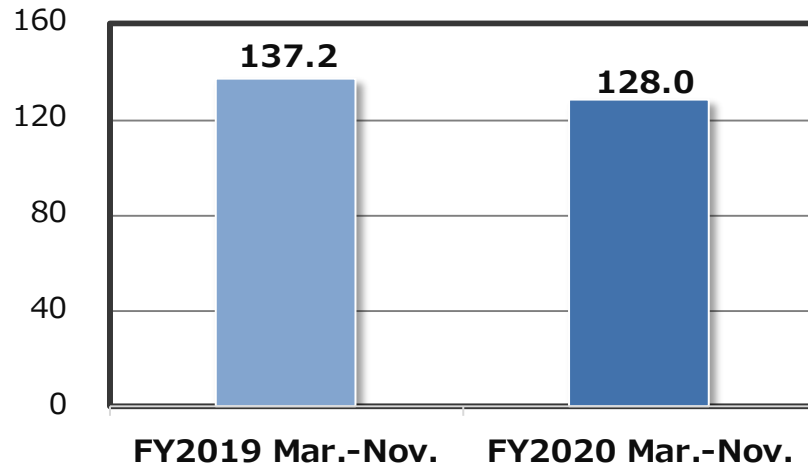
# FY2020 Nine Months Financial Results by Business Segment

- Profit increased for Motion Control and System Engineering despite lower revenue
- Revenue and profit of Robotics declined due to the impact of new coronavirus to the automobile industry, the segment's key market

	FY2020 Mar.-Nov.		FY2019 Mar.-Nov.		Changes	
	Results	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
<b>Revenue</b>	<b>279.9</b>		309.8		<b>-29.9</b>	<b>-9.6%</b>
<b>Motion Control</b>	<b>128.0</b>		137.2		<b>-9.1</b>	<b>-6.7%</b>
<b>Robotics</b>	<b>99.6</b>		116.5		<b>-16.9</b>	<b>-14.5%</b>
<b>System Engineering</b>	<b>35.1</b>		38.8		<b>-3.6</b>	<b>-9.4%</b>
<b>Other</b>	<b>17.1</b>		17.3		<b>-0.2</b>	<b>-1.0%</b>
<b>Operating profit</b>	<b>20.0</b>	<b>7.2%</b>	19.1	6.2%	<b>+0.9</b>	<b>+4.8%</b>
<b>Motion Control</b>	<b>18.2</b>	<b>14.3%</b>	16.4	12.0%	<b>+1.8</b>	<b>+11.2%</b>
<b>Robotics</b>	<b>4.2</b>	<b>4.2%</b>	4.8	4.1%	<b>-0.6</b>	<b>-12.6%</b>
<b>System Engineering</b>	<b>0.0</b>	<b>0.0%</b>	-0.3	-0.7%	<b>+0.3</b>	<b>-</b>
<b>Other</b>	<b>-0.3</b>	<b>-1.5%</b>	0.0	0.2%	<b>-0.3</b>	<b>-</b>
<b>Elimination or Corporate</b>	<b>-2.2</b>	<b>-</b>	-1.9	-	<b>-0.3</b>	<b>-</b>

# Business Segment Overview: Motion Control

**Revenue** (Billions of yen)



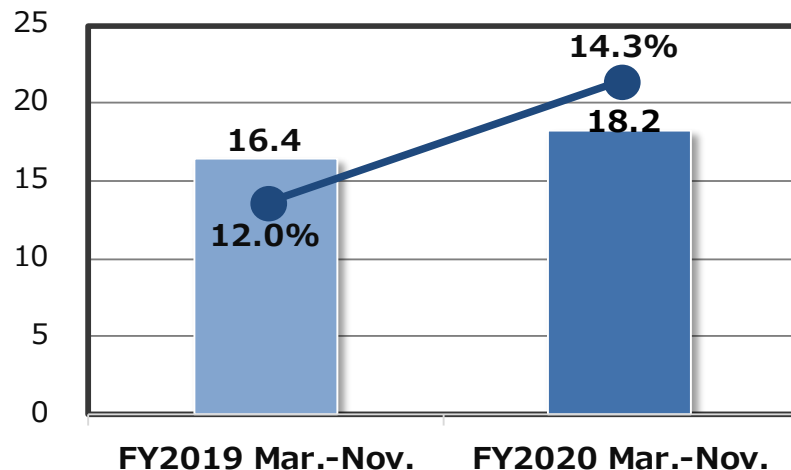
## **【Revenue】**

- AC servo & controller: New infrastructure-related demand in China grew, while global demand for semiconductors and electronic component-related products remained firm
- Drives: Global demand slumped as the U.S. oil and gas-related demand significantly declined

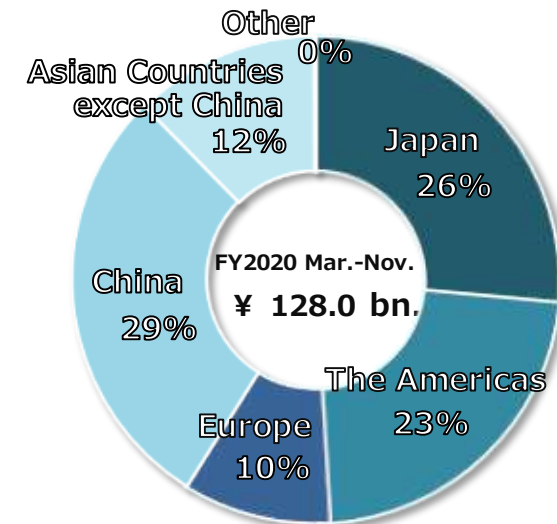
## **【Operating profit】**

- Increased due to an improvement in profitability reflecting growth in revenue in China and the effect of cost control

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



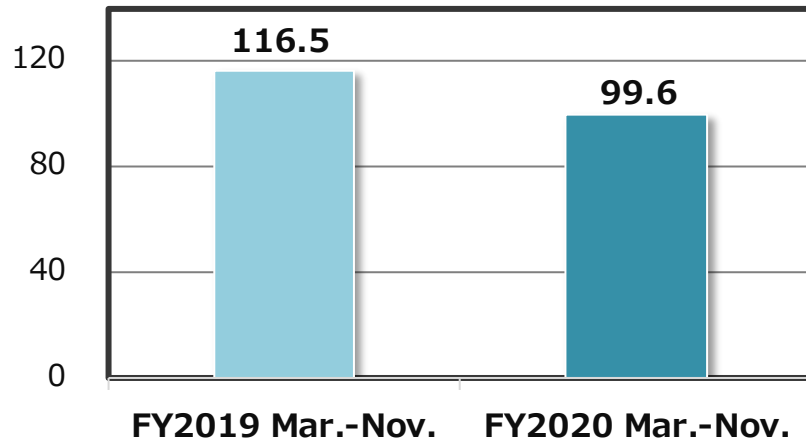
## **Revenue breakdown by region**





# Business Segment Overview: Robotics

**Revenue** (Billions of yen)



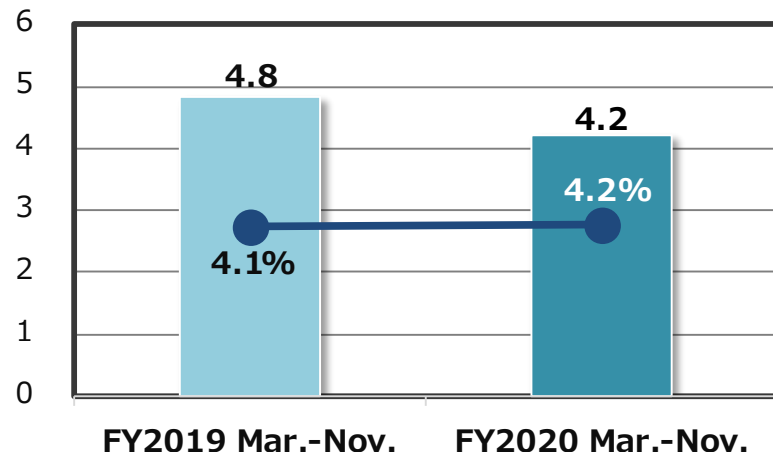
## 【Revenue】

- Automobile market was sluggish due to restrained capital investment caused by the impact of the new coronavirus in regions except China
- In the general industrial sector, capital investment was seen mainly in China against the backdrop of expanding needs for automation
- Sales of semiconductor robots were solid

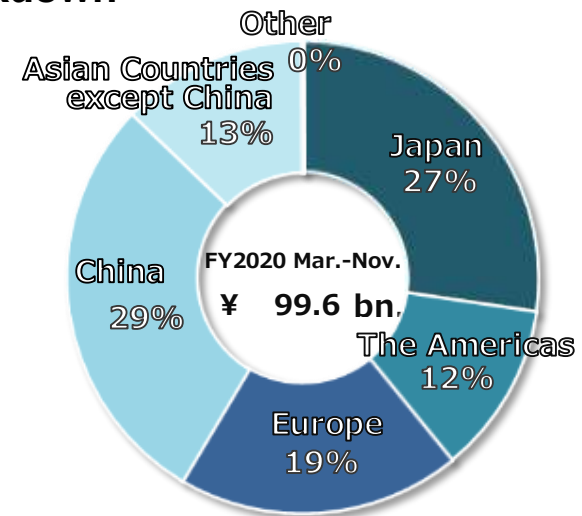
## 【Operating profit】

- Despite efforts to cut costs, posted a year-on-year decrease due to decrease in revenue

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



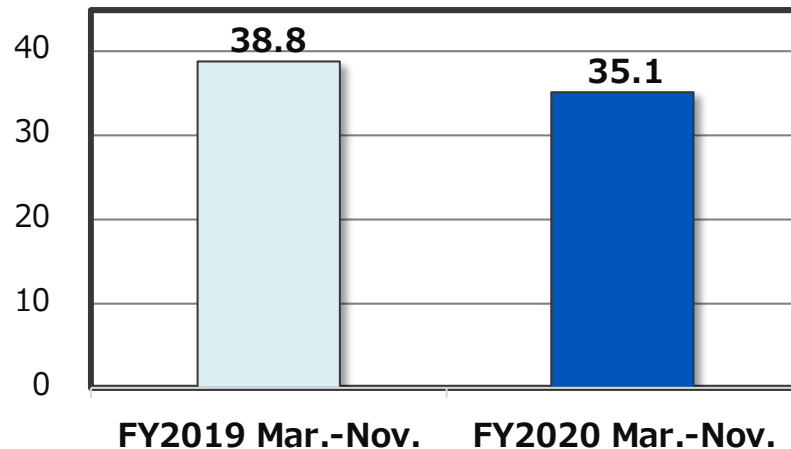
## Revenue breakdown by region





# Business Segment Overview: System Engineering

**Revenue** (Billions of yen)



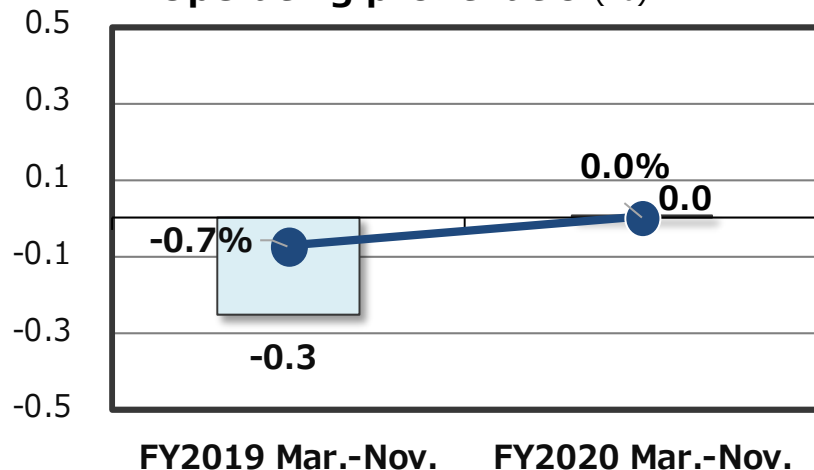
## 【Revenue】

- Domestic sales of steel plant and water supply and sewerage electrical systems decreased due to the impact of the new coronavirus
- PV inverter business was solid as new products were launched

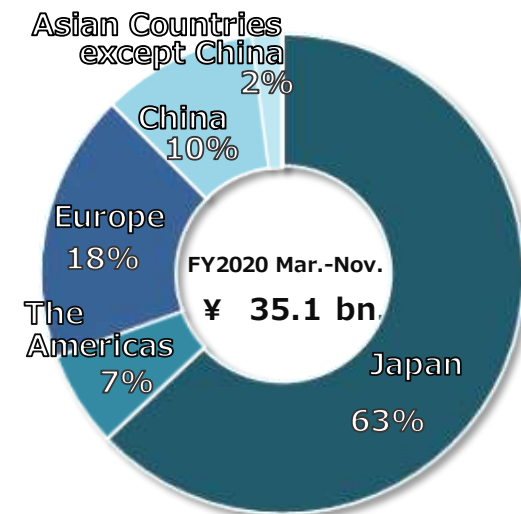
## 【Operating profit】

- Improved mainly due to structural reforms and the effect of launching new products

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

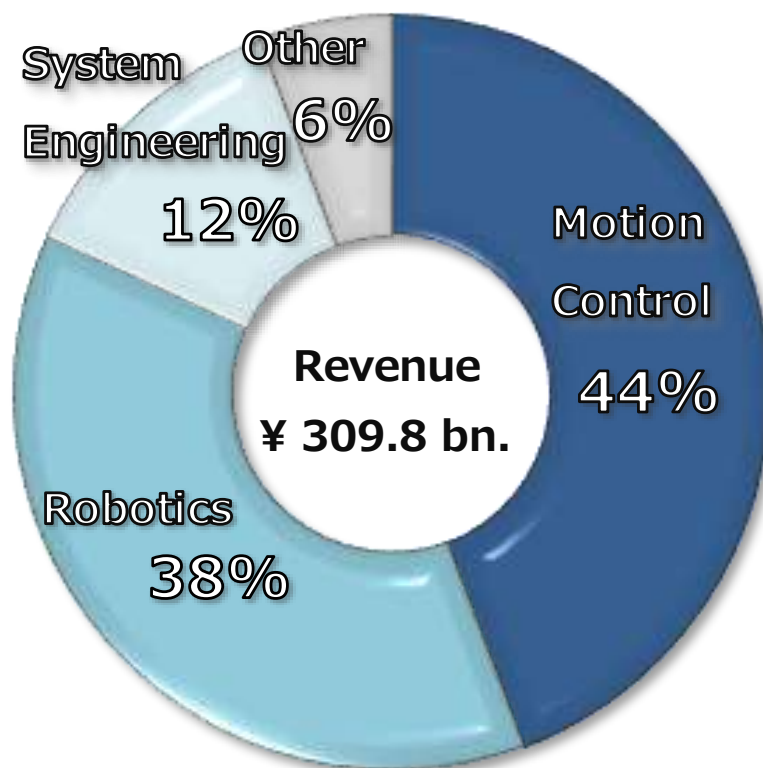


## Revenue breakdown by region

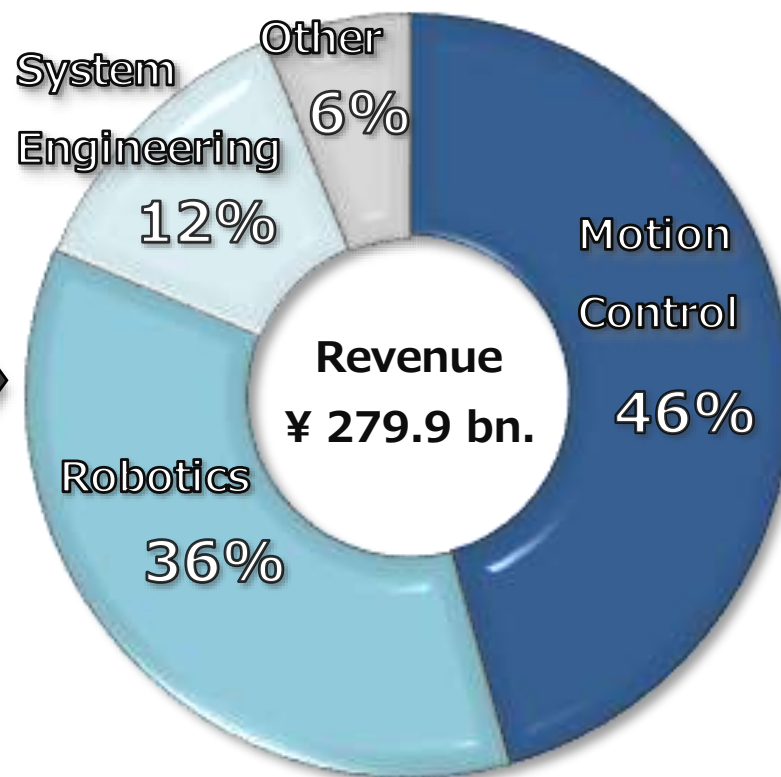


# Revenue Breakdown by Business Segment

**FY2019 Mar.-Nov.**



**FY2020 Mar.-Nov.**



## Revenue Breakdown by Destination (1)

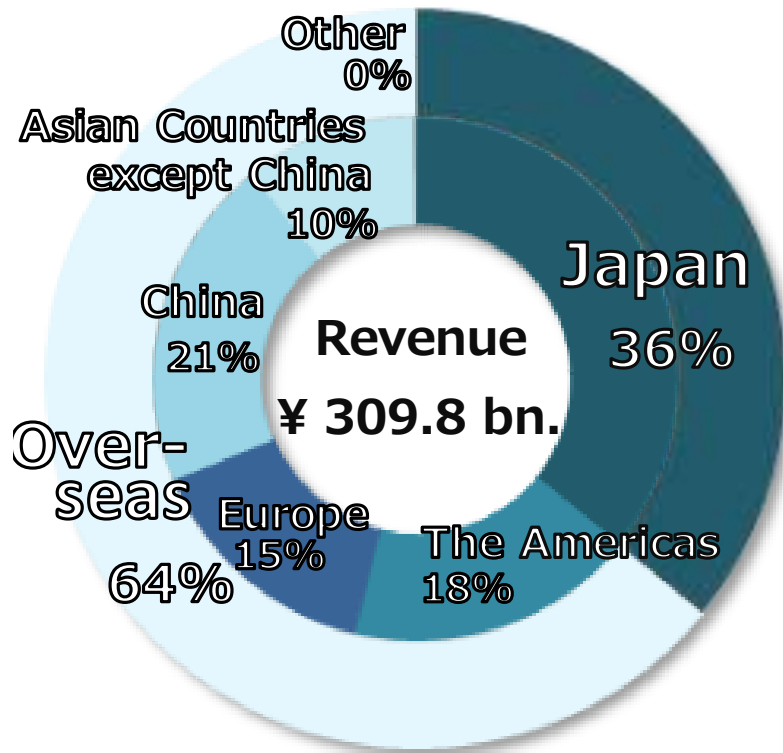
- Revenue of China grew year-on-year

(Billions of yen)	FY2020	FY2019	Changes	
	Mar.-Nov.	Mar.-Nov.	Amounts	%
<b>Revenue</b>	<b>279.9</b>	309.8	<b>-29.9</b>	<b>-9.6%</b>
<b>Japan</b>	<b>97.0</b>	111.4	<b>-14.4</b>	<b>-12.9%</b>
<b>Overseas</b>	<b>182.9</b>	198.4	<b>-15.5</b>	<b>-7.8%</b>
<b>The Americas</b>	<b>43.1</b>	55.5	<b>-12.4</b>	<b>-22.4%</b>
<b>Europe</b>	<b>38.4</b>	45.8	<b>-7.5</b>	<b>-16.3%</b>
<b>China</b>	<b>72.1</b>	64.0	<b>+8.2</b>	<b>+12.8%</b>
Asian Countries except China	<b>29.1</b>	32.7	<b>-3.5</b>	<b>-10.9%</b>
<b>Other</b>	<b>0.2</b>	0.4	<b>-0.2</b>	<b>-45.5%</b>

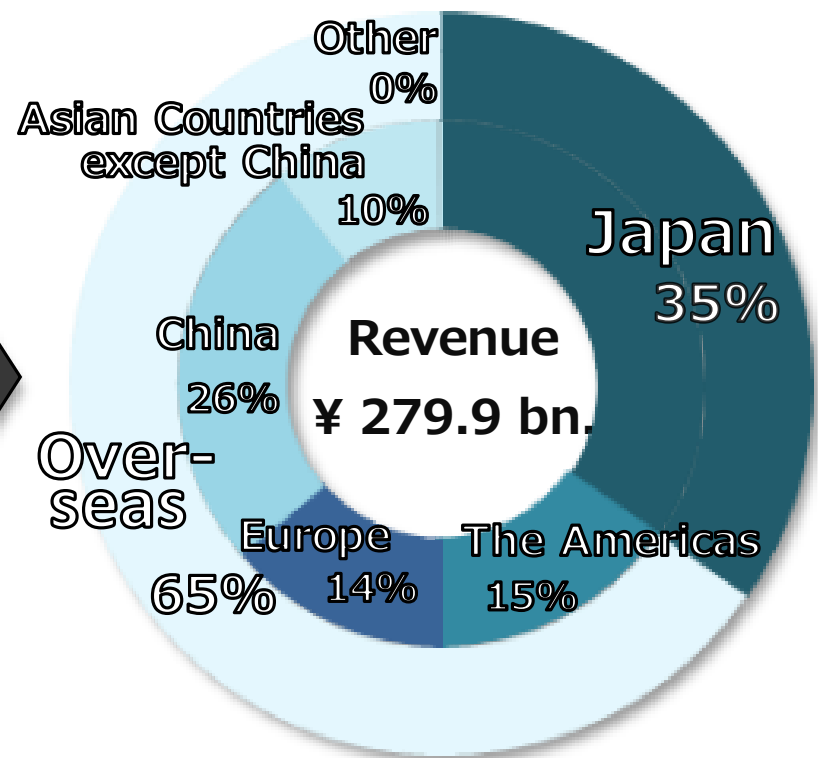
Note : Europe includes Middle East and Africa.

## Revenue Breakdown by Destination (2)

### FY2019 Mar.-Nov.



### FY2020 Mar.-Nov.

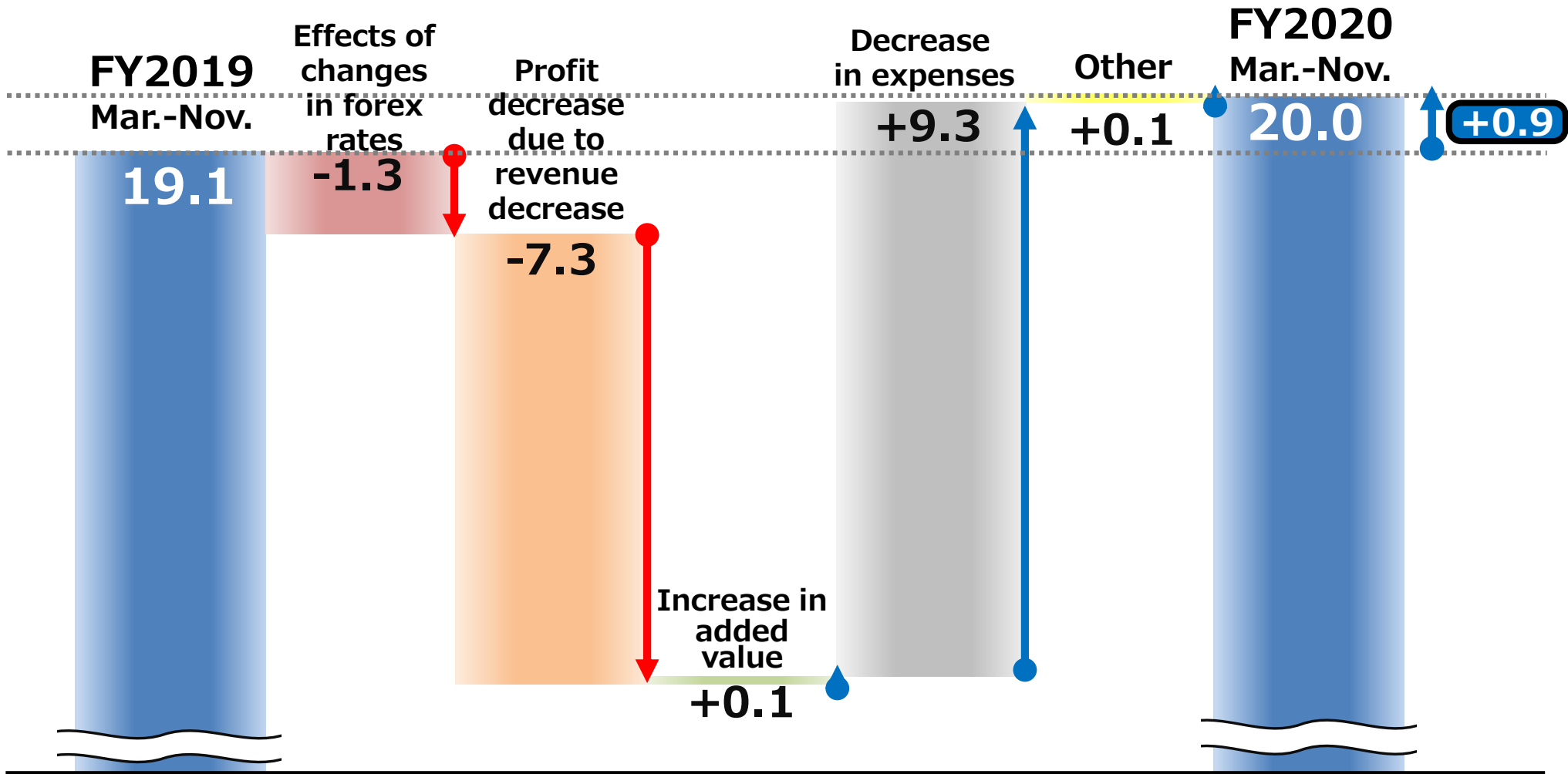


Note : Europe includes Middle East and Africa.

# Breakdown of Changes in Operating Profit

( FY2019 Nine Months → FY2020 Nine Months )

(Billions of yen)



# Measures for FY2020 3Q

## ➤ Establishment of "i<sup>3</sup>-Mechatronics" business model

### ➔ Development capabilities

- Accelerated preparation for the establishment of YASKAWA Technology Center  
(scheduled to be established in March, 2021)

### ➔ Sales capabilities

- Launched MOTOMAN-GP4, a small robot for general industry such as 3C<sup>\*1</sup> market
- Launched four models of MOTOMAN-PL series palletizing robots (payload 190-800kg)
- Enhanced collaboration of i<sup>3</sup>-Mechatronics CLUB<sup>\*2</sup> (opened collaboration lab in Japan)

### ➔ Production capabilities

- Applied the concept of YASKAWA Solution Factory to robot plant in Japan

## ➤ Reinforcement of the management base through "digital transformation"

### ➔ Promotion of YDX<sup>\*3</sup> and work-style reform

- Early visualization of consolidated key management indicators  
(Calculation period shortened by approximately 60%)
- Introduced a new personnel evaluation system in Japan and telework became established



Small robot  
MOTOMAN-GP4



Palletizing robot  
MOTOMAN-PL320

\*1: Digital communications equipment (From the three acronyms Computer, Communication, and Consumer Electronics)

\*2: Collaborative organization with partners to plan and create i<sup>3</sup>-Mechatronics solutions

\*3: An abbreviation for YASKAWA digital transformation; Yaskawa's unique activities to realize digital transformation

## **2 . FY2020 Full-Year Forecasts** **(Year Ending February 28, 2021)**



## FY2020 Full-Year Financial Forecasts (Highlights)

- Revise upward the full-year forecasts announced on October 9, 2020 due to improved demand in key markets such as automobile, semiconductor and electronic components

	FY2020 Forecasts	FY2019 Results	Changes		FY2020 Previous forecasts <sup>※</sup>
			Amounts	%	
Revenue	¥ 380.9bn.	¥ 411.0bn.	-¥ 30.0bn.	-7.3%	¥ 366.8bn.
Operating profit	¥ 27.2bn.	¥ 24.2bn.	+¥ 3.0bn.	+12.4%	¥ 22.3bn.
Profit before tax	¥ 26.4bn.	¥ 24.6bn.	+¥ 1.7bn.	+7.0%	¥ 22.5bn.
Profit attributable to owners of parent	¥ 18.1bn.	¥ 15.6bn.	+¥ 2.5bn.	+15.9%	¥ 15.5bn.

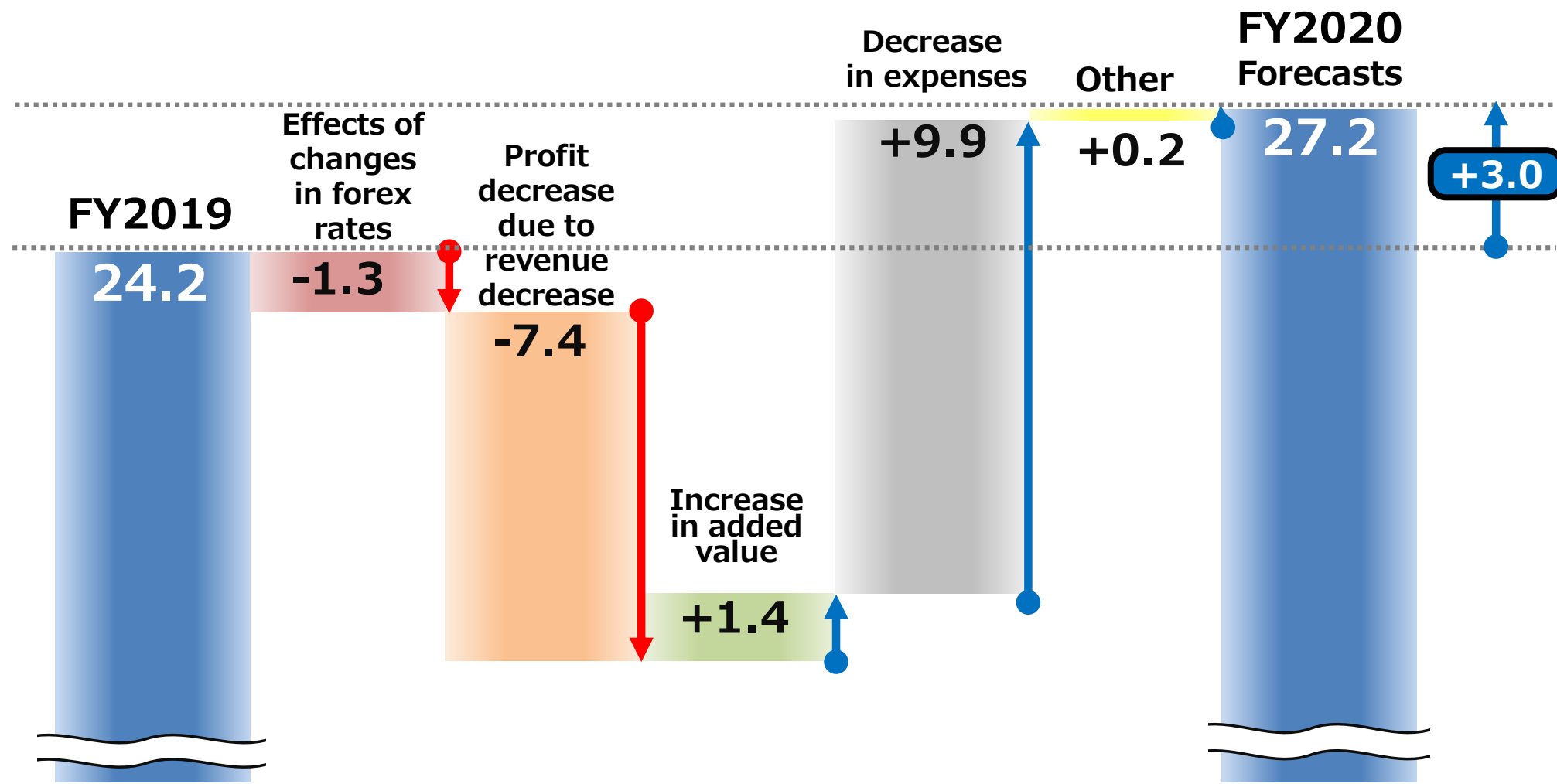
※Announced on  
October 9, 2020

# FY2020 Full-Year Financial Forecasts by Business Segment

	FY2020		FY2019		Changes	
	Forecasts	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
<b>Revenue</b>	<b>380.9</b>		411.0		<b>-30.0</b>	<b>-7.3%</b>
<b>Motion Control</b>	<b>173.0</b>		180.4		<b>-7.4</b>	<b>-4.1%</b>
<b>Robotics</b>	<b>135.9</b>		152.2		<b>-16.2</b>	<b>-10.7%</b>
<b>System Engineering</b>	<b>48.8</b>		55.5		<b>-6.7</b>	<b>-12.1%</b>
<b>Other</b>	<b>23.1</b>		22.8		<b>+0.3</b>	<b>+1.4%</b>
<b>Operating profit</b>	<b>27.2</b>	<b>7.1%</b>	24.2	5.9%	<b>+3.0</b>	<b>+12.4%</b>
<b>Motion Control</b>	<b>24.5</b>	<b>14.2%</b>	20.6	11.4%	<b>+3.9</b>	<b>+19.2%</b>
<b>Robotics</b>	<b>6.8</b>	<b>5.0%</b>	6.5	4.3%	<b>+0.3</b>	<b>+4.1%</b>
<b>System Engineering</b>	<b>0.0</b>	<b>0.0%</b>	0.5	0.8%	<b>-0.5</b>	<b>-98.6%</b>
<b>Other</b>	<b>-0.6</b>	<b>-2.4%</b>	-0.0	-0.1%	<b>-0.5</b>	<b>-</b>
<b>Elimination or Corporate</b>	<b>-3.5</b>	<b>-</b>	-3.3	-	<b>-0.2</b>	<b>-</b>

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

(Billions of yen)



## 3 . Reference

# Retroactive Application of IFRS/Business Reclassification to the FY2019 Nine Months & Full-Year Results

(Unit: Billions of yen)

	F Y 2 0 1 9 Mar. - Nov.				F Y 2 0 1 9 _ F u l l Y e a r			
	Japanese accounting standards	Change IFRS	Change Business reclassification	I F R S (After segment revision)	Japanese accounting standards	Change IFRS	Change Business reclassification	I F R S (After segment revision)
<b>Net sales , Revenue</b>	<b>309.8</b>	-	-	<b>309.8</b>	<b>411.0</b>	-	-	<b>411.0</b>
Motion Control	135.4	-	+1.8	137.2	177.9	-	+2.6	180.4
Robotics	116.5	-	-	116.5	152.2	-	-	152.2
System Engineering	40.6	-	-1.8	38.8	58.1	-	-2.6	55.5
Other	17.3	-	-	17.3	22.8	-	-	22.8
<b>Operating profit</b>	<b>16.8</b>	<b>+2.3</b>	-	<b>19.1</b>	<b>22.3</b>	<b>+1.9</b>	-	<b>24.2</b>
Motion Control	14.9	+0.8	+0.7	16.4	18.7	+0.5	+1.3	20.6
Robotics	4.2	+0.2	+0.5	4.8	5.5	+0.1	+0.9	6.5
System Engineering	-0.8	+0.6	-0.1	-0.3	0.2	+0.7	-0.5	0.5
Other	-0.1	+0.1	-	0.0	-0.3	+0.2	-	-0.0
Elimination or Corporate	-1.4	+0.6	-1.1	-1.9	-1.8	+0.2	-1.7	-3.3
<b>Profit</b> attributable to owners of parent	<b>11.1</b>	<b>+2.5</b>	-	<b>13.6</b>	<b>14.4</b>	<b>+1.1</b>	-	<b>15.6</b>

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

## Capital expenditure, R&D investment

(Billions of yen)

	F Y 2 0 1 8	F Y 2 0 1 9	F Y 2 0 2 0 (Plan)
Capital expenditure	35.65	25.47	25.00
Depreciation and Amortization	14.31	16.75	16.00
R&D investment	20.79	19.00	18.00

## Forex rates

Note: Average rate during the period

(Yen)

	F Y 2 0 1 8				F Y 2 0 1 9				F Y 2 0 2 0 (Forecasts)			
	Mar.-Nov.	4Q	2H	Full-Year	Mar.-Nov.	4Q	2H	Full-Year	Mar.-Nov.	4Q	2H	Full-Year
USD	110.4	110.6	111.7	110.5	108.9	109.5	108.8	109.0	106.5	102.0	103.6	105.4
EUR	129.8	125.9	127.8	128.9	121.5	120.9	120.1	121.4	121.6	126.0	125.0	122.7
CNY	16.65	16.25	16.28	16.56	15.71	15.69	15.48	15.70	15.38	15.90	15.79	15.51
KRW	0.100	0.099	0.099	0.100	0.093	0.093	0.092	0.093	0.090	0.095	0.093	0.091

## Forex sensitivity

(Billions of yen)

	Impact of 1% fluctuation (FY2020 Full-Year Forecasts)	
	Revenue	Operating profit
USD	approx. 0.69	approx. 0.12
EUR	approx. 0.56	approx. 0.09
CNY	approx. 0.92	approx. 0.25
KRW	approx. 0.19	approx. 0.13

# Financial Indices

## As of February 29, 2020

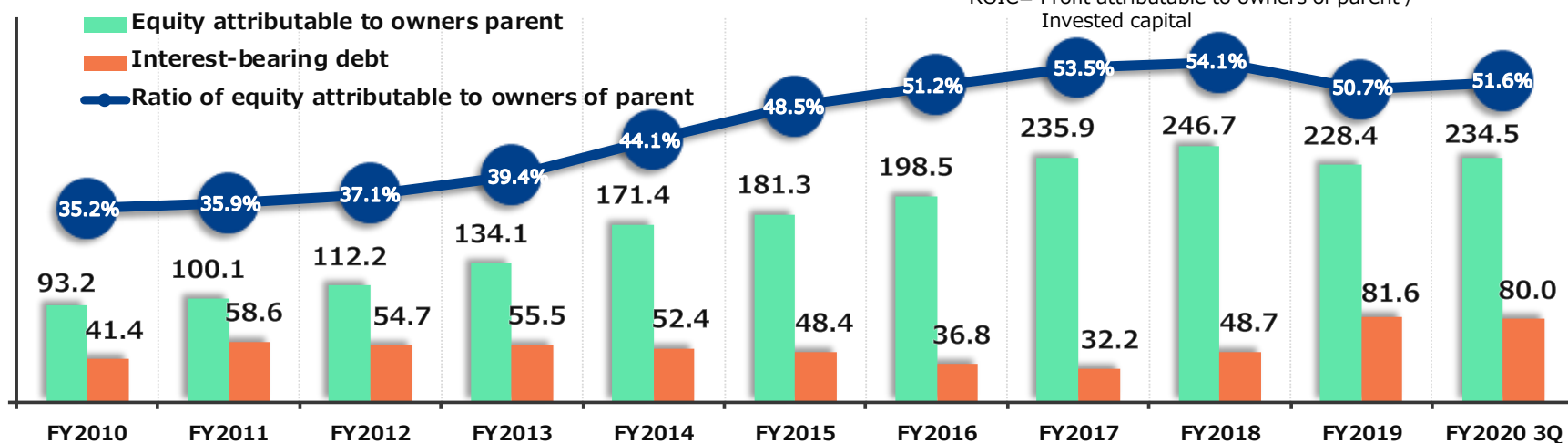
- Ratio of equity attributable to owners of parent 50.7%
- Equity attributable to owners of parent 228.4 billion yen
- Interest-bearing debt 81.6 billion yen
- D/E ratio 0.36
- (Net D/E ratio) 0.18
- Inventory 102.0 billion yen
- (Turnover) (3.0 months)
- ROE 6.6%
- ROIC 5.9%

## As of November 30, 2020

- Ratio of equity attributable to owners of parent 51.6%
- Equity attributable to owners of parent 234.5 billion yen
- Interest-bearing debt 80.0 billion yen
- D/E ratio 0.34
- (Net D/E ratio) 0.12
- Inventory 105.1 billion yen
- (Turnover) (3.4 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)

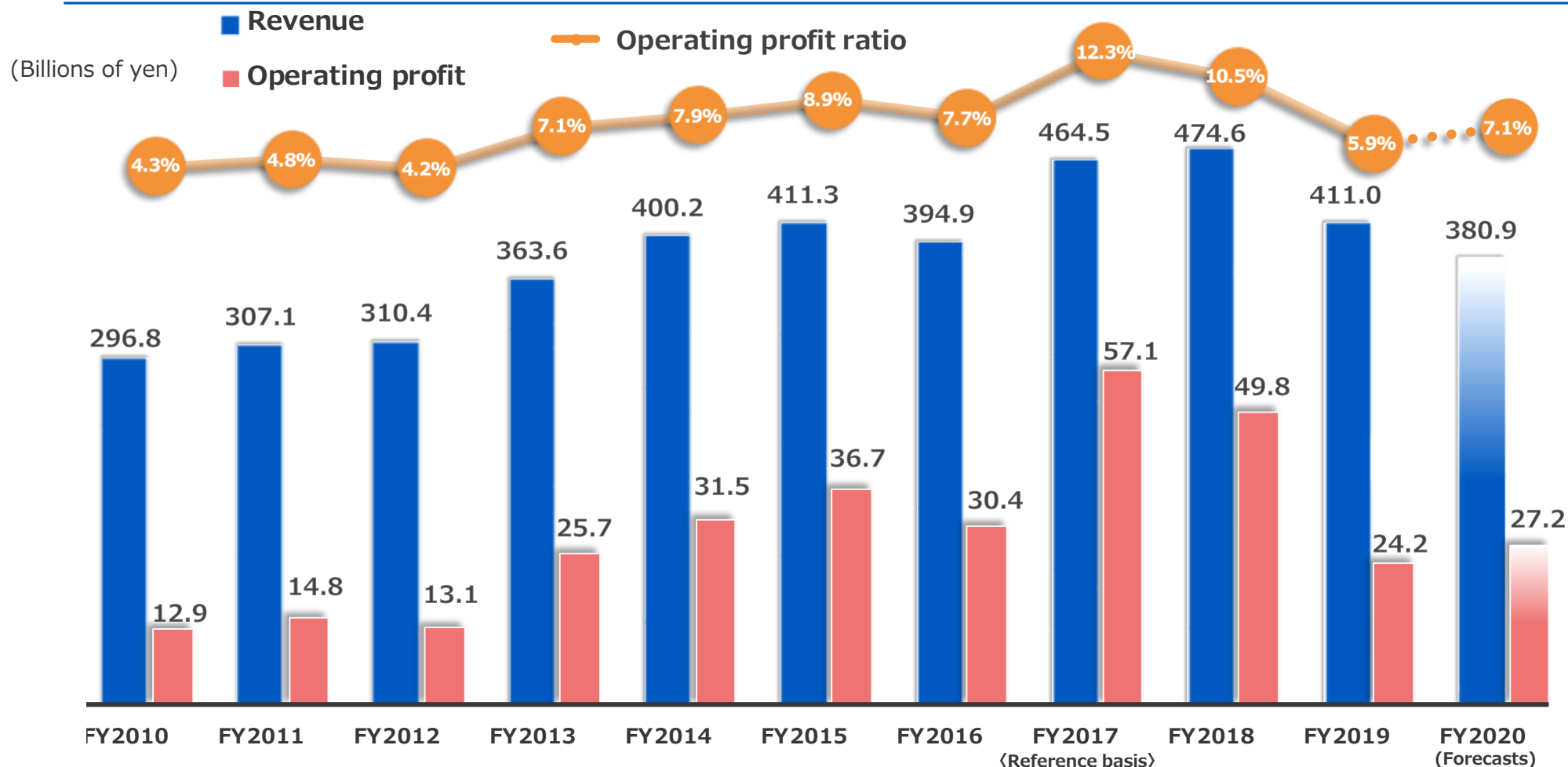


Operating CF	2.5	6.4	24.6	24.0	29.0	32.0	33.8	46.1	32.8	21.5	35.0
Investment CF	- 6.7	- 11.9	- 18.1	- 16.9	- 27.9	- 22.4	- 18.9	- 18.9	- 27.1	- 20.6	- 7.3
Free CF	- 4.3	- 5.5	6.6	7.0	1.1	9.5	14.8	27.2	5.7	0.8	27.7

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



# Revenue / Operating Profit (FY2010 - FY2020 Forecasts)



Challenge 100

Realize 100

Dash 25

Challenge 25

Mid-term business plans

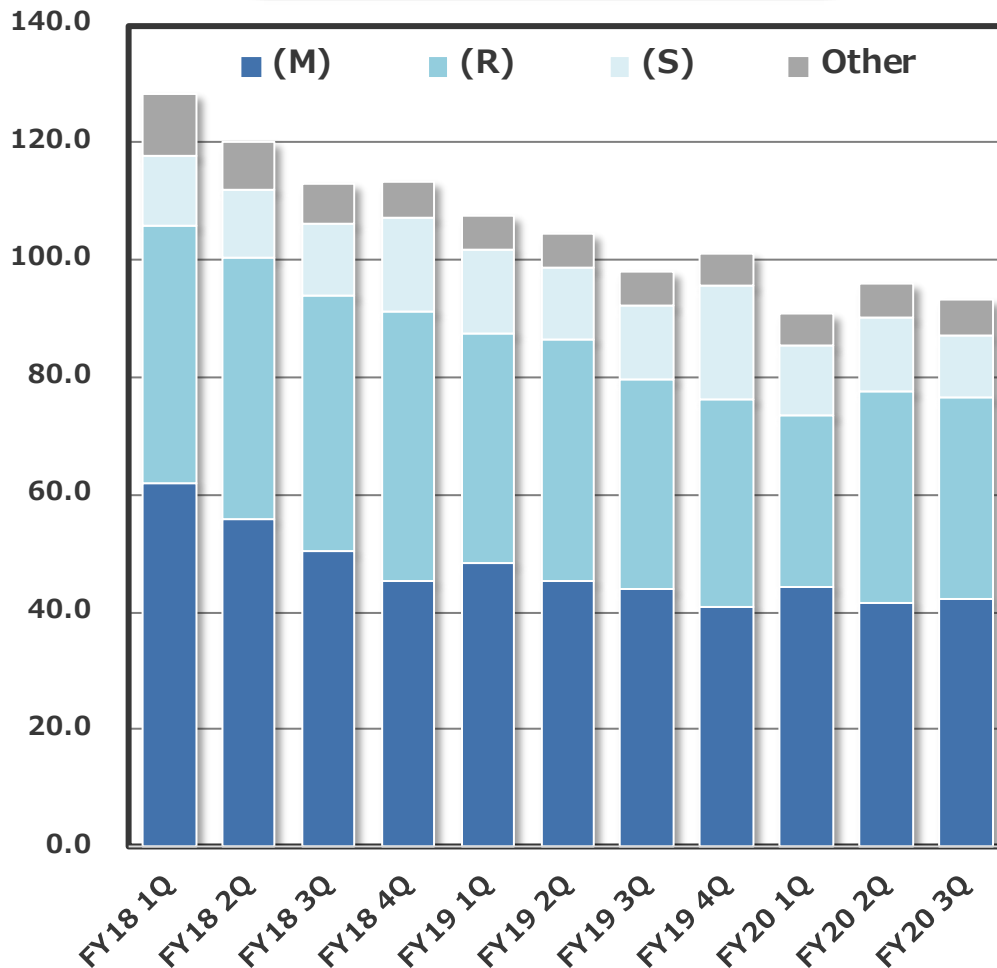
Note1: Data up to FY2018 are based on Japanese GAAP.

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

# Quarterly Revenue Trends (1)

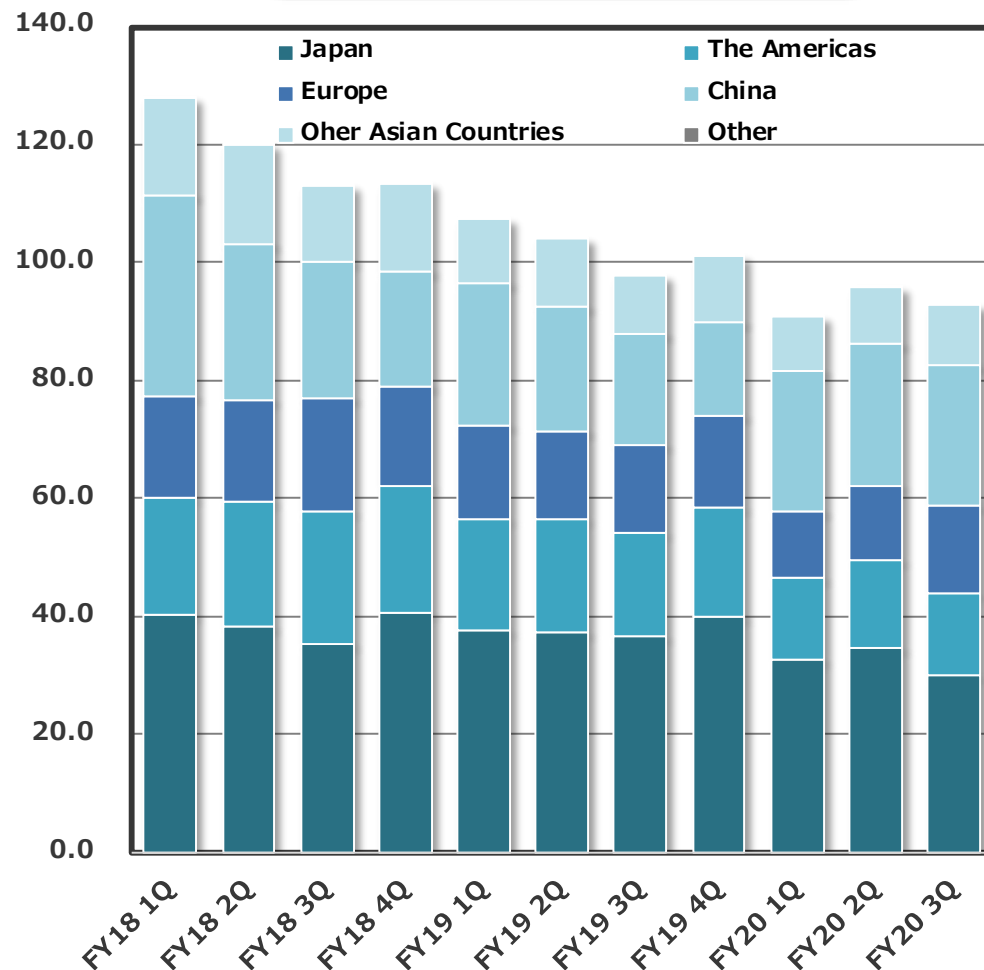
## Business segment

(Billions of yen)



## Destination

(Billions of yen)



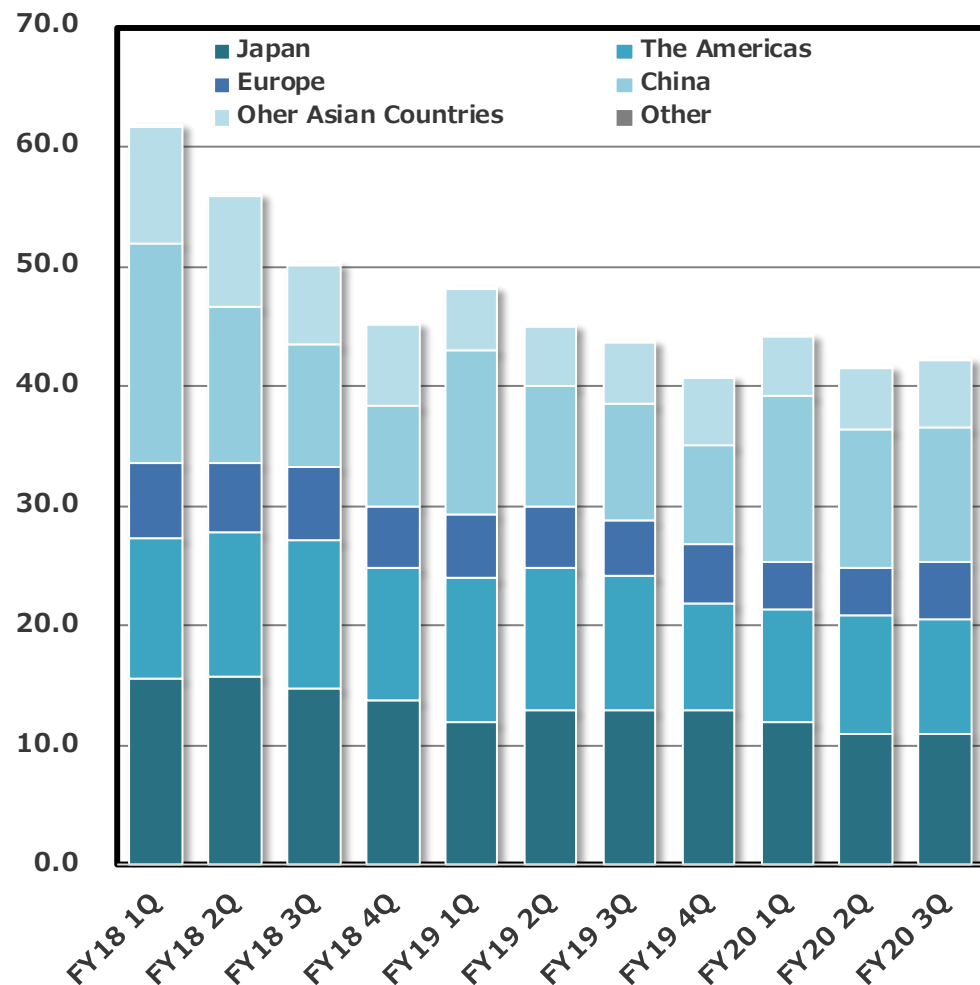
Note1: Data of FY 19 and FY 20 are based on the values after segment reclassification.

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

# Quarterly Revenue Trends (2)

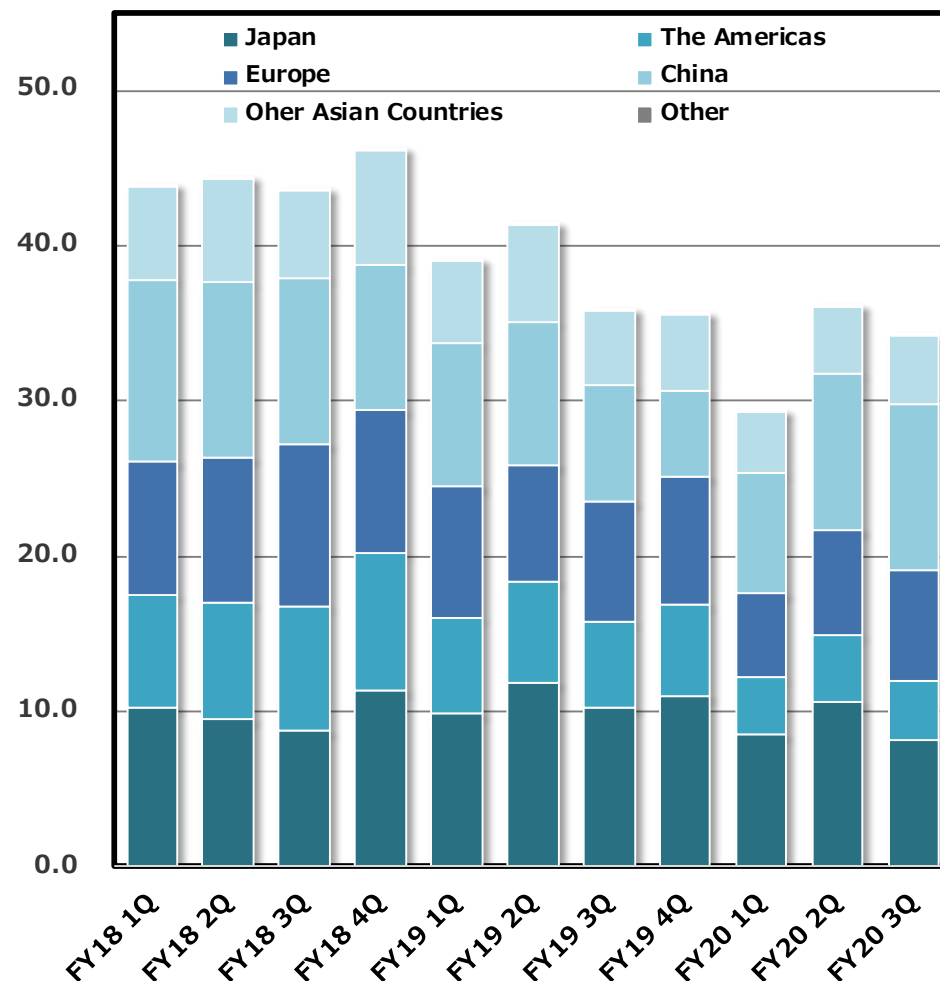
## Motion Control

(Billions of yen)



## Robotics

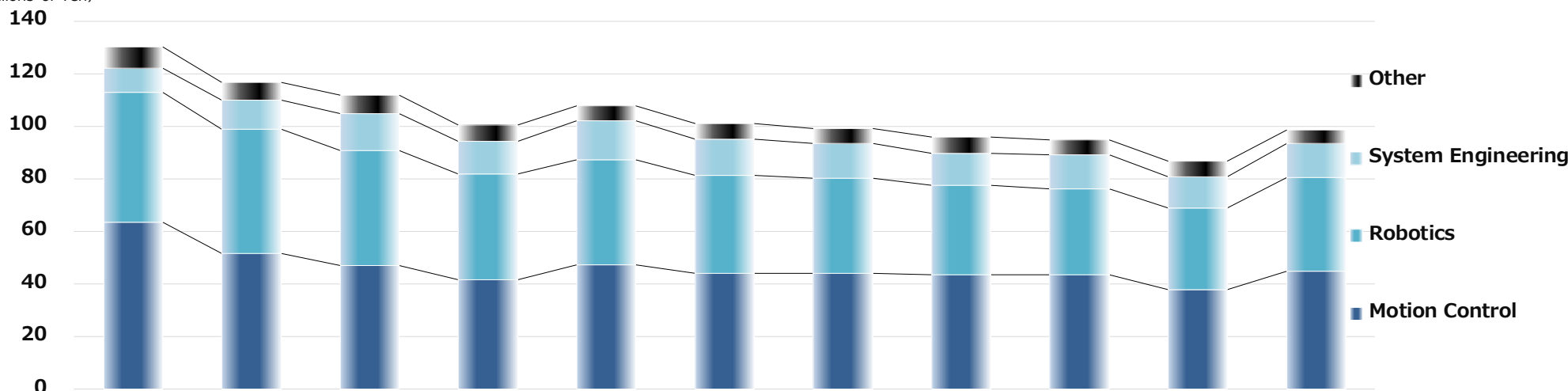
(Billions of yen)



Note: 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)



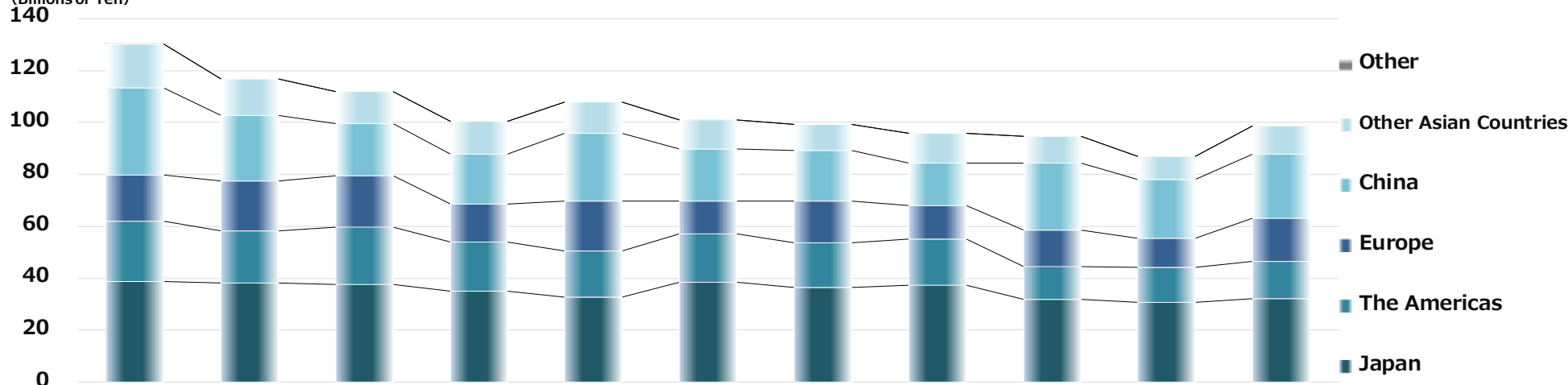
		FY2018				FY2019				FY2020		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total	YoY	+10%	-4%	-9%	-17%	-17%	-14%	-11%	-4%	-12%	-14%	-0%
	QoQ	+8%	-10%	-4%	-10%	+7%	-6%	-2%	-3%	-1%	-8%	+14%
YoY	( M )	+3%	-7%	-12%	-20%	-26%	-15%	-7%	+4%	-8%	-14%	+2%
	( R )	+15%	+7%	-8%	-10%	-19%	-22%	-17%	-15%	-18%	-16%	-2%
	( S )	+14%	-37%	+4%	-17%	+64%	+27%	-6%	-3%	-13%	-14%	-1%
QoQ	( M )	+21%	-19%	-9%	-11%	+13%	-7%	-0%	-1%	+0%	-13%	+19%
	( R )	+11%	-4%	-7%	-9%	-0%	-7%	-2%	-6%	-4%	-5%	+15%
	( S )	-39%	+20%	+27%	-11%	+21%	-7%	-6%	-8%	+8%	-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	106.8	105.2
	Euro	130.9	128.9	129.6	125.9	124.7	120.6	119.3	120.9	117.9	122.8	124.0

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

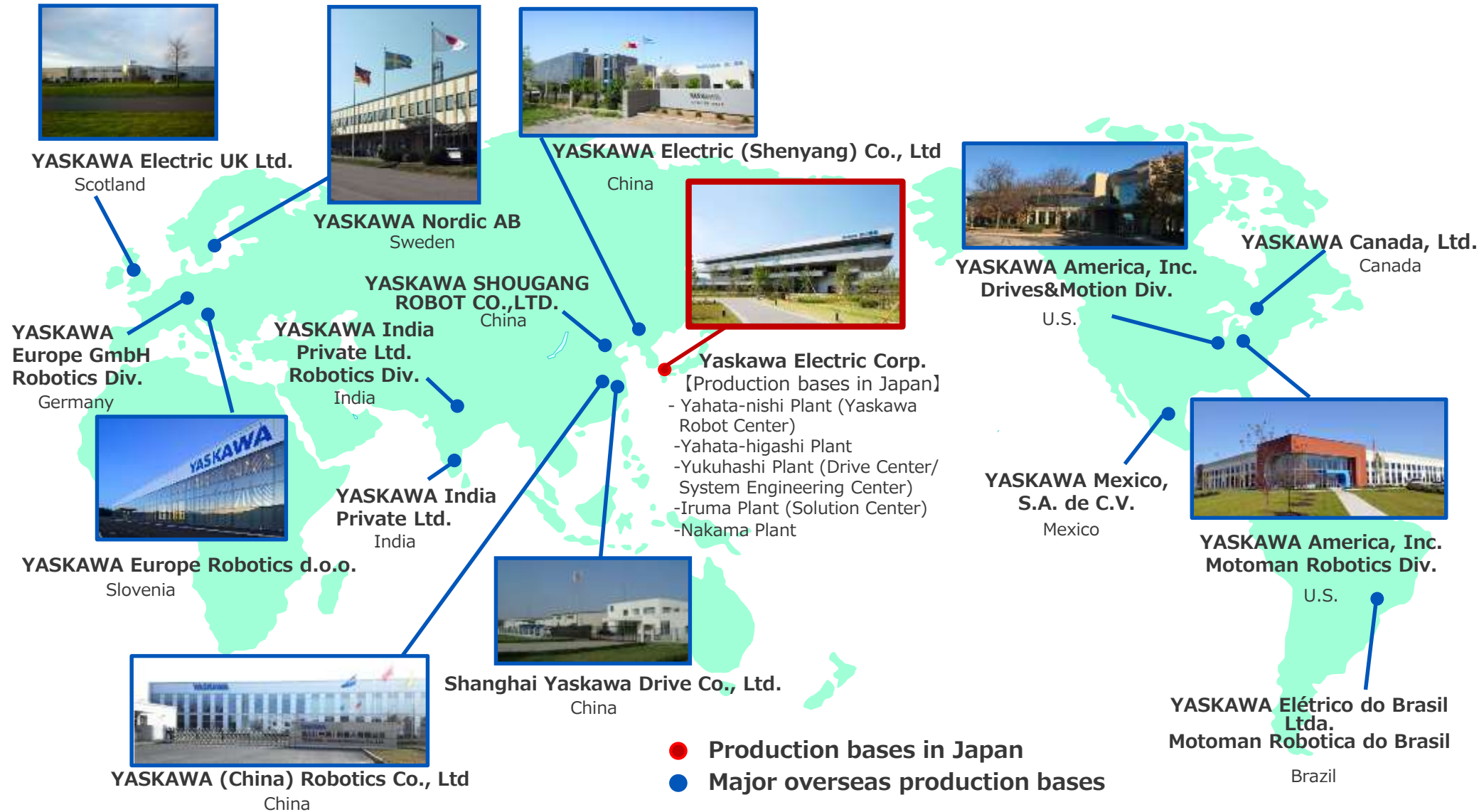
(Billions of Yen)



		FY2018				FY2019				FY2020		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total	YoY	+10%	-4%	-9%	-17%	-17%	-14%	-11%	-4%	-12%	-14%	-0%
	QoQ	+8%	-10%	-4%	-10%	+7%	-6%	-2%	-3%	-1%	-8%	+14%
YoY	Japan	+18%	+4%	-6%	-6%	-15%	+1%	-4%	+6%	-3%	-20%	-11%
	The Americas	+11%	-10%	-5%	-10%	-23%	-8%	-21%	-5%	-28%	-28%	-16%
	Europe	+16%	-6%	+11%	-15%	+7%	-33%	-19%	-13%	-27%	-11%	+2%
	China	+8%	-8%	-23%	-35%	-22%	-21%	-3%	-15%	-1%	+13%	+28%
	Other Asian Countries	-6%	-13%	-28%	-21%	-30%	-20%	-18%	-7%	-12%	-21%	+8%
QoQ	Japan	+4%	-2%	-1%	-7%	-7%	+17%	-5%	+3%	-15%	-4%	+5%
	The Americas	+10%	-12%	+8%	-14%	-6%	+5%	-8%	+4%	-29%	+6%	+7%
	Europe	+5%	+5%	+8%	-28%	+32%	-34%	+27%	-21%	+10%	-20%	+46%
	China	+12%	-24%	-21%	-4%	+35%	-23%	-3%	-16%	+57%	-12%	+10%
	Other Asian Countries	+7%	-17%	-13%	+3%	-5%	-5%	-11%	+16%	-10%	-15%	+22%

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

# Major Production Bases



# **YASKAWA**