

Results Briefing for FY2020 (Ended 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.26)
- 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

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Business Overview

Motion Control

【Core products】

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



AC servo motor
Σ-X 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



Small and versatile
industrial robot
MOTOMAN-GP4



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



PV inverter
XGI1500 150kW



Electrical instrumentation
systems for water and
sewerage



Electrical systems for
steel plants

Other

- Logistics

1 . FY2020 Financial Results

(Ended February 28, 2021)

FY2020 Financial Results (Highlights)

- Despite a decrease in revenue due to the impact of the spread of novel coronavirus, profitability improved and profit increased due to thorough cost reduction.

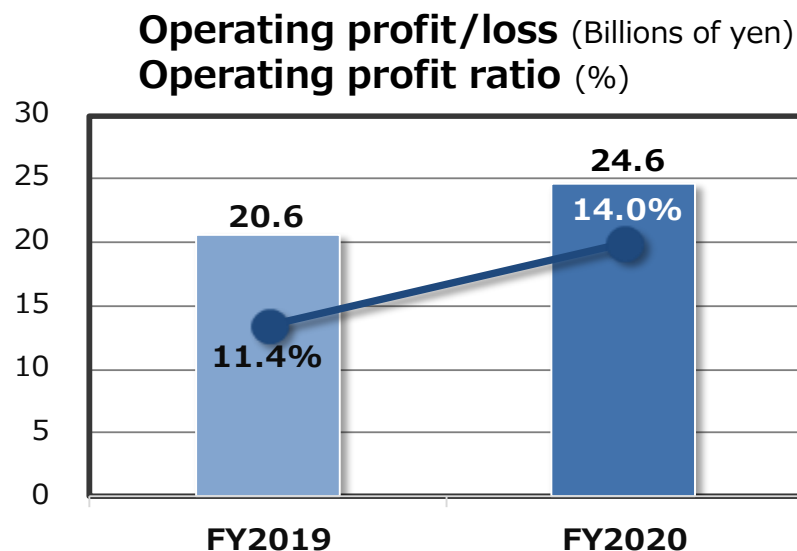
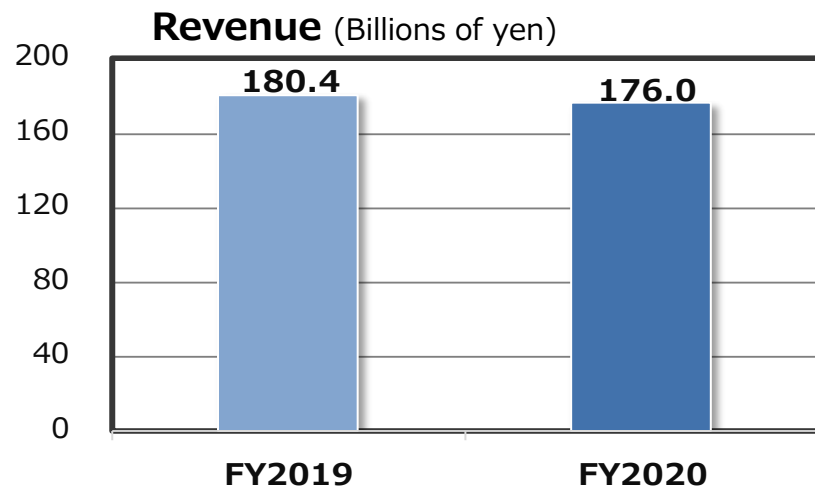
	FY2020 Results	FY2019 Results	Changes	
			Amounts	%
Revenue	¥ 389.7bn.	¥ 411.0bn.	-¥ 21.2bn.	-5.2%
Operating profit	¥ 27.2bn.	¥ 24.2bn.	+¥ 3.0bn.	+12.3%
Profit before tax	¥ 27.2bn.	¥ 24.6bn.	+¥ 2.5bn.	+10.3%
Profit attributable to owners of parent	¥ 18.9bn.	¥ 15.6bn.	+¥ 3.4bn.	+21.5%

FY2020 Financial Results by Business Segment

- Profit increased for Motion Control and Robotics despite lower revenue
- Profit for System Engineering decreased due to temporary allocation of costs

	FY2020		FY2019		Changes	
	Results	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
Revenue	389.7		411.0		-21.2	-5.2%
Motion Control	176.0		180.4		-4.4	-2.5%
Robotics	139.5		152.2		-12.7	-8.3%
System Engineering	50.8		55.5		-4.8	-8.6%
Other	23.4		22.8		+0.6	+2.8%
Operating profit	27.2	7.0%	24.2	5.9%	+3.0	+12.3%
Motion Control	24.6	14.0%	20.6	11.4%	+4.0	+19.6%
Robotics	6.9	5.0%	6.5	4.3%	+0.4	+6.2%
System Engineering	-1.0	-2.0%	0.5	0.8%	-1.5	-
Other	0.3	1.3%	-0.0	-0.1%	+0.3	-
Elimination or Corporate	-3.6	-	-3.3	-	-0.3	-

Business Segment Overview: Motion Control



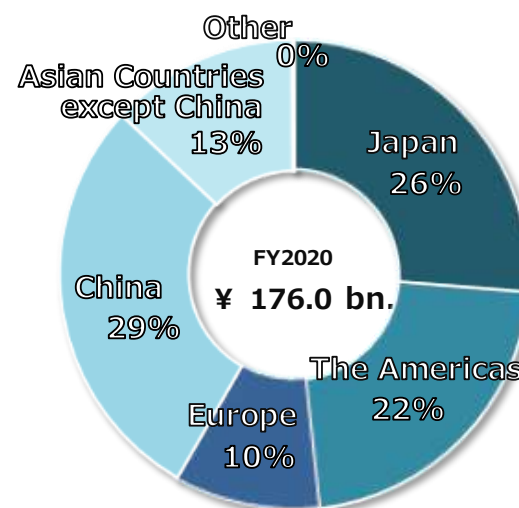
[Revenue]

- In AC servo & controller business, sales of new infrastructure-related products in China and semiconductor and electronic component-related products for smartphones and other products in the global market were strong.
- In drives business, although orders were on a recovery trend toward the end of the fiscal year, demand related to oil and gas in the United States has declined significantly for the full year, which led to decrease in revenue.

[Operating profit]

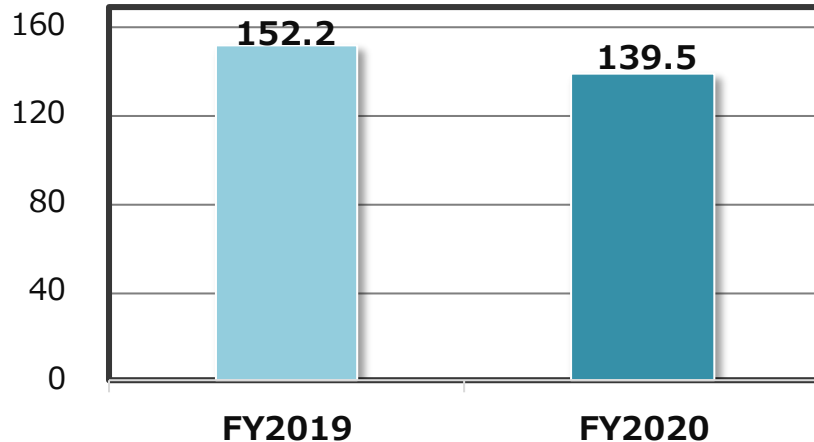
- Increased due to improved profitability stemming from growth in revenue in China and the effect of cost control

Revenue breakdown by region

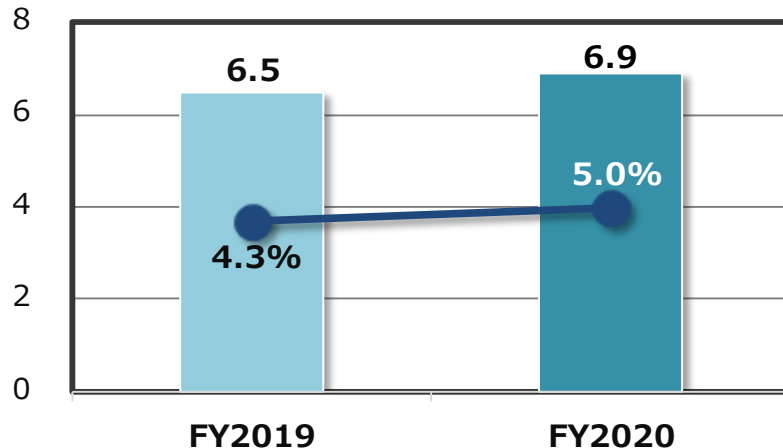


Business Segment Overview: Robotics

Revenue (Billions of yen)



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



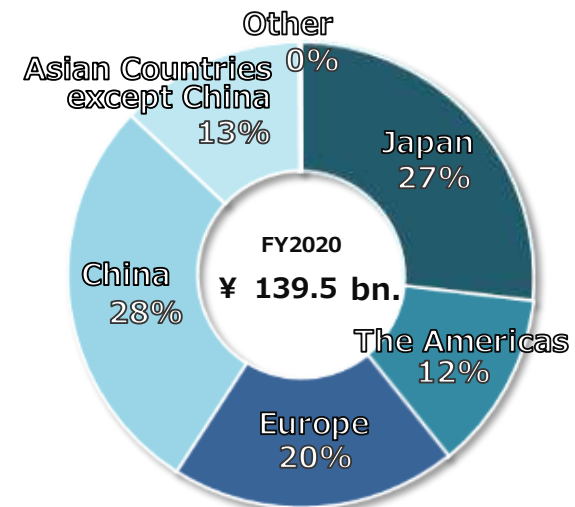
[Revenue]

- In the automobile market, although global capital investment recovered toward the end of the fiscal year, revenue was sluggish due to the impact of the novel coronavirus in the first half
- 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]

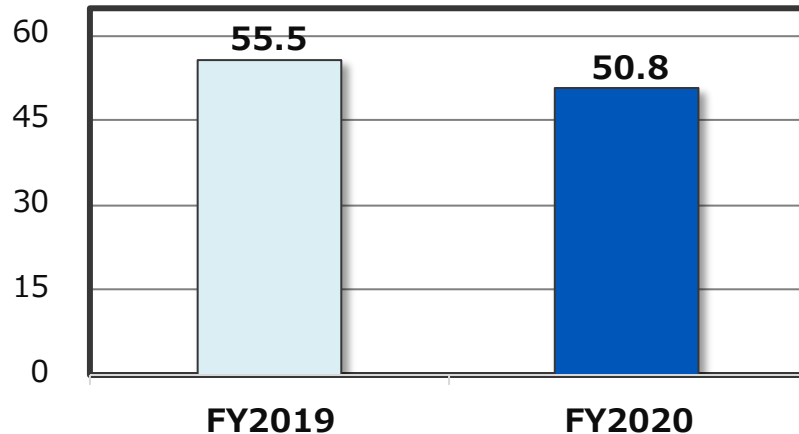
- Increased due to the recovery of the automobile market and the effect of cost control

Revenue breakdown by region



Business Segment Overview: System Engineering

Revenue (Billions of yen)



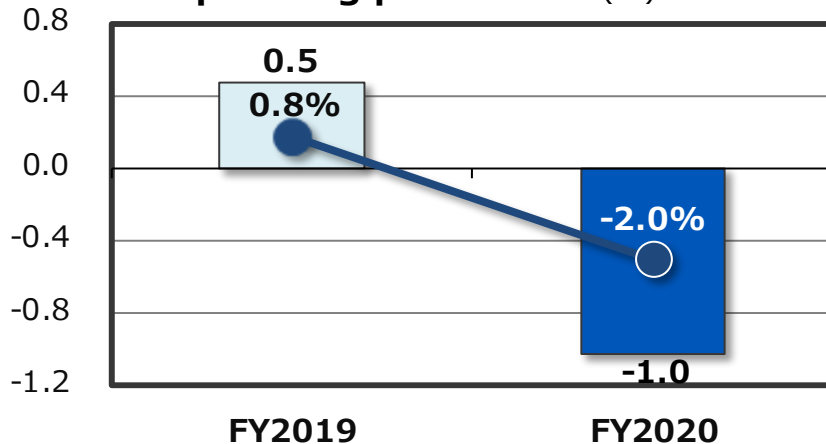
[Revenue]

- Sales of PV inverter for solar power generation were sluggish, while sales of electrical equipment for large-scale wind turbines and revenue for water and sewage systems remained firm.
- In the steel plant-related sector, revenue was sluggish due to the postponement of capital investment in Japan.

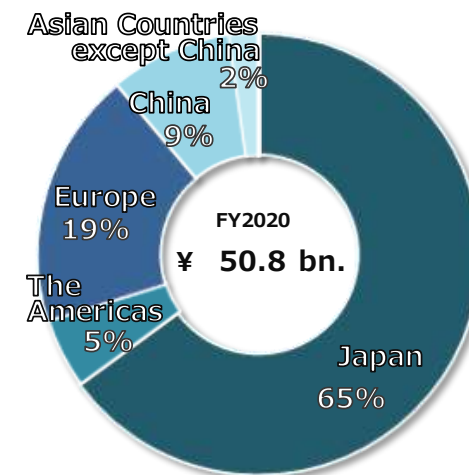
[Operating profit]

- Although structural reforms progressed, profit decreased due to the provision of temporary product repair costs.

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

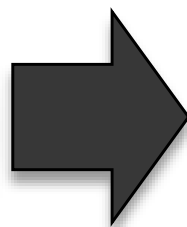
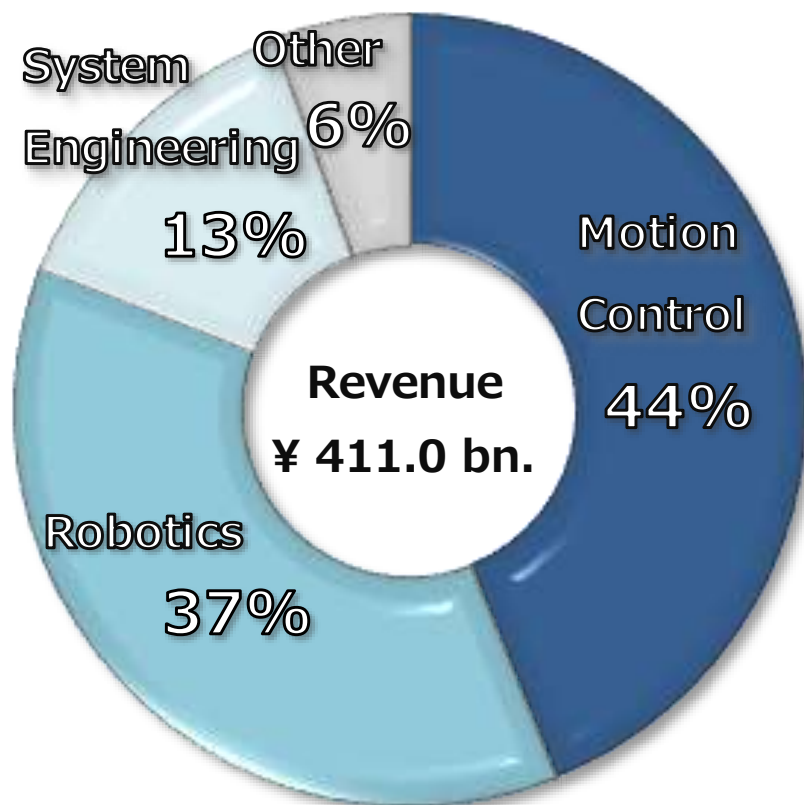


Revenue breakdown by region

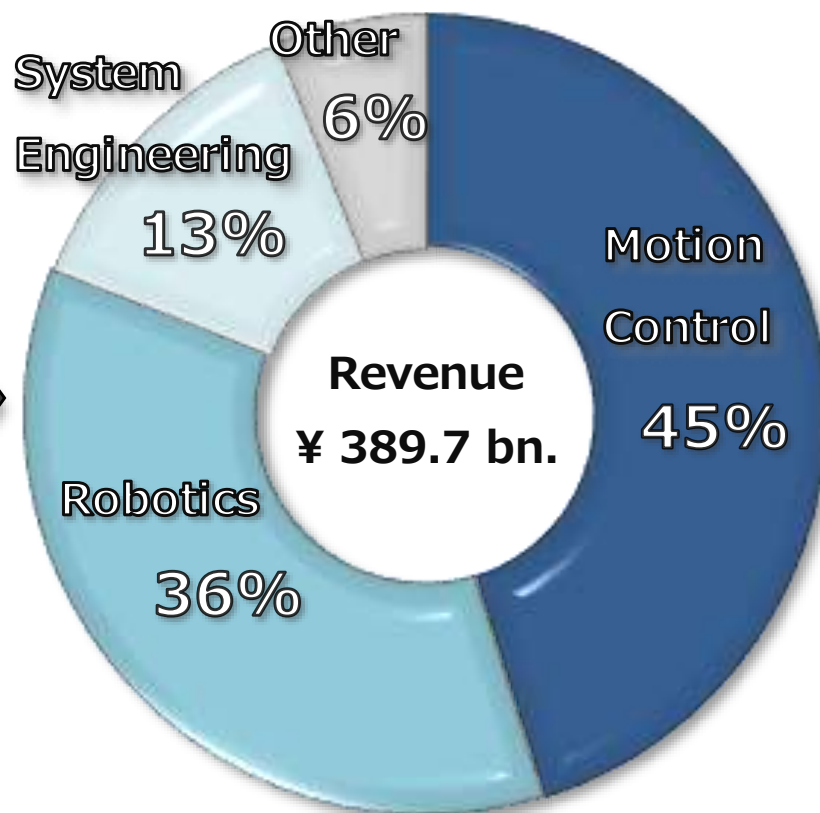


Revenue Breakdown by Business Segment

FY2019



FY2020



Revenue Breakdown by Destination (1)

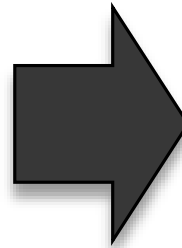
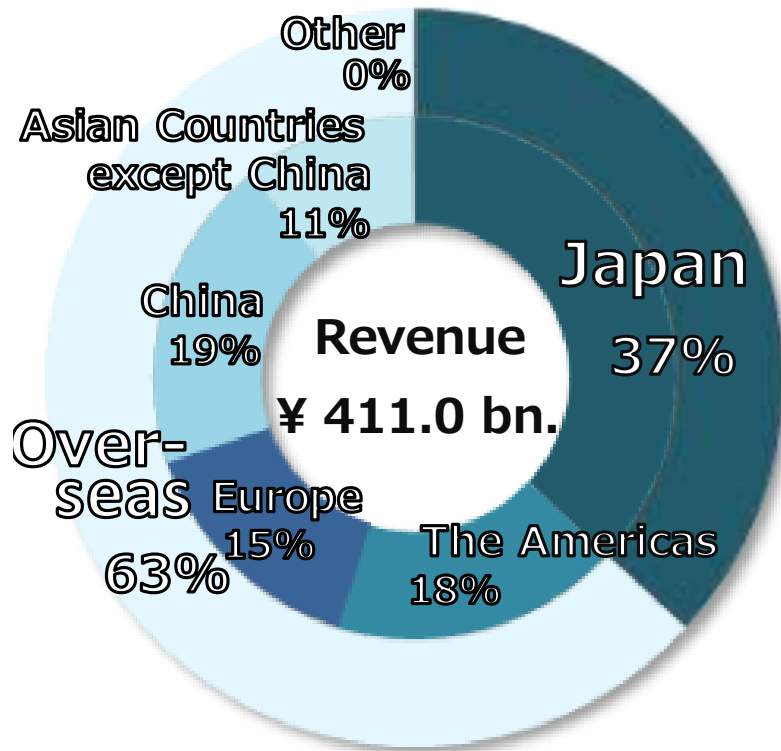
- Revenue of China significantly increased year on year.

(Billions of yen)	FY2020	FY2019	Changes	
			Amounts	%
Revenue	389.7	411.0	-21.2	-5.2%
Japan	135.9	151.5	-15.6	-10.3%
Overseas	253.8	259.5	-5.7	-2.2%
The Americas	58.9	73.9	-15.0	-20.3%
Europe	54.8	61.3	-6.5	-10.5%
China	97.9	80.0	+18.0	+22.5%
Asian Countries except China	41.8	43.9	-2.1	-4.7%
Other	0.3	0.4	-0.1	-30.8%

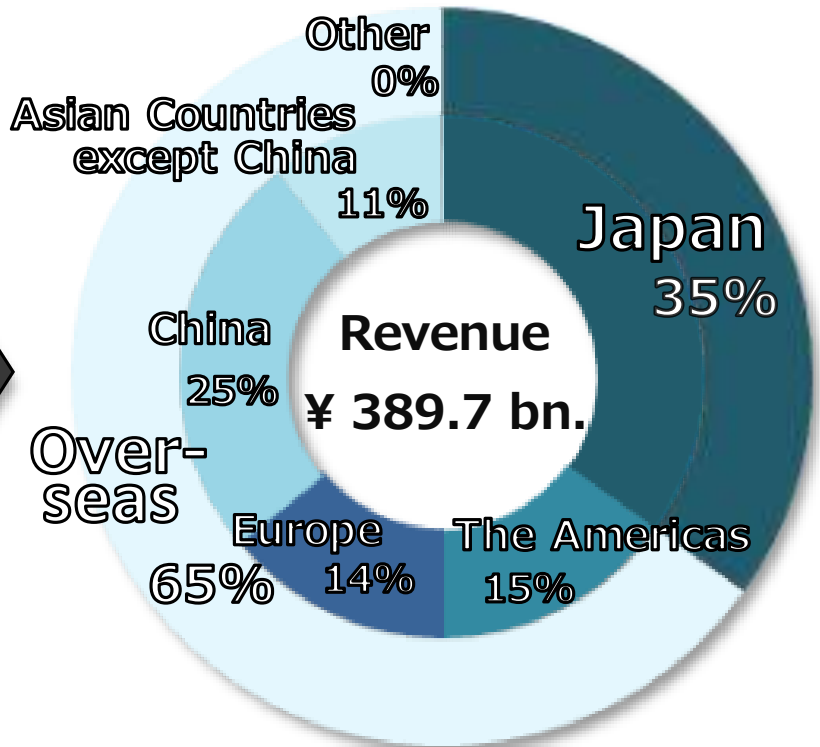
Note : Europe includes Middle East and Africa.

Revenue Breakdown by Destination (2)

FY2019



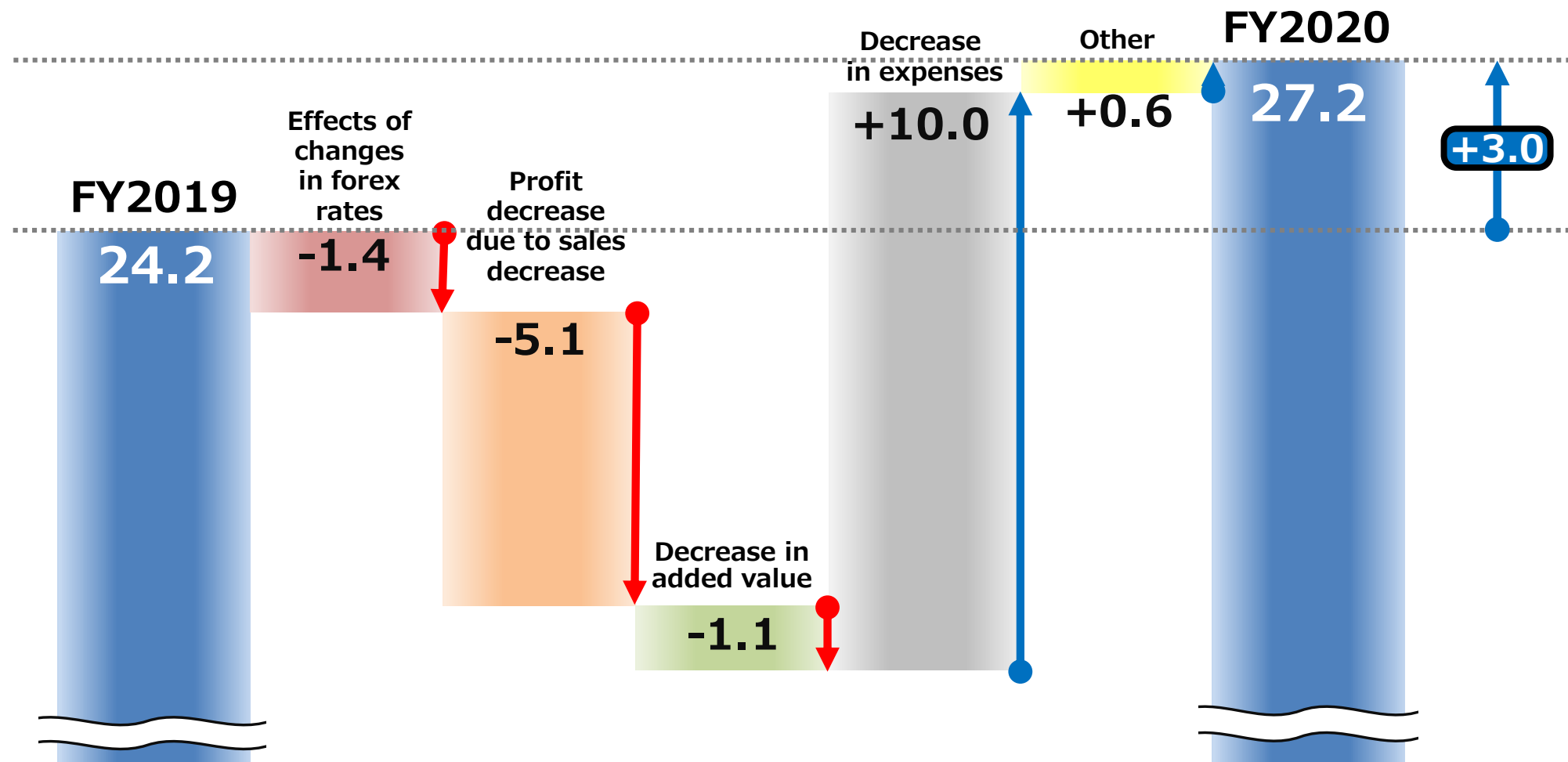
FY2020



Note : Europe includes Middle East and Africa.

Breakdown of Changes in Operating Profit (FY2019 → FY2020)

(Billions of yen)



Current Initiatives from FY 2020 4Q

➤ Establishment of "i³-Mechatronics" business model

➔ Development capabilities

- YASKAWA Technology Center opened in the headquarters (March 2021)
 - ... The central base for technology for integrated development, including production technology from elemental technologies to mass production prototypes

➔ Sales capabilities

- AC servo drive drive Σ -X series was launched (March 2021)
 - ... Creating added value for customers with the industry's best motion performance and digital data solutions



Exterior view of YASKAWA Technology Center

➤ Strengthen management foundation that contributes to sustainable society/businesses

➔ Sustainability policy was established (March 2021)

- Aiming at realizing a sustainable society by solving social issues

➔ Carbon neutral target for 2050 was established (March 2021)

- Achieve net zero emission of CO₂ from business activities in 2050 (carbon neutral)
- Completed the introduction of 100% renewable energy-derived electricity at three major business sites in Japan



AC servo drive Σ -X Series

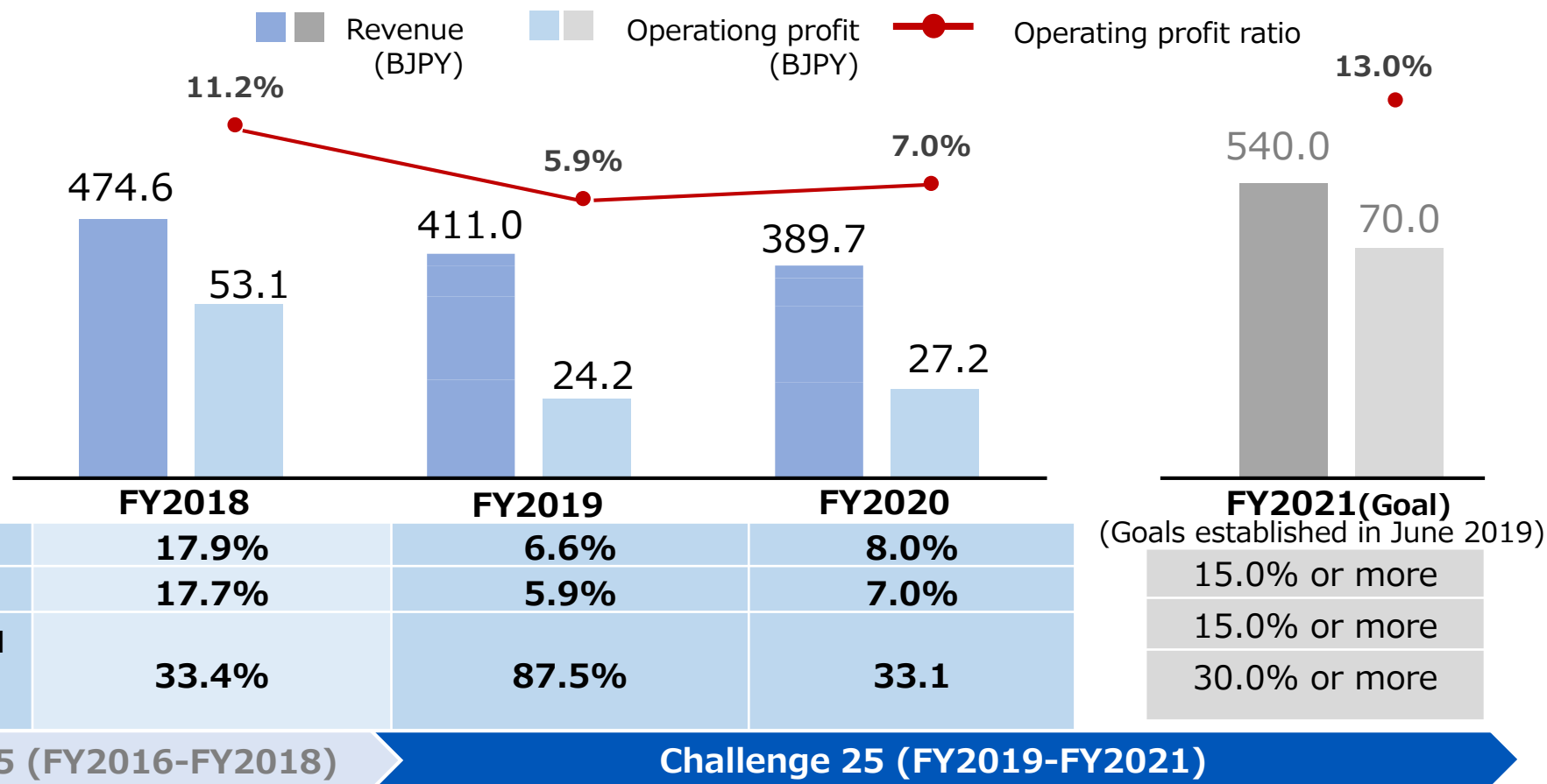
*1 Including carbon dioxide and other greenhouse gases (Fluorocarbons, etc.)

*2 Yawatanishi Plant, Intermediate Plant, and Kokura Plant

2. Progress and Review of Mid-term Business Plan

Progress of Mid-term Business Plan "Challenge 25"

- Social and environmental assumptions significantly changed due to US-China trade conflict and the impact of Coronavirus(COVID-19).
- The market environment surrounding Yaskawa was worse than expected.



Note 1. IFRS standards for FY2018-FY2020 results

Note 2. FY2021 plan were at the time of "Challenge 25" release (June 2019)

Achievements and Challenges of Mid-term Business Plan "Challenge 25"

Achievements of "Challenge 25"

Management issues of "Challenge 25"

Basic Policy 1. Transform Business Model through i³-Mechatronics

- Establishment of "i³-Mechatronics CLUB"
- Strengthened service structure by group reorganization
- Started operation of "Yaskawa Technology Center"
- Launched new AC servo, drives and integrated controller
- Established i³ DIGITAL Corporation, a joint venture for IoT solutions
- Started robot production Slovenia factory

Basic Policy 2. Maximize Profitability in the Growing "Robotics" Business Field

- Expanded robot lineups (collaborative robot, SCARA, semiconductors, etc.)
- Strengthened initiatives with market-specific joint venture partners

Basic Policy 3. Expand New Domains by Strengthening Resources through "Selection and Concentration"

- Reorganization of System Engineering business
- Launched new PV inverters

Enhancement of Business Foundation

- Establishment of Sustainability Policy
- Unified global data and promoted integration of business processes
- Introduction of flexible working styles such as remote work

Develop successful i³-Mechatronics cases

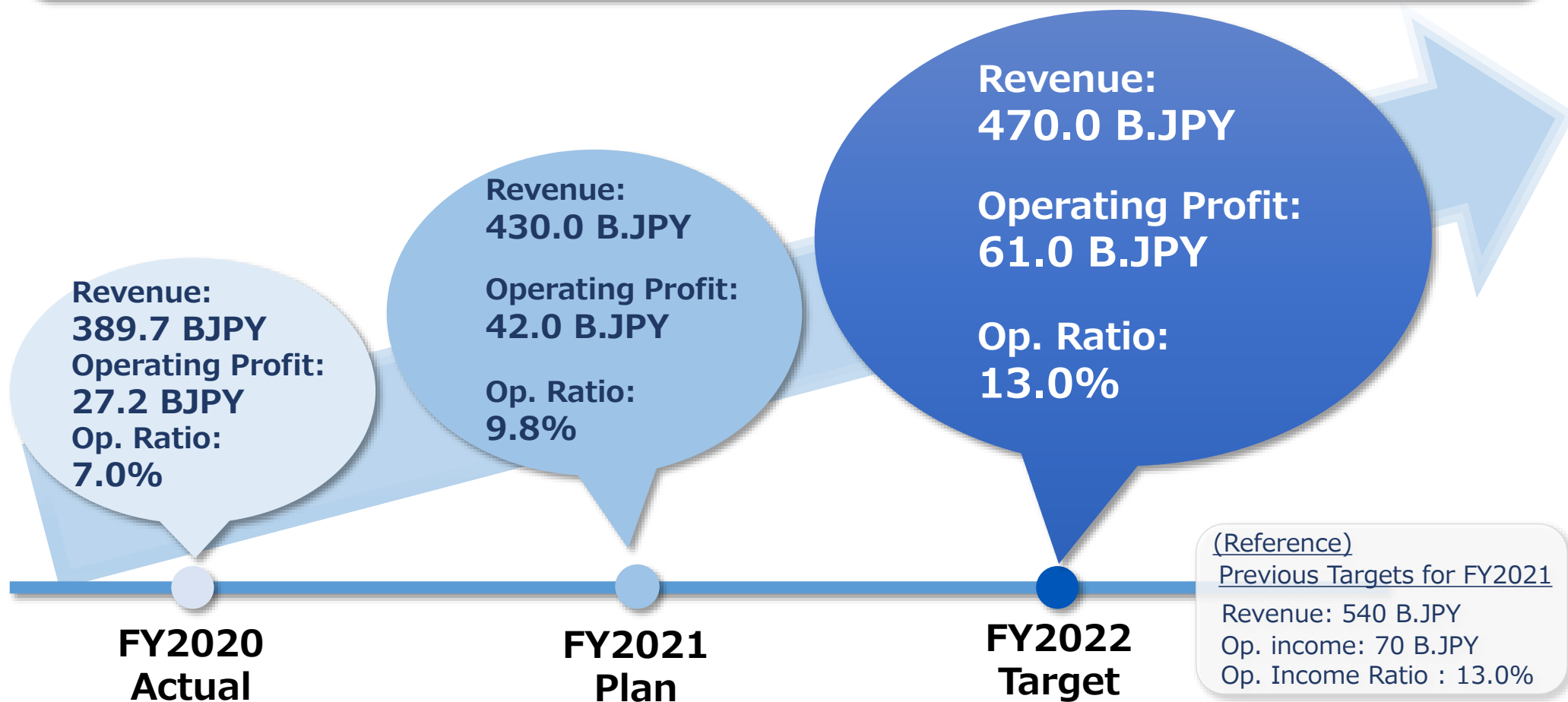
Expand sales of new products of Motion Control and Robotics

Stabilize profits of Environmental business

Improve productivity by making full use of ICT

Overview of "Challenge 25 Plus"

- Extend the term of "Challenge 25" by one year and review the plan as "Challenge 25 Plus"
- Aim to achieve 13% operating profit ratio with top priority on improving profitability



FY2020: USD105.99JPY, EUR122.82JPY, CNY15.55JPY, KRW0.0091JPY
FY2021 and FY2022: USD110JPY, EUR130JPY, CNY16.80JPY, KRW0.0960 JPY

Basic Policies of “Challenge 25 Plus”

Promote and strengthen businesses that contribute to the development of sustainable society and accelerate improvement of profitability by management efficiency through YDX.



※YDX: YASKAWA Digital Transformation

3 . FY2021 Full-Year Forecasts (Year Ending February 28, 2022)

FY2021 Full-Year Financial Forecasts (Highlights)

- Sales and profits are expected to increase due to a steady recovery in demand in major markets such as automobiles and semiconductors and electronic components.

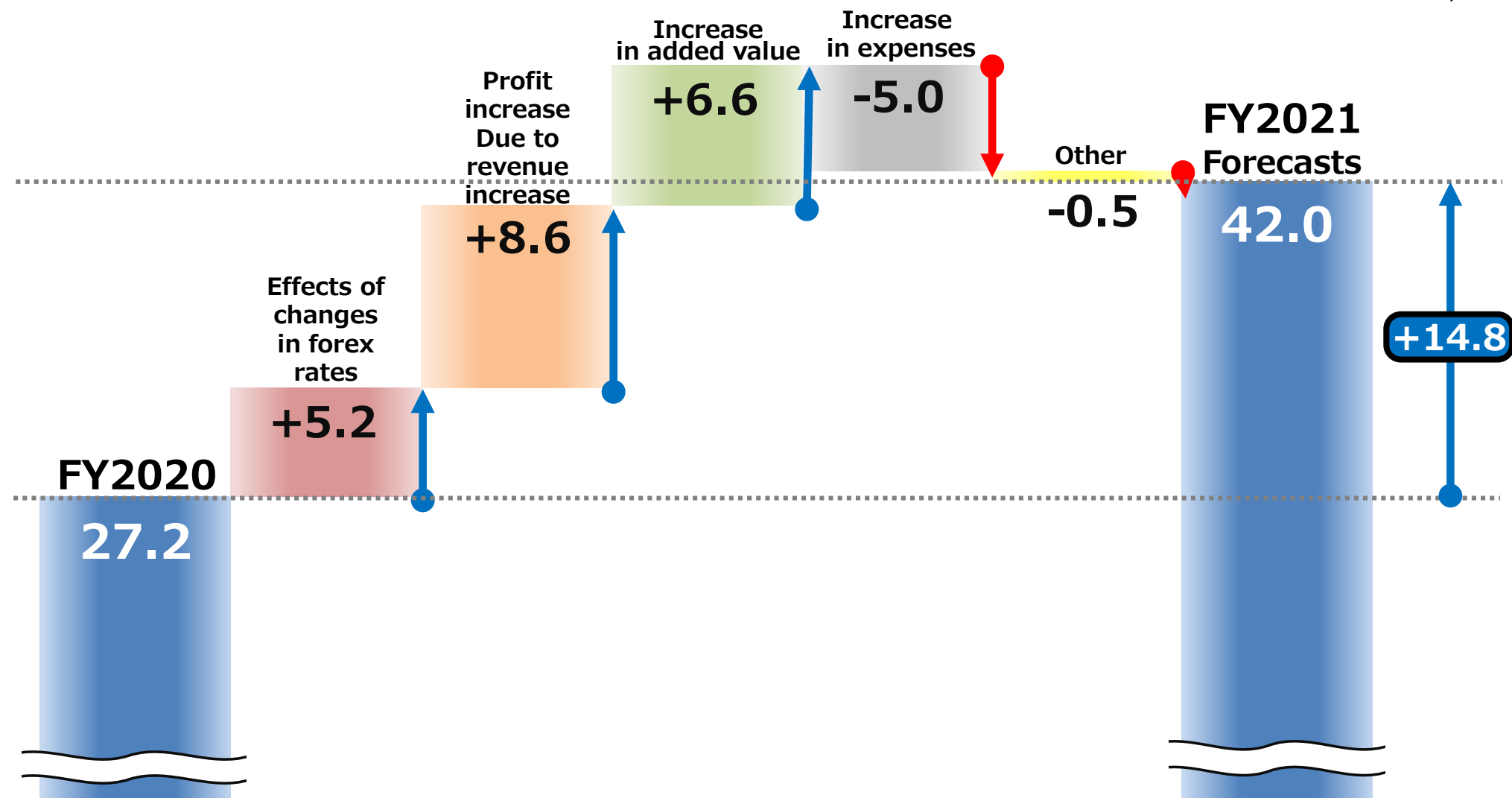
	FY2021 Forecasts	FY2020 Results	Changes	
			Amounts	%
Revenue	¥ 430.0bn.	¥ 389.7bn.	+¥ 40.3bn.	+10.3%
Operating profit	¥ 42.0bn.	¥ 27.2bn.	+¥ 14.8bn.	+54.5%
Profit before tax	¥ 43.3bn.	¥ 27.2bn.	+¥ 16.1bn.	+59.4%
Profit attributable to owners of parent	¥ 31.7bn.	¥ 18.9bn.	+¥ 12.8bn.	+67.5%

FY2021 Full-Year Financial Forecasts by Business Segment

	FY2021		FY2020		Changes	
	Forecasts	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
Revenue	430.0		389.7		+40.3	+10.3%
Motion Control	199.0		176.0		+23.0	+13.1%
Robotics	160.0		139.5		+20.5	+14.7%
System Engineering	51.0		50.8		+0.2	+0.5%
Other	20.0		23.4		-3.4	-14.7%
Operating profit	42.0	9.8%	27.2	7.0%	+14.8	+54.5%
Motion Control	33.1	16.6%	24.6	14.0%	+8.5	+34.7%
Robotics	11.7	7.3%	6.9	5.0%	+4.8	+69.4%
System Engineering	1.5	2.9%	-1.0	-2.0%	+2.5	-
Other	0.0	0.0%	0.3	1.3%	-0.3	-
Elimination or Corporate	-4.3	-	-3.6	-	-0.7	-

Breakdown of Changes in Operating Profit (FY2020 → FY2021 Forecasts)

(Billions of yen)



Measures for FY2021

➤ Establishment of "i³-Mechatronics" business model

Development capabilities

- Realization of timely technological development through effective use of **YASKAWA Technology Center**
- Launch of the **YRM Controller** as the core of the "i³-Mechatronics"

Sales capabilities

- Promotion of "i³-Mechatronics" in **growth markets** such as "3C" "new infrastructure" "automobile" and "semiconductor"
- Full-fledged sales activities by expanding the AC servo drive **Σ-X Series** lineup
- Increase revenue from the **service business** through the use of IT by integrating the technology, sales, and service divisions

Production capabilities

- Accelerate deployment of the "**Yaskawa Solution Factory**" concept to overseas production bases
- Optimizing the balance of **global production capacity** in robots

➤ Strengthening the management foundation through digital management

Promotion of the YDX Project *

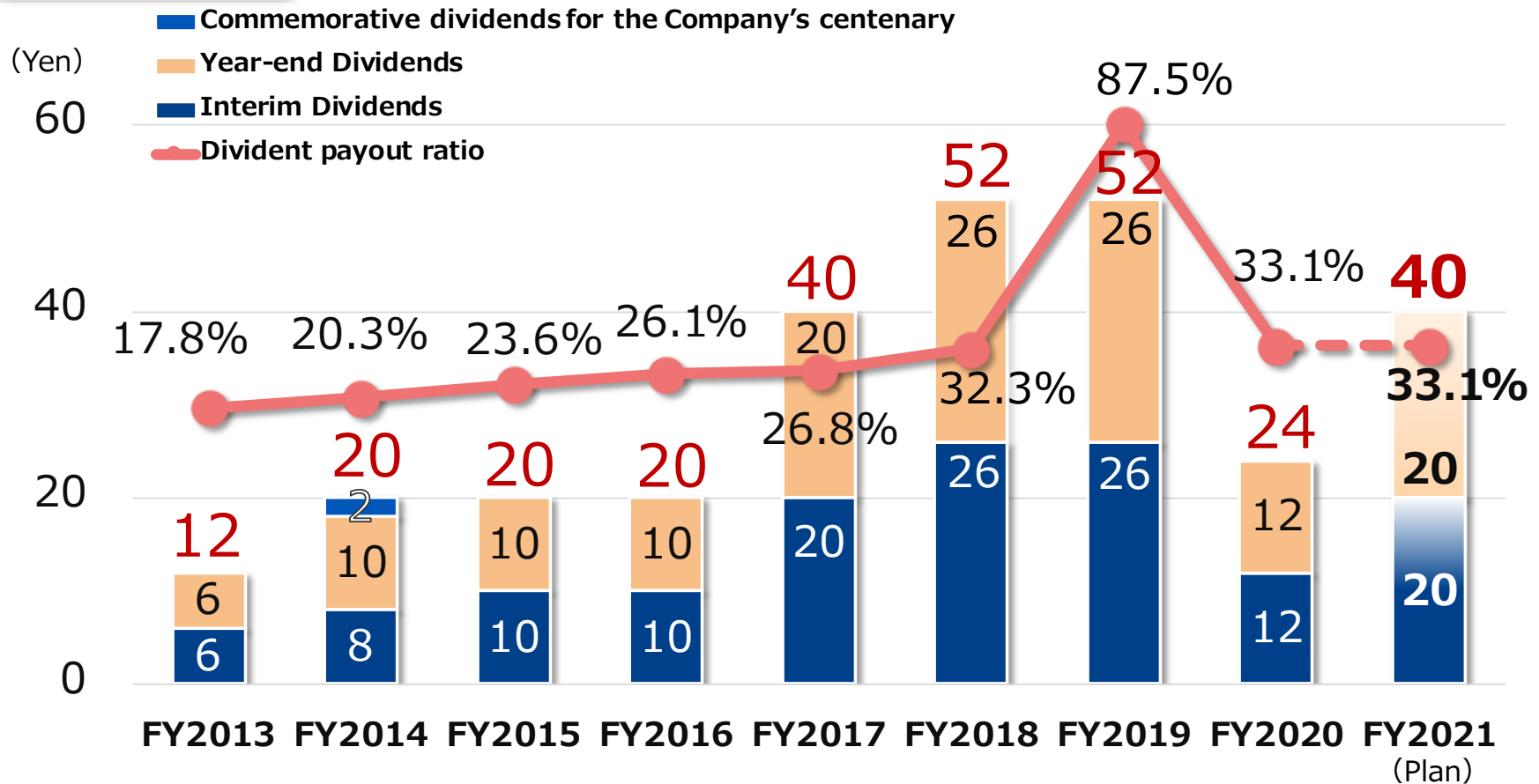
- Acceleration of visualization of management information by **unification of global data on sales, production and technology**
- Establishment of a system to **feed back market quality information** collected globally to **product development**

*YASKAWA Digital Transformation

Shareholder Return (Dividends)

- In fiscal 2021, we forecast an annual dividend of 40 yen per share, an increase of 16 yen from the previous fiscal year.

Dividends



4 . Reference

Retroactive Application of IFRS/Business Reclassification to the FY2019 Full-Year Results

		FY2019_Full Year		
(Unit: Billions of yen)		Japanese accounting standards	Changes of IFRS	Changes of Business reclassification
				IFRS (After segment revision)
Net sales , Revenue		411.0	-	-
	Motion Control	177.9	-	+2.6
	Robotics	152.2	-	-
	System Engineering	58.1	-	-2.6
	Other	22.8	-	-
Operating profit		22.3	+1.9	-
	Motion Control	18.7	+0.5	+1.3
	Robotics	5.5	+0.1	+0.9
	System Engineering	0.2	+0.7	-0.5
	Other	-0.3	+0.2	-
	Elimination or Corporate	-1.8	+0.2	-1.7
Profit attributable to owners of parent		14.4	+1.1	-
				15.6

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

Capital expenditure, R&D investment

(Billions of yen)

	F Y 2 0 1 9	F Y 2 0 2 0	F Y 2 0 2 1 (Plan)
Capital expenditure	25.47	22.79	25.00
Depreciation and Amortization	16.75	16.09	17.00
R&D investment	19.00	17.85	18.00

Forex rates

Note: Average rate during the period

	F Y 2 0 1 9			F Y 2 0 2 0			F Y 2 0 2 1 (Forecasts)
	1H	2H	Full-Year	1H	2H	Full-Year	Full-Year
USD	109.2	108.8	109.0	105.2	104.7	106.0	110.0
EUR	122.6	120.1	121.4	124.0	125.3	122.8	130.0
CNY	15.91	15.48	15.70	15.23	15.87	15.55	16.80
KRW	0.093	0.092	0.093	0.089	0.093	0.091	0.096

Forex sensitivity

	Impact of 1% fluctuation (FY2020 Full-Year)	
	Revenue	Operating profit
USD	approx. 0.69	approx. 0.15
EUR	approx. 0.56	approx. 0.07
CNY	approx. 0.94	approx. 0.30
KRW	approx. 0.20	approx. 0.13

Financial Indices

As of February 29, 2020

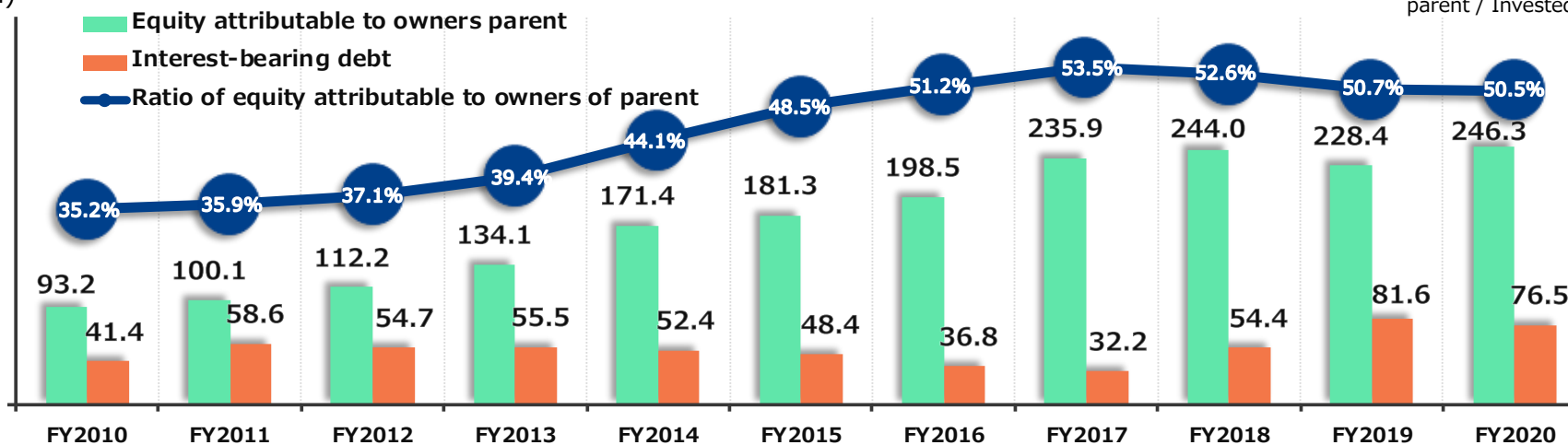
- Ratio of equity attributable to owners of parent 50.7%
- Equity attributable to owners of parent 228.4 billion yen
- Interest-bearing debt 81.6 billion yen
- D/E ratio 0.36
(Net D/E ratio) 0.18
- Inventory 102.0 billion yen
(Turnover) (3.0 months)
- ROE 6.6%
- ROIC 5.9%

As of February 28, 2021

- Ratio of equity attributable to owners of parent 50.5%
- Equity attributable to owners of parent 246.3 billion yen
- Interest-bearing debt 76.5 billion yen
- D/E ratio 0.31
(Net D/E ratio) 0.10
- Inventory 101.5 billion yen
(Turnover) (3.1 months)
- ROE 8.0%
- ROIC 7.0%

*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)

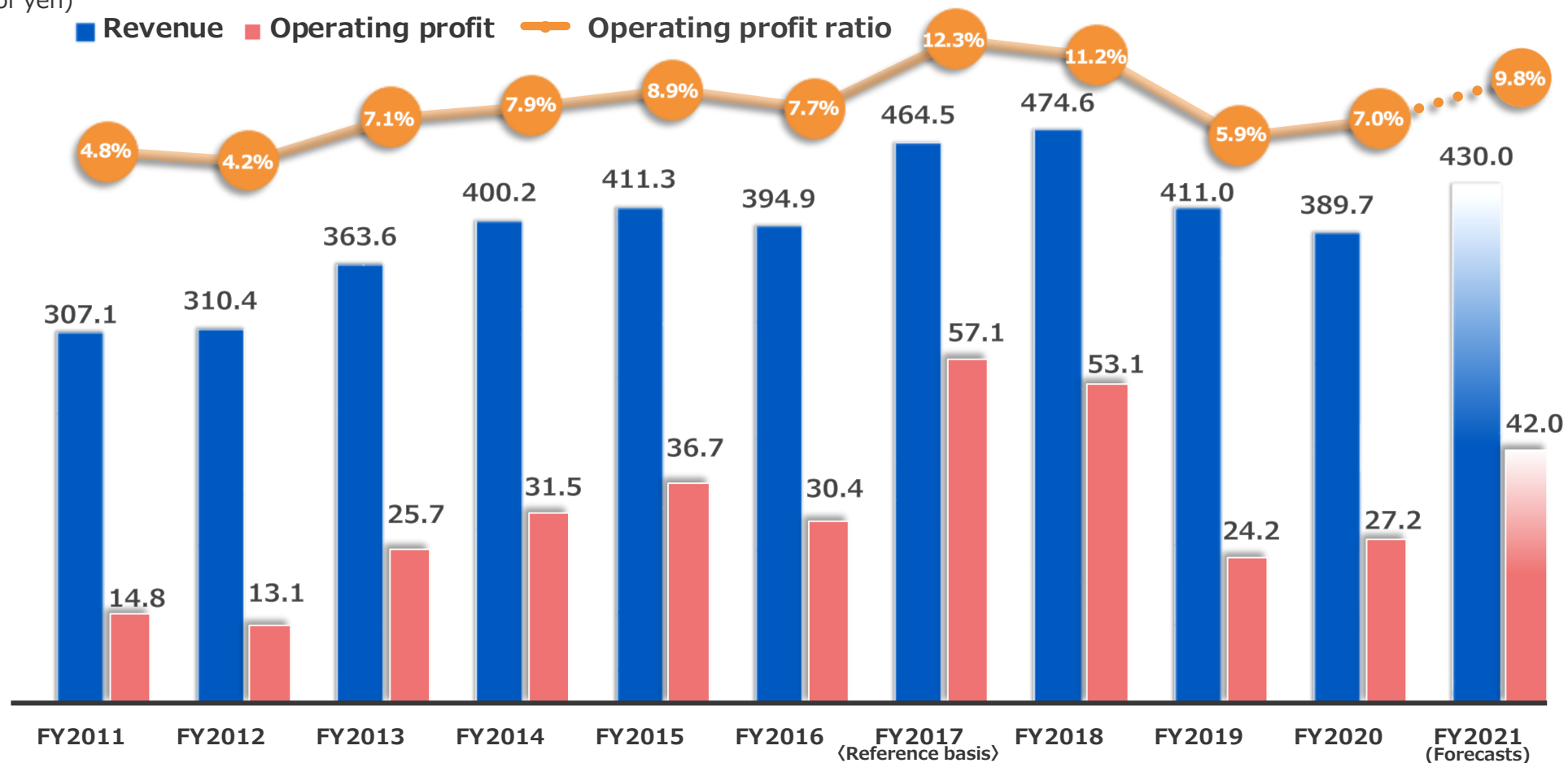


Operating CF	2.5	6.4	24.6	24.0	29.0	32.0	33.8	46.1	34.3	21.5	39.6
Investment CF	- 6.7	- 11.9	- 18.1	- 16.9	- 27.9	- 22.4	- 18.9	- 18.9	- 27.1	- 20.6	- 9.6
Free CF	- 4.3	- 5.5	6.6	7.0	1.1	9.5	14.8	27.2	7.2	0.8	30.0

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

Revenue / Operating Profit (FY2011 - FY2021 Forecasts)

(Billions of yen)



Challenge 100

Realize 100

Dash 25

Challenge 25 Plus

Mid-term business plans

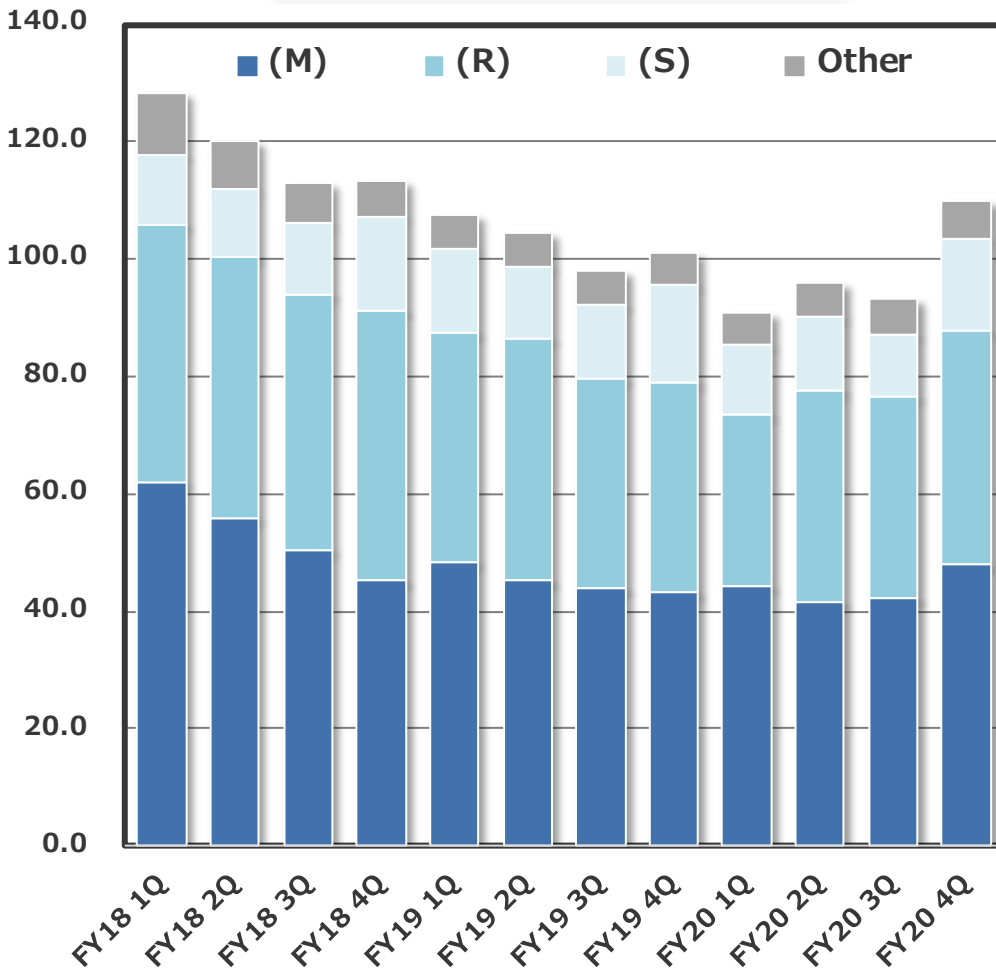
Note1: Data up to FY2017 are based on Japanese GAAP.

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

Quarterly Revenue Trends (1)

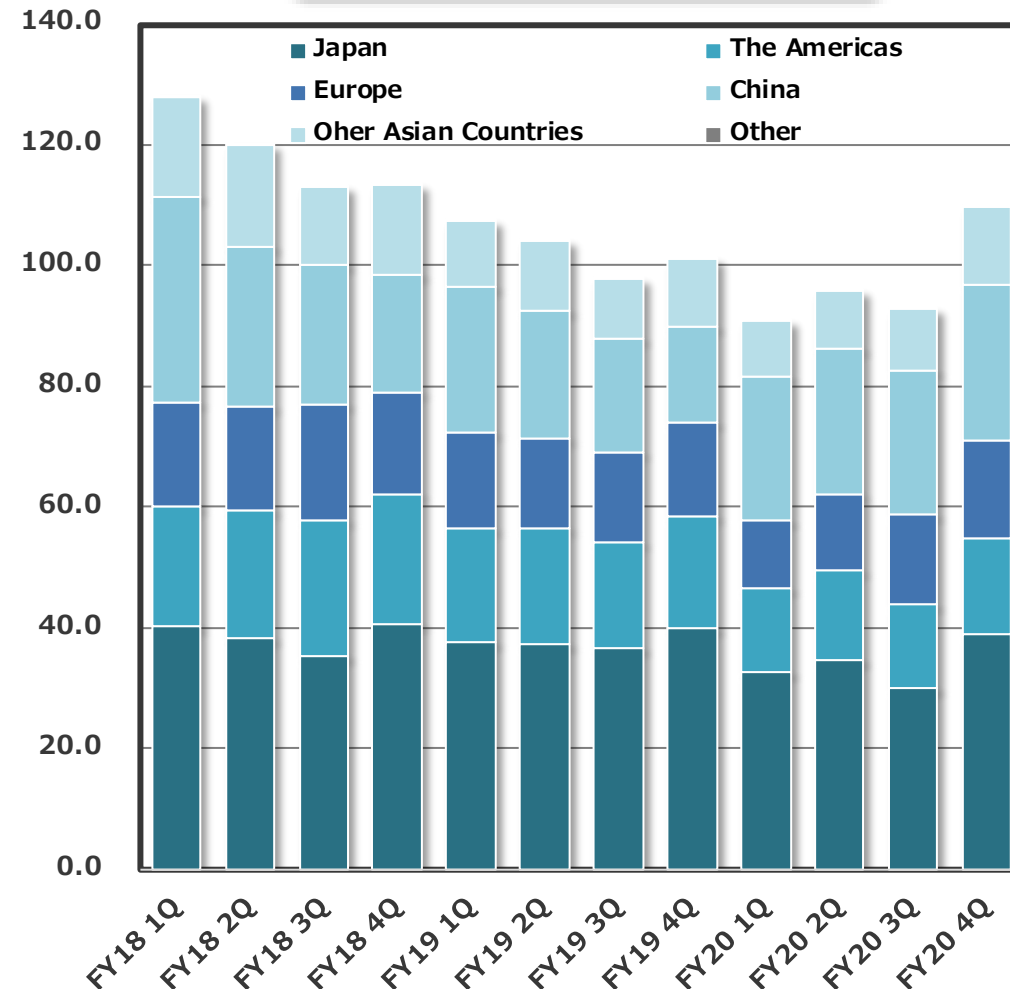
Business segment

(Billions of yen)



Destination

(Billions of yen)



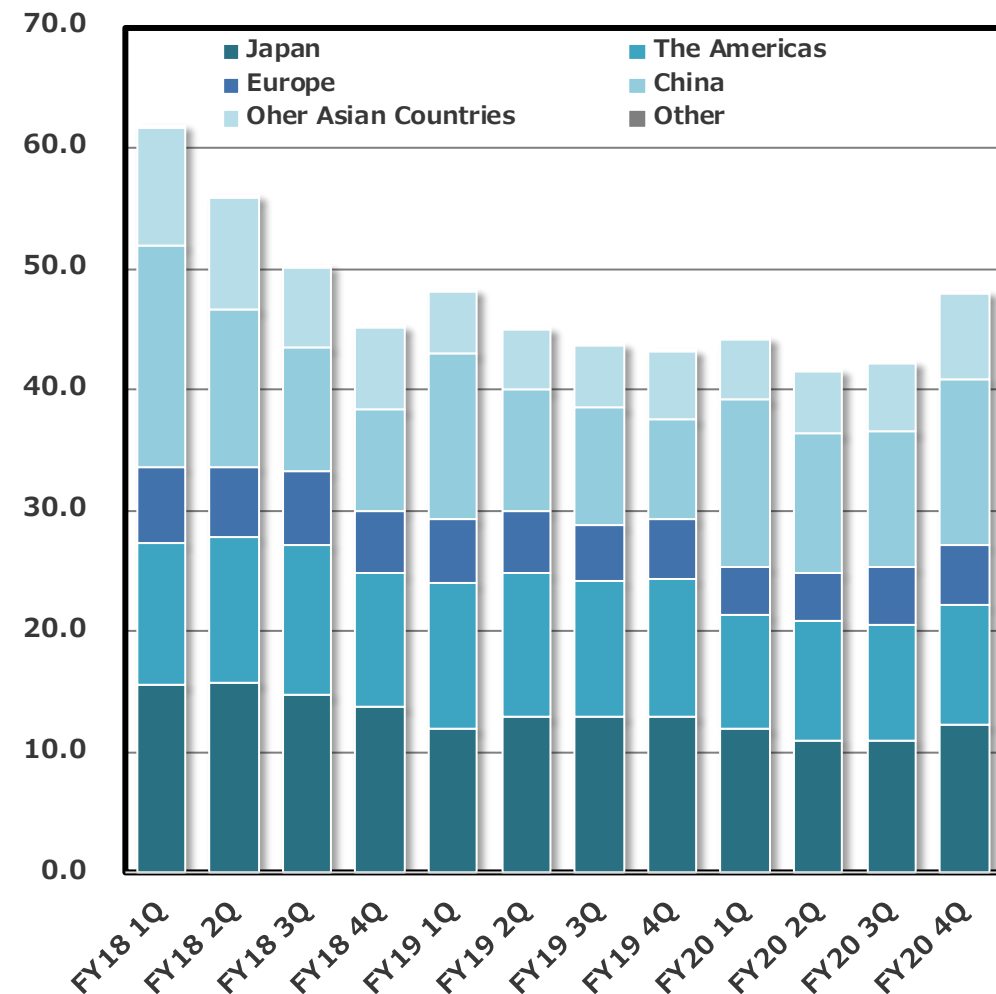
Note1: Data of FY 19 and FY 20 are based on the values after segment reclassification.

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

Quarterly Revenue Trends (2)

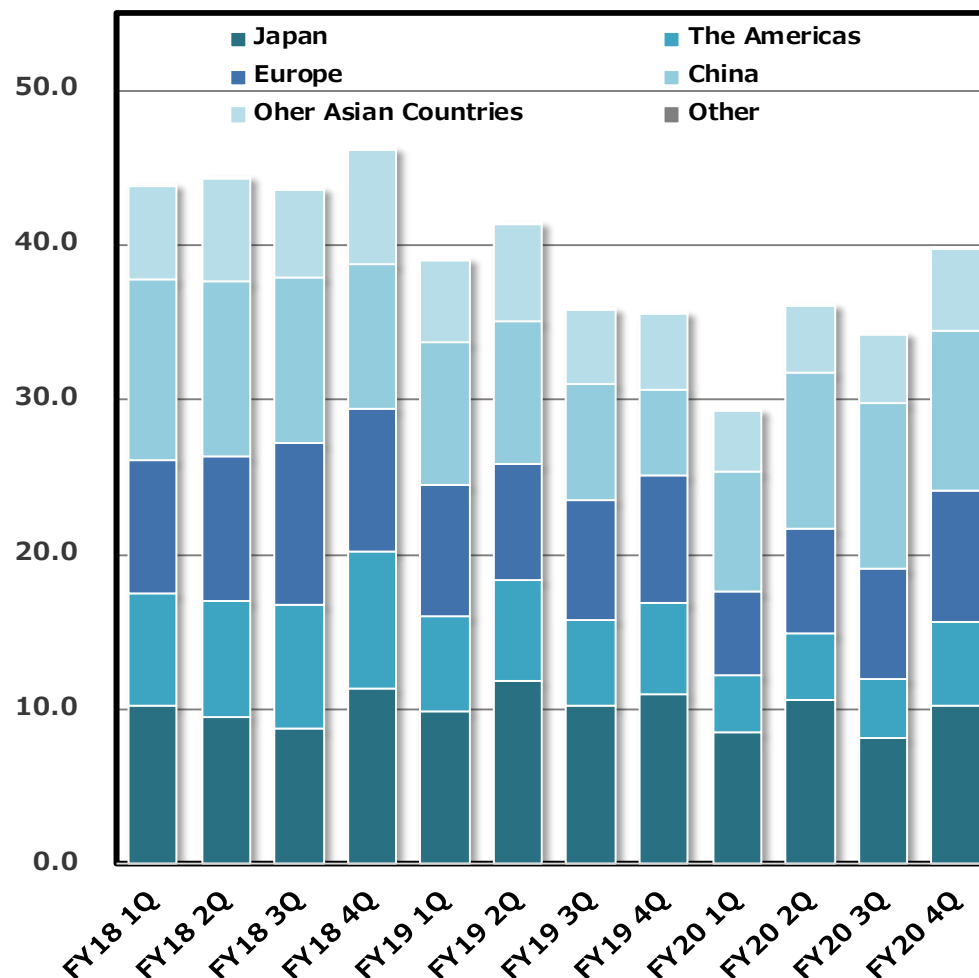
Motion Control

(Billions of yen)



Robotics

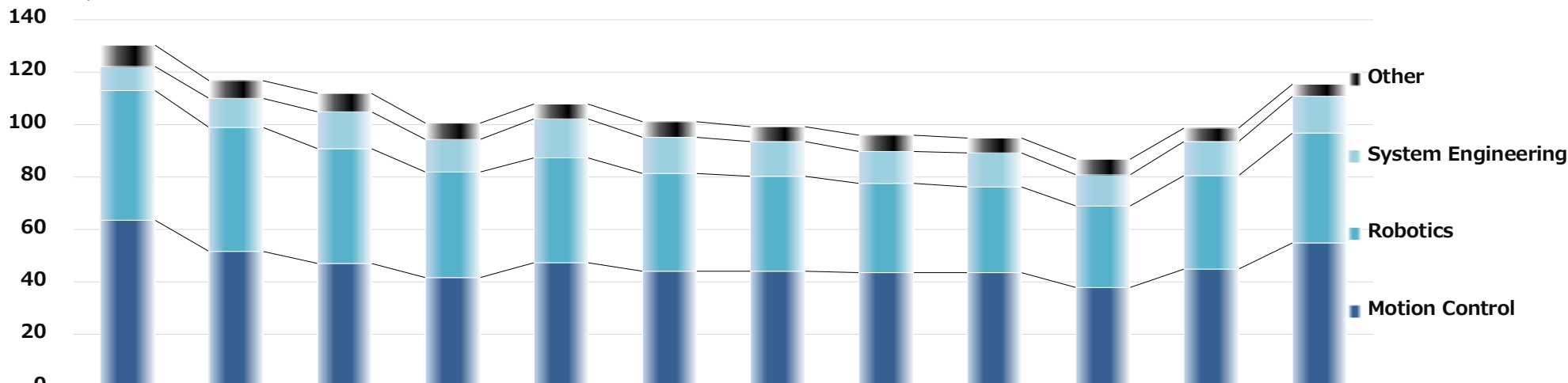
(Billions of yen)



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)



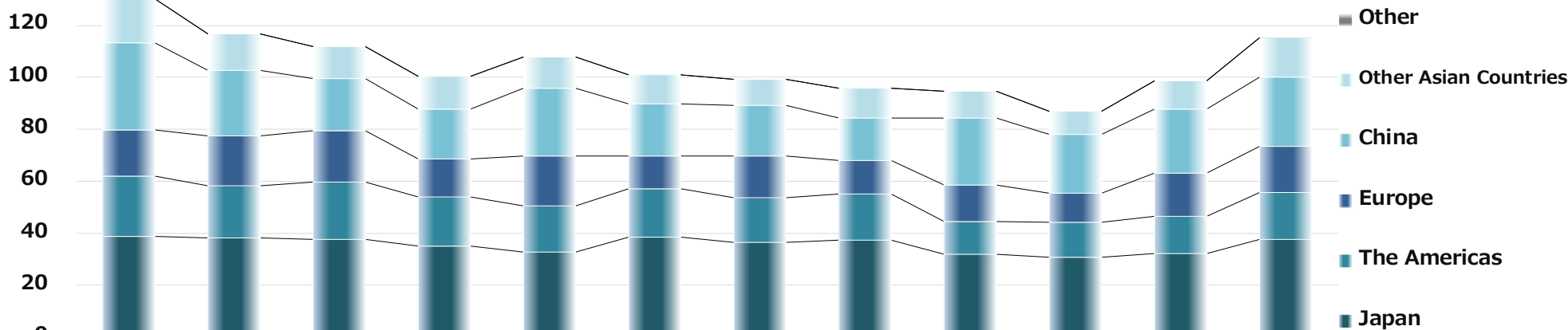
		FY2018				FY2019				FY2020			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total	YoY	+10%	-4%	-9%	-17%	-17%	-14%	-11%	-4%	-12%	-14%	-0%	+20%
	QoQ	+8%	-10%	-4%	-10%	+7%	-6%	-2%	-3%	-1%	-8%	+14%	+17%
YoY	(M)	+3%	-7%	-12%	-20%	-26%	-15%	-7%	+4%	-8%	-14%	+2%	+26%
	(R)	+15%	+7%	-8%	-10%	-19%	-22%	-17%	-15%	-18%	-16%	-2%	+23%
	(S)	+14%	-37%	+4%	-17%	+64%	+27%	-6%	-3%	-13%	-14%	-1%	+15%
QoQ	(M)	+21%	-19%	-9%	-11%	+13%	-7%	-0%	-1%	+0%	-13%	+19%	+22%
	(R)	+11%	-4%	-7%	-9%	-0%	-7%	-2%	-6%	-4%	-5%	+15%	+18%
	(S)	-39%	+20%	+27%	-11%	+21%	-7%	-6%	-8%	+8%	-8%	+8%	+7%
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	104.3
	Euro	130.9	128.9	129.6	125.9	124.7	120.6	119.3	120.9	117.9	122.8	124.0	126.6

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

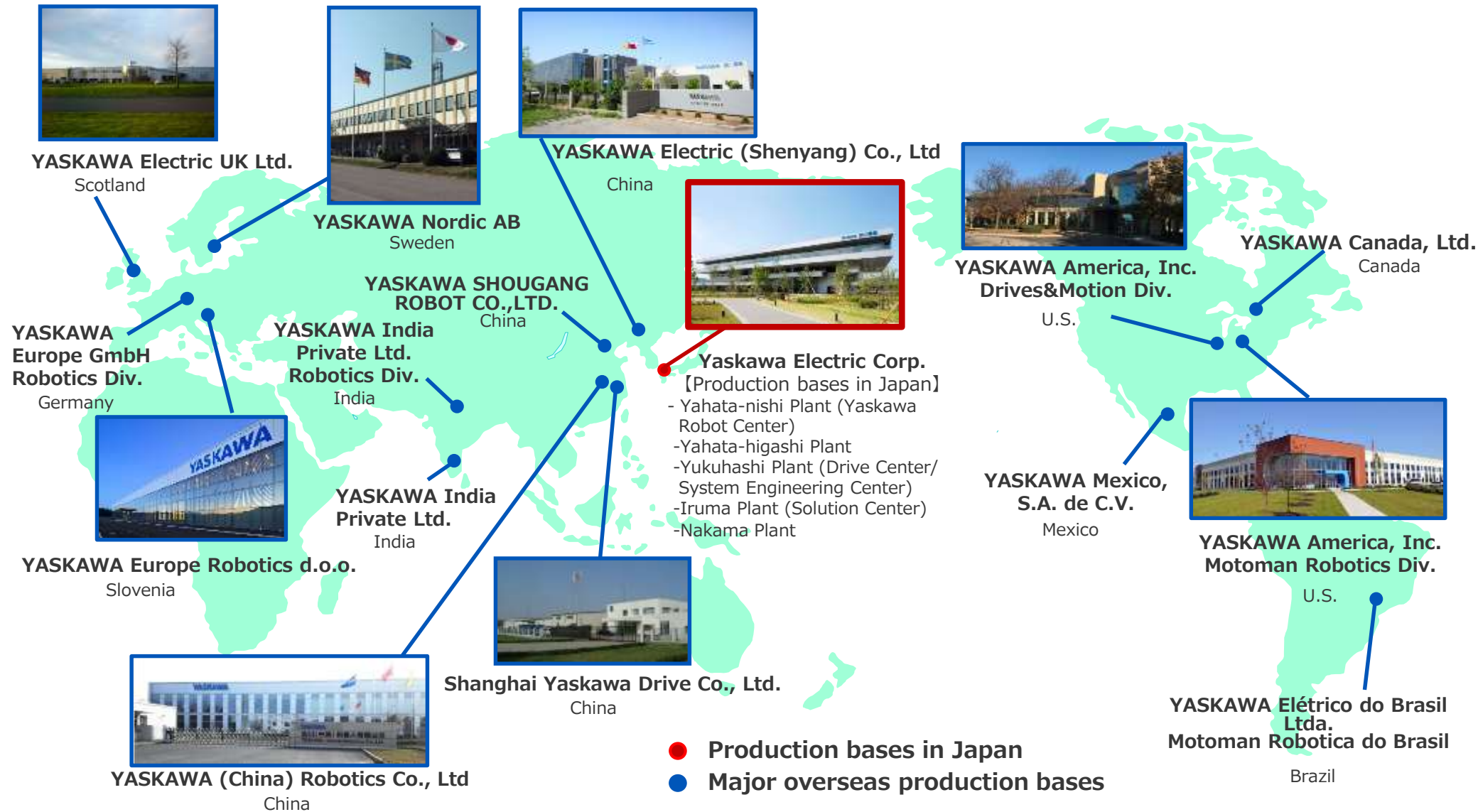
(Billions of Yen)
140



		FY2018				FY2019				FY2020			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total	YoY	+10%	-4%	-9%	-17%	-17%	-14%	-11%	-4%	-12%	-14%	-0%	+20%
	QoQ	+8%	-10%	-4%	-10%	+7%	-6%	-2%	-3%	-1%	-8%	+14%	+17%
YoY	Japan	+18%	+4%	-6%	-6%	-15%	+1%	-4%	+6%	-3%	-20%	-11%	+1%
	The Americas	+11%	-10%	-5%	-10%	-23%	-8%	-21%	-5%	-28%	-28%	-16%	+1%
	Europe	+16%	-6%	+11%	-15%	+7%	-33%	-19%	-13%	-27%	-11%	+2%	+39%
	China	+8%	-8%	-23%	-35%	-22%	-21%	-3%	-15%	-1%	+13%	+28%	+62%
	Other Asian Countries	-6%	-13%	-28%	-21%	-30%	-20%	-18%	-7%	-12%	-21%	+8%	+31%
QoQ	Japan	+4%	-2%	-1%	-7%	-7%	+17%	-5%	+3%	-15%	-4%	+5%	+17%
	The Americas	+10%	-12%	+8%	-14%	-6%	+5%	-8%	+4%	-29%	+6%	+7%	+26%
	Europe	+5%	+5%	+8%	-28%	+32%	-34%	+27%	-21%	+10%	-20%	+46%	+8%
	China	+12%	-24%	-21%	-4%	+35%	-23%	-3%	-16%	+57%	-12%	+10%	+7%
	Other Asian Countries	+7%	-17%	-13%	+3%	-5%	-5%	-11%	+16%	-10%	-15%	+22%	+41%

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

Major Production Bases



YASKAWA