

FY2021 1st Quarter Financial Results (Three Months Ended May 31, 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.
- The information within this document is made as of the date of writing. Any forward-looking statement is 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



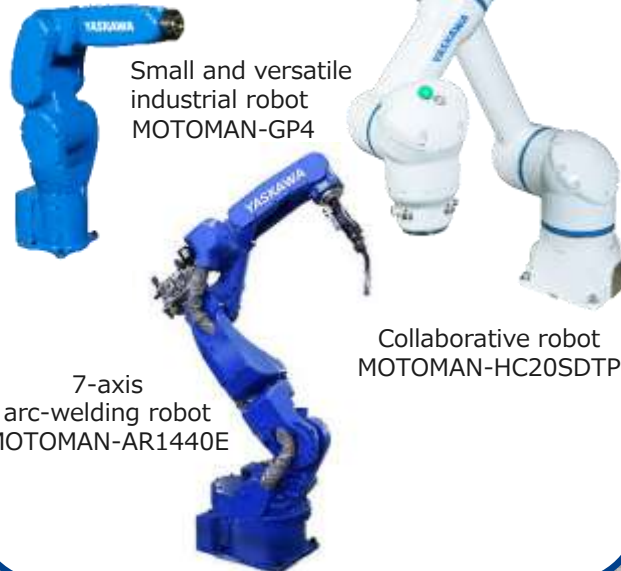
Yaskawa AC drive new series



Robotics

【Core products】

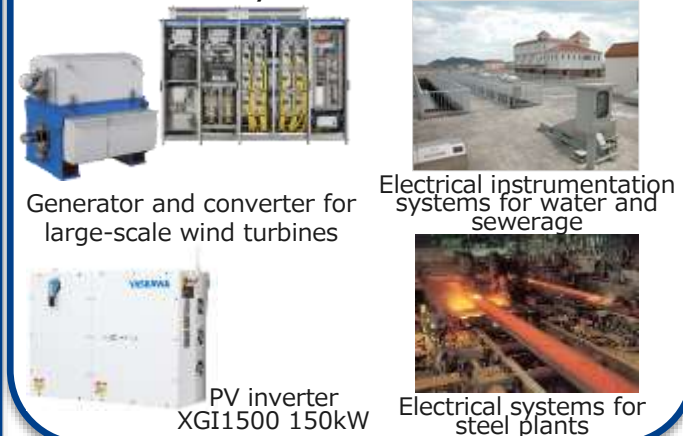
- Industrial robots
 - Arc and spot welding robots, painting robots
 - FPD glass sheet transfer robots, handling robots
- Semiconductor wafer transfer robots
- Biomedical robots
- Collaborative robots



System Engineering

【Core products】

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



Other

- Logistics

1 . FY2021 1Q Financial Results (Three Months Ended May 31, 2021)

FY2021 1Q Financial Results (Highlights)

- Capital investment in the manufacturing industry has strongly recovered as it has been normalized from COVID-19 related crisis.
- Both revenue and profit increased because of robust demand over the world.

	FY2021 1Q Results	FY2020 1Q Results	Changes	
			Amounts	%
Revenue	¥ 119.0bn.	¥ 90.8bn.	+¥ 28.2bn.	+31.1%
Operating profit	¥ 12.9bn.	¥ 6.2bn.	+¥ 6.7bn.	+107.9%
Profit before tax	¥ 13.5bn.	¥ 5.9bn.	+¥ 7.6bn.	+129.5%
Profit attributable to owners of parent	¥ 10.1bn.	¥ 4.5bn.	+¥ 5.6bn.	+123.0%

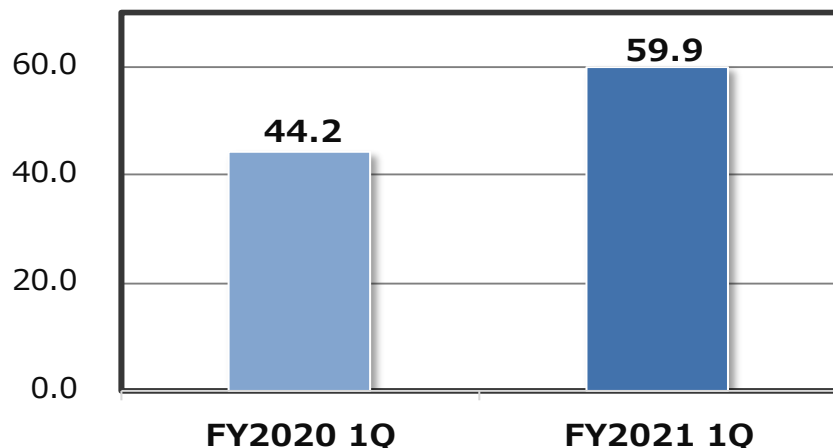
FY2021 1Q Financial Results by Business Segment

- Both revenue and profit increased mainly for Motion Control and Robotics, because of a recovery in automobile, semiconductor, and electronic component markets.

	FY2021 1Q		FY2020 1Q		Changes	
	Results	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
Revenue	119.0		90.8		+28.2	+31.1%
Motion Control	59.9		44.2		+15.7	+35.5%
Robotics	40.7		29.3		+11.4	+38.9%
System Engineering	13.7		12.0		+1.8	+14.7%
Other	4.7		5.3		-0.7	-12.2%
Operating profit	12.9	10.9%	6.2	6.9%	+6.7	+107.9%
Motion Control	11.0	18.4%	6.6	14.9%	+4.5	+67.7%
Robotics	2.1	5.1%	0.3	0.9%	+1.8	+688.0%
System Engineering	0.6	4.4%	0.1	0.7%	+0.5	+578.7%
Other	0.1	3.0%	-0.1	-1.3%	+0.2	-
Elimination or Corporate	-0.9	-	-0.6	-	-0.3	-

Business Segment Overview: Motion Control

Revenue (Billions of yen)



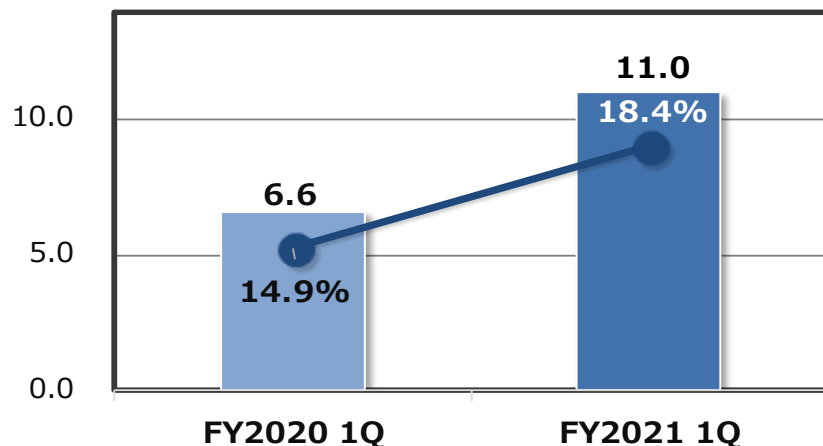
[Revenue]

- In AC servo & controller business, demand for 5G and new energy in China expanded. In addition, demand for semiconductors and electronic components was robust globally, and sales were strong.
- Revenue in AC drives business increased thanks to the recovery of market conditions in the U.S. and Europe as well as increased infrastructure-related investment in China.

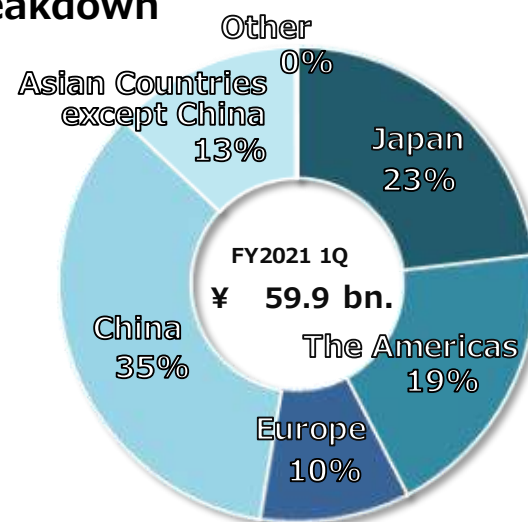
[Operating Profit]

- Operating profit increased significantly because of the sales growth.

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

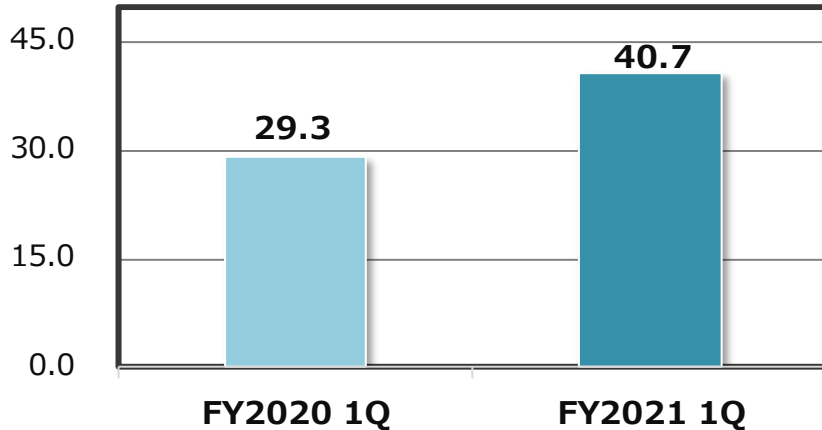


Revenue breakdown by region

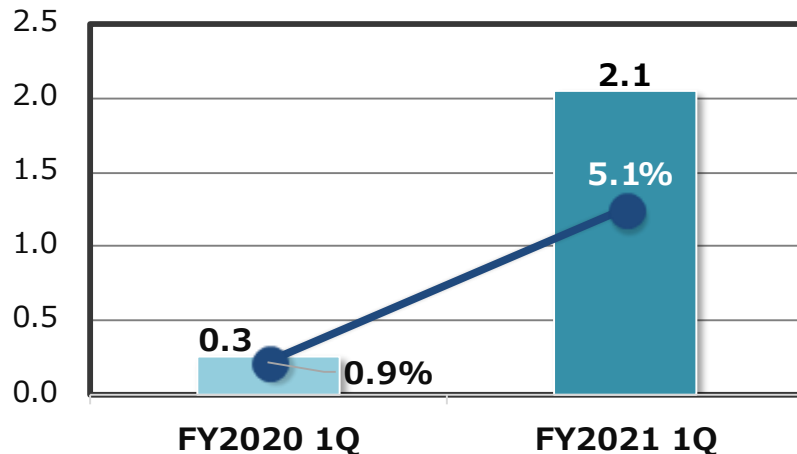


Business Segment Overview: Robotics

Revenue (Billions of yen)



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



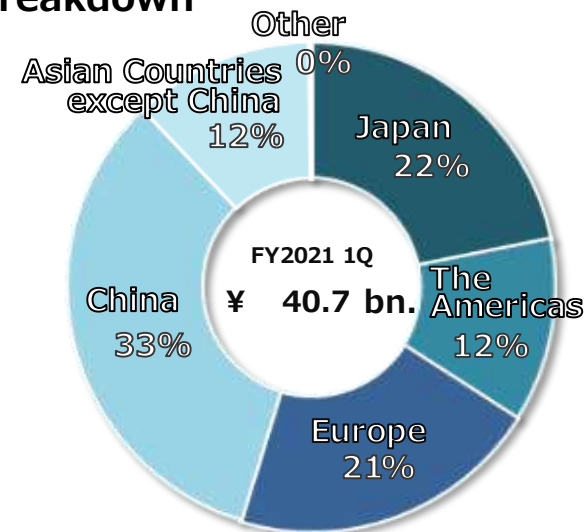
[Revenue]

- In the automobile market, global capital investment recovered significantly centering in China, the U.S., and Europe. Demand for EVs (electric vehicles) also increased.
- Capital investment in general industrial markets including logistics, food, and 3C was made actively for the purpose of promoting sophisticated and automated production.
- Sales of semiconductor wafer handling robots was strong.

[Operating Profit]

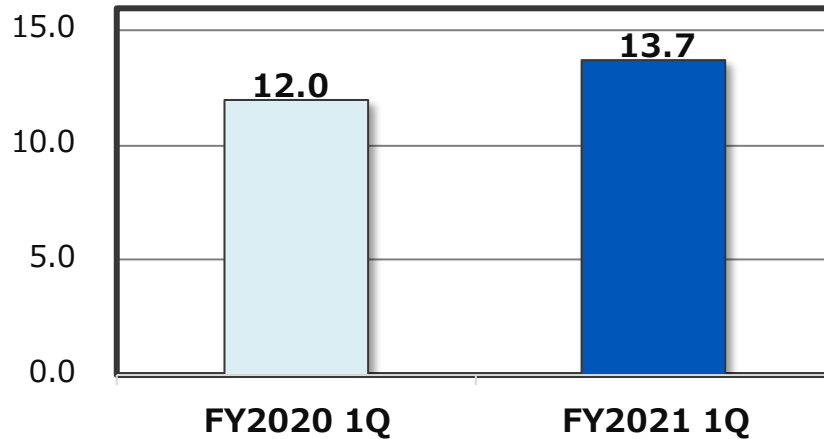
- Operating profit increase, supported by the improvement of capacity utilization resulting from revenue growth and recovery of service and maintenance-related businesses.

Revenue breakdown by region



Business Segment Overview: System Engineering

Revenue (Billions of yen)



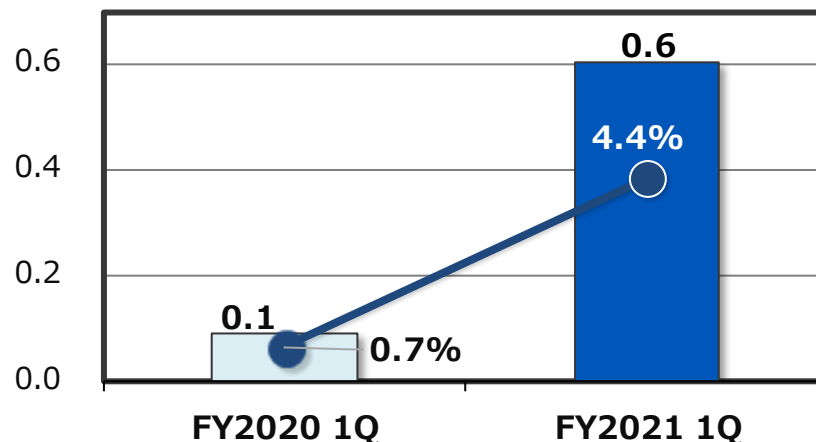
[Revenue]

- Sales of water and sewage systems and electrical equipment for large-scale wind turbines were on a recovery trend as it has been normalized from COVID-19 related crisis.

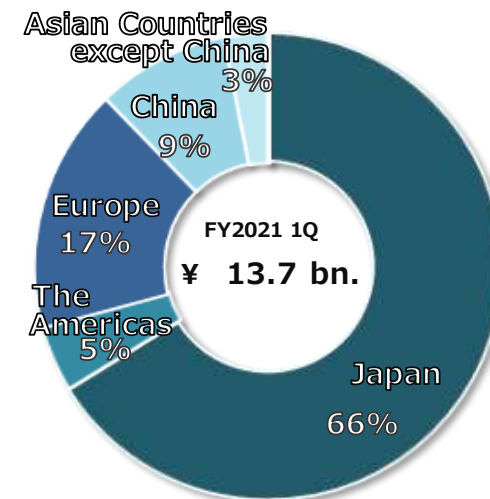
[Operating Profit]

- Operating profit increased due to improvement of profitability mainly by sales growth for water and sewage systems and strict cost controls in entire segment.

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

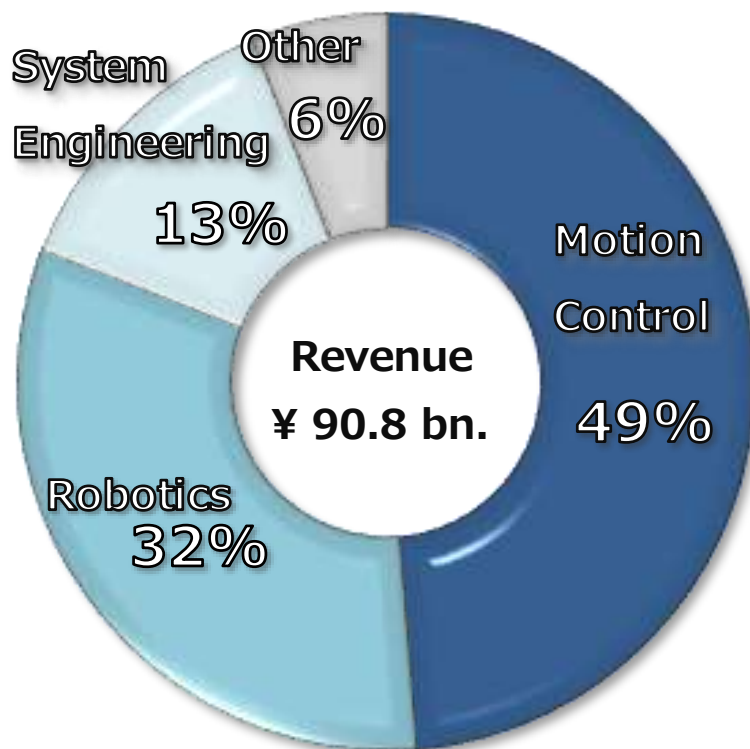


Revenue breakdown by region

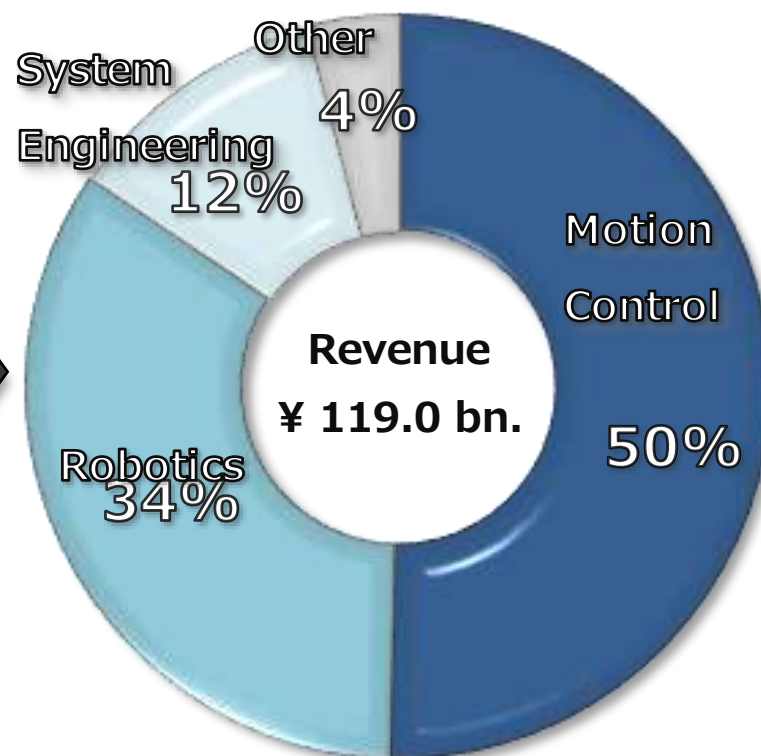


Revenue Breakdown by Business Segment

FY2020 1Q



FY2021 1Q



Revenue Breakdown by Destination (1)

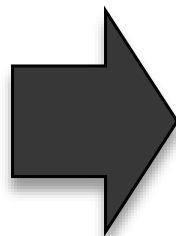
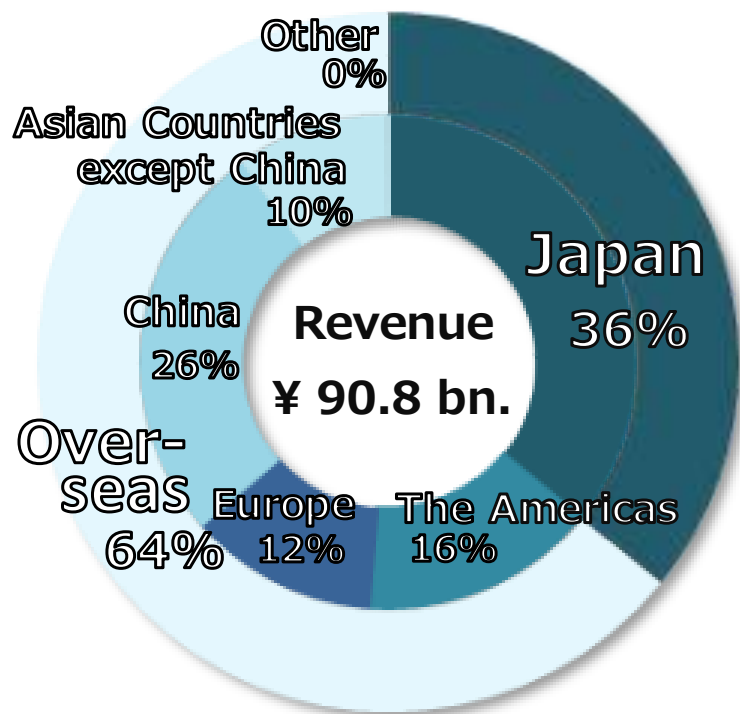
- Revenue increased in all regions year-on-year.

(Billions of yen)	FY2021	FY2020	Changes	
	1Q Results	1Q Results	Amounts	%
Revenue	119.0	90.8	+28.2	+31.1%
Japan	35.5	32.6	+3.0	+9.1%
Overseas	83.5	58.2	+25.2	+43.3%
The Americas	17.2	14.0	+3.2	+22.5%
Europe	16.9	11.1	+5.8	+52.0%
China	36.3	23.9	+12.4	+51.9%
Asian Countries except China	12.9	9.1	+3.8	+41.8%
Other	0.1	0.0	+0.1	+203.0%

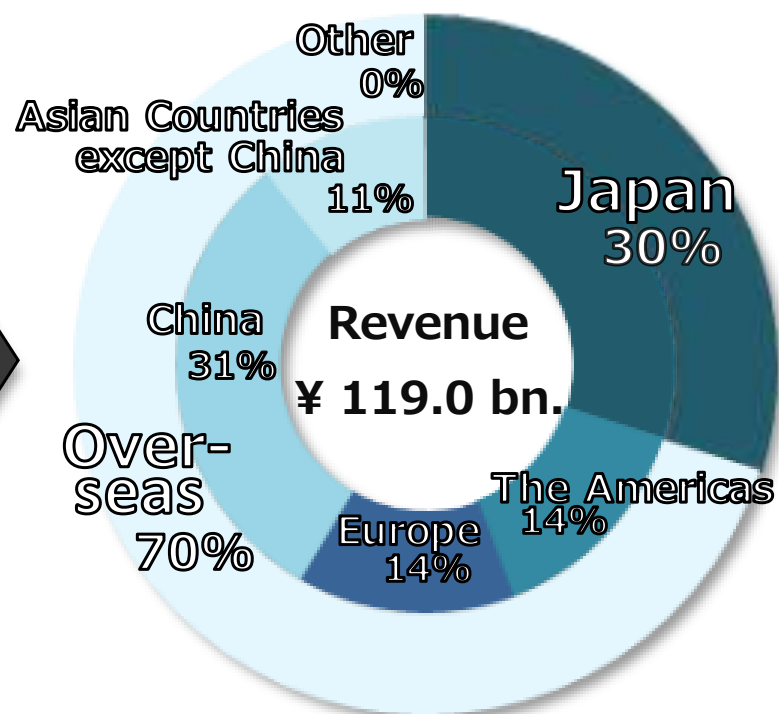
Note : Europe includes Middle East and Africa.

Revenue Breakdown by Destination (2)

FY2020 1Q



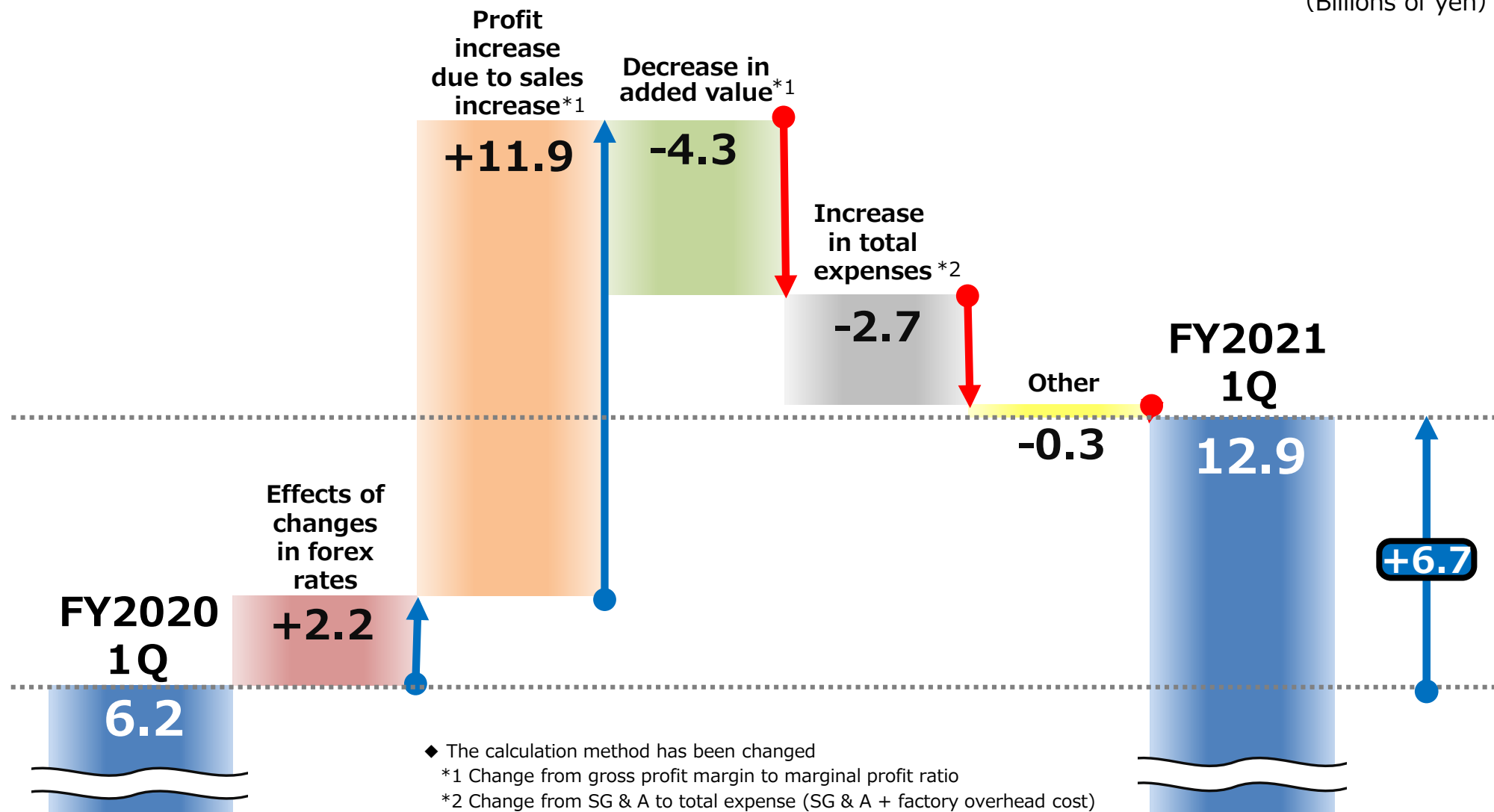
FY2021 1Q



Note : Europe includes Middle East and Africa.

Breakdown of Changes in Operating Profit (FY2020 1Q → FY2021 1Q)

(Billions of yen)



Initiatives from beginning of FY2021 1Q to date (1/2)

➤ Establishment of “i³-Mechatronics” business model

➔ Sales capabilities

- Launch of the YRM-X Controller
 - Synchronizing and controlling various data of “cells” composed of equipment, industrial robots, etc., which accelerates the realization of “i³-Mechatronics”

➔ Development capabilities

- Commence of the comprehensive agreement to tie up with Kyushu University
 - Developing new technologies and business fields through creating collaboration synergies on a broad areas



YRM- X Controller

➤ Reinforcement of business foothold that contributes to sustainable society/businesses

➔ Disclosure of climate change-related information based on TCFD recommendations

- Scrutinizing the risks and opportunities on major businesses caused by the future climate change
- Developed 2 °C and 4 °C scenario analyses based on an assumption of society in 2030 based on TCFD recommendations

➔ Financing by issuing green bonds *

- YASKAWA Technology Center was selected as an eligible project for sustainable society
- Publicly offered funds in the Japanese market for the project (Amount: 10.0 billion yen)

※ Bonds issued to finance projects in the environmental field

Initiatives from beginning of FY2021 1Q to date (2/2)

➤ Strengthen new product lineup to expand “Robotics” business

- Launch of new collaborative robot “MOTOMAN-HC20SDTP”

The payload capacity reaches two times with the same length of arm as the 10 kg portable model for wider applications

- Launch of new palletizing robot “MOTOMAN-PL80”

Ideal for packing and boxing of lightweight products, improving operation speed compared to conventional models

- Launch of small painting robot “MOTOMAN-MPX1400”

Ideal for painting small products such as appliances and automobile headlamps to contributing to downsizing production lines and cost reduction

- Launched laser welding package “MOTOPAC-RL2D300GP25JP”

New technology to be replaced from arc welding, for better response to customer needs



MOTOMAN-HC20SDTP



MOTOMAN-PL80



MOTOPAC-RL2D300-GP25JP



MOTOMAN-MPX1400

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

FY2021 Full-Year Financial Forecasts (Highlights)

- Made an upward revision of the annual forecasts due to high level of demand mainly in Motion Control and Robotics.

	FY2021 Forecasts	FY2020 Results	Changes		FY2021 Previous forecasts [※]
			Amounts	%	
Revenue	¥ 460.0bn.	¥ 389.7bn.	+¥ 70.3bn.	+18.0%	¥ 430.0bn.
Operating profit	¥ 54.0bn.	¥ 27.2bn.	+¥ 26.8bn.	+98.7%	¥ 42.0bn.
Profit before tax	¥ 55.5bn.	¥ 27.2bn.	+¥ 28.3bn.	+104.3%	¥ 43.3bn.
Profit attributable to owners of parent	¥ 41.0bn.	¥ 18.9bn.	+¥ 22.1bn.	+116.6%	¥ 31.7bn.

※ Announced on April 9, 2021

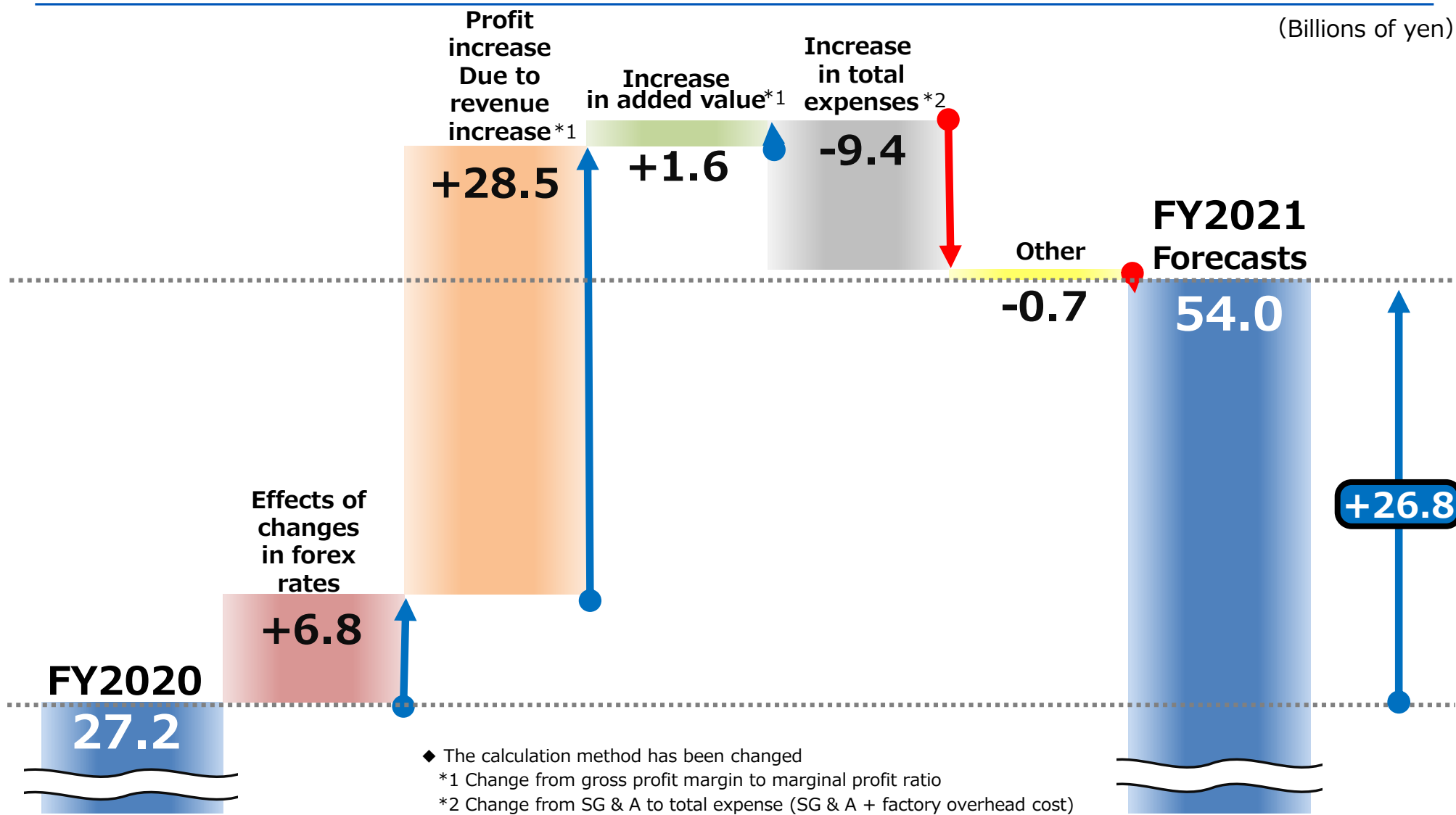
FY2021 Full-Year Financial Forecasts by Business Segment

(Billions of yen)	FY2021		FY2020		Changes		FY2021	
	Forecasts	Profit ratio	Results	Profit ratio	Amounts	%	Previous forecasts※	Profit ratio
Revenue	460.0		389.7		+70.3	+18.0%	430.0	
Motion Control	215.0		176.0		+39.0	+22.1%	199.0	
Robotics	175.0		139.5		+35.5	+25.4%	160.0	
System Engineering	50.0		50.8		-0.8	-1.5%	51.0	
Other	20.0		23.4		-3.4	-14.6%	20.0	
Operating profit	54.0	11.7%	27.2	7.0%	+26.8	+98.7%	42.0	9.8%
Motion Control	39.3	18.3%	24.6	14.0%	+14.7	+59.9%	33.1	16.6%
Robotics	17.9	10.2%	6.9	5.0%	+11.0	+159.1%	11.7	7.3%
System Engineering	1.3	2.6%	-1.0	-2.0%	+2.3	-	1.5	2.9%
Other	0.0	0.0%	0.3	1.3%	-0.3	-	0.0	0.0%
Elimination or Corporate	-4.5	-	-3.6	-	-0.9	-	-4.3	-

※ Announced on April 9, 2021

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

(Billions of yen)



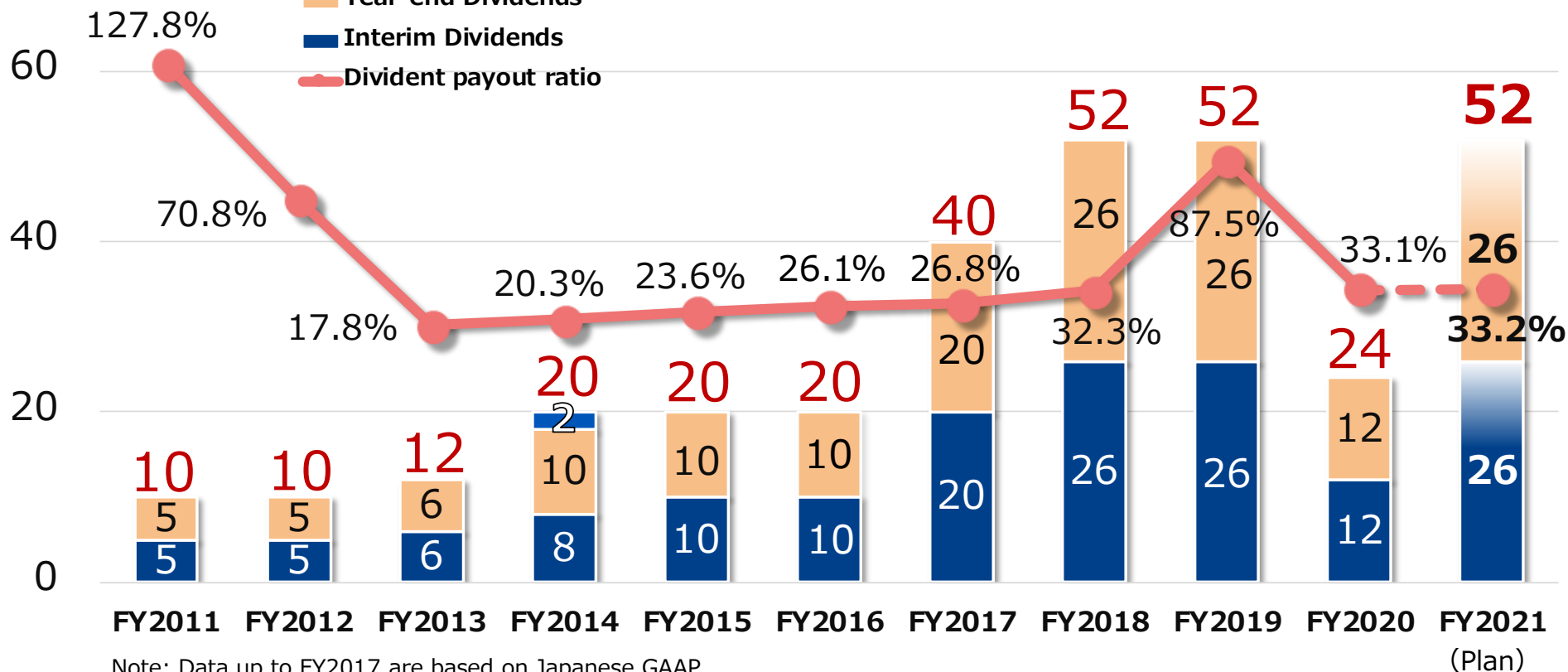
Shareholder Return (Dividends)

- An annual dividend of 52 yen per share is planned, an increase of 28 yen due to the upward revision of our annual forecast.

Dividends

(Yen)

- Commemorative dividends for the Company's centenary
- Year-end Dividends
- Interim Dividends
- Divident payout ratio



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

3 . Reference

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

(yen)

	F Y 2 0 1 9			F Y 2 0 2 0			F Y 2 0 2 1 (Forecasts)		
	1Q	1H	Full-Year	1Q	1H	Full-Year	1Q (Results)	1H	Full-Year
USD	111.0	109.2	109.0	107.6	107.2	106.0	109.0	109.0	109.0
EUR	124.7	122.6	121.4	117.9	120.4	122.8	130.7	130.9	130.9
CNY	16.38	15.91	15.70	15.21	15.23	15.55	16.79	16.80	16.80
KRW	0.096	0.093	0.093	0.088	0.089	0.091	0.097	0.097	0.097

Forex sensitivity

(Billions of yen)

	Impact of 1% fluctuation (FY2021 Full-Year Forecasts)	
	Revenue	Operating profit
USD	approx. 0.82	approx. 0.24
EUR	approx. 0.74	approx. 0.19
CNY	approx. 1.15	approx. 0.46
KRW	approx. 0.23	approx. 0.19

Financial Indices

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%

As of May 31, 2021

- Ratio of equity attributable to owners of parent 51.3%
- Equity attributable to owners of parent 260.6 billion yen
- Interest-bearing debt 76.2 billion yen
- D/E ratio 0.29
- (Net D/E ratio) 0.08
- Inventory 105.6 billion yen
- (Turnover) (2.7 months)

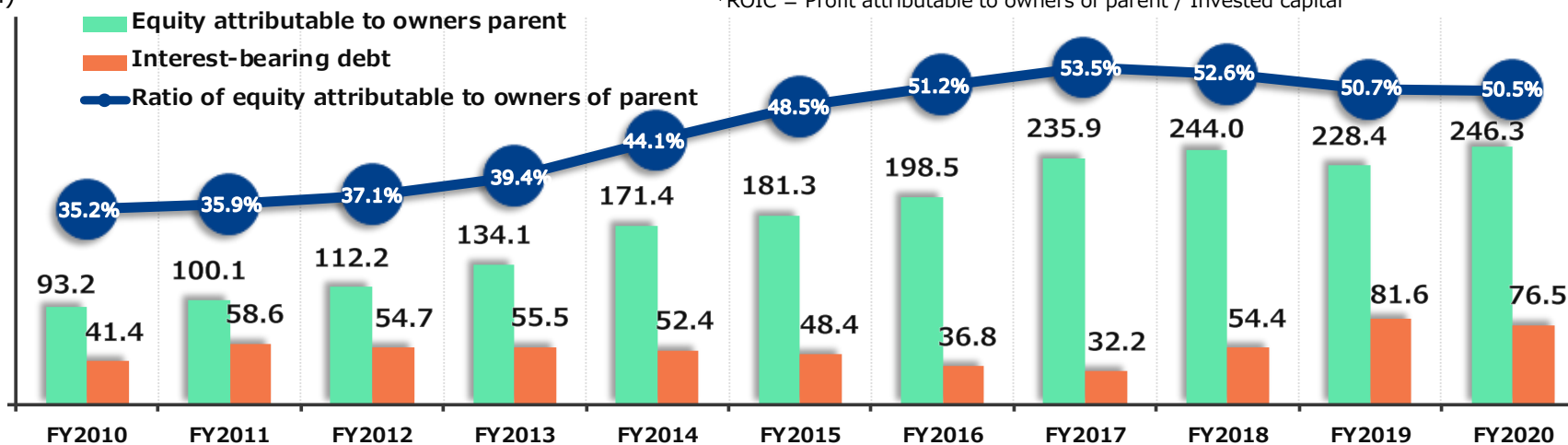
*Interest-bearing debt includes lease obligations.

*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

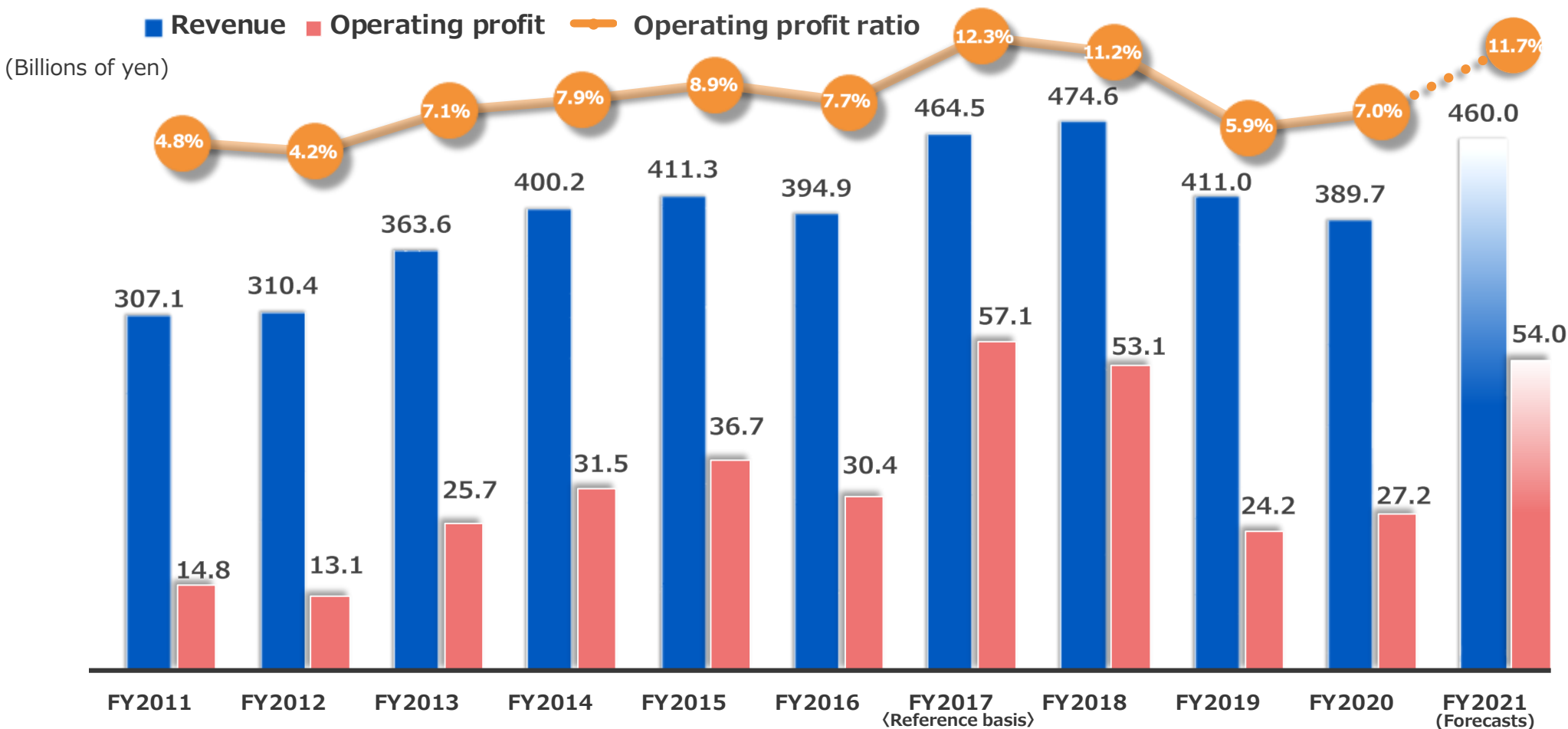
(Billions of yen)



Operating CF	2.5	6.4	24.6	24.0	29.0	32.0	33.8	46.1	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)



Challenge 100

Realize 100

Dash 25

Challenge 25 Plus

Mid-term business plans

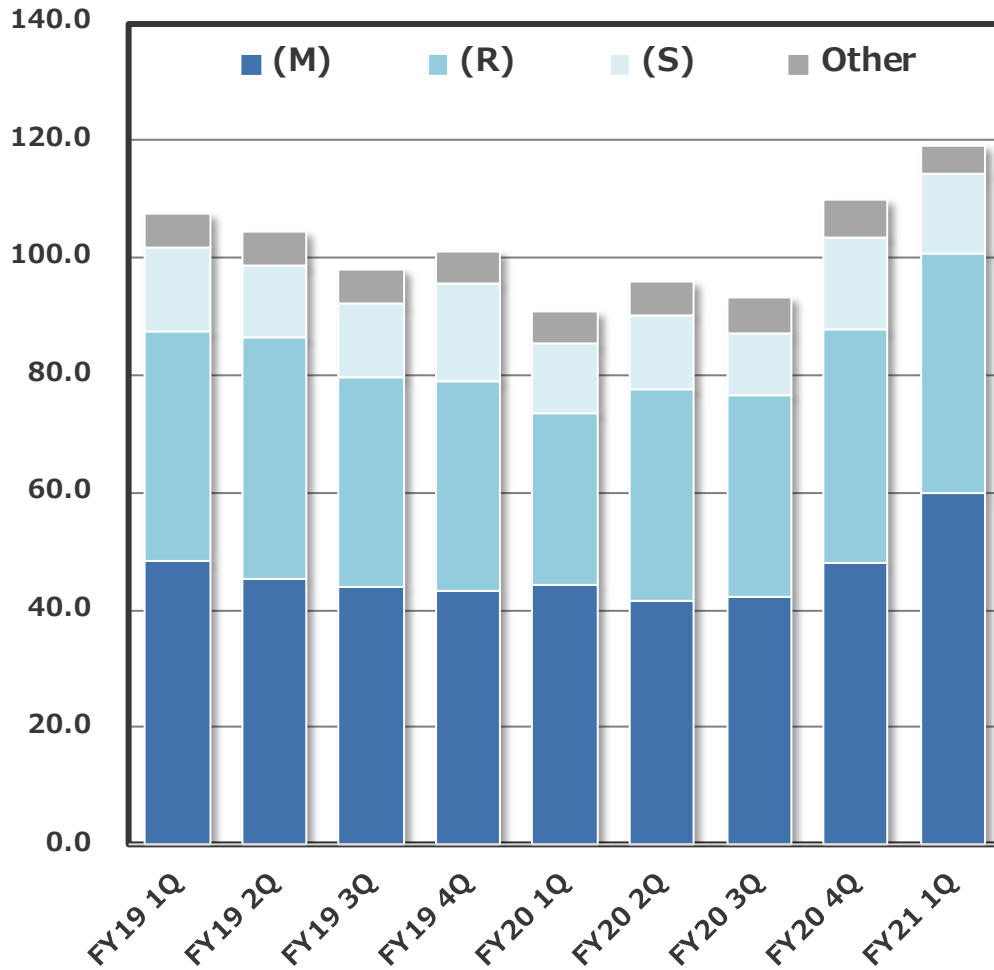
Note1: Data up to FY2017 are based on Japanese GAAP.

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

Quarterly Revenue Trends (1)

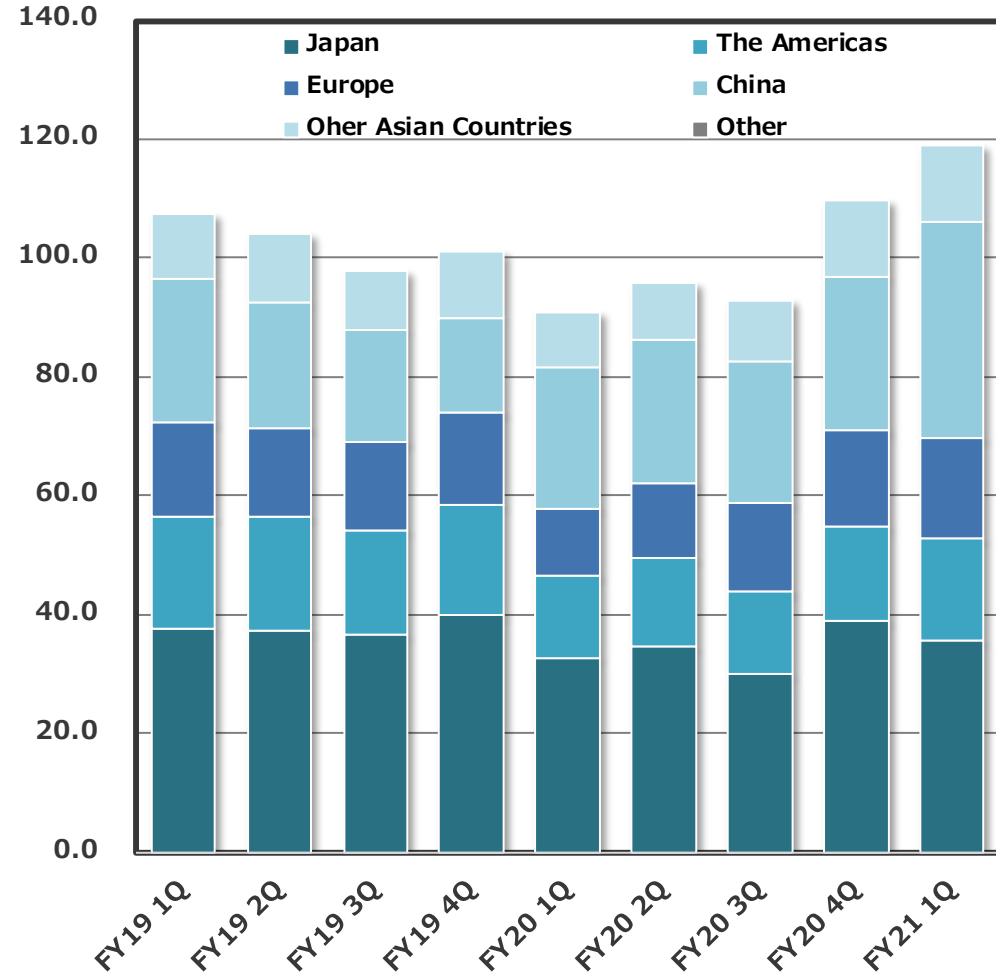
Business segment

(Billions of yen)



Destination

(Billions of yen)

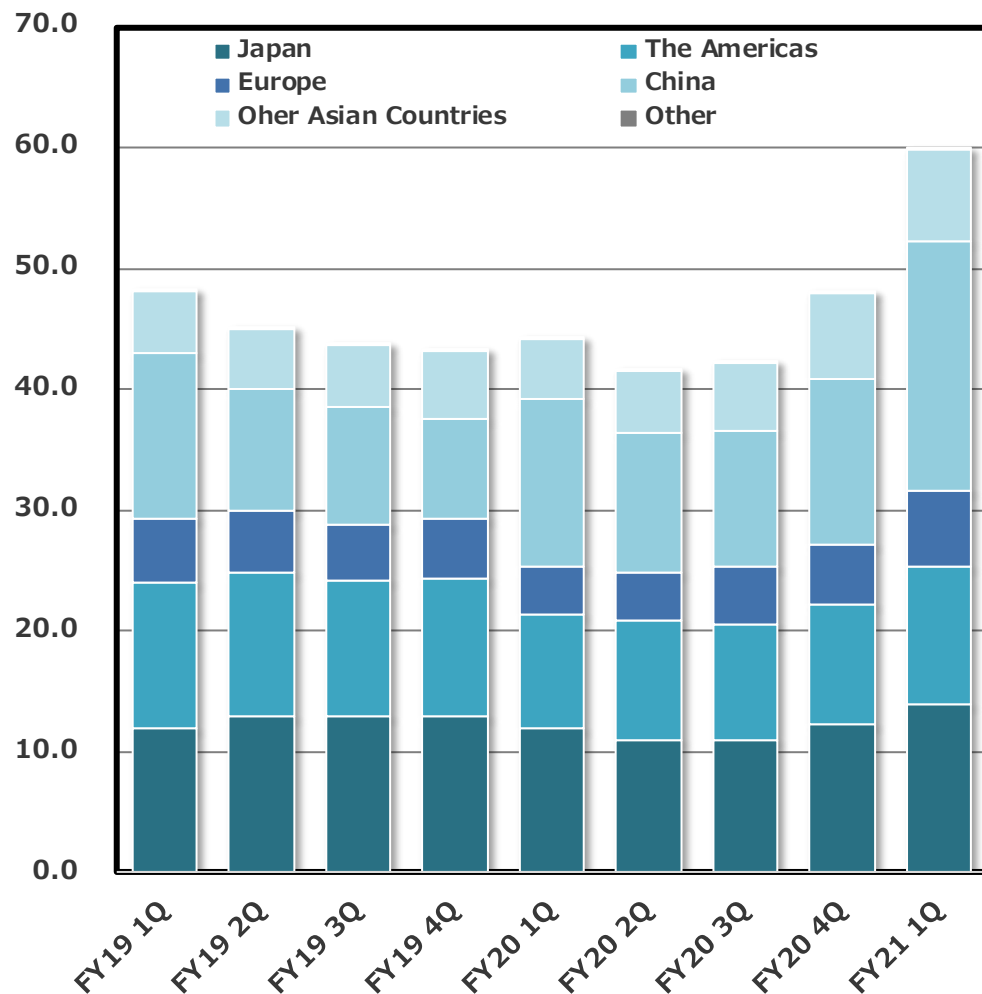


Note: (M) = Motion Control (R) = Robotics (S) = System Engineering

Quarterly Revenue Trends (2)

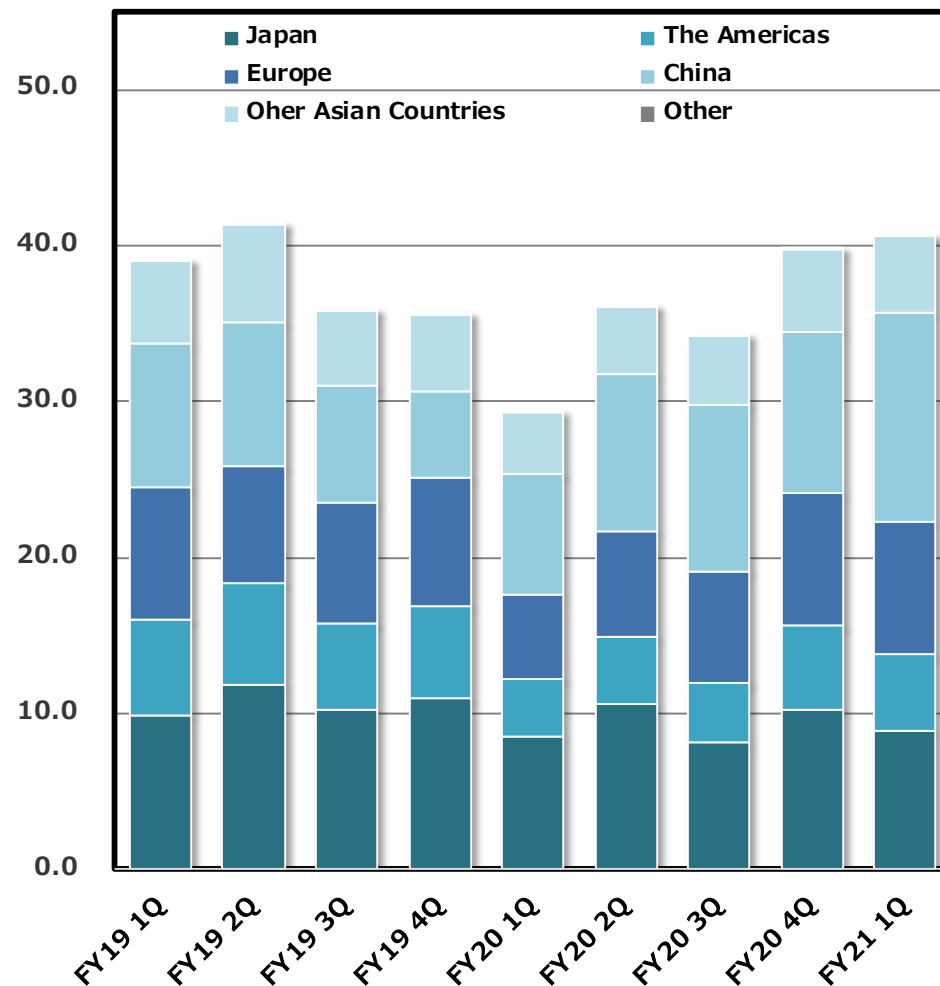
Motion Control

(Billions of yen)



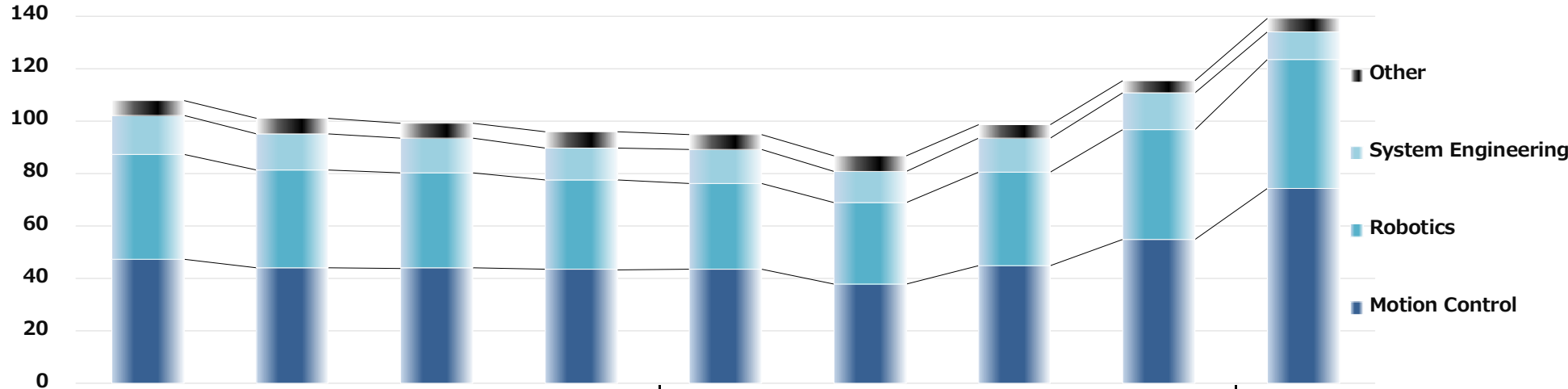
Robotics

(Billions of yen)



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

(Billions of Yen)

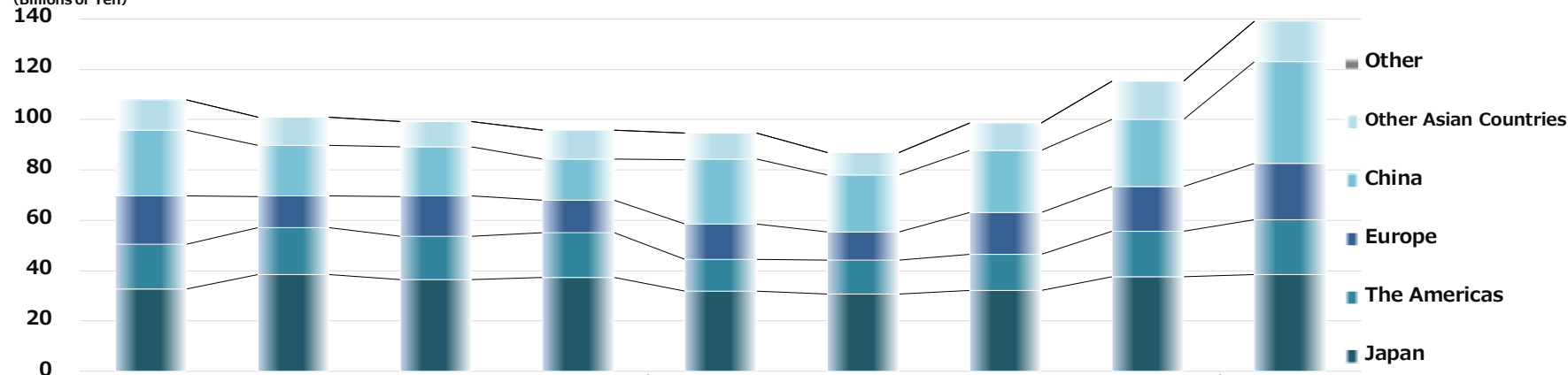


		FY2019				FY2020				FY2021
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Total	YoY	-17%	-14%	-11%	-4%	-12%	-14%	-0%	+20%	+47%
	QoQ	+7%	-6%	-2%	-3%	-1%	-8%	+14%	+17%	+20%
YoY	(M)	-26%	-15%	-7%	+4%	-8%	-14%	+2%	+26%	+70%
	(R)	-19%	-22%	-17%	-15%	-18%	-16%	-2%	+23%	+51%
	(S)	+64%	+27%	-6%	-3%	-13%	-14%	-1%	+15%	-18%
QoQ	(M)	+13%	-7%	-0%	-1%	+0%	-13%	+19%	+22%	+36%
	(R)	-0%	-7%	-2%	-6%	-4%	-5%	+15%	+18%	+17%
	(S)	+21%	-7%	-6%	-8%	+8%	-8%	+8%	+7%	-23%
Forex rates	U.S. dollar	111.0	107.6	108.2	109.5	107.6	106.8	105.2	104.3	109.0
	Euro	124.7	120.6	119.3	120.9	117.9	122.8	124.0	126.6	130.7

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

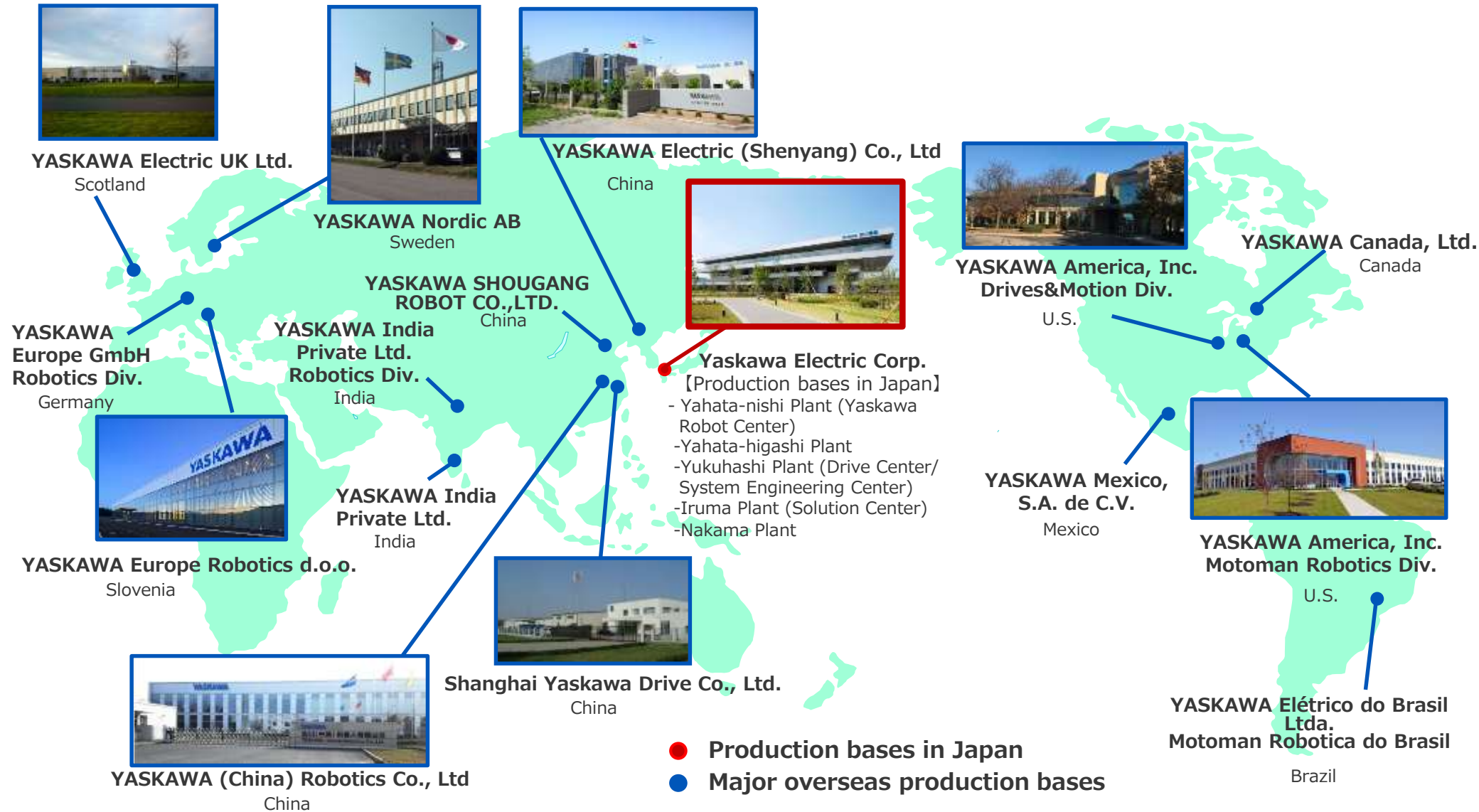
Quarterly Order Trends by Destination *Average forex rates during period used

(Billions of Yen)



		FY2019				FY2020				FY2021
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Total	YoY	-17%	-14%	-11%	-4%	-12%	-14%	-0%	+20%	+47%
	QoQ	+7%	-6%	-2%	-3%	-1%	-8%	+14%	+17%	+20%
YoY	Japan	-15%	+1%	-4%	+6%	-3%	-20%	-11%	+1%	+21%
	The Americas	-23%	-8%	-21%	-5%	-28%	-28%	-16%	+1%	+72%
	Europe	+7%	-33%	-19%	-13%	-27%	-11%	+2%	+39%	+59%
	China	-22%	-21%	-3%	-15%	-1%	+13%	+28%	+62%	+57%
	Other Asian Countries	-30%	-20%	-18%	-7%	-12%	-21%	+8%	+31%	+54%
QoQ	Japan	-7%	+17%	-5%	+3%	-15%	-4%	+5%	+17%	+2%
	The Americas	-6%	+5%	-8%	+4%	-29%	+6%	+7%	+26%	+21%
	Europe	+32%	-34%	+27%	-21%	+10%	-20%	+46%	+8%	+26%
	China	+35%	-23%	-3%	-16%	+57%	-12%	+10%	+7%	+52%
	Other Asian Countries	-5%	-5%	-11%	+16%	-10%	-15%	+22%	+41%	+6%

Major Production Bases



YASKAWA