

FY2021 1st Half Financial Results (Six Months Ended August 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



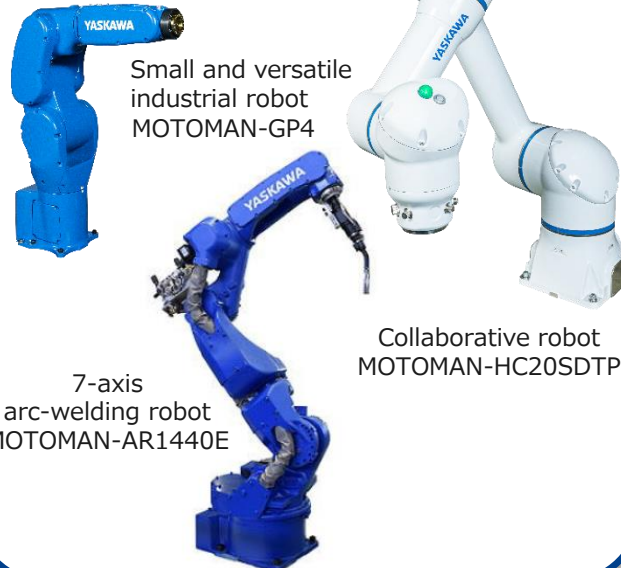
Yaskawa AC drive new series



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



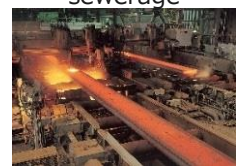
Generator and converter for large-scale wind turbines



Electrical instrumentation systems for water and sewerage



PV inverter XGI1500 150kW



Electrical systems for steel plants

Other

- Logistics

1 . FY2021 1H Financial Results (Six Months Ended August 31, 2021)

FY2021 1H Financial Results (Highlights)

- Normalization from COVID-19 crisis progressed, and aggressive capital investment continued in the manufacturing industry as a whole.
- Significant increase in revenue and profit in response to strong demand on a global basis

	FY2021 1H Results	FY2020 1H Results	Changes	
			Amounts	%
Revenue	¥ 239.9bn.	¥ 186.8bn.	+¥ 53.1bn.	+28.4%
Operating profit	¥ 26.9bn.	¥ 13.3bn.	+¥ 13.6bn.	+102.1%
Profit before tax	¥ 27.8bn.	¥ 13.1bn.	+¥ 14.7bn.	+112.3%
Profit attributable to owners of parent	¥ 21.2bn.	¥ 9.5bn.	+¥ 11.7bn.	+122.5%

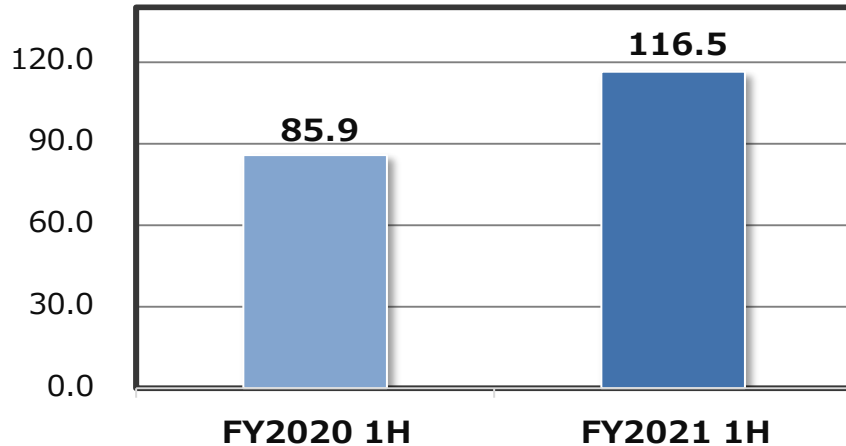
FY2021 1H Financial Results by Business Segment

- Global expansion of automotive, semiconductor and electronic components markets and continued investment in new infrastructure in China
- Significant increase in revenue and profit in major segments

	FY2021 1H		FY2020 1H		Changes	
	Results	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
Revenue	239.9		186.8		+53.1	+28.4%
Motion Control	116.5		85.9		+30.6	+35.7%
Robotics	86.4		65.4		+21.0	+32.1%
System Engineering	27.1		24.4		+2.7	+11.1%
Other	9.9		11.2		-1.3	-11.5%
Operating profit	26.9	11.2%	13.3	7.1%	+13.6	+102.1%
Motion Control	19.7	16.9%	12.4	14.5%	+7.3	+58.3%
Robotics	7.0	8.1%	2.5	3.8%	+4.5	+179.8%
System Engineering	1.2	4.5%	0.2	0.8%	+1.0	+523.5%
Other	0.0	0.2%	-0.2	-1.9%	+0.2	-
Elimination or Corporate	-1.0	-	-1.6	-	+0.6	-

Business Segment Overview: Motion Control

Revenue (Billions of yen)



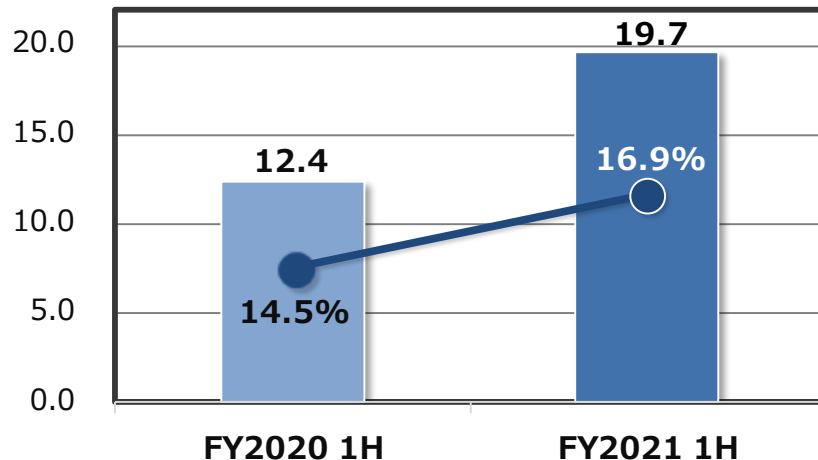
[Revenue]

- In AC servo & controller business, demand for semiconductors and electronic components remained at a high level globally, and in China, 5G and new energy-related capital investment continued, resulting in strong sales.
- In Drives business, in addition to the global market recovery, demand for infrastructure and textile-related products in China expanded, and revenue posted growth.

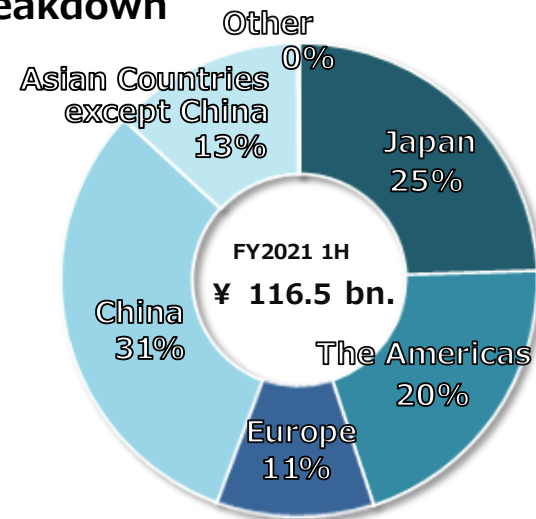
[Operating Profit]

- Increased due to an increase in revenue despite higher logistics and raw material costs

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

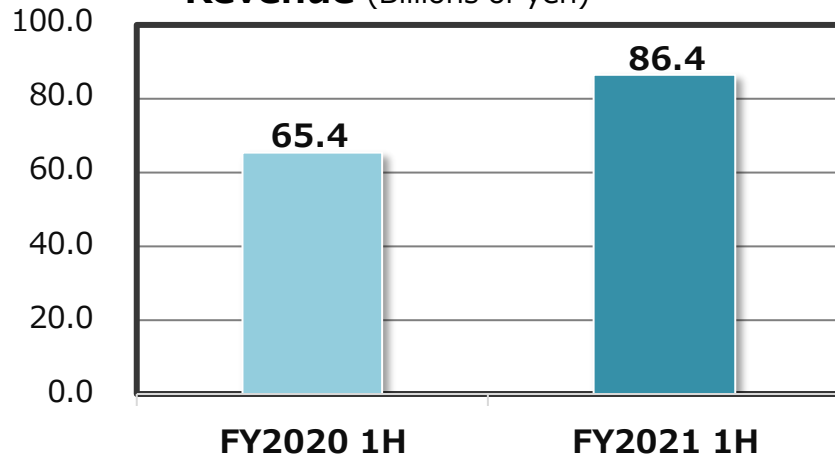


Revenue breakdown by region



Business Segment Overview: Robotics

Revenue (Billions of yen)



[Revenue]

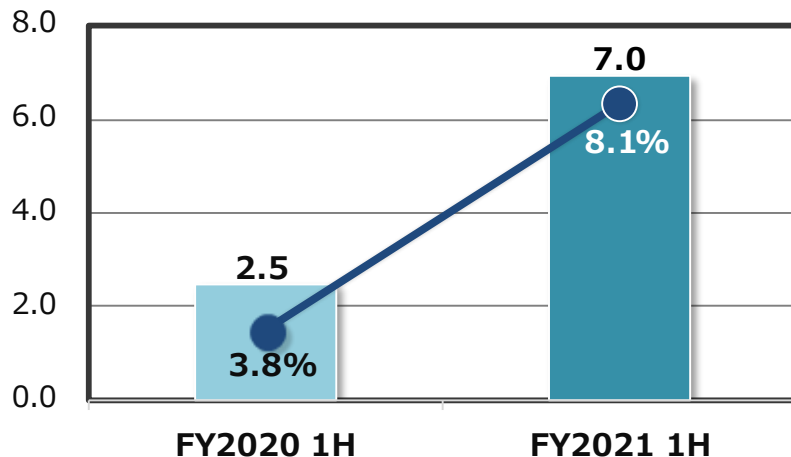
- In the automobile market, investment accompanying the expansion of the automation field in production facilities and demand related to electric vehicles (EVs) and batteries increased.
- Continued investment in general industries such as logistics, food, and 3C* for the purpose of upgrading and automating production
- Solid sales of semiconductor robots

[Operating Profit]

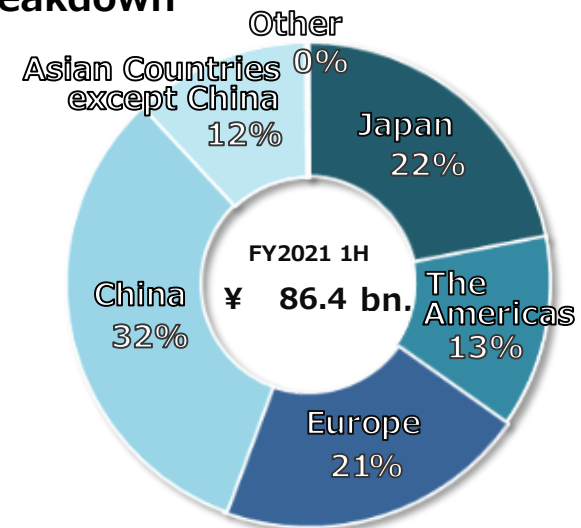
- Significantly increased, supported by the revenue growth and improvement of capacity utilization

*3C: Capital letters of computer, communication, and consumer electronics

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

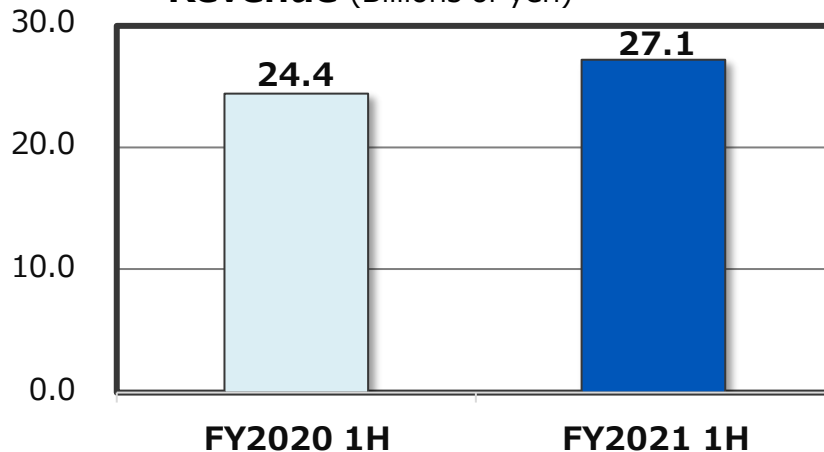


Revenue breakdown by region



Business Segment Overview: System Engineering

Revenue (Billions of yen)



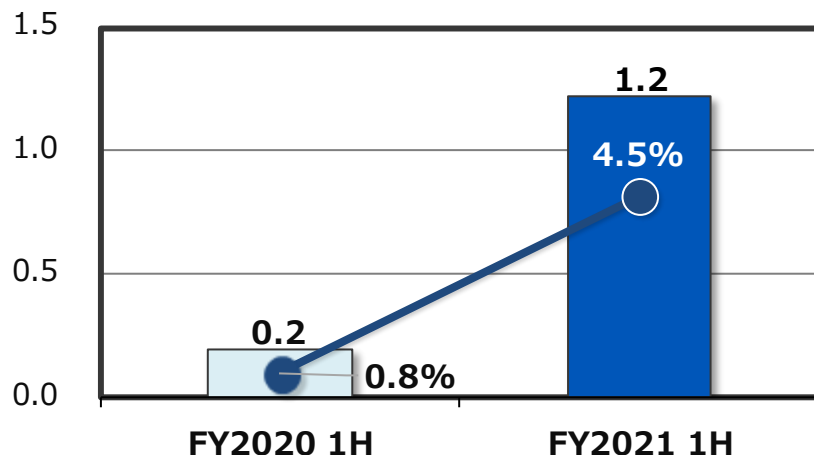
[Revenue]

- Normalization from COVID-19 crisis boosted revenue of electrical systems for water and sewage systems and of electrical equipment for large-scale wind turbines.
- While steel plant-related revenue in Japan was sluggish, overseas revenue for port cranes were firm.

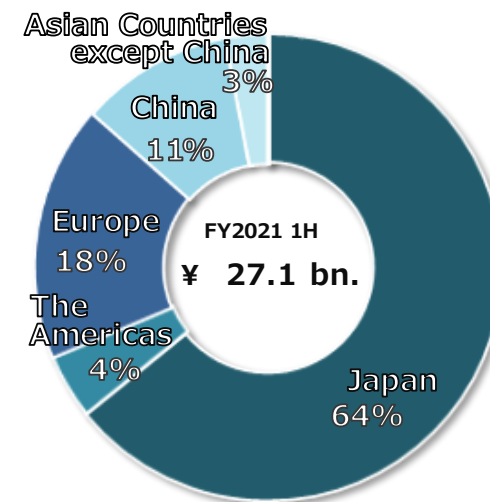
[Operating Profit]

- Increased due to thorough profit management and continued cost control

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

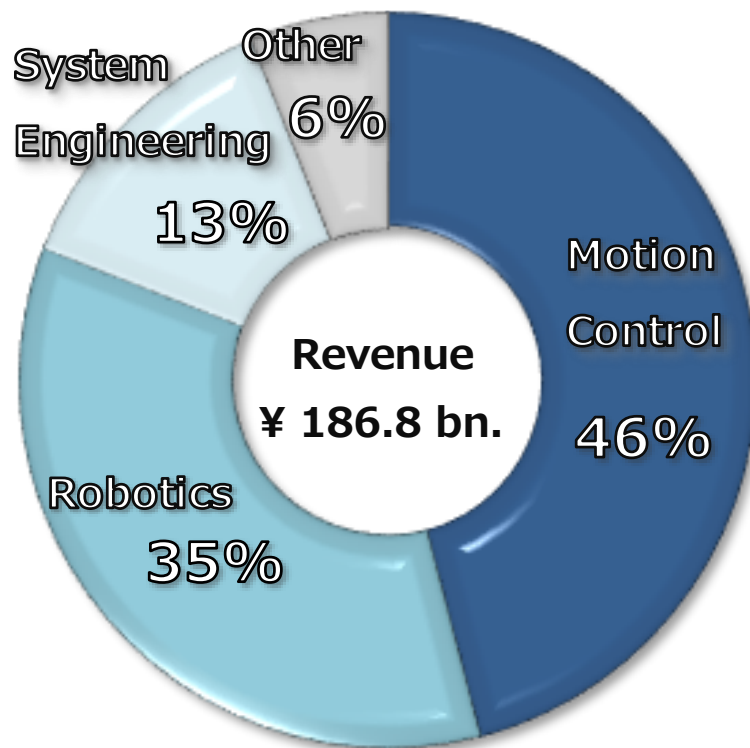


Revenue breakdown by region

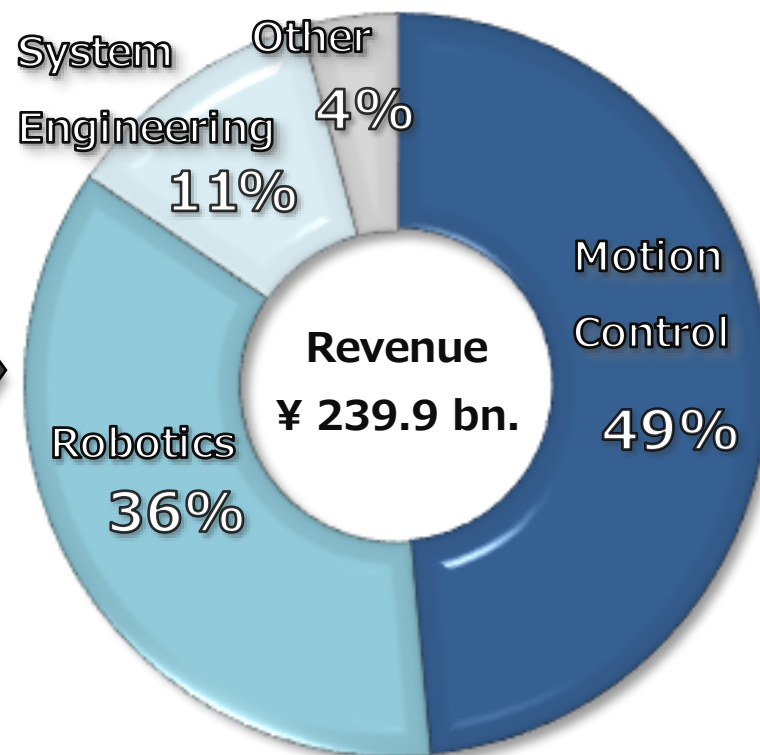


Revenue Breakdown by Business Segment

FY2020 1H



FY2021 1H



Revenue Breakdown by Destination (1)

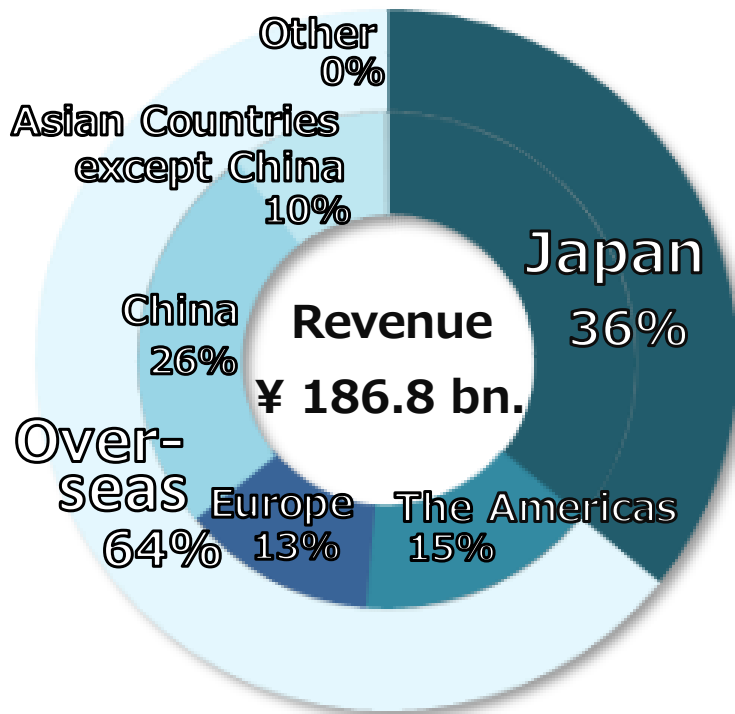
- Significant growth in all regions

(Billions of yen)	FY2021	FY2020	Changes	
	1H Results	1H Results	Amounts	%
Revenue	239.9	186.8	+53.1	+28.4%
Japan	72.9	67.1	+5.8	+8.6%
Overseas	167.0	119.7	+47.3	+39.5%
The Americas	36.3	29.0	+7.3	+25.3%
Europe	35.3	23.7	+11.7	+49.3%
China	69.0	48.1	+20.9	+43.4%
Asian Countries except China	26.2	18.9	+7.3	+38.7%
Other	0.2	0.1	+0.1	+114.2%

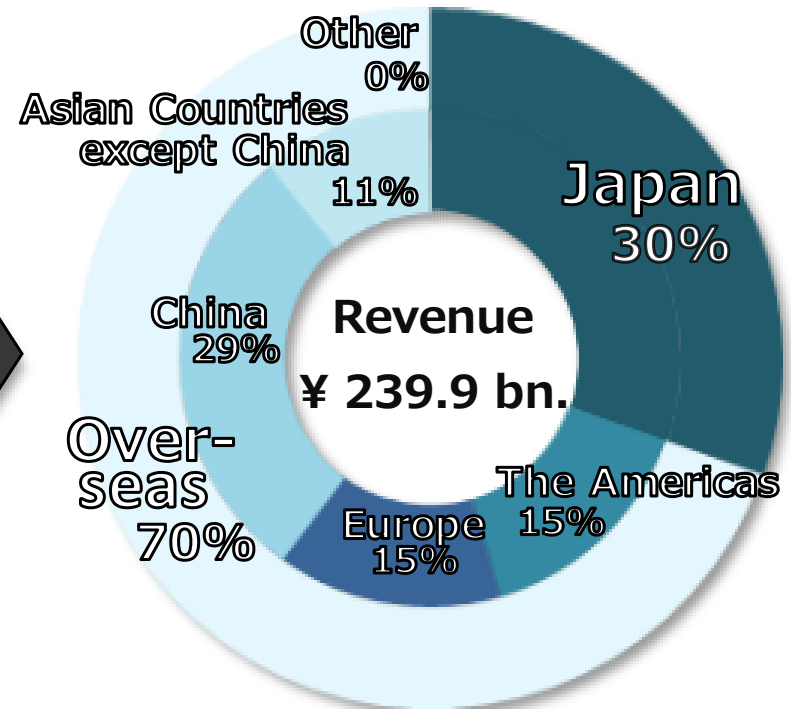
Note : Europe includes Middle East and Africa.

Revenue Breakdown by Destination (2)

FY2020 1H



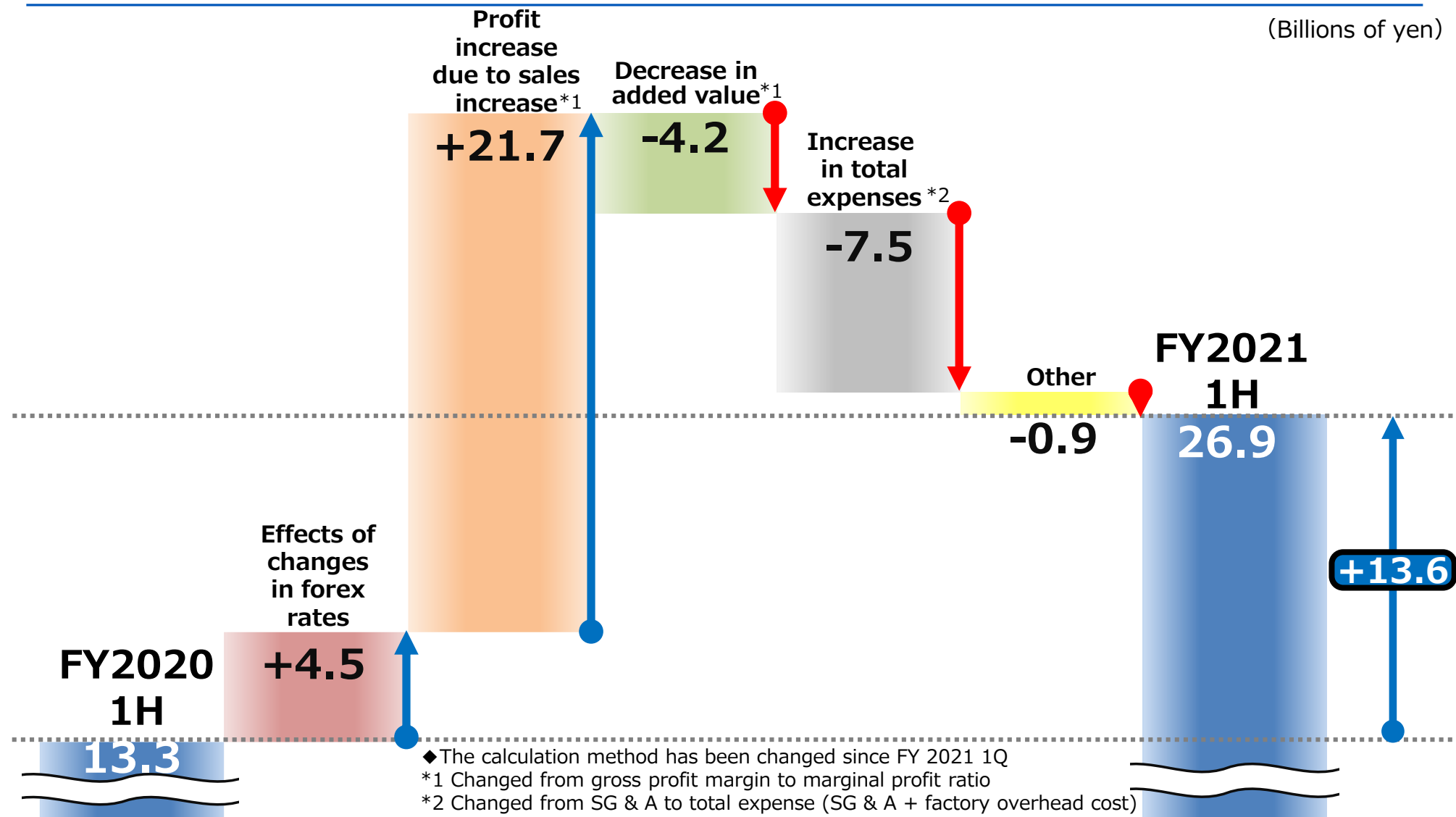
FY2021 1H



Note : Europe includes Middle East and Africa.

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

(Billions of yen)



Initiatives in FY2021 1H

➤ Establishment of "i³-Mechatronics" business model

➔ Development capabilities

- Started full-scale operation of YASKAWA Technology Center (September 2021)
- Accelerated agricultural automation through business alliance with JA ZEN-NOH*
- Started comprehensive cooperation with Kyushu University in Japan (June 2021)

* National Federation of Agricultural Cooperative Associations of Japan

➔ Production capabilities

- Strengthened production capability at AC drive plant in Japan with the i³-Mechatronics concept

➔ Sales capabilities

- Launched YRM-X (ten) controller, which synchronizes various data in cells at high speed, in real time, and over time for integrated control (June 2021)



Business alliance
with JA ZEN-NOH
(Selection of strawberries)



YRM- X Controller

➤ Reinforcement of management foundation that contributes to sustainable society/businesses

- Signing of the United Nations Global Compact (August 2021)
- "Materiality KPIs" set based on the sustainability policy (formulated in March 2021) and disclosed in YASKAWA Report 2021

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

FY2021 Full-Year Financial Forecasts (Highlights)

- Made upward revisions to full-year forecasts due to higher-than-expected orders in the first half for Motion Control and Robotics

	FY2021 Forecasts	FY2020 Results	Changes		FY2021 Previous forecasts*
			Amounts	%	
Revenue	¥ 485.0bn.	¥ 389.7bn.	+¥ 95.3bn.	+24.5%	¥ 460.0bn.
Operating profit	¥ 58.0bn.	¥ 27.2bn.	+¥ 30.8bn.	+113.4%	¥ 54.0bn.
Profit before tax	¥ 59.5bn.	¥ 27.2bn.	+¥ 32.3bn.	+119.0%	¥ 55.5bn.
Profit attributable to owners of parent	¥ 42.5bn.	¥ 18.9bn.	+¥ 23.6bn.	+124.5%	¥ 41.0bn.

* Announced on July 9, 2021

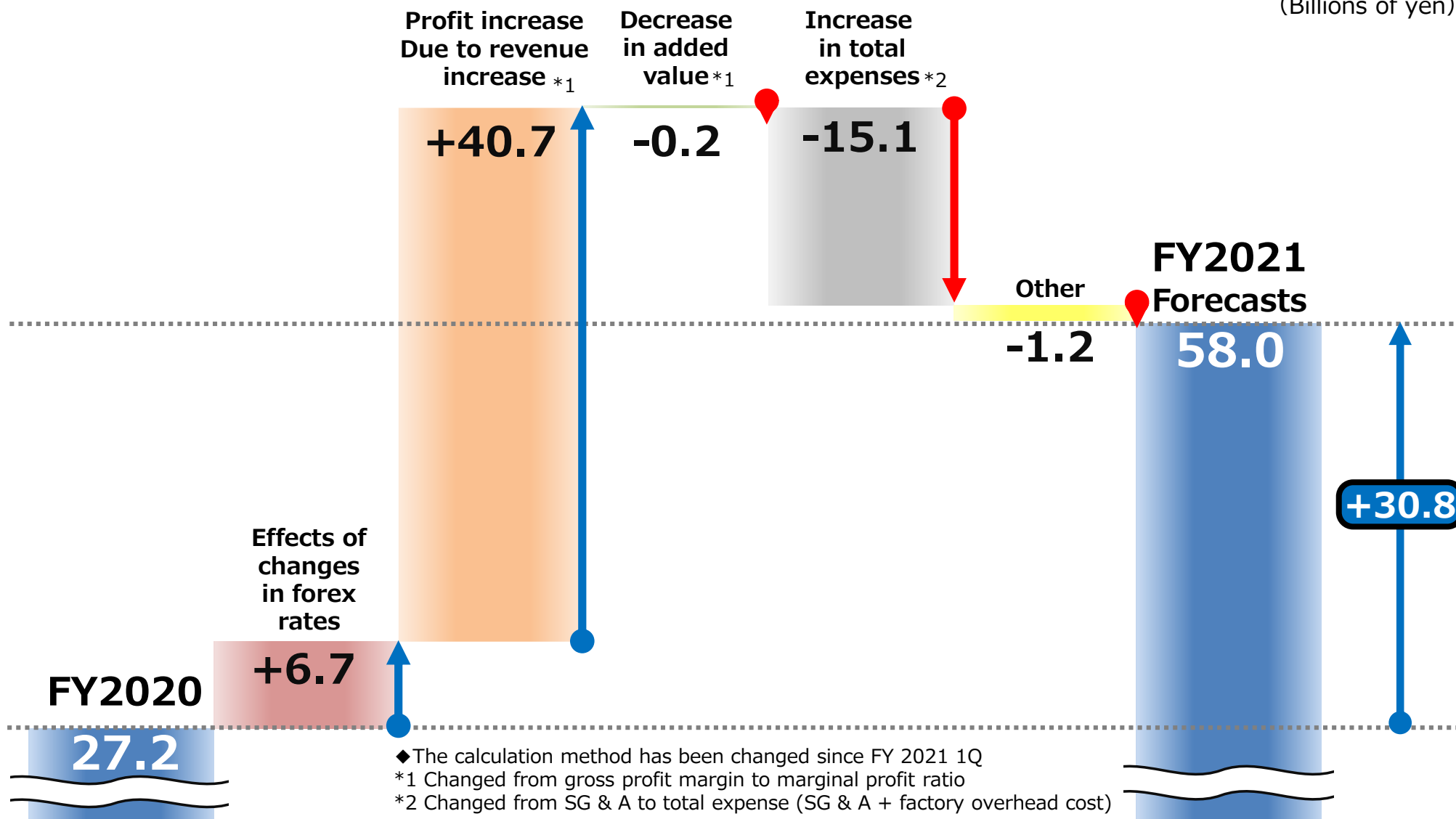
FY2021 Full-Year Financial Forecasts by Business Segment

(Billions of yen)	FY2021		FY2020		Changes		FY2021	
	Forecasts	Profit ratio	Results	Profit ratio	Amounts	%	Previous forecasts*	Profit ratio
Revenue	485.0		389.7		+95.3	+24.5%	460.0	
Motion Control	232.5		176.0		+56.5	+32.1%	215.0	
Robotics	179.5		139.5		+40.0	+28.7%	175.0	
System Engineering	53.0		50.8		+2.2	+4.4%	50.0	
Other	20.0		23.4		-3.4	-14.7%	20.0	
Operating profit	58.0	12.0%	27.2	7.0%	+30.8	+113.4%	54.0	11.7%
Motion Control	42.2	18.2%	24.6	14.0%	+17.6	+71.7%	39.3	18.3%
Robotics	18.0	10.0%	6.9	5.0%	+11.1	+160.6%	17.9	10.2%
System Engineering	2.7	5.1%	-1.0	-2.0%	+3.7	-	1.3	2.6%
Other	0.5	2.5%	0.3	1.3%	+0.2	+66.1%	0.0	0.0%
Elimination or Corporate	-5.4	-	-3.6	-	-1.8	-	-4.5	-

* Announced on July 9, 2021

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

(Billions of yen)



Initiatives in FY2021 2H

➤ Establishment of “i³-Mechatronics” business model

➔ Development capabilities

- Strengthening cross-functional development systems in YASKAWA Technology Center

➔ Production capabilities

- Improving productivity by establishing the Yaskawa Solution Factory concept at major plants* in Japan and China

*AC servo drive plant (Iruma, Japan/Shenyang, China)

AC drive plant (Yukuhashi, Japan/Shanghai, China)

Robot plant (Kitakyushu Japan/Changzhou, China)

➔ Sales capabilities

- Strengthen solution proposals with partners such as i³-Mechatronics CLUB and SIER
- Expansion of service business and enhancement of added value through introduction of new services and new fee system



Integrated company-wide development environment

➤ Reinforcement of management foundation that contributes to sustainable society/businesses

➔ Digital Management through YDX (YASKAWA Digital Transformation)

- Accelerate standardization of development, production, and sales operations based on integrated data

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)		
	1H	2H	Full-Year	1H	2H	Full-Year	1H (Results)	2H	Full-Year
USD	109.2	108.8	109.0	107.2	104.7	106.0	109.5	109.0	109.3
EUR	122.6	120.1	121.4	120.4	125.3	122.8	130.8	129.0	129.9
CNY	15.91	15.48	15.70	15.23	15.87	15.55	16.92	16.80	16.86
KRW	0.093	0.092	0.093	0.089	0.093	0.091	0.097	0.093	0.095

Forex sensitivity

(Billions of yen)

	Impact of 1% fluctuation (FY2021 Full-Year Forecasts)	
	Revenue	Operating profit
USD	approx. 0.89	approx. 0.26
EUR	approx. 0.75	approx. 0.22
CNY	approx. 1.21	approx. 0.43
KRW	approx. 0.23	approx. 0.17

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 (Turnover)	101.5 billion yen (3.1 months)
➤ ROE	8.0%
➤ ROIC	7.0%

As of August 31, 2021

➤ Ratio of equity attributable to owners of parent	52.4%
➤ Equity attributable to owners of parent	270.2 billion yen
➤ Interest-bearing debt	72.3 billion yen
➤ D/E ratio	0.27
➤ (Net D/E ratio)	0.07
➤ Inventory (Turnover)	109.2 billion yen (2.7 months)

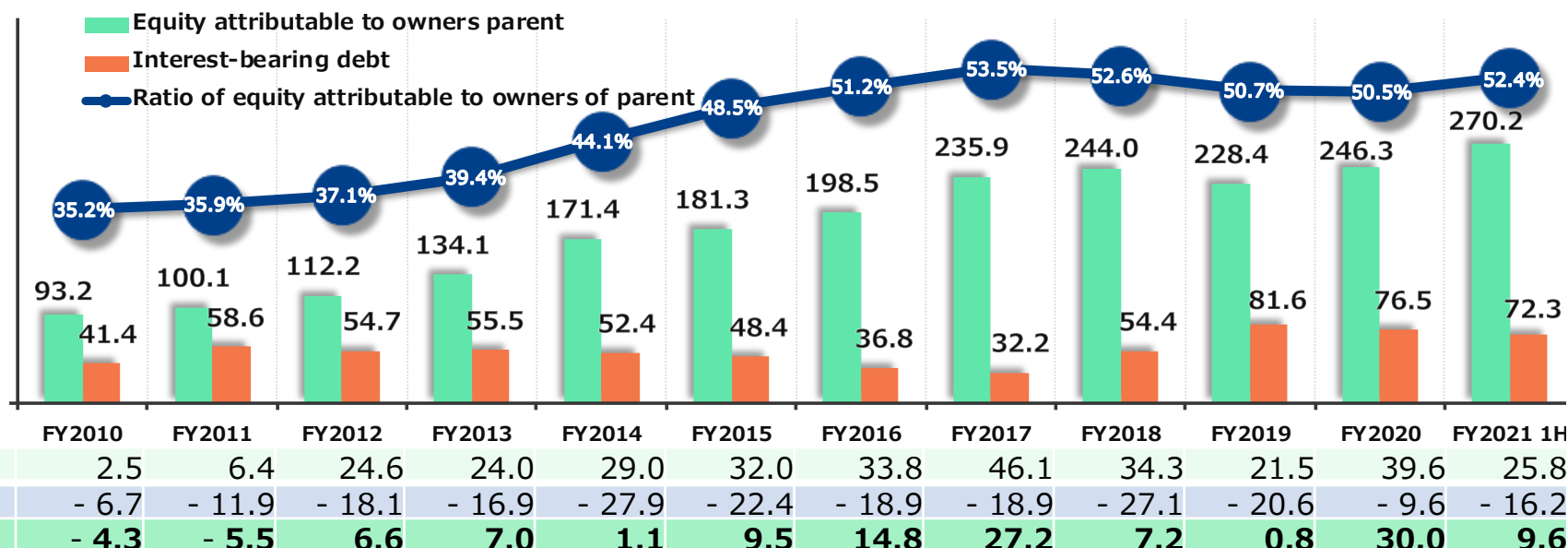
*Interest-bearing debt includes lease obligations.

*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)

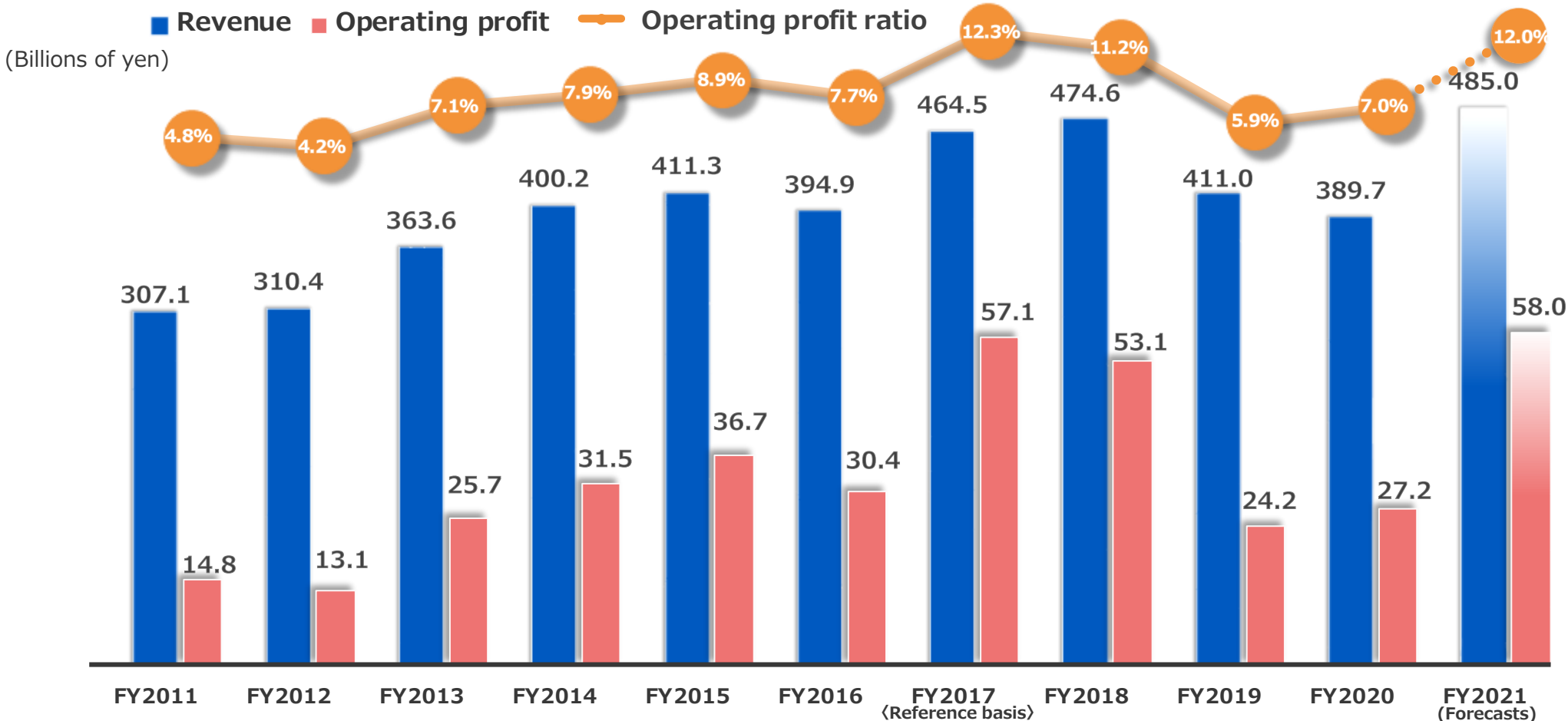
*ROIC = Profit attributable to owners of parent / Invested capital

(Billions of yen)



[Note] Data up to FY2017 are based on Japanese GAAP.

Revenue / Operating Profit (FY2011 - FY2021 Forecasts)



Challenge 100

Realize 100

Dash 25

Challenge 25 Plus

Mid-term business plans

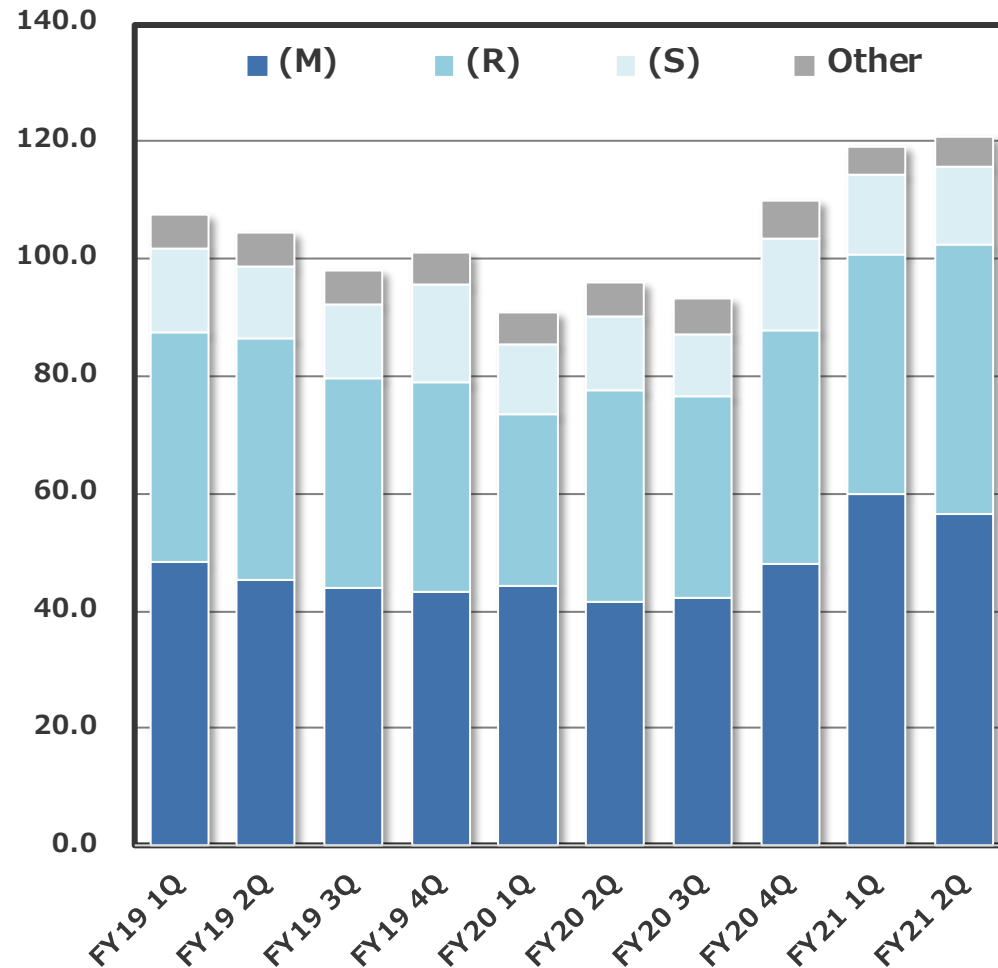
Note1: Data up to FY2017 are based on Japanese GAAP.

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

Quarterly Revenue Trends (1)

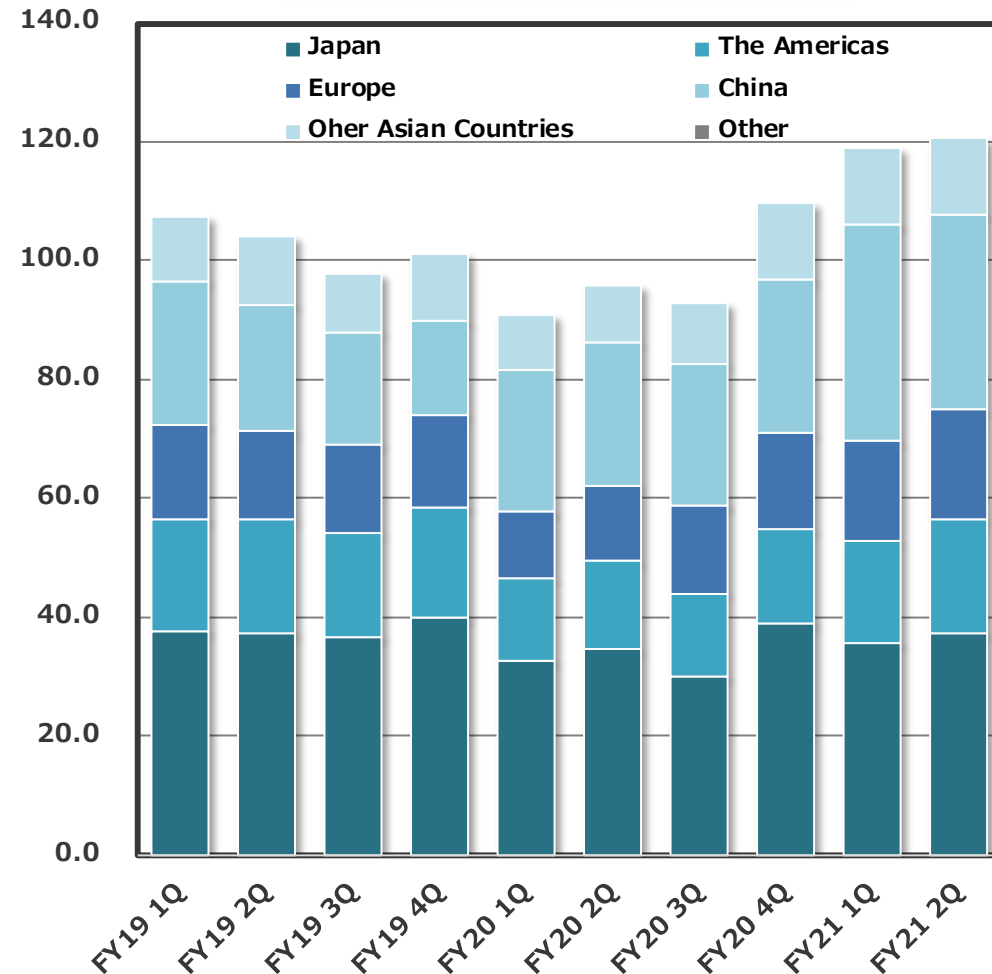
Business segment

(Billions of yen)



Destination

(Billions of yen)

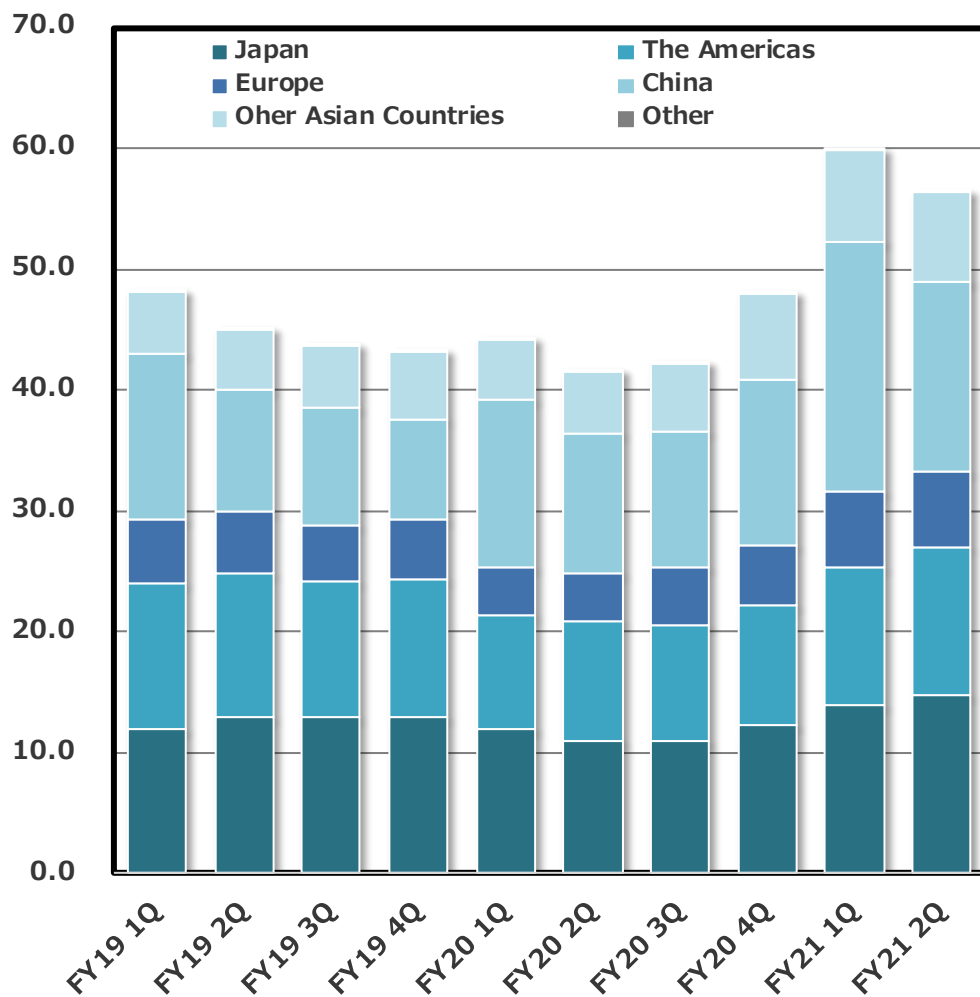


Note: (M) = Motion Control (R) = Robotics (S) = System Engineering

Quarterly Revenue Trends (2)

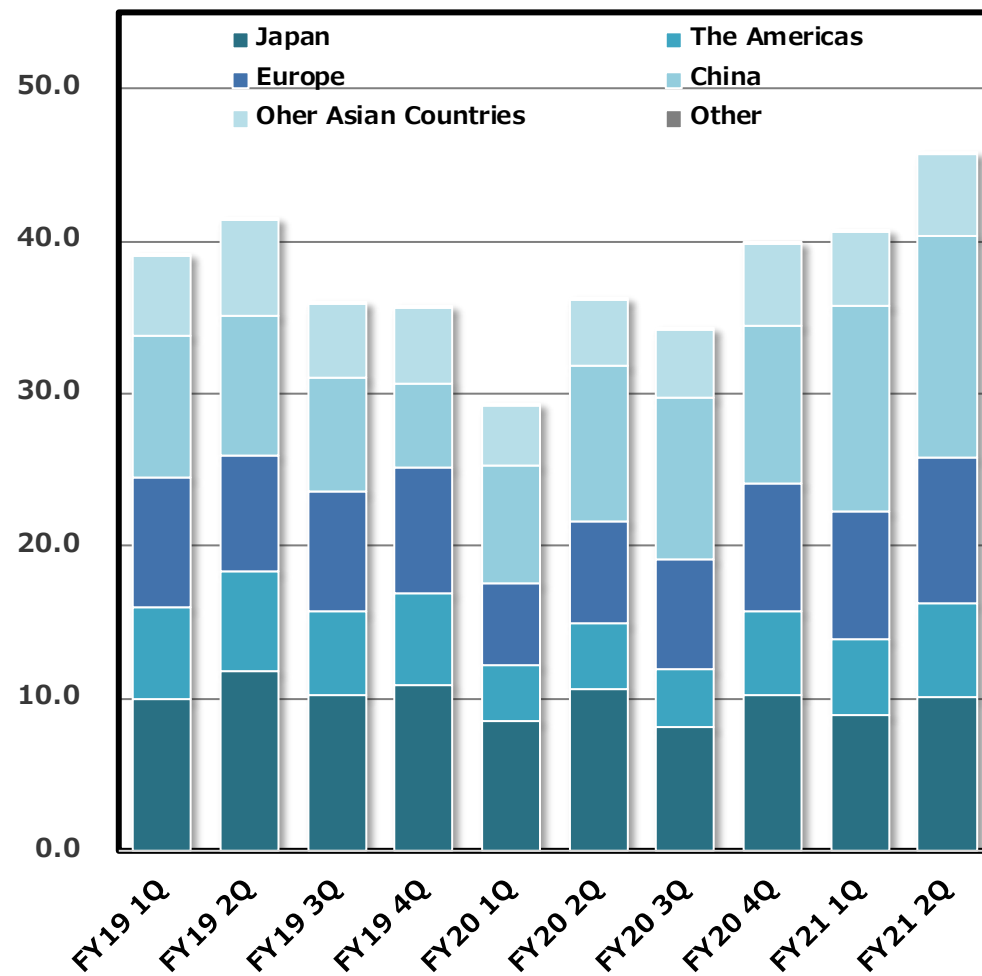
Motion Control

(Billions of yen)



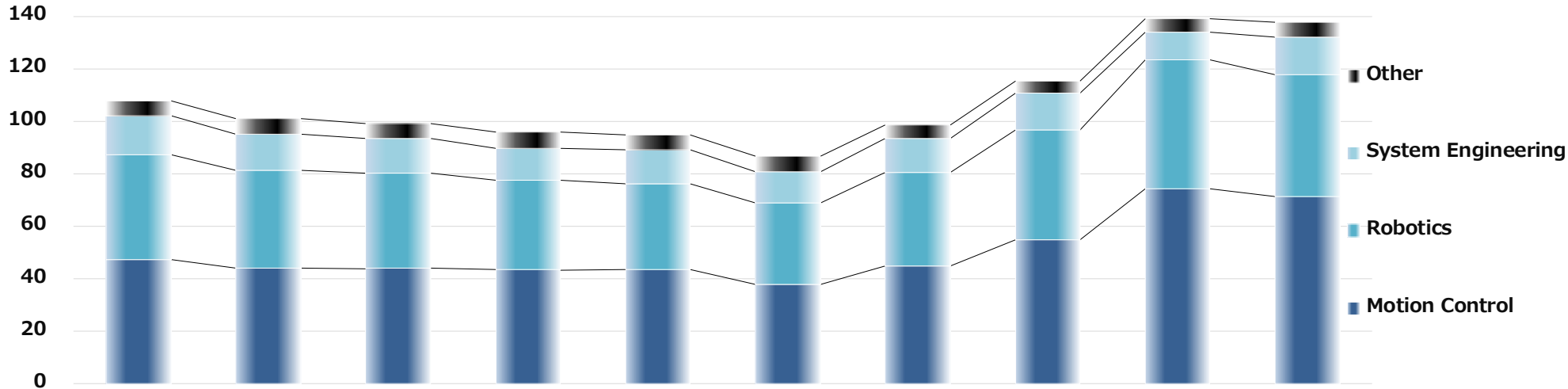
Robotics

(Billions of yen)



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

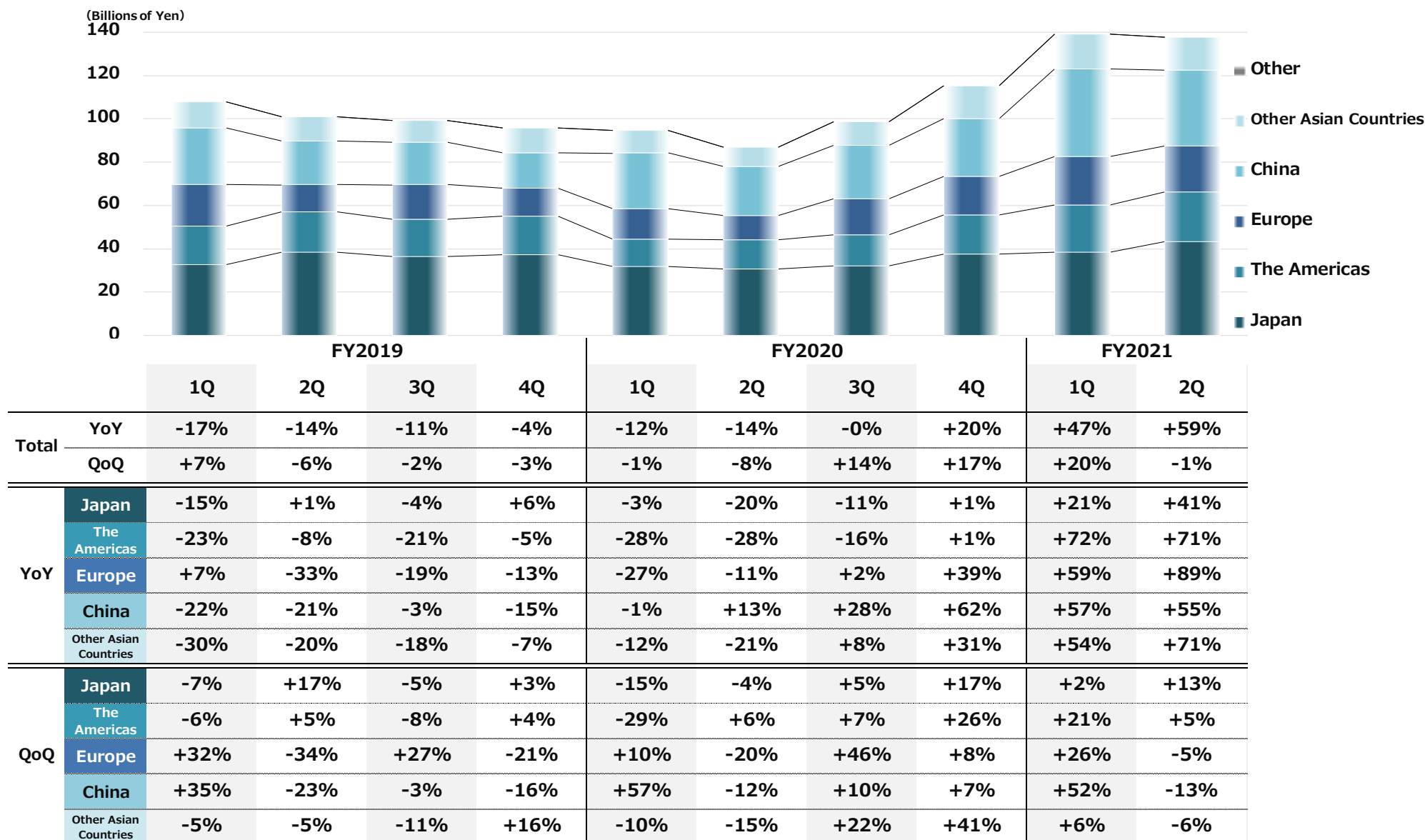
(Billions of Yen)



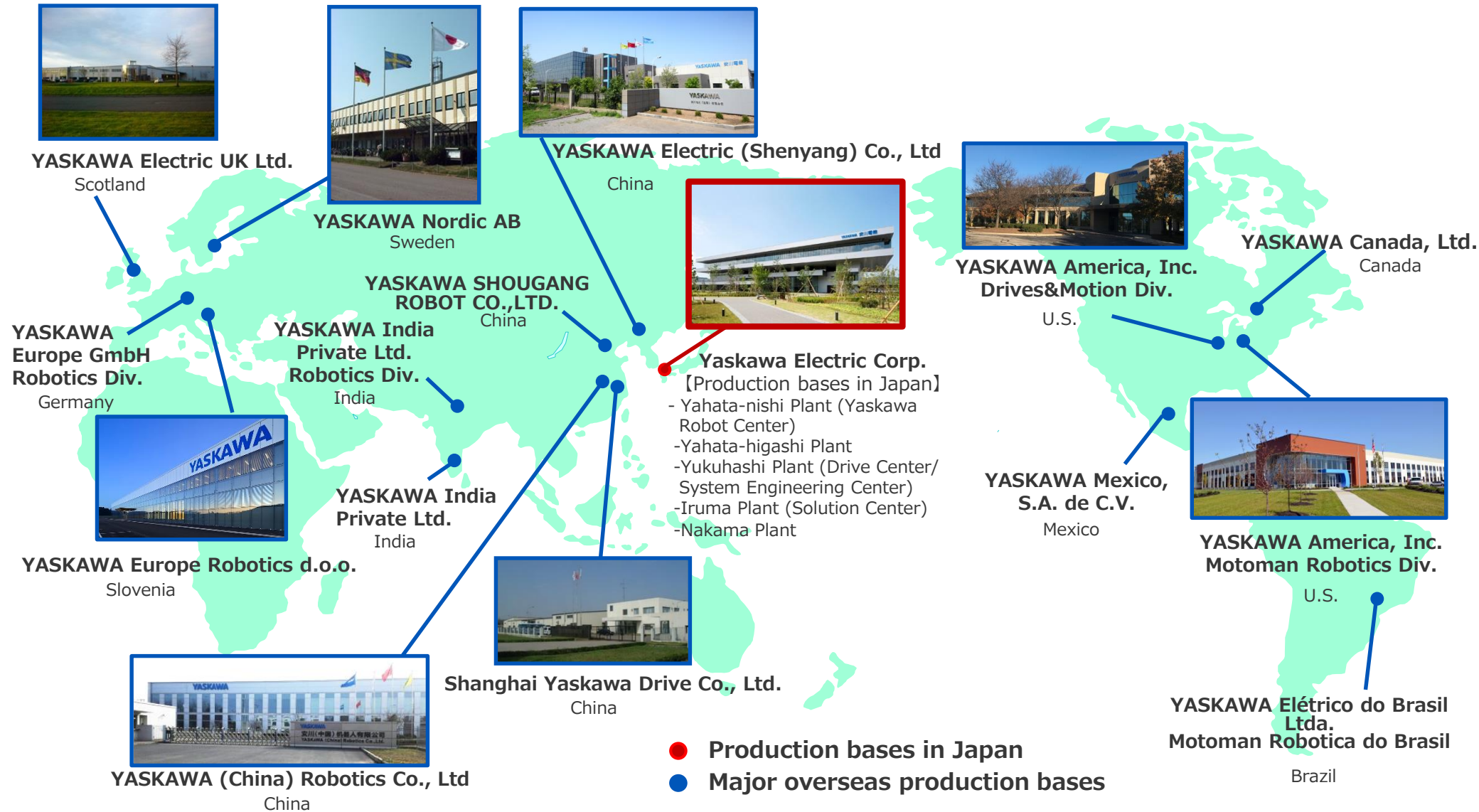
		FY2019				FY2020				FY2021	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Total	YoY	-17%	-14%	-11%	-4%	-12%	-14%	-0%	+20%	+47%	+59%
	QoQ	+7%	-6%	-2%	-3%	-1%	-8%	+14%	+17%	+20%	-1%
YoY	(M)	-26%	-15%	-7%	+4%	-8%	-14%	+2%	+26%	+70%	+89%
	(R)	-19%	-22%	-17%	-15%	-18%	-16%	-2%	+23%	+51%	+50%
	(S)	+64%	+27%	-6%	-3%	-13%	-14%	-1%	+15%	-18%	+20%
QoQ	(M)	+13%	-7%	-0%	-1%	+0%	-13%	+19%	+22%	+36%	-4%
	(R)	-0%	-7%	-2%	-6%	-4%	-5%	+15%	+18%	+17%	-5%
	(S)	+21%	-7%	-6%	-8%	+8%	-8%	+8%	+7%	-23%	+34%
Forex rates	U.S. dollar	111.0	107.6	108.2	109.5	107.6	106.8	105.2	104.3	109.0	110.1
	Euro	124.7	120.6	119.3	120.9	117.9	122.8	124.0	126.6	130.7	130.9

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

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



Major Production Bases



YASKAWA