

FY2021 Nine Months Financial Results (Ended November 30, 2021)

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

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



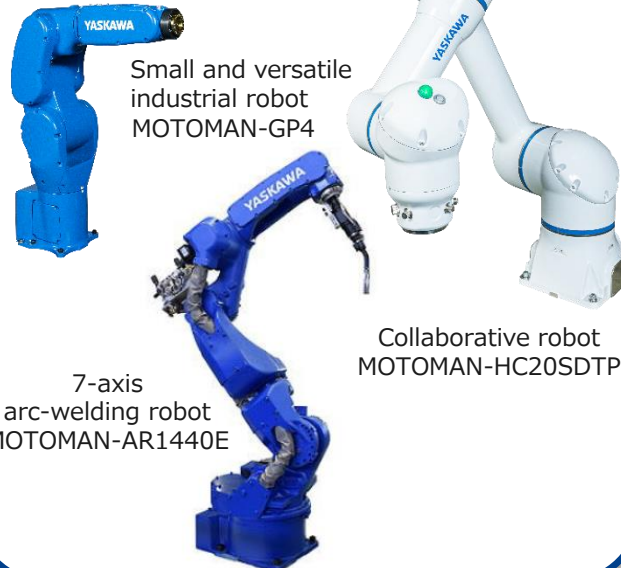
Yaskawa AC drive new series



Robotics

【Core products】

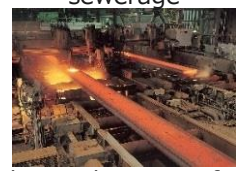
- Industrial robots
 - Arc and spot welding robots, painting robots
 - FPD glass sheet transfer robots, handling robots
- Semiconductor wafer transfer robots
- Biomedical robots
- Collaborative robots



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 Nine Months Financial Results (Ended November 30, 2021)

FY2021 Nine Months Financial Results (Highlights)

- Normalization from COVID-19 crisis progressed steadily, and capital investment expanded in the manufacturing industry as a whole. As a result, revenue and profit increased significantly.

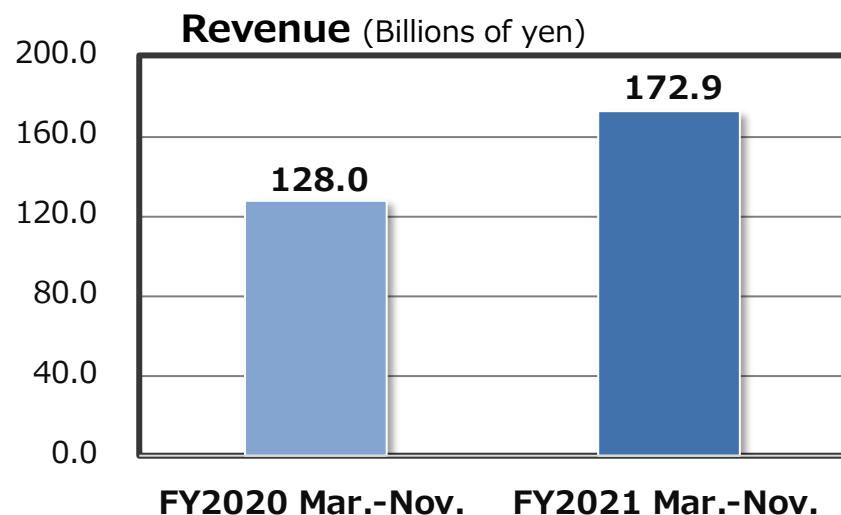
	FY2021	FY2020	Changes	
	Mar.-Nov.	Mar.-Nov.	Amounts	%
Revenue	¥ 357.4bn.	¥ 279.9bn.	+¥ 77.4bn.	+27.7%
Operating profit	¥ 39.9bn.	¥ 20.0bn.	+¥ 19.9bn.	+99.2%
Profit before tax	¥ 41.2bn.	¥ 19.1bn.	+¥ 22.1bn.	+116.0%
Profit attributable to owners of parent	¥ 30.8bn.	¥ 14.1bn.	+¥ 16.7bn.	+118.5%

FY2021 Nine Months Financial Results by Business Segment

- Semiconductor and electronic component markets expanded globally, and capital investment related to the adoption of EVs(electric vehicles) in the automobile market as well as the lithium-ion batteries was accelerated.
- Revenue and profit increased significantly in major segments.

	FY2021 Mar.-Nov.		FY2020 Mar.-Nov.		Changes	
	Results	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
Revenue	357.4		279.9		+77.4	+27.7%
Motion Control	172.9		128.0		+44.9	+35.1%
Robotics	131.0		99.6		+31.4	+31.5%
System Engineering	38.4		35.1		+3.2	+9.2%
Other	15.1		17.1		-2.1	-12.1%
Operating profit	39.9	11.2%	20.0	7.2%	+19.9	+99.2%
Motion Control	29.7	17.2%	18.2	14.3%	+11.5	+62.8%
Robotics	11.7	9.0%	4.2	4.2%	+7.5	+178.4%
System Engineering	1.3	3.4%	0.0	0.0%	+1.3	-
Other	0.3	1.8%	-0.3	-1.5%	+0.5	-
Elimination or Corporate	-3.1	-	-2.2	-	-0.9	-

Business Segment Overview: Motion Control

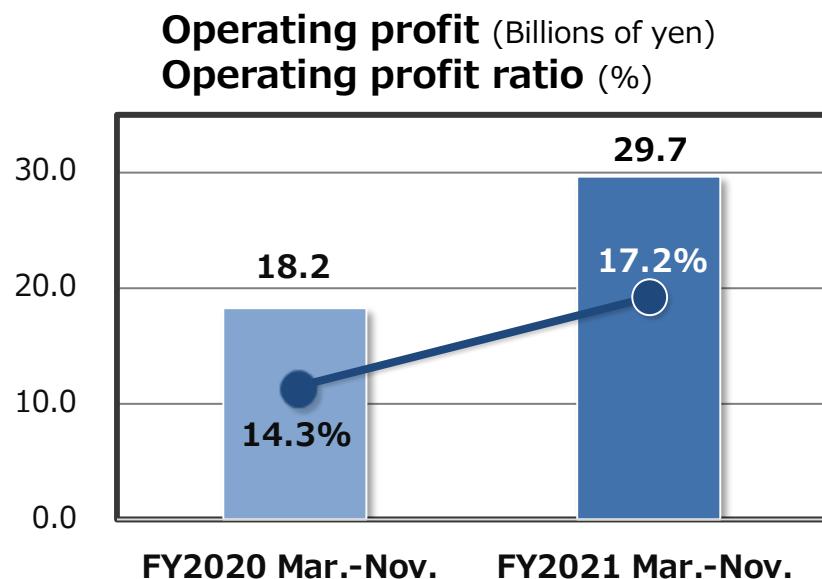


[Revenue]

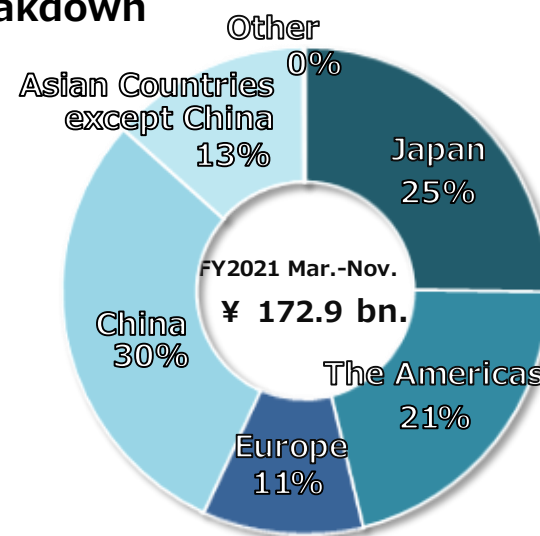
- In AC servo & controller business, demand for semiconductors and electronic components remained at high levels in Japan, the United States, South Korea, and other countries, and capital investment continued in 5G and new energy in China. As a result, sales were strong.
- In Drives business, in addition to the recovery of the global market including Europe, demand related to energy conservation measures and textile-related demand increased in China, resulting in revenue growth.

[Operating Profit]

- Despite the impact of higher logistics and raw material costs, profit increased due to revenue growth and effect of switching to new products.

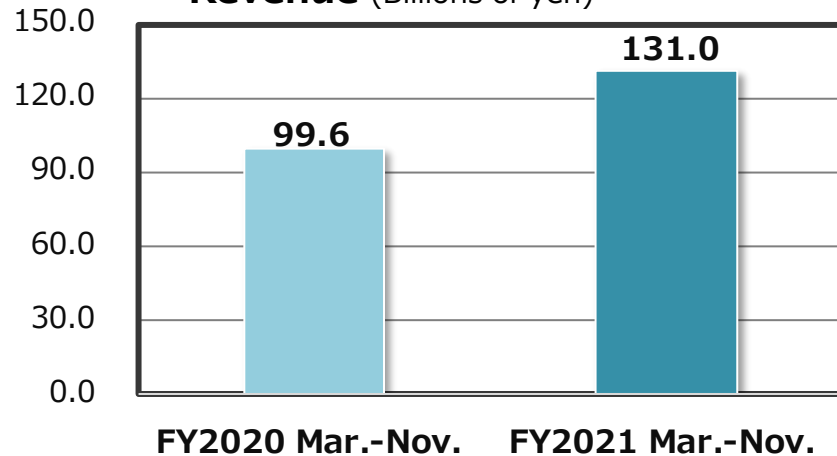


Revenue breakdown by region



Business Segment Overview: Robotics

Revenue (Billions of yen)



[Revenue]

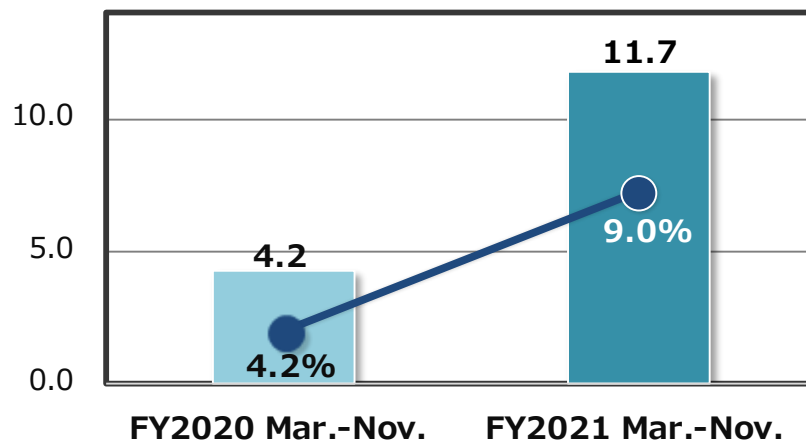
- In the automobile market, the shift to EVs (electric vehicles) was accelerated globally, and the trend to expand investment in new production facilities continued.
- Investment in general industries such as 3C* continued for the purpose of upgrading and automating production.
- Sales of semiconductor robots remained strong.

[Operating Profit]

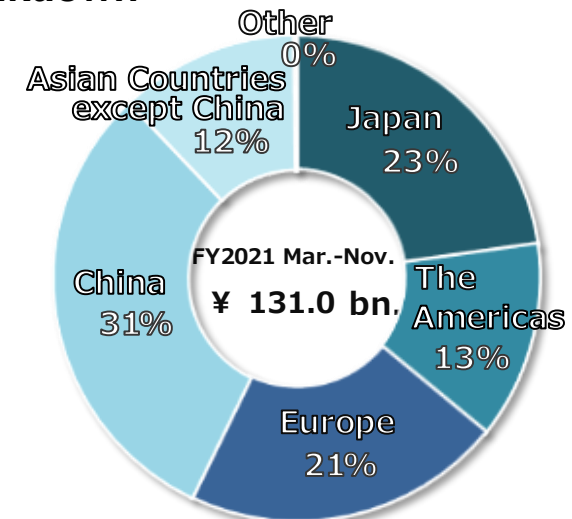
- Profit increased significantly due to increase in revenue and improvement in capacity utilization.

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

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

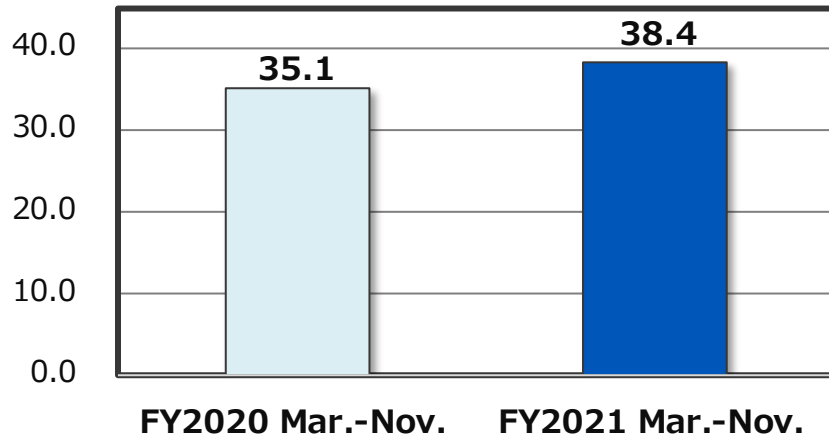


Revenue breakdown by region



Business Segment Overview: System Engineering

Revenue (Billions of yen)



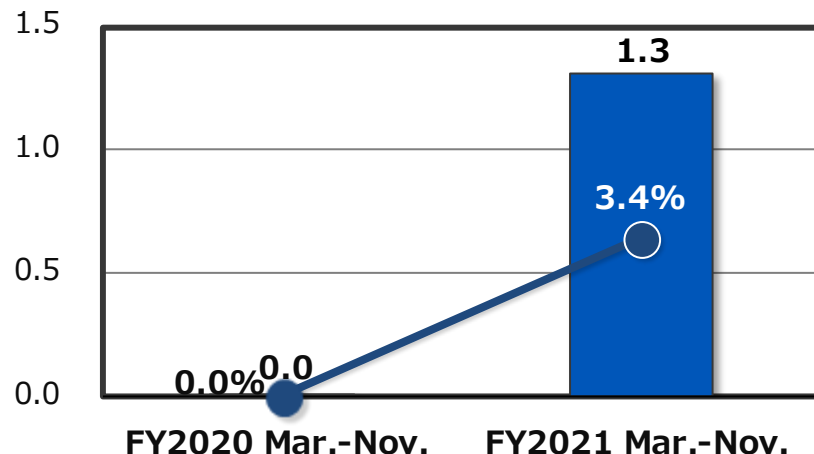
[Revenue]

- 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 remained sluggish, sales for port cranes overseas were firm.

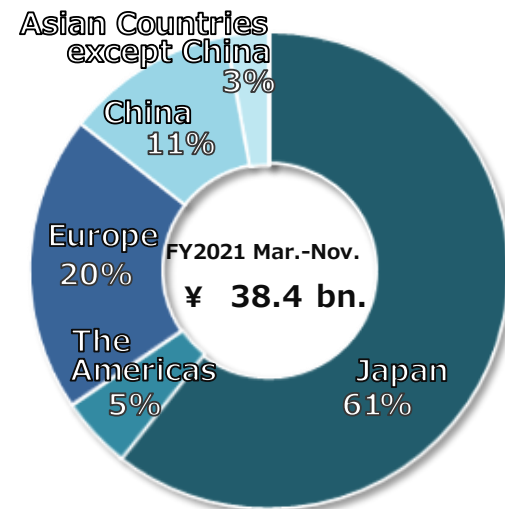
[Operating Profit]

- Profit increased due to thorough profitability management and continued cost control.

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

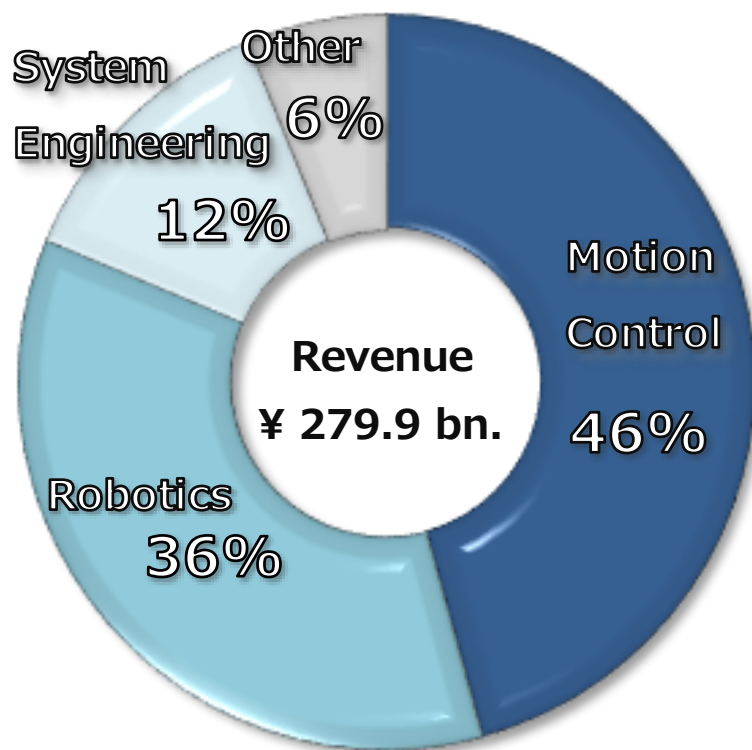


Revenue breakdown by region

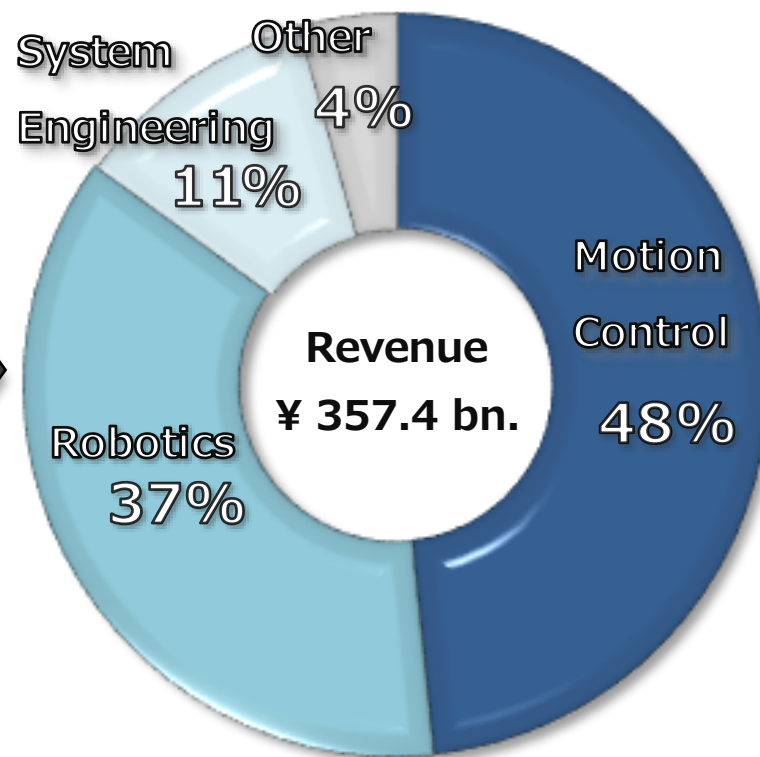


Revenue Breakdown by Business Segment

FY2020 Mar.-Nov.



FY2021 Mar.-Nov.



Revenue Breakdown by Destination (1)

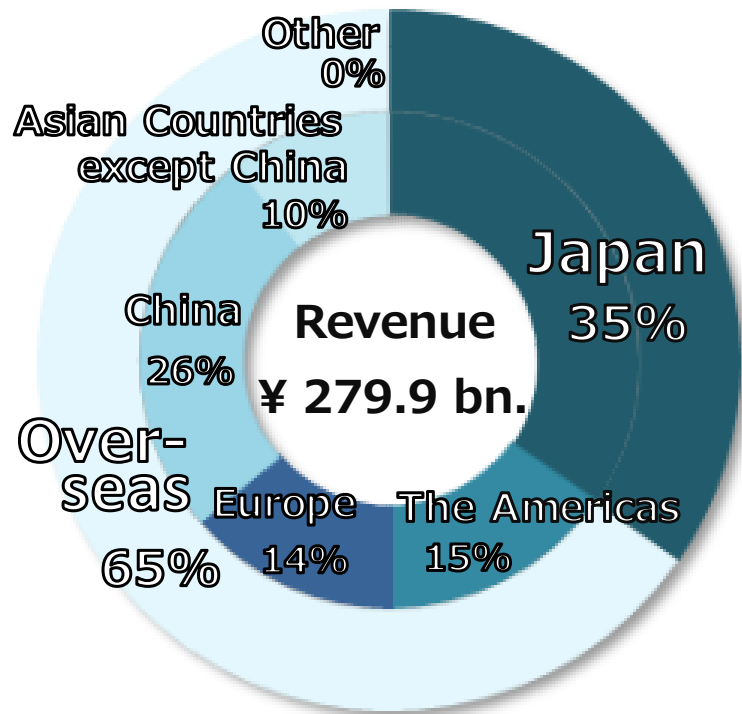
- Significant growth in all regions

	FY2021 Mar.-Nov.	FY2020 Mar.-Nov.	Changes	
			Amounts	%
(Billions of yen)				
Revenue	357.4	279.9	+77.4	+27.7%
Japan	108.7	97.0	+11.7	+12.1%
Overseas	248.6	182.9	+65.7	+35.9%
The Americas	55.6	43.1	+12.5	+29.0%
Europe	54.1	38.4	+15.7	+41.0%
China	98.8	72.1	+26.6	+36.9%
Asian Countries except China	39.8	29.1	+10.6	+36.6%
Other	0.4	0.2	+0.2	+114.9%

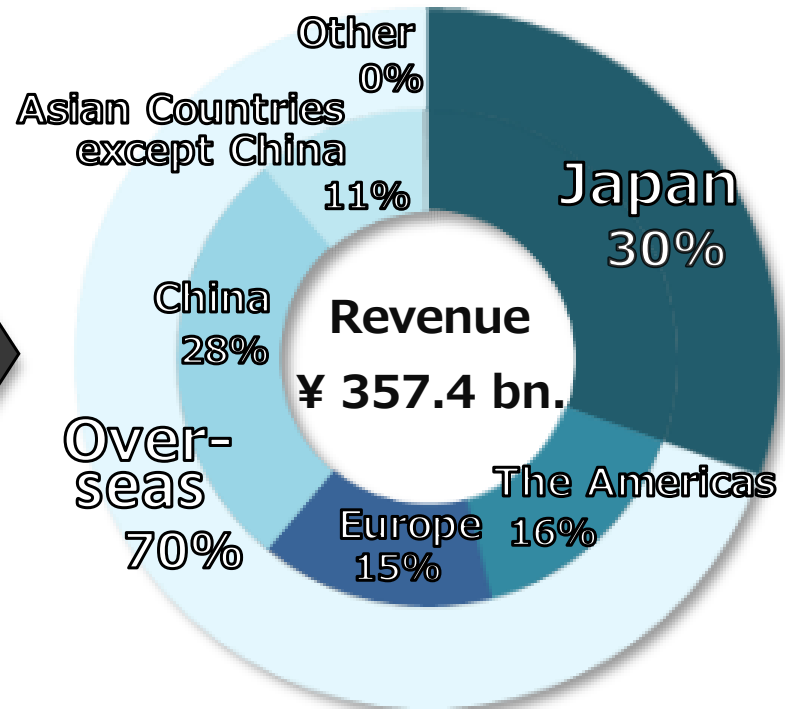
Note : Europe includes Middle East and Africa.

Revenue Breakdown by Destination (2)

FY2020 Mar.-Nov.



FY2021 Mar.-Nov.

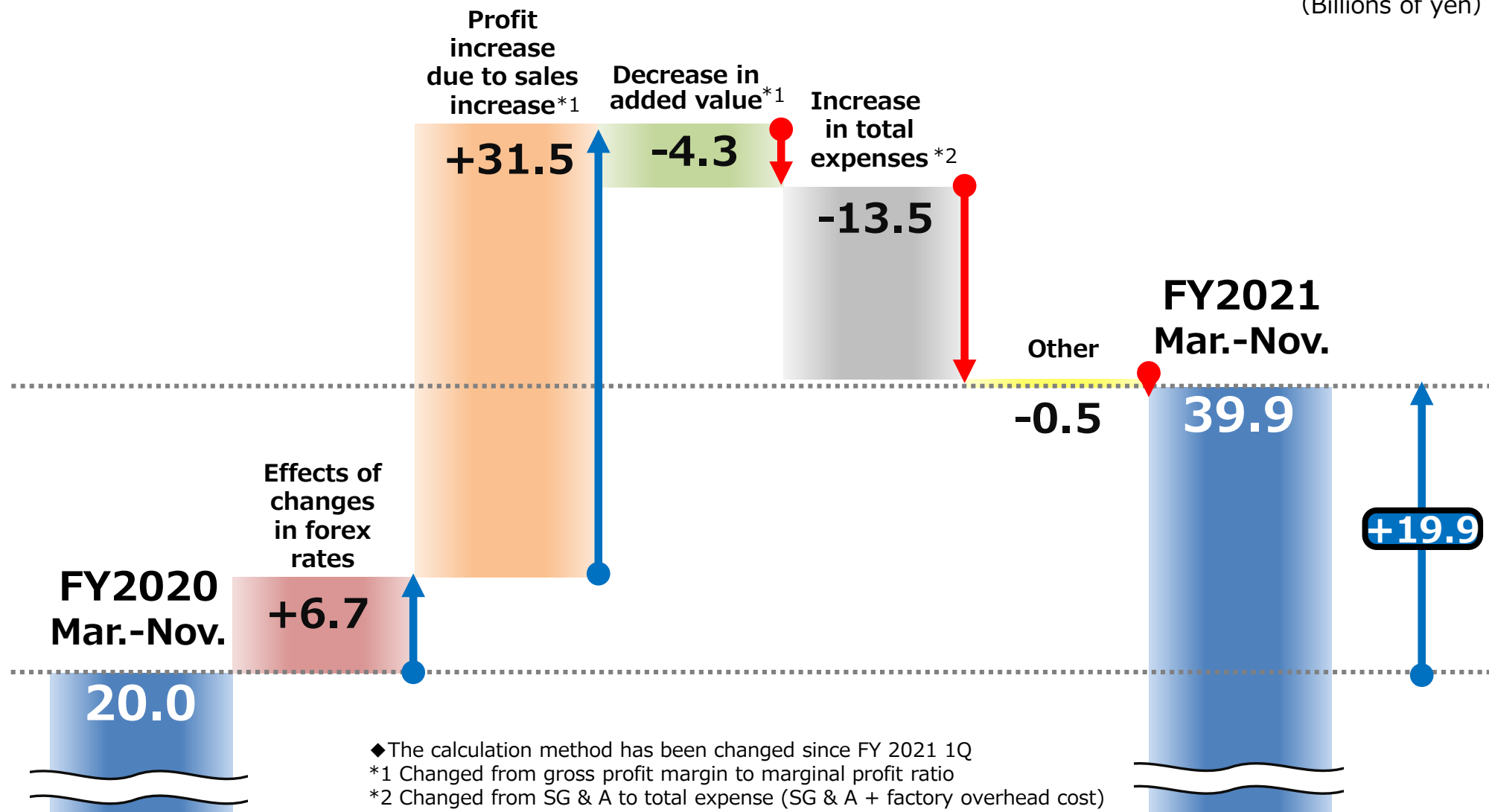


Note : Europe includes Middle East and Africa.

Breakdown of Changes in Operating Profit

(FY2020 Nine Months → FY2021 Nine months)

(Billions of yen)



Measures for FY2021 3Q

➤ Establishment of “i³-Mechatronics” business model

➔ Development capabilities

- Started technology exchange and co-creation activities with customers and universities at YASKAWA Technology Center

➔ Production capabilities

- Visualized production information by common production system at main plants ^{*1} in Japan and China (YDX)

^{*1} AC servo drive plant (Iruma, Japan/Shenyang, China)
AC drive plant (Yukuhashi, Japan/Shanghai, China)
Robot plant (Kitakyushu Japan/Changzhou, China)

➔ Sales capabilities

- Started trial offer of annual maintenance service for robots
- Started to offer “Smart Series” with a tablet-type programming pendant applied to four models of small robot enabling intuitive handling
- Launched “MOTOMAN-GP 8”, small robots for food processing



Tablet-type programming pendant



“MOTOMAN-GP 8” for food processing

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

➔ Accelerated decarbonization by internal carbon pricing ^{*2}

- Approx. 60% of electric power demand in Japan was switched to CO₂ free electricity
- In addition to the main Japanese business sites ^{*3} in Kyusyu, Iruma plant introduced CO₂ free electricity

^{*2}: A mechanism to decarbonize the business activities on purpose by setting prices and attaching the monetary value to CO₂ emissions of companies. Yaskawa set at 5,000 JPY per ton of CO₂ emission.

^{*3}: Headquarter, Yahata-nishi Plant, Kokura business site, Nakama Plant

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

FY2021 Full-Year Financial Forecasts (Highlights)

- Although demand condition remain favorable, in view of the impact of production due to parts shortages, the earnings forecast announced on October 8, 2021 remain unchanged.

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

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)			
	Mar.-Nov.	4Q	2H	Full-Year	Mar.-Nov.	4Q	2H	Full-Year	Mar.-Nov. (Results)	4Q	2H	Full-Year
USD	108.9	109.5	108.8	109.0	106.5	104.3	104.7	106.0	110.5	113.0	112.7	111.1
EUR	121.5	120.9	120.1	121.4	121.6	126.6	125.3	122.8	130.7	128.0	129.2	130.0
CNY	15.71	15.69	15.48	15.70	15.38	16.08	15.87	15.55	17.12	17.80	17.66	17.29
KRW	0.093	0.093	0.092	0.093	0.090	0.095	0.093	0.091	0.096	0.095	0.095	0.096

Forex sensitivity

(Billions of yen)

	Impact of 1% fluctuation (FY2021 Full-Year Forecasts)	
	Revenue	Operating profit
USD	approx. 0.88	approx. 0.26
EUR	approx. 0.74	approx. 0.21
CNY	approx. 1.23	approx. 0.44
KRW	approx. 0.24	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 November 30, 2021

➤ Ratio of equity attributable to owners of parent	52.4%
➤ Equity attributable to owners of parent	281.8 billion yen
➤ Interest-bearing debt	72.2 billion yen
➤ D/E ratio	0.26
➤ (Net D/E ratio)	0.07
➤ Inventory (Turnover)	117.5 billion yen (3.0 months)

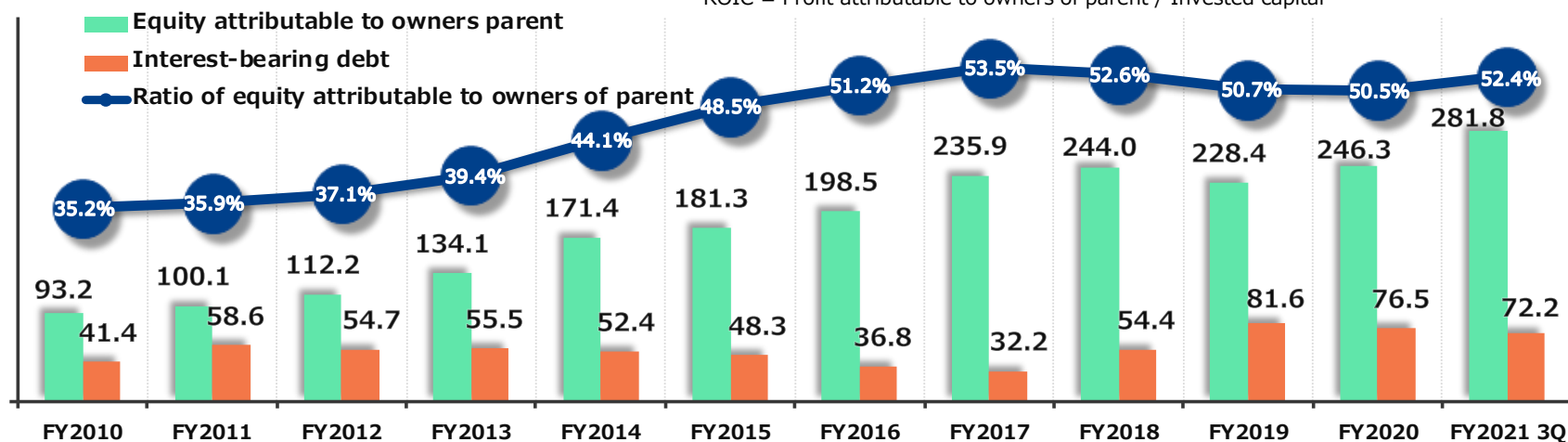
*Interest-bearing debt includes lease obligations.

*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

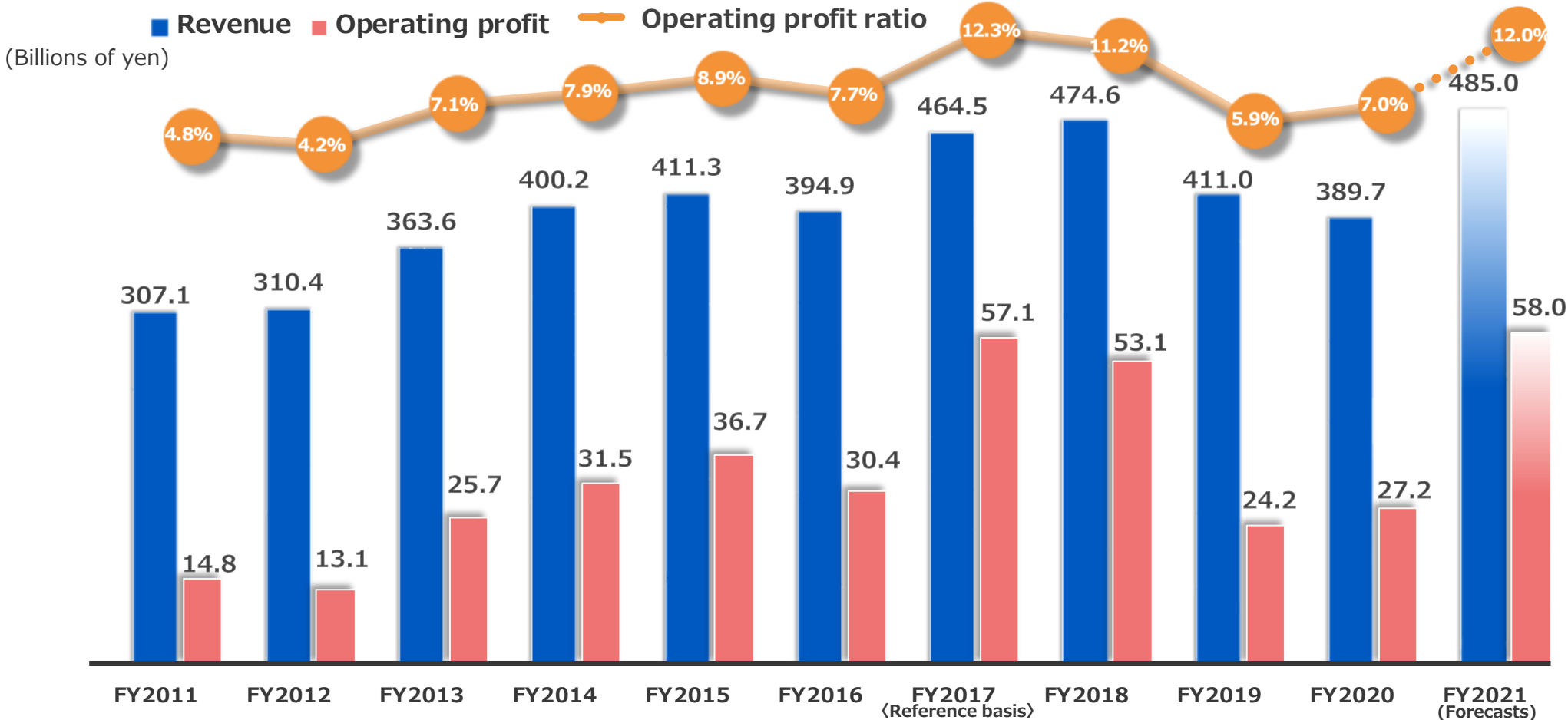
(Billions of yen)



Operating CF	2.5	6.4	24.6	24.0	29.0	32.0	33.8	46.1	34.3	21.5	39.6	39.0
Investment CF	- 6.7	- 11.9	- 18.1	- 16.9	- 27.9	- 22.4	- 18.9	- 18.9	- 27.1	- 20.6	- 9.6	- 21.4
Free CF	- 4.3	- 5.5	6.6	7.0	1.1	9.5	14.8	27.2	7.2	0.8	30.0	17.5

[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

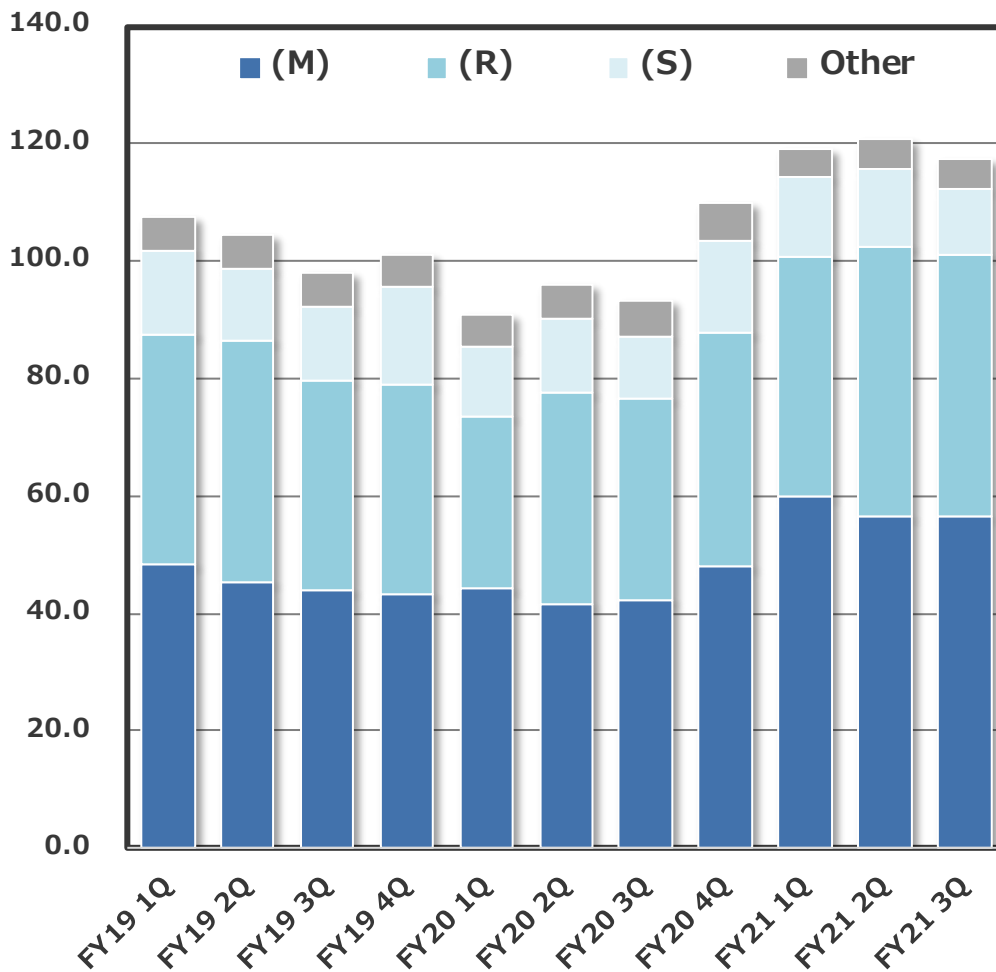
Note1: Data up to FY2017 are based on Japanese GAAP.

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

Quarterly Revenue Trends (1)

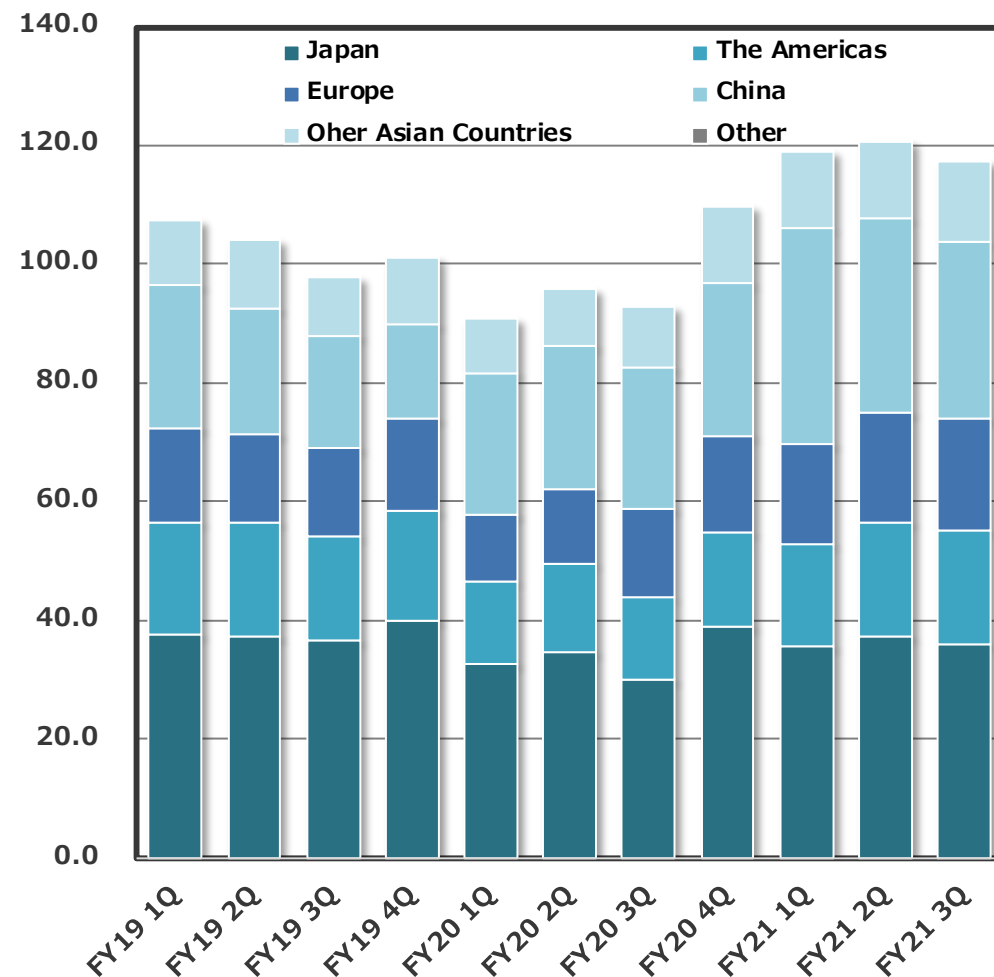
Business segment

(Billions of yen)



Destination

(Billions of yen)

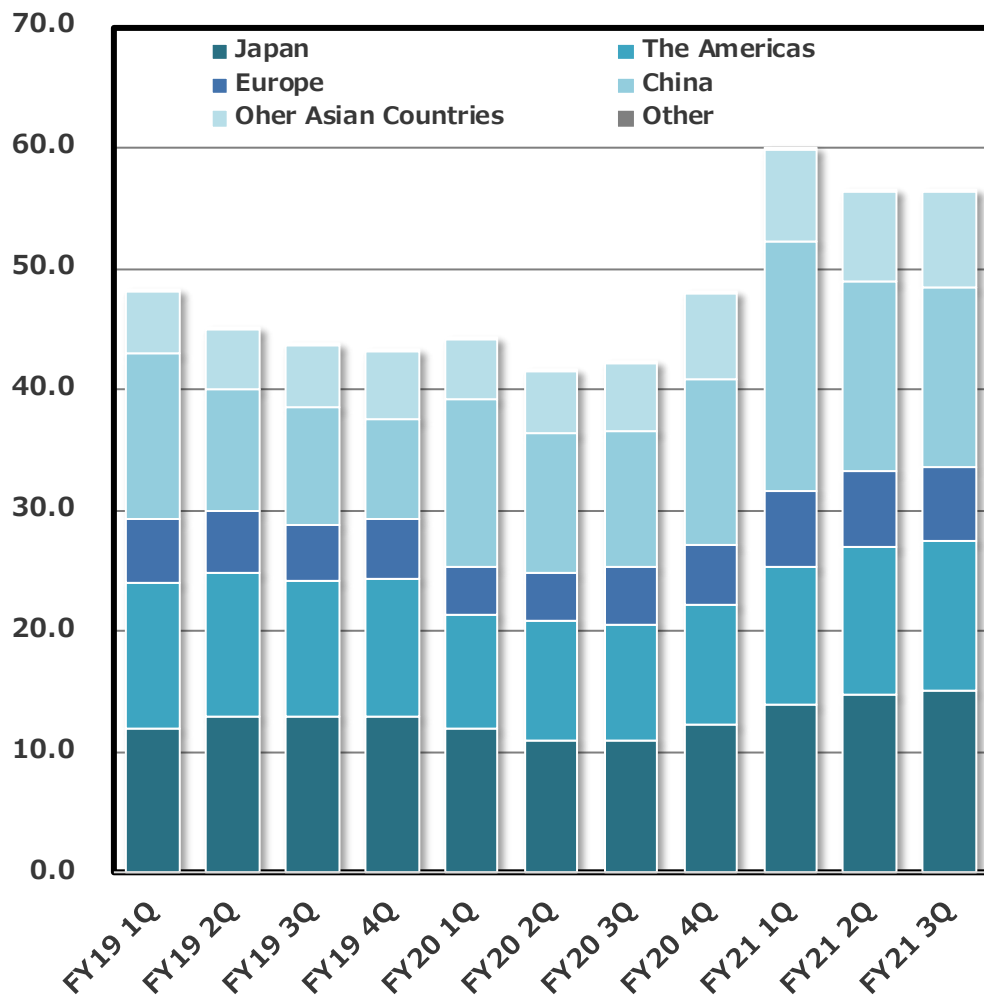


Note: (M) = Motion Control (R) = Robotics (S) = System Engineering

Quarterly Revenue Trends (2)

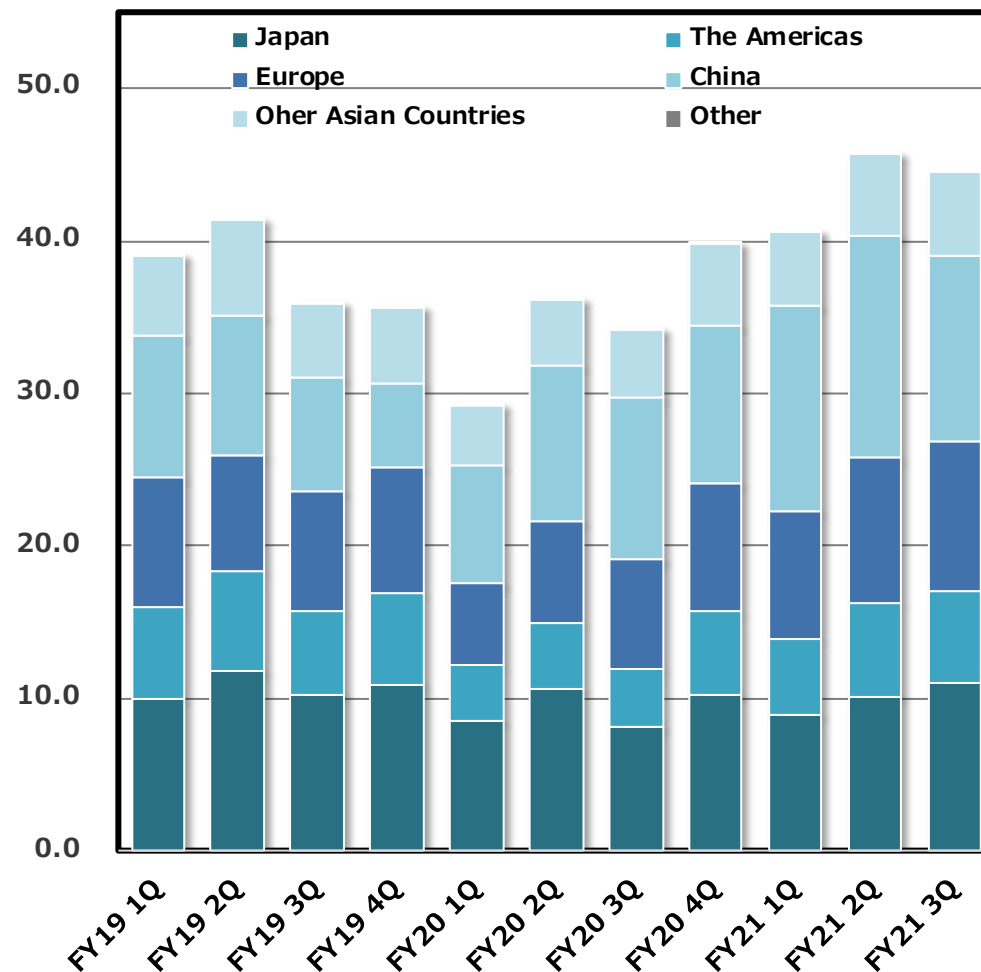
Motion Control

(Billions of yen)



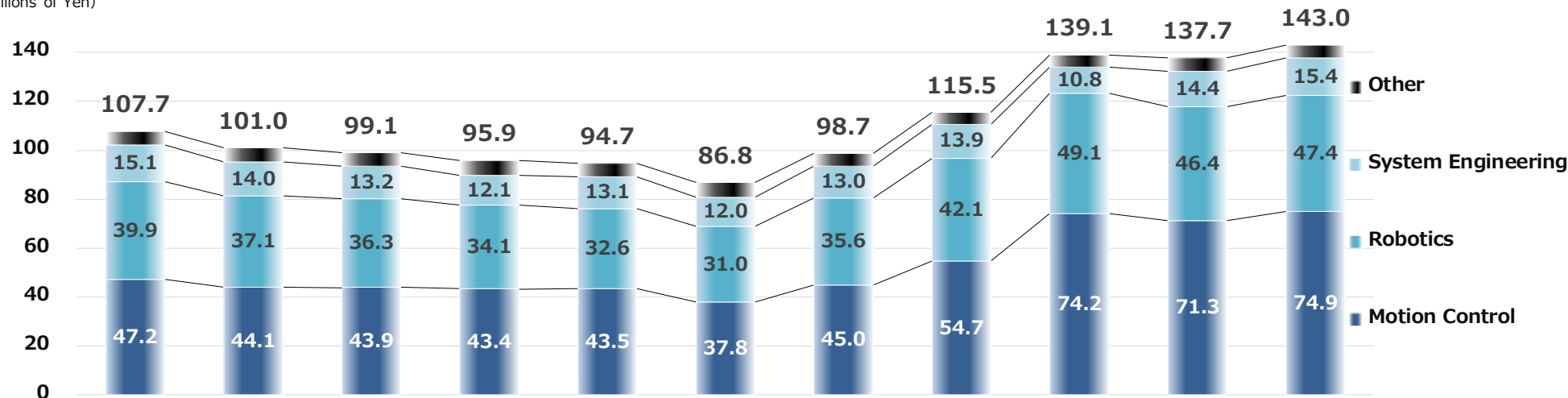
Robotics

(Billions of yen)



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

(Billions of Yen)

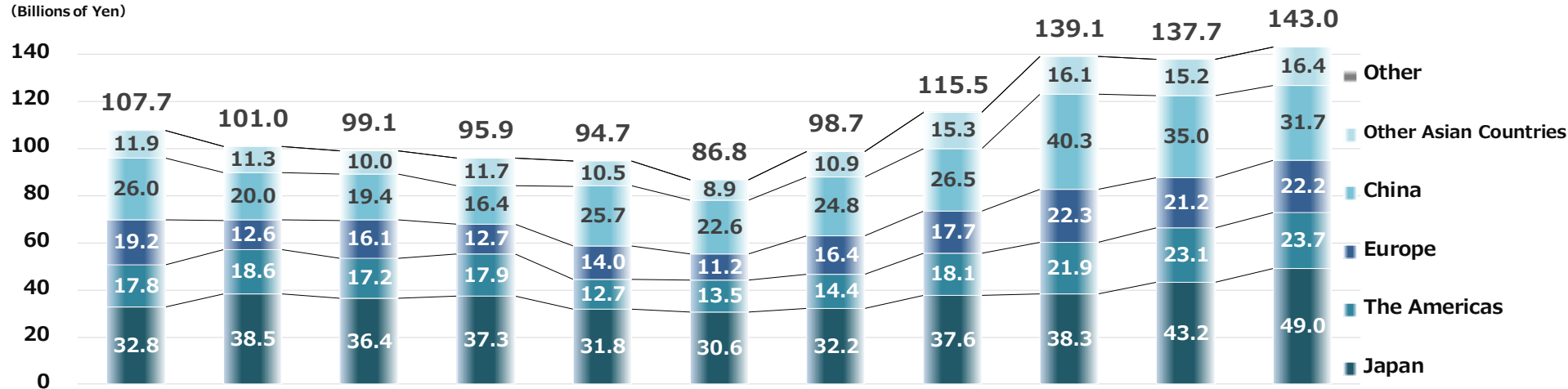


		FY2019				FY2020				FY2021		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total	YoY	-17%	-14%	-11%	-4%	-12%	-14%	-0%	+20%	+47%	+59%	+45%
	QoQ	+7%	-6%	-2%	-3%	-1%	-8%	+14%	+17%	+20%	-1%	+4%
YoY	(M)	-26%	-15%	-7%	+4%	-8%	-14%	+2%	+26%	+70%	+89%	+67%
	(R)	-19%	-22%	-17%	-15%	-18%	-16%	-2%	+23%	+51%	+50%	+33%
	(S)	+64%	+27%	-6%	-3%	-13%	-14%	-1%	+15%	-18%	+20%	+18%
QoQ	(M)	+13%	-7%	-0%	-1%	+0%	-13%	+19%	+22%	+36%	-4%	+5%
	(R)	-0%	-7%	-2%	-6%	-4%	-5%	+15%	+18%	+17%	-5%	+2%
	(S)	+21%	-7%	-6%	-8%	+8%	-8%	+8%	+7%	-23%	+34%	+6%
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	112.5
	Euro	124.7	120.6	119.3	120.9	117.9	122.8	124.0	126.6	130.7	130.9	130.5

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	2Q	3Q
Total	YoY	-17%	-14%	-11%	-4%	-12%	-14%	-0%	+20%	+47%	+59%	+45%
	QoQ	+7%	-6%	-2%	-3%	-1%	-8%	+14%	+17%	+20%	-1%	+4%
YoY	Japan	-15%	+1%	-4%	+6%	-3%	-20%	-11%	+1%	+21%	+41%	+52%
	The Americas	-23%	-8%	-21%	-5%	-28%	-28%	-16%	+1%	+72%	+71%	+64%
	Europe	+7%	-33%	-19%	-13%	-27%	-11%	+2%	+39%	+59%	+89%	+36%
	China	-22%	-21%	-3%	-15%	-1%	+13%	+28%	+62%	+57%	+55%	+28%
	Other Asian Countries	-30%	-20%	-18%	-7%	-12%	-21%	+8%	+31%	+54%	+71%	+51%
QoQ	Japan	-7%	+17%	-5%	+3%	-15%	-4%	+5%	+17%	+2%	+13%	+13%
	The Americas	-6%	+5%	-8%	+4%	-29%	+6%	+7%	+26%	+21%	+5%	+3%
	Europe	+32%	-34%	+27%	-21%	+10%	-20%	+46%	+8%	+26%	-5%	+5%
	China	+35%	-23%	-3%	-16%	+57%	-12%	+10%	+7%	+52%	-13%	-9%
	Other Asian Countries	-5%	-5%	-11%	+16%	-10%	-15%	+22%	+41%	+6%	-6%	+7%

YASKAWA