

Consolidated Results for the Fiscal Year Ended February 28, 2022 [IFRS]

April 8, 2022

Listed company name: YASKAWA Electric Corporation

<https://www.yaskawa.co.jp/en/>

Representative: Hiroshi Ogasawara, Representative Director, Chairman of the Board,

President Stock exchange listings: Tokyo (First section), Fukuoka

Stock ticker number: 6506

(Note: This document is a summarized translation of the financial statement submitted to the Tokyo Stock Exchange and Fukuoka Stock Exchange for the period stated above. Figures under ¥1 million are rounded down.)

1. Summary of Consolidated Results for the Fiscal Year Ended February 28, 2022

(from March 1, 2021 to February 28, 2022)

(1) Consolidated Statements of Income

(Millions of yen, percentage change from the previous year)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change
Year ended February 28, 2022	479,082	22.9%	52,860	94.5%	55,378	103.8%	38,768	101.3%	38,354	102.6%	55,645	94.8%
Year ended February 28, 2021	389,712	-5.2%	27,180	12.3%	27,172	10.3%	19,260	22.3%	18,927	21.5%	28,569	262.7%

	Earnings per share (basic, Yen)	Earnings per share (diluted, Yen)	Return on equity attributable to owners of parent (%)	Profit before tax on total assets (%)	Operating profit ratio (%)
Year ended February 28, 2022	146.72	146.63	14.3	10.6	11.0
Year ended February 28, 2021	72.41	72.38	8.0	5.8	7.0

Reference: Equity in earnings of affiliates

Year ended February 28, 2022: ¥2,400 million

Year ended February 28, 2021: ¥538 million

(2) Consolidated Financial Position

(Millions of yen, except ratio and per share data)

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets (%)	Equity attributable to owners of parent per share (Yen)
As of February 28, 2022	559,038	298,100	291,234	52.1	1,114.08
As of February 28, 2021	487,428	249,561	246,266	50.5	942.11

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of period
Year ended February 28, 2022	49,233	-24,165	-22,475	55,151
Year ended February 28, 2021	39,602	-9,601	-20,284	50,953

2. Dividends

	Dividends per share (yen)					Annual cash dividends paid (Millions of yen)	Dividend payout ratio (%, Consolidated)	Ratio of dividend to equity attributable to owners of parent (%, Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual total			
Year ended February 28, 2021	-	12.00	-	12.00	24.00	6,274	33.1	2.6
Year ended February 28, 2022	-	26.00	-	26.00	52.00	13,595	35.4	5.1
Year ending February 28, 2023 (Forecast)	-	32.00	-	32.00	64.00		31.9	

3. Projected Consolidated Results for the Fiscal Year Ending February 28, 2023

(from March 1, 2022 to February 28, 2023)

(Millions of yen, percentage change from the corresponding period of the previous year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent	
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change
Year ending February 28, 2023	525,000	9.6%	72,000	36.2%	74,000	33.6%	52,500	36.9%

As for the market environment surrounding Yaskawa, global demand for semiconductors and electronic components is increasing due to the advancement of communications and industry in conjunction with the spread of 5G and AI. Also, demand for automobiles and lithium-ion batteries is expanding rapidly due to the acceleration of adoption of EVs (electric vehicles). As a result, our business particularly in AC servo and robotics, which are the main businesses, is expected to continue growth.

Demand trends in Yaskawa is expected to remain at a high level globally, supported by a significant order increase mainly overseas for robots in the end of FY2021, although there is uncertainty due to heightened geopolitical risks such as the Russia-Ukraine crisis and the prolonged spread of COVID-19. For the time being, production restrictions are expected to continue due to the shortage of semiconductors and other parts that occurred last year.

These forecasts are based on average exchange rate assumptions of 1 USD = 120.0 JPY, 1 EUR = 133.0 JPY, 1 CNY = 19.00 JPY and 1 KRW = 0.100 JPY during the period from March 1, 2022 to February 28, 2023.

***Notes:**

(1) Major Change in Scope of Consolidation: Yes

One company newly consolidated: YASKAWA (Changzhou) Mechatronics System Co.,Ltd.

Exclusion: None

(2) Changes in Accounting Policies, Changes in Accounting Estimates:

1. Changes in accounting policies required by IFRS: No
2. Changes in accounting policies other than the above: No
3. Changes in accounting estimates: No

(3) Number of Common Shares Outstanding

	Year ended February 28, 2022	Year ended February 28, 2021
The number of shares outstanding including treasury shares at the end of period	266,690,497	266,690,497
The number of treasury shares at the end of period	5,277,597	5,291,858
Average number of shares during period	261,408,737	261,391,178

* This financial report is not subject to the audit procedure.

*About the appropriate use of business forecasts and other matters

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable, and are not disclosed for the purpose of making a commitment to their achievement. Actual results may differ from these statements for a number of reasons.

The Company will hold an information meeting for securities analysts and institutional investors on April 11, 2022 (JST).

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1. Business Results

Business Performance of Fiscal 2021 (Fiscal year ended February 28, 2022)

In the fiscal year 2021, the business environment in Yaskawa Group has been steadily normalized from COVID-19 crisis globally, and active capital investments have been made in the manufacturing industry as a whole to upgrade and automate production. In particular, demand from the semiconductor and electronic components markets have expanded, and capital investments related to the adoption of EVs (electric vehicles) in the automobile market as well as the lithium-ion batteries have been accelerated. Also, investments related to new infrastructure, such as 5G and new energy, continued in China, and demand remained high globally through FY2021.

In this environment, although the business was affected particularly in Motion Control segment by prolonged shortages of parts supply, such as semiconductors, revenue increased significantly from the same period of the previous fiscal year as a result of an accurate response to strong demand. As a result, revenue of FY2021 set a new record for annual figure. On the profit front, though operating profit was affected by the rise in logistics cost and raw material cost, it increased significantly year on year due to revenue increase and thorough cost control.

<Management environment of each region>

Japan:

Capital investments remained firm in the semiconductor and electronic component markets as well as the automobile market. Also, demand related to lithium-ion batteries expanded.

U.S.:

Automobile and semiconductor-related demand remained at a high level. Also, investments for automation was active due to concerns about labor shortages and oil and gas-related demand recovered toward the end of the fiscal year. As a result, demand has been expanding as a whole.

Europe:

The market continued to recover as the economy normalized, and demand grew as a whole, particularly in the automobile and machine tool markets.

China:

The demand related to automobile with acceleration of the adoption of EVs and new infrastructure, such as 5G and the lithium-ion batteries remained strong. Consequently, active capital investments continued throughout the fiscal year.

Other Asian Countries:

Demand related to the semiconductor and electronic components remained high in South Korea and Taiwan. Also, the lithium-ion batteries-related capital investments grew in South Korea.

The business performance of fiscal 2021 is as follows.

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022	Change
Revenue	389,712 million JPY	479,082 million JPY	+22.9%
Operating profit	27,180 million JPY	52,860 million JPY	+94.5%
Profit attributable to owners of parent	18,927 million JPY	38,354 million JPY	+102.6%
Average exchange rate for USD	105.99 JPY	111.49 JPY	+5.50 JPY
Average exchange rate for EUR	122.82 JPY	130.44 JPY	+7.62 JPY
Average exchange rate for CNY	15.55 JPY	17.33 JPY	+1.78 JPY
Average exchange rate for KRW	0.091 JPY	0.096 JPY	+0.005 JPY

Performance by Business Segment

The business of the Yaskawa Group is divided into four segments.

The performance of each business segment for fiscal 2021 is as follows.

Motion Control	Revenue	227,260 million JPY (+29.1% year on year)
	Operating profit	38,161 million JPY (+55.3% year on year)
<p>Motion Control segment is comprised of AC servo & controller business and drives business.</p> <p>As a result of active capital investments over the world, sales were favorable as a whole, resulting in a significant increase in revenue. In terms of profits, despite the impact of higher raw material costs and logistics costs and shortages of parts supply, such as semiconductors, operating profit increased due to an increase in revenue and the effect of switching to new products of AC drive.</p> <p>[AC servo & controller business]</p> <p>The demand for semiconductors and electronic components remained at high levels in Japan, the United States, South Korea and other countries. Sales were strong because active capital investments made throughout the fiscal year in China due to the increase in the lithium-ion batteries-related demand in the new energy field and 5G-related demand for smartphones and base stations.</p> <p>[Drives business]</p> <p>Capital investment was boosted by the recovery of the global market, and sales were favorable, particularly for large air conditioners (HVAC), cranes, and textiles. In addition, demand for energy conservation measures in China increased. As a result, revenue in overall business increased.</p>		
Robotics	Revenue	178,670 million JPY (+28.1% year on year)
	Operating profit	17,248 million JPY (+149.7% year on year)
<p>In the automotive market, which is the principal market in the robotics segment, the adoption of EVs accelerated globally and expansion of investment in new production facilities continued. Also, investments were also made in the general industrial sector to address labor shortages globally and to upgrade and automate production.</p> <p>In addition, sales of semiconductor robot performed well due to increasing demand for semiconductors and electronic components. As a result, revenue grew significantly and operating profit increased significantly due to increases in revenue and improvements in capacity utilization.</p>		

System Engineering	Revenue	52,265 million JPY (+3.0 % year on year)
	Operating profit	2,126 million JPY (improved by 3,157 million JPY year on year)
<p>The System Engineering segment consists of the industrial automation drive business and the environment and social systems business.</p> <p>Revenue increased year on year mainly in the environmental and social systems business. Operating profit increased due to thorough management of profitability and continued control of expenses, as well as the elimination of temporary product repair costs incurred in the previous fiscal year.</p> <p>[Industrial Automation Drive Business] Demand for port cranes in Asian countries and production facilities for lithium-ion batteries was strong, while steel plant-related revenue in Japan was weak.</p> <p>[Environment and Social Systems Business] As a result of the normalization from COVID-19 crisis, the sales of electric systems for water supply and sewerage in Japan and electric products for large-scale wind power generation in Europe performed well.</p>		
Other	Revenue	20,886 million JPY (-10.9% year on year)
	Operating profit	384 million JPY (+27.6%)
<p>Other segment is comprised of logistics and other businesses.</p> <p>While revenue decreased from the same period of the previous fiscal year particularly in Japan, operating profit increased mainly due to improvement of the product mix.</p>		

2. Management Policy, Management Environment, Issues to be Addressed, etc.

(1) Basic Policy of Corporate Management

Since its foundation, Yaskawa Group's mission has been to leverage the pursuit of its business to contribute to the advancement of society and the well-being of humankind, and to achieve this mission, management principle has set forth three goals: "Develop and enhance world-class technologies based on a focus on quality" "Endeavor to improve management efficiency and secure profits necessary for the survival and development of the company" and "Respond to the needs of customers and dedicate ourselves to serving them in accordance with the market-oriented spirit" and strives to realize these goals.

In addition to practicing management principle, Yaskawa Group has also formulated the Sustainability Policy to clarify its management policies to address increasingly serious social issues, such as the environment and widening economic disparities, and to give consideration to the sustainability of society as a whole. The Sustainability Policy sets forth three policies: "1. Contribute to the creation of value for customers and society through the creation of innovation through cutting-edge mechatronics technology" "2. Realize fair, transparent and reliable management through dialogue and collaboration with stakeholders around the world" and "3. Solve global social issues with the aim of achieving the SDGs, which are common global goals."

Based on this policy, we are working to provide products and services that meet the needs of society and customers at a high level, and to create a company that is rewarding for employees to work for. Through these efforts, we will strive to realize a sustainable society by solving social issues and increase corporate value, while continuing to generate profits and further returning profits to our stakeholders.

(2) Medium- and Long-Term Corporate Management Strategy

In its long-term management plan "Vision 2025" (FY 2016 to FY 2025), Yaskawa Group has defined its business areas as "factory automation and optimization" centered on mechatronics, and "mechatronics applications." With regard to management targets, operating profit has been defined as the most important management indicator, and the company is aiming to strengthen its management structure by focusing on improving "quality."

To realize Vision 2025, mid-term business plan "Challenge 25" (FY 2019 to FY 2021) was launched in fiscal 2019. However, market conditions deteriorated more than expected as COVID-19 curbed capital investment globally. In response to these changes in the environment, Challenge 25 was extended by one year, and was revised as "Challenge 25 Plus" (FY 2019 to FY 2022) in April 2021, with new initiatives aimed at improving profitability (* 1).

*1 For details of Vision 2025 and Challenge 25 Plus, please visit the following URL:

Vision 2025: https://www.yaskawa-global.com/wp-content/uploads/2019/06/Vision2025_Revision_en.pdf

Challenge 25 Plus: https://www.yaskawa-global.com/wp-content/uploads/2021/04/Challenge25_Plus_en.pdf

(3) Business Environment and Priority Issues

The business environment surrounding Yaskawa Group in fiscal 2022 is uncertain due to heightened geopolitical risks such as the Russia-Ukraine crisis and the prolonged spread of COVID-19.

In the manufacturing industry as a whole, production remains constrained due to a prolonged shortage of parts, mainly semiconductors, which occurred last year. However, Yaskawa's major markets are generally performing well, supported by aggressive capital investment aimed at addressing labor shortages and upgrading and automating production. In particular, we expect the automotive market to accelerate capital investment in areas such as EVs and lithium-ion batteries, and that the investment expand in new infrastructure such as 5G and new energy, and the global semiconductor and electronic components market continue to expand.

Under these circumstances, in this fiscal year, which will be the final year of Challenge 25 Plus, the company will strive to further increase its corporate value by transforming its business model with the solution concept of i³-Mechatronics, expanding earnings in growing markets, increasing efficiency and profitability through YDX (Yaskawa Digital Transformation), and promoting activities based on its sustainability policy, which aims to realize a sustainable society while accelerating the expansion into new business fields, with a view to achieving the goals of its long-term management plan, Vision 2025.

With regard to business model change through i³-Mechatronics, we will strengthen development, production, sales and services to further improve our ability to propose solutions.

On the development front, we will accelerate cross-divisional development and open innovation, centered on YASKAWA Technology Center, which integrates product development and production technology functions that have been dispersed throughout each business unit, and will accelerate the development of products that meet customer needs in a timely and even better manner. In addition to expanding the lineup of new AC servo motor Σ -X product, the company will also provide full-fledged solutions for optimizing cells (blocks of units in a production process) using the YRM-X controller, which enables integrated control between robots and AC servo motors.

On the production side, we will deploy the production method of our next-generation production plant, YASKAWA Solution Factory (Iruma City, Saitama, Japan), to our global production bases. We will work to improve production efficiency through the use of data from our production sites, while building a flexible and sustainable production system that can respond to rapid demand fluctuations.

On sales side, we will continue our top sales activities and strengthen cooperation with sales partners in order to strengthen the provision of comprehensive solutions that enhance added value for customers. On the service side, we will enhance field services based on predictive diagnosis utilizing data analysis, with the aim of realizing high added value services that do not stop customer facilities.

In order to expand earnings in growth markets through i³-Mechatronics, we will strive to expand our product lineup, centered on robots, in order to capture on a global scale aggressive capital investment demand driven by the shift to EVs (electric vehicles) in the automobile market, one of Yaskawa's major markets. In addition, as new demand for lithium-ion batteries grows rapidly with the introduction of EVs, the Yaskawa Group will draw on its comprehensive strengths and take a proactive approach to steadily capture demand.

In the semiconductor market, which is expected to continue growing rapidly, as well as the 3C market, and the new infrastructure market centered on 5G and new energy, the Group will strengthen its sales activities by

building relationships and collaborating with top manufacturers in Asia such as China, in order to steadily capture rapidly expanding demand.

In order to contribute to the realization of a decarbonized society, we will expand sales of energy-saving equipment such as AC drive and high-efficiency motors. In the Clean Power business, we will strengthen our efforts to stabilize profitability, focusing on the introduction and expansion of new products to capture demand for solar power generation in the self-consumption market. In the area of Food & Agriculture, we will accelerate automation centered on the use of robots in the fields of ready-made meals and agriculture, and strengthen the functions of automatic vegetable production systems to meet customer needs, thereby strengthening full-scale business development. In addition, in the Humatronics Equipment business, we will strengthen our business base in the fields of genome analysis and iPS cell culture in the biomedical robotics business.

With regard to the promotion of digital management (YDX=YASKAWA Digital Transformation), we will centralize a variety of global management data, from data related to the value chain such as development, production, and sales to personnel data, in order to accelerate the visualization of management information and to achieve thorough operational efficiency improvements. In this fiscal year, we will further enhance the use of this centralized data to strengthen product lifecycles and accelerate the development and provision of products and services that provide customers with new added value.

Specific measures for each segment are as follows.

[Motion Control]

In AC servo & controller business, we plan to further expand orders and earnings by expanding sales of core products that promote i³-Mechatronics, such as the YRM-X Controller, which was launched last year, and AC servo drive Σ -X lineup.

In drives business, we will accelerate sales expansion of the new AC drive series, for which the lineup was completed last year, and work to further increase market share.

As for the motion control products, we will further increase production efficiency and in-house production in Japan and overseas in response to growing demand, thereby strengthening our product supply capacity and increasing earnings.

[Robotics]

In the automobile-related market, where we develop our core products, we will steadily capture capital investment demand for EVs (electric vehicles) and lithium-ion batteries, and expand sales to manufacturers of finished vehicles and parts that operate globally. In the 3C(computer, communication, and consumer electronics) market, which is expected to continue to grow, and the new infrastructure market in China, which is rapidly expanding, we will strive to expand our business by deepening collaboration and cooperation with customers through proactive activities based on top sales. *3C= Capital letters of computer, communication,

and consumer electronics. In addition, we will strive to expand the field of automation through the creation of new markets by strengthening product development and digital data management to realize an autonomous distributed production system centered on i³-Mechatronics.

In response to growing global demand, we will improve production capacity in Japan, China and Europe by improving efficiency and in-house production, and aim to further improve profitability by building a production system that is resilient to demand fluctuations.

[System Engineering]

In the environmental and energy fields, in the photovoltaic power generation market, we plan to expand revenue by introducing new PV(photovoltaic) inverter products in response to the expansion of the domestic private consumption market. In addition, we aim to secure stable orders for offshore wind power generation by strengthening cooperation with major customers in the large-scale wind power generation market, mainly in Europe.

In the steel plant and social systems field, we will further improve the efficiency of management through business restructuring within the Group. In addition, we will strive to provide high value-added services using AI and IoT technologies in public work-related businesses in Japan, and aim to build a highly profitable structure by capturing private businesses.

3. The Basic Idea for the Selection of the Accounting Standards

The Yaskawa Group has voluntarily adopted International Financial Reporting Standards (IFRS) in place of the existing Japanese standards for the consolidated financial statements included in its annual securities report for the fiscal year ended February 28, 2020, in order to improve management control and the international comparability of financial information in capital markets through the unification of accounting standards.

4. Consolidated Financial Statements

1) Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2021	As of February 28, 2022
Assets		
Current assets		
Cash and cash equivalents	50,953	55,151
Trade receivables	127,577	149,646
Inventories	101,494	131,767
Other financial assets	1,961	2,078
Other current assets	21,437	23,718
Total current assets	<u>303,423</u>	<u>362,362</u>
Non-current assets		
Property, plant and equipment	86,475	93,598
Goodwill	6,604	7,341
Intangible assets	17,917	18,068
Right-of-use assets	12,529	12,431
Investments accounted for using equity method	9,009	8,039
Other financial assets	30,949	36,600
Deferred tax assets	14,473	12,510
Other non-current assets	6,045	8,085
Total non-current assets	<u>184,004</u>	<u>196,675</u>
Total assets	<u><u>487,428</u></u>	<u><u>559,038</u></u>

(Millions of yen)

	As of February 28, 2021	As of February 28, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	61,064	76,922
Borrowings	29,315	20,497
Income taxes payable	2,115	5,866
Lease liabilities	2,451	2,497
Other financial liabilities	13,558	4,338
Provisions	904	1,939
Other current liabilities	45,137	63,215
Total current liabilities	<u>154,548</u>	<u>175,278</u>
Non-current liabilities		
Bonds and borrowings	35,682	36,376
Lease liabilities	9,095	8,674
Other financial liabilities	155	296
Retirement benefit liability	29,827	30,050
Deferred tax liabilities	1,183	2,338
Provisions	3,730	3,979
Other non-current liabilities	3,644	3,943
Total non-current liabilities	<u>83,319</u>	<u>85,659</u>
Total liabilities	<u>237,867</u>	<u>260,937</u>
Equity		
Equity attributable to owners of parent		
Share capital	30,562	30,562
Capital surplus	28,042	28,312
Retained earnings	204,150	232,547
Treasury shares	-22,023	-21,971
Other components of equity	5,535	21,783
Total equity attributable to owners of parent	<u>246,266</u>	<u>291,234</u>
Non-controlling interests	<u>3,294</u>	<u>6,866</u>
Total equity	<u>249,561</u>	<u>298,100</u>
Total liabilities and equity	<u>487,428</u>	<u>559,038</u>

2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Revenue	389,712	479,082
Cost of sales	-273,342	-310,437
Gross profit	116,370	168,644
Selling, general and administrative expenses	-90,661	-116,507
Other income	1,782	1,680
Other expenses	-310	-957
Operating profit	27,180	52,860
Finance income	705	1,161
Finance costs	-1,252	-1,137
Share of profit of investments accounted for using equity method	538	2,400
Gain on disposal and remeasurement of investments in associates	-	94
Profit before tax	27,172	55,378
Income tax expense	-7,911	-16,610
Profit	19,260	38,768
Profit attributable to		
Owners of parent	18,927	38,354
Non-controlling interests	333	413
Total	19,260	38,768
Earnings per share		
Basic earnings per share (Yen)	72.41	146.72
Diluted earnings per share (Yen)	72.38	146.63

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Profit	19,260	38,768
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	3,543	4,728
Remeasurements of defined benefit plans	1,200	311
Share of other comprehensive income of investments accounted for using equity method	70	9
Total	4,814	5,049
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	4,499	11,839
Effective portion of cash flow hedges	-3	-12
Total	4,495	11,827
Total other comprehensive income	9,309	16,877
Total	28,569	55,645
Comprehensive income attributable to		
Owners of parent	28,175	54,912
Non-controlling interests	394	732
Total	28,569	55,645

3) Consolidated Statements of Changes in Net Assets

Fiscal 2020 (From March 1, 2020 to February 28, 2021)

	Equity attributable to owners of parent						(Millions of yen)	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total	Non-controlling interests	Total
Balance at beginning of period	30,562	28,161	194,558	-22,109	-2,810	228,362	2,805	231,167
Profit	-	-	18,927	-	-	18,927	333	19,260
Other comprehensive income	-	-	-	-	9,247	9,247	61	9,309
Total	-	-	18,927	-	9,247	28,175	394	28,569
Purchase of treasury shares	-	-	-	-6	-	-6	-	-6
Disposal of treasury shares	-	3	-	92	-	96	-	96
Dividends of surplus	-	-	-9,933	-	-	-9,933	-124	-10,058
Share-based payment transactions	-	-83	-	-	-	-83	-	-83
Increase by business combination	-	-	-	-	-	-	15	15
Changes in ownership interest in subsidiaries	-	-1	-	-	-	-1	-74	-76
Changes in equity due to capital increase of subsidiary	-	-	-	-	-	-	240	240
Transfer from other components of equity to retained earnings	-	-	901	-	-901	-	-	-
Other	-	-38	-303	-	-	-341	38	-303
Total	-	-119	-9,335	86	-901	-10,270	94	-10,176
Balance at end of period	30,562	28,042	204,150	-22,023	5,535	246,266	3,294	249,561

Fiscal 2021 (From March 1, 2021 to February 28, 2022)

	Equity attributable to owners of parent						(Millions of yen)	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total	Non-controlling interests	Total
Balance at beginning of period	30,562	28,042	204,150	-22,023	5,535	246,266	3,294	249,561
Profit	-	-	38,354	-	-	38,354	413	38,768
Other comprehensive income	-	-	-	-	16,558	16,558	319	16,877
Total	-	-	38,354	-	16,558	54,912	732	55,645
Purchase of treasury shares	-	-	-	-7	-	-7	-	-7
Disposal of treasury shares	-	4	-	59	-	64	-	64
Dividends of surplus	-	-	-9,934	-	-	-9,934	-183	-10,118
Share-based payment transactions	-	243	-	-	-	243	-	243
Increase by business combination	-	-	-	-	-	-	3,022	3,022
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	-
Changes in equity due to capital increase of subsidiary	-	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	310	-	-310	-	-	-
Other	-	21	-333	-	-	-311	-	-311
Total	-	269	-9,957	52	-310	-9,945	2,839	-7,106
Balance at end of period	30,562	28,312	232,547	-21,971	21,783	291,234	6,866	298,100

4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Cash flows from operating activities		
Profit before tax	27,172	55,378
Depreciation, amortization and impairment losses	16,196	17,556
Finance income and finance costs	-166	-75
Increase in trade receivables	-6,489	-12,010
Decrease (increase) in inventories	2,336	-20,743
Increase in trade payables	4,942	11,338
Increase in retirement benefit liability	871	291
Increase in provisions	1,958	1,354
Other	-2,391	5,835
Subtotal	44,430	58,925
Interest and dividends received	1,392	1,610
Interest paid	-547	-530
Income taxes paid	-5,673	-10,772
Net cash provided by operating activities	39,602	49,233
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	-8,609	-24,227
Proceeds from sale of property, plant and equipment, and intangible assets	119	330
Purchase of investment securities	-1,371	-2,412
Proceeds from sale of investment securities	30	250
Proceeds from purchase of investment of subsidiaries resulting in change in scope of consolidation	175	1,901
Other	54	-8
Net cash used in investing activities	-9,601	-24,165
Cash flows from financing activities		
Net decrease in short-term borrowings	-10,552	-10,141
Proceeds from long-term borrowings	10,000	1,254
Repayments of long-term borrowings	-7,090	-10,415
Proceeds from issuance of bonds	-	9,947
Repayments of lease liabilities	-2,737	-2,962
Purchase of treasury shares	-1	-3
Dividends paid	-9,932	-9,955
Dividends paid to non-controlling interests	-134	-199
Payments for acquisition of interests in subsidiaries from non-controlling interests	-76	-
Capital contribution from non-controlling interests	240	-
Other	0	-
Net cash used in financing activities	-20,284	-22,475
Net increase in cash and cash equivalents	9,715	2,592
Cash and cash equivalents at beginning of period	40,307	50,953
Effect of exchange rate changes on cash and cash equivalents	930	1,605
Cash and cash equivalents at end of period	50,953	55,151

5) Notes to the Consolidated Financial Statements

(Notes pertaining to the presumption of a going concern)

None

(Segment information)

1. Overview of Reporting Segments

Yaskawa Group's reportable segments are components of Yaskawa Group for which separate financial information is available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and to evaluate performance.

The organization of Yaskawa Group is based on three business units: motion control, robotics and system engineering. Each business unit formulates comprehensive strategies for Japan and overseas and develops business activities.

Accordingly, Yaskawa Group has three reportable segments, namely, "Motion Control" "Robotics" and "System Engineering".

"Motion Control" develops, manufactures, sells and provides maintenance services for AC servo motor, controllers and AC drives. "Robotics" develops, manufactures, sells and provides maintenance services for industrial robots and other products. "System Engineering" develops, manufactures, sells and provides maintenance services for electrical systems for environmental and social systems as well as industrial automation drives.

The method of accounting for the reported business segments is generally the same as that used for the preparation of the consolidated financial statements.

Reportable segment income is based on operating profit.

Intersegment revenue or transfers are primarily based on prevailing market prices.

2. Revenue, profit (loss) and other items for each reporting segment

Fiscal 2020 (March 1, 2020 - February 28, 2021)

	Reporting Segments					Total	Adjustment *2	(Millions of yen) Amounts in consolidated financial statements *3
	Motion Control	Robotics	System Engineering	Total	Other *1			
Revenue								
Revenue to external customers	176,014	139,494	50,763	366,272	23,440	389,712	-	389,712
Intersegment revenue and transfers	13,614	2,484	1,203	17,303	15,926	33,229	-33,229	-
Total	189,629	141,978	51,967	383,576	39,366	422,942	-33,229	389,712
Operating profit (loss)	24,576	6,907	-1,030	30,453	301	30,754	-3,574	27,180
Finance income								705
Finance costs								-1,252
Share of profit of investments accounted for using equity method								538
Sales and unrealized gains on investments in affiliates								-
Profit before tax								27,172
Other items								
Depreciation and amortization	7,530	5,203	1,844	14,578	1,231	15,809	282	16,092
Impairment loss	67	-	-	67	36	104	-	104

Notes

1. Logistics services, etc. are included in the Other segment.

2. The components of adjustment are as follows:.

Operating profit (loss) adjustment of -3,574 million yen includes inter-segment eliminations of -62 million yen and corporate earnings and expenses of -3,511 million yen that are not allocated to each segment. The main components are expenses related to basic research not attributable to reportable segments and the difference in allocation of corporate expenses.

2. Revenue, profit (loss) and other items for each reporting segment

Fiscal 2021 (March 1, 2021 - February 28, 2022)

	Reporting Segments					(Millions of yen)		
	Motion Control	Robotics	System Engineering	Total	Other *1	Total	Adjustment *2	Amounts in consolidated financial statements *3
Revenue								
Revenue to external customers	227,260	178,670	52,265	458,196	20,886	479,082	-	479,082
Intersegment revenue and transfers	18,692	3,481	951	23,125	16,773	39,898	-39,898	-
Total	245,952	182,151	53,216	481,321	37,659	518,980	-39,898	479,082
Operating profit (loss)	38,161	17,248	2,126	57,537	384	57,921	-5,061	52,860
Finance income								1,161
Finance costs								-1,137
Share of profit of investments accounted for using equity method								2,400
Sales and unrealized gains on investments in affiliates								94
Profit before tax								55,378
Other items								
Depreciation and amortization	8,461	5,404	2,208	16,074	1,295	17,369	105	17,475
Impairment loss	-	-	-	-	2	2	79	81

Notes

1. Logistics services, etc. are included in the Other segment.

2. The components of adjustment are as follows:.

Operating profit (loss) adjustment of -5,061 million yen includes inter-segment eliminations of -155 million yen and corporate earnings and expenses of -4,905 million yen that are not allocated to each segment. The main components are expenses related to basic research not attributable to reportable segments and the difference in allocation of corporate expenses.

(Per share information)

1. Earnings per share (basic, yen)

	<u>Fiscal year ended February 28, 2021</u>	<u>Fiscal year ended February 28, 2022</u>
Earnings per share (basic, yen)	72.41	146.72
Basis for calculation		
Profit attributable to owners of parent (millions of yen)	18,927	38,354
Average number of common shares outstanding during the year (thousand shares)	<u>261,391</u>	<u>261,408</u>

2. Earnings per share (diluted)

	<u>Fiscal year ended February 28, 2021</u>	<u>Fiscal year ended February 28, 2022</u>
Earnings per share (basic, yen)	72.38	146.63
Basis for calculation		
Increase in common stock due to stock benefit trust (thousand shares)	109	156
Average number of common shares outstanding during the year (thousand shares)	<u>261,500</u>	<u>261,565</u>

(Subsequent Events)

As of April 1, 2022, Yaskawa and certain domestic subsidiaries revised their retirement and pension plans and transferred a portion of the assets of the Yaskawa Corporate Pension Fund from a defined benefit pension plan to a defined contribution pension plan.

As a result, other income of approximately 3.6 billion yen is expected to be recorded in the first quarter of the following consolidated fiscal year..