

Results Briefing for FY2021 (Ended 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】

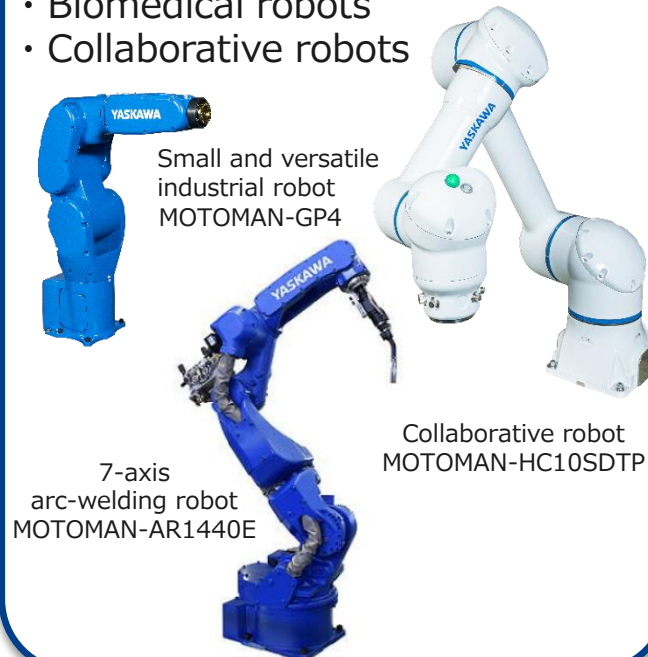
- AC servo motors and controllers
- Linear servo motors
- AC drives
- PM motor



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】

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



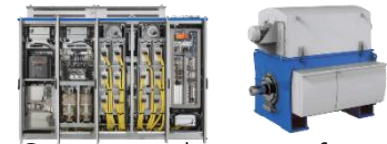
Electrical systems for steel plants



Electrical instrumentation systems for water and sewerage



PV inverter XGI1500 150kW



Generator and converter for large-scale wind turbines

Other

- Logistics

1. FY2021 Financial Results

FY2021 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.
- Revenue marked a record high.

	FY2021 Results	FY2020 Results	Changes	
			Amounts	%
Revenue	¥ 479.1bn.	¥ 389.7bn.	+¥ 89.4bn.	+22.9%
Operating profit	¥ 52.9bn.	¥ 27.2bn.	+¥ 25.7bn.	+94.5%
Profit before tax	¥ 55.4bn.	¥ 27.2bn.	+¥ 28.2bn.	+103.8%
Profit attributable to owners of parent	¥ 38.4bn.	¥ 18.9bn.	+¥ 19.4bn.	+102.6%

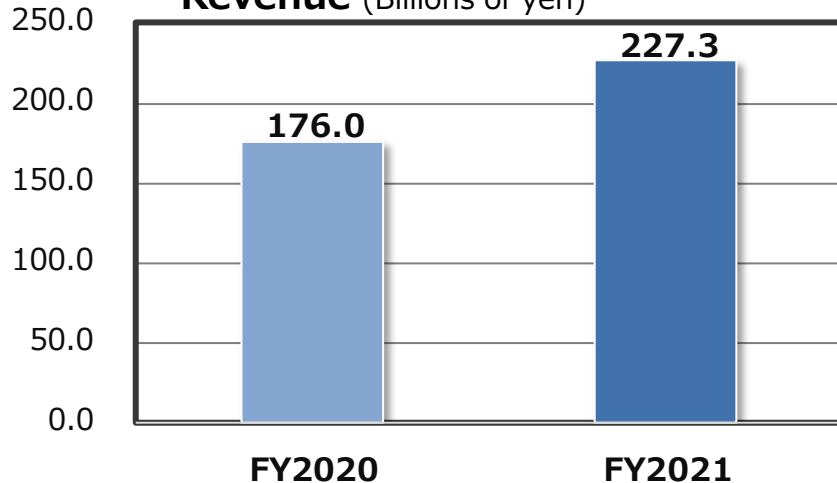
FY2021 Financial Results by Business Segment

- 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		FY2020		Changes	
	Results	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
Revenue	479.1		389.7		+89.4	+22.9%
Motion Control	227.3		176.0		+51.2	+29.1%
Robotics	178.7		139.5		+39.2	+28.1%
System Engineering	52.3		50.8		+1.5	+3.0%
Other	20.9		23.4		-2.6	-10.9%
Operating profit	52.9	11.0%	27.2	7.0%	+25.7	+94.5%
Motion Control	38.2	16.8%	24.6	14.0%	+13.6	+55.3%
Robotics	17.2	9.7%	6.9	5.0%	+10.3	+149.7%
System Engineering	2.1	4.1%	-1.0	-2.0%	+3.2	-
Other	0.4	1.8%	0.3	1.3%	+0.1	+27.6%
Elimination or Corporate	-5.1	-	-3.6	-	-1.5	-

Business Segment Overview: Motion Control

Revenue (Billions of yen)



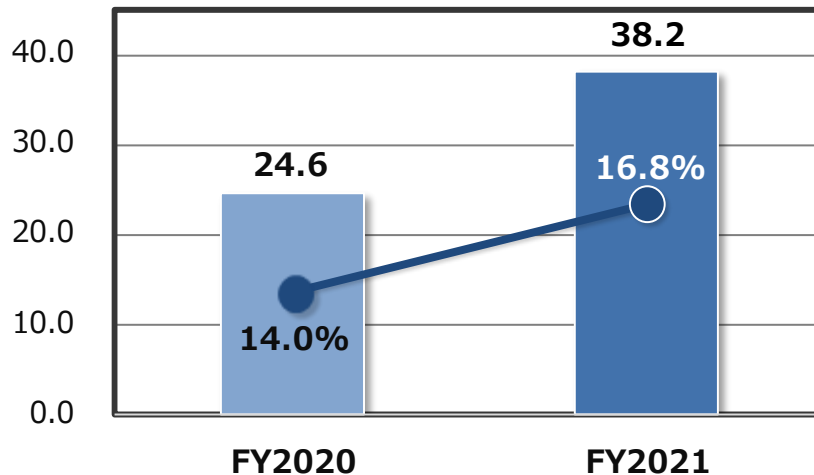
[Revenue]

- In AC servo & controller business, demand for semiconductors and electronic components remained at high levels in Japan, the U.S., South Korea and other countries. Sales were strong due to increase in demand related to the lithium-ion batteries and 5G in China.
- In Drives business, sales were strong particularly in large air conditioners (HVAC), cranes, and textiles by the recovery of the global market.

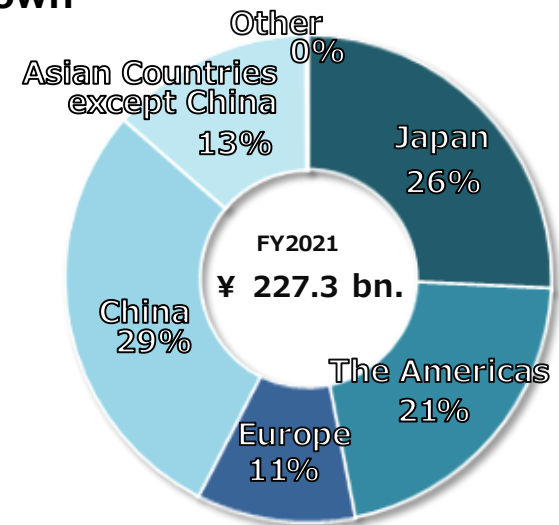
[Operating Profit]

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

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

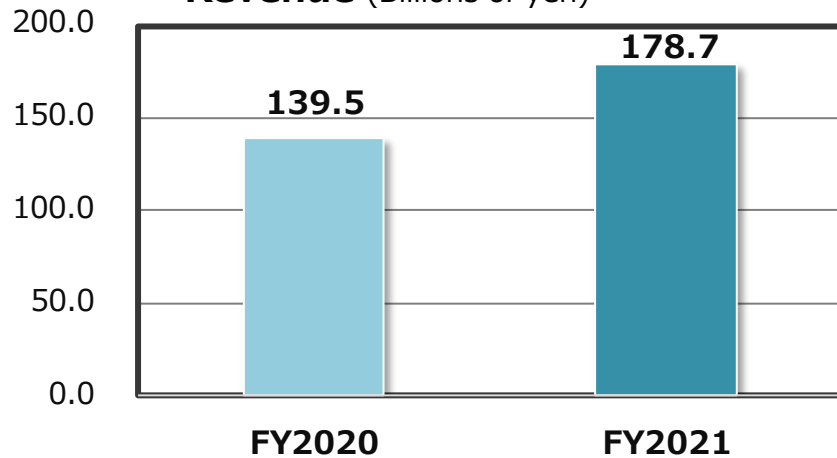


Revenue breakdown by region



Business Segment Overview: Robotics

Revenue (Billions of yen)



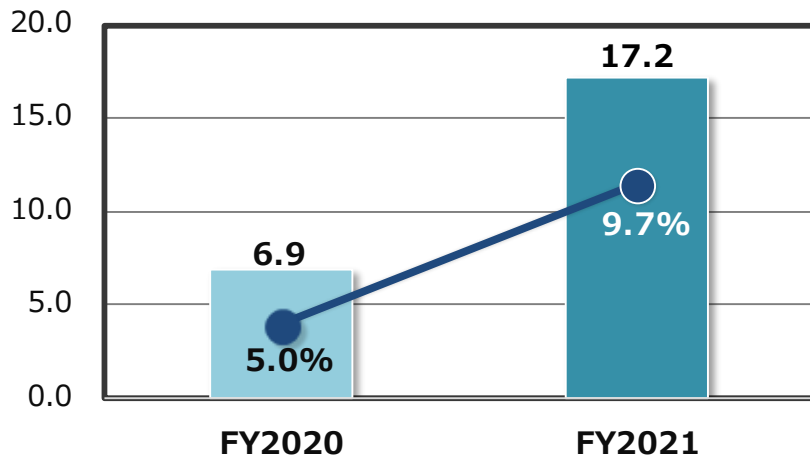
[Revenue]

- In the automobile market, the adoption of EVs (electric vehicles) was accelerated globally, and the trend to expand investment in new production facilities continued.
- In general industries, investments to address the labor shortage and upgrade and automate production continued globally and semiconductor robots performed well due to the increasing demand from semiconductor and electronic component markets .

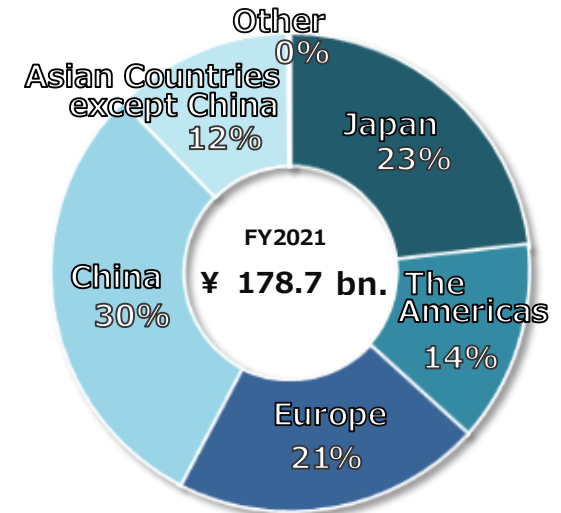
[Operating Profit]

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

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

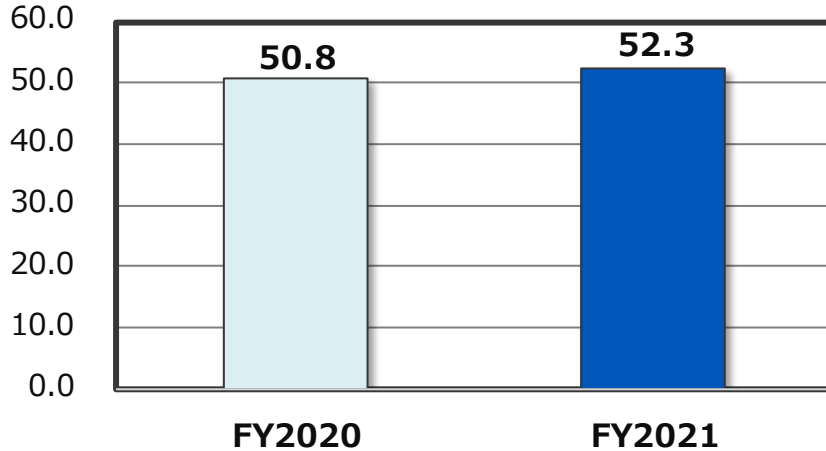


Revenue breakdown by region



Business Segment Overview: System Engineering

Revenue (Billions of yen)



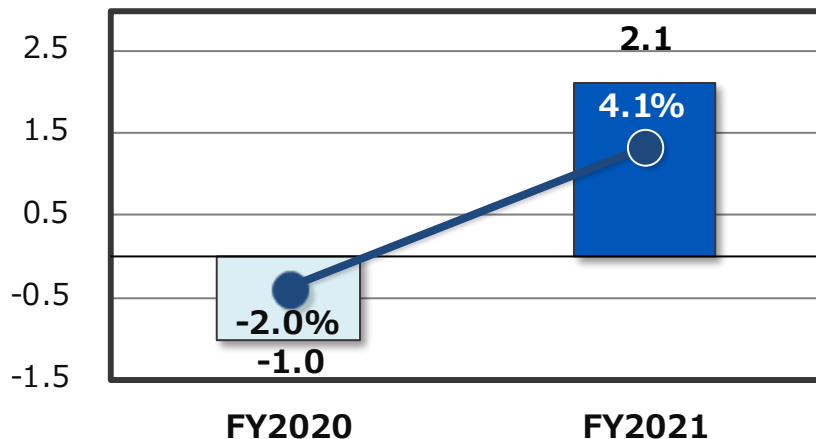
[Revenue]

- Demand for port cranes in Asian countries and lithium-ion battery production facilities was firm, while steel plant-related sales in Japan was weak.
- Normalization from COVID-19 crisis led to growth in revenue of electrical systems for water and sewage systems, and an increase in revenue of electrical equipment for large-scale wind turbines.

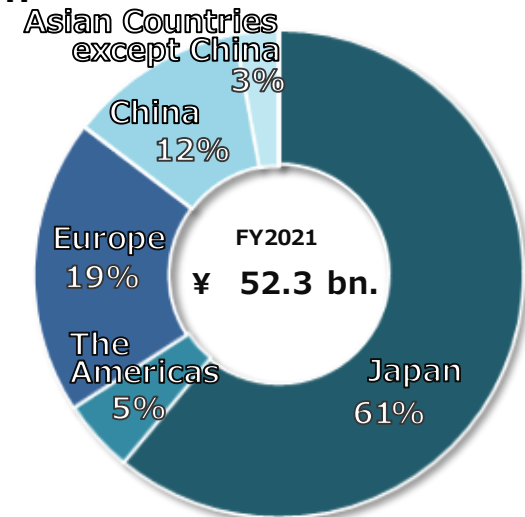
[Operating Profit]

- Profit increased due to the elimination of temporary product repair costs incurred in the previous fiscal year, strict management of profitability, and continued cost control.

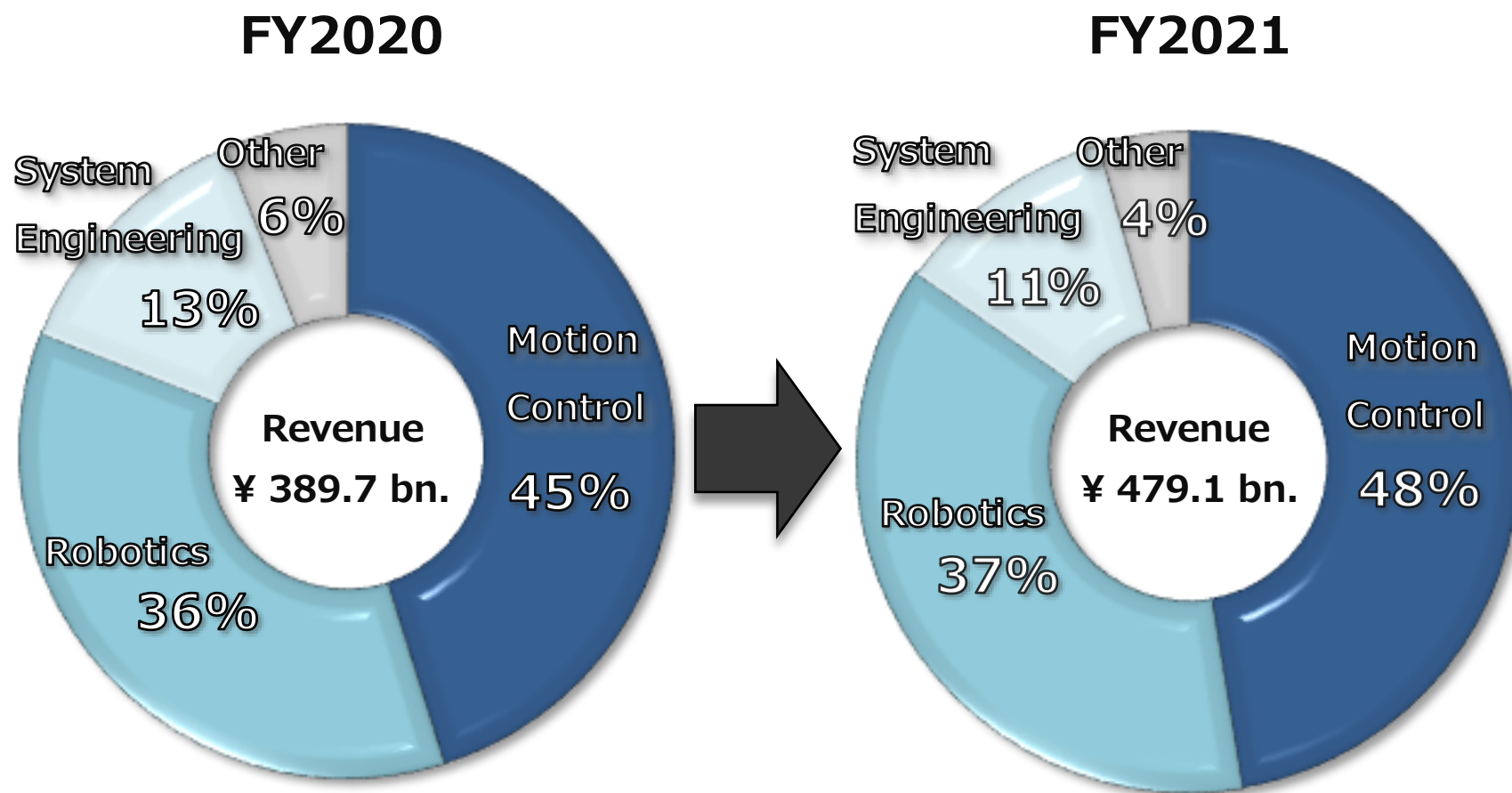
Operating profit (Billions of yen)
Operating profit ratio (%)



Revenue breakdown by region



Revenue Breakdown by Business Segment



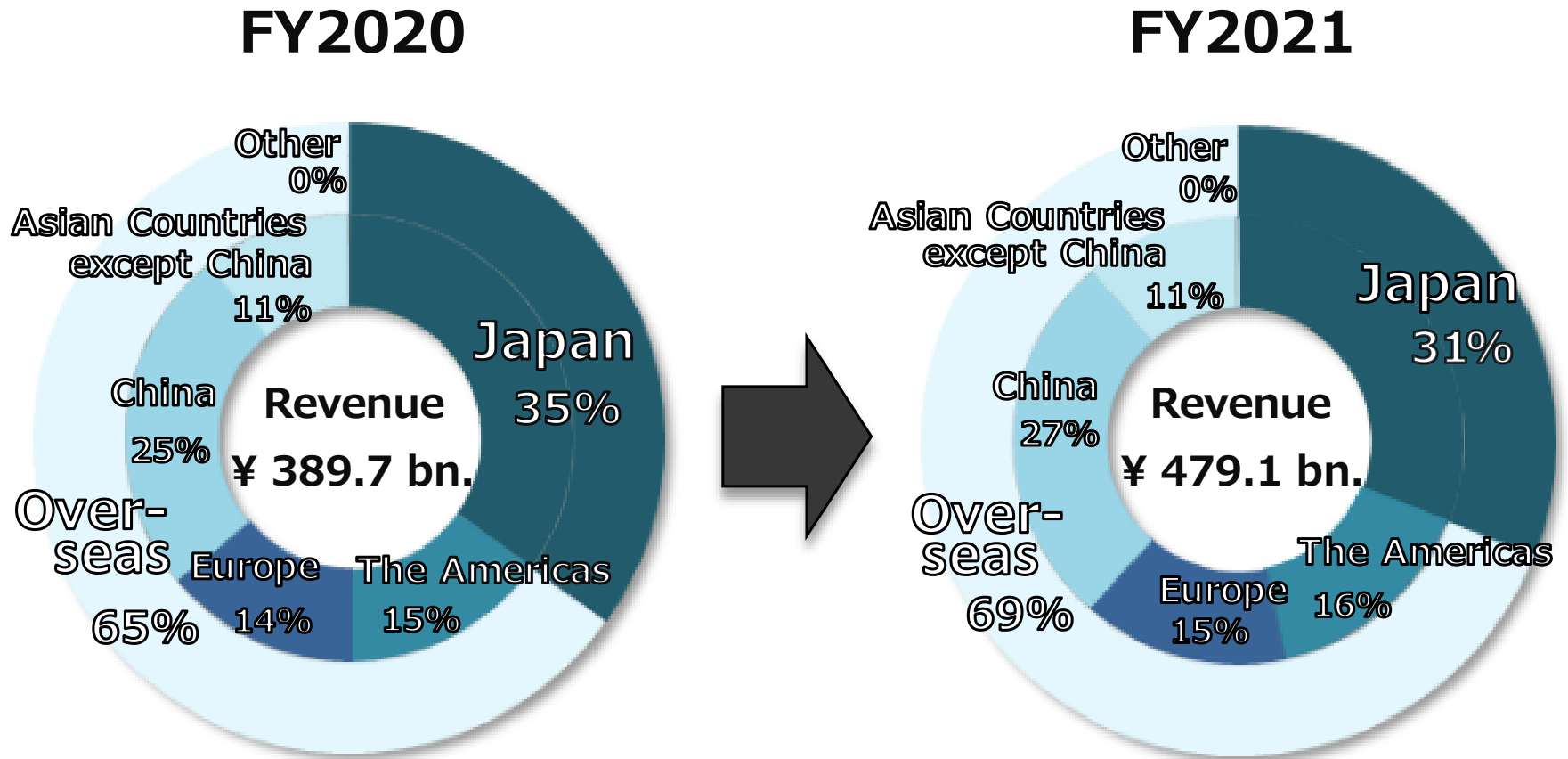
Revenue Breakdown by Destination (1)

• Significant growth overseas

	FY2021 Results	FY2020 Results	Changes	
			Amounts	%
(Billions of yen)				
Revenue	479.1	389.7	+89.4	+22.9%
Japan	148.2	135.9	+12.3	+9.0%
Overseas	330.9	253.8	+77.1	+30.4%
The Americas	75.3	58.9	+16.4	+27.8%
Europe	71.7	54.8	+16.9	+30.8%
China	129.4	97.9	+31.4	+32.1%
Asian Countries except China	54.1	41.8	+12.3	+29.3%
Other	0.5	0.3	+0.2	+71.8%

Note : Europe includes Middle East and Africa.

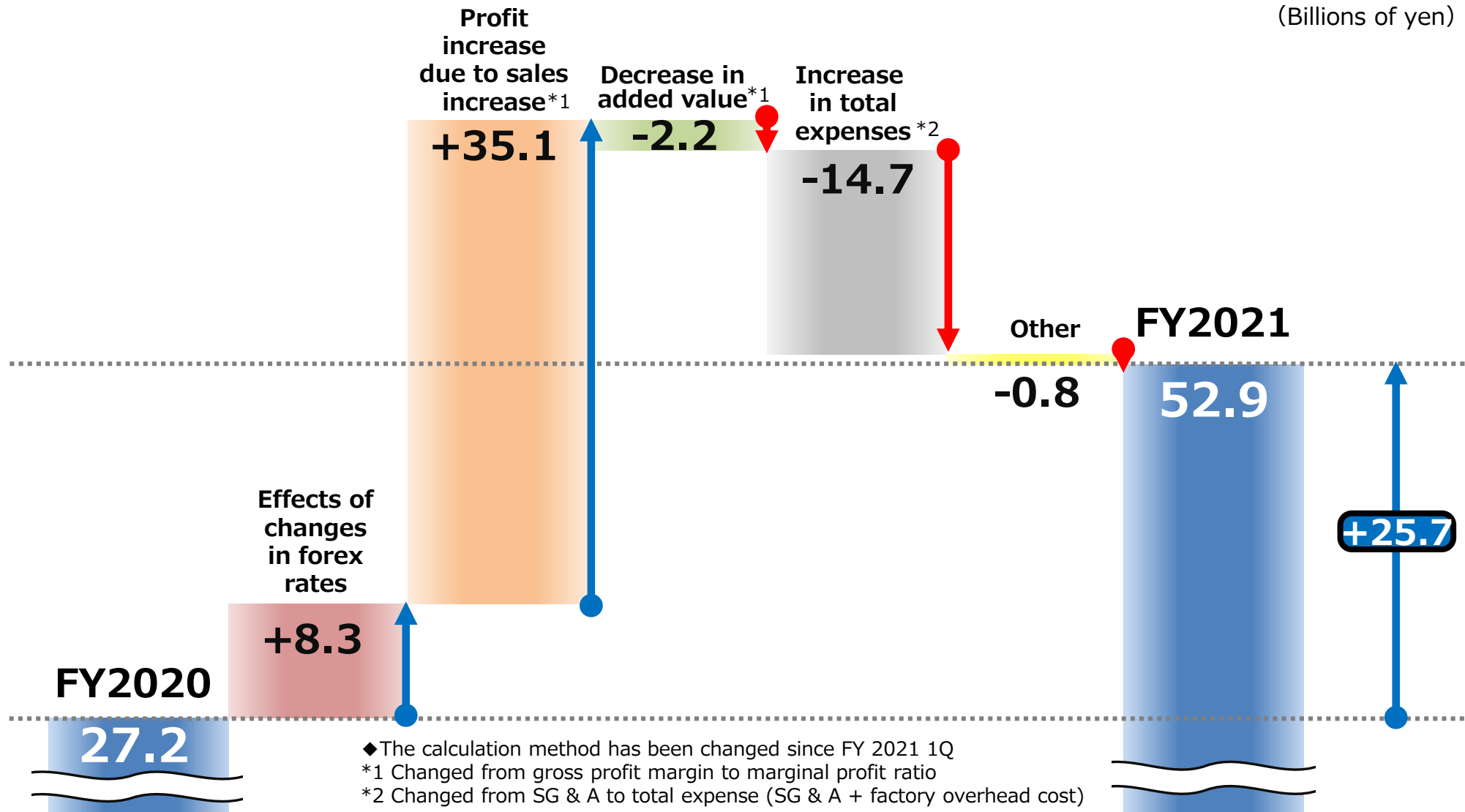
Revenue Breakdown by Destination (2)



Note : Europe includes Middle East and Africa.

Breakdown of Changes in Operating Profit (FY2020 → FY2021)

(Billions of yen)



Measures for FY2021 ①

➤ Establishment of "i³-Mechatronics" business model

➔ Development capabilities

- Started an full-scale operation of YASKAWA Technology Center (Sep. 2021)
- Acceleration of initiatives for automation of agriculture by business alliance with JA ZEN-NOH*¹ (Jun. 2021)
- Exhibited an advanced autonomous robot for reference at International Robot Exhibition 2022 (Mar. 2022)

*1 National Federation of Agricultural Cooperative Associations of Japan



Business alliance with JA ZEN-NOH
(Selecting strawberries)



Advanced autonomous robot

➔ Production capabilities

- Visualized production information by common production system at main plants *² in Japan and China (YDX)

*2 AC servo drive plant (Iruma, Japan/Shenyang, China)
AC drive plant (Yukuhashi, Japan/Shanghai, China)
Robot plant (Kitakyushu Japan/Changzhou, China)

- Started production at a new plant in Changzhou, China (Robot controller, PCB for AC servo)
(Start of mass production is scheduled in June 2022)



YRM-X Controller

➔ Sales capabilities

- Launched YRM-X (ten) controller for integrated control of "cell" (Jun. 2021)
- Launched ECO PM motor flat type (IE5*³) that achieves the industry's thinnest motor length

*3 An international standard for motor energy efficiency established by the International Electrotechnical Commission (IEC).
IE5 is the most efficient.

- Launched HC10SDTP, a short-arm collaborative robot with a payload of 10kg
- Launched GP8, a small robot for food processing
- Started trial offer of annual maintenance service for robots



MOTOMAN-HC10SDTP

Measures for FY2021 ②

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

➔ Formulated the policy to strengthen initiatives to contribute to social sustainability (March 15, 2021)

Sustainability Policy

We will strive to realize a sustainable society and increase corporate value through the implementation of the Yaskawa Group Principle of Management which is to leverage the pursuit of our business to contribute to the advancement of society and the well-being of humankind.

1. We will contribute to the value creation for customers and society through creating innovation by cutting-edge mechatronics technologies.
2. We will realize fair and transparent corporate management through communication and collaboration with stakeholders around the world.
3. We will work to resolve social issues globally with the aim of achieving SDGs as a universal goal.



Sustainability Promotion System

Measures for FY2021 ③

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

➔ Identified materiality based on Sustainability Policy and developed initiatives to be rolled out in the mid-term business plan

Create Social Value and Solve Social Issues through Business Activities



Realize revolutionary industrial automation through i³-Mechatronics



Build clean social infrastructure and foundation for safe and comfortable living



Develop new technologies and business domains through open innovations



Strengthen Management Foundation that Contributes to Sustainable Society/Businesses



Sustainable and productive manufacturing



Create a rewarding workplace and human resource development



Fair and transparent governance system

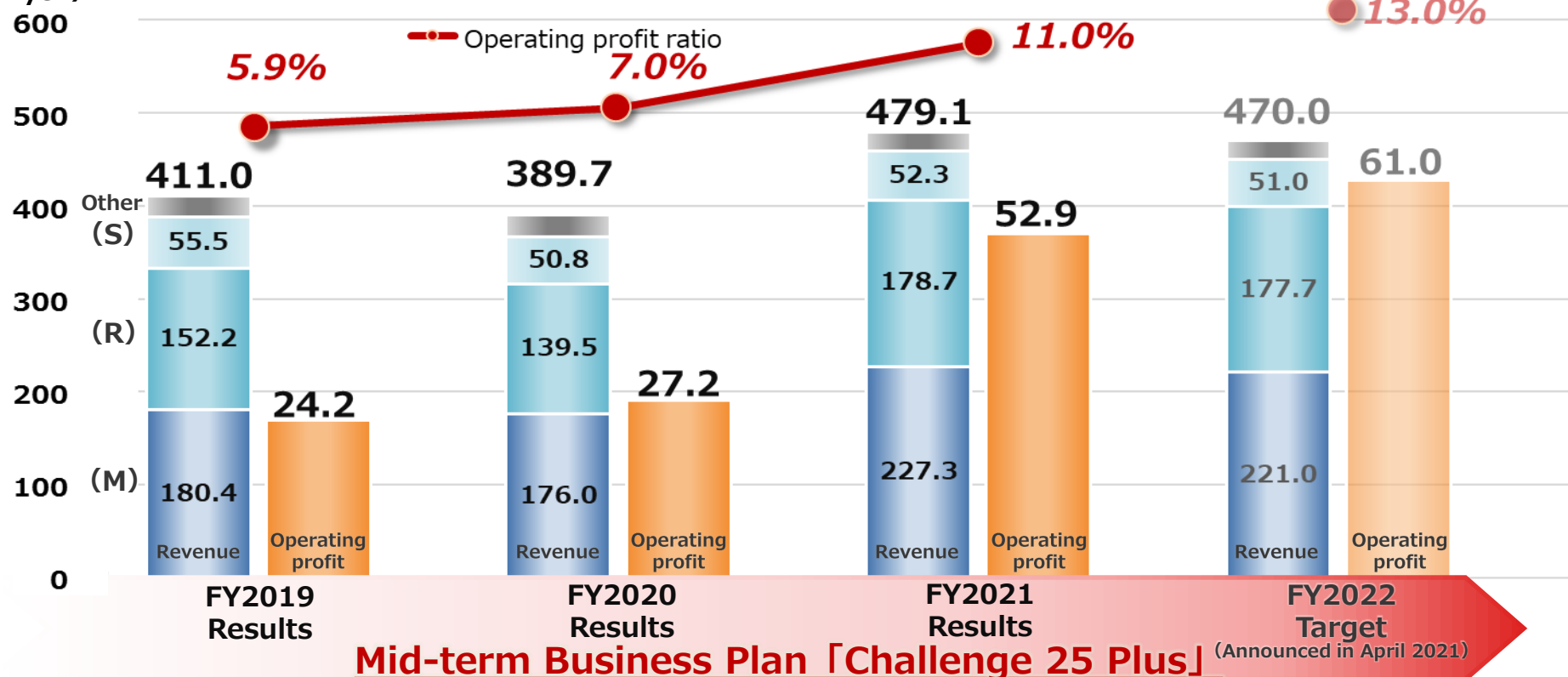


Progress of Mid-term Business Plan "Challenge 25 Plus"

Achieved the revenue target* one year ahead of schedule

*As of April 2021

(Billions of yen)



ROE	6.6%	8.0%	14.3%	15.0% or more
ROIC	5.9%	7.0%	13.3%	15.0% or more
Dividend payout Ratio	87.5%	33.1%	35.4%	30.0% or more

Note1: Revenue by segment in fiscal 2019 is based on the revised segment classification.

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

2. FY2022 Full-Year Forecasts (Year Ending February 28, 2023)

FY2022 Full-Year Financial Forecasts (Highlights)

- Revenue and profit are expected to increase in the main businesses such as robotics in view of continued high level global demand, while uncertainty about the future remains.

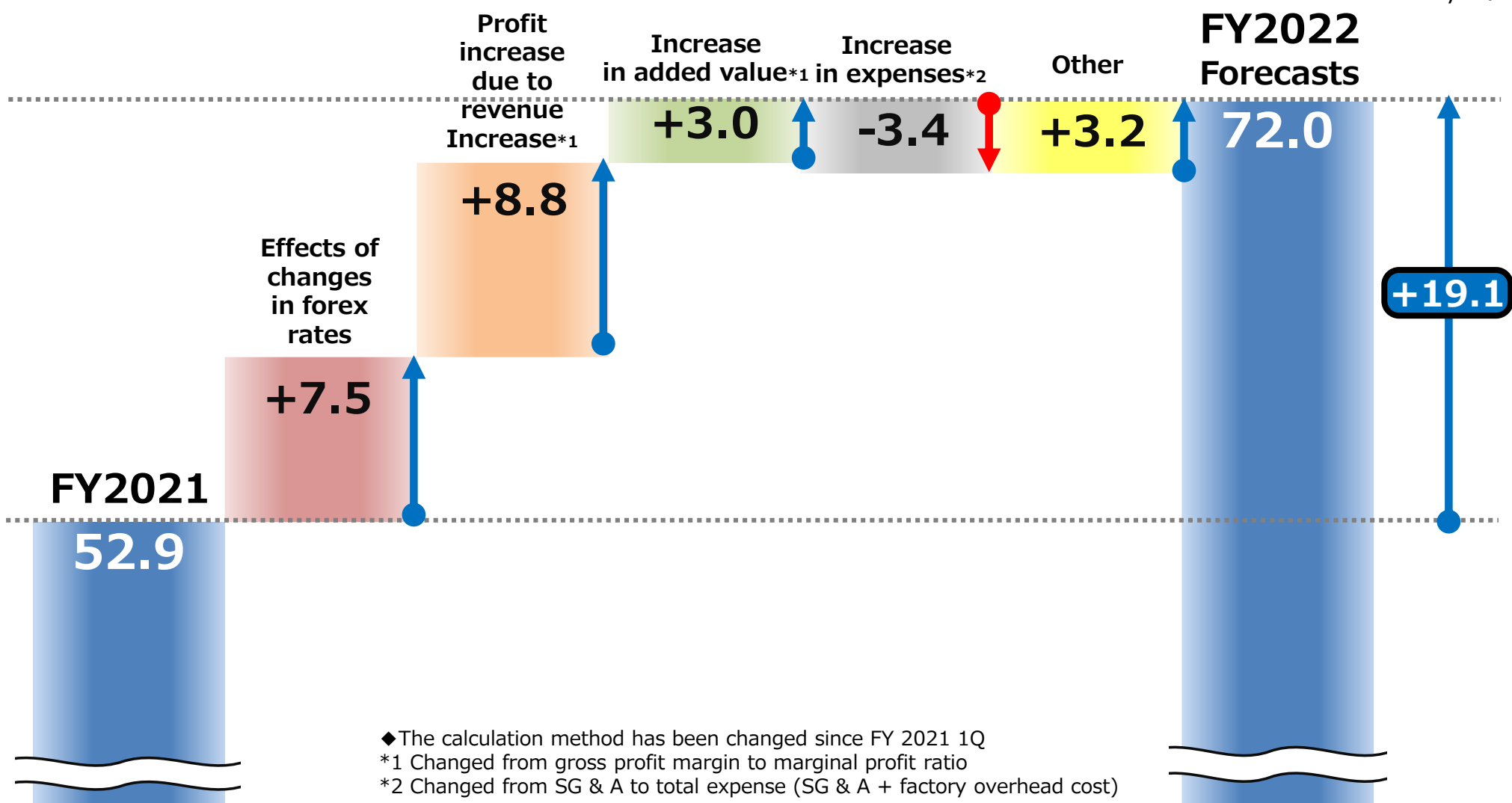
	FY2022 Forecasts	FY2021 Results	Changes	
			Amounts	%
Revenue	¥ 525.0bn.	¥ 479.1bn.	+¥ 45.9bn.	+9.6%
Operating profit	¥ 72.0bn.	¥ 52.9bn.	+¥ 19.1bn.	+36.2%
Profit before tax	¥ 74.0bn.	¥ 55.4bn.	+¥ 18.6bn.	+33.6%
Profit attributable to owners of parent	¥ 52.5bn.	¥ 38.4bn.	+¥ 14.1bn.	+36.9%

FY2022 Full-Year Financial Forecasts by Business Segment

	FY2022		FY2021		Changes	
	Forecasts	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
Revenue	525.0		479.1		+45.9	+9.6%
Motion Control	247.0		227.3		+19.7	+8.7%
Robotics	204.0		178.7		+25.3	+14.2%
System Engineering	53.0		52.3		+0.7	+1.4%
Other	21.0		20.9		+0.1	+0.5%
Operating profit	72.0	13.7%	52.9	11.0%	+19.1	+36.2%
Motion Control	45.3	18.3%	38.2	16.8%	+7.1	+18.7%
Robotics	26.4	12.9%	17.2	9.7%	+9.2	+53.1%
System Engineering	2.1	4.0%	2.1	4.1%	-0.0	-1.3%
Other	0.3	1.4%	0.4	1.8%	-0.1	-21.9%
Elimination or Corporate	-2.1	-	-5.1	-	+3.0	-

Breakdown of Changes in Operating Profit (FY2021 → FY2022 Forecasts)

(Billions of yen)



Measures for FY2022

➤ Establishment of "i³-Mechatronics" business model

➔ Development capabilities

- Building a concurrent system from development to production at YASKAWA Technology Center

➔ Production capabilities

- Improve production by strengthening parts procurement and increasing in-house production
- Realization of stable parts procurement through supply chain reform

➔ Sales capabilities

- Reorganize sales structure in Japan and strengthen cooperation with partners
- Capture growth market with new products (AC servo drive Σ -X, YRM-X controller, collaborative robot, etc.)

➤ Promotion of digital management

- Materialize the reform to provide new value to customers by connecting business data throughout the product life cycle (development, production, sales and service) (YDX*-II)

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

- Create a sustainable corporate structure by deepening the understanding of Group Principle of Management



YASKAWA Technology Center

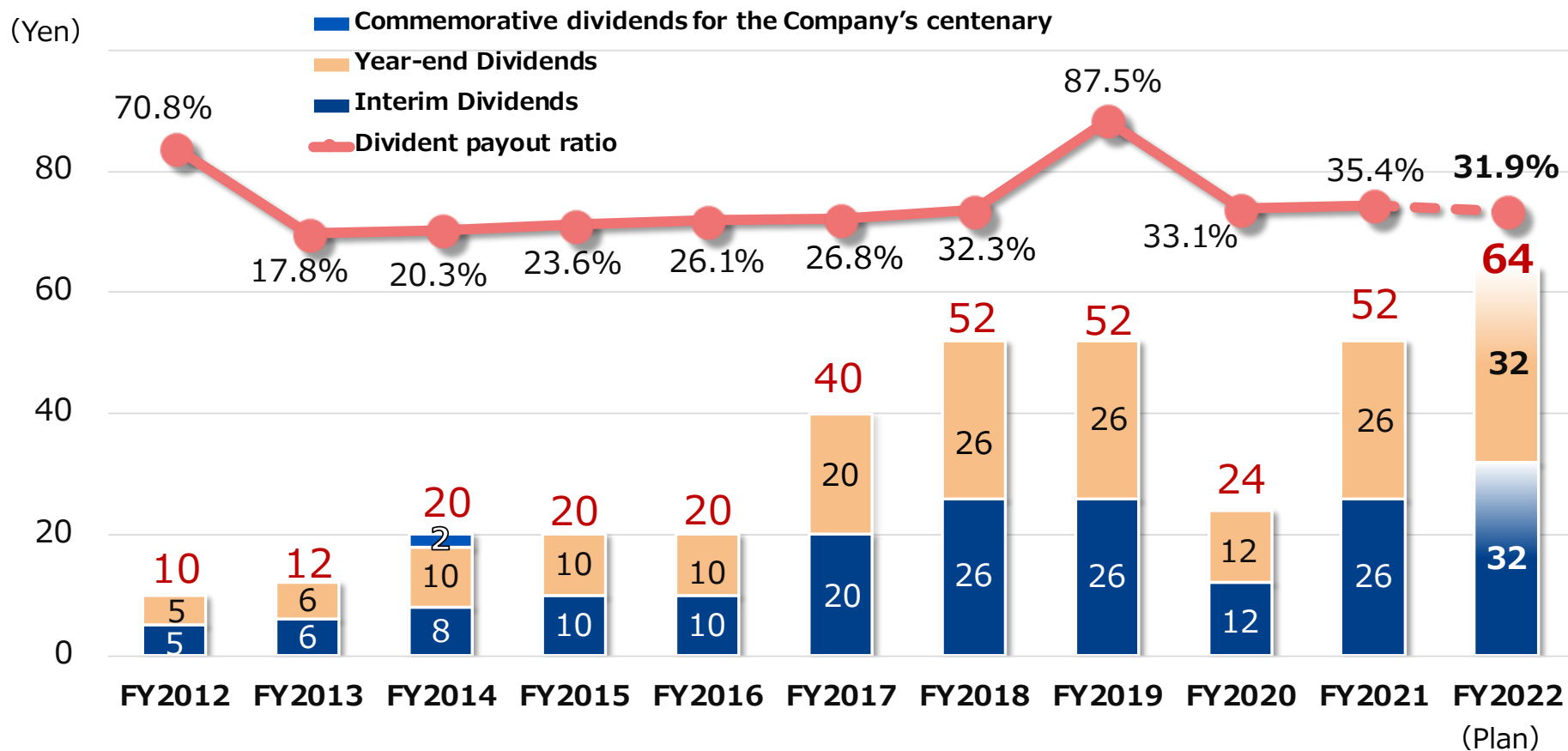
*YDX: Abbreviation for YASKAWA digital transformation.

Activities to visualize and centralize management resources and to allocate them optimally were carried out in YDX-I.

Shareholder Return (Dividends)

- In fiscal 2022, we plan to pay an annual dividend of 64 yen per share, an increase of 12 yen from the previous fiscal year.

Dividends



3. Reference

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

Capital expenditure, R&D investment

(Billions of yen)

	F Y 2 0 2 0	F Y 2 0 2 1	F Y 2 0 2 2 (Plan)
Capital expenditure	22.79	24.18	29.00
Depreciation and Amortization	16.09	17.48	18.00
R&D investment	17.85	18.18	19.00

Forex rates

Note: Average rate during the period

(yen)

	F Y 2 0 2 0			F Y 2 0 2 1			F Y 2 0 2 2 (Forecasts)
	1H	2H	Full-Year	1H	2H	Full-Year	Full-Year
USD	107.2	104.7	106.0	109.5	113.5	111.5	120.0
EUR	120.4	125.3	122.8	130.8	130.1	130.4	133.0
CNY	15.23	15.87	15.55	16.92	17.77	17.33	19.00
KRW	0.089	0.093	0.091	0.097	0.096	0.096	0.100

Forex sensitivity

(Billions of yen)

	Impact of 1% fluctuation (FY2021 Full-Year)	
	Revenue	Operating profit
USD	approx. 0.87	approx. 0.21
EUR	approx. 0.74	approx. 0.20
CNY	approx. 1.22	approx. 0.42
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 101.5 billion yen
(Turnover) (3.1 months)
- ROE 8.0%
- ROIC 7.0%

As of February 28, 2022

- Ratio of equity attributable to owners of parent 52.1%
- Equity attributable to owners of parent 291.2 billion yen
- Interest-bearing debt 68.0 billion yen
- D/E ratio 0.23
(Net D/E ratio) 0.04
- Inventory 131.8 billion yen
(Turnover) (3.3 months)
- ROE 14.3%
- ROIC 13.3%

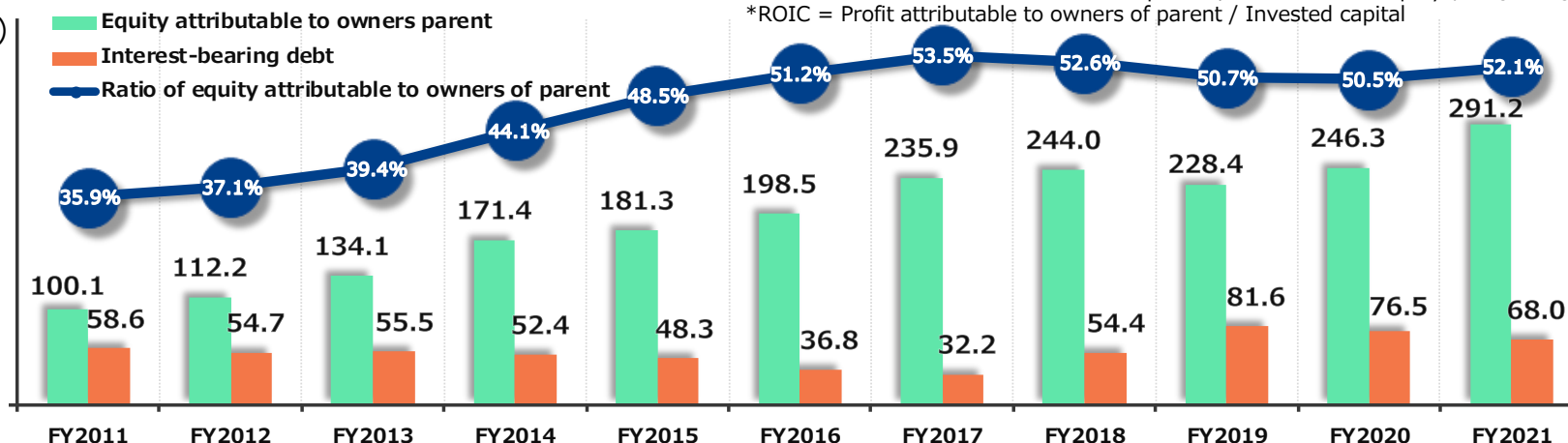
*Interest-bearing debt includes lease obligations.

*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

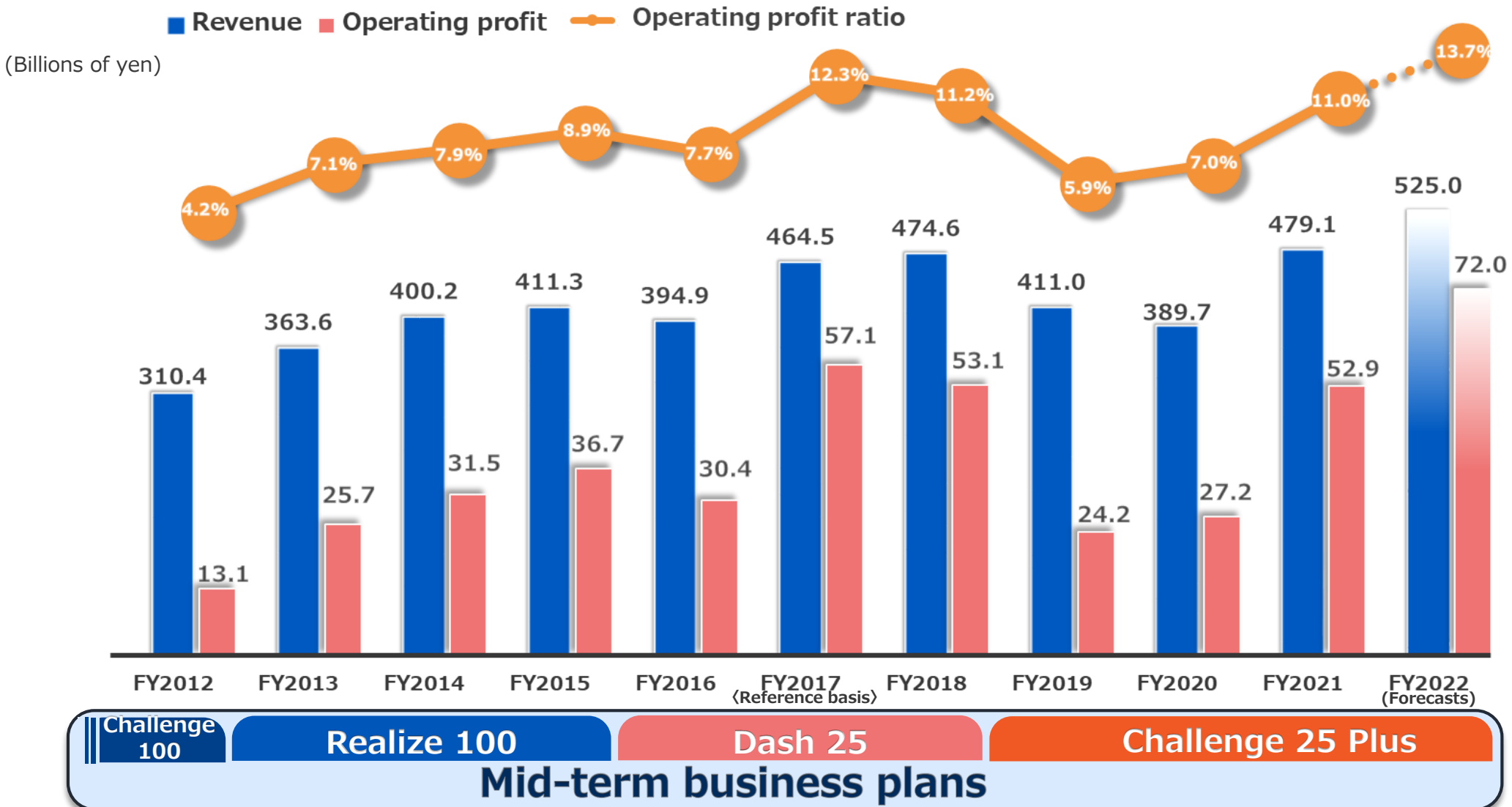
(Billions of yen)



	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Operating CF	6.4	24.6	24.0	29.0	32.0	33.8	46.1	34.3	21.5	39.6	49.2
Investment CF	- 11.9	- 18.1	- 16.9	- 27.9	- 22.4	- 18.9	- 18.9	- 27.1	- 20.6	- 9.6	- 24.2
Free CF	- 5.5	6.6	7.0	1.1	9.5	14.8	27.2	7.2	0.8	30.0	25.1

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

Revenue / Operating Profit (FY2012 – FY2022 Forecasts)



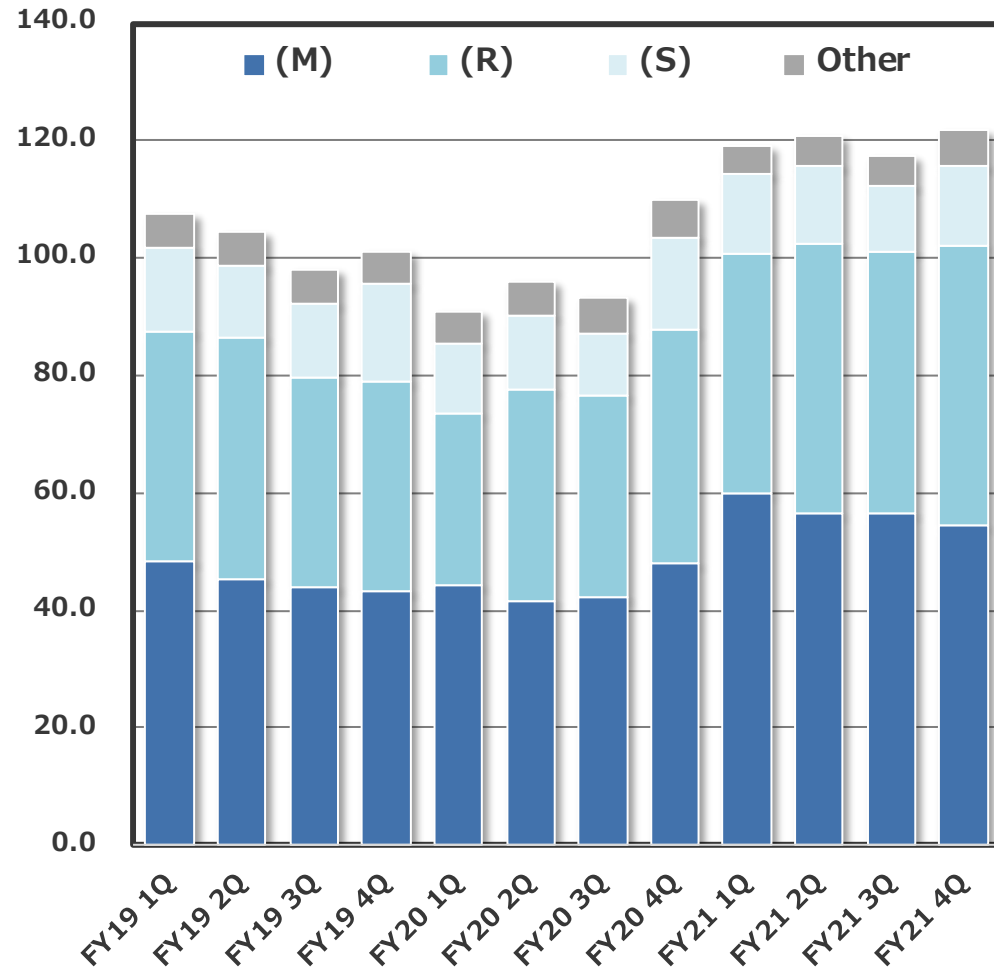
Note1: Data up to FY2017 are based on Japanese GAAP.

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

Quarterly Revenue Trends (1)

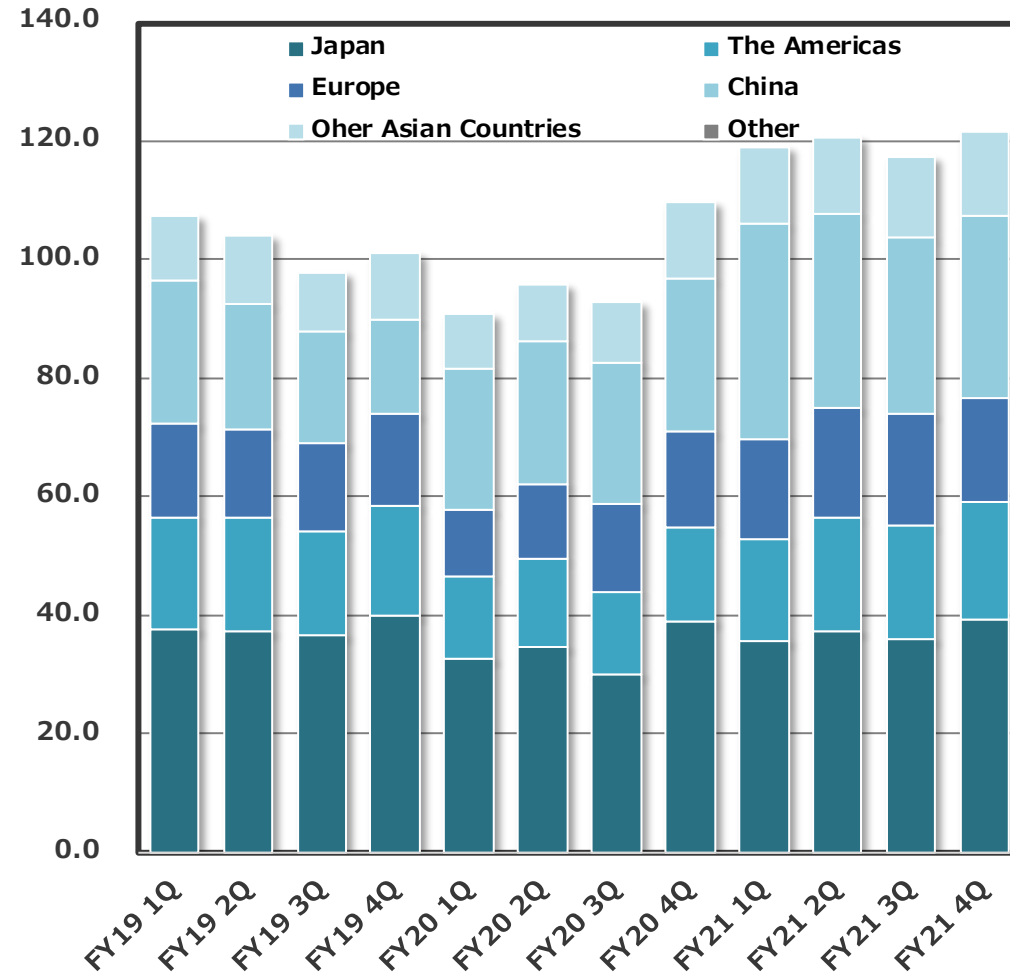
Business segment

(Billions of yen)



Destination

(Billions of yen)

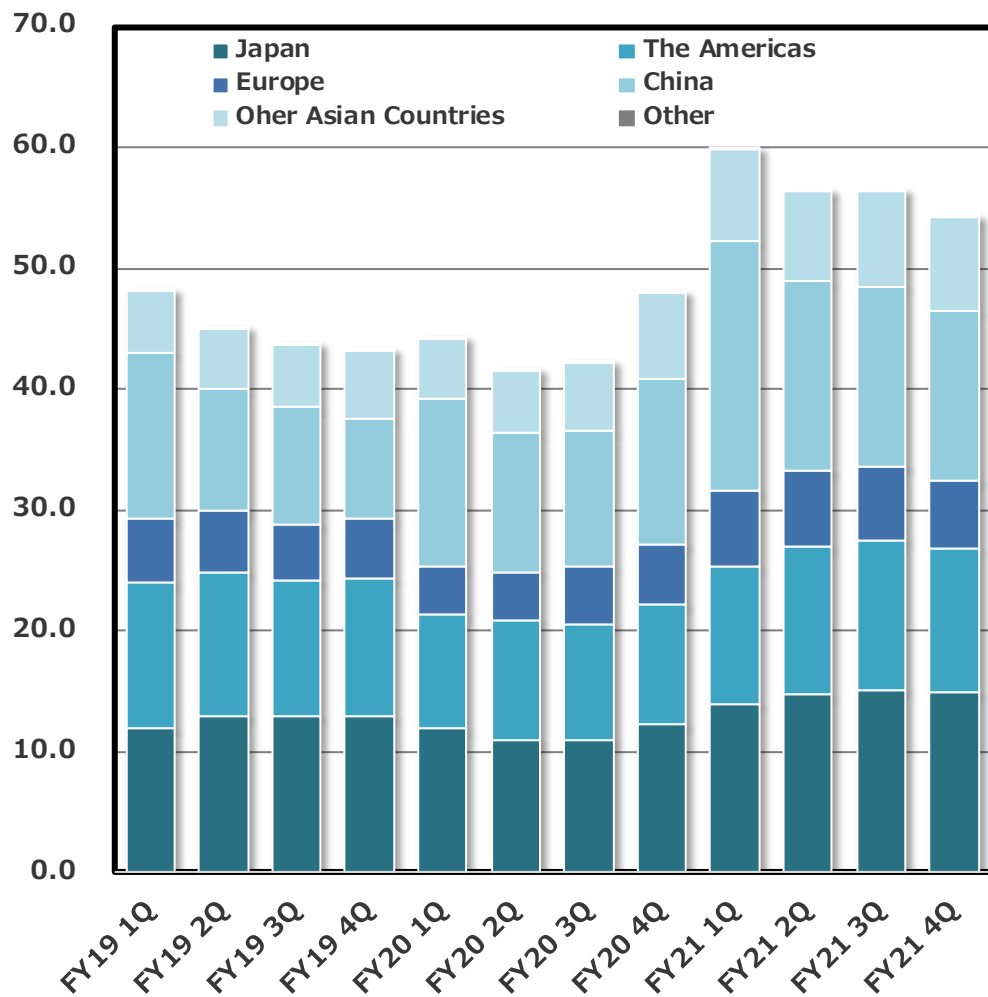


Note: (M) = Motion Control (R) = Robotics (S) = System Engineering

Quarterly Revenue Trends (2)

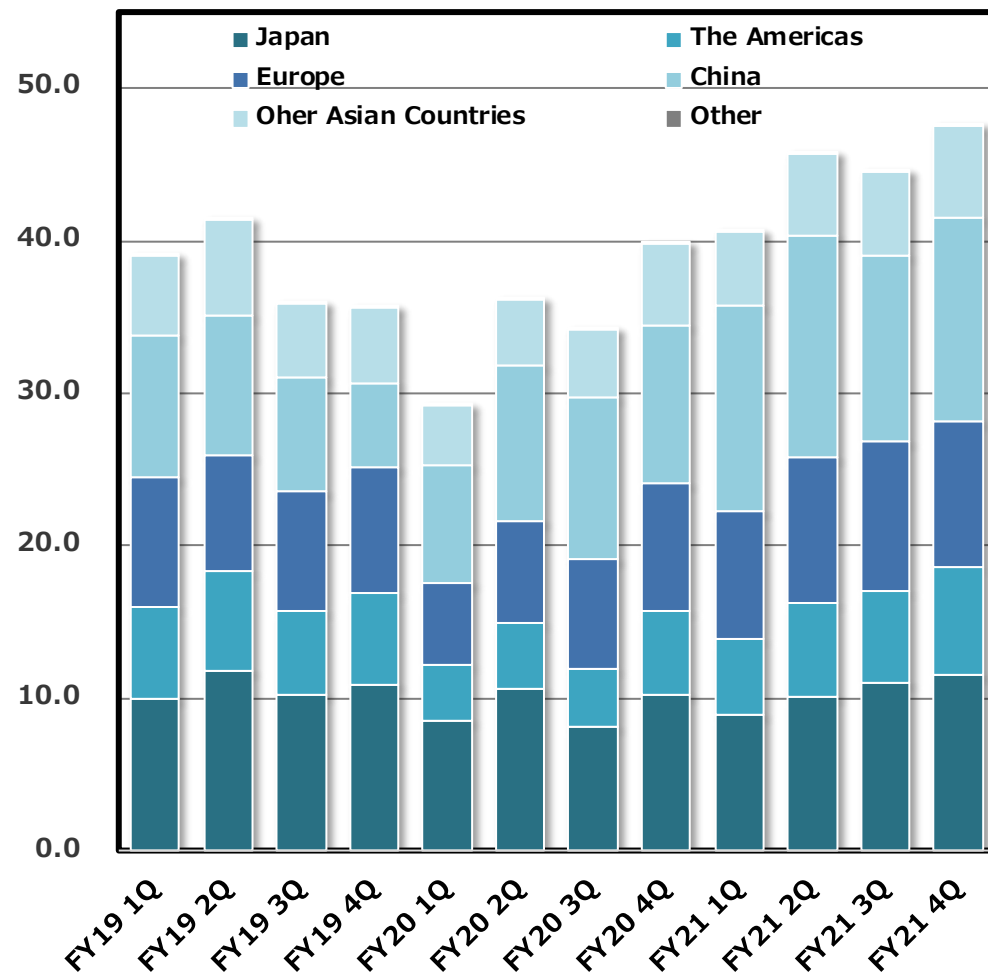
Motion Control

(Billions of yen)

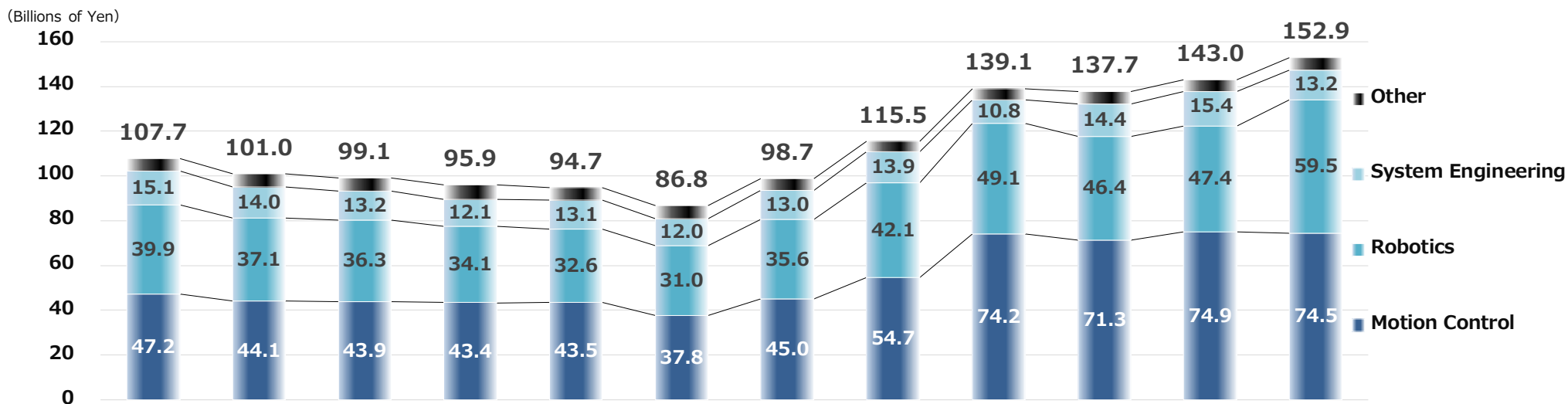


Robotics

(Billions of yen)



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

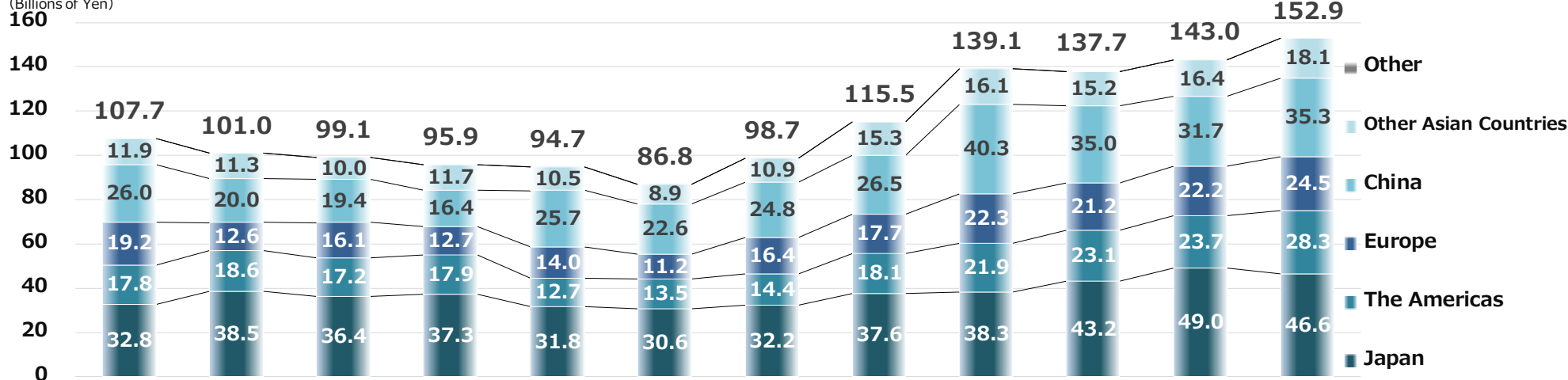


		FY2019				FY2020				FY2021			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total	YoY	-17%	-14%	-11%	-4%	-12%	-14%	-0%	+20%	+47%	+59%	+45%	+32%
	QoQ	+7%	-6%	-2%	-3%	-1%	-8%	+14%	+17%	+20%	-1%	+4%	+7%
YoY	(M)	-26%	-15%	-7%	+4%	-8%	-14%	+2%	+26%	+70%	+89%	+67%	+36%
	(R)	-19%	-22%	-17%	-15%	-18%	-16%	-2%	+23%	+51%	+50%	+33%	+41%
	(S)	+64%	+27%	-6%	-3%	-13%	-14%	-1%	+15%	-18%	+20%	+18%	-5%
QoQ	(M)	+13%	-7%	-0%	-1%	+0%	-13%	+19%	+22%	+36%	-4%	+5%	-1%
	(R)	-0%	-7%	-2%	-6%	-4%	-5%	+15%	+18%	+17%	-5%	+2%	+25%
	(S)	+21%	-7%	-6%	-8%	+8%	-8%	+8%	+7%	-23%	+34%	+6%	-14%
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	114.6
	Euro	124.7	120.6	119.3	120.9	117.9	122.8	124.0	126.6	130.7	130.9	130.5	129.7

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	2Q	3Q	4Q
Total	YoY	-17%	-14%	-11%	-4%	-12%	-14%	-0%	+20%	+47%	+59%	+45%	+32%
	QoQ	+7%	-6%	-2%	-3%	-1%	-8%	+14%	+17%	+20%	-1%	+4%	+7%
YoY	Japan	-15%	+1%	-4%	+6%	-3%	-20%	-11%	+1%	+21%	+41%	+52%	+24%
	The Americas	-23%	-8%	-21%	-5%	-28%	-28%	-16%	+1%	+72%	+71%	+64%	+56%
	Europe	+7%	-33%	-19%	-13%	-27%	-11%	+2%	+39%	+59%	+89%	+36%	+39%
	China	-22%	-21%	-3%	-15%	-1%	+13%	+28%	+62%	+57%	+55%	+28%	+33%
	Other Asian Countries	-30%	-20%	-18%	-7%	-12%	-21%	+8%	+31%	+54%	+71%	+51%	+18%
QoQ	Japan	-7%	+17%	-5%	+3%	-15%	-4%	+5%	+17%	+2%	+13%	+13%	-5%
	The Americas	-6%	+5%	-8%	+4%	-29%	+6%	+7%	+26%	+21%	+5%	+3%	+20%
	Europe	+32%	-34%	+27%	-21%	+10%	-20%	+46%	+8%	+26%	-5%	+5%	+10%
	China	+35%	-23%	-3%	-16%	+57%	-12%	+10%	+7%	+52%	-13%	-9%	+11%
	Other Asian Countries	-5%	-5%	-11%	+16%	-10%	-15%	+22%	+41%	+6%	-6%	+7%	+11%

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