

FY2022 1st Quarter Financial Results (Three Months Ended May 31, 2022)

Notes:

- **Yaskawa has changed the basis for calculating regional information (revenue and order) from the destination (customer locations) to the location of each Yaskawa Group company since FY2022. As a result, figures for FY2021 have been adjusted to reflect the changes. (Refer to page 17)**
- 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】

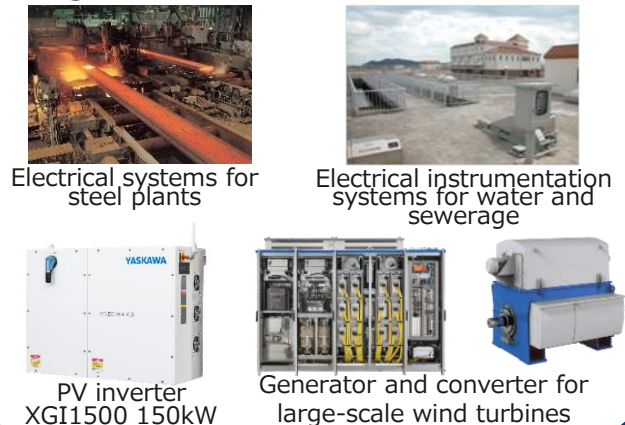
- Industrial robots
 - Arc and spot welding robots, painting robots
 - FPD glass sheet transfer robots, handling robots
- Semiconductor wafer transfer robots
- Biomedical robots
- Collaborative robots



System Engineering

【Core products】

- Electrical systems for steel plants
- Electrical instrumentation systems for water supply plants and sewage treatment facilities
- PV inverters
- Generator and converter for large-scale wind turbines



Other

- Logistics

1 . FY2022 1Q Financial Results **(Three Months Ended May 31, 2022)**

FY2022 1Q Financial Results (Highlights)

- Although the business was affected by the lockdown in China, the other regions saw solid performance, and the revenue increased year-on-year.
- The profit increased due to the depreciation of the yen and other factors while there was an impact of the rising raw material costs.

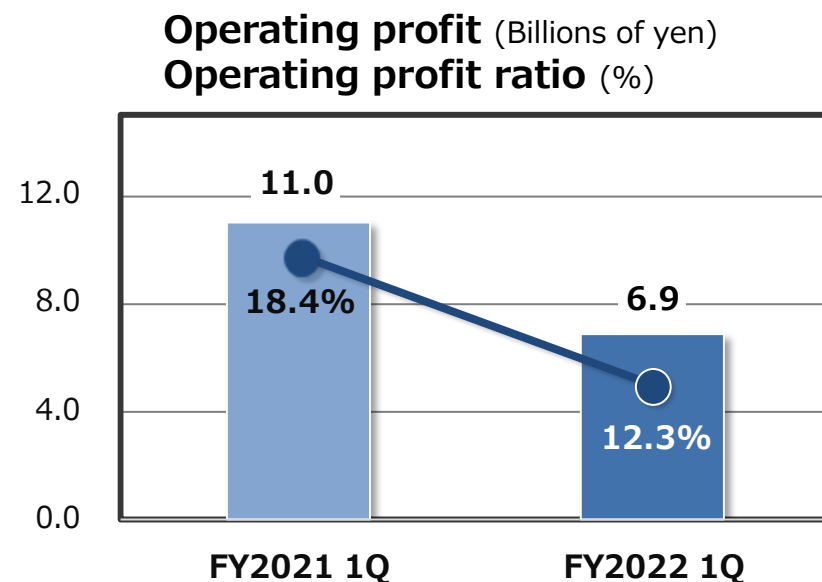
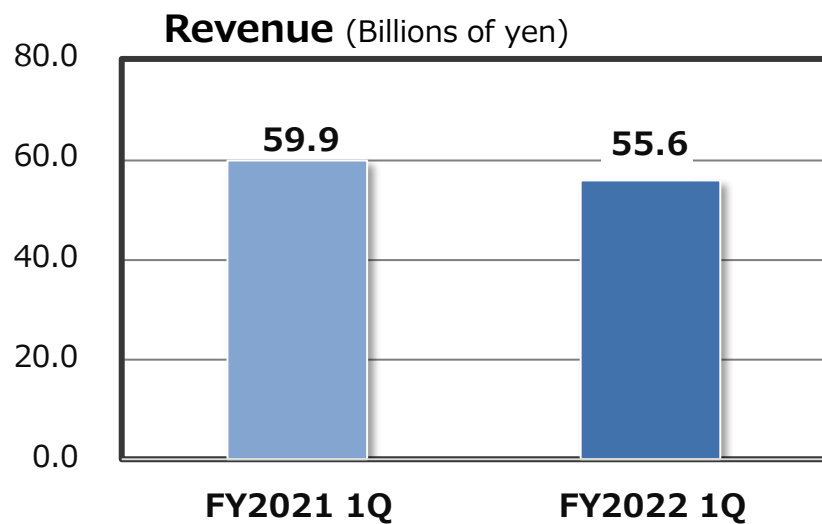
	FY2022	FY2021	Changes	
	1Q Results	1Q Results	Amounts	%
Revenue	¥ 120.3bn.	¥ 119.0bn.	+¥ 1.3bn.	+1.1%
Operating profit	¥ 14.0bn.	¥ 12.9bn.	+¥ 1.0bn.	+7.8%
Profit before tax	¥ 15.2bn.	¥ 13.5bn.	+¥ 1.6bn.	+12.0%
Profit attributable to owners of parent	¥ 10.4bn.	¥ 10.1bn.	+¥ 0.3bn.	+2.8%

FY2022 1Q Financial Results by Business Segment

- Revenue and profit decreased in Motion Control because of the lockdown in China.
- Revenue and profit increased in Robotics due to the demand related to the adoption of EVs (electric vehicles) and the lithium-ion batteries.

	FY2022 1Q		FY2021 1Q		Changes	
	Results	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
Revenue	120.3		119.0		+1.3	+1.1%
Motion Control	55.6		59.9		-4.3	-7.2%
Robotics	44.5		40.7		+3.9	+9.5%
System Engineering	14.3		13.7		+0.6	+4.3%
Other	5.8		4.7		+1.2	+24.7%
Operating profit	14.0	11.6%	12.9	10.9%	+1.0	+7.8%
Motion Control	6.9	12.3%	11.0	18.4%	-4.2	-37.9%
Robotics	3.3	7.5%	2.1	5.1%	+1.3	+61.9%
System Engineering	1.0	7.3%	0.6	4.4%	+0.4	+72.9%
Other	0.1	1.4%	0.1	3.0%	-0.1	-41.2%
Elimination or Corporate	2.6	-	-0.9	-	+3.5	-

Business Segment Overview: Motion Control



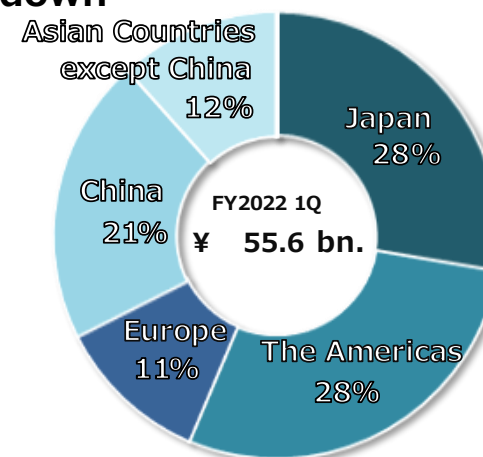
[Revenue]

- 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. Although demand for the growing markets such as the adoption of EVs, the lithium-ion batteries, and solar panels remained firm in China, the revenue was sluggish due to the logistics disruption by the lockdown.
- In Drives business, although capital investment related to oil and gas increased in the U.S., the lockdown in China had a significant impact, resulting in stagnant.

[Operating Profit]

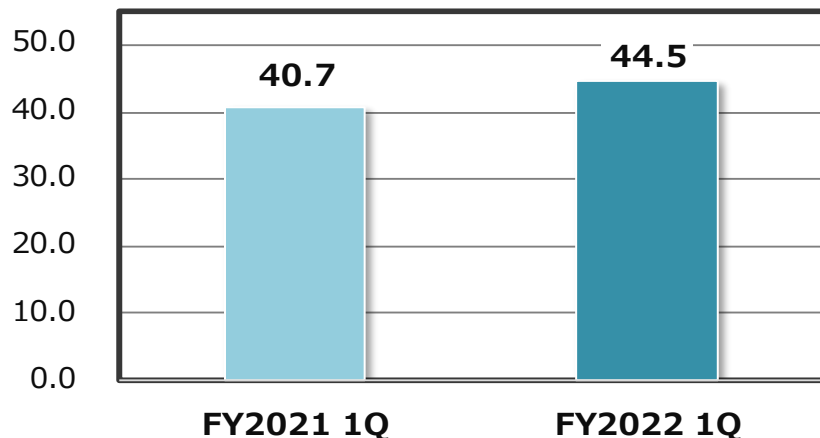
- Profit decreased because of the impact of higher raw material costs and shortages of parts supply as well as the revenue decrease in China.

Revenue breakdown by region

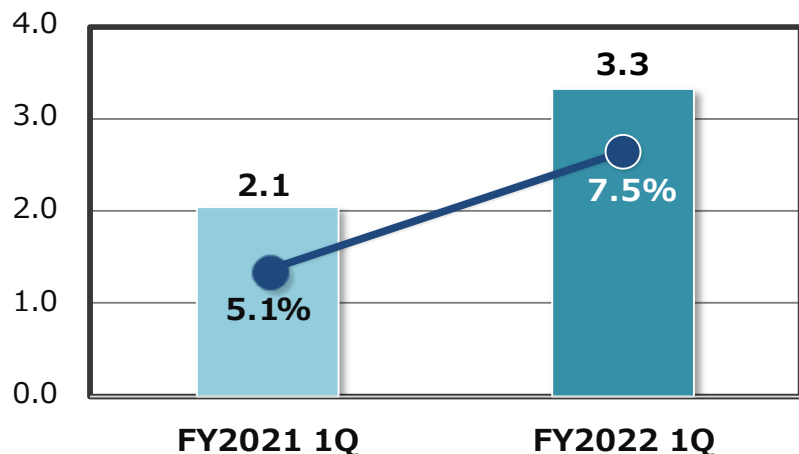


Business Segment Overview: Robotics

Revenue (Billions of yen)



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



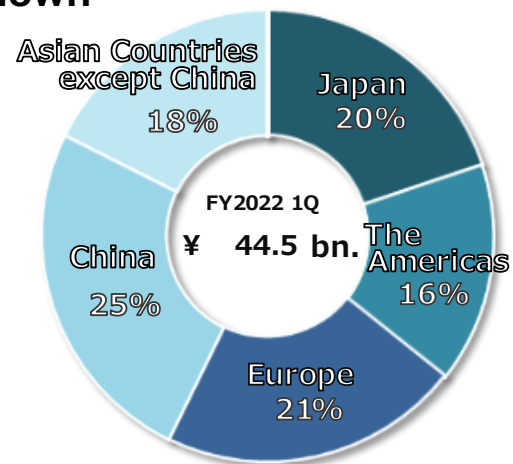
[Revenue]

- In the automotive market, the shift to EVs was accelerating globally and capital investment in the lithium-ion batteries continued to expand.
- Investments were made in the general industrial market for the purpose of upgrading and automating production through the use of collaborative robots, etc. In addition, the semiconductor robot performed well due to the growing demand in the semiconductor and electronic components markets.
- The revenue expanded due to the new consolidation of Doolim-Yaskawa Co., Ltd., a manufacturer of systems using painting and sealing robots and other factors.

[Operating Profit]

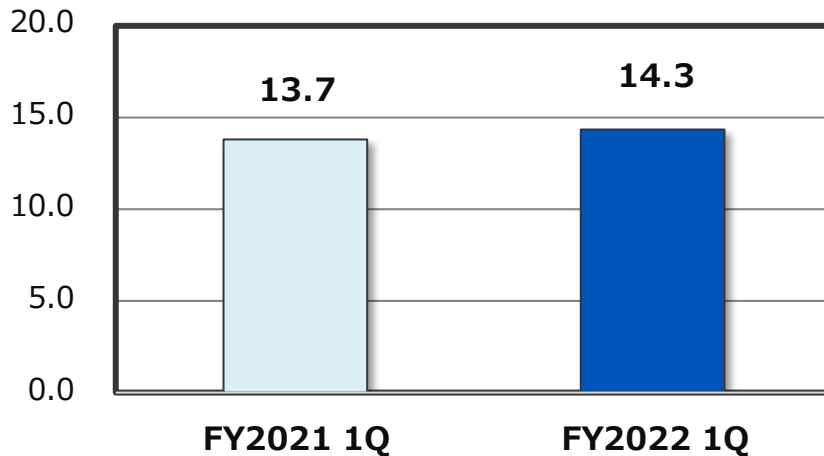
- Profit increased due to rise in revenue and improvement in capacity utilization.

Revenue breakdown by region



Business Segment Overview: System Engineering

Revenue (Billions of yen)



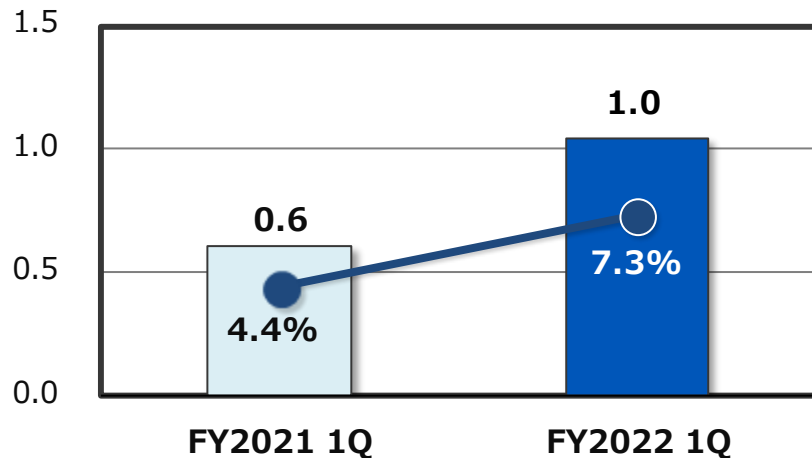
[Revenue]

- Demand for port cranes in Asian countries and production facilities for lithium-ion batteries remained high.
- The sales of electric products for large-scale wind turbines and PV inverters for solar power generation were strong due to steady acquisition of projects.

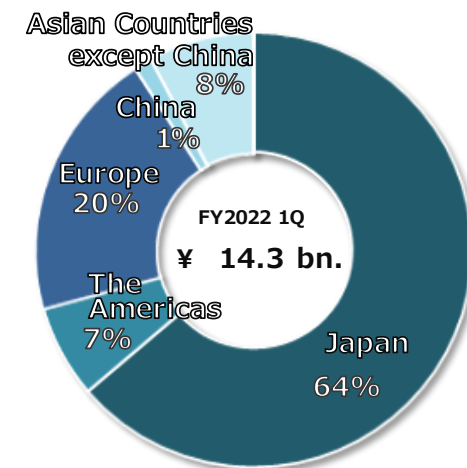
[Operating Profit]

- Operating profit increased due to the effects of structural reform and continued cost reduction.

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

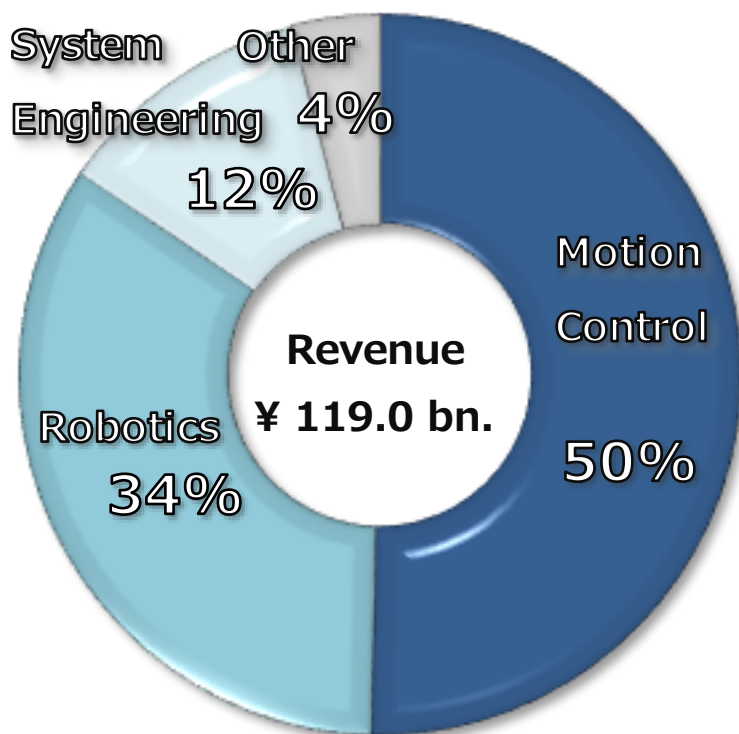


Revenue breakdown by region

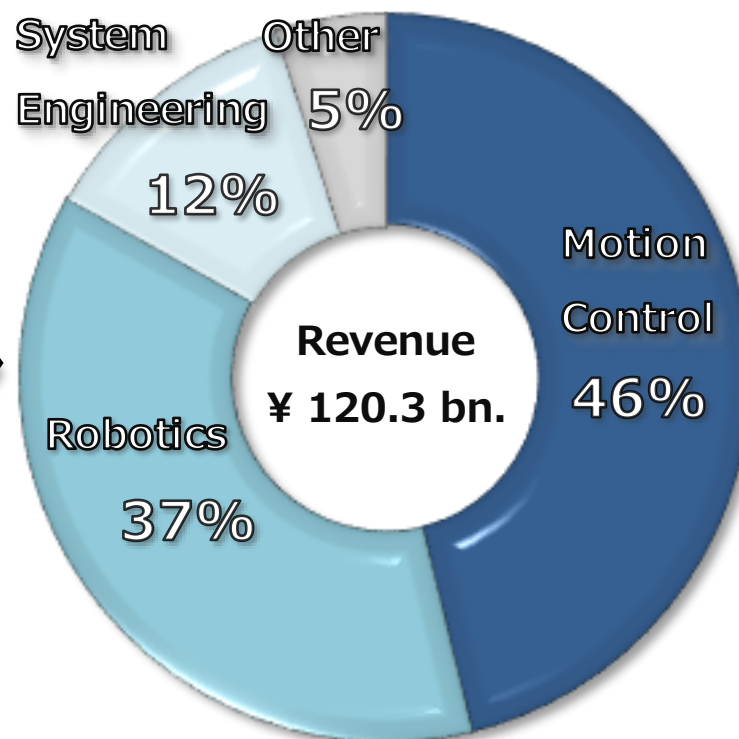


Revenue Breakdown by Business Segment

FY2021 1Q



FY2022 1Q



Revenue Breakdown by Location (1)

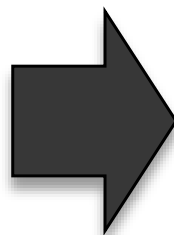
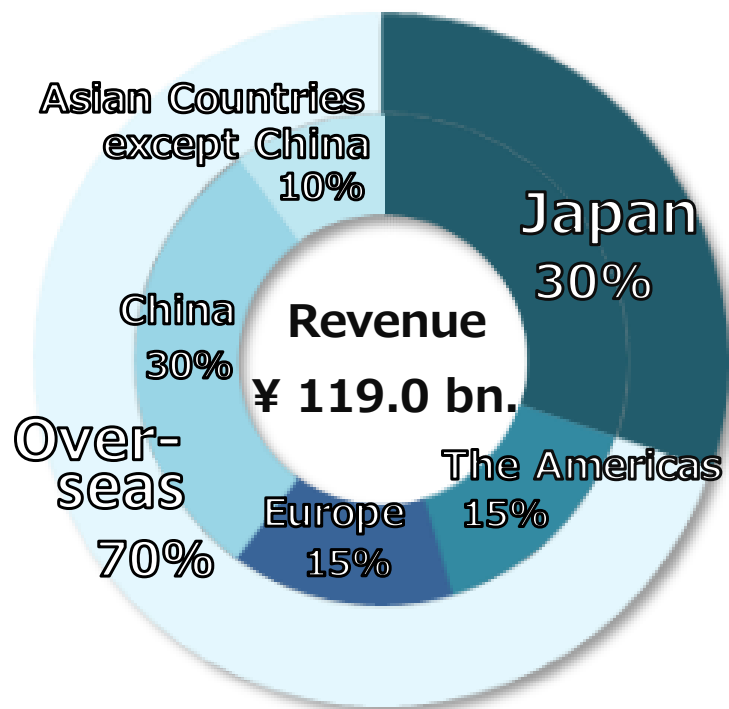
- The revenue in the U.S. and Asian countries except China grew, which made up for the impact of the lockdown in China.

(Billions of yen)	FY2022	FY2021	Changes	
	1Q Results	1Q Results	Amounts	%
Revenue	120.3	119.0	+1.3	+1.1%
Japan	37.7	35.8	+1.9	+5.4%
Overseas	82.6	83.2	-0.6	-0.7%
The Americas	24.0	18.4	+5.6	+30.6%
Europe	18.7	17.5	+1.2	+6.8%
China	24.4	35.7	-11.3	-31.6%
Asian Countries except China	15.4	11.6	+3.9	+33.3%

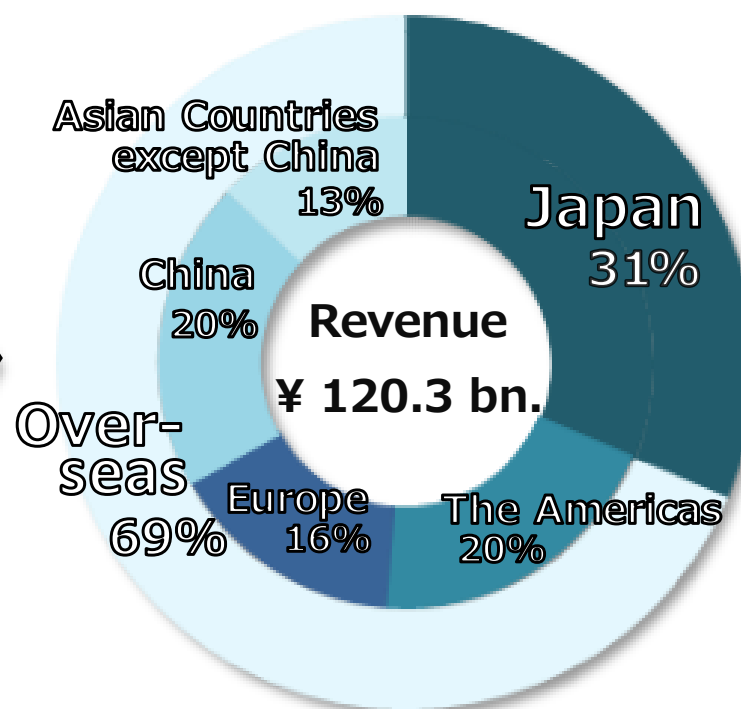
Note : Europe includes Middle East and Africa.

Revenue Breakdown by Location (2)

FY2021 1Q



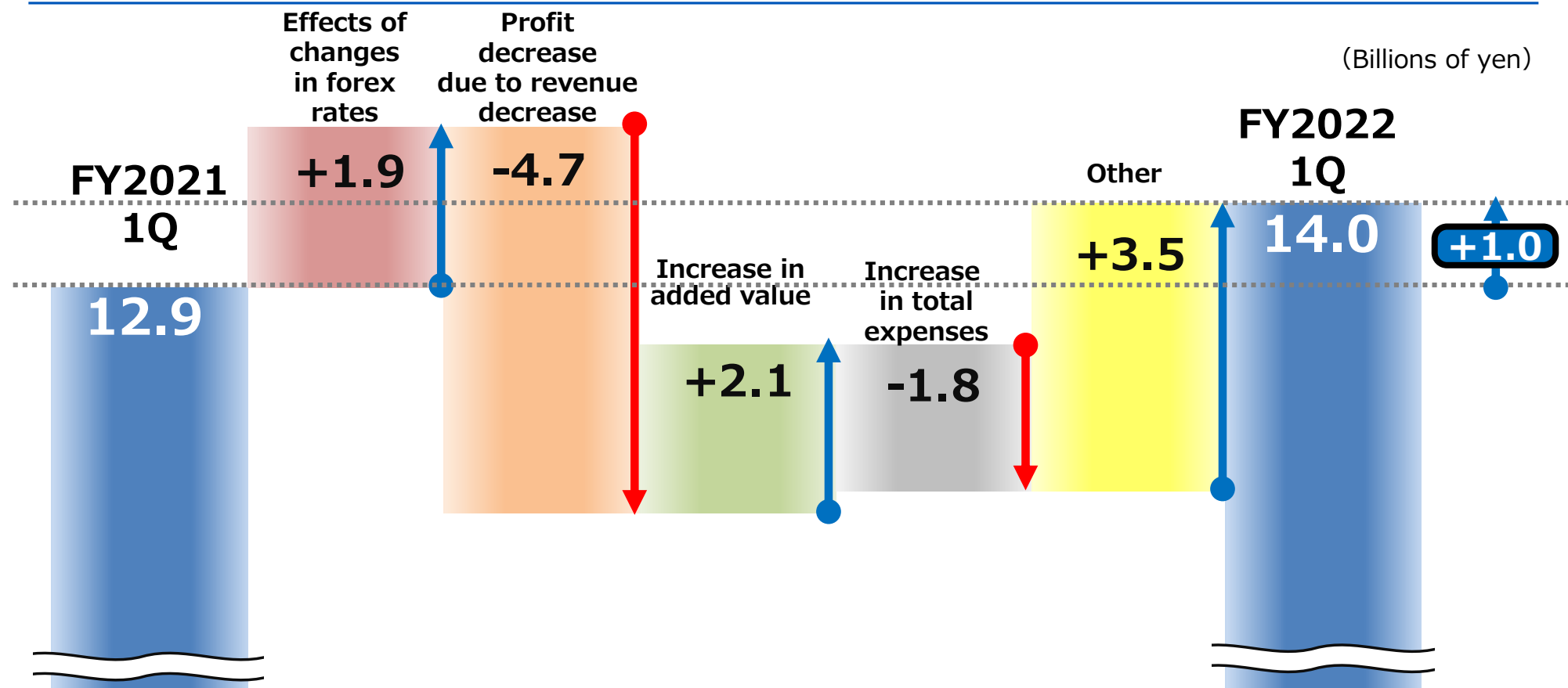
FY2022 1Q



Note : Europe includes Middle East and Africa.

Breakdown of Changes in Operating Profit (FY2021 1Q → FY2022 1Q)

(Billions of yen)



Breakdown	Effects of changes in forex rates	Change in profit due to change in revenue	Change in added value	Change in total expenses	Other
Motion Control	+ 1.0	- 4.5	- 0.3	- 0.4	+ 0.0
Robotics	+ 0.9	- 0.5	+ 2.1	- 1.2	- 0.0
System Engineering	+ 0.0	+ 0.1	+ 0.0	+ 0.3	- 0.0
Other	+ 0.0	+ 0.2	+ 0.3	- 0.5	+ 3.5

Measures for FY2022 1Q

➤ Establishment of “i³-Mechatronics” business model

➔ Development capabilities

- Improved the development and design process to ensure long-term stable procurement of adopted parts

➔ Production capabilities

- Commenced mass production at YASKAWA (Changzhou) Mechatronics system Co., Ltd., a production site for major components such as printed circuit boards and electronic units used at production sites in China
- Built a promotion system to strengthen global parts procurement capabilities



YASKAWA (Changzhou)
Mechatronics system Co., Ltd.,

➔ Sales capabilities

- Gained understanding of customers about i³-Mechatronics through exhibitions, etc. and made proposals based on i³-Mechatronics concept
- Clarified roles of domestic sales subsidiaries in sales and started of integrated operations to strengthen solution sales

➤ Promotion of digital management

- Launched an initiative throughout the product life cycle (development, production, sales, and service) to enhance the value provided to customers (YDX^{*1}-II)

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

- Revised reduction targets for Scope 1 + 2^{*2} to higher ones and added a new reduction target for Scope3^{*3} to achieve carbon neutrality by 2050
- Reinforced activities to penetrate Yaskawa Group Principle of Management to employees

^{*1} Abbreviation form for YASKAWA digital transformation. Activities to visualize and centralize management resources and to allocate them optimally were carried out in YDX-I.

^{*2} Scope 1 : Emissions associated with fuel use (direct emissions). Scope 2: Emissions associated with the use of purchased electricity and heat (indirect emissions by electric power companies, etc.).

^{*3} Indirect emissions except for Scope 1 and 2. (emissions by other companies related to own business activities)

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

FY2022 Full-Year Financial Forecasts (Highlights)

- The financial forecast announced on April 8, 2022 remain unchanged, taking into account the strong orders.

	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%

3. Reference

Retroactive Application of the Change in the Basis for Calculating Regional Information to FY2021 Results (Revenue and Order)

FY2021 (After revision from destination to location)								Changes
(Unit: Billions of yen)	1Q	2Q	1H	3Q	4Q	2H	Full-Year	Full-Year
Revenue	119.0	120.9	239.9	117.5	121.7	239.2	479.1	-
Japan	35.8	37.8	73.5	36.4	40.2	76.6	150.2	+2.0
Overseas	83.2	83.1	166.4	81.0	81.5	162.5	328.9	-2.0
The Americas	18.4	20.6	39.0	20.6	21.1	41.7	80.7	+5.4
Europe	17.5	18.7	36.2	19.4	18.2	37.6	73.7	+2.0
China	35.7	31.8	67.6	28.8	29.7	58.5	126.1	-3.3
Asian Countries except China	11.6	12.0	23.6	12.2	12.6	24.8	48.4	-5.7
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.5

FY2021 (After revision from destination to location)								Changes
(Unit: Billions of yen)	1Q	2Q	1H	3Q	4Q	2H	Full-Year	Full-Year
Order	139.1	137.7	276.8	143.0	152.9	296.0	572.8	-
Japan	38.8	44.0	82.8	50.6	48.7	99.3	182.1	+4.8
Overseas	100.3	93.7	194.0	92.5	104.2	196.7	390.7	-4.8
The Americas	23.9	25.2	49.1	25.7	31.5	57.2	106.3	+9.3
Europe	23.0	22.0	45.0	22.9	25.3	48.2	93.2	+2.9
China	39.5	33.6	73.1	29.9	32.2	62.1	135.2	-7.2
Asian Countries except China	13.9	13.0	26.8	14.0	15.2	29.2	56.0	-9.8
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	+0.0

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)		
	1Q	1H	Full-Year	1Q	1H	Full-Year	1Q (Results)	1H	Full-Year
USD	107.6	107.2	106.0	109.0	109.5	111.5	124.2	122.1	121.0
EUR	117.9	120.4	122.8	130.7	130.8	130.4	134.3	133.6	133.3
CNY	15.21	15.23	15.55	16.79	16.92	17.33	19.12	19.06	19.03
KRW	0.088	0.089	0.091	0.097	0.097	0.096	0.100	0.100	0.100

Forex sensitivity

(Billions of yen)

	Impact of 1% fluctuation (Guideline for FY2022 Full-Year Forecasts)	
	Revenue	Operating profit
USD	0.95	0.25
EUR	0.80	0.21
CNY	1.33	0.46
KRW	0.27	0.18

Financial Indices

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 (Turnover)	131.8 billion yen (3.3 months)
➤ ROE	14.3%
➤ ROIC	13.3%

As of May 31, 2022

➤ Ratio of equity attributable to owners of parent	50.0%
➤ Equity attributable to owners of parent	304.4 billion yen
➤ Interest-bearing debt	97.3 billion yen
➤ D/E ratio	0.32
➤ (Net D/E ratio)	0.06
➤ Inventory (Turnover)	149.9 billion yen (3.7 months)

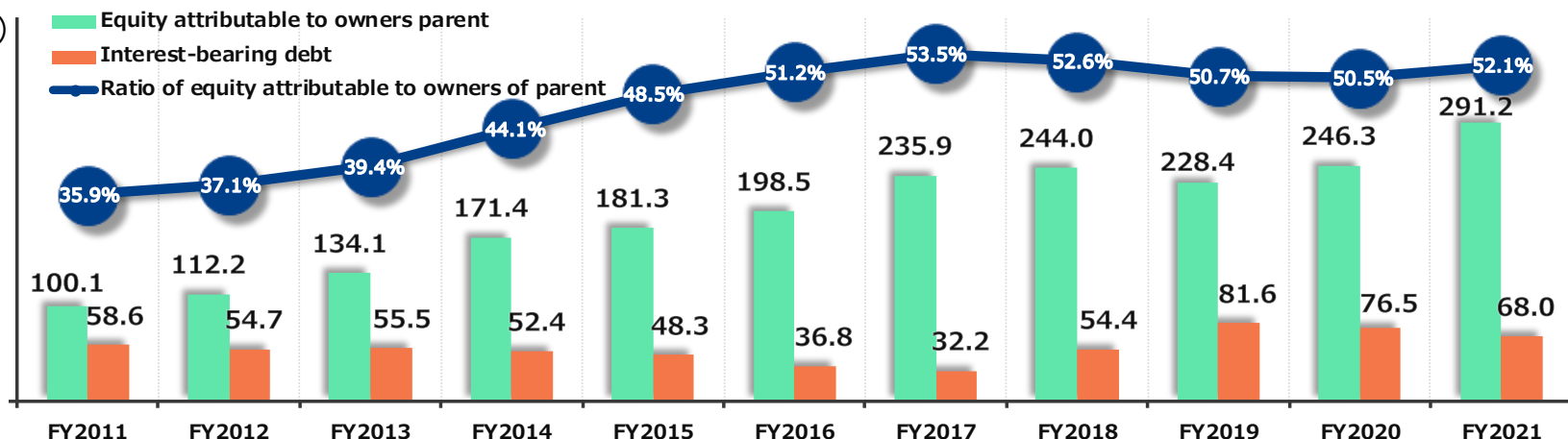
*Interest-bearing debt includes lease obligations.

*Inventory at the end of the period is used for calculating turnover months.

*ROE = Profit attributable to owners of parent / Shareholders' equity (average of beginning and end of fiscal year)

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

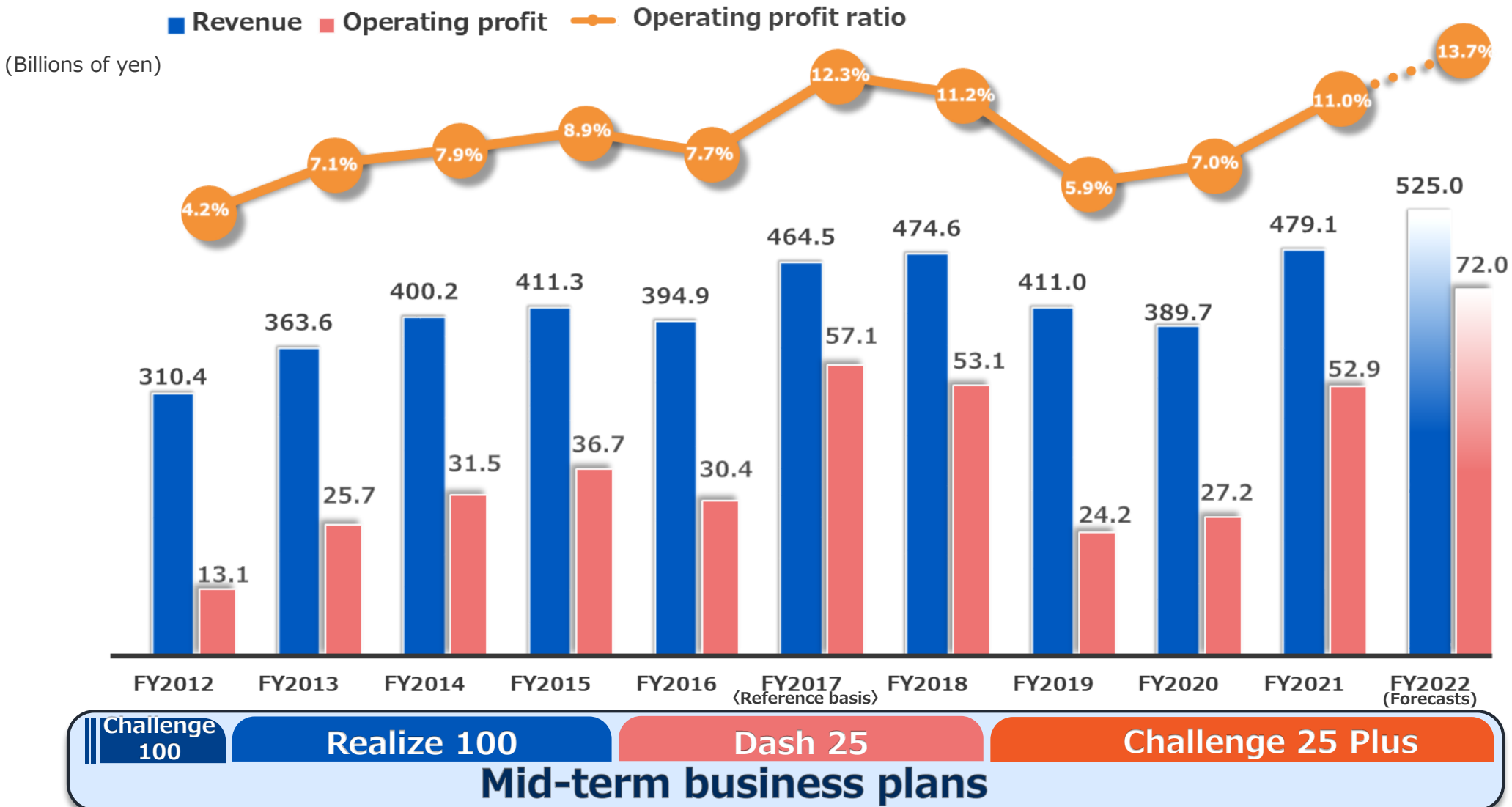
(Billions of yen)



Operating CF	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)



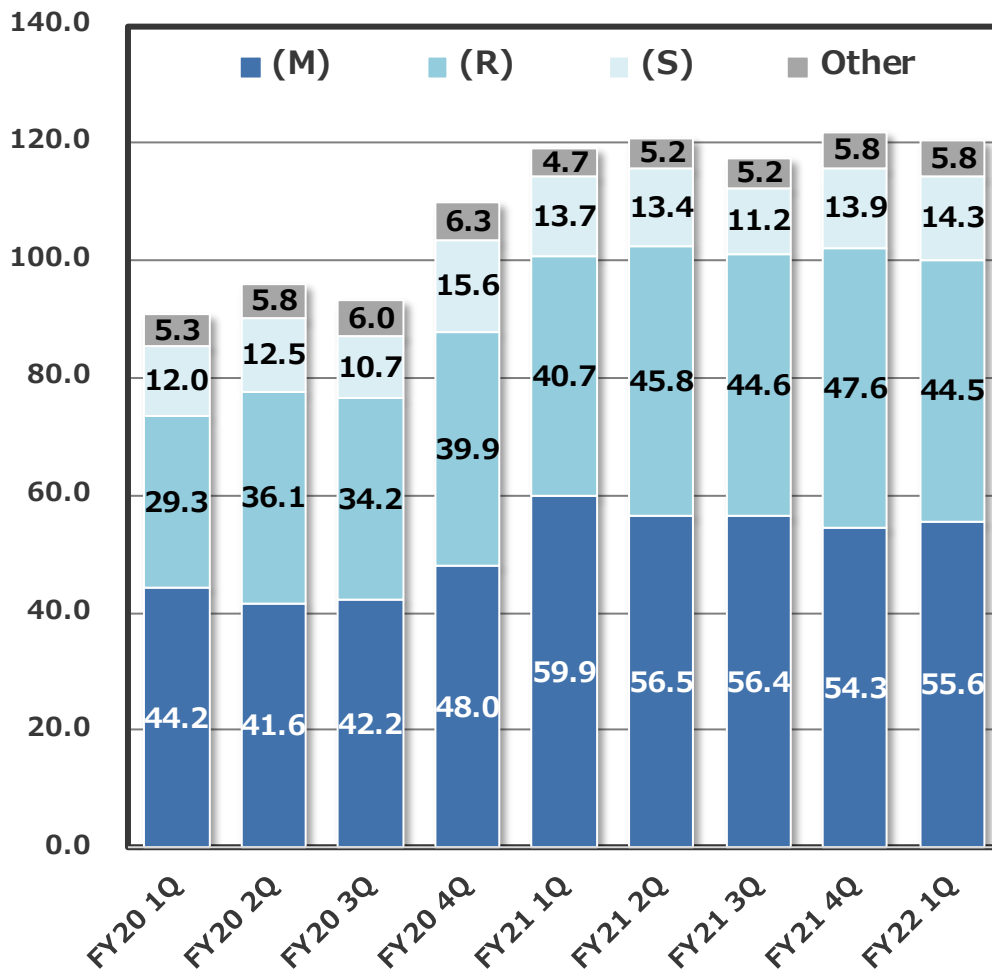
Note1: Data up to FY2017 are based on Japanese GAAP.

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

Quarterly Revenue Trends (1)

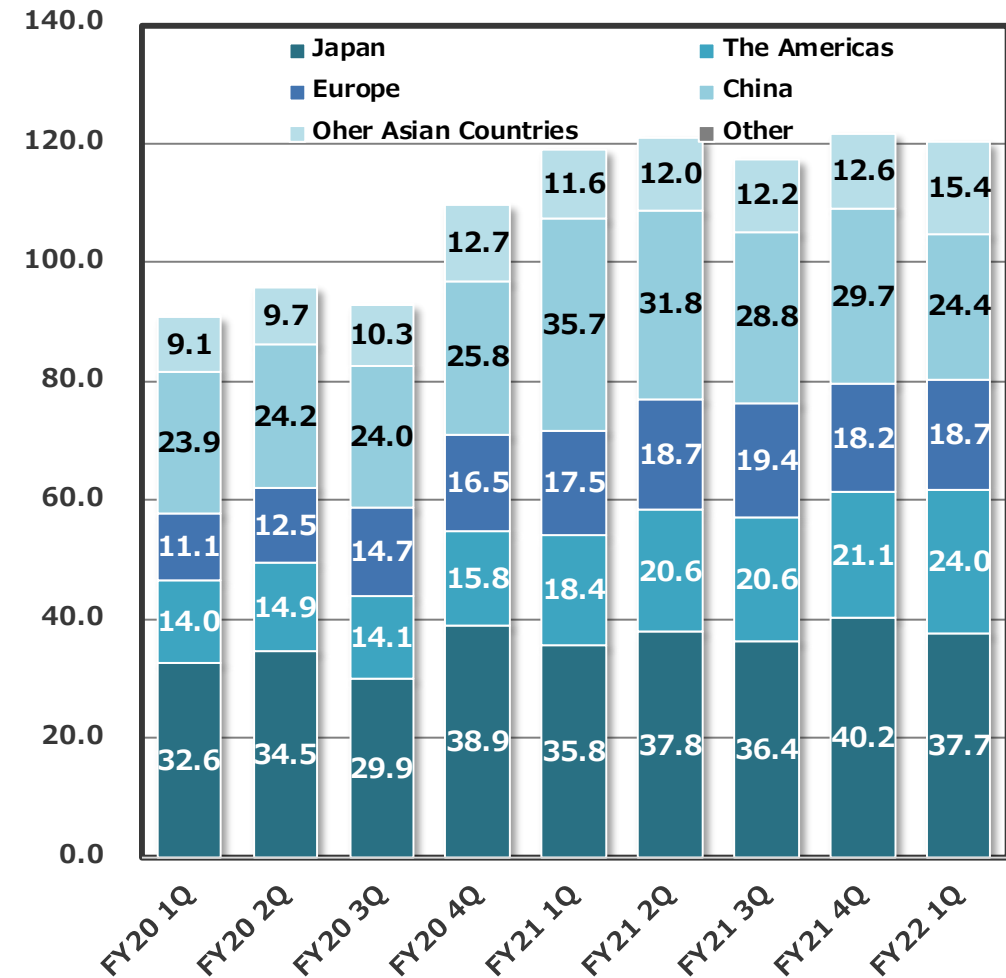
Business segment

(Billions of yen)



Location

(Billions of yen)



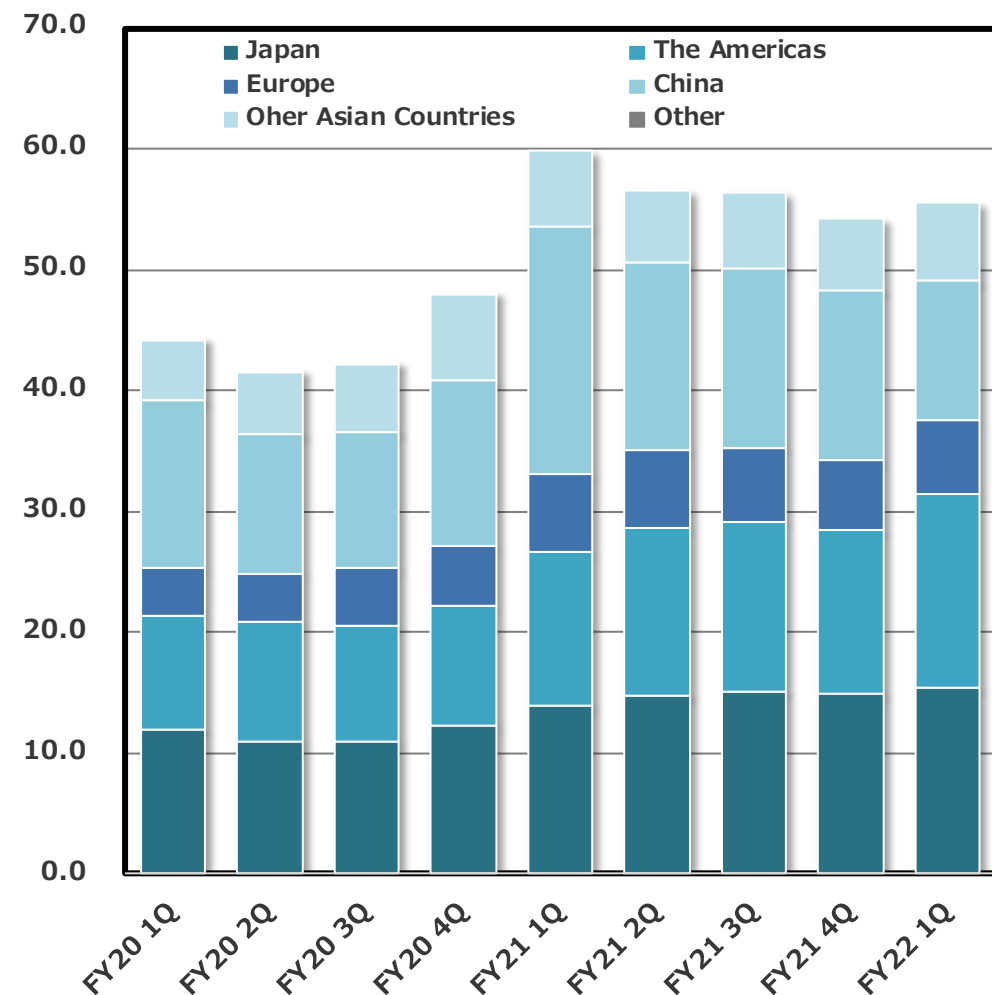
Note1: (M) = Motion Control (R) = Robotics (S) = System Engineering

Note2: Location figures for FY2020 are based on destination.

Quarterly Revenue Trends (2)

Motion Control

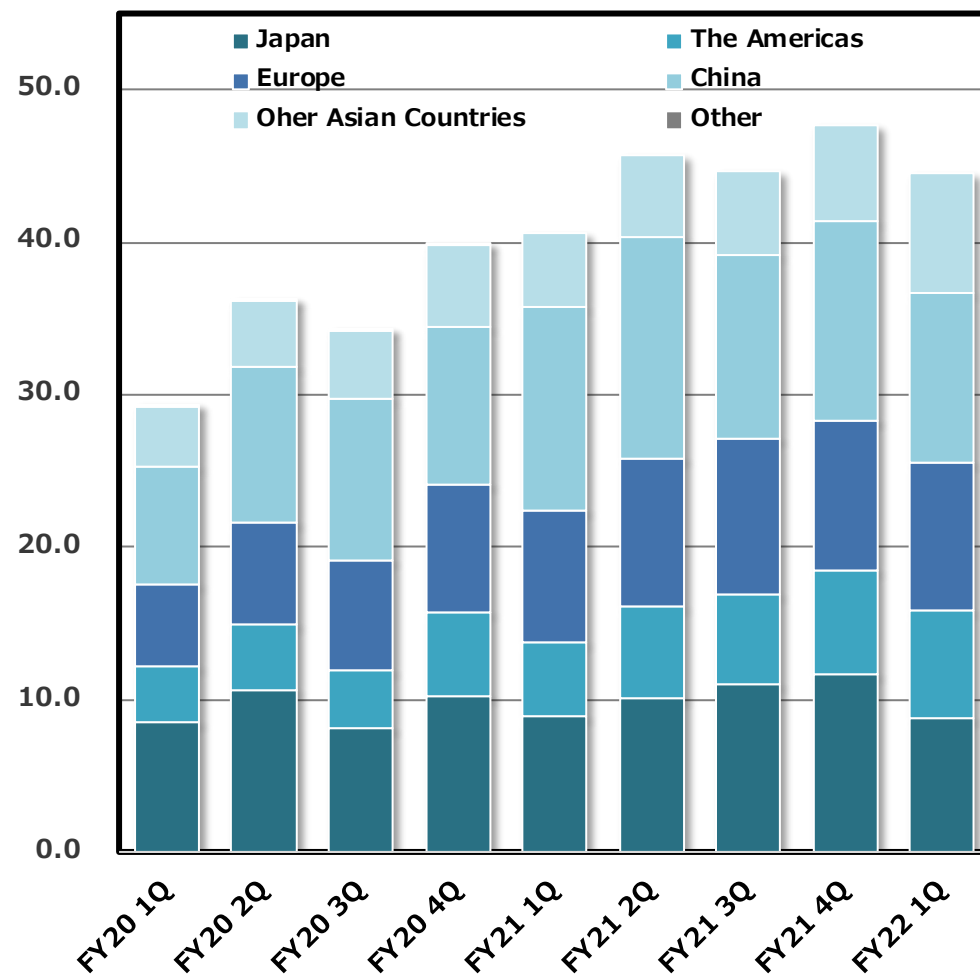
(Billions of yen)



Note: FY2020 data are based on destination.

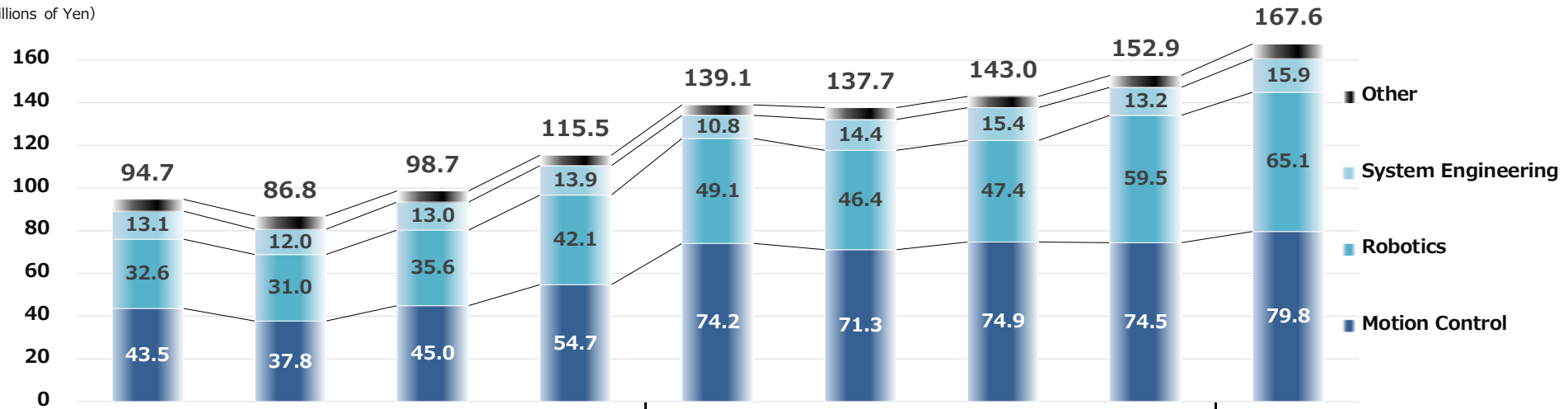
Robotics

(Billions of yen)



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

(Billions of Yen)

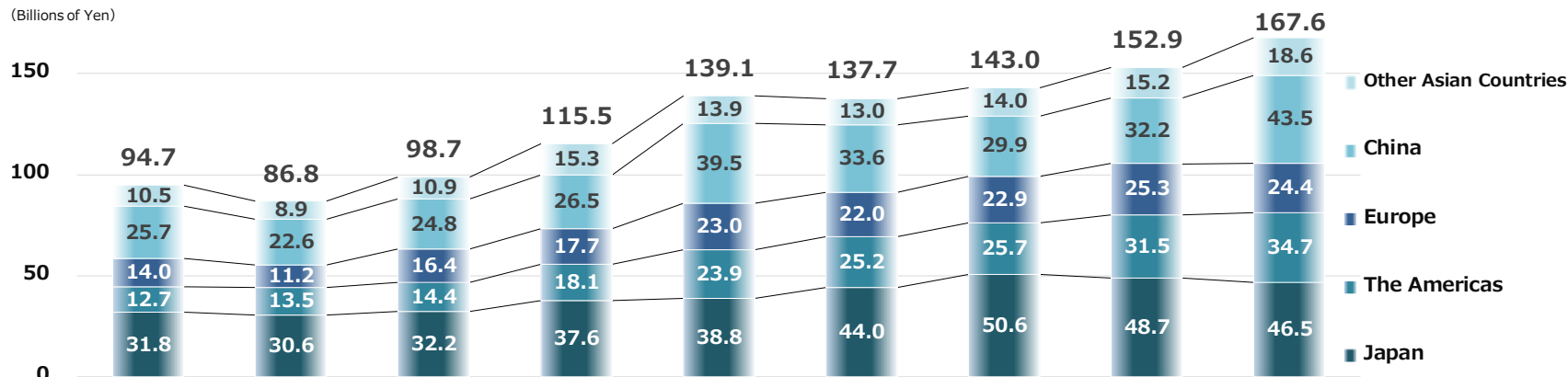


		FY2020				FY2021				FY2022
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Total	YoY	-12%	-14%	-0%	+20%	+47%	+59%	+45%	+32%	+21%
	QoQ	-1%	-8%	+14%	+17%	+20%	-1%	+4%	+7%	+10%
YoY	(M)	-8%	-14%	+2%	+26%	+70%	+89%	+67%	+36%	+7%
	(R)	-18%	-16%	-2%	+23%	+51%	+50%	+33%	+41%	+33%
	(S)	-13%	-14%	-1%	+15%	-18%	+20%	+18%	-5%	+48%
QoQ	(M)	+0%	-13%	+19%	+22%	+36%	-4%	+5%	-1%	+7%
	(R)	-4%	-5%	+15%	+18%	+17%	-5%	+2%	+25%	+9%
	(S)	+8%	-8%	+8%	+7%	-23%	+34%	+6%	-14%	+20%
Forex rates	U.S. dollar	107.6	106.8	105.2	104.3	109.0	110.1	112.5	114.6	124.2
	Euro	117.9	122.8	124.0	126.6	130.7	130.9	130.5	129.7	134.3

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

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

(Billions of Yen)



		FY2020				FY2021				FY2022
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Total	YoY	-12%	-14%	-0%	+20%	+47%	+59%	+45%	+32%	+21%
	QoQ	-1%	-8%	+14%	+17%	+20%	-1%	+4%	+7%	+10%
YoY	Japan	-3%	-20%	-11%	+1%	+22%	+44%	+57%	+30%	+20%
	The Americas	-28%	-28%	-16%	+1%	+88%	+87%	+78%	+74%	+45%
	Europe	-27%	-11%	+2%	+39%	+64%	+96%	+40%	+43%	+6%
	China	-1%	+13%	+28%	+62%	+54%	+48%	+20%	+21%	+10%
	Other Asian Countries	-12%	-21%	+8%	+31%	+32%	+46%	+29%	-1%	+34%
QoQ	Japan	-15%	-4%	+5%	+17%	+3%	+13%	+15%	-4%	-5%
	The Americas	-29%	+6%	+7%	+26%	+32%	+5%	+2%	+23%	+10%
	Europe	+10%	-20%	+46%	+8%	+30%	-4%	+4%	+10%	-4%
	China	+57%	-12%	+10%	+7%	+49%	-15%	-11%	+8%	+35%
	Other Asian Countries	-10%	-15%	+22%	+41%	-9%	-6%	+8%	+9%	+22%

Note: FY2020 data are based on destination

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