

# Consolidated Results for the First Half of Fiscal Year Ending February 28, 2023 [IFRS]

October 7, 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 and 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 First Half of the Fiscal Year Ending February 28, 2023

(From March 1, 2022 to August 31, 2022)

### (1) Consolidated Statements of Income

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

	Revenue		Operating profit		Profit before tax		Profit	
Six months ended August 31, 2022	263,528	9.8%	31,260	16.4%	33,467	20.2%	23,889	12.0%
Six months ended August 31, 2021	239,907	28.4%	26,867	102.1%	27,836	112.3%	21,323	121.0%

	Profit attributable to owners of parent		Comprehensive income		Earnings per share (basic, Yen)	Earnings per share (diluted, Yen)
Six months ended August 31, 2022	23,707	12.0%	43,209	58.4%	90.69	90.61
Six months ended August 31, 2021	21,164	122.5%	27,280	223.0%	80.96	80.93

### (2) Consolidated Financial Position

(Millions of yen, except ratio)

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of August 31, 2022	639,186	334,333	327,032	51.2%
As of February 28, 2022	559,038	298,100	291,234	52.1%

## 2. Dividends

	Dividends per share (yen)				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual total
Year ended February 28, 2022	-	26.00	-	26.00	52.00
Year ending February 28, 2023	-	32.00			
Year ending February 28, 2023 (Forecasts)			-	32.00	64.00

Note: Revisions to the most recently announced dividend forecast: No

**3. Consolidated Financial Forecasts 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)

Year ending February 28, 2023	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent	
	550,000	14.8%	70,000	32.4%	72,000	30.0%	51,500	34.3%

Note: Revisions to the most recently announced financial forecasts: Yes

The forecast for the fiscal year ending February 2023 (March 1, 2022 - February 28, 2023) is shown above.

The automotive, semiconductor, and electronic components markets expanded globally and demand for new infrastructure remained high in China. As we continue to receive strong orders, especially in the Robotics segment, we will strive to expand revenue by strengthening production and procurement.

On the other hand, although there is an improvement on the profit side due to the increase in revenue, the impact of the rise in raw material and logistics costs have been greater than expected, so we have made a revision to our annual forecasts for the fiscal year ending February 28, 2023, which we announced on April 8, 2022.

Average exchange rate assumptions during the period from September 1, 2022 to February 28, 2023 are revised from 1USD = 120.0 JPY, 1EUR = 133.0 JPY, 1CNY = 19.00 JPY at the first quarter results announcement to 1USD = 140.0 JPY, 1EUR = 140.0 JPY, 1CNY = 20.00 JPY. (Assumption for KRW remains at 1KRW = 0.100 JPY)

Our forecast for annual dividend remains unchanged.

\*Please see supplements to financial results on our website for detailed information.

<https://www.yaskawa-global.com/ir/materials/br>

**\*Notes:**

(1) Major Change in Scope of Consolidation: No

(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

The number of shares outstanding including treasury shares	As of August 31, 2022	266,690,497	As of February 28, 2022	266,690,497
The number of treasury shares	As of August 31, 2022	5,245,232	As of February 28, 2022	5,277,597
Average during the period	Six months ended August 31, 2022	261,426,652	Six months ended August 31, 2021	261,404,703

\* 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 online briefing in Japanese for securities analysts and institutional investors on October 11, 2022 (JST).

#### 4. Qualitative Information on Quarterly Results

##### Business Performance

In the second quarter under review, capital investment to upgrade and automate production in the manufacturing industry as a whole continued. In addition to globally growing demand related to the adoption of EVs and lithium-ion batteries, capital investments were made aggressively in the semiconductor and electronic components markets, especially in the United States. In China, although there were movements toward normalization from the lockdown resulting from the COVID-19 outbreak, capital investment did not recover fully.

In this environment, although the business was affected by production constraints due to a prolonged shortage of semiconductors and other components, the revenue increased year on year as production recovered from the second quarter through the use of alternative components, design changes, and purchases of parts in the commercial market. On the profit front, operating profits were affected by a significant rise in raw material and logistics costs, but due to the depreciation of the yen and other income generated by changes in the retirement pension system as well as proceeding with passing the costs on to customers, operating profits increased. As a result, the revenue and the operating profit set a new record for the figure of the first half of the year.

<Management environment of each region>

Japan:

Demand remained high in the semiconductor and electronic component markets as well as the automobile market.

U.S.:

Demand related to automobiles and semiconductors grew strongly, and investment in automation continued against the backdrop of labor shortages and rising labor costs. In addition, oil and gas-related demand remained high, indicating an overall expansion trend.

Europe:

Demand remained steady, particularly for automobiles and woodworking machinery due to continued investments in automation.

China:

Demand for automobiles and new infrastructure-related products remained strong against the backdrop of the acceleration of the adoption of EVs. However, demand remained sluggish overall as capital investment declined in the general industries due to a large impact of the lockdown because of COVID-19.

Other Asian Countries:

Demand for automobiles and semiconductor-related products remained high, especially in South Korea, and capital investment related to lithium-ion batteries grew.

The business performance of the first half of fiscal 2022 is as follows.

	Six months ended August 31, 2021	Six months ended August 31, 2022	Change
Revenue	239,907 million JPY	263,528 million JPY	+9.8%
Operating profit	26,867 million JPY	31,260 million JPY	+16.4%
Profit attributable to owners of parent	21,164 million JPY	23,707 million JPY	+12.0%
Average exchange rate for USD	109.54 JPY	129.86 JPY	+20.32 JPY
Average exchange rate for EUR	130.78 JPY	136.84 JPY	+6.06 JPY
Average exchange rate for CNY	16.92 JPY	19.59 JPY	+2.67 JPY
Average exchange rate for KRW	0.097 JPY	0.102 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 the first half of fiscal 2022 is as follows.

Motion Control	Revenue	121,312 million JPY (+4.1 % year-on-year)
	Operating profit	15,799 million JPY (-19.7% year-on-year)
<p>The Motion Control segment consists of the AC servo &amp; controller business and the drives business. Despite the impact of the lockdown in China, there was a year-on-year increase in revenue due to continued aggressive capital investment in semiconductor and oil and gas related businesses, particularly in the United States. In terms of profits, operating profits decreased due to a decline in revenue in China and the global impact of rising raw material and logistics costs.</p> <p>[AC servo &amp; controller business]</p> <p>Demand for semiconductors and electronic components continued to be high mainly in Japan, and the United States. Although demand remained steady in the growing markets such as EVs and lithium-ion batteries and solar panels in China, capital investment declined in the general industries. As a result, revenue increased as a whole.</p> <p>[Drives business]</p> <p>In the United States, demand following an increase in capital investment related to oil and gas led to strong sales. In China, revenue decreased because of the impact of the lockdown while demand increased for lithium-ion battery-related products as well as the automation and energy-saving of production facilities. As a result, the overall revenue increased.</p>		
Robotics	Revenue	103,571 million JPY (+19.9% year-on-year)
	Operating profit	10,892 million JPY (+56.6% year-on-year)
<p>In the automobile market which is the principal market in the robotics segment, the adoption of EVs accelerated globally and related capital investment such as for lithium-ion batteries continued to expand. Also, the growing demand in the semiconductor and electronic components markets led to strong sales performance of semiconductor robots. Moreover, in the general industrial sector including the food market, investments were also made for the purpose of upgrading and automating production through the use of collaborative robots and other facilities. As a result, revenue and operating profit increased significantly year on year.</p>		

System Engineering	Revenue	24,607 million JPY (-9.3% year-on-year)
	Operating profit	960 million JPY (-21.1% year-on-year)
<p>Revenue was sluggish in electric systems for water supply and sewerage in Japan and port cranes in Asia, which led to a decrease in revenue year on year. On the profit front, despite of thorough cost reduction, profit decreased due to a revenue decline.</p>		
Other	Revenue	14,037 million JPY (+42.1% year-on-year)
	Operating profit	357 million JPY (improved by 336 million JPY year-on-year)
<p>Other segment consists of logistics and other businesses.  Revenue increased year on year mainly in logistics business in Japan, while operating profit increased due to improvement of profitability following its revenue expansion.</p>		

## 5. Consolidated Financial Statements

### 1) Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2022	As of August 31, 2022
Assets		
Current assets		
Cash and cash equivalents	55,151	61,588
Trade receivables	149,646	168,852
Inventories	131,767	167,809
Other financial assets	2,078	2,643
Other current assets	23,718	24,844
Total current assets	<u>362,362</u>	<u>425,739</u>
Non-current assets		
Property, plant and equipment	93,598	97,386
Goodwill	7,341	7,535
Intangible assets	18,068	18,482
Right-of-use assets	12,431	14,947
Investments accounted for using equity method	8,039	8,979
Other financial assets	36,600	39,050
Deferred tax assets	12,510	14,472
Other non-current assets	8,085	12,591
Total non-current assets	<u>196,675</u>	<u>213,446</u>
Total assets	<u><u>559,038</u></u>	<u><u>639,186</u></u>

(Millions of yen)

	As of February 28, 2022	As of August 31, 2022
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Current liabilities		
Trade payables	76,922	92,738
Borrowings	20,497	49,884
Income taxes payable	5,866	5,275
Lease liabilities	2,497	2,899
Other financial liabilities	4,338	5,311
Provisions	1,939	2,227
Other current liabilities	63,215	66,821
Total current liabilities	<u>175,278</u>	<u>225,158</u>
Non-current liabilities		
Bonds and borrowings	36,376	26,451
Lease liabilities	8,674	10,707
Other financial liabilities	296	307
Retirement benefit liability	30,050	30,555
Deferred tax liabilities	2,338	2,750
Provisions	3,979	4,200
Other non-current liabilities	3,943	4,721
Total non-current liabilities	<u>85,659</u>	<u>79,694</u>
Total liabilities	<u>260,937</u>	<u>304,852</u>
<b>Equity</b>		
Equity attributable to owners of parent		
Share capital	30,562	30,562
Capital surplus	28,312	28,304
Retained earnings	232,547	249,833
Treasury shares	-21,971	-21,851
Other components of equity	21,783	40,183
Total equity attributable to owners of parent	<u>291,234</u>	<u>327,032</u>
Non-controlling interests	<u>6,866</u>	<u>7,300</u>
Total equity	<u>298,100</u>	<u>334,333</u>
Total liabilities and equity	<u>559,038</u>	<u>639,186</u>

## 2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	Six months ended August 31, 2021	Six months ended August 31, 2022
Revenue	239,907	263,528
Cost of sales	-156,031	-174,073
Gross profit	83,876	89,454
Selling, general and administrative expenses	-56,632	-63,297
Other income	414	5,218
Other expenses	-791	-114
Operating profit	26,867	31,260
Finance income	537	1,387
Finance costs	-438	-836
Share of profit of investments accounted for using equity method	869	1,655
Profit before tax	27,836	33,467
Income tax expense	-6,512	-9,578
Profit	21,323	23,889
Profit attributable to		
Owners of parent	21,164	23,707
Non-controlling interests	158	181
Total	21,323	23,889
Earnings per share		
Basic earnings per share (Yen)	80.96	90.69
Diluted earnings per share (Yen)	80.93	90.61



## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended August 31, 2021	Six months ended August 31, 2022
Profit	21,323	23,889
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	691	1,546
Remeasurements of defined benefit plans	806	340
Share of other comprehensive income of investments accounted for using equity method	5	16
Total	1,503	1,903
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	4,457	17,488
Effective portion of cash flow hedges	-3	-72
Total	4,454	17,416
Total other comprehensive income	5,957	19,320
Comprehensive income	27,280	43,209
Comprehensive income attributable to		
Owners of parent	27,034	42,483
Non-controlling interests	246	725
Total	27,280	43,209

### 3) Consolidated Statements of Changes in Equity

First half of Fiscal 2021 (From March 1, 2021 to August 31, 2021)

	Equity attributable to owners of parent						(Millions of yen)	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total	Non-	Total
							controlling interests	
Balance at beginning of period	30,562	28,042	204,150	-22,023	5,535	246,266	3,294	249,561
Profit	—	—	21,164	—	—	21,164	158	21,323
Other comprehensive income	—	—	—	—	5,869	5,869	87	5,957
Comprehensive income	—	—	21,164	—	5,869	27,034	246	27,280
Purchase of treasury shares	—	—	—	-2	—	-2	—	-2
Disposal of treasury shares	—	3	—	55	—	58	—	58
Dividends of surplus	—	—	-3,137	—	—	-3,137	-183	-3,320
Share-based payment transactions	—	-54	—	—	—	-54	—	-54
Transfer from other components of equity to retained earnings	—	—	760	—	-760	—	—	—
Other	—	21	—	—	—	21	—	21
Total	—	-29	-2,376	52	-760	-3,113	-183	-3,297
Balance at end of period	30,562	28,012	222,938	-21,970	10,644	270,187	3,357	273,545

First half of Fiscal 2022 (From March 1, 2022 to August 31, 2022)

	Equity attributable to owners of parent						(Millions of yen)	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total	Non-	Total
							controlling interests	
Balance at beginning of period	30,562	28,312	232,547	-21,971	21,783	291,234	6,866	298,100
Profit	—	—	23,707	—	—	23,707	181	23,889
Other comprehensive income	—	—	—	—	18,775	18,775	544	19,320
Comprehensive income	—	—	23,707	—	18,775	42,483	725	43,209
Purchase of treasury shares	—	—	—	-1	—	-1	—	-1
Disposal of treasury shares	—	5	—	121	—	126	—	126
Dividends of surplus	—	—	-6,797	—	—	-6,797	-292	-7,089
Share-based payment transactions	—	-13	—	—	—	-13	—	-13
Transfer from other components of equity to retained earnings	—	—	376	—	-376	—	—	—
Other	—	0	—	—	—	0	—	0
Total	—	-7	-6,421	119	-376	-6,685	-292	-6,977
Balance at end of period	30,562	28,304	249,833	-21,851	40,183	327,032	7,300	334,333

4) Notes to the Consolidated Financial Statements

(Notes pertaining to the presumption of a going concern)

None