

FY2022 1st Half Financial Results (Six Months Ended August 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 21)**
- 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】

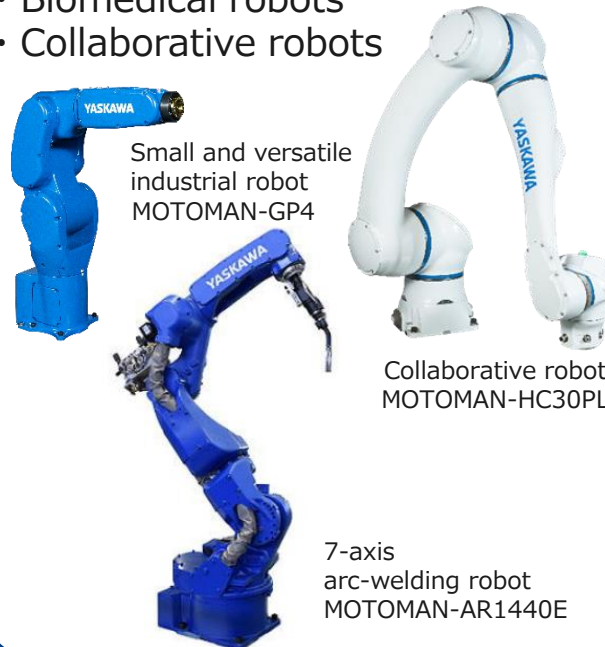
- AC servo motors and controllers
- Linear servo motors
- AC drives
- PM motor



Robotics

【Core products】

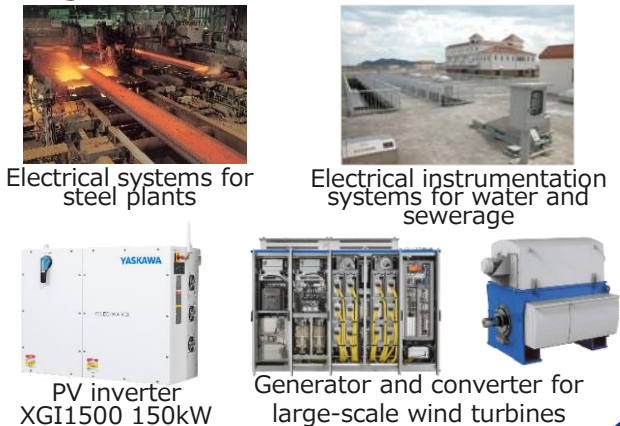
- Industrial robots
 - Arc and spot welding robots, painting robots
 - FPD glass sheet transfer robots, handling robots
- Semiconductor wafer transfer robots
- Biomedical robots
- Collaborative robots



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 1H Financial Results **(Six Months Ended August 31, 2022)**

FY2022 1H Financial Results (Highlights)

- Demand continued to grow, particularly in the U.S., and capital investment related to the adoption to EVs and lithium-ion batteries continued globally.
- China has been normalized from the lockdown but did not recover fully.
- Despite being affected by a significant rise in raw material and logistics costs, operating profit increased by proceeding with passing the costs on customers and depreciation of the yen, and other reasons.

	FY2022	FY2021	Changes	
	1H Results	1H Results	Amounts	%
Revenue	¥ 263.5bn.	¥ 239.9bn.	+¥ 23.6bn.	+9.8%
Operating profit	¥ 31.3bn.	¥ 26.9bn.	+¥ 4.4bn.	+16.4%
Profit before tax	¥ 33.5bn.	¥ 27.8bn.	+¥ 5.6bn.	+20.2%
Profit attributable to owners of parent	¥ 23.7bn.	¥ 21.2bn.	+¥ 2.5bn.	+12.0%

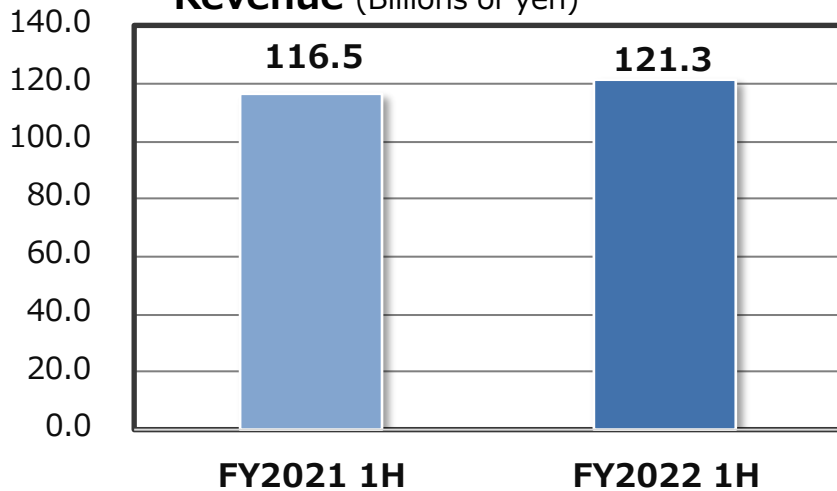
FY2022 1H Financial Results by Business Segment

- In Motion Control, revenue increased as capital investment continued, especially in the U.S, however operating profit declined due to a decline in revenue in China and the impact of rising raw material and logistics costs.
- Revenue and profit significantly increased in Robotics due to the demand related to the adoption of EVs and the lithium-ion batteries.

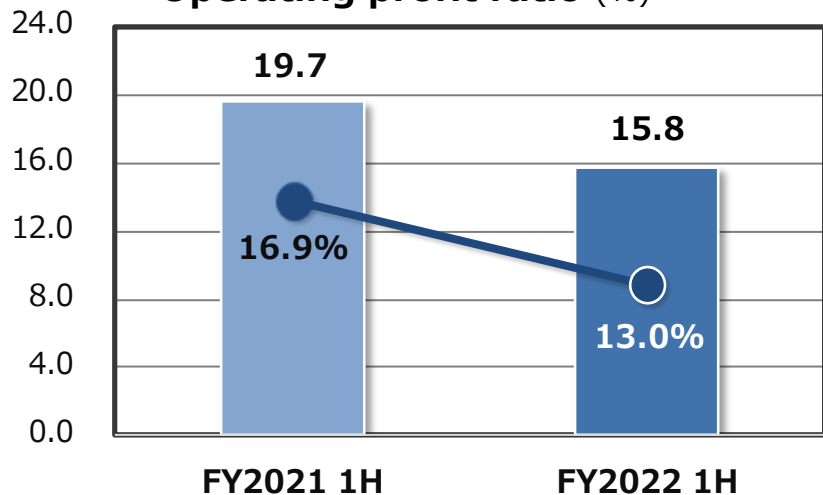
	FY2022 1H		FY2021 1H		Changes	
	Results	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
Revenue	263.5		239.9		+23.6	+9.8%
Motion Control	121.3		116.5		+4.8	+4.1%
Robotics	103.6		86.4		+17.2	+19.9%
System Engineering	24.6		27.1		-2.5	-9.3%
Other	14.0		9.9		+4.2	+42.1%
Operating profit	31.3	11.9%	26.9	11.2%	+4.4	+16.4%
Motion Control	15.8	13.0%	19.7	16.9%	-3.9	-19.7%
Robotics	10.9	10.5%	7.0	8.1%	+3.9	+56.6%
System Engineering	1.0	3.9%	1.2	4.5%	-0.3	-21.1%
Other	0.4	2.5%	0.0	0.2%	+0.3	-
Elimination or Corporate	3.3	-	-1.0	-	+4.3	-

Business Segment Overview: Motion Control

Revenue (Billions of yen)



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



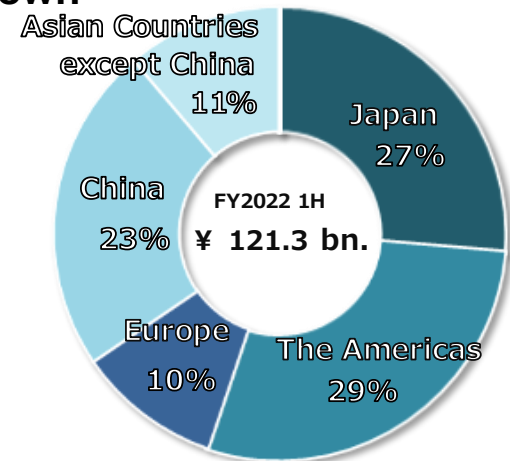
[Revenue]

- In AC servo & controller business, demand for semiconductors and electronic components continued to be high in the U.S., Japan, and other countries. In China, although demand remained steady in the growing markets such as EVs, capital investment declined in the general industry.
- In drives business, capital investment related to oil and gas increased in the U.S. In China, while demand increased for lithium-ion battery-related products as well as the automation and energy-saving of production facilities, revenue decreased due to the impact of the lockdown.

[Operating Profit]

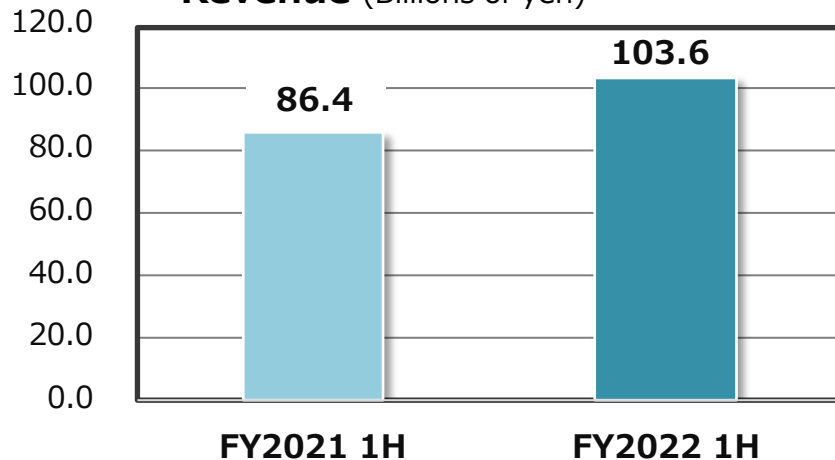
- Operating profit decreased due to a decline in revenue in China and a rise in raw material and logistics costs.

Revenue breakdown by region

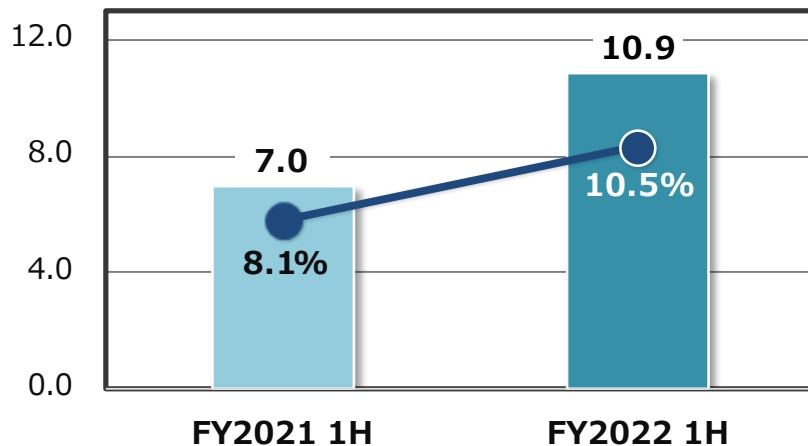


Business Segment Overview: Robotics

Revenue (Billions of yen)



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



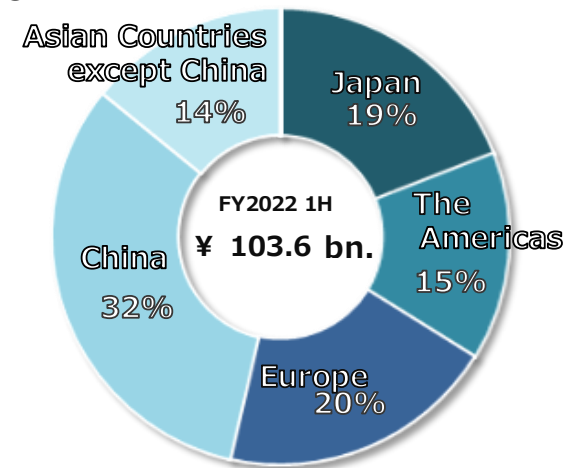
[Revenue]

- In the automotive market, the adoption of EVs accelerated globally and capital investment such as for lithium-ion batteries continued to expand.
- The growing demand in the semiconductor and electronic components markets led to strong sales performance of semiconductor robots.
- In the general industrial sector including the food market, investments were made for the purpose of upgrading and automating production through the use of collaborative robots and other facilities.

[Operating Profit]

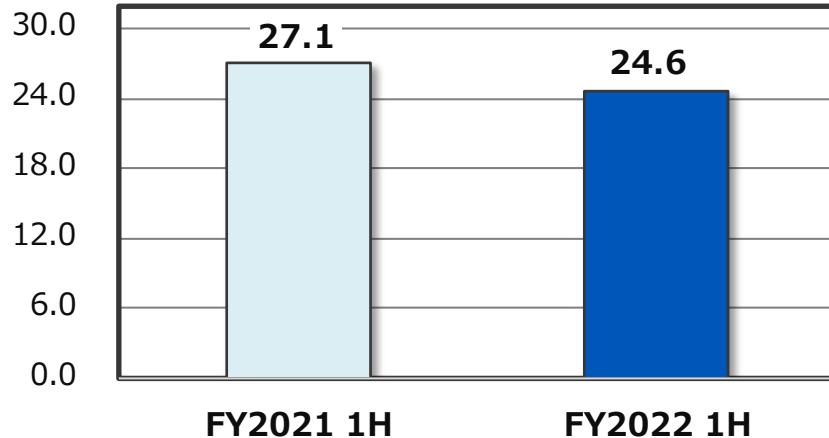
- Operating profit increased significantly due to a rise in revenue and other reasons.

Revenue breakdown by region

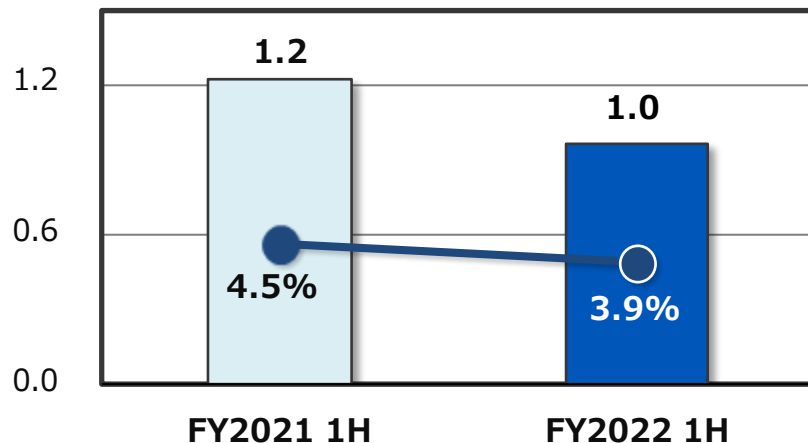


Business Segment Overview: System Engineering

Revenue (Billions of yen)



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



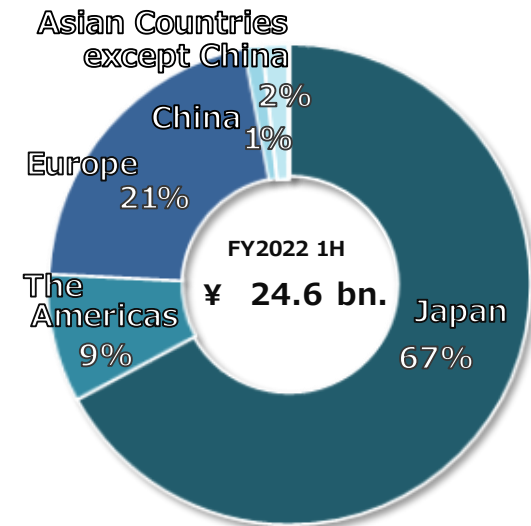
[Revenue]

- 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.

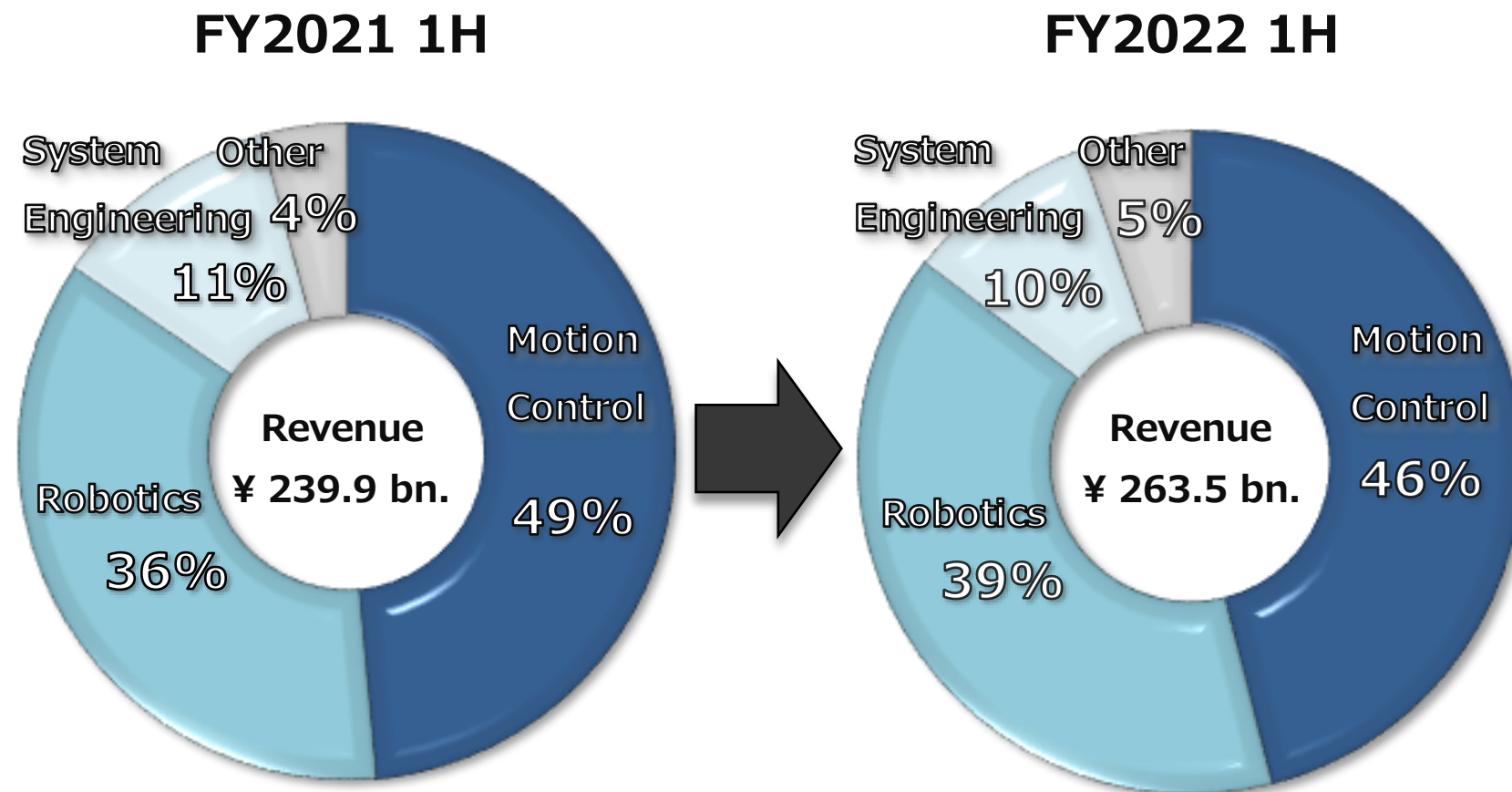
[Operating Profit]

- Despite thorough cost reduction, profit decreased due to a revenue decline.

Revenue breakdown by region



Revenue Breakdown by Business Segment



Revenue Breakdown by Location (1)

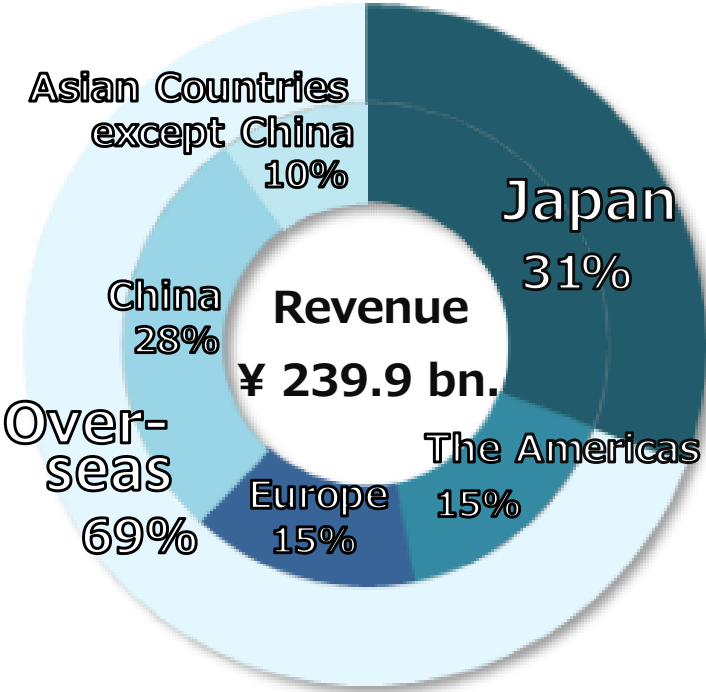
- The revenue in the U.S. and Asian countries except China grew significantly, which made up for the impact of the lockdown in China.

(Billions of yen)	FY2022	FY2021	Changes	
	1H Results	1H Results	Amounts	%
Revenue	263.5	239.9	+23.6	+9.8%
Japan	77.7	73.5	+4.1	+5.6%
Overseas	185.9	166.4	+19.5	+11.7%
The Americas	52.6	39.0	+13.6	+34.8%
Europe	38.2	36.2	+2.0	+5.5%
China	66.4	67.6	-1.1	-1.7%
Asian Countries except China	28.7	23.6	+5.0	+21.4%

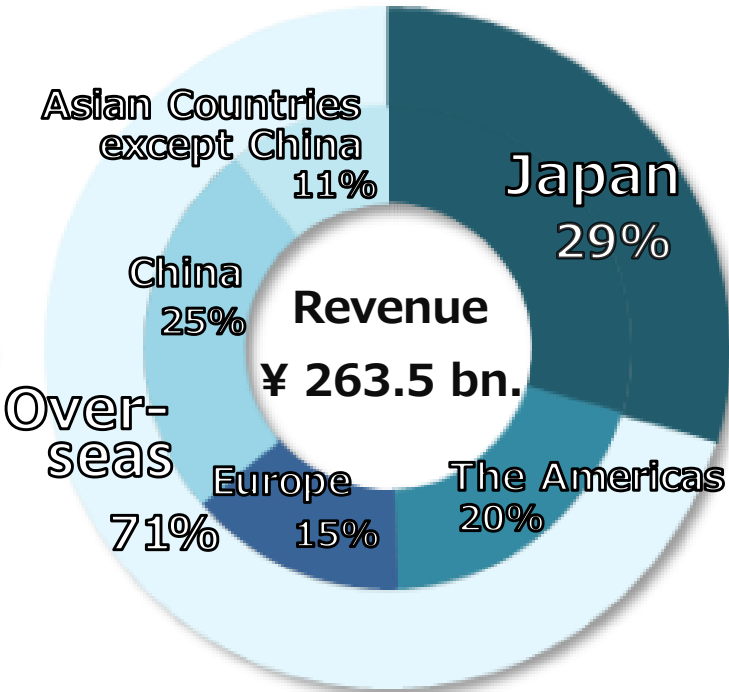
Note : Europe includes Middle East and Africa.

Revenue Breakdown by Location (2)

FY2021 1H



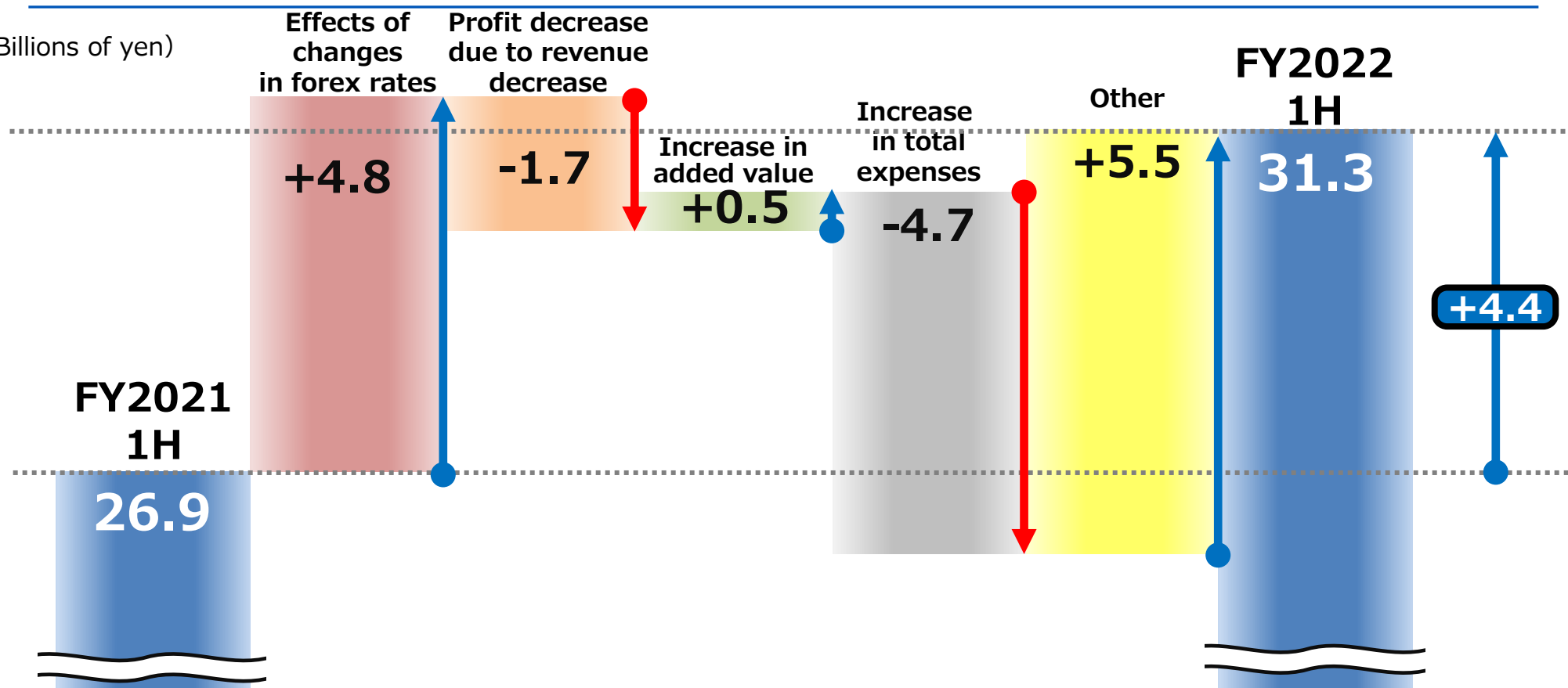
FY2022 1H



Note : Europe includes Middle East and Africa.

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

(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	+ 2.2	- 3.6	- 1.8	- 1.3	+ 0.7
Robotics	+ 2.7	+ 2.8	+ 1.1	- 2.6	- 0.0
System Engineering	- 0.0	- 1.3	+ 0.4	+ 0.5	+ 0.1
Other	+ 0.0	+ 0.4	+ 0.8	- 1.4	+ 4.7

Measures for FY2022 1H

➤ Establishment of “i³-Mechatronics” business model

➔ Development capabilities

- Strengthened development process in view of production, sales, and services through rebuilding PLM^{*1} in YDX-II^{*2}

➔ Production capabilities

- Expanded in-house production of PCBs and captured added value through the operation of YASKAWA (Changzhou) Mechatronics system Co., Ltd.
- Established rules for inventory levels and parts possession, and expanded centralized management for components to ensure stable supply

➔ Sales capabilities

- Strengthened sales by enhancing application packages (palletizing, etc.) of collaborative robots
- Launched collaborative robot with 30kg of load capacity, enabling handling of heavy loads in the same workspace as humans (August 2022)

➤ Promotion of digital management

- Promoted visualization of supply chain analysis information (management, production, sales, procurement)

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

- Implemented position-specific training programs to deepen understanding of the group management principle
- Disclosed progress on KPIs of materiality in YASKAWA Report 2022 (September 2022)



MOTOMAN-HC30PL

*1 Product Lifecycle Management

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

FY2022 Full-Year Financial Forecasts (Highlights)

- Upward revision is made for the revenue forecast due to strengthening production and procurement as well as continued strong orders.
- Downward revision is made for the operating profit forecast due to a rise in raw material and logistics costs.

	FY2022 Forecasts	FY2021 Results	Changes		FY2022 Previous forecasts*
			Amounts	%	
Revenue	¥ 550.0bn.	¥ 479.1bn.	+¥ 70.9bn.	+14.8%	¥ 525.0bn.
Operating profit	¥ 70.0bn.	¥ 52.9bn.	+¥ 17.1bn.	+32.4%	¥ 72.0bn.
Profit before tax	¥ 72.0bn.	¥ 55.4bn.	+¥ 16.6bn.	+30.0%	¥ 74.0bn.
Profit attributable to owners of parent	¥ 51.5bn.	¥ 38.4bn.	+¥ 13.1bn.	+34.3%	¥ 52.5bn.

* Announced on April 8, 2022

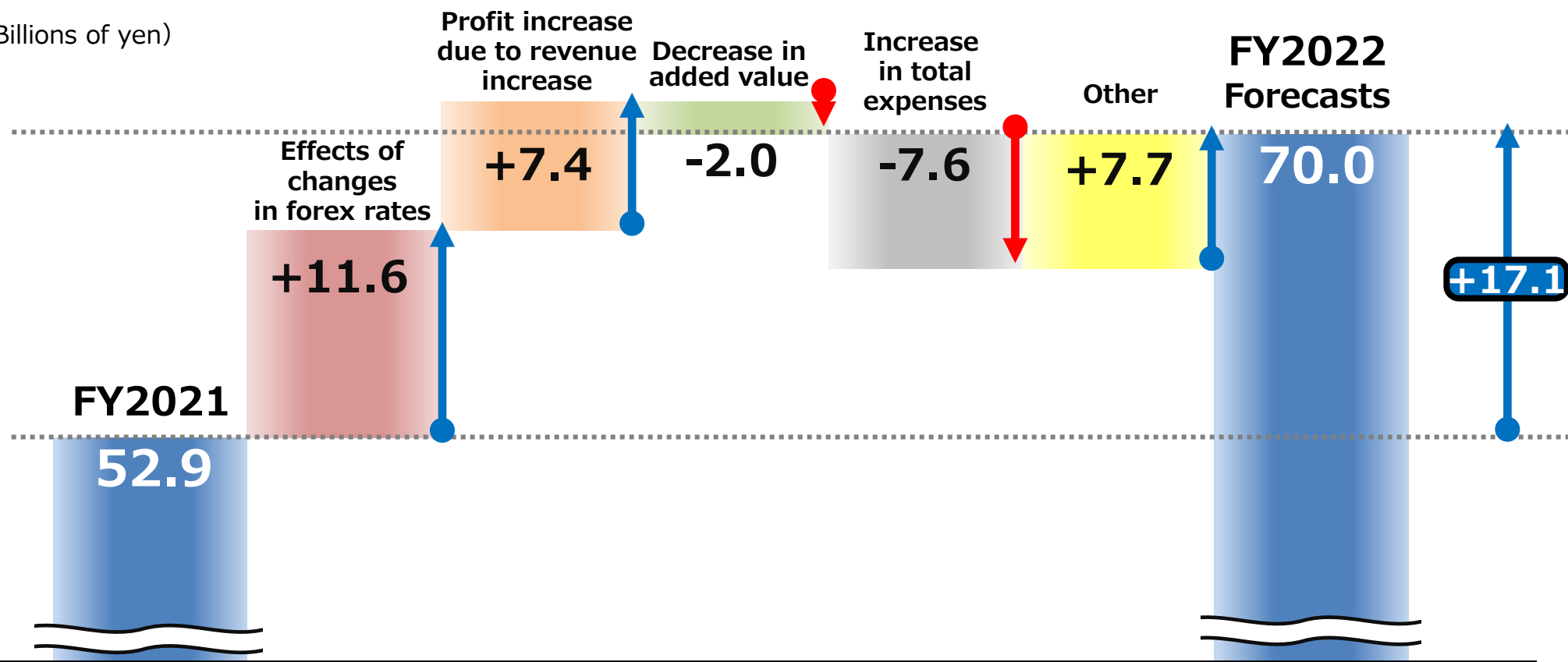
FY2022 Full-Year Financial Forecasts by Business Segment

(Billions of yen)	FY2022		FY2021		Changes		FY2022	
	Forecasts	Profit ratio	Results	Profit ratio	Amounts	%	Previous forecasts*	Profit ratio
Revenue	550.0		479.1		+70.9	+14.8%	525.0	
Motion Control	250.0		227.3		+22.7	+10.0%	247.0	
Robotics	225.5		178.7		+46.8	+26.2%	204.0	
System Engineering	49.0		52.3		-3.3	-6.2%	53.0	
Other	25.5		20.9		+4.6	+22.1%	21.0	
Operating profit	70.0	12.7%	52.9	11.0%	+17.1	+32.4%	72.0	13.7%
Motion Control	35.4	14.2%	38.2	16.8%	-2.8	-7.2%	45.3	18.3%
Robotics	29.2	12.9%	17.2	9.7%	+12.0	+69.3%	26.4	12.9%
System Engineering	2.2	4.5%	2.1	4.1%	+0.1	+3.4%	2.1	4.0%
Other	1.4	5.5%	0.4	1.8%	+1.0	+264.5%	0.3	1.4%
Elimination or Corporate	1.8	-	-5.1	-	+6.9	-	-2.1	-

* Announced on April 8, 2022

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

(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	+ 6.2	- 1.1	- 6.0	- 3.9	+ 2.0
Robotics	+ 5.4	+ 10.1	+ 3.1	- 6.5	- 0.0
System Engineering	- 0.0	- 2.1	+ 0.3	+ 2.1	- 0.2
Other	+ 0.0	+ 0.6	+ 0.6	+ 0.8	+ 5.9

Initiatives in FY2022 2H

➤ Establishment of “i³-Mechatronics” business model

➔ Production capabilities

- Start construction of a new machine processing factory for robots with the aim of increasing in-house production and added value (Headquarters in Kitakyushu)
- Start planning of restructure of business sites of Drives business and System Engineering business to strengthen the functions as mother plants (Yukuhashi, Fukuoka)

➔ Sales capabilities

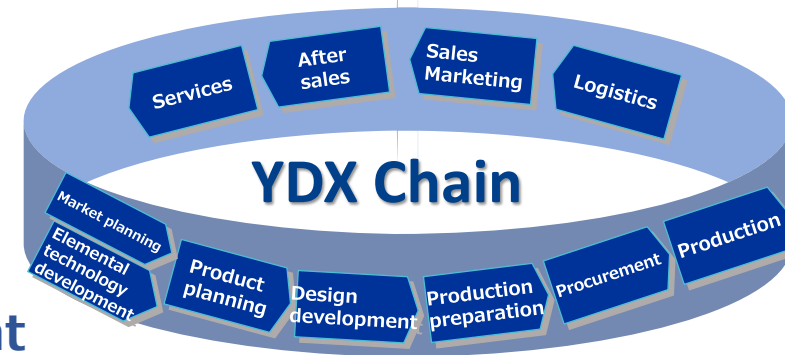
- Strengthen approach to automotive OEMs and battery manufacturers with i³-Mechatronics concept

➤ Promotion of digital management

- Acceleration of YDX-II for the establishment of improvement cycle of development, production, sales and service based on data

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

- Strengthen implementation of human resource development programs to deepen understanding of the group management principle

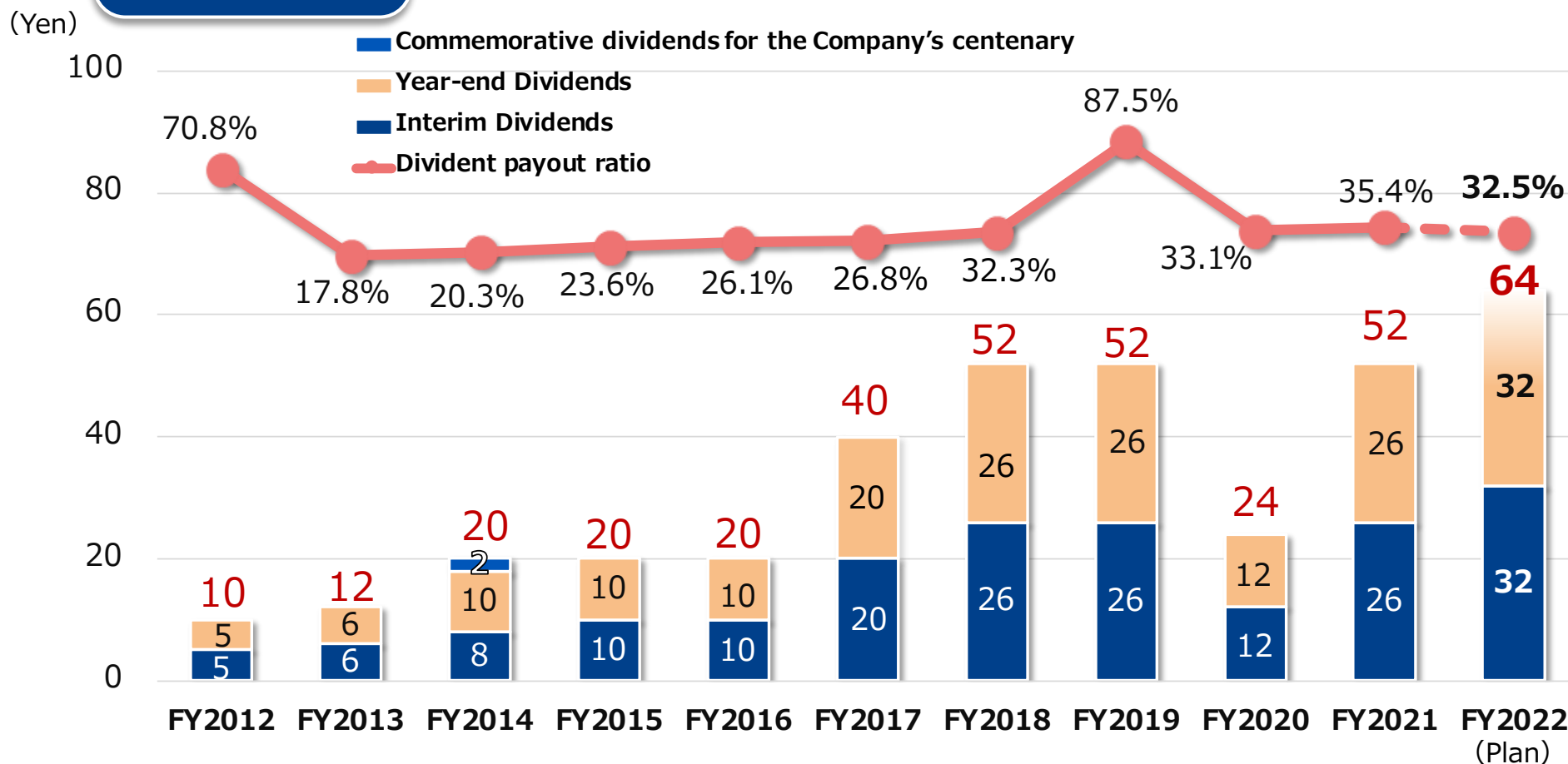


Data link for rebuilding of PLM aimed in YDX-II

Shareholder Return (Dividends)

- Our forecast for annual dividend remains unchanged, which is 64 yen per share, an increase of 12 yen from the previous fiscal year.

Dividends



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)		
	1H	2H	Full-Year	1H	2H	Full-Year	1H (Results)	2H	Full-Year
USD	107.2	104.7	106.0	109.5	113.5	111.5	129.9	140.0	134.9
EUR	120.4	125.3	122.8	130.8	130.1	130.4	136.8	140.0	138.4
CNY	15.23	15.87	15.55	16.92	17.77	17.33	19.59	20.00	19.80
KRW	0.089	0.093	0.091	0.097	0.096	0.096	0.102	0.100	0.101

Forex sensitivity

(Billions of yen)

	Impact of 1% fluctuation (Guideline for FY2022 Full-Year Forecasts)	
	Revenue	Operating profit
USD	1.18	0.25
EUR	0.78	0.18
CNY	1.46	0.43
KRW	0.29	0.17

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 August 31, 2022

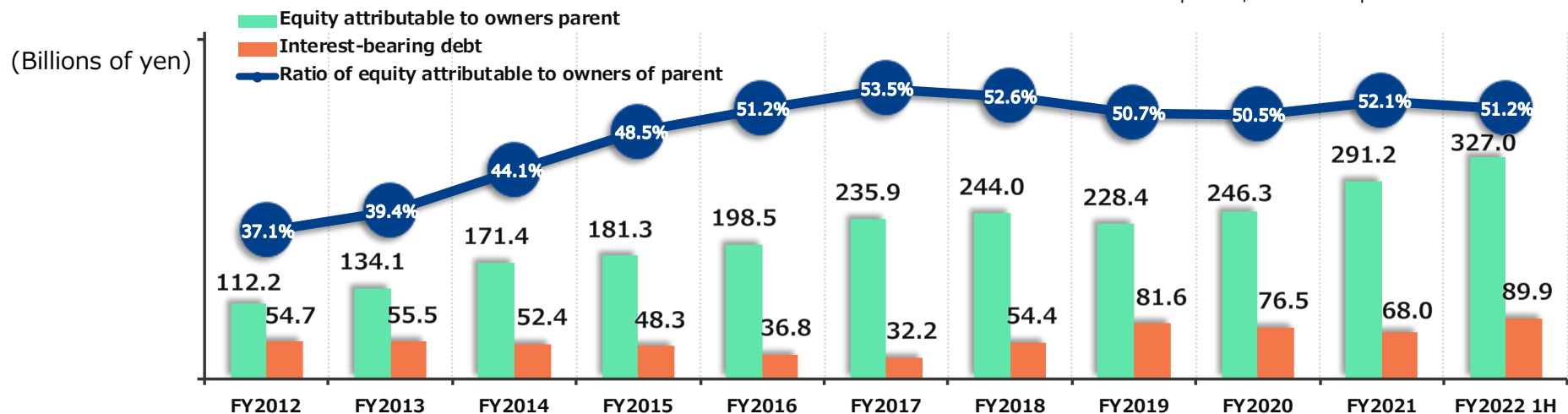
➤ Ratio of equity attributable to owners of parent	51.2%
➤ Equity attributable to owners of parent	327.0 billion yen
➤ Interest-bearing debt	89.9 billion yen
➤ D/E ratio	0.28
➤ (Net D/E ratio)	0.09
➤ Inventory (Turnover)	167.8 billion yen (3.5 months)

*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)

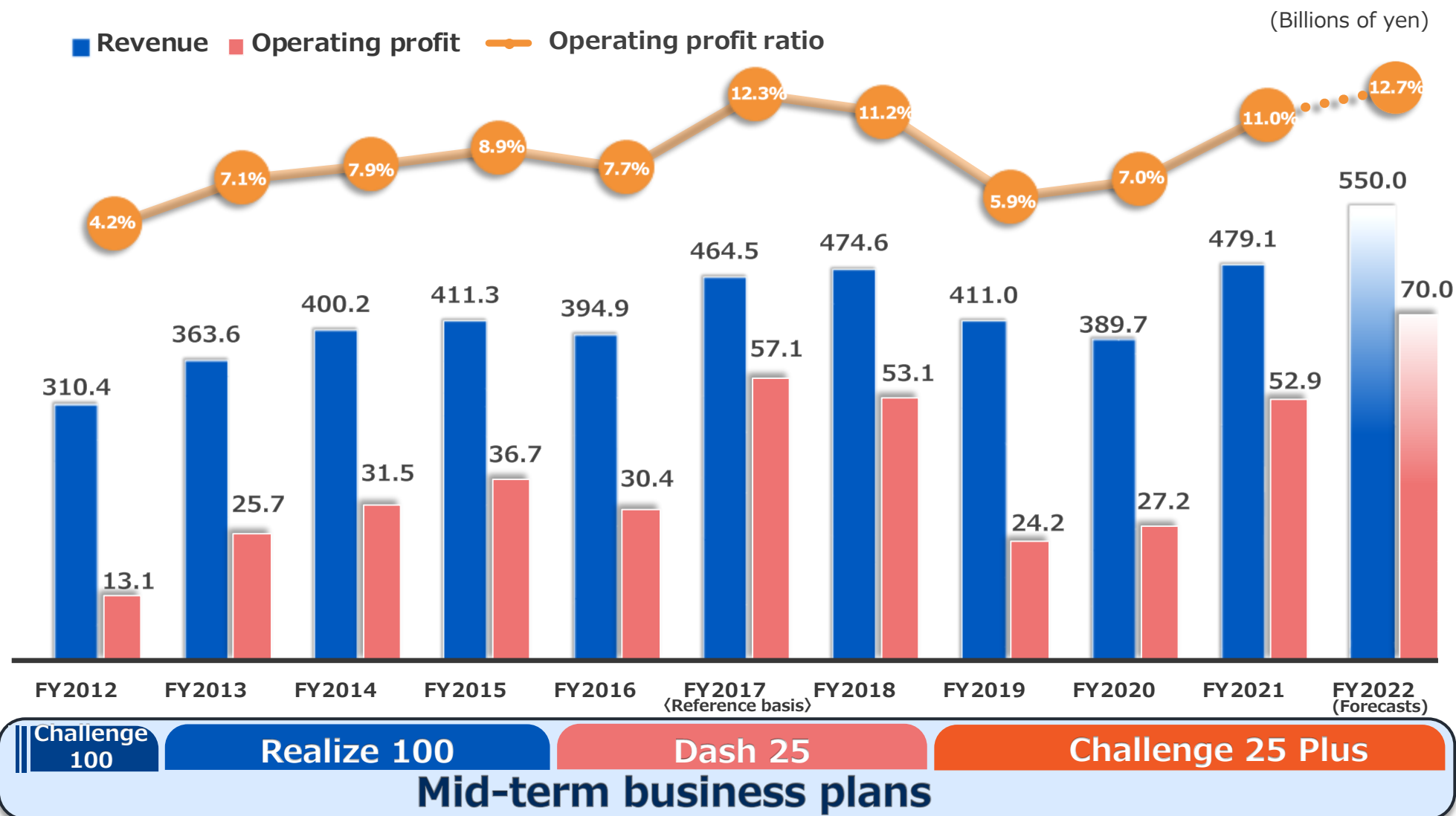
*ROIC = Profit attributable to owners of parent / Invested capital



Operating CF	24.6	24.0	29.0	32.0	33.8	46.1	34.3	21.5	39.6	49.2	2.8
Investment CF	- 18.1	- 16.9	- 27.9	- 22.4	- 18.9	- 18.9	- 27.1	- 20.6	- 9.6	- 24.2	-7.5
Free CF	6.6	7.0	1.1	9.5	14.8	27.2	7.2	0.8	30.0	25.1	-4.7

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

Revenue / Operating Profit (FY2012 – FY2022 Forecasts)



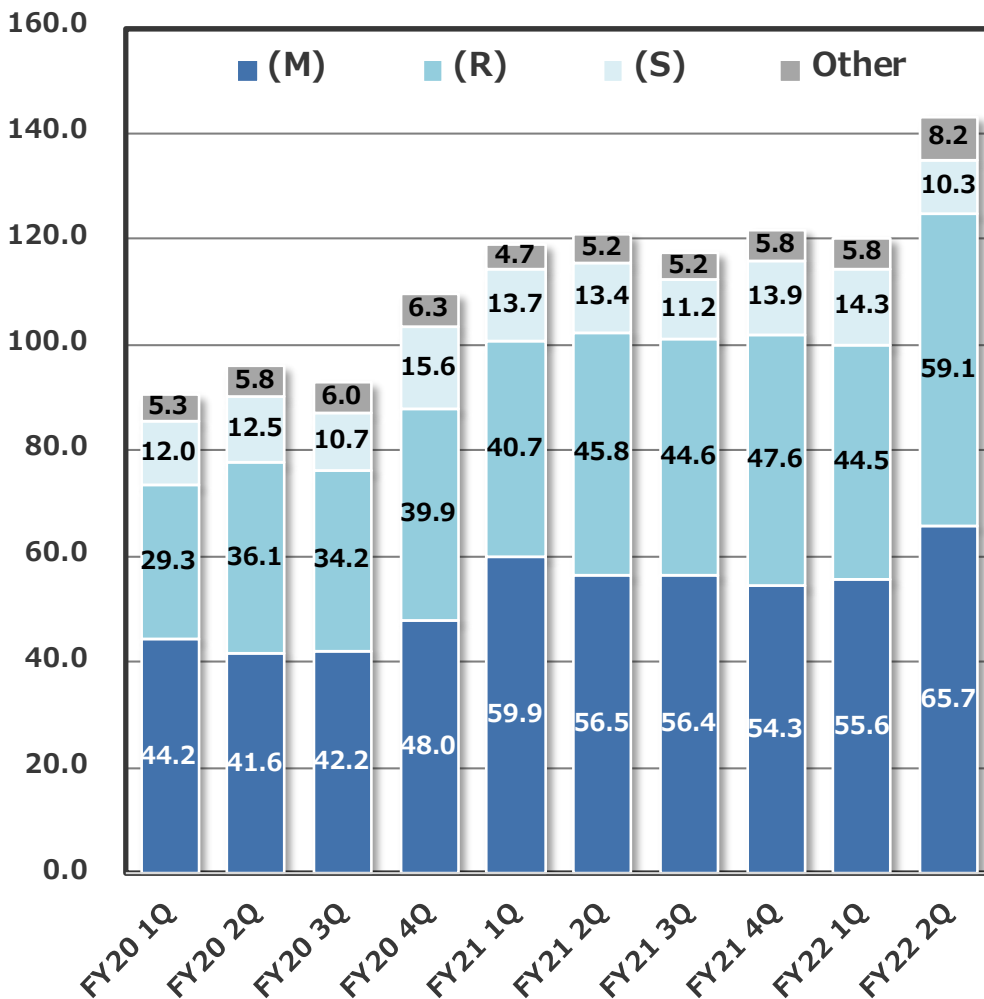
Note1: Data up to FY2017 are based on Japanese GAAP.

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)

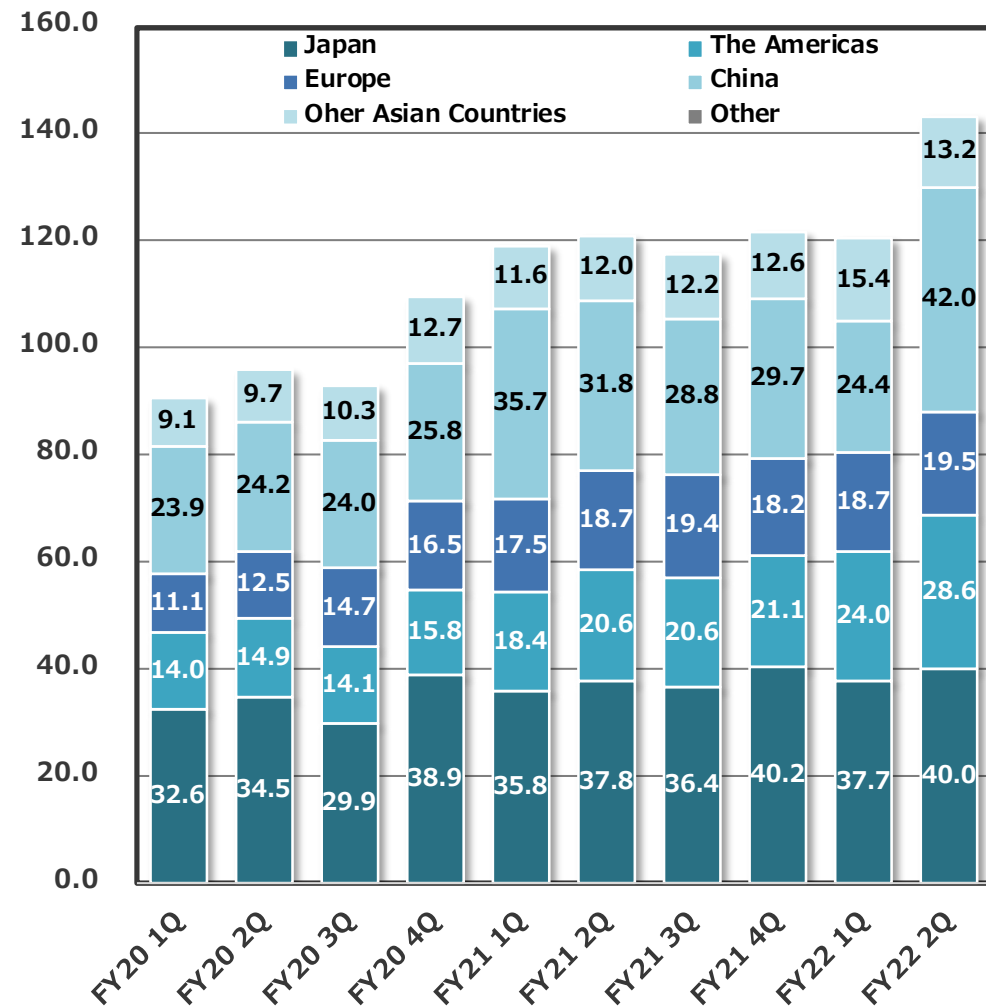


Note1: (M) = Motion Control (R) = Robotics (S) = System Engineering

Note2: Regional figures for FY2020 are based on destination.

Location

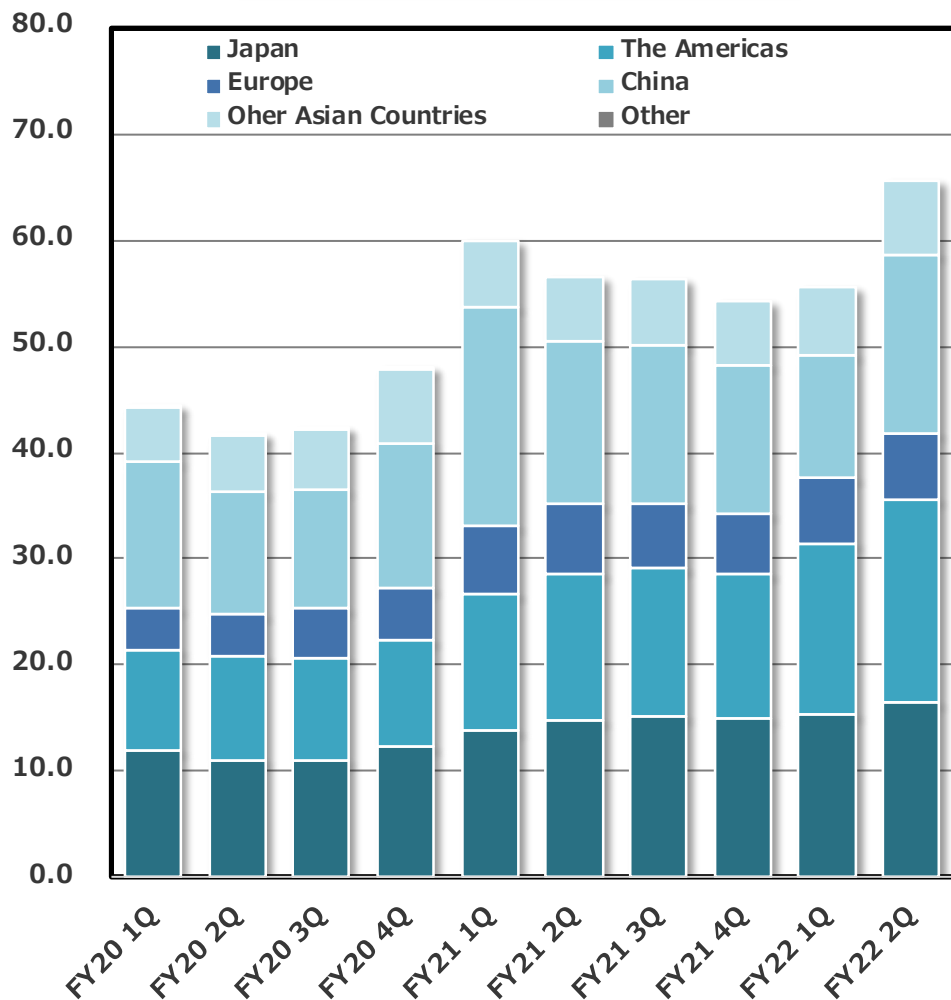
(Billions of yen)



Quarterly Revenue Trends (2)

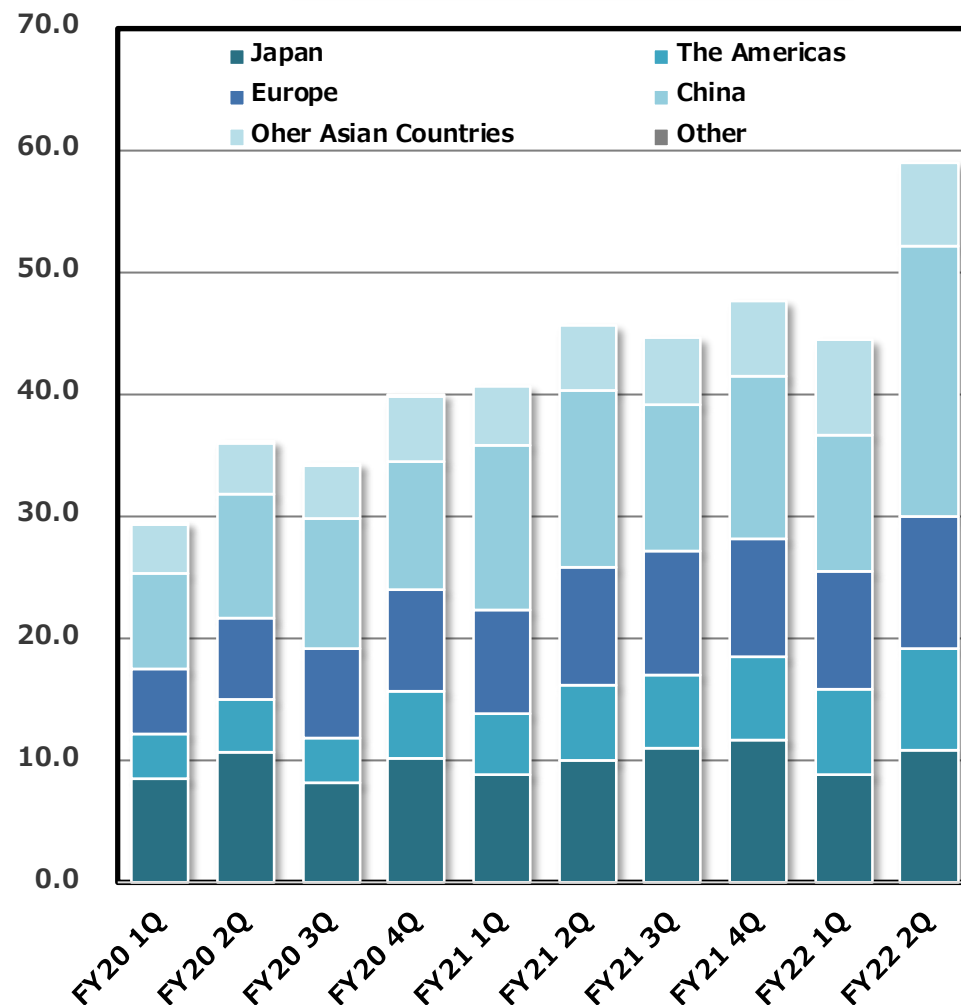
Motion Control

(Billions of yen)



Robotics

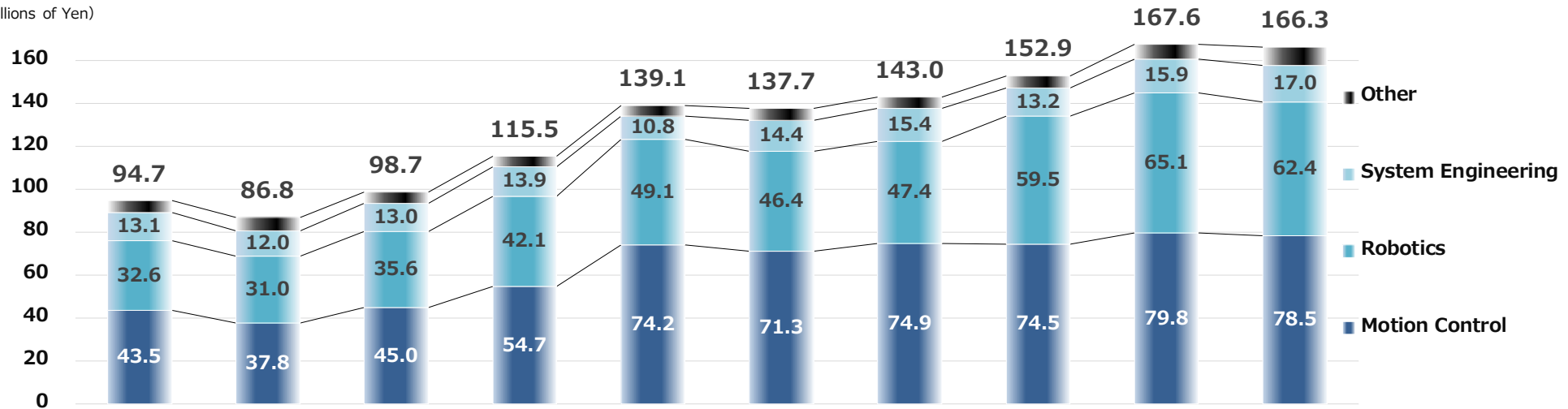
(Billions of yen)



Note: FY2020 data are based on destination.

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

(Billions of Yen)

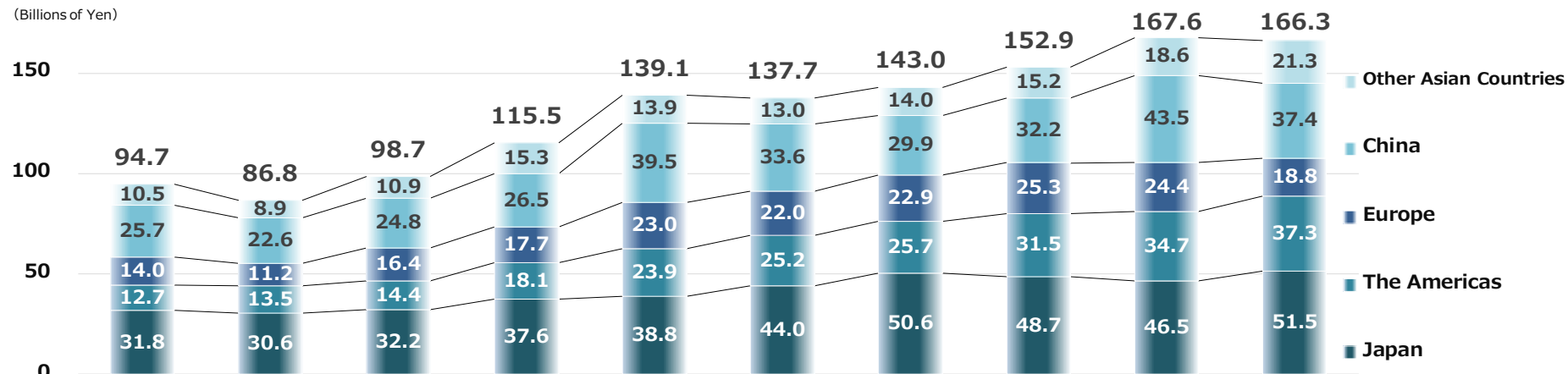


		FY2020				FY2021				FY2022	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Total	YoY	-12%	-14%	-0%	+20%	+47%	+59%	+45%	+32%	+21%	+21%
	QoQ	-1%	-8%	+14%	+17%	+20%	-1%	+4%	+7%	+10%	-1%
YoY	(M)	-8%	-14%	+2%	+26%	+70%	+89%	+67%	+36%	+7%	+10%
	(R)	-18%	-16%	-2%	+23%	+51%	+50%	+33%	+41%	+33%	+34%
	(S)	-13%	-14%	-1%	+15%	-18%	+20%	+18%	-5%	+48%	+18%
QoQ	(M)	+0%	-13%	+19%	+22%	+36%	-4%	+5%	-1%	+7%	-2%
	(R)	-4%	-5%	+15%	+18%	+17%	-5%	+2%	+25%	+9%	-4%
	(S)	+8%	-8%	+8%	+7%	-23%	+34%	+6%	-14%	+20%	+7%
Forex rates	U.S. dollar	107.6	106.8	105.2	104.3	109.0	110.1	112.5	114.6	124.2	135.3
	Euro	117.9	122.8	124.0	126.6	130.7	130.9	130.5	129.7	134.3	139.3

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

Note: FY2020 data are based on destination

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