

## Consolidated Results for the Fiscal Year Ended February 28, 2023 [IFRS]

April 7, 2023

Listed company name: YASKAWA Electric Corporation

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

Representative: Masahiro Ogawa, Representative Director, 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 Fiscal Year Ended February 28, 2023

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

#### (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, 2023	555,955	16.0%	68,301	29.2%	71,134	28.5%	52,765	36.1%	51,783	35.0%	72,345	30.0%
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%

	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, 2023	198.07	197.90	16.2	11.7	12.3
Year ended February 28, 2022	146.72	146.63	14.3	10.6	11.0

Reference: Equity in earnings of affiliates

Year ended February 28, 2023: ¥3,738 million

Year ended February 28, 2022: ¥2,400 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, 2023	653,132	355,075	347,499	53.2	1,329.02
As of February 28, 2022	559,038	298,100	291,234	52.1	1,114.08

#### (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, 2023	-2,209	-19,694	7,197	42,274
Year ended February 28, 2022	49,233	-24,165	-22,475	55,151

## 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, 2022	-	26.00	-	26.00	52.00	13,595	35.4	5.1
Year ended February 28, 2023	-	32.00	-	32.00	64.00	16,734	32.3	5.2
Year ending February 29, 2024 (Forecast)	-	32.00	-	32.00	64.00		32.8	

## 3. Projected Consolidated Results for the Fiscal Year Ending February 29, 2024

(from March 1, 2023 to February 29, 2024)

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

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent	
Year ending February 29, 2024	580,000	4.3%	70,000	2.5%	72,700	2.2%	51,300	-0.9%

As for the business environment surrounding Yaskawa Group during the fiscal 2023 (from March 1, 2023 to February 29, 2024), capital investments for automation and labor-saving in overall manufacturing, including those related to Electric Vehicles (EVs) and lithium-ion batteries, are expected to continue. We expect the revenue to grow by steadily filling order backlogs and by accurately capturing the continuing demand.

These forecasts are based on average exchange rate assumptions of 1 USD = 130.00 JPY, 1 EUR = 140.00 JPY, 1 CNY = 19.00 JPY and 1 KRW = 0.100 JPY during the period from March 1, 2023 to February 29, 2024.

\*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

	Year ended February 28, 2023	Year ended February 28, 2022
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	5,221,110	5,277,597
Average number of shares during period	261,440,112	261,408,737

\* 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 10th, 2023 (JST).

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## 1. Business Results

### Business Performance of Fiscal 2022 (Fiscal year ended February 28, 2023)

As for the business environment for the Yaskawa Group in the fiscal year 2022, capital investments were made continuously for the purpose of upgrading and automating production in the manufacturing industry as a whole. In particular, capital investments grew because the adoption of electric vehicles (EVs) accelerated globally and demand for lithium-ion battery-related products increased. In addition, while demand for oil and gas-related products increased significantly in the United States and other countries, capital investment was restrained towards the end of the fiscal year in the semiconductor market, which performed well in the first half, because inventory adjustments took place due to falling memory prices. In China, capital investment slowed down as economic activity stagnated due to COVID-19 pandemic.

In this environment, the Yaskawa Group's performance was affected by production constraints due to the prolonged shortage of parts supply such as semiconductors and the lockdown in China. However, from the second half of the fiscal year, production recovered due to the easing of tight supply-demand situation for components, and revenue increased by filling strong orders. On the profit side, although there was the impact of higher raw materials and logistics costs and higher overhead costs in response to inflation, operating profit increased year-on-year due to the improvement in profitability through price pass-through of products, the impact of the depreciation of the yen, and other income from changes in the retirement pension system and the sale of underutilized real estate.

As a result, the revenue, operating profit, and profit attributable to owners of parent have become the highest record.

#### <Management environment of each region>

##### Japan:

Overall demand remained steady, but inventory adjustments in the semiconductor market progressed towards the end of the period due to falling memory prices.

##### U.S.:

Demand remained strong as capital investment in the automotive and oil-and-gas-related industries expanded throughout the fiscal year, and investment in automation continued in the general industry.

##### Europe:

Demand remained strong as active investment in the automation of production facilities continued, mainly in the automotive and woodworking machinery industries.

##### China:

Demand remained strong in certain markets, including automotive and lithium-ion batteries, due to acceleration of the adoption of EVs. On the other hand, capital investment, particularly in general industries, remained sluggish towards the end of the fiscal year as economic activity stagnated due to the lockdown in COVID-19 pandemic and the spread of infections following the end of zero-Covid policy.

##### Other Asian Countries:

Although demand in the semiconductor market declined towards the end of the fiscal year, particularly in

South Korea and Taiwan, capital investment in the automotive and lithium-ion battery-related products remained generally high.

The business performance of fiscal 2022 is as follows.

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023	Change
Revenue	479,082 million JPY	555,955 million JPY	+16.0%
Operating profit	52,860 million JPY	68,301 million JPY	+29.2%
Profit attributable to owners of parent	38,354 million JPY	51,783 million JPY	+35.0%
Average exchange rate for USD	111.49 JPY	134.12 JPY	+22.63 JPY
Average exchange rate for EUR	130.44 JPY	139.84 JPY	+9.40 JPY
Average exchange rate for CNY	17.33 JPY	19.68 JPY	+2.35 JPY
Average exchange rate for KRW	0.096 JPY	0.103 JPY	+0.007 JPY

#### Performance by Business Segment

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

The performance of each business segment for fiscal 2022 is as follows.

Motion Control	Revenue	252,126 million JPY (+10.9% year on year)
	Operating profit	36,193 million JPY (-5.2% year on year)
<p>Motion Control segment is comprised of AC servo &amp; controller business and drives business. Although revenue increased year on year, profit decreased due to the impact of zero-Covid policy in China and the impact of rising raw materials and logistics costs on a global basis.</p> <p>[AC servo &amp; controller business]</p> <p>While demand for semiconductors and electronic components remained strong in the United States, Japan, and other countries in the first half of the fiscal year, capital investment in China, particularly in general industries, was sluggish due to economic slowdown in COVID-19 pandemic.</p> <p>[Drives business]</p> <p>Demand for oil and gas-related products increased significantly in the United States, and investment in energy conservation accelerated following global trend of decarbonization (carbon neutrality). In terms of production, there were delays in the first half of the fiscal year due to the lockdown in China, but it recovered as the shortage of parts supply improved towards the end of the fiscal year, which led to significant growth in revenue.</p>		
Robotics	Revenue	223,829 million JPY (+25.3% year on year)
	Operating profit	26,126 million JPY (+51.5% year on year)
<p>The adoption of EVs accelerated globally in automobiles, a key market in the robotics segment, and the trend to expand capital investment related to lithium-ion batteries continued. In Japan, Europe, U.S. and many other regions, rising labor costs and labor shortages led to investments in general industries, including logistics, food, and agricultural equipment, aiming at upgrading and automating production. By capturing demand growth accurately in the overall markets and increasing production efficiency through in-house parts manufacturing and other measures, both revenue and operating profit increased significantly year on year.</p>		

System Engineering	Revenue	51,111 million JPY (-2.2 % year on year)
	Operating profit	2,574 million JPY (+21.0 % year on year)
<p>Revenue related to steel plants and electrical systems for water and sewage systems were weak, while sales of PV inverters for solar power generation grew. As a result, revenue for the segment as a whole decreased from the same period of the previous year, but operating profit increased due to efficient business operations and thorough cost control.</p>		
Other	Revenue	28,888 million JPY (+38.3% year on year)
	Operating profit	1,787 million JPY (+365.3% year on year)
<p>Other segment is comprised of logistics and other businesses. Operating profit increased due to the sale of real estate.</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).

Fiscal 2023 is the first year of "Realize 25" (to be announced in May 2023), the last mid-term business plan in "Vision 2025". We will deploy the transformation that we have made in "Challenge 25 Plus" globally, further enhance the effectiveness of our solution concept, i<sup>3</sup>-Mechatronics, and maximize added value through YDX (Yaskawa Digital Transformation) in an effort to respond flexibly and speedily to market changes, which result in further improvement of profitability.

\*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](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](https://www.yaskawa-global.com/wp-content/uploads/2021/04/Challenge25_Plus_en.pdf)

### (3) Key Implementation Items

The following are the key implementation items for fiscal 2023.

#### 1. Increase added value by accelerating the deployment of i<sup>3</sup>-Mechatronics solutions

We will continue to evolve our technology, production, sales, quality control and service centering on i<sup>3</sup>-Mechatronics solutions to provide highly effective solutions to our customers and expand their demonstration through our customers' projects.

#### 2. Expand business by capturing globally growing markets and launching new products

In order to capture markets expected to grow substantially such as EV, lithium-ion battery and semiconductor industries, and growing markets such as food and agriculture, where automation is expected to accelerate in the future, we will strengthen cross-divisional sales activities from market perspective. In addition, by launching strategic new products, we will enhance our competitiveness and ensure that we capture global demand, which lead to earnings expansion.

#### 3. Maximize earnings by strengthening production and sales management

We will strengthen materials procurement functions by centralizing procurement of semiconductor and other key components at the headquarters and expand in-house manufacturing of machined parts for robots. We will also work to increase production capacity and the rate of production automation, strengthen our ability to respond to demand fluctuations, and accelerate filling order backlog. In addition, we will achieve further earnings growth by improving added value through price pass-through in response to the impact of soaring materials and labor costs.

#### 4. Strengthen management foundation by promoting YDX-II and penetration of Yaskawa principles.

We will evolve YDX-I promoted in the previous mid-term business plan, "Challenge 25 Plus," which focused on the visualization of business operation and work on YDX-II to expand the areas where data can be used. Under YDX-II, we will work to build a robust supply chain by strengthening data linkage from product development to product quality and market quality.

In addition, we will work to deepen the understanding of Yaskawa principles for Yaskawa Group's employees by expanding the educational programs of Yaskawa principles and promote rational diversification of work styles, placement and composition through visualization of human resource data, which result in building a sustainable business foundation to create the image of "One YASKAWA" globally.

Specific measures for each segment are as follows.

#### [Motion Control]

In AC servo & controller business, we will strengthen cross-divisional sales activities from a market perspective. In addition, we will expand our proposal and demonstration of solutions based on i<sup>3</sup>-Mechatronics centering on increasing sales of YRM Controller and Sigma-X, a new product of AC servo drive and focus on expanding business in the growing global markets, particularly semiconductors and lithium-ion batteries, and increasing added value. In addition, we will work on filling order backlogs and increasing revenue by enhancing production capacity of Sigma-X.

In drives business, we will expand product lineup of Yaskawa AC drive series to capture target markets, and

work on increasing earnings by strengthening local production in the demand regions, in-house parts production, and procurement. In addition, we will accelerate sales of green products to capture the new growing demand for energy-saving to realize a carbon-neutral society.

[Robotics]

We will actively expand automation through the deployment of i<sup>3</sup>-Mechatronics solutions and accelerate business development that contributes to a sustainable society.

We will expand automation through further improvement of added value and the creation of new markets by strengthening cooperation with customers and demonstrating solutions based on i<sup>3</sup>-Mechatronics in order to realize an autonomous distributed production system based on YRM Controller. In addition, we will accelerate market development by launching new autonomous robot, “MOTOMAN-NEXT series”, and promoting sales of collaborative robots.

Moreover, in the growing markets of EVs, lithium-ion batteries, human-collaborative, and semiconductors, which Yaskawa is focusing on, we will surely capture the growing demand for capital investment by offering accurate solutions and products.

We will also increase production capacity through in-house production and build an efficient production system that is resistant to demand fluctuations.

[System Engineering]

In the field of environment and energy, we will aim to expand revenue by making an effort in the solar power generation market to capture the self- consumption market in Japan using the new PV inverter product, "Enewell-SOL P3A 25 kW" launched this fiscal year.

In the field of steel plant systems and social systems, we will strive to provide high value-added services through AI and IoT technologies, and at the same time, aim to build a highly profitable structure through the acquisition of private businesses and other businesses. In addition, we will aim to increase profit by continuously enhancing our engineering technologies to meet customers' new demand for the realization of a carbon-neutral society.

### 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, 2022	As of February 28, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	55,151	42,274
Trade receivables	149,646	171,219
Inventories	131,767	182,226
Other financial assets	2,078	4,471
Other current assets	23,718	30,707
Total current assets	<u>362,362</u>	<u>430,898</u>
Non-current assets		
Property, plant and equipment	93,598	100,309
Goodwill	7,341	7,558
Intangible assets	18,068	19,115
Right-of-use assets	12,431	15,513
Investments accounted for using equity method	8,039	10,994
Other financial assets	36,600	39,768
Deferred tax assets	12,510	15,329
Other non-current assets	8,085	13,643
Total non-current assets	<u>196,675</u>	<u>222,233</u>
Total assets	<u><u>559,038</u></u>	<u><u>653,132</u></u>

(Millions of yen)

As of February 28, 2022

As of February 28, 2023

	As of February 28, 2022	As of February 28, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	76,922	67,716
Borrowings	20,497	55,097
Income taxes payable	5,866	6,371
Lease liabilities	2,497	3,051
Other financial liabilities	4,338	4,886
Provisions	1,939	1,580
Other current liabilities	63,215	76,105
Total current liabilities	<u>175,278</u>	<u>214,810</u>
Non-current liabilities		
Bonds and borrowings	36,376	30,379
Lease liabilities	8,674	11,036
Other financial liabilities	296	307
Retirement benefit liability	30,050	28,662
Deferred tax liabilities	2,338	3,066
Provisions	3,979	4,626
Other non-current liabilities	3,943	5,167
Total non-current liabilities	<u>85,659</u>	<u>83,246</u>
Total liabilities	<u>260,937</u>	<u>298,057</u>
Equity		
Equity attributable to owners of parent		
Share capital	30,562	30,562
Capital surplus	28,312	28,879
Retained earnings	232,547	271,299
Treasury shares	-21,971	-21,998
Other components of equity	21,783	38,755
Total equity attributable to owners of parent	<u>291,234</u>	<u>347,499</u>
Non-controlling interests	<u>6,866</u>	<u>7,576</u>
Total equity	<u>298,100</u>	<u>355,075</u>
Total liabilities and equity	<u>559,038</u>	<u>653,132</u>

2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Revenue	479,082	555,955
Cost of sales	-310,437	-363,948
Gross profit	168,644	192,006
Selling, general and administrative expenses	-116,507	-132,552
Other income	1,680	9,169
Other expenses	-957	-322
Operating profit	52,860	68,301
Finance income	1,161	1,374
Finance costs	-1,137	-2,389
Share of profit (loss) of investments accounted for using equity method	2,400	3,738
Loss (gain) on disposal and remeasurement of investments in associates	94	109
Profit before tax	55,378	71,134
Income tax expense	-16,610	-18,369
Profit	38,768	52,765
Profit attributable to		
Owners of parent	38,354	51,783
Non-controlling interests	413	982
Total	38,768	52,765
Earnings per share		
Basic earnings per share (Yen)	146.72	198.07
Diluted earnings per share (Yen)	146.63	197.90

## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Profit	38,768	52,765
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	4,728	1,429
Remeasurements of defined benefit plans	311	2,567
Share of other comprehensive income of investments accounted for using equity method	9	-114
Total	5,049	3,882
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	11,839	15,738
Effective portion of cash flow hedges	-12	-41
Total	11,827	15,697
Total other comprehensive income	16,877	19,579
Total	55,645	72,345
Comprehensive income attributable to		
Owners of parent	54,912	70,889
Non-controlling interests	732	1,455
Total	55,645	72,345

### 3) Consolidated Statements of Changes in Net Assets

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 (decrease) by business combination	—	—	—	—	—	—	3,022	3,022
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	—	—
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

Fiscal 2022 (From March 1, 2022 to February 28, 2023)

	Equity attributable to owners of parent						(Millions of yen)	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other component s of equity	Total	Non-controlling interests	Total
Balance at beginning of period	30,562	28,312	232,547	-21,971	21,783	291,234	6,866	298,100
Profit	—	—	51,783	—	—	51,783	982	52,765
Other comprehensive income	—	—	—	—	19,105	19,105	473	19,579
Total	—	—	51,783	—	19,105	70,889	1,455	72,345
Purchase of treasury shares	—	—	—	-3	—	-3	—	-3
Disposal of treasury shares	—	5	—	131	—	137	—	137
Dividends of surplus	—	—	-15,164	—	—	-15,164	-292	-15,456
Share-based payment transactions	—	55	—	—	—	55	—	55
Increase (decrease) by business combination	—	—	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	506	—	-198	—	307	-454	-146
Transfer from other components of equity to retained earnings	—	—	2,133	—	-2,133	—	—	—
Other	—	0	—	44	—	44	—	44
Total	—	567	-13,031	-27	-2,133	-14,624	-746	-15,370
Balance at end of period	30,562	28,879	271,299	-21,998	38,755	347,499	7,576	355,075

## 4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
<b>Cash flows from operating activities</b>		
Profit before tax	55,378	71,134
Depreciation, amortization and impairment losses	17,556	19,673
Share of profit of investments accounted for using equity method	-2,400	-3,738
Finance income and finance costs	-75	529
Increase in trade receivables	-12,010	-13,440
Increase in inventories	-20,743	-40,257
Increase (decrease) in trade payables	11,338	-11,324
Increase (decrease) in retirement benefit liability	291	-298
Increase (decrease) in provisions	1,354	-19
Other	8,235	-6,521
Subtotal	58,925	15,735
Interest and dividends received	1,610	2,572
Interest paid	-530	-1,250
Income taxes paid	-10,772	-19,267
Net cash provided by (used in) operating activities	49,233	-2,209
<b>Cash flows from investing activities</b>		
Payments into time deposits	-0	-1,169
Proceeds from withdrawal of time deposits	13	416
Purchase of property, plant and equipment, and intangible assets	-24,227	-21,931
Proceeds from sale of property, plant and equipment, and intangible assets	330	4,647
Purchase of investment securities	-2,412	-341
Proceeds from sale of investment securities	250	74
Proceeds from purchase of investment of subsidiaries resulting in change in scope of consolidation	1,901	—
Payments from sales of shares of subsidiaries and others resulting in change in scope of consolidation	—	-15
Proceeds from sales of shares of subsidiaries and others resulting in change in scope of consolidation	—	263
Purchase of investments accounted for using equity method	—	-891
Proceeds from sale of investments accounted for using equity method	—	576
Net increase in short-term loans receivable	-430	-1,179
Other	409	-143
Net cash used in investing activities	-24,165	-19,694
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	-10,141	26,578
Proceeds from long-term borrowings	1,254	10,929
Repayments of long-term borrowings	-10,415	-11,235
Proceeds from issuance of bonds	9,947	—
Repayments of lease liabilities	-2,962	-3,461
Purchase of treasury shares	-3	-1
Dividends paid	-9,955	-15,172
Dividends paid to non-controlling interests	-199	-292
Element	—	-146
Net cash provided by (used in) financing activities	-22,475	7,197
Net increase (decrease) in cash and cash equivalents	2,592	-14,707
Cash and cash equivalents at beginning of period	50,953	55,151
Effect of exchange rate changes on cash and cash equivalents	1,605	1,829
Cash and cash equivalents at end of period	55,151	42,274

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

	Reporting Segments					Total	Adjustment *2	(Millions of yen) Amounts in consolidated financial statements
	Motion Control	Robotics	System Engineering	Total	Other *1			
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.

2. Revenue, profit (loss) and other items for each reporting segment  
Fiscal 2022 (March 1, 2022 - February 28, 2023)

	Reporting Segments					(Millions of yen)		
	Motion Control	Robotics	System Engineering	Total	Other *1	Total	Adjustment *2	Amounts in consolidated financial statements
Revenue								
Revenue to external customers	252,126	223,829	51,111	527,067	28,888	555,955	—	555,955
Intersegment revenue and transfers	21,160	3,999	1,050	26,210	16,978	43,189	-43,189	-
Total	273,286	227,829	52,161	553,277	45,867	599,144	-43,189	555,955
Operating profit (loss)	36,193	26,126	2,574	64,894	1,787	66,681	1,619	68,301
Finance income								1,374
Finance costs								-2,389
Share of profit of investments accounted for using equity method								3,738
Sales and unrealized gains on investments in affiliates								109
Profit before tax								71,134
Other items								
Depreciation and amortization	9,990	6,290	2,259	18,540	1,037	19,577	91	19,669
Impairment loss	-	4	-	4	-	4	-	4

Notes

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

2. The components of adjustment are as follows:.

Operating profit (loss) adjustment of 1,619 million yen includes inter-segment eliminations of 74 million yen and corporate earnings and expenses of 1,544 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, 2022</u>	<u>Fiscal year ended February 28, 2023</u>
Earnings per share (basic, yen)	146.72	198.07
Basis for calculation		
Profit attributable to owners of parent (millions of yen)	38,354	51,783
Average number of common shares outstanding during the year (thousand shares)	<u>261,408</u>	<u>261,440</u>

2. Earnings per share (diluted)

	<u>Fiscal year ended February 28, 2022</u>	<u>Fiscal year ended February 28, 2023</u>
Earnings per share (basic, yen)	146.63	197.90
Basis for calculation		
Increase in common stock due to stock benefit trust (thousand shares)	156	227
Average number of common shares outstanding during the year (thousand shares)	<u>261,565</u>	<u>261,667</u>

(Subsequent Events)

None