

Results Briefing for FY2022 (Ended February 28, 2023)

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 22)
- 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

Contents

1. FY2022 Financial Results

- FY2022 Financial Results
- Business Segment Overview
- Revenue Breakdown by Business Segment
- Revenue Breakdown by Location
- Breakdown of Changes in Operating Profit
- Measures for FY2022
- Progress of Mid-term Business Plan “Challenge 25 Plus”

2. FY2023 Full-Year Forecasts

- FY2023 Full-Year Financial Forecasts
- Breakdown of Changes in Operating Profit
- Measures for FY2023
- Shareholder Return (Dividends)

3. Reference

- Retroactive Application of the Change in the Basis for Calculating Regional Information to FY2021 Results (Revenue and Order)
- Capital Expenditure, R&D Investment, Forex Rates and Sensitivity
- Financial Indices
- Revenue / Operating Profit
- Quarterly Sales Trends
- Quarterly Order Trends

Business Overview

Motion Control

【Core products】

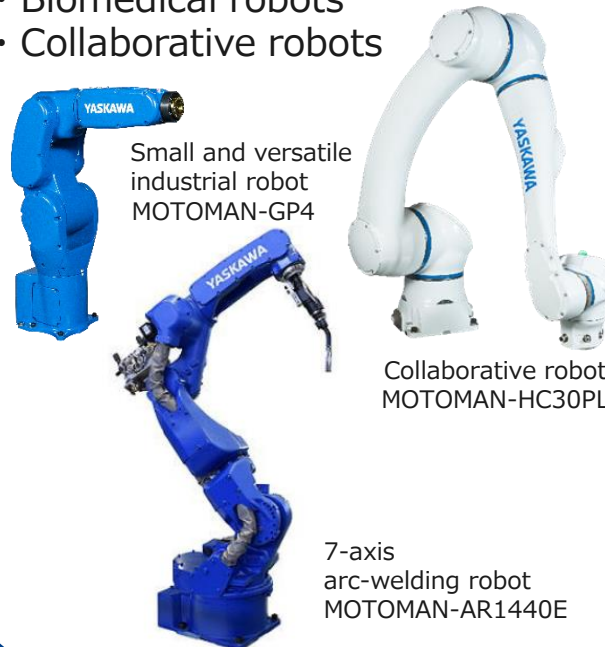
- AC servo motors and controllers
- Linear servo motors
- AC drives
- PM motor



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



Electrical systems for steel plants



PV inverter XGI1500 150kW



Electrical instrumentation systems for water and sewerage

Other

- Logistics

1 . FY2022 Financial Results

FY2022 Financial Results (Highlights)

- Capital investments were made continuously for the purpose of upgrading and automating production in the manufacturing industry as a whole.
- Production recovered due to the easing of tight supply-demand situation for components, and revenue and operating profit increased by filling strong orders. (Record high performance)

	FY2022 Results	FY2021 Results	Changes	
			Amounts	%
Revenue	¥ 556.0bn.	¥ 479.1bn.	+¥ 76.9bn.	+16.0%
Operating profit	¥ 68.3bn.	¥ 52.9bn.	+¥ 15.4bn.	+29.2%
Profit before tax	¥ 71.1bn.	¥ 55.4bn.	+¥ 15.8bn.	+28.5%
Profit attributable to owners of parent	¥ 51.8bn.	¥ 38.4bn.	+¥ 13.4bn.	+35.0%

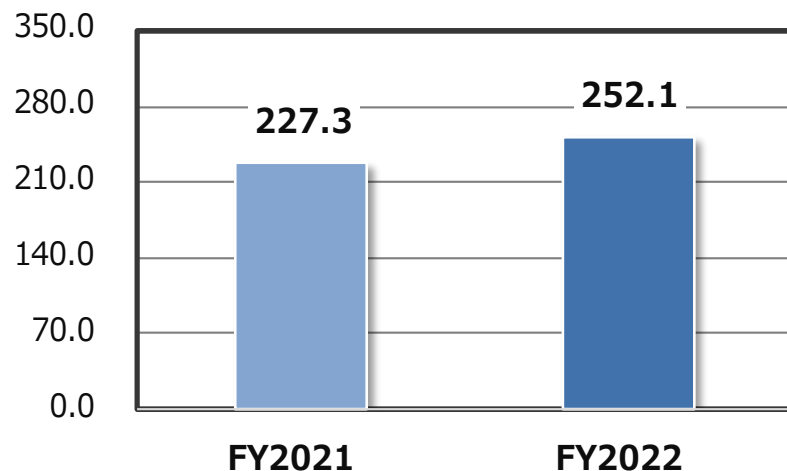
FY2022 Financial Results by Business Segment

- In Motion Control, semiconductor-related demand was strong in the first half. Oil and gas-related demand also increased significantly, which led to revenue increase. However, operating profit decreased due to economic slowdown because of zero-Covid policy in China and the impact of soaring raw materials and logistics costs.
- In Robotics, revenue and operating profit greatly increased as the adoption of EVs accelerated and demand related to lithium-ion batteries increased.

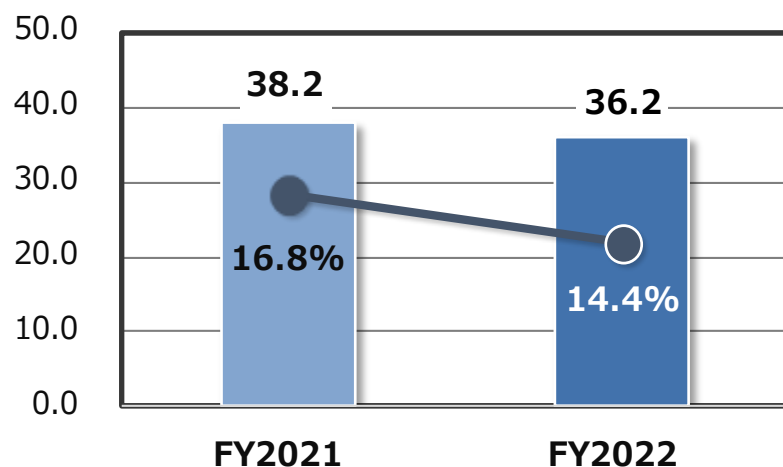
	FY2022		FY2021		Changes	
	Results	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
Revenue	556.0		479.1		+76.9	+16.0%
Motion Control	252.1		227.3		+24.9	+10.9%
Robotics	223.8		178.7		+45.2	+25.3%
System Engineering	51.1		52.3		-1.2	-2.2%
Other	28.9		20.9		+8.0	+38.3%
Operating profit	68.3	12.3%	52.9	11.0%	+15.4	+29.2%
Motion Control	36.2	14.4%	38.2	16.8%	-2.0	-5.2%
Robotics	26.1	11.7%	17.2	9.7%	+8.9	+51.5%
System Engineering	2.6	5.0%	2.1	4.1%	+0.4	+21.0%
Other	1.8	6.2%	0.4	1.8%	+1.4	+365.3%
Elimination or Corporate	1.6	-	-5.1	-	+6.7	-

Business Segment Overview: Motion Control

Revenue (Billions of yen)



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



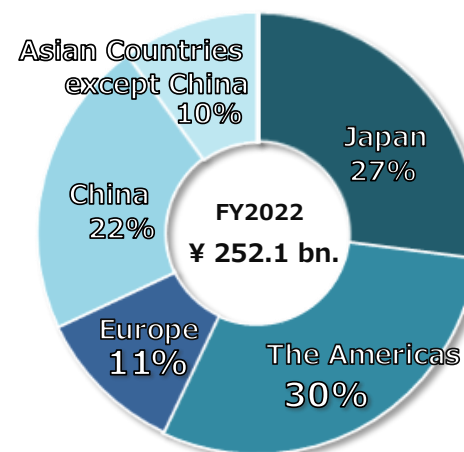
[Revenue]

- In AC servo & controller business, demand for semiconductors and electronic components remained strong in the U.S. and Japan in the first half. Capital investment in China was sluggish in general industries.
- In Drives business, demand related to oil and gas in the U.S. increased significantly. Investment in energy conservation accelerated following global trend of carbon neutrality.

[Operating Profit]

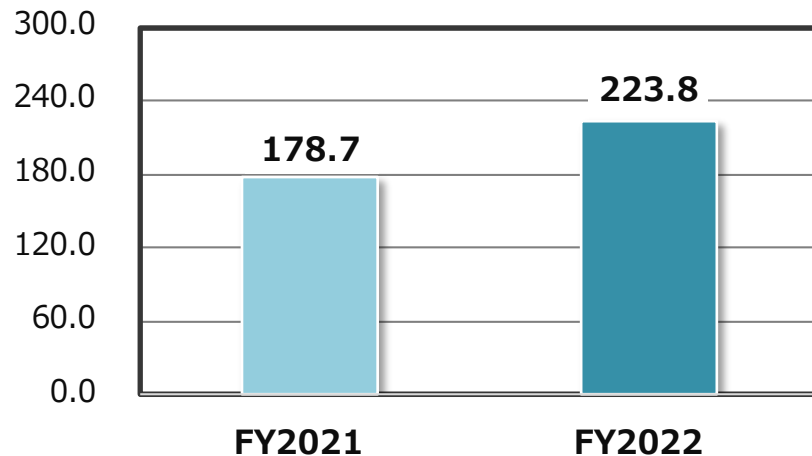
- Operating profit decreased due to the influence of zero-Covid policy in China and the impact of soaring raw materials and logistics costs

Revenue breakdown by region

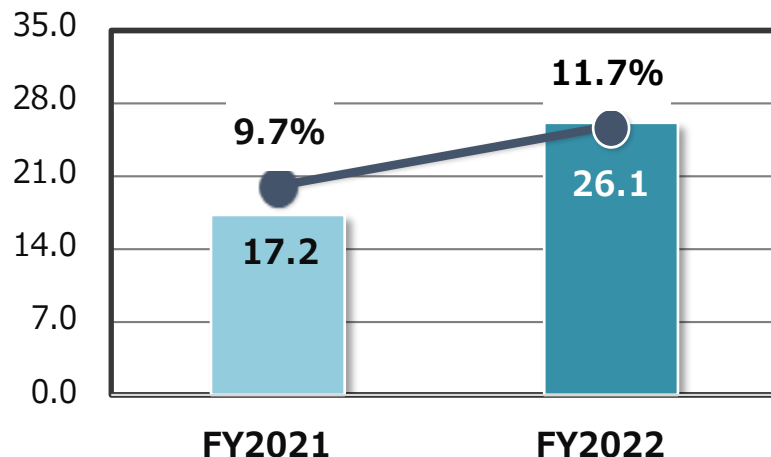


Business Segment Overview: Robotics

Revenue (Billions of yen)



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



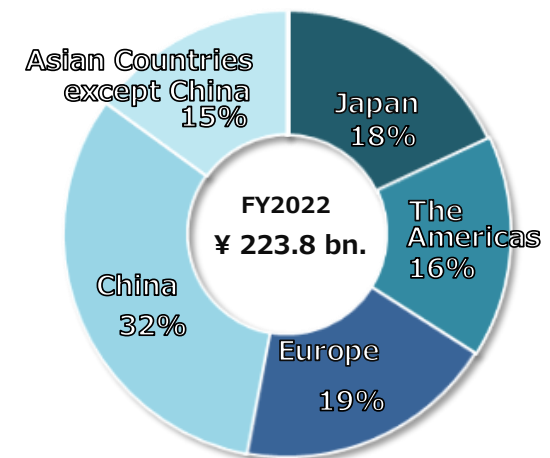
[Revenue]

- In the automobile market, the adoption of EVs accelerated globally and the trend to expand capital investment related to lithium-ion batteries continued.
- Investments activated in general industries, including logistics, food, and agricultural equipment, aiming at upgrading and automating production.

[Operating Profit]

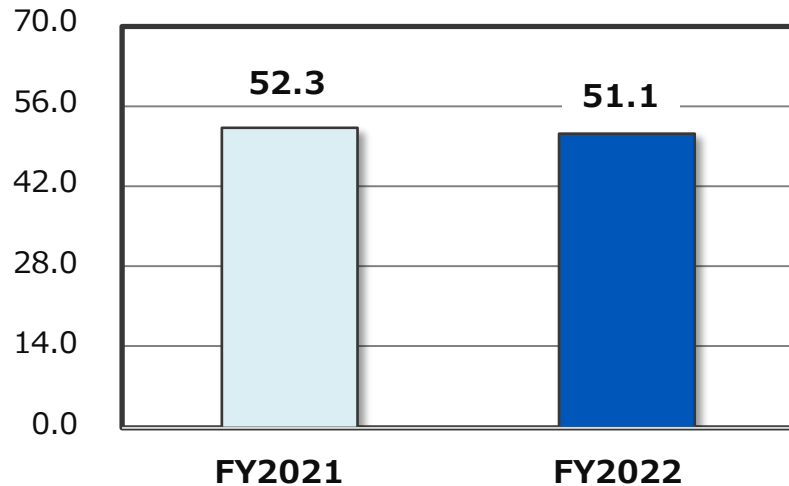
- By capturing demand accurately in the overall markets and increasing production efficiency through in-house parts manufacturing and other measures, operating profit increased significantly.

Revenue breakdown by region



Business Segment Overview: System Engineering

Revenue (Billions of yen)



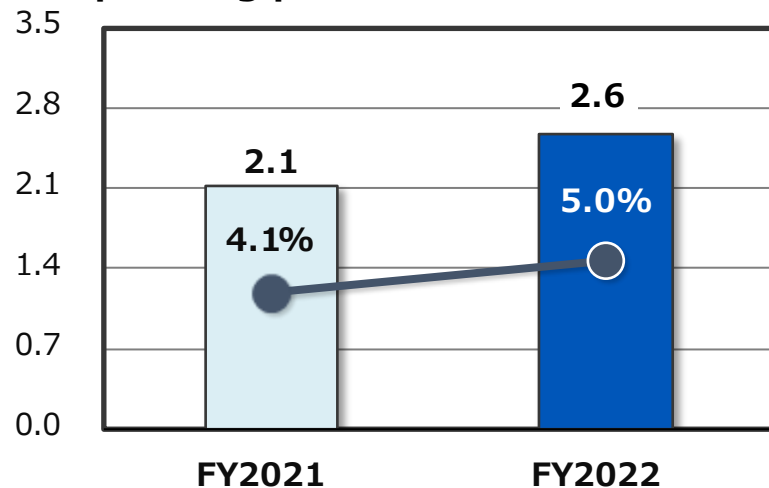
[Revenue]

- 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.

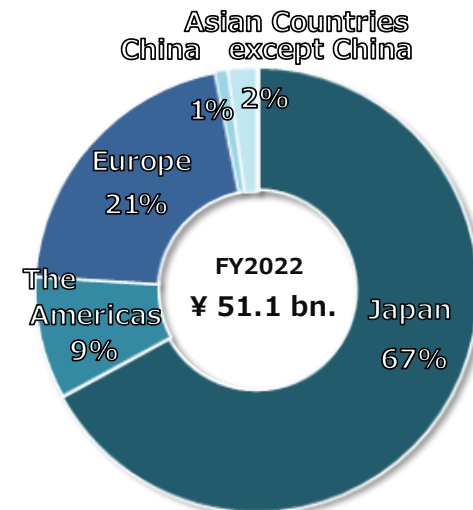
[Operating Profit]

- Operating profit increased due to efficient business operations and thorough cost control.

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

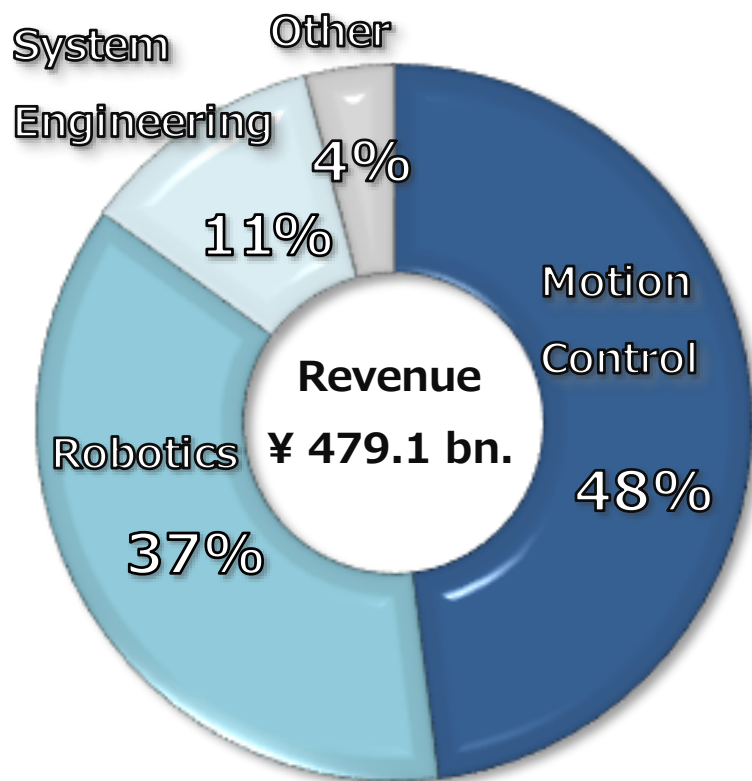


Revenue breakdown by region

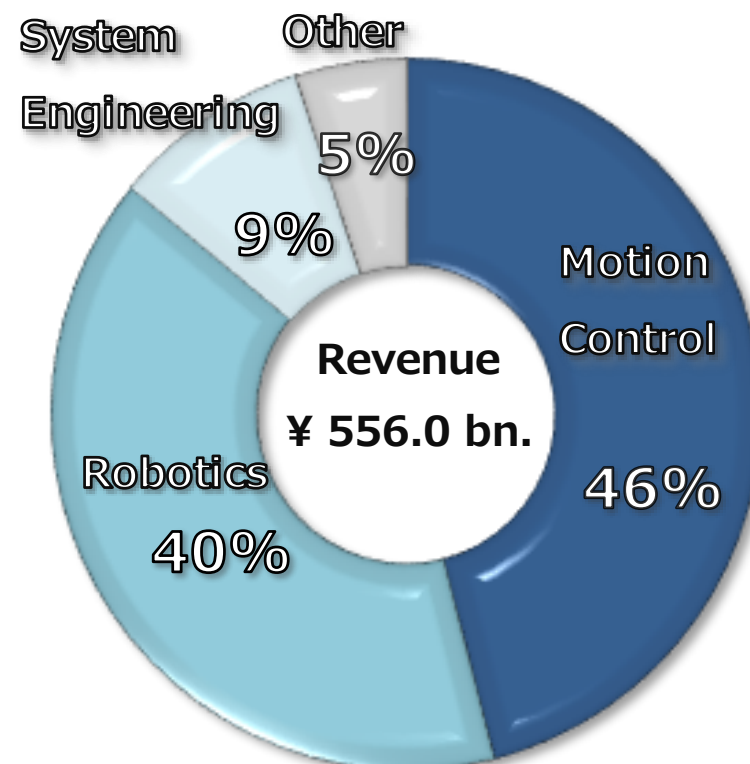


Revenue Breakdown by Business Segment

FY2021



FY2022



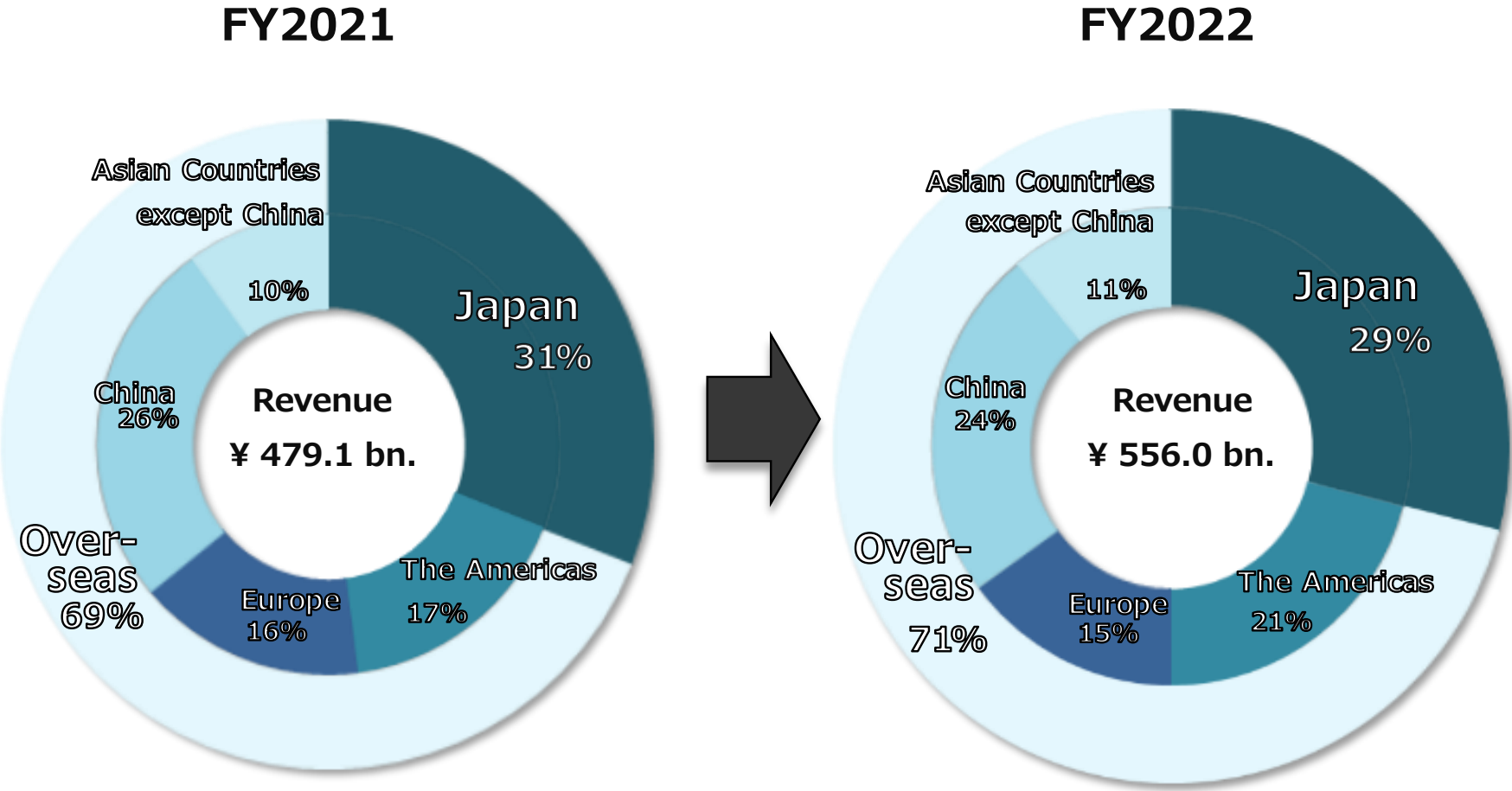
Revenue Breakdown by Location (1)

- Revenue grew year-on-year in all regions, especially the United States.
- China stagnated due to economic slowdown because of the influence of zero-Covid policy.

(Billions of yen)	FY2022 Results	FY2021 Results	Changes	
			Amounts	%
Revenue	556.0	479.1	+76.9	+16.0%
Japan	162.4	150.2	+12.2	+8.1%
Overseas	393.5	328.9	+64.7	+19.7%
The Americas	117.0	80.7	+36.3	+44.9%
Europe	81.4	73.7	+7.7	+10.4%
China	135.9	126.1	+9.8	+7.8%
Asian Countries except China	59.3	48.4	+10.9	+22.6%

Note: Europe includes Middle East and Africa.

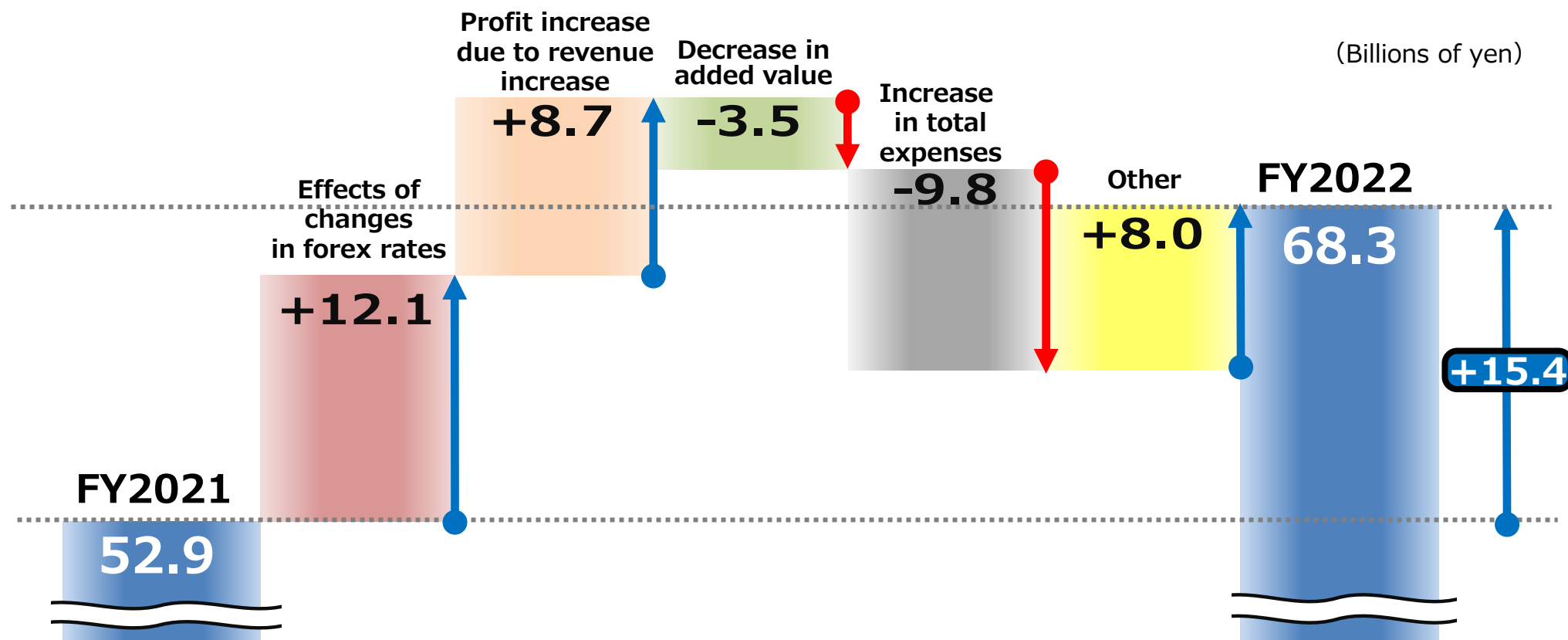
Revenue Breakdown by Location (2)



Note : Europe includes Middle East and Africa.

Breakdown of Changes in Operating Profit (FY2021 → FY2022)

(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	+5.8	-0.0	-4.2	-5.6	+2.1
Robotics	+6.3	+9.0	+0.3	-6.8	+0.1
System Engineering	+0.0	-1.2	+0.4	+1.4	-0.1
Other	+0.0	+0.9	+0.0	+1.2	+5.9

Measures for FY2022

➤ Establishment of "i³-Mechatronics" business model

➔ Development capabilities

- Created synergies and accelerated development of new products through a cross-divisional development system
- Developed to switch to alternative parts for bottleneck parts in collaboration with production department

➔ Production capabilities

- Expanded in-house production of substrates by operation of YASKAWA (Changzhou) Mechatronics system Co., Ltd. in China
- Enhanced inventory management at EMS and global production sites (real-time visualization)

➔ Sales capabilities

- Clarified roles of domestic sales subsidiaries and strengthened solution sales (Penetration of i³-Mechatronics)
- Promoted price pass-through to cover rising prices of raw materials and parts

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

- Accelerated the construction of a product lifecycle management platform that offers value to customers (YDX-Ⅱ^{*1})

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

- Greenhouse gas reduction targets have been certified as 1.5 °C targets by the SBTi^{*2}.
- Implementation of Yaskawa principles penetration program

*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 International initiative to certify corporates' CO₂ reduction targets as consistent with scientific evidence



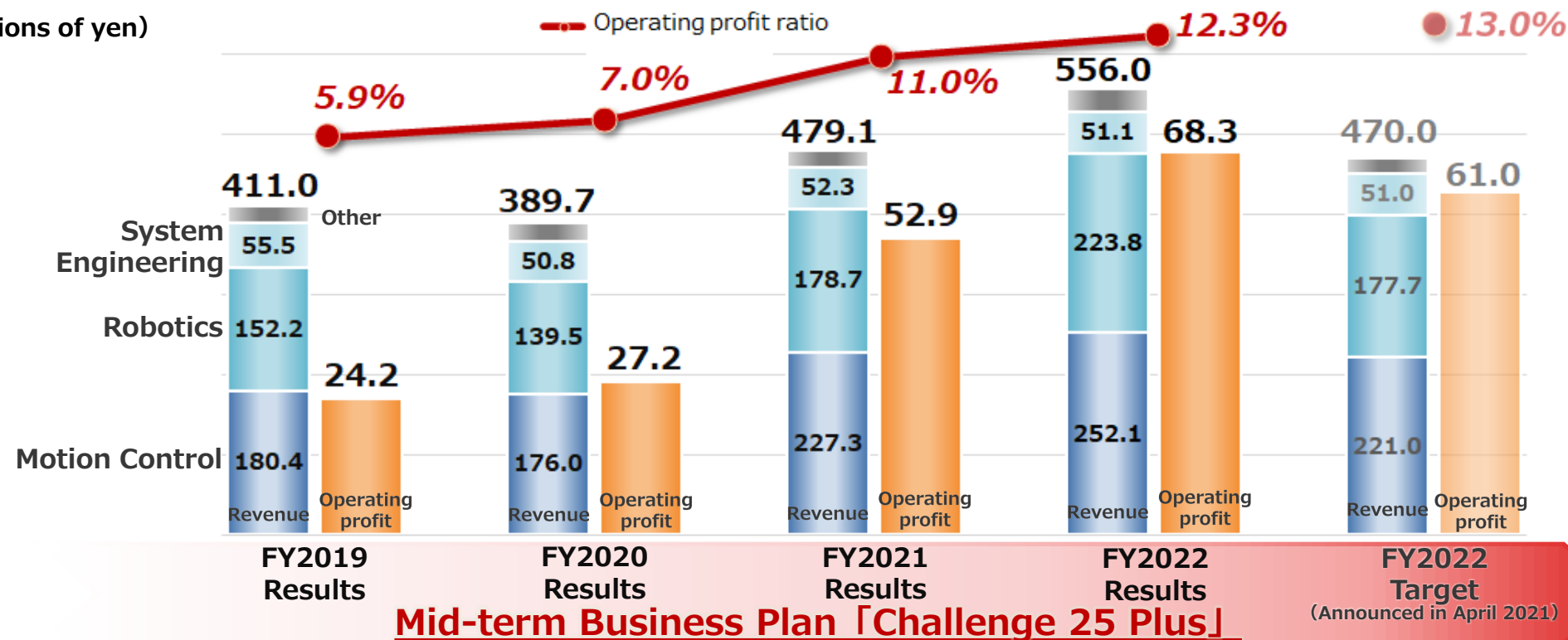
A substrate for servo amplifiers made in YASKAWA (Changzhou) Mechatronics system Co., Ltd.



Progress of Mid-term Business Plan “Challenge 25 Plus”

Achieved the revenue and operating profit targets of “Challenge 25 Plus” mid-term business plan

(Billions of yen)



	FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Results	FY2022 Target
ROE	6.6%	8.0%	14.3%	16.2%	15.0% or more
ROIC	5.9%	7.0%	13.3%	14.6%	15.0% or more
Dividend payout Ratio	87.5%	33.1%	35.4%	32.3%	30.0% or more

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

2. FY2023 Full-Year Forecasts **(Year Ending February 29, 2024)**

FY2023 Full-Year Financial Forecasts (Highlights)

- Capital investments for automation and labor-saving in overall manufacturing, including those related to 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.

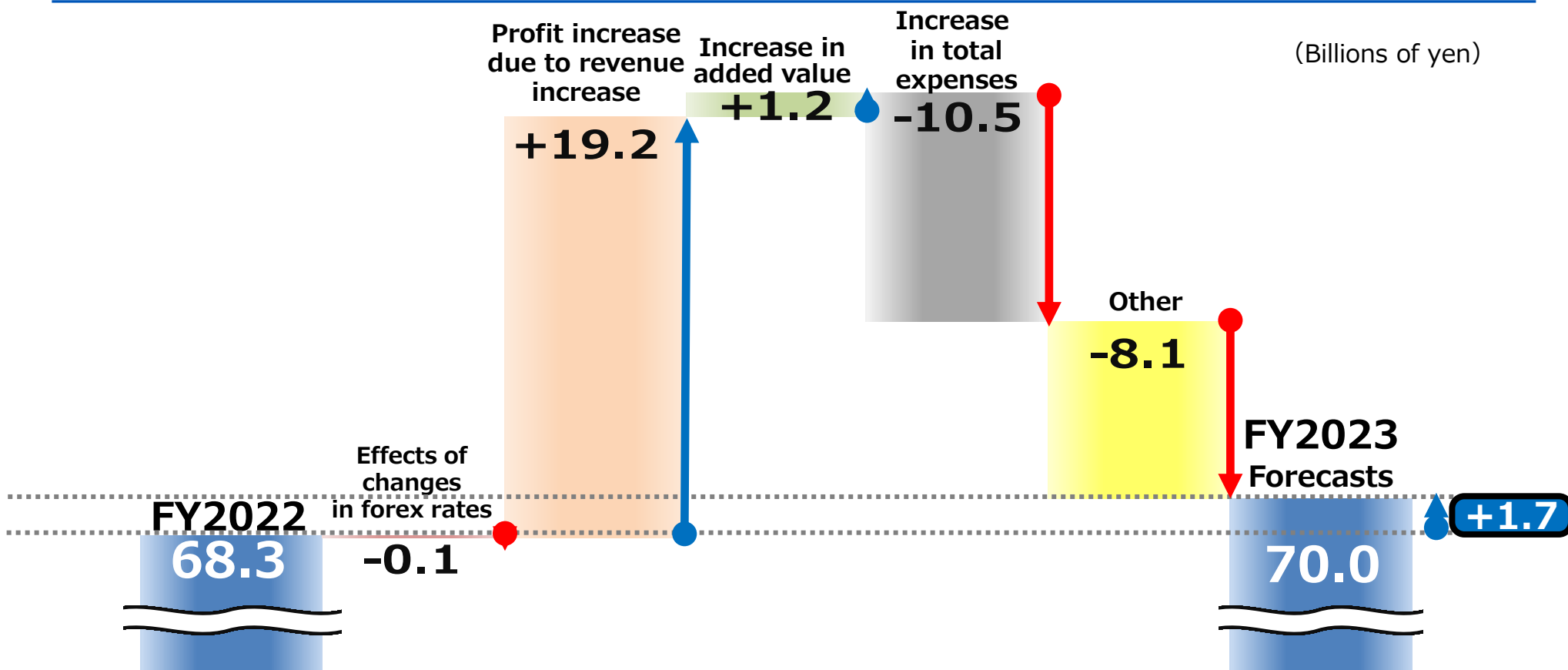
	FY2023 Forecasts	FY2022 Results	Changes	
			Amounts	%
Revenue	¥ 580.0bn.	¥ 556.0bn.	+¥ 24.0bn.	+4.3%
Operating profit	¥ 70.0bn.	¥ 68.3bn.	+¥ 1.7bn.	+2.5%
Profit before tax	¥ 72.7bn.	¥ 71.1bn.	+¥ 1.6bn.	+2.2%
Profit attributable to owners of parent	¥ 51.3bn.	¥ 51.8bn.	-¥ 0.5bn.	-0.9%

FY2023 Full-Year Financial Forecasts by Business Segment

	FY2023		FY2022		Changes	
	Forecasts	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
Revenue	580.0		556.0		+24.0	+4.3%
Motion Control	265.0		252.1		+12.9	+5.1%
Robotics	245.0		223.8		+21.2	+9.5%
System Engineering	47.0		51.1		-4.1	-8.0%
Other	23.0		28.9		-5.9	-20.4%
Operating profit	70.0	12.1%	68.3	12.3%	+1.7	+2.5%
Motion Control	39.0	14.7%	36.2	14.4%	+2.8	+7.8%
Robotics	34.0	13.9%	26.1	11.7%	+7.9	+30.1%
System Engineering	1.5	3.2%	2.6	5.0%	-1.1	-41.7%
Other	-0.2	-0.9%	1.8	6.2%	-2.0	-
Elimination or Corporate	-4.3	-	1.6	-	-5.9	-

Breakdown of Changes in Operating Profit (FY2022 → FY2023 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	-0.3	+9.3	+1.0	-5.3	-1.8
Robotics	+0.2	+12.2	-0.0	-4.3	-0.2
System Engineering	+0.0	-1.7	+0.5	+0.3	-0.2
Other	-0.0	-0.6	-0.4	-1.1	-5.8

Measures for FY2023

➤ Establishment of “i³-Mechatronics” business model

➔ Development capabilities

- Launch MOTOMAN-NEXT series, new autonomous robots
- Expand products and solutions targeted at growing markets such as Evs, batteries and semiconductors

➔ Production capabilities

- Improve responsiveness to demand fluctuation by strengthening production and procurement capabilities and increasing in-house production

➔ Sales capabilities

- Accelerating demonstration and value creation of i³-Mechatronics solutions for customers
- Strengthening proactive services that do not stop customers' production lines

➤ Promotion of digital management

- Prepare for the renewal of the core system in operations such as development, production, sales, quality and figures management

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

- Deepen understanding of management principles of global employees through implementation of education to global group companies
- Secure and promote diverse human resources required to execute business strategies through visualization and analysis of human resource data

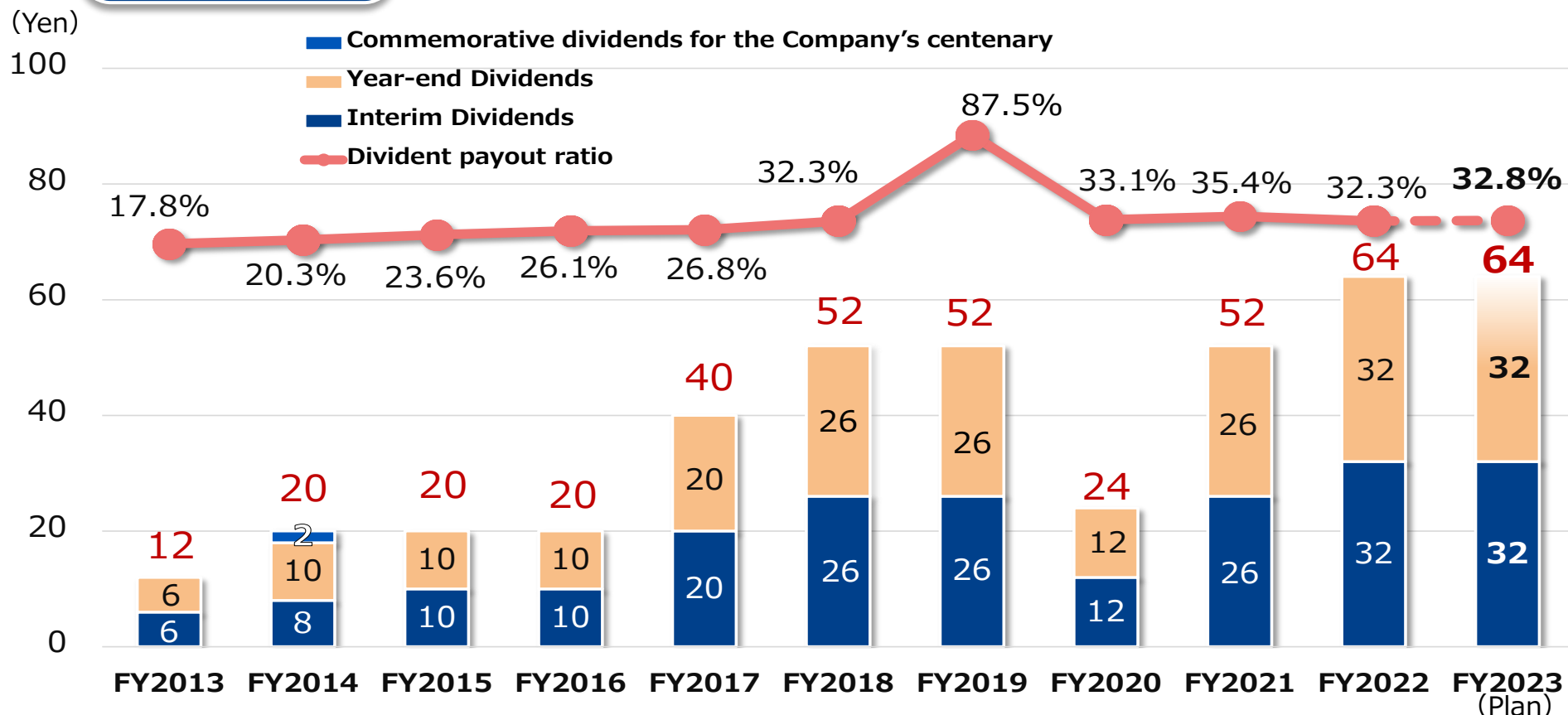


“MOTOMAN-NEXT series”
a new autonomous robot

Shareholder Return (Dividends)

- In FY2022, an annual dividend was 64 yen per share, an increase of 12 yen from the previous fiscal year.
- In FY2023, an annual dividend of 64 yen per share is expected to remain unchanged. (A dividend payout ratio is 32.8%)

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 1	F Y 2 0 2 2	F Y 2 0 2 3 (Plan)
Capital expenditure	24.2	27.6	38.0
Depreciation and Amortization	17.5	19.7	21.0
R&D investment	18.2	18.8	19.0

Forex rates

Note: Average rate during the period

(yen)

	F Y 2 0 2 1			F Y 2 0 2 2			F Y 2 0 2 3 (Forecasts)
	1H	2H	Full-Year	1H	2H	Full-Year	Full-Year
USD	109.5	113.5	111.5	129.9	138.6	134.1	130.0
EUR	130.8	130.1	130.4	136.8	143.0	139.8	140.0
CNY	16.92	17.77	17.33	19.59	19.77	19.68	19.00
KRW	0.097	0.096	0.096	0.102	0.104	0.103	0.100

Forex sensitivity

(Billions of yen)

	Impact of 1% fluctuation (Guideline for FY2022 Full-Year)	
	Revenue	Operating profit
USD	1.19	0.26
EUR	0.82	0.17
CNY	1.35	0.40
KRW	0.33	0.20

Note: The assumption is that exchange rates remain stable throughout the year.

Financial Indices

- Free cash flow temporarily deteriorated due to strategic inventory buildup to strengthen supply chains and the shorter term of payment for suppliers

As of February 28, 2023

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

As of February 28, 2023

➤ Ratio of equity attributable to owners of parent	53.2%	➤ Inventory (Turnover)	182.2 billion yen (3.9 months)
➤ Equity attributable to owners of parent	347.5 billion yen	➤ ROE	16.2%
➤ Interest-bearing debt	99.6 billion yen	➤ ROIC	14.6%
➤ D/E ratio (Net D/E ratio)	0.29 0.16		

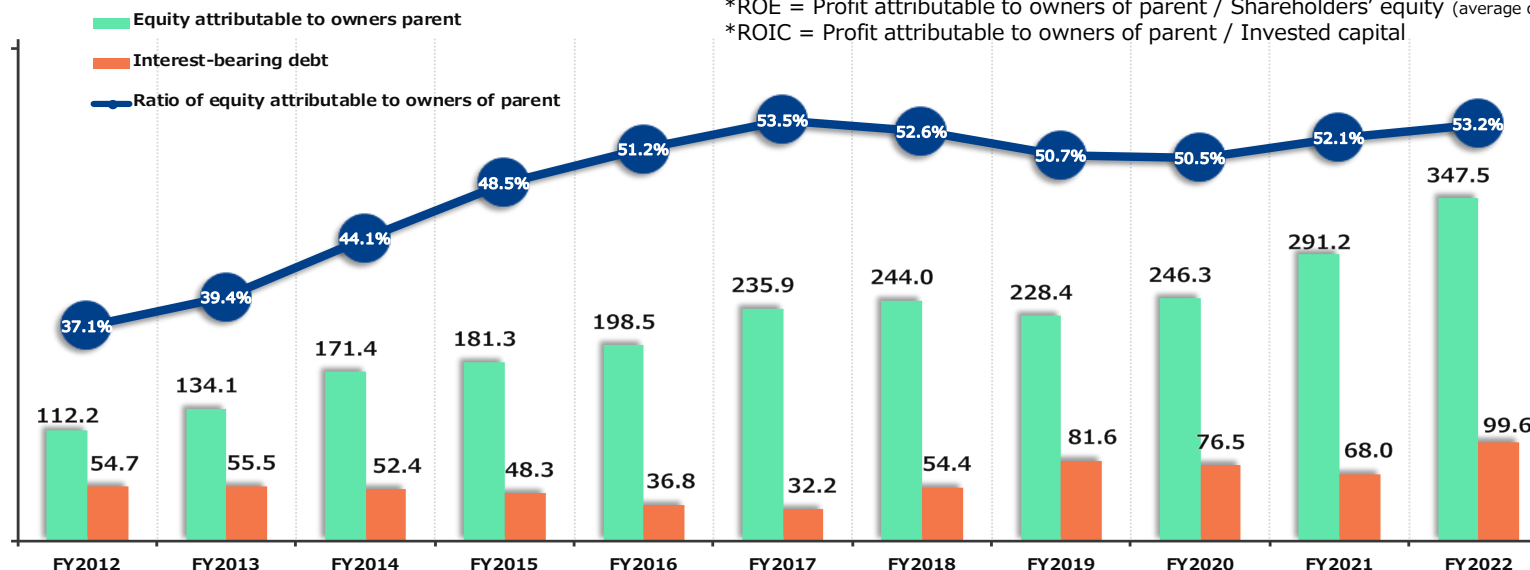
*Interest-bearing debt includes lease obligations.

*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

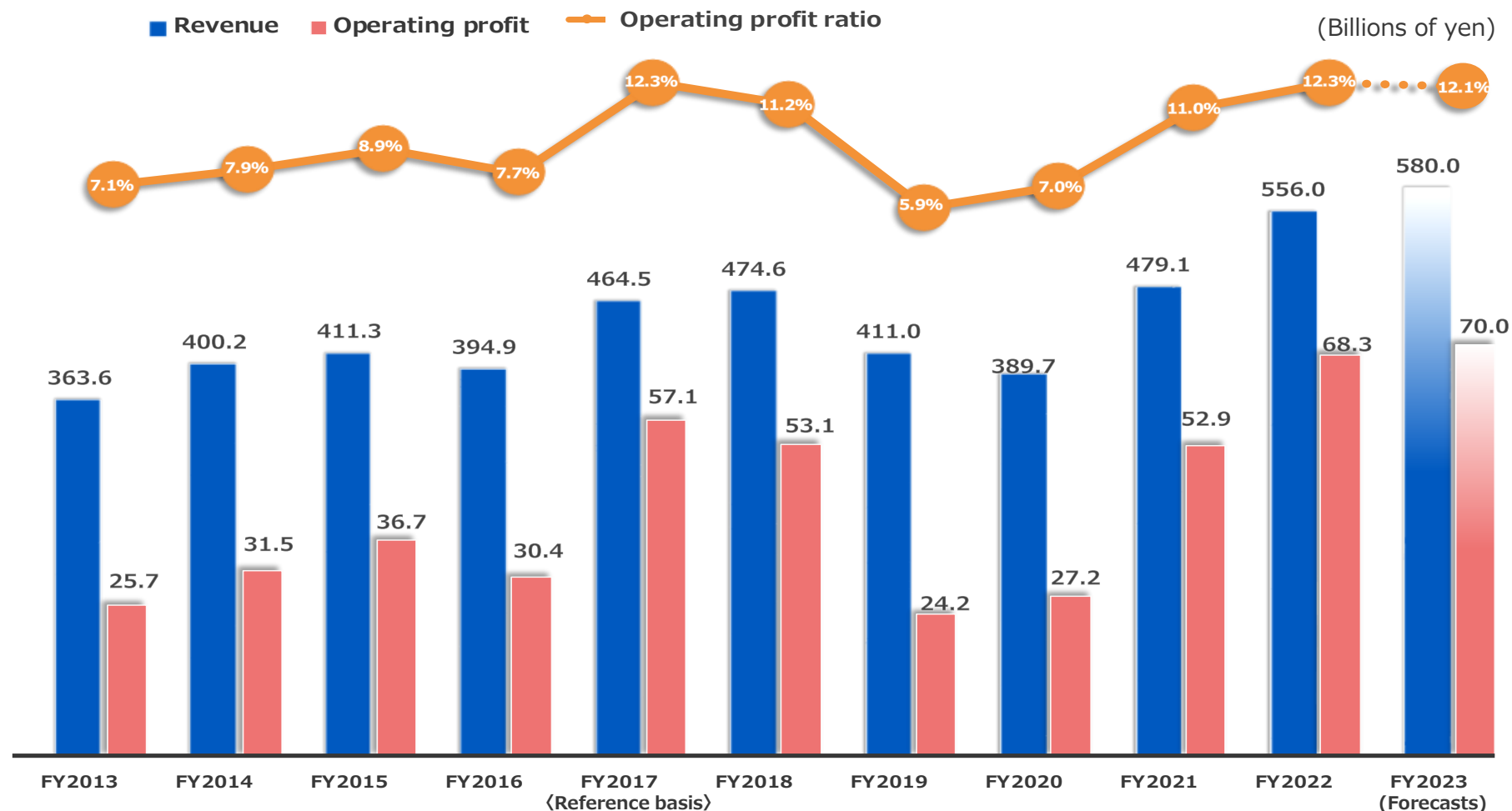
(Billions of yen)



Operating CF	24.6	24.0	29.0	32.0	33.8	46.1	34.3	21.5	39.6	49.2	- 2.2
Investment CF	- 18.1	- 16.9	- 27.9	- 22.4	- 18.9	- 18.9	- 27.1	- 20.6	- 9.6	- 24.2	- 19.7
Free CF	6.6	7.0	1.1	9.5	14.8	27.2	7.2	0.8	30.0	25.1	- 21.9

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

Revenue / Operating Profit (FY2013 – FY2023 Forecasts)



Realize 100

Dash 25

Challenge 25 Plus

Realize 25

Mid-term business plans

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)

160.0

140.0

120.0

100.0

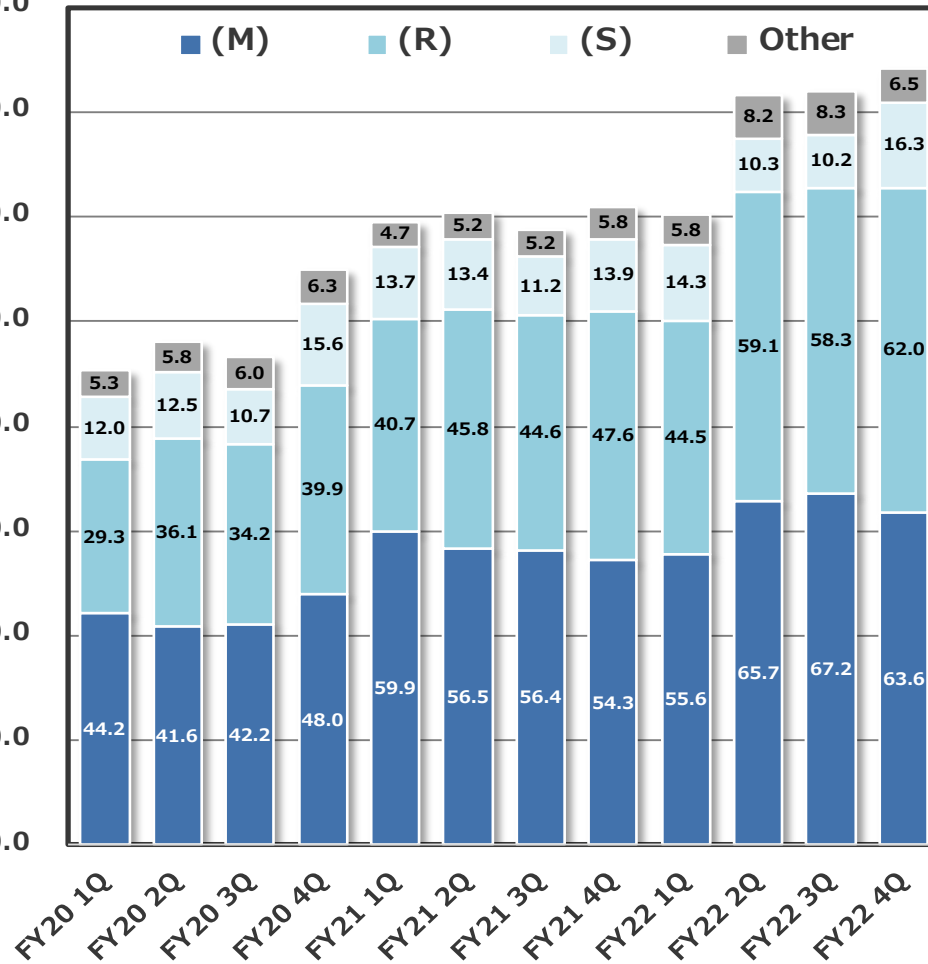
80.0

60.0

40.0

20.0

0.0



Location

(Billions of yen)

160.0

140.0

120.0

100.0

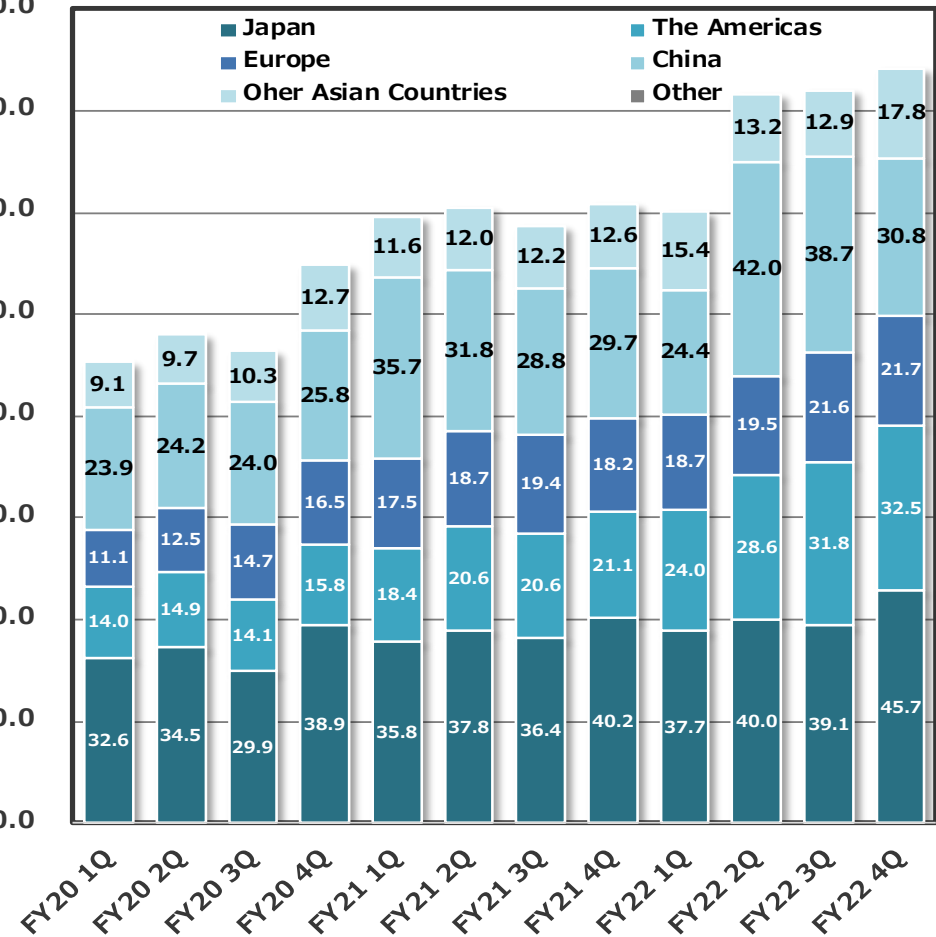
80.0

60.0

40.0

20.0

0.0



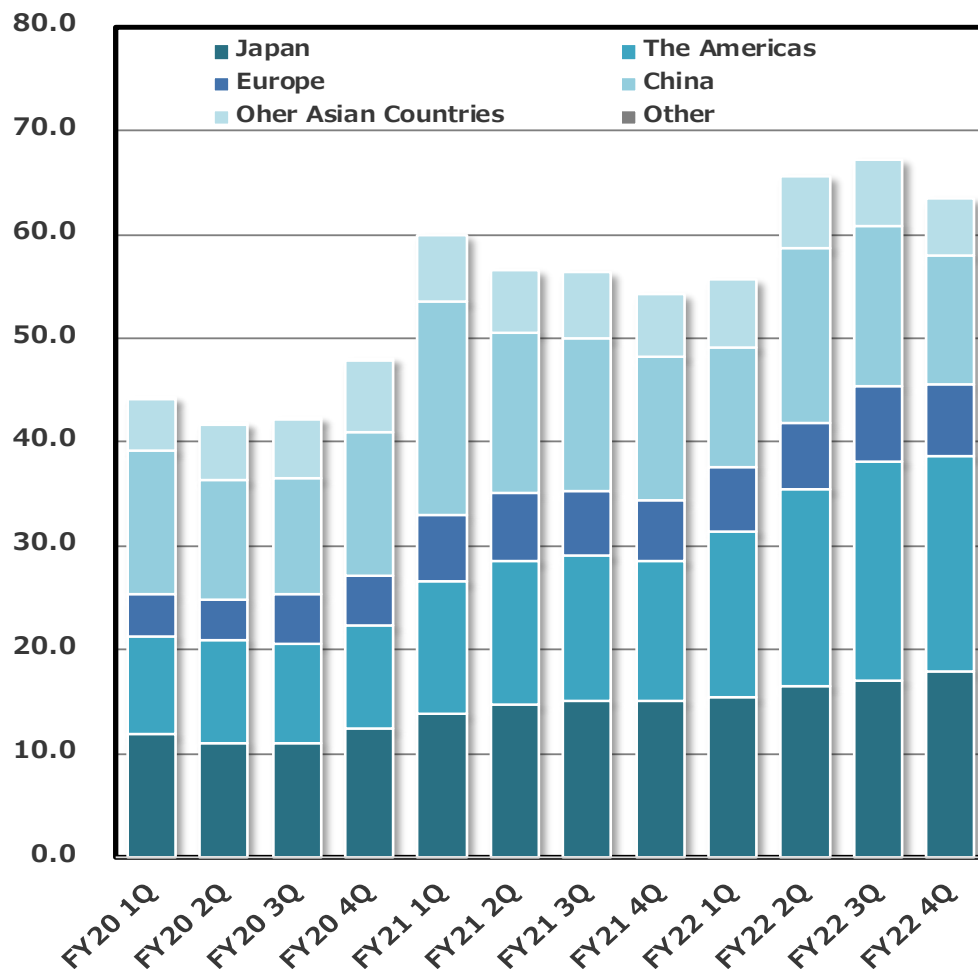
Note1: (M) = Motion Control (R) = Robotics (S) = System Engineering

Note2: Regional figures for FY2020 are based on destination.

Quarterly Revenue Trends (2)

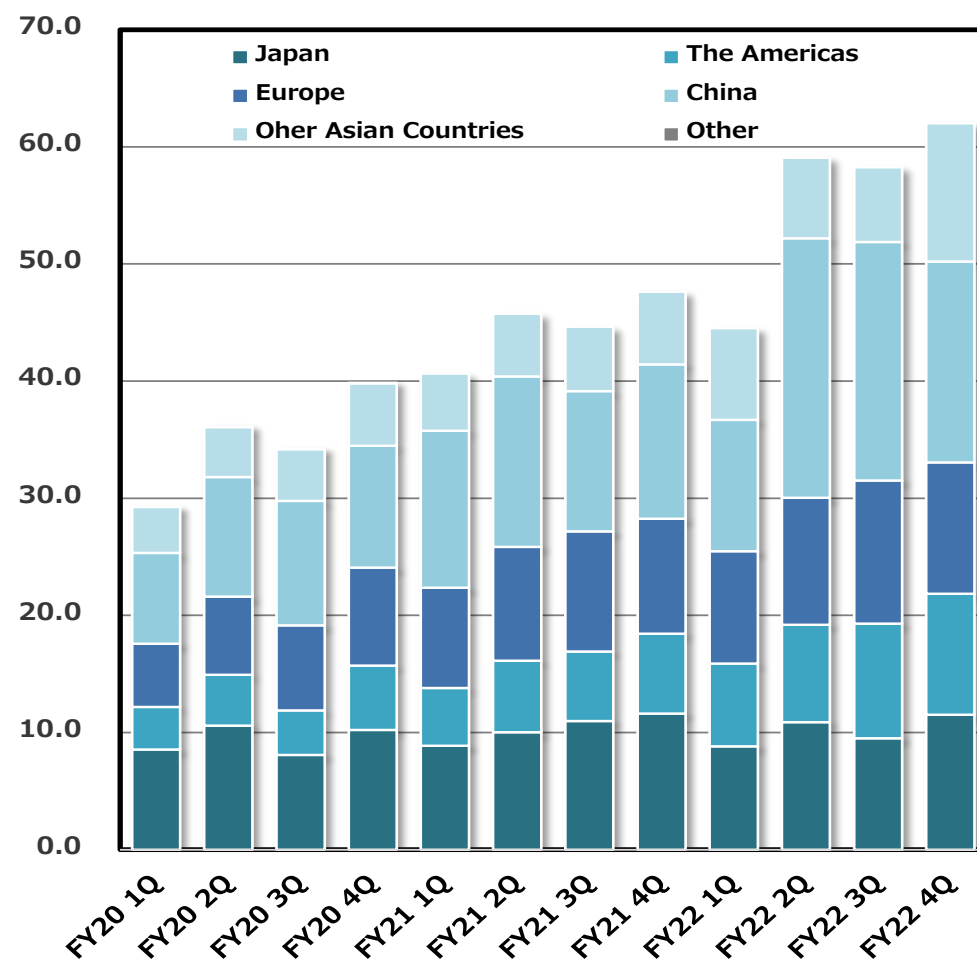
Motion Control

(Billions of yen)



Robotics

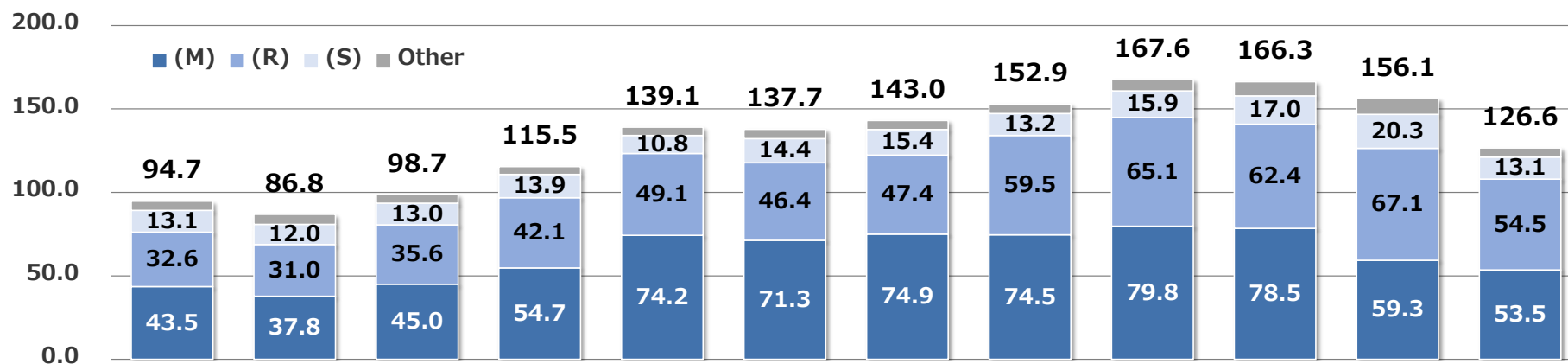
(Billions of yen)



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	3Q	4Q
全社	YoY	-12%	-14%	-0%	+20%	+47%	+59%	+45%	+32%	+21%	+21%	+9%	-17%
	QoQ	-1%	-8%	+14%	+17%	+20%	-1%	+4%	+7%	+10%	-1%	-6%	-19%

YoY	(M)	-8%	-14%	+2%	+26%	+70%	+89%	+67%	+36%	+7%	+10%	-21%	-28%
	(R)	-18%	-16%	-2%	+23%	+51%	+50%	+33%	+41%	+33%	+34%	+42%	-9%
	(S)	-13%	-14%	-1%	+15%	-18%	+20%	+18%	-5%	+48%	+18%	+32%	-1%

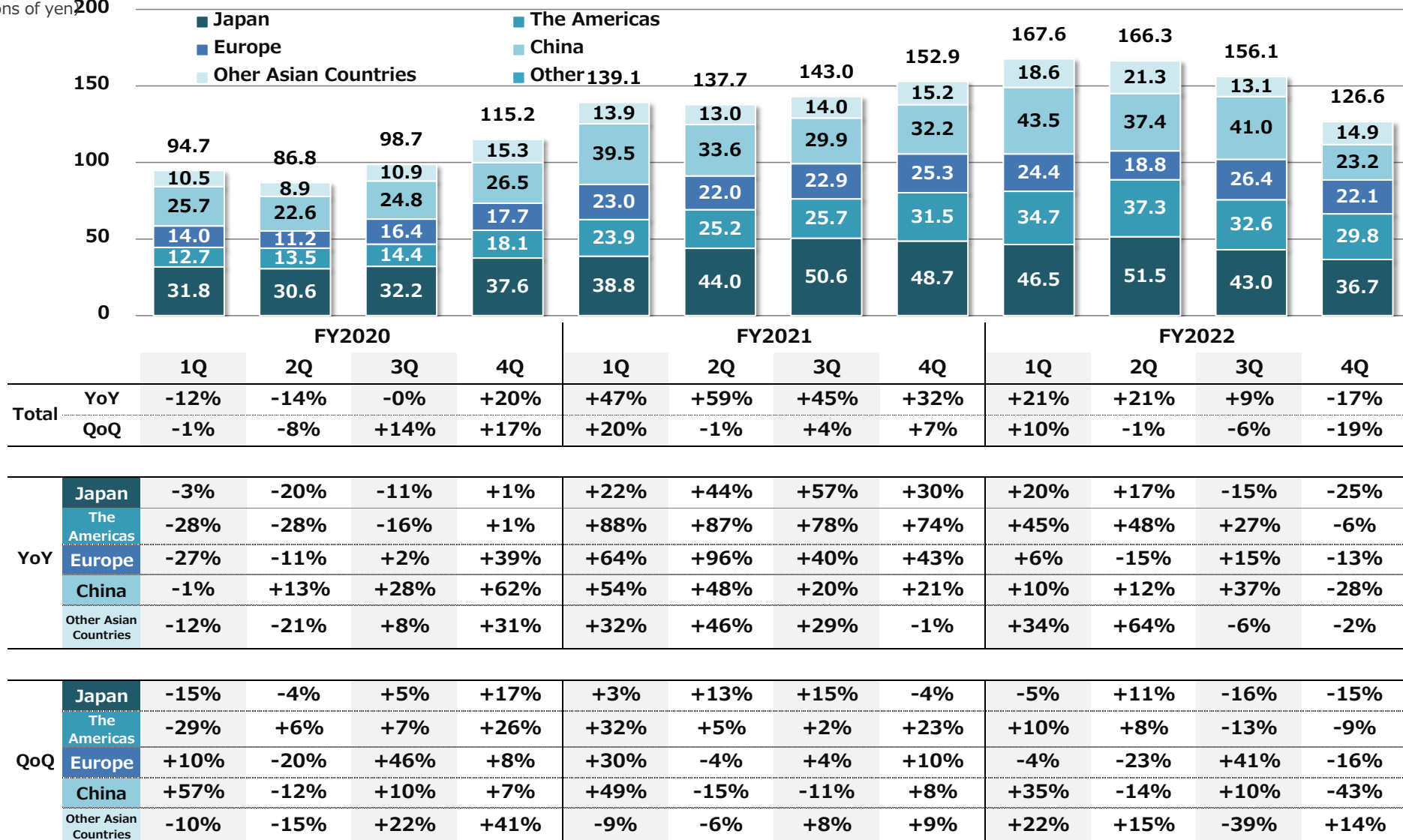
QoQ	(M)	+0%	-13%	+19%	+22%	+36%	-4%	+5%	-1%	+7%	-2%	-24%	-10%
	(R)	-4%	-5%	+15%	+18%	+17%	-5%	+2%	+25%	+9%	-4%	+8%	-19%
	(S)	+8%	-8%	+8%	+7%	-23%	+34%	+6%	-14%	+20%	+7%	+19%	-35%

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	144.3	132.9
	Euro	117.9	122.8	124.0	126.6	130.7	130.9	130.5	129.7	134.3	139.3	143.9	142.0

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

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

(Billions of yen) 200



Note: FY2020 data are based on destination.

YASKAWA