

# Consolidated Results for the First Quarter of Fiscal Year Ending February 29, 2024 [IFRS]

July 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 First Quarter of Fiscal Year Ending February 29, 2024

(From March 1, 2023 to May 31, 2023)

### (1) Consolidated Statements of Income

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

	Revenue		Operating profit		Profit before tax		Profit	
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change
Three months ended May 31, 2023	142,513	18.5%	16,449	17.9%	16,977	12.0%	11,804	12.4%
Three months ended May 31, 2022	120,312	1.1%	13,953	7.8%	15,160	12.0%	10,501	3.0%

	Profit attributable to owners of parent		Comprehensive income		Earnings per share (basic, Yen)	Earnings per share (diluted, Yen)
	Amount	% Change	Amount	% Change	Amount	Amount
Three months ended May 31, 2023	11,665	12.6%	16,293	-19.9%	44.62	44.58
Three months ended May 31, 2022	10,362	2.8%	20,333	14.5%	39.64	39.61

### (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 May 31, 2023	666,664	362,972	355,417	53.3%
As of February 28, 2023	653,132	355,075	347,499	53.2%

## 2. Dividends

	Dividends per share (yen)				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual total
Year ended February 28, 2023	-	32.00	-	32.00	64.00
Year ending February 29, 2024	-				
Year ending February 29, 2024 (Forecasts)		32.00	-	32.00	64.00

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

**3. Consolidated Financial Forecasts for the Fiscal Year Ending February 29, 2024**  
**(From March 1, 2023 to February 29, 2024)**

(Millions of yen, percentage change from the corresponding period of 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%

Note: Revisions to the most recently announced financial forecasts: No

The forecast for the fiscal year ending February 2024 (March 1, 2023 - February 29, 2024) is shown above.

Although demand remains weak in the semiconductor market and elsewhere, business performance has remained firm due to continued capital investment for automation and labor-saving in the manufacturing industry as a whole and the filling of backlogs of orders. As a result, our annual forecast for the fiscal year ending February 29, 2024, announced on April 7, 2023, remains unchanged.

The average exchange rates for the period from June 1, 2023 to February 29, 2024 remain unchanged from those announced on April 7, 2023. (1 USD=130.0 JPY, 1 EUR= 140.0 JPY, 1 CNY= 19.00 JPY, 1 KRW= 0.100 JPY)

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

(<https://www.yaskawa-global.com>)

**\*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 May 31, 2023	266,690,497	As of February 28, 2022	266,690,497
The number of treasury shares	As of May 31, 2023	5,225,636	As of February 28, 2022	5,221,110
Average during the period	Three months ended May 31, 2023	261,467,125	Three months ended May 31, 2022	261,412,943

\* 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 July 7, 2023 (JST).

#### 4. Qualitative Information on Quarterly Results

##### Business Performance

In the first quarter of the fiscal year under review, capital investments continued to upgrade and automate production in the global manufacturing industry in general, despite weak demand for semiconductors and electronic components.

In this environment, our group's performance improved in terms of revenue as a result of normalized production that had been delayed due to component shortages and the impact of the lockdown in China as well as filling of backlogs of orders, and the impact of the weak yen on foreign exchange rates. On the profit side, although we were affected by the disappearance of other earnings from changes to our retirement pension system that occurred temporarily in the previous fiscal year, operating income increased on a year on year basis as a result of improvements in profitability due to the price pass-through of higher raw material costs, in addition to improvements in both production efficiency and utilization rate.

<Management environment of each region>

Japan:

Demand remained sluggish in the semiconductor market as inventory adjustments continued due to falling memory prices.

U.S.:

While the semiconductor market was in an adjustment phase, demand remained firm as capital investment expanded in the automotive and oil/gas sectors, and automation investment continued in the general industries.

Europe:

Demand remained firm as investment continued in the automation of production equipment in the automotive market and in general industries such as medicine and food.

China:

Capital investment recovered moderately, especially in the new energy sector, as the recovery from the pandemic progressed.

Other Asian Countries:

Demand in the semiconductor market declined in South Korea and Taiwan, and capital investment generally stagnated in all ASEAN countries except India, due to the economic downturn.

The business performance of the first quarter of fiscal 2023 is as follows.

	Three months ended May 31, 2022	Three months ended May 31, 2023	Change
Revenue	120,312 million JPY	142,513 million JPY	+18.5%
Operating profit	13,953 million JPY	16,449 million JPY	+17.9%
Profit attributable to owners of parent	10,362 million JPY	11,665 million JPY	+12.6%
Average exchange rate for USD	124.17 JPY	134.89 JPY	+10.72 JPY
Average exchange rate for EUR	134.28 JPY	146.14 JPY	+11.86 JPY
Average exchange rate for CNY	19.12 JPY	19.46 JPY	+0.34 JPY
Average exchange rate for KRW	0.100 JPY	0.102 JPY	+0.002 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 quarter of fiscal 2023 is as follows.

Motion Control	Revenue	69,523 million JPY (+25.0 % year on year)
	Operating profit	9,849 million JPY (+43.7% year on year)
<p>Motion Control segment is comprised of AC servo &amp; controller business and drives business. Revenue increased as the effects of the previous year's lockdown in China resolved and production was normalized. In terms of profits, although they were affected by the semiconductor market, which is in an adjustment phase in the AC servo &amp; controller business, the profits of the segment as a whole increased due to the significant improvement in the drives business.</p> <p>[AC servo &amp; controller business] Despite weak demand for semiconductors and electronic components in the United States and other Asian countries, revenue remained firm due to a moderate recovery in the Chinese market.</p> <p>[Drives business] Oil and gas-related demand in the United States was strong, in addition to the normalization of production, which had been delayed due to the impact of the lockdown in China. Revenue also grew as investment in energy conservation continued following global trend of decarbonization (carbon neutrality).</p>		
Robotics	Revenue	52,752 million JPY (+18.5% year on year)
	Operating profit	6,190 million JPY (+86.2% year on year)
<p>In the general industries mainly in Europe and the United States, investments were made to upgrade and automate production against the backdrop of rising labor costs and labor shortages. In addition to continued capital investment in the automotive market, particularly in the EV sector, demand in the new energy sector remained strong in China, including the manufacture of solar panels.</p> <p>As a result of accurately capturing the growth in demand of overseas markets and increasing the utilization rate and production efficiency by in-house manufacturing of parts, both revenue and operating profit significantly increased on a year on year basis.</p>		

System Engineering	Revenue	14,392 million JPY (+0.5% year on year)
	Operating profit	982 million JPY (-5.8% year on year)
<p>Demand related to electrical systems for water and sewage systems as well as PV inverters for solar power generation remained firm. As a result, both revenue and operating profit remained flat on a year on year basis.</p>		
Other	Revenue	5,844million JPY (+0.1% year on year)
	Operating profit	-15 million JPY (-98 million JPY year on year)
<p>Other segment consists of logistics and other businesses. Revenue remained flat on a year on year basis, and operating profit slightly deteriorated.</p>		

## 5. Consolidated Financial Statements

### 1) Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2023	As of May 31, 2023
Assets		
Current assets		
Cash and cash equivalents	42,274	41,861
Trade receivables	171,219	173,096
Inventories	182,226	192,477
Other financial assets	4,471	4,897
Other current assets	30,707	27,018
Total current assets	<u>430,898</u>	<u>439,351</u>
Non-current assets		
Property, plant and equipment	100,309	100,470
Goodwill	7,558	7,579
Intangible assets	19,115	19,503
Right-of-use assets	15,513	15,696
Investments accounted for using equity method	10,994	11,992
Other financial assets	39,768	41,498
Deferred tax assets	15,329	16,421
Other non-current assets	13,643	14,150
Total non-current assets	<u>222,233</u>	<u>227,312</u>
Total assets	<u><u>653,132</u></u>	<u><u>666,664</u></u>

(Millions of yen)

	As of February 28, 2023	As of May 31, 2023
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	67,716	67,374
Borrowings	55,097	57,818
Income taxes payable	6,371	4,249
Lease liabilities	3,051	3,246
Other financial liabilities	4,886	5,768
Provisions	1,580	1,965
Other current liabilities	76,105	80,473
<b>Total current liabilities</b>	<b>214,810</b>	<b>220,897</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	30,379	30,260
Lease liabilities	11,036	11,041
Other financial liabilities	307	316
Retirement benefit liability	28,662	28,683
Deferred tax liabilities	3,066	2,878
Provisions	4,626	4,362
Other non-current liabilities	5,167	5,251
<b>Total non-current liabilities</b>	<b>83,246</b>	<b>82,795</b>
<b>Total liabilities</b>	<b>298,057</b>	<b>303,692</b>
<b>Equity</b>		
<b>Equity attributable to owners of parent</b>		
Share capital	30,562	30,562
Capital surplus	28,879	28,999
Retained earnings	271,299	274,879
Treasury shares	-21,998	-22,020
Other components of equity	38,755	42,997
<b>Total equity attributable to owners of parent</b>	<b>347,499</b>	<b>355,417</b>
Non-controlling interests	7,576	7,554
<b>Total equity</b>	<b>355,075</b>	<b>362,972</b>
<b>Total liabilities and equity</b>	<b>653,132</b>	<b>666,664</b>

2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Three months ended May 31, 2022	Three months ended May 31, 2023
Revenue	120,312	142,513
Cost of sales	-79,774	-91,622
Gross profit	40,537	50,891
Selling, general and administrative expenses	-30,306	-33,898
Other income	3,801	226
Other expenses	-79	-768
Operating profit	13,953	16,449
Finance income	620	217
Finance costs	-383	-622
Share of profit (loss) of investments accounted for using equity method	969	932
Profit before tax	15,160	16,977
Income tax expense	-4,658	-5,173
Profit	10,501	11,804
Profit attributable to		
Owners of parent	10,362	11,665
Non-controlling interests	139	138
Total	10,501	11,804
Earnings per share		
Basic earnings per share (Yen)	39.64	44.62
Diluted earnings per share (Yen)	39.61	44.58



## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended May 31, 2022	Three months ended May 31, 2023
Profit	10,501	11,804
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	-1,666	1,325
Remeasurements of defined benefit plans	204	279
Share of other comprehensive income of investments accounted for using equity method	57	3
Total	-1,404	1,608
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	11,329	2,835
Effective portion of cash flow hedges	-92	45
Total	11,237	2,880
Total other comprehensive income	9,832	4,489
Comprehensive income	20,333	16,293
Comprehensive income attributable to		
Owners of parent	19,924	16,188
Non-controlling interests	409	105
Total	20,333	16,293

### 3) Consolidated Statements of Changes in Equity

First quarter of Fiscal 2022 (From March 1, 2022 to May 31, 2022)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
Balance at beginning of period	30,562	28,312	232,547	-21,971	21,783	291,234	6,866	298,100
Profit	—	—	10,362	—	—	10,362	139	10,501
Other comprehensive income	—	—	—	—	9,561	9,561	270	9,832
Comprehensive income	—	—	10,362	—	9,561	19,924	409	20,333
Purchase of treasury shares	—	—	—	-0	—	-0	—	-0
Dividends of surplus	—	—	-6,797	—	—	-6,797	-30	-6,828
Share-based payment transactions	—	18	—	—	—	18	—	18
Transfer from other components of equity to retained earnings	—	—	200	—	-200	—	—	—
Other	—	0	—	—	—	0	—	0
Total	—	18	-6,596	-0	-200	-6,779	-30	-6,809
Balance at end of period	30,562	28,330	236,312	-21,971	31,144	304,378	7,245	311,624

First quarter of Fiscal 2023 (From March 1, 2023 to May 31, 2023)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
Balance at beginning of period	30,562	28,879	271,299	-21,998	38,755	347,499	7,576	355,075
Profit	—	—	11,665	—	—	11,665	138	11,804
Other comprehensive income	—	—	—	—	4,522	4,522	-32	4,489
Comprehensive income	—	—	11,665	—	4,522	16,188	105	16,293
Purchase of treasury shares	—	—	—	-1	—	-1	—	-1
Dividends of surplus	—	—	-8,367	—	—	-8,367	-76	-8,443
Share-based payment transactions	—	65	—	—	—	65	—	65
Changes in ownership interest in subsidiaries	—	54	—	-21	—	32	-50	-18
Transfer from other components of equity to retained earnings	—	—	281	—	-281	—	—	—
Other	—	—	—	—	—	—	—	—
Total	—	119	-8,086	-22	-281	-8,270	-126	-8,397
Balance at end of period	30,562	28,999	274,879	-22,020	42,997	355,417	7,554	362,972

4) Notes to the Consolidated Financial Statements

(Notes pertaining to the presumption of a going concern)

None