

## FY2023 1st Quarter Financial Results (Three Months Ended May 31, 2023)

### Notes:

- 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】

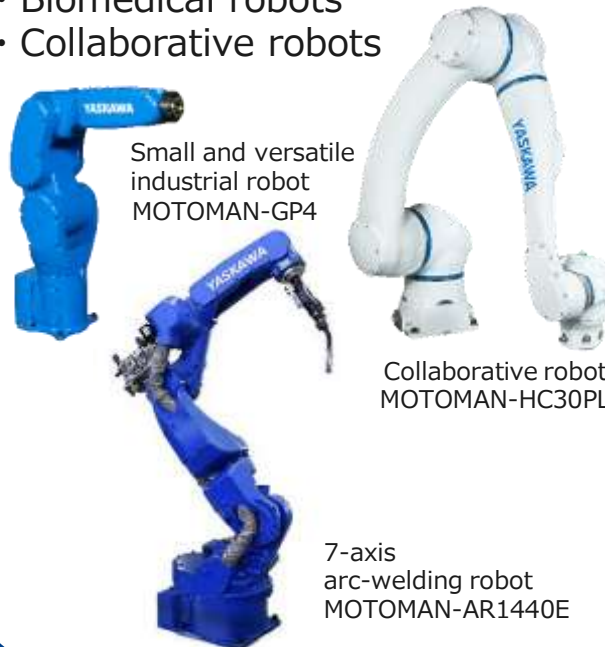
- AC servo motors and controllers
- Linear servo motors
- AC drives
- PM motor



## 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



Electrical systems for steel plants



PV inverter  
Enewell-Sol P3A 25kW



Electrical instrumentation systems for water and sewerage

## Other

- Logistics

## **1 . FY2023 1Q Financial Results** **(Three Months Ended May 31, 2023)**

## FY2023 1Q Financial Results (Highlights)

- Revenue increased because capital investments continued to upgrade and automate production in the global manufacturing industry in general.
- Operating profit grew 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.

	FY2023 1Q Results	FY2022 1Q Results	Changes	
			Amounts	%
Revenue	¥ 142.5bn.	¥ 120.3bn.	+¥ 22.2bn.	+18.5%
Operating profit	¥ 16.4bn.	¥ 14.0bn.	+¥ 2.5bn.	+17.9%
Profit before tax	¥ 17.0bn.	¥ 15.2bn.	+¥ 1.8bn.	+12.0%
Profit attributable to owners of parent	¥ 11.7bn.	¥ 10.4bn.	+¥ 1.3bn.	+12.6%

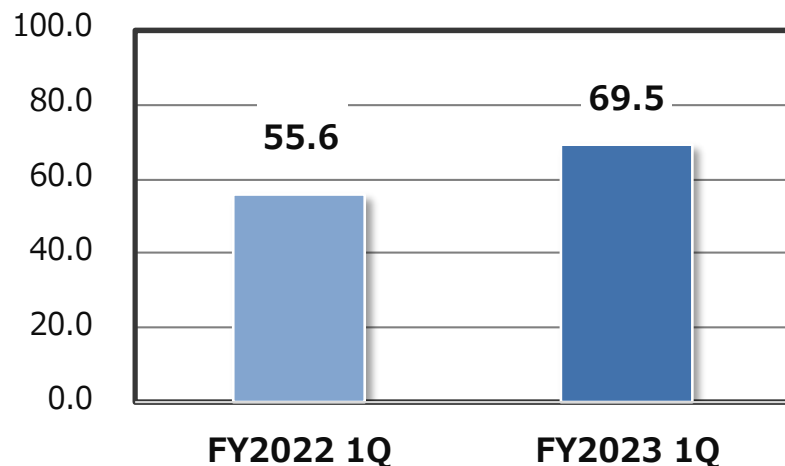
# FY2023 1Q Financial Results by Business Segment

- In Motion Control, revenue increased as production was normalized, and operating profit grew due to the significant improvement in the drives business.
- In Robotics, revenue increased because of the growth in demand of overseas markets and operating profit significantly grew by improvements in both production efficiency and utilization rate.

	FY2023 1Q		FY2022 1Q		Changes	
	Results	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
<b>Revenue</b>	<b>142.5</b>		120.3		<b>+22.2</b>	<b>+18.5%</b>
<b>Motion Control</b>	<b>69.5</b>		55.6		<b>+13.9</b>	<b>+25.0%</b>
<b>Robotics</b>	<b>52.8</b>		44.5		<b>+8.2</b>	<b>+18.5%</b>
<b>System Engineering</b>	<b>14.4</b>		14.3		<b>+0.1</b>	<b>+0.5%</b>
<b>Other</b>	<b>5.8</b>		5.8		<b>+0.0</b>	<b>+0.1%</b>
<b>Operating profit</b>	<b>16.4</b>	<b>11.5%</b>	14.0	11.6%	<b>+2.5</b>	<b>+17.9%</b>
<b>Motion Control</b>	<b>9.8</b>	<b>14.2%</b>	6.9	12.3%	<b>+3.0</b>	<b>+43.7%</b>
<b>Robotics</b>	<b>6.2</b>	<b>11.7%</b>	3.3	7.5%	<b>+2.9</b>	<b>+86.2%</b>
<b>System Engineering</b>	<b>1.0</b>	<b>6.8%</b>	1.0	7.3%	<b>-0.1</b>	<b>-5.8%</b>
<b>Other</b>	<b>-0.0</b>	<b>-0.3%</b>	0.1	1.4%	<b>-0.1</b>	<b>-</b>
<b>Elimination or Corporate</b>	<b>-0.6</b>	<b>-</b>	2.6	-	<b>-3.2</b>	<b>-</b>

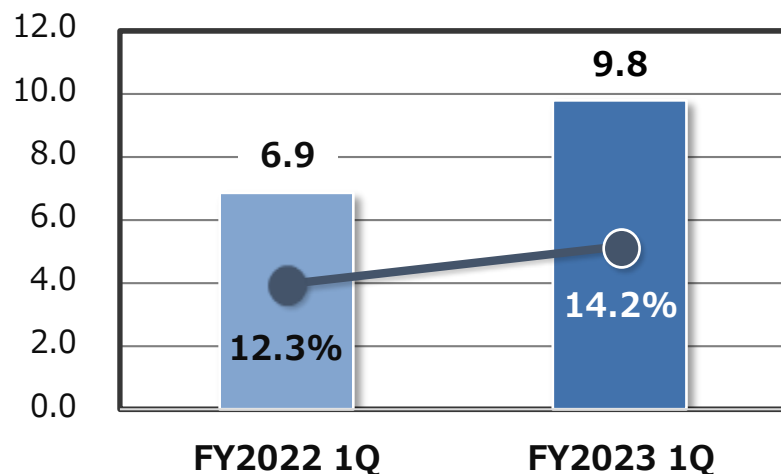
# Business Segment Overview: Motion Control

**Revenue** (Billions of yen)



**Operating profit** (Billions of yen)

**Operating profit ratio** (%)



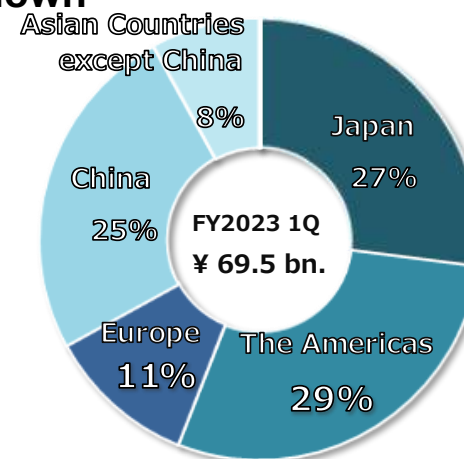
## [Revenue]

- In AC servo & controller business, demand for semiconductors and electronic components in the U.S. and Asian countries except China was weak. The Chinese market recovered moderately.
- In Drives business, oil and gas-related demand in the U.S. was strong, in addition to the normalization of production in China. Revenue grew as investment in energy conservation continued globally.

## [Operating Profit]

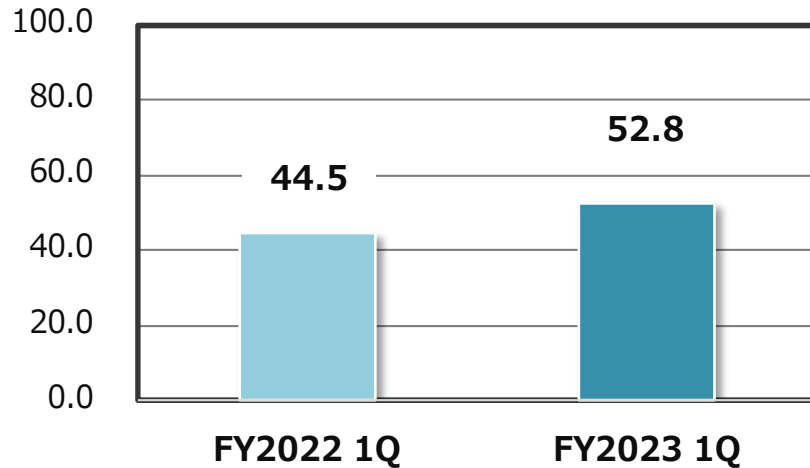
- Operating profit increased due to the significant improvement of the profitability in the drives business.

## Revenue breakdown by region

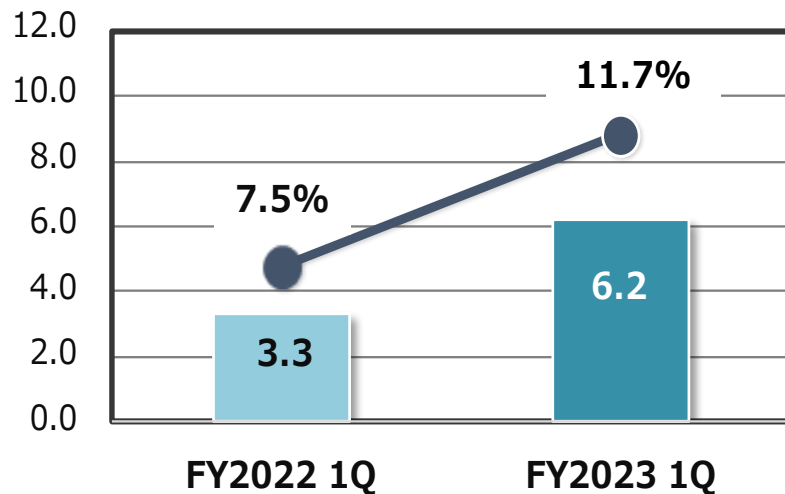


# Business Segment Overview: Robotics

**Revenue** (Billions of yen)



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



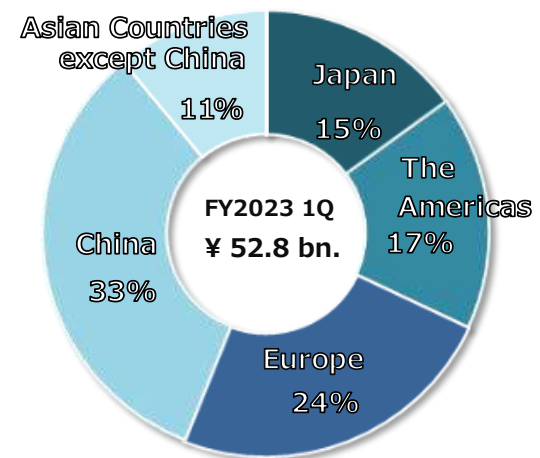
## [Revenue]

- In the general industries, investments were made to upgrade and automate production because of rising labor costs and labor shortages.
- Capital investment continued 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.

## [Operating Profit]

- Operating profit grew as a result of improvements of utilization rate and production efficiency by in-house manufacturing of parts.

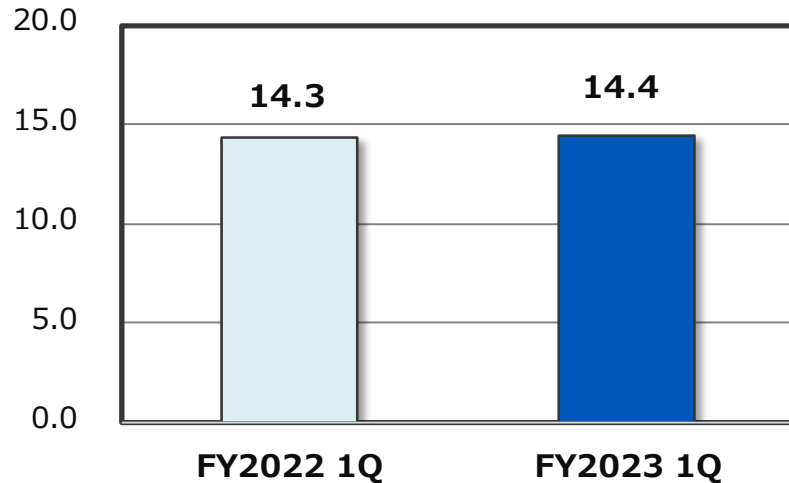
## Revenue breakdown by region





# Business Segment Overview: System Engineering

**Revenue** (Billions of yen)



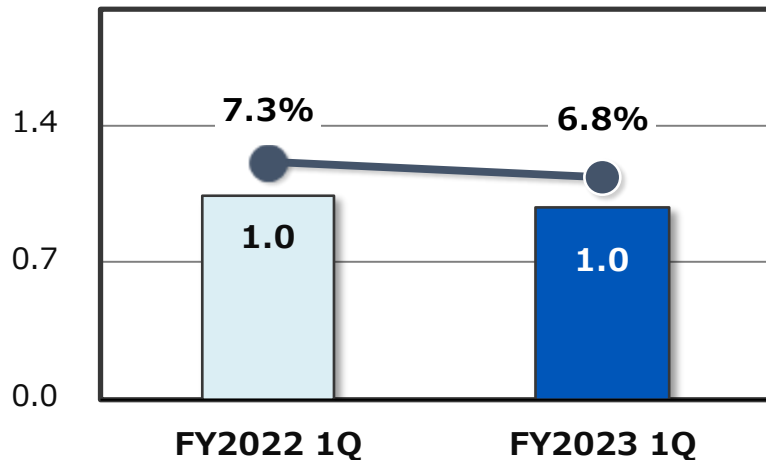
## [Revenue]

- Demand related to electrical systems for water and sewage systems as well as PV inverters for solar power generation remained firm.

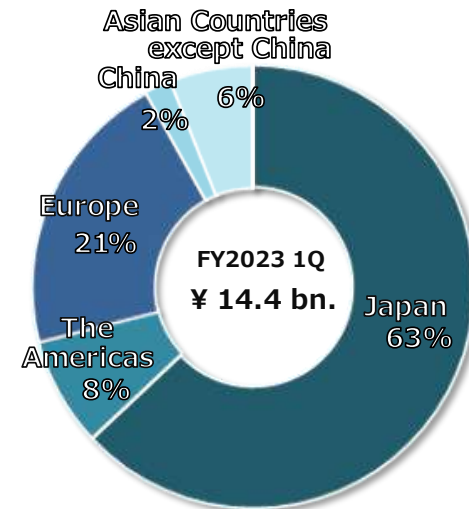
## [Operating Profit]

- Operating profit remained flat year-on-year.

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

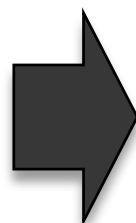
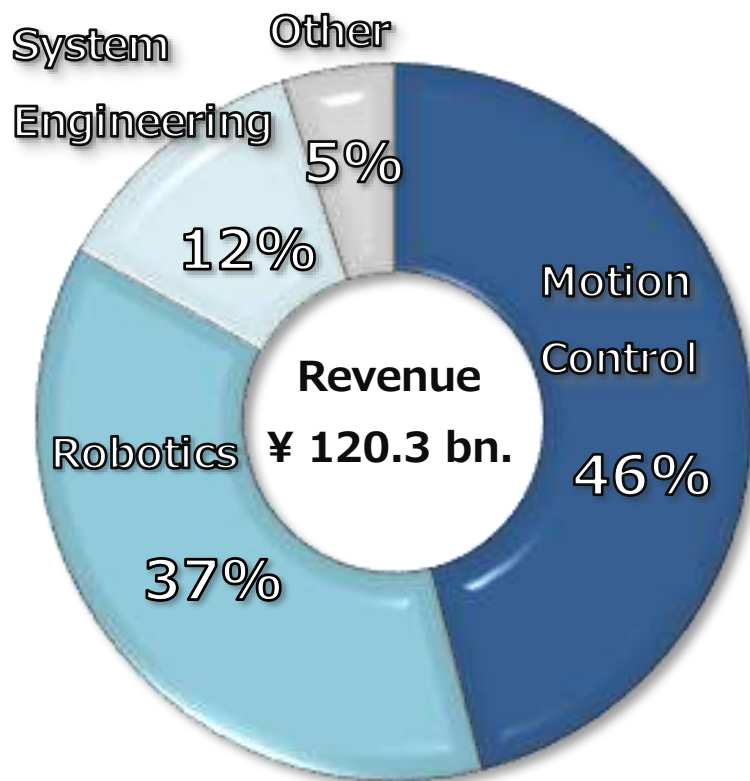


## Revenue breakdown by region

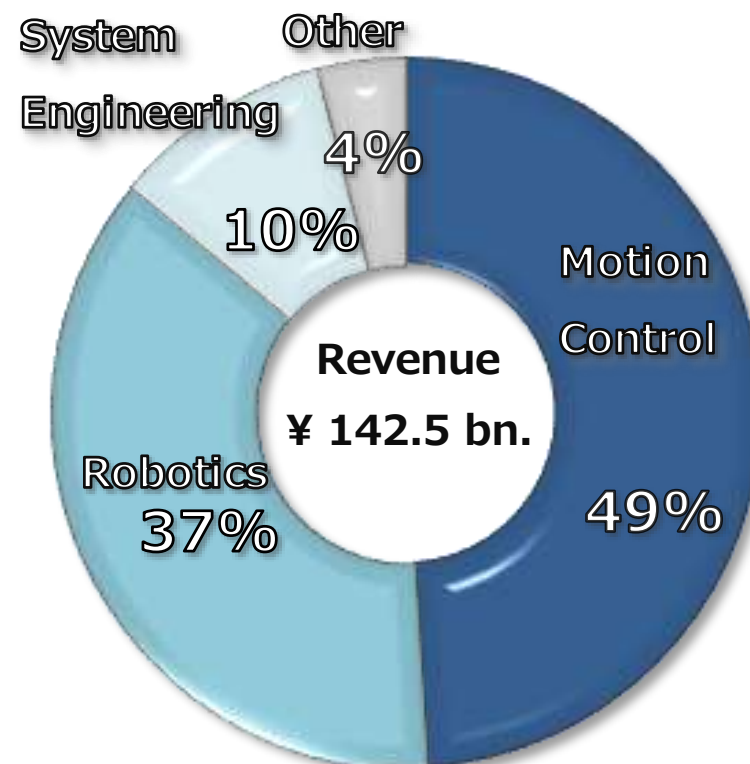


# Revenue Breakdown by Business Segment

**FY2022 1Q**



**FY2023 1Q**



## Revenue Breakdown by Location (1)

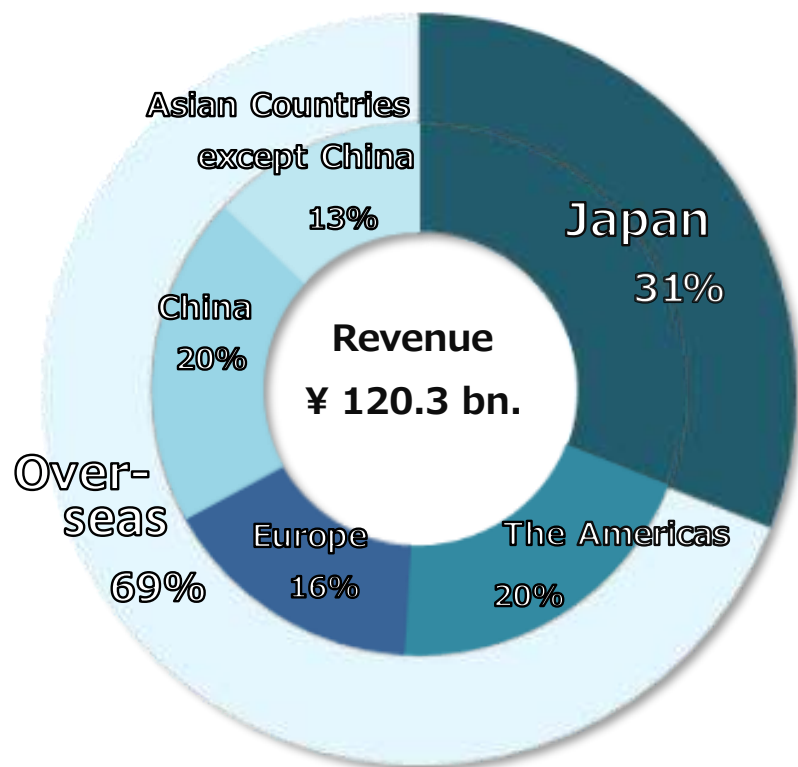
- Revenue grew year-on-year in all regions but Asian countries except China.
- China recovered from the lockdown occurred in the last fiscal year.

	FY2023 1Q Results	FY2022 1Q Results	Changes	
			Amounts	%
(Billions of yen)				
<b>Revenue</b>	<b>142.5</b>	120.3	<b>+22.2</b>	<b>+18.5%</b>
<b>Japan</b>	<b>40.5</b>	37.7	<b>+2.8</b>	<b>+7.6%</b>
<b>Overseas</b>	<b>102.0</b>	82.6	<b>+19.4</b>	<b>+23.4%</b>
<b>The Americas</b>	<b>30.5</b>	24.0	<b>+6.4</b>	<b>+26.8%</b>
<b>Europe</b>	<b>22.8</b>	18.7	<b>+4.1</b>	<b>+22.2%</b>
<b>China</b>	<b>36.4</b>	24.4	<b>+12.0</b>	<b>+48.9%</b>
Asian Countries except China	<b>12.2</b>	15.4	<b>-3.2</b>	<b>-20.7%</b>

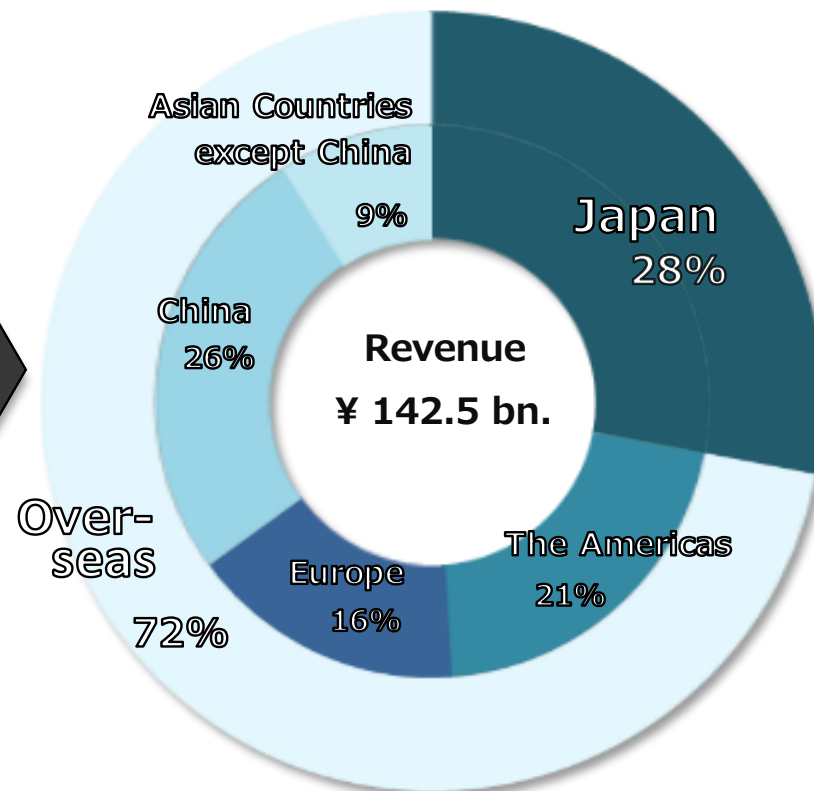
Note: Europe includes Middle East and Africa.

## Revenue Breakdown by Location (2)

**FY2022 1Q**



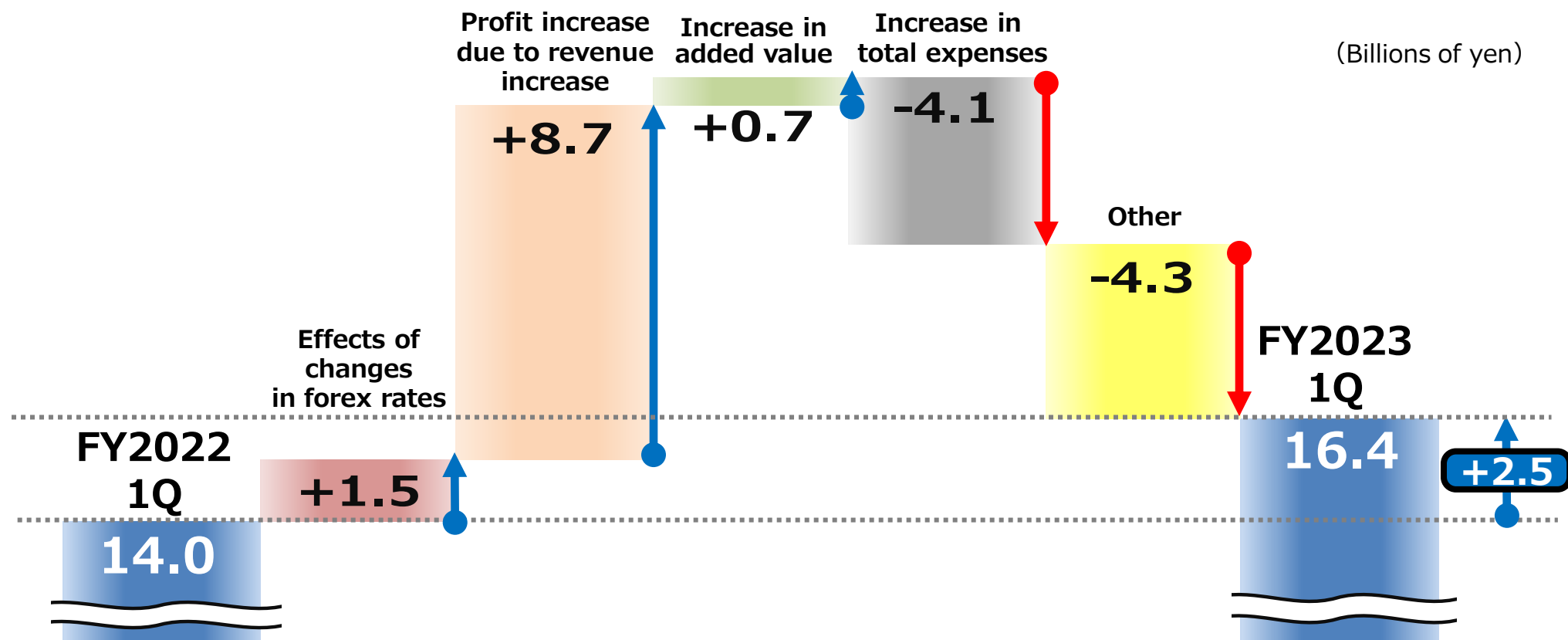
**FY2023 1Q**



Note : Europe includes Middle East and Africa.

# Breakdown of Changes in Operating Profit (FY2022 1Q → FY2023 1Q)

(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	+0.7	+5.9	-0.7	-2.9	-0.0
Robotics	+0.7	+3.0	+1.1	-1.9	-0.0
System Engineering	+0.0	-0.1	+0.2	-0.1	-0.0
Other	+0.0	-0.0	+0.1	+0.8	-4.2

# Measures for FY2023 1Q

## ➤ New mid-term business plan “Realize 25” started

- Based on Yaskawa principles, strengthen our business activities through the solution concept, “i<sup>3</sup>-Mechatronics” and aim to achieve the long-term business plan “Vision 2025” (Released in May 2023).

## ➤ Establishment of “i<sup>3</sup>-Mechatronics” business model

### ➔ Development capabilities

- Accelerated preparations for the launch of the new autonomous robots, “MOTOMAN NEXT series” (Launch is planned in September 2023)

### ➔ Production capabilities

- Planned to build a new factory to produce AC servo drives for robots as well as robots with the aim of establishing an integrated production system (start of operation planned in 2025 at headquarters)

### ➔ Sales capabilities

- Constructed new headquarters of Yaskawa Europe (Opened in May 2023 for the promotion of development of new solutions with customers and partners)
- Promote automation of plant factories through a capital alliance with Oishii Farm Corporation in the U.S. (May 2023)



New headquarters of  
YASKAWA Europe

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

- Expanded education program of Yaskawa principles to subsidiaries overseas (Yaskawa Europe and Yaskawa America) (May and June 2023)
- Published “Health Management Declaration” and its promotion structure for the revitalization of human capital (March 2023)

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

## FY2023 Full-Year Financial Forecasts (Highlights)

- The full-year financial forecast announced on April 7, 2023, remains unchanged because of the firm business performance due to continued capital investment for automation and labor-saving in the manufacturing industry overall and the filling of backlogs of orders.

	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%



## 3. Reference

# 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	<b>24.18</b>	<b>27.61</b>	<b>38.00</b>
Depreciation and Amortization	<b>17.48</b>	<b>19.67</b>	<b>21.00</b>
R&D investment	<b>18.18</b>	<b>18.78</b>	<b>19.00</b>

## Forex rates

(yen)

	F Y 2 0 2 1			F Y 2 0 2 2			F Y 2 0 2 3 (Forecasts)		
	1Q	1H	Full-Year	1Q	1H	Full-Year	1Q(Results)	1H	Full-Year
USD	109.0	109.5	111.5	124.2	129.9	134.1	134.9	132.4	131.2
EUR	130.7	130.8	130.4	134.3	136.8	139.8	146.1	143.1	141.5
CNY	16.79	16.92	17.33	19.12	19.59	19.68	19.46	19.23	19.12
KRW	0.097	0.097	0.096	0.100	0.102	0.103	0.102	0.101	0.101

## Forex sensitivity

(Billions of yen)

	Impact of 1% fluctuation (Guideline for FY2023 Full-Year)	
	Revenue	Operating profit
USD	<b>1.29</b>	<b>0.30</b>
EUR	<b>0.91</b>	<b>0.20</b>
CNY	<b>1.46</b>	<b>0.35</b>
KRW	<b>0.35</b>	<b>0.20</b>

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

# Financial Indices

## 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		

## As of May 31, 2023

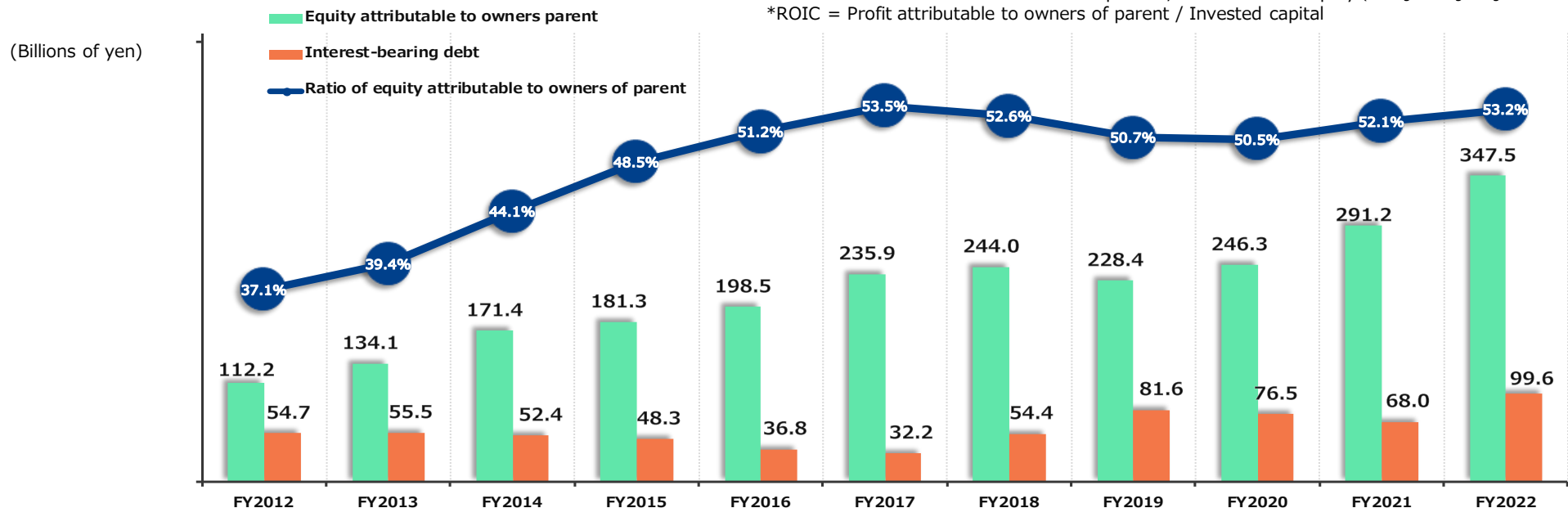
➤ Ratio of equity attributable to owners of parent	53.3%	➤ Inventory (Turnover)	192.5 billion yen (4.1 months)
➤ Equity attributable to owners of parent	355.4 billion yen		
➤ Interest-bearing debt	102.4 billion yen		
➤ D/E ratio (Net D/E ratio)	0.29 0.17		

\*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



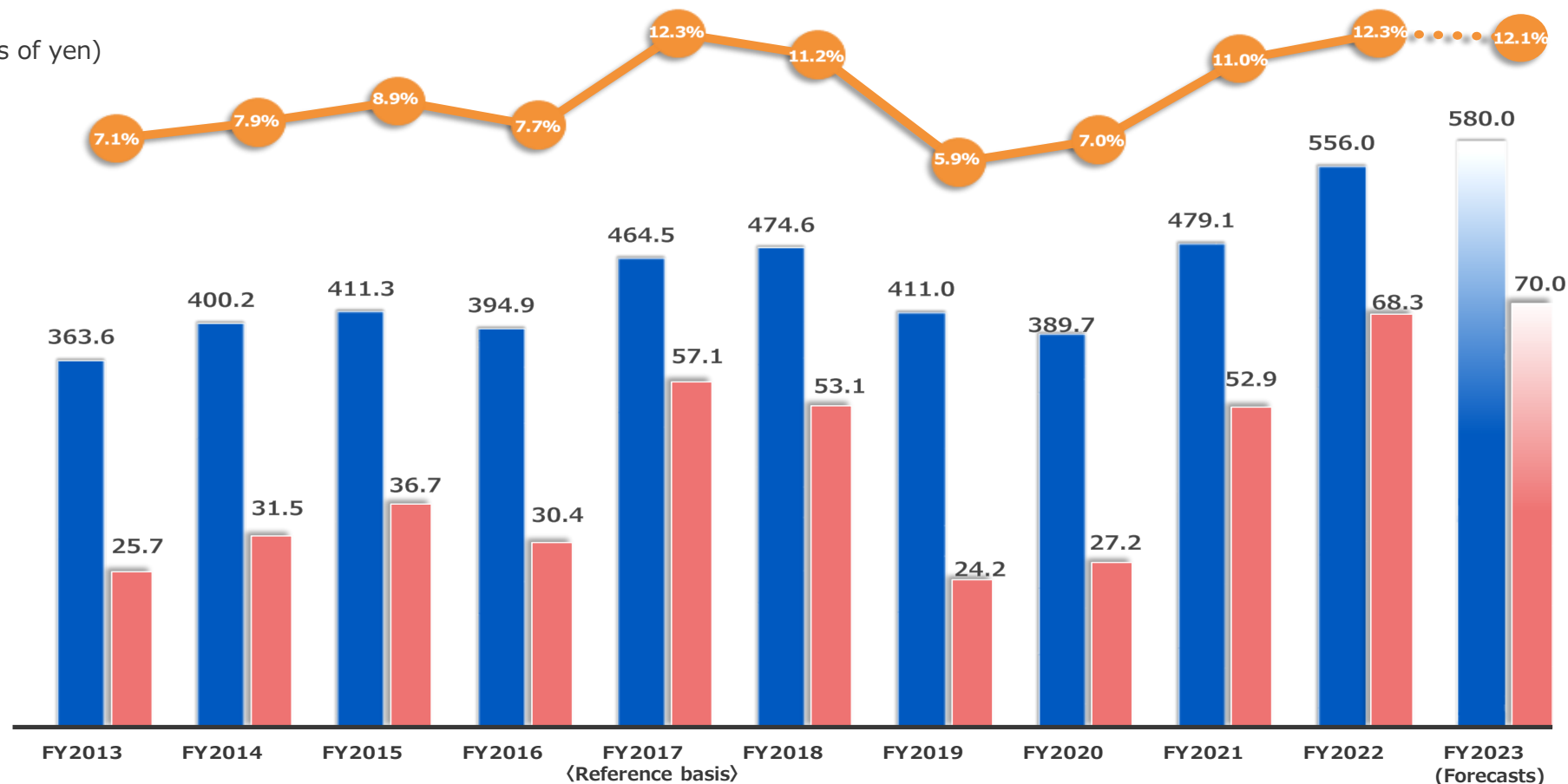
Operating CF	24.6	24.0	29.0	32.0	33.8	46.1	34.3	21.5	39.6	49.2	- 2.2
Investment CF	- 18.1	- 16.9	- 27.9	- 22.4	- 18.9	- 18.9	- 27.1	- 20.6	- 9.6	- 24.2	- 19.7
Free CF	6.6	7.0	1.1	9.5	14.8	27.2	7.2	0.8	30.0	25.1	- 21.9

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

# Revenue / Operating Profit (FY2013 – FY2023 Forecasts)

■ Revenue ■ Operating profit — Operating profit ratio

(Billions of yen)



**Realize 100**

**Dash 25**

**Challenge 25 Plus**

**Realize 25**

**Mid-term business plans**

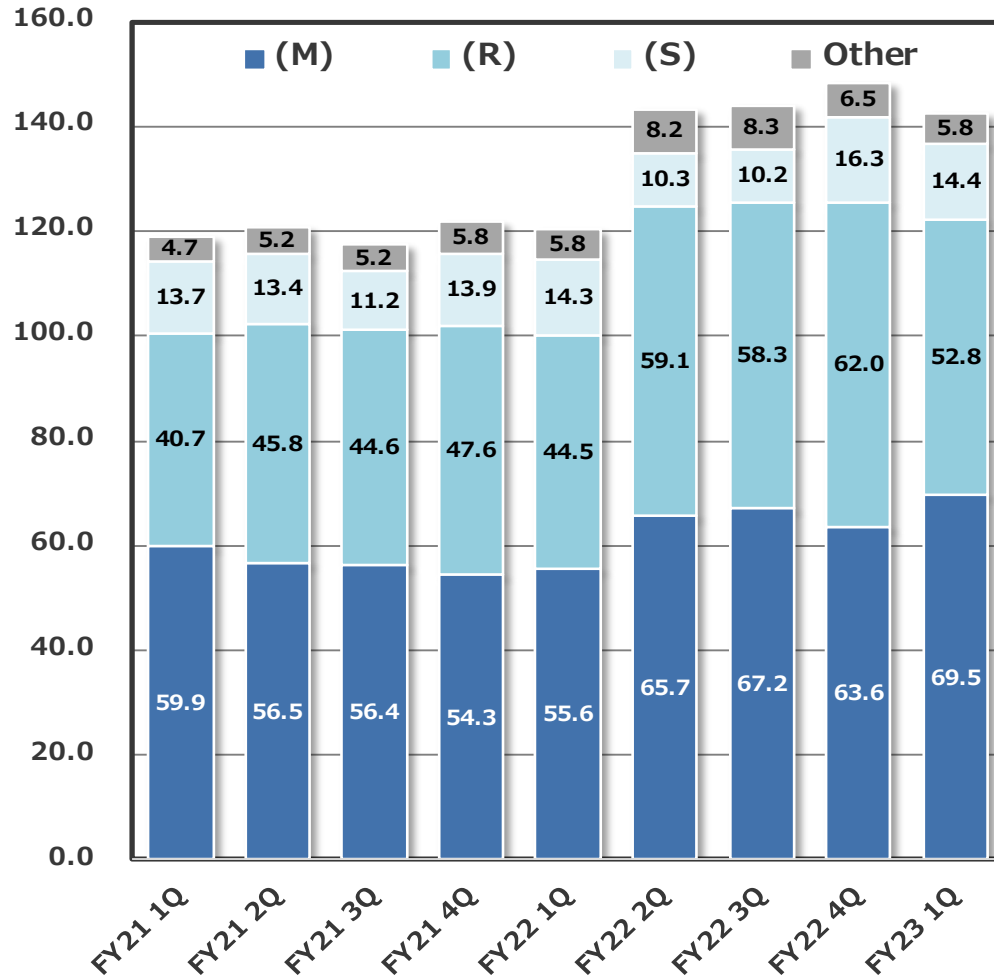
Note1: Data up to FY2017 are based on Japanese GAAP.

Note2: The data for FY2017 are made on a reference basis. (March 21, 2017 – March 20, 2018)

# Quarterly Revenue Trends (1)

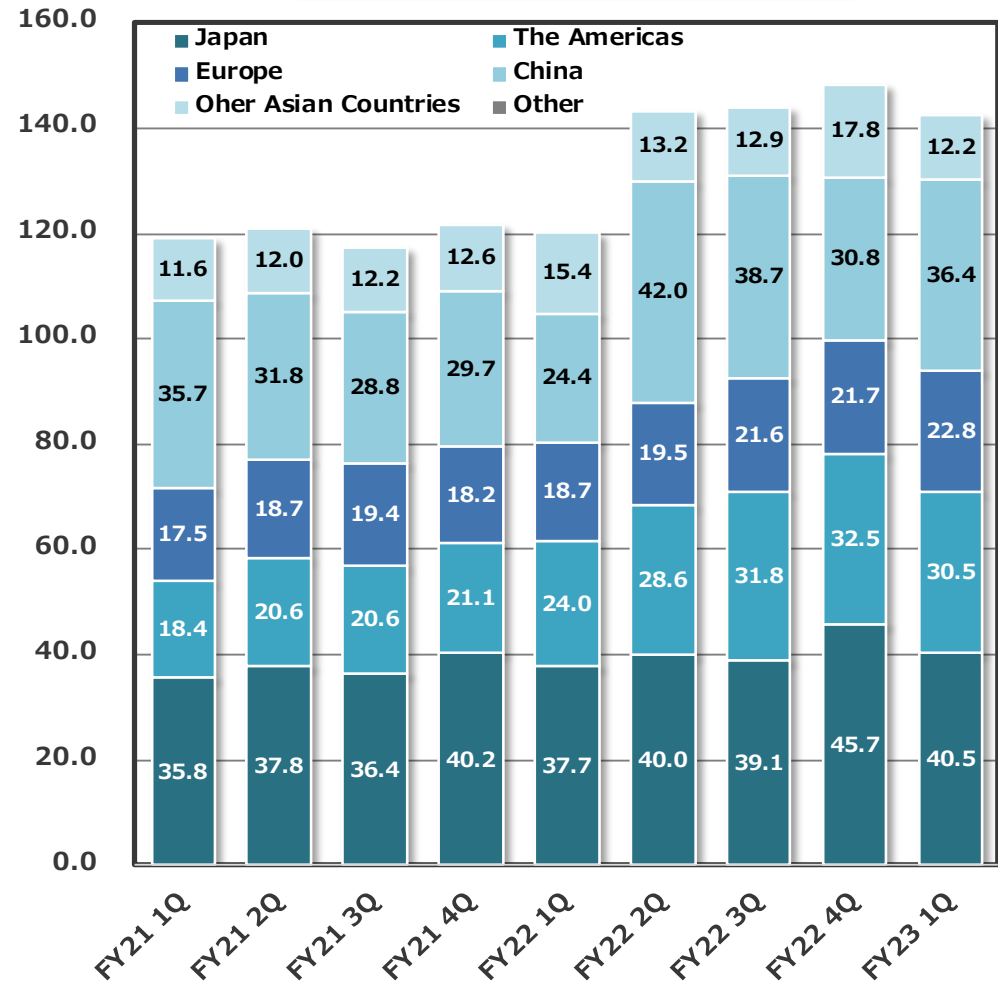
## Business segment

(Billions of yen)



## Location

(Billions of yen)

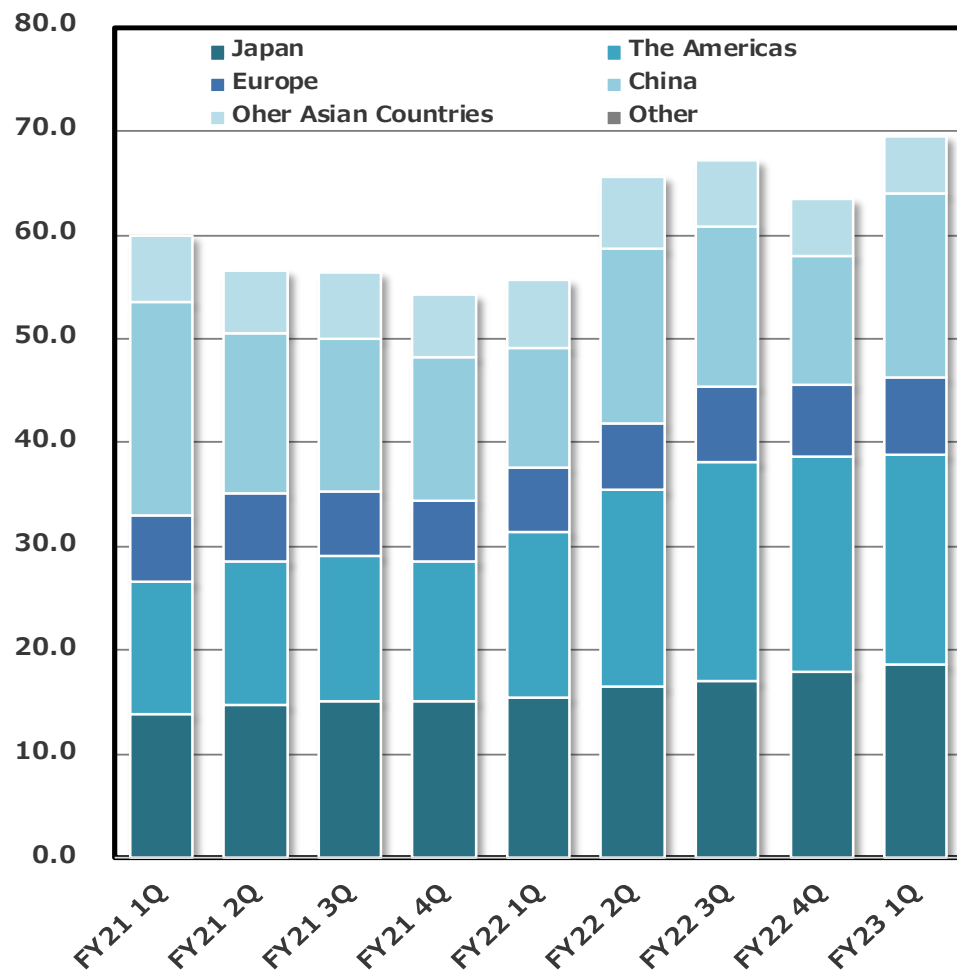


Note: (M) = Motion Control (R) = Robotics (S) = System Engineering

# Quarterly Revenue Trends (2)

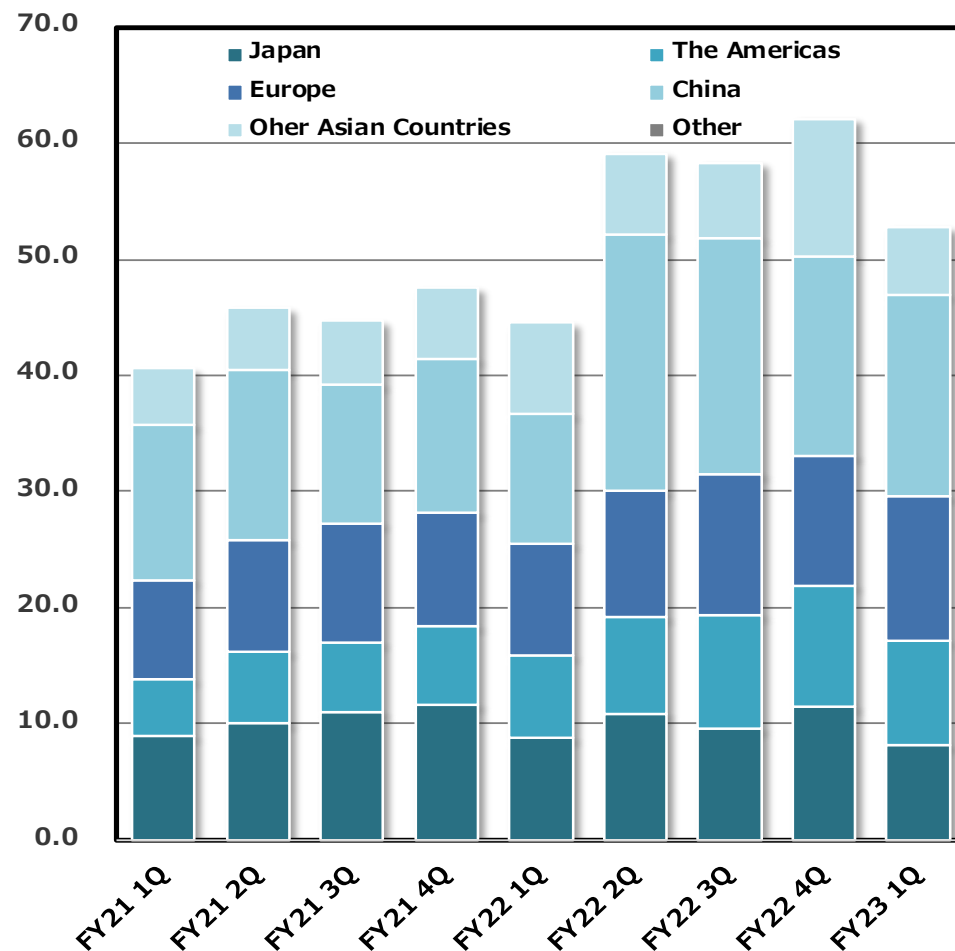
## Motion Control

(Billions of yen)



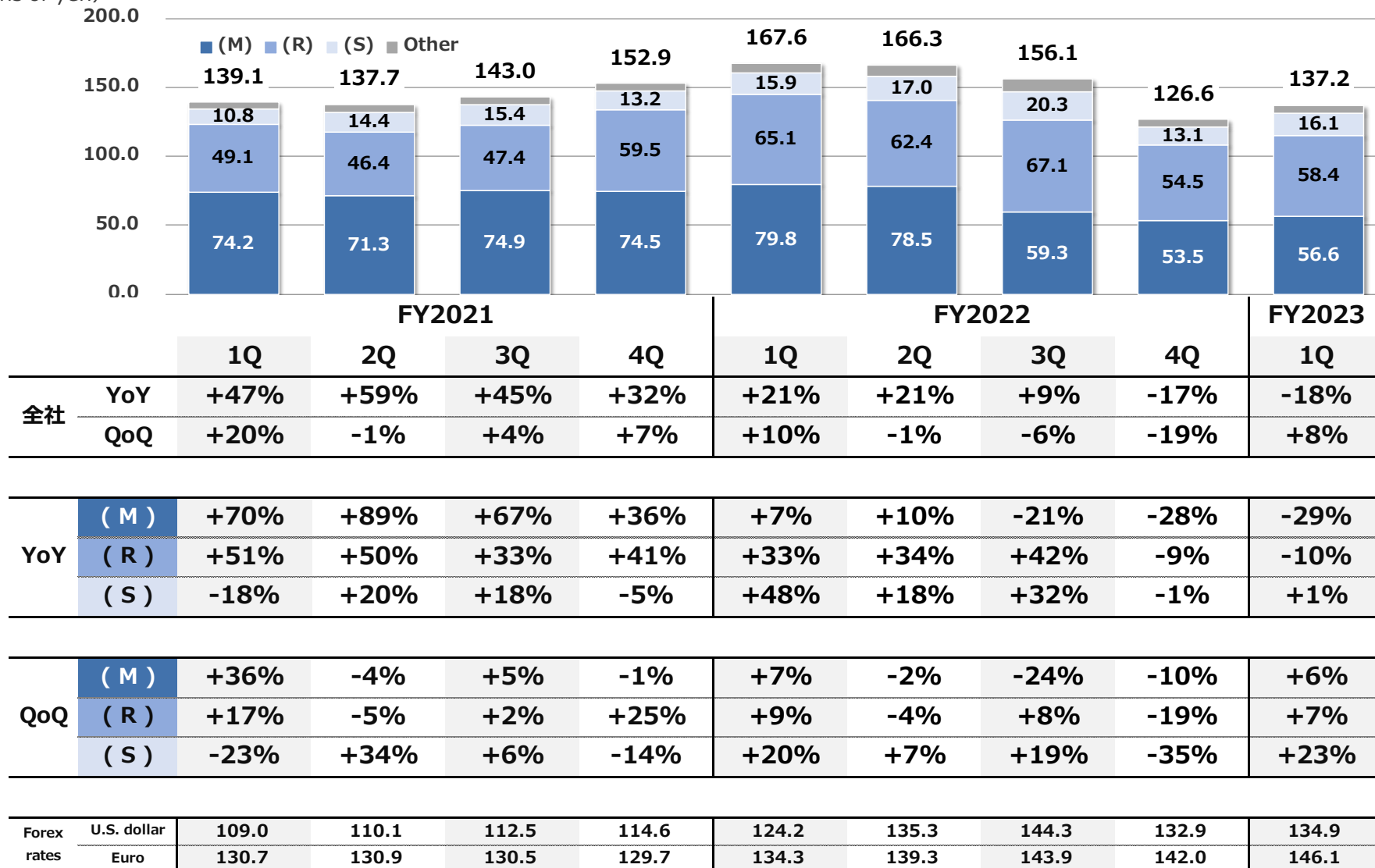
## Robotics

(Billions of yen)



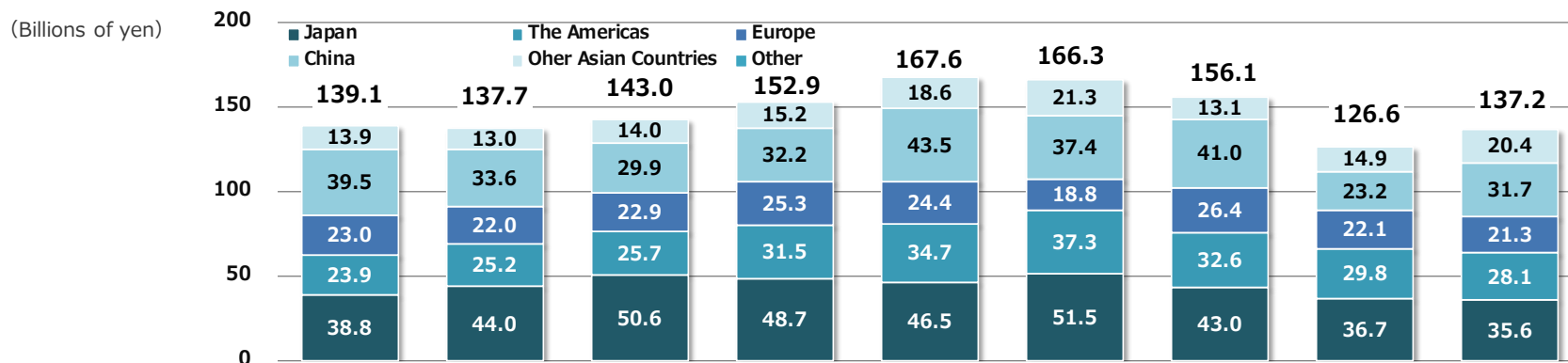
# Quarterly Order Trends by Business Segment \*Average forex rates during period used

(Billions of yen)



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

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



		FY2021				FY2022				FY2023
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Total	YoY	+47%	+59%	+45%	+32%	+21%	+21%	+9%	-17%	-18%
	QoQ	+20%	-1%	+4%	+7%	+10%	-1%	-6%	-19%	+8%

YoY	Japan	+22%	+44%	+57%	+30%	+20%	+17%	-15%	-25%	-23%
	The Americas	+88%	+87%	+78%	+74%	+45%	+48%	+27%	-6%	-19%
	Europe	+64%	+96%	+40%	+43%	+6%	-15%	+15%	-13%	-13%
	China	+54%	+48%	+20%	+21%	+10%	+12%	+37%	-28%	-27%
	Other Asian Countries	+32%	+46%	+29%	-1%	+34%	+64%	-6%	-2%	+10%

QoQ	Japan	+3%	+13%	+15%	-4%	-5%	+11%	-16%	-15%	-3%
	The Americas	+32%	+5%	+2%	+23%	+10%	+8%	-13%	-9%	-6%
	Europe	+30%	-4%	+4%	+10%	-4%	-23%	+41%	-16%	-4%
	China	+49%	-15%	-11%	+8%	+35%	-14%	+10%	-43%	+37%
	Other Asian Countries	-9%	-6%	+8%	+9%	+22%	+15%	-39%	+14%	+37%



# **YASKAWA**