

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

October 6, 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 Half of the Fiscal Year Ending February 29, 2024

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

### (1) Consolidated Statements of Income

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

	Revenue		Operating profit		Profit before tax		Profit	
Six months ended August 31, 2023	288,978	9.7%	33,062	5.8%	34,543	3.2%	24,731	3.5%
Six months ended August 31, 2022	263,528	9.8%	31,260	16.4%	33,467	20.2%	23,889	12.0%

	Profit attributable to owners of parent		Comprehensive income		Earnings per share (basic, Yen)	Earnings per share (diluted, Yen)
Six months ended August 31, 2023	24,228	2.2%	35,869	-17.0%	92.66	92.57
Six months ended August 31, 2022	23,707	12.0%	43,209	58.4%	90.69	90.61

### (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 August 31, 2023	680,372	382,538	374,576	55.1%
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	-	32.00			
Year ending February 29, 2024 (Forecasts)			-	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 key markets, order backlogs were securely filled, and price pass-through was promoted. As a result, our annual financial forecast and dividend forecast for the fiscal year ending February 29, 2024, announced on April 7, 2023, remains unchanged.

The average exchange rates for the period from September 1, 2023 to February 29, 2024 are revised from 1USD = 130.0 JPY, 1EUR = 140.0 JPY, 1CNY = 19.00 JPY, 1KRW = 0.100 announced on April 7, 2023 to 1USD = 145.0 JPY, 1EUR = 155.0 JPY, 1CNY = 20.00 JPY, 1KRW = 0.110.

\*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: Yes
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 August 31, 2023	266,690,497	As of February 28, 2023	266,690,497
The number of treasury shares	As of August 31, 2023	5,191,664	As of February 28, 2023	5,221,110
Average during the period	Six months ended August 31, 2023	261,480,124	Six months ended August 31, 2022	261,426,652

\* 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 a results briefing in Japanese for securities analysts and institutional investors on October 10, 2023 (JST).

#### 4. Qualitative Information on Quarterly Results

##### Business Performance

In the second quarter of the fiscal year under review, capital investment aimed at upgrading and automating production in the overall manufacturing industry remained firm. On the other hand, demand for semiconductors and electronic components remained sluggish, and capital investment was inactive due to the slowdown in the recovery of the Chinese market, which led to cautious stance on a global basis.

In this environment, our group's business performance improved as production, which had been delayed due to supply chain disruptions such as a shortage of components, normalized, and revenue increased due to steady filling of order backlogs. In terms of profits, while we were affected by the elimination of other earnings due to the temporary changes in the retirement pension system and the sale of idle real estate in the previous fiscal year, the operating profit increased due to an increase in revenue and the impact of the depreciation of the yen, as well as an improvement in profitability due to price pass-through of soaring raw material costs.

##### <Management environment of each region>

##### Japan:

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

##### U.S.:

Although capital investment in the automotive and oil/gas sectors, and automation investment in general industries continued, demand remained sluggish, as the semiconductor market, which is in a correction phase, remained weak.

##### Europe:

Although capital investment continued in growth markets such as electric vehicles, demand slowed due to the impact of the recession.

##### China:

Although capital investment continued in growing markets such as solar panels, overall demand in the manufacturing sector remained sluggish due to a slowdown in the overall market recovery.

##### Other Asian Countries:

In ASEAN countries and India, new capital investment in infrastructure and general industries increased, while demand related to semiconductors declined in countries such as South Korea and Taiwan.

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

	Six months ended August 31, 2022	Six months ended August 31, 2023	Change
Revenue	263,528 million JPY	288,978 million JPY	+9.7%
Operating profit	31,260 million JPY	33,062 million JPY	+5.8%
Profit attributable to owners of parent	23,707 million JPY	24,228 million JPY	+2.2%
Average exchange rate for USD	129.86 JPY	138.76 JPY	+8.90 JPY
Average exchange rate for EUR	136.84 JPY	150.99 JPY	+14.15 JPY
Average exchange rate for CNY	19.59 JPY	19.61 JPY	+0.02 JPY
Average exchange rate for KRW	0.102 JPY	0.106 JPY	+0.004 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 half of fiscal 2023 is as follows.

Motion Control	Revenue	136,912 million JPY (+12.9 % year-on-year)
	Operating profit	20,421 million JPY (+29.3 % year-on-year)
<p>The Motion Control segment consists of the AC servo &amp; controller business and the drives business. Although sales for semiconductors and electronic components were sluggish, revenue increased due to expansion of sales achieved by normalization of production. In terms of profits, operating profits increased due to improved profitability, mainly due to price pass-through of raw material costs, which had soared since last year.</p> <p>[AC servo &amp; controller business] While sales for solar panel manufacturing equipment increased in China, revenue decreased due to sluggish demand for semiconductors and electronic components in the United States, South Korea, and Japan.</p> <p>[Drives business] Due to the normalization of production, the filling of backlogs of orders progressed and sales increased globally. Revenue grew significantly due to strong demand for oil and gas as well as large air conditioning (HVAC) in the United States and a gradual recovery in infrastructure-related demand in ASEAN countries and India.</p>		
Robotics	Revenue	112,356 million JPY (+8.5% year-on-year)
	Operating profit	12,995 million JPY (+19.3% year-on-year)
<p>In addition to continued global capital investment related to EVs, investments remained firm to upgrade and automate production against the backdrop of rising labor costs and labor shortages in Europe and the United States. We accurately captured these demands and made high-value-added proposals using the i<sup>3</sup>-Mechatronics solution, as well as improved production efficiency through in-house manufacturing of parts and improved profitability through price pass-through.</p> <p>As a result, both revenue and operating profit increased on a year-on-year basis.</p>		

System Engineering	Revenue	26,897 million JPY (+9.3% year-on-year)
	Operating profit	1,171 million JPY (+22.0% year-on-year)
<p>Revenue increased on a year on year basis due to solid demand for electric systems for water and sewage systems in Japan and port cranes overseas.</p> <p>Operating profit increased due to increased revenue and thorough cost control.</p>		
Other	Revenue	12,811 million JPY (-8.7% year-on-year)
	Operating profit	8 million JPY (-97.6% year on year)
<p>Other segment consists of logistics and other businesses.</p> <p>Both revenue and operating profit decreased on a year on year basis.</p>		

## 5. Consolidated Financial Statements

### 1) Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2023	As of August 31, 2023
Assets		
Current assets		
Cash and cash equivalents	42,274	38,615
Trade receivables	171,219	176,889
Inventories	182,226	199,039
Other financial assets	4,471	4,598
Other current assets	30,707	30,432
Total current assets	<u>430,898</u>	<u>449,576</u>
Non-current assets		
Property, plant and equipment	100,309	104,036
Goodwill	7,558	7,736
Intangible assets	19,115	20,135
Right-of-use assets	15,513	15,707
Investments accounted for using equity method	10,994	9,744
Other financial assets	39,768	43,960
Deferred tax assets	15,329	15,278
Other non-current assets	13,643	14,196
Total non-current assets	<u>222,233</u>	<u>230,795</u>
Total assets	<u><u>653,132</u></u>	<u><u>680,372</u></u>

(Millions of yen)

	As of February 28, 2023	As of August 31, 2023
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Current liabilities		
Trade payables	67,716	62,497
Borrowings	55,097	44,250
Income taxes payable	6,371	4,149
Lease liabilities	3,051	3,445
Other financial liabilities	4,886	7,255
Provisions	1,580	3,134
Other current liabilities	76,105	78,391
Total current liabilities	<u>214,810</u>	<u>203,124</u>
Non-current liabilities		
Bonds and borrowings	30,379	42,733
Lease liabilities	11,036	10,954
Other financial liabilities	307	251
Retirement benefit liability	28,662	28,934
Deferred tax liabilities	3,066	3,237
Provisions	4,626	3,090
Other non-current liabilities	5,167	5,508
Total non-current liabilities	<u>83,246</u>	<u>94,709</u>
<b>Total liabilities</b>	<u>298,057</u>	<u>297,833</u>
<b>Equity</b>		
Equity attributable to owners of parent		
Share capital	30,562	30,562
Capital surplus	28,879	29,144
Retained earnings	271,299	287,286
Treasury shares	-21,998	-21,891
Other components of equity	38,755	49,474
Total equity attributable to owners of parent	<u>347,499</u>	<u>374,576</u>
Non-controlling interests	<u>7,576</u>	<u>7,962</u>
<b>Total equity</b>	<u>355,075</u>	<u>382,538</u>
<b>Total liabilities and equity</b>	<u>653,132</u>	<u>680,372</u>

2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

	(Millions of yen)	
	Six months ended August 31, 2022	Six months ended August 31, 2023
Revenue	263,528	288,978
Cost of sales	-174,073	-185,355
Gross profit	89,454	103,623
Selling, general and administrative expenses	-63,297	-70,322
Other income	5,218	587
Other expenses	-114	-825
Operating profit	31,260	33,062
Finance income	1,387	893
Finance costs	-836	-1,407
Share of profit (loss) of investments accounted for using equity method	1,655	1,943
Loss (gain) on disposal and remeasurement of investments in associates	—	52
Profit before tax	33,467	34,543
Income tax expense	-9,578	-9,811
Profit	23,889	24,731
Profit attributable to		
Owners of parent	23,707	24,228
Non-controlling interests	181	503
Total	23,889	24,731
Earnings per share		
Basic earnings per share (Yen)	90.69	92.66
Diluted earnings per share (Yen)	90.61	92.57



## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended August 31, 2022	Six months ended August 31, 2023
Profit	23,889	24,731
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	1,546	859
Remeasurements of defined benefit plans	340	269
Share of other comprehensive income of investments accounted for using equity method	16	7
Total	1,903	1,136
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	17,488	9,954
Effective portion of cash flow hedges	-72	46
Total	17,416	10,000
Total other comprehensive income	19,320	11,137
Comprehensive income	43,209	35,869
Comprehensive income attributable to		
Owners of parent	42,483	35,073
Non-controlling interests	725	795
Total	43,209	35,869

### 3) Consolidated Statements of Changes in Equity

First half of Fiscal 2022 (From March 1, 2022 to August 31, 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	28,312	232,547	-21,971	21,783	291,234	6,866	298,100
Profit	—	—	23,707	—	—	23,707	181	23,889
Other comprehensive income	—	—	—	—	18,775	18,775	544	19,320
Comprehensive income	—	—	23,707	—	18,775	42,483	725	43,209
Purchase of treasury shares	—	—	—	-1	—	-1	—	-1
Disposal of treasury shares	—	5	—	121	—	126	—	126
Dividends of surplus	—	—	-6,797	—	—	-6,797	-292	-7,089
Share-based payment transactions	—	-13	—	—	—	-13	—	-13
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	376	—	-376	—	—	—
Other	—	0	—	—	—	0	—	0
Total	—	-7	-6,421	119	-376	-6,685	-292	-6,977
Balance at end of period	30,562	28,304	249,833	-21,851	40,183	327,032	7,300	334,333

First half of Fiscal 2023 (From March 1, 2023 to August 31, 2023)

	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	28,879	271,299	-21,998	38,755	347,499	7,576	355,075
Profit	—	—	24,228	—	—	24,228	503	24,731
Other comprehensive income	—	—	—	—	10,845	10,845	292	11,137
Comprehensive income	—	—	24,228	—	10,845	35,073	795	35,869
Purchase of treasury shares	—	—	—	-1	—	-1	—	-1
Disposal of treasury shares	—	19	—	129	—	149	—	149
Dividends of surplus	—	—	-8,367	—	—	-8,367	-359	-8,726
Share-based payment transactions	—	191	—	—	—	191	—	191
Changes in ownership interest in subsidiaries	—	54	—	-21	—	32	-50	-18
Transfer from other components of equity to retained earnings	—	—	126	—	-126	—	—	—
Other	—	—	—	—	—	—	—	—
Total	—	265	-8,240	106	-126	-7,995	-409	-8,405
Balance at end of period	30,562	29,144	287,286	-21,891	49,474	374,576	7,962	382,538

#### 4) Notes to the Consolidated Financial Statements

(Notes pertaining to the presumption of a going concern)

None

(Changes in Accounting Policies)

(Revision of IAS 12 Corporate Income Tax)

Yaskawa Group has adopted the International Tax Reform - Pillar 2 Model Rules (Revision of IAS 12) (hereafter, revised IAS 12) announced on May 23, 2023. Yaskawa Group has applied the exceptions set forth in revised IAS 12, and has not recognized or disclosed deferred taxes related to income taxes resulting from the Pillar 2 Model Rules tax system.