

FY2023 Nine Months Financial Results (Ended November 30, 2023)

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

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.
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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



AC servo motor
Σ-X series

YRM-X controller

ECO PM motor



Yaskawa AC drive
GA 700 series

Matrix converter
U1000

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



MOTOMAN
NEXT series



Collaborative robot
MOTOMAN-HC30PL

7-axis arc-welding robot
MOTOMAN-AR1440E

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 Nine Months Financial Results (Ended November 30, 2023)

FY2023 Nine Months Financial Results (Highlights)

- Revenue increased as production normalized, and order backlogs were steadily filled.
- While profit in key segments increased due to price pass-through, group-wide profit decreased due to the elimination of other earnings occurred in the previous fiscal year.

	FY2023 Mar.-Nov.	FY2022 Mar.-Nov.	Changes	
			Amounts	%
Revenue	¥ 424.3bn.	¥ 407.5bn.	+¥ 16.8bn.	+4.1%
Operating profit	¥ 46.5bn.	¥ 48.1bn.	-¥ 1.6bn.	-3.3%
Profit before tax	¥ 48.4bn.	¥ 51.1bn.	-¥ 2.6bn.	-5.2%
Profit attributable to owners of parent	¥ 34.8bn.	¥ 37.2bn.	-¥ 2.4bn.	-6.5%

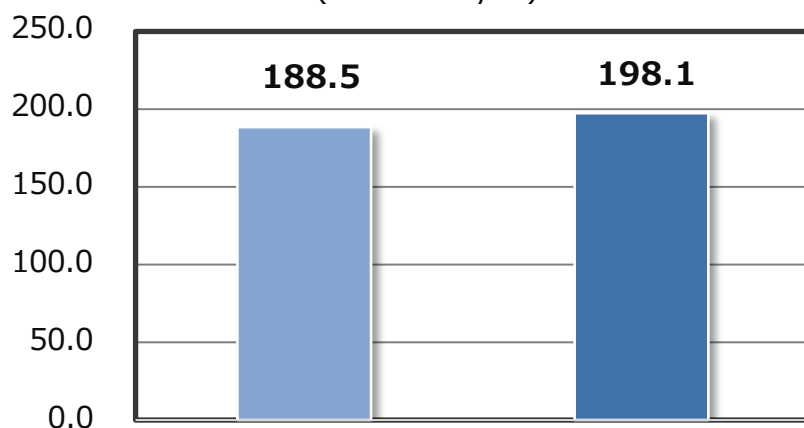
FY2023 Nine Months Financial Results by Business Segment

- In Motion Control, production normalized mainly in the Drives business, and in Robotics, investments in Europe and the U.S. remained firm to upgrade and automate production. As a result, revenue and operating profit increased in both segments.

	FY2023 Mar.-Nov.		FY2022 Mar.-Nov.		Changes	
	Results	Profit ratio	Results	Profit ratio	Amounts	%
(Billions of yen)						
Revenue	424.3		407.5		+16.8	+4.1%
Motion Control	198.1		188.5		+9.5	+5.0%
Robotics	166.9		161.8		+5.1	+3.2%
System Engineering	40.2		34.8		+5.4	+15.5%
Other	19.2		22.4		-3.2	-14.4%
Operating profit	46.5	11.0%	48.1	11.8%	-1.6	-3.3%
Motion Control	28.5	14.4%	26.1	13.9%	+2.4	+9.0%
Robotics	18.6	11.1%	17.7	10.9%	+0.9	+5.1%
System Engineering	1.6	4.1%	0.8	2.3%	+0.8	+102.6%
Other	0.1	0.4%	0.6	2.6%	-0.5	-85.5%
Elimination or Corporate	-2.2	-	3.0	-	-5.2	-

Business Segment Overview: Motion Control

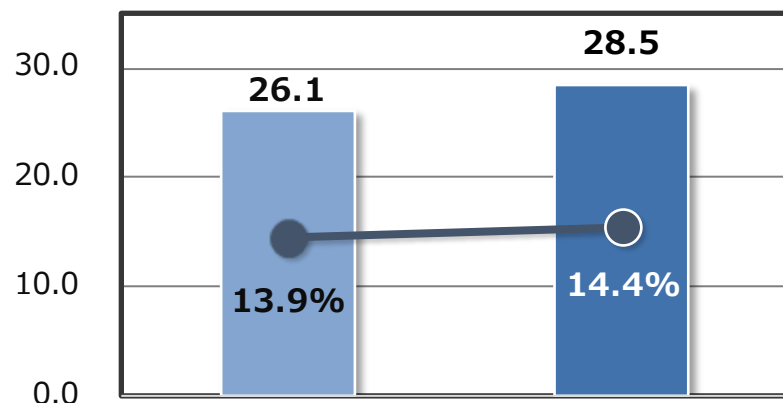
Revenue (Billions of yen)



FY2022 Mar.-Nov. FY2023 Mar.-Nov.

Operating profit (Billions of yen)

Operating profit ratio (%)



FY2022 Mar.-Nov. FY2023 Mar.-Nov.

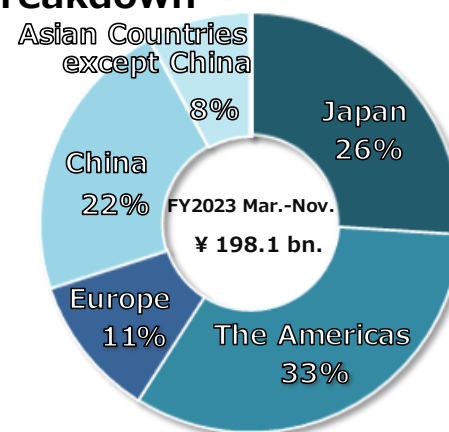
[Revenue]

- In AC servo & controller business, while the filling of backlogs of orders progressed, revenue decreased due to weak demand for semiconductors and electronic components.
- In Drives business, revenue increased globally due to the normalization of production. Steady demand for oil and gas in the United States and infrastructure-related demand in ASEAN countries and India led to a significant increase in revenue.

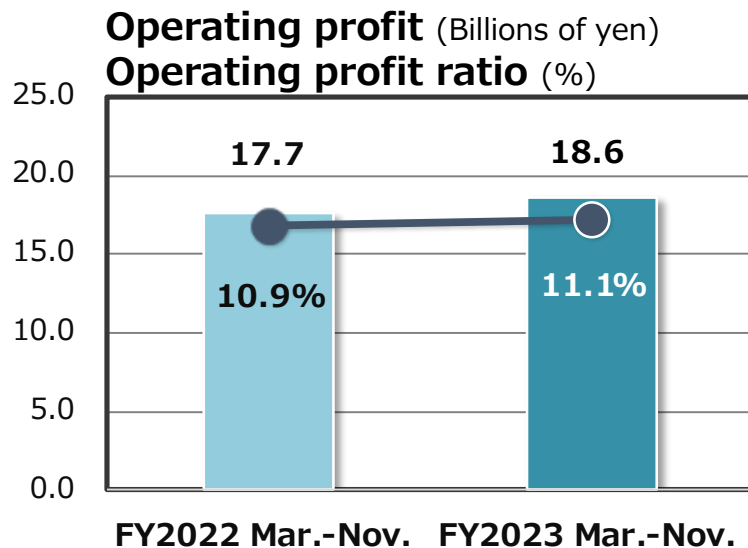
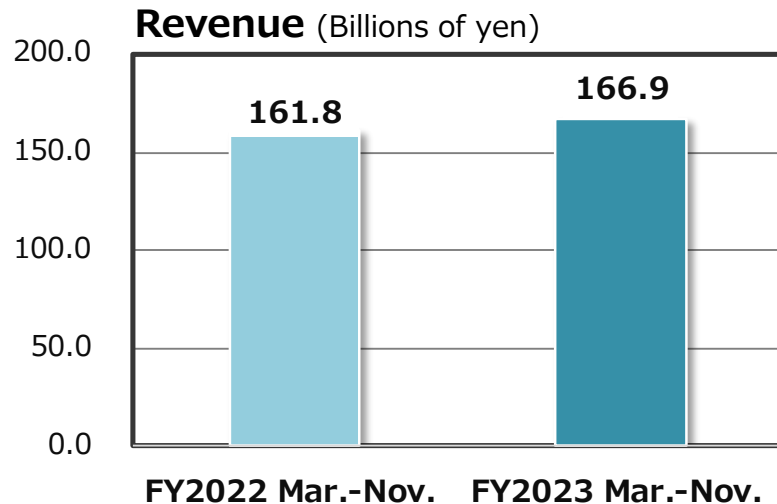
[Operating Profit]

- Operating profit increased due to an increase in revenue and an improvement in profitability, mainly due to price pass-through of raw material costs, which had soared since last year.

Revenue breakdown by region



Business Segment Overview: Robotics



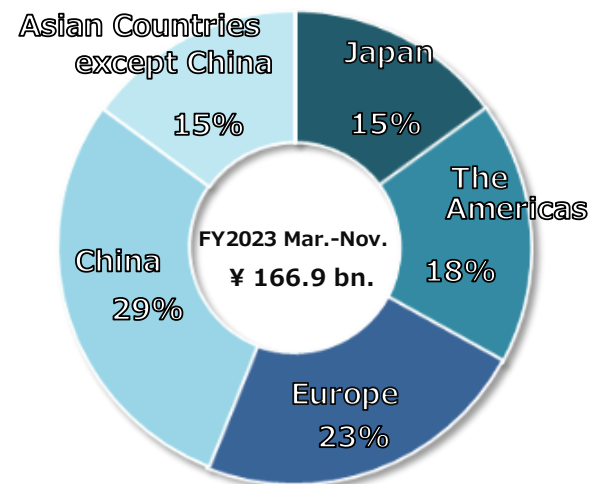
[Revenue]

- In general industries, while investment in China remained sluggish, investments in Europe and the U.S. remained firm to upgrade and automate production against the backdrop of rising labor costs and labor shortages, which led to increase in revenue.

[Operating Profit]

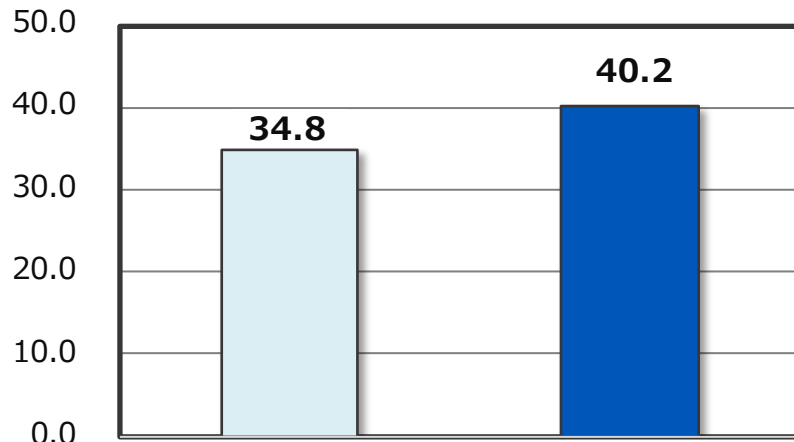
- Profit increased due to such factors as our efforts toward price pass-through and our high value-added proposal through the i³-Mechatronics solution.

Revenue breakdown by region



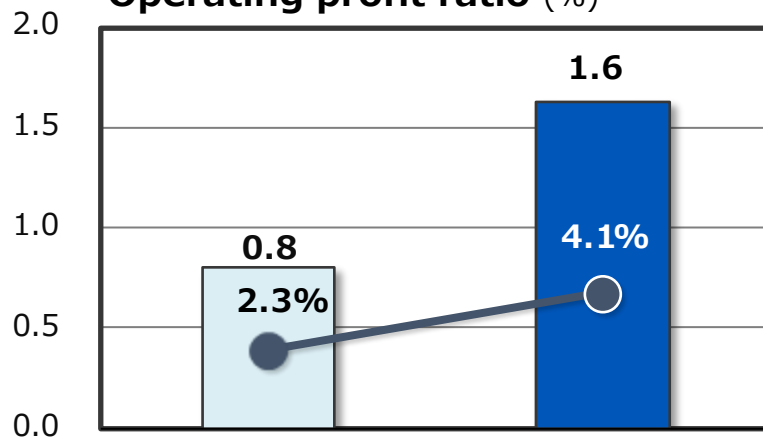
Business Segment Overview: System Engineering

Revenue (Billions of yen)



FY2022 Mar.-Nov. FY2023 Mar.-Nov.

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



FY2022 Mar.-Nov. FY2023 Mar.-Nov.

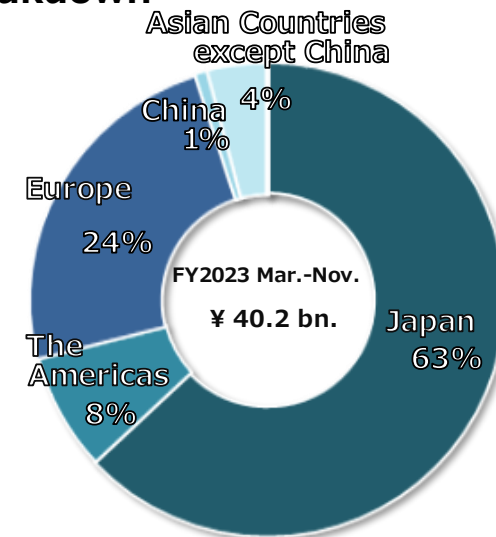
[Revenue]

- Revenue increased due to solid sales of power conditioners for solar power generation in Japan and the United States, and port cranes overseas.

[Operating Profit]

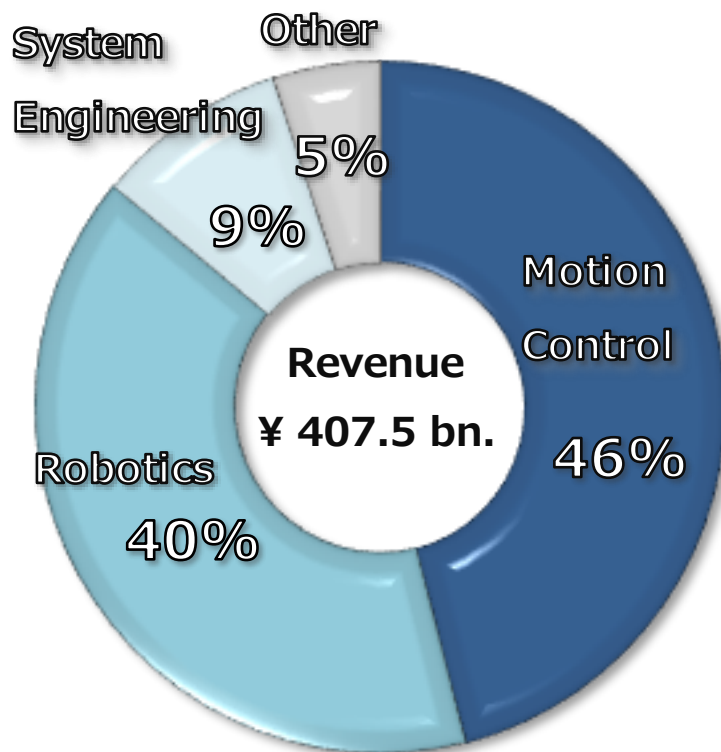
- Operating profit increased due to an increase in profit because of an increase in revenue and thorough cost control.

Revenue breakdown by region

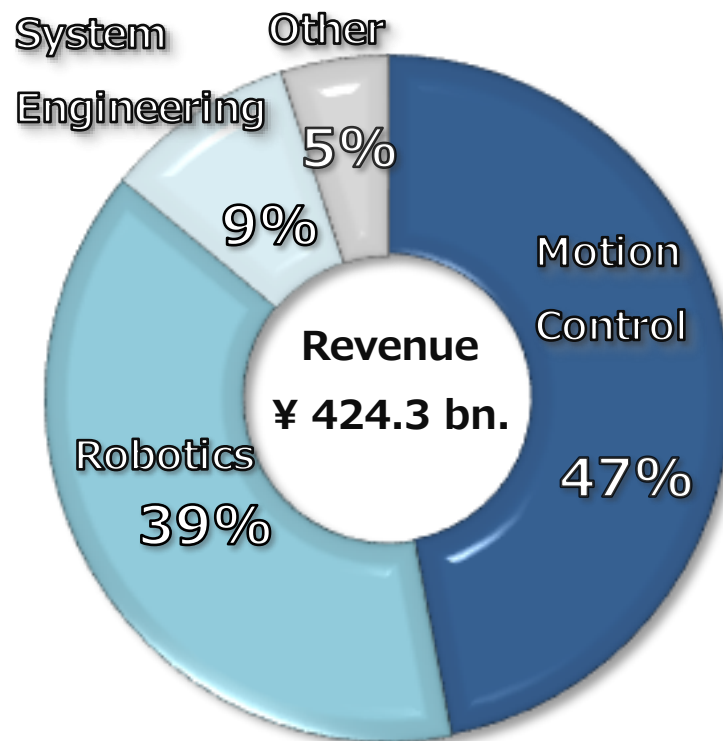


Revenue Breakdown by Business Segment

FY2022 Mar.-Nov.



FY2023 Mar.-Nov.



Revenue Breakdown by Location (1)

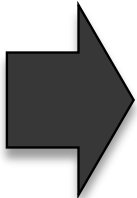
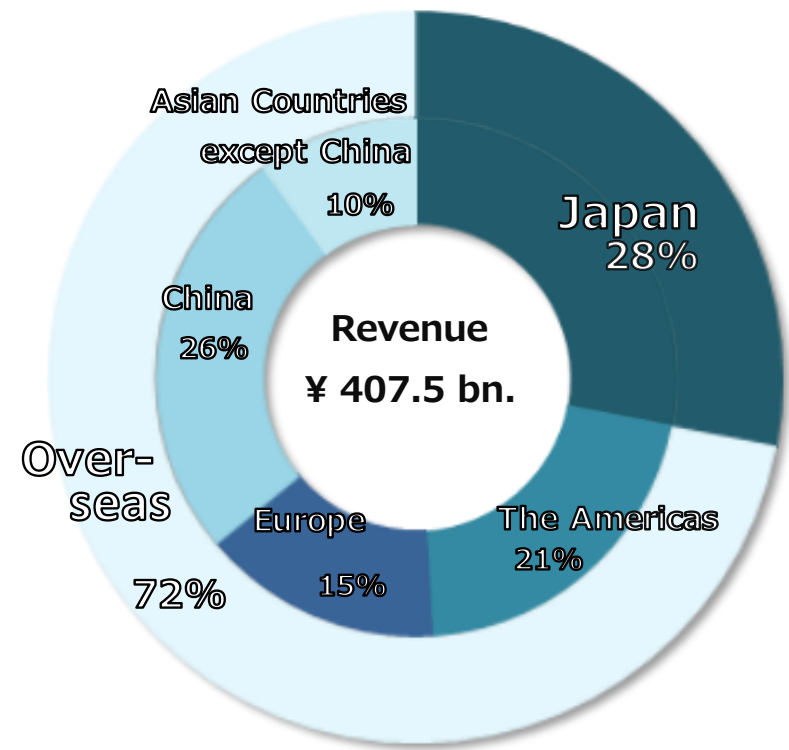
- Revenue grew year-on-year in all regions except for China.

(Billions of yen)	FY2023 Mar.-Nov. Results	FY2022 Mar.-Nov. Results	Changes	
			Amounts	%
Revenue	424.3	407.5	+16.8	+4.1%
Japan	118.7	116.8	+1.9	+1.7%
Overseas	305.6	290.8	+14.9	+5.1%
The Americas	97.7	84.4	+13.3	+15.8%
Europe	69.3	59.7	+9.6	+16.1%
China	95.9	105.1	-9.2	-8.8%
Asian Countries except China	42.7	41.5	+1.2	+2.8%

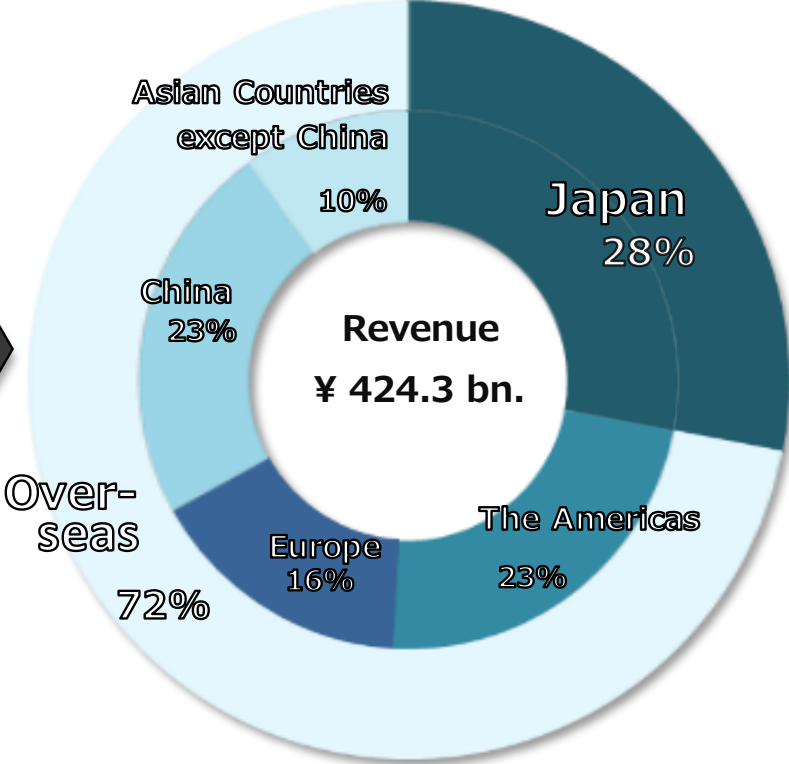
Note: Europe includes Middle East and Africa.

Revenue Breakdown by Location (2)

FY2022 Mar.-Nov.



FY2023 Mar.-Nov.

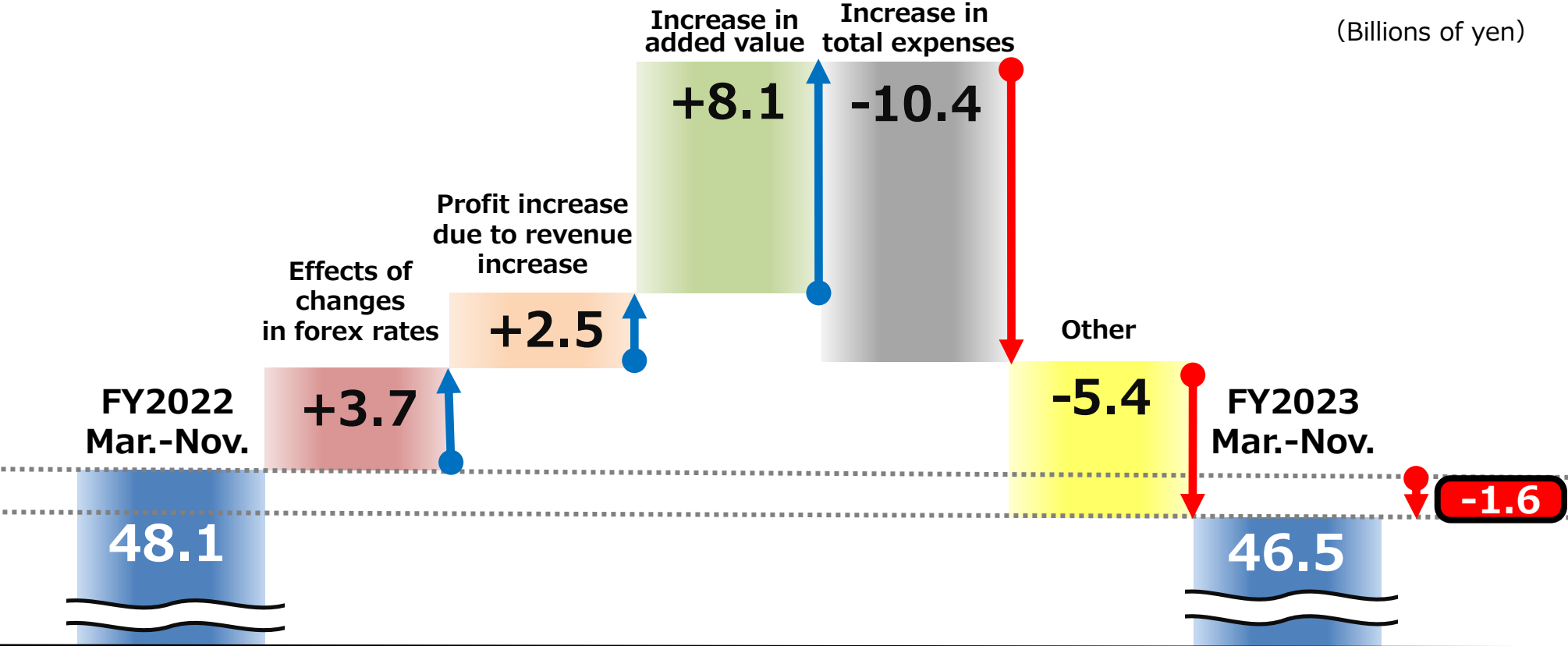


Note : Europe includes Middle East and Africa.

Breakdown of Changes in Operating Profit

(FY2022 Nine Months → FY2023 Nine Months)

(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	+1.7	+1.7	+4.2	-5.2	-0.1
Robotics	+2.0	-0.7	+3.5	-4.0	+0.1
System Engineering	-0.0	+1.8	-0.1	-0.8	-0.0
Other	+0.0	-0.3	+0.5	-0.4	-5.4

Measures for FY2023 3Q

➤ Establishment of “i³-Mechatronics” business model

➔ Development capabilities

- Launched the new autonomous robots, “MOTOMAN NEXT series,” aiming at opening up new areas of automation (December 2023)
- Launched “YASKAWA Cell Simulator,” an engineering tool to realize a digital twin* environment (December 2023)



MOTOMAN NEXT series

➔ Production capabilities

- Determined construction of a new plant for robot systems in Ohio, the U.S.
- Conducted a test run of the new machining plant for robots (Start of operation planned in March 2024)

➔ Sales capabilities

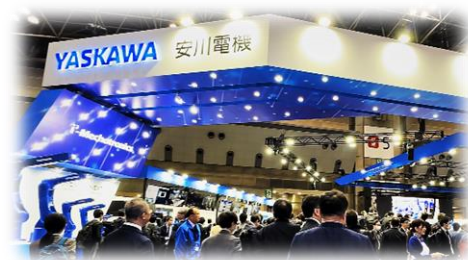
- Expanded lineup of higher-capacity AC drive GA700 series
- Proposed automation by autonomous decentralized control for the realization of i³-Mechatronics solution concept at International Robot Exhibition 2023



AC drive GA700 series

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

- Set mid- to long-term incentives incorporating non-financial indicators (TSR, the amount of CO₂ reduction, etc.) for all employees
- Accelerated CO₂ emission reductions in production activities by installing solar power generation systems at the plant in Shenyang, China



International Robot Exhibition 2023

*Technology for reducing system setup time and enabling remote operation by recreating production lines virtually and simulating productions multiple times

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 taking into account that order backlogs are securely filled and revenue is promoted.

	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%

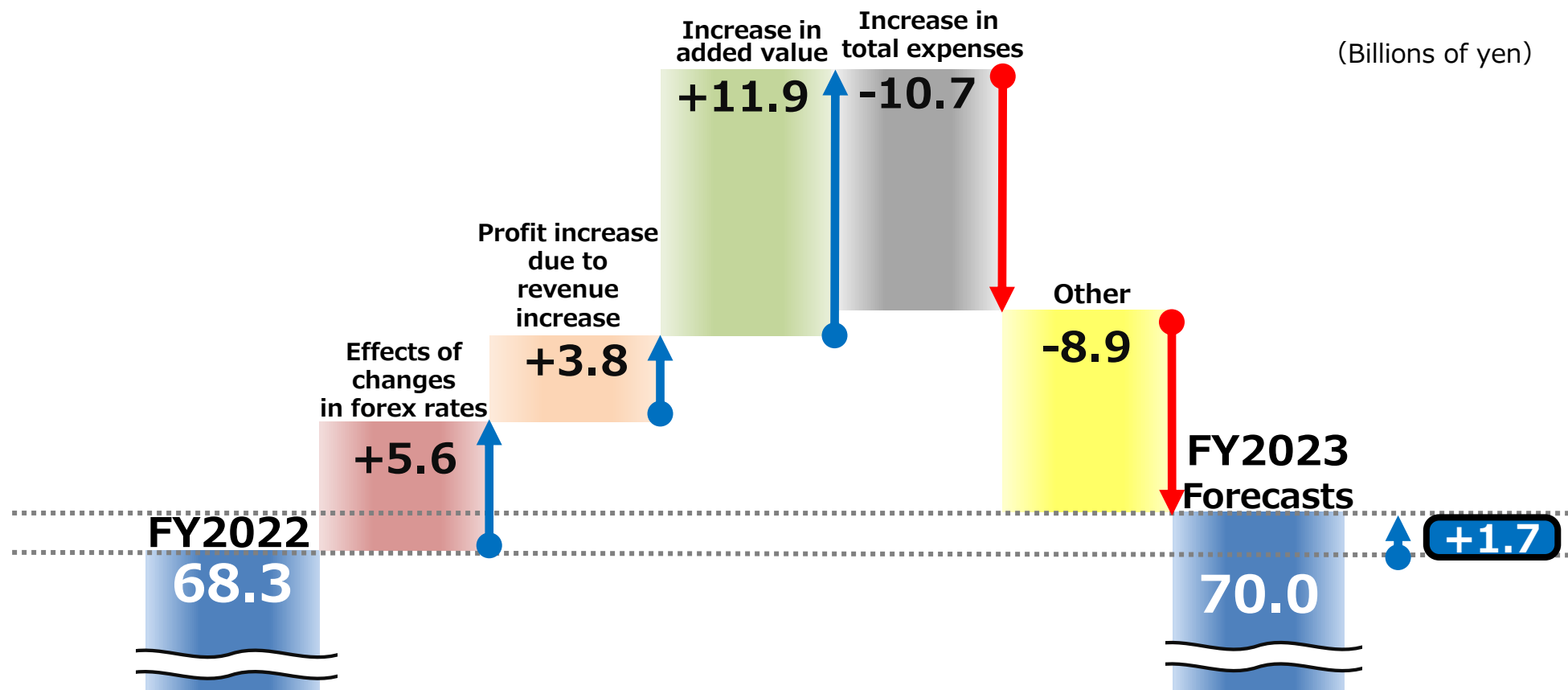
FY2023 Full-Year Financial Forecasts by Business Segment

- Full-year forecasts by segment have been revised in light of current demand trends.

(Billions of yen)	FY2023		FY2022		Changes		FY2023	
	Forecasts	Profit ratio	Results	Profit ratio	Amounts	%	Previous forecasts*	Profit ratio
Revenue	580.0		556.0		+24.0	+4.3%	580.0	
Motion Control	267.4		252.1		+15.2	+6.0%	271.0	
Robotics	234.7		223.8		+10.9	+4.9%	234.5	
System Engineering	52.4		51.1		+1.3	+2.6%	50.5	
Other	25.5		28.9		-3.4	-11.7%	24.0	
Operating profit	70.0	12.1%	68.3	12.3%	+1.7	+2.5%	70.0	12.1%
Motion Control	41.4	15.5%	36.2	14.4%	+5.3	+14.5%	41.9	15.4%
Robotics	27.7	11.8%	26.1	11.7%	+1.6	+6.1%	30.1	12.8%
System Engineering	4.1	7.9%	2.6	5.0%	+1.6	+61.1%	1.8	3.6%
Other	0.2	0.8%	1.8	6.2%	-1.6	-88.5%	-0.2	-0.8%
Elimination or Corporate	-3.5	-	1.6	-	-5.1	-	-3.5	-

*Announced on October 6, 2023

Breakdown of Changes in Operating Profit (FY2022 → FY2023 Forecasts)



	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	+2.8	+2.9	+5.7	-4.4	-1.7
Robotics	+2.9	-0.5	+5.1	-5.5	-0.4
System Engineering	-0.0	+1.7	+0.3	-0.4	-0.1
Other	+0.0	-0.3	+0.8	-0.4	-6.8

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	24.18	27.61	38.00
Depreciation and Amortization	17.48	19.67	21.00
R&D investment	18.18	18.78	21.00

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)			
	3-11	4Q	2H	Full-Year	3-11	4Q	2H	Full-Year	3-11	4Q	2H	Full-Year
USD	110.5	114.6	113.5	111.5	134.5	132.9	138.6	134.1	142.1	145.0	147.1	142.9
EUR	130.7	129.7	130.1	130.4	139.1	142.0	143.0	139.8	153.7	155.0	157.1	154.1
CNY	17.12	18.02	17.77	17.33	19.80	19.33	19.77	19.68	19.89	20.00	20.24	19.92
KRW	0.096	0.096	0.096	0.096	0.103	0.105	0.104	0.103	0.108	0.110	0.111	0.109

Forex sensitivity

(Billions of yen)

	Impact of 1% fluctuation (Guideline for FY2023 Full-Year)	
	Revenue	Operating profit
USD	1.39	0.36
EUR	0.92	0.18
CNY	1.27	0.29
KRW	0.35	0.18

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 November 30, 2023

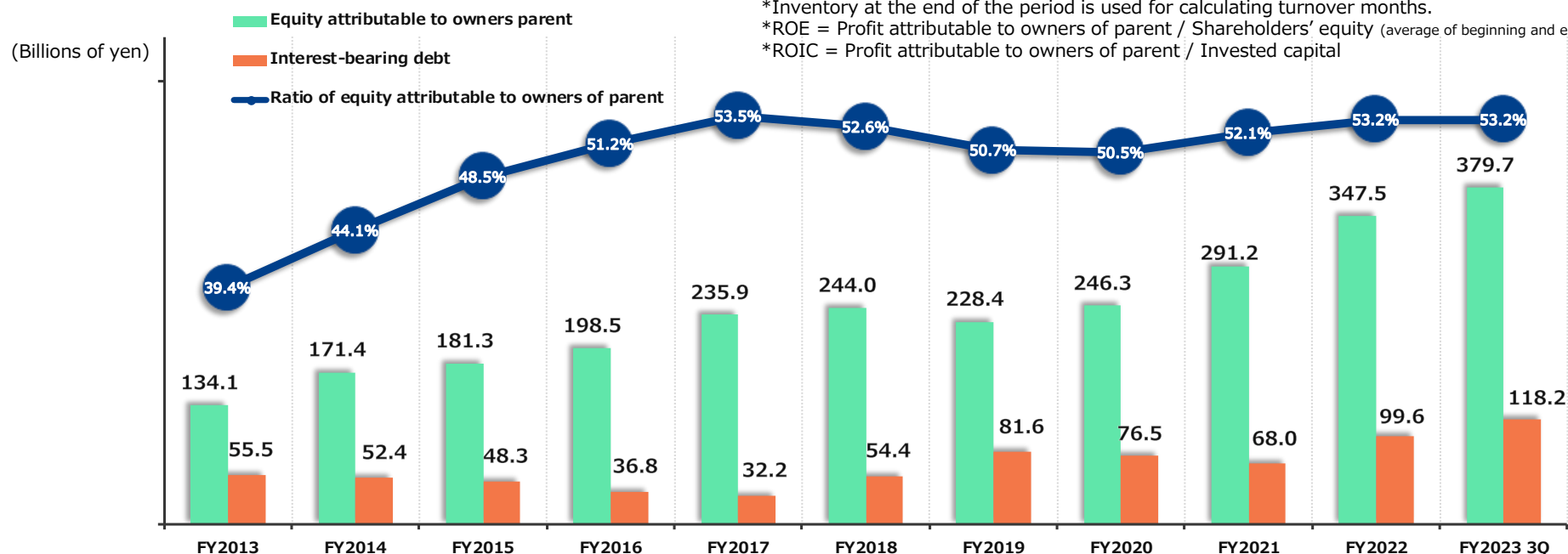
> Ratio of equity attributable to owners of parent	53.2%	> Inventory (Turnover)	205.1 billion yen (4.5 months)
> Equity attributable to owners of parent	379.7 billion yen		
> Interest-bearing debt	118.2 billion yen		
> D/E ratio (Net D/E ratio)	0.31 0.17		

*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)

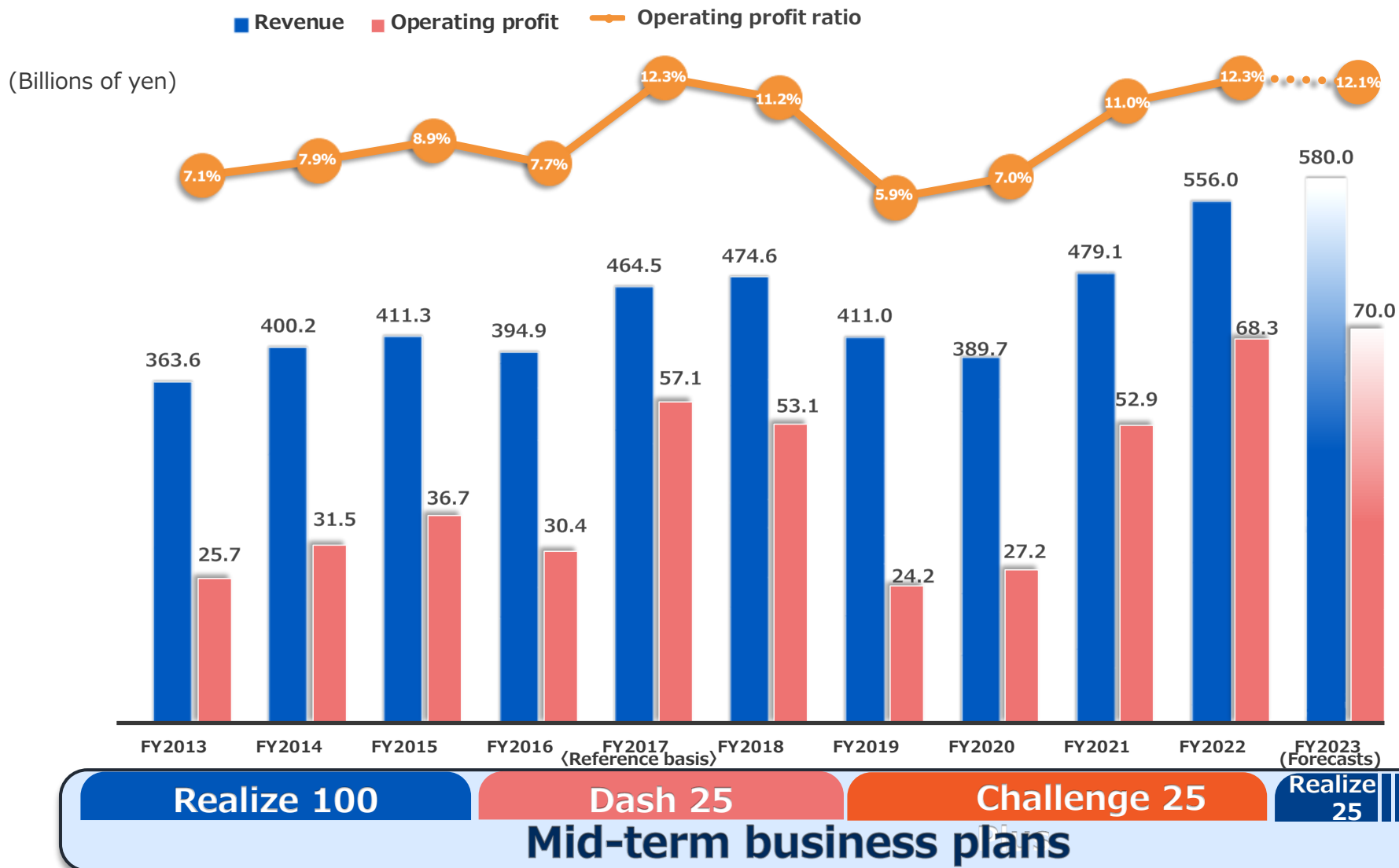
*ROIC = Profit attributable to owners of parent / Invested capital



Operating CF	24.0	29.0	32.0	33.8	46.1	34.3	21.5	39.6	49.2	- 2.2	38.2
Investment CF	- 16.9	- 27.9	- 22.4	- 18.9	- 18.9	- 27.1	- 20.6	- 9.6	- 24.2	- 19.7	- 21.8
Free CF	7.0	1.1	9.5	14.8	27.2	7.2	0.8	30.0	25.1	- 21.9	16.4

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

Revenue / Operating Profit (FY2013 – FY2023 Forecasts)



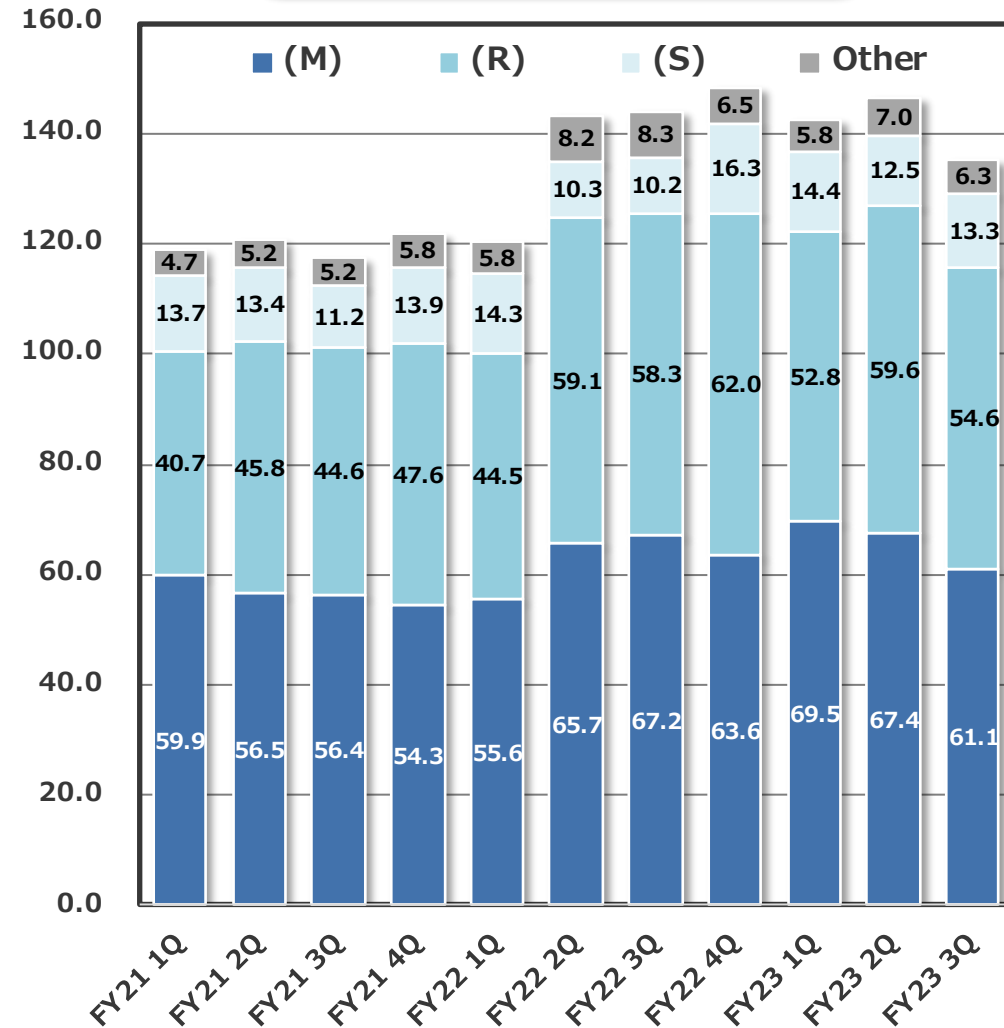
Note1: Data up to FY2017 are based on Japanese GAAP.

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

Quarterly Revenue Trends (1)

Business segment

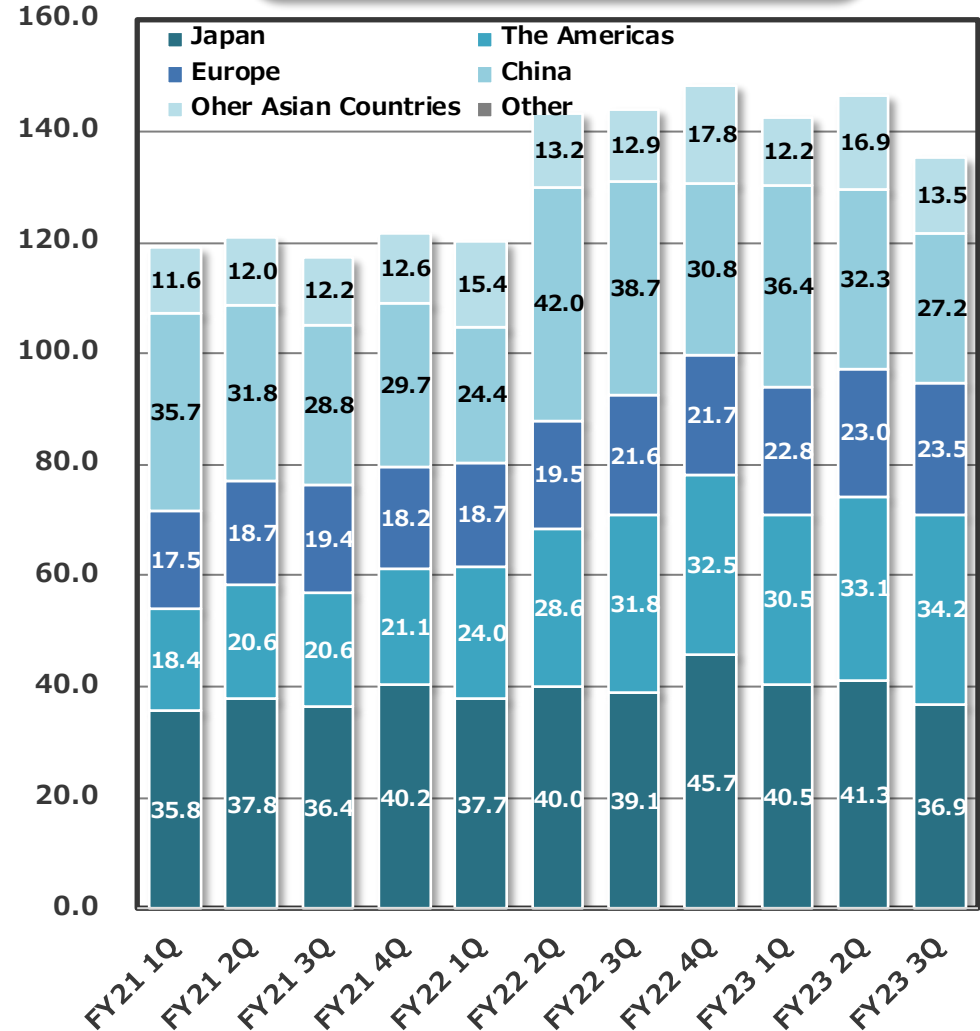
(Billions of yen)



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

Location

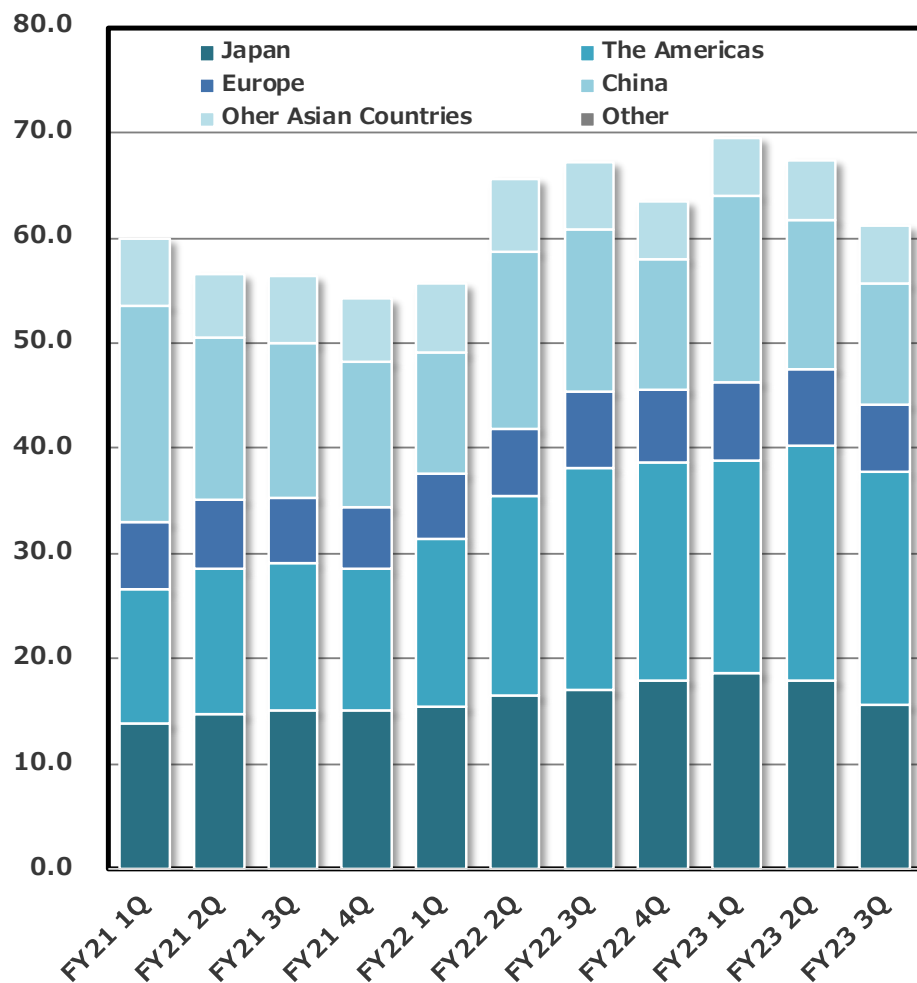
(Billions of yen)



Quarterly Revenue Trends (2)

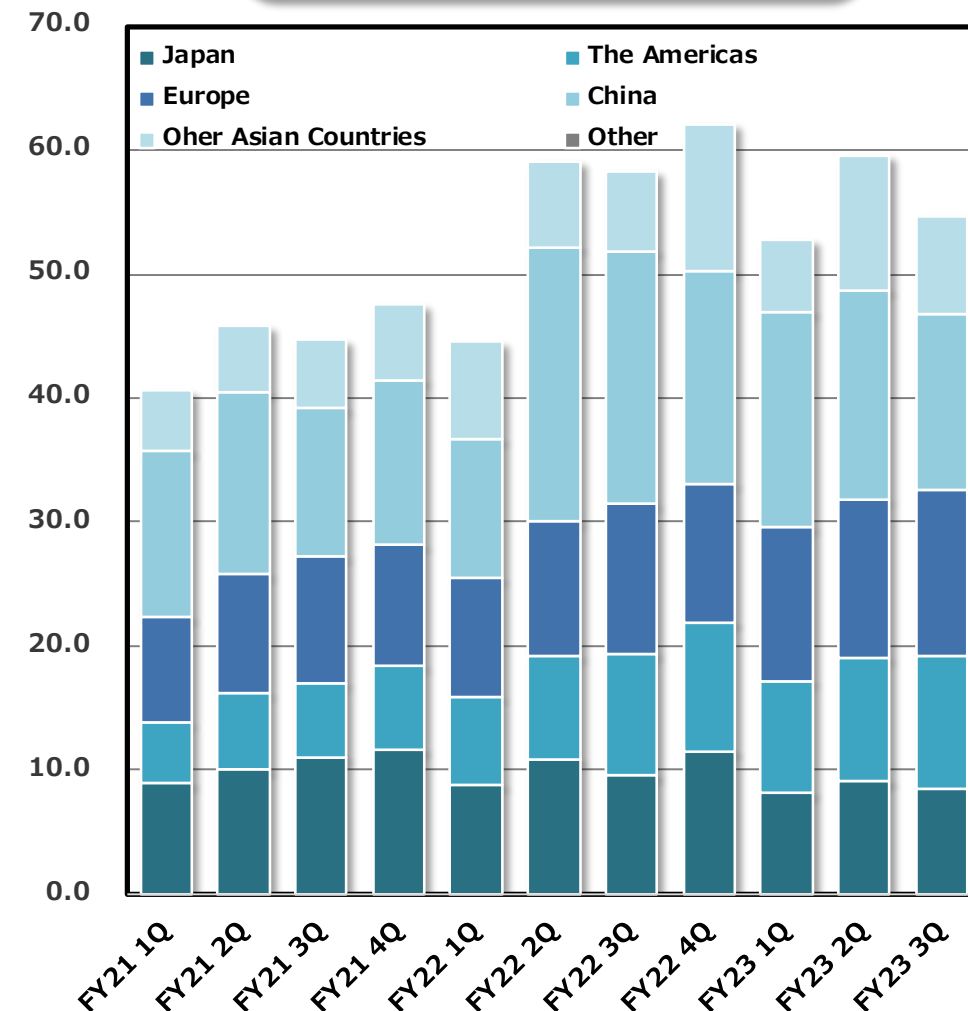
Motion Control

(Billions of yen)



Robotics

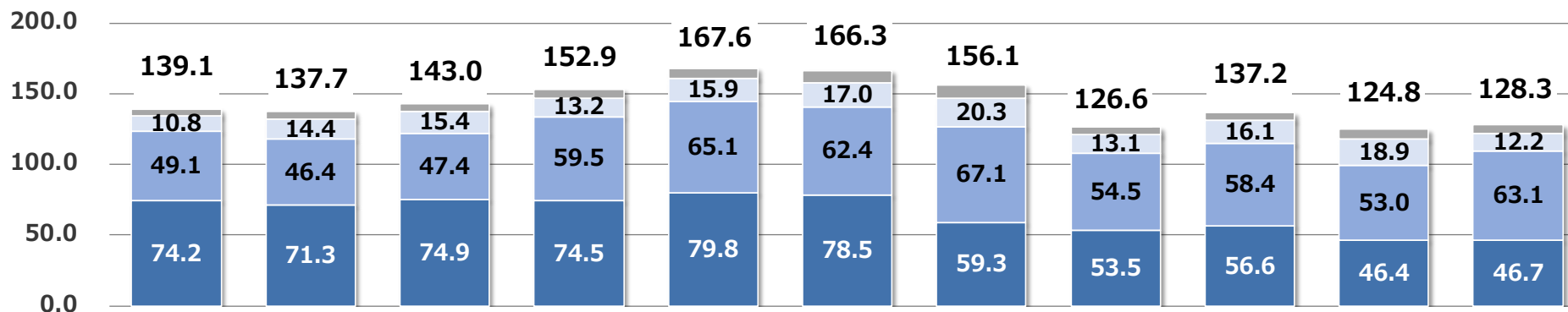
(Billions of yen)



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

(Billions of yen)

■ (M) ■ (R) ■ (S) ■ Other



		FY2021				FY2022				FY2023		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
全社	YoY	+47%	+59%	+45%	+32%	+21%	+21%	+9%	-17%	-18%	-25%	-18%
	QoQ	+20%	-1%	+4%	+7%	+10%	-1%	-6%	-19%	+8%	-9%	+3%

YoY	(M)	+70%	+89%	+67%	+36%	+7%	+10%	-21%	-28%	-29%	-41%	-21%
	(R)	+51%	+50%	+33%	+41%	+33%	+34%	+42%	-9%	-10%	-15%	-6%
	(S)	-18%	+20%	+18%	-5%	+48%	+18%	+32%	-1%	+1%	+11%	-40%

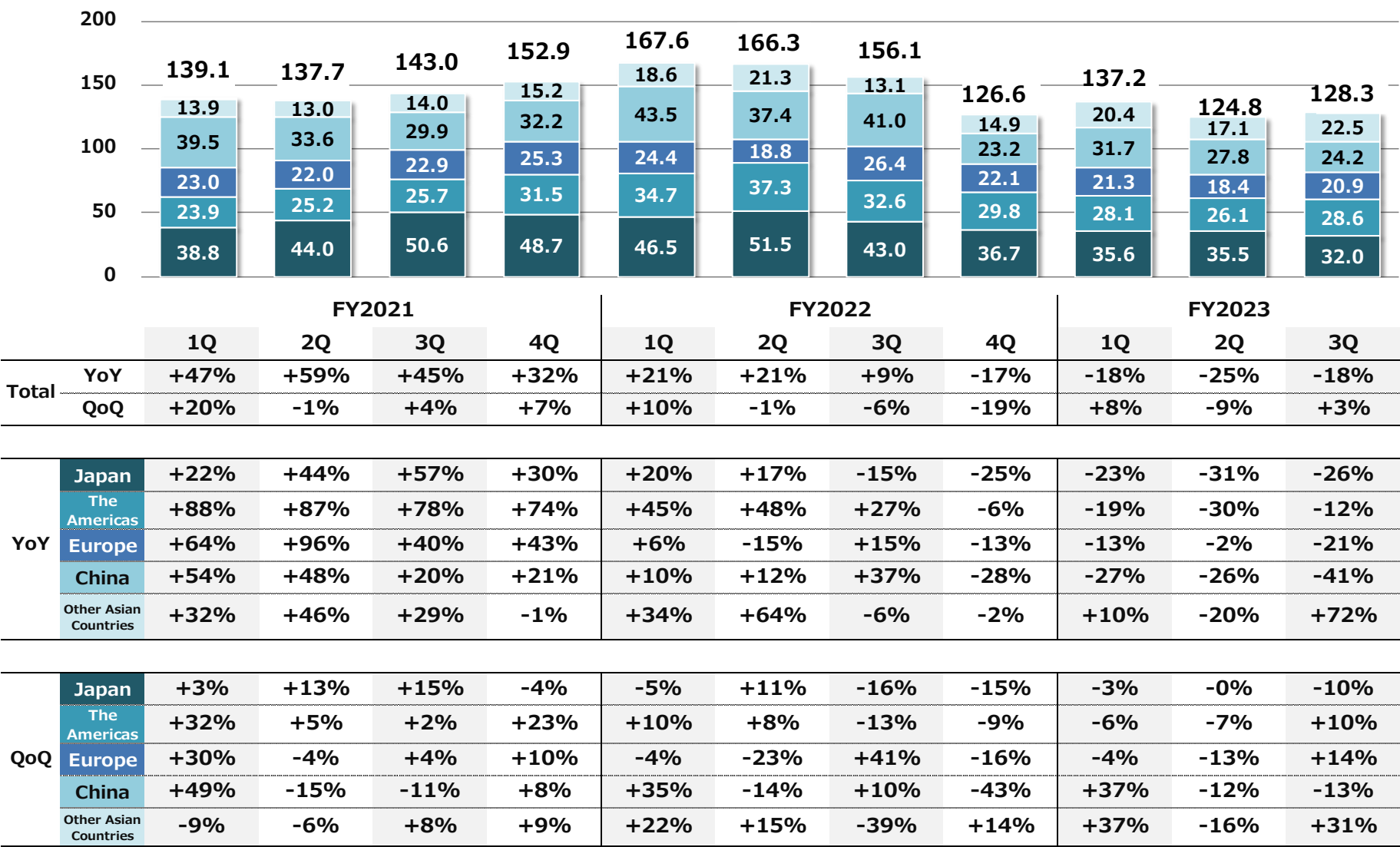
QoQ	(M)	+36%	-4%	+5%	-1%	+7%	-2%	-24%	-10%	+6%	-18%	+1%
	(R)	+17%	-5%	+2%	+25%	+9%	-4%	+8%	-19%	+7%	-9%	+19%
	(S)	-23%	+34%	+6%	-14%	+20%	+7%	+19%	-35%	+23%	+17%	-36%

Forex rates	U.S. dollar	109.0	110.1	112.5	114.6	124.2	135.3	144.3	132.9	134.9	142.5	149.1
	Euro	130.7	130.9	130.5	129.7	134.3	139.3	143.9	142.0	146.1	155.7	159.3

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

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

(Billions of yen) ■ Japan ■ The Americas ■ Europe ■ China ■ Other Asian Countries ■ Other



YASKAWA