

Results Briefing for FY2023 (Ended February 29, 2024)

Notes:

- From FY2024, we revise the segment classification of power conditioners for solar power generation, which had been included in the System Engineering segment, to be included in the Motion Control segment. As a result, the figures of the full-year consolidated financial forecast for FY2024 are shown based on the revised information. Figures for FY2023 are presented based on the revised information only when they are compared to the full-year consolidated financial forecasts for FY2024. (See page 21.)
- 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
- PV inverters
- PM motor



New machine controller
"MPX1000 series"

AC servo motor
Σ-X series



YRM Controller "YRM1010"



Yaskawa AC drive
GA 700 series

PV inverter
Enewell-SOL P3A 25kW

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



Electrical systems for
steel plants



Electrical instrumentation
systems for water and
sewerage

Other

- Logistics

1 . FY2023 Financial Results

FY2023 Financial Results (Highlights)

- Revenue increased as production normalized, and order backlogs were steadily filled.
- While price pass-through and progress in System Engineering business structure reform contributed positively, profit decreased by the effect of the elimination of other earnings occurred in the previous fiscal year.

	FY2023 Results	FY2022 Results	Changes	
			Amounts	%
Revenue	¥ 575.7bn.	¥ 556.0bn.	+¥ 19.7bn.	+3.5%
Operating profit	¥ 66.2bn.	¥ 68.3bn.	-¥ 2.1bn.	-3.0%
Profit before tax	¥ 69.1bn.	¥ 71.1bn.	-¥ 2.1bn.	-2.9%
Profit attributable to owners of parent	¥ 50.7bn.	¥ 51.8bn.	-¥ 1.1bn.	-2.1%

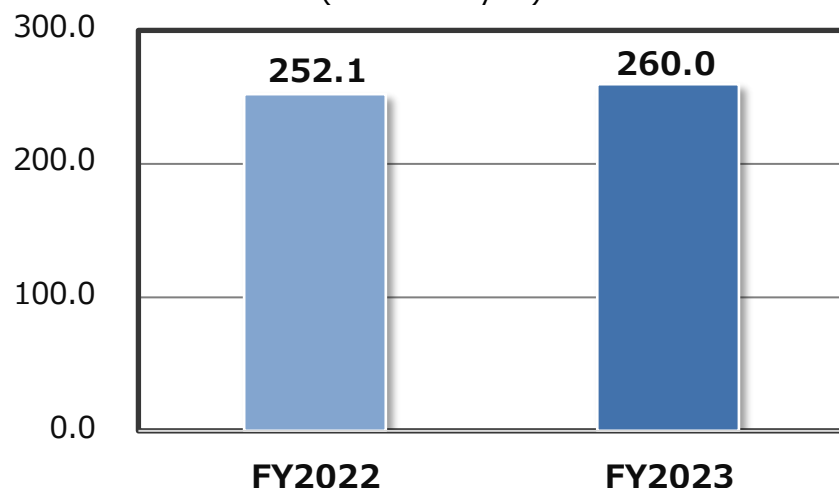
FY2023 Financial Results by Business Segment

- In Motion Control, revenue and operating profit increased due to the normalization of production and price pass-through.
- In Robotics, although revenue increased due to the firm demand to upgrade and automate production and sales of large-scale projects related to EVs, operating profit decreased due to an increase in overhead costs.
- In System Engineering, operating profit significantly increased because of the progress in business structure reforms, such as the sale of shares of a subsidiary related to large-scale wind turbine.

(Billions of yen)	FY2023		FY2022		Changes	
	Results	Profit ratio	Results	Profit ratio	Amounts	%
Revenue	575.7		556.0		+19.7	+3.5%
Motion Control	260.0		252.1		+7.9	+3.1%
Robotics	234.7		223.8		+10.9	+4.8%
System Engineering	55.5		51.1		+4.3	+8.5%
Other	25.5		28.9		-3.4	-11.8%
Operating profit	66.2	11.5%	68.3	12.3%	-2.1	-3.0%
Motion Control	38.2	14.7%	36.2	14.4%	+2.0	+5.5%
Robotics	25.1	10.7%	26.1	11.7%	-1.0	-3.7%
System Engineering	5.6	10.2%	2.6	5.0%	+3.1	+119.0%
Other	0.4	1.6%	1.8	6.2%	-1.4	-76.7%
Elimination or Corporate	-3.2	-	1.6	-	-4.8	-

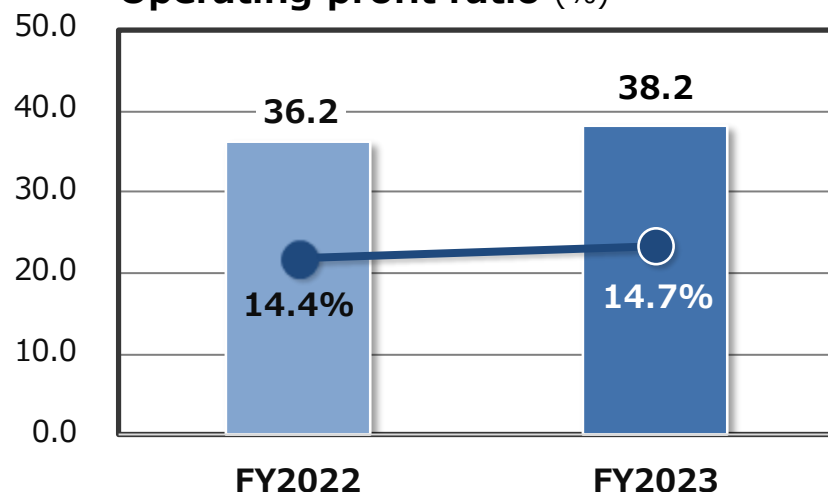
Business Segment Overview: Motion Control

Revenue (Billions of yen)



Operating profit (Billions of yen)

Operating profit ratio (%)



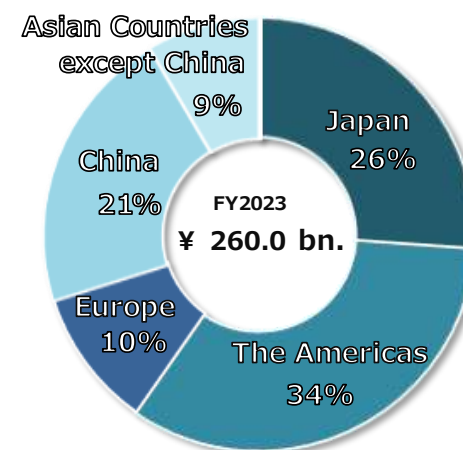
[Revenue]

- In AC servo & controller business, revenue decreased due to weak demand for semiconductors and electronic components and prolonged inventory adjustments.
- In Drives business, revenue increased globally due to the normalization of production.
- Oil and gas-related demand in the U.S. and infrastructure-related demand in ASEAN countries and India were steady, which led to a significant increase in revenue.

[Operating Profit]

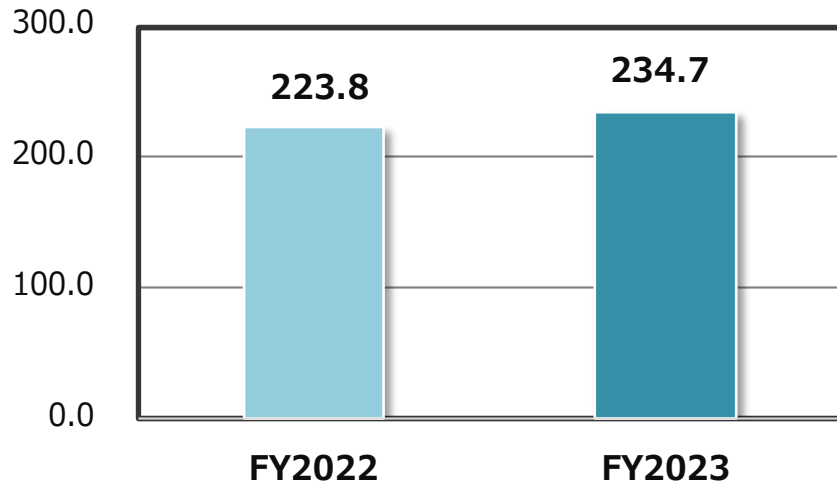
- Profit increased due to improved profitability by price pass-through and the effect of switching to new products.

Revenue breakdown by region

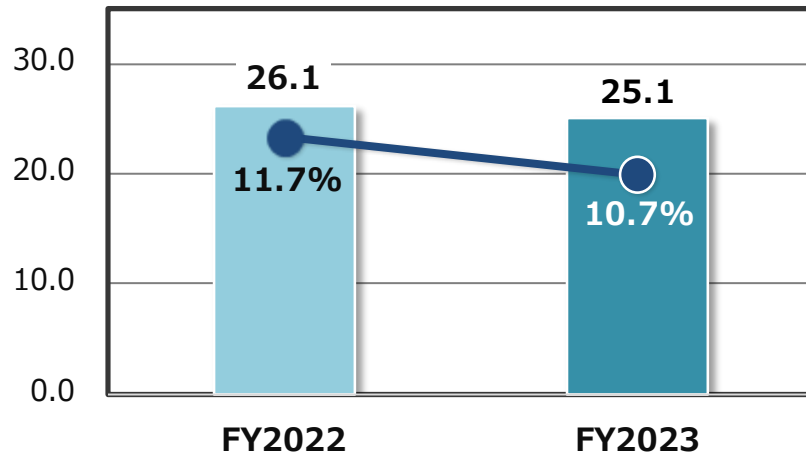


Business Segment Overview: Robotics

Revenue (Billions of yen)



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



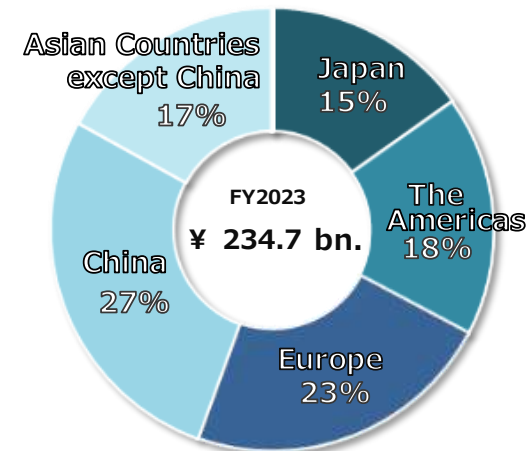
[Revenue]

- 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.
- Sales of painting-related projects in the automotive market, mainly EVs, in Korea also contributed to the increase in revenue.

[Operating Profit]

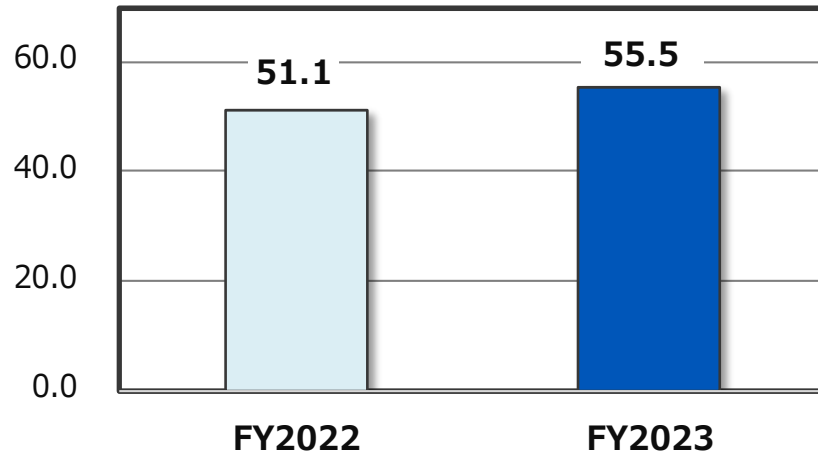
- Profit decreased due to an increase in overhead costs, despite a positive contribution from efforts to price pass-through.

Revenue breakdown by region



Business Segment Overview: System Engineering

Revenue (Billions of yen)



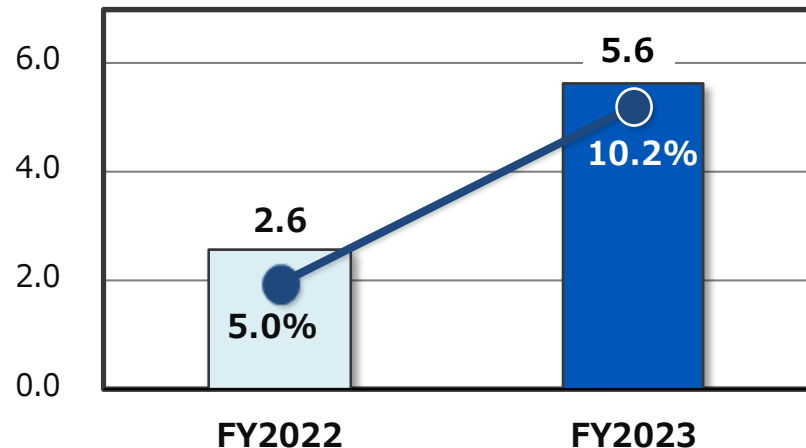
[Revenue]

- Revenue increased due to solid sales of power conditioners for solar power generation and port cranes overseas.

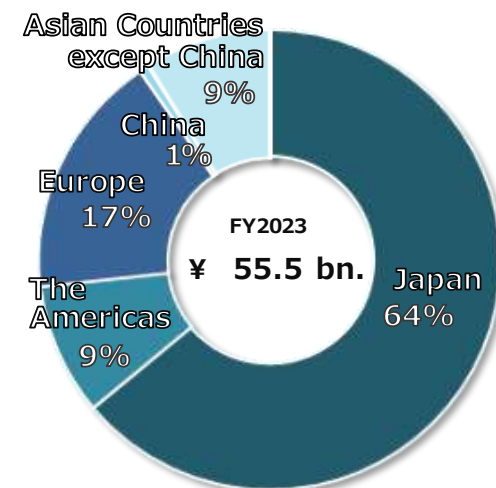
[Operating Profit]

- Profit significantly increased because of the profit increase due to revenue increase, in addition to the progress in business structure reforms, such as the sale of shares of a subsidiary related to large-scale wind turbine.

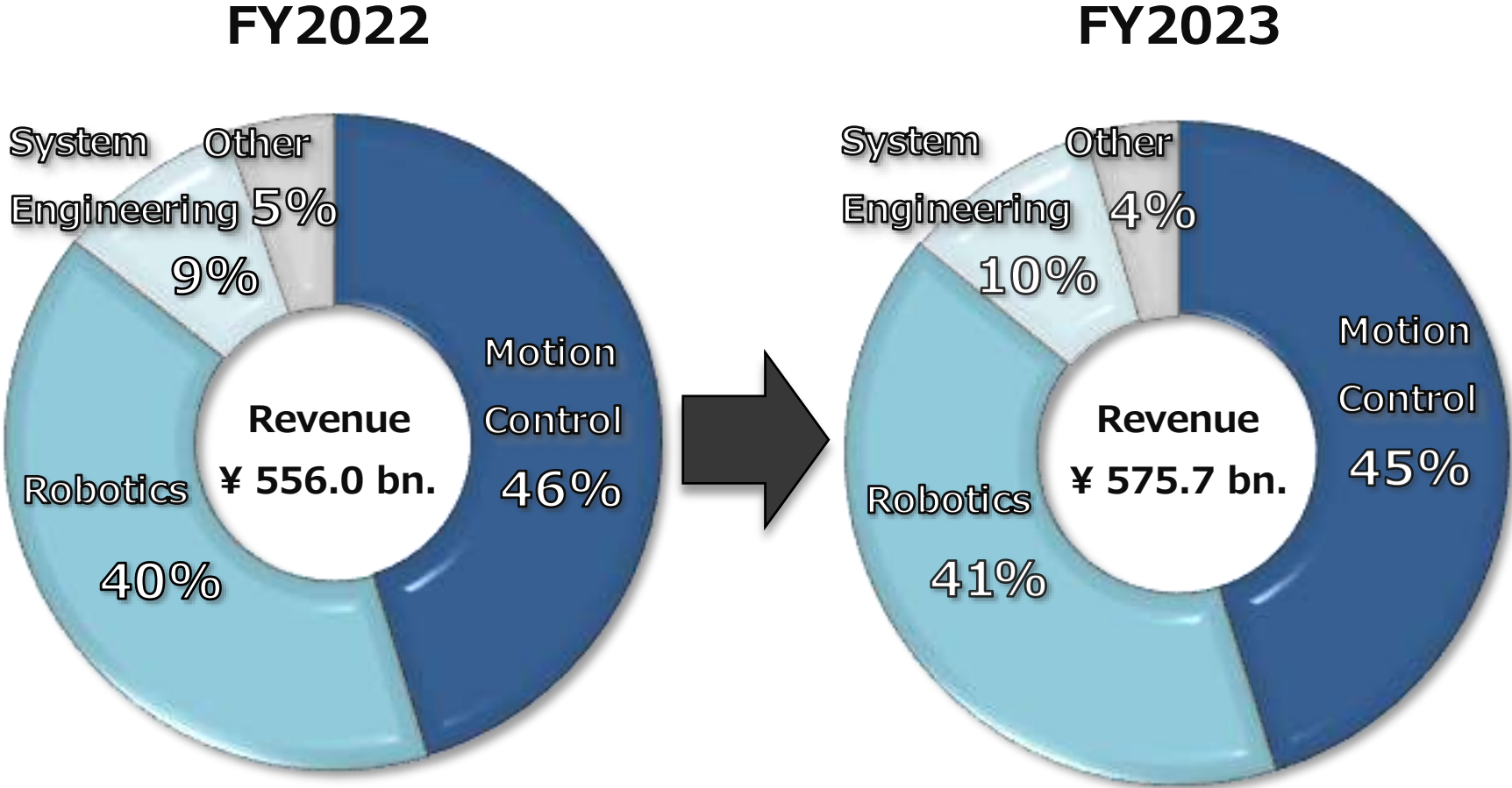
Operating profit (Billions of yen)
Operating profit ratio (%)



Revenue breakdown by region



Revenue Breakdown by Business Segment



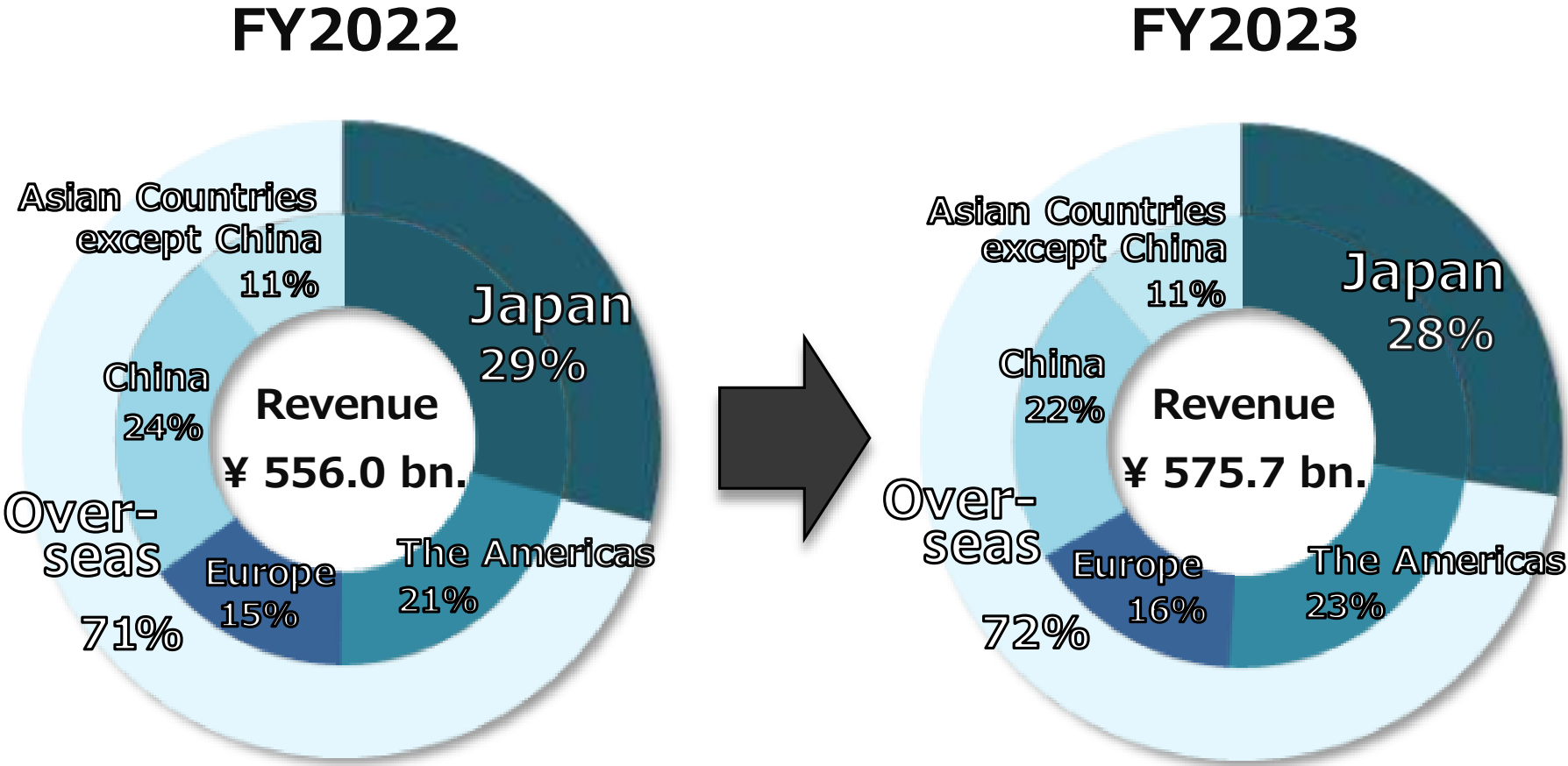
Revenue Breakdown by Location (1)

- Revenue grew driven by the growth in the Americas, Europe, and Asian countries except China.

(Billions of yen)	FY2023 Results	FY2022 Results	Changes	
			Amounts	%
Revenue	575.7	556.0	+19.7	+3.5%
Japan	159.6	162.4	-2.8	-1.7%
Overseas	416.1	393.5	+22.5	+5.7%
The Americas	134.3	117.0	+17.3	+14.8%
Europe	90.1	81.4	+8.7	+10.7%
China	125.0	135.9	-10.8	-8.0%
Asian Countries except China	66.7	59.3	+7.4	+12.4%

Note: Europe includes Middle East and Africa.

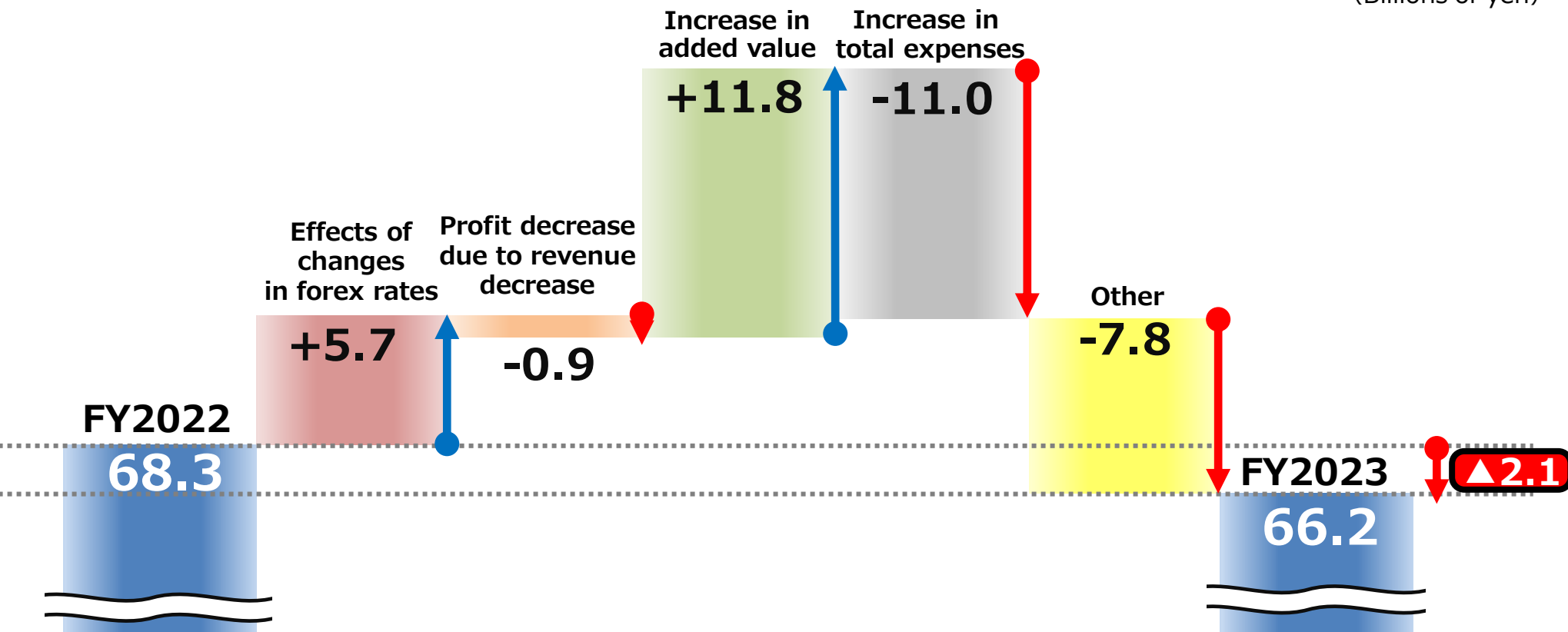
Revenue Breakdown by Location (2)



Note : Europe includes Middle East and Africa.

Breakdown of Changes in Operating Profit (FY2022 → FY2023)

(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	+ 2.8	- 1.1	+ 6.6	- 4.3	- 2.0
Robotics	+ 2.9	- 1.4	+ 3.7	- 5.9	- 0.4
System Engineering	+ 0.0	+ 1.9	+ 0.6	- 0.7	+ 1.2
Other	+ 0.0	- 0.3	+ 0.9	- 0.1	- 6.6

Measures for FY2023 to Realize Mid-term Business Plan “Realize 25”

Creating Value through i³-Mechatronics Solutions

→ Development capabilities

- Launched the new autonomous robots, “MOTOMAN NEXT series” to pioneer unautomated areas
- Started to roll out “iCube Control,” the controller solution to realize i³-Mechatronics
- Moved “automation of cucumber leaf removing work,” which is being developed in collaboration with JA ZEN-NOH* to the full-fledged introduction phase



*National Federation of Agricultural Cooperative Associations of Japan

→ Production capabilities

- Completed construction of a machining factory for robots in Japan to realize the expansion of in-house manufacturing
- Determined construction of a new plant for robot systems in Ohio, the U.S.



Leaf removing robot

→ Sales capabilities

- Promoted automation of plant factories through a capital alliance with Oishii Farm Corporation in the U.S. (May 2023)
- Proposed automation by autonomous decentralized control for the realization of i³-Mechatronics solution concept at International Robot Exhibition 2023 (December 2023)



Enewell-SOL P3A 25kW

Contributing to Realizing a Sustainable Society through Business Expansion of Mechatronics Applications

- “Enewell-SOL P3A 25kW” power conditioner received two awards, “Japan Brand Award of Ten Greatest New Products Award,” and “Energy Commissioner's Award of Energy Conservation Grand Prize”

2. FY2024 Full-Year Forecasts **(Year Ending February 28, 2025)**

FY2024 Full-Year Financial Forecasts (Highlights)

- We plan to increase revenue and profit by accurately capturing rising demand accompanying the recovery of capital investment related to automation and labor saving in the manufacturing industry and resumption of investment in the semiconductor and electronic component markets.

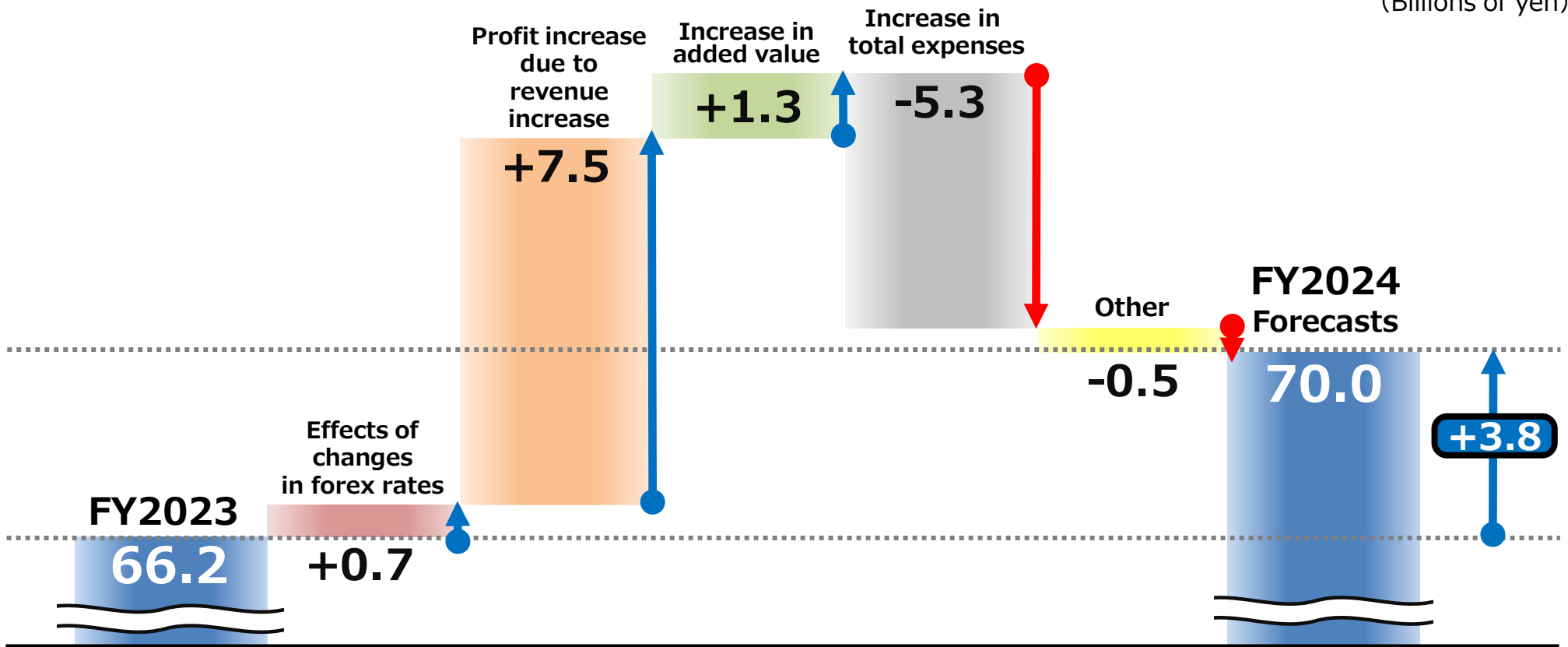
	FY2024 Forecasts	FY2023 Results (After segment revision)	Changes	
			Amounts	%
Revenue	¥ 580.0bn.	¥ 575.7bn.	+¥ 4.3bn.	+0.8%
Operating profit	¥ 70.0bn.	¥ 66.2bn.	+¥ 3.8bn.	+5.7%
Profit before tax	¥ 74.0bn.	¥ 69.1bn.	+¥ 4.9bn.	+7.1%
Profit attributable to owners of parent	¥ 54.0bn.	¥ 50.7bn.	+¥ 3.3bn.	+6.5%

FY2024 Full-Year Financial Forecasts by Business Segment

	FY2024		FY2023		Changes	
	Forecasts	Profit ratio	Results (After segment revision)	Profit ratio	Amounts	%
(Billions of yen)						
Revenue	580.0		575.7		+4.3	+0.8%
Motion Control	268.8		269.4		-0.6	-0.2%
Robotics	245.1		234.7		+10.4	+4.4%
System Engineering	39.8		46.1		-6.3	-13.7%
Other	26.3		25.5		+0.9	+3.4%
Operating profit	70.0	12.1%	66.2	11.5%	+3.8	+5.7%
Motion Control	36.9	13.7%	39.0	14.5%	-2.1	-5.3%
Robotics	30.0	12.2%	25.1	10.7%	+4.8	+19.3%
System Engineering	5.6	14.0%	4.9	10.5%	+0.7	+14.6%
Other	0.5	1.9%	0.4	1.6%	+0.1	+19.0%
Elimination or Corporate	-3.0	-	-3.2	-	+0.2	-

Breakdown of Changes in Operating Profit (FY2023 → FY2024 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	+ 0.2	- 0.8	+ 0.7	- 2.4	+ 0.2
Robotics	+ 0.4	+ 6.4	+ 0.5	- 2.4	- 0.0
System Engineering	+ 0.0	+ 2.3	+ 0.3	- 0.4	- 1.4
Other	+ 0.0	- 0.3	- 0.2	+ 0.0	+ 0.8

Measures for FY2024

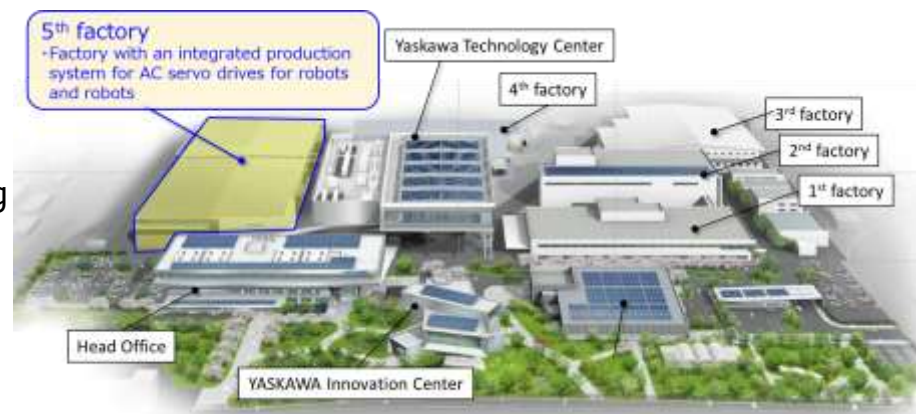
Creating Value through i³-Mechatronics Solutions

→ Development capabilities

- Expansion of application cases and lineup of “MOTOMAN NEXT series”
- Development and demonstration of applications by strengthening lineup of “iCube Control” controller solutions

→ Production capabilities

- Start construction of 5th robot factory
 - Build a production system that can flexibly respond to demand fluctuations through automation and labor-saving
- Production enhancement of the U.S. business
 - Plan to make 30 billion-yen scale of capital investments over several years, including construction of a new plant for robot systems



Yashata-nishi Plant (robot village) overhead view

→ Sales capabilities

- Strengthen global sales structure focused on growing markets, such as the advancement of EV adoption
- Response to new technologies (3D packages, etc.) in anticipation of investment resumption in the semiconductor market

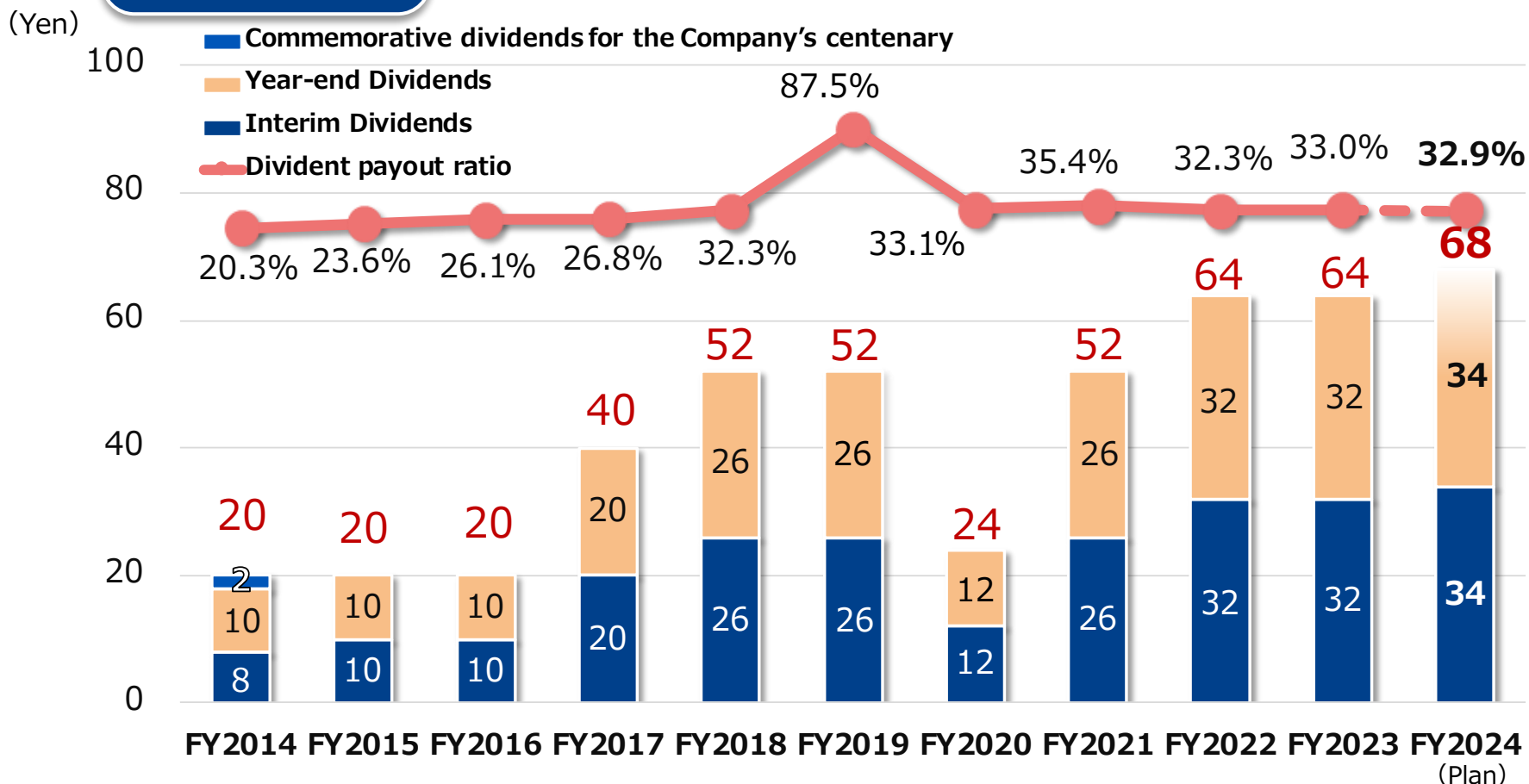
Contributing to Realizing a Sustainable Society through Business Expansion of Mechatronics Applications

- Promotion of automation and construction of new industrial structures in the field of mechatronics applications such as food, biomedical, and agriculture

Shareholder Return (Dividends)

- In FY2023, an annual dividend was 64 yen per share.
- An annual dividend forecast for FY2024 will be 68 yen per share, an increase by 4 yen from the previous fiscal year. (A dividend payout ratio is 32.9%)

Dividends



3. Reference

Retroactive Application of Business Reclassification to FY2023 Results

- From FY2024, we revise the segment classification of power conditioners for solar power generation, which had been included in the System Engineering segment, to be included in the Motion Control segment.
- Figures for FY2023 are presented based on the revised information only when they are compared to the full-year consolidated financial forecasts for FY2024.

(Unit: Billions of yen)	FY2023 (After segment revision)						Full-Year	Changes Full-Year
	1Q	2Q	1H	3Q	4Q	2H		
Revenue	142.5	146.5	289.0	135.4	151.3	286.7	575.7	-
Motion Control	71.6	69.1	140.8	63.8	64.9	128.7	269.4	+9.4
Robotics	52.8	59.6	112.4	54.6	67.7	122.3	234.7	-
System Engineering	12.3	10.8	23.1	10.7	12.3	23.0	46.1	-9.4
Other	5.8	7.0	12.8	6.3	6.3	12.7	25.5	-
Operating income	16.4	16.6	33.1	13.5	19.7	33.2	66.2	-
Motion Control	9.8	10.4	20.2	8.4	10.4	18.8	39.0	+0.8
Robotics	6.2	6.8	13.0	5.6	6.6	12.2	25.1	-
System Engineering	1.0	0.4	1.4	0.2	3.3	3.5	4.9	-0.8
Other	-0.0	0.0	0.0	0.1	0.3	0.4	0.4	-
Elimination or Corporate	-0.6	-1.0	-1.5	-0.7	-0.9	-1.6	-3.2	-

Capital Expenditure, R&D Investment, Forex Rates and Sensitivity

Capital expenditure, R&D investment

(Billions of yen)

	F Y 2 0 2 2	F Y 2 0 2 3	F Y 2 0 2 4 (Plan)
Capital expenditure	27.61	37.86	42.00
Depreciation and Amortization	19.67	20.80	22.00
R&D investment	18.78	21.25	22.00

Forex rates

Note: Average rate during the period

(yen)

	F Y 2 0 2 2			F Y 2 0 2 3			F Y 2 0 2 4 (Forcasts)
	1H	2H	Full-Year	1H	2H	Full-Year	Full-Year
USD	129.9	138.6	134.1	138.8	147.9	143.2	145.0
EUR	136.8	143.0	139.8	151.0	159.3	155.1	155.0
CNY	19.59	19.77	19.68	19.61	20.44	20.02	20.00
KRW	0.102	0.104	0.103	0.106	0.112	0.109	0.110

Forex sensitivity

(Billions of yen)

	Impact of 1% fluctuation (FY2023 Full-Year)	
	Revenue	Operating profit
USD	1.39	0.34
EUR	0.90	0.17
CNY	1.25	0.28
KRW	0.36	0.18

Financial Indices

As of February 28, 2023

➤Ratio of equity attributable to owners of parent	53.2%
➤Equity attributable to owners of parent	347.5 billion yen
➤Interest-bearing debt	99.6 billion yen
➤D/E ratio	0.29
➤(Net D/E ratio)	0.16
➤Inventory (Turnover)	182.2 billion yen (3.7 months)
➤ROE	16.2%
➤ROIC	14.6%

As of February 29, 2024

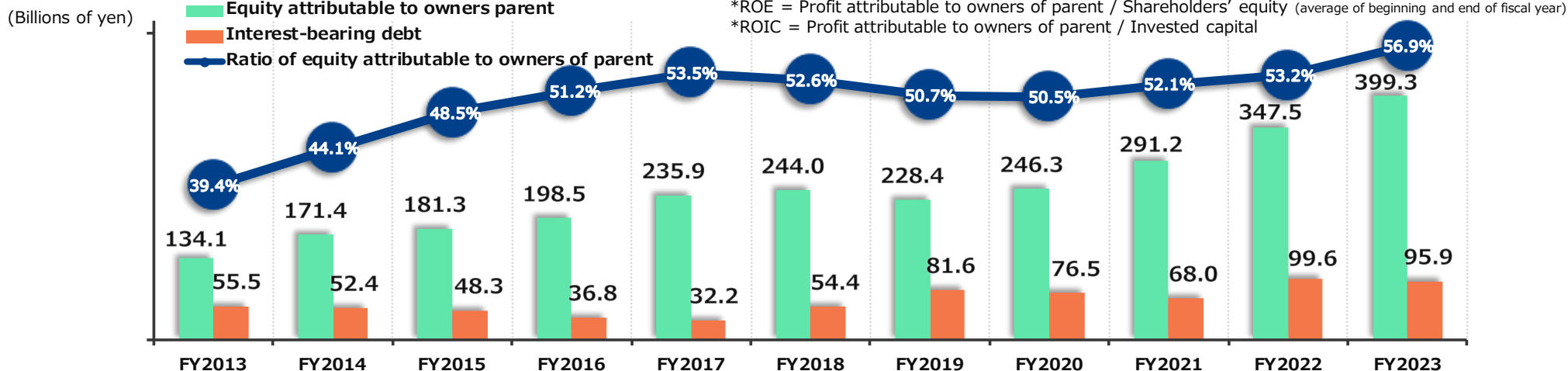
➤Ratio of equity attributable to owners of parent	56.9%
➤Equity attributable to owners of parent	399.3 billion yen
➤Interest-bearing debt	95.9 billion yen
➤D/E ratio	0.24
➤(Net D/E ratio)	0.14
➤Inventory (Turnover)	207.9 billion yen (4.1 months)
➤ROE	13.6%
➤ROIC	11.8%

*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)

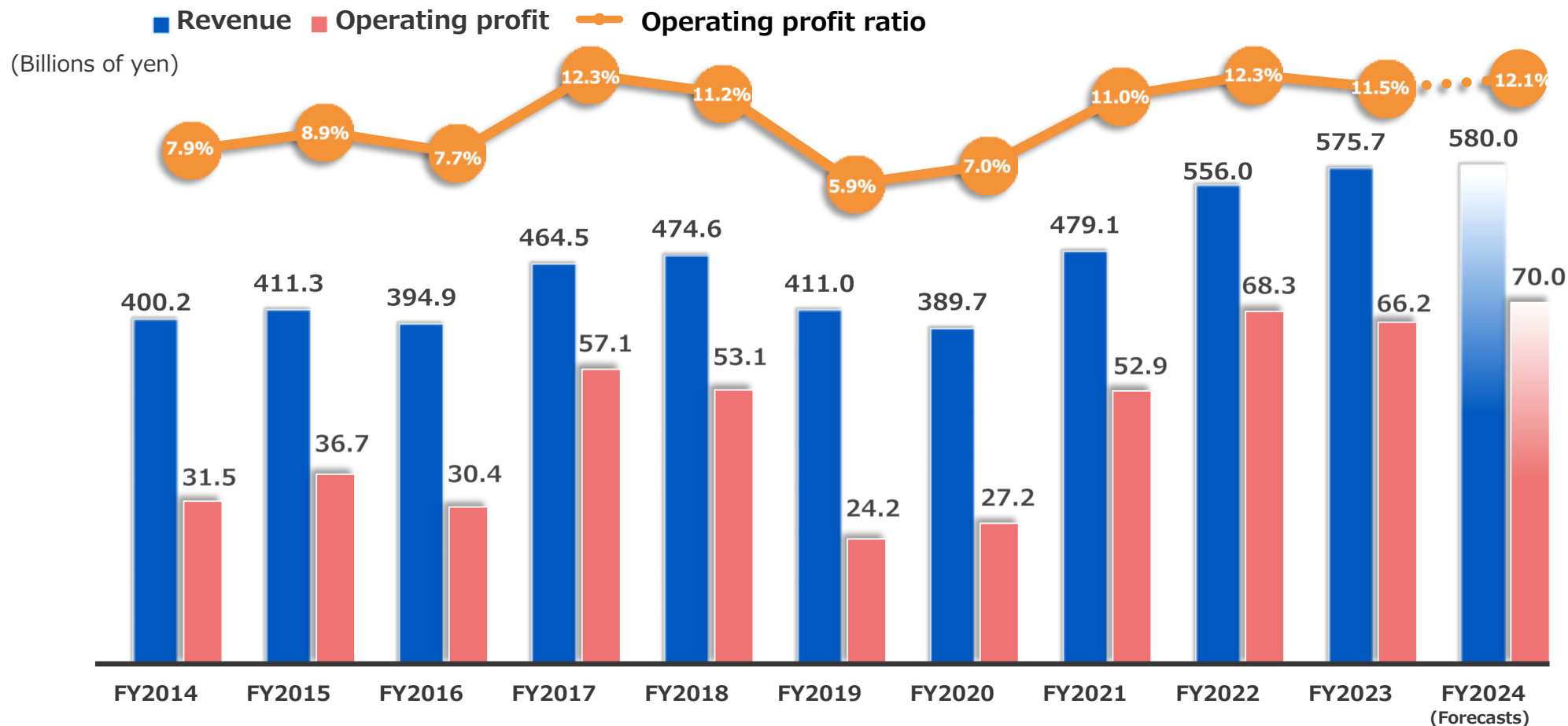
*ROIC = Profit attributable to owners of parent / Invested capital



Operating CF	24.0	29.0	32.0	33.8	46.1	34.3	21.5	39.6	49.2	- 2.2	54.6
Investment CF	- 16.9	- 27.9	- 22.4	- 18.9	- 18.9	- 27.1	- 20.6	- 9.6	- 24.2	- 19.7	- 29.3
Free CF	- 7.0	1.1	9.5	14.8	27.2	7.2	0.8	30.0	25.1	- 21.9	25.3

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

Revenue / Operating Profit (FY2014 – FY2024 Forecasts)



Realize 100

Dash 25

Challenge 25 Plus

Realize 25

Mid-term business plans

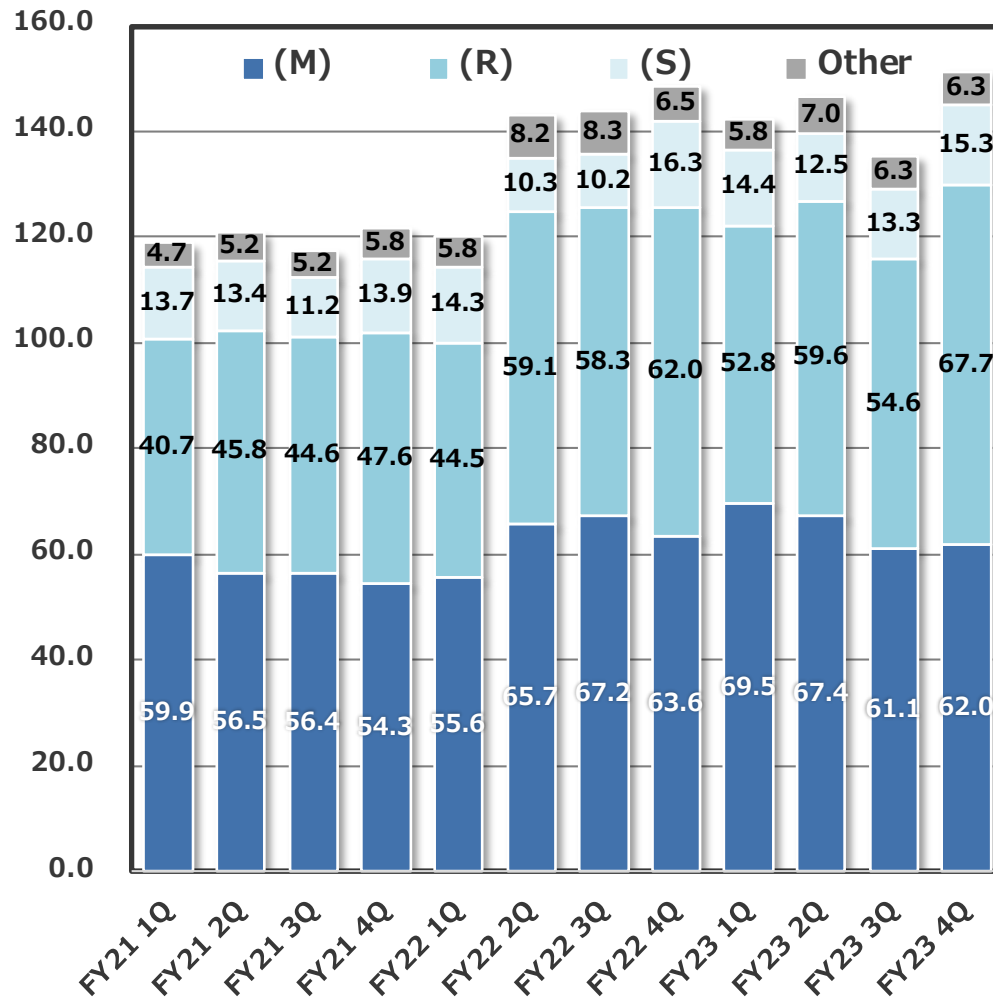
Note1: Data up to FY2017 are based on Japanese GAAP.

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

Quarterly Revenue Trends (1)

(Billions of yen)

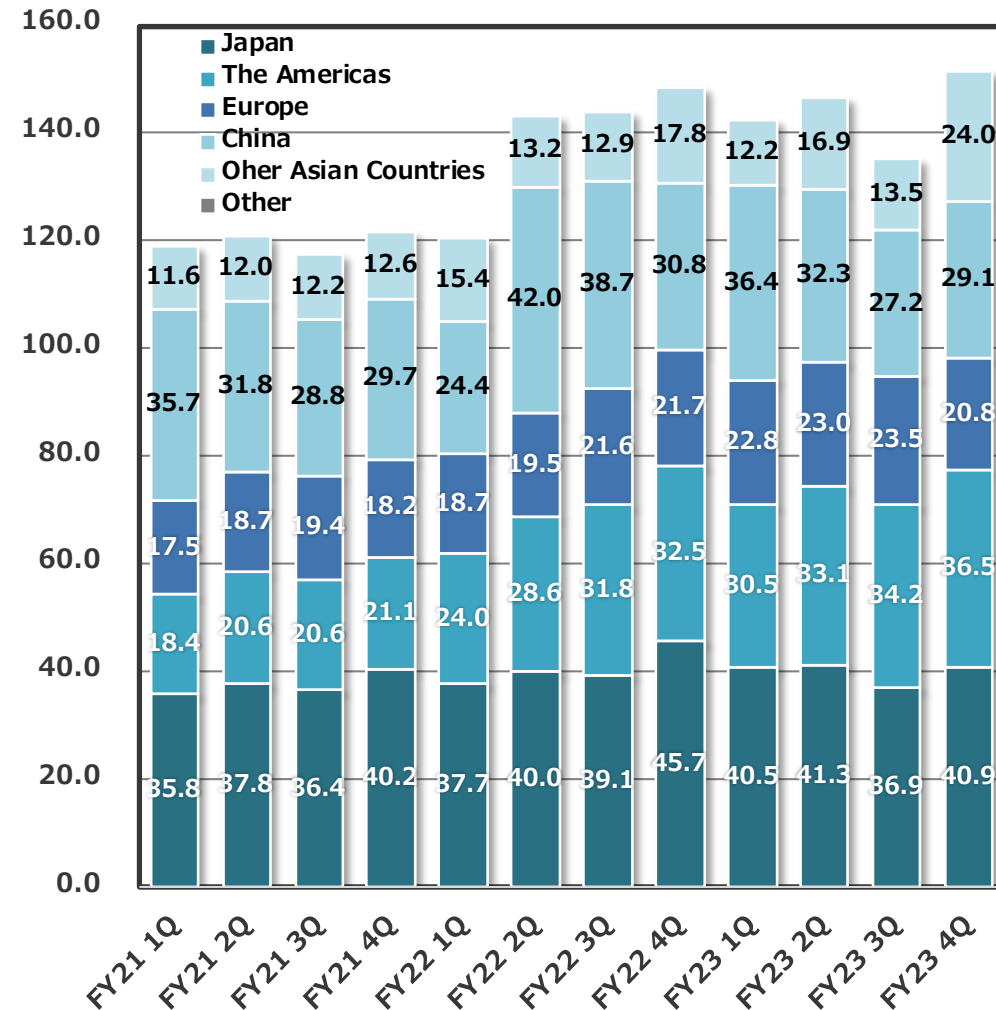
Business segment



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

(Billions of yen)

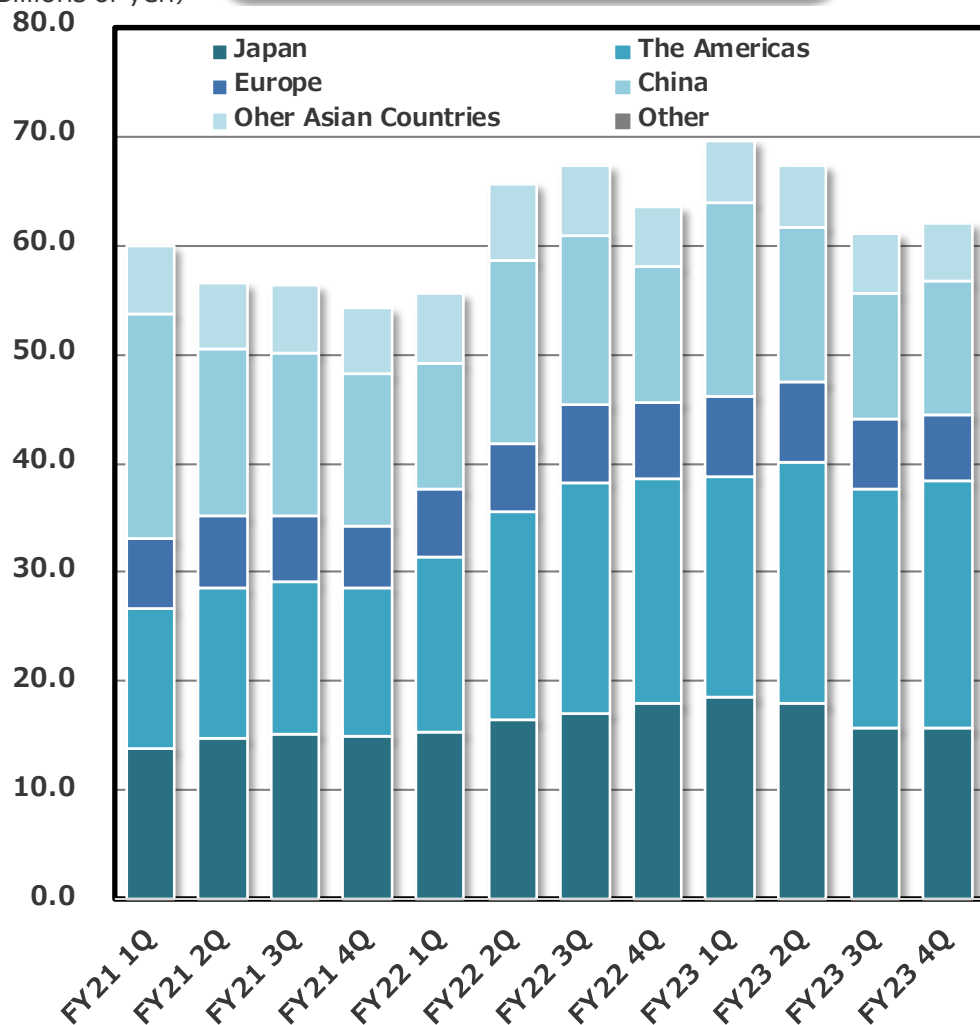
Location



Quarterly Revenue Trends (2)

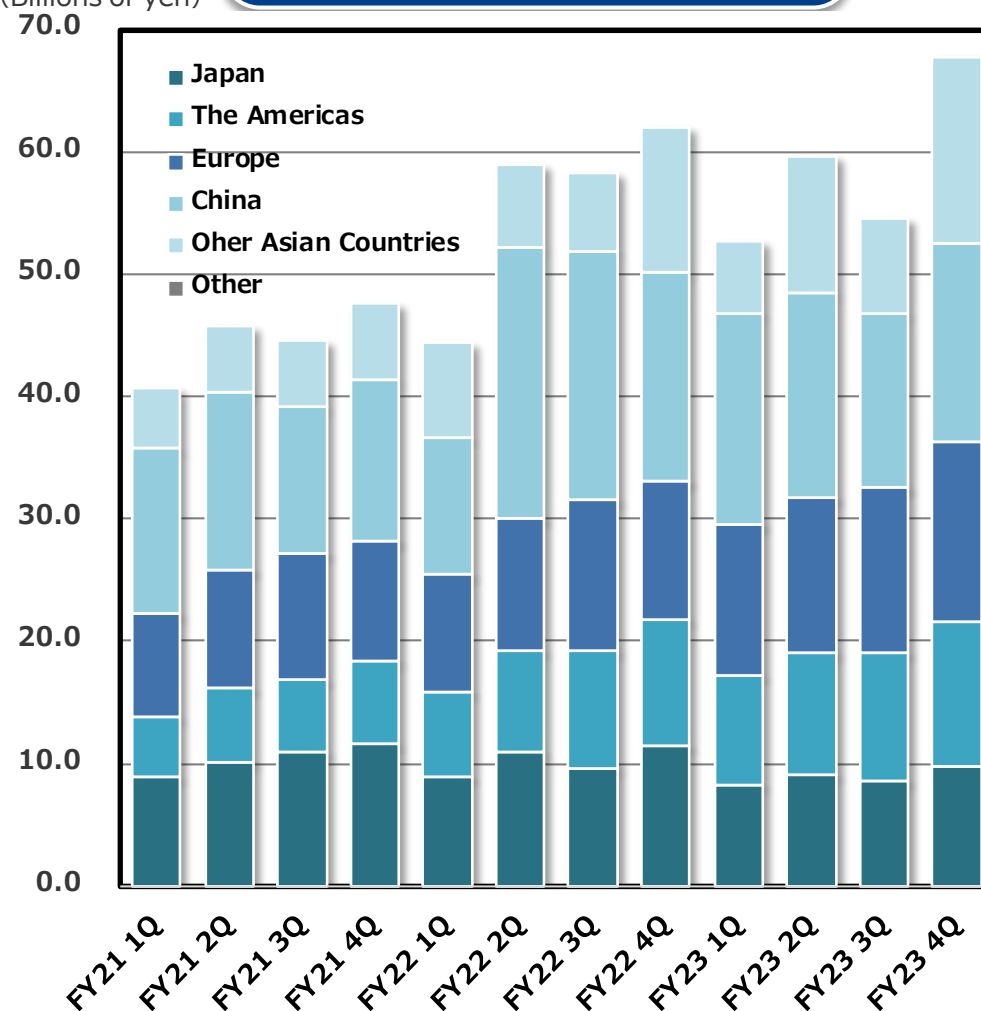
Motion Control

(Billions of yen)



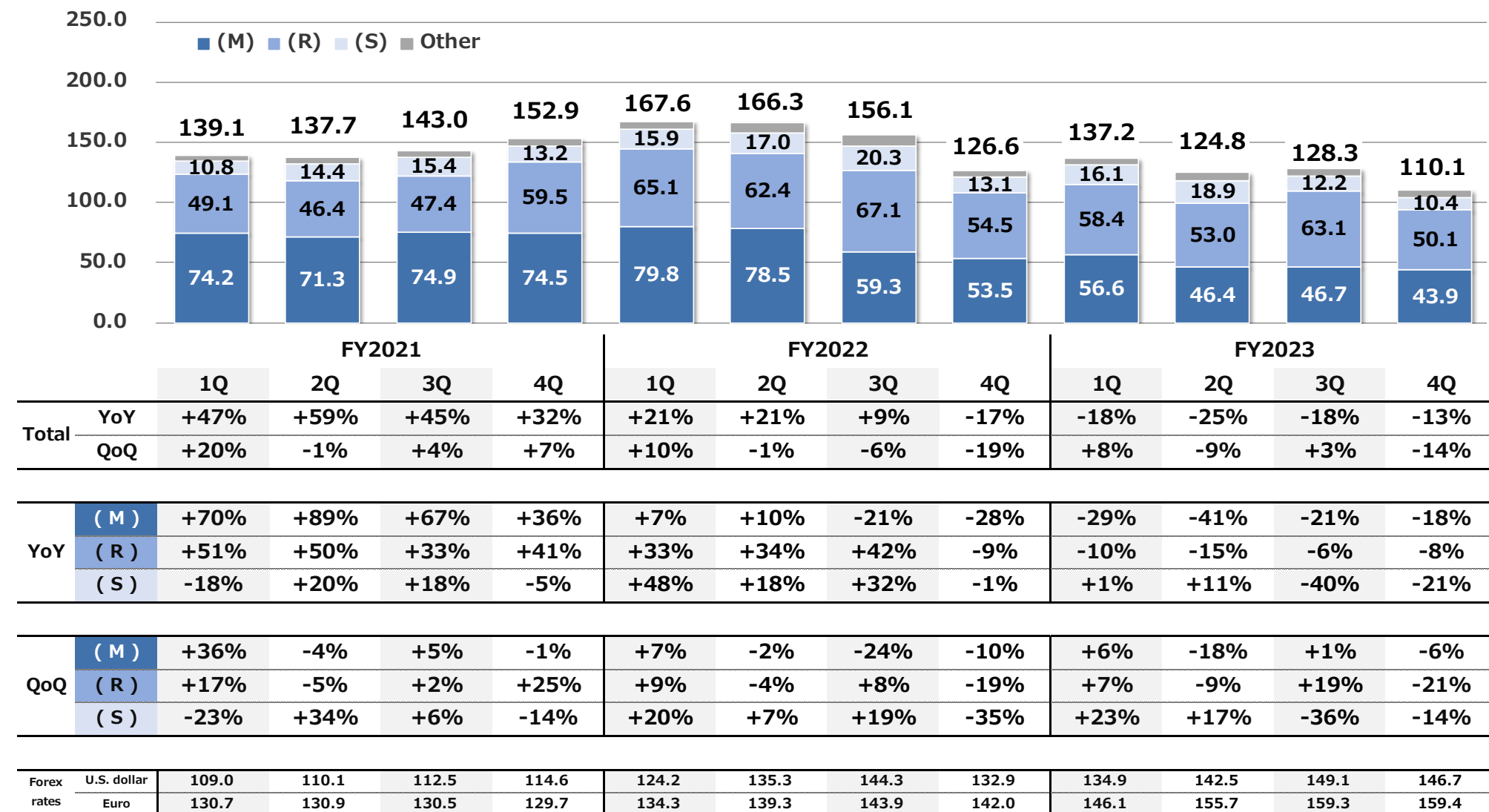
Robotics

(Billions of yen)



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

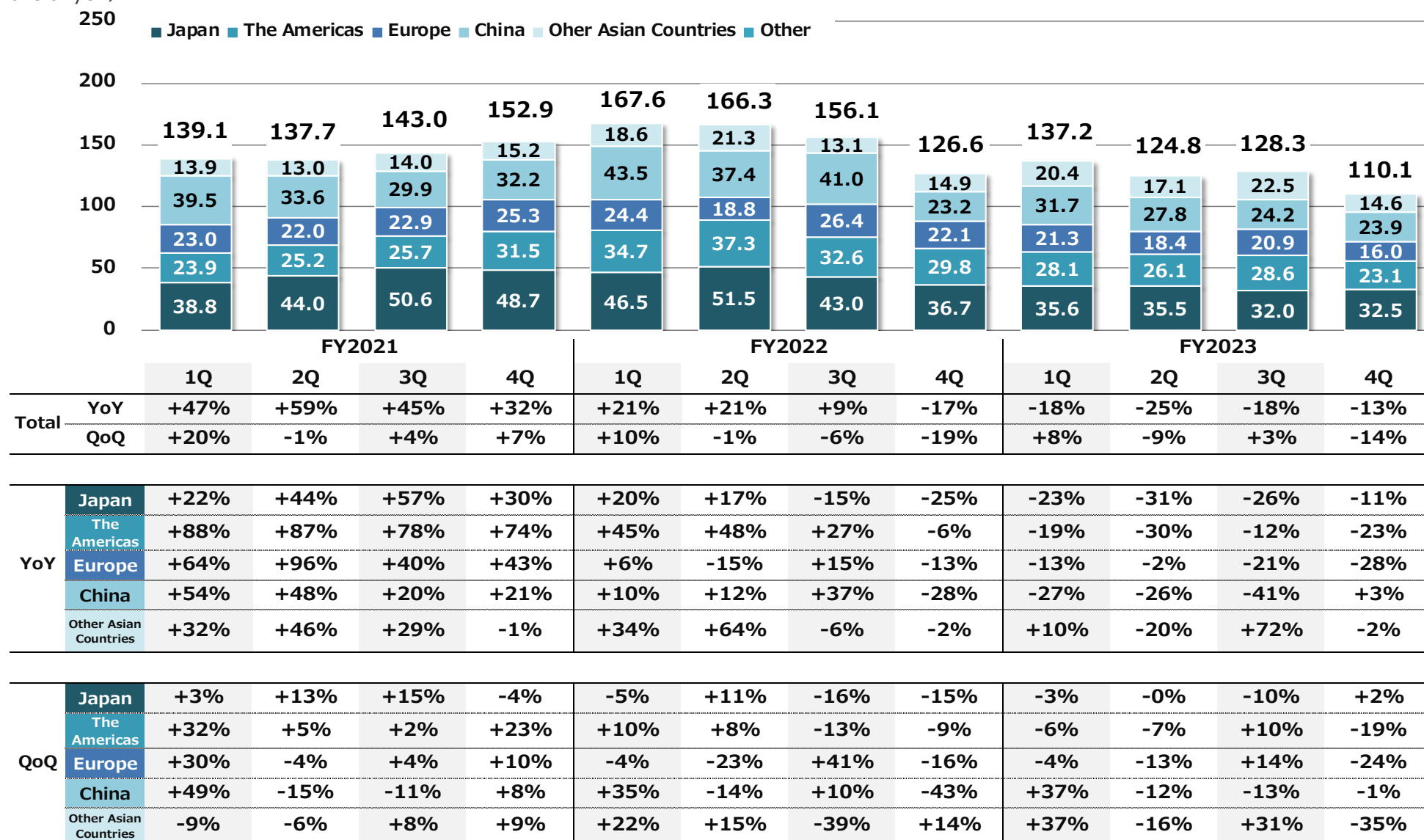
(Billions of yen)



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

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

(Billions of yen)



YASKAWA