

Consolidated Results for the First Three Quarters of Fiscal Year Ending February 28, 2025
[IFRS]

January 10, 2025

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 Three Quarters of the Fiscal Year Ending February 28, 2025 (From March 1, 2024 to November 30, 2024)

(1) Consolidated Statements of Income

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

	Revenue		Operating profit		Profit before tax		Profit	
Nine months ended November 30, 2024	393,689	-7.2%	34,313	-26.3%	62,990	30.1%	46,004	30.2%
Nine months ended November 30, 2023	424,330	4.1%	46,547	-3.3%	48,431	-5.2%	35,344	-5.7%

	Profit attributable to owners of parent		Comprehensive income		Earnings per share (basic, Yen)	Earnings per share (diluted, Yen)
Nine months ended November 30, 2024	45,484	30.7%	42,501	-15.1%	174.22	174.03
Nine months ended November 30, 2023	34,788	-6.5%	50,054	-4.7%	133.05	132.92

(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 November 30, 2024	722,705	424,167	415,641	57.5%
As of February 29, 2024	702,335	408,018	399,338	56.9%

2. Dividends

	Dividends per share (yen)				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual total
Year ended February 29, 2024	-	32.00	-	32.00	64.00
Year ending February 28, 2025	-	34.00	-		
Year ending February 28, 2025 (Forecasts)				34.00	68.00

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

3. Consolidated Financial Forecasts for the Fiscal Year Ending February 28, 2025

(From March 1, 2024 to February 28, 2025)

(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		Earnings per share (diluted, Yen)
Year ending February 28, 2025	548,000	-4.8%	58,000	-12.4%	87,500	26.7%	63,000	24.3%	241.69

Note: Revisions to the most recently announced financial forecasts: Yes

The forecast for the fiscal year ending February 2025 (March 1, 2024 - February 28, 2025) is shown above.

Due to the impact of adjustments in semiconductor-related capital investment in South Korea and a temporary wait-and-see trend in capital investment during the U.S. presidential election, which resulted in lower-than-expected orders, we have revised our annual financial forecasts for the fiscal year ending February 28, 2025, announced on October 4, 2024.

The average exchange rates for the period from December 1, 2024 to February 28, 2025 are revised from 1USD = 145.0 JPY, 1EUR = 155.0 JPY, 1CNY = 20.00 JPY, announced on April 5, 2024 to 1USD = 155.0 JPY, 1EUR = 160.0 JPY, 1CNY = 21.50 JPY. We assume 1KRW=0.110 JPY as per the plan.

There is no change in the annual dividend forecast.

(Millions of yen)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Earnings per share (basic, Yen)
Previous forecast (A) (Announced on October 4, 2024)	553,000	64,000	89,800	64,000	245.42
Revised forecast (B)	548,000	58,000	87,500	63,000	241.69
Change (B-A)	-5,000	-6,000	-2,300	-1,000	-3.73
Change (%)	-0.9	-9.4	-2.6	-1.6	-1.5
Results of the previous fiscal year (Year ended February 29, 2024)	575,658	66,225	69,078	50,687	193.87

*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 November 30, 2024	266,690,497	As of February 29, 2024	266,690,497
The number of treasury shares	As of November 30, 2024	7,346,973	As of February 29, 2024	5,306,647
Average during the period	Nine months ended November 30, 2024	261,077,534	Nine months ended November 30, 2023	261,462,789

* 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. Please refer to "3. Consolidated Financial Forecasts for the Fiscal Year Ending February 28, 2025 (From March 1, 2024 to February 29, 2025)" on page 2 for the assumptions for the financial forecasts.
- The Company will hold a results briefing in Japanese for securities analysts and institutional investors on January 10, 2025 (JST).

4. Qualitative Information on Quarterly Results

Business Performance

In the first three quarters of the fiscal year under review, demand in the semiconductor market recovered, and capital investment remained firm in the automobile market, even though varying degree of strength was seen in each region. On the other hand, capital investment demand was generally weak in Europe and China.

In terms of our group's business performance in this environment, revenue decreased mainly in Motion Control segment, compared to the corresponding period of previous fiscal year, which was supported by high backlogs of orders. Operating profit decreased, affected largely by a decrease in profit due to revenue decline even though efforts were made to control expenses. On the other hand, profit attributable to owners of parent increased due to the recording of gain on transfer of shares and gain on revaluation of remaining shares following the transfer of a portion of shares of Yantai Dongxing Magnetic Materials Inc., an equity-method affiliate.

The business performance of the first three quarters of fiscal 2024 is as follows.

	Nine months ended November 30, 2023	Nine months ended November 30, 2024	Change
Revenue	424,330 million JPY	393,689 million JPY	-7.2%
Operating profit	46,547 million JPY	34,313 million JPY	-26.3%
Profit attributable to owners of parent	34,788 million JPY	45,484 million JPY	+30.7%
Average exchange rate for USD	142.14 JPY	152.19 JPY	+10.05 JPY
Average exchange rate for EUR	153.69 JPY	165.08 JPY	+11.39 JPY
Average exchange rate for CNY	19.89 JPY	21.12 JPY	+1.23 JPY
Average exchange rate for KRW	0.108 JPY	0.112 JPY	+0.004 JPY

<Management environment of each region>

Japan:

Capital investment in the automobile market remained firm, and demand in the semiconductor and electronic components markets showed a recovery trend. Automation demand in the general industry also remained firm.

The Americas:

Demand related to semiconductors recovered steadily, and investment in automation including in the automobile market remained firm. On the other hand, oil and gas-related demand and the demand in general industry remained sluggish.

Europe:

While capital investment for robots increased in the automobile market, demand remained sluggish in the manufacturing industry as a whole.

China:

While the market recovery has been moderate, impacted by a slowdown in domestic demand, the export-related demand remained firm.

Other Asian Countries:

Semiconductor-related demand recovered in Taiwan. In addition, equipment demand for infrastructure and general industry remained firm in ASEAN countries and India.

Performance by Business Segment

The business of the Yaskawa Group is divided into four segments.

The performance of each business segment for the first three quarters of fiscal 2024 is as follows.

In line with the reorganization of the System Engineering business, the Yaskawa Group has integrated PV inverter, which was included in the System Engineering segment until the previous consolidated fiscal year, into Motion Control segment from the first quarter under review. As a result, year-on-year figures for each segment have been calculated after reclassifying the figures for the same period of the previous fiscal year into the new segment categories.

Motion Control	Revenue	178,317 million JPY (-12.8 % year-on-year)
	Operating profit	15,994 million JPY (-44.0 % year-on-year)
<p>The Motion Control segment consists of the AC servo & controller business and the drives business. Although a moderate semiconductor-related recovery was seen, revenue decreased compared to the corresponding period of previous fiscal year, which was supported by a high backlog of orders. Although curbing expenses and improving added value contributed positively, operating profit decreased due to the large impact of a decline in profit resulting from a decrease in revenue.</p> <p>[AC servo & controller business] Although semiconductor-related sales recovered moderately, mainly in the Americas and Asia, revenue declined due to the impact of delayed market recovery in Japan and China.</p> <p>[Drives business] Although sales of PV inverters remained firm, revenue decreased compared to the corresponding period of previous fiscal year, which was supported by a high backlog of orders.</p>		
Robotics	Revenue	170,517 million JPY (+2.1% year-on-year)
	Operating profit	16,117 million JPY (-13.2% year-on-year)
<p>Automobile-related sales increased mainly in Japan and Europe. In addition, although sales of wafer transfer robots for the semiconductor market were firm, demand for capital investment in the general industry was sluggish. As a result, revenue slightly increased year on year.</p> <p>Operating profit decreased due to a decline in the production utilization rate.</p>		
System Engineering	Revenue	27,797 million JPY (-17.6% year-on-year)
	Operating profit	3,020 million JPY (+92.5% year-on-year)
<p>Although sales for mainstay steel plants, port cranes, and social systems increased, revenue decreased year on year due to the impact of the sale of a subsidiary related to large-scale wind turbines in the second half of the previous fiscal year. Operating profit increased significantly due to the effect of business structural reforms, as well as the increase in revenue of mainstay businesses.</p>		
Other	Revenue	17,057 million JPY (-10.9% year-on-year)
	Operating profit	1,032 million JPY (+950 million JPY year on year)
<p>Other segment consists of logistics and other businesses.</p> <p>Despite a decrease in revenue, operating profit increased year on year mainly due to an increase in other income.</p>		

5. Consolidated Financial Statements

1) Consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and cash equivalents	40,279	43,642
Trade receivables	167,903	153,803
Inventories	207,910	216,562
Other financial assets	4,409	4,701
Other current assets	35,595	39,334
Total current assets	<u>456,098</u>	<u>458,044</u>
Non-current assets		
Property, plant and equipment	115,691	123,930
Goodwill	7,272	7,210
Intangible assets	19,496	22,897
Right-of-use assets	16,872	16,537
Investments accounted for using equity method	12,747	4,054
Other financial assets	43,981	63,599
Deferred tax assets	15,335	11,842
Other non-current assets	14,838	14,588
Total non-current assets	<u>246,236</u>	<u>264,661</u>
Total assets	<u><u>702,335</u></u>	<u><u>722,705</u></u>

(Millions of yen)

	As of February 29, 2024	As of November 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	66,537	60,532
Borrowings	26,179	24,778
Income taxes payable	3,422	3,313
Lease liabilities	3,720	3,619
Other financial liabilities	5,179	5,174
Provisions	1,615	1,530
Contact liabilities	40,359	48,644
Other current liabilities	42,132	42,483
Total current liabilities	189,146	190,077
Non-current liabilities		
Bonds and borrowings	54,156	57,736
Lease liabilities	11,845	11,056
Other financial liabilities	252	253
Retirement benefit liability	28,950	28,987
Deferred tax liabilities	2,673	3,014
Provisions	1,241	1,472
Other non-current liabilities	6,049	5,938
Total non-current liabilities	105,170	108,459
Total liabilities	294,316	298,537
Equity		
Equity attributable to owners of parent		
Share capital	30,562	30,562
Capital surplus	29,237	29,837
Retained earnings	305,116	335,915
Treasury shares	-22,491	-31,714
Other components of equity	56,914	51,041
Total equity attributable to owners of parent	399,338	415,641
Non-controlling interests	8,679	8,526
Total equity	408,018	424,167
Total liabilities and equity	702,335	722,705

2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Revenue	424,330	393,689
Cost of sales	-271,456	-254,636
Gross profit	152,874	139,052
Selling, general and administrative expenses	-106,336	-105,607
Other income	1,067	1,060
Other expenses	-1,057	-193
Operating profit	46,547	34,313
Finance income	1,228	1,543
Finance costs	-2,528	-2,288
Share of profit (loss) of investments accounted for using equity method	3,132	2,645
Loss (gain) on disposal and remeasurement of investments in associates	52	26,777
Profit before tax	48,431	62,990
Income tax expense	-13,086	-16,986
Profit	35,344	46,004
Profit attributable to		
Owners of parent	34,788	45,484
Non-controlling interests	555	519
Total	35,344	46,004
Earnings per share		
Basic earnings per share (Yen)	133.05	174.22
Diluted earnings per share (Yen)	132.92	174.03

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Profit	35,344	46,004
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	173	2,025
Remeasurements of defined benefit plans	240	-278
Share of other comprehensive income of investments accounted for using equity method	7	-1
Total	<u>421</u>	<u>1,745</u>
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	14,233	-5,291
Effective portion of cash flow hedges	54	43
Total	<u>14,288</u>	<u>-5,248</u>
Total other comprehensive income	<u>14,710</u>	<u>-3,502</u>
Comprehensive income	<u><u>50,054</u></u>	<u><u>42,501</u></u>
Comprehensive income attributable to		
Owners of parent	49,039	42,180
Non-controlling interests	1,015	321
Total	<u><u>50,054</u></u>	<u><u>42,501</u></u>

3) Consolidated Statements of Changes in Equity

First three quarters of Fiscal 2023 (From March 1, 2023 to November 30, 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	—	—	34,788	—	—	34,788	555	35,344
Other comprehensive income	—	—	—	—	14,250	14,250	459	14,710
Comprehensive income	—	—	34,788	—	14,250	49,039	1,015	50,054
Purchase of treasury shares	—	—	—	-603	—	-603	—	-603
Disposal of treasury shares	—	19	—	132	—	151	—	151
Dividends of surplus	—	—	-16,735	—	—	-16,735	-359	-17,095
Share-based payment transactions	—	279	—	—	—	279	—	279
Changes in ownership interest in subsidiaries	—	54	—	-21	—	32	-50	-18
Transfer from other components of equity to retained earnings	—	—	-12	—	12	—	—	—
Other	—	—	—	—	—	—	—	—
Total	—	353	-16,748	-492	12	-16,875	-409	-17,285
Balance at end of period	30,562	29,232	289,339	-22,490	53,019	379,663	8,181	387,844

First three quarters of Fiscal 2024 (From March 1, 2024 to November 30, 2024)

	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	29,237	305,116	-22,491	56,914	399,338	8,679	408,018
Profit	—	—	45,484	—	—	45,484	519	46,004
Other comprehensive income	—	—	—	—	-3,304	-3,304	-198	-3,502
Comprehensive income	—	—	45,484	—	-3,304	42,180	321	42,501
Purchase of treasury shares	—	—	—	-9,400	—	-9,400	—	-9,400
Disposal of treasury shares	—	17	—	177	—	194	—	194
Dividends of surplus	—	—	-17,253	—	—	-17,253	-470	-17,723
Share-based payment transactions	—	71	—	—	—	71	—	71
Changes in ownership interest in subsidiaries	—	-4	—	—	—	-4	-4	-9
Transfer from other components of equity to retained earnings	—	—	2,568	—	-2,568	—	—	—
Other	—	514	—	—	—	514	—	514
Total	—	599	-14,685	-9,223	-2,568	-25,877	-474	-26,352
Balance at end of period	30,562	29,837	335,915	-31,714	51,041	415,641	8,526	424,167

4) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Cash flows from operating activities		
Profit before tax	48,431	62,990
Depreciation, amortization and impairment losses	15,532	15,456
Share of profit of investments accounted for using equity method	-3,132	-2,645
Finance income and finance costs	314	-316
Gain on disposal and remeasurement of investments in associates	-52	-26,777
Decrease in trade receivables	11,627	13,222
Increase in inventories	-17,136	-10,701
Decrease in trade payables	-6,608	-5,642
Increase in retirement benefit liability	303	85
Decrease in provisions	-400	-90
Other	2,652	3,685
Subtotal	51,532	49,267
Interest and dividends received	4,394	5,042
Interest paid	-1,105	-1,014
Income taxes paid	-16,625	-12,881
Net cash provided by operating activities	38,195	40,413
Cash flows from investing activities		
Payments into time deposits	-3	-8
Proceeds from withdrawal of time deposits	810	—
Purchase of property, plant and equipment, and intangible assets	-19,514	-25,650
Proceeds from sale of property, plant and equipment, and intangible assets	352	380
Purchase of investment securities	-2,840	-438
Proceeds from sale of investment securities	221	6,897
Proceeds from sale of investments accounted for using equity method	160	11,082
Net increase in short-term loans receivable	-814	-233
Other	-198	-955
Net cash used in investing activities	-21,826	-8,926
Cash flows from financing activities		
Net decrease in short-term borrowings	-16,915	-1,482
Proceeds from long-term borrowings	46,364	15,002
Repayments of long-term borrowings	-13,375	-11,123
Repayments of lease liabilities	-2,978	-3,359
Purchase of treasury shares	-602	-9,400
Dividends paid	-16,751	-17,275
Dividends paid to non-controlling interests	-359	-470
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-18	-9
Other	0	0
Net cash used in financing activities	-4,637	-28,119
Net increase in cash and cash equivalents	11,730	3,368
Cash and cash equivalents at beginning of period	42,274	40,279
Effect of exchange rate changes on cash and cash equivalents	1,501	-4
Net decrease in cash and cash equivalents resulting from transfer to assets held for sale	-85	—
Cash and cash equivalents at end of period	55,421	43,642

5) Notes to the Consolidated Financial Statements

(Notes pertaining to the presumption of a going concern)

None

(Segment information)

1. Overview of Reporting Segments

Yaskawa Group's reportable segments are components of Yaskawa Group for which separate financial information is available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and to evaluate performance.

The organization of Yaskawa Group is based on three business units: motion control, robotics and system engineering. Each business unit formulates comprehensive strategies for Japan and overseas and develops business activities.

Accordingly, Yaskawa Group has three reportable segments, namely, "Motion Control" "Robotics" and "System Engineering".

"Motion Control" develops, manufactures, sells and provides maintenance services for AC servo motor, controllers and AC drives. "Robotics" develops, manufactures, sells and provides maintenance services for industrial robots and other products. "System Engineering" develops, manufactures, sells and provides maintenance services for industrial automation drives and social systems.

The method of accounting for the reported business segments is generally the same as the accounting policy applied to the consolidated financial statements.

(Change in reportable segment classification)

In line with the reorganization of the System Engineering business, the Yaskawa Group had partially changed the internal management classifications of the reportable segments and consolidated subsidiaries.

As a result, PV inverter, which was included in the System Engineering segment until the previous consolidated fiscal year, is included in Motion Control segment from the first quarter under review.

Segment information for the previous nine months consolidated accounting period has been prepared based on the reportable segment classification after the change.

Reportable segment income is based on operating profit.

Intersegment revenue or transfers are primarily based on prevailing market prices.

2. Revenue, profit (loss) and other items for each reporting segment

First three quarters of Fiscal 2023 (From March 1, 2023 to November 30, 2023)

(Millions of yen)

	Reportable segments				Other *1	Total	Adjustment *2	Total
	Motion Control	Robotics	System Engineering	Total				
Revenue								
Revenue from external customers	204,509	166,936	33,731	405,178	19,152	424,330	—	424,330
Intersegment revenue and transfers	11,076	2,495	741	14,313	11,826	26,140	-26,140	—
Total	215,586	169,432	34,472	419,491	30,979	450,471	-26,140	424,330
Operating profit	28,559	18,561	1,569	48,690	82	48,773	-2,225	46,547
Finance income								1,228
Finance costs								-2,528
Share of profit (loss) of investments accounted for using equity method								3,132
Loss(gain) on disposal and remeasurement of investments in associates								52
Profit before tax								48,431

Notes:

1. Logistics services, etc. are included in the Other segment.

2. The components of adjustment are as follows:

Operating profit (loss) adjustment of -2,225 million yen includes inter-segment eliminations of 197 million yen and corporate earnings (expenses) of -2,423 million yen that are not allocated to each segment. The main components are expenses related to basic research not attributable to reportable segments and the difference in allocation of corporate expenses.

First three quarters of Fiscal 2024 (From March 1, 2024 to November 30, 2024)

(Millions of yen)

	Reportable segments				Other *1	Total	Adjustment *2	Total
	Motion Control	Robotics	System Engineering	Total				
Revenue								
Revenue from external customers	178,317	170,517	27,797	376,632	17,057	393,689	—	393,689
Intersegment revenue and transfers	12,446	2,759	573	15,779	11,609	27,389	-27,389	—
Total	190,763	173,277	28,371	392,412	28,666	421,079	-27,389	393,689
Operating profit	15,994	16,117	3,020	35,132	1,032	36,165	-1,852	34,313
Finance income								1,543
Finance costs								-2,288
Share of profit (loss) of investments accounted for using equity method								2,645
Loss(gain) on disposal and remeasurement of investments in associates								26,777
Profit before tax								62,990

Notes:

1. Logistics services, etc. are included in the Other segment.

2. The components of adjustment are as follows:

Operating profit (loss) adjustment of -1,852 million yen includes inter-segment eliminations of 47 million yen and corporate earnings (expenses) of -1,899 million yen that are not allocated to each segment. The main components are expenses related to basic research not attributable to reportable segments and the difference in allocation of corporate expenses.