

FY2024 1st Half Financial Results (Six Months Ended August 31, 2024)

Notes:

- **From FY2024, we revise the segment classification of PV inverter, which had been included in the System Engineering segment, to be included in the Motion Control segment. As a result, the figures for FY2024 are shown based on the revised information. Figures for FY2023 are also presented based on the revised information. (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.
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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 motors



AC servo motor Σ -X series



YRM Controller "YRM1010"



Yaskawa AC drive GA700 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 . FY2024 1H Financial Results **(Six Months Ended August 31, 2024)**

FY2024 1H Financial Results (Highlights)

- Revenue decreased 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 despite the efforts to control expenses.

	FY2024	FY2023	Changes	
	1H Results	1H Results	Amounts	%
Revenue	¥ 261.6bn.	¥ 289.0bn.	-¥ 27.4bn.	-9.5%
Operating profit	¥ 22.9bn.	¥ 33.1bn.	-¥ 10.1bn.	-30.7%
Profit before tax	¥ 24.4bn.	¥ 34.5bn.	-¥ 10.1bn.	-29.3%
Profit attributable to owners of parent	¥ 17.9bn.	¥ 24.2bn.	-¥ 6.4bn.	-26.3%

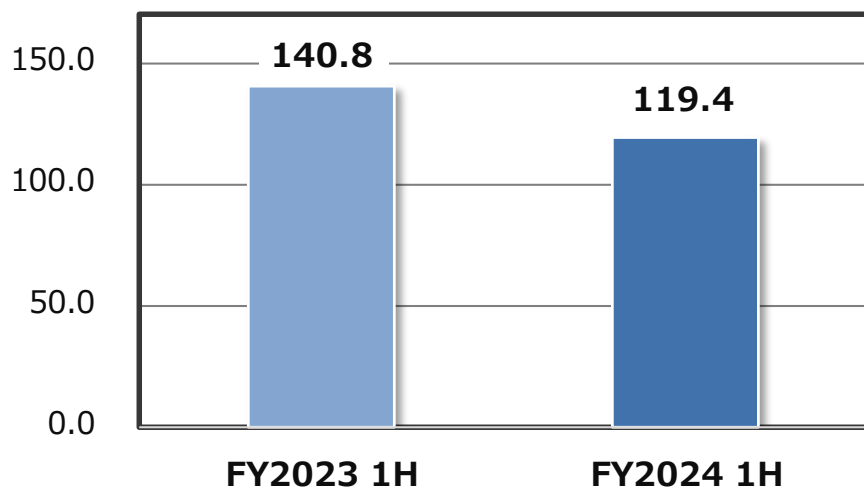
FY2024 1H Financial Results by Business Segment

- In Motion Control, operating profit decreased due to the large impact of a decline in revenue mainly in AC servo & controller business.
- In Robotics, revenue slightly decreased because investment was held down in China, despite firm demand in the automobile market and general industries. Operating profit decreased mainly due to upfront investment and the impact of a decrease in revenue.

(Billions of yen)	FY2024 1H		FY2023 1H		Changes	
	Results	Profit ratio	Results	Profit ratio	Amounts	%
Revenue	261.6		289.0		-27.4	-9.5%
Motion Control	119.4		140.8		-21.3	-15.1%
Robotics	112.1		112.4		-0.3	-0.2%
System Engineering	18.6		23.1		-4.5	-19.3%
Other	11.5		12.8		-1.4	-10.6%
Operating profit	22.9	8.8%	33.1	11.4%	-10.1	-30.7%
Motion Control	11.0	9.2%	20.2	14.4%	-9.2	-45.5%
Robotics	10.6	9.5%	13.0	11.6%	-2.4	-18.5%
System Engineering	1.9	10.1%	1.4	6.0%	+0.5	+34.4%
Other	0.8	7.3%	0.0	0.1%	+0.8	-
Elimination or Corporate	-1.4	-	-1.5	-	+0.2	-

Business Segment Overview: Motion Control

Revenue (Billions of yen)



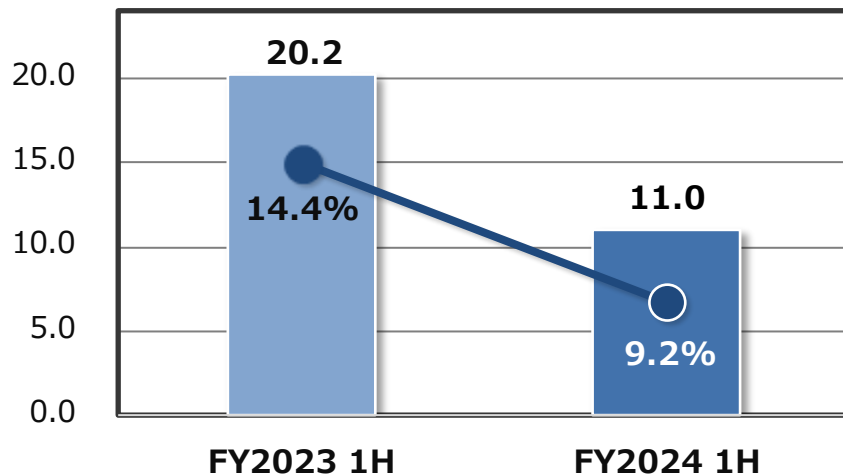
[Revenue]

- In AC servo & controller business, revenue decreased due to sluggish market conditions in China and Europe, and a delayed recovery in semiconductor-related demand in Japan.
- In Drives business, although demand related to data centers and infrastructure-related demand in ASEAN countries and India remained firm, revenue decreased due to inventory adjustments.

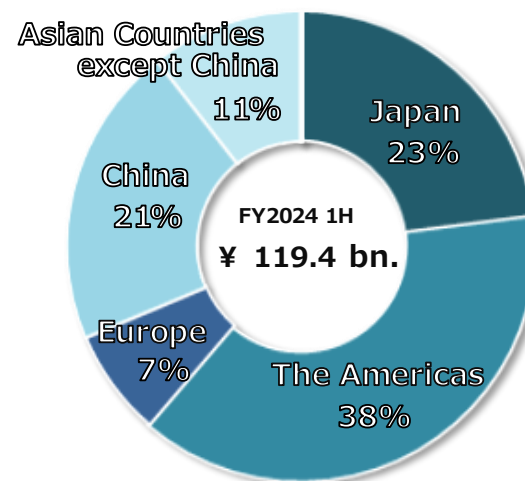
[Operating Profit]

- Although progress was made in curbing expenses and improving added value, operating profit decreased due to the large impact of a decline in profit resulting from a decrease in revenue.

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

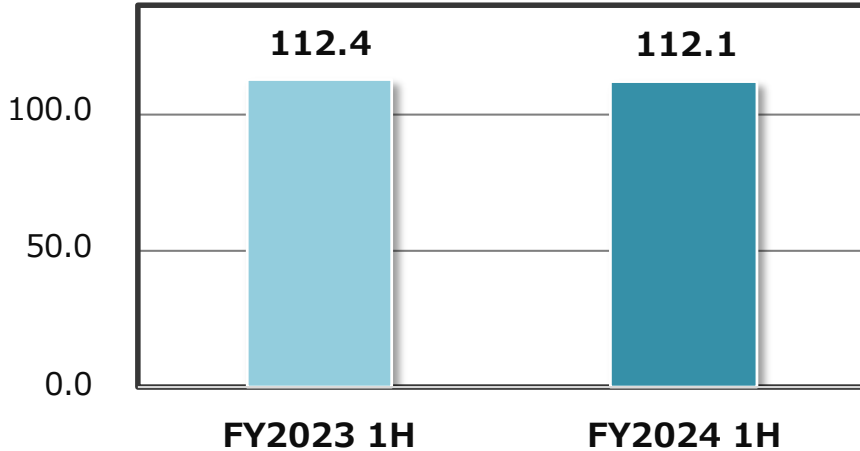


Revenue breakdown by region

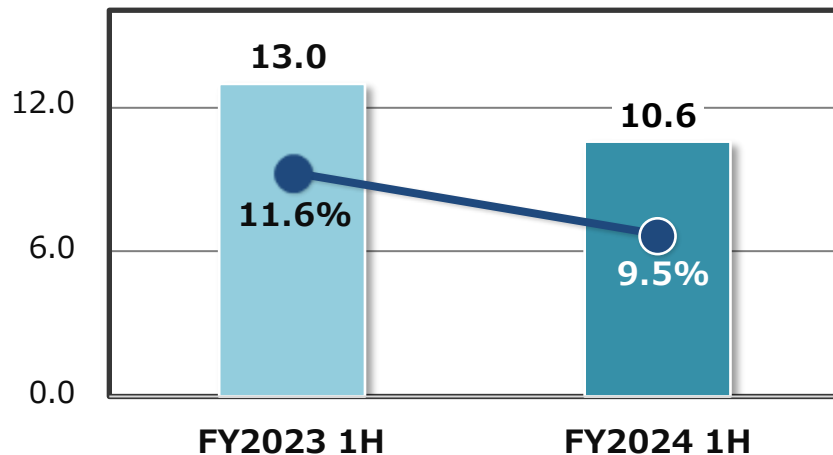


Business Segment Overview: Robotics

Revenue (Billions of yen)



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



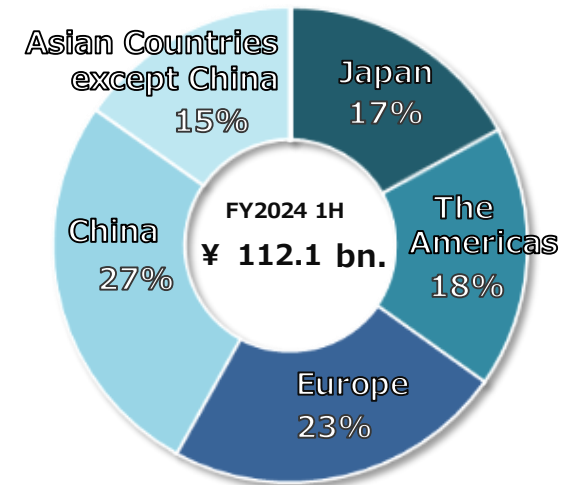
[Revenue]

- In the automobile market, demand increased in Japan, Europe, the U.S., and India.
- In the general industry, demand for automation remained firm in the U.S. and China.
- Revenue slightly decreased because investment was held down in automobile market in China.

[Operating Profit]

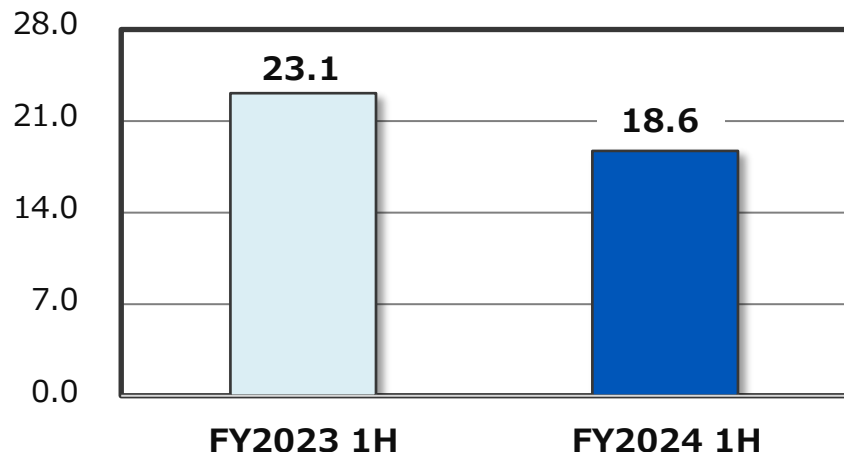
- Operating profit decreased mainly due to the impact of upfront investment to strengthen system responsiveness and a decrease in profits due to a decrease in revenue.

Revenue breakdown by region



Business Segment Overview: System Engineering

Revenue (Billions of yen)



[Revenue]

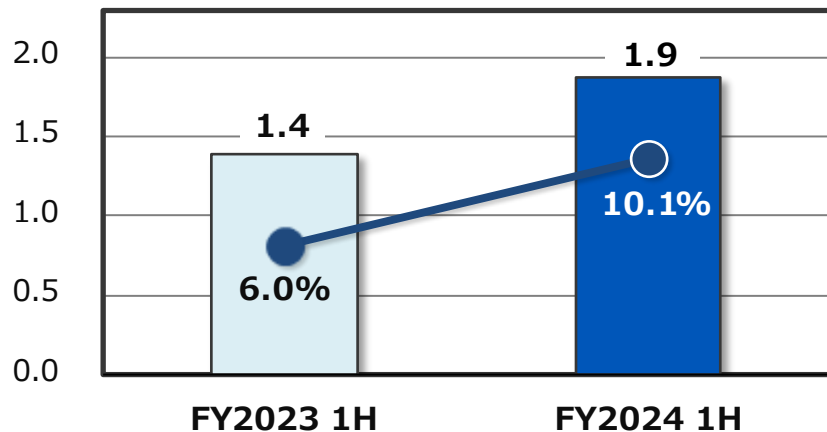
- Although port crane-related sales remained firm, revenue decreased due to the impact of the sale of a subsidiary related to large-scale wind turbines in the second half of the previous fiscal year.

[Operating Profit]

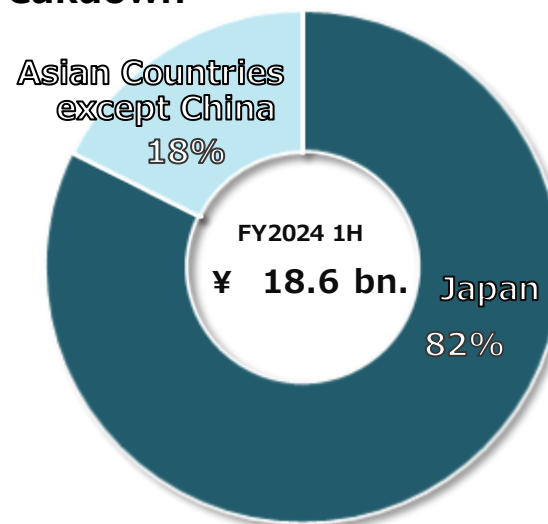
- Operating profit increased due to the effects of business structural reforms, as well as an increase in revenue of mainstay steel and crane related products.

Operating profit (Billions of yen)

Operating profit ratio (%)

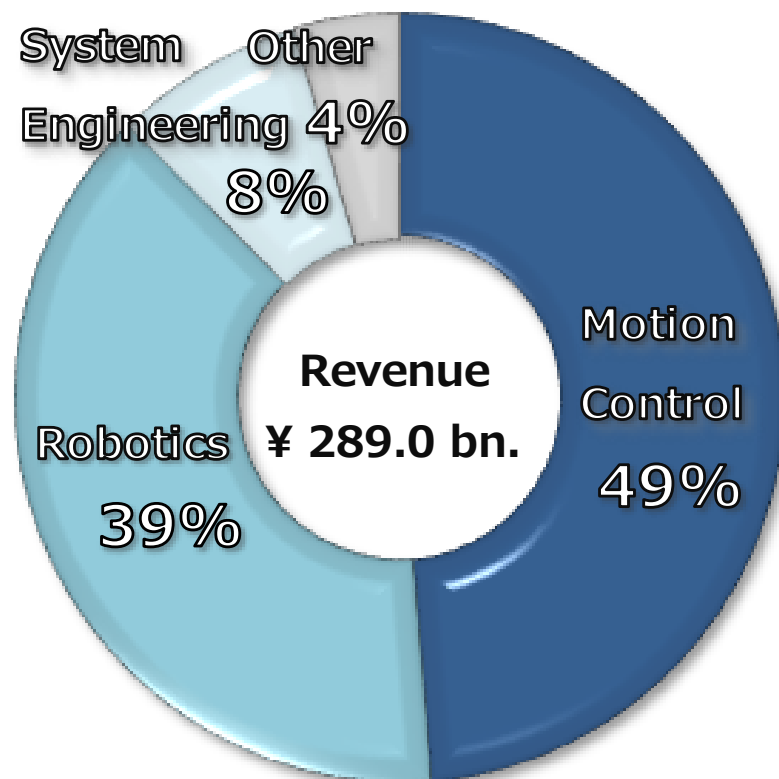


Revenue breakdown by region

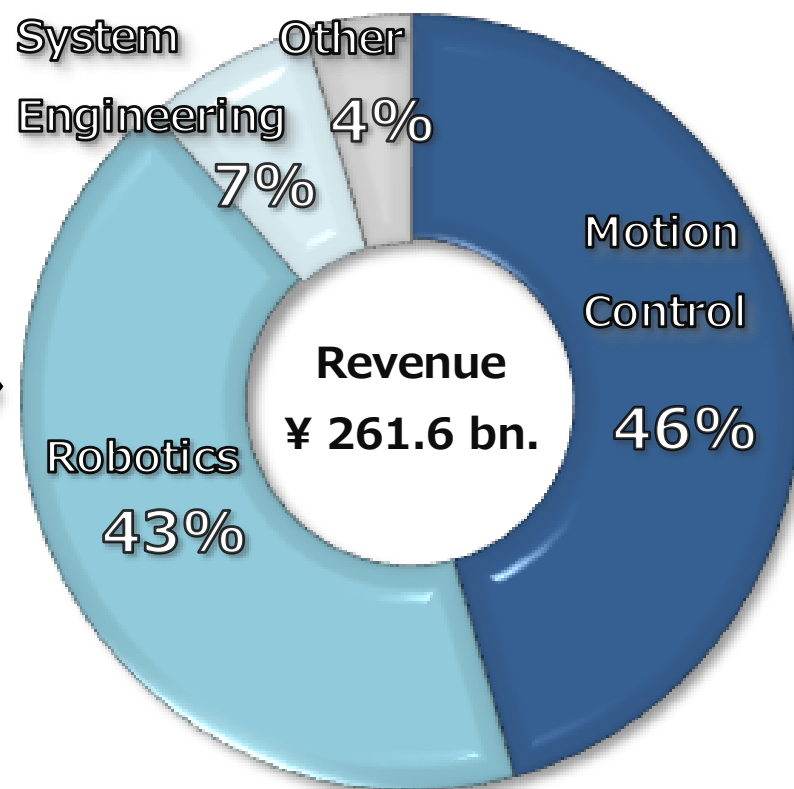


Revenue Breakdown by Business Segment

FY2023 1H



FY2024 1H



Revenue Breakdown by Location (1)

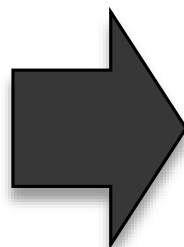
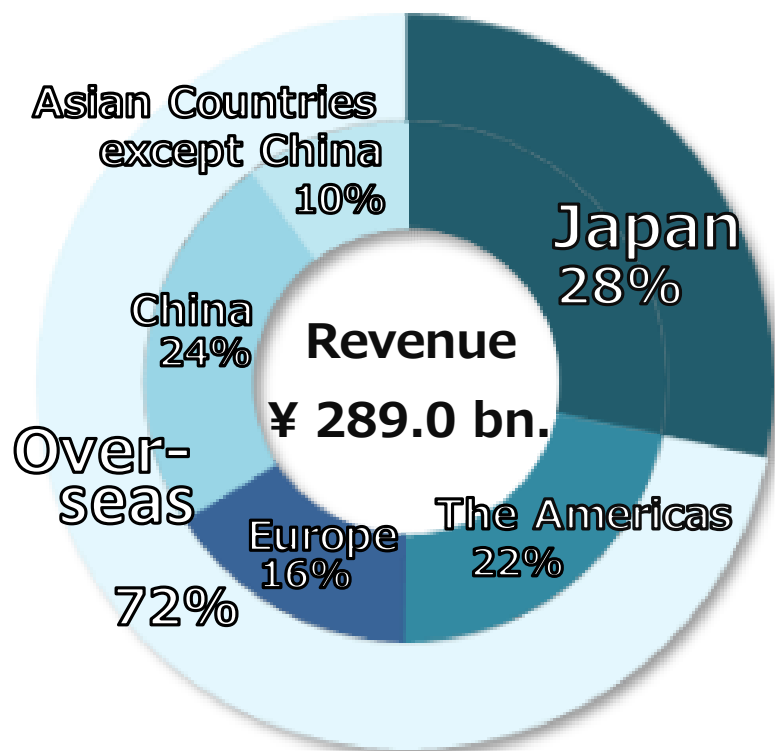
- Revenue decreased in all regions except for the Americas and Asian countries except China.

	(Billions of yen)	FY2024 1H	FY2023 1H	Changes	
		Results	Results	Amounts	%
Revenue		261.6	289.0	-27.4	-9.5%
Japan		71.5	81.8	-10.3	-12.6%
Overseas		190.1	207.2	-17.1	-8.2%
The Americas		65.9	63.6	+2.3	+3.6%
Europe		34.8	45.8	-11.0	-24.0%
China		56.4	68.7	-12.2	-17.8%
Asian Countries except China		33.0	29.2	+3.8	+13.1%

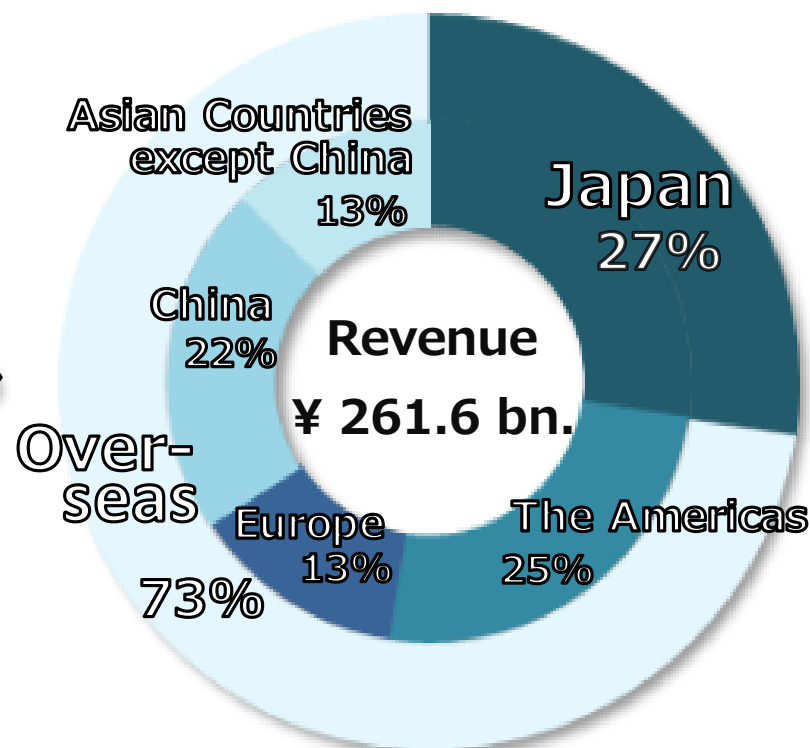
Note: Europe includes Middle East and Africa.

Revenue Breakdown by Location (2)

FY2023 1H



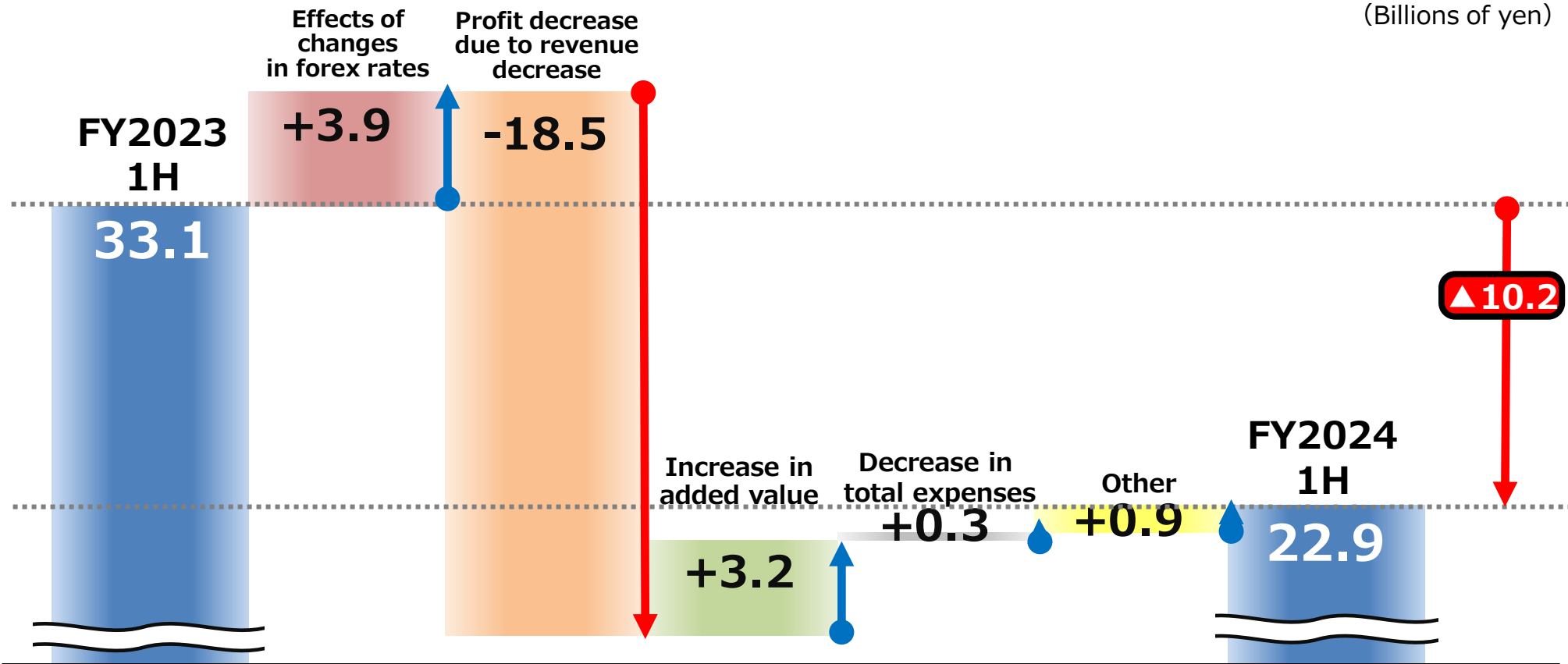
FY2024 1H



Note : Europe includes Middle East and Africa.

Breakdown of Changes in Operating Profit (FY2023 1H → FY2024 1H)

(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	- 15.1	+ 2.6	+ 1.7	- 0.0
Robotics	+ 2.2	- 4.0	- 0.1	- 0.7	+ 0.1
System Engineering	+ 0.0	+ 0.9	- 0.1	- 0.3	- 0.1
Other	+ 0.0	- 0.3	+ 0.8	- 0.4	+ 0.9

Measures for FY2024 1H

➤ Creating Value through i³-Mechatronics Solutions

➔ Production capabilities

- Installed MOTOMAN NEXT in Robot Plant No.1 and improved productivity through automation and data utilization (scissors gear*¹ assembly process)
- Decided to strengthen robot production system in Europe (Slovenia)
 - Transfer and expansion of the robot system plant
 - Construction of the EMEA Robotics Distribution Center (ERDC)

➔ Sales capabilities

- Launched “MPX1012J,” a new machine controller with improved compatibility with JTEKT PLC, which is widely used in automotive markets
- Demonstrated the value of automation and data utilization for food production using MOTOMAN NEXT and food-specification robots at FOOMA JAPAN 2024*²

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

- Signed a MOU (memorandum of understanding) with Astellas Pharma Inc. to build an innovative cell therapy platform by utilizing “Maholo”, a dual-arm robot designed and marketed for biomedical applications

<https://www.yaskawa-global.com/newsrelease/news/171652>

*¹ A gear used for noise control and smooth power transmission. It reduces vibration and noise by eliminating gaps between gears.

*² An exhibition of products and solutions related to food production hosted by The Japan Food Machinery Manufacturers' Association



Scissors gear assembly process
Before/After



A machine controller
“MPX1012J”

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

FY2024 Full-Year Financial Forecasts (Highlights)

- Forecasts for revenue and operating profit are revised down due to slow upturn in the semiconductor markets and weak market recovery in China.
- Forecasts for profit before tax and profit attributable to owners of parent are revised up mainly due to the gain on transfer of certain shares of equity method affiliates.

	FY2024 Forecasts	FY2023 Results	Changes		FY2024 Previous forecasts*
			Amounts	%	
Revenue	¥ 553.0bn.	¥ 575.7bn.	-¥ 22.7bn.	-3.9%	¥ 580.0bn.
Operating profit	¥ 64.0bn.	¥ 66.2bn.	-¥ 2.2bn.	-3.4%	¥ 70.0bn.
Profit before tax	¥ 89.8bn.	¥ 69.1bn.	+¥ 20.7bn.	+30.0%	¥ 74.0bn.
Profit attributable to owners of parent	¥ 64.0bn.	¥ 50.7bn.	+¥ 13.3bn.	+26.3%	¥ 54.0bn.

*Announced on April 5, 2024

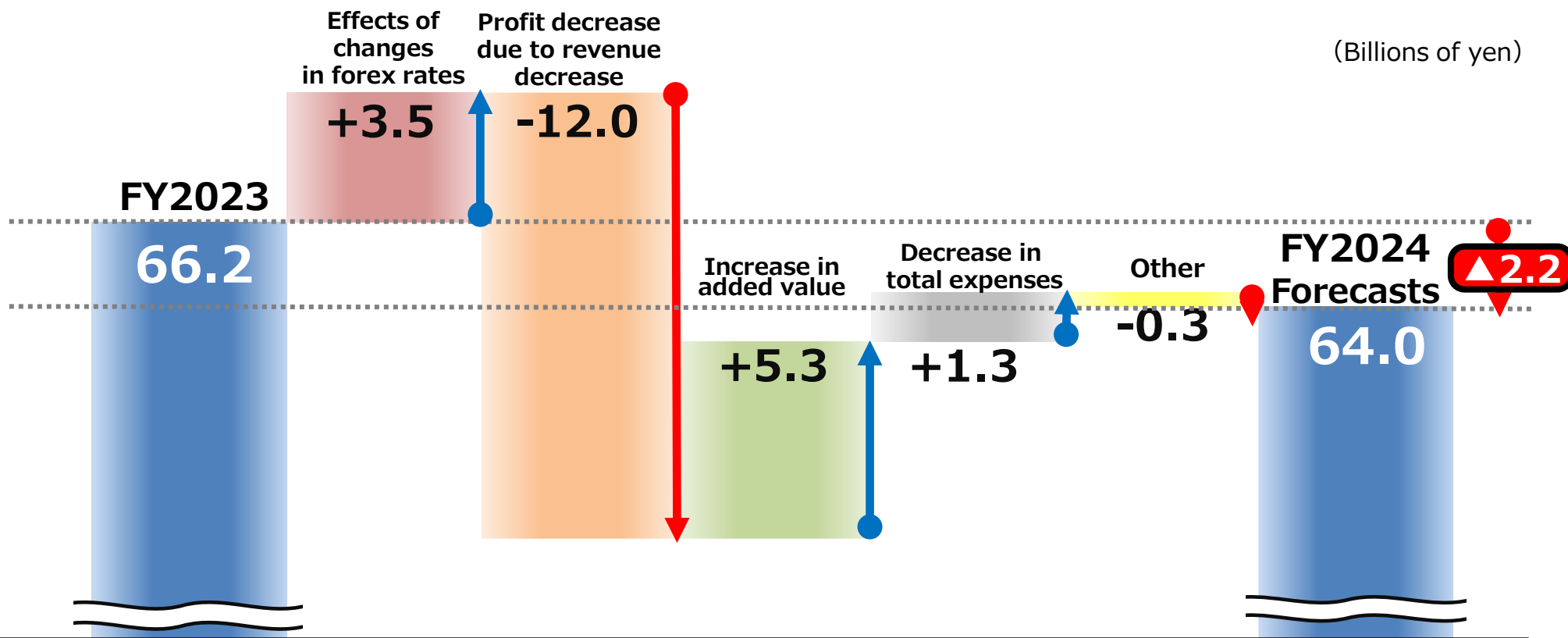
FY2024 Full-Year Financial Forecasts by Business Segment

(Billions of yen)	FY2024		FY2023		Changes		FY2024	
	Forecasts	Profit ratio	Results	Profit ratio	Amounts	%	Previous forecasts*	Profit ratio
Revenue	553.0		575.7		-22.7	-3.9%	580.0	
Motion Control	249.2		269.4		-20.2	-7.5%	268.8	
Robotics	240.5		234.7		+5.8	+2.5%	245.1	
System Engineering	38.5		46.1		-7.6	-16.4%	39.8	
Other	24.8		25.5		-0.7	-2.7%	26.3	
Operating profit	64.0	11.6%	66.2	11.5%	-2.2	-3.4%	70.0	12.1%
Motion Control	31.7	12.7%	39.0	14.5%	-7.3	-18.7%	36.9	13.7%
Robotics	29.1	12.1%	25.1	10.7%	+4.0	+15.9%	30.0	12.2%
System Engineering	4.4	11.5%	4.9	10.5%	-0.4	-8.6%	5.6	14.0%
Other	1.9	7.7%	0.4	1.6%	+1.5	+356.7%	0.5	1.9%
Elimination or Corporate	-3.2	-	-3.2	-	+0.0	-	-3.0	-

*Announced on April 5, 2024

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	+ 1.4	- 14.3	+ 3.4	+ 2.5	- 0.3
Robotics	+ 2.1	+ 1.3	+ 0.8	- 0.6	+ 0.5
System Engineering	+ 0.0	+ 1.5	- 0.2	- 0.3	- 1.5
Other	+ 0.0	- 0.5	+ 1.3	- 0.3	+ 1.0

Measures for FY2024 2H

➤ **Creating Value through i³-Mechatronics Solutions**

➔ **Production capabilities**

- Promote automation, labor-saving, and in-house production at own plants using YRM controllers and MOTOMAN NEXT, and deploy it to overseas production sites

➔ **Sales capabilities**

- Exhibited at IMTS 2024*¹ in Chicago, the U.S. to introduce the iC9000 series*² in the North American market and attract new customers
- Accumulate and expand application cases of MOTOMAN NEXT in the food and medical fields
- Accelerate sales of AC drives in India (HVAC, oil&gas, etc.)



Production lines at subsidiary plants equipped with YRM controllers



The launch event for iCube Control at IMTS 2024

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

- Accelerate expansion of services to support cell research and development and production using solutions of “Mahoro,” robots for biomedical applications



“Maholo”, a dual-arm robot designed and marketed for biomedical applications

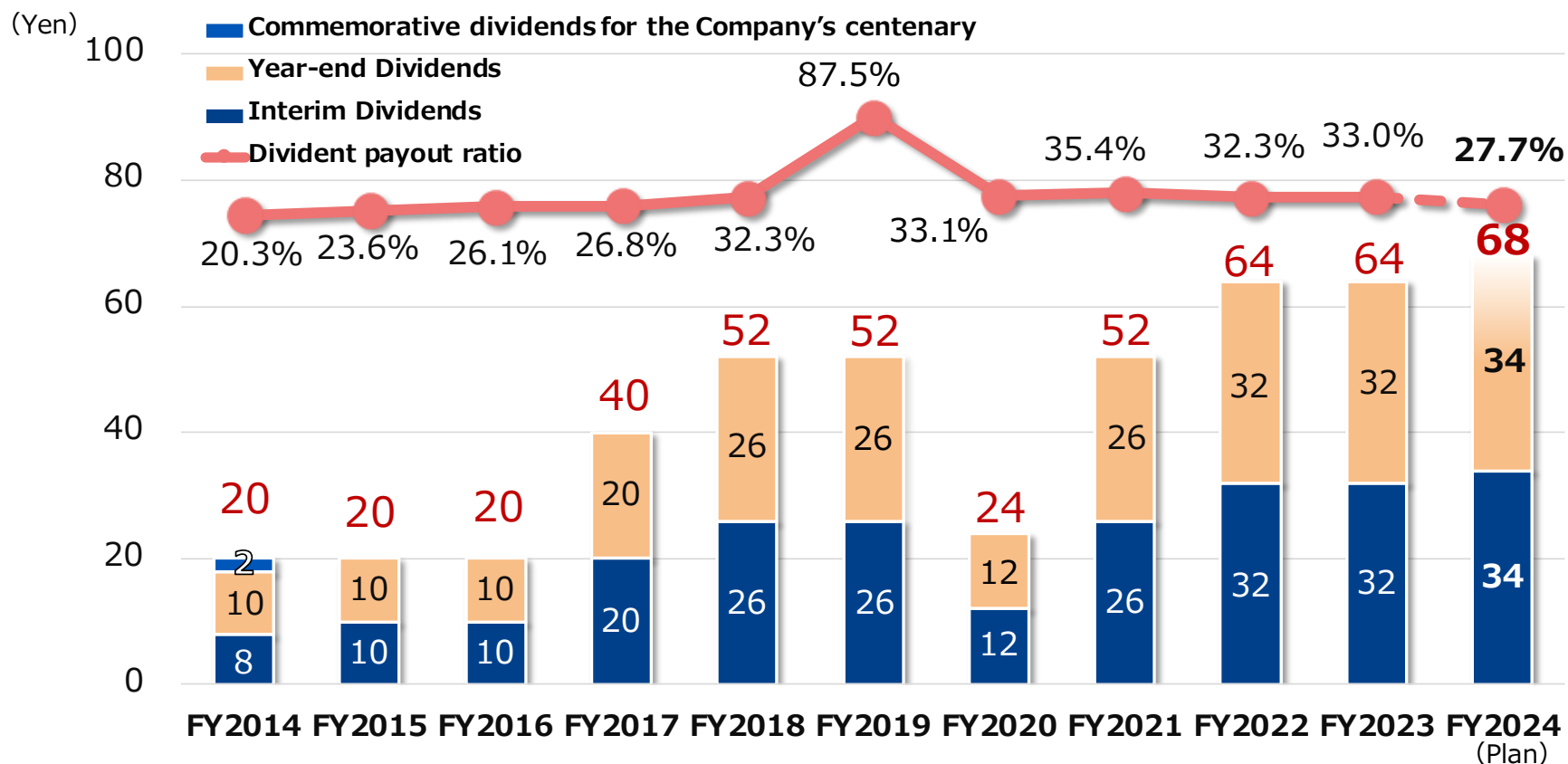
*1 Abbreviation for International Manufacturing Technology Show. Biennial exhibition of automation and smart production solutions hosted by The Association For Manufacturing Technology

*2 Controllers for Europe and the U.S. that belong to the “iCube Control,” a controller solution that realizes i³-Mechatronics

Shareholder Return (Dividends)

- Share buyback of 2.5 million shares (maximum 12.5 billion JPY).
- An annual dividend forecast for FY2024 will be 68 yen per share, an increase by 4 yen from the previous fiscal year. (47.3% total payout ratio)

Dividends



3. Reference

Retroactive Application of Business Reclassification to FY2023 Results

- From FY2024, **we revise the segment classification** of PV inverter, which had been included in the System Engineering segment, to be included in the Motion Control segment.
- Figures for FY2024 and FY2023 are presented based on the revised information.

(Unit: Billions of yen)	FY2023 (After segment revision)							Changes Full-Year
	1Q	2Q	1H	3Q	4Q	2H	Full-Year	
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	45.00
Depreciation and Amortization	19.67	20.80	22.00
R&D investment	18.78	21.25	24.00

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 (Forecasts)		
	1H	2H	Full-Year	1H	2H	Full-Year	1H(Results)	2H	Full-Year
USD	129.9	138.6	134.1	138.8	147.9	143.2	153.7	145.0	149.3
EUR	136.8	143.0	139.8	151.0	159.3	155.1	166.6	155.0	160.8
CNY	19.59	19.77	19.68	19.61	20.44	20.02	21.23	20.00	20.62
KRW	0.102	0.104	0.103	0.106	0.112	0.109	0.113	0.110	0.111

Forex sensitivity

(Billions of yen)

	Impact of 1% fluctuation (FY2024 Full-Year)	
	Revenue	Operating profit
USD	1.37	0.23
EUR	0.73	0.12
CNY	1.14	0.29
KRW	0.41	0.21

Financial Indices

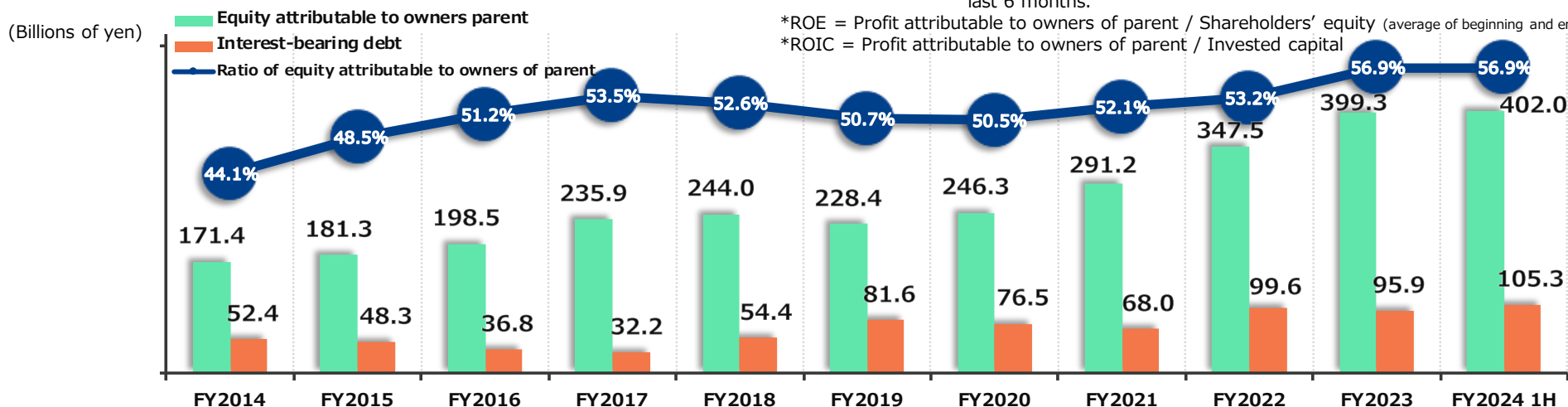
As of February 29, 2024

- 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 207.9 billion yen
- (Turnover) (4.4 months)
- ROE 13.6%
- ROIC 11.8%

As of August 31, 2024

- Ratio of equity attributable to owners of parent 56.9%
- Equity attributable to owners of parent 402.0 billion yen
- Interest-bearing debt 105.3 billion yen
- D/E ratio 0.26
- (Net D/E ratio) 0.13
- Inventory 212.6 billion yen
- (Turnover) (4.9 months)

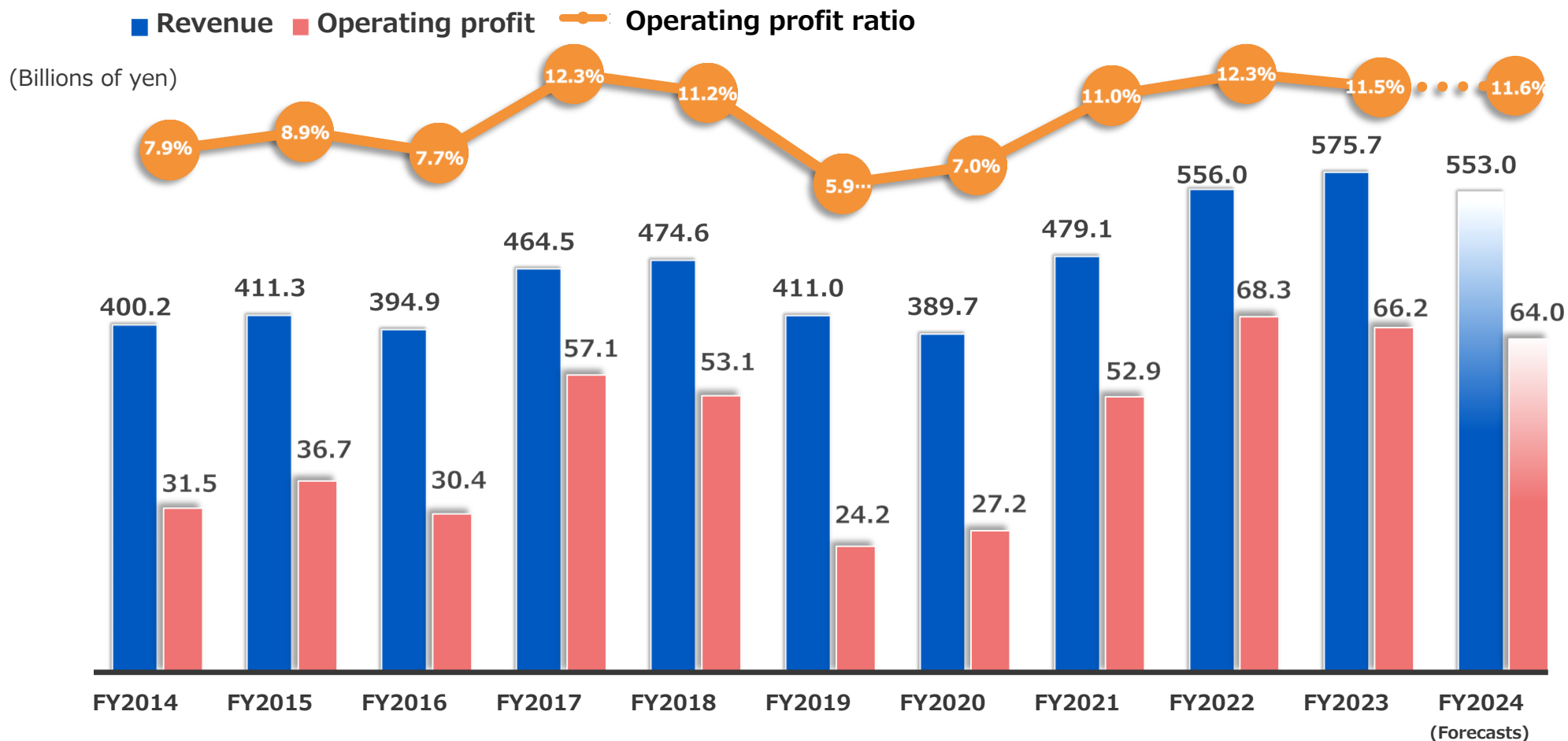
*Interest-bearing debt includes lease obligations.
 *Inventory turnover=Value of inventory at end of period divided by the monthly revenue average for the last 6 months.
 *ROE = Profit attributable to owners of parent / Shareholders' equity (average of beginning and end of fiscal year)
 *ROIC = Profit 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	23.1
Investment CF	- 16.9	- 27.9	- 22.4	- 18.9	- 18.9	- 27.1	- 20.6	- 9.6	- 24.2	- 19.7	- 11.1
Free CF	- 7.0	1.1	9.5	14.8	27.2	7.2	0.8	30.0	25.1	- 21.9	11.9

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

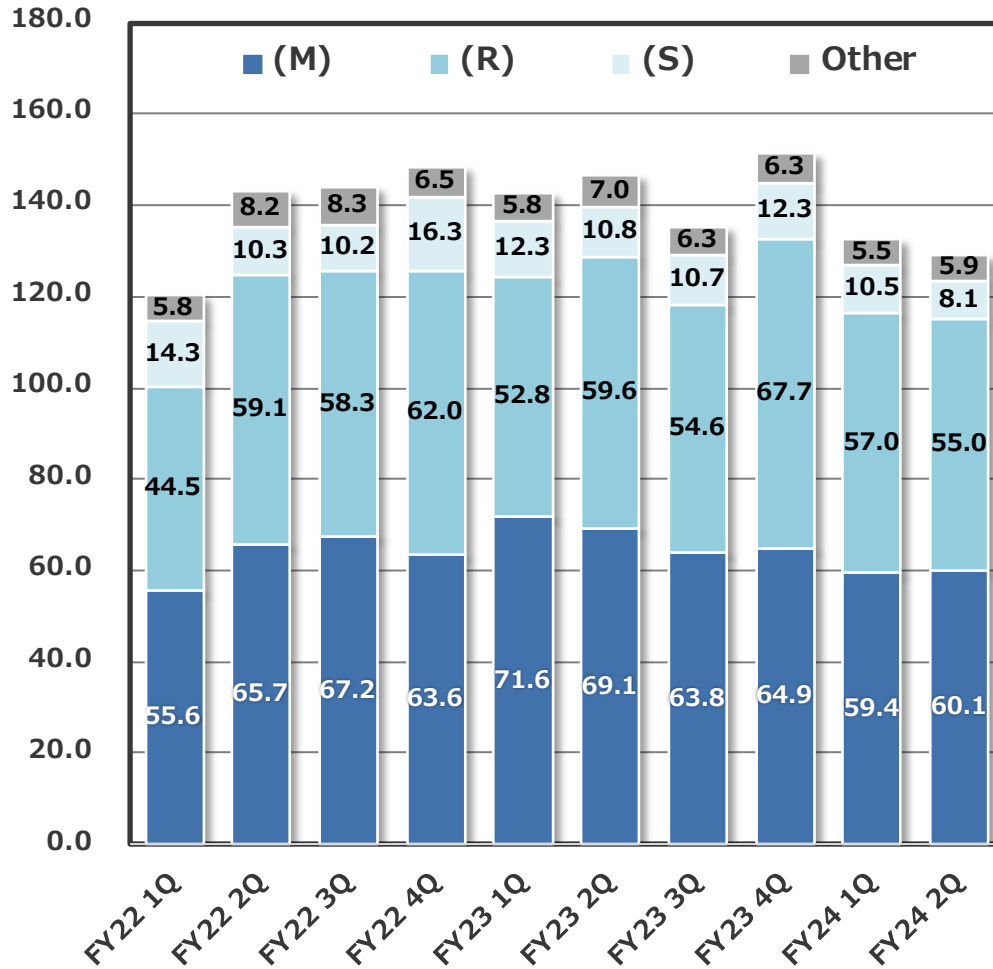
Note1: Data up to FY2017 are based on Japanese GAAP.

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

Quarterly Revenue Trends (1)

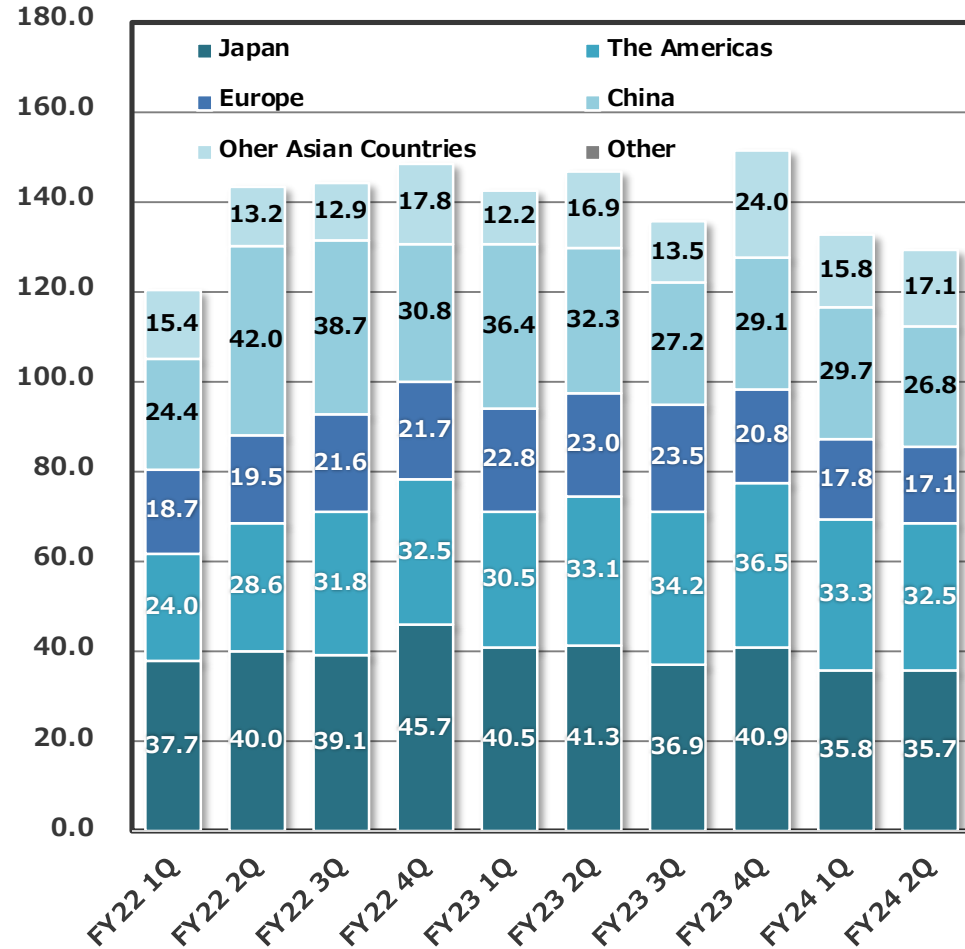
Business segment

(Billions of yen)



Location

(Billions of yen)



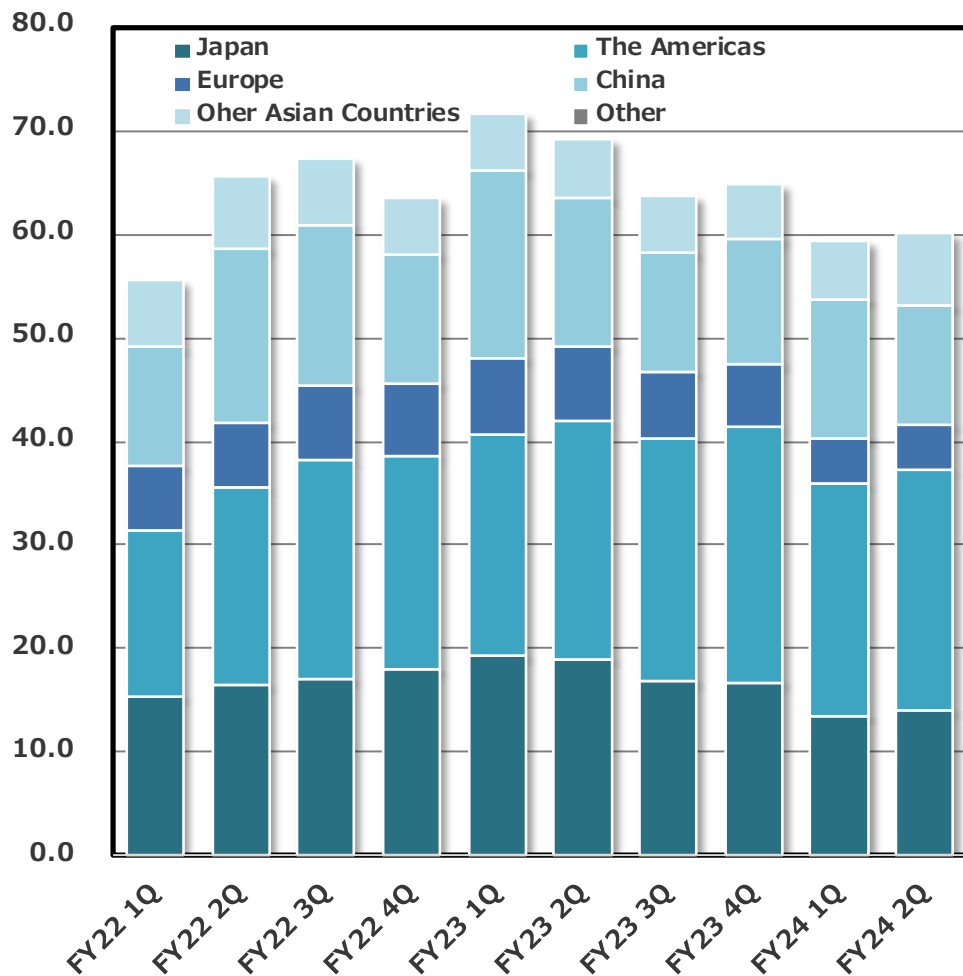
Note1: (M) = Motion Control (R) = Robotics (S) = System Engineering

Note2: FY22 figures are before segment classification revision.

Quarterly Revenue Trends (2)

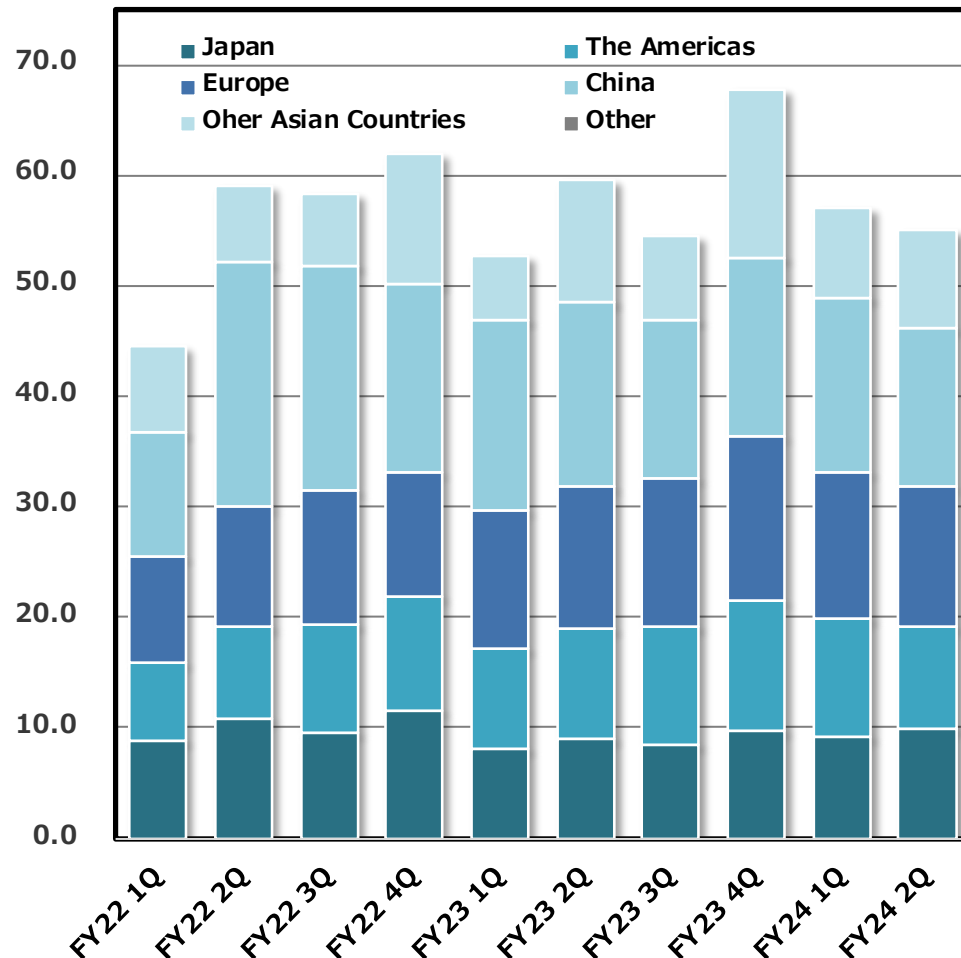
Motion Control

(Billions of yen)



Robotics

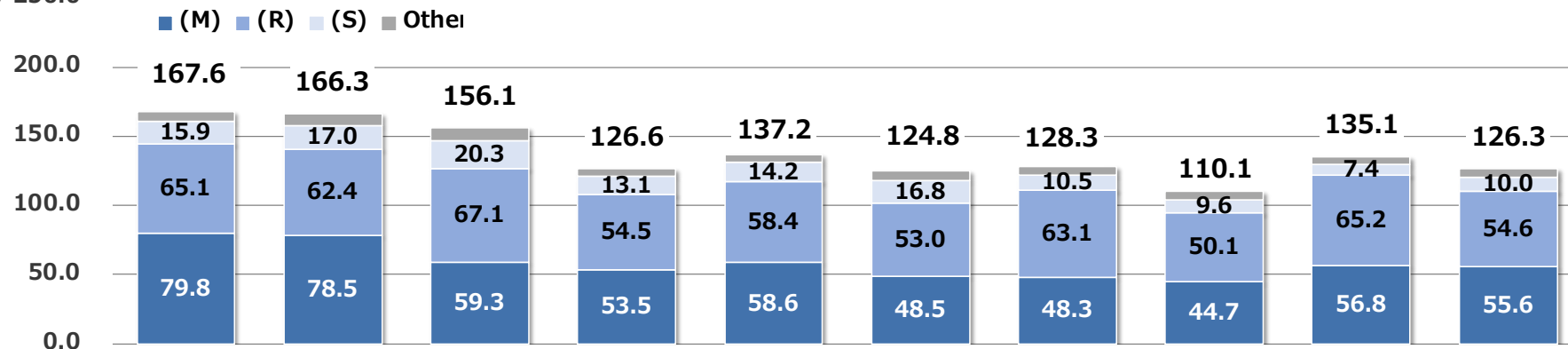
(Billions of yen)



Note: FY22 figures are before segment classification revision.

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

(Billions of yen) 250.0



Total	FY2022				FY2023				FY2024	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	YoY	+21%	+21%	+9%	-17%	-18%	-25%	-18%	-13%	-1%
QoQ	+10%	-1%	-6%	-19%	+8%	-9%	+3%	-14%	+23%	-7%

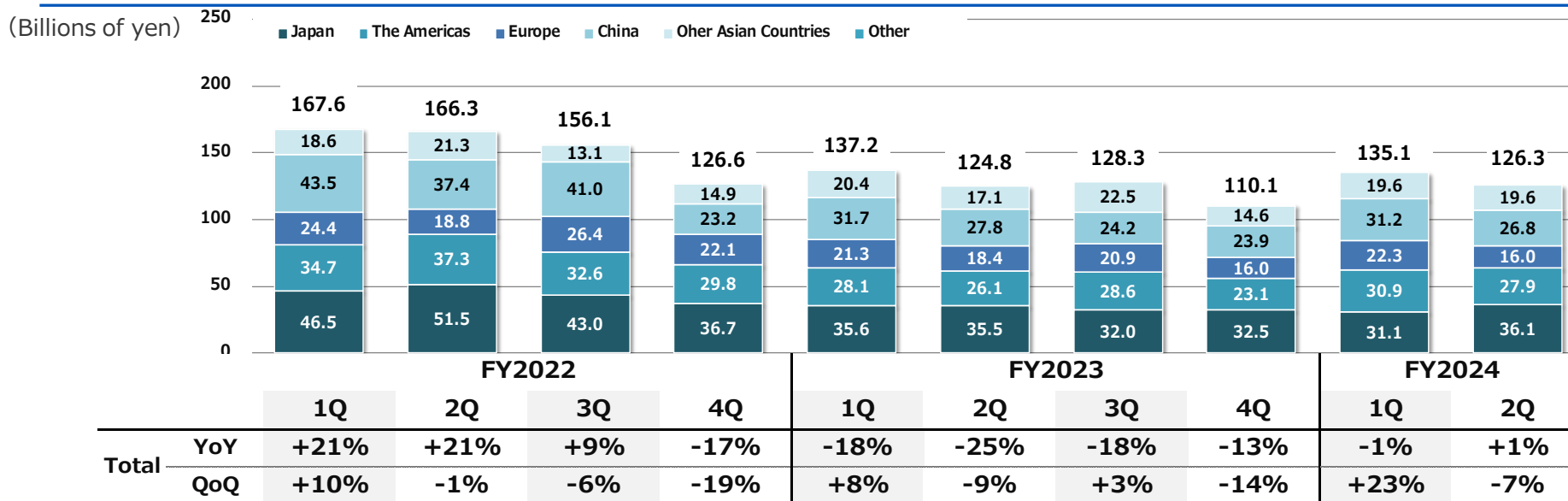
YoY	(M)	+7%	+10%	-21%	-28%	-27%	-38%	-19%	-16%	-3%	+15%
	(R)	+33%	+34%	+42%	-9%	-10%	-15%	-6%	-8%	+12%	+3%
	(S)	+48%	+18%	+32%	-1%	-11%	-1%	-48%	-27%	-48%	-40%

QoQ	(M)	+7%	-2%	-24%	-10%	+9%	-17%	-0%	-7%	+27%	-2%
	(R)	+9%	-4%	+8%	-19%	+7%	-9%	+19%	-21%	+30%	-16%
	(S)	+20%	+7%	+19%	-35%	+8%	+19%	-37%	-9%	-23%	+36%

Forex rates	U.S. dollar	124.2	135.3	144.3	132.9	134.9	142.5	149.1	146.7	153.2	154.1
	Euro	134.3	139.3	143.9	142.0	146.1	155.7	159.3	159.4	165.5	167.6

Note1: (M) = Motion Control (R) = Robotics (S) = System Engineering Note2: FY22 figures are before segment classification revision.

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



YoY	Japan	The Americas	Europe	China	Other Asian Countries	Other
		+20%	+45%	+6%	+10%	+34%
	+17%	+48%	-15%	+12%	+64%	+7%
	-15%	+27%	+15%	+37%	-6%	-13%
	-25%	-6%	-13%	-28%	-2%	+2%
	-23%	-19%	-13%	-27%	+10%	-31%
	-31%	-30%	-2%	-26%	-20%	-26%
	-26%	-12%	-21%	-41%	+72%	-11%
	-11%	-23%	-28%	+3%	-2%	-13%
	-13%	+10%	+5%	-1%	-4%	+2%
	+2%	+7%	-13%	-3%	+14%	

QoQ	Japan	The Americas	Europe	China	Other Asian Countries	Other
		-5%	+10%	-4%	+35%	+22%
	+11%	+8%	-23%	-14%	+15%	-0%
	-16%	-13%	+41%	+10%	-39%	-10%
	-15%	-9%	-16%	-43%	+14%	-19%
	-3%	-6%	-4%	+37%	+37%	+10%
	-0%	-7%	-13%	-12%	-16%	-7%
	-10%	+10%	+14%	-13%	+31%	+10%
	+2%	-19%	-24%	-1%	-35%	-24%
	-5%	+34%	+40%	+30%	+34%	-28%
	+16%	-10%	-28%	-14%	-0%	

Note: FY22 figures are before segment classification revision.

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