

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

July 5, 2024

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 Quarter of Fiscal Year Ending February 28, 2025

(From March 1, 2024 to May 31, 2024)

(1) Consolidated Statements of Income

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

	Revenue		Operating profit		Profit before tax		Profit	
Three months ended May 31, 2024	132,408	-7.1%	11,118	-32.4%	12,328	-27.4%	9,291	-21.3%
Three months ended May 31, 2023	142,513	18.5%	16,449	17.9%	16,977	12.0%	11,804	12.4%

	Profit attributable to owners of parent		Comprehensive income		Earnings per share (basic, Yen)	Earnings per share (diluted, Yen)
Three months ended May 31, 2024	9,199	-21.1%	19,691	20.9%	35.19	35.16
Three months ended May 31, 2023	11,665	12.6%	16,293	-19.9%	44.62	44.58

(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 May 31, 2024	726,405	419,302	410,472	56.5%
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	-				
Year ending February 28, 2025 (Forecasts)		34.00	-	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 (basic, Yen)
Year ending February 28, 2025	580,000	0.8%	70,000	5.7%	74,000	7.1%	54,000	6.5%	206.59

Note: Revisions to the most recently announced financial forecasts: No

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

The capital investment related to automation and labor-saving in the manufacturing industry is expected to recover, including the resumption of investment in the semiconductor and electronic component markets.

As a result, our annual forecast for the fiscal year ending February 28, 2025, announced on April 5, 2024, remains unchanged.

The average exchange rates for the period from June 1, 2024 to February 28, 2025 remain unchanged from those announced on April 5, 2024. (1 USD=145.0 JPY, 1 EUR= 155.0 JPY, 1 CNY= 20.00 JPY, 1 KRW= 0.110 JPY)

*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 May 31, 2024	266,690,497	As of February 29, 2024	266,690,497
The number of treasury shares	As of May 31, 2024	5,304,089	As of February 29, 2024	5,306,647
Average during the period	Three months ended May 31, 2024	261,385,383	Three months ended May 31, 2023	261,467,125

* 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 an online briefing in Japanese for securities analysts and institutional investors on July 5, 2024 (JST).

4. Qualitative Information on Quarterly Results

Business Performance

In the first quarter of the fiscal year under review, demand for semiconductors and electronic components gradually recovered, and demand for capital investment aimed at upgrading and automating production in the automotive and manufacturing industries remained firm.

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 due to the large impact of a decrease in profit resulting from lower revenue.

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

	Three months ended May 31, 2023	Three months ended May 31, 2024	Change
Revenue	142,513 million JPY	132,408 million JPY	-7.1%
Operating profit	16,449 million JPY	11,118 million JPY	-32.4%
Profit attributable to owners of parent	11,665 million JPY	9,199 million JPY	-21.1%
Average exchange rate for USD	134.89 JPY	153.20 JPY	+18.31 JPY
Average exchange rate for EUR	146.14 JPY	165.49 JPY	+19.35 JPY
Average exchange rate for CNY	19.46 JPY	21.16 JPY	+1.70 JPY
Average exchange rate for KRW	0.102 JPY	0.113 JPY	+0.011 JPY

<Management environment of each region>

Japan:

Despite a recovery in the semiconductor market, demand remained weak, mainly in the general industry and the automobile markets.

U.S.:

In addition to a recovery in semiconductor-related demand, capital investment remained firm in the oil and gas-related and automobile markets.

Europe:

Although robotic-related capital investment in the EV production remained firm, demand was affected by inventory adjustments in the overall manufacturing industry.

China:

While investment related to solar panels had completed, overall demand remained firm, supported by automotive-related demand and the semiconductor market build-up.

Other Asian Countries:

In ASEAN countries and India, energy-saving demand increased in infrastructure-related and general industries. Demand also remained firm, supported by a recovery in semiconductor-related demand in South Korea.

Performance by Business Segment

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

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

In line with the reorganization of the System Engineering business, the Yaskawa Group has integrated PV inverter, which were 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	59,368 million JPY (-17.1% year on year)
	Operating profit	5,627 million JPY (-42.6% year on year)
<p>Motion Control segment is comprised of AC servo & controller business and drives business.</p> <p>Revenue decreased compared to the corresponding period of previous fiscal year, which was supported by a high backlog of orders and solid actual demand. In terms of profits, although there was improvement in added value, 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]</p> <p>Revenue decreased due to a loss of demand related to solar panels which was seen in the corresponding period of the previous fiscal year and the prolonged inventory adjustment in the semiconductor and electronic component markets.</p> <p>[Drives business]</p> <p>Although oil and gas-related demand in the United States and infrastructure-related demand in ASEAN countries and India remained steady, sales in other regions were sluggish due to inventory adjustments and other factors, which led to a decrease in revenue.</p>		
Robotics	Revenue	57,040 million JPY (+8.1% year on year)
	Operating profit	47,89 million JPY (-22.6% year on year)
<p>In the general industry, investment in advanced and automated production remained firm, mainly in Japan, Europe, and the United States. Revenue increased year-on-year as global investment continued also in the automobile market.</p> <p>Operating profit decreased due to upfront investment to strengthen system engineering capacity and a decline in production utilization.</p>		
System Engineering	Revenue	10,487 million JPY (-14.7% year on year)
	Operating profit	1,054 million JPY (+3.0% year on year)
<p>Although port crane-related sales remained firm, revenue decreased on a year-on-year basis 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 due to the effects of business structural reforms.</p>		
Other	Revenue	5,511 million JPY (-5.7% year on year)
	Operating profit	249 million JPY (+265 million JPY year on year)
<p>Other segment consists of logistics and other businesses.</p> <p>Although revenue decreased, operating profit improved on a year-on-year basis due to improvement in profitability.</p>		

5. Consolidated Financial Statements

1) Consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Assets		
Current assets		
Cash and cash equivalents	40,279	49,881
Trade receivables	167,903	162,286
Inventories	207,910	216,683
Other financial assets	4,409	7,837
Other current assets	35,595	31,861
Total current assets	456,098	468,551
Non-current assets		
Property, plant and equipment	115,691	121,347
Goodwill	7,272	7,327
Intangible assets	19,496	20,955
Right-of-use assets	16,872	16,961
Investments accounted for using equity method	12,747	14,169
Other financial assets	43,981	45,489
Deferred tax assets	15,335	17,169
Other non-current assets	14,838	14,433
Total non-current assets	246,236	257,854
Total assets	702,335	726,405

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	66,537	62,472
Borrowings	26,179	39,118
Income taxes payable	3,422	3,257
Lease liabilities	3,720	3,929
Other financial liabilities	5,179	5,911
Provisions	1,615	1,388
Contract liabilities	40,359	44,936
Other current liabilities	42,132	42,055
Total current liabilities	189,146	203,070
Non-current liabilities		
Bonds and borrowings	54,156	53,952
Lease liabilities	11,845	11,754
Other financial liabilities	252	255
Retirement benefit liability	28,950	29,008
Deferred tax liabilities	2,673	1,970
Provisions	1,241	1,257
Other non-current liabilities	6,049	5,832
Total non-current liabilities	105,170	104,032
Total liabilities	294,316	307,102
Equity		
Equity attributable to owners of parent		
Share capital	30,562	30,562
Capital surplus	29,237	29,316
Retained earnings	305,116	307,311
Treasury shares	-22,491	-22,480
Other components of equity	56,914	65,762
Total equity attributable to owners of parent	399,338	410,472
Non-controlling interests	8,679	8,829
Total equity	408,018	419,302
Total liabilities and equity	702,335	726,405

2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Three months ended May 31, 2023	Three months ended May 31, 2024
Revenue	142,513	132,408
Cost of sales	-91,622	-85,815
Gross profit	50,891	46,592
Selling, general and administrative expenses	-33,898	-36,020
Other income	226	581
Other expenses	-768	-35
Operating profit	16,449	11,118
Finance income	217	795
Finance costs	-622	-608
Share of profit (loss) of investments accounted for using equity method	932	1,022
Profit before tax	16,977	12,328
Income tax expense	-5,173	-3,036
Profit	11,804	9,291
Profit attributable to		
Owners of parent	11,665	9,199
Non-controlling interests	138	92
Total	11,804	9,291
Earnings per share		
Basic earnings per share (Yen)	44.62	35.19
Diluted earnings per share (Yen)	44.58	35.16

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended May 31, 2023	Three months ended May 31, 2024
Profit	11,804	9,291
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	1,325	2,802
Remeasurements of defined benefit plans	279	-345
Share of other comprehensive income of investments accounted for using equity method	3	-3
Total	1,608	2,453
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,835	7,944
Effective portion of cash flow hedges	45	1
Total	2,880	7,946
Total other comprehensive income	4,489	10,399
Comprehensive income	16,293	19,691
Comprehensive income attributable to		
Owners of parent	16,188	19,409
Non-controlling interests	105	281
Total	16,293	19,691

3) Consolidated Statements of Changes in Equity

First quarter of Fiscal 2023 (From March 1, 2023 to May 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	—	—	11,665	—	—	11,665	138	11,804
Other comprehensive income	—	—	—	—	4,522	4,522	-32	4,489
Comprehensive income	—	—	11,665	—	4,522	16,188	105	16,293
Purchase of treasury shares	—	—	—	-1	—	-1	—	-1
Disposal of treasury shares	—	—	—	—	—	—	—	—
Dividends of surplus	—	—	-8,367	—	—	-8,367	-76	-8,443
Share-based payment transactions	—	65	—	—	—	65	—	65
Changes in ownership interest in subsidiaries	—	54	—	-21	—	32	-50	-18
Transfer from other components of equity to retained earnings	—	—	281	—	-281	—	—	—
Other	—	—	—	—	—	—	—	—
Total	—	119	-8,086	-22	-281	-8,270	-126	-8,397
Balance at end of period	30,562	28,999	274,879	-22,020	42,997	355,417	7,554	362,972

First quarter of Fiscal 2024 (From March 1, 2024 to May 31, 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	—	—	9,199	—	—	9,199	92	9,291
Other comprehensive income	—	—	—	—	10,210	10,210	189	10,399
Comprehensive income	—	—	9,199	—	10,210	19,409	281	19,691
Purchase of treasury shares	—	—	—	-0	—	-0	—	-0
Disposal of treasury shares	—	0	—	11	—	12	—	12
Dividends of surplus	—	—	-8,364	—	—	-8,364	-126	-8,491
Share-based payment transactions	—	89	—	—	—	89	—	89
Changes in ownership interest in subsidiaries	—	-4	—	—	—	-4	-4	-9
Transfer from other components of equity to retained earnings	—	—	1,361	—	-1,361	—	—	—
Other	—	-7	—	—	—	-7	—	-7
Total	—	78	-7,003	11	-1,361	-8,275	-131	-8,406
Balance at end of period	30,562	29,316	307,311	-22,480	65,762	410,472	8,829	419,302

4) Notes to the Consolidated Financial Statements

(Notes pertaining to the presumption of a going concern)

None