

Consolidated Results for the First Quarter of Fiscal Year Ending February 28, 2026 [IFRS]

July 4, 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 Quarter of Fiscal Year Ending February 28, 2026

(From March 1, 2025 to May 31, 2025)

(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, 2025	125,642	-5.1%	10,503	-5.5%	9,849	-20.1%	7,291	-21.5%
Three months ended May 31, 2024	132,408	-7.1%	11,118	-32.4%	12,328	-27.4%	9,291	-21.3%

	Profit attributable to owners of parent		Comprehensive income		Earnings per share (basic, Yen)	Earnings per share (diluted, Yen)
Three months ended May 31, 2025	6,952	-24.4%	3,220	-83.6%	26.81	26.78
Three months ended May 31, 2024	9,199	-21.1%	19,691	20.9%	35.19	35.16

(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, 2025	748,664	434,104	425,520	56.8%
As of February 28, 2025	743,774	439,610	431,188	58.0%

2. Dividends

	Dividends per share (yen)				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual total
Year ended February 28, 2025	-	34.00	-	34.00	68.00
Year ending February 28, 2026	-				
Year ending February 28, 2026 (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, 2026
(From March 1, 2025 to February 28, 2026)

(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, 2026	515,000	-4.2%	43,000	-14.3%	45,500	-42.0%	33,000	-42.1%	127.24

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

The forecast for the fiscal year ending February 2026 (March 1, 2025 - February 28, 2026) is shown above.

We have revised our full-year earnings forecast for the fiscal year ending February 2026, which was announced on April 4, 2025, because of increased uncertainty about the demand outlook due to the impact of U.S. tariff policies.

The average exchange rates for the period from June 1, 2025 to February 28, 2026 remain unchanged from those announced on April 4, 2025. (1 USD=145.0 JPY, 1 EUR= 160.0 JPY, 1 CNY= 20.00 JPY, 1 KRW= 0.110 JPY)

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 April 4, 2025)	550,000	60,000	63,000	46,500	179.30
Revised forecast (B)	515,000	43,000	45,500	33,000	127.24
Change (B-A)	-35,000	-17,000	-17,500	-13,500	-52.06
Change (%)	-6.4	-28.3	-27.8	-29.0	-29.0
Results of the previous fiscal year (Year ended February 28, 2025)	537,682	50,156	78,454	56,987	218.62

*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 at end of period	1Q of fiscal year ending February 2026	266,690,497	Fiscal year ended February 2025	266,690,497
The number of treasury shares at end of period	1Q of fiscal year ending February 2026	7,342,465	Fiscal year ended February 2025	7,344,219
Average during the period	1Q of fiscal year ending February 2026	259,347,356	1Q of fiscal year ended February 2025	261,385,383

* Review of the accompanying consolidated financial statements by audit procedure: No

*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 4, 2025 (JST).

4. Qualitative Information on Quarterly Results

Business Performance

In the first quarter of the fiscal year under review, although uncertainty was generally heightened due to geopolitical risks and U.S. tariff policies, demand remained firm especially in the semiconductor and electronic component markets in Japan.

In this environment, our group's business results were as expected, as we steadily turned the order recovery into sales, although revenue decreased compared to the same period of the previous year, when the backlog of orders was being normalized. Although profit decreased due to differences in revenue, we maintained the operating margin of the same period of the previous year by improving added value in each segment.

The business performance of the first quarter of fiscal 2025 is as follows.

	Three months ended May 31, 2024	Three months ended May 31, 2025	Change
Revenue	132,408 million JPY	125,642 million JPY	-5.1%
Operating profit	11,118 million JPY	10,503 million JPY	-5.5%
Profit attributable to owners of parent	9,199 million JPY	6,952 million JPY	-24.4%
Average exchange rate for USD	153.20 JPY	146.15 JPY	-7.05 JPY
Average exchange rate for EUR	165.49 JPY	162.03 JPY	-3.46 JPY
Average exchange rate for CNY	21.16 JPY	20.13 JPY	-1.03 JPY
Average exchange rate for KRW	0.113 JPY	0.102 JPY	-0.011 JPY

<Management environment of each region>

Japan:

Demand related to semiconductors and electronic components remained solid, and firm demand was also observed in the general industry. On the other hand, capital investment in the automobile market was sluggish.

U.S.:

Uncertainty over the outlook for the automobile market strengthened due to the impact of U.S. tariffs, and oil and gas-related demand was also affected by the decline in crude oil prices. While there was an impact of inventory adjustments in the semiconductor market, demand related to air-conditioning and automation demand in general industries remained firm.

Europe:

Demand in the manufacturing industry in general remained sluggish, and demand for automobile-related products was also affected by U.S. tariffs and other factors.

China:

Although demand in the automobile market remained firm, investment projects were postponed or reviewed due to the impact of U.S. tariffs.

Other Asian Countries:

In South Korea, demand related to semiconductors was sluggish, while automobile-related demand remained firm. In ASEAN countries, demand for infrastructure-related products slowed due to the impact of U.S. tariffs.

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 2025 is as follows.

Motion Control	Revenue	55,659 million JPY (-6.2% year on year)
	Operating profit	5,037 million JPY (-10.5% year on year)
<p>Motion Control segment is comprised of AC servo & controller business and drives business. Revenue decreased compared to the same period of the previous year, when backlogs of orders were being normalized. However, we firmly caught demand in Japan and the United States, and achieved the expected result. On the profit side, although improvements in added value and control of overhead costs contributed positively, profit decreased due to the impact of a decrease in profit caused by a decrease in revenue. [AC servo & controller business] Revenue slightly increased while sales to the semiconductor and electronic component markets in Japan increased. [Drives business] Revenue decreased year on year due to the effect of backlog of orders. Although we were affected by the postponement of oil and gas related investments in the United States due to the decline in oil prices, the results were almost as expected.</p>		
Robotics	Revenue	55,633 million JPY (-2.5% year on year)
	Operating profit	50,06 million JPY (+4.5% year on year)
<p>Although revenue decreased year on year due to the impact of foreign exchange rates, it remained firm as we steadily captured global demand for automation. Large-scale projects in automotive markets such as in South Korea and increased sales in the general industrial sector in Japan contributed. Operating profit increased due to improved production utilization and the effects of in-house manufacturing.</p>		
System Engineering	Revenue	9,268 million JPY (-11.6% year on year)
	Operating profit	1,028 million JPY (-2.5% year on year)
<p>Despite strong sales of steel plant-related products, revenue decreased year on year due to a decrease in sales of electrical instrumentation systems for water and sewerage and port cranes. In terms of profit, although profitability improved due to an increase in sales of steel plant-related products, operating profit decreased slightly due to the impact of a decline in profit resulting from a decrease in revenue.</p>		
Other	Revenue	5,081million JPY (-7.8% year on year)
	Operating profit	382 million JPY (+53.0% year on year)
<p>Other segment consists of logistics and other businesses. Although revenue decreased, operating profit improved year on year mainly due to an increase in other revenues.</p>		

5. Consolidated Financial Statements

1) Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
Assets		
Current assets		
Cash and cash equivalents	59,028	65,323
Trade receivables	153,740	145,548
Contract assets	23,097	27,503
Inventories	206,259	212,582
Other financial assets	4,286	3,822
Other current assets	16,425	11,089
Total current assets	<u>462,837</u>	<u>465,870</u>
Non-current assets		
Property, plant and equipment	129,069	135,208
Goodwill	7,144	7,198
Intangible assets	23,608	24,186
Right-of-use assets	15,649	14,016
Investments accounted for using equity method	4,373	4,439
Other financial assets	74,735	71,382
Deferred tax assets	11,377	11,326
Other non-current assets	14,978	15,035
Total non-current assets	<u>280,937</u>	<u>282,794</u>
Total assets	<u><u>743,774</u></u>	<u><u>748,664</u></u>

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	59,112	59,746
Bonds and borrowings	24,519	49,456
Income taxes payable	3,517	2,808
Lease liabilities	3,373	3,130
Other financial liabilities	4,702	7,024
Provisions	2,227	2,147
Contract liabilities	43,731	44,817
Other current liabilities	38,320	39,002
Total current liabilities	179,505	208,133
Non-current liabilities		
Bonds and borrowings	71,175	58,736
Lease liabilities	10,459	8,981
Other financial liabilities	0	0
Retirement benefit liability	27,535	27,711
Deferred tax liabilities	8,244	3,613
Provisions	1,416	1,408
Other non-current liabilities	5,828	5,975
Total non-current liabilities	124,659	106,427
Total liabilities	304,164	314,560
Equity		
Equity attributable to owners of parent		
Share capital	30,562	30,562
Capital surplus	29,817	29,870
Retained earnings	348,003	345,810
Treasury shares	-31,702	-31,686
Other components of equity	54,508	50,963
Total equity attributable to owners of parent	431,188	425,520
Non-controlling interests	8,421	8,583
Total equity	439,610	434,104
Total liabilities and equity	743,774	748,664

2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Revenue	132,408	125,642
Cost of sales	-85,815	-80,998
Gross profit	46,592	44,643
Selling, general and administrative expenses	-36,020	-35,234
Other income	581	1,202
Other expenses	-35	-108
Operating profit	11,118	10,503
Finance income	795	453
Finance costs	-608	-1,228
Share of profit (loss) of investments accounted for using equity method	1,022	120
Profit before tax	12,328	9,849
Income tax expense	-3,036	-2,558
Profit	9,291	7,291
Profit attributable to		
Owners of parent	9,199	6,952
Non-controlling interests	92	339
Total	9,291	7,291
Earnings per share		
Basic earnings per share (Yen)	35.19	26.81
Diluted earnings per share (Yen)	35.16	26.78

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Profit	9,291	7,291
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	2,802	-1,833
Remeasurements of defined benefit plans	-345	-305
Share of other comprehensive income of investments accounted for using equity method	-3	30
Total	<u>2,453</u>	<u>-2,108</u>
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	7,944	-1,963
Effective portion of cash flow hedges	1	0
Total	<u>7,946</u>	<u>-1,963</u>
Total other comprehensive income	<u>10,399</u>	<u>-4,071</u>
Comprehensive income	<u><u>19,691</u></u>	<u><u>3,220</u></u>
Comprehensive income attributable to		
Owners of parent	19,409	2,900
Non-controlling interests	281	319
Total	<u><u>19,691</u></u>	<u><u>3,220</u></u>

3) Consolidated Statements of Changes in Equity

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

First quarter of Fiscal 2025 (From March 1, 2025 to May 31, 2025)

	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	29,817	348,003	-31,702	54,508	431,188	8,421	439,610
Profit	—	—	6,952	—	—	6,952	339	7,291
Other comprehensive income	—	—	—	—	-4,051	-4,051	-20	-4,071
Comprehensive income	—	—	6,952	—	-4,051	2,900	319	3,220
Purchase of treasury shares	—	—	—	-0	—	-0	—	-0
Disposal of treasury shares	—	-2	—	16	—	14	—	14
Dividends of surplus	—	—	-8,778	—	—	-8,778	-157	-8,936
Share-based payment transactions	—	56	—	—	—	56	—	56
Changes in ownership interest in subsidiaries	—	-0	—	—	—	-0	—	-0
Transfer from other components of equity to retained earnings	—	—	-505	—	505	—	—	—
Other	—	—	139	—	—	139	—	139
Total	—	53	-9,145	16	505	-8,569	-157	-8,726
Balance at end of period	30,562	29,870	345,810	-31,686	50,963	425,520	8,583	434,104

4) Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Cash flows from operating activities		
Profit before tax	12,328	9,849
Depreciation, amortization and impairment losses	5,136	5,083
Share of loss of investments accounted for using equity method	-1,022	-120
Finance income and finance costs	85	125
Decrease in trade receivables	9,343	7,114
Increase in inventories	-3,982	-6,554
Increase (decrease) in trade payables	-5,272	535
Increase (decrease) in retirement benefit liability	-17	70
Decrease in provisions	-254	-127
Other	4,977	5,493
Subtotal	21,321	21,469
Interest and dividends received	354	395
Interest paid	-295	-252
Income taxes paid	-5,482	-6,233
Net cash provided by operating activities	15,897	15,378
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	-9,806	-10,727
Proceeds from sale of property, plant and equipment, and intangible assets	34	34
Purchase of investment securities	-7	-740
Proceeds from sale of investment securities	281	110
Net decrease (increase) in short-term loans receivable	-27	213
Other	-67	-48
Net cash used in investing activities	-9,592	-11,158
Cash flows from financing activities		
Net increase in short-term borrowings	12,537	12,508
Repayments of long-term borrowings	-386	-175
Repayments of lease liabilities	-1,033	-1,028
Purchase of treasury shares	-0	-0
Dividends paid	-8,369	-8,783
Dividends paid to non-controlling interests	-126	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-9	—
Net cash provided by financing activities	2,610	2,521
Net increase in cash and cash equivalents	8,915	6,742
Cash and cash equivalents at beginning of period	40,279	59,028
Effect of exchange rate changes on cash and cash equivalents	687	-446
Cash and cash equivalents	49,881	65,323

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 that used for the preparation of the consolidated financial statements.

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 quarter of Fiscal 2024 (From March 1, 2024 to May 31, 2024)

(Millions of yen)

	Reportable segments				Other (Note 1)	Total	Adjustment (Note 2)	Total
	Motion Control	Robotics	System Engineering	Total				
Revenue								
Revenue from external customers	59,368	57,040	10,487	126,896	5,511	132,408	—	132,408
Intersegment revenue and transfers	3,991	1,096	249	5,337	3,829	9,167	-9,167	—
Total	63,360	58,137	10,736	132,234	9,341	141,576	-9,167	132,408
Operating profit	5,627	4,789	1,054	11,471	249	11,721	-603	11,118
Finance income								795
Finance costs								-608
Share of profit (loss) of investments accounted for using equity method								1,022
Profit before tax								12,328

Notes

1. Other segment is a business segment not included in reported segments. It includes Logistics services, etc..
2. The components of adjustment are as follows:
Operating profit adjustment of -603 million yen includes inter-segment eliminations of 28 million yen and corporate earnings and expenses of -631 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 quarter of Fiscal 2025 (From March 1, 2025 to May 31, 2025)

(Millions of yen)

	Reportable segments				Other (Note 1)	Total	Adjustment (Note 2)	Total
	Motion Control	Robotics	System Engineering	Total				
Revenue								
Revenue from external customers	55,659	55,633	9,268	120,561	5,081	125,642	—	125,642
Intersegment revenue and transfers	4,232	570	130	4,934	4,056	8,991	-8,991	—
Total	59,892	56,203	9,399	125,495	9,138	134,633	-8,991	125,642
Operating profit	5,037	5,006	1,028	11,072	382	11,454	-950	10,503
Finance income								453
Finance costs								-1,228
Share of profit (loss) of investments accounted for using equity method								120
Profit before tax								9,849

Notes

1. Other segment is a business segment not included in reported segments. It includes Logistics services, etc..
2. The components of adjustment are as follows:
Operating profit adjustment of -950 million yen includes inter-segment eliminations of 38 million yen and corporate earnings and expenses of -989 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.