

# **Mid-Term Plan 2013 - 2015**

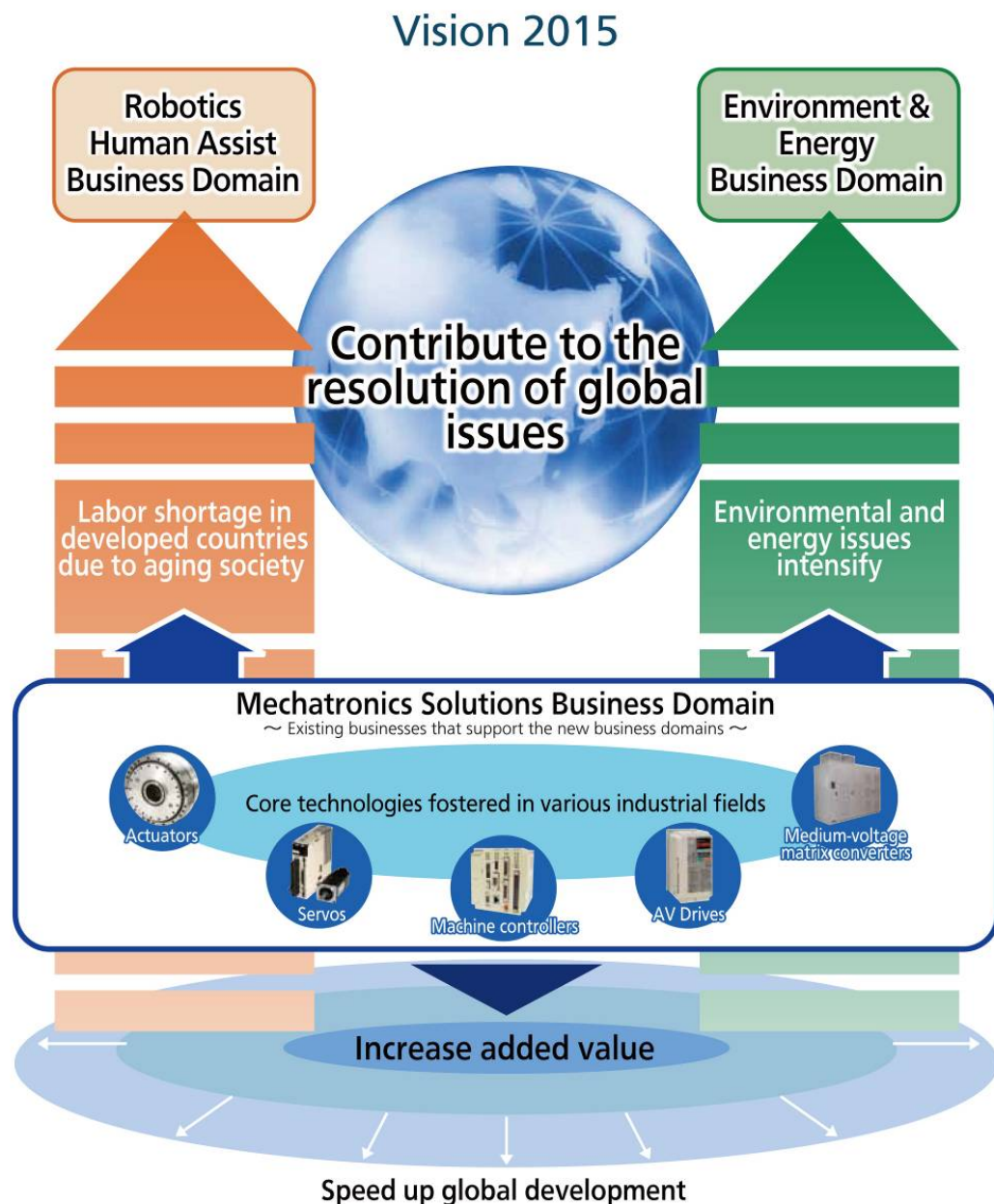
# **Realize 100**

## Revision History

- Change in business segment representations (July 18<sup>th</sup>, 2013)

**April 18<sup>th</sup>, 2013**

# Vision 2015 - Develop New Business Domains and Markets -



For the years leading up to the centennial of Yaskawa Electric in 2015, we had created a vision of using the group's core technologies to help resolve emerging global issues such as aging society and environmental and energy issues.

## Robotics Human Assist Business Domain

With industrial robots as our core competency, we are working to create a market for robots that work and co-exist in a shared environment with humans.

## Environment & Energy Business Domain

We aim to develop a new business area that will support company growth by focusing both on energy conservation and generation equipment using our drive technology.

## Mechatronics Solutions Business Domain

We focus on speeding up expansion of global operations and adding more value in order to increase earnings.

# Role of “Realize 100”

## To realize our vision for 2015

### Dash 100

Reform of profit structure

Become the global No.1

Establish new business

### Challenge 100

Strengthen development,  
manufacturing and sales

Speed up global expansion

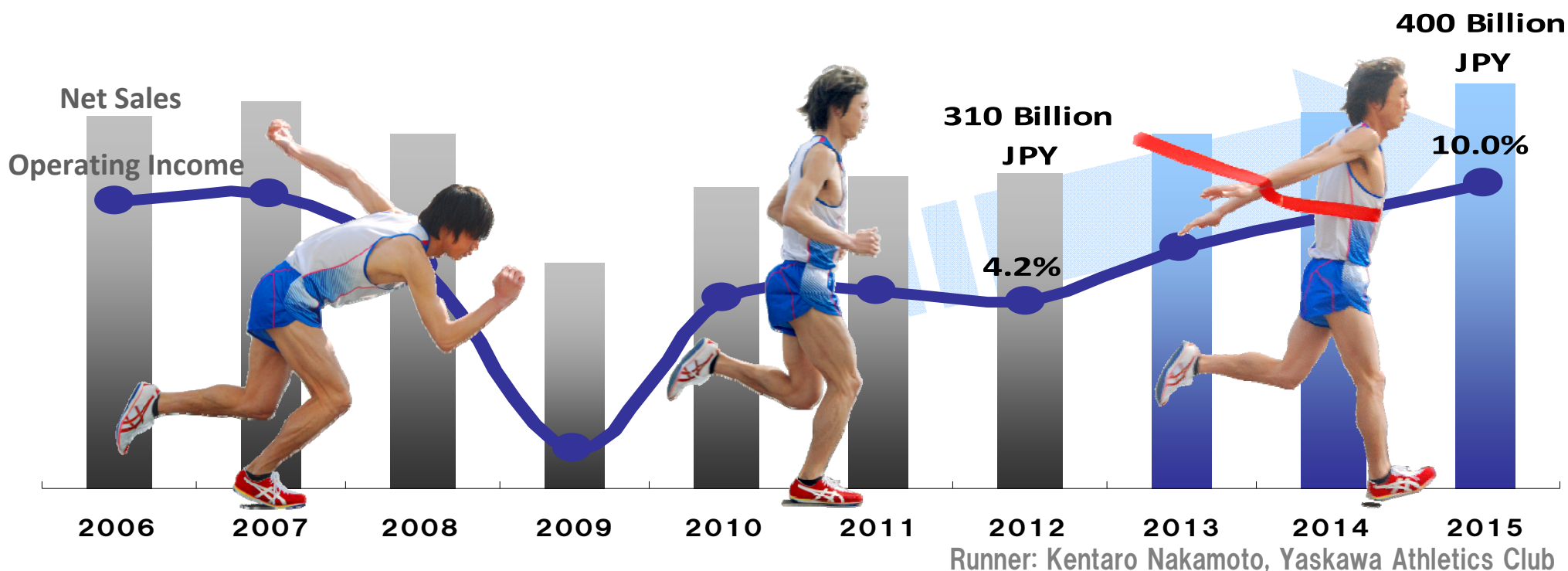
Develop new business

### Realize 100

Realize an evolution in business  
performance and efficiency

Realize *glocal* management

Realize the transformation of new  
business into core business



# Main Objectives

Operating income above 10%

Realize an evolution in  
business performance and efficiency

Support business with  
strategic HR development

Realize glocal  
management

Realize the transformation  
of new business into core business

New business net sales  
above 40 billion JPY

65% of net sales  
outside Japan

# Net Sales and Operating Income Goals

## Operating income above 10% in 2015

Unit: billion JPY

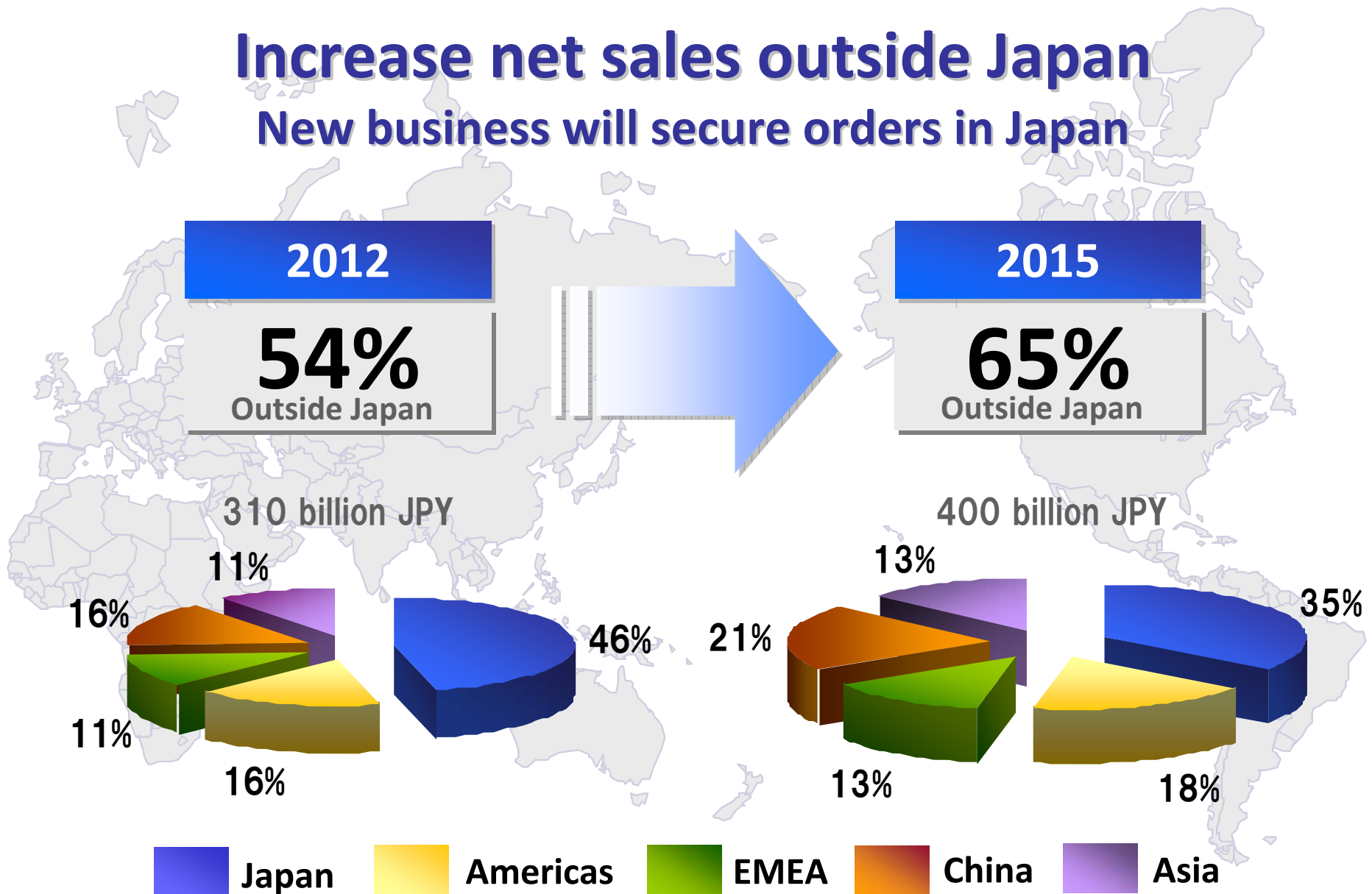
	FY2012 Actual	FY2013 Goal	FY2014 Goal	FY2015 Goal
Net sales	310	350	370	400
(from new business)	10	20	27	40
Operating Income	13	24	30	40
Operating Income %	4.2%	6.9%	8.1%	10.0%
Exchange rate assumptions		USD 1 = JPY 90    EUR 1 = JPY 120		

# Net Sales Goals by Segment

Unit: billion JPY	FY2012 Actual	FY2013 Goal	FY2014 Goal	FY2015 Goal
Motion Control	129	155	164	179
Robotics	110	121	131	141
System Engineering and Others	71	74	75	80
Exchange rate assumptions	USD 1 = JPY 90    EUR 1 = 120			

# Net Sales by Geography

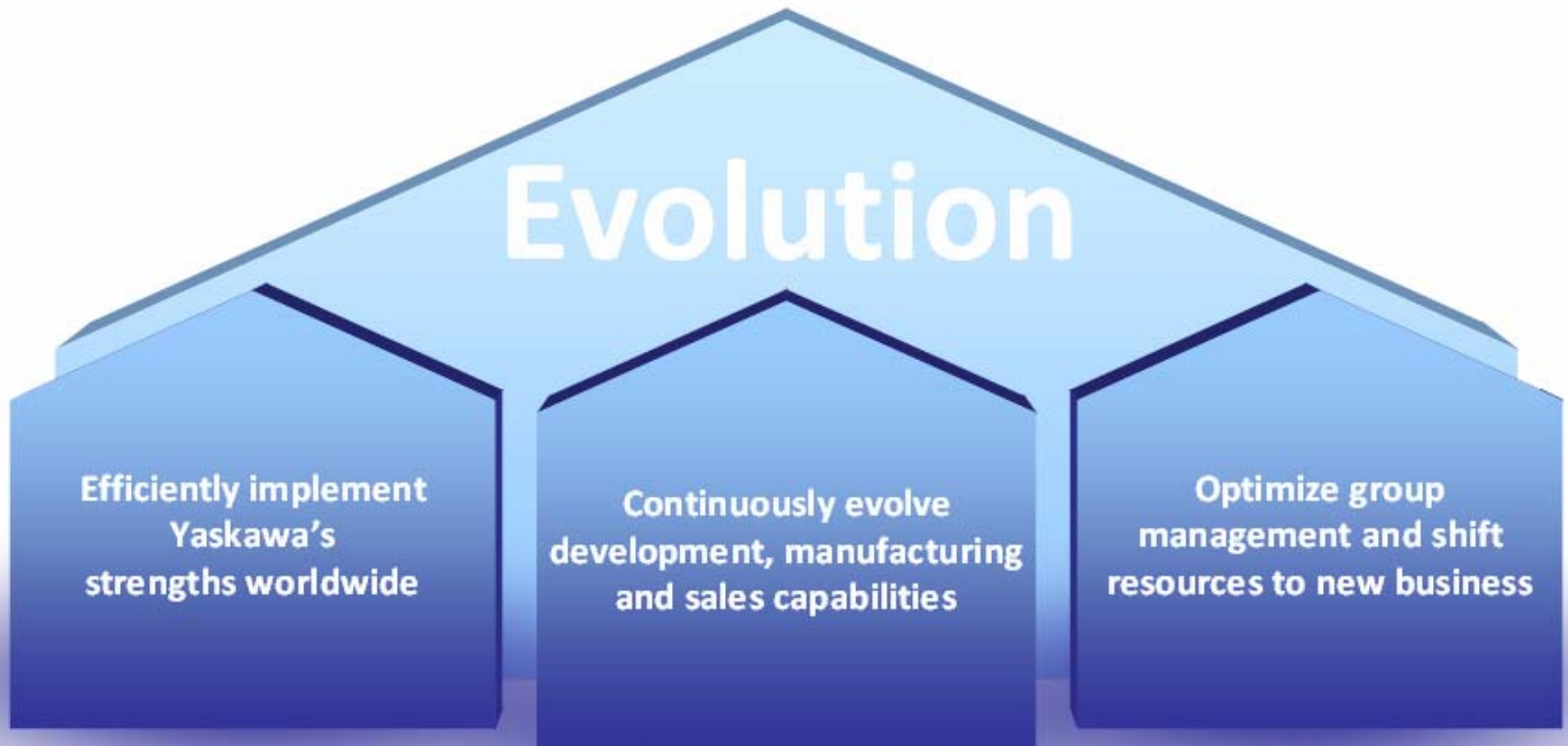
**Increase net sales outside Japan**  
**New business will secure orders in Japan**



# Realize an Evolution in Business Performance and Efficiency

---

**Efficient development, manufacturing and sales will form the base of a high-profit company structure.**



# Realize Glocal Management



# Realize Transformation of New Business into Core Business



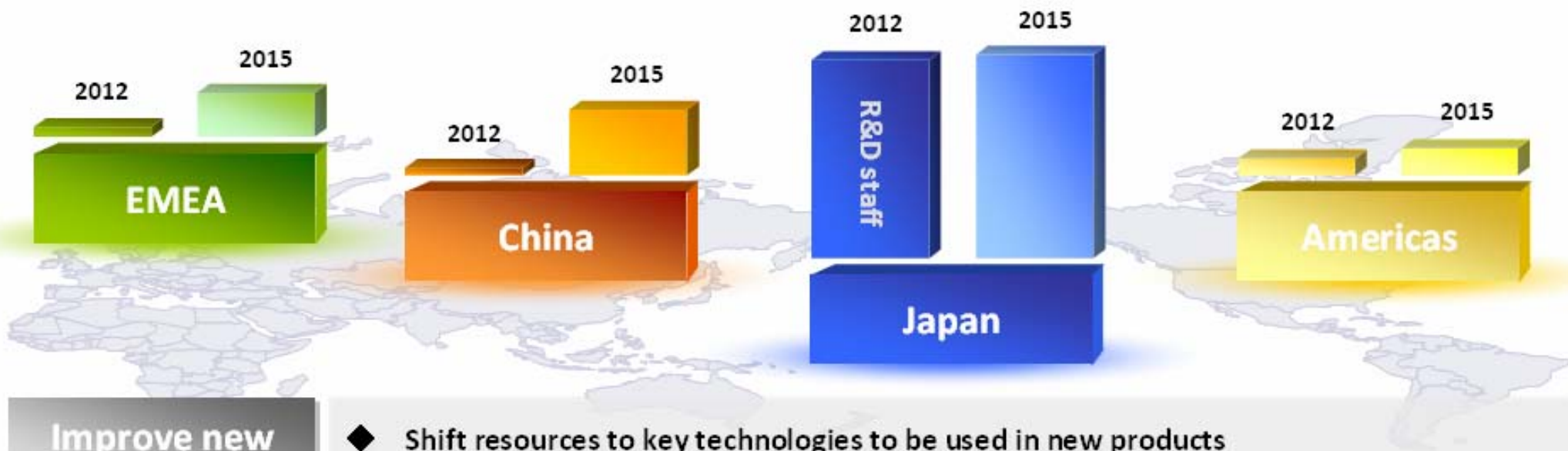
# Improve and Globalize Development Capabilities

## Develop a structure to timely release new products in all regions and markets

### Four region R&D structure

- ◆ Develop R&D structure to better fit and respond to regional and market needs
- ◆ Actively cooperate with academic institutions and other partners in each region and secure key human resources

Quadruple the number of R&D staff outside Japan



### Improve new product QCD

- ◆ Shift resources to key technologies to be used in new products
- ◆ Improve efficiency of customized development orders and reduce development costs

# Improve and Globalize Manufacturing Capabilities

## Create manufacturing and procurement structures to quickly adjust to a rapidly changing environment

- ◆ Reap the benefits of measures implemented during “Challenge 100”:
  - Point-of-demand manufacturing (servos and drives) and China IPO establishment
  - Optimization of motor production in Japan and production line automation



### Develop robust and efficient manufacturing structure

- ◆ Firmly establish point-of-demand manufacturing
  - Launch of robotics factory in China, renewal of robotics factory in Japan
- ◆ Concentrate manufacturing in two points in order to achieve maximum efficiency and minimize risk

### Increase global procurement

- ◆ Increase regional procurement rates and maximize IPO benefits
- ◆ Diversify suppliers, secure second sources and establish a firm BCP

### Revolutionize manufacturing in Japan

- ◆ Improve manufacturing technologies at mother factory and export the knowhow to other factories
- ◆ Improve efficiency with automation (30% less manufacturing processes)
- ◆ Secure production quantity from new businesses

### Optimize operations

- ◆ Improve efficiency and response time by implementing worldwide ERP

# Improve and Glocalize Sales Capabilities

**Expansion of sales and service offices, and creation of a sales structure to fit regional, market and customer strategies**

	EMEA	Asia	China	Japan	Americas
<b>Challenge 100</b>	<p>Merged brands and companies</p> <p>Acquired Vipa GmbH</p> <p>Acquired subsidiary in S.Africa</p> <p>Established European Robotics Center</p>	<p>Establishment of new subsidiary in India and merger with robotics subsidiary</p>	<p>Established regional HQ</p> <p>Subsidiary acquisition of robotics joint-venture</p> <p>Established group trading company</p> <p>Established Robotics Center in Shanghai and Guangzhou</p>	<p>Establishment of Kanto Robotics Center</p>	<p>Merged brands and companies</p> <p>Merged offices in Brazil</p> <p>Acquired Wermac Electric Ltd.</p> <p>Established Robotics Centers in Brazil and the USA</p>
<b>Realize 100</b>	<p>Expand offices in developing countries</p> <p>Maximize Vipa synergies</p> <p>Expand service business</p>	<p>Strengthen sales in regions and market segments</p> <p>Establish Robotics Center</p> <p>Expand offices in ASEAN region</p>	<p>Expansion of distributor and system integrator network</p> <p>Increase product customization capabilities</p> <p>Increase number of Robotics Centers</p>	<p>Increase number of Robotics Centers</p> <p>Establish Global Service Training Center</p>	<p>Tap into the Canadian market through the Wermac network</p> <p>Expand offices in Brazil and Mexico</p> <p>Expand service business</p>

**Strengthen sales back office and expand its functions globally**

◆ **Improve solution providing capabilities and sales operations efficiency**

# Power Conditioners for Photovoltaic Applications

Expand product range and enter new markets

## Challenge 100

- ◆ Released Enewell-SOL product line
- ◆ Established a base for business in the Japanese commercial market

## Realize 100

- ◆ Release the worlds smallest high-efficiency power conditioner for the residential market utilizing next generation power devices
- ◆ Release competitive products for the commercial market

Technological strengths

Power electronics technology enabling miniaturization and high-efficiency silent operation

100kW



For commercial use

10kW



4.5/5.8kW



For residential use



Expand product range for residential and commercial market

# Drive Systems for Electrical Vehicles

Expand application and secure orders outside Japan

## Challenge 100

- ◆ Developed drive system platform for electrical vehicles
- ◆ Secured orders from Japanese car manufacturers

## Realize 100

- ◆ Develop system for mass production targeting Japanese car manufacturers
- ◆ Secure orders in the construction and maritime markets
- ◆ Expand into markets outside Japan

Technological strengths

**Winding changeover technology**  
(High efficiency and wide constant power range)



Mazda Motor Corporation  
**MAZDA 2**



Toyota Auto Body Co. Ltd.  
**COMS**



# Wind Power Components for Large Turbines

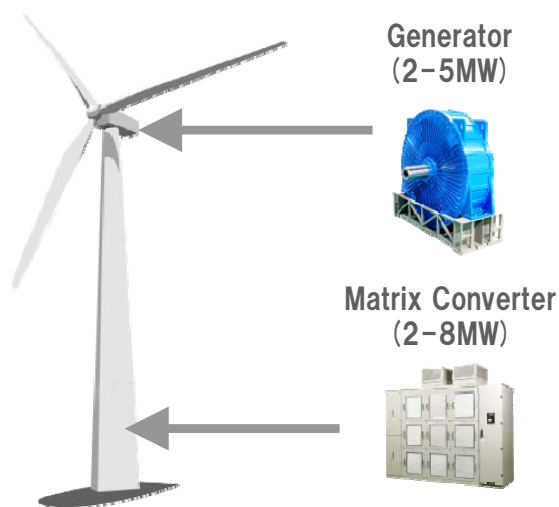
Expand product range and enter off-shore turbine market

## Challenge 100

- ◆ Release Enewin series of components for large wind turbines
- ◆ Started development of a wind turbine using Enewin components with a wind turbine manufacturer

## Realize 100

- ◆ Mass production of development projects currently running in Japan and China
- ◆ Expand product range for medium voltage turbine market
- ◆ Enter the European wind turbine market



## Technological strengths

- ◆ Components for medium voltage applications
- ◆ Matrix converter technology
- ◆ Compact generator that uses less magnets



# Robotic Systems for the Biomedical Field

## Expand application field for robots

### Challenge 100

- ◆ Developed prototype of robotics system for the biomedical field

### Realize 100

- ◆ Develop new type of robot and expand range of applications

#### Technological strengths

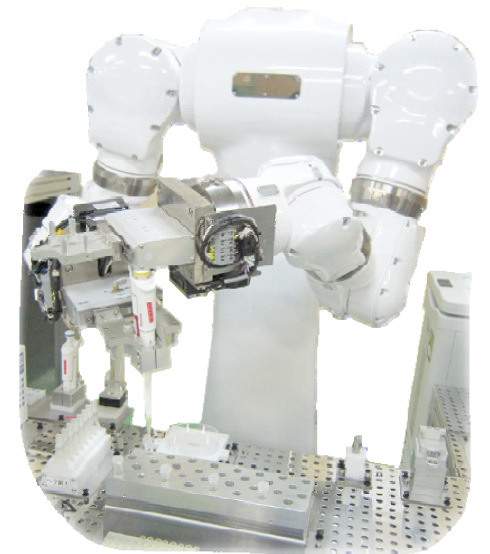
Two-arm robot application knowhow

#### Target market

Biomedical R&D market including drug development and cell in developed countries

#### Features

- ◆ Compatibility with general-purpose lab equipment
- ◆ Eliminate irregularities resulting from human error and increase R&D efficiency
- ◆ Relieve humans from long and dangerous labor



# Medical and Welfare Devices

Develop devices for rehabilitation and nursing and create new markets

## Challenge 100

- ◆ Performed market research in services field
- ◆ Started cooperation in the medical and welfare fields

## Realize 100

- ◆ Develop devices that fit customer needs
- ◆ Cooperate with partners in order to quickly release products

Technological strengths

Motion control technology enabling fluent movement

Target markets

- ◆ Rehabilitation devices for orthopedic and neurology fields (Japan, China, Asia)
- ◆ Assistive devices for nursing support in aging societies



# Support Business with Strategic HR Development

Implement *glocalization* and staff vitalization measures based on the group's HR values

Worldwide Yaskawa HR Values

## Empower and Grow!

### Being part of Yaskawa

We expect you to take initiative and cooperate with others to achieve common goals while also constantly seeking new challenges.

### Growth with Yaskawa

We pledge to grow and develop those passionate about contributing to our global business in a communicative teach-and-learn environment and match them with challenging career opportunities.

### Work at Yaskawa

We respect your individuality and diversity, and we pledge to provide a safe and healthy working environment that will provide motivation.

### Recognition by Yaskawa

We guarantee fair evaluation and performance rewards through active communication.

Foster staff  
with global  
competencies

Reduce number  
of expat managers  
at regional offices

Actively promote  
employee diversity

Increase staff  
motivation and  
participation

# Founding Centennial Commemoration – “Robot Mura”

A place to provide information about the future of robotics, and together with residents, academic institutions and business partners create a society in which humans and robots can coexist.

## Robotics Factory & Center (Kitakyushu City, Japan)

Project “Robot Mura” (Robovillage)

A place where everybody can get familiar with Yaskawa and its products.

The words most advanced production line, where robots build robots!



### Feel

An area to feel robotic technologies first hand

### Experience

A participatory learning area to ponder about the coexistence of humans and robots

### Create

An area to study and create robots and related technologies

# Disclaimer

---

**The information within this document is made as of the date of writing. Any forward-looking statements are 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.**