

## Long-term Business Plan FY2016 - FY2025

# Vision 2025

April 20, 2015

**YASKAWA ELECTRIC CORPORATION**

20 May 2016 revision 1: P.2 FY2015 financial values changed to actual

# Our Vision for 2025

*Offer a new value to society through fusion of core technology advancement and open innovation*

## Our Goal

### Respect Life

We aim to contribute to improving quality of life and building a sustainable society with technologies accumulated over the past century.

### Empower Innovation

We venture in new technologies/ domains/targets to bring "Waku-Waku"\*<sup>1</sup> excitement to people.

### Deliver Results

We promise to deliver assured results to stakeholders, while continuously enhancing business execution capabilities.

\*<sup>1</sup> "Waku-Waku":  
Onomatopoeia used in Japanese language to express someone's feeling of enthusiasm

## Our Business Domains

### Mechatronics

Achieve revolutionary industrial automation, through combination of world's leading edge technologies and open innovation.

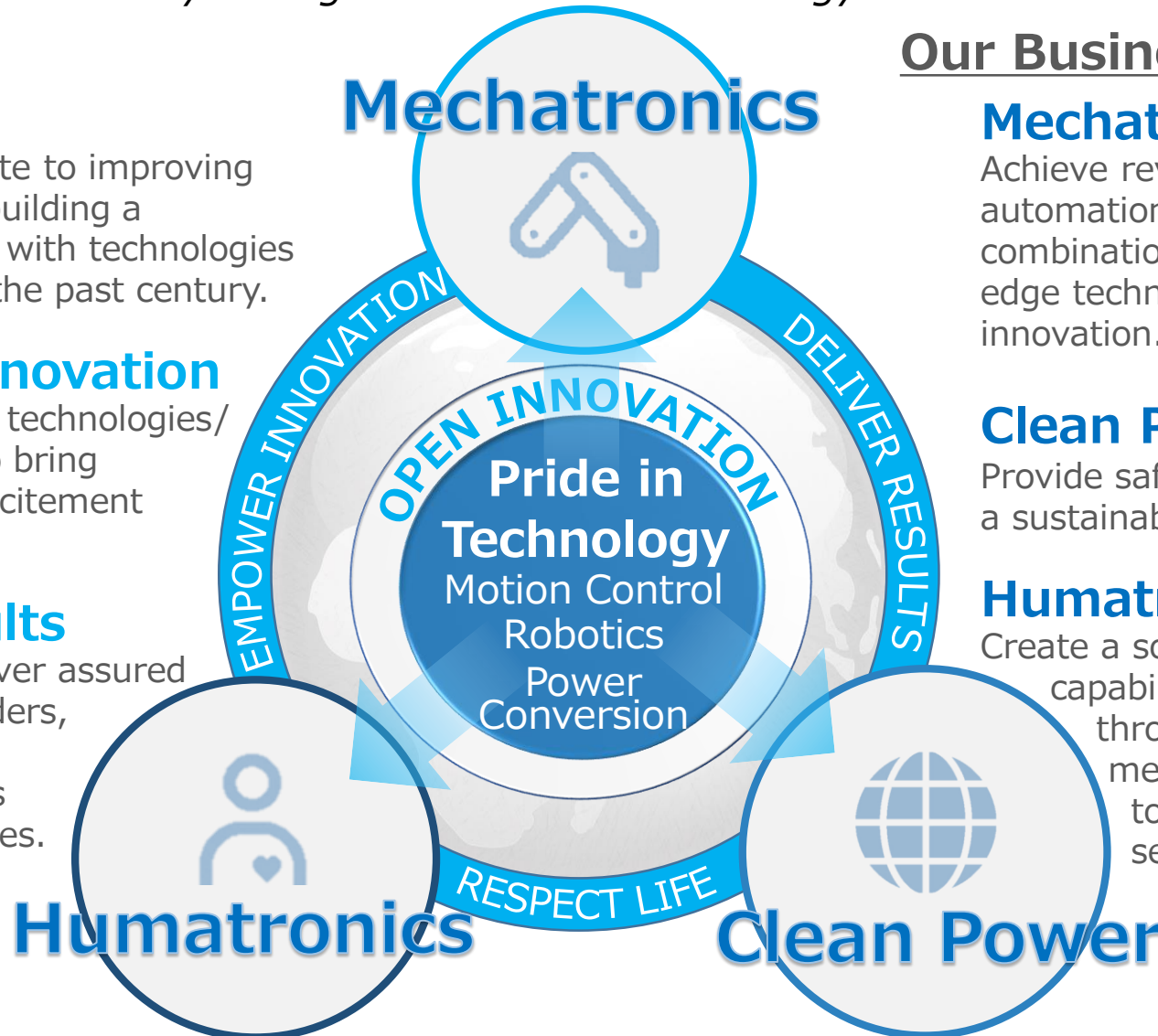
### Clean Power

Provide safe and secure living in a sustainable society.

### Humatronics\*<sup>2</sup>

Create a society where people's capabilities are maximized, through the application of mechatronics technology to medical/welfare segment.

\*<sup>2</sup> Humatronics: Term coined to denote a cross of Human and Mechatronics



# Financial Goals for FY 2025

	FY 2015 Actual (JPY)	FY 2025 Goals (JPY)
Net Sales	411.3 billion	Double FY 2015 level or more
(From *New Business %)	5%	Double FY 2015 level or more
* New Business : Clean Power & Humatronics Business Domain		
Operating Income (Ratio)	36.7 billion (8.9%)	100.0 billion (10% or more)
Dividend Payout Ratio	23.6%	* Above 30%
* Gradual increase to 30% by 2020		
ROE	12.8%	13% or more

# Changes Surrounding Yaskawa

## Global Population Change

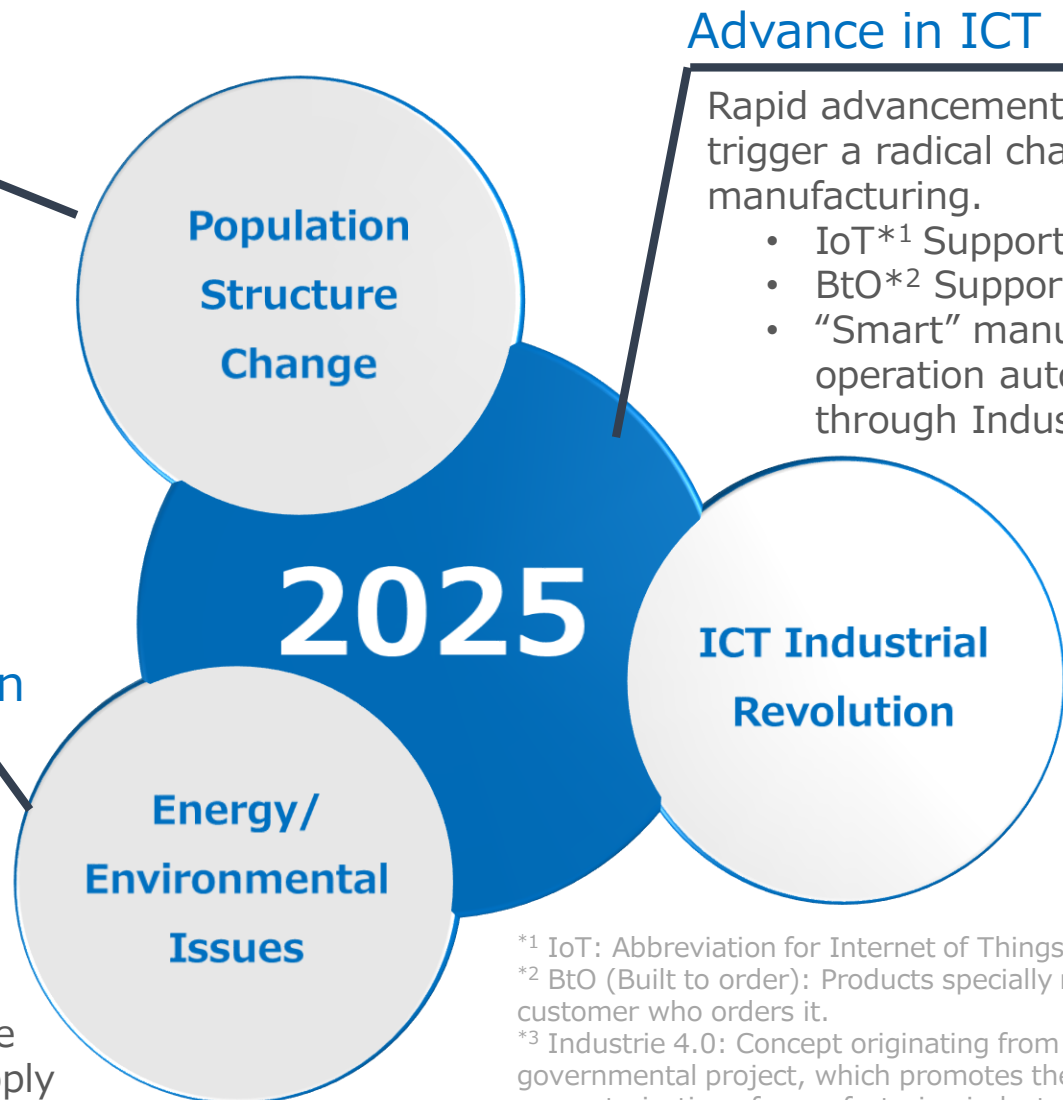
Effect on market structure is expected from aging population, lower birth rates in developed countries, and population rise in developing countries.

- Rise in commodity prices and pay rates in developing countries
- Increased awareness for quality of life due to increased longevity

## Increase in Energy Consumption

Rapid population increase results in the increase in energy consumption and environmental awareness.

- Expansion of environmental protection measures and fuel reduction awareness
- Growth in distributed power usage
- Increase in renewable energy supply



## Advance in ICT

Rapid advancement in ICT will trigger a radical change in manufacturing.

- IoT<sup>\*1</sup> Supported Device
- BtO<sup>\*2</sup> Support
- “Smart” manufacturing/operation automation through Industrie 4.0<sup>\*3</sup>

<sup>\*1</sup> IoT: Abbreviation for Internet of Things

<sup>\*2</sup> BtO (Built to order): Products specially made for the customer who orders it.

<sup>\*3</sup> Industrie 4.0: Concept originating from a German governmental project, which promotes the computerization of manufacturing industry.

# Strategies for 2025 Vision

## Mechatronics



### Pursue World No.1 in Core Business

- Pursue and achieve global No.1 share in motion control and robotics segments

## Mechatronics



### Deliver Revolutionary Industrial Automation

- Combine world's leading edge mechatronics and ICT technology in order to provide a brand new solution to automation

## Clean Power



### Establish Energy Creation/Storage/Application Business

- While globally expanding the renewable energy business, electric drivetrain business will be developed in order to establish a new core business domain

## Humatronics



### Challenge in Medical/Welfare Market

- Reinforce human capabilities and develop devices that will raise people's quality of life, creating opportunities to enter new markets

# Strategy 1: Pursue World No.1 in Core Business

Pursue and achieve global share No.1 in existing core businesses with strategies below.

## Servo



Develop integrated controller

Tap into actuator market development

Design combined components

## Robot



Create robot and human cooperative model for manufacturing industry

Enhance application and integration

Develop robot for assembly application

## Drive



Offer energy saving/storage solution

Develop harmonic-less / regeneration application market

Enter and capture market the volume zone

## Internet of Things (IoT) Supported

# Strategy 2: Revolutionary Industrial Automation

## Automation of challenging operations

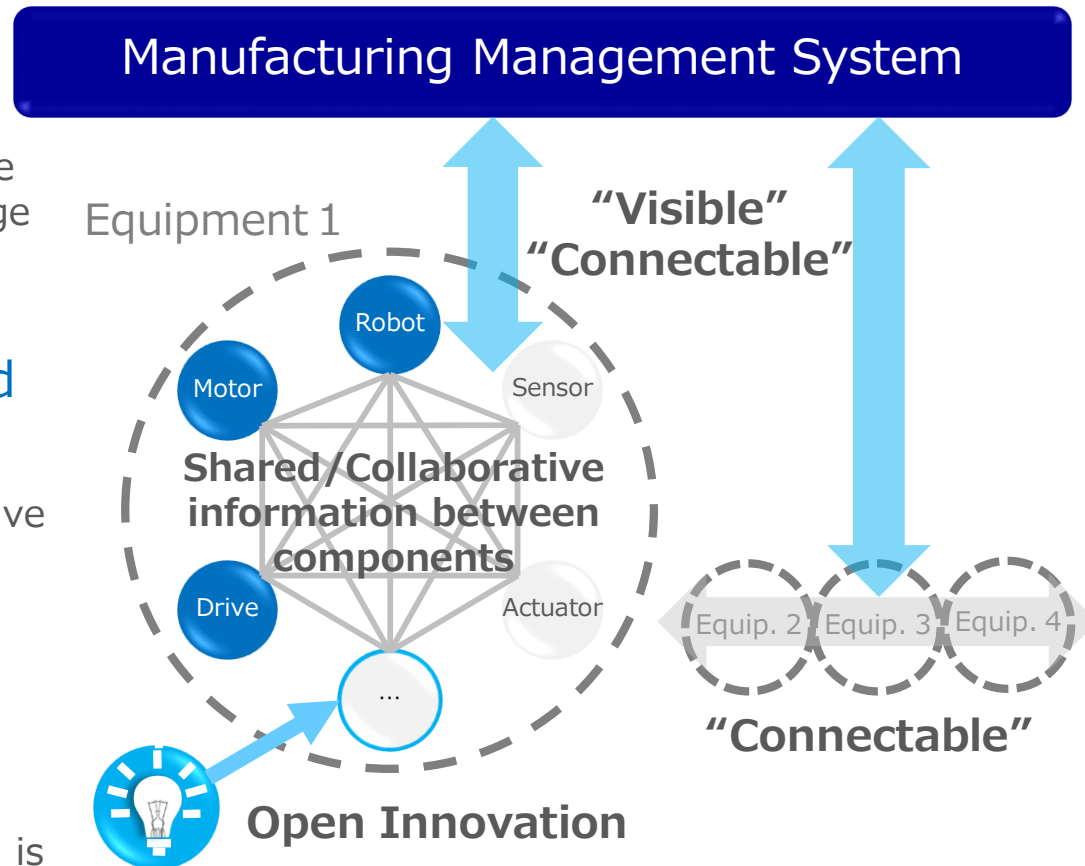
Progress of automation is slow in many manufacturing processes including assembly of electronic device and food production. Innovative solution will be provided with world's leading edge technology and development.

## Make things happen with “Visible” and “Connectable” devices

Development of “Visible”, “Connectable” interactive equipment will be promoted through fusion of automation component and ICT technology.

## Expansion of Open Innovation

Combination of Yaskawa's technology and surrounding technology through open innovation is necessary, to enable the development of high spec but user-friendly device/module, and to develop new business markets.





# Strategy 3: Energy “Creation”/“Storage”/“Application”

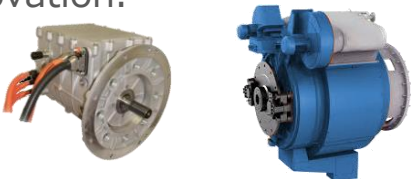
## Clean Power Across the World!

Strengthen solar power and large-scale wind power generation, in order to accelerate global business expansion.



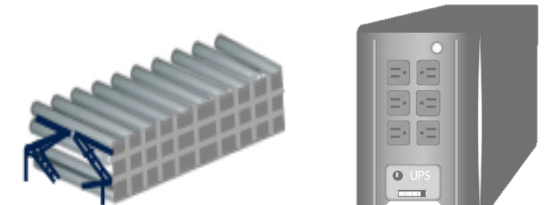
## Into the Electric Drivetrain Market!

New electrical mobility market, which will eventually replace fossil fuels, is to be developed through the use of open innovation.



## Optimize Electric Power Usage!

Increase in introduction of renewable energy is likely to promote consumer's need for systems, such as peak-cut systems and grid power stability. Yaskawa will work on electricity storage systems and contribute to further expansion of renewable energy.





# Strategy 4: Challenge in Medical/Welfare Market

Robot technology from past experience in field of industrial automation and alliances including industry-academia-government collaboration, will be applied to create a visionary market for medical/welfare devices. We define a device that can enhance quality of life through combining Yaskawa's Mechatronics technology and human capabilities as "Humatronics Device".

Current activities

Wider product mix for  
medical/welfare devices  
with Actuators

Future development



# Organizational/Individual Capabilities for 2025

## Stronger Global HQ Function

- Stronger ability to lead the company
- Stronger ability to create group synergies
- Stronger ability to support each group member

## Better Area Management

- Strengthening of regional R&D, manufacturing and sales capabilities
- Regionally integrated and unified Human Resource management
- Completion of management “localization”

## Diversity Promotion

- Create a culture that can utilize strengths of a diverse workforce

## Strategic Global HR

- Strategically develop next generation leaders
- Early identification and development of global key talent
- Promotion of cross-function, cross-border projects

## Attractive Work Environment

- Transformation of way of working to ensure work-life balance
- Guarantee fair recognition of challenges and accomplishments
- Fast-track promotion of passionate young workers



# Promotion to Coexist with Local Communities

Activities unique to each global region, such as strengthening of strategic collaboration with local universities and others, are key to creating shared values with local communities. We will create a model in Kitakyushu City, Japan, to be an example for the whole world.

## From the “Robot Village” to the World!

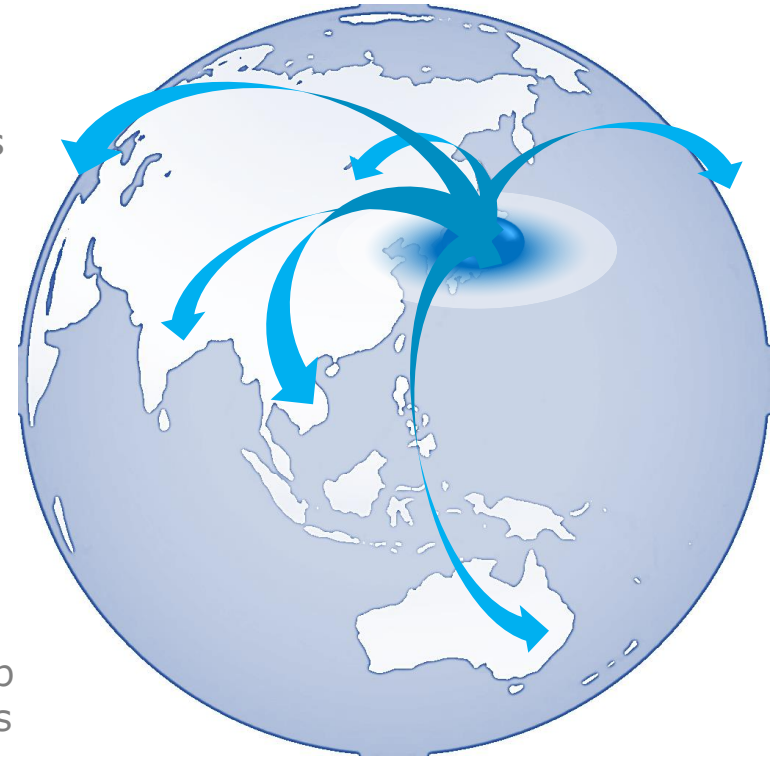
Promotion of robot revolution at Yaskawa’s “Robot Village”

- Establish “Robot Village” as a place for demos and experiments
- Collaborate with universities and colleges in the field of research, development and education related to robots
- Hold robot workshops in YASKAWA Innovation Center
  - ⇒ With *robotics* as the keyword, the aim is to create an innovative idea-generating site, through the buildup of industry-academia-government collaboration.

## Create an Inclusive & Creative Environment for People with Disabilities

Collaboration with employment facilities for the disabled people

- Provide a working environment for disabled persons to develop and manufacture equipment for disable persons by themselves (e.g. ReWalk), while using such equipment on-site.



# Disclaimer

---

Forward-looking statements in this material are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable.

Actual results may differ from these statements for a number of reasons.