

Interview with  
the President

A portrait of H. Ogasawara, the Representative Director and President of Yaskawa. He is a middle-aged man with dark hair, wearing glasses, a dark suit, a white shirt, and a patterned tie. He is sitting on a black leather chair with his hands clasped in front of him. The background is a dark, textured wall.

*H. Ogasawara*

Representative Director  
President



# Realizing Sustainable Growth as a “Technology-oriented Company” that Always Strives to be the Best in the World

## Q Please tell us about your impressions on your FY2016 results.

In FY2016, we posted 394.8 billion yen in net sales (down 16.4 billion yen compared to FY2015), 30.4 billion yen in operating profit (down 6.3 billion yen), and achieved an operating profit ratio of 7.7 percent. While we had decreases in sales and profits when you look at these results alone, business activity in itself was strong based on local currencies in different parts of the globe, which comprises about 70 percent of our net sales, and our consolidated results, excluding the effects of fluctuations in exchange rates, showed growth in sales and profit. In particular, as the Chinese manufacturing industry gained strength and rapidly expanded its production of goods like smartphones, demand increased for machinery and equipment and we had a tendency throughout the year of rising demand for servos which are used for these devices.

Impact of the exchange rates on FY2016 results

	FY2015	FY2016	Change	Impact of the exchange rate	Change excluding impact of the exchange rate
Net sales	411.2	394.8	-16.3	-33.3	+16.9
Operating income	36.7	30.4	-6.3	-10.1	+3.8

(Unit: billion JPY)

## Q Expectations for your company's growth are rising in the stock market. What sort of impressions do you have?

I have a sense that expectations for the solutions offered by our company like servos and robots are increasing for themes like automation, labor-saving, and improved productivity on the back of manpower shortages and surging labor costs in China. Particularly in China, they're promoting the development of the robotics industry and improvements in productivity with a subsidy policy for both robotics manufacturers and companies that are introducing robots. By offering AC servos, the major part of robots, to robotics manufacturers and selling robots to companies that are pushing forward their implementation of robots, our company is supporting the development of the manufacturing industry in China.

Also, throughout the world, the manufacturing industry is rapidly changing as it looks toward Industrie 4.0 and IoT amid advancements, which leads to further attention being directed at our robotics and mechatronics products, the mainstay products of our Group, and it's serving as a huge tailwind for our business.

I believe that it's due to these backdrops that our company has obtained high praise from the market. It isn't as if we waver between hope and despair on short-term falls and rises in our stock price but we would like to continue to answer to everyone's expectations so we continue to be valued.

### Q | How do you foresee FY2017?

As to market trends in FY2017, we expect that capital investment in electronic devices like smartphones, household appliances, and other such products will continue to be strong in China during the first half of the year. With this trend spreading not only among local machine manufacturers but also to Japanese and European manufacturers who export to China, we anticipate that our business environment will be strong globally. As for its continuation into the second half of the year, there are various views and the situation is unclear. I feel that in order to achieve our plans for the year in a steady way, what will be the key is the extent of the results that we can achieve during the first half when the market has momentum.

On the other hand, it's also an important issue for us to strengthen our initiatives in areas that aren't affected by rapid changes in the markets for electronic devices and

household appliances in China and to stabilize our business in looking toward the second half. For example, in markets related to automobiles, where we have a strength in providing solutions, we can anticipate continuous demand in each of the regions—Japan, China, Europe, and the United States. Other than that, we also intend to expand our business in the field of environment and energy, where we're working on leveraging renewable energy, which is a global trend, and promoting energy saving, and also in the area of food processing, which has significant room for automation in the time to come, and to tie these in to the achievement of our plans for the full business year.

### Q | Tell us about your moves for the global trend of innovation in manufacturing and the initiatives at your company.

Leveraging IoT and AI and looking toward realizing Industrie 4.0, the way of manufacturing is changing throughout the





world. Machinery and equipment that we used to differentiate from the perspectives of performance and quality have been going through a data-oriented evolution these last few years where they might be able to obtain data on operation conditions or receive commands automatically. In the manufacturing industry, concern about in-house equipment becoming obsolete and the need for improved productivity is boosting the desire to invest in new equipment and machinery.

Our company is no exception, and **we will create a state-of-the-art AC servo factory in looking toward realizing a Yaskawa Industrie 4.0 and tie the use of data in with improved productivity as a manufacturer. We're also planning to leverage the expertise for the next generation of manufacturing that we prove at this plant for our suggestions to our customers and for developing new products.**

Q

**A year has passed since you became president. Please share your impressions and tell us about your business strategy for the time to come.**

Since assuming the role of president last year, I've continued to send the message that "data (figures) is a common language of the world" to the global Yaskawa Group. It's because data is the result of what we've done in the past and I believe that it's important for management to set our objectives on how we're going to make that data change and use it as a common language to consider and implement our measures.

A year has gone by since I took on the role of president and while conversations through data have gradually been penetrating within the group, an issue has become evident that it's taking time to obtain data and process it as information with meaning. In other words, there were delays in formulating our plans and we were losing our sense of speed in implementing our measures. In response to our awareness of this issue, we made a change in our organization in FY2017 and sought to improve our mobility. To be specific, we integrated our business planning department and our accounting department, and consolidated the different environment- and energy-related divisions that we had had for each product in our system engineering division. **By improving the usability and reliability of our data and pushing forward global sharing as a common language, we'll change our inefficient corporate structure and tie that in to revitalizing the organization and speedy decision-making.**

Q

**Tell us about your plans for realizing your mid-term plan Dash 25 and your intentions in looking beyond that.**

The conditions of the present business environment for our group is relatively favorable and I believe that we've come to a point where our achievement of Dash 25 won't be difficult if we can follow through with our current measures. However, there are ups and downs in conditions and the business environment tends to change. Our targets in our mid-term plan are 450 billion yen in net sales and a profit ratio of 10 percent, and **we're actually aiming for figures that exceed our objectives so we can cope in the event that external factors may be incurred.** In considering our next mid-term period, it's necessary for us to acquire the strength to overcome the next drop in the economy that may come next. **It's now when the economy is on an upswing and our management is stable that we have the opportunity to implement bold reforms, and we'll take initiative with a sense of speed.**

Q

**Please offer a word to your stakeholders.**

What our company aims to be is a "technology-oriented company" that always strives to be the best in the world. **It's the choice and focus of our company and our business model to concentrate on businesses where we can aim to be world number one and also be chosen by our customers and suppliers as a partner to aim to be number one in the world.** We'll hold fast to this stance and continue to contribute to society through our business to improve our corporate value and realize sustainable growth.

I would like to take this opportunity to ask all of our stakeholders for the continued support and patronage to our company.

