Message from director in charge of corporate social responsibility

For Realizing Sustainable Growth

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Implementing the Cycles of "Investing in People: Contributing to Society Through Business"

The Yaskawa Group was established by founder Daigoro Yasukawa based on the will of his father, Keiichiro Yasukawa, to "give back to the country by creating an industry". Its principle of management is "to leverage the pursuit of its business to contribute to the advancement of society and the well-being of humankind"

Based on this principle, Yaskawa has been contributing to the development of society through its business in the area of industrial automation and also helping to reduce the burden on the global environment by promoting its energy saving and energy creation business initiatives that leverage highly efficient power conversion technology. It is also aiming to apply the mechatronics technology that it has nurtured through industrial automation to healthcare and welfare to improve people's quality of life and to contribute to the well-being of humankind.



Keiichiro had also been passionate about the development of human resources. Prior to the establishment of Yaskawa, he opened the Meiji College of Technology (presently Kyushu Institute of Technology), a vocational school for training engineers. The human resources that had been thus nurtured later went on to flourish at the Yaskawa Group, creating a large cycle of values to go around as they created new technologies and new business initiatives. The same may be said for the Yaskawa Group as <u>it continues to</u> develop, together with the community, for a hundred years since its establishment, repeating processes of "investing in the development of human resources and contributing to society", not only for its own employees but also for educational and research organizations in the community.

Today, its head office in Kitakyushu City (company headquarters / robot factories), developed to mark its centennial anniversary in 2015, is called Robot Village. Many children and adults tour the YASKAWA Innovation Center and robot factory, where robots build robots, and experience up close the fun of manufacturing and the wonders of the technology. The facilities are also a part of local industrial tourism and included in the tour route in collaboration with the city of Kitakyushu in a bid to invigorate the local community. These are the types of ideas that have been carried on at Yaskawa. In each of the global regions where the Group has made advancements, it has also promoted collaborations that match the needs of each particular region with such activities as joint developments with local universities, accepting people, and offering them avenues to perform.

One example of this is Slovenia, where Yaskawa is preparing to establish a robot factory, aimed to begin operations in September 2018. Yaskawa has been manufacturing robotic systems in Slovenia for around 20 years, and it has secured excellent engineers through its various collaborations with the local government and educational institutions and has been expanding its business. It's these excellent relationships with the local community that have enabled Yaskawa to establish a robot factory in Europe, and as a result, it will be possible to further bolster its close ties with the region of Slovenia and customers in Europe.

In these ways, the global deployment of initiatives with their roots in local communities is a strength of the Yaskawa Group.

Tying in "Diversity" and "Open Innovation" to Sustainable Growth

As we turn our attention to the business environment of the future, it is possible to consider that in addition to conventional approaches, it will be necessary to make further advancements.

How to become a company that can continue to create innovation in order to achieve the objectives identified in



Vision 2025 and to realize sustainable growth in looking toward the next hundred years? Yaskawa believes that the keywords for that are diversity and open innovation, and it will effectively leverage these as an organization as it continues to build a structure and mechanism for further advancement.

For example, from the aspect of governance, Yaskawa has implemented aggressive initiatives to improve the mobility of board of directors' meetings, their objectivity and effectiveness, such as the introduction of an executive officer system in 2012 and its move to become a company with an audit and supervisory committee in 2015. It will take steps to improve the diversity of its board of directors to create a governance structure that is on the offensive, and move forward in creating a framework for facilitating more vigorous efforts to take on challenges such as those for new business areas while hedging risks.

As an organization, it will respect diverse values, facilitate an environment that is worthwhile for all employees to work in, nurture a culture that recognizes challenges being made, and strengthen the development of people who take on challenges. <u>Yaskawa also intends to realize the high levels</u> of growth that it is targeting by broadening its collaboration with external parties and expanding the potential for open innovation by investing in ventures attempting to start new initiatives and doing business with them as it has done to date in industry-academia-government collaborations with educational and research institutions and local governments.

Yaskawa will continue to leverage its strength as a Group and "contribute to the advancement of society and the well-being of humankind through the pursuit of its business", as its principle of management states, to push forward its evolution so it may continue to be a company that meets the expectations of all of its stakeholders.