

## Governance at Yaskawa Electric

Yaskawa's three outside directors who serve on the Audit and Supervisory Committee have offered comments on the status of corporate governance of the Yaskawa Group. Yoshiki Akita and Kazumasa Tatsumi spoke about the management of the Group, offering their assessments for FY2016, expectations for FY2017, and what they consider to be the challenges. Junichi Sakane, who joined the board in June 2017, gave his comments on his aspirations in his involvement with the management of the Yaskawa Group.



Kazumasa Tatsumi

Yoshiki Akita

Junichi Sakane

### Yoshiki Akita

Outside Director  
Member of the Audit and Supervisory Committee

**We're facing an opportunity to push the company itself to a higher level.**

#### Status of Outside Director

##### Status of Concurrent Positions

Representative Director & Chairman, Layers Consulting Co., Ltd.  
Outside Director, Bell-Park Co., Ltd.

##### Reason for Appointment

He has been judged to be able to make use of his abundant expertise, experience and knowledge that he has gained as a certified public accountant and as a representative director of a consulting firm to supervise the management of Yaskawa Electric from an objective standpoint.

#### Assessment of Yaskawa's Management in FY2016

I feel that under President Ogasawara, who is now in his second year as head of the company, the company has kicked off a steady start in realizing its mid-term business plan Dash 25 and the steering of the business is going very smoothly. I can also see that new leadership is evident for responding flexibly to business conditions that are rapidly changing. It's also possible to gain a sense of the spirit of challenge in the company's strategies for expansion as seen in its full-fledged launch of new businesses and M&As, leading to great expectations for further leaps in the future. I think it's wonderful that media exposure is also superb, IR activities have paid off, and stock prices are doing well.

#### Points Perceived as Business Issues

I feel that Yaskawa Electric may be too modest when it comes to self-evaluation.

I think the company is at a point where it should not only win over the competition in existing areas but also generate new demand with its innovative products to make further contributions to society. Its financial constitution is sound, and I feel that instead of being constrained by conservative ideas, it should take more risks in looking toward growth. Let us have a higher awareness of our stock prices, come up with more aggressive strategies that are on the offensive by strengthening cooperation between departments as well as comprehensively managing product inventory, and boost our corporate value.

#### Expectations for the Management of Business in FY2017

Now that a good tide is here, it's necessary to ride tides that are even higher.

In other words, I feel that times when orders for core business areas are good are opportunities to push the company up a level higher as a whole. To realize Yaskawa's new long-term business plan Vision 2025 and for the company to become an existence that stands out among the competition, it needs to further accelerate its kick-start. I look forward to seeing outstanding growth at Yaskawa as it changes from the mild and conservative company that it's been to date to a company that's a little sharp.

## Kazumasa Tatsumi

Outside Director  
Member of the Audit and Supervisory Committee

**Transition to monitoring model is proceeding smoothly.**

### Status of Outside Director

**Status of Concurrent Positions** Attorney and President, Kazumasa Tatsumi Law Office  
Outside Auditor, IZUTSUYA CO., LTD.

**Reason for Appointment** Although he has never been involved in corporate management by other means but becoming an outside director, he has been judged to be able to make use of his abundant expertise, experience and knowledge that he has gained as an attorney to supervise the management of Yaskawa Electric from an objective standpoint.

### Assessment of Yaskawa's Management in FY2016

Having marked the centenary of its establishment, the company went through FY2016 as a year to give plenty of consideration to strengthening the next hundred years at its new office location. Yaskawa Electric established the Audit and Supervisory Committee in June 2015, creating a framework for corporate governance ahead of other companies. The Board of Directors thus strengthened its supervisory function over Yaskawa's administration of business, which led to a smooth transition to a monitoring model. As a result, I feel that Yaskawa has been one of the few companies in Japan which have moved to an audit and supervisory committee system which have shown firm results from

the boosted efforts for governance.

### Points Perceived as Business Issues

I believe that out of the bolstering of its strength to develop, manufacture, and sell that Yaskawa Electric is pushing forward, it is this power to develop that will affect long-term management. In other words, I feel that its most important challenge is the extent to which it is able to continue to boost motivation among its development staff and fortify its strength to develop. As of FY2016, Yaskawa has become a structure under President Ogasawara and is extending further efforts to develop new products. Let us continue to push forward the creation of a framework and staff development that support the bolstering of its power to develop toward the future.

### Expectations for the Management of Business in FY2017

The rise of overseas manufacturers in the electronics industry in recent years has forced major domestic manufacturers to fight a tough battle in their deployments in global markets. Amid such major changes in the environment, what will be crucial is the way in which they will survive the next several years. Expectations rest with Yaskawa Electric to open up the next era with its world-number-one motor control and robotics technology, which are its strength areas. I hope that more than ever, Yaskawa will tackle business with the spirit to move the world with concentrated efforts at its Kitakyushu headquarters and as a beginning, I look forward to the company realizing its mid-term business plan, Dash 25.

## Junichi Sakane

Outside Director  
Member of the Audit and Supervisory Committee

**I will extend efforts to always assess management from a fair perspective.**

### Status of Outside Director

**Status of Concurrent Positions** Managing Corporate Officer; In charge of Ceramics Business Division; In charge of Research & Development Division; Delegated General Manager, Technology Management Division; Delegated General Manager, Risk Management Division; KROSAKI HARIMA CORPORATION

**Reason for Appointment** He has been judged to be able to make use of his abundant expertise, experience and knowledge as an expert in management that he has gained in his career as an executive officer of a business corporation to supervise the management of Yaskawa Electric from an objective standpoint.

### Aspirations on Appointment

The environment that surrounds a company is constantly changing. Particularly in recent years, factors such as the start of a new administration in the U.S. and the issue of the departure of the U.K. from the EU have boosted uncertainty in economic outlooks and greater changes are predicted than ever before. To precisely capture such changes and to respond in a prompt manner, it is important that efforts are made to boost the quality of governance. I feel that new perspectives are born, particularly when different cultures and values intersect, and the ability to respond to change becomes fortified.

From that standpoint, I intend to cumulate my humble experience and values with the culture at Yaskawa Electric to perform my duties to make it possible to strengthen its governance. I feel myself tensing when I consider the heavy responsibility that rests with the position of director and member of the Audit and Supervisory Committee, and will extend efforts

to always assess the management of the business from a fair perspective. I have been with Nippon Steel & Sumitomo Metal Corporation for approximately 25 years and Krosaki Harima for a decade, during which time I have accumulated a broad range of experiences in manufacturing, facilities, research and development, and management. I have also served as director for two joint venture companies with overseas companies during my time with Krosaki Harima and have constantly continued to work in the field of technology and intend to fulfill my role as member of the Audit and Supervisory Committee at Yaskawa with a focus on the technical aspects. While the word auditing generates an image that tends to have an element of being defensive in looking inward, I would like to perform my duty as a committee member who is on the offensive and will further accelerate Yaskawa's growth and contribute in improving its corporate value.