

Social and Relationship Capital

No. of visitors to
YASKAWA Innovation
Center exceeded
100 thousand

*June, 2018

Total no. of
institutional investors
met in a year
**Approx.
1,300**

No. of companies
responded to the
conflict minerals
questionnaire
556



Relations with Local Community and Society

We promote activities to coexist with local communities, which is set forth in our long-term business plan “Vision 2025” for maintaining and enhancing good relationship with our stakeholders.

Activities Leveraging Robot Village

Since Yaskawa opened Robot Village at its head office in Kitakyushu on June 1, 2015 as part of its 100th anniversary project, the YASKAWA Innovation Center, an integral facility at the village, has welcomed more than 100,000 visitors as of June 2018. Embracing our hopes to nurture children who are our future and to express our appreciation to the people of the community who have supported us since our establishment, our guides and every one of our staff members aim to deliver the appeals of Yaskawa to the visitors to deepen their understanding for our company.

We will continue to use Robot Village as a contact point that ties Yaskawa with the community by continuing to vigorously take part in local events, offer inspection tours to customers from both Japan and abroad, and as an avenue for communication between industry, government, and academia for our group to co-exist with the community.



At the ceremony to commemorate the 100,000th visitor to YASKAWA Innovation Center



Robot Village was utilized as one of the venues for a local festival held in May 2018

Activities in FY2017

We invited 79 students in their second year at Fukuoka Prefectural Tochiku High School, designated by the Ministry of Education, Culture, Sports, Science and Technology as a Super Science High School (SSH), to YASKAWA Innovation Center and held an experience-based event to boost their interest in science and technology. In addition to offering tours of our facilities, we also offer additional programs based on a desire to further nurture creativity and expressiveness among our visitors, which include preparatory facilitation training for group leaders and a lecture by the director of the Innovation Center on “The World in the Near Future based on AI and Deep Learning” as we continue to make efforts to offer attractive opportunities to develop human resources.



Students working on brain-storming

And in October 2017, the Emperor and Empress of Japan visited YASKAWA Innovation Center and watched a Yaskawa employee walk using ReWalk, our wearable robotic exoskeleton that assists independent, controlled walking, and our biomedical robot for automated pharmacy orders. Yaskawa held an industry-government-academia meeting to exchange opinions on regional revitalization in January 2018 in our head office auditorium, attended by Hiroshi Kajiyama, Minister of State (Regional Revitalization, Regulatory Reform), Kozo Yamamoto, former Minister of State (Regional Revitalization, Regulatory Reform), Mayor of Kitakyushu, president of Kyushu Institute of Technology, president of University of Occupational and Environmental Health, Japan, vice president of University of Kitakyushu, and Yaskawa President Ogasawara and Director Nakayama.

Activities in India to Coexist with the Local Community

President & CEO at Yaskawa India Received Outstanding Contribution to Society Award

Akinori Urakawa, president & CEO at Yaskawa India received Outstanding Contribution to Society Award as one of 50 individuals who have made a contribution to India, not only for technical fields such as science and medicine but including a wide range of areas such as finance, economics, the arts (film), and sports, selected by Hindustan Group of Institutions, a private educational organization based in southern India that operates seven educational facilities including Hindustan University. As part of its corporate activities, Yaskawa India aggressively and in a broad manner offers welfare support and sports exchanges and also introduced Yaskawa's industrial robot MOTOMAN-MH5 to the engineering research department at Hindustan University in 2015 as part of the diverse support that it offers. Doctors and students conduct development on a daily basis on practical technology that merges basic technology for inspecting defects and deburring quality in casting that is useful for local industry and automation technology through the use of robots.

Social Contribution Activities at Yaskawa India

Supporting People with Disabilities

Yaskawa India took part in a WALK-A-THON that is an annual event in Bangalore. Held for the 13th time in 2017, the event is held for the purpose of deepening interest and understanding for people with disabilities to



A scene of the march

support them with local community as a whole, and this was the third time for Yaskawa India to take part. The march was held on the day under a sunny sky led by people in wheelchairs with participants following cheerful elementary school and junior high school students as they walked along the course from the stadium to the town.

Development of the Next Generation

As part of its CSR activities, Yaskawa India makes donations to various schools every year. The overall literacy rate in India is around 70 percent, and to improve this, the Indian government offers eight years of compulsory education to children between the ages of six and 14 and also engages in initiatives to improve existing facilities for the purpose of bettering its education standards. Yaskawa made a donation to a local government higher primary school. We visited the school on the day and donated a water storage tank, set up a stairway, and cleaned and repaired the school building besides offering our donation money, and were rewarded with a dance and song performance by many pupils. We hope that the facilitation of an environment will be more comfortable for the children of India to study, and will continue to make aggressive efforts in various activities to contribute to Indian society.



At the local government higher primary school

Relations with Customers

We aim for improving customer satisfaction through assuring safety and security with our customer first policy.

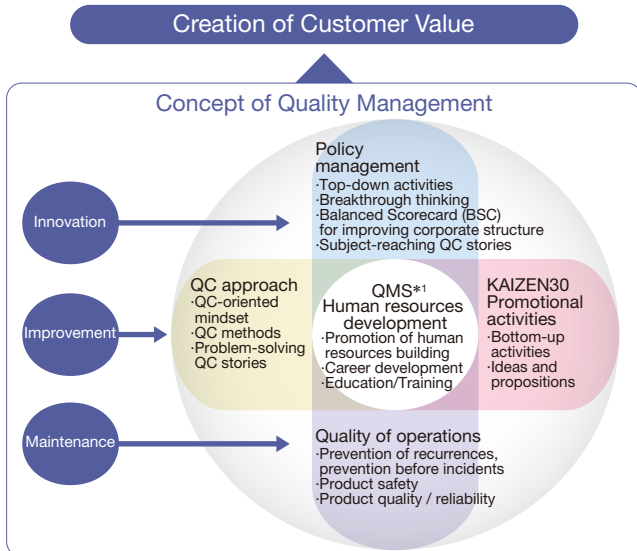
Initiatives for Delivering Satisfaction

The mainstay of our management philosophy is “to maintain a strong commitment to meet the needs of customers”. This tradition has continued since the startup period till today. The Yaskawa Group aims to achieve total customer satisfaction (CS) by offering not only the quality of products but also quality of service and creation of customers’ value.

Practicing Management Based on CS Principles

Yaskawa aims for the improvement of customers’ value through management based on CS principles. This is an initiative to improve the quality of our work and productivity to create value for our customers. We are also holding interactive gatherings between executives and employees, among other such measures, to disseminate the CS philosophy.

Quality Management Practices Based on CS Principles



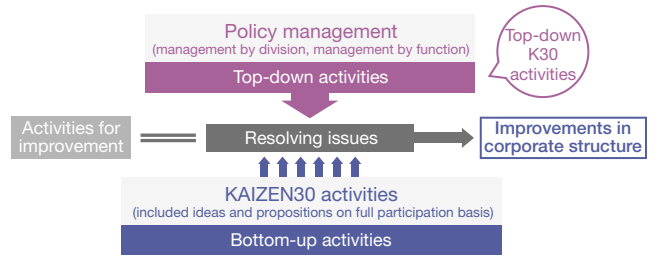
*1 : QMS=Quality Management System

Initiatives to Improve the Overall Quality of Our Work

K30 activities (K: koritsu, or efficiency; 30: 30 percent improvement) are activities for improving the productivity of each individual.

We value correlations between key goal indicators (KGIs) and key performance indicators (KPIs) and deploy our top-down K30 activities as we aim for improved productivity from the management standpoint. Additionally, we practice our QC stories through our improvement activities under the slogan, “full participation for greater than 30 percent improvements in work efficiency” in our KAIZEN30 initiatives to boost our capacity to resolve issues and challenges that will tie in to an improvement in our corporate structure.

Initiatives to Improve the Overall Quality of Our Work



Penetration of Quality Improvement Capability

We fulfill our social responsibility as we develop a culture and capacity for improvement of quality of our work. In particular, we aim to increase our capacity for quality based on a foundation of KAIZEN activities and stronger human resources development, and to build quality into our products through an emphasis on processes.



Initiatives to Ensure Safe Use

Product Safety

In order to make sure that our customers use our products with confidence, the most important thing for us is product safety assurance from the very beginning. This is why at the product development stage we perform risk assessments to make sure that products are sufficiently safe, make our products compliant with international standards, verify them and hold safety inspection meetings, among other initiatives.

We also respond immediately and appropriately in case of trouble and have a global emergency communications network in place.

We also do internal training and provide activities to raise awareness of product liability. Our Buds of PL initiative* is a continuous activity that aims to bring an awareness of problems to internal and external safety information and constantly pursue high targets.

* : Buds of PL (product liability) is a program for fostering a culture that uses near-accidents, etc., to nip product liability problems in the bud (i.e., develop a product safety culture) and thereby fulfill our product responsibility; it is also a general name for all safety improvement initiatives.

Activities to Build in Product Quality and Reliability

The causes for market defects in products are largely broken down to two factors: issues involving the design and issues involving parts, and are said to comprise 60 to 80 percent of all causes. In order to build in quality and reliability from the start of its development, Yaskawa sets up environmental resistance levels for each product to meet market/usage conditions at planning stage, and makes efforts to design and evaluate its products by leveraging tools and methods such as simulations, quality engineering, and HALT. Additionally, it pursues appropriate quality in the parts and materials.



Activities to look for appropriate quality in adopted parts

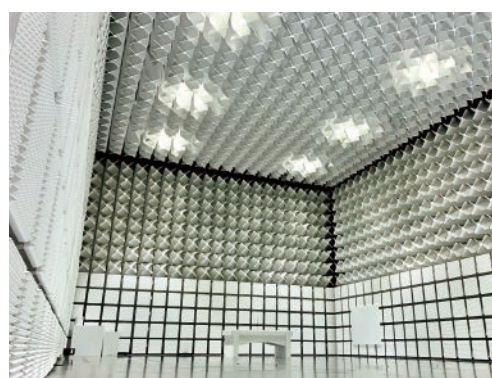
Quality Improvement

Defects information from customers is collected and analyzed online by our company-wide Field Quality Information System and reflected in quality improvement initiatives. In particular, this process leads to cross-organizational deployment to prevent recurrence and initiatives to prevent problems during new product development.

Strengthened Measures to Meet International Safety Standards

As various electric and electronic devices are used all over the world, and manufacturers are demanded to ensure EMC* scale for their products not to create electromagnetic noise that will impact peripheral devices, systems, and the social environment on a global scale. Setting up an EMC testing facility at its head office in FY2017 and receiving a certification from TÜV Rheinland as the designated laboratory, Yaskawa has become possible to conduct everything from tests to obtaining certification in a consistent manner. This has enabled us to not only reduce the development time but also supply safer, securer mechatronics products to our customers in a prompt manner.

* EMC: Abbreviation for Electromagnetic Compatibility: refers to the absence of negative effects on the movements of other devices or systems caused by electromagnetic interference released by the motion of electric or electronic devices, or the lack of impact received by electromagnetic interference from other devices or systems to procure proper functionality in a continuous manner.



Interior of EMC testing facility

Relations with Suppliers

At Yaskawa, in order to procure goods which meet our requirements for quality, costs, and delivery times, we have mutual trust and cooperation with our partners and make efforts to maintain and improve these relationships so that each of us may continue to thrive and prosper.

Basic policy for procurement

Fair Trade

We practice fair trade founded on a basic trade contract to ensure that both Yaskawa and our suppliers fulfill our respective social responsibility for compliance and environmental protection. We select new suppliers based on an evaluation of the quality, price, delivery, management information and environmental requirements.

Open Door Policy

We provide equal and fair trading opportunities based on free competition in transactions by opening widely the door to the world in search of new suppliers.

CSR-Based Procurement

Through fair trade that complies with corporate social responsibility (CSR) and the law, we work to build partnerships with our suppliers.

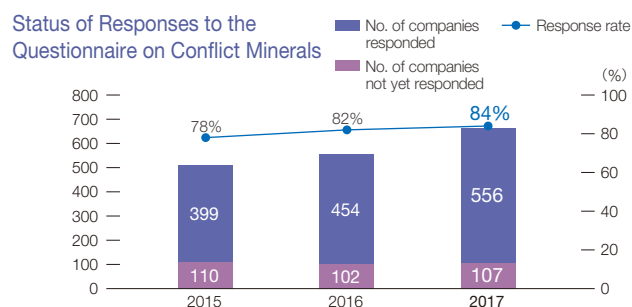
Green Procurement

We formulated the Green Procurement Guidelines for the purpose of procuring materials with low environmental impact, and we work with our suppliers to conserve the global environment. We also closely control hazardous substances following our environmental management system.

Initiatives for Handling Conflict Minerals Provision

Some minerals (tin, tantalum, tungsten, and gold) which are produced by the Democratic Republic of the Congo and its neighboring countries are called Conflict Minerals due to concern that they may be financing armed forces that conduct illegal acts such as human rights violations and acts of violence. Our "Guidelines on the provision for conflict minerals" were established in 2013 to make clear Yaskawa's policies for handling Conflict Minerals. Through these efforts, the company is making sincere efforts on the issue of human rights in the area around Congo which will tie in to eliminating the inflow of funds to armed forces.

In order to realize its principle of management to contribute to the well-being of humankind, Yaskawa, together with its partners, will take concrete steps through its business to respond to the issue of Conflict Minerals Provision.



Both the scope of the questionnaire and the response rate have been improving since the survey began. According to the survey, the use of raw materials that will finance armed forces has not been confirmed to date. In the event that raw materials are discovered to be financing armed forces, Yaskawa's policy is to make a prompt replacement.

Status of Activities

FY2013	FY2014	FY2015	FY2016	FY2017
● Development of work structure		● Development of survey system		
● Compilation of guidelines				
● Compilation of internal rules				
● Held briefing for partners (continue to request cooperation at supplier meetings held every six months)				
● Commencement of survey				

Relations with Shareholders and Investors

Yaskawa aims to be a corporation that is trusted by shareholders, investors, and all its other stakeholders. To that end, we are working to realize management with a high degree of transparency by means of prompt, appropriate, and fair information disclosure.

Basic Rationale on Information Disclosure

Our company clearly indicates the following policy in "Guidance on Yaskawa Group Code of Conduct":

- To protect not only its own information but also important information of other companies and personal information, and to discourage and tolerate no insider trading
- To comply with company information disclosure rules and strive to disclose correct information in a timely manner

Based on the above, Yaskawa discloses information while adhering to laws and regulations including the Financial Instruments and Exchange Act and regulations pertaining to timely disclosure as stipulated by stock markets where company stocks are listed. It also proactively discloses information for which this is not applicable but is believed to have practical impact on investment decisions as well as information believed to be useful for deepening understanding on our company in the interest of fairness and appropriateness.

Investor Relations Activities in FY2017

The Yaskawa Group positions IR activities as two-way communication with shareholders and investors. We provide the opinions of shareholders, investors, and other stakeholders as feedback to management. In this way, we strive to improve our corporate value.

In FY2017, we worked to exchange information with institutional investors within and outside Japan by holding a total of roughly 420 meetings with approximately 1,300 investors. We also held briefings on financial results for institutional investors and securities analysts twice a year. And in order to promote understanding of Yaskawa, we provide opportunities to see our products and services up close through visits to our locations both within and outside Japan, plant tours,

and booth tours at exhibitions.

We visit financial institutions and participate in conferences organized by securities companies in Asia, U.S. and Europe in order to exchange information with global shareholders and investors who have less opportunities to communicate with on a regular basis. We also accept telephone interviews.

In order to create opportunities to communicate with individual investors, we participated in two investment fairs in FY2017. Also for the enhancement of fair disclosure, we are making continuous improvements in the information disclosure using our website.



A plant tour in Shenyang, China