



1 The development of the Yaskawa Group will lead to the achievement of SDGs

Tsuda As a social issue to be tackled by the international community, the "Sustainable Development Goals (SDGs)" was adopted at the UN General Assembly in September 2015, and the Paris Agreement adopted at COP21 in December of the same year made the trend toward decarbonization a global trend. In order for companies to continue to exist and develop in the future, it is essential to contribute to solving social issues through business. How should Yaskawa Group view this global trend? What opportunities do you see?

Akita Companies exist primarily to contribute to the development of humankind and improve living standards by constantly innovating and adding value. The adoption of the SDGs by the UN General Assembly is a good thing, it

should be welcomed, and I personally am very pleased. If all the companies in the world work together, the world will surely be better. Yaskawa is a company that impatiently puts into practice what is stated in its management principle. It is implementing SDGs even before they were adopted. In other words, the better Yaskawa's performance is, the more it implements SDGs. This is because its products contribute to the promotion of energy conservation, the expansion of the use of renewable energy, the elimination of labor shortages and 3D labor, and the improvement of productivity and quality that contribute to the reform of working styles. I would like Yaskawa to contribute to the development of humankind by developing the most advanced technologies with confidence and further increasing sales.

Tsuda Mr. Sakane is a former employee of Nippon Steel Corporation. The Japanese steel industry has a long-term strategy to achieve 0 CO₂ emissions by 2100. In addition to the steel industry, it is expected that the pace of innovation toward decarbonization will accelerate. How should Yaskawa Group contribute to this trend?

Sakane The steel industry uses about 500 kg of coal to produce 1 ton of iron. It is the largest industry that generates 40% of CO₂ in all industries. The Japan Iron and Steel Federation (JISF) is working on COURSE50, a new steel making process using hydrogen, with the aim of decarbonizing. This is in response to Prime Minister Abe's





proposal "Cool Earth 50" in 2007 to reduce CO₂ emissions by 50% by 2050. On the other hand, coal used in steel is converted into tar, a raw material for chemical products, and combustible gases such as methane and CO, which are used as energy for society. Therefore, in order to realize decarbonization of steel, it is essential to improve energy efficiency in various industries and society as a whole. Yaskawa's proposal for energy-saving equipment and systems is needed.

2 Robots save people

Tsuda On the other hand, there is a deep-rooted negative view in Europe and the United States that new technologies deprive people of their jobs, although this is not a popular topic in Japan. There's been a movement to levy special taxes on robots that take away human jobs to cover the cost of retraining humans, and a bill to levy taxes on robots was submitted to the European Parliament, but was rejected two years ago.

One of the reasons Yaskawa developed robots was to improve the 3D workplace in the company. In this sense, only about 3 million industrial robots are used in the world, which is still less than 1% of our goal of freeing people from a 3D workplace. As the international Federation of Robotics, which I chair, it is conducting awareness-raising activities on robots as a tool to improve jobs which you don't want your children to do.

Mr. Akita, how do you think our Group should respond?

Akita Think about the Industrial Revolution. Innovation has increased efficiency and improved people's living standards. As lifestyles changed, so did the way people worked. It is the wisdom of humankind to change the way people work. In this context, we should not consider "A robot taking a job." but "How do we use robots?" This will create new business opportunities and change the roles of people. History tells us that those who built new business models have contributed to the development of humankind. Yaskawa is in a position to promote the effective use of robots, to create rewarding workplaces, and to set an example for this initiative. If you can't do that, you have to realize that you are not qualified to sell robots.

Tsuda Mr. Sakane and Ms. Sasaki, what do you think about "Symbiosis between humans and robots" which contributes to the welfare well-being of humankind?

Sakane I have read a book based on interviews with various workers in America. What comments from the workers suggest is that people's desire is to help others,

and not to do just simple tasks, but to leave something meaningful. Unfortunately, occupational accidents have not disappeared. The utilization of robots is of course important in terms of personnel shortages and improving work efficiency, but from the perspective of human dignity, it is also important to be able to shift people to higher value-added work by substituting dangerous and simple work with robots.

Sasaki I believe that it is unfounded concerns that robots deprive people of their jobs and that robots increase inequality. Of course, there are a lot of jobs that can and should be replaced with robots, and jobs that are more productive this way. And then I think we should shift to more value-added jobs that only human could do. As for the field of utilization of robots, "Mahoro*" is a good example. I expect Yaskawa, a leading company that is engaged in advanced initiatives in the medical and welfare fields as well as the environmental field, to propose and promote such initiatives. There will be a wide range of fields in which robots can be used in the manufacturing industry to enable people to concentrate on higher-value-added jobs. I look forward to Yaskawa's continued leadership in this area.

* Robots that automate tedious tasks related to experiments, which are essential for biotechnological development and research

3 Thoughts for realizing Vision 2025

Tsuda In June this year, we revised our long-term business plan, Vision 2025 which we had first formulated in 2015. Our most important management goal is to achieve operating income of 100 billion yen, which is based on our desire to firmly recognize the value we provide to our customers and to continue to evolve.

Our business strategy is to contribute to the sustainable development of society through factory automation/ optimization and the application of mechatronics.

Mr. Akita, what is your view on the direction of this vision?

Akita The first prerequisite for a company to survive and contribute to society is to generate profits. The direction of our vision is impeccable and consistent with our mission.

However, once the vision is clear, the strategy, organization, operations, and KPIs that accompany it must be laid out in a comprehensive manner. The most important thing is to create a system that can quantify and manage the degree of target achievement. We, outside directors, have a responsibility to closely monitor this. In this regard, I would like you to be prepared to implement best practice that will serve as a model for other companies.



Tsuda It is clear that each of the measures in the Vision is in line with the SDGs. What does this mean for Yaskawa? What do we need in the future to prevent this from becoming a pie in the sky?

Sakane Investors value companies from the perspective of SDGs. Assuming that the results are followed every year, it is necessary to actively communicate specific results as part of CSR. In implementing the vision, it is necessary to develop it into a specific business plan and an annual plan, and to establish a system for periodically monitoring progress. I also believe that corporate value can be enhanced not only by internal activities, but also by large-scale activities such as corporate partnerships and industry-academia partnerships, which are conducted with the external parties.

On the other hand, given the breadth of themes, you may need to select and focus in some cases to make your limited resources work effectively.

Tsuda Under the slogan "Empower diverse human resources to challenge into the future" in the Vision 2025, we are working to create a corporate culture that makes the best use of the strengths of diverse human resources. However, the ratio of women in managerial positions in Our Company (0.8%) is low compared to the industry average (3.3%). Ms. Sasaki is Yaskawa's first female member of the

Board of Directors. How do you view this?

Sasaki There is a positive correlation between high organizational diversity and high productivity, and various data show that companies with high managerial diversity have higher ROE and growth rates. The meaning of diversity is not limited to gender, but we believe that promoting the active participation of women as the top priority is essential to the promotion of corporate growth strategies. In that sense, the current situation in Yaskawa has a lot of room for growth. To promote diversity, it is essential to clarify its mission and to exercise leadership of the top management. Based on my experience in promoting diversity management at several companies, I would like to strongly support Yaskawa in this regard.

Tsuda About half of Our Company's employees are expected to be over the age of 50 in 2025. As the youngest outside director, Mr. Tsukamoto, what do you think is the ideal form of the organization to enable all employees, regardless of age, to demonstrate their strengths?

Tsukamoto I think it is important to be an organization that encourages challenges and, conversely, allows failures. Young people, in particular, tend to be concerned about their boss's eyes, so they tend to concentrate on doing their work safely and within their assigned limits. However, in order to meet the needs of our customers, we sometimes need to take on bold challenges. I think the organization that accepts it, and the organization that considers doing nothing as a risk is a strong organization. As a prerequisite, we need an open organization and environment where we can thoroughly discuss what is best for customers and our company regardless of position.

4 Building a corporate culture for sustainability

Tsuda Lastly, what are your thoughts on management issues that will enable Yaskawa to continue to demonstrate its unique strengths and realize sustainable value creation? Mr. Tsukamoto, I would also like to ask you about your aspirations for working at Yaskawa.

Akita Yaskawa is a global company with customers, business partners, investors and other stakeholders around the world. In addition, we are conducting business operations in a world situation where not only economic aspects but also security aspects are involved in a complex manner. Even in such an environment, we must not forget that human beings are human beings, and must contribute to the world without undermining our corporate culture that always respects others. Management decisions by

balancing opportunities and risks are tested in order to realize true global management by enhancing the quality of our financial base and advancing our regional and product matrix management. A company like Yaskawa, with honesty, integrity, and world-class technological prowess, is an asset to humankind and must never retreat. All of us, including outside directors and top management, must work together to reaffirm our readiness. At the same time, from the perspective of sustainability, we need to make preparations, such as deciding what to focus on in the worst times of the business environment, such as the great recession.

Sakane Yaskawa is not in a position to be chased by social change; rather, it is in a position to bring about social change and to lead society. We believe that it is necessary to always pursue the advancement of technology and take a step ahead in order to maintain our pioneering spirit. I recognize that the current challenge is how to predict and invent the 5G world.

Sasaki I realized anew that Yaskawa has done businesses related to SDGs for a long time. That is why its social contribution activities, such as labor saving, productivity improvement, and environmental contribution, etc. should be more actively communicated with evidence although employees may take them for granted. As a leading global company in Japan, there is room for improvement in governance, such as interactive development of local human resources and promotion to management level. I also look forward to seeing how the evolution of the management base brought about by digital management will progress.

Tsakamoto As a lawyer, I handle corporate law and corporate governance as one of my main duties. With regard to governance reform, I understand the efforts and



concerns of various listed companies as well as what institutional investors are looking for. In light of the recent trend of governance reform, I will closely monitor the Group whether a governance system is in place that is both appropriate for Yaskawa and acceptable to institutional investors.

Also, I do not have any experience in managing a company, but because of that, from the same perspective as general shareholders, I will not hesitate to point out concerns and insufficient explanations regarding what executives are trying to do and the direction they are heading, and will participate in the discussion so that the company can go in a better direction from both offensive and defensive perspectives.

Tsuda The Yaskawa Group has about 16,000 employees. The SDGs are a very good tool for shaping an organization's value criteria for the future — a corporate culture — in a positive way. We, the top management, need to encourage each and every employee to be aware of their role as good members of a society. Based on this, we aim to become an organization that can further contribute to the sustainable development of society through mutual influence with the businesses.

Yaskawa has set forth a direction in which it will pursue its business activities from the perspective of solving customers' management issues and creating customer value. At this point, the i³-Mechatronics approach will enable us to implement data-based management and optimize each cell in the production line for factory management, not only for customers but also within Yaskawa. We will continue to pursue our ambitious dream of realizing flexible manufacturing and eliminating the 3D workplace, which was conceived in "unmanned factory" in 1970.



Directors

(As of May 28, 2019)



Junji Tsuda (March 15, 1951)

Representative Director, Chairman of the Board

Number of shares of the Company held: 437 hundred

March 1976	Joined the Company
June 2005	Director, General Manager, Drives Div., Motion Control Div.
June 2009	Managing Director, General Manager, Robotics Div.
March 2010	President (Representative Director)
March 2013	Representative Director, Chairman of the Board, President
March 2016	Representative Director, Chairman of the Board (incumbent)

[Significant concurrent position]
Outside Director, TOTO LTD.



Hiroshi Ogasawara (September 19, 1955)

Representative Director, President

Number of shares of the Company held: 264 hundred

March 1979	Joined the Company
June 2006	Director
March 2007	Director, General Manager, Drives Div.
March 2011	Director, General Manager, Motion Control Div.
June 2013	Director, Corporate Senior Vice President
March 2014	Director, Corporate Senior Vice President, General Manager, Technology & Development Div.
March 2015	Representative Director, Corporate Executive Vice President, General Manager, Technology & Development Div.
March 2016	Representative Director, President, General Manager, Technology & Development Div.
March 2017	Representative Director, President, In charge of Human Resources Development, Manager, Diversity Management Div.
March 2018	Representative Director, President, In charge of Human Resources Development, Manager, ICT Strategy Div. (incumbent)



Shuji Murakami (April 21, 1959)

Representative Director, Corporate Executive Vice President

Number of shares of the Company held: 346 hundred

March 1982	Joined the Company
June 2008	Director, Manager, Corporate Planning Div.
June 2012	Director, Corporate Vice President
March 2014	Director, Corporate Senior Vice President
March 2016	Representative Director, Corporate Executive Vice President
March 2017	Representative Director, Corporate Executive Vice President, In charge of CSR & Compliance, In charge of Administration, General Manager, Corporate Planning Div. (incumbent)



Yoshikatsu Minami (October 31, 1959)

Director, Corporate Senior Vice President

Number of shares of the Company held: 222 hundred

December 1983	Joined the Company
June 2008	Director
June 2012	Corporate Vice President, General Manager, Robotics Div.
June 2015	Director, Corporate Senior Vice President
March 2017	Director, Corporate Senior Vice President, In charge of ICT strategy, General Manager, Production Management & Operations Div., General Manager, Export Administration Div.
March 2018	Director, Corporate Senior Vice President, General Manager, Production Management & Operations Div., General Manager, Export Administration Div. (incumbent)



Koichi Takamiya (July 12, 1960)

Director, Corporate Senior Vice President

Number of shares of the Company held: 161 hundred

March 1983	Joined the Company
June 2010	Director
March 2011	Director, Chairman, YASKAWA EUROPE GmbH (incumbent)
June 2012	Corporate Vice President
March 2015	Corporate Vice President, General Manager, Corporate Marketing Div.
June 2016	Director, Corporate Senior Vice President
March 2017	Director, Corporate Senior Vice President, General Manager, Corporate Marketing Div., General Manager, Tokyo Office
March 2018	Director, Corporate Senior Vice President, General Manager, Sales Div. (incumbent)
September 2018	Director, Chairman, YASKAWA ELECTRIC KOREA CORPORATION (incumbent)

[Significant concurrent positions]
Chairman, Yaskawa Electric Taiwan Corporation
Chairman, YASKAWA TSUSHO (SHANGHAI) CO., LTD.



Masahiro Ogawa (August 25, 1964)

Director, Corporate Vice President

Number of shares of the Company held: 61 hundred

March 1987	Joined the Company
December 2010	Chairman, YASKAWA AMERICA, Inc.
June 2012	Corporate Vice President
March 2016	Corporate Vice President, General Manager, Robotics Div.
April 2018	President & CEO, Robotic Biology Institute Inc. (incumbent)
March 2019	Corporate Vice President, General Manager, Robotics Div., General Manager, Control Technology Div., Robotics Div.
May 2019	Director, Corporate Vice President, General Manager, Robotics Div., General Manager, Control Technology Div., Robotics Div. (incumbent)

[Significant concurrent positions]
Chairman, YASKAWA SHOU GANG ROBOT CO., LTD.
President & CEO, Robotic Biology Institute Inc.

Note: The date of birth of each director is in brackets next to his/her name.



Yuji Nakayama (May 17, 1960)

Director, Member of the Audit and Supervisory Committee (full-time)

Number of shares of the Company held: 209 hundred

March 1983	Joined the Company
June 2010	Director, General Manager, Accounting Div.
June 2012	Corporate Vice President
June 2013	Director, Corporate Vice President
March 2017	Director, Corporate Vice President, General Manager, Human Resources & General Affairs Div.
March 2019	Director, Corporate Vice President, In charge of Human Resources & General Affairs Div. and audit
May 2019	Director, Member of the Audit and Supervisory Committee (full-time, incumbent)



Koichi Tsukahata (September 22, 1960)

Director, Member of the Audit and Supervisory Committee (full-time)

Number of shares of the Company held: 72 hundred

March 1985	Joined the Company
March 2009	Motion Control Div., General Manager, Yahata Factory
June 2010	Deputy General Manager, Motion Control Div.
March 2013	Trustee, Director, President, YASKAWA ELECTRIC (SHENYANG) CO., LTD.
March 2018	Trustee, In charge of audit
May 2018	Director, Member of the Audit and Supervisory Committee (full-time, incumbent)



Independent

Yoshiki Akita (February 12, 1952)

Outside Director, Member of the Audit and Supervisory Committee

Number of shares of the Company held: 117 hundred

September 1984	Registered as a Certified Public Accountant
March 2006	Outside Director, Bell-Park Co., Ltd. (incumbent)
September 2007	Representative Director and Chairman and Executive Director, Layers Consulting Co., Ltd. (incumbent)
June 2012	Outside Director of the Company
June 2015	Outside Director, Member of the Audit and Supervisory Committee (incumbent)

[Significant concurrent positions]
Representative Director and Chairman and Executive Director, Layers Consulting Co., Ltd.
Outside Director, Bell-Park Co., Ltd.



Independent

Junichi Sakane (August 29, 1955)

Outside Director, Member of the Audit and Supervisory Committee

Number of shares of the Company held: 0

April 1980	Joined Nippon Steel Corporation (currently NIPPON STEEL CORPORATION)
February 2004	Joined KROSAKI HARIMA CORPORATION, General Manager, Kimitsu Branch
June 2008	Corporate Officer, General Manager, Kimitsu Branch, KROSAKI HARIMA CORPORATION
June 2015	Director, Managing Corporate Officer, KROSAKI HARIMA CORPORATION
June 2017	Outside Director, Member of the Audit and Supervisory Committee of the Company (incumbent)
June 2018	Director, Managing Corporate Officer, In charge of Ceramics Business Division, In charge of Research & Development Division, General Manager, Technology Management Division, In charge of Safety, Health, Environment & Disaster Preparedness, KROSAKI HARIMA CORPORATION
April 2019	Director, KROSAKI HARIMA CORPORATION (incumbent) President and Representative Director, Shin-Nippon Thermal Ceramics Corporation (incumbent)

[Significant concurrent position]
President and Representative Director, Shin-Nippon Thermal Ceramics Corporation



Independent

Junko Sasaki (January 12, 1960)

Outside Director, Member of the Audit and Supervisory Committee

Number of shares of the Company held: 1 hundred

April 1983	Joined IBM Japan Ltd
January 2007	Executive Officer, APAC & Japan Technical Sales Support, IBM Japan Ltd
January 2011	Joined Microsoft Japan Co., Ltd. Executive, General Manager, Customer Service & Support
December 2016	Joined Sartorius Japan K.K. President & CEO
May 2018	Outside Director, Member of the Audit and Supervisory Committee of the Company (incumbent)



Independent

Hideo Tsukamoto (July 25, 1980)

Outside Director, Member of the Audit and Supervisory Committee

Number of shares of the Company held: 0

April 2003	Entered the Legal Training and Research Institute, Supreme Court of Japan
October 2004	Graduated from the Legal Training and Research Institute, Supreme Court of Japan (57th Term), Registered as an Attorney (member of Daini Tokyo Bar Association), Joined Anderson Mori Law Office (currently Anderson Mori & Tomotsune LPC)
November 2010	Worked at Civil Affairs Bureau, the Ministry of Justice (in charge of planning and formulation of Revised Companies Act)
January 2013	Partner, Anderson Mori & Tomotsune LPC (incumbent)
April 2014	Part-time lecturer, Faculty of Law, The University of Tokyo
January 2016	Expert Member, Case Study Committee, The Japan Audit & Supervisory Board Members Association (incumbent)
December 2017	Member (2nd term), Corporate Governance System (CGS) Workshop, the Ministry of Economy, Trade and Industry (incumbent)
June 2018	Outside Audit & Supervisory Board Member, JA MITSUI LEASING, LTD. (incumbent)
May 2019	Outside Director, Member of the Audit and Supervisory Committee of the Company (incumbent)

[Significant concurrent positions]
Partner, Anderson Mori & Tomotsune LPC
Outside Audit & Supervisory Board Member, JA MITSUI LEASING, LTD.

Positioning of Corporate Governance in Management

At Yaskawa Group, we recognize the importance of corporate ethics based on legal compliance. At the same time, we consider raising corporate value to be an important management issue by speeding up management decision-making and improving management soundness in response to the changing social and economic environment. As part of our efforts to resolve these issues, we are working

to enhance our corporate governance by building good relationships with our stakeholders, including shareholders and customers, as well as with our business partners, local communities, and employees, and by further strengthening our institutions, including the General Meeting of Shareholders, the Board of Directors, the Audit and Supervisory Committee, and accounting auditors.

KPIs for Mid-Term Business Plan Targets and Roadmap toward

Challenge 25 Targets	KPI (FY2021)	FY2018 Results
<p>Establish a "defensive" governance system through measures against company compliance and internal control</p> <hr/> <p>Strengthen initiatives for an "offensive" governance system using Corporate Governance Code</p>	<p>Maintain zero cartel and other serious violations of laws and regulations</p>	<p>Number of serious violations: zero</p>
	<p>Awareness of the reporting system for violations of laws and regulations</p> <p>Improvement by 20% (Measure awareness in employee questionnaire)</p>	<p>Prepared for measuring the current status of awareness (Employee questionnaire scheduled in FY2019)</p>
	<p>Improvement of level evaluation scores for security measures</p> <p>+ 10% or more (Measure evaluation scores for each IPA-compliant security index)</p>	<ul style="list-style-type: none"> • Qualitative Assessment: Improved • Prepared for the implementation of quantitative assessment
	<p>Percentage of domestic offices that meet in-house standards in the checklists for measures against major earthquakes, heavy rains, and river flooding</p> <p>100%</p>	<p>Percentage of domestic offices that meet in-house standards in the checklists for measures against major earthquakes, heavy rains, and river flooding</p> <p>78% (Seven of the nine domestic sites achieved the standards)</p>
	<p>Continue implementation of Board of Directors' evaluation once a year</p>	<p>Implementation of Board of Directors effectiveness review by a third party (August 2018)</p>

Approach to "Establish a 'defensive' governance system through measures against company compliance and internal control" and "Strengthen initiatives for an 'offensive' governance system using Corporate Governance Code"

- In order to maintain and maintain zero cartel and other serious violations of laws and regulations, we will continue to provide education on related laws and regulations and general compliance within the Group, including affiliated companies, by utilizing the "Yaskawa Compliance Manual (Revised October 2017 First Edition)" and the "Cartel Prevention Guidelines (Established on February 28, 2018)".
- In order to raise awareness of the reporting system for violations of laws and regulations within the Group, the Compliance Promotion Department has been newly appointed and experts familiar with operations and applicable laws and regulations in each department have been appointed as "person in charge of laws". In addition, we will continue to

send messages to the intranet through discussions and training during the Compliance Promotion Month.

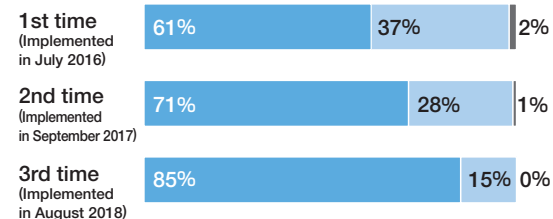
- In order to improve the scores of security measures, we are developing an environment to conduct quantitative evaluations of a total of 26 items, including e-mail security, authentication, and data protection. As an example of a concrete measure, we are moving forward with the so-called thin client, in which data is not placed on PC terminals, so that data is placed in a secure data center environment. By doing so, we aim to reduce the risk of information leakage in the event of a loss of a PC and avoid fundamental security risks.
- In order to achieve the standards of the checklists for major earthquakes, torrential rains, and river flooding in each region in Japan, we regularly hold company-wide meetings of the Crisis Management Committee and the Disaster Countermeasures Committee, and are taking measures to minimize damage from natural disasters.

- Yaskawa has been conducting an annual Board of Directors Effectiveness Review since FY2016. An independent review in 2018 found that the effectiveness of the board of directors is generally ensured at present. Regarding the specific results of the questionnaire, 85% of the items necessary to enhance the effectiveness of the Board of Directors are evaluated as "done" (Up 14 points from the previous survey), 15% are "not done" (Down 13 points from the previous survey), and 0% are "Immediate improvement required" (1 point decrease from the previous survey), showing a steady improvement overall. At the same time, a variety of issues were highlighted, including the deepening of discussions from a medium- to long-term perspective to further improve effectiveness. In order to resolve these issues, we will further improve the effectiveness of the Board of Directors by taking measures based on the PDCA cycle.
- The Board of Directors of Yaskawa shall be composed of personnel with advanced knowledge and experience in various fields related to corporate management. We also

Questionnaire on Board of Directors' Evaluation

Items necessary to enhance the effectiveness of the Board of Directors

■ Done ■ Not done ■ Immediate improvement required



Scope: All directors, including Audit and Supervisory Committee Members

No. of questions: 28

define the areas of particular importance in corporate management as follows and expect each director to fully demonstrate his or her capabilities.

Director (Age)	Field of capability that Yaskawa expect each director to demonstrate							● Male ○ Female
	Corporate management strategy	Corporate governance	Finance Accounting	Legal	Sales Marketing	Manufacturing R & D and IT	Global	
Junji Tsuda (68)	●	●			●		●	●
Hiroshi Ogasawara (63)	●	●	●		●	●	●	●
Shuji Murakami (60)	●	●	●	●			●	●
Yoshikatsu Minami (59)	●	●				●	●	●
Koichi Takamiya (58)	●	●			●		●	●
Masahiro Ogawa (54)	●	●			●	●	●	●
Yuji Nakayama (59) Member of the Audit and Supervisory Committee	●	●	●				●	●
Koichi Tsukahata (58) Member of the Audit and Supervisory Committee	●	●					●	●
Yoshiki Akita (67) Independent Outside Director and Member of the Audit and Supervisory Committee	●	●	●	●			●	●
Junichi Sakane (63) Independent Outside Director and Member of the Audit and Supervisory Committee	●	●				●	●	●
Junko Sasaki (59) Independent Outside Director and Member of the Audit and Supervisory Committee	●	●			●	●	●	○
Hideo Tsukamoto (38) Independent Outside Director and Member of the Audit and Supervisory Committee	●	●		●			●	●

* The above table does not represent the full knowledge of each director. Age is as of the 103rd general meeting of shareholders held on May 28, 2019.

- We are redesigning our mid- and long-term incentive system for directors (excluding directors who are Audit and Supervisory Committee Members, hereinafter the same) to achieve the targets of our new mid-term business plan Challenge 25. In June 2017, Yaskawa introduced a performance-based stock-based compensation system to motivate directors to achieve its medium- and long-term business plans and to ensure that directors share with shareholders not only the benefits of rising stock prices but

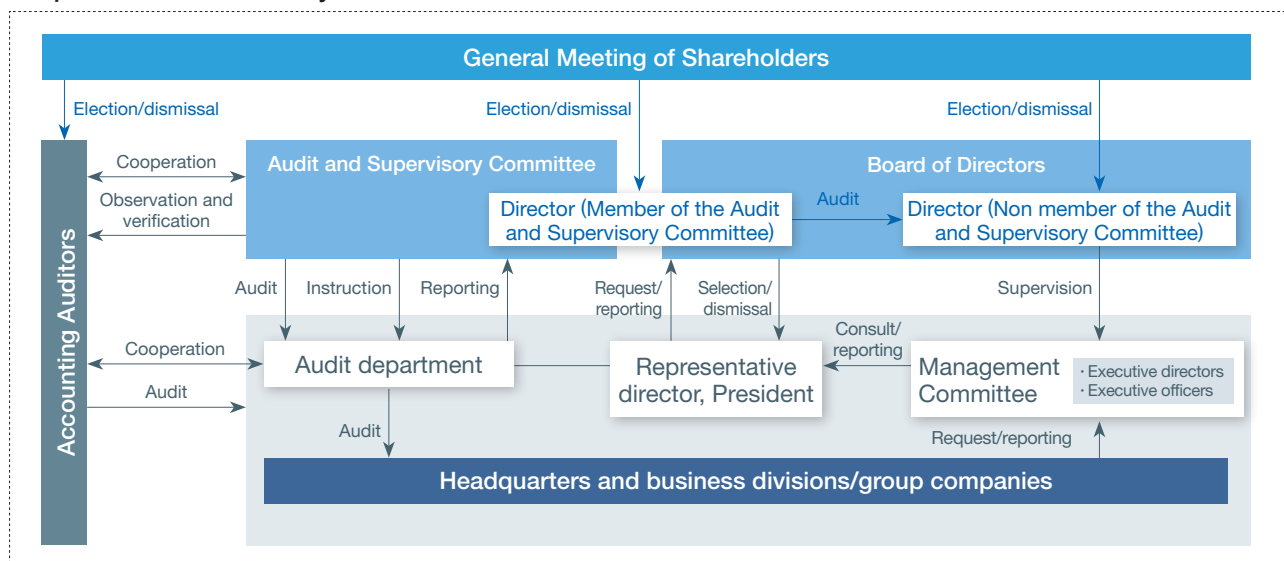
also the risks of falling stock prices. Stock compensation not linked to the Company's performance has been introduced for directors who are Audit and Supervisory Committee Members. At the 103rd Ordinary General Meeting of Shareholders (Held in May 2019), the maximum amount of performance-linked shares, etc. for directors was changed from 150 million yen to 250 million yen per year. This is intended to encourage directors to set high targets and to further encourage them to achieve their targets.

Corporate Governance System

In FY2015, the Company adopted a system of audit and supervisory committees to further strengthen the oversight of the Board of Directors and corporate governance, and to enhance the soundness and efficiency of management. Audit and Supervisory Committee Members, as directors, may exercise their voting rights at the Board of Directors meetings with respect to important matters of the Company, such as the election and dismissal of representative directors. In addition, Audit and Supervisory Committee

Members may examine the business execution of executive directors and express their opinions at the General Meeting of Shareholders regarding their election, dismissal, and remuneration. Yaskawa introduced an executive officer system in FY2012 to speed up business execution. In FY2019, we established the Corporate Governance Promotion Office directly under the president to strengthen the management of corporate governance.

Corporate Governance System



Board of Directors

Yaskawa's Board of Directors consists of a total of 12 directors with eight internal directors and four outside directors.

The Board of Directors makes decisions on important matters related to business and matters required by laws and regulations as well as directs the continuous monitoring of the execution of business. We have appointed Yoshiaki Akita, Junichi Sakane, Junko Sasaki and newly appointed Hideo Tsukamoto in 2019 as outside directors, and expect them observe the company from the standpoint of investors, customers and the general public. During deliberations at the meetings of the Board of Directors, outside directors after having fully grasped the current circumstances of the company based on information that is addressed or reported by internal control divisions, internal audit divisions, head office divisions and the Accounting Auditor, provide recommendations, etc., using their respective knowledge, thus serving as an appropriate supervisory function. During FY2018, 13 Board of Directors meetings were held, and the attendance rate of outside directors at each meeting was 100%.

Audit and Supervisory Committee

The Audit and Supervisory Committee is comprised of six members of the Board of Directors (including four outside directors who are Audit and Supervisory Committee

Members). They thoroughly understand information reported by the Company's internal control division, Head Office business divisions, and subsidiaries, and conducts audits based on actual inspections mainly done by full-time Audit and Supervisory Committee Members.

The Audit and Supervisory Committee Members attended meetings of the Board of Directors and other important meetings, received reports on the status of business execution, and supervised the decision-making process and content. We also cooperated with EY ShinNihon LLC, which has been appointed as an accounting auditor, to periodically exchange information and opinions, and received periodic internal audit reports from the Internal Audit Division. In FY2018, the Audit and Supervisory Committee met 14 times, and the attendance rate of outside directors who are Audit and Supervisory Committee members was 100%.

Management Committee

The Management Committee, which consists of executive directors and executive officers, reports on the status of implementation of management plans and deliberates on policies and measures for all businesses, and discusses important business decisions. As a general rule, these meetings are held once a month, and extraordinary when necessary to establish a flexible and prompt business execution system.

Committee Structure for Enhancement of Monitoring Function of the Board of Directors

Nomination Advisory Committee

The nomination advisory committee, an advisory body to the president, is in place for the purpose of securing transparency and fairness for the designation of candidate directors and the selection process for representative directors as well as titled officers, and for the purpose of securing means for outside directors, who are member of Audit and Supervisory Committee, to discuss matters based on ample information necessary for developing opinions, on agenda items such as the designation of officers. When proposals are being presented to the board of directors' meeting concerning such matters as the designation of officers, we report the proposal to the pertaining committee to fully reflect its opinions to the discussion.

Remuneration Advisory Committee

For remuneration of directors (excluding those who are members of the Audit and Supervisory Committee) and executive officers, we have established a Remuneration Advisory Committee that serves as an advisory body for the president for the purpose of ensuring justification and transparency, and to ensure that outside directors who are members of the Audit and Supervisory Committee are given sufficient information to form opinions about the remuneration for discussion. The committee discusses remuneration for executives based on calculations made through regulations, etc., for officer remuneration in response to inquiries from the president and other matters pertaining to officer remuneration from the standpoint of justification and answers to the president.

Structures for the Board of Directors, the Audit and Supervisory Committee, and Advisory Committees

Name	Position	Board of Directors	Audit and Supervisory Committee	Nomination Advisory Committee	Remuneration Advisory Committee
Junji Tsuda	Representative Director, Chairman of the Board	◎			
Hiroshi Ogasawara	Representative Director, President	○		◎	
Shuji Murakami	Representative Director, Corporate Executive Vice President	○			○
Yoshikatsu Minami	Director, Corporate Senior Vice President	○			
Koichi Takamiya	Director, Corporate Senior Vice President	○			
Masahiro Ogawa	Director, Corporate Vice President	○			
Yuji Nakayama	Director, Member of the Audit and Supervisory Committee	○	◎		
Koichi Tsukahata	Director, Member of the Audit and Supervisory Committee	○	○		
Yoshiki Akita	Outside Director, Member of the Audit and Supervisory Committee	○	○	○	◎
Junichi Sakane	Outside Director, Member of the Audit and Supervisory Committee	○	○	○	○
Junko Sasaki	Outside Director, Member of the Audit and Supervisory Committee	○	○	○	○
Hideo Tsukamoto	Outside Director, Member of the Audit and Supervisory Committee	○	○	○	○

◎ Chairman ○ Member

Remuneration Policy

For directors who are not Audit and Supervisory Committee Member (Hereinafter, "Director"), the compensation system consists of basic compensation, single year performance-linked compensation, and medium- to long-term stock compensation. For directors who are Audit and Supervisory Committee Members (Hereinafter, "Audit and Supervisory Committee Members"), the compensation system consists of basic compensation and stock compensation.

【Single year compensation】

Distribute the profits generated during the fiscal year to raise awareness of the need to improve profits throughout the company

【medium- to long-term compensation】

Raise awareness of raising corporate value over the medium- to long-term and share profits with stakeholders

The annual compensation limit for directors is the total (excluding employee wages) of (a) the fixed annual amount and (b) the profit-linked amount.

(a) Up to 430 million yen per annum

As directors (except for outside directors) are responsible for improving corporate value, a certain amount will be paid in accordance with their performance appraisals and titles. As for outside directors, as they are responsible for supervising the execution of duties, they will be paid a fixed sum as determined in advance.

(b) Less than 1.0% of consolidated net profit for the business year prior to election or reappointment at shareholders' meeting

In order to make clearer the association with consolidated performance, directors will receive remuneration at less than 1.0% of consolidated net profit for the previous business year, which will not be paid to outside directors.

In addition to the above, in FY2017, we introduced a stock based compensation plan for directors and executive officers as strengthened incentive for achieving its long-term business plan Vision 2025. Also, in addition to the conventional function of Audit and Supervisory Committee to oversee the execution of business, in order to make the achievement of our mid-term business plan and other business plans a more definite reality, we have introduced a stock-based compensation plan for members of Audit and Supervisory Committee in FY2017, considering that they are responsible for monitoring the execution of management. Furthermore, to eliminate impact on the supervising function over the execution of business, the number of stocks delivered to Audit and Supervisory Committee members under this plan does not change in parallel with company's performance.

Policy Pertaining to Cross-Held Shares

Yaskawa may hold cross-held shares for the purpose of strengthening ties or alliances with partner companies. As for individual cross-held shares, we make a regular review of our business strategy, business ties with our partners, and other such items from a medium- to long-term standpoint each year, as an agenda item for monitoring by the board of directors' meeting, and deliberate continued holdings as well as the number of stocks which are held.

Also, we exercise voting rights for cross-held shares after checking the necessity against the holding purposes, considering whether they contribute to improvements in our corporate value. Furthermore, we will hold dialogue with the issuing companies on the details of them as necessary.

Internal Control System

Based on the Companies Act and the Ordinance for Enforcement of the Companies Act, the Board of Directors set the "Systems to ensure that the execution of duties by directors complies with laws and regulations and the articles of incorporation, and other systems to ensure the appropriateness of the company's business" (so-called "Basic Policy of the Internal Control System"). The Company and its subsidiaries, which comprise the Yaskawa Group, respond appropriately to social demands and make continuous improvements.