OUR PHILOSOPHY

Toward the Realization of the Automation Revolution

Since its establishment in 1915, Yaskawa Electric has focused on the field of electric motors and their applications, and has always supported the cutting-edge industries of the age with its products and technologies. The aspirations of our founder, Daigoro Yasukawa, have been passed down and taken root through management principle in Yaskawa Group.

With management principle always at the center of our business activities, we will utilize the core technologies we have cultivated to contribute to solving our customers’ management issues and to solving environmental and other social issues.

Yaskawa Group Principle of Management

At Yaskawa our mission is to leverage the pursuit of our business to contribute to the advancement of society and the well-being of humankind.

We will realize our mission by executing these core tenets:

1. Develop and enhance world-class technologies, with an emphasis on our foundation of quality.
2. Boost management and operation efficiency and achieve the returns necessary for the successful growth of the company.
3. Satisfy the needs of the market and dedicate ourselves to serving our customers as a customer centric organization.
Contents

Business Model
3 Our Identity
5 History
7 Industry-Leading Global Network
9 Presence of the Yaskawa Group
11 Value Creation Process to Realize Long-Term Business Plan “Vision 2025”
13 Solution Concept “i³-Mechatronics”

Vision and Strategy
15 Message from the President
19 Sustainability Management
21 Message from the Management
23 Environmental Management of the Yaskawa Group
25 Disclosure of Climate Change-Related Information Based on TCFD Recommendations
27 Review of Mid-Term Business Plans
29 Mid-term Business Plan “Challenge 25 Plus”
31 Special Feature: Enhancing Development Capabilities

Management Capitals
33 Financial Capital
35 Manufactured Capital
37 Intellectual Capital
39 Human Capital
41 Social and Relationship Capital
43 Natural Capital

Corporate Governance
45 Corporate Governance
51 Members of the Board of Directors
53 Executive Officers

Business Promotion
55 At a Glance
57 Business Strategy

Financial and Corporate Information
65 10-Year Financial Data
67 Disclosure Policy and IR Activities
68 Corporate Information and Stock-Related Information
Our Identity

OUR IDENTITY

Six DNAs that have been nurtured since our founding (Corporate Culture)

1. A company founded on technology
   Continuing the founder’s desire to “make efforts to design and produce products unique to our company,” rather than imitating the precedent of the West, we always create cutting-edge technologies and products based on our corporate motto to be a company founded on technology.

2. Pursuing customer satisfaction
   We implement the sales policy from the time of the company’s founding that “The first priority shall be to never forget our ideals for the sake of temporary profits and to satisfy our customers with all our sincerity.”

3. Quality-oriented
   We apply the concept of quality that has been fostered through the construction of customer production facilities that do not stop 24 hours a day to products and services, and aim for overall customer satisfaction.

4. Mechatronics
   We proposed the concept of “mechatronics (mechanism + electronics)” for the first time in the world in 1969 based on the idea to achieve higher performance by combining customer machines with Yaskawa motors and controllers.

5. Policy management
   In the 1980s, Yaskawa established a management system based on TQC (Total Quality Control) as a tool to shape the entire company toward the Mechatronics business vision and established it as a corporate culture.

6. Glocal management
   In addition to management based on a global concept, we implement “glocal” management, including local production for local consumption and global sales networks, so that we can respond appropriately to local needs anywhere in the world.
Our Strengths

- R & D focused on the world’s first and best technologies
- Customers’ trust
- Ability to create innovation
- Ability to execute business
- Global management rooted in local communities
Since its establishment in 1915, Yaskawa Electric has constantly strived to take on the latest technologies of the times, upholding its corporate motto of being “a company founded on technology” and defining its business domain as “electric motors and their applications.” Over the past 100 years since its founding, the six DNAs that have been nurtured as a result of the wisdom of the people in each era and the bold challenges made without fear of failure have become the key corporate cultures that give Yaskawa Group its strength today.

Since its establishment in 1915, Yaskawa Electric has constantly strived to take on the latest technologies of the times, upholding its corporate motto of being “a company founded on technology” and defining its business domain as “electric motors and their applications.” Over the past 100 years since its founding, the six DNAs that have been nurtured as a result of the wisdom of the people in each era and the bold challenges made without fear of failure have become the key corporate cultures that give Yaskawa Group its strength today.

Keiichiro Yasukawa, the promoter of Yaskawa absorbed new knowledge and philosophies from the West. He engaged himself in mining, later expanding his business to spinning, steel, railway and banking. He personally funded the opening of Meiji College of Technology, a vocational school for training engineers. The school later became Kyushu Institute of Technology, and continues to produce numerous engineers to this day.

Electric motors were starting to advance into all industrial segments as replacements for steam engine at the beginning of the Taisho period. Daigoro Yasukawa, the fifth son of Keiichiro, was among those who learned the fundamentals of such leading-edge technology. In 1915, with his father promising “to provide financial support, but not interfere with the way you run the business,” Daigoro founded our predecessor, Yaskawa Electric Manufacturing Co. The company started its business by manufacturing electric motors for mining, where the imported products dominated and domestically produced motors were scarce. Daigoro wished to contribute to the nation by exporting domestically produced motors to overseas as “motivation of establishment,” and aimed at undertaking the business with the company’s own technologies, not by copying the leading Western products.

Daigoro wished to contribute to the nation by exporting domestically produced motors to overseas as “motivation of establishment,” and aimed at undertaking the business with the company’s own technologies, not by copying the leading Western products.

Keiichiro Yasukawa, the promoter of Yaskawa Electric absorbed new knowledge and philosophies from the West. He engaged himself in mining, later expanding his business to spinning, steel, railway and banking. He personally funded the opening of Meiji College of Technology, a vocational school for training engineers. The school later became Kyushu Institute of Technology, and continues to produce numerous engineers to this day.

In 1915, with his father promising “to provide financial support, but not interfere with the way you run the business,” Daigoro founded our predecessor, Yaskawa Electric Manufacturing Co. The company started its business by manufacturing electric motors for mining, where the imported products dominated and domestically produced motors were scarce. Daigoro wished to contribute to the nation by exporting domestically produced motors to overseas as “motivation of establishment,” and aimed at undertaking the business with the company’s own technologies, not by copying the leading Western products.

Electric motors were starting to advance into all industrial segments as replacements for steam engine at the beginning of the Taisho period. Daigoro Yasukawa, the fifth son of Keiichiro, was among those who learned the fundamentals of such leading-edge technology. In 1915, with his father promising “to provide financial support, but not interfere with the way you run the business,” Daigoro founded our predecessor, Yaskawa Electric Manufacturing Co. The company started its business by manufacturing electric motors for mining, where the imported products dominated and domestically produced motors were scarce. Daigoro wished to contribute to the nation by exporting domestically produced motors to overseas as “motivation of establishment,” and aimed at undertaking the business with the company’s own technologies, not by copying the leading Western products.

Daigoro wished to contribute to the nation by exporting domestically produced motors to overseas as “motivation of establishment,” and aimed at undertaking the business with the company’s own technologies, not by copying the leading Western products.

Keiichiro Yasukawa, the promoter of Yaskawa Electric absorbed new knowledge and philosophies from the West. He engaged himself in mining, later expanding his business to spinning, steel, railway and banking. He personally funded the opening of Meiji College of Technology, a vocational school for training engineers. The school later became Kyushu Institute of Technology, and continues to produce numerous engineers to this day.

In 1915, with his father promising “to provide financial support, but not interfere with the way you run the business,” Daigoro founded our predecessor, Yaskawa Electric Manufacturing Co. The company started its business by manufacturing electric motors for mining, where the imported products dominated and domestically produced motors were scarce. Daigoro wished to contribute to the nation by exporting domestically produced motors to overseas as “motivation of establishment,” and aimed at undertaking the business with the company’s own technologies, not by copying the leading Western products.

Daigoro wished to contribute to the nation by exporting domestically produced motors to overseas as “motivation of establishment,” and aimed at undertaking the business with the company’s own technologies, not by copying the leading Western products.

Keiichiro Yasukawa, the promoter of Yaskawa Electric absorbed new knowledge and philosophies from the West. He engaged himself in mining, later expanding his business to spinning, steel, railway and banking. He personally funded the opening of Meiji College of Technology, a vocational school for training engineers. The school later became Kyushu Institute of Technology, and continues to produce numerous engineers to this day.

In 1915, with his father promising “to provide financial support, but not interfere with the way you run the business,” Daigoro founded our predecessor, Yaskawa Electric Manufacturing Co. The company started its business by manufacturing electric motors for mining, where the imported products dominated and domestically produced motors were scarce. Daigoro wished to contribute to the nation by exporting domestically produced motors to overseas as “motivation of establishment,” and aimed at undertaking the business with the company’s own technologies, not by copying the leading Western products.

Daigoro wished to contribute to the nation by exporting domestically produced motors to overseas as “motivation of establishment,” and aimed at undertaking the business with the company’s own technologies, not by copying the leading Western products.

Keiichiro Yasukawa, the promoter of Yaskawa Electric absorbed new knowledge and philosophies from the West. He engaged himself in mining, later expanding his business to spinning, steel, railway and banking. He personally funded the opening of Meiji College of Technology, a vocational school for training engineers. The school later became Kyushu Institute of Technology, and continues to produce numerous engineers to this day.

In 1915, with his father promising “to provide financial support, but not interfere with the way you run the business,” Daigoro founded our predecessor, Yaskawa Electric Manufacturing Co. The company started its business by manufacturing electric motors for mining, where the imported products dominated and domestically produced motors were scarce. Daigoro wished to contribute to the nation by exporting domestically produced motors to overseas as “motivation of establishment,” and aimed at undertaking the business with the company’s own technologies, not by copying the leading Western products.

Daigoro wished to contribute to the nation by exporting domestically produced motors to overseas as “motivation of establishment,” and aimed at undertaking the business with the company’s own technologies, not by copying the leading Western products.
1970-
Automation provider
Expansion of mass production-oriented manufacturing of automobiles, home appliances, etc. due to Japan's high economic growth
- Accelerated business expansion from conventional process automation to factory automation
- Aggressively devoted management resources into the rapidly growing mechatronics market: unveiling new products back-to-back
- After the business crisis caused by the oil crisis in 1974, introduced TQC (Total Quality Control) and focused on improving the management structure. Won the Deming Prize in 1984

1990-
Mechatronics promoter
Popularization of personal computers and progress in computerization
- Changed the company name from YASKAWA Electric Manufacturing Co., Ltd. to YASKAWA Electric Corporation (1991)
- Expanded overseas business bases amid continued weakness in the Japanese market due to the collapse of the bubble economy
- The “global vision” penetrated which enabled thinking on a global scale and activities rooted in local communities

2005-
Total solution provider
Spread of the Internet and smartphones
Transition to a data-driven society through the use of IoT and AI
- Commenced operations at China’s AC servo drive plant in 2010, a robot plant in 2013, and a Slovenian robot plant in 2019, with a focus on local production
- Launched “i3-Mechatronics,” a new solution concept (2017)
- Integrated production, sales and technology to establish “i3-Mechatronics” business model and promoted digital management with YDX (YASKAWA Digital Transformation)
- Focused on value creation in manufacturing cells (assembly and processing processes)
- Established YASKAWA Technology Center (YTC) in 2021 as a base for integrated technologies
Industry-Leading Global Network

OUR GLOBAL NETWORK

U.K.: Cumbernauld

Slovenia: Kočevje

China: Shenyang

Europe, Middle East & Africa

Germany
- YASKAWA EUROPE GmbH
- YASKAWA NORDIC AB
- YASKAWA ELECTRIC UK LTD.
- YASKAWA UK LTD.

Sweden
- YASKAWA IBERICA S.L.

Finland
- YASKAWA FINLAND OY
- THE SWITCH ENGINEERING OY

Norway
- THE SWITCH MARINE DRIVE NORWAY AS

Netherlands
- YASKAWA BENELUX BV

Slovenia
- YASKAWA EUROPE ROBOTICS D.O.O.
- YASKAWA SLOVENIJA D.O.O.
- YASKAWA RISTRO D.O.O.

Spain
- YASKAWA ITALIA S.R.L

Czech Republic
- YASKAWA CZECH S.R.O

Poland
- YASKAWA POLSKA SP. ZO. O.

South Africa
- YASKAWA SOUTHERN AFRICA (PTY) LTD.

Turkey
- YASKAWA TURKEY ELEKTRIK TICARET LTD. STI.

Israel
- YASKAWA EUROPE TECHNOLOGY LTD.
Operating bases in 30 countries and regions around the world
28 production sites in 12 countries and regions

Asia-Pacific
China
- YASKAWA ELECTRIC (CHINA) CO., LTD.
- SHANGHAI YASKAWA DRIVE CO., LTD.
- YASKAWA TSUSHO (SHANGHAI) CO., LTD.
- YASKAWA ELECTRIC (SHENYANG) CO., LTD.
- YASKAWA SHOUGANG ROBOT CO., LTD.
- YASKAWA (CHINA) ROBOTICS CO., LTD.
Korea
- YASKAWA ELECTRIC KOREA CORPORATION
Taiwan
- YASKAWA ELECTRIC KOREA CORPORATION
Singapore
- YASKAWA ASIA PACIFIC PTE. LTD.

Thailand
- YASKAWA ELECTRIC (THAILAND) CO., LTD.

Indonesia
- PT. YASKAWA ELECTRIC INDONESIA

India
- YASKAWA INDIA PRIVATE LIMITED

Vietnam
- YASKAWA ELECTRIC VIETNAM CO., LTD.

Malaysia
- YASKAWA MALAYSIA SDN. BHD.

The Americas
U.S.A.
- YASKAWA AMERICA, INC.
- SOLECTRIA RENEWABLES, LLC

Canada
- YASKAWA CANADA INC.

Mexico
- YASKAWA MEXICO S.A. DE C.V.

Brazil
- YASKAWA ELETTRICO DO BRASIL LTDA.
- MOTOMAN ROBOTICA DO BRASIL, LTDA.
Presence of the Yaskawa Group

OUR PRESENCE

Yaskawa’s unique advantage is that it provides all AC servo motors, AC drives and robots, which are essential components for manufacturing.

Since the invention of the world’s first minertia motor* in 1958, a total of 20 million servo motors have been shipped!

20 million units

Since the commercialization of the world’s first general-purpose transistor AC drive in 1974, a total of 30 million AC drives have been shipped! Yaskawa AC drive reduces global annual electric power consumption by approximately 4%.

30 million units

Since the commercialization of Japan’s first all-electric vertical articulated industrial robot in 1977, a total of 500,000 units have been shipped!

500,000 units
External Environment

Declining birthrate and aging population in developed countries
- Work style reform
- Productivity improvement
- Labor-saving
- Elimination of 3D labor
- Multi-product variable-volume production

Environmental issues and climate change
- Decarbonization
- Energy conservation
- Stable supply, safety and security of food
- Utilization of renewable energy

Human rights
- Promotion of Diversity
- Building a sustainable supply chain

Financial Capital
We will use the cash generated by our business activities in three directions: investment for growth, shareholder return, and employee allocation to achieve sustainable earnings growth and increase corporate value. We maintain and improve a sound financial position to support stable business operations.

Profit attributable to owners of the parent: 18.9 billion yen
Equity attributable to owners of the parent (End of FY): 246.2 billion yen
Interest-bearing debt (End of FY): 76.5 billion yen

Manufactured Capital
We constantly strive to improve the efficiency of our production systems, while at the same time ensuring sufficient production capacity to meet market needs. As a business-to-business manufacturing company, we will utilize the capital to propose improvements to our customers’ production.

Capital investment: 22.79 billion yen (Ratio to revenue) 5.8%

Intellectual Capital
As a “company founded on technology” we will continue to develop the world’s first and best technologies, strengthen our response to digital solutions, collaborate with joint development partners, and exercise our global intellectual property strategies to create customer value, thereby realizing sustainable business development.

R & D expenditure: 17.85 billion yen (Ratio to revenue) 4.6%

Human Capital
In order to respond swiftly to rapidly changing global markets and to achieve corporate evolution and strengthen competitiveness, it is important for diverse employees to make the most of their abilities. We will strengthen our human resources while aiming to be a company that is rewarding to work for.

Number of employees: 14,892
(Of which, 49% were employees at overseas bases)

Social and Relationship Capital
Yaskawa Group’s business is founded on relationships of trust with stakeholders, including customers, business partners, and local communities. We are working to build relationships that lead to continuous mutual development.

Business bases: 30 countries and regions

Natural Capital
Based on the recognition that global environmental conservation is one of the most important issues shared by all humankind, we create value by reducing the environmental impact of our products (green products) and by reducing the environmental impact of Yaskawa Group’s business activities (green process).

Environmental conservation costs: approximately 1.2 billion yen

Yaskawa’s Inherited DNA (Corporate culture)
- A company founded on technology
- Pursuing customer satisfaction
- Quality-oriented

Motion Control
AC Servo & Controller Business
- Contributing to the enhancement of the performance of various machines and improving productivity in the factory
- Dominantly competitive with the world’s No. 1 market share for world-class precision and quality

Motion Control
AC Drive & PM Motor Business
- Global contribution to energy conservation through cutting-edge drive technology and production innovation
- As a leading company in drive control, centering on AC drive and PM motors, active in a wide range of fields, from infrastructure equipment to plant equipment and household equipment

Sustainability Challenges
- Create social value and solve social issues through business activities

External Environment

Declining birthrate and aging population in developed countries
- Work style reform
- Productivity improvement
- Labor-saving
- Elimination of 3D labor
- Multi-product variable-volume production

Environmental issues and climate change
- Decarbonization
- Energy conservation
- Stable supply, safety and security of food
- Utilization of renewable energy

Human rights
- Promotion of Diversity
- Building a sustainable supply chain

Financial Capital
We will use the cash generated by our business activities in three directions: investment for growth, shareholder return, and employee allocation to achieve sustainable earnings growth and increase corporate value. We maintain and improve a sound financial position to support stable business operations.

Profit attributable to owners of the parent: 18.9 billion yen
Equity attributable to owners of the parent (End of FY): 246.2 billion yen
Interest-bearing debt (End of FY): 76.5 billion yen

Manufactured Capital
We constantly strive to improve the efficiency of our production systems, while at the same time ensuring sufficient production capacity to meet market needs. As a business-to-business manufacturing company, we will utilize the capital to propose improvements to our customers’ production.

Capital investment: 22.79 billion yen (Ratio to revenue) 5.8%

Intellectual Capital
As a “company founded on technology” we will continue to develop the world’s first and best technologies, strengthen our response to digital solutions, collaborate with joint development partners, and exercise our global intellectual property strategies to create customer value, thereby realizing sustainable business development.

R & D expenditure: 17.85 billion yen (Ratio to revenue) 4.6%

Human Capital
In order to respond swiftly to rapidly changing global markets and to achieve corporate evolution and strengthen competitiveness, it is important for diverse employees to make the most of their abilities. We will strengthen our human resources while aiming to be a company that is rewarding to work for.

Number of employees: 14,892
(Of which, 49% were employees at overseas bases)

Social and Relationship Capital
Yaskawa Group’s business is founded on relationships of trust with stakeholders, including customers, business partners, and local communities. We are working to build relationships that lead to continuous mutual development.

Business bases: 30 countries and regions

Natural Capital
Based on the recognition that global environmental conservation is one of the most important issues shared by all humankind, we create value by reducing the environmental impact of our products (green products) and by reducing the environmental impact of Yaskawa Group’s business activities (green process).

Environmental conservation costs: approximately 1.2 billion yen

Yaskawa’s Inherited DNA (Corporate culture)
- A company founded on technology
- Pursuing customer satisfaction
- Quality-oriented

Motion Control
AC Servo & Controller Business
- Contributing to the enhancement of the performance of various machines and improving productivity in the factory
- Dominantly competitive with the world’s No. 1 market share for world-class precision and quality

Motion Control
AC Drive & PM Motor Business
- Global contribution to energy conservation through cutting-edge drive technology and production innovation
- As a leading company in drive control, centering on AC drive and PM motors, active in a wide range of fields, from infrastructure equipment to plant equipment and household equipment

Sustainability Challenges
- Create social value and solve social issues through business activities
Management principle of the Yaskawa Group
“Leveraging the pursuit of our business to contribute to the advancement of society and the well-being of humankind”

Respect Life
Contribute to improving quality of life and building a sustainable society with technologies accumulated over the past century.

Empower Innovation
Venture in new technologies/domains/targets to bring “Waku-Waku”¹ excitement to people.

Deliver Results
Deliver assured results to stakeholders, while continuously enhancing business execution capabilities.

FY2025 Financial Targets
Operating profit 100 billion yen
- ROE: 15.0% or more
- ROIC: 15.0% or more
- Dividend payout ratio: 30.0% + α

Portfolio

Robotics
- Solving the labor shortage, which is a global issue of manufacturing, and contributing to solving the problem of the shortage of skilled workers at production sites and making more sophisticated manufacturing
- As a leading robotics company, active in a wide range of fields from automobiles and semiconductors to general industries

Business Domain

Factory Automation/Optimization
- Realization of revolutionary industrial automation through “i⁺-Mechatronics”
- Pursuing the global No.1 in core business

Mechatronics Applications
- Challenge for new mechatronics applications
- Energy Saving
- Food & Agriculture
- Clean Power
- Humatronics

System Engineering
- Expands clean energy business with PV inverter for photovoltaic power generation and electric products for wind power generation
- Support for advanced operation and maintenance of water treatment plants and other social systems

Output (FY2020)

Financial Capital
- ROE: 8.0%
- ROIC: 7.0%
- Dividends (Payout ratio): 62.2 billion yen (33.1%)

Manufacturing Capital
- Productivity improvement: 103% (Compared to FY2019)

Intellectual Capital
- Selected as “Derwent Top 100 Global Innovators Award 2021” for six consecutive years
- YIF (Yaskawa Innovation Program)² cumulative number of projects: 13

Human Capital
- Percentage of employees who feel rewarding to work: 80%
- Lost-time injury frequency rate: 0.33 (Cases/1 million hours)
- Percentage of overseas employees in the Yaskawa Group: 49%

Social and Relationship Capital
- Inclusion in the MSCI Japan ESG Select Leaders Index and the MSCI Japan Empowering Women Index (WIN)
- Number of visitors to YASKAWA Innovation Center: 4,032
- Number of meetings with shareholders and investors: 344
- Establishment of Sustainable Procurement Guidelines
- Overseas revenue ratio: 65%

Natural Capital
- CO2 emission reduction rate: 10% (Compared to FY2018)
- CCE 100%: Approx. 63 times

Results of mid-term business plan “Challenge 25”
- Revenue 389.7 billion yen
- Operating profit (Ratio): 27.1 billion yen (7.0%)

¹ “Waku-Waku” Onomatopoeia used in Japanese language to express someone’s feeling of enthusiasm
² A target of reducing CO2 emissions through ‘Yaskawa products by 100 times or more of the CO2 emissions of the Group by FY2025’
Solution Concept “i³-Mechatronics”

We will accelerate the evolution of production, sales, and technology, and contribute to the resolution of customer management issues through cross-business initiatives.

Yaskawa launched the solution concept “i³-Mechatronics” in 2017.

The three “i”s, “integrated,” “intelligent,” and “innovative” of the i³ (i cube) are concepts that contribute to solving customers’ management issues and transform the company’s business model.

- **Strengthen manufacturing functions** to demonstrate “i³-Mechatronics”
  - Develop concept of “YASKAWA Solution Factory” that will transform manufacturing and business

- **Strengthen sales capability** to realize “i³-Mechatronics”
  - Offer optimal solutions through communication with customers including top management

- **Develop technologies/products** to realize “i³-Mechatronics”
  - Develop technologies and products that accurately meets customer needs<br>  - timeliness by integrated development functions

- **Strengthen service businesses** through demonstration of “i³-Mechatronics”
  - Develop new services that contribute to improving customers’ production efficiency

- **Digital data management**
- **Automation of manufacturing**
By making the most of YASKAWA Solution Factory and YASKAWA Technology Center (YTC) and implementing the “**a-Mechatronics**” concept through data integration and analysis through YASKAWA Digital Transformation (YDX,) we provide solutions that meet customer needs.

*1 Area of information processing for real-time data analysis and feedback (Areas close to production floor, such as factories and production sites)
*2 Software that can collect, store, and analyze data on production facilities and equipment in real time
*3 Controller for integrated control of “cell” composed of devices and industrial robots by synchronizing various data from cell at high speed, in real time and in time series