

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

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**

OUR HISTORY

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.



Promoter
Keiichiro Yasukawa

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.



Founder
Daigoro Yasukawa

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.

1915

Founding



Three-phase induction motor
Yaskawa’s first commercial product



The first VS motor 5HP
Variable speed motor



Minertia motor
A motor that became the basis for the servo motor available today. A revolutionary product that had a response rate 100 times greater than conventional motors.

Motion Control

Electric Motors and their Applications

1915-

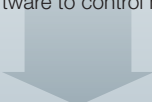
Startup period

▶ **Development of society and industry**

Coal mining equipment shifted from steam engines to electricity (motor)

▶ **Developments in management**

- In addition to various motors, a variety of products such as switches and transformers were developed, but the Company was in the red for 17 years since its establishment.
- Focused management resources on “electric motors and their applications”
- Set forth a business policy stating 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.”
- Focused on motors as hardware and intelligence as software to control motors



Company founded on technology

Pursuing customer satisfaction

▶ **Six DNAs that have been nurtured since our founding (corporate culture)**

1950-

Motor manufacturer

Energy shifted from coal to oil, and the heavy and chemical industries developed

- Shifted business to production facilities (process automation) for materials such as steel manufacturing and spinning, which require stable operation 24 hours a day
- Achieved results in blast furnace electric products and Increased market share
- Proposed concept of “Mechatronics” ahead of the world (1969)



Quality-oriented



Robotics

Power Conversion

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

Mechatronics

Policy management

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 "glocal" vision" penetrated which enabled thinking on a global scale and activities rooted in local communities

Glocal management

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

OUR GLOBAL NETWORK

U.K.: Cumbernauld



Slovenia: Kočevje



China: Shenyang



India: Bengaluru



China: Changzhou



Europe, Middle East & Africa

Germany

- YASKAWA EUROPE GmbH

Sweden

- YASKAWA NORDIC AB

U.K.

- YASKAWA ELECTRIC UK LTD.
- YASKAWA UK LTD.

Italy

- YASKAWA ITALIA S.R.L

France

- YASKAWA FRANCE SAS

Spain

- 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.

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.

U.S.A.: Buffalo Grove, Illinois

Operating bases in
30 countries and
regions around the
world

28 production sites
in 12 countries and
regions

China: Shanghai**Japan: Kitakyushu, Yukuhashi, Iruma**

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 TAIWAN 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 ELETRICO DO BRASIL LTDA.
- MOTOMAN ROBOTICA DO BRASIL, LTDA.

OUR PRESENCE

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



Minertia motor
* Motor that is the basis of current servo motors



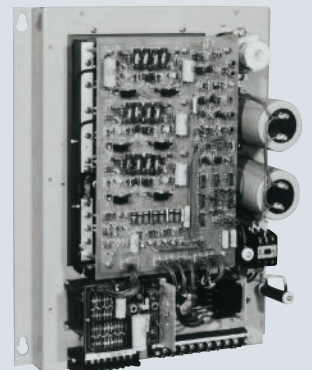
Since the invention of **the world's first minertia motor*** in 1958, a total of **20 million servo motors** have been shipped!

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



Transistor AC drive



MOTOMAN-L10



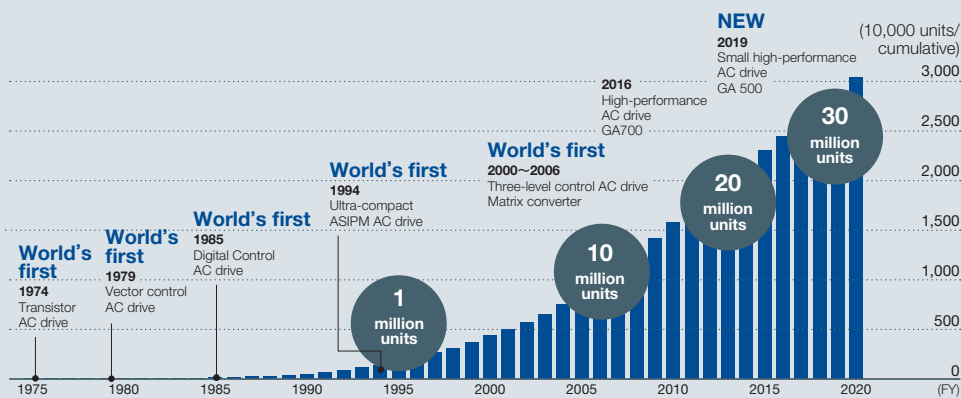
Since the commercialization of **Japan's first all-electric vertical articulated industrial robot** in 1977, a total of **500,000 units** have been shipped!

500,000 units

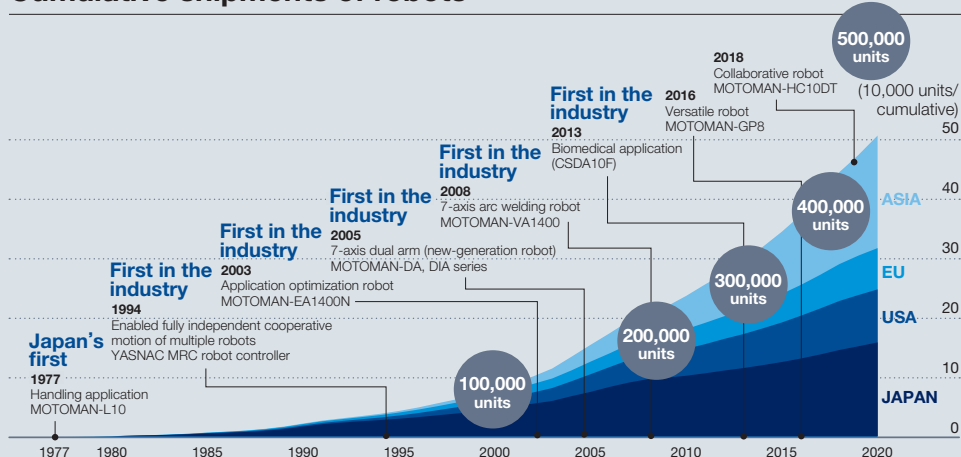
Cumulative shipments of servo drives



Cumulative shipments of AC drives



Cumulative shipments of robots



Value Creation Process to Realize Long-Term Business Plan “Vision 2025”

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

Evolution of information and communications technology

- Digital transformation (DX)
- Information security

Input (FY2020)

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%
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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%
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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.

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

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.

	End of FY
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
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Product

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



- 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

Motion Control

AC Drive & PM Motor Business

Empower Innovation

R & D focus on world's best technology
Motion
Power
Robot

Deliver Performance

Sustainability Challenge

• Create social value and solve social issues through business activities

Yaskawa's Inherited DNA (Corporate culture)

A company founded on technology

Pursuing customer satisfaction

Quality-oriented

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"

Realization of "Vision 2025"

Yaskawa's FY2025 goals

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.

^{*1} "Waku-Waku": Onomatopoeia used in Japanese language to express someone's feeling of enthusiasm

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



- 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

System Engineering

Goals and Targets

- Strengthen management foundation that contributes to sustainable society/businesses

Business Domain

Factory Automation/Optimization

- Realization of revolutionary industrial automation through "i³-Mechatronics"
- Pursuing the global No.1 in core business



i³-Mechatronics

Mechatronics Applications

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



Output (FY2020)

Financial Capital

- ROE: 8.0%
- ROIC: 7.0%
- Dividends (Payout ratio): 6.2 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
- YIP (Yaskawa Innovation Program)^{*1} 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^{*2}: 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%)

[Transform business model through "i³-Mechatronics"]

- Establishment of "i³-Mechatronics CLUB"
- Strengthened service structure by group reorganization
- Completion of "YASKAWA Technology Center"
- Launched new AC servo, AC drives and integrated controller
- Established i3 DIGITAL Corporation, a joint venture for IoT solutions
- Started robot production in Slovenia

[Maximizing revenue with expanding "robotics business"]

- Expanded robot lineups (Collaborative robot, SCARA, semiconductors, etc.)
- Strengthened initiatives with market-specific joint venture partners

[Expand new domains by strengthening resources through "selection and concentration"]

- Reorganized System Engineering business
- Launched new PV inverters

[Enhancement of management foundation]

- Establishment of Sustainability Policy
- Unified global data and promoted integration of business processes
- Introduction of flexible working styles such as remote work

^{*1} Yaskawa's new business creation scheme (See P.34 of YASKAWA Report 2019)

^{*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.

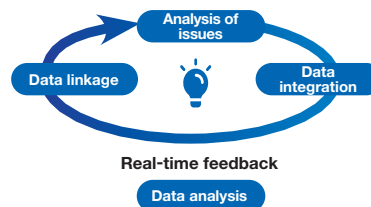
The three “i”’s, “integrated,” “intelligent,” and “innovative” of the i³ (i cube) are concepts that contribute to solving customers’ management issues and transform the company’s business model.

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
**timely by integrated
development functions**

Strengthen service businesses through demonstration of “i³-Mechatronics”



Develop new services
that contribute to improving customers’
production efficiency

IT

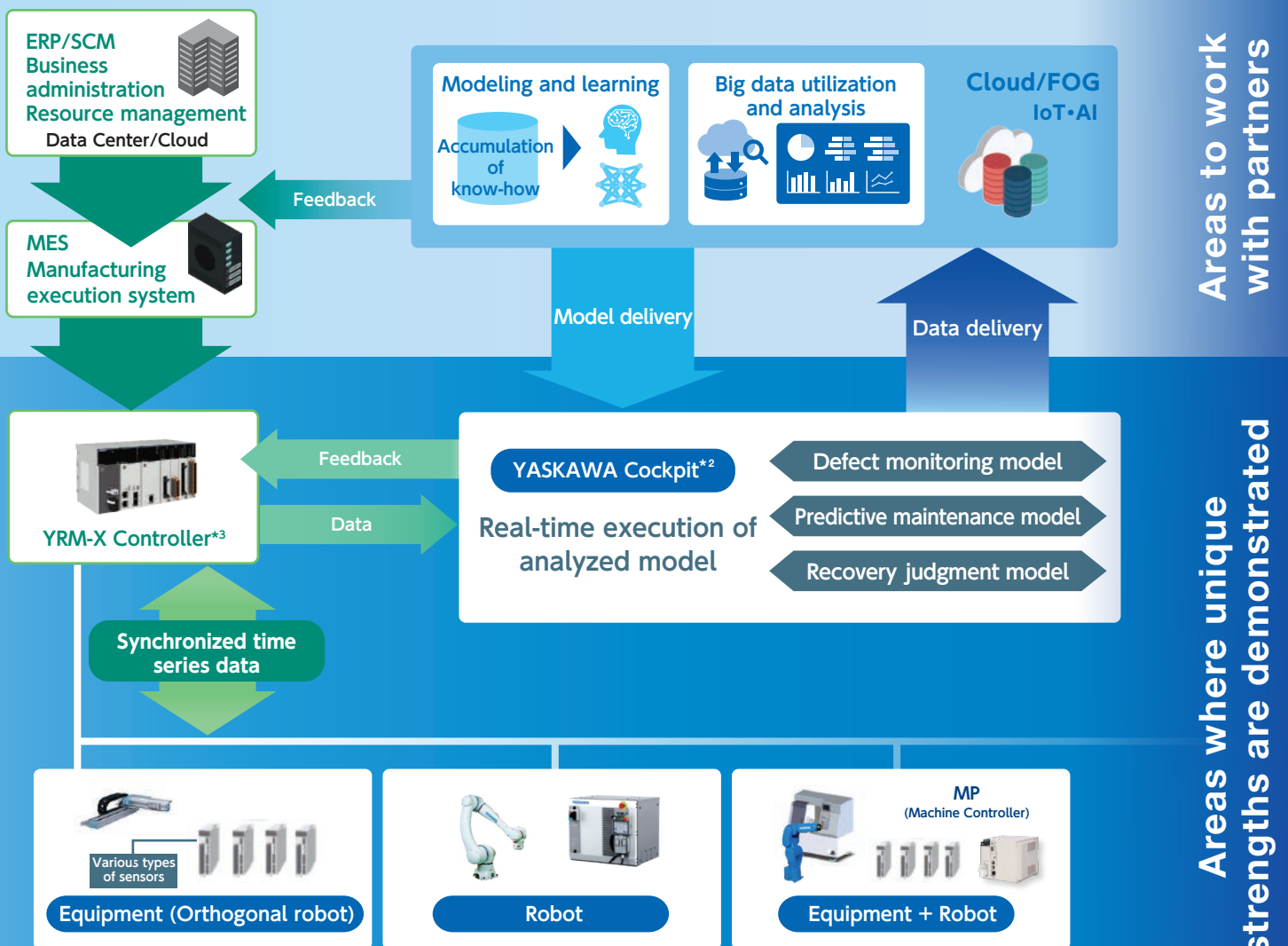
FA (Edge^{*1})

Digital data
management



Automation of
manufacturing

By making the most of YASKAWA Solution Factory and YASKAWA Technology Center (YTC) and implementing the “i³-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