

Our Philosophy

In 1979, at the suggestion of then Vice President Reiji Kitani, we established the "Corporate Motto," the first codification of Yaskawa's spirit and philosophy. The corporate motto consists of the "Founding Spirit," "Group Principle of Management," and "Guideline for the Employees." The "Founding Spirit" is based on the wishes of the promoter, Keiichiro Yasukawa. The "Group Principle of Management" is based on the business policy and memorandum* of the founder, Daigoro Yasukawa, and is centered on quality, profit, and market. In order to deepen understanding of management principle on a global scale and strengthen its practice, we have organized and disseminated them into "Our Purpose" and "Our Values." The "Guideline for Employees" represent the action guidelines for employees to realize management principle. These guidelines are recited daily throughout the company and are firmly rooted.

* See column on next page

Corporate Motto

Founding Spirit

Our Company was founded by Daigoro Yasukawa in 1915 with the aim of "setting up an industry to repay the debt of gratitude to the State", an aspiration held by his father Keiichiro Yasukawa.

Group Management Principle

Our Purpose

The Yaskawa Group's mission is to leverage the pursuit of its business to contribute to the advancement of society and the well-being of humankind.

Our Values

We will realize our mission by executing the following three core tenets:

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

Our Action

We will respect the traditions of Our Company and strive to realize our management principle. At the same time, we will increase public trust and thereby seek prosperity for the company and our own happiness.

In particular, the following five items serve as daily action guidelines.

Let's put our customers first.

Let's pursue both high quality and high profitability.

Let's train ourselves and overcome the competition with unyielding spirit.

Let's broaden our horizons and change our way of thinking.

Let's deepen mutual trust and cooperate with each other.





The spirit expressed in our corporate motto is our starting point, which never wavers even when times change. Our values are the guiding principles of our business and corporate activities based on the following common understanding.

① Quality

Develop and enhance world-class technologies, with an emphasis on our foundation of quality

- While actively absorbing the good points of other companies, we are particular about Yaskawa's originality and create new technologies with pioneering ideas.
- We ensure the quality of products that satisfy customers.

② Profit

Boost management and operation efficiency and achieve the returns necessary for the successful growth of the company

- We recognize that the company is a member of society and secure the profit necessary to survive.
- We will not engage in simple price competition without regard to profitability, and will strive to maintain prices commensurate with product superiority and added value.
- We ensure competitiveness through sustained productivity growth

③ Market

Satisfy the needs of the market and dedicate ourselves to serving our customers as a customer centric organization

- In all activities such as development, production, and sales, we will listen to our customers' opinions and make proposals that meet their needs with sincerity.
- We will not only respond to current needs, but also anticipate future needs, proactively propose seeds, and expand sales with competitive products.

Column

Founding spirit living in the corporate motto

When YASKAWA Electric Manufacturing Co., Ltd. (the predecessor of YASKAWA Electric Corporation) was founded, its founder, Daigoro Yasukawa, drew up the "Founding Spirit", and in the following year, established "Business Policy" and a "memorandum" consisting of 13 points. The business policy was to **"not forget the ideal for the sake of temporary profit, and give first priority to the satisfaction of customers with sincerity."** and the memorandum stated, **"we will strive to design and manufacture products that are unique to our company," "We will always focus on quality," and "We will expand our sales channels with the best quality of our products."** Regarding the memorandum, he said, "It was a very youthful and impractical argument. I feel ashamed comparing it with my later achievements." However, the Yaskawa Group's unique characteristics and strengths have been consistent in that it has developed a great deal of technology, introduced innovative products to the world, and served customers with sincerity as a good partner.



Daigoro Yasukawa



Writings and biographies of Daigoro



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.

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.

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-

Concentrating management resources
on motors and their applications

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

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

Company founded on technology

Pursuing customer satisfaction

1950-

Building on achievements as the
"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

FY2015
Centenary

FY2014

Annual revenue

exceeded

400

billion JPY

FY1981

Annual revenue

exceeded

100

billion JPY

World's first
transistor
AC driveVS-616T
(1974)Japan's first
all-electric vertical
articulated
industrial robotMOTOMAN-L10
(1977)Σ series
World's smallest
and lightest
(1991)World's first
general-purpose
vector control
AC driveVS-616G5
(1995)World's first
multiple robot
cooperative controlMOTOMAN-SK Series
(1995)World's first
matrix converterVarispeed AC
(2005)World's first
dual-arm industrial robot
for volume productionMOTOMAN-DA20
(2005)World's first
GaN power
semiconductor equippedServo motor with
built-in amplifier
(2017)MotoMINI
The smallest and
lightest robot in
industry
(2017)

Robotics

Power Conversion

1970-

Transformation to "Automation
Provider"Expansion of mass production-oriented manu-
facturing 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-

Accelerating global expansion

Popularization of personal comput-
ers 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
- 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

Glocal management

2015-

Promotion of digital management

Spread of the Internet and smart-
phones Transition to a data-driven
society through the use of IoT and AI

- 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 Unique Strength

The six DNAs (corporate culture) that we have cultivated over 100 years of history are strengthened through the practice of management principle that has been handed down from generation to generation, and form the strength of the Yaskawa Group today.

Six DNAs

① Company founded on technology



Creating cutting-edge technologies and products in line with our founder's commitment to design and manufacture unique to our company.

② Pursuing customer satisfaction



Inherited the business policy to "not forget the ideal for the sake of temporary profit, and the first priority is to satisfy customers with sincerity."

③ Quality-oriented



Activities aimed at overall customer satisfaction by applying the quality-oriented approach fostered by the construction of non-stop production facilities to products and services

Unique strength ①

Development focused on the world's first and best technologies

Since the foundation of the company, we have focused our business on electric motors and their applications, and have constantly challenged ourselves to the latest technologies of the times. Many of the world's first and best technologies and products that have been created throughout history have led to industrial innovation and contributed to the development of society. At YASKAWA Technology Center, a new R & D center, which began operations in 2021, we are strengthening our resources to take on the challenge of new technological development by streamlining development processes through integration and by encouraging the exchange of engineers with diverse expertise.



YASKAWA Technology Center

Unique strength ②

Strong presence in global markets

We have been involved in the export of products since the early days of our founding, following the spirit of our founder, who had an wish to contribute to the nation as much as possible by exporting domestic electrical products overseas." Since the 1990s, we have been localizing our business and building our own sales network and production system in demand areas, and we have a top-level global market share in our core products. In addition, our lineup of AC servo drives and controllers, AC drives and robots, which are essential components for factory automation, and our ability to provide these to a wide range of global customers are our unique strengths.



(Corporate Culture)

④ Mechatronics



Introduced the concept of "mechatronics" for the first time in the world in 1969, with the aim of "integrating customers' machines with Yaskawa motors and controllers to achieve higher functionality"

⑤ Policy management



Established a management control system based on TQC (company-wide quality control) in the 1980s, which became a part of our corporate culture

⑥ *Glocal* management



Implementing "*glocal*" management that balances between globally efficient management and products, sales organization and management tailored to the characteristics of each region

Unique strength ③

Customers' trust

Since the 1930s, we have maintained a policy of not only manufacturing and selling motors, but also learning how they are used (applications) by customers and providing optimal systems. Today's system engineering business has been providing high-quality, highly reliable products and services for many years, building a relationship of trust with customers. At present, we are promoting business based on a strong relationship of trust with a policy of continuing to provide high value-added and high-quality products that help our customers win in their markets. In addition, based on the *i*³-Mechatronics concept, we are implementing our own innovation in manufacturing and using our accumulated know-how and knowledge to make proposals to maximize customers' profits.



Unique strength ④

Ability to create innovation

Mechatronics, which originated in Yaskawa, has brought innovation to manufacturing by precisely controlling machines.

In 2017, Yaskawa launched the *i*³-Mechatronics solution concept. In order to advance mechatronics through the use of data and realize a new industrial automation revolution, the development system, which had been dispersed in each business division, was integrated into the YASKAWA Technology Center at the head office in Kitakyushu City.

We will further expand the value provided to customers by strengthening cooperation between development and production, and promoting open innovation.

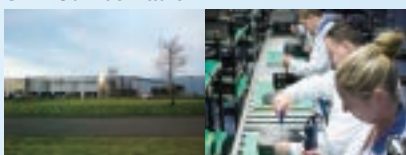
***i*³-Mechatronics**

Our Global Network

Yaskawa Group conducts optimal production at 29 sites in 13 countries and regions around the world based on its policy of production in demand areas and centralized production.

We strive to reduce risks associated with foreign exchange, natural disaster, and geopolitical issues while taking advantage of having manufacturing sites close to our customers in terms of delivery times and building relationships.

U.K.: Cumbernauld



Production : AC drive, AC servo amplifier

India: Bengaluru



Production: AC drive

Slovenia: Kočevje



Production: Robot

China: Shenyang



Production: AC servo drive

Germany: EMEA HQ

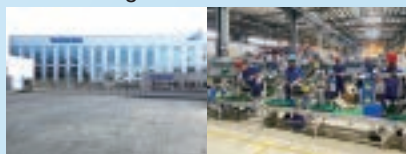
Europe, Middle East & Africa

Singapore: Asia HQ

China: China HQ

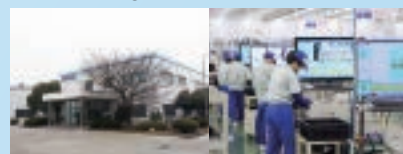
Asia-Pacific

China: Changzhou



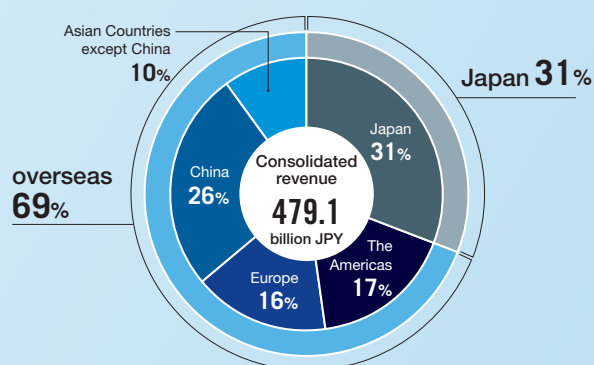
Production: Robot

China: Shanghai

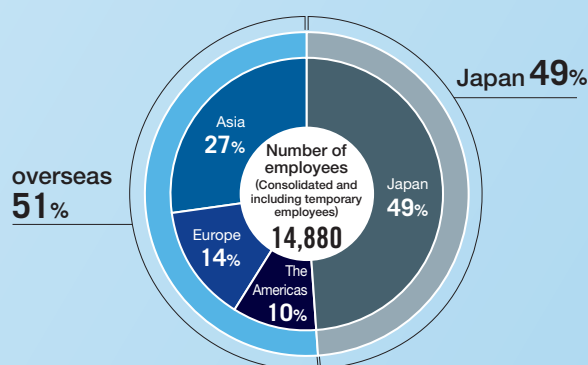


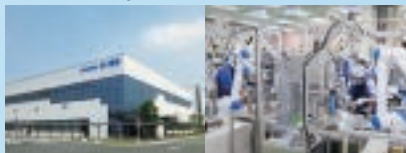
Production: AC drive

Breakdown of revenue by location



Breakdown of personnel by region



Japan: Kitakyushu

Production: Robot

Japan: Yukuhashi

Production: AC drive

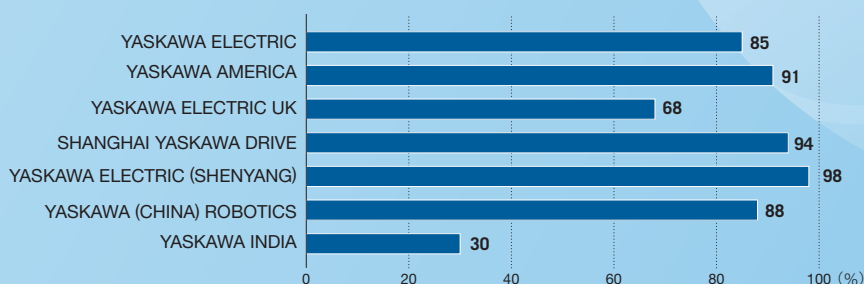
**U.S.A. : The Americas HQ****The Americas****U.S.A.: Buffalo Grove, Illinois**

Production: AC drive, AC servo motor

Japan: Iruma

Production: AC servo drive

Operating bases in
30 countries and
 regions around the world
29 production sites in
13 countries and regions

Local procurement rate at major production sites

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:	38.4 billion JPY
Equity attributable to owners of the parent (End of FY):	291.2 billion JPY
Interest-bearing debt (End of FY):	68.0 billion JPY

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:	24.2 billion JPY
(Ratio to revenue)	5.0%

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:	18.2 billion JPY
(Ratio to revenue)	3.8%

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:	14,880
(Of which, 51% 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.

	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 1.3 billion JPY
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AC servo & controller

Transformation of development, production, sales infrastructure of YDX (YASKAWA)

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

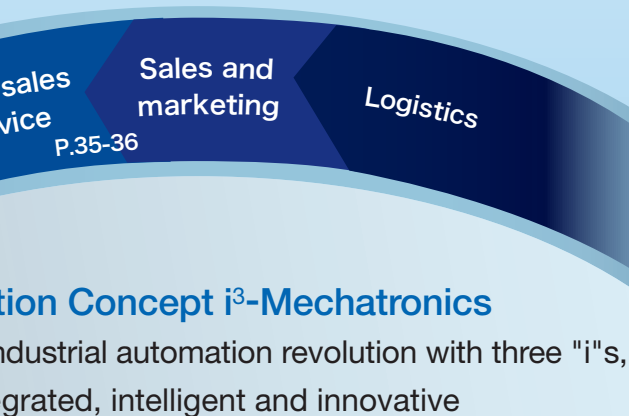
Operating profit 100 billion yen

ROE: 15.0% or more

ROIC: 15.0% or more

Dividend payout ratio: 30.0% + α

Value chain



Mechatronics



Business portfolio

...es, and services using the digital management (YASKAWA Digital Transformation)

Mechatronics

Policy management

glocal management

Output (FY2021)

Factory Automation/Optimization

Optimizing customer production sites and improving productivity by using data



Mechatronics Applications

- **Energy Saving**
Helping customers save energy
- **Food & Agriculture**
Contributing to a stable food supply
- **Clean Power**
Contributing to the decarbonization of society
- **Humatronics**
Supporting people's health and livelihood



Dual-arm robot for biomedical applications

Revenue

479.1 billion JPY
+22.9% YoY

Operating profit

52.9 billion JPY
+94.5% YoY

Operating profit ratio

11.0%
7.0%
(previous year result)

ROE

14.3%
8.0%
(previous year result)

ROIC

13.3%
7.0%
(previous year result)

Payout ratio

35.4%
33.1%
(previous year result)

"i³-Mechatronics" Solution Concept

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.

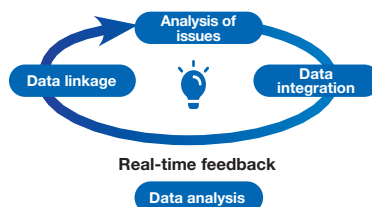
Business model transformation at Yaskawa Group

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})

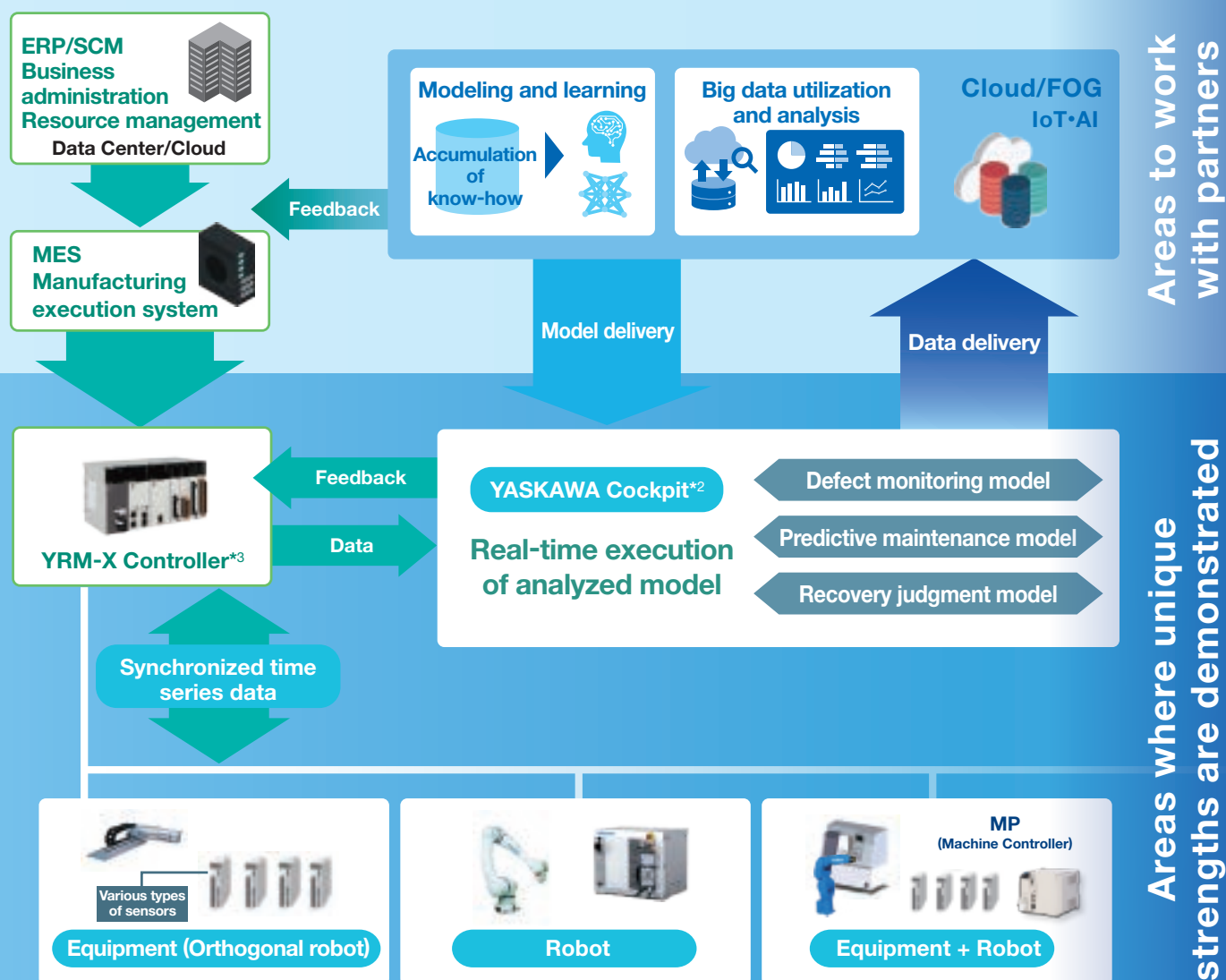
Digital data management



Automation of manufacturing

By making the most of YASKAWA Solution Factory and YASKAWA Technology Center (YTC) and implementing the "i³-Mechanics" concept through data integration and analysis through YASKAWA Digital Transformation (YDX), the Group is transforming its business model. We thereby provide customers with high value-added automation solutions.

Solution offered to customers



*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