



## Intellectual Capital Strategy

### Basic approach to strengthening intellectual capital

The intellectual capital of the Yaskawa Group consists of technology and intellectual property, which are sources of products and services. In terms of technology, in order to create solutions that solve customers' management problems, we will continue our efforts to develop the world's first and the world's best products and technologies, while creating customer value through a wide range of initiatives such as combining them, strengthening our support for digital data solutions, and expanding collaboration with universities and other companies.

In terms of intellectual property, we will promote our intellectual property strategy in conjunction with our business plan and technology strategy, and support business development through the prevention of intellectual property disputes, the accurate protection of our own technologies, and the prompt handling of technology contracts in accordance with business characteristics.

### Integration of technology at YASKAWA Technology Center

In FY2021, in order to further strengthen our ability to respond to changing market needs, we began full-scale operation of YASKAWA Technology Center (YTC), the core technology development site for the global Yaskawa Group.

By consolidating the development systems and headquarters development divisions that had been dispersed by business division, we have created an environment in which we can consistently engage in planning, development, production, and quality control. As a result, engineers in each division and headquarters development division can share information and interact in the same office, thereby stimulating communication.

By utilizing YASKAWA Digital Transformation (YDX) to establish a system for sharing and linking data on development, production, sales, and quality, we aim to provide products and services in a timely manner that realize the "improvement and evolution" demanded by our customers.



A meeting at YTC

### Creation of synergies through technology integration

At YTC, we organize review committees for development design and evaluation tests, as well as technical exchange meetings between internal and external engineers, to create an environment where engineers from different technical fields can participate.

We also conduct cross-functional activities and organizes teams of engineers from each technical field to strengthen technology development and product development. In these activities, we also prepare a technology roadmap that anticipates future social conditions and market requirements.

In addition to development and design, we are also working to strengthen the functions of prototyping and production facility development by establishing a consistent technology development system from development and prototyping to production line construction.

In this way, at YTC, the center of the global development base, engineers from different technical fields are gathered to promote synergy creation and technology development.



Technical exchange meeting

### Developing new technologies and business areas through open innovation

We are promoting industry-academia-government collaboration with companies and schools that have seed technologies in order to enhance technology development that can capture market changes and embody the future needs of customers. At YTC, we have been able to improve the speed and quality of development through the use of the Collaborative Development Office, where partners are stationed. At the Collaborative Development Office, we are working to strengthen future robotics technologies and conduct feasibility studies in new business areas. For example, we are developing autonomous driving technologies to advance industrial robots and working with the National Federation of Agricultural Cooperative Associations to utilize robots in the agricultural field.

In addition, we are accelerating research and development through comprehensive collaboration with Kyushu Institute of Technology, Kyushu University, and Tokyo Institute of Technology for the purpose of social implementation.



Use of robots in agriculture

## Use of venture investments

YIP<sup>\*1</sup>, a new business creation scheme that combines the CVC function<sup>\*2</sup>, promotes open innovation through investment and business alliances with start-up companies with potential business synergies in order to evolve core businesses and expand new fields utilizing mechatronics technology. A total of 19 investments were made in 15 domestic and overseas start-up companies from the start of the program in FY2016 through FY2022, and the following two investments were made in FY2022.

We accepted a third-party allotment of shares issued by Ugo Corporation (Headquarters: Tokyo). It is a venture company that develops and manufactures next-generation avatar robots and features remote control for security and inspection. We will explore the possibility of remote control of industrial robots in the FA industry in the future. We also invested in Connected Robotics Co., Ltd. (Headquarters: Tokyo). The company's mission is to innovate the food industry with robotics. By combining the company's software technology with Yaskawa's hardware, we aim to improve the productivity of the food industry and improve the quality of food.

<sup>\*1</sup> Abbreviation for YASKAWA Innovation Program

<sup>\*2</sup> Corporate Venture Capital. It refers to venture investment activities conducted by a company.

## Intellectual property strategy

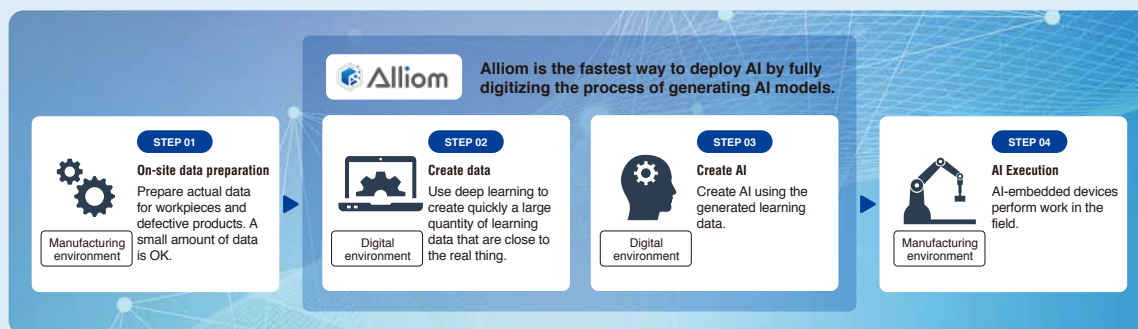
Taking advantage of the strengths of YTC, which brings together the entire company's technology development and intellectual property departments in one place, we are implementing innovative cross-divisional inventive activities for Yaskawa's core competency of mechatronics technology and i<sup>3</sup>-Mechatronics solution concept technology. Also, we aim to build a patent network that contributes to our business by examining the effectiveness of our patent applications. In addition, we promote intellectual property protection activities for our products, locally developed products, and manufacturing know-how on a global basis in cooperation with overseas affiliates of the Yaskawa Group, mainly in the Intellectual Property Department. In addition, we conduct intellectual property education for each class and technical field as part of in-house education and strive to raise awareness of the importance of intellectual property and strengthen intellectual property activities.

### Use of AI



Since its establishment in 2018, AI Cube Inc. (100% owned by Yaskawa Electric) has been carrying out various initiatives with the aim of "contributing to customers' production activities by creating a state where AI technology is used as a matter of course at manufacturing sites."

Alliom is the AI development process proposed by AI Cube to achieve this goal. By digitizing the AI function generation process, AI adoption can be achieved in a short period of time.



Ideas of Alliom can be deployed in a variety of applications. We utilize waveform data, image data, and component data to apply them to a variety of applications. To realize Alliom, we provide an AI development platform with an optimal user interface for each application.

## Human Resources to Support the World's First and World's Best Technology Development

Yaskawa's human resources that support the technology that is the source of value creation in Yaskawa Group



**K.Z**

Drives  
Fundamental R&D  
management Dept.  
Corporate  
Technology Div.

I am engaged in the development of AC drive control technology. Specifically, I am working with the business division to develop control technology necessary to improve the performance of next-generation AC drive products. The developed AC drive control technology contributes to the company's profits by being applied to next-generation AC drive products and responding to customer needs.



**Y.M**

Agriculture  
Mechatronics  
Development Dept.  
Corporate  
Technology Div.

I am developing automation technologies to improve productivity in the agricultural market. Among them, I am developing an automation system for cucumber cultivation using robots and AI recognition algorithms. In the future, we plan to apply the technology developed here into next-generation robots. We will apply the automation technology we have cultivated in the FA market at Yaskawa to develop new markets and address social issues such as labor shortages.



**M.K**

Controller  
Development Dept.  
Corporate  
Technology Div.

I am engaged in the development of MPE720, an engineering tool that supports the sequence of equipment and cell startup. As this is the "face" that connects Yaskawa products with customers, I am aware that this is an important product that influences the impression of ease of use and so on, and am working on development every day. As control devices become more sophisticated and complex, and the tools to support them become increasingly important, I am striving to maximize customer productivity and minimize engineering costs.



**T.A**

ASIC &  
Communication  
Fundamental R&D  
management Dept.  
Corporate Technology  
Div.

I am engaged in the development of dedicated IC chips (ASIC) for use in Yaskawa products. We are required to achieve high performance and functionality without increasing cost and power consumption in ASIC development. In order to achieve these goals, we have been discussing specifications with the product development department and designing circuits. We are making daily efforts to create new technologies with the aim of solving customer problems.



**H.T**

AI Cube Inc.

I conduct research and development in the field of robotics, including recognition technology using machine learning and motion generation technology in combination with simulators at AI Cube. In development, I value the concept of "three way satisfaction." I aim to become an engineer who can create and propose added value that customers have not yet realized while creating excitement among project members.



## Human Resource Enhancement

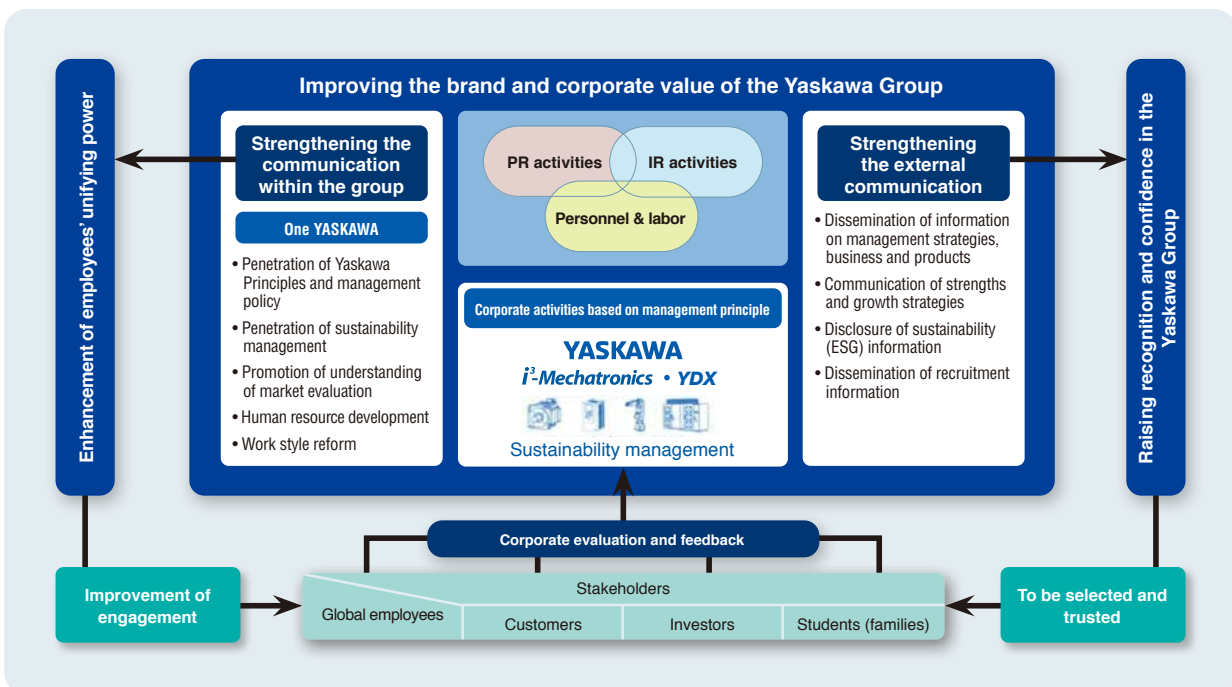
In FY2023, the Corporate Branding Division was established by integrating the human resources and labor organizations with the public relations and IR organizations. The aim is to accelerate the penetration activities of the Yaskawa Principles in terms of human resource development, improve the unifying power of the human capital, the global employees, and strengthen the brand power (to be selected and trusted). In addition, by strengthening our ability to disseminate information both within and outside the Yaskawa Group, we will contribute to the improvement of the brand and corporate value of the Yaskawa Group by not only fostering the “One Yaskawa” corporate culture, but also improving the unifying power of our employees and the recognition and confidence of our stakeholders in Yaskawa Group.



**Ayumi Hayashida**

Senior Executive Officer,  
General Manager, Corporate Branding Div.  
General Manager, Corporate Communications  
Dept., Corporate Branding Div.

### Activity framework of Corporate Branding Division



### Implementation of human resources strategies linked to management strategies

In our human capital management initiatives aimed at realizing Vision 2025, we will implement human resources strategies linked to management strategies while placing the same emphasis on dialogue with employees and investors. Specifically, we strengthen human resources management that encourages human investment and the active participation of diverse human resources based on the visualized human resources data, as well as formulate human resources requirements necessary for the execution of business strategies.

In addition, in order to formulate sustainable management strategies and continue generating high results, we will select the next generation of senior management candidates who will lead the future of the Yaskawa Group at an early stage, and train and promote them through training programs and other means.

### Deepening the understanding of Yaskawa Principles

It is important for each employee to understand and practice the Yaskawa Principles as a driving force for realizing “Vision 2025” and for the sustainable growth of the Group toward the future. With this in mind, in FY2022 I began giving philosophy lectures globally. Philosophy education is based on “to know (understand),” “to learn (deepen),” and “to act (practice),” and is a place to learn the importance of understanding and practicing management principles. We will take time to provide philosophy education to many employees of the Yaskawa Group in a direct dialogue format to deepen their understanding of the Yaskawa Principles.



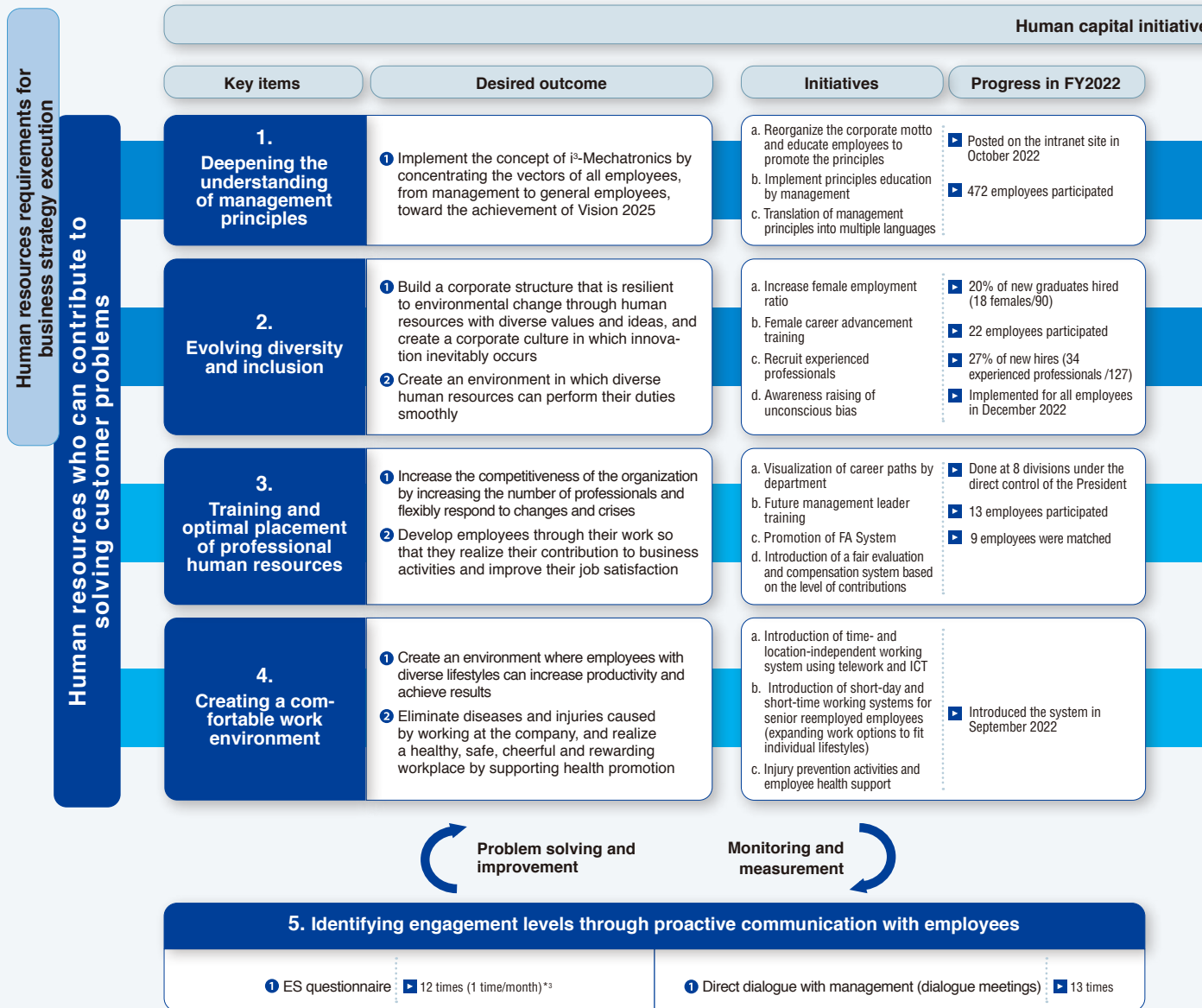
## Human Resources Strategy for Realizing Vision 2025

### Human capital initiatives

Yaskawa Group has established a global human resources philosophy that defines the basic idea to the human resources we seek and personnel systems.

In order to realize Vision 2025, we will focus on “deepening the understanding of management principles,” “evolving diversity and inclusion,” “training and optimal placement of professional human resources,” and “creating a comfortable work environment.” By constantly monitoring these initiatives through proactive communication with employees, such as ES questionnaires and direct dialogue with management, we will quickly reflect the feedback in the improvement of human resources policies and accelerate the improvement of productivity and job satisfaction. Through these initiatives, we aim to continuously improve corporate value.

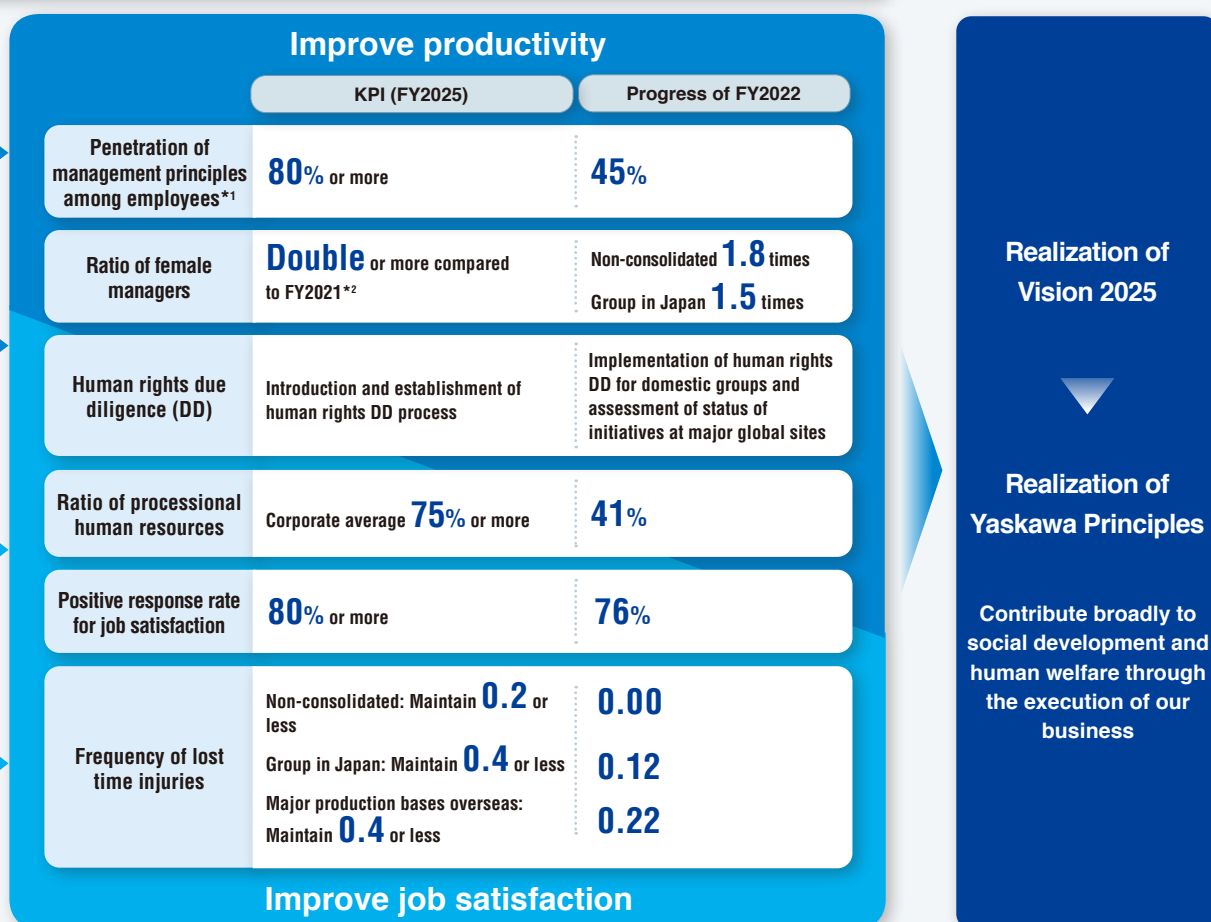
### Overall human resources strategy



## Visualization and utilization of human resource data by YDX

Yaskawa defines the skills required for each department and job category, and assesses employees' current capabilities through annual skill checks. For example, in the technology department, employees' experiences and skills are visualized, and the information is used to assign the engineers to development themes and to formulate hiring plans.

In addition, Yaskawa Group is promoting initiatives to link and visualize human resource data globally through YASKAWA Digital Transformation (YDX). By analyzing and utilizing the collected data in a timely manner, we are speedily implementing various human resource initiatives, including recruitment, deployment, development, evaluation, and system management, while at the same time working to raise the level of human resource management.



\*1 Percentage of employees whose work is based on actions of Yaskawa Principles

\*2 Non-consolidated and domestic group companies

\*3 Conducted for all employees of Yaskawa Electric (approximately 3,000 employees)

## Initiatives to Accelerate the Improvement of Productivity and Job Satisfaction

### 1. Deepening the understanding of management principles

#### Implementation of principles education on a global scale

In FY2022, with the aim of deepening the understanding and strengthening the practice of all global employees, corporate motto was reorganized into the Yaskawa Principles by dividing it into “Our Purpose,” “Our Values,” and “Our Actions.” (See page 3-4.)

With an unwavering focus on achieving “Vision 2025,” we conduct principles education through direct dialogue by management to increase the number of people who can embody the Yaskawa Principles and the

i<sup>3</sup>-Mechatronics solution concept.

Since FY2023, we have expanded the scope of participants to include group companies in Japan and overseas to deepen our understanding of management principle.

#### Monitoring by ES questionnaire

	2022/1	2023/1
<b>Recognition of Yaskawa Principles</b>	<b>74%</b>	<b>94%</b>
<b>Penetration rate of Yaskawa Principles*</b>	<b>28%</b>	<b>45%</b>

\* Percentage of employees whose work is based on actions of Yaskawa Principles

### 2. Evolving diversity and inclusion

Yaskawa Group strives to create a climate that creates new innovations by leveraging the strengths of diverse human resources, regardless of their job titles, gender, nationality, tenure, educational background, work structure, or lifestyle.

#### Advancement of women

In Yaskawa Group as a whole, women account for about 13% of managerial positions (FY2022). However, as a technology-oriented manufacturer, Yaskawa Electric (non-consolidated) has a problem with a low ratio of female managers as a result of the high number of technology-oriented employees and the low ratio of female science students. In addition, the results of our most recent in-house questionnaire showed that while the percentage of female employees who want to pursue managerial positions has improved, there is still a gap between men and women in terms of gender roles, although there is a trend toward improvement.

Based on these findings, we are conducting not only skill upgrading and mind-changing for female employees, but also training programs for potential female managers where managers change their attitudes

and strengthen their involvement in developing female employees. In addition, we are also conducting a questionnaire survey on unconscious bias to improve gender roles for men and women.

#### Monitoring by ES questionnaire

	2020/6	2021/6	2022/6
<b>A workplace culture that leverages the strengths of diverse human resources*</b>	<b>59%</b>	<b>71%</b>	<b>78%</b>
<b>Willingness to be a manager</b>	<b>49%</b>	<b>45%</b>	<b>45%</b>
<b>Female employees</b>	<b>21%</b>	<b>22%</b>	<b>29%</b>
<b>Male employees</b>	<b>52%</b>	<b>50%</b>	<b>48%</b>

\*Percentage of respondents who answered that their workplace has a climate in which they can utilize the strengths of diverse human resources

#### Recruitment of experienced professionals

In order to secure the personnel necessary to realize our management strategy, we actively recruit professionals with experience in each field. The ratio of experienced hires to total hires is increasing year by year.

#### Ratio of experienced hires

(Percentage of the number of employees hired as experienced professionals per year)

FY2018	FY2019	FY2020	FY2021	FY2022
<b>7.8%</b>	<b>5.0%</b>	<b>11.9%</b>	<b>13.1%</b>	<b>26.8%</b>

#### Localization of overseas operations

At Yaskawa Group, we are promoting the localization of our overseas operations based on the basic concept of management that considers operations on a global scale and operates locally. Currently, more than 40% of managers in Yaskawa Group are local personnel working overseas.

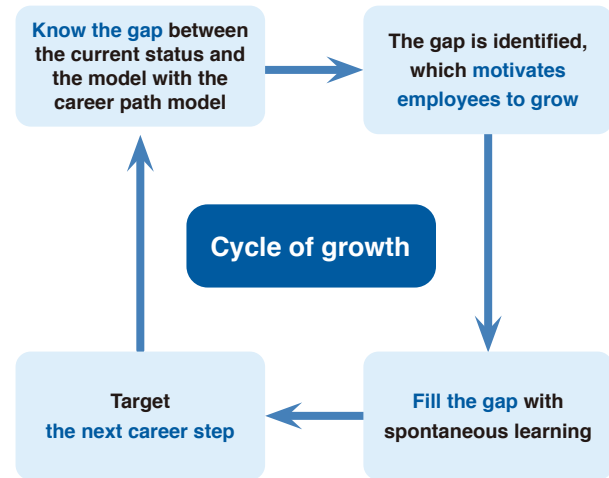


### 3. Training and optimal placement of professional human resources

#### Human resource development that respects autonomy

Based on the belief that the role of the company is to provide a place for employees to realize themselves, Yaskawa has introduced an education system that respects individual autonomy, from “education provided” to “self-learning education.” By sharing a career path model and a career requirements definition document, the employees aim to realize themselves while growing sustainably through various education and training systems, grasping the gap between their “goals” and “current status.”

\* Human resources at a level that allows them to teach others the skills they are assigned to perform, or at a level that allows them to perform by themselves



<b>Sharing career path models and creating career plans</b>	<ul style="list-style-type: none"> <li>Created career path models in all departments in FY2022 and shared them internally</li> <li>Support employees' autonomous career development by visualizing their aspirations and goals, and develop career plans tailored to each employee's motivation and aptitude for long-term human resource development</li> </ul>	<b>Free Agent system</b>	<ul style="list-style-type: none"> <li>The FA system was introduced in FY2020 to support employees' independent career development.</li> <li>More than 80% of the employees transferred under this system improved their job satisfaction compared to before using the system (confirmed by ES questionnaire).</li> </ul>
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#### Early promotion of young talent

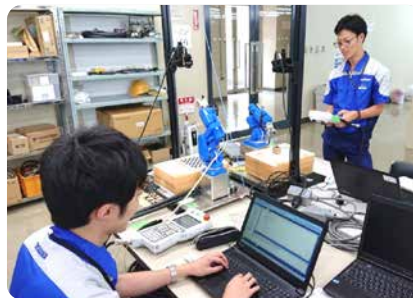
We are promoting human resource development in Yaskawa under the slogan of “thinking logically and communicating things appropriately to others” as an ideal target for young talent (within the fifth year of employment). Through various types of education and training, we train young talents to acquire the

knowledge necessary for the work and develop their capabilities as early as possible. In addition, we provide opportunities for employees to think about their careers and aspirations from an early stage after joining the company, and we encourage them to develop their careers autonomously.

<b>Introductory training for new graduate hires and experienced professionals</b>	Acquire the necessary knowledge (management principle, company vision, company system, etc.) and develop a mindset for new employees	<b>Career plan presentation</b>	Employees up to the fifth year of employment think about what they aim for in the future and what challenges they face, and make presentations in the workplace.
<b>Follow-up training</b>	For employees in their second year of employment, in addition to acquiring necessary knowledge such as the company system, reconfirm what they can and should do based on their own characteristics, and form a career vision	<b>Yaskawa Freshers Technical School (YFTS)</b>	New technical employees acquire basic product knowledge and basic elemental technology (principles, etc.) necessary as Yaskawa engineers



YFTS training





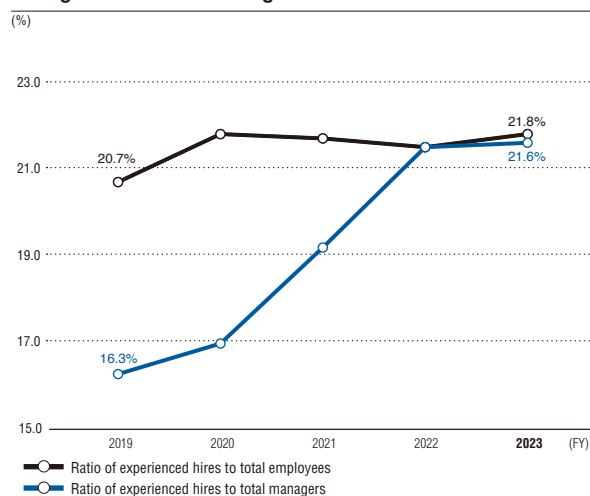
### Increasing the ratio of professionals and promoting experienced professionals

In today's business environment, where we face global competition, it is necessary to professionalize each employee to maintain our competitiveness as a company. We believe that the more professionals we have, the more competitive our organization will become and the more flexible we will be in our ability to respond to changes and crises.

In order to improve the ratio of professionals, we have created an environment in which all employees actively learn the necessary abilities and skills and encourage autonomous growth by using OJL sheet skill checks and other measures.

In addition, we hire experienced professionals from outside and actively provide them with challenging opportunities, so that they can be selected and promoted to general managers and section managers depending on their contribution and roles.

### Ratio of experienced professionals hired to all Yaskawa employees and promotion of their appointment to general managers and section managers



### Fair evaluation and compensation system based on contribution

In order to improve employees' sense of contribution and job satisfaction, we have revised our approach to evaluate the accumulation of knowledge and skills at seniority, toward a system to fairly evaluate the results (contribution) achieved by performing duties, and have focused on reviewing treatment based on the role each employee plays and the scale of their duties.

In addition, in FY2021, we expanded the medium- to

long-term incentive system to employees in light of the fact that employees are the main contributors to the creation of corporate value. With the aim of raising awareness of participation in management, we provide stock compensation to managers and above and cash compensation to employees, which also encourages them to participate in shareholding associations, in accordance with the level of achievement of mid-term business plan, in order to raise awareness for Yaskawa Group's corporate value.

		Details of implementation from FY2020 to FY2022	
Contribution	Duties	Revisions to role requirement definitions that clarify duties by qualification level	
	Results	Introduction of a job manager that enables managers and employees to check daily business plans and results	
Treatment	Evaluation	Introduction of an evaluation system that is fair to the degree of contribution made by setting the difficulty of evaluation themes	
	Rating	Integration of the role for promotion and general office role to expand growth opportunities	
	Compensation	Medium to long-term	Increased awareness of management participation through <b>increased provision of medium- to long-term incentive programs</b>
		Single year	Review of <b>compensation system equitable to contribution level</b> (Management)
			Review of <b>compensation system equitable to contribution level</b> (Regular and Re-employed employees)
			Introduction of performance-linked bonus formula with no maximum amount to be paid
	Retirement benefits	<b>Expansion of defined contribution pension plans (DC)</b> to encourage self-help efforts	

### Monitoring by ES questionnaire

	2021/5	2022/6	2022/11	2023/6
Satisfaction with the evaluation system	73%	76%	72%	79%
Rate of feedback on previous term's evaluation	71%	73%	82%	80%
Satisfaction with feedback	-	96%	96%	95%

## 4. Creating a comfortable work environment

### Realization of diverse working styles

In FY2019, we introduced a telework system to create an environment in which productivity and results can be achieved regardless of time or place. In principle, this system does not set a limit on the number of days that can be used for childcare, nursing care, and balancing medical treatment with work. In addition, through the use of ICT, we have introduced a tool for managers and employees to confirm and communicate

their daily work plans and performance remotely and have developed a system that enables fair evaluation.

In FY2019, in order to encourage the participation of a diverse range of human resources, we reexamined the manner in which employees are transferred and introduced an area-limit system that allows employees to choose their work style in response to life events regardless of the reason.

### Creating a safe and healthy working environment

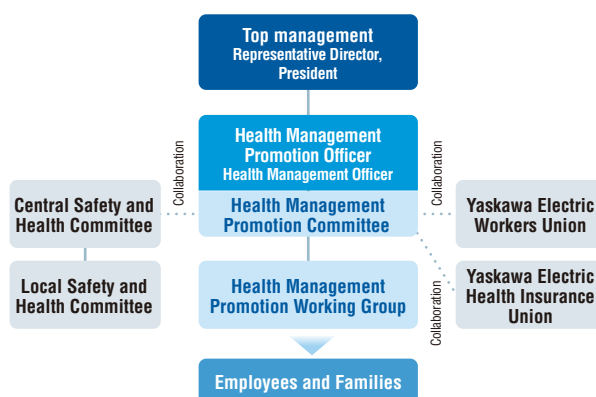
The Yaskawa Group Health Management Declaration has been widely declared internally and externally, and health management is promoted under the leadership of top management, with the Health Management Promotion Committee at the center.

#### Yaskawa Group Health Management Declaration

In order to realize Yaskawa Principles, “contributing to the development of society and the welfare of mankind through the execution of its business,” we aim to maintain healthy, safe, cheerful and rewarding workplace as a group by supporting the development of health as a base for the job satisfaction of each employee.

1. We eliminate diseases and injuries caused by working in the company.
2. We increase the number of employees who practice health and safety activities autonomously.
3. We aim to create a safe, cheerful, and rewarding work environment for each employee.

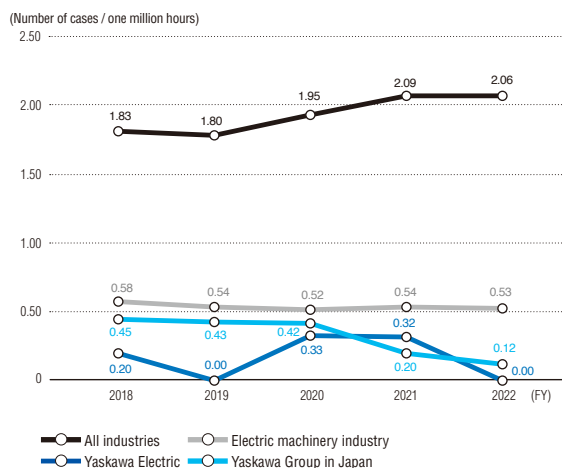
#### Health management promotion system



Occupational safety and health	Implement injury prevention activities at each workplace based on the concept of the occupational safety and health management system
	Conduct internal audits and provide thorough guidance of the safety and health committees at each workplace regarding the items pointed out
Employee health support	Health guidance and education focusing on lifestyle and work support in addition to various medical examinations and occupational disease prevention
	Establishment of an external consultation desk where employees can seek consultation on health, medical care, nursing care, childcare, mental health, etc., 24 hours a day, 365 days a year
Mental health measures	Lifestyle and employment support for psychiatric illnesses and disabilities
	Feedback to individuals and workplaces using the stress check system

The frequency rate of industrial accidents in Yaskawa and the domestic group remains below the average for the same industry.

#### Frequency of work accidents (Frequency rate)



## 5. Identifying engagement levels through proactive communication with employees

### PDCA of improvement through analysis of ES questionnaire

Since FY2016, we have been conducting monthly ES questionnaire surveys for employees of Yaskawa Electric in order to collect their individual opinions and not just monitor their satisfaction. Through registered questionnaires, we measure the level of understanding and penetration of management measures, the sense of busyness in the workplace, and the level of satisfaction with the human resources system. By analyzing the data in specialized department, we aim to solve various problems faced by employees through PDCA, and to foster a corporate culture in which management and all employees become more united. The response rate of the ES questionnaire exceeds 90% every month, and various opinions and requests are received.

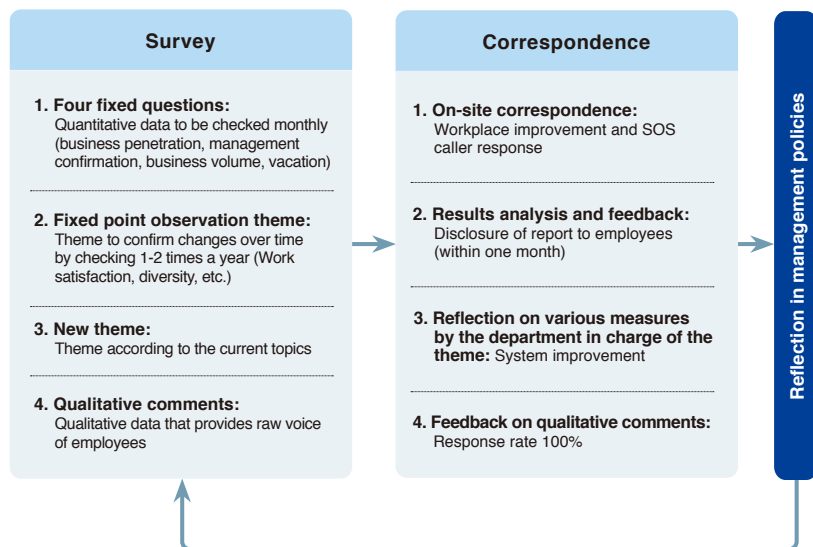
The results of the questionnaire analysis are shared internally every month, and we strive to provide feedback on all opinions and requests. We quantify the percentage of employees with job satisfaction every six months, and the positive response rate has remained high at around 80%. By analyzing the results of this survey in detail, we are able to identify the factors that contribute to the improvement of job satisfaction and the characteristics of each workplace in a timely manner and are working to make speedy improvements while prioritizing issues that need to be improved.

### Monitoring by ES questionnaire

	2020/1	2021/1	2022/1	2023/1
<b>Satisfaction with the ES questionnaire</b>	<b>75%</b>	<b>81%</b>	<b>82%</b>	<b>81%</b>
<b>Changes and effects of the ES questionnaire*</b>	<b>52%</b>	<b>54%</b>	<b>59%</b>	<b>54%</b>

\*Percentage of employees who responded that they felt internal changes and effects with the ES questionnaire over the past year

### PDCA for data-driven improvements



### ES questionnaire theme

(FY2022 results)

Part 1	Personnel and labor systems and pension systems
Part 2	Penetration of policies and targets for this fiscal year and CS (customer satisfaction)
Part 3	Job satisfaction and company performance
Part 4	Diversity, promotion of women's participation, childcare leave for men, evaluation system
Part 5	Crisis management (natural disaster response), health improvement, English skill improvement
Part 6	Human rights and social contribution
Part 7	Improvement activities, internal newsletters, welfare system
Part 8	Compliance, integrated report, management
Part 9	Job satisfaction and evaluation system
Part 10	Environmental awareness and diversity (unconscious bias)
Part 11	Yaskawa Principles, ES questionnaire
Part 12	ICT activities (YDX, information systems), internal control

### Direct dialogue with the president

We conduct our own activities to promote human resource development through direct dialogue (dialogue meetings) with management. As the president himself in charge of human resource development, under the motto of development of human resources who will play a role in the evolution of the Yaskawa Group, we expand the circle of communication with employees and strengthen the motivation of participants and the development of human resources that takes on challenges through interactive dialogue.





## Respect for Human Rights

Based on the Universal Declaration of Human Rights, the United Nations Guiding Principles for Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, the Yaskawa Group has stipulated respect for human rights in Yaskawa Group Code of Conduct and manages businesses respecting the human rights of all people.

### Yaskawa Group Code of Conduct

In order to fulfill Yaskawa Group Principle of Management, which states Group mission is to leverage the pursuit of the business to contribute to the advancement of society and the well-being of humankind, as a member of global community, Yaskawa Group assumes that it is essential to conduct business in a fair and faithful manner and to solidify a trusting relationship with global community. In accordance with the principles set on its own, Yaskawa Group commit to respecting human rights, comply with applicable laws and regulations, and the spirit thereof, and proactively act toward the creation of a sustainable society based on good social conscience.

#### Human Rights Principles

- Yaskawa Group contributes to the advancement of society and the well-being of humankind through its operations. Given the above premises, Yaskawa Group respects global communities and culture and custom in each country or region, complies with laws and regulations and ensures company policies are in accordance with applicable legislation. In the absence of legislation or policy Yaskawa Group chooses a course of action based on integrity.
- Yaskawa Group complies with applicable labor laws and regulations set by countries, regions and local governments.
- Yaskawa Group respects individual human rights and diversity of values and carries out activities in line with our worldwide "Yaskawa HR Values."

### Promotion system

Led by its Sustainability, General Affairs and Procurement divisions, the company is committed to respecting human rights in Yaskawa Group and its supply chain.

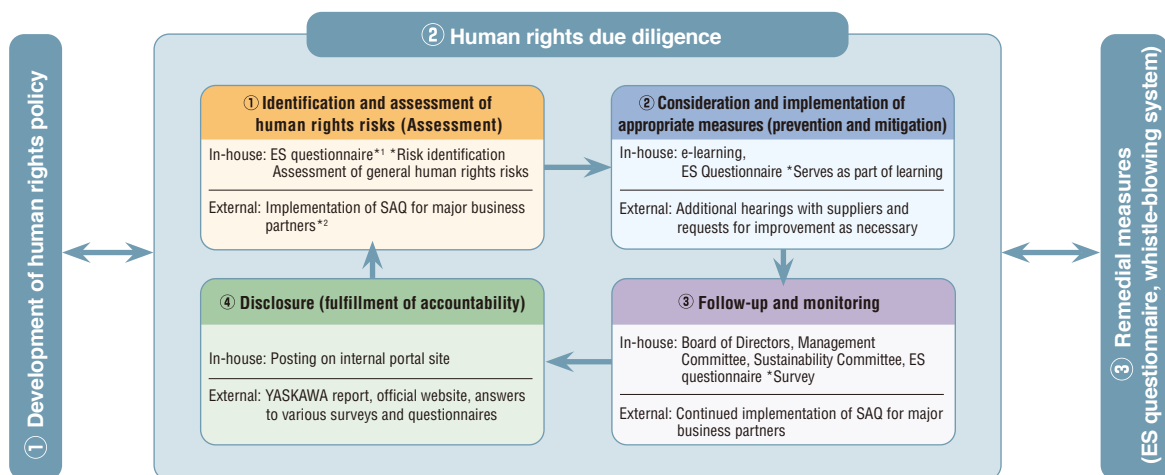
With regard to these initiatives, the Sustainability Committee, chaired by the president, deliberates and monitors measures on a regular basis.

### Human rights due diligence and remedial measures

In accordance with the United Nations Guiding Principles on Business and Human Rights, we have established a human rights policy, human rights due diligence and mechanisms for remedial measures.

Through these initiatives, we will continuously respond to ever-changing social demands and challenges regarding human rights. Specifically, we will identify and assess negative impacts and risks on human rights, implement appropriate measures, conduct follow-up surveys and monitoring, and disclose information.

Consultations are received through the monthly ES (Employee Satisfaction) survey (for all non-consolidated employees) and the whistle-blowing system (Compliance Hotline), and appropriate measures are taken.



\* 1 ES questionnaire: Employee satisfaction survey (non-consolidated, monthly)  
\* 2 SAQ (Self-Assessment Questionnaire)

### Education and enlightenment

We are continuously working to raise human rights awareness by conducting education and awareness

surveys for employees using e-learning and ES questionnaires. Since FY2022, we have been gradually expanding these initiatives to our domestic affiliates to raise awareness of human rights throughout the Group.





## Dialogue and Co-creation with Stakeholders

As a global company, the Yaskawa Group strives to improve the trust through dialogue and co-creation with stakeholders including customers, business partners, local communities, shareholders and investors. By doing so, we aim to create social value and solve social issues through our business together, with the aim of continuously enhancing corporate value.



### To Ensure Customer Satisfaction

**FY2022 results** To ensure that customers feel comfortable using Yaskawa products, we have established a global quality assurance system and are working to improve the safety and quality of our products, including our services. We have been promoting the unification of market quality information by encoding data from 8 sites around the world and catching signs of severe quality problems before they develop to detect and resolve them as soon as possible. In addition, as part of our quality fraud prevention activities, we conducted a comprehensive inspection that had product shipment tests to ensure that there were no significant defects based on contracts with customers.

**FY2023 initiatives** By further strengthening the rapid collection and response of market quality information on a global scale and by implementing data-based predictive maintenance, we are able to provide improved product and service quality so that our customers' facilities and lines don't stop. The Yaskawa Group strives to ensure thorough safety and quality control from a customer-oriented perspective, respond to customer's feedback in a timely and appropriate manner, and continuously improve our products so that customers can trust us even more.



Maintenance by a service engineer

### To Build a Sustainable Supply Chain

**FY2022 results** In order to confirm compliance with the Sustainable Procurement Guidelines\*<sup>1</sup> newly established in FY2021, we asked the major suppliers\*<sup>2</sup> to respond to SAQ (Self-Assessment Questionnaire) and confirmed 100% compliance.

\*<sup>1</sup> Sustainable Procurement Guidelines:

<https://www.yaskawa-global.com/company/csr/scm/guidelines>

\*<sup>2</sup> Major suppliers: Suppliers that accounted for 80% or more of total procurement in Japan of the previous fiscal year

**FY2023 initiatives** In order to achieve the target of FY2025, 100% compliance of the Sustainable Procurement Guidelines as Yaskawa Group overall, we will further strengthen our cooperation with domestic and overseas group companies and steadily advance our group-wide response to social issues in procurement activities. In FY2023, we aim to achieve 100% compliance of the major suppliers of domestic group companies. In addition, we will establish sustainable procurement guidelines for overseas group companies and prepare for implementation of SAQ.

## Contributing to Local Communities

**FY2022 results** In FY2022, despite the impact of the COVID-19 pandemic, we continued to support education, sports promotion, culture, and the arts.

We are supporting the development of human resources in science and engineering in Kitakyushu, a manufacturing city, and promoting CSR activities to co-create with the community, such as accepting school trips in YASKAWA Innovation Center on an on-site and remote basis, being the main sponsor of the Giravanz Kitakyushu, soccer team, participating in the Kitakyushu Marathon as a volunteer for the first time in 3 years, providing industrial robots and technical

assistance to one of the exhibition corners of Kitakyushu City Science Museum's Space LABO, assisting students at technical high schools in obtaining licenses to operate robots, and holding an online event called "Girls Day" to support middle and high school girls in their career choices.

In addition, the Yaskawa Group provided support for the reconstruction of local tourism resources that were affected by the disaster, as well as supplies and funds to help the reconstruction of the affected areas in the Turkey-Syria earthquake in February 2023.



Kitakyushu marathon volunteer



The exhibition at Kitakyushu Science Museum Space LABO



Handmade motor workshop

**FY2023 initiatives** In order to expand "program for the development of manufacturing human resources," we will consider the next direction among ideas gathered from all employees in FY2022. We will also increase opportunities for employees to participate in community activities. In addition, we will establish a system to

accept more people at YASKAWA Innovation Center in order to support the daily life after the COVID-19 pandemic. We will continue to provide as much support as possible and contribute to the revitalization of local communities.

## Dialogue with Shareholders and Investors

**FY2022 results** Yaskawa believes that it is important to promote constructive dialogue with shareholders and investors in order to achieve sustainable growth and increase corporate value over the medium to long term. When necessary, the president, the director in charge of investor relations, the general manager of corporate communications, and other senior management actively engage in dialogue with shareholders and investors. In FY2022, we engaged in dialogue with a total of 1,214 institutional investors and analysts. The opinions received at the dialogue are fed back to the management to improve management measures.

**FY2023 initiatives** In FY2023, we will continue to disclose information necessary for making investment decisions in a timely and appropriate manner, and work to deepen relationships of trust with shareholders and investors through constructive two-way dialogue with the aim of further increasing corporate value. In June 2023, we held "YASKAWA IR Day 2023 (mid-term business plan briefing session)," in which the

Activities	Results
Results briefing for analysts and institutional investors (telephone conference, etc.)	6 times
One-on-one meeting with institutional investors	412 meetings
Conference meeting hosted by securities companies	78 meetings
Meeting at NDR <sup>*3</sup>	49 meetings
Seminar for individual investors	2 times

<sup>\*3</sup> In FY2022, the face-to-face meetings were resumed in addition to online meetings.

management and division managers explained their medium-term business strategies and directions for value creation, and engaged in lively interactive discussions. We received feedback from participants, saying that they deepened understanding of the strategy and that they were impressed by the enthusiasm of the top management.

# Environment

Yaskawa Group's environmental management is driven by both its Green Process, which aims to reduce the environmental impact of Yaskawa's operations, and its Green Products<sup>\*1</sup>, which aim to help customers around the world reduce their environmental impact through Yaskawa products.

In particular, we recognize that addressing the issue of climate change is an urgent global issue, and we set a unique target for reducing CO<sub>2</sub> emissions by Yaskawa products by more than 100 times the amount of CO<sub>2</sub> emissions produced by Yaskawa Group (CCE 100) by 2025, and are promoting environmental management.



<sup>\*1</sup> We evaluate the degree of environmental contribution of a product from three perspectives: prevention of global warming, resource conservation and recycling, and proper management of chemical substances. Products that meet certain standards are certified as Green Products, and products that demonstrate the highest level of environmental performance in the industry are certified as Super Green Products.

## Goals and progress of the mid-term environmental plan

	Targets for FY2022	Achievements in FY2022	Self-evaluation	New mid-term plan targets (FY2025)
Green Processes	The Group's CO <sub>2</sub> emission reduction rate 10% (Compared to FY2018)	20.0%	◎	30%
	CO <sub>2</sub> -free electric power rate 58% (Yaskawa Electric)	58.4%	○	75%
	Reduce volume of waste discharged by the Group FY2018 results (3,986 tons) or less	3,390 tons (Compared to FY2018: 85%)	○	Maintain below FY2018 results
	Proper water management Reduce volume of water consumed by the Yaskawa Electric FY2018 results (216,000 m <sup>3</sup> ) or less	169,000 m <sup>3</sup> (Compared to FY2018: 78%)	○	Reduce 1% compared to FY2022
Green Products	Contribution to reducing CO <sub>2</sub> emissions through products 73 million tons or more (Cumulative since FY2016)	78.92 million tons (Cumulative since FY2016)	○	120.00 million tons (Cumulative since FY2016)
	100% compliance with the RoHS Directive (ten substances including four additional substances excluded)	100% compliance with the RoHS Directive (four additional substances response completed)	○	100% compliance with the RoHS Directive
Management	Increase in the number of companies covered under EMS in the Yaskawa Group Environmental impact load ratio: 95% or greater	Environmental impact load ratio: 99.0%	○	98% or more

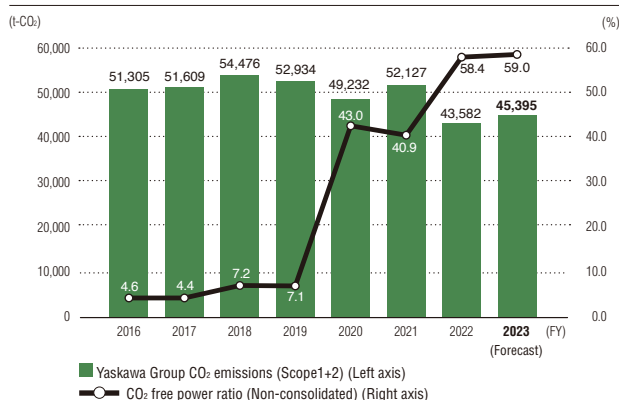
Self-evaluated achievement ratios to targets: ◎130% or more, ○100% or more, △50% or more, ×under 50%

## Achievements and Challenges in FY2022

**Achievements** In FY2022, we achieved the targets of the Mid-Term Environmental Plan. During the Mid-Term Plan, we focused on reducing CO<sub>2</sub> emissions in green processes, and actively adopted CO<sub>2</sub>-free electricity from electric power companies as well as solar power generation. At the same time, we worked to reduce energy consumption through stable operation of solar power generation facilities, investment in energy-saving facilities, and individual energy-saving activities. As a result of these efforts, Yaskawa Electric alone achieved a CO<sub>2</sub>-free power ratio of approximately 58% in FY2022, which greatly contributed to the reduction of CO<sub>2</sub> emissions in our group. With regard to our group EMS<sup>\*1</sup> activities, we have established a system for promoting these activities in overseas group companies, and the overall scope of our supervision has been expanded to 99.0% of the environmental impact ratio. In the new mid-term plan, we plan to maintain a level of 98% or higher, even with the expansion of our bases.

In addition, our group's greenhouse gas reduction targets<sup>\*2</sup> were certified by the SBT initiative<sup>\*3</sup> as science-based targets for keeping global average temperatures rise below 1.5°C from pre-industrial levels.

Trends in group CO<sub>2</sub> emissions and CO<sub>2</sub> free power ratio (Non-consolidated)



**Challenges** In FY2022, we achieved the FY2022 target of our mid-term plan.

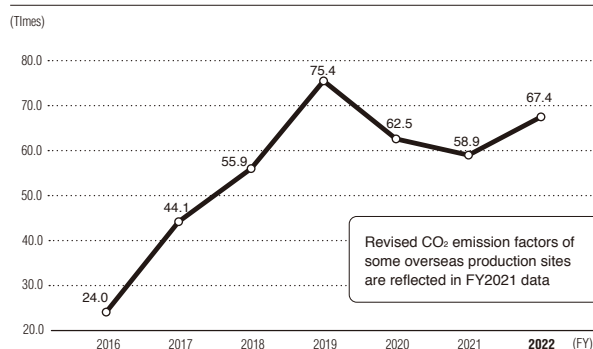
With regard to CCE100, we greatly achieved the target of reducing CO<sub>2</sub> emissions, which is an indicator of green processes, and CCE increased to 67.4 times, but we will further strengthen our efforts to achieve the target of 100 times in FY2025.

\*1 Environmental Management System

\*2 Reduce CO<sub>2</sub> emissions from our group's business activities (Scope 1+ Scope 2) by 51% in 2030 compared to 2018. Reduce CO<sub>2</sub> emissions upstream and downstream of our supply chain (Scope 3) by 15% in 2030 compared to 2020.

\*3 Science Based Targets initiative: An international initiative that certifies that companies' CO<sub>2</sub> reduction targets are consistent with scientific evidence

**Trends in CCE100 (CO<sub>2</sub> emission reduction contribution from Yaskawa products/CO<sub>2</sub> emission from Yaskawa group)**



## Future Initiatives

With the aim of achieving carbon neutrality by 2050, we will promote environmental management throughout the Group and accelerate the reduction of the environmental impact of production activities based on our global structure in cooperation with factories in Japan, Europe, the United States and China.

In addition to thoroughly reducing energy use through measures that have been implemented to date, such as replacing lighting with LEDs, upgrading air conditioning systems, and increasing the efficiency of production facilities, the Group will also promote group-wide decarbonization by installing photovoltaic panels at each plant and office, including overseas Group companies, and introducing CO<sub>2</sub>-free electricity.

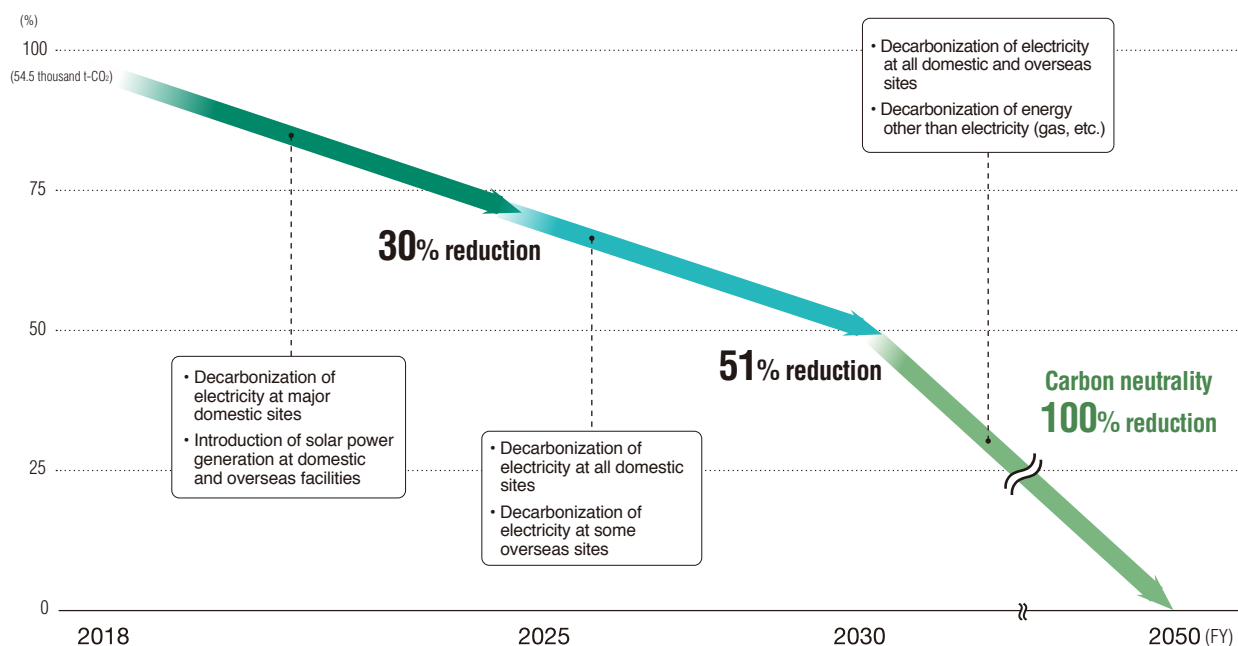
Under the new mid-term plan, in addition to the

existing measures, we will actively engage in more resource-saving activities than ever before, such as reducing plastic waste and water consumption.

We will also increase the share of green products in revenue for the entire Group and accelerate our efforts to increase the environmental contribution of our products and reduce the environmental impact by complying with the European RoHS Directive, REACH and other regulations and ensuring that we control the chemical substances contained in our products.

In addition, in line with the results of information disclosure based on TCFD recommendations made in May 2021, we will address the risks and opportunities identified and further disclose information in light of stakeholder feedback.

### Milestones for achieving carbon neutrality by FY2050







## Endorsement of TCFD Recommendations and Initiatives

Yaskawa group expressed its support for the TCFD Recommendations in September 2019, and in September 2020, we participated in the Ministry of the Environment Support Project for Scenario Analysis of Climate Risks and Opportunities in line with the TCFD Recommendations. Through these and other activities, we disclosed information related to climate change based on the TCFD recommendations in May 2021. Going forward, we will continue to enhance information disclosure related to climate change and continue to conduct business activities that are even more environmentally friendly, in order to contribute to the realization of a sustainable society and further enhance our corporate value.

Information Disclosures Based on TCFD  
<https://www.yaskawa-global.com/company/csr/env/tcfid>

### Governance

Based on our sustainability policy, Yaskawa is identifying sustainability challenges and targets (materiality) in the Board of Directors and Management Committee that serve as important challenges for sustainable growth and deciding on measures to solve those challenges and targets. We have also established the Sustainability Committee, which is chaired by the president and attended by heads of related divisions and outside directors as advisors, as our sustainability promotion system in order to monitor and accelerate the deployment of sustainability measures for the Group as a whole. For our response to climate change, we have positioned it as an important challenge in our materiality, and we are monitoring it in the Sustainability Committee. For the overall execution of these and other measures, we are conducting PDCA (plan, do, check, action) management in the organization for environmental promotion, which is run by the corporate environmental officer appointed by the president.

Additionally, the achievement of CO<sub>2</sub> emissions reduction targets through Yaskawa products is being evaluated and incorporated into the compensation of directors (excluding outside directors and directors who are members of the Audit and Supervisory Committee) with the goals of achieving sustainable corporate activities and responding to social issues.

### Strategy

We have investigated the risks and opportunities caused by climate change in motion control, robotics, and system engineering, which are our primary businesses. These risks and opportunities can be thought of as “transition” risks and opportunities caused by changes such as measures for climate change (e.g., policies and regulations) and “physical” risks caused by changes such as natural disasters and rising temperatures. We have derived these risks and opportunities and evaluated their impact on our business activities as serious, moderate, or minor. The derived risks and opportunities with a moderate and serious impact were analyzed with 2°C and 4°C scenarios for society in 2030.

We have also learned that the impact on our financial plan from these analysis results is a larger increase in sales due to opportunities than a reduction in sales due to risks.

As a response to these opportunities, the Yaskawa Group is working on factory automation and optimization based on “i3-Mechatronics,” and moving into new challenges that expand the areas in which mechatronics are applied for the sustainable development of the society as the goal in our long-term business plan “Vision 2025.”

#### 2°C scenario

A certain response is required to the intensification of unusual weather, but the response to the rising cost of materials and resources is more important.

On the other hand, there are opportunities created by moving forward with reductions in carbon, such as expanding demands for factory automation devices, industrial AC drives, and renewable power generation equipment, as well as a solutions business that increases productivity and energy saving performance in the factories and equipment of companies by using these devices.



Extreme weather



Rising prices of materials and resources



Equipment for renewable power generation

#### 4°C scenario

Carbon reduction is not promoted and unusual weather intensifies, so the response to physical risks caused by this are considered the most important challenges.



Extreme weather



## Business impacts related to risk and opportunity factors

Risk/ Opportunity	Transition/ Physical	Factor	Impact	Evaluation
Risk	Transition	Carbon price	• Increased fuel and material procurement costs due to the introduction of carbon taxes by national governments.	Serious
		Government policies on carbon emissions	• Increased costs (e.g., purchasing clean energy) that accompany the introduction of emissions trading and the strengthening of emissions regulations.	Serious
		Transformation to energy savings and carbon reductions	• Production impacts due to price increases and procurement difficulties for reasons such as insufficient related materials from electrification and the transition to electric vehicles.	Serious
		Recycling regulations	• Increased costs from using substitute materials, etc., due to regulations such as those on plastics.	Minor
		Growth of lowcarbon technologies	• Increased investment costs, such as R & D costs, due to increased competition in the energy saving performance of products against a background of increasing demands for energy savings.	Moderate
		Changing behavior of investors and customers	• Increased support costs due to investors and customers preferring companies that are more environmentally responsive. • Decreased company valuation and loss of business opportunities due to delayed responsiveness to environmental responsibility related to information disclosure and procurement.	Minor
	Physical	Increasing average temperatures	• Increased energy costs due increased air conditioning energy in our factories. • Need to move production sites where the risk of flooding exceeds tolerances due to sea rise.	Moderate
		Intensification of unusual weather	• Operation stoppages, reductions in production, and additional investment to restore equipment from typhoons, tornadoes, and flooding.	Serious
Opportunity	Transition	Transformation to energy savings and carbon reductions	• Increased demands for factory automation devices and industrial AC drives due to increased energy saving needs. • Expanded business opportunities for solutions that increase the productivity and energy saving performance of factories and equipment. • Expanded demand for solar power generators and wind power/geothermal power/biomass power generation equipment due to feed-in tariff incentives and so on. • Expanded business opportunities for electronics in electric vehicles as the electrification of automobiles progresses. • Expanded business opportunities for marine electronics due to increased demands for electric and hybrid ships.	Serious
		Changing behavior of investors and customers	• Increased investor valuation, increased ESG investment, and increased corporate value due to expansion of businesses that contribute to the environment.	Minor

Main scenarios used in the scenario analysis

• Used mainly to analyze transition risks: IEA<sup>\*1</sup>, SDS<sup>\*2</sup>, STEPS<sup>\*3</sup>  
• Used mainly to analyze physical risks: IPCC<sup>\*4</sup>, RCP2.6<sup>\*5</sup>, RCP8.5<sup>\*6</sup>

<sup>\*1</sup> International Energy Agency

<sup>\*2</sup> Sustainable development scenario

<sup>\*3</sup> Stated policies scenario

<sup>\*4</sup> Intergovernmental panel on climate change

<sup>\*5</sup> Scenario in which the average temperature of the world rises about 2°C over the average temperature before the industrial revolution

<sup>\*6</sup> Scenario in which the average temperature of the world rises about 4°C over the average temperature before the industrial revolution

## Risk management

The Yaskawa Group has established the Risk Management Committee with a committee head appointed by the president to swiftly and accurately handle risks that may pose a problem either directly or indirectly to the management and business operations of the Group. The Risk Management Committee evaluates, manages, plans measures, and implements those measures for companywide risks.

This committee also evaluates and manages risks related to climate change. When a crisis occurs, this committee establishes a crisis response headquarters according to the level of the crisis and implements a suitable response.

The Risk Management Committee shares information with the Board of Directors, Management Committee, and Sustainability Committee, and it supervises and monitors risk management for the entire company while also attempting to enhance risk management company-wide by ensuring consistency in risk assessments and materiality analysis.

## Metrics and targets

In order to prevent global warming, which is a social issue for all humankind, Yaskawa will go carbon neutral in 2050, essentially eliminating the CO<sub>2</sub> emissions (scope 1 + scope 2) that accompany Yaskawa Group global business activities, and as a milestone for achieving that goal, we have also established a target called “2050 CARBON NEUTRAL CHALLENGE” to reduce those same CO<sub>2</sub> emissions by 51% in 2030 compared to 2018. In addition, the company has also set a target of reducing its 2030 CO<sub>2</sub> emissions by 15% from the 2020 level for emissions upstream and downstream in the supply chain (Scope 3).

We are also contributing to the reduction of CO<sub>2</sub> emissions in the world through the supply of AC drives and other products that boast the world's highest performance utilizing power conversion technology, which is Yaskawa's core technology. To this end, Yaskawa is working to achieve “CCE 100,” with which it will promote the reduction of CO<sub>2</sub> emissions of the world through its products and make the reduction more than 100 times the amount of CO<sub>2</sub> emitted by Yaskawa Group in 2025.

To achieve these goals, Yaskawa has introduced an internal carbon pricing system (internal carbon price: 5,000 JPY/ t-CO<sub>2</sub>) and is making aggressive environmental investments.

Please refer to the following URL for Yaskawa's Scope 1, Scope 2 and Scope 3 emissions.  
<https://www.yaskawa-global.com/company/csr/group/esg-data>

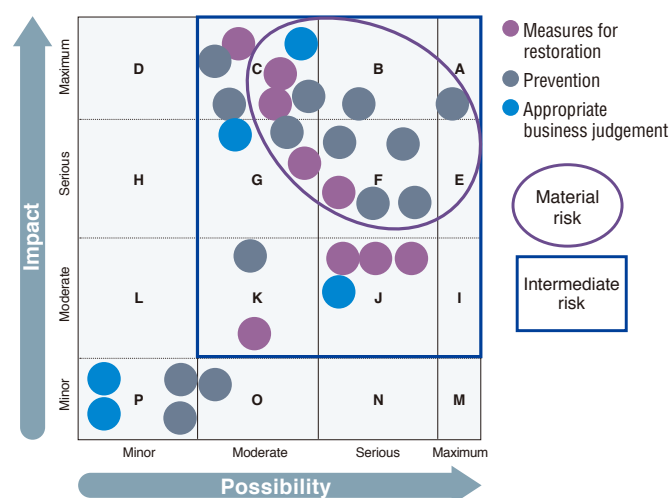
## Risk Management Policies and Systems

The Yaskawa Group monitors risks related to management performance, including economic and market conditions, at the management committee and the Board of Directors. In addition, the Yaskawa Group has established the basic rules for crisis management to promptly and accurately address risks that may arise in the Yaskawa Group. In accordance with these rules, the Risk Management Committee and its specialized committees have been established. The Risk Management Committee carries out matters related to the development of a risk management system, the planning and promotion of risk management education, and various actions to be taken when risks arise. The condition of risk management is reported to the management committee and the Board of Directors as appropriate.

### Definition and classification of risks

The Yaskawa Group classifies risks into three categories: (1) risks such as natural disasters that are beyond human control, (2) risks that have internal causes, such as compliance issues, and (3) risks that should be taken as management decisions, such as investments in new businesses. The Yaskawa Group then identifies risk items, classifies them in terms of their impact and possibility, and implements appropriate measures for each item.

Risk map



Types of risk		Examples	Measures	
①	External risk	Natural disasters, terrorism, conflicts, infectious diseases, accidents, etc.	Measures for restoration	→ Risks to avoid
②	Internal risk	Compliance risks such as information leaks, quality issues and cartels	Prevention	
③	Risks associated with the conduct of business	Expansion into new fields, investment in R & D, etc.	Appropriate business judgement	→ Risks to take

### Specific examples of risks and measures

Important risks that may affect the Yaskawa Group's business performance, financial status, etc. and their measures are as follows. In addition, compliance, quality issues, human resource retention, natural disasters (such as earthquakes and floods), terrorism/disputes, and legal regulations are recognized as risks and measures are taken.

#### Geopolitical risks (Changes in international relations)

Description	Measures
The Yaskawa Group has business bases in 30 countries and provides products and services to customers on a daily basis. Changes in international relations, as well as social and environmental changes and changes in laws and regulations that result from changes in international relations, may have an impact on our business activities. In particular, Yaskawa Group's operating results and financial condition may be affected when development, production, logistics, and sales activities are restricted, which hinder supplying products to customers by restrictions on exports and technology transfer and tariff increase in each country.	We regularly monitor political and economic conditions and trends in laws and regulations in each region through our business bases and have established a system that enables us to quickly grasp the impact on our business. In addition, when a wide range of business activity risks arising from geopolitical risks is materialized, the company takes prompt initial responses through the Risk Management Committee at the headquarters and works to minimize damage by building an effective global incident response system in cooperation with each expert committee and the management committee.

## Risks related to materials procurement and logistics

Description	Measures
<p>The Yaskawa Group procures raw materials such as steel materials and various parts from a number of suppliers, but it may not be able to obtain necessary quantities continuously due to surging procurement prices or increasing demand in the industry. Furthermore, due to natural disasters, expansion of infectious diseases, accidents, and worsening business conditions, it may be difficult for suppliers to provide Yaskawa Group with parts and raw materials in a stable manner.</p> <p>Most recently, the risk of delivery delays became apparent due to the global semiconductor shortage and supply chain disruptions caused by COVID-19.</p>	<p>The Yaskawa Group is working to strengthen its procurement functions. For example, we are building relationships of trust through dialogue with suppliers, diversifying our suppliers globally, responding to demand fluctuations by ensuring appropriate inventory levels and promoting local production and procurement, and enhancing our responses to disaster risks through the formulation of Business Continuity Plans (BCP) for our domestic and main overseas bases.</p> <p>In addition, we are working to identify risky parts early and strengthen company-wide measures, and for parts that continue to be hard to obtain, we are strengthening our response by changing the design to parts that are available.</p>

## Risks related to exchange rate fluctuations

Description	Measures
<p>The Yaskawa Group is exposed to the risk of exchange rate fluctuations because it operates globally, and its business partners are located all over the world. In addition to selling and providing products and service and purchasing raw materials and parts in local currencies such as USD, EUR, and CNY, the Yaskawa Group also exports products in local currencies. Unexpected fluctuations in exchange rates could weaken the competitiveness of the Yaskawa Group's products and adversely affect its operating results and financial condition. In addition, as the Yaskawa Group holds assets and liabilities denominated in local currencies, foreign exchange rate fluctuations may have an adverse effect on the Yaskawa Group's financial position, which is reported in JPY.</p>	<p>The Yaskawa Group is working to build an earnings structure that is resistant to exchange rate fluctuations by promoting local production and procurement in addition to executing forward exchange contracts and currency hedging.</p>

## Risk of increased competition

Description	Measures
<p>The Yaskawa Group has strong competitors in each of its business areas. In the face of intensifying price competition in particular, there is no guarantee that Yaskawa Group will remain competitive in the future, even in areas where it has a high market share.</p> <p>Intense price competition may adversely affect Yaskawa Group's performance and financial position. In addition, it is necessary to launch products in a timely and appropriate manner in order to secure competitiveness in technology and quality. If the competitiveness of Yaskawa Group's products is relatively weak or if the timing of product rollout is inappropriate, Yaskawa Group's performance and financial position may be adversely affected.</p>	<p>The Yaskawa Group is continuously strengthening R &amp; D across its divisions centering on YASKAWA Technology Center. In addition to developing innovative products that are the world's first and the world's best, we are working to shorten the development time by thoroughly improving efficiency and to bring highly cost-competitive products to market in a timely manner. At the same time, the company is working to differentiate its products and services and increase added value by providing optimal solutions for customers through i<sup>3</sup>-Mechatronics.</p>

## Risks related to sustainability issues (Climate change and human rights)

Description	Measures
<p>With regard to climate change, there is a possible risk of "transition" caused by changes in policies, regulations, and other climate change measures, as well as changes in social demands. Examples include increases in fuel and material procurement costs resulting from the introduction of carbon prices and carbon taxes by national governments and increases in costs such as purchasing green power resulting from the introduction of national carbon emissions policies and emissions trading and the tightening of emissions regulations.</p> <p>In the case of human rights, there is a need to address issues such as forced labor and child labor by not only companies but also their business partners. Response is required as a social requirement. Inappropriate responses to these risks may affect corporate value.</p>	<p>In response to these risks, Yaskawa Group has expressed its support for the TCFD recommendations on climate change, promoted various activities, including participation in a project to support scenario analysis of climate risks and opportunities in line with the Ministry of the Environment's TCFD, and disclosed climate-related information based on the TCFD recommendations. We will continue to conduct business activities that are even more environmentally friendly to contribute to the realization of a sustainable society and further enhance our corporate value.</p> <p>Regarding human rights, we have established respect for human rights in the Yaskawa Group Code of Corporate Conduct based on the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights, and we are promoting measures that respect the human rights of all people. The promotion system is led by the sustainability department, the general affairs department and the procurement department, and we are working to respect human rights in Yaskawa Group and in the supply chain. About these initiatives, the Sustainability Committee deliberates and monitors measures on a regular basis. Through these initiatives, we will continuously respond to the ever-changing social demands and issues related to human rights.</p>

## Information security risks

Description	Measures
<p>We hold personal information, including customer and business partner information and employees, in the Yaskawa Group's business fields. A server or system shutdown caused by a cyber-attack, computer virus infection or unauthorized access may cause a business shutdown. In addition, if information held by Yaskawa is leaked outside the company or false rumors about Yaskawa are spread via SNS or other means, the credibility of the market, including customers, may be lost and Yaskawa's business continuity may be adversely affected.</p>	<p>In normal times, we have been promoting activities to strengthen our information security infrastructure, and globally monitor and collect information on the latest sophisticated cyber attacks, trends in daily vulnerability information, and brand surveys. When information security risks related to the Yaskawa Group are foreseen or detected, our risk management system and the CSIRT system, which can immediately implement appropriate responses, work together to respond to incidents and maintain and strengthen resilient information systems that can predict, recover, and adapt to risks. Through these activities, we will minimize risks related to Yaskawa's information security and provide highly reliable products and services to our customers.</p>