

# **Investor's Guide**

## **Main Part**

### **Notes:**

- This material is composed mainly of basic contents to promote understanding of Yaskawa for analysts and investors.
- Figures in this document are rounded off and may differ from those in other documents such as financial results.
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**YASKAWA ELECTRIC CORPORATION**  
**(TSE6506)**

# What is Yaskawa?

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- **Turning motors for 100 years**
- **Helping to build systems supporting industries and societies**
- **Three globally competitive products;  
Industrial robots/AC servo drives/AC drives**



**Industrial robots  
MOTOMAN Series**



**AC servo drive  
Σ-X Series**



**AC drives  
New series**

- 1. Corporate Profile and Business Overview**
- 2. Long-term Business Plan “Vision 2025”,  
Mid-term Business Plan “Realize 25”**
- 3. Sustainability**
- 4. Solution Concept “i<sup>3</sup>-Mechatronics”**

## **1 . Corporate Profile and Business Overview**

# Yaskawa Principles

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## 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.



Keiichiro Yasukawa



Daigoro Yasukawa

## Our Purpose

Yaskawa's mission is to contribute broadly to social development and human welfare through the execution of our business. To achieve the mission, our group has set the following three objectives and work hard to achieve them.

## Our Value

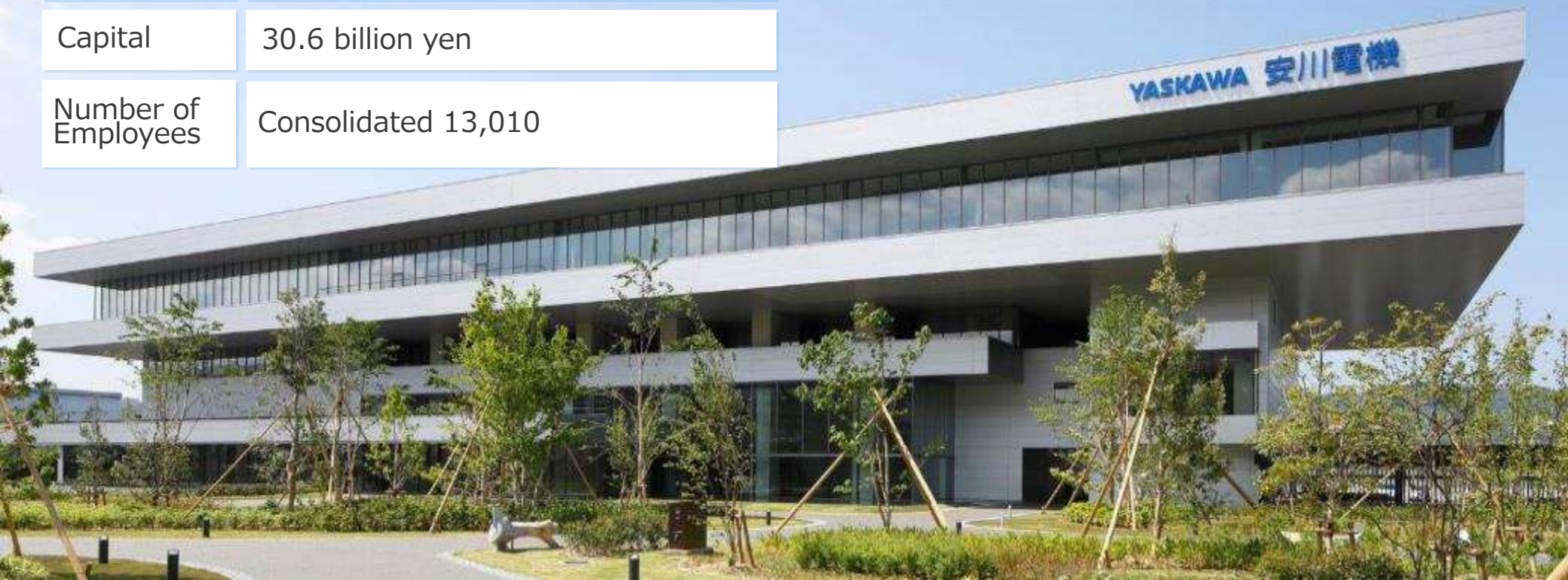
- 1. Quality** Always developing and improving world-class technologies with a focus on quality
- 2. Profit** Working to improve management efficiency and secure Profit necessary for the sustainable growth
- 3. Market** Serving the needs of our customers and pursuing customer satisfaction

# Profile

(As of February 29, 2024)

\*Consolidated fiscal year from March 1, 2023 to February 29, 2024

Corporate Name	YASKAWA Electric Corporation	Consolidated Revenue	575.7 billion yen*
Founded	July 16, 1915	Main Business	<ul style="list-style-type: none"><li>• Motion Control (AC servos, controllers and AC drives)</li><li>• Robotics</li><li>• System Engineering</li></ul>
Head Office Location	2-1 KurosakiShiroishi, Yahatanishi-ku, Kitakyushu Fukuoka JAPAN		
Capital	30.6 billion yen		
Number of Employees	Consolidated 13,010		





# Business History



Founder  
Daigoro  
Yasukawa

Representative Director,  
President (FY 2023 -)  
Masahiro Ogawa



Founded  
1915

1950

1980

1990

2000

100 th anniversary  
2015

Electric motors  
(for coal mining)



1917 -  
Commercialized "three-  
phase induction motor".



1958 - Invention of  
"Minertia Motor"

1977 - Debut of  
Japan's first full  
electric industrial robot

\*"Mechatronics" is a combining word with mechanism (mechanical engineering) and electronics (electronic engineering), and Yaskawa has registered the trademark in 1972.

Electric  
systems

Steel, paper, film plants,  
water supply plants and  
sewage treatment plants

System Engineering



AC Drives



DC Servomotors

AC Servomotors



Industrial Robots



Shifted the focus on  
**Mechatronics**  
field



Semiconductor wafer  
transfer robot

Environmental and  
energy equipment



Medical and  
welfare robots

Food and  
agriculture

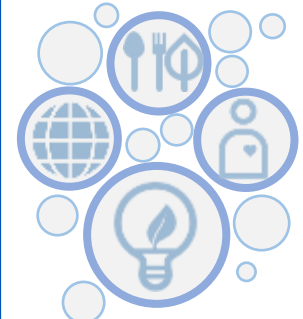
Launch of Solution Concept  
**i3-Mechatronics**

VISION 2025

**Factory  
Automation  
/ Optimization**



**Mechatronics  
Applications**



# Revenue Breakdown by Business Segment

## System Engineering

Revenue **55.5** (B JPY)

### Core products:

Electrical systems for steel plants  
Electrical instrumentation systems for water supply plants and sewage treatment facilities

### PV inverters\*

\* Since FY2024, the environment and energy business, including PV inverters has been integrated with Drives business of Yaskawa Electric Co., Ltd.



Continuous casting machine



PV inverter  
Enewell-Sol P3A 25kW

## Robotics

Revenue **234.7** (B JPY)



MOTOMAN NEXT series

Collaborative robot  
MOTOMAN-HC30PL

### Core products:

- Industrial robots
  - Arc and spot-welding robots, painting robots
  - FPD glass sheet transfer robots, handling robots
- Semiconductor wafer transfer robots
- Biomedical robots
- Collaborative robots

## Other

Revenue **25.5** (B JPY)

### Core products

Logistics, etc.

## Motion Control

Revenue **260.0** (B JPY)

### ➤ AC servo motors and controllers (50%)



YRM controller

AC servo motor  
Σ-X series

### Target Markets:

Semiconductor and FPD manufacturing devices, chip mounters, machine tools, injection molding and metal forming machines, etc.

### ➤ Drives (50%)



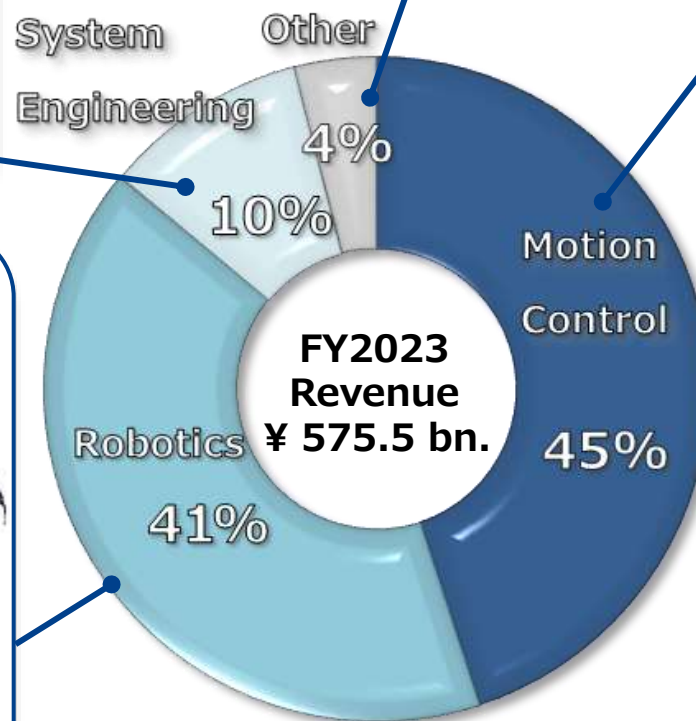
Yaskawa AC drive  
GA 700 series

ECO PM motor

Matrix converter  
U1000

### Target Markets:

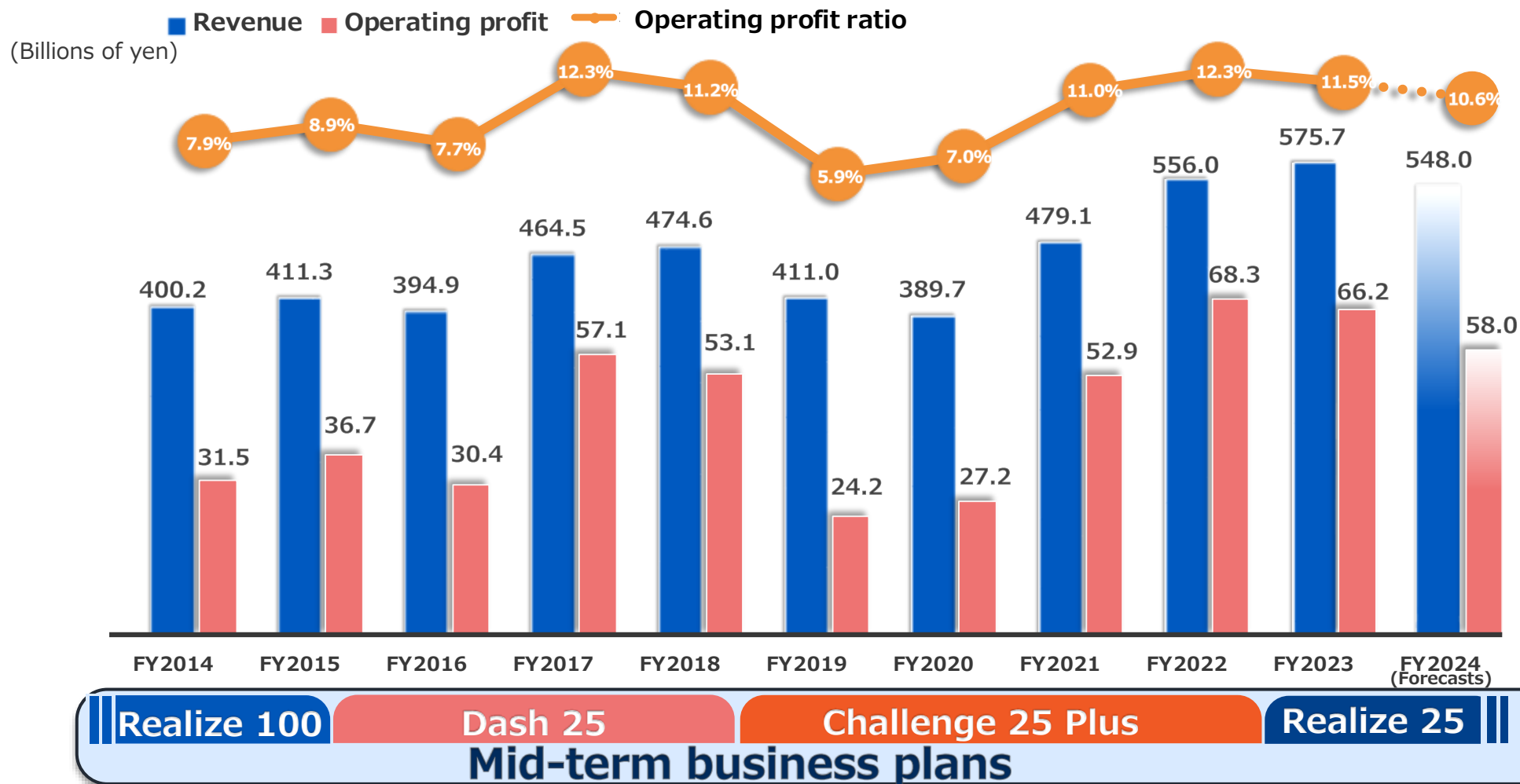
Elevators and escalators, HVAC, textile machines, port cranes, etc.





# Revenue / Operating Profit (FY2014 – FY2024 Forecasts)

- Setting **operating profit** as the most important KGI
- Formulating mid-term business plan every three to four years

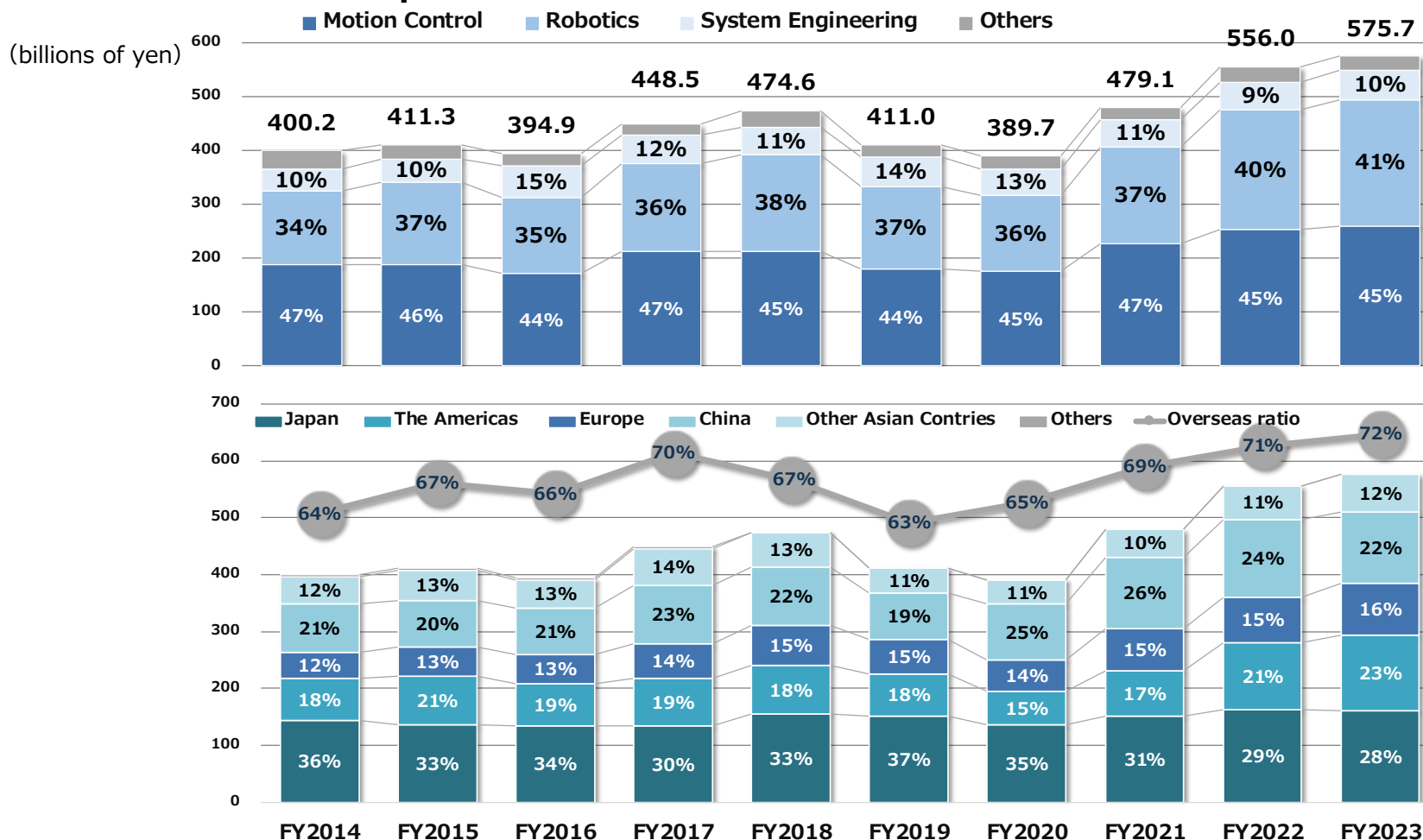


Note1: Data up to FY2017 are based on Japanese GAAP.

Note2: The data for FY2017 are made on a reference basis. (March 21, 2017 – March 20, 2018)

# Revenue by business segment and location (FY2014-FY2023)

- **Robotics** is expanding due to the trend of automation, labor-saving, and EVs.
- Overseas sales ratio is increasing by accurately capturing demand expansion in growth markets out of Japan



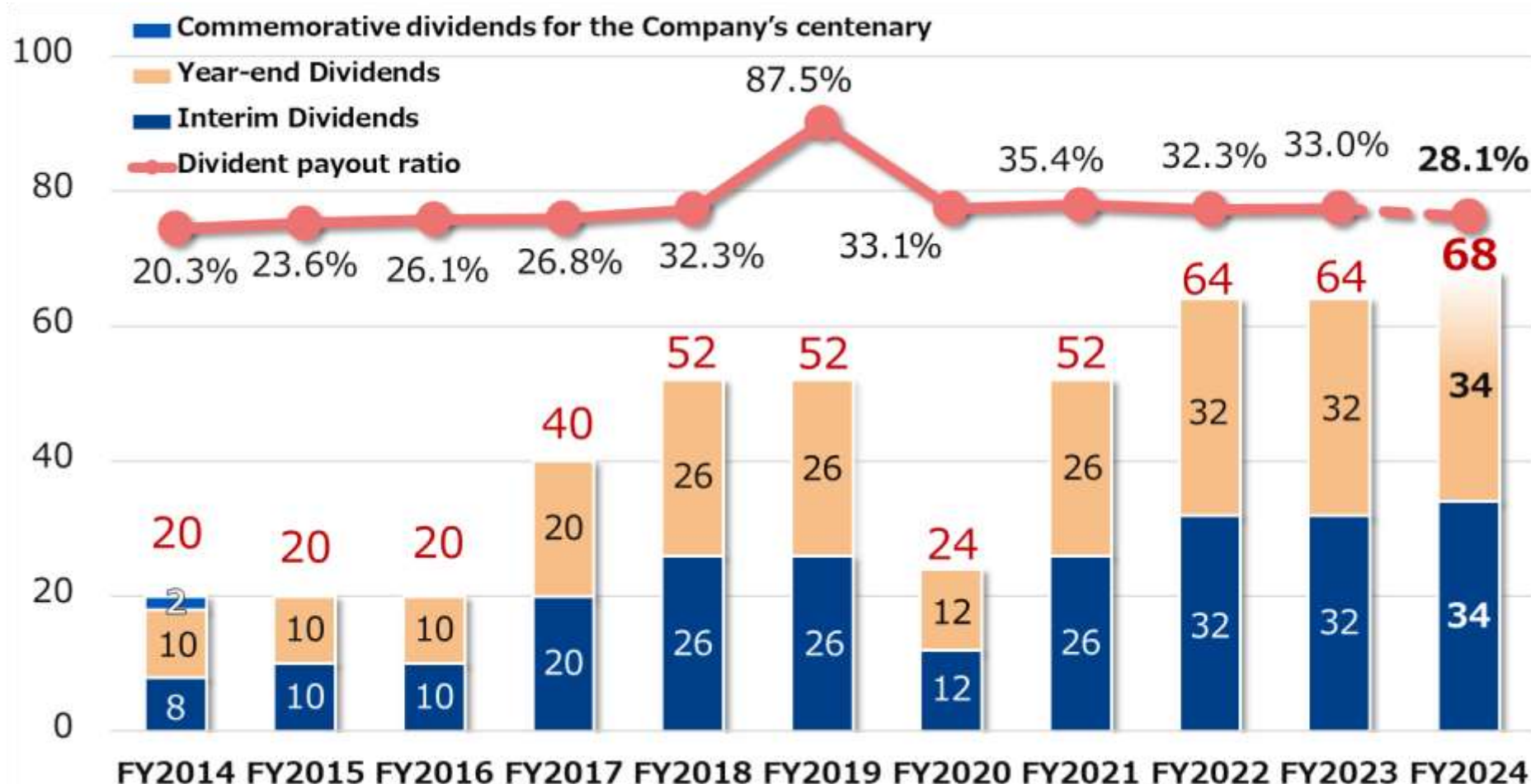
※The Company has adopted International Financial Reporting Standards (IFRS) since its Annual Securities Report submitted on May 28, 2020. The figures for the previous fiscal year are restated based on IFRS for comparative analysis.

※The Company changed its accounting period starting FY2017 from March 20 to the last day of February. As a transitional year for this change, FY2017 was from March 21, 2017 to February 28, 2018.

※The has changed the basis for calculating regional information from the destination (customer locations) to the location of each Yaskawa Group company since FY2022.

## Shareholder Return (Dividends)

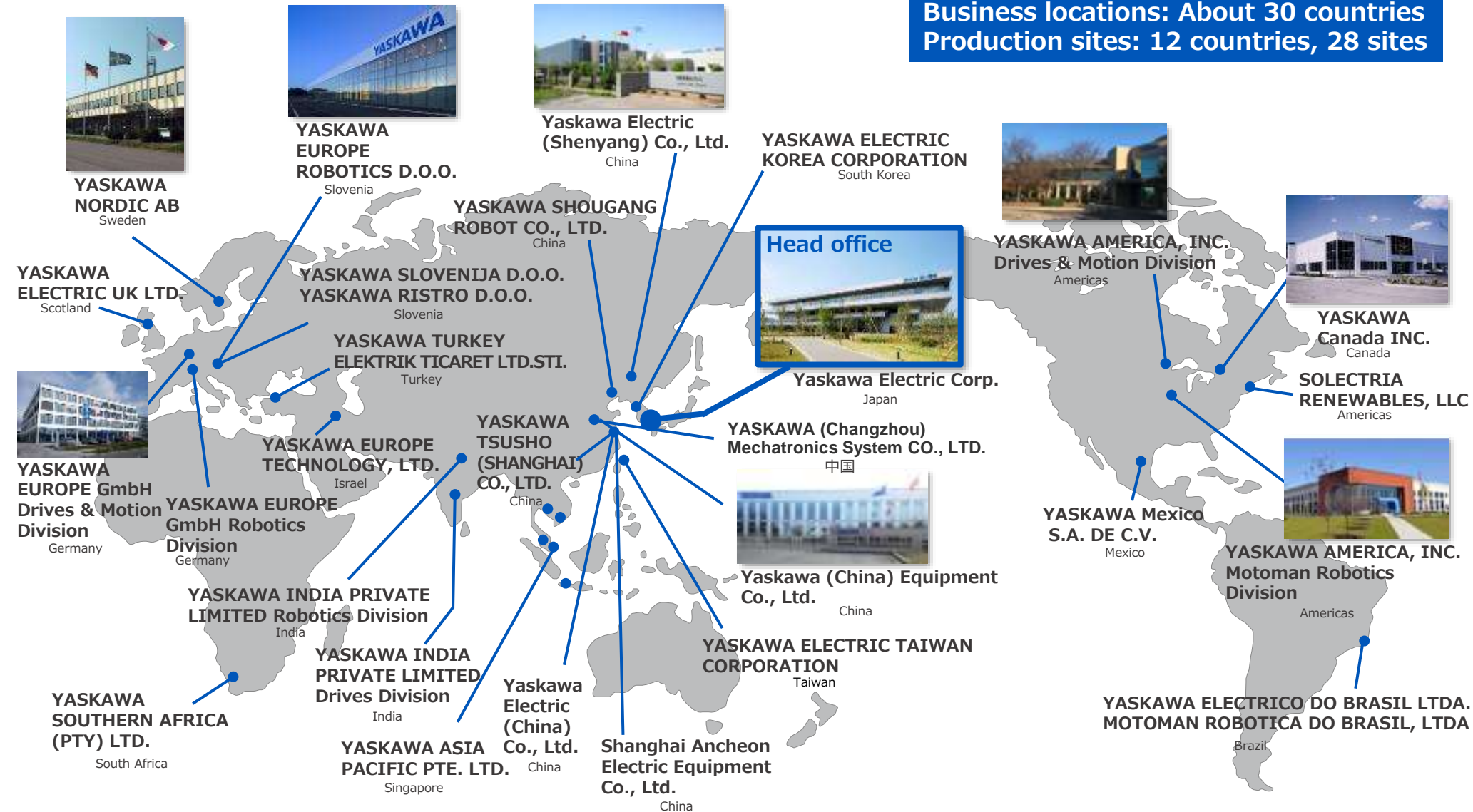
- The cash generated by business activities is effectively allocated in three directions: (1) growth investments (2) shareholder returns (3) return to employees
- The policy of shareholder returns is based on a payout ratio of 30% + α.





# Global Network

**Business locations: About 30 countries**  
**Production sites: 12 countries, 28 sites**





## **2. Long-term Business Plan “Vision 2025” (FY2016-FY2025)**

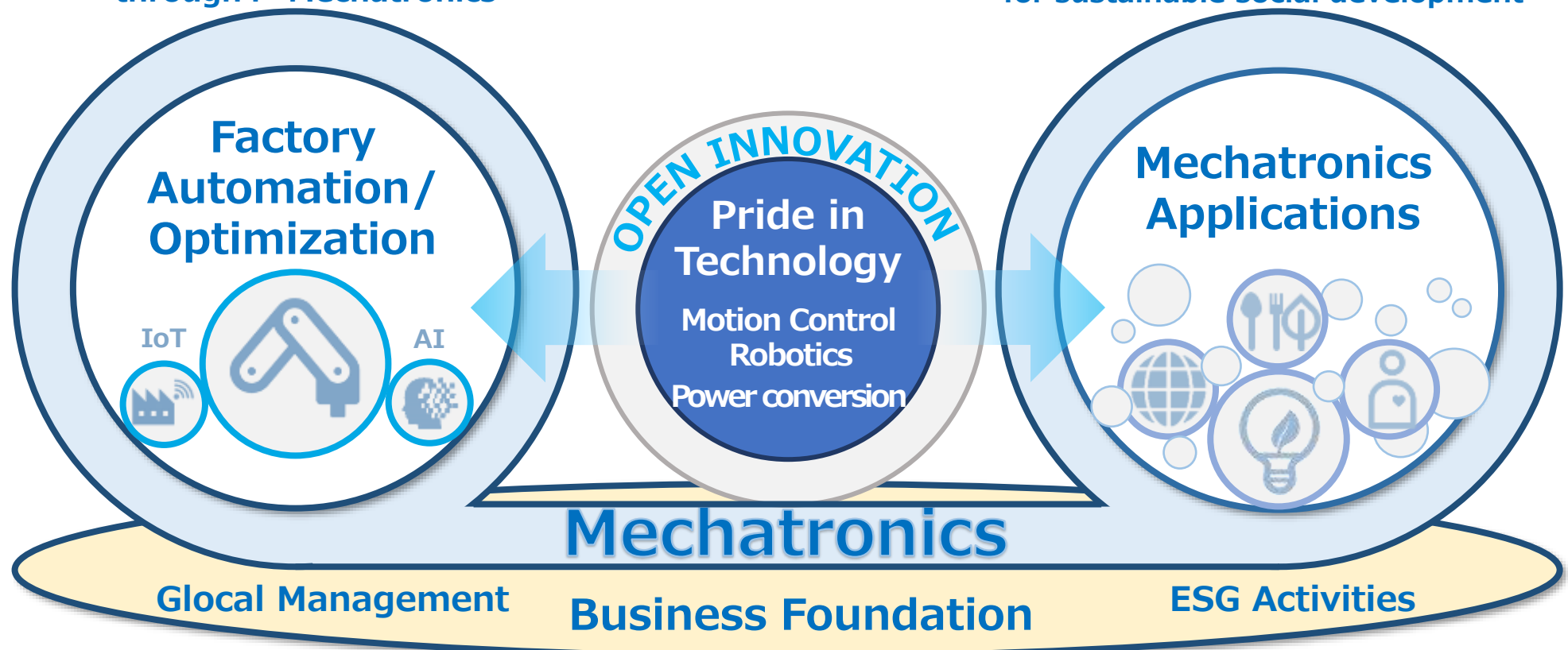
### **Mid-term Business Plan “Realize 25” (FY2023-FY2025)**

# Yaskawa's Vision for 2025

**We contribute to solving customers' management issues in addition to creating new added value to society, through evolution of core businesses, and expansion into new fields by applying mechatronics technology**

Automation and optimization of factories  
through i<sup>3</sup>-Mechatronics\*

New fields of mechatronics application  
for sustainable social development



\* **i<sup>3</sup>-Mechatronics**: Yaskawa's solution concept for realizing new industrial automation revolutions

# Financial Targets for FY 2025

**We set operating profit as the most important KGI to be achieved in FY 2025**

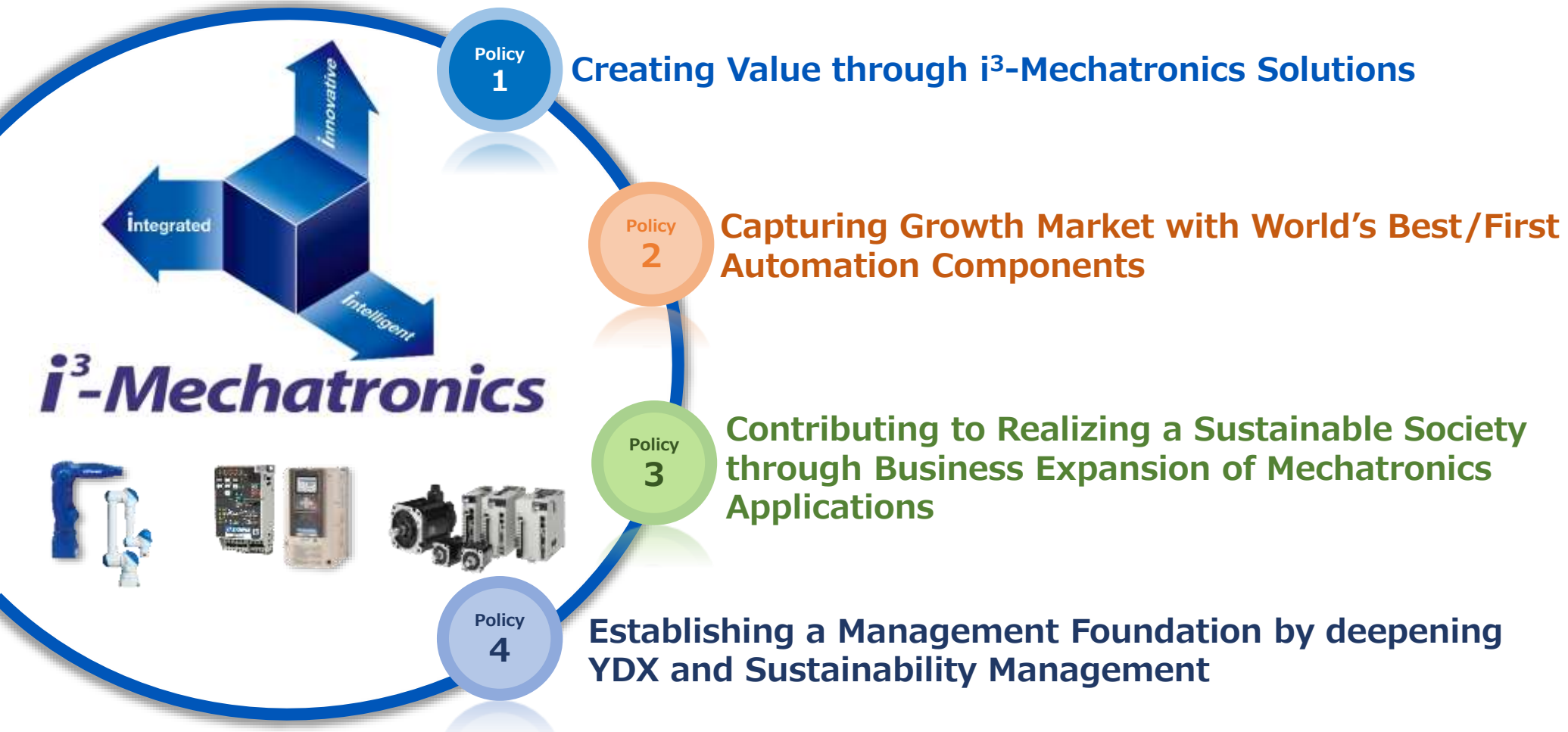
	FY2015 Actual (JPY)	FY2025 Targets (JPY)
Operating Profit	36.7 billion	Over 100 billion
ROE *1 ROIC *2	12.8% 11.3%	15.0% or more 15.0% or more
Divided Payout Ratio	23.6%	30.0% + α

\*1 ROE: Return on Equity (return on equity) = Net income attributable to owners of parent/Equity

\*2 ROIC: Return on Invested Capital (return on invested capital) = Net income attributable to owners of parent/Invested capital

# Aim and Policies of “Realize 25”

Provide new values by expansion of i<sup>3</sup>-Mechatronics and evolution of robotics to achieve “Vision 2025” and contribute to realizing a sustainable society



# Policy1: Creating Value through i<sup>3</sup>-Mechatronics Solutions

## Strengthening technology, production, sales, and service functions

### Technology

Enhancing technological development capabilities to increase values of customers

### Production

Evolving group-wide manufacturing with i<sup>3</sup>-Mechatronics

### Sales

Strengthening strategic approach to customers and their supply chains

### Service

Innovating product and service quality throughout the product lifecycle



**i<sup>3</sup>-Mechatronics**

## Realizing new revolutionary industrial automation

**i**ntegrated

integrated • coordinated  
production site

**i**ntelligent

intelligent  
production site

**i**nnovative

innovative  
production site



## Policy 2. Capturing Growth Market with World's Best/First Automation Components

Securely capture demand in growing markets by developing global market-specific strategies centered on automation components and building optimal production systems

### Sales & Service



Strategy by markets

### Product

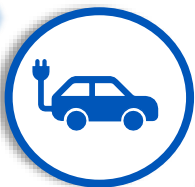


YRM controller  
MOTOMAN NEXT,  $\Sigma$ -X series  
Cooperative/semiconductor robot  
AC drives series

### Production



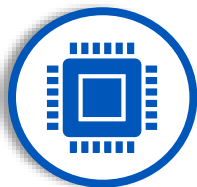
In-house production  
Further automation  
Demand area production



EV market



Battery market

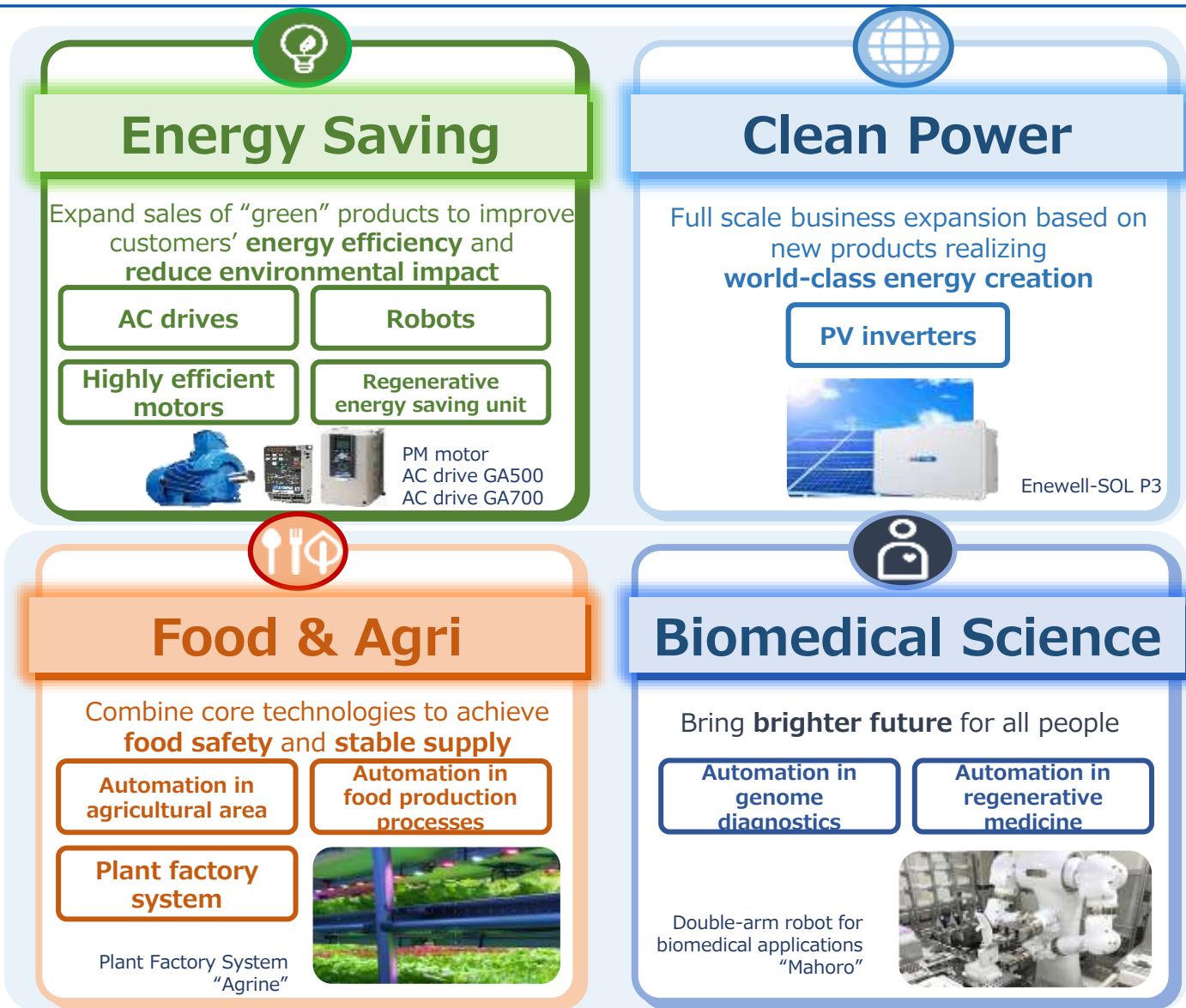


Semiconductor market



F&B market

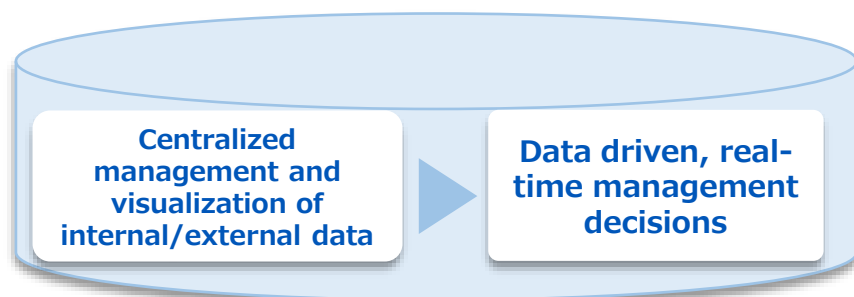
# Policy 3. Contributing to Realizing a Sustainable Society through Business Expansion of Mechatronics Applications



## Providing New Value through YDX Chain Based on PLM Restructuring

Create customer value through PLM\* restructuring with  
“YDX-II”(second phase of YDX)

Construct Yaskawa data lake that supports digital management



Establish YDX chain throughout the product lifecycle



**Realize operational reformation that will lead to customer value**

YDX- I ~to date (internal DX)

Data centralization, business reform, management visualization

YDX- II from now~(internal+external DX)

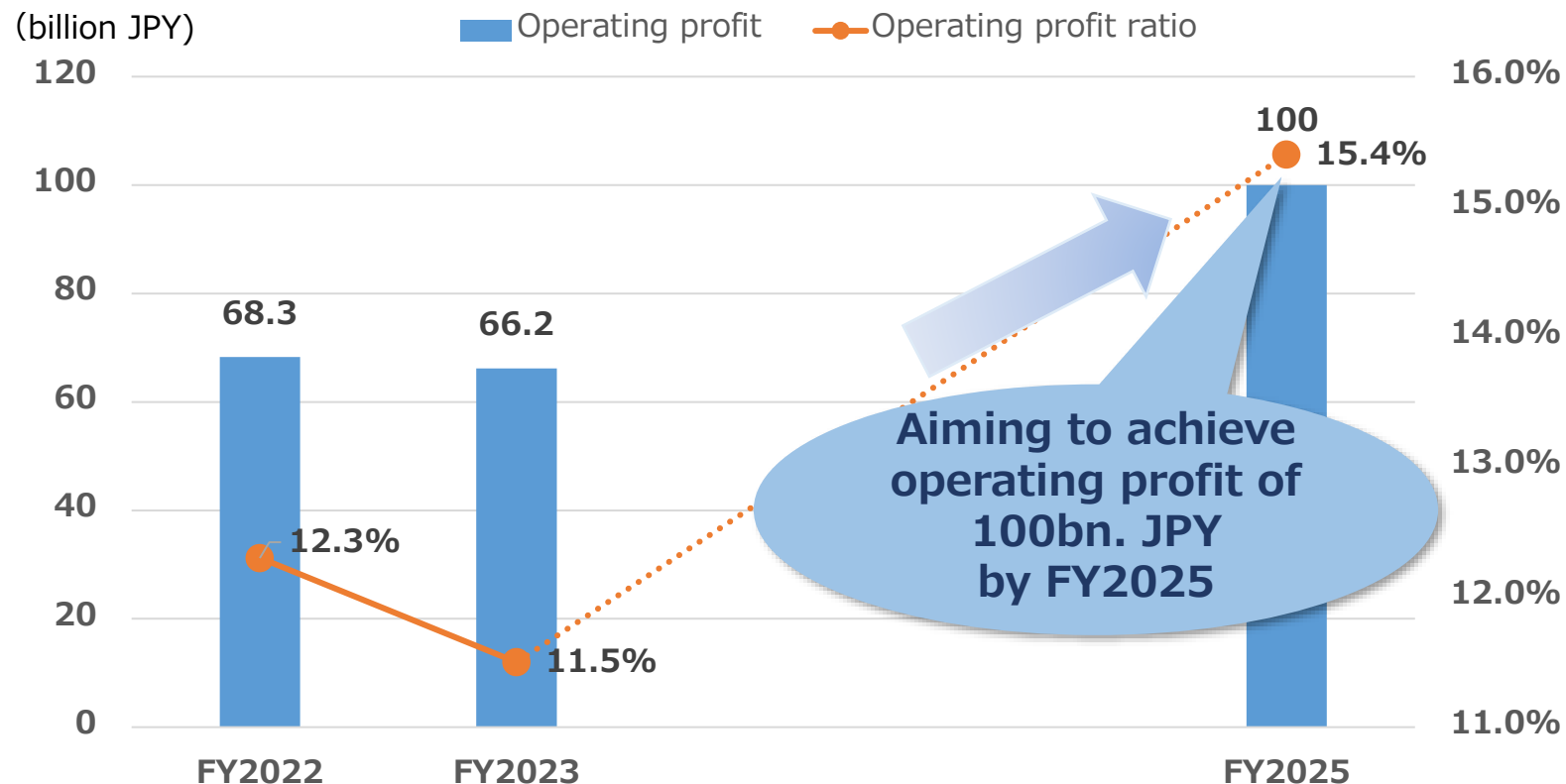
Create customer value from product/service perspectives

\*PLM: Product Lifecycle Management

# Progress

We will continue to evolve our business through the i<sup>3</sup>-Mechatronics concept, and by contributing to the improvement of added value for our customers, we aim to achieve the goals of our vision by realizing the industrial automation revolution and improving profitability.

## Realize 25



## 3 . Sustainability



## Promotion of Sustainability

### Formulated the policy to strengthen initiatives to contribute to social sustainability

#### Sustainability Policy

**We will strive to realize a sustainable society and increase corporate value through the implementation of the Yaskawa Group Principle of Management which is to leverage the pursuit of our business to contribute to the advancement of society and the well-being of humankind.**

1. We will contribute to the value creation for customers and society through creating innovation by cutting-edge mechatronics technologies.
2. We will realize fair and transparent corporate management through communication and collaboration with stakeholders around the world.
3. We will work to resolve social issues globally with the aim of achieving SDGs as a universal goal.



Sustainability Promotion System

# Yaskawa Group's Sustainability Challenges and Targets (Materiality)

**Under newly formulated Sustainability Policy, identifying materiality and expanding initiatives to solve to the mid-term business plan.**

## Yaskawa Group's Materiality

### Create Social Value and Solve Social Issues through Business Activities



**Realize revolutionary industrial automation with our partners through "i<sup>3</sup>-Mechatronics"**



**Build clean social infrastructure and foundation for safe and comfortable living**



**Develop new technologies and business domains through open innovations**



### Strengthen Management Foundation that Contributes to Sustainable



**Sustainable and productive manufacturing**



**Create a rewarding workplace and human resource development**



**Fair and transparent governance system**



# The Risks and Opportunities Identified in the TCFD Scenario Analysis

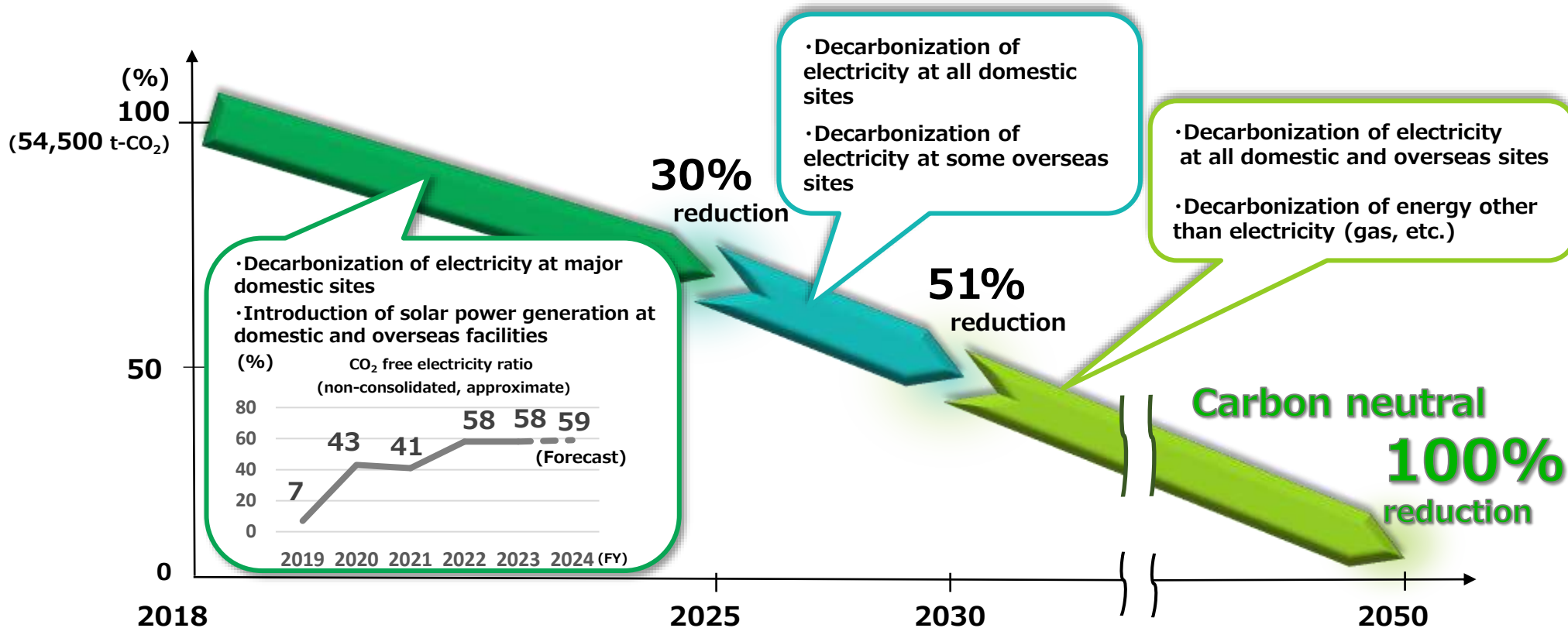
- The impact of climate change on business was examined.
- In terms of financial impact, **opportunities of revenue increase will be greater than risks of revenue decrease.**

## Business impact on 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 low-carbon 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

# 2050 CARBON NEUTRAL CHALLENGE\*<sup>1</sup> and Prospects for Achievement

- We will achieve net zero CO<sub>2</sub>\*<sup>2</sup> emissions from global business activities (Scope 1 + Scope 2\*<sup>3</sup>) in 2050, and reduce the same CO<sub>2</sub> emissions by 51% from 2018 levels by 2030.(Announced in March 2021, revised in May 2022)
- We will actively invest in the environment to achieve this goal.



\*1 Yaskawa Group's goal of achieving net-zero CO<sub>2</sub> emissions from its global business activities by 2050.

\*2 Including carbon dioxide and other greenhouse gases (CFCs, etc.)

\*3 Scope 1 is mainly emissions associated with fuel use (direct emissions). Scope 2 refers to emissions associated with the use of purchased electricity and heat (indirect emissions by electric power companies, etc.).

# "CCE100" a Unique Environmental Indicator

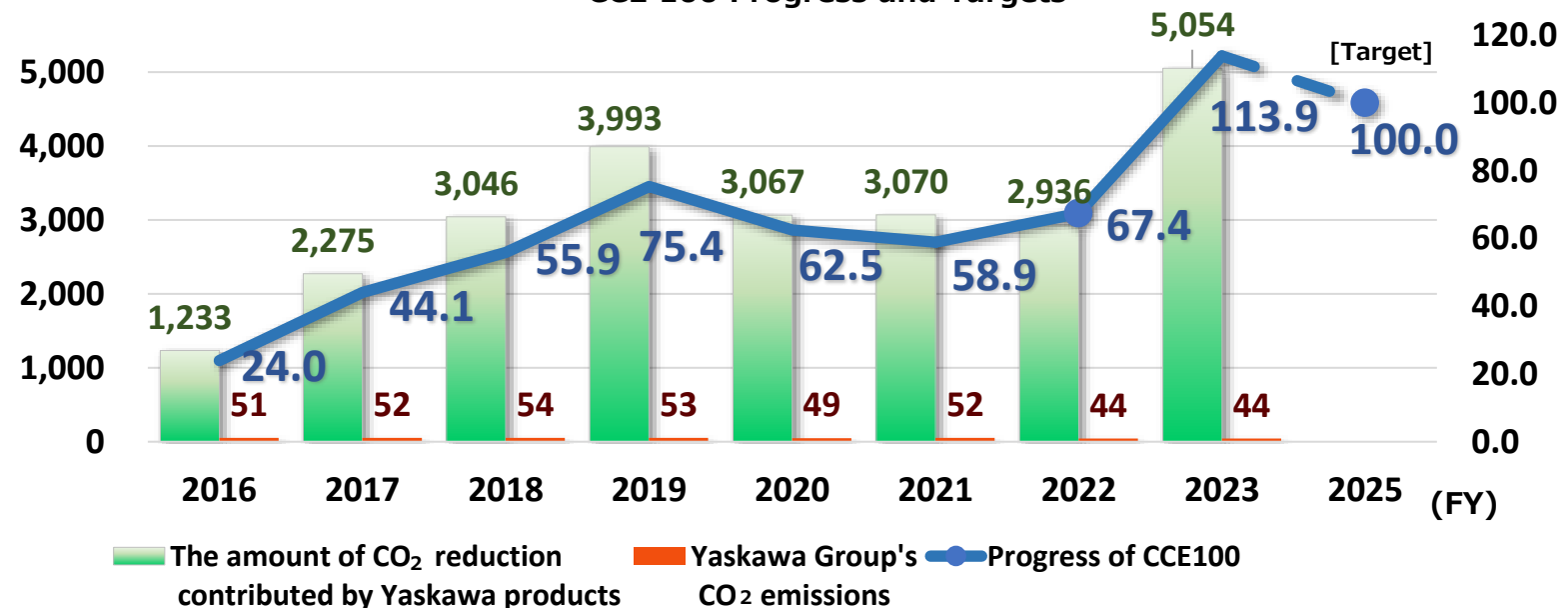
- Promoting CCE100\*, a target to increase the amount of CO<sub>2</sub> reduction contributed by Yaskawa products to 100 times or more of Yaskawa Group's CO<sub>2</sub> emissions by 2025 and achieved this target two years ahead of schedule in FY2023
- Reducing the environmental impact of production activities (Green Processes) and contributing to reducing the environmental impact of customers around the world through Yaskawa products(Green Products)

\* Abbreviation of Contribution to Cool Earth 100

CO<sub>2</sub> reduced through products  
CO<sub>2</sub> emitted by the Group  
≥100 : CCE100  
Contributions of more than 100 times in 2025

(Thousand t-CO<sub>2</sub>)

CCE 100 Progress and Targets



## Example for Green Products

AC drive      Matrix converter



Medium voltage AC drive      PV inverter for solar power generation



PM motor      Robot





# History of Initiatives to Enhance Corporate Governance

Fiscal Year		FY2012-2014	FY2015-2017	FY2018-2023
<b>Main measures</b>		<u>FY2012</u> <ul style="list-style-type: none"> <li>• Adoption of executive officer system</li> <li>• Number of Directors was reduced to 12 from 20</li> </ul> <u>FY2014</u> <ul style="list-style-type: none"> <li>• Compensation Advisory Committee established</li> </ul>	<u>FY2015</u> <ul style="list-style-type: none"> <li>• Transition to a company with Audit and Supervisory Committee</li> <li>• Nomination Advisory Committee established</li> </ul> <u>FY2016</u> <ul style="list-style-type: none"> <li>• Evaluation of the effectiveness of the Board of Directors commenced</li> </ul>	<u>FY2018</u> <ul style="list-style-type: none"> <li>• More than 1/3 of the board of directors are independent outside directors</li> </ul> <u>FY2019</u> <ul style="list-style-type: none"> <li>• Disclosed skill matrix of the board of directors</li> </ul> <u>FY2020</u> <ul style="list-style-type: none"> <li>• Determination of basic policies for executive compensation</li> <li>• Established Corporate Governance Policy of Yaskawa</li> </ul> <u>FY2021</u> <ul style="list-style-type: none"> <li>• Established Sustainability Policy</li> </ul> <u>FY2022</u> <ul style="list-style-type: none"> <li>• Commenced the Board of Directors' opinion exchange meeting</li> </ul>
<b>Aim and purpose</b>		<ul style="list-style-type: none"> <li>• Faster and more efficient management decision-making and execution</li> <li>• Ensuring the appropriateness and transparency of executive compensation</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening of offensive and defensive governance</li> <li>• Ensuring transparency and fairness in nomination of director candidates</li> <li>• Improving the functions of the Board of Directors to increase corporate value</li> </ul>	<ul style="list-style-type: none"> <li>• Improving the independence and objectivity of the Board of Directors</li> <li>• Enhancement of information disclosure</li> <li>• Contributing to the realization of a sustainable society in addition to improving corporate value</li> <li>• Deepening the understanding of the business of outside directors to further improve the effectiveness of the Board of Directors</li> </ul>
<b>Institution establishment</b>		Company with Board of Corporate Auditors	Company with Audit and Supervisory Committee	
Composition of the Board of Directors	Internal	6	8*1	6*1
	Independent outside (Female)	1	3*1	4*1(2)
Composition of Audit and Supervisory Committee*2	Internal	2	2	2
	Independent outside (Female)	2	3	4(2)

Note: The No. of members of the Board of Directors and the Audit and Supervisory Committee are of the latest figure of the corresponding fiscal years on the table.

\*1Including directors who are members of the Audit and Supervisory Committee.

\*2Up to FY2014, data indicated as "Board of Corporate Auditors"

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

Yaskawa Electric has adopted a corporate structure with **an Audit and Supervisory Committee**

## Composition of the Board of Directors and Board Skills Matrix

Name (Age)		Field of capability that Yaskawa expect each director to demonstrate							<div> <div>● Male</div> <div>○ Female</div> </div>
		Corporate management/ Management strategy	ESG/ Sustainability	Finance/ Accounting	Legal	Sales/ Marketing	Manufacturing/ R&D and DX	Global	
Hiroshi Ogasawara	(68)	●	●			●	●	●	●
Masahiro Ogawa	(59)	●	●			●	●	●	●
Shuji Murakami	(65)	●	●	●	●			●	●
Yasuhiko Morikawa	(61)	●	●	●	●			●	●
Takeshi Ikuyama	(60)	Audit and Supervisory Committee Member	●					●	●
Toshikazu Koike	(68)	Audit and Supervisory Committee Member Outside Independent	●	●		●		●	●
Kaori Matsunashi	(54)	Audit and Supervisory Committee Member Outside Independent	●	●				●	○
Keiji Nishio	(65)	Audit and Supervisory Committee Member Outside Independent	●	●		●	●	●	●
Yaeko Hodaka	(58)	Audit and Supervisory Committee Member Outside Independent	●	●	●			●	○

\*Note: The above table does not represent the full knowledge of each director. Age is as of the 108th general meeting of shareholders held on May 29, 2024.

## 4 . The Solution Concept i<sup>3</sup>-Mechatronics

# i<sup>3</sup>-Mechatronics Concept



integrated

intelligent

innovative

Advances in Mechatronics  
through digital data  
management

Realize revolution of  
industrial automation



## *i<sup>3</sup>-Mechatronics*

### Business Issues

## Realizing Smart Factory

(Use of Robotics and Automation Technology/Use of AI and Big Data)



Variable-type and  
variable-quantity  
production



Reduced stock  
parts and  
in-process  
products



Reduced  
production  
lead time



Prevention of  
equipment  
failure



Elimination of  
dependency on  
individual skills in  
inspection process



Quality  
improvement  
(Identification of  
causes of defects)

## *i<sup>3</sup>-Mechatronics*

Yaskawa has provided many solutions, such as automation with mechatronics technologies and products like AC servo drives, AC drives, and robots to meet our customer's demand for the higher productivity and higher quality on a daily basis.

We add digital data management to our automation solutions and contribute to solve business issues from the manufacturing field together with our customers by using *i<sup>3</sup>-Mechatronics*.



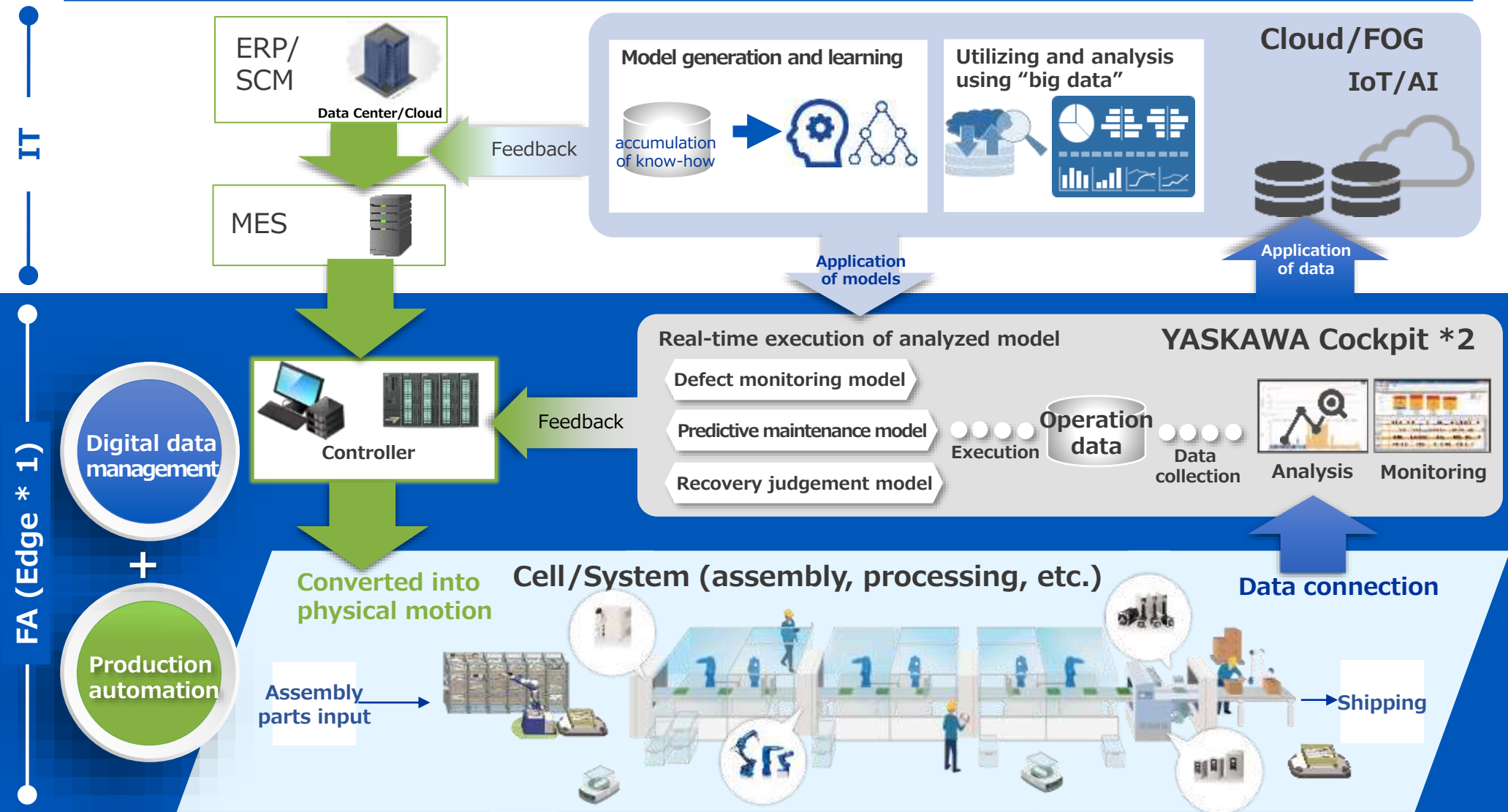
FA Solution

Motion&  
Data

Data Solution



# Factory where i<sup>3</sup>-Mechatronics is realized



\*1: Edge is an information processing field for data analysis and feedback that require real-time performance at production sites or factories.

\*2: Cockpit is a software that able to collect, store, and analyze real-time data on equipment and devices at production sites.



# **YASKAWA**