110TH ANNIVERSARY

YASKAWA

YASKAWA Report **2025**

Yaskawa Principles

Our Purpose

Yaskawa's mission is to contribute broadly to social development and human welfare through the execution of our business.

Since its inception, YASKAWA Electric has expanded its business with "electric motors and their applications" as a major business pillar. The spread of our Group's diverse technologies and products to society will help to improve the advancement of machinery and manufacturing.

Yaskawa innovation contributes to the advancement of social development, creating a safer, cleaner, more efficient and sustainable workplace to free the workforce from the 3Ds (Dangerous, Dirty, Dull). The purpose of the Yaskawa is to contribute to a society where people can live a safe, secure and humane life.

Our Values

To achieve the mission, our group has set the following three objectives and work hard to achieve them.

1. Quality	Always developing and improving world-class technologies with a focus on quality
2. Profitability	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

Our Actions

We respect our group's heritage and strive to realize our mission, and through this, we seek the group's prosperity and our own well-being by raising society's trust. In particular, the following five items comprise our daily action guidelines.

- ✓ **Stay customer-focused.**
- ✓ **Pursue both high quality and high profitability.**
- ✓ **Work hard to overcome the competition with a fighting spirit.**
- ✓ **Broaden our perspective and change our thinking.**
- ✓ **Deepen mutual trust and strive for unity and cooperation.**

Solution Concept

i³-Mechatronics

In 2017, we proposed "i³-Mechatronices" with the aim of helping to solve our clients' management issues and innovating our internal business models. By implementing this approach, we aim to increase our competitiveness as a manufacturing company and expand our business domains, providing solutions that leverage our unique strengths to our clients.

The three steps of i³-Mechatronics

① Integrated

Automation of "cells" by industrial robots, servo motors and AC drives, and data collection of equipment

② Intelligent

Visualization and analysis of operation status of equipment using data

③ Innovative

- Production innovation by high-speed and precise cooperation, synchronous control between equipment
- Realization of an autonomous improvement cycle where insights from data are fed back to operations

About the YASKAWA Report 2025

Editorial policy
The YASKAWA Report 2025 is intended to be a platform for high-quality dialogue with our stakeholders. We aim to provide comprehensive reporting on the YASKAWA Group's strategies and achievements from both financial and non-financial perspectives. In compiling the report, we referred to the International Integrated Reporting Framework advocated by the IFRS Foundation and the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation. We aim to provide readers with a better understanding of the medium- to long-term value creation that our group aims to achieve.

Key points of the YASKAWA Report 2025

Point 1
YASKAWA celebrated its 110th anniversary in 2025. In "President's Message," Masahiro Ogawa, President sees the 110th anniversary as a milestone and emphasizes the importance of continuing to provide value while responding to changes, while remaining committed to customers and the market even in times of rapid change. In addition, the message emphasizes our commitment to continuing to take on challenges in order to enhance our value as a company that contributes to solving social issues, with a view to achieving our desired state in 10 years' time.

Point 2
The Special Feature introduces YASKAWA America's business strategy in the U.S. market and its large-scale investment in the Franklin Campus. It explains not only the expansion of local production in the U.S., but also the acceleration of initiatives to improve global competitiveness, such as establishing a position as a partner for joint technology creation and strengthening human resource development.

Point 3
The Customer Story shows how Yaskawa is creating new value by replicating the skills of skilled workers with robots through the development of the SFA method in collaboration with Toyota. This initiative symbolizes Yaskawa's attitude of sincerely addressing the issues of the field and maximizing customer value through technological innovation.

Point 4
Yaskawa's human capital management aims to achieve sustainable growth through the formation of an active organizational group that shares the action guidelines based on the Yaskawa Principles and the six DNAs. This section introduces our initiatives to steadily lay the foundation for growth over the next 100 years by developing human resources globally who can contribute to solving customer issues through business activities.

Point 5
In the Dialogue, discussion about initiatives to enhance corporate governance, such as increasing the ratio of outside directors and strengthening the Nomination Advisory Committee is shared. The next generation of management personnel are expected to have the ability to communicate their passion for the Yaskawa Principles and sense of mission in an easy-to-understand manner, and we are promoting a sustainable human resources strategy by integrating internal development and external perspectives.

Scope of reporting
YASKAWA Electric Corporation and consolidated subsidiaries
*A part of non-financial information is provided of YASKAWA Electric Corporation.

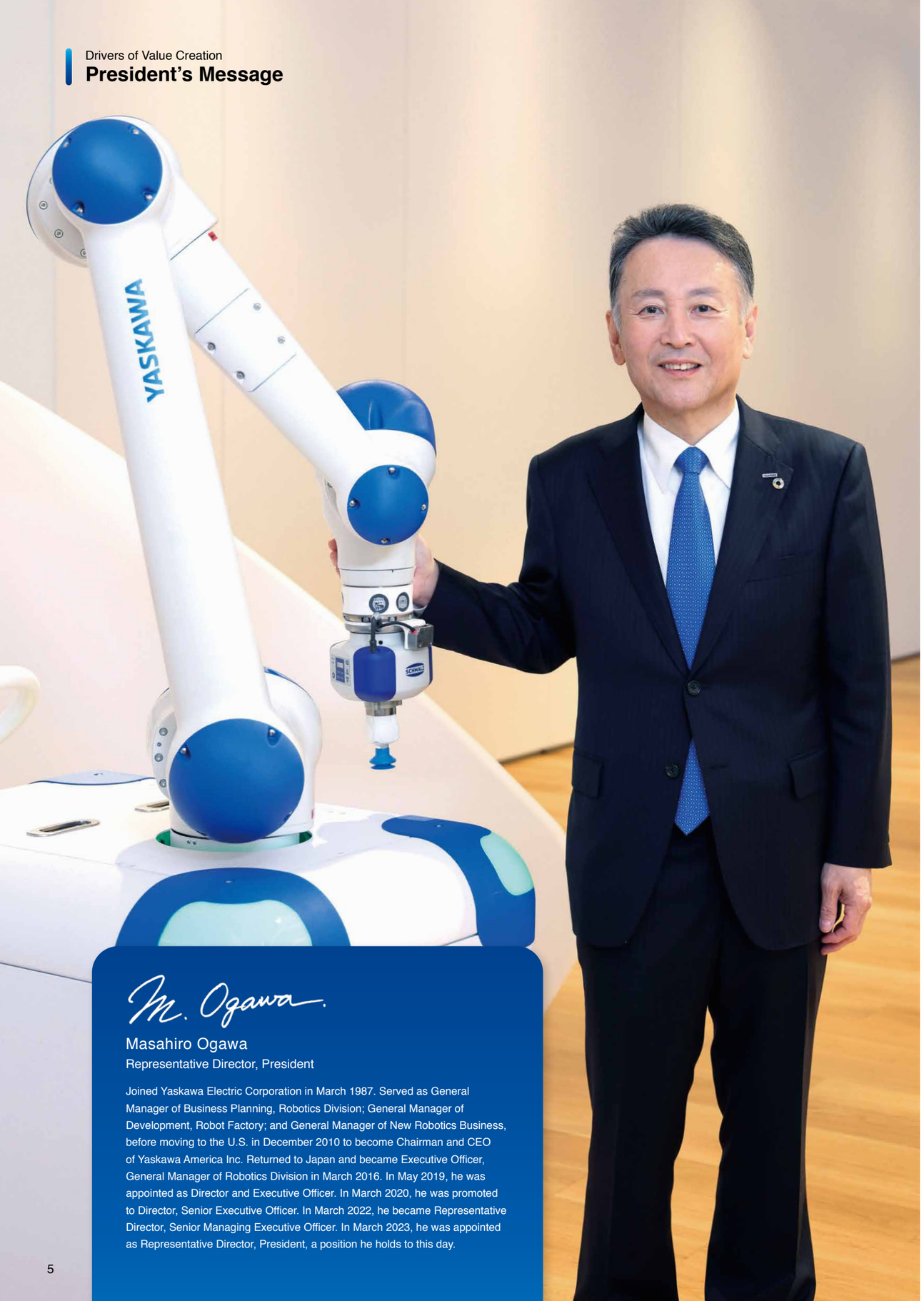
Period covered
Fiscal year ended February 2025 (from March 1, 2024 to February 28, 2025)
*Some activities and information before and after this period are also included.

Accounting standards
Unless otherwise stated, financial statements are based on Japanese GAAP for fiscal 2017 and before, and International Financial Reporting Standards (IFRS) for fiscal 2018 and after.

Inquiries
Investor Relations Section, Corporate Communications Department, Corporate Branding Division
YASKAWA Electric Corporation
Please access the Inquiry Form from the URL below.
https://www.yaskawa-global.com/contact/privacy_ir

Cautionary statement regarding forward-looking statements
Future projections for performance and other matters contained in this report are based on the information that is available at the time of issue and on a certain level of requirements as seen rational, however, actual results may vary due to various factors. Some examples of such factors are economic conditions, both in Japan and outside the country, trends in demand for the company's products and services, and trends in foreign exchange and stock markets. Please also note that factors which may impact the company's results are not limited to the aforementioned.

Contents



M. Ogawa

Masahiro Ogawa
Representative Director, President

Joined Yaskawa Electric Corporation in March 1987. Served as General Manager of Business Planning, Robotics Division; General Manager of Development, Robot Factory; and General Manager of New Robotics Business, before moving to the U.S. in December 2010 to become Chairman and CEO of Yaskawa America Inc. Returned to Japan and became Executive Officer, General Manager of Robotics Division in March 2016. In May 2019, he was appointed as Director and Executive Officer. In March 2020, he was promoted to Director, Senior Executive Officer. In March 2022, he became Representative Director, Senior Managing Executive Officer. In March 2023, he was appointed as Representative Director, President, a position he holds to this day.

Facing challenges to move society forward

— Yaskawa's 110-year journey and the next decade ahead

On 110 years of establishment: The origin of Yaskawa from its establishment

In 2025, Yaskawa Electric celebrated 110 years of establishment. I would like to express my heartfelt gratitude for the support and efforts of our customers, business partners, local communities, shareholders and investors, and employees.

The background to Yaskawa Electric's 110 years of existence is that we have inherited the spirit of our founder and have continued to uphold the principle of conduct as part of our corporate culture. This means, as I described in last year's YASKAWA Report, that we must earnestly address the "needs" that customers have and continuously provide "things" that can achieve the optimum conditions for those "needs." This has been passed down from generation to generation through sustainable business based on dialogue with customers, relationships of trust, and mutual commitment.

I learned this firsthand through a project with Honda Motor Co., Ltd. (Hereafter, Honda) that started in 1998. This challenge, which came in my 12th year with Yaskawa, was of such importance that if it had not been successful, the Yaskawa Group might not be in its current position. At the start of the project, our company had a poor track record and was at a disadvantage compared to other companies. Our internal structure was not in place, and it required a great deal of determination and change to make it a success. I told the plant manager at the time what I thought about the structure needed for our company to undertake the project, and he appointed me as the project leader. As a result, I took on the challenge of new fields.

Based on our relationship with Honda and our past technical trust, it was finally decided that our company would participate in the project. We faced a lack of understanding of technical terms unique to the automotive industry and design challenges, but through trial and error in the field we improved our ability to respond. We carried out processes on site that our designers could not handle, and by meeting strict requirements, we gained trust while advancing the project.

The Honda project was deployed not only in Japan, but also at eight plants around the world, including the United States, the United Kingdom, and Canada. There were tough situations, such as being asked to deal with unexpected problems in the United States while on a business trip to the United Kingdom, but by building relationships of trust through night work and handling problems on site, we made the project a success. My experience on the project, which lasted for about three years, went beyond mere work, and became a place where I learned the depth of human relationships and the importance of trust. Through dealing with problems on site, I was able to gain the trust of our customers, and that experience still serves as the starting point for my management.

Our company was founded in 1915 by Daigoro Yasukawa with a purpose, and even though the management of the Yasukawa family was handed over to people other than the founding family, it has been able to continue to exist for 110 years because of the continued existence of a culture based on which we value long-term relationships of trust and face the "needs" of our customers. We will continue to strive for further development based on this culture. I believe that as the years go by, this culture will take deeper root and become a driving force that supports corporate growth.

Progress in the mid-term business plan "Realize 25": Awareness of current issues and the nature of management

Since I assumed the position of President in fiscal 2023, I have been very particular about the lofty goal set forth in the Yaskawa Group's long-term and mid-term business plans of "achieving operating profit of 100 billion yen in fiscal 2025." In fact, I am confident that it is achievable. However, in the end, there will be a gap in volume, and we will not be able to reach that goal. In light of this situation, we must firmly confirm in 2025 that we are maintaining and strengthening our "structure that continues to grow." Of course, numbers are important. However, the soundness and growth potential of our business structure, which lies behind those numbers, is of paramount importance.

We once dropped the target of operating profit of ¥100 billion when making our fiscal 2025 projections. This was not a pessimistic decision, but a redefinition in order to rebuild our business in light of the reality. Going forward, the target figures are just a passing point, and our essential objective is to broaden and deepen the scope of our contribution to society.

In addition, I believe that volume expansion, which is our challenge, should be realized by expanding value and deepening our relationship of trust with the market, rather than simply pursuing volume. We aim to achieve sustainable growth by steadily delivering value to customers, rather than relying on rapid growth as in the past in the Chinese market. To achieve this, of course, technological development is necessary. We will try new things, accept changes, and break through with technology. We will always change something, not only through dramatic changes but also through steady accumulation. That is what we should do.

Our starting point is always a sincere attitude toward our customers and the market. Delivering valuable products in a valuable way. I believe this is what is necessary for the Yaskawa Group to continue to be expected by society as a growth company.

Challenges in a changing world: A strategy to stay on the ground in the global market

The global business environment at Yaskawa is rapidly changing every day, with the recent moves by the United States to raise tariffs and changes in the competitive environment due to the rise of Chinese manufacturers in the factory automation (FA) market. How can the Yaskawa Group maintain its competitive advantage and growth potential in an age of rapid change? I believe that the answer lies in "continuing to face customers and markets sincerely." Customers themselves are constantly changing. By staying close to these changes and continuing to understand what is happening on the ground, we will be able to respond to these changes and continue to provide value. In this day and age, there is no single right answer. Each country, region, and industry has its own unique set of tactics.

In such a situation, talking only from a macro perspective from a distance will not allow us to respond to actual changes. For example, each company has different ways of perceiving and responding to changes in the external environment, such as tariffs, foreign exchange rates, and regional strategies. Even if the same action is taken, whether it is viewed as an opportunity or a risk depends on the person and organization. In other words, the current global market has an extremely complex structure in which such diverse values and judgments are mixed.

That is why the Yaskawa Group has promoted business operations rooted in each region, with a focus on "local production and sales for local demand." However, this is not just about production and sales bases. Technology, sales, production, and services come together to deliver value right next to customers. I believe that building such "business capabilities" locally will be the source of our competitiveness in the future. Globally, economies in the Americas, Europe, China, Asia, and Japan all operate on their own unique logic. Rather than imposing a single correct answer, we will develop strategies that are optimal for each region and evolve our businesses while listening to local voices. Such "multipolar flexibility" is essential in this era.

Of course, it is difficult to do everything perfectly.

Technology, sales, production, and services come together to deliver value right next to customers. Building such "business capabilities" locally will be the source of our competitiveness.

That is why the ability and determination to identify our strengths and decide where to focus our resources is critical. The axis of this judgment and determination is our corporate principles and our attitude toward value creation centered on technology. The deepening of technology must not stop, and we must keep moving forward in sync with changes in society. To this end, the diversity and mobility of our human resources, as well as our ability to inherit, are also important. To prevent the organization from becoming rigid, we must foster a culture of challenge and pass the baton firmly to the next generation. I believe that such efforts will lead to sustainability and centripetal force as a group. In this age of rapid change, I want Yaskawa to be a flexible organization with an unshakable axis based on our corporate principles.

The next stage in the U.S. market: Challenges as a center for co-creation of technology

My strong interest in the United States as a future growth market is not due to personal reasons, such as my experience in or attachment to the country. No matter how objectively we look at it, the United States is still the strongest country in the world at the moment, with an overwhelming competitive edge, especially in terms of advanced technology and human resources. It is difficult to predict how the world will move amid talk of US-China confrontation and decoupling. However, movements such as the return of manufacturing and the strengthening of domestic production are definitely progressing in the United States. There is still a strong industrial base in the United States, including the automobile industry, which is undergoing a period of change such as electrification and the spread of autonomous driving technology, as well as healthcare, drug discovery, food and services.

In the fields of AI and robotics in particular, the depth of the country's execution and the industrial environment in which startups, universities, investors, and large companies work closely together to accelerate technological innovation — the so-called ecosystem — is outstanding. When we started focusing on these areas in our "Realize 25" mid-term plan, they were not as visible as they are now, but their importance is clear to everyone. That is why we need to build a strong presence in the U.S. market, not just as a sales base, but as a strong business player. I feel that we need to go one step further in the field of robotics, as well as in our mainstay areas of motion control and AC drives.

The U.S. has strengths in technology, human resources, funding, and speed, and how we engage in these areas is important. I am confident that establishing a position as a partner in creating value together

10 years from now, I want the Yaskawa Group to be a company that is closer to society, deeper into issues, and responding to "needs."

locally, rather than following up, will lead to future competitiveness. This is not just in the United States. It has the potential to spread to Japan and other parts of the world, and it also provides the foundation for us to face competitive markets like China on an equal footing.

In fact, as we build relationships with companies like NVIDIA, IBM, and Amazon, we feel that the key to the future will be how we enter the ecosystem that originated in the United States. There is a lot of value that comes from collaboration, not just competition, and the addition of startups and academia to the mix creates a dynamic movement. This movement cannot be captured just from Japan. That is why I believe it is essential for us today to increase our local presence, build trust, and build effective schemes. This is a challenge, but at the same time, it is a great opportunity to open up our future.

Values drive organizations: Core as a leader and trust in people

"The president said it, so everyone does it." It is not that simple. Organizations do not become a monolithic organization based solely on the words of the leader. There are always hypotheses, strategies, and trial and error on the ground.

Each of our visions and strategies has an idea of what we want to be and a scenario for realizing it. However, the scenario always changes depending on the external environment and the situation of the partner, and it does not always go according to the hypothesis. This is why it is important to keep the PDCA cycle running as an organization. However, for the PDCA to work, the entire organization needs to be facing the same direction. If each person has a different understanding and reaction, no strategy can be implemented. Diversity is important, but if it faces different directions, the organization will not be able to demonstrate its power.

I often compare an organization to a rugby scrum. A group of players of different sizes can be defeated if the binding is weak. On the other hand, if they are united, they can face any opponent. The same goes for an organization. I believe that strength lies in the ability of diverse human resources to work with a common sense of direction, despite their respective positions and experiences. In order to achieve this, it is necessary to translate the vision and strategy down to the field level, and link them to individual actions. This is a hard work. That is why the role of personnel and management is important. Rather than simply giving instructions, a sense of purpose, such as "why we are doing it" and "for whom we are doing it," leads to the motivation of each individual, and is the driving force behind the organization.

An organization with many people who work with a sense of motivation is definitely strong. The source of motivation is the feeling that "my work is helping someone." This is why people are able to work seriously. Another important factor is the presence of internal influencers. As a diverse group of people gather, there is a need for influencers who can resonate and spread to the areas that cannot be reached by the message of the top management alone. This is also about how to nurture people who share our values and have an impact on those around them, regardless of age or position.

The strength of an organization is not simply its size, but the sum total of its sense of direction, cohesion, and individual motivation. I believe that building such an organization is essential to the sustainable growth of the Yaskawa Group.

What we want to be 10 years from now: What should be changed is the "means," not the "aspiration"

The Yaskawa Group's "i³-Mechatronics" is a solution concept that goes beyond mere products and technologies. Even if we look 10 years into the future, its essence will not change. Based on our corporate principles, this concept is aimed at confronting the challenges of customers and society head-on, and it is becoming increasingly important in today's digital age.

At the same time, the structure of society and industry is changing drastically. The boundaries between global and local are blurring, and local issues are actually connected to global issues. For example, in the fields of agriculture, infrastructure, medical care, and disaster response, there is a limit to the solutions that can only solve problems of a certain region. We need to take a bird's eye view of the entire value chain and address issues in a way that optimizes the entire value chain. What we need to change is how we use technology and how we interact with society. While our company's strengths based on motors remain the same, the perspective of how to apply them and what kind of "needs" they contribute to have to evolve more broadly and deeply. Specifically, motors are the source of movement in robots, devices, and systems, and by combining them with AI and digital technologies, we will realize more advanced solutions.

Also, MOTOMAN NEXT, which was launched in December 2023, is not an extension of conventional robots. It is an entirely new form of robotics evolved by AI. In fact, this concept is something that I have been working on for 20 years, and it shows that it is finally starting to become a reality. At the beginning of the concept, I did not use the term "AI" yet, but the idea of "enhancing the autonomy of robots" was the starting point. Now, the evolution of AI has dramatically improved the autonomy of robots, and robots are able to handle more diverse and complex tasks. As a result, the future of robots in various fields of society is finally becoming a reality.

Furthermore, by combining AI robotics and digital technologies, Yaskawa is moving beyond just industrial applications to a new stage where it will contribute to solving social issues such as labor shortages, safety, and sustainability. At the core of this is the concept of Digital Twin. Digital Twin is a mechanism that connects the field and the cloud and uses AI reasoning to guide optimal decisions and actions. It has great potential in areas where effectiveness is required, such as inspection of aging infrastructure, disaster response, and support for agriculture, medical care, and nursing care. The live-line robot we worked on with Kyushu Electric Power Co., Ltd. was born with the idea of freeing people from dangerous work. Going forward, we would like to further develop this technology and evolve it into a solution that addresses a broader range of social issues, such as nighttime road repair and tunnel inspection.

To this end, it is essential to link the technology areas where the Yaskawa Group excels with different technology areas such as AI, cloud, communications, and edge computing. We need to build an ecosystem that is meaningful to society as a whole, not to complete these tasks alone, but in cooperation with various players. We will also engage in the use of new information to understand social trends from a broader perspective and to anticipate issues.

What we will not change is our stance of contributing to society through technology. What we will change is our approach to making use of technology and connecting with society. 10 years from now, I want the Yaskawa Group to be a company that is closer to society, deeper into issues, and responding to "needs." We have already taken steps toward that future.

Please look forward to the future growth of the Yaskawa Group and I appreciate your continued support.

History of Yaskawa and Its Six DNAs (Corporate Culture)

Since its establishment in 1915, Yaskawa Electric has earnestly pursued for more than 100 years the business area of “motors and their applications” and “making things happen by driving motors.” The Six DNAs (corporate culture) have been nurtured as people from each era gathered their wisdom and overcame many difficulties, and they are linked to the strengths that support our current business model.

Promoter

Keiichiro Yasukawa

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

Founder

Daigoro Yasukawa

Electric motors were starting to advance into all industrial segments as replacements for steam engine at the beginning of the Taisho period. Daigoro Yasukawa, the fifth son of Keiichiro, was among those who learned the fundamentals of such leading-edge technology. In 1915, with his father promising "to provide financial support, but not interfere with the way he runs the business," Daigoro founded our predecessor, Yaskawa Electric Manufacturing Co.

1915-

DNA 1 Technology-driven

20HP three-phase induction motor (1917)
Yaskawa’s first commercial product

Founder Daigoro Yasukawa expressed his wish to contribute to the nation by exporting domestically produced motors in his “motivation of establishment,” and aimed at undertaking the business with the company’s own technologies. Daigoro expressed his passion in the company motto “technology-driven”, and in fact promoted the development of a wide variety of products, including switches and transformers, in addition to various motors. At this time, a culture of “technology-driven” was established, which is the basis of Yaskawa.

Factory exterior (1919)

DNA 2 Customer and application focus

Daigoro created the “Business Policy” the year after he founded Yaskawa Electric Manufacturing. He set forth his policy of not forgetting the ideal for the sake of temporary profit and giving the first priority to the satisfaction of customers with sincerity. As motors began to be used by customers through the business, the ideal form and direction of the entire organization have been created based on the concept of “learning how the motors are used by customers (applications) and providing optimal systems.”

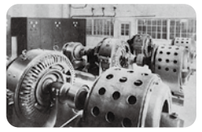
Writings and biographies of Daigoro

1945-

DNA 3 Quality first

After the World War II, energy shifted from coal to oil, and the heavy chemical industry developed. At that time, the company was engaged in manufacturing equipment (process automation) for materials such as steel making and spinning, which operated 24 hours a day. The idea of “quality first” became ingrained in the organization as we believed that we should not cause any trouble to our customers’ equipment.

After World War II, we demonstrated our exclusive strength mainly in automatic charging equipment for raw materials around blast furnaces.



Electrical equipment for automatic charging of blast furnace raw materials

1970-

DNA 4 Mechatronics

In 1969, Yaskawa became the first company in the world to propose the concept of “mechatronics,” aiming to “integrate customer machines with Yaskawa motors and controllers to achieve higher functionality.” We accelerated our business expansion into factory automation, aggressively invested resources in response to the rapid growth of the mechatronics market, and introduced a number of new products. Against this backdrop, “MOTOMAN-L10,” Japan’s first all-electric arc welding robot, was born, laying the foundation for the company’s Robotics Business.

Minertia motor (1958)
A motor that became the basis for the servo motor available today. A revolutionary product that had a response rate 100 times greater than conventional motors.

MOTOMAN-L10 (1977)
Japan’s first all-electric vertical articulated industrial robot

DNA 5 Policy-based management

Received Deming Prize (1984)

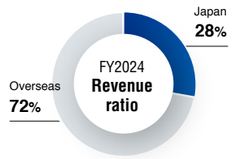
At the time “mechatronics” was launched, the existing business was still mainly focused and the concept was not a culture yet but just a vision. As such, Yaskawa worked on TQC (policy management) as a tool to set the whole organization in one direction. Yaskawa established its own management system, including tools for setting and managing targets in development, manufacturing and sales. As a result, the vision of mechatronics and TQC have become part of its corporate culture, and Yaskawa has made significant progress in the R&D and customer development for automation in the assembly industry.

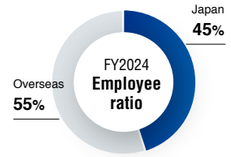
1990-

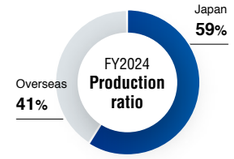
DNA 6 Global

After the 1990s, Yaskawa began localizing its business to expand its overseas business base. Yaskawa didn’t sell the Japanese products as they were but provided customer services and products needed in each region. Also, starting with drives production in the United States in 1992, we expanded our production bases overseas based on our policy of local demand production. We are implementing global management that combines efficient global operations with management tailored to the characteristics of each region.

FY2024 overseas ratio
(Revenue/employee/production)







2015-

With further technological advances expected in the realization of a data-driven society through the use of IoT and AI, in 2017 we proposed “i³-Mechatronics” with the aim of contributing to the resolution of our customers' management issues and transforming our own business model. We are striving to further evolve the DNA we have cultivated throughout our history and become an even more widespread force supporting industry and society.

i³-Mechatronics

Our Unique Foundation

Kitakyushu, where Yaskawa Electric was founded and where the head office is still located, has been one of the leading coal production areas in Japan. With the commencement of operations of the government owned Yahata Steel Works (Kyushu Steel Works, Nippon Steel Corporation) in 1901, various industries have been born, and the city has successfully developed as a “manufacturing town” that supported Japan.

The Yaskawa Group will further improve the Yaskawa brand and realize sustainable growth as a global company by taking full advantage of Kitakyushu’s unique strengths, such as its strong presence in Kitakyushu, its accessibility to Asian markets, mainly China, and its potential as an environmentally advanced city.

Yaskawa Headquarters in Kitakyushu

Six DNAs and Cultivated Strengths

The Yaskawa Group's DNA has been the driving force behind the development of the world's first and best technologies, and the products and technologies created through this process have brought about changes not only in the Yaskawa Group but also in society. In addition to a corporate culture that emphasizes quality, Yaskawa today has a strong presence in global markets by promoting business based on relationships of trust by addressing customer needs. Based on the broad customer base that the Yaskawa Group has built up, we strive to further enhance its unique strengths by constantly developing products with an eye toward the future.

DNA 1 Technology-driven

Development focused on the world's first and best technologies

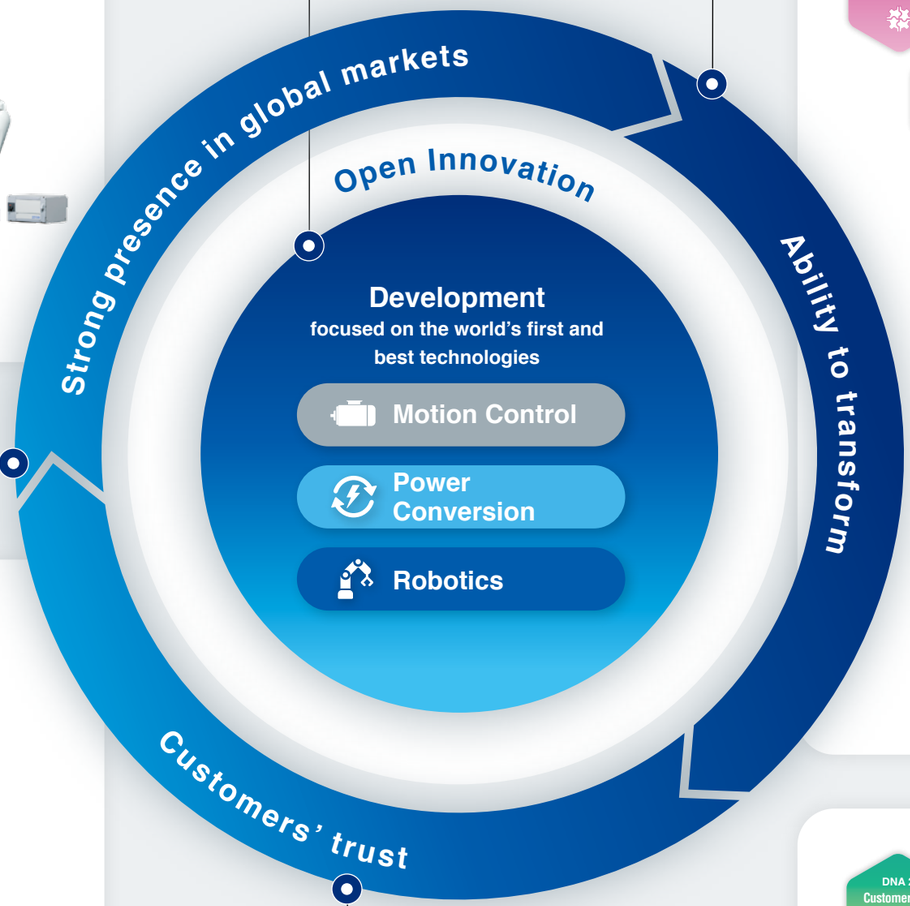
Since its establishment, the company has focused on "electric motors and their applications" and has produced many of the world's first and world's best technologies and products. Yaskawa's technologies and products lead to industrial innovation and contribute to the development of society.

World's first
Transistor AC drive: VS-616T (1974)

World's first
Matrix converter: Varispeed AC (2005)

World's first
GaN power semiconductor equipped servo motor with built-in amplifier (2017)

Industry first*
Autonomous robot: MOTOMAN NEXT series (2023)
*Based on our research targeting major robot manufacturers

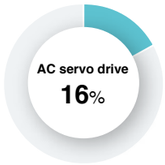


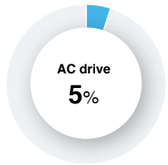
DNA 6 Global

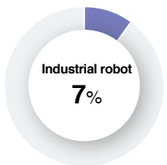
Strong presence in global markets

We have been involved in the export of products since the early days of our founding, following the spirit of our founder, who had a wish to contribute to the nation by exporting domestically produced motors overseas. Since the 1990s, we have been localizing our business and building our own sales network and production system in demand areas, and we have a top-level global market share in our core products.

Market share (company estimate)







DNA 4 Mechatronics

DNA 5 Policy-based management

Ability to transform

In 1969, Yaskawa pioneered the concept of "mechatronics," and the following year, in 1970, it envisioned "Unmanned Factory," an automated factory that humans and machines work together by using mechatronics. In the 1970s, when Japanese manufacturing shifted from the material industry to the assembly industry, the concept of "mechatronics" from the Yaskawa Group became the driving force behind the Third Industrial Revolution.

Then, in 2018, the Yaskawa Solution Factory was established, which embodied unmanned factory envisioned for a long time. As a demonstration factory for i³-Mechatronics, it is leading the transformation of manufacturing and business. Based on the concept of i3-Mechatronics, the Yaskawa Group will lead the evolution of production in the Fourth Industrial Revolution, which aims to achieve optimal production systems in a data-driven society.


Production line in Yaskawa Solution Factory


Integrated control room of Yaskawa Solution Factory

DNA 2 Customer and application focus

DNA 3 Quality first

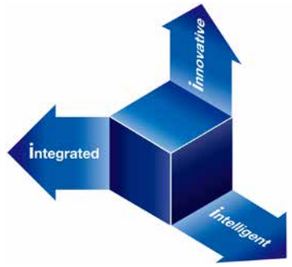
Customers' trust

Since the 1930s, when we established a policy of not only manufacturing and selling motors, but also learning how they are used by customers and providing optimal systems, we have maintained a stance of being close to our customers. Even today, based on our policy of continuing to provide high value-added and high-quality products that realize the benefits of improvement and evolution that customers demand, we promote our business with a strong relationship with our customers.

Differentiation Strategy - i³-Mechatronics -

Yaskawa's strength has been to automate the "cells," a unit of the factory's production line, with industrial robots, servo motors and AC drives.

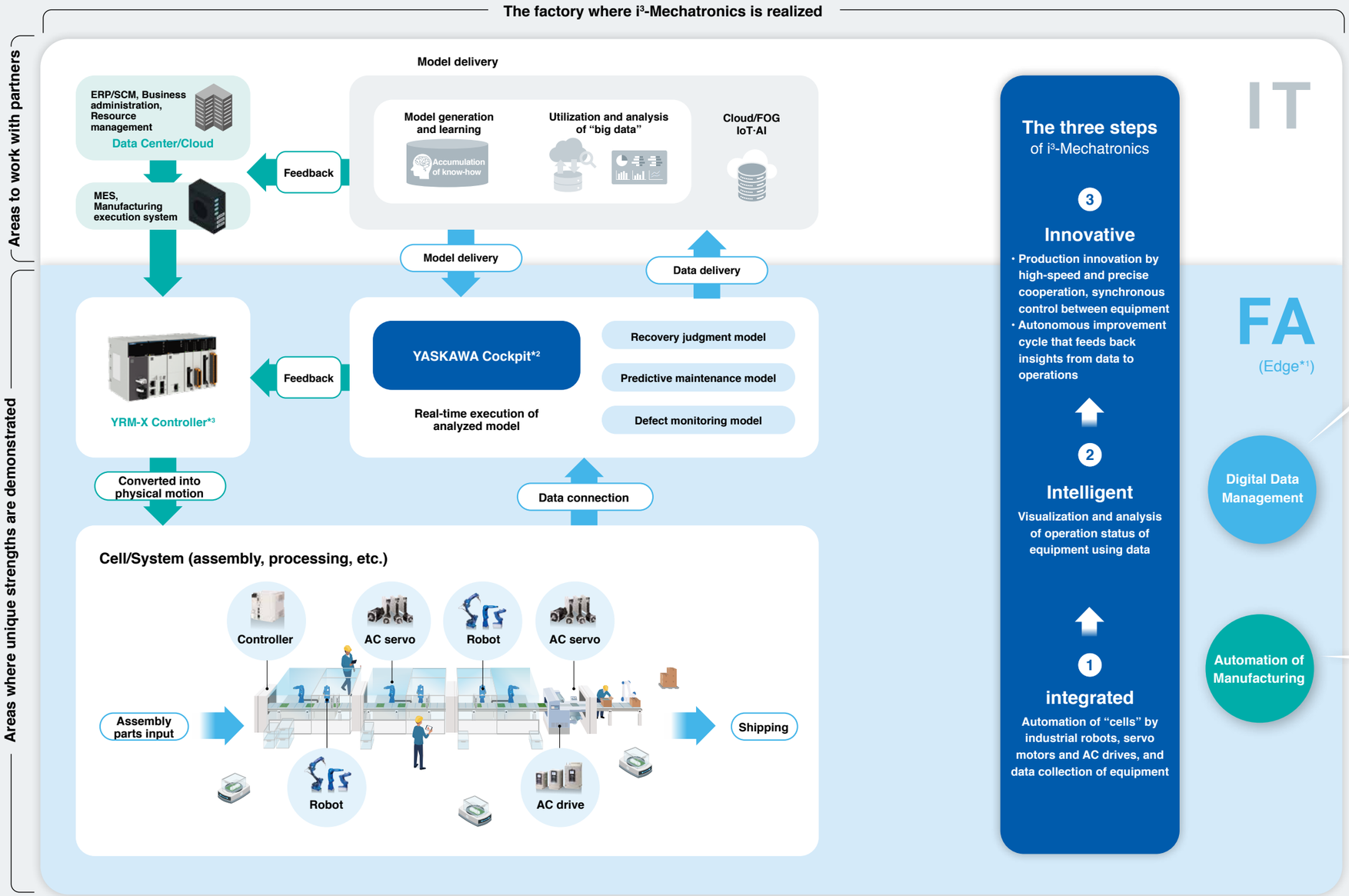
Based on the concept of "i³-Mechatronics" we propose to automate the cells and manage them with digital data as a solution to the "improvement and evolution" demanded by customers. This enables us to manage the operation status of equipment with process data and the production status with status data as "numerical values" rather than "tacit knowledge" of experts.



The "i³-Mechatronics" will proceed in three "i" steps: (1) integrated, (2) intelligent, and (3) innovative.

The use of data enables continuous improvement and helps solve various issues in manufacturing to realize the smart factories that our customers aspire to.

Yaskawa has a global brand in industrial robots, servo motors, and AC drives, which are essential "products" for factory automation, and we seek to differentiate ourselves and create added value by proposing solutions unique to our company, which has accumulated the practice of "i³-Mechatronics" in its own production.



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

Value Creation Process

Realization of Yaskawa Principles

"Contribute broadly to social development and human welfare through the execution of our business"

Realization of Vision 2025

Yaskawa's FY2025 Goals

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

Empower Innovation
We venture in new technologies/domains/targets to bring excitement and enthusiasm to people.

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

Financial target for FY2025*

Operating profit 100.0 billion yen

ROE: 15.0% or more | **ROIC: 15.0% or more** | **Dividend payout ratio: 30%+α**

*Targets set out in the long-term management plan, "Vision 2025." For the performance outlook for fiscal 2025, please refer to page 24.

Changes in the external environment

Management environment

- Changes in the industrial structure (Generative AI, electrification of cars, adoption of EVs)
- Advancement of products (Miniaturization and 3D adoption of semiconductors)
- Evolution of communications (5G and 6G)
- Intensifying industry competition (Rise of emerging manufacturers)
- Increased geopolitical risks, such as changes in tariff policies

Social issues

- Labor shortage
- Rising labor costs
- BCP, supply chain issues
- Environmental issues (Carbon neutral)
- Food loss issues
- Diversification of work styles (Changes due to COVID-19)
- Human rights due diligence

Input (FY2024)

Financial capital

Profit attributable to owners of the parent: **57.0** B. yen
Equity attributable to owners of the parent (End of FY): **431.2** B. yen
Interest-bearing debt (End of FY): **109.5** B. yen

Human capital

End of FY
Number of employees: **12,833**
(Of which, 55% were employees at overseas bases)

Manufactured capital

Capital investment: **40.67** B. yen
(Ratio to revenue) 7.6%

Social and relationship capital

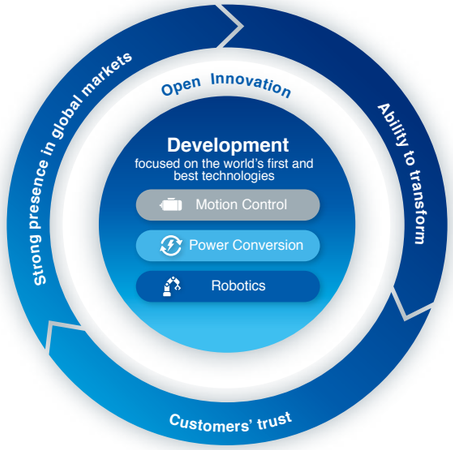
End of FY
Business bases:
Approx. **30 countries and regions**

Intellectual capital

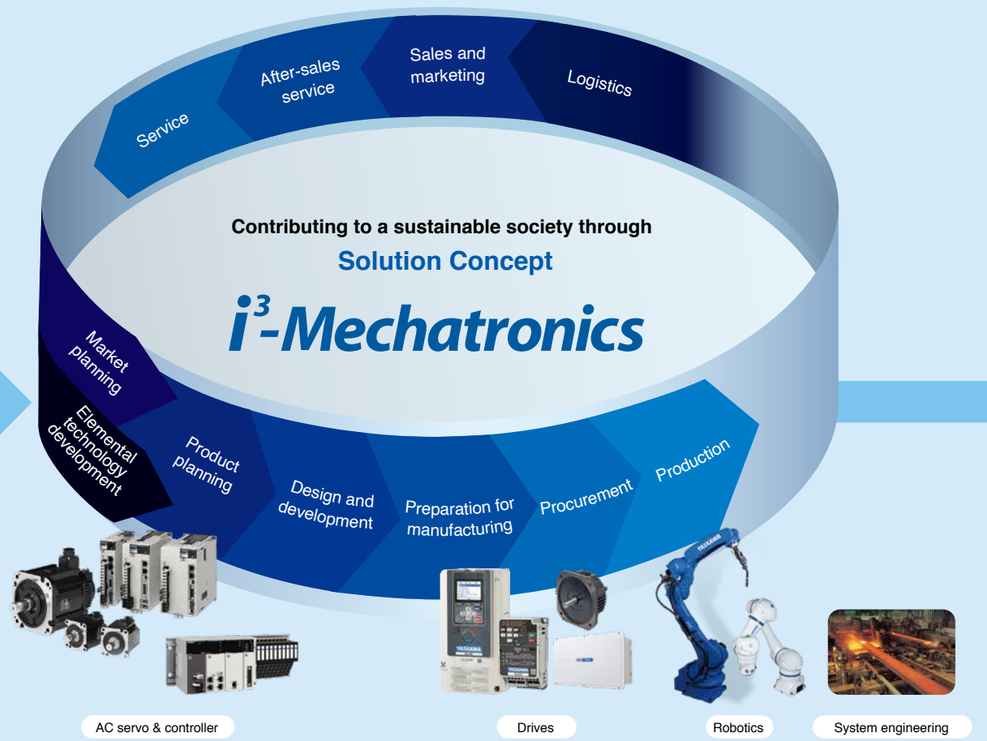
R & D expenditure: **23.77** B. yen
(Ratio to revenue) 4.4%

Natural capital

Input energy (electricity): **100.85** million kWh



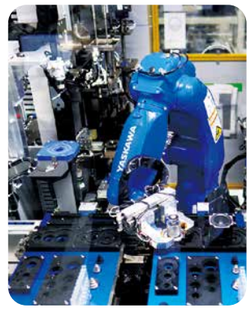
Value chain



Output

Factory automation/ Optimization

- Realize revolutionary industrial automation through i³-Mechatronics
- Pursue global No.1 in core business



Mechatronics applications

- Challenge for new mechatronics applications

Energy Saving
Food & Agri
Clean Power
Biomedical Science

Outcome (FY2024)

Financial capital

- ROE: 13.7%
- ROIC: 12.2%
- Annual dividend (Payout ratio) 68 yen per share (31.1%)

Manufactured capital

- Productivity indicator: +18% (Compared to FY2019)

Intellectual capital

- i³-Mechatronics-related patent application rate: 43%
- Number of external commendations and awards: 9

Human capital

- Percentage of employees who feel rewarding to work : 80%
- Percentage of female managers
  Non-consolidated 2.5%
  Group in Japan 3.2%

Social and relationship capital

- Started "handmade robot" event (2 sessions)
- 100% risk assessment implementation rate for "PL bud" cases
- Completed developing sustainable procurement policies and established guidelines for 2 overseas group companies
- Number of investor meetings: 462

Natural capital

- CO_2 emission reduction rate: -23.4% (Compared to FY2018)
- CCE100: 93.6 times

Sustainability challenges and targets (Materiality)

Create social value and solve social issues through business activities

Strengthen management foundation that contributes to sustainable society/businesses

Transformation of development, production, sales, and services using the digital management infrastructure of YDX (YASKAWA Digital Transformation)

Corporate Governance

Yaskawa's inherited DNA (Corporate culture)

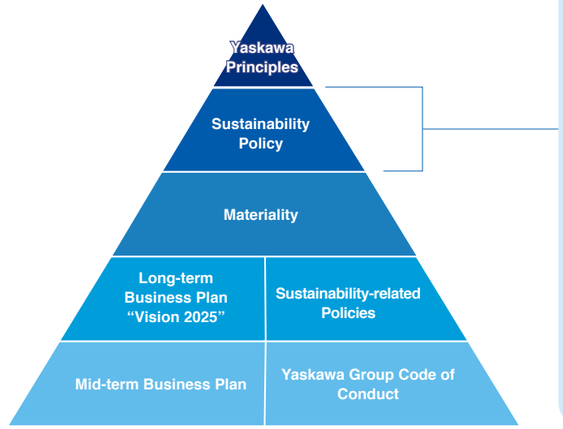
- DNA 1 Technology-driven
- DNA 2 Customer and application focus
- DNA 3 Quality first
- DNA 4 Mechatronics
- DNA 5 Policy-based management
- DNA 6 Global

Sustainability policy and initiatives

Under the Yaskawa Principles, Yaskawa Group formulated its Sustainability Policy in FY2021. In line with this policy, we identify material issues and develop targets for long-term and mid-term business plans to promote sustainability strategically.

In addition, we will monitor progress and implement the PDCA cycle to achieve a sustainable society and increase corporate value.

System diagram of sustainability promotion



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.

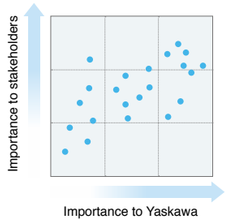
Process to identify materiality

STEP 1 List of issues

We made a comprehensive list of social issues related to Yaskawa's sustainable growth from the environmental, social and economic perspectives, referring to international frameworks and guidelines such as the SDGs and GRI standards, as well as macroeconomic trends in areas related to Yaskawa.

STEP 2 Assessment and identification of issues

For the issues identified in STEP 1, we selected items of high importance centering on "importance to stakeholders" and "importance to Yaskawa." In addition, discussions were held at internal meetings, including the Board of Directors, and issues of particular importance were identified as sustainability issues and targets.



STEP 3 Planning measures for issues (setting KPIs)

The high-priority issues identified in STEP 2 are divided into two axes: "Create Social Value and Solve Social Issues through Business Activities" and "Strengthen Management Foundation that Contributes to Sustainable Society/Businesses," reflecting the opinions expressed at internal meetings.

We have also clarified the direction of each focus area and strategy, and set quantitative and qualitative KPIs.

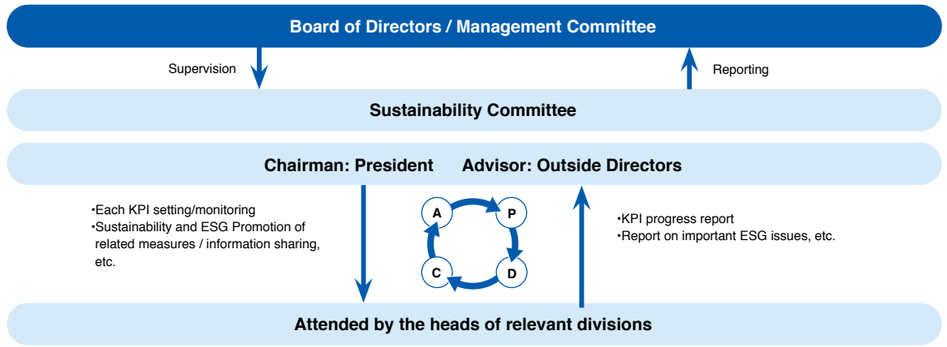
Sustainability promotion system

Our company has established Sustainability Committee chaired by the President.

This committee is attended by heads of related divisions and outside directors as advisors to promote sustainability management for the Group as a whole. It also plans, deliberates, develops among the Group, and monitors priority measures and policies related to materiality.

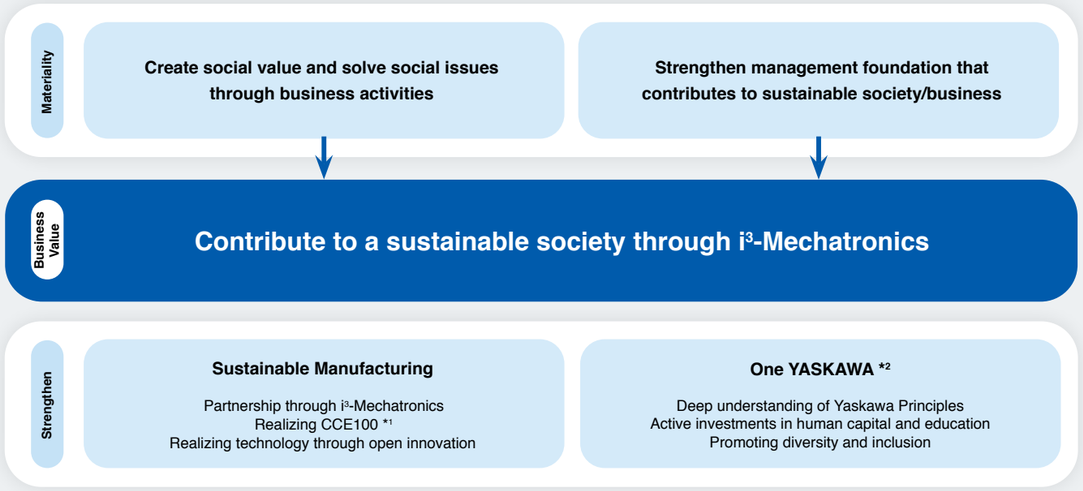
Sustainability initiatives are regularly reported to the Board of Directors and the Management Committee.

In fiscal 2024, Sustainability Committee met in June and November 2024. In addition to internal management, outside directors participated in lively discussions on KPIs, the status of implementation, and activity plans for each materiality and as a result, some KPIs were reviewed. In this fiscal year, initiatives related to Corporate Sustainability Reporting Directive (CSRD) were also discussed.



Concept of sustainability promotion in the mid-term business plan "Realize 25"

Yaskawa group will enhance its business value of "contributing to a sustainable society through i³-Mechatronics" by promoting materiality initiatives. We will use the challenges in the previous mid-term business plan "Challenge 25 Plus" as reinforcement points in the current mid-term business plan "Realize 25" and aim to develop targets.



*1 CCE100 (Contribution to Cool Earth 100): Target to reduce CO_2 emissions from our products by more than 100 times by 2025
*2 One YASKAWA: Initiatives to promote a corporate culture that brings the Yaskawa Group together by promoting the penetration of Yaskawa Principles on a global scale.

Sustainability challenges and targets (materiality) and their progress

Our group's materiality initiatives and progress are described below. Through the Sustainability Committee, we monitor KPIs on an ongoing basis and implement the PDCA cycle to achieve our goals and realize our vision.

*1 Revenue per person for indirect and direct personnel at plants in Japan (compared to FY2019)
*2 Target was revised in April 2022.
*3 Target was revised in April 2024.
*4 The target value was changed following the revision of the 2050 carbon neutral target in May 2022.
*5 Target was set in April 2024.
*6 Target was set in April 2025.
*7 Target was revised in June 2024.
*8 A person at the level of being able to teach others in the skills within a task to which he or she is assigned
*9 Definition of professional human resources and target values were revised in June 2024
*10 Initiatives were added in April 2024
*11 Target was revised in April 2024

Sustainability challenges and targets	Risks	Opportunities	Desired outcomes			Initiatives [Targets]		FY2024 results
Create Social Value and Solve Social Issues through Business Activities								
1. Realize revolutionary industrial automation with partners through "i³-Mechatroncis"	Negative impact on business performance and financial condition due to inability to provide optimal solutions to customers	Differentiation of products and services and higher added value by providing optimal solutions	Solve customer management issues with "i³-Mechatronics" solution concept and contribute to the improvement and evolution of society and production activities.			• Accumulation of "i³-Mechatronics" project success cases		• Strengthened customer approach with key products (MOTOMAN NEXT series, YRM controller, Sigma-X series, YASKAWA Cell Simulator, YASKAWA Cockpit) based on "i³-Mechatronics" concept • Expanded i³-Mechatronics CLUB and accelerate collaboration with CLUB members
2. Build clean social infrastructure and foundation for safe and comfortable living	• Increased R&D and other investment costs due to intensified competition in product performance against the backdrop of increasing demand for energy conservation • Loss of business opportunities due to inability to keep up with global changes such as a declining birthrate and an aging population and increased energy consumption	• Increased demand for our company products due to increased need for energy-saving products • Expansion of business in new mechatronics application fields	Use Yaskawa's technological capabilities to improve the environmental performance of products and reduce the environmental impact of the world by expanding sales			• Achieve CCE 100 (Contribution to Cool Earth 100) [FY2025: 100 times]		93.6 times
			Contribute to the realization of a sustainable society through the challenge of developing new fields by applying mechatronics technology.			• Expand examples of mechatronics technology applications, mainly in the four fields of energy conservation, clean power, food and agriculture, and biomedical		• Promoted initiatives in mechatronics application fields mainly in energy conservation, clean power, food and agriculture, and biomedical • Launched "LA700," a dedicated AC drives that contribute to reducing power consumption in elevators • Expanded sales of a PV inverter, "Enewell-SOL P3A" to the domestic self-consumption market
3. Develop new technologies and business domains through open innovations	Difficulty in creating innovative technologies with our own technologies alone	Strengthening our technological development capabilities by creating innovative technologies through open innovation to be the first and best in the world	Create new value for society through business expansion in new fields through M&A/alliances.			• Strengthen initiatives in new areas through M&A and alliances		• Continued aggressive search for growth opportunities through M&A/alliances to create technological synergies in our company's business areas of factory automation and mechatronics applications • Concluded agreement with Astellas Pharma Inc. to establish a joint venture company to develop and provide a manufacturing platform for cell therapy products
			Promote external collaboration to develop the world's first and best technologies and products			• Reinforcement of Industry-Academia-Government collaboration		Promoted industry-academia-government collaboration in and outside Japan on research and development that contributes to Yaskawa's future technologies
Strengthen Management Foundation that Contributes to Sustainable Society/Businesses								
4. Sustainable and productive manufacturing	• Obstacles to the supply of products to customers due to insufficient production capacity and productivity to meet expanding demand • Increased costs due to measures related to climate change countermeasures such as policies and regulations and changes in social demand • Decreased customer satisfaction and reliability due to insufficient assurance of product safety and quality, and liability arising from PL lawsuits • Difficulties in providing stable supplies of parts and raw materials to our group due to geopolitical issues and CSR factors such as the environment and human rights	• Achievement of stable global manufacturing by building a global production system that is resilient to environmental changes and risks • Increased corporate value through climate change measures • Improvement of the quality of products and services that meet customer requirements • Securing stable supplies of parts and raw materials	Promote global production efficiency and optimization through domestic and overseas expansion of the "Yaskawa Solution Factory" concept			• Introduction of cutting-edge manufacturing	• Improving production efficiency at own plants (improving productivity indicators*1) [FY2022: +19%*2 FY2025: +34% (compared to FY2019)*3]	Productivity indicators: +18% (compared to FY2019)
			Reduce CO_2 emissions and address global climate change issues			• Reduction of greenhouse gas emission through the Green Process	• Reducing greenhouse gas (CO_2) emissions [FY2025: -30%*4 (compared to FY2018)]	-23.4% (compared to FY2018)
			Improve brand image through product safety and security			• Improvement of product safety and quality	• Ensuring product safety through the Group's Product Liability Committee [FY2025: Implementation rate of risk assessment for "bud of PL" cases: 100% *5] • Improving product quality through the introduction of new systems [FY2025: Add two sites to global operation of market quality information centralized system*6]	• Implementation rate of risk assessment: 100% • Applied sites overseas : Building a CRM environment in India
			Implement supply chain management based on compliance with sustainable procurement guidelines			• Construction of a sustainable supply chain	• Improving the rate of compliance with Sustainable Procurement Guidelines [FY2022: Compliance rate: 100%*2 (Target: Major suppliers of Yaskawa Electric) FY2025: Compliance rate: 100% (Target: Major suppliers of the Yaskawa Group)]	Completed developing sustainable procurement policies and established guidelines for 2 overseas group companies
5. Create a rewarding workplace and human resource development	• Decreased competitiveness due to delays in hiring and developing human resources and the outflow of talented human resources • Loss of social trust if a human rights problem such as the event of human rights violations, and others occurs	• Securing human resources with diverse values and ideas • Creating innovation by enabling all employees to maximize their abilities • Enhancing corporate value by contributing to society using our technologies	Demonstrate the strengths of diverse human resources by promoting the active participation of women			• Diversity and inclusion	• Raising the ratio of female managers [FY2025: Non-consolidated/Group in Japan: 3.4%*7]	Ratio of female managers: The end of FY2024 2.5% (non-consolidated), 3.2% (domestic group)
			Develop human resources based on personnel philosophy and improve the job satisfaction of employees			• Human resource development	• Increase the ratio of professional human resources*8 [FY2025: Corporate average 20% or more*9]	The ratio of professional human resources: 13%
			Eliminate lost-time accidents and create a safe workplace			• Occupational health and safety	• Improvement of lost-time injury frequency rate [FY2025: Non-consolidated: Maintain 0.2 or less Major production bases in Japan and overseas: Maintain 0.4 or less]	Lost-time injury frequency rate: 0.00 (non-consolidated), 0.19 (domestic group), 0.34 (global)
			Aim for the sustainable development of the company and its employees by improving productivity by creating an environment in which each employee can work with peace of mind and make the most of his or her abilities			• Health management*10	• Improvement of indicators for the realization of health management	Improvement of indicators for the realization of health management (9 out of 10 items) and continued acquisition of certification as "Health and Productivity Management Organization 2025"
			Raise employees' awareness of human rights and create a workplace where human rights are respected			• Human rights and work practices	• Implementation and establishment of human rights due diligence processes for employees [FY2022: Implementation of human rights due diligence for group companies in Japan FY2025: Consideration of measures to meet the requirements of EU sustainability laws*11]	Non-consolidated/Domestic group: Continued implementation of human rights due diligence Overseas: Confirmation of legal and social requirements at major sites
			Promote social contribution activities to coexist and co-create with local communities by developing human resources for the evolution of manufacturing			• Contribution to local communities	• Development of human resources in science and engineering who will realize "evolution of manufacturing" [FY2025: Hold a new program of "Robot Handmaking Event" 6 sessions]	Started a new program of "Robot Handmaking Event" (held 2 sessions)
6. Fair and transparent governance system	• Loss of trust from stakeholders due to deterioration in the effectiveness of corporate governance • Obstacles to business continuity due to server system outages and network failures	• Accelerated management decision-making and improvement of management soundness • Providing highly reliable products and services to customers by maintaining and strengthening resilient information systems	Promote sustainable growth and increase corporate value through constructive dialogue with investors			• Effective governance based on the Corporate Governance Code	• Implementation of the Principles of the Corporate Governance Code (Reasonable explanation where not implemented)	Implementation of governance based on the principles of the Corporate Governance Code required of companies listed in "prime market"
			Raise the level of the security organization and build an autonomous and continuous information security system			• Strengthening of information security	• Internal and external security monitoring/measures in systems and security level evaluation/improvement by external auditing organizations	• Strengthen information security personnel and structure • Monitoring our company brand and early detection of potential risks and implementation of countermeasures by Global SOC (Security Operation Center) utilizing security threat analysis services • Security audits for global sites and implementation of initiatives for information security legislation in overseas countries
			Prevent escalation by early detection of compliance risks			• Enhancement of compliance	• Strengthen compliance through internal reporting • Strengthen cooperation by holding meetings with compliance officers overseas	• Continued appropriate responses to whistleblowing and other compliance issues • Held a meeting with compliance officers, including those overseas

Long-term Business Plan “Vision 2025”

The Yaskawa Group has set forth its “Vision 2025” (FY2016 to FY2025), a long-term management plan for 10 years, with the starting point of FY2015, which is its centenary. Our basic policy in Vision 2025 is to contribute to the resolution of our customers’ management issues through the evolution of our core business, and to create new added value for society through the expansion of new fields utilizing mechatronics technology.

External environment for 2025

Changes in global population structure, such as declining birthrate and aging of developed countries	Environmental problems and climate change caused by expansion of energy consumption	Rapidly evolving telecommunication technologies such as 5G communication and IoT

Yaskawa Principles

Yaskawa’s mission is to contribute broadly to social development and human welfare through the execution of our business.

1. **Quality** Always developing and improving world-class technologies with a focus on quality
2. **Profitability** 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

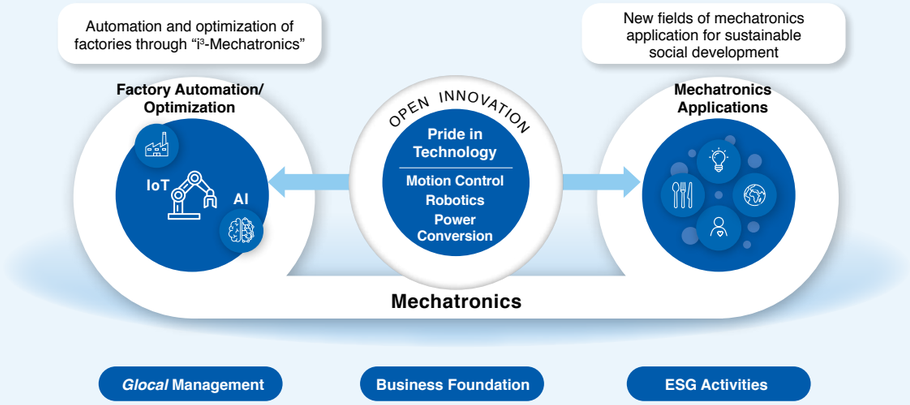
Yaskawa’s FY2025 goals

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

Empower Innovation
We venture in new technologies/ domains/targets to bring excitement and enthusiasm to people.

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

Vision 2025



Financial targets for FY2025

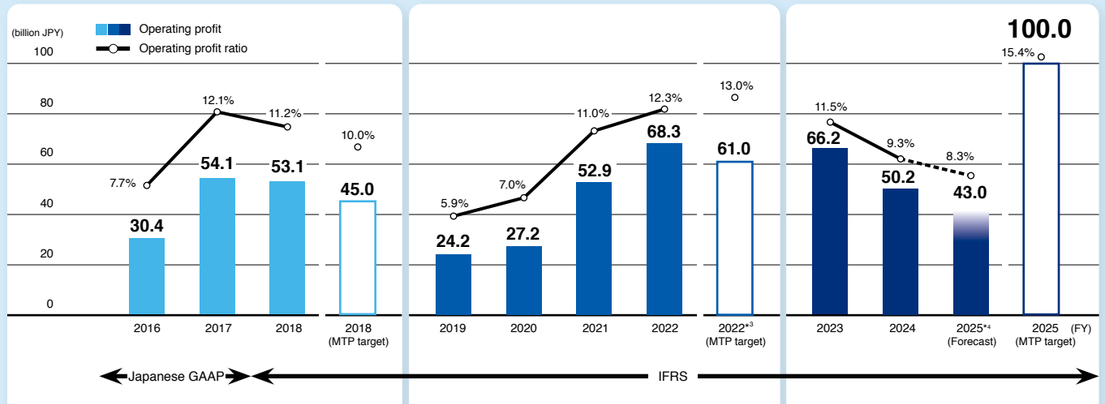
Operating profit is set as the most important KGI, and measures to achieve this are outlined in the three mid-term business plans described on the next page.

Operating profit	ROE*1	ROIC*2	Dividend payout ratio
Over 100 billion JPY	15.0% or more	15.0% or more	30.0%+α

*1 ROE: Return on Equity = Net income attributable to owners of parent/Shareholders’ equity
*2 ROIC: Return on invested capital = Net income attributable to owners of parent/Invested capital

Progress of Vision 2025

Yaskawa has divided the 10 years of Vision 2025 into three mid-term business plan periods and is working to achieve the goal. In FY2024, we promoted a variety of initiatives to achieve our vision, while we announced a forecast for FY2025 that reflects the current severe demand trends. (The forecast was revised in July 2025)



Long-term business plan	Vision 2025												
Mid-term business plans	Dash 25				Challenge 25 Plus					Realize 25			
	2016	2017	2018	2018 (MTP target)	2019	2020	2021	2022	2022*3 (MTP target)	2023	2024	2025*4 (Forecast)	2025 (MTP target)
Net sales / Revenue (billion JPY)	394.9	448.5	474.6	450.0	411.0	389.7	479.1	556.0	470.0	575.7	537.7	515.0	650.0
Capital expenditure, M&A (% of revenue)	70.3 billion JPY (5.3%) *Period total				103.2 billion JPY (5.6%) *Period total					143.2 billion JPY (8.6%) *Forecast for period			150.0 billion JPY
R&D investment (% of revenue)	57.8 billion JPY (4.4%) *Period total				73.8 billion JPY (4.0%) *Period total					70.0 billion JPY (4.2%) *Forecast for period			–

	Establish profitable business structure	Challenge for creating new values and markets Profitability improvement	Realization of vision
Basic Policies	• Maximize results of “Realize 100” • Build foundation for realizing “Vision 2025” • Grow clean power as core business • Evolve *glocal* management	• Transform business model through i³-Mechatronics • Maximize profitability in the growing market through i³-Mechatronics • Expand new domains for building a sustainable society • Improve management efficiency through digital and quality management	• Creating value through i³-Mechatronics solutions • Capturing growth market with world’s best/first automation components • Contributing to realizing a sustainable society through business expansion of mechatronics applications • Establishing a management foundation by deepening YDX and sustainability management
Results	• Launched i³-Mechatronics • Strengthened sales capability by integrating sales functions • Expanded local production in demand areas, particularly in China and Europe • Full-scale launch of food production automation business • Establishment of AI solution development subsidiary • Market launch of new products for solar power generation	• Structural reform of robot production • Started operation of YASKAWA Technology Center • Market launch of Σ-X, YRM controller • Captured demand for EV and battery-related capital investment • Centralized global data with YDX • Formulation of sustainability policy and identification of materiality	See “Initiatives in FY2024” on page 26 for details.
Challenges (Measures for the next mid-term plan)	• Strengthen new product development capabilities to realize i³-Mechatronics • Strengthen i³-Mechatronics penetration and solution proposal capabilities	• Expand partners to introduce i³-Mechatronics • Strengthen production capacity by accelerating automation and in-house manufacturing • Monetize the food and agriculture and biomedical sectors	See “Initiatives in FY2024” on page 26 for details.

*3 In response to changes in the business environment, in April 2021 we extended the final year of Challenge 25 (FY2019 - FY2021) by 1 year and revised our targets.
*4 Forecast for FY2025 are as of July 4, 2025

Mid-term Business Plan “Realize 25”

The Yaskawa Group is proceeding with mid-term business plan “Realize 25” (FY2023 - FY2025) as the final step of its long-term business plan “Vision 2025.”

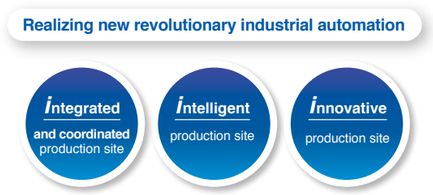
Aim and policies

We provide new values by expansion of i³-Mechatronics and evolution of robotics and contribute to realizing a sustainable society. In addition, we plan to invest a total of 150 billion yen over 3 years to solidify our future sustainable growth.

Policies and Initiatives

Policy 1 ——— Creating Value through i³-Mechatronics Solutions

In order to realize solutions for our customers, we will further strengthen Yaskawa Group’s strengths in products and technologies. In addition, in order to optimally and sustainably supply these products, Yaskawa Group’s production sites will become the flagship for implementing i³-Mechatronics, and we will further enhance the competitiveness of our products by realizing cutting-edge manufacturing. By utilizing vast amounts of data on these processes, we will achieve high quality and provide sustainable solutions to our customers.



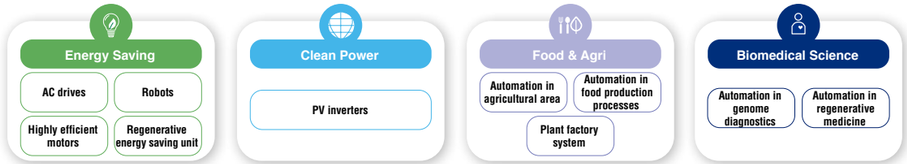
This is the solution concept of i³-Mechatronics. We will enhance our contribution to customers by realizing what they need through seamlessly connecting the “products,” the Yaskawa Group’s strengths. Through this, we will expand the scope of Yaskawa Group’s business and create further value.

Policy 2 ——— Capturing Growth Market with World’s Best/First Automation Components

In growing markets such as EVs, batteries, semiconductors, and food products, focusing on automation components, we will develop strategies for each market on a global basis to ensure that demand is captured.

In addition, we will promote cooperation between development, procurement, and production at the mother plants in Japan for each business, and strengthen our global production system based on the concept of local production in demand areas. By implementing these measures, we will realize global and stable manufacturing that is resistant to environmental changes and risks.

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



Expand sales of “green” products to improve customers’ energy efficiency and reduce environmental impact

Full scale business expansion based on new products realizing world-class energy creation

Combine core technologies to achieve food safety and stable supply as well as automation of agriculture

Bring brighter future for all people by developing automation solutions

Policy 4 ——— Establishing a Management Foundation by Deepening YDX and Sustainability Management

1. Providing new value through YDX chain based on PLM*1 restructuring

By restructuring product life cycle management by connecting data from the origins of “products,” the flow of production, and information on the supply chain in the process, we will advance business reforms and provide new value to our customers.

2. Promoting sustainability management through strengthening initiatives towards materiality*2

In our sustainability policy, we have specified the materiality, including setting KPIs, of our contribution to society through i³-Mechatronics. We will strengthen these initiatives through PDCA. We will also focus on the people who support our business. We aim to achieve “One YASKAWA,” in which the Yaskawa Group unites by promoting the penetration of Yaskawa principles globally.

*1 PLM: Product Lifecycle Management
*2 Please see “Concept of Sustainability Promotion in the Mid-term Business Plan “Realize 25” on page 20

Summary of FY2023 – FY2024

In the first two years of “Realize 25,” the external environment, particularly in the semiconductor and Chinese markets, diverged from our initial expectations and the volume didn’t reach the necessary amount. As a result, it is currently considered difficult to achieve the operating profit target of ¥100 billion set forth in “Realize 25.” Nevertheless, despite the current severe demand trends, measures based on the basic policies of “Realize 25” are making steady progress. In particular, with regard to capital investment, we are advancing automation, such as completing the construction of a domestic robot machining plant and starting the construction of a new integrated AC servo and robot production plant. In addition, we are working to strengthen our system in each region, including the expansion of plants and offices in order to expand our business in Europe and the United States.

Initiatives in FY2024

Conscientiously implementing measures to maximize demand acquisition and optimize profit structure

	Results	Challenges (Policy development in FY2025 based on FY2024 results)
Policy 1	**[Technology]** • Launch of “iC9200,” machine controller for Europe and the United States, which implements i³-Mechatronics through integrated control of cells at production sites **[Production]** • Introduction of “MOTOMAN NEXT” to the assembly process at robot plant No.1 in Yahata-nishi Plant, achieving significant productivity improvements through automation and data utilization • In Slovenia, promotion of expansion of the robot systems plant and construction of a distribution center for Europe **[Sales]** • Acceleration of collaboration with partners in various fields through i³-Mechatronics CLUB **[Quality]** • Strengthening service activities to proactively propose timely facility updates and maintenance to customers based on the operating status of our products	**[Maximizing the results of “i³-Mechatronics” activities to realize needs]** • Based on “i³-Mechatronics,” establishing solution-based sales activities that realize customers’ needs and maximizing demand for our core products (AC Servo “Σ-X” (Sigma Ten), AC drive series, etc.) through these activities • Steadily expanding the market launch of “MOTOMAN NEXT” and partner collaboration, and accelerating the development of “YRM1000/iC9000 series,” which is part of iCube Control*3 lineup globally • Accelerating the construction of a new integrated AC servo and robot production plant (Plant No. 5) in Yahata-nishi Plant and the implementation of production enhancement projects at the Yukuhashi Plant and Iruma Plant
Policy 2	• In-house production of major components globally and centralized procurement of key parts common to all divisions • Strengthening production/procurement systems and production systems in demand areas by steadily implementing investments to expand business in Europe and the United States	**[Maximizing earnings through comprehensive activities that capture changes in markets and regions in a broad point of view]** • Maximizing acquisition of orders by capturing trends in capital investment in each market, including semiconductors and automobiles • Expansion of our products supply to customers through collaboration with core sales companies and sales partners • Clarifying and implementing growth strategies and investment plans for the Indian market, which is expected to expand in the future • Completion of business structure reforms in response to changes in the competitive environment in Europe and China
Policy 3	**[Energy Saving]** • Launch of “LA700,” AC drives for elevators, which contribute to a comfortable ride and reducing power consumption during standby. **[Clean Power]** • Strengthening measures in the self-consumption market in Japan by expanding sales of PV inverters for photovoltaic power generation, “Enewell-SOL P3A” **[Food & Agri]** • “Automation of removing cucumber’s leaf” which is jointly developed with JA ZEN-NOH reached practical stage **[Biomedical Science]** • Concluding an agreement with Astellas Pharma Inc. to establish a joint venture to develop a manufacturing platform for cell therapy products using “Maholo,” general-purpose humanoid robot and to provide the platform to startups and academia	**[Commercialization of mechatronics applications fields through partner collaboration]** • Strengthening efforts to expand application of AC drives in data centers where investment is accelerating globally • Strengthening sales of PV inverters for photovoltaic power generation for self-consumption • Accelerating commercialization by shifting from verification and evaluation to actual implementation by developing automation in the medical and agricultural fields in collaboration with partners
Policy 4	• Completion of establishing Yaskawa Data Lake as the base for reconstructing PLM(Product Lifecycle Management)	**[Creating added value and building a sustainable management foundation through the implementation of YDX-II*4]** • Reconstruction of PLM with an eye to market alignment, completion of business transition associated with core system renovation, and strengthening of data infrastructure • Strengthening of data governance and development of an environment for utilizing generative AI

*3 iCube Control: Controller solution to realize i³-Mechatronics
*4 YDX: Abbreviation form for YASKAWA Digital Transformation. Activities to visualize and centralize management resources and to allocate them optimally were carried out in “YDX-I,” the first phase. In “YDX-II,” we are creating value for customers from a product and service perspectives.

Financial and Capital Strategy

Based on the "i³-Mechatronics" concept, we will achieve sustainable growth by improving the operating profit margin and establishing a corporate structure that is resilient to change.

Yasushi Ichiki
Senior Executive Officer
In charge of Administration
In charge of ESG
General Manager, Corporate Planning & Finance Div.

My name is Ichiki, and I have been serving as the General Manager of Corporate Planning & Finance Div. since FY2025. Using my experience in corporate planning and financial strategy both in Japan and overseas, I will make every effort to contribute to the sustainable growth and enhancing corporate value of the Yaskawa Group. I will also sincerely disseminate information to shareholders, investors, and other stakeholders so that they can understand our initiatives and look forward to future growth.

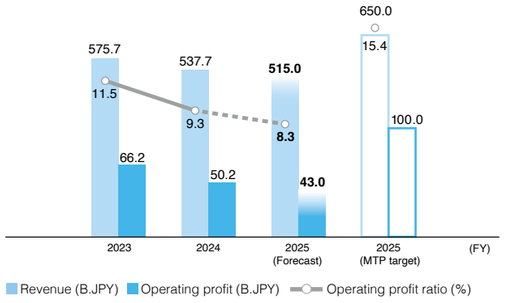
Summary of FY2024

In FY2024, the second year of our mid-term business plan, "Realize 25," we made company-wide efforts to achieve the goals of the mid-term business plan. However, the external environment, such as semiconductors and the Chinese market, has developed differently from what was initially expected at the beginning of the fiscal year. As a result, revenue, operating profit, and operating margin, mainly in the motion control business, all fell below our expectations, resulting in a decrease in revenue and operating profit in FY2024. In addition, as a result of accumulating inventories to respond to increased demand based on the assumption of market recovery, inventory valuation loss occurred, which we recognize as an issue. On the other hand, excluding inventory valuation loss, initiatives to increase added value are steadily delivering positive outcomes and it is not that our profit structure itself has been damaged. I believe that we have established a profit structure that will enable us to achieve the operating profit target set forth in the mid-term business plan, as long as we can secure sufficient volume.

The forecast for FY2025

The forecast for FY2025 is increasingly uncertain due to additional tariffs imposed by the United States and global political instability. The biggest concern in terms of the impact of tariffs is the cooling of global investment sentiment. This could affect the global economy as a whole by delaying corporate investment decisions and stagnating capital investment. In addition, there is growing uncertainty over the momentum of recovery in the semiconductor and electronic components sectors. As a result, in the financial results briefing for FY2025 1Q in July 2025, we were forced to revise downward our financial forecast for FY2025, projecting lower revenue and operating profit compared to the previous fiscal year. Despite the increasing uncertainty, we will steadily respond to demand fluctuation through our production system in demand areas and flexible operations rooted in each region, and achieve the revised revenue target for FY2025. As for operating profit, in addition to that, we intend to achieve the operating profit target by self-efforts such as improving added value by execution of production and inventory plans linked to the revenue plan and reducing expenses.

Trends in performance and forecast



Improving the operating profit margin

I place the highest importance on the operating margin in business operations. We set operating profit as the most important KGI in our long-term business plan "Vision 2025," in which FY2025 is the final year. However, the market has not recovered as expected, and it is unlikely that we will achieve this target. Revenue and orders cannot be controlled by ourselves. In order to secure stable profits without being affected by a fluctuating top line, it is essential to improve the operating margin. We will secure profits by providing products and services which realize highly value-added solution, not by pursuing volume by low price setting. In response to fluctuations in revenue, we will flexibly control expenses to limit the decline in profit margin and maximize profits.

I believe that activities in line with "i³-Mechatronics" concept will continue to be important as a specific way to improve the operating margin. The most important thing in realizing "i³-Mechatronics" concept is that the Yaskawa Group and our customers are able to connect with each other at the management level, share management issues, and work together to solve them. Currently, the number of such projects is steadily increasing, and we are currently working on the first phase of a large-scale project. I believe that by maximizing our commitment to what our customers need and contributing to the success of their business, we can aim to expand our business relationships, earning the trust of our customers.

In addition, changing the mindset of our sales representatives who promote "i³-Mechatronics" concept to our customers is extremely important for improving profit margin. In times of increasing material price, our sales representatives had many opportunities to talk with customers about prices. However, in order to help customers understand the background behind the price revisions, they needed to go beyond simply explaining the price increases and carefully explain the added value that we provide based on "i³-Mechatronics" concept. Through these experiences, our sales representatives themselves have deepened their understanding of the potential of "i³-Mechatronics" and its value to customers, and I believe that this has encouraged a change in their mindset.

Controlling expenses is also an extremely important factor. First of all, against the backdrop of rising inflation, we will actively improve wages. On top of this, we will promote personnel optimization on a global scale and respond to volume increases not by increasing personnel but by improving operational efficiency through automation, labor-saving, and the use of AI. In particular, in indirect departments, we will use DX to identify wasteful operations and thoroughly scrutinize all areas for potential cost reductions, such as by insourcing of outsourced operations and reviewing travel expenses. In order to spread this awareness to the front lines, it is necessary to quantify surplus costs and raise awareness of reduction targets among the general managers of each division and the presidents of group companies. Each department needs to work toward their own goals broken down from the overall objectives. Going forward, we will continue to work as a whole to control expenses.

For the formulation of the next long-term business plan

Looking back on Vision 2025, it feels like the past decade was focused on achieving high profitability and improving operating margin. In addition to our core field of factory automation, we have expanded our business into mechatronics application fields, such as food, agriculture, and biomedical, and have contributed to solving social issues. The introduction of "i³-Mechatronics" has enabled us to offer value propositions aligned with the customer's management issues. The upcoming long-term business plan, scheduled to be announced and covering FY2026 through FY2035, will maintain the same strategic direction. Amid worsening labor shortages due to the aging population and declining birthrate, we will contribute to the realization of a sustainable society by accelerating initiatives in food, agriculture, and biomedical fields, where the need for automation is growing. The key to success in the fields is the use of AI technology and collaboration with partner companies. With external capital flows expected, such as government support to

solve labor shortages, we will enhance the value we provide by working together with partners and integrating each other's strong technologies and services in order to further develop the high-profit structure we aim for in Vision 2025.

Financial and capital strategy

We have set ambitious targets of 15% for both ROE and ROIC as a fundamental approach to achieving management that is mindful of capital costs and stock prices. This is based on the goal of generating returns exceeding our benchmark of a 10% cost of equity and a 9% WACC. In order to achieve them, it is essential to improve our operating margin. On the other hand, in terms of capital efficiency, we believe it is important to shorten the collection period of operating receivables and reduce inventories. Since FY2024, the sales and corporate planning divisions have been working together to shorten the collection period of receivables, and we are seeing results particularly in China and Japan. With regard to inventories, we recognize that the current level of inventories is excessive because we have prepared for the upturn in the market. We aim to achieve both strong customer responsiveness and capital efficiency by reducing excess inventories by ensuring thorough execution of production and inventory plans linked to revenue plans by leveraging digital transformation (DX). In addition, we regularly examine the significance of our investment securities and consider selling them as necessary to improve asset efficiency.

The basic concept of the balance sheet structure and financial discipline

As part of our financial discipline, we set the upper limit of the net debt-to-equity ratio at 0.15 times. Within this limit, we utilize leverage and promote investments to increase capital efficiency. Because relying solely on debt can weaken the awareness of generating profits, we maintain an aggressive stance on investments while minimizing cash by utilizing the net debt-to-equity ratio. In addition, we maintain cash on hand at a standard amount equivalent to monthly revenue, and from a global management perspective, we achieve flexible cash management while preventing excessive cash holdings by consolidating and managing cash at regional units.

Cash allocation

The Yaskawa Group's capital investment is not limited to simply expanding production capacity, but is positioned as a strategic initiative for future growth, including strengthening business execution capabilities. In addition to strengthening our ability to respond to market needs through the establishment of new facilities, we are focusing on optimizing overall business operations, such as speeding up decision-making and improving production efficiency through the consolidation of facilities. In particular, with regard to the capital investment in Wisconsin, the United States, announced in June 2025, we plan to consolidate dispersed factories, warehouse, and headquarters functions, including a new facility, into a single area. This will strengthen our responsiveness to the United States market, where a revival of the manufacturing industry is expected, particularly in the semiconductor industry, and improve production efficiency.

Meanwhile, with regard to YDX-related investments, we are renewing our core systems and building an internal data infrastructure (Yaskawa Data Lake). By managing not only management data, but also inventory and development data, as well as information in the value chain, including customers and suppliers, within Yaskawa Data Lake, we are building YDX chain that links development, production, and sales and service, thereby improving the accuracy and speed of management decisions.

My role in making capital investment decisions is to assess the feasibility of business plans by strictly examining the return prospects and recoverability using NPV*1 and other methods. At the beginning of the process to implement capital investment, each business unit draws a picture of its own future vision through capital investment. After that, it is discussed with management. The purpose of the discussion is to ensure that the future vision of each business unit matches the vision of the management, and to steadily promote capital investment plans based on a shared understanding between the supervisory and executive sides. At our company, this decision-making process is extremely important, and I personally place importance on taking time to engage in dialogue.

With regard to M&A, it takes time to build consensus and assess risks, making it difficult to respond flexibly. As a first step, I give priority to alliance with partners who can share business concepts and collaborate. The collaboration with NVIDIA to realize digital twins, initiated by the integration of GPUs into "MOTOMAN NEXT*2," symbolizes our strategy of partner collaboration.

When it comes to R & D investment, I emphasize the relevance of the theme rather than the ratio to revenue. I will review bloated areas and reduce those that are less necessary. Instead of increasing the amount each year in accordance with revenue, I will focus on selection and concentration and invest resources in valuable technological development.

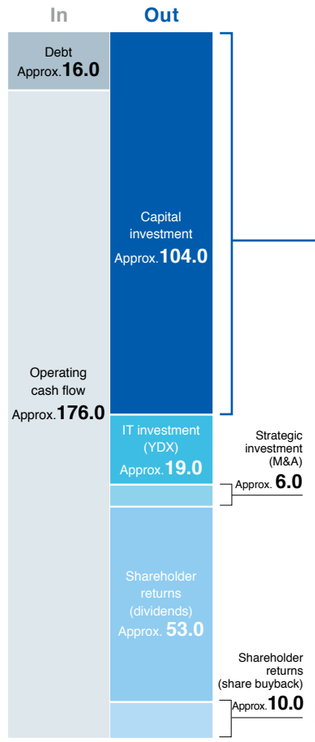
Regarding shareholder returns, I will maintain the dividend payout ratio of 30%+α during FY2025, but I plan to discuss the possibility of revising it in the next long-term business plan. Regarding share buybacks, I will not change the policy and will consider doing so when cash generation exceeds expectations. Our business potential will continue to expand in the future because automation needs driven by labor shortages are increasing across all sectors. I hope that investors will evaluate our business execution capability and profitability in the expanding business potential, and use this in their investment decisions.

*1 Net Present Value. The estimated value obtained from investments is converted into present value and the difference between the present value and the actual investment amount is used in investment decisions

*2 The next generation robot that have the autonomous adaptivity to the environment and make judgments which Yaskawa Electric launched in November 2023.

Cash allocation plan of "Realize 25"

(B. JPY)



Capital investment

Capital investment is progressing as planned. Approximately ¥25 billion was invested in FY2023, ¥30 billion in FY2024, and ¥49 billion is planned for FY2025.

Construction of robot plant No. 5
Plant integrating motor production
Scheduled to start operation in FY2026

Construction of Kansai branch office
Started operation in March 2025

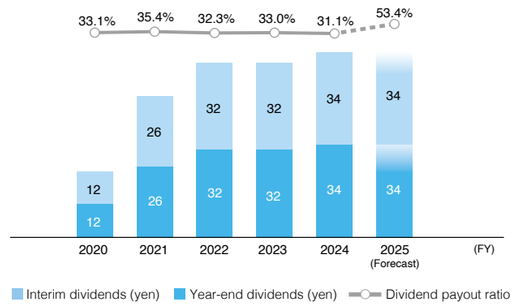
YASKAWA Europe Robotics
Consolidation of logistics functions
Scheduled to start operation in FY2025

YASKAWA America, Inc. Establishment of new campus
Scheduled to start operation in FY2028 and thereafter

Construction of robot plant No. 4
Robot parts machining plant
Started operation in March 2024

YASKAWA America Inc. Expansion of robot systems plant
Started operation in July 2024

Shareholder returns (dividends)



Business portfolio management

In promoting “i³-Mechatronics” concept, there have been many cases in recent years where products from motion control business and robotics business are combined in proposals, and synergies between the two businesses are gradually expanding. As the number of common markets for both businesses is increasing, we may need to reconsider our business classifications at some point in the future.

Another issue that we recognize in our business portfolio is high volatility. We believe it is essential to expand mechatronics application fields beyond the motion control and robotics businesses into primary and tertiary industries, in order to reduce fluctuations in business performance. We will accelerate our efforts in the field of automation, which is expanding from conventional factories to food, agriculture, and biomedical, as a growth field.

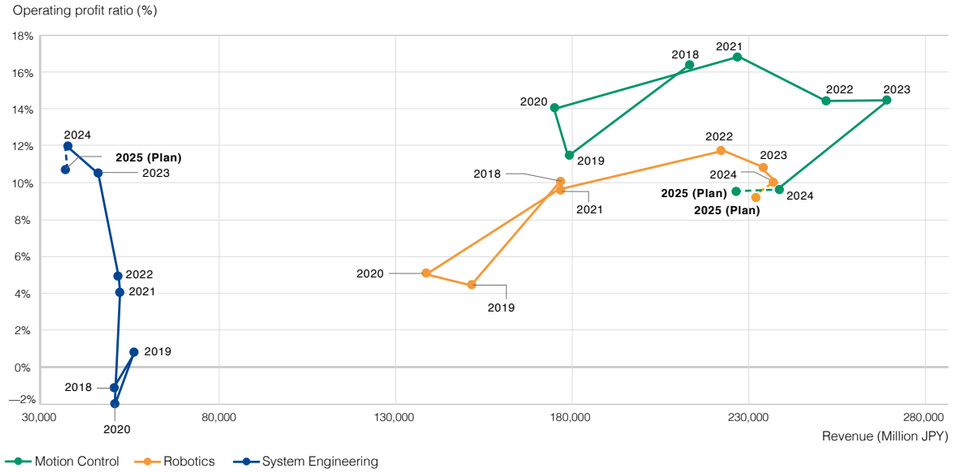
When deciding whether to continue or withdraw from a business, we will not only make decisions based on quantitative information such as ROIC, but also focus on whether future growth is expected and whether there is room to improve profitability internally.

To our stakeholders

I have attended meetings with institutional investors and analysts several times in the past, and I always find these opportunities to engage with market participants to be valuable learning experiences. I feel that opportunities to hear their requests and expectations for our company, as well as thought-provoking proposals based on data from the market and other companies in the same industry, are extremely important for management including myself, and I always keep the opinions I receive in mind when conducting business operations. As a general manager of corporate planning division, I would like to meet everyone’s expectations by producing results and increasing corporate value.

In addition, in communications with capital markets, such as integrated reports and financial results briefings, I will strive to provide reliable information at an appropriate time. Please look forward to sustainable growth of the Yaskawa Group for the future and I appreciate your continued support.

Revenue and operating profit ratio by segment in the previous mid-term business plan, “Challenge 25 Plus” and the current mid-term business plan, “Realize 25”



* Figures reflect the reclassification (from FY2024) of information on PV inverter from the System Engineering segment to the Motion Control segment.

Michael Knapek
Regional Manager, the Americas
Chairman & CEO,
YASKAWA America, Inc.

YASKAWA America: Advancing to the Next Stage

— Campus Vision and Technological Innovation

Current operations in the U.S.

YASKAWA America, Inc. was established in September 1967 in Chicago, Illinois. Since its founding, the company has been engaged in technology development, manufacturing, sales, and service across the Americas—including the U.S., Canada, Mexico, and Brazil. It provides Motion Control, AC drives, PV inverters, and system engineering of industrial robots for a wide range of markets such as semiconductors, machine tools, automotive, HVAC, pumps, oil & gas, and solar energy.

Currently, YASKAWA America operates several key facilities in the U.S.: headquarters in Illinois, an inverter and servo motor plant in Buffalo Grove (Illinois), drives value-added manufacturing plant in Oak Creek (Wisconsin), and a robot systems facility in Ohio. These operations are spread across multiple states, resulting in inefficiencies in production. To strengthen the implementation of the “i³-Mechatronics” concept, it is essential to consolidate production and enhance cross-functional collaboration.

Moreover, only a portion of AC drives and AC servos are produced locally in the U.S., with most other products imported from Japan. As demand grows for shorter lead times and increased automation due to inflation and rising labor costs, the current production system may struggle to keep pace.

To address these challenges, YASKAWA America has decided to establish a new campus that consolidates its headquarters and production functions.

Launching the campus vision

— A $180 million growth investment

A new campus will be built in Franklin, Wisconsin, consolidating the currently dispersed headquarters and production facilities in Illinois and Wisconsin. This “Campus Vision” aims to improve productivity and operational efficiency across YASKAWA America.

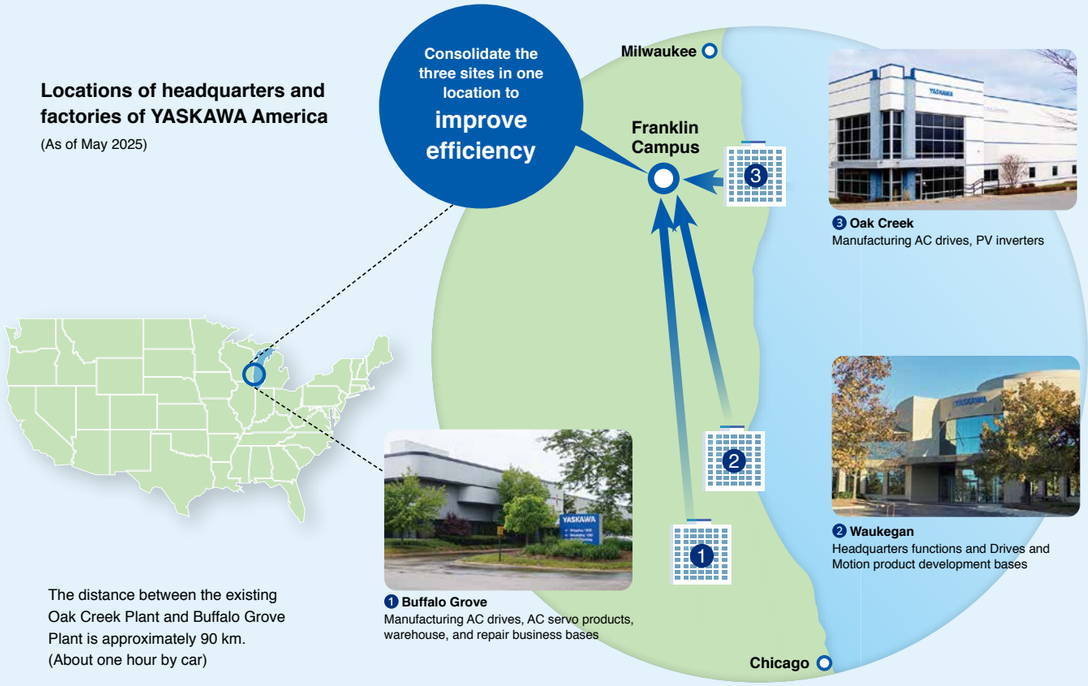
The new campus will span over 74,000 square meters and will include headquarters, R&D, training facilities, and factories for motion control products and industrial robots (including manipulators for general industry and semiconductor applications). We plan to invest approximately $180 million over the next 8–10 years.

Currently, AC drives produced in Buffalo Grove are shipped to Oak Creek for value-added packaging. By placing these facilities adjacent to each other, transportation time and costs can be reduced. Additionally, the SAP* process in the factories will be streamlined, allowing for a single transaction from order to delivery, resulting in more efficient production.

The investment strategy also includes establishing local production for all core YASKAWA products—AC servos, AC drives, and robots. The local production ratio for AC servos will increase from 20% to 70%, and for AC drives from 70% to 85–90%. As for robots, manipulators are currently 100% imported from Japan, but local production is scheduled to begin, with a target localization rate of 60–70%.

Locating the campus in Wisconsin, an industrial hub, will also help secure a steady supply of skilled

Locations of headquarters and factories of YASKAWA America
(As of May 2025)



labor. Many engineers in Wisconsin are known for their integrity and diligence, and they often hold the belief that "if I do good work, the company will recognize it." This mindset aligns well with the type of talent we seek, and we expect these individuals to thrive within our organization.

* An ERP (Enterprise Resource Planning) system that integrally manages a company's operations such as finance, sales, inventory, and human resources.

Doubling business scale

— Expanding the U.S. market with "i³-Mechatronics"

Through the Campus Vision, YASKAWA America aims to double its current business scale of approximately $1 billion over the next decade. This growth will coincide with the completion of the new facilities and the start of production, forming a key part of the company's mid- to long-term strategy.

To expand the business in the U.S., we are promoting "i³-Mechatronics" solutions, similar to our approach in Japan. This includes offering unique products like the "iC9200" controller for Western markets and the AI-powered autonomous robot "MOTOMAN NEXT," showcasing YASKAWA's strengths in the U.S.

However, adoption of "i³-Mechatronics" in the U.S. has been slower than in Japan. Many American companies already have their own production systems and data utilization frameworks, leaving limited room for new solutions. Despite these differences, the ability of "i³-Mechatronics" to control multiple devices together is being recognized and gradually accepted.

Launched in September 2024, the "iC9200" is the first product in the "iC9000 series", part of the "iCube Control" solution for implementing "i³-Mechatronics". While previous motion controllers such as the "MP920" and "MP720" offered highly advanced functionality, their programming could be complex and required a high level of technical expertise. In the U.S., there were relatively few engineers capable of fully utilizing these products.

Compared with previous models, the "iC9200" introduces two key improvements: enhanced safety features and simplified programming. It supports FSoE (Safety over EtherCAT), enabling seamless integration with third-party devices without external equipment. As a result of these enhancements, the "iC9200" has received highly positive feedback from customers for its functionality and ease of use. To date, testing has been conducted on approximately 50 projects, steadily leading to confirmed orders. Capable of controlling multiple devices—including servos and robots—with a single unit, the "iC9200" truly embodies the concept of "i³-Mechatronics".

Meanwhile, rising inflation and labor costs have accelerated investment in automation across U.S. manufacturing. Robots are increasingly being introduced into production lines within general industries that have traditionally lacked automation, and we are proactively engaging with this growing demand. Launched in November 2023, MOTOMAN NEXT offers versatility and adaptability for variable production environments, making it ideal for industries like food, logistics, and agriculture.

MOTOMAN NEXT has received positive feedback in the U.S., with many companies participating in demonstrations. It is being adopted by system integrators (SIers) serving small businesses, enabling joint solution development. Applications include sorting, palletizing, and packaging. Its ability to make decisions based on its surroundings, plan and execute tasks autonomously, resonates strongly with potential partners. By combining their machine learning and AI solutions with YASKAWA's technology, we aim to deliver greater value to customers.

A new beginning for YASKAWA America

— Reclaiming leadership in technology

Although YASKAWA America has a history spanning 58 years, I still view it as an organization in the early stages of its evolution. Over the years, we have established a solid presence in the U.S. by delivering high-quality products across a diverse range of industries—including semiconductors, automotive, oil & gas, and general industries—without focusing solely on any one sector. Today, however, we stand at a pivotal moment of transformation.

In the past, YASKAWA held a clear advantage over competitors in terms of technology and quality. However, we recognize that this gap has narrowed in recent years. To reestablish our position as a technology leader, we must move beyond conventional approaches and focus on product development that reflects the real needs of the market.

Product development can be categorized into two types: evolutionary, which improves existing technologies, and revolutionary, which creates entirely new value. YASKAWA was once known for producing many revolutionary products, but today our focus has shifted more toward evolutionary development. While most design work is currently conducted in Japan, we plan to expand our development capabilities in the U.S. to better respond to local market demands.

The U.S. is home to many innovation-driven companies such as NVIDIA and GAFA. Our goal is to build trusted relationships with these firms and position ourselves as a collaborative partner in creating new value. The establishment of our new campus will further accelerate co-creation with local companies and enable YASKAWA to demonstrate its technological strengths in the field of AI robotics. We believe this will significantly enhance our long-term competitiveness in the U.S. market.

With its strong consumer base and long-term growth potential, the U.S. remains a highly attractive market. Its unmatched advantages in advanced technology, talent, and financial resources make our investment in the region a strategic priority for the entire YASKAWA Group. By staying closely aligned with our customers and consistently delivering high-quality, innovative products, we aim to solidify our presence in the U.S. and contribute to the overall growth and value creation of the YASKAWA Group.

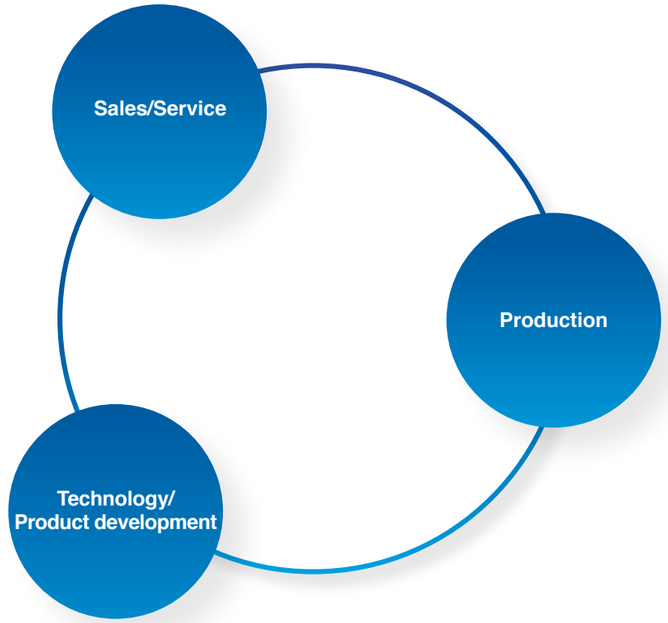
A factory in the campus

Implementing the Solution Concept “i³-Mechatronics”

The Yaskawa Group is promoting company-wide reforms centered on the implementation of “i³-Mechatronics” to address customers’ challenges and provide optimal solutions in the areas of “sales and service,” “technology and product development,” and “production.” We aim to create sustainable value through product development and manufacturing innovation from a global perspective and enhancing proposal capabilities based on data.

Strengthening the strategic approach to the customers’ supply chain

By reorganizing our sales structure from product-specific to region-specific and product-mix, we are able to offer proposals that best address customer issues and strengthen our relationships with customers. The Quality and Service Division manages the usage and operating status of shipped products in a database and proactively proposes timely updates and maintenance to customers, leading to effective service activities.



Customer Story

Automating the raw material handling process at Suntory Osaka Plant

At Suntory Osaka Plant, Yaskawa’s robots use AI to automate the raw material handling process by accommodating a wide variety of raw material packaging formats.

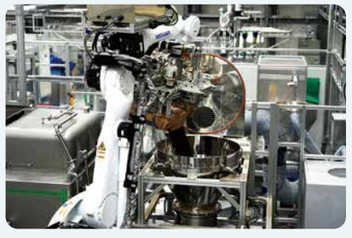
Suntory is constantly working on labor-saving initiatives in order to increase productivity and employee satisfaction, and has expertise in automating the process of the development of ingredient and flavor, filling, and packaging. However, there was no precedent for automating the process of handling unstable materials. In this project, Yaskawa’s proposals, technology, and flexible coordination capabilities based on its experience in the food and beverage industry were very reliable. Also, what the “i³-Mechatronics” concept calls for, such as improving quality through the use of data and ensuring versatility so that a single robot can handle a variety of tasks, have a lot in common with Suntory’s philosophy of automation. Despite trial and error in the early stages of development, we were able to work together based on mutual trust. Going forward, we aim to utilize the data obtained through automation and expand it to existing plants. We expect Yaskawa to propose more flexible and multifunctional automation utilizing MOTOMAN NEXT and other technologies.

Junichi Sawazaki
Technical Strategy Planning and Development Department
Senior General Manager
Suntory Holdings Limited

In this project, we conducted thoughtful discussions, including our management, to gain trust so that Suntory’s long-term vision and issues are shared with us. Yaskawa’s management is enthusiastic about promoting “i³-Mechatronics,” which makes it possible to respond flexibly to customers. In addition, since “i³-Mechatronics” was born, I feel that we have been able to have discussion with customers that relate to the strategy of the entire plant and company. In this project, we did not only respond to immediate requests, but also tried to design long-term scenarios centered on “i³-Mechatronics.”

Building trust is essential for solution-based sales. Although trust cannot be established overnight, in our more than 100 years of history, Yaskawa has earned the trust of many customers, who have chosen us as their partners in solving problems. I believe that our track record and technological capabilities will be our strength in spreading and implementing “i³- Mechatronics” in the future.

Shanji Xu
Assistant Manager
Eastern Japan Sales Dept.


Raw material feeding by robot


Mr. Sawazaki of Suntory (left), Xu of Sales Division (right)

Strengthening technology development capabilities to create value for customers

Development systems and corporate technology division have been consolidated at Yaskawa Technology Center (YTC), creating an environment in which we can work consistently through planning, development, production, and quality control. In addition, by integrating development processes, we realize global cross-business development. As quality information and customer requests and issues are now shared globally, we are able to work together in product development and quality control that accurately reflect them.

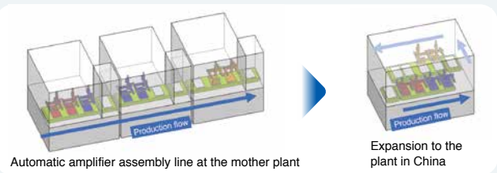
Advancement of own manufacturing through “i³-Mechatronics”

We are consolidating production equipment development work that was previously distributed among plants, improving the skills of engineers and speeding up equipment construction. We are expanding manufacturing based on “i³-Mechatronics” concept practiced at our mother plants in Japan and highly productive equipment globally, reducing man-hours and standardizing equipment. In addition, indirect operations such as procurement and production planning are integrated into a common system, and production information is visualized in real time, achieving efficient operation and reducing indirect man-hours.

Improving production equipment development at YTC

YTC has strengthened collaboration between production technology and product development, shortening the production preparation period and improving the level of completion. In the past, jigs and tools and equipment were examined based on 2D drawings created at the end of product development. Now, by using 3D design data from the early stages of development, process design, equipment planning, and production simulation can be visualized, improving the efficiency of examination. This process has enabled timely feedback to the design department, stimulating discussion among departments, and greatly improving the quality of cooperation. Furthermore, by strengthening collaboration through data, production preparation man-hours have been reduced by approximately 25%. In addition, we are working to build an overall optimal production system that can flexibly respond to customer needs by conducting simulations assuming various conditions, such as fluctuations in production volume and production at plants in Japan and overseas. In fact, in the production of servo amplifiers, we established an automated production line that is unitized for each element at the mother plant. Then, when we expanded the production line to the plant in China, we customized the product composition and plant layout in accordance with local conditions. By doing so, we were able to start up production facilities that meet local needs in a short period of time and with high reliability.

Kanta Yamaguchi
Section Manager
Production Technology
Promotion Section



Automatic amplifier assembly line at the mother plant
Expansion to the plant in China

Global technology collaboration in iC9200 development

iC9200 was launched in September 2024 as a controller that can control multiple devices such as servos and robots in a single unit. Functions to promote “i³-Mechatronics” globally are added to it, such as support for communication networks widely used in Europe and the United States and ensuring safety. Due to the characteristics of the product, development of iC9200 was conducted jointly in Japan, the United States and Europe. To enable rapid development on a 24-hour basis, we adopted a cloud-based development environment that centralized source code, tasks, and development processes in one location. By assigning roles across regions to take advantage of the strengths of each location and streamlining the development process, the product development period was significantly reduced to 4 years*, and products with high compatibility and security were born in a short period of time.

*Previously, about 10 years


iC9200

The development of the iC9200 is a testament to the teamwork and innovation of the Yaskawa Group. We look forward to new updates and feature expansions that will further enhance the product. I am excited to see how customers will leverage the flexibility and functionality of the iC9200 to drive innovation in their industries.

Edward Nicolson
Ph. D., Senior Director, Development
YASKAWA America, Inc.

Through joint development within the Yaskawa Group, the iC9200 has incorporated regional functionalities and standards, making it a product well suited for global markets and able to meet the specific needs and preferences of individual regions. Since launch, customer feedback has been positive, with several projects currently underway.

John Glorieus
Strategic Portfolio Manager iCube Control, Value Stream Motion
YASKAWA Europe GmbH

Environmental management

To accelerate our global environmental efforts, including those of our overseas affiliates, we established a Group Environmental Policy in fiscal 2015.

Yaskawa group environmental policies

Environmental Philosophy

Based on the Management Principles of the Yaskawa Group, we recognize that the conservation of the global environment is one of the most important issues for all humankind. In every stage of our business operation, we contribute to the realization of a sustainable society through our proactive environmentally conscious actions.

Environmental action guidelines

1. **Participation by everyone**
   We strongly believe that we all should participate and take responsibility in order to achieve realization of biodiversity conservation, and a low-carbon and recycle-based society.
2. **Environmental contribution by innovative technologies**
   For the future prosperity of society, we will contribute to the improvement of the global environment through our products and services developed by technological innovation that will be useful in a wide range of applications in communities worldwide.
3. **Environmental consideration of products and services**
   We strive to reduce the environmental impacts of our products and services, for their entire life-cycle, from research and development, product design, procurement, manufacturing, distribution and usage through to end-of-life handling.
4. **Aiming for future-oriented goals and objectives**
   We aim to heighten social and environmental excellence not only by complying with applicable environmental laws and regulations but also by establishing our own future oriented goals and objectives. We will continue to improve our environmental management and to endeavor to minimize environmental risks.
5. **Improvement of environmental awareness**
   We strive to improve environmental awareness among all of us by education and enlightenment about our relationship with the environment from a broad perspective so that each of us can independently implement the environmental activities.
6. **Information disclosure and communication**
   We are committed to disclosing information about our environmental activities and communicate proactively and openly with stakeholders for deep mutual understanding.

ISO 14001 certification status

We began acquiring ISO 14001 (Environmental Management System) certification for our production sites in 1998, and in 2014, we obtained integrated certification for our domestic production sites.*

We are also expanding certification to production sites of group companies, including those overseas, and will continue to promote environmental management globally based on ISO14001.

* Scope of ISO14001: All stages of production activities, products, and services at Iruma Plant, Yahatanishi Plant, Nakama Plant, Yukuhashi Plant, and Yahatahigashi Plant, as well as at affiliated companies on their premises.

Goals and progress of the mid-term environmental plan

	Mid-term plan targets for FY2025		Progress in FY2024	Self-evaluation
Green processes	The Group's CO_2 emission reduction rate	30% (Compared to FY2018)	23.4%	○
	CO_2-free electric power rate	75% (Yaskawa Electric)	62.7%	○
	Reduce volume of waste discharged by the Group	FY2018 results (3,986 tons) or less	2,536 tons	○
	Proper water management	Reduce volume of water consumed by Yaskawa Electric Reduce by 1% compared to FY2022 results (169 thousand m^3)	169 thousand m^3	△
Green products	Contribution to reducing CO_2 emissions through products	120.00 million tons (Cumulative since FY2016)	133.80 million tons	○
	Compliance with the RoHS Directive	100%	Nonconformity occurred in one model	×
Management	Increase in the number of companies covered under EMS in the Yaskawa Group	Environmental impact load ratio: 99% or greater	99%	○

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

Contributing to a decarbonized society through products

It is said that about half of the world's electricity consumption comes from motor drives. We will contribute to the carbon neutrality of the world by improving the energy-saving performance of motors and their control devices.

Calculation Logic of Reduction Contribution by Products

Examples of applicable products	Overview of calculation logic
AC drive equipment 	Reducing CO_2 by saving energy when an induction motor is driven by an AC drive Ex.) Energy saving rate at the time of AC drive operation for fan/pump is used.
PM motor 	Reducing CO_2 by energy saving by switching an induction motor to a PM motor Ex.) Energy saving rate by switching to PM motor is used.
PV inverter 	Reducing CO_2 by creating energy when general electricity is switched to CO_2 zero renewable energy generation Ex.) Utilization rate of typical solar power generation equipment is used.
Robot 	Reducing CO_2 by saving energy by switching to the latest model of robots Ex.) Energy saving rate by switching to slim and light weight robots and regenerative power collection function is used.

"CCE100" a unique environmental indicator

We have set the target "CCE100" to make the CO_2 reduction contribution by our products 100 times greater than the CO_2 emissions from our business activities by 2025.

$$\frac{\text{CO}_2\text{ reduced through products}}{\text{CO}_2\text{ emitted by the Group}} \geqq 100$$

(Contributions of more than 100 times in 2025)

The aim of this indicator is to promote both "internal CO_2 emission reduction" and "development and market launch of highly energy-efficient products. This indicator enables us to realize decarbonization activities with the participation of all employees, including those in development, design, and sales.

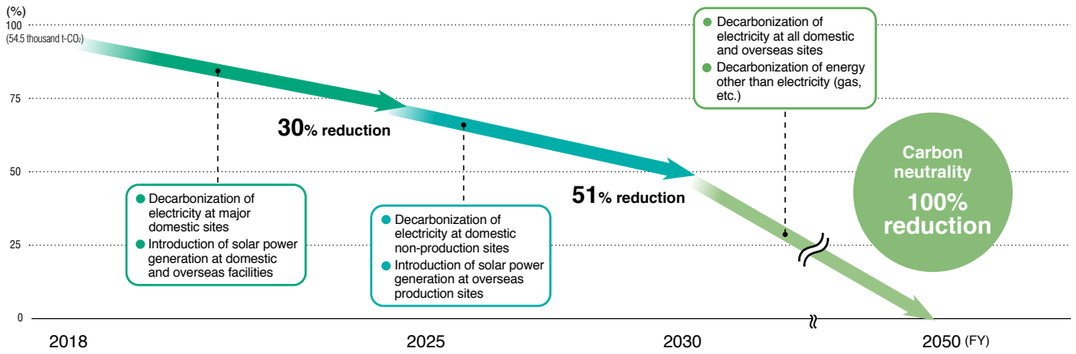
Efforts to reduce CO_2 emissions

In fiscal 2024, we introduced 220 kW of solar power generation equipment at our U.K. plant and 4,150 kW at our Changzhou plant in China, bringing the total amount of solar power generation introduced to 13 MW for the entire Group. Regarding electricity purchased from power companies, the Chubu Robotics Center switched to CO_2-free electricity in May 2024, and the Yukuhashi Plant switched to CO_2-free electricity in February 2025. As a result, the CO_2-free power ratio for the entire Yaskawa Group in FY2024 was 40.1%, and 62.7% for Yaskawa Electric Corporation on a non-consolidated basis. Meanwhile, we worked to reduce energy consumption through stable operation of solar power generation facilities, investment in energy-saving equipment, and energy-saving activities.

We are also implementing initiatives to reduce CO_2 emissions in the supply chain through decarbonization support such as factory energy efficiency audits for suppliers and customers.

Energy efficiency audit

Milestones for achieving carbon neutrality by FY2050



Management of water use

We monitor water usage monthly to detect leaks and other problems as early as possible. When new buildings are constructed, we promote the installation of real-time remote monitoring equipment. In addition, our head office building uses rainwater, which covers approximately 97% of our water consumption. In FY2024, we had no violations or penalties against laws or regulations related to water use.

Initiatives to reduce water withdrawal

Our production processes do not rely heavily on water, and most of our water withdrawal is for human consumption and sanitary purposes. We are working to reduce water withdrawal by taking measures against water leakage and switching to water-saving equipment. In particular, we are actively promoting the use of water-saving toilets and other measures to reduce water consumption when constructing new buildings.

Evaluation of water risks

We evaluate water risks at the Yaskawa Group's production plants in Japan and overseas using "Aqueduct"*.

Evaluations indicated that six plants in China and one plant in India are located in high water stress areas. In fiscal 2024, 27.1 thousand m^3 of water was withdrawn at sites located in high water stress areas, accounting for 10% of the entire Yaskawa Group. Water storage tanks are installed at sites with risk of drought, and sandbags are placed at sites with risk of flooding.

* Water risk assessment tool published by the World Resources Institute (WRI)

Resource recycling and resource conservation

Our 2025 target in our mid-term environmental plan is to reduce waste emissions to less than the fiscal 2018 result (3,986 tons).

In order to reduce wood waste, which is the largest part of our waste emissions, we have changed to a returnable box system in which wooden boxes for transporting purchased parts at the Yahatanishi Plant are not disposed of but returned to delivery companies. In addition, the Yukuhashi Plant converted wooden pallets into valuable resources.

These efforts resulted in 2,536 tons of waste emissions in fiscal 2024, which is less than the fiscal 2018 result.

As future initiatives, we will work to reduce the amount of plastic used and convert waste plastic into valuable resources in order to promote the reduction of waste plastic, which is the second largest source of waste after wood waste.

Proper management of chemical substances

We utilize chemSHERPA, a scheme for communicating information on chemical substances compliant with the international electrical standard IEC62474, for the management of chemical substances contained in products to comply with regulations such as the RoHS Directive and REACH Regulation.

Approaches for biodiversity and TNFD response

The Yaskawa Group recognizes that our business activities are based on various services provided by biodiversity in order to realize a sustainable society, and we will promote biodiversity conservation through our business and social contribution activities. In the future, we will analyze risks and opportunities using methods consistent with the TNFD recommendations to clarify the impact of risks and opportunities on our own business activities and on natural capital and biodiversity.

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/tcfd

Governance

Based on the Sustainability Policy, the Board of Directors and the Management Committee identify sustainability issues and targets (materiality) as important issues for sustainable growth and determine measures to resolve them. The Sustainability Committee, chaired by the President, is attended by the heads of relevant divisions and outside directors as advisors to monitor and accelerate the implementation of sustainability measures for the entire Group.

In addition, the Sustainability Committee monitors important issues related to climate change, and the PDCA cycle for overall implementation, including other measures, is managed by the environmental promotion system operated by the environmental promotion supervisor appointed by the president. In addition, the compensation of directors (excluding outside directors and directors who are members of the Audit and Supervisory Committee) incorporates the degree of achievement of CO_2 emission reduction targets through our products in their evaluation, with the aim of realizing sustainable corporate activities and responding to social issues.

Strategy

We examined the risks and opportunities posed by climate change in our main businesses of motion control, robotics, and systems engineering.

Risks and opportunities include "transition" risks and opportunities arising from changes in climate change countermeasures and social demands, such as policies and regulations, as well as "physical" risks arising from natural disasters and rising temperatures. These risks and opportunities can be extracted and used for business operations. These risks and opportunities are extracted and their impacts on business activities are evaluated on a four-point scale of "extremely serious," "serious," "moderate," and "minor. For the identified risks and opportunities with "extremely serious," "serious," or "moderate" impact, we conducted a scenario analysis of 2°C and 4°C, assuming a society in 2030. We found that the impact of these analyses on our financial plan is more likely to be an increase in sales due to opportunities than a decrease in sales for our group due to risks.

As a response to the opportunities, the Yaskawa Group will promote development in its efforts to automate/optimize factories based on "i³-Mechatronics," which is the goal of the long-term management plan "Vision 2025," and in the challenge to new mechatronics application areas for the sustainable development of society.

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.

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.

Endorsement of TCFD recommendations and initiatives

Main scenarios used in the scenario analysis
· Used mainly to analyze transition risks: IEA*1, SDS*2, STEPS*3
· Used mainly to analyze physical risks: IPCC*4, RCP2.6*5, RCP8.5*6

*1 International Energy Agency
*2 Sustainable development scenario
*3 Stated policies scenario
*4 Intergovernmental panel on climate change
*5 Scenario in which the average temperature of the world rises about 2°C over the average temperature before the industrial revolution
*6 Scenario in which the average temperature of the world rises about 4°C over the average temperature before the industrial revolution
*7 Definitions of "short term," "medium term," and "long term" in time frame
Short term: 1 year, medium term: 2-3 years, long term: 10 years
*8 Definitions of "minor," "moderate," "serious," and "extremely serious" in valuation
Minor: less than ¥100 million; moderate: ¥100 million to ¥1 billion; serious: over ¥1 billion to ¥10 billion; extremely serious: over ¥10 billion

Business impacts related to risk and opportunity factors

Risk/ Opportunity	Transition/ Physical	Factor	Time axis *7	Impact	Measures	Evaluation*8
Risk	Transition	Carbon price	Short to long term	• Increased fuel and material procurement costs due to the introduction of carbon taxes by national governments.	• Reduce energy consumption by installing energy-saving equipment and optimizing operations through energy management systems • Install solar power generation equipment • Strengthen cooperation with suppliers and select materials and fuels with less environmental impact • Promote replacement with high-efficiency equipment through the Internal Carbon Pricing System	Serious
		Government policies on carbon emissions	Short to long term	• Increased costs (e.g., purchasing clean energy) that accompany the introduction of emissions trading and the strengthening of emissions regulations.	• Install solar power generation equipment	Moderate
		Transformation to energy savings and carbon reductions	Mid to long term	• Production impacts due to price increases and procurement difficulties for reasons such as insufficient related materials from electrification and the transition to electric vehicles.	• Sign long-term contracts with suppliers that can provide a stable supply • Reduce the use of materials by downsizing products	Serious
		Recycling regulations	Short to long term	• Increased costs from using substitute materials, etc., due to regulations such as those on plastics.	• Reduce the amount of materials used by downsizing products	Minor
		Growth of low-carbon technologies	Mid to long term	• 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.	• Develop high-efficiency, energy-efficient products that differentiate us from our competitors	Moderate
		Changing behavior of investors and customers	Mid to long term	• 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.	• Strengthen the provision of information to stakeholders through annual reports and integrated reports	Minor
	Physical	Increasing average temperatures	Mid to long term	• Increased energy costs due to increased air conditioning energy in our factories. • Need to move production sites where the risk of flooding exceeds tolerances due to sea rise.	• Reduce energy consumption through an energy management system that monitors and manages energy use in real time • Enhance disaster preparedness at current production sites and improve flood and storm surge preparedness • Increase risk preparedness by installing disaster prevention equipment and providing disaster training for employees	Moderate
		Intensification of unusual weather	Mid to long term	• Operation stoppages, reductions in production, and additional investment to restore equipment from typhoons, tornadoes, and flooding.	• Develop a business continuity plan (BCP) and clarify procedures for responding to natural disasters • Install disaster prevention equipment and conduct disaster prevention training for employees to increase their ability to respond to risks • Install watertight boards and sandbags and place critical equipment at high locations to prevent flooding	Serious
Opportunity	Transition	Transformation to energy savings and carbon reductions	Mid to long term	• 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.	• Reduce energy consumption by developing highly efficient FA equipment and industrial inverters • Provide solutions for customers' smart factories by promoting "i³-Mechatronics" • Strengthen competitiveness by developing power conditioners • Reduce energy consumption per unit of production by improving energy efficiency of robots, shortening production lead time by utilizing robots, and improving straight line ratio (reducing defects). • Reduce energy consumption by eliminating lighting, air conditioning, etc. that take human comfort into consideration with the introduction of robots	Extremely serious
		Changing behavior of investors and customers	Mid to long term	• Increased investor valuation, increased ESG investment, and increased corporate value due to expansion of businesses that contribute to the environment.	• Strengthen the provision of information to stakeholders through annual reports and integrated reports • Promote initiatives to improve ESG assessments	Minor

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 companywide by ensuring consistency in risk assessments and materiality analysis.

Metrics and targets

In order to manage the risks and opportunities associated with climate change and to address the issue of climate change, which is a challenge that must be addressed on a global scale, the Group has set the goal of achieving virtually zero (carbon neutral) CO_2 emissions (Scope 1 + Scope 2) from its global business activities by 2050, and as a milestone to achieve this goal, the Group has set the "2050 CARBON NEUTRAL CHALLENGE" to reduce its CO_2 emissions by 51% by 2030 compared to 2018. As a milestone, we have set the target to reduce CO_2 emissions in 2030 by 51% from the 2018 level.

We have also set a target of reducing CO_2 emissions upstream and downstream of the supply chain (Scope 3) by 15% in 2030 compared to 2020, which we aim to achieve by supporting our suppliers' decarbonization efforts and by making motor drives smaller and more efficient.

In addition, in order to contribute to the reduction of CO_2 emissions through the supply of products such as inverters that boast the world's highest performance using our core power conversion technology, we have set a target of "CCE100 We are working on our business activities under the goal of "CCE100," which aims to make our products contribute to CO_2 emission reductions at least 100 times greater than the CO_2 emissions of the Group by 2025.

To achieve these goals, we have introduced an internal carbon pricing system (internal carbon price: 5,000 yen/t-CO_2) and are actively promoting environmental investment.

Future initiatives

With the dissolution of TCFD in October 2023, the publication of IFRS S2*9, and the EU' s efforts to address CSRD*10, new disclosure standards are beginning to be implemented, and it is becoming necessary to respond to them. We will prepare for disclosure in line with trends in disclosure standards.

*9 Disclosure standards for "climate-related disclosures" published by the IFRS Foundation
*10 Corporate Sustainability Reporting Directive: The European Commission's Corporate Sustainability Reporting Directive

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

Customer Story

Bringing Craftsmanship to Robots

Toyota and Yaskawa's Bold Challenge: The Story Behind SFA Method*1 Development

GAZOO Racing Company of Toyota Motor Corporation, which is responsible for motorsports activities and sports car development, continues to take on the challenge of global motorsports with the belief of "Roads Build People, and People Build Cars." In 2024, Yaskawa collaborated with Toyota to develop SFA method used for roll cage*2 welding. This enabled us to significantly shorten the manufacturing time of rally and race cars and improve welding quality, thereby contributing to Toyota's goal of "making better cars."

We spoke with Mr. Kawakita of GAZOO Racing Company, Toyota Motor Corporation about the joint development of SFA method with Yaskawa.

Q. What triggered the development of SFA method?

In August 2023, Chairman Akio Toyoda, also known as Morizo, visited a production site in Finland, where Toyota's rally car manufacturing base is located, and pointed out that the long production lead time was an important issue. In fact, it takes at least 1 month to produce a rally car, making it difficult to quickly respond to orders received and causing customers to wait for a long time. Therefore, we received a direct request from the Chairman to improve production efficiency by utilizing Toyota Production System (TPS*3), and this was the impetus for the new project. In the rally car manufacturing process, even the skilled welders take 2 to 3 weeks per vehicle to manually weld roll cages, which takes a particularly long time. Therefore, we prioritized automation of this process and developed SFA method.

Q. Why did you choose Yaskawa Group as a partner?

While evaluating different equipment to solve the problem, we felt that Yaskawa's welding power source had the greatest technological potential. After reviewing the samples that Yaskawa produced, we felt that it could achieve quality comparable to that of experienced welders, so we chose Yaskawa as a partner. Just as people say "When it comes to arc welding, Yaskawa is the best," the vast experience and knowledge that Yaskawa has accumulated within the company was impressive. We were very grateful that we were able to advance development while learning this know-how through Mr. Shibata, the engineer from Yaskawa in charge of this project, and we feel that Yaskawa has taken the lead in this development.

Q. What were the difficulties in the development process?

The first challenge was how to make use of the welding power source, which we felt had potential, in order to achieve welding strength that would not deform under a load of approximately 10 tons, as required by the FIA*4 safety standards. Together with Mr. Shibata, we verified how to use the welding power source from scratch and made adjustments to parameters like current, voltage, and the order of welding to ensure the required quality. However, it took even longer to address the distortion caused by welding heat. Correcting the distortion required delicate adjustments of the welding speed and the way in which heat was applied. Even after 3 months of trial and error, we were unable to find a definitive solution. As this was an unprecedented challenge, we did not hesitate to exchange opinions with each other and explored all possibilities. As a result, we came up with a method to weld slowly to avoid distortion rather than to correct. Mr. Shibata turned this idea into reality as the movement of a robot and SFA method, which is to repeatedly melt and solidify in fine cycles, instead of welding metal all at once, was born. We feel that the key to our success was that we were able to move away from the premise of "repeating as quickly as possible" in the production of commercial vehicles and came up with the concept of "welding slowly and carefully."

Roll cage welding

Manual work

Work with robots (SFA method)

Q. What are the results of this collaboration?

The automation of the roll cage manufacturing process with welding robots has reduced the process from 2 to 3 weeks to three days, which is a significant achievement. In addition, SFA method uses robots to achieve high-quality welding that is difficult to achieve manually, such as reducing the weight of the bead*5 and improving welding strength and appearance. The welding achieved by SFA method is expected to contribute to improving vehicle handling by increasing body rigidity. The initial goal was to shorten lead times, but as a result, we were able to realize technological innovations that will enhance the competitiveness of not only rally cars but also race cars and commercial vehicles, and we see great potential for future development.

Q. What are your plans for future collaboration with Yaskawa?

I have the impression that Yaskawa is steadily advancing its own technological strategy by calmly assessing technological trends, selecting key elements, and focusing resources on them, rather than simply following current technological trends. If the direction of manufacturing we aim for matches Yaskawa's technological focus, there is a strong possibility that we engage in joint development with Yaskawa again.

*1 Abbreviation for Sequence Freezing Arc-welding. A method of welding slowly and carefully by repeatedly melting and solidifying.
*2 Metal pipe frames installed inside vehicles to protect occupants.
*3 Toyota's original production method, which aims to "eliminate waste thoroughly and shorten lead times in order to deliver cars ordered by customers in good quality at low prices and in a timely manner" with the premise of making workers more comfortable.
*4 An abbreviation for Federation Internationale de l'Automobile
*5 Joints where molten metal fuses with the base material during welding and then cools and hardens.

Atsushi (kye) Kawakita
Project General Manager
Production Planning and Engineering Development
GR Management Div.
GAZOO Racing Company
TOYOTA MOTOR CORPORATION

Column

Shota Shibata
Welding & Jointing Technology Development Sect.
Manipulator & Application Technology Dept.
Robot Technology Dept.
Robotics Div.

SFA method was developed with Mr. Kawakita over a year of 2024. When I was offered the opportunity to jointly develop the technology, I remember that I felt more excitement than anxiety about being involved in the development of a world-first technology. I was also able to work enthusiastically on the development because it was a technical field in which I was strong. After a lot of trial and error, we changed our mindset to move the robot slowly and carefully. As a result, we were able to achieve multiple results, such as reducing lead time and improving welding quality. I am very pleased that Toyota has praised us for this.

In this technology development, we collected a variety of information, conducted experiments, and verified the robot movement in order to reproduce the manual process and craftsman's intuition, and succeeded in reproducing the craftsmanship in the robot. I feel that the knowledge learned from this project will be very important not only for the automotive industry but also for the further spread of welding robots in the world. The next step for Yaskawa Group is to apply this know-how to the autonomous robot "MOTOMAN NEXT." Through this development, I learned a lot about the movements of expert welders who respond flexibly to events that occur during welding. If we can pre-program them into MOTOMAN NEXT to respond to basic welding and develop the function where customers can individually choose detailed settings, such as specific types of sound and ranges for slowing down, after the robot is introduced, we will be able to further expand the market by providing them as a package.

Promotion of Technology Development and Innovation

Basic concept

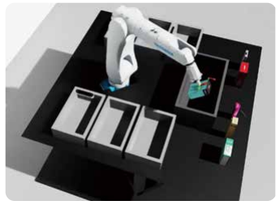
The Yaskawa Group will continue its efforts to develop products and technologies that are the world's first and best in the world. Through a wide range of initiatives, such as combining these products and technologies, strengthening support for digital data solutions, and expanding collaborations with universities and other companies, the Yaskawa Group will create solutions that solve management issues for customers and contribute to the realization of a sustainable society.

Yaskawa Technology Center (YTC), our technology development base, has created a system that consolidate dispersed development functions and can handle everything from technology and product development to mass production prototype. In addition, by strengthening cooperation between business divisions and corporate technology division, we can quickly respond to market needs and improve development efficiency and quality by sharing information through YASKAWA Digital Transformation (YDX). Based on a technology roadmap that anticipates future market changes, YTC functions as a core base for creating new value.

With regard to intellectual property, the Yaskawa Group will promote its intellectual property strategy in conjunction with its business plan and technology strategy, and support business development by preventing intellectual property disputes, accurately protecting its own technologies, and responding promptly to technology agreements that match business characteristics.

Developing new technologies and business domains through open innovation

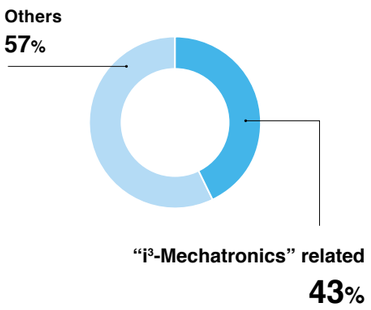
We are promoting industry-academia-government collaboration with companies and schools with seed technologies in order to strengthen technology development that captures market changes and embodies customers' future needs. While advancing AI robotics, we launched "MOTOMAN NEXT," an autonomous robot with AI equipped with NVIDIA's GPU as standard. "MOTOMAN NEXT" uses NVIDIA's high-performance GPU and software that can accurately simulate robot movements. By building the entire environment in which robots work into a simulation, "MOTOMAN NEXT" can efficiently complete everything from AI learning using a large number of workpieces to motion verification. We decided to collaborate with NVIDIA because of the ability to seamlessly deploy applications implemented in a simulation to real machine environments (Sim2Real). We are currently advancing demonstration activities for social implementation of Sim2Real.



Robot work environment in a simulation

Measures for intellectual property

Patent application rate in FY2024



In the areas of "factory automation and optimization" and "mechatronics application fields," which are set forth in "Vision 2025" long-term business plan, we are pursuing strategic patent applications with the aim of building a patent network that contributes to our business. In particular, in the field of "factory automation and optimization," with "i³-Mechatronics" as its main focus, we are focusing on obtaining patent rights for application technologies that utilize AI and IoT, in addition to our core products such as Σ-X, iCube Control, and MOTOMAN NEXT. We are also actively pursuing patent rights in mechatronics application fields, such as PV inverter for solar power generation for self-consumption and automation technologies in the medical and agricultural fields, to support business growth.

We are strategically applying for these patents based on our technology roadmap, and we are building an intellectual property portfolio based on a thorough evaluation of the contribution of those patents to our business.

We are also developing a global intellectual property protection system in cooperation with the overseas bases of the Yaskawa Group.

We are also focusing on internal education. We are working to further strengthen our intellectual property activities by instilling the importance of intellectual property throughout the company by conducting intellectual property education for each level and technical field.

Differentiating factor of core technologies

Three core technologies that form the technology development in the Yaskawa Group's business domain of "motors and their applications" are "motion control", "robotics" and "power conversion". These are the core competencies of the Group.

Motion control technology includes motor technology, control technology, encoder technology, and communication technology. Robotics technology consists of robotic arm technology and robot control technology. Power conversion technology includes conversion technology, and technology for miniaturization and higher efficiency.

They are widely applied to our products and are the foundation for our strength.

Motion control

	Explanation	Differentiating factor
Motor technology	Technology to achieve miniaturization, high torque and efficiency of the motor and smooth rotation and quiet driving	We have pioneered the development of split core technology and applied a high-density winding technology called concentrated winding to our products. In order to further increase the winding density, we are working on the development of higher performance winding technologies, such as pressure-formed coil technology, which is able to increase the space utilization ratio by press forming after winding coils larger than the space available.
Control technology	Technology that enables precise control of three elements of an object – position, speed, and torque – in response to commands received from the controller.	We have pioneered the application of adjustment-less control to reduce variations in device characteristics. This technology enables devices with different moments of inertia and friction to achieve the same position response. In our new products, Σ-X, the inertia variation range has been expanded from 30 times to 100 times, and we are working to further improve performance.
Encoder technology	Technology to accurately control the rotating position of the motor by detecting the rotation angle of the motor.	We are developing encoders with the industry's highest level of accuracy and functionality. In Σ-X series, we are working to develop new value-added technologies along with higher accuracy. For example, the encoder is equipped with a sensing function to collect data, and we are adopting a compact battery-less encoder that achieves overall length reduction by replacing self-generating components with solid-state batteries.
Communication technology	Technology required for FA (factory automation) equipment to communicate at regular intervals without delay	We have developed MECHATROLINK, an open communication standard, to realize high-speed, highly synchronous and reliable communications between multiple devices. In addition, by a semiconductor chip (ASIC) that implements our proprietary control technology, we provide excellent real-time motion control and supports the high competitiveness of our products.

Robotics

	Explanation	Differentiating factor
Robotic arm technology	A group of technologies that integrates the design and manufacturing of mechanisms, such as arm structures, actuators (motor and reducer modules), power transmission mechanisms, and link shapes.	Aiming to expand into unautomated areas, we have launched MOTOMAN NEXT, an autonomous robot for digital twins, for the first time in the industrial robot industry. In addition, to improve the performance of robots, we are studying new materials to reduce the weight of the arm, developing an optimal motor for high precision and high response of the drive unit, and developing technology to reduce noise.
Robot control technology	Technology to enable the arms of industrial robots to perform specific actions	Technology development for high speed and high precision is also applied to MOTOMAN NEXT. Among them, the functions required for recognition and judgment are equipped as standard. Judgment is realized by an autonomous control unit equipped with a GPU, and task is realized by a robot control unit. In addition, we are working on autonomous distributed manufacturing using planning technology to automatically calculate optimal routes and task procedure and recognition and judgment technology using AI.

Power conversion

	Explanation	Differentiating factor
Conversion technology	Technology to control the voltage, current, and frequency of the input power supply to convert it to the intended output	We are applying a new material, SiC (Silicon Carbide)/GaN (Gallium Nitride) power semiconductor, to power conversion equipment, and are working on miniaturization, high efficiency, and high-frequency output of equipment by utilizing circuit including parasitic components, and simulation technology for heat and stress. In addition, the switching operation of SiC/GaN power semiconductors is much faster than that of conventional Si (silicon), which increases electromagnetic noise emitted from equipment. To reduce noise, from the perspective of generation, emission, and the mechanisms of propagation of electromagnetic noise, we are also working to clarify them, and to establish methods for estimating noise levels.
Technology for miniaturization and higher efficiency	Switching control technology and new device application technology to reduce the loss that occurs during reverse conversion* of voltage	

* Reverse conversion: Converting an AC voltage to a DC voltage, and then converting the DC voltage to a desired AC voltage and frequency

Strengthening Production Capability

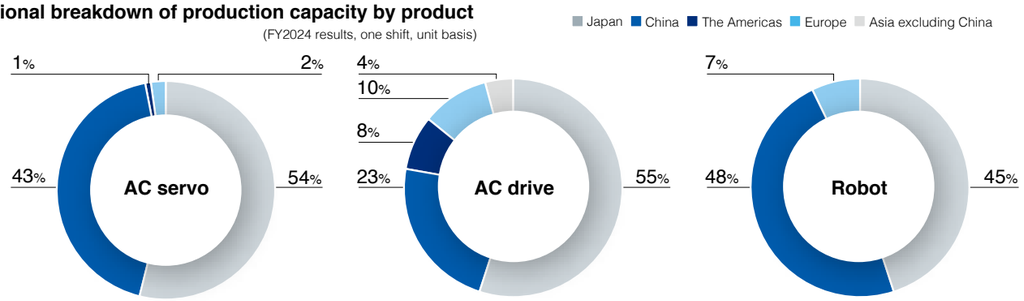
Based on a policy of production in demand areas, the Yaskawa Group conducts optimal production at 29 sites in 13 countries and regions around the globe. We are working to shorten production lead times by placing parts inventory that is optimized for the areas of demand. This system enables us to respond quickly to changes in demand and minimize risks of environmental changes. At the same time, we take advantage of the benefits of production being close to customers in terms of delivery times and relationship building. We also aim to reduce risks associated with foreign exchange, tariffs and natural disasters, as well as geopolitical risks.

In addition, in order to respond to fluctuations in demand and labor shortages in the manufacturing industry caused by population decline and the aging society, we are promoting productivity enhancement with a focus on expanding automation.

Masahiko Okura
Executive Officer
General Manager,
Production Management Div.

Regional breakdown of production capacity by product

(FY2024 results, one shift, unit basis)



During the period of the mid-term business plan "Realize 25," the Company is promoting initiatives to realize sustainable manufacturing with high productivity, based on the pillars of the following policies "evolution of our own manufacturing through i³-Mechatronics," and "building a global optimized production system and resilient supply chain."

Evolution of our own manufacturing through i³-Mechatronics

In the evolution of manufacturing based on the i³-Mechatronics concept, Yaskawa is focusing most on "manufacturing with minimum manpower dependence." In the previous mid-term business plan "Challenge 25 Plus," securing direct personnel became an issue due to a surge in orders in fiscal 2021-2022. Based on this experience, we expanded the scope of automation with the aim of creating a system in which production volume will not get directly affected by the number of direct workers. As a result, we have evolved a production system that can respond quickly to changes in demand.

To achieve this, in addition to the automation methods cultivated through the implementation of "i³-Mechatronics," the Yaskawa Group will pursue production technology approaches such as the use of AI technology, the development of automated equipment on a per-operation basis, and transportation methods to connect between processes. In addition, we will establish a production system that is highly robust and minimally dependent on manpower to meet the required sales volume by distributing equipment and leveling the line balance. In this way, we will realize a sustainable and stable supply to customers.

Yaskawa Solution Factory, a demonstration plant for "i³-Mechatronics"

Robot component plant for internal production realizing 24 hour unmanned operation

Realizing a global optimal production system

In establishing a global optimal production system, we will implement the plan outlined in the table below from three perspectives: strengthening the functions of the mother plants in Japan, strengthening production in demand areas overseas, and improving in-house production rates.

In Japan, we are planning to build a new robot factory that will synchronize the production of motors and robots, which were previously produced at separate locations, within the same factory. As a result, we aim to improve the efficiency of production management, shorten lead times, reduce costs, and reduce work-in-progress inventory.

We also aim to minimize manpower dependence through automation.

Overseas, we will establish a new third substrate production base in Vietnam, following Japan and China, with the aim of increasing the in-house production ratio of our global production. At the same time, we will invest in the European and American markets, which are expected to grow in the future, and accelerate production in demand areas. This will enhance the presence of the Yaskawa Group and enable us to build a system that reduces tariff risks and other risks.

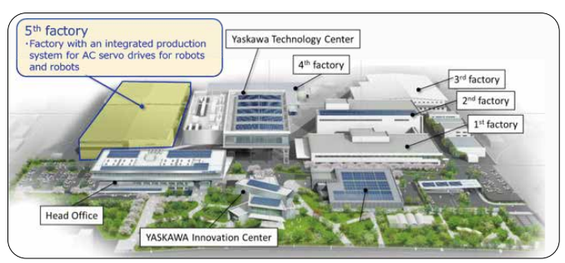
Investment plan for realizing global optimized production

Region		Location	Main measures	Start of operation	Purpose		
					Enhancement of mother plant functions	Enhancement of demand area production	Enhancement of internal production
Japan		Kitakyushu, Fukuoka	● New robot factory No. 5 (integrated production of motors)	FY2026	●		●
		Yukuhashi, Fukuoka	● Minami Yukuhashi Plant (YASKAWA Automation & Drives Corp.)	FY2026	●		
			● New AC drive factory	FY2030	●		●
			● New resin molding parts factory	FY2031			●
Overseas	Asia	Vietnam	● New substrate factory	FY2026		●	●
	Europe	Slovenia	● Consolidation of European logistic functions	FY2025		●	
	Americas	United States	● Consideration of production of robots	FY2028		●	
			● New manufacturing base for motion solutions for semiconductor industry	FY2028		●	
			● New drives factory (relocation)	FY2030		●	

Construction of Robot Factory No. 5

Robot Factory No. 5 will improve productivity and manufacturing lead time by establishing a production system that can flexibly respond to high-mix variable-volume through automation and manpower saving. This will realize "manufacturing that does not depend on manpower" and aim for timely supply of products to customers through integrated production of motors, which are key components.

The new factory will also contribute to solving customers' problems and improving productivity by putting the "i³-Mechatronics" concept into practice and introducing our company's initiatives and products to customers who visit. It is scheduled to commence operations in the first quarter of fiscal 2026, and the common platform established here will be expanded globally, starting with the mother plant in Japan, to strengthen production capability.



General view of Yahatanishi Plant (Robot Village)

Outside view of Robot Plant No. 5

Human Resource Enhancement

Yaskawa Group defines the human resources requirements for business strategy execution as “human resources who can contribute to solving customer problems.” We regard not only external but also internal business process relationships as “customers” and we strive to develop human resources who can fulfill and execute the defined requirements.

Our basic approach to human resource development is to cultivate as many human resources as possible who can autonomously and sustainably enhance our 3 values (quality, profitability, and market) set forth in Yaskawa Principles by deepening their understanding of “Yaskawa Principles” and 6 DNAs that have been developed over the 110 year history since our founding, providing them with opportunities to put them into practice, and allowing them to repeatedly gain experience, not only through successes but also failures.

Based on this, I believe that the role of the human resources department is to accumulate and utilize data throughout each employee’s career cycle (recruitment, assignment, evaluation, development, and retirement) and to formulate and implement human resource strategies that are linked to management by providing work opportunities and environments that are suited to each individual in close cooperation with related departments.

As a means to achieve this, we need to create a system to visualize human resource data using YDX (YASKAWA Digital Transformation) and analyze and utilize this data, which we are working on. We are promoting the creation of a human resource data infrastructure that quantifies not only each employee’s job history, performance, and skills, but also ES questionnaires and career aspirations. It is important to make decisions based on data from a company-wide perspective (digital perspective), as well as judging human resource assignments and transfers with discernment of HR professionals (analog perspective).

I believe that visualization, analysis, and utilization of human resource data are extremely important in securing the diverse human resources necessary to realize YASKAWA Group’s long-term vision and are indispensable for the sustainable growth of the company.

Ayumi Hayashida
Senior Executive Officer
General Manager, Corporate Branding Div.
General Manager, Human Resources Dept., Corporate Branding Div.

Overall human resources strategy

Human resources requirements for business strategy execution

Human resources who can contribute to solving customer problems

Human capital initiatives

Key items	Desired outcome	Initiatives	Progress in FY2024
1. Deepening the understanding of Yaskawa Principles	❶ Implement the concept of i³-Mechatronics by concentrating the vectors of all employees, from management to general employees, toward the achievement of Vision 2025	a. Reorganize the corporate motto and educate employees to promote the principles b. Implement principles education by management c. Translation of management principles into multiple languages	▶ Establishment of a history library ▶ Principles education Total of 2,400 managers and assistant managers participated (9 domestic group companies and 5 foreign countries)
2. Evolving diversity and inclusion	❶ Build a corporate structure that is resilient to environmental change through human resources with diverse values and ideas, and create a corporate culture in which innovation inevitably occurs ❷ Create an environment in which diverse human resources can perform their duties smoothly	a. Increase female employment ratio b. Female career advancement training c. Recruit experienced professionals d. Awareness raising of unconscious bias	▶ 18% female ratio of new graduates hired (15 females/84) ▶ 31% experienced professional ratio of all new hires (37 experienced professionals/119) ▶ Implemented e-learnings for all employees in August and November 2024
3. Training and optimal placement of professional human resources	❶ Increase the competitiveness of the organization by increasing the number of professionals and flexibly respond to changes and crises ❷ Develop employees through their work so that they realize their contribution to business activities and improve their job satisfaction	a. Visualization of career paths by department b. Future management leader training c. Promotion of FA System d. KAIZEN30 activity e. Introduction of a fair evaluation and compensation system based on the level of contributions	▶ Designing the curriculum for the future management leader training ▶ 10 employees were matched through FA System
4. Creating a comfortable work environment	❶ Create an environment where employees with diverse lifestyles can increase productivity and achieve results ❷ Eliminate diseases and injuries caused by working at the company, and realize a healthy, safe, cheerful and rewarding workplace by supporting health promotion	a. Introduction of time- and location-independent working system using telework and ICT b. Career design follow-up training for mid-to-senior employees (expanding work options to fit individual lifestyles) c. Injury prevention activities and employee health support	▶ 352 employees participated in career design follow-up training ▶ Continued certification of “Excellent Health Management Corporations 2025”

Problem solving and improvement

Monitoring and measurement

5. Identifying engagement levels through proactive communication with employees

❶ ES questionnaire (employee awareness survey)	▶ 12 times (1 time/month)*6	❷ Direct dialogue with management (dialogue meetings)	▶ 3 times

Improve productivity

	KPI (FY2025)	Progress of FY2024
Penetration of Yaskawa Principles among employees*1	80% or more	52%*2
Ratio of female managers	Non-consolidated and group in Japan 3.4% each*3	Non-consolidated 2.5% Group in Japan 3.2%
Human rights due diligence (DD)	Introduction and establishment of human rights DD process	Japan: Continued implementation of human rights DD Overseas: Confirmation of legal and social requirements at major sites
Ratio of processional human resources*4	Corporate average 20% or more*5	13%
Positive response rate for job satisfaction	80% or more	80%
Frequency of lost time injuries	Non-consolidated: Maintain 0.2 or less Group in Japan: Maintain 0.4 or less Major production bases overseas: Maintain 0.4 or less	0.00 0.19 0.34

Improve job satisfaction

Realization of Vision 2025

- Contributing to solving customer’s management issues
- Creating new added value for society

Realization of Yaskawa Principles

Contribute broadly to social development and human welfare through the execution of our business

*1 Percentage of employees whose work is based on actions of Yaskawa Principles
*2 The data of FY2023 (the next implementation is scheduled for FY2025)
*3 Target was revised in June 2024
*4 A person at the level of being able to teach others in the skills within a task to which he or she is assigned
*5 Definition of professional human resources and target values were revised in June 2024
*6 Conducted for all employees of Yaskawa Electric (non-consolidated) (approximately 3,000 employees)

Initiatives to accelerate the improvement of productivity and job satisfaction

1. Deepening the understanding of Yaskawa 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 Yaskawa Principles by dividing it into “Our Purpose,” “Our Values,” and “Our Actions.” (See page 1.).

Principles education

With a solid focus on achieving “Vision 2025,” we conduct principles education through direct dialogue by management to increase the number of people who deeply understand and can embody the Yaskawa Principles and the i³-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 the principles.

Monitoring by ES questionnaire

	2022/1	2023/1	2024/1
Recognition of Yaskawa Principles	74%	94%	96%
Penetration rate of Yaskawa Principles*	28%	45%	52%

* 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 14% of managerial positions (FY2024). 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 engineers hired 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 a gap between men and women in their opportunities and willingness to challenge jobs in new fields or difficult jobs.

As a concrete initiative to address these challenges, we are actively promoting the recruitment of women for both technical and non-technical positions. In addition, we conduct training programs for potential female managers. These programs are designed not only to support skill upgrading and mind-change for female employees, but also to change their managers attitudes and strengthen their engagement with female members. Furthermore, we offer e-learning training for all employees to promote diversity, including awareness of unconscious bias.

Monitoring by ES questionnaire

	2021/6	2022/6	2023/9	2024/9
A workplace culture that leverages the strengths of diverse human resources *1	71%	78%	84%	83%
Willingness to be a manager	45%	45%	56%	54%
Female employees	22%	29%	38%	39%
Male employees	50%	48%	59%	57%

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

Monitoring by ES questionnaire

	2023/6	2024/9
Opportunities for challenging work*2	64%	65%
Female employees	59%	59%
Male employees	64%	67%

	2023/6	2024/9
Willingness to pursue challenging work*3	69%	67%
Female employees	57%	53%
Male employees	71%	70%

*2 Percentage of respondents who answered that work in new areas or more challenging work are offered fairly according to individual motivation, ability, and environment, regardless of gender
*3 Percentage of respondents who answered that they want to pursue new areas or more challenging work

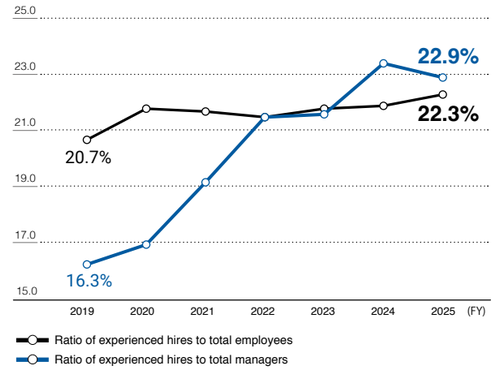
Recruitment of experienced professionals

In order to secure the personnel necessary to realize our management strategy, we actively recruit professionals with experience in each field and the ratio of experienced hires to total hires is increasing year by year. We 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 hires
(Percentage of employees hired as experienced professionals per year)

FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
5.0%	11.9%	13.1%	26.8%	28.0%	31.1%

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



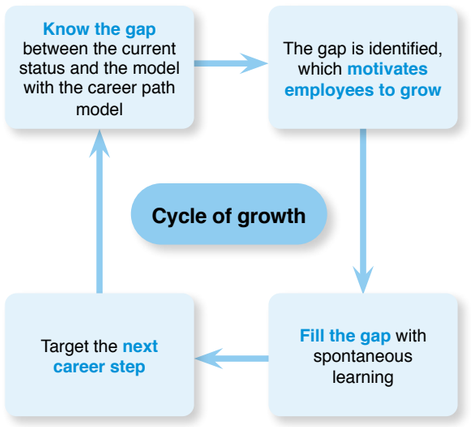
Localization of overseas operations

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 the 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, we help employees grasp the gap between their “goals” and “current status.” In addition, besides OJL (On-the-Job Learning), we also support employees to achieve self-realization while growing sustainably by utilizing OFF-JL (Off-the-Job Learning), which includes cafeteria education and correspondence education system that they can choose to take. Regarding cafeteria education, in FY2024, a total of 57 group trainings were held, covering both general education (such as language and QC) and technical education (such as product technology, production technology, and AI). A total of 1,560 participants attended these trainings.



Sharing career path models and creating career plans	◦ Created career path models in all departments in FY2022 and shard them internally ◦ 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
Free Agent system	◦ The FA system was introduced in FY2020 to support employees’ active career development. ◦ More than 80% of the employees transferred under this system improved their job satisfaction compared to before using the system (confirmed by ES questionnaire).

Early development 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 provide employees with opportunities to think about their own careers and goals immediately after joining the company as well as make them acquire essential foundational knowledge of products and core technologies for job performance at an early stage, and encourage them to develop their careers autonomously.

Introductory training for new graduate hires and experienced professionals	Acquire the necessary knowledge (management principle, company vision, company system, etc.) and develop a mindset for new employees
Follow-up training	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
Career plan presentation	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.
Yaskawa Freshers Technical School (YFTS)	New technical employees acquire basic product knowledge and basic elemental technology (principles, etc.) necessary as Yaskawa engineers

Selection and development of next-generation management (Future management leader training)

Future management leader training is held to develop candidates for next-generation management, who will be responsible for YASKAWA Group’s business development and sustainable growth, as human resources capable of formulating strategies for management innovation.

We make this training a prerequisite for appointment as executive officers. The training started in 2001 and a total of 127 employees have participated in it. The next training is scheduled to be held in FY2025.

Improving problem-solving skills through KAIZEN30 activities

Under the slogan “Let’s increase (KAIZEN) operational efficiency by at least 30%,” KAIZEN30 activities is a human resource development activity with the participation of all employees to improve the ability to solve problems and issues that lead to the improvement of the corporate structure by putting QC stories* into practice through improvement activities.

We consider QC stories as a form of work etiquette.

KAIZEN30 activities are implemented throughout YASKAWA Group with the aim of improving organizational productivity and all employees are required to understand and practice them.

In addition, we hold results presentations and awards for improvement, including group companies in Japan and overseas, to expand the good examples horizontally and to raise motivation through praise and encouragement.

* Methods for solving problems in quality management. We identify and solve problems through the following steps: selecting themes, grasping the current situation, setting goals, planning the schedule, formulating measures, pursuing success scenarios, confirming effects, standardizing and managing, and looking back and future policies.

Fair evaluation and compensation system based on contribution

In order to improve employees’ sense of contribution and job satisfaction, we have abolished seniority-based evaluations based on accumulated knowledge and skills and shifted to evaluations based on the performance (contribution) achieved by performing duties. We determine treatment based on the role each employee plays and the scale of their duties.

In addition, in FY2022, 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 general 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. So far, approximately 80% of all employees in Yaskawa Group in Japan are members of the shareholding association.

Details of implementation after FY2020

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 **expanded provision of medium- to long-term incentive programs**
		Single year	Review of **compensation system equitable to contribution level** (Managers, regular employees and re-employed employees)
			Introduction of performance-linked bonus formula with no maximum amount to be paid
		Retirement benefits	**Expansion of defined contribution pension plans (DC)** to encourage self-help efforts

Monitoring by ES questionnaire

	2022/11	2023/6	2023/11	2024/6	2024/11	2025/5
Satisfaction with the evaluation system	72%	79%	75%	78%	79%	80%
Rate of feedback on previous term’s evaluation	82%	80%	83%	76%	78%	77%
Satisfaction with feedback	96%	95%	96%	96%	96%	97%

Human resource development at overseas bases

Our group’s sixth DNA is to be global. Based on Yaskawa Principles shared with overseas bases, local initiatives are taken to design the most appropriate personnel and training systems for each region.

In Yaskawa Electric (China), we are implementing various innovative approaches to make our workplace attractive to young employees and providing them with opportunities for self-fulllment and growth. For example, new employees are given eight months of workplace rotation and factory training and accompany employees on customer visits to raise their motivation and develop their overall abilities. We also abolished the seniority system and replaced it with one emphasizing ability and performance. Our talented young employees have the option to assume higher positions early and perform more challenging tasks. Partly because of these efforts, many young managers in their 30s–40s play an active role in Yaskawa Electric (China).

Li Ye
Department Manager
Human Resources and General Affairs Div.,
YASKAWA Electric (China) Co., Ltd.

Cory McHugh
VP Human Resources
YASKAWA America, Inc.

YASKAWA America has a low turnover rate and it’s great that many employees want to work for a long time, because it is an important indicator of the health of the workplace environment.

Many of our managers will be retiring within 10 years, so we are focusing on the development of successors. In FY2023, we launched a “rotation program” in which young leaders learn operational and leadership skills by working with veteran managers. This is a system in which selected young employees work with multiple managers for six months each on a rotational basis, and then pass on one of the positions from their final job experience. Additionally, we have invested more in leadership development, through offsite leadership training and cohort development. Going forward, we will continue to contribute to the sustainable growth of our group by securing and developing the human resources necessary to execute our business strategies.

4. Creating a comfortable work environment

Creating a safe and healthy working environment

The Yaskawa Group Health Management Declaration has been widely declared internally and externally, and measures are promoted under the leadership of top management, with the Health Management Promotion Committee at the center. By doing so, we aim to improve productivity by creating an environment in which each employee can work with peace of mind and maximize his or her abilities, thereby contributing to the sustainable growth and development of the company and its employees.

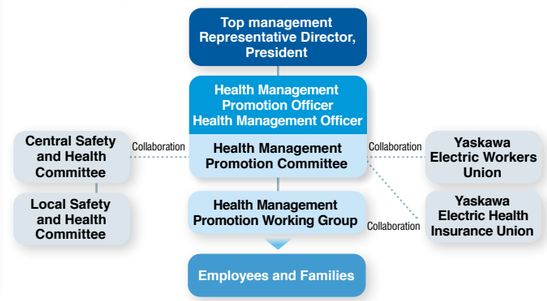
2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門

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

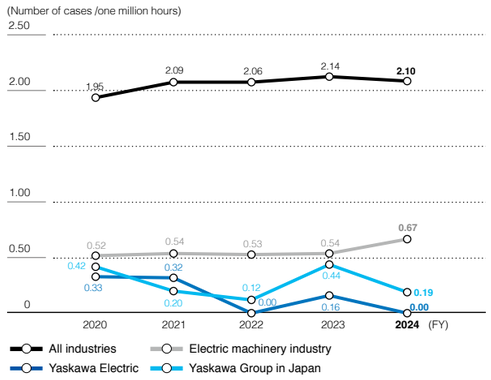


We are implementing the following measures to create a safe and healthy work environment.

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

Occupational safety and health	Injury prevention activities at each workplace based on the concept of the occupational safety and health management system
	Provision of thorough guidance and improvement at the safety and health committees at each workplace regarding the items pointed out in internal audits
Employee health support	Expansion of the employees eligible for "specific health guidance" to those who are under 39 from those 40 and over which the health insurance system covers.
	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	Feedback to individuals and workplaces utilizing the stress check system
	E-learning on mental health care initiatives at the workplace and individual level

Frequency of work accidents (Frequency rate)



Realization of diverse working styles

We introduced a telework system to create an environment in which productivity and results can be achieved regardless of time or place. 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 addition, 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 according to their life events, regardless of the reason, and that does not involve changes in treatment. Moreover, we will improve work-life management by encouraging males to take child-care leave, thereby improving productivity and job satisfaction. The ratio of men taking child-care leave was 60% and the average number of days taken is 66.2 days in FY2024.

Development of employee benefits system

We offer a comprehensive employee benefits system that emphasize creating an environment where employees can demonstrate their maximum abilities so that they can maintain their health and build careers with peace of mind.

To support future asset building, we provide 50% of retirement benefits as corporate-type defined contribution pension plan (DC) and have introduced a matching contribution system that allows employees to make additional contributions. In addition, we provide single-person dormitories that were renovated in 2018 to provide a living environment that is a foundation for employees to work, and we provide housing support through a company housing system after marriage. In addition, as part of our health and wellness management, we support employees in maintaining their physical and mental health by establishing a company-subsidized cafeteria and are working to improve the quality of life through a cafeteria plan that meets diverse needs.

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. 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 through registered questionnaires and analyze the data in specialized department to rotate PDCA cycle. Thereby, we strive to solve various problems faced by employees 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 make every effort to provide feedback on opinions and requests whenever possible. 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.

The results of a survey conducted in FY2023 on "job satisfaction" revealed that there were challenges in "the realization of career paths" and "a career consultation environment." In response, as part of our improvement measures, in FY2024, we established "career design follow-up training" as a new initiative for mid-to-senior employees. Approximately 350 employees, mainly around the age of 55, participated in this training.

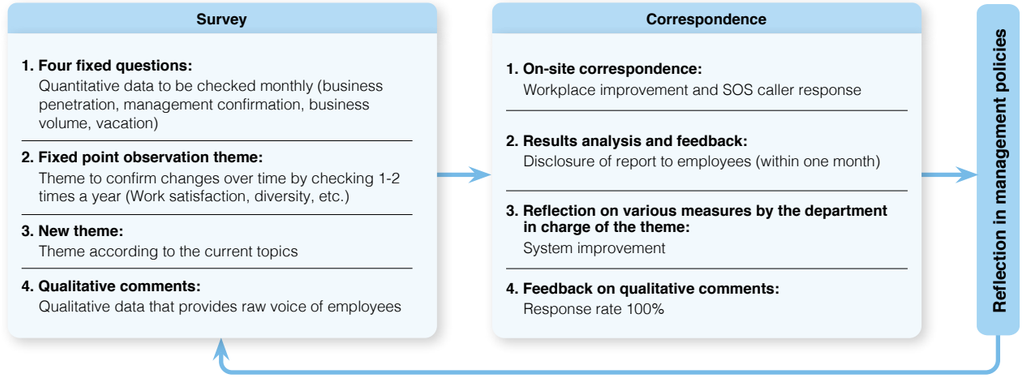
The survey in FY2024 also revealed that there was room for improvement in terms of "sense of accomplishment at work" and "sense of growth through work." We will prioritize these issues as key focus areas and take proactive steps to address them.

Monitoring by ES questionnaire

	2022/1	2023/1	2024/1	2025/1
Satisfaction with the ES questionnaire	82%	81%	91%	88%
Changes and effects of the ES questionnaire*	59%	54%	69%	69%

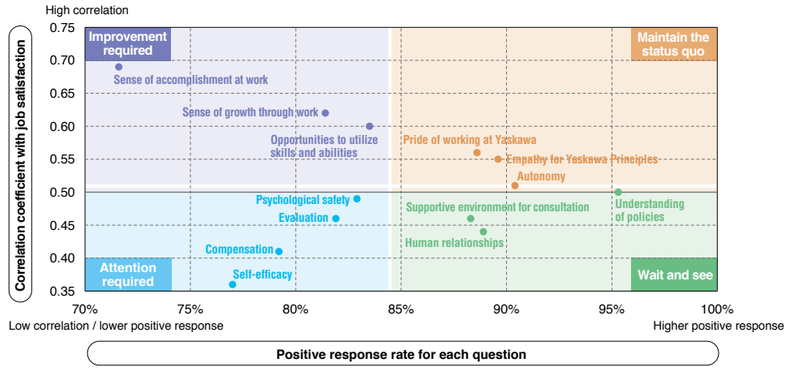
*Percentage of employees who responded that they felt internal changes and effects with the ES questionnaire over the past year

PDCA for data-driven improvements



Results analysis of ES questionnaire for job satisfaction (June 2024)

In order to understand the factors that contribute to the improvement of job satisfaction, we set 15 questions on topics such as "pride in working at Yaskawa," "empathy with Yaskawa Principles," "sense of growth through work," and "opportunities to utilize skills and abilities." The analysis is based on the positive response rate for each question and the correlation between each item and job satisfaction.



Direct dialogue with management

We conduct our own activities to promote human resource development through direct dialogue (dialogue meetings) with the president. 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.

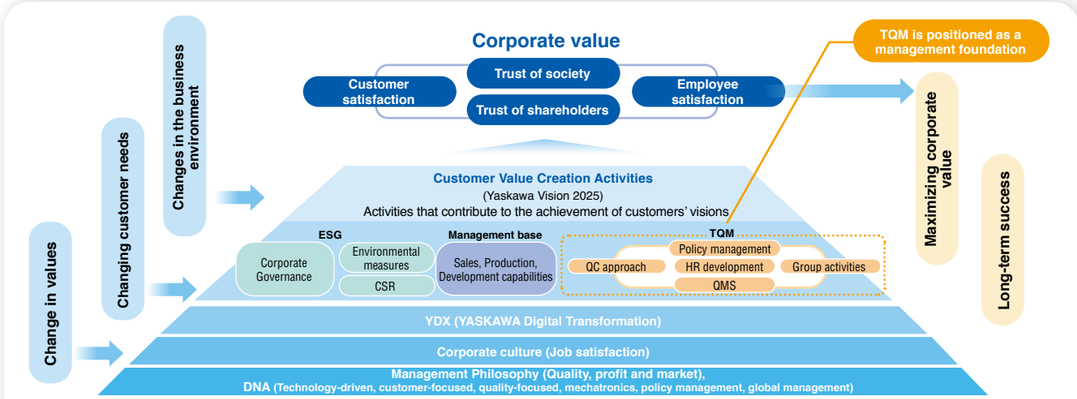
Efforts to improve corporate value

Since its foundation, Yaskawa Electric has placed “Quality First” at the core of its management and has worked to create value for customers by improving the reliability of its products and services. Through the evolution of quality management, including the introduction of QC activities in 1977, Total Quality Control (TQC) in 1981, and ISO9000 in the 1990s, this approach has been firmly established in the DNA (corporate culture) of the Yaskawa Group.

Our company defines corporate value as the accumulation of trust and satisfaction from all stakeholders, including society. By increasing the quality and quantity of this trust and satisfaction, we aim to maximize our corporate value. To this end, we value supporting the realization of our customers’ visions. In other words, our mission is to contribute to the success of our customers’ businesses by putting ourselves in their place, thinking together to solve problems and issues.

To support these activities, we have established management structures such as ESG (Environmental, Social, and Governance), TQM (Total Quality Management), and YDX (YASKAWA Digital Transformation). In addition, there are Yaskawa Group’s corporate culture and principles at the foundation of these activities. By strengthening these foundations, we believe that we will be able to respond flexibly and appropriately to the rapidly changing business environment and the diversifying needs and values of our customers.

Quality management in our company



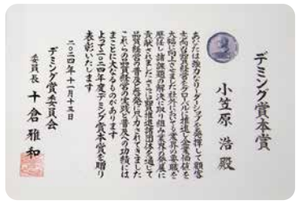
Enhancing quality management through digital management

Under the leadership of Chairperson Ogasawara, who was then President of the Company, YASKAWA Digital Transformation (YDX) has promoted rapid decision-making and improved management efficiency through the visualization of management information since 2020. Currently, we are working to further improve quality and service by using digital data to link the entire global value chain, including product planning, design, procurement, production, logistics, sales, and after-sales service. We are also working to further improve management efficiency by connecting the entire supply chain and promoting the visualization of information from a broader perspective.

Winning “Main Prize of Deming Prize”

In 2024, Chairperson Ogasawara was awarded the prestigious “Main Prize of Deming Prize” in the field of quality management in recognition of his global promotion of data-driven quality management under the keyword “making customers win” and his remarkable achievements in both improving corporate value and industry development.

Going forward, we will continue to promote the concept of TQM globally through unique concepts such as i³-Mechatronics and promote quality management that achieves both sustainable growth and the creation of social value.



“Main Prize of Deming Prize” received in 2024

At the award ceremony in November 2024

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.

Please refer to our company website for “Yaskawa Group Code of Conduct” and “Human Rights Principles”.

Human rights policy:
https://www.yaskawa-global.com/company/csr/human-rights-policy/policy

Promotion system

The General Managers in charge of Sustainability, General Affairs, and Procurement divisions, all of whom are appointed by the Representative Director, President, are responsible for respecting human rights in the Yaskawa Group and its supply chain.

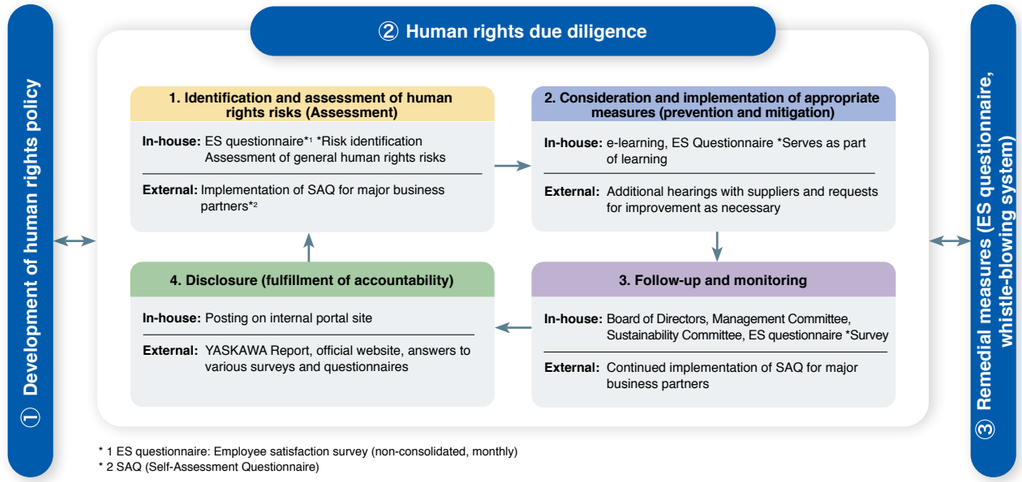
With regard to these initiatives, the Sustainability Committee, chaired by the president, regularly discusses and monitors these measures, and the Board of Directors deliberate and make decisions on important matters.

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)

FY2024 activities and future plans

In FY2024, we continually conducted in-house education through e-learning and confirmed potential risks through ES questionnaires to raise employees’ awareness of human rights at the Yaskawa Group companies in Japan. The questionnaires monitor understanding of internal education and awareness of the whistleblowing system as corrective and remedial measures to ensure the effectiveness of initiatives. Also, in the ES questionnaire conducted in FY2023, employees responded that there were potential human rights risks, and our company’s initiatives regarding these risks were added to e-learning content in the following year. Starting in FY2025, we will optimize activities that have been implemented in Japan in light of global social needs and expand them to overseas subsidiaries.

Supply Chain Management

Basic approach to procurement

The Yaskawa Group Code of Conduct sets forth the following to pursue optimal procurement, understand suppliers, and ensure sound relationships and proper payment procedures. Suppliers are also required to comply with the law.

1. When selecting suppliers, we make a comprehensive assessment and rational decision based not only on quality, price and delivery times but also on the state of their system for operations, such as technical and operations capability, business soundness, legal compliance, environmental conservation, health and safety, and other criteria.
2. In procurement transactions, we secure documents or data that show the agreement between each supplier for the unit price of the order and evidence that the products or services have been received. We also carry out thorough recording of expenses, amounts of cost and times that are consistent with the facts by following appropriate procedure.
3. We pay close attention in procurement transactions to whether there is any violation of the laws and regulations, risk for conflict of interest, or risk of involvement with organized crime group through money laundering, etc. We have no relationship whatsoever with organized crime group and take a firm stance against its demands.
4. We examine the facts about suppliers and their eligibility as a trading partner before a transaction starts and reexamine them regularly after the transaction starts. We also strive to understand as much as possible about the subcontractors of suppliers.

Basic policy for material procurement

We will conduct fair and equitable transactions in accordance with the basic agreement on transactions in order to fulfill our social responsibilities such as compliance and consideration for the environment together with our business partners. We make decisions based on the results of the evaluation in “quality” “price” “delivery” “management information” “consideration for the environment”.

Fair and impartial transactions

Open door policy

In search of new suppliers, we open our doors to the world and provide fair and equitable trading opportunities based on free competition.

We will strive to build partnerships with business partners through CSR (corporate social responsibility) and fair trade in compliance with laws and regulations.

CSR-based procurement

Green procurement

We have established the “Green Procurement Guidelines” with the aim of procuring materials with low environmental impact, and are working with our suppliers to protect the global environment. We are also implementing thorough management of hazardous substances based on our environmental management system.

Initiatives for sustainable procurement

FY2024 results

In order to confirm compliance with the Sustainable Procurement Guidelines*1, we asked the major suppliers*2 in Japan, including group companies to respond to the second SAQ (Self Assessment Questionnaire) and confirmed 100% compliance. We also confirmed that SAQ has been rolled out to major suppliers at our group companies in Asia and the United States.

*1 Sustainable Procurement Guidelines:
https://www.yaskawa-global.com/company/csr/scm/guidelines
*2 Major suppliers: Suppliers that accounted for 80% or more of total procurement of the previous fiscal year

FY2025 initiatives

In order to achieve the target of FY2025, 100% compliance of the Sustainable Procurement Guidelines as Yaskawa Group overall, we will further strengthen cooperation with domestic and overseas group companies.

This fiscal year, we will collect SAQs from major suppliers of group companies in Asia and the United States, analyze the answers, and provide guidance. We will also collect information and respond to EU sustainability disclosure requirements.

Towards sustainability information disclosure, a meeting was held in April 2025 between relevant members of overseas bases and the head office.

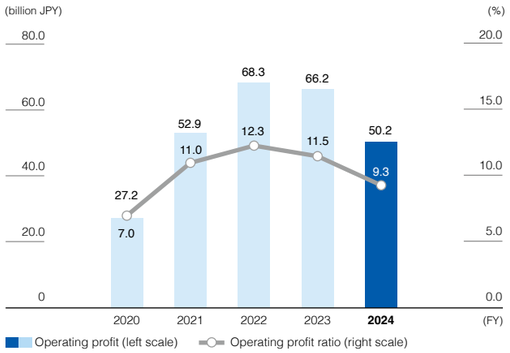
Stakeholder Engagement

Yaskawa Group recognizes that dialogue (engagement) with diverse stakeholders—including customers, shareholders and investors, employees, business partners, and local communities—is essential for sustainable growth and enhancing corporate value. We aim to broadly communicate our initiatives to improve corporate value, while feeding back stakeholder expectations and opinions into the organization to support management improvements and foster value co-creation.

Stakeholder	Purpose	Dialogue (Engagement)
Customers	Based on our DNA of “Quality First,” we strive to enhance customer satisfaction through safety and reliability.	To accurately understand and contribute to the realization of customer needs (improvements and evolution), our sales team—including management—directly collects customer feedback and conducts technical support and proposal activities. Market needs (functionality and quality) obtained through service provision are shared internally to drive product improvements.
Shareholders and investors	We aim to enhance management transparency through timely, appropriate, and fair information disclosure, and pursue sustainable growth and corporate value improvement through constructive dialogue with shareholders and investors.	Executives including the President, IR officers, and the general manager of PR and IR actively engage in dialogue with shareholders and investors. We also conduct SR meetings with domestic and international shareholders to discuss ESG and management topics, strengthening engagement. Feedback from these discussions is shared with management to improve business strategies.
Employees	We aim to enhance job satisfaction and sustainable corporate value by encouraging each employee to understand and practice the Yaskawa Principles.	We provide Yaskawa Principles education through direct dialogue between management and employees, both domestically and internationally. Additionally, we promote unique human development initiatives through direct dialogue with the President, fostering motivation and cultivating a culture of challenge. We also conduct a monthly employee awareness survey (“ES Survey”) to measure understanding and penetration of management policies, workplace busyness, and satisfaction with HR systems. A specialized department analyzes this data and implements a PDCA cycle for improvement.
Suppliers	To ensure stable provision of products and services that meet quality, price, and delivery standards, we aim to build and enhance mutually trusting and cooperative relationships with our suppliers for true coexistence and mutual prosperity.	We hold procurement policy briefings twice a year for key global suppliers to share information on our business status and procurement policies. To maintain stable supply and address social issues in the supply chain, we engage in mutual opinion exchange to strengthen networks and information sharing with suppliers. In CSR activities, we request cooperation with self-assessment surveys based on our Sustainable Procurement Guidelines and share evaluation results. By clarifying areas for improvement for each supplier, we raise awareness and effectiveness of activities, ultimately consolidating procurement to partners who comply with the guidelines to achieve sustainable sourcing.
Local Communities	As a global company with the corporate motto “Technology-Driven Company,” we are committed to nurturing talent that drives manufacturing innovation and promoting social contribution activities that foster coexistence and co-creation with local communities.	We offer opportunities at our facilities to experience technologies and products centered on “motors and their applications,” encouraging interest in science and technology and supporting the development of future engineers. In regions where we have factories and business sites, including our headquarters in Kitakyushu, we engage in social contribution activities such as participating in local events, promoting sports, and facilitating industry-academia-government communication to foster coexistence and co-creation with the community.

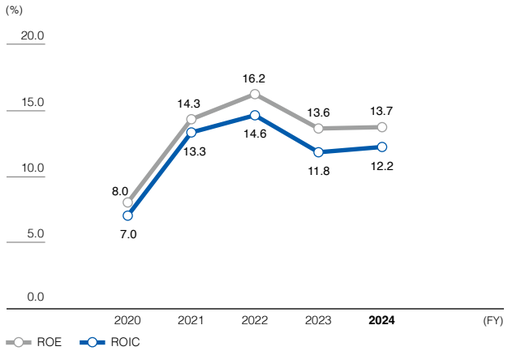
Financial and Non-Financial Highlights

Operating profit / Operating profit ratio



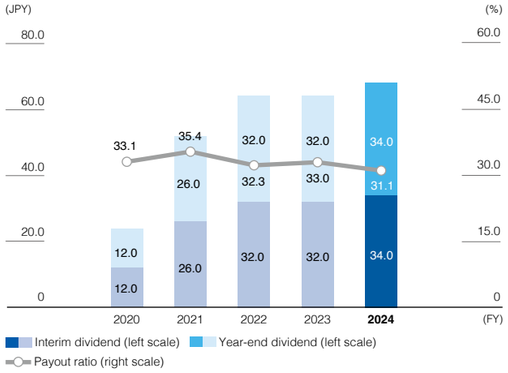
Although we made efforts to control indirect costs, the significant impact of decreased profits due to declining revenue resulted in a reduction in overall profit.

ROE / ROIC



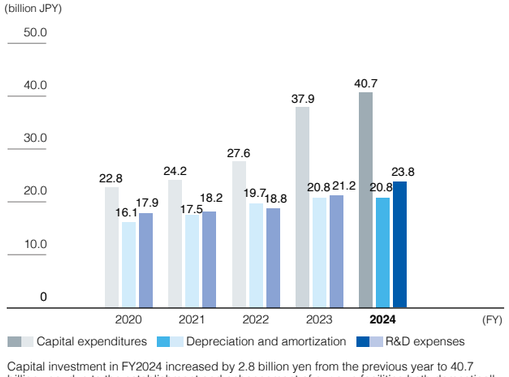
In FY2024, profit and equity attributable to owners of the parent increased, resulting in a ROE of 13.7% and a ROIC of 12.3%. However, both figures remained below the target level of 15%.

Dividends per share / Payout ratio



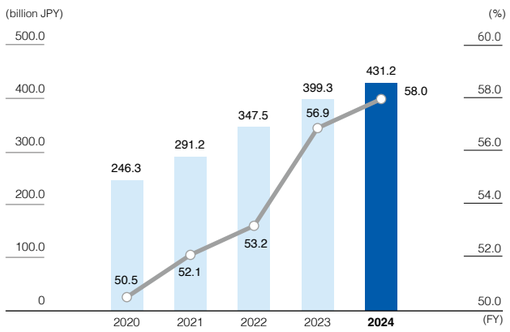
Annual dividend per share for FY2024 reached a record high of 68 yen. The dividend payout ratio was 31.1% and kept the level of 30%+α, which is the standard for our shareholder returns.

Capital expenditures / Depreciation and amortization / R&D expenses



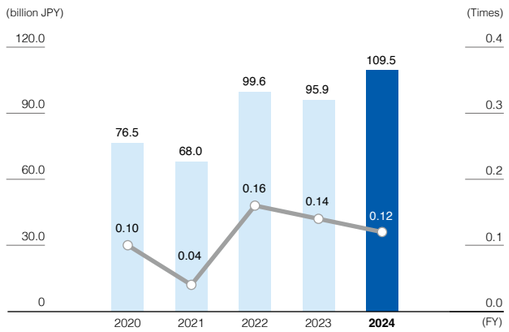
Capital investment in FY2024 increased by 2.8 billion yen from the previous year to 40.7 billion yen, due to the establishment and enhancement of our own facilities both domestically and internationally. Research and development expenses increased by 2.6 billion yen compared to the previous year, as we focused on our core business areas—motion control and robotics—and advanced the development of next-generation robots and controllers.

Equity attributable to owners of parent / Ratio of equity attributable to owners of parent to total assets



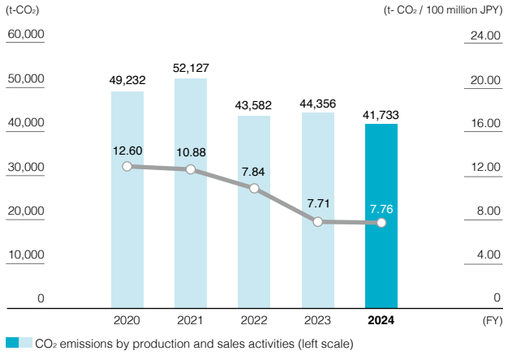
Total equity attributable to owners of the parent increased by 31.9 billion yen from the end of the previous fiscal year to 431.2 billion yen. The ratio of equity attributable to owners of the parent was 58.0%, which is higher than 50%, the level we consider appropriate for stable management.

Interest-bearing debt / Net debt-to-equity ratio



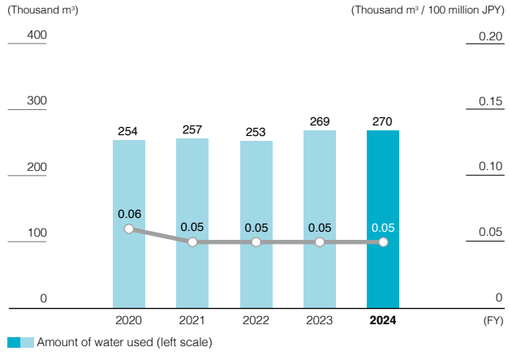
The amount of interest-bearing debt at the end of FY2024 was 109.5 billion yen, an increase of 13.6 billion yen from the end of the previous fiscal year. The net D/E ratio was 0.12 times, 0.02 points better than the end of the previous fiscal year. Current liabilities decreased compared to the end of the previous fiscal year due to a decrease in short-term borrowings.

CO_2 emissions by production and sales activities / CO_2 emissions per unit of revenue



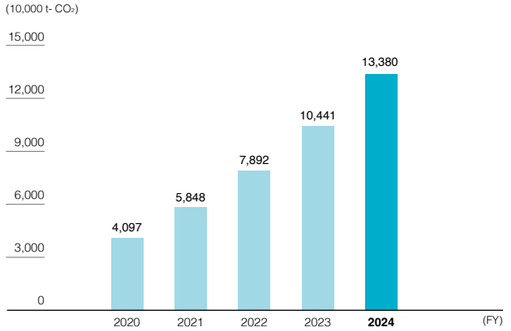
In FY2024, we reduced CO_2 emissions by introducing solar power generation systems at our Shenyang and Changzhou plants in China. However, due to a decline in revenue, CO_2 emissions per unit of revenue slightly increased.

Amount of water used / Amount of water used per unit of revenue



At Yaskawa, the amount of water used in the production process is minimal, and most of the water used is domestic water used by employees. In FY2024, water usage decreased in Japan but increased overseas, resulting in a slight overall increase. However, the amount of water used per unit of revenue figure remained at the same level as in FY2023.

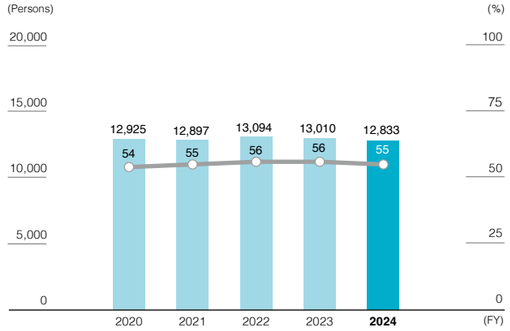
Contribution to CO_2 emissions reduction through products (Cumulative since FY2016)



Our AC drive products make a significant contribution to reducing CO_2 emissions.

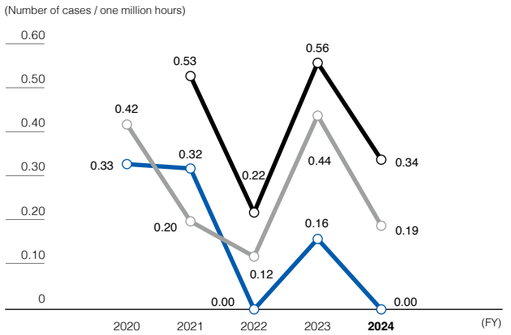
In FY2024, we have commercialized 4 models of Super Green Products, including 2 AC drive models, and expect to continue contributing to the reductions.

Consolidated employees / Ratio of employees in bases outside Japan



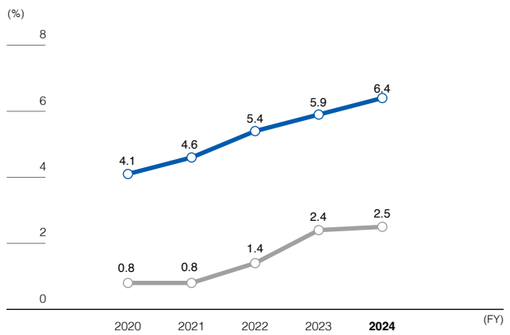
In FY2024, the number of consolidated employees decreased by 177 to 12,833. Overseas employees accounted for 55% of the total and there was no significant change from the previous year.

Frequency rate of lost-time injuries



In FY2024, the frequency rate of lost-time injuries was 0.00 for Yaskawa Electric, 0.19 for the Yaskawa Group in Japan, and 0.34 for the Yaskawa Group overseas. All three figures were improved from the previous year. We have been continuously implementing thorough risk assessments and various safety patrols to prevent recurrence and proactively avoid incidents.

Ratio of female managers / Ratio of female assistant managers (non-consolidated)



In FY2024, the ratio of female managers was 2.5%, and the ratio of female assistant managers was 6.4%, both showing improvement compared to FY2023. We will continue to provide career support in line with our action plan for promoting women's participation and advancement in the workplace.

Business Performance of FY2024

FY2024 management review (Quantitative)

- The recovery in key focus markets such as semiconductors and automotive remained sluggish.
- Compared to the previous fiscal year, which was supported by a high level of backlog orders, revenue declined with a particular impact on motion control, and operating profit also decreased.

		FY2024 forecast*1	Mid-term business plan "Realize 25" targets	FY2024 results
Quantitative	Revenue	548.0 billion JPY	650.0 billion JPY	537.7 billion JPY
	Operating profit	58.0 billion JPY	100.0 billion JPY	50.2 billion JPY
	Operating profit ratio	10.6%	15.4%	9.3%
	ROE		15.0% or more	13.7%
	ROIC		15.0% or more	12.2%
	Dividend payout ratio		30.0%+α	31.1%

*1 As of January 10, 2025

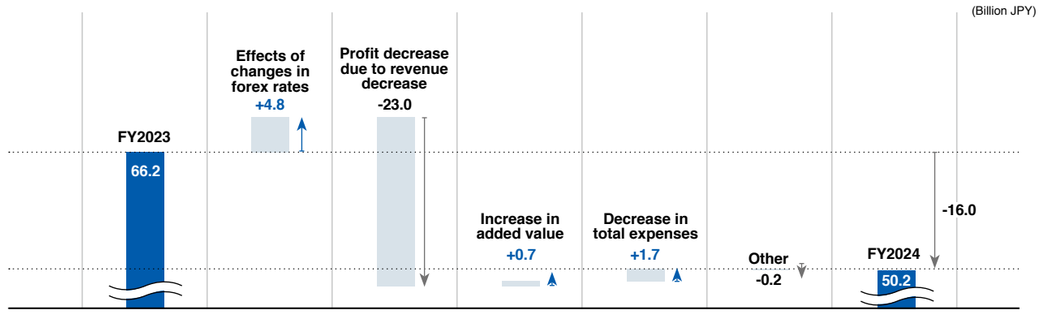
FY2024 management review (Qualitative)

Qualitative	Production	● Introduced "MOTOMAN NEXT" at Robot Plant No.1 to improve productivity through automation and data utilization (Scissors Gear*2 assembly process) ● Decided to strengthen robot production in Europe (Slovenia) ● Construction began on new Minami-Yukuhashi Plant in Fukuoka Prefecture to strengthen System Engineering business
	Sales	● Built controller business with iCube Control*3 products in Europe ● "MOTOMAN-ME1000", a 1 ton payload scara robot, was awarded the 2024 Energy Conservation Grand Prize*4 for its superior energy-saving performance ● Accelerated activities of i³-Mechatronics CLUB, established in 2019 (Approximately 160 domestic companies, including NVIDIA GK and Kewpie Corporation, participate)
	Technology	● Launched "MPX1012J", a new machine controller with enhanced compatibility with JTEKT PLC, which is widely used in the automotive market ● Launched "MOTOMAN-GG250", a robot that can be applied to friction stir welding to reduce the weight of automobile bodies ● Demonstrated "MOTOMAN NEXT" at NVIDIA AI Summit Japan (November 2024) to promote high-speed pick and place using AI
	Others	● Agreement signed with Astellas Pharma to establish a joint venture company for the manufacture of cell medicine products using the two-armed robot "Maholo" for bio industry ● Strengthened service activities to proactively propose timely equipment upgrades and maintenance to customers based on the operating status of our company products ● Chubu Robotics Center (Miyoshi City, Aichi Prefecture) adopted CO_2-free electricity, becoming the first our company site to achieve zero CO_2 emissions (carbon neutral)

*2 Gears used for noise control and smooth power transmission. A mechanism that reduces rattling and vibration and noise by eliminating gaps between gears.
*3 Yaskawa's original controller solution for "i³-Mechatronics", which began rolling out in January 2024.
*4 Once a year, the Energy Conservation Center of Japan honors companies, local governments, educational institutions, and other organizations that have demonstrated excellent energy conservation practices, as well as products and business models with excellent energy efficiency.

Breakdown of changes in operating profit (FY2023 → FY2024)

- Despite efforts to control expenses, operating profit decreased year on year due to the impact of lower profits resulting from lower revenue.
- Added value increased only 700 million yen due to inventory write-downs, despite the effects of switching to new products, in-house manufacturing, and price pass-through.
- Overhead costs decreased due to curbing activity costs while improving wages in response to inflation.



Breakdown	Effects of changes in forex rates	Change in profit due to change in revenue	Change in added value	Change in total expenses	Other
Motion Control	+2.0	-21.8	+0.1	+4.0	-0.3
Robotics	+2.7	-1.9	-0.8	-2.0	+0.6
System Engineering	+0.0	+1.3	+0.2	-0.3	-1.5
Other	+0.0	-0.7	+1.3	-0.1	+1.0

FY2025 plan

As for the financial forecasts for the FY2025, due to heightened uncertainty surrounding future demand stemming from the impact of U.S. tariff policies, revenue and operating profit are planned to decrease from the previous fiscal year. Profit before tax, and profit attributable to owners of parent are expected to decrease from the previous fiscal year due to the disappearance of gain on transfer of shares and gain on revaluation of remaining shares following the transfer of a portion of shares of Yantai Dongxing Magnetic Materials Inc., an equity-method affiliate, which was recorded in FY2024.

Key implementation items

Reaping the results of i³-Mechatronics	● Establish proposal sales to realize customers' needs (improvement and evolution) and maximize demand for our core products through these activities ● Expand the market launch of "MOTOMAN NEXT" and expand our partnership ● Accelerating the shift to solution business through the lineup expansion of "iCube Control" ● Establishment of a production system capable of responding flexibly to variable-volume production by constructing Robot Plant No.5 (scheduled for completion in December 2025)
Strengthening profitability	● Grasp the big picture of capital investment trends in various markets such as semiconductors and automobiles, and maximize the order acquisition ● Expand the provision of our company products to customers through cooperation with core sales companies and sales expansion partners ● Clarification and implementation of growth strategies for the Indian market, which is expected to expand in the future ● Improve profitability by steadily completing business structural reforms in response to changes in the competitive environment in Europe and China
Promotion of partner strategies	● Strengthen efforts to expand the application of AC drives in data centers where global investment is accelerating ● In the pharmaceutical and agricultural fields, we will develop automation in cooperation with partners, and aim for the commercialization stage by moving from verification and evaluation to actual implementation
Implementation of sustainability management	● Accelerate the advancement and efficiency of business operations through "YDX-II" ● Restructure PLM, and complete the business transition and strengthen the data infrastructure in line with the renewal of core IT systems ● Strengthen data governance and the environment for utilization of generative AI ● Strengthen the sustainability management in response to increasing global demand for ESG information disclosure

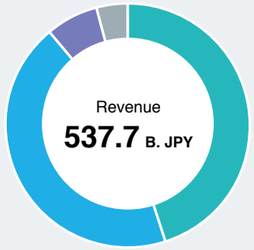
Segment Highlight

The Yaskawa Group deploys the technology and knowhow of the highest global standards to its products and services through business activities in the three core business segments of Motion Control, Robotics and System Engineering.

FY2024
(Fiscal year ended February 2025)

Revenue	537.7 B. JPY
Operating profit	50.2 B. JPY
Operating profit ratio	9.3%

Revenue breakdown by business segment



Motion control	45%
Robotics	44%
System Engineering	7%
Other	4%

Employee breakdown by business segment

Motion control	40%
Robotics	38%
System Engineering	6%
Other	6%
Corporate (common)	10%

Motion Control

AC servo & controller business

Enhancing machine performance and productivity as major components incorporated in production equipment

AC servo drive “Σ-X series”

YRM controller “YRM 1010”

Drives business

Contributing to sustainable development of society and industry by realizing energy-saving and higher performance of machinery through optimum motor control

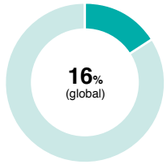
Yaskawa AC drive “GA 700 series”

PV inverter

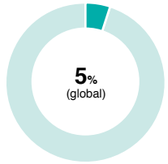
Breakdown of FY2024 revenue by region

Market share (company estimate)

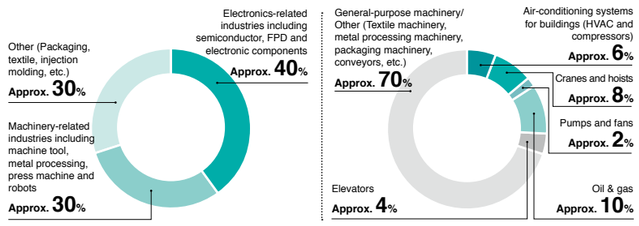
AC servo drive



AC drive



Business breakdown by application (FY2024 results)



Robotics

Responding to the growing need for labor-saving and automation at production sites, we are taking on the challenge of realizing a new industrial automation revolution

- Arc welding robots
- Spot welding robots
- Painting robots
- Handling robots
- Clean/vacuum transfer robots for semiconductor and LCD manufacturing equipment

Arc-welding robot “MOTOMAN-AR1730”

Collaborative robot “MOTOMAN-HC20DTP”

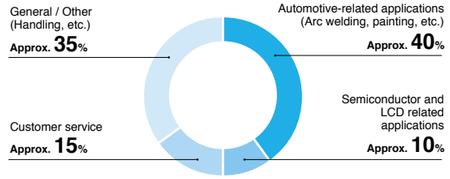
MOTOMAN NEXT series

Breakdown of FY2024 revenue by region

Market share (company estimate)

Industrial robot

Business breakdown by application (FY2024 results)



System Engineering

Supporting prosperous life and society through technologies and proven performance accumulated over a century

- Industrial automation drive business
- Social system business

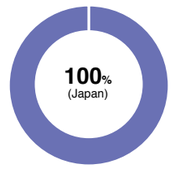
Electrical systems for steel plants

Electrical instrumentation systems for water supply plants and sewage treatment facilities

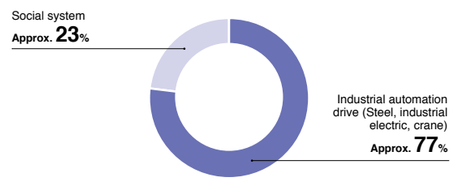
Breakdown of FY2024 revenue by region

Market share (company estimate)

Steel plant systems (Blast furnace)



Business breakdown by application (FY2024 results)



Motion Control

AC Servo & Controller Business

Kenji Ueyama
Senior Executive Officer
General Manager,
Motion Control Div.

Market environment

Our AC servo drive & controllers are used in a variety of manufacturing equipment to control the motion of the equipment (motion control). The market for AC servo drive & controllers is expected to continue growing, particularly in the areas of semiconductors, electronic components, and rechargeable batteries. On a global scale, the environment is changing rapidly, with the rise of Chinese competitors and changes in the supply chains of component manufacturers.

In this environment, an increasing number of customers are seeking to strengthen their competitiveness by using data to improve yields, production line efficiency, and product quality. In addition to advanced motion control, our group's products are also required to have the ability to collect detailed data from equipment and analyze them.

SWOT analysis of business

Strengths Strengths of our business and differentiation

- Developed the world's first "minertia motor" which is the prototype of the current servo motor in 1958
  - World-class motion technology and quality
  - Brand value as global No.1 market share
- Hold strong relationships of trust with leading companies in various manufacturing equipment
  - Contributing to the advancement and performance of equipment through the pursuit of leading-edge technologies
- Practice of i³-Mechatronics
  - Realization of new automation revolution

Weaknesses Challenges

- Reinforcement of response to rapid changes in demand in production

Opportunities Business opportunities

- Enhancement of the added value of manufacturing equipment
- Large-scale investment related to generative AI in the semiconductor industry in various countries
- Acceleration of the adoption of EVs

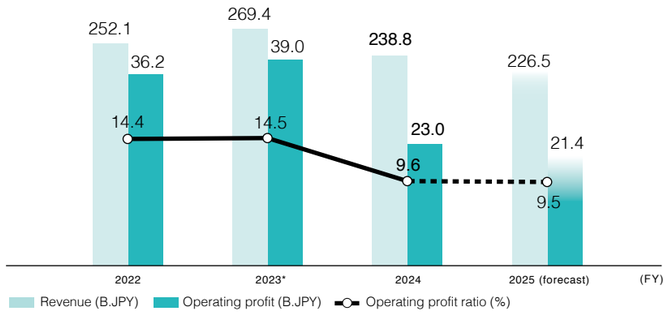
Threats Business risks

- Supply chain dysfunction due to geopolitical risks
- Rise of Chinese competitors
- Soaring prices of materials and parts

Initiatives based on SWOT analysis results	FY2024 results
Demonstration and construction of "i³-Mechatronics" solutions	● Development of solutions and applications through co-creation with customers based on "i³-Mechatronics" ● Expanded sales of new products globally
Strengthening the product portfolio to realize "i³-Mechatronics"	● In addition to supporting machine commands for Σ-X series AC servo drives, newly added and launched advanced safety module (ASM-X) and functional safety-compliant servo motors as optional products that support a wide range of functional safety features. ● Launched new products of iC9200 (IEC* compatible) which is included in iCube Control product lineup
Accelerating global expansion of production methods of YASKAWA Solution Factory and expanding production models in demand areas	● Implementation of new automated cells as an initiative for automation and labor saving, and established a production system that can keep up with the upturn in the market

*Abbreviation for International Electrotechnical Commission

Business performance and forecast (Motion Control)



* Figures reflect the FY2024 reclassification of PV inverter information from the System Engineering segment to the Motion Control segment

Business performance of FY2024

In the semiconductor market, sales remained firm, mainly in the Americas, while in Japan, the demand including that of the electronic components market was affected by a delayed recovery.

Although there was a moderate recovery in the Chinese market toward the end of the fiscal year, capital investment remained generally weak, and demand was sluggish in Europe. As a result, revenue decreased.

Operating profit decreased due to the large impact of a decline in profit resulting from a decrease in revenue, despite efforts to reduce expenses.

Growth strategies

1. Solutions

2. Technology and Quality

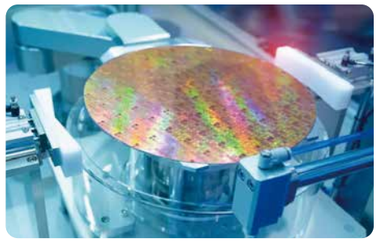
We aim to maximize the added value of our customers' equipment by providing solutions centered on "i³-Mechatronics" in order to realize customers' requests in rapidly changing market conditions and markets themselves, and by continuously accumulating and developing technologies.
In order to maximize the added value of our customers' equipment centered on motion technology, we will expand products optimized for the market and steadily promote market expansion and ensure quality.

3. Production

By continuously enhancing productivity through automation and labor-saving, and by strengthening manufacturing at production bases in demand regions, we will build a production system that can respond to country risk, difficulty in procuring parts, and fluctuations in demand.

TOPICS

Fusion of semiconductor innovation and motion technology supporting the AI era



Semiconductor manufacturing equipment

The development of semiconductors for AI is expected to lead to a future in which AI will be installed as standard in every aspect of everyday life. As a result, the global semiconductor market is actively advancing technological innovation aimed at enhancing the functionality of semiconductors, as well as increasing the supply volume. In particular, in addition to the trend toward miniaturization of semiconductor circuits, advances have been made in packaging technology aimed at enhancing the performance of semiconductors by assembling various chips. This trend has led to the birth of a new process, "middle process*," which cannot be classified into the traditional front-end and back-end processes of semiconductor manufacturing. The development of this new technology is being promoted globally, but particularly end-users in Taiwan has been starting mass production and new players (equipment manufacturers) are emerging one after another. The Yaskawa Group has built a solid brand presence by supplying wafer transfer robots and AC servos motors to customers in the front-end and back-end processes of semiconductors, leveraging its world-class technology and quality. We play an important role as a supplier to customers, and are an extremely rare manufacturer with expertise in both front-end and back-end processes. The newly created "middle process" is technological applications of the front-end and back-end processes. It is an area where we will make great use of the combination of experience, technology, and know-how we have accumulated through business with customers in both processes.

Going forward, we will continue to support the further development of the industry by accurately grasping the evolution of semiconductor technology and market trends, while making the most of our strength in motion technology and by contributing to the speed, precision, and accuracy enhancement that semiconductor manufacturing equipment require.

* This process is called by various terms, including the packaging process, the 2.5D process, and the 3D process. We define this process as the "middle process" and are conducting activities that lead to business development.

Osamu Komiyaji
General Manager
SEMI Sales Dept.
Corporate Sales & Marketing Div.

Motion Control

Drives Business

Kozo Ide
Senior Executive Officer
General Manager,
Drives Div.

Market environment

The AC drive market is expected to expand further on the back of energy-saving of industrial equipment and the spread of renewable energy. Demand is growing rapidly, particularly in semiconductor plant equipment, data centers, air conditioning, and solar power generation. Customers place importance on high efficiency and energy-saving performance, reliability, and smartification (IoT collaboration, remote monitoring, and predictive maintenance) and they are also seeking customizability to suit their applications.

In recent years, the rise of local Chinese manufacturers in the AC drives market has become prominent. In Asia and Europe, in particular, market penetration of Chinese products is accelerating and competition is intensifying. While the expansion of Chinese manufacturers in the mid- to low-price market is expected to continue, we believe that we will be able to maintain a competitive edge by differentiating our products in markets where environmental compatibility, high reliability, and long-term support are required.

SWOT analysis of business

Strengths Strengths of our business and differentiation

- Power electronics technology and high-efficiency motor technology
- Control and sensing technologies based on motor drives developed over many years
- Knowledge of how machines and facilities are used (applications) based on system engineering
- Worldwide sales and service bases, development centers, and production plants
- Product reliability built up by long-term market performance

Weaknesses Challenges

- Creating added value for customer machines
- Improvement of development speed including new technologies
- Improved cost competitiveness and procurement capabilities
- In-house production of main parts

Opportunities Business opportunities

- Expansion of energy conservation promotion policies in each country based on the sustainability codes (SDGs, carbon neutral, etc.)
- Acceleration of factory automation including 5G and IoT
- Enhancement of the performance of industrial equipment through AI, etc.
- Market expansion in emerging countries
- Enhancement of high-efficiency motor regulations
- Expansion of global electricity shortages

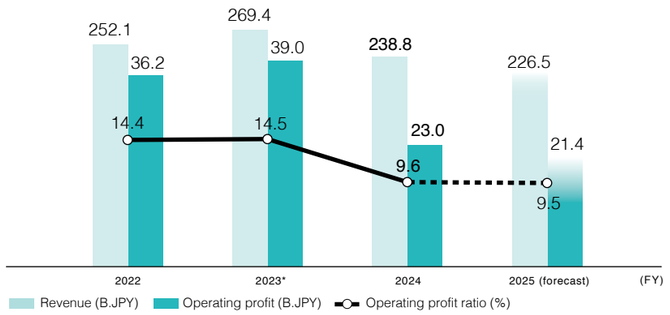
Threats Business risks

- Geopolitical risks in Russia and China
- Movement toward in-house production by some customers
- High dependence on specific markets such as oil & gas markets
- Rise of emerging market competitors
- Modification of renewable energy-related systems and grid-connected regulations

Initiatives based on SWOT analysis results	FY2024 results
Accelerate deployment of high-value-added products and solutions for emerging economies, particularly in Southeast Asia	● Providing high-value-added products that meet customer needs in the HVAC market in Southeast Asia ● Expanding successful cases in other regions to the oil and gas markets in emerging countries
Enhance QCD (Quality, Cost, Delivery) of technologies and products by fully utilizing the functions of YASKAWA Technology Center	● Expanding the lineup of Yaskawa AC drive series, which achieve the desired QCD (Quality, Cost, Delivery)
Realization of BCP through review of component, substrate, and product supply systems and expansion of in-house production of parts	● Reducing the adoption rate of parts from China and expanding in-house production of parts
Increase the revenue ratio of stable growth markets (HVAC*, elevators, etc.) by capturing energy conservation demand	● Expanding sales of products for HVAC in India and ASEAN regions and launch of new products for elevators

*Heating, Ventilation and Air Conditioning

Business performance and forecast (Motion Control)



* Figures reflect the FY2024 reclassification of PV inverter information from the System Engineering segment to the Motion Control segment

Business performance of FY2024
Despite strong sales of PV inverters, revenue decreased from the previous fiscal year, which was supported by a high backlog of orders. Operating profit decreased due to the large impact of a decline in profit resulting from a decrease in revenue, despite efforts to reduce expenses.

Growth strategies

1. Expanding drive-optimized solutions for target markets
We provide environmentally friendly solutions that meet local needs in regions with high growth potential, such as the United States and India. Also, we expand high-value-added products with high environmental performance and reliability to achieve carbon neutrality.

2. Providing integrated environmental and energy solutions through ecosystem development
We collaborate with domestic energy creation and storage partners to provide one-stop integrated solutions.

3. Building a production system robust to demand fluctuations
We improve productivity by realizing variable-mix and variable-volume production with the ultimate labor savings. Based on the basic strategy of local production for local consumption, we build a global production system that does not depend on volume.

TOPICS

Regional strategies to maximize value

Our group positions the Americas, which accounts for nearly half of its Drives business, as an important market, and expects further growth, particularly in oil & gas and HVAC applications. In particular, for the oil & gas market, we are expanding sales with differentiated solutions such as our well-established low-voltage AC drives and matrix converter “U1000.” In addition, HVAC is the largest market for our Drives business in the Americas, and in recent years, with the expansion of the data center market, demand for AC drives for HVAC applications has increased from the perspective of energy conservation. We will continue to expand our business by providing solutions that customers require in these growth areas.

On the other hand, the AC drives market in China is expanding across a wide range of fields, including infrastructure, cranes, textiles, ceramics, semiconductors, and batteries. In recent years, low-price products of local manufacturers have been penetrating the market. In this situation, our sales of standard products for elevators decreased, but sales in other markets are on an upward trend. We position “cranes,” “textile,” “ceramics,” and “semiconductors” as the four key markets in China and are building relationships with customers through products that emphasize quality and durability. Leveraging our “fail-proof design” as a strength, we aim to sustain and expand high-value-added business based on trust with customers in markets where our strength is valued.

Oil drilling rig

Robotics

Manabu Okahisa
Senior Executive Officer
General Manager, Robotics Div.
Department Manager, Robotics
Technology Dept., Robotics Div.

Market environment

The largest market for industrial robots is the automobile market. “Innovations in manufacturing” is expected to occur in the automobile market in the future, with the aim of EV adoption and realization of autonomous driving. As manufacturing lines become more diverse and efficient, new needs distinct from those seen in the past will arise, for example data utilization and the realization of variable-mix and variable-volume production. In addition, against the backdrop of global labor shortages, demand has been increasing in general industrial fields such as the food, medical, pharmaceuticals, and 3C (computers, consumer electronics and communications equipment.) Furthermore, in the future, autonomous robots equipped with AI, such as our “MOTOMAN NEXT,” are expected to accelerate automation in areas previously considered difficult to automate. By capturing these potential demands, we expect the industrial robot market to expand further in the future.

SWOT analysis of business

Strengths Strengths of our business and differentiation

- Improved performance and evolving solutions through in-house production of motion control products (servo motors, drives, and controllers) that are the most important for robot performance
- Providing the cross-divisional solution based on the i³-Mechatronics concept
- Cross-business development system utilizing YASKAWA Technology Center
- Global sales, production and service bases

Weaknesses Challenges

- Strengthening adaptability to rapid changes in demand in production

Opportunities Business opportunities

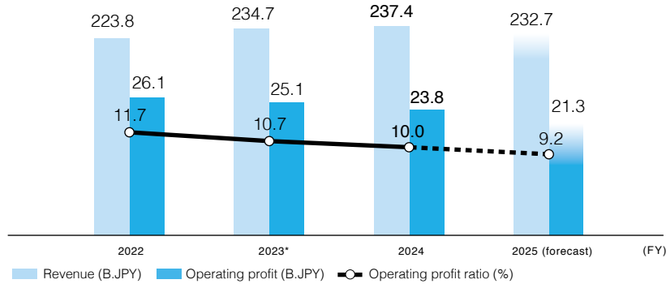
- Expansion of automation needs in a wide range of fields
- Manufacturing innovation in the automotive industry (including the adoption of EVs and eco-friendly system)
- Advances in robot-related technologies

Threats Business risks

- Global shortage of materials and rising material costs
- Decline in demand for capital investment due to geopolitical risks
- Rise of emerging manufacturers
- Reciprocal tariff risk from the United States

Initiatives based on SWOT analysis results	FY2024 results
Further evolution of the production system which is flexible to the volume fluctuations realized at the mother plant, and its expansion to overseas production bases	● Achieved optimal production through a production system that is not affected by volume fluctuations
Corporate-wide enhancement of supply chain strategy and expansion of in-house production	● Expanded in-house production by starting operations of a machining plant that manufactures cast parts for robots
Proposing high-value-added Yaskawa solutions based on the i³-Mechatronics concept and strengthening partnership through strategically developed products	● Started collaboration with partners to solve customers' needs based on common understanding of “i³-Mechatronics”

Business performance and forecast



Business performance of FY2024

In the automotive market, while capital investment as a whole remained sluggish, sales of large-scale systems projects from backlog contributed. In addition, sales of wafer transfer robots for the semiconductor market increased. As a result, revenue slightly increased on a year-on-year basis. Operating profit decreased mainly due to a decline in the production utilization rate and upfront investment to strengthen system response capabilities.

Growth strategies

1. Driving the growth of AI robotics market with MOTOMAN NEXT

We will steadily execute social implementation of “MOTOMAN NEXT,” our strategic product, and expand partnerships.

2. Maximizing revenue through comprehensive activities that capture market and regional changes from a broad perspective

We will take a broad view of capital investment trends in each market, including semiconductors and automobiles, to maximize order acquisition and expand the supply of our products to customers through collaboration with core distributors and sales expansion partners. In the Indian market, which is expected to expand, we will clarify and promptly implement growth strategies and investment plans.

MOTOMAN NEXT series

3. Achieving optimal production through a production system resilient to demand fluctuations

We will start operation of the integrated production factory of motors and robots (Factory No. 5) at Yahata-nishi Plant and expand the area of automation at domestic and overseas production sites to build and strengthen an efficient production system resilient to demand fluctuations.

TOPICS

Measures to implement MOTOMAN NEXT in society

“MOTOMAN NEXT” is an innovative robot that fuses Yaskawa Group’s AI, robotics, and motion technologies. It has the ability to see, touch, judge, and generate actions on the spot. One and a half years have passed since the launch of “MOTOMAN NEXT,” and several projects are underway globally. In order to “make MOTOMAN NEXT a standard method” for the purpose of the expansion of the field of automation, we are working to enhance implementation support, such as packaging applications that can be deployed horizontally and providing technical education to system integrators and are promoting the adoption. As the number of introductions in the fields increases, deployment speed and cost efficiency are expected to improve. Although the price of robots themselves is higher than that of conventional ones, MOTOMAN NEXT is equipped with an autonomous control unit (ACU) and various services that run on it as standard, reducing the number of external equipment and software development processes, which keeps total costs down.

Since the launch of MOTOMAN NEXT, the direction of collaboration with various partners has become clearer, and we are delighted by the growing interest from IT companies. As AI is finally being deployed in the real(physical) world, such as assisting human mobility and physical labor, MOTOMAN NEXT has great potential. With the aim of implementing AI robotics in the real world, we will combine our knowledge with various partner companies and build up a track record of implementation.

Yumie Kubota
Executive Officer
General Manager, AI Robotics Div., Corporate Technology Div.
Representative Director, President, AI Cube Inc.

System Engineering

Masaki Yagita
President and CEO
YASKAWA Automation & Drives Corporation

Market environment

The steel plant systems and social systems sectors are performing steadily amid expanding capital investment aimed at decarbonization, automation, and digitalization. On the other hand, demand for general industrial electrical systems in Japan is showing a flat or slightly declining trend due to ongoing uncertainty in domestic and global economic conditions, such as the continued slowdown of the Chinese economy. Therefore, we believe that differentiation through line drive application technologies and the provision of services will be key to maintaining competitiveness.

As for electrical components for port cranes, which are a growth driver, demand is increasing due to rising logistics needs and the development of port infrastructure in Southeast Asia. Additionally, with the growing volume of logistics and the need for operational efficiency, there is a rising demand for automation technologies aimed at strengthening the international competitiveness of ports. These sectors are expected to see further growth in the future.

SWOT analysis of business

Strengths Strengths of our business and differentiation

- Achievements in the field of electric systems for water supply and sewage and system technology development capabilities
- 100% domestic share of systems for blast furnaces in steel plants
- Share higher than 50% in port crane market in Japan, China and Southeast Asia
- Top-class share in Japan in the industrial electric business including film, textiles, and paper machinery

Weaknesses Challenges

- Improvement in cost competitiveness
- Improvement in product development speed
- Creating business synergies by integrating systems businesses
- Building optimal overseas systems for growth areas (Secondary battery and crane)

Opportunities Business opportunities

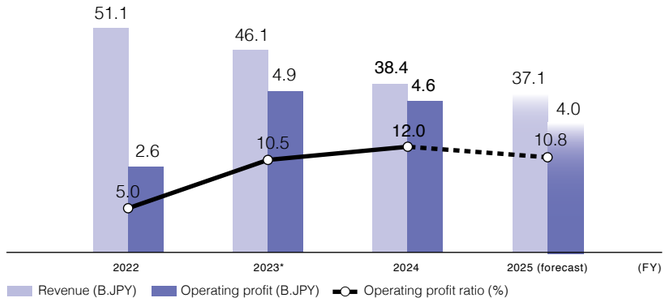
- Accelerated efforts to achieve carbon neutrality
- Need for labor-saving and high-efficiency electricity systems for water and sewage systems using IoT, AI
- Full automation and remote operation of port cranes

Threats Business risks

- Concerns over project delays and cancellations due to rising prices of materials and procurement difficulties in building equipment and facilities
- Intensifying cost competition
- Decline in infrastructure investment in Japan

Initiatives based on SWOT analysis results	FY2024 results
Optimization of procurement, production systems, and cost structure, and improvement of profitability through the introduction of new products	● Automated design and engineering database construction, along with the deployment of drive modules and direct drives
System adaptation of customer manufacturing processes for achieving carbon neutrality in the steel market	● Addressing the need for automation of scrap cranes accompanying the shift to electric furnaces
Securing large-scale port crane investment projects in Southeast Asia and South Asia	● Enhancing presence through automation technology and strengthened engineering capabilities

Business performance and forecast



* Figures reflect the FY2024 reclassification of PV inverter information from the System Engineering segment to the Motion Control segment

Business performance of FY2024

Sales for our core steel plants, port cranes, and social infrastructure systems expanded. However, revenue decreased year-on-year due to the impact of selling a large-scale wind power generation-related subsidiary in the latter half of the previous fiscal year.

Profit declined due to the absence of the gain from selling shares in the large-scale wind power generation-related subsidiary recorded in the previous fiscal year, the operating profit margin improved year-on-year due to the effects of business restructuring.

Growth strategies

1. Expanding the market and customer base while developing new businesses

Industrial machinery continues to evolve with the times. Centered on drive technology, we will provide high-value-added solutions and aim to expand our scale into new domains.

2. Securing continuous orders for port cranes and tackling large-scale projects

To increase logistics volume and improve efficiency, unmanned and automation technologies are being introduced, strengthening the international competitiveness of ports. Leveraging industry-leading automation technology, we will pursue further scale expansion.

3. Strengthening production capacity through building an efficient production system

By consolidating dispersed production systems and establishing an engineering chain, we will maximize production efficiency. Under integrated management, we will secure high profitability in our systems business and enhance competitiveness.

TOPICS

Initiatives in the port crane market

In the domestic market, our crane business expanded its share through machinery manufacturers, initially driven by DC control technology. Subsequently, we proposed AC control solutions to port users and machinery manufacturers in the Chinese market, growing our share particularly in major ports like Shanghai and Ningbo. Furthermore, in the Asian market, we have established the Yaskawa brand's position in the port sector by meeting the stringent demands of major users.

Currently, increased logistics demand in Southeast Asia and the Middle East is driving infrastructure development and growing demand for efficient, low-cost logistics solutions. Furthermore, the introduction of unmanned and automated technologies is enhancing efficiency and safety, strengthening the international competitiveness of ports daily. Additionally, the use of AI and automation technologies is dramatically improving operational management and maintenance efficiency.

Even in this globally advancing technological landscape, the Yaskawa Group will contribute to realizing sustainable port operations through its drive technologies and products.

Port crane

Supervising Management and Developing Talent for Sustainable Growth

Hiroshi Ogasawara
Representative Director, Chairman of the Board

Keiji Nishio
Outside Director, Audit and Supervisory Committee Member
Chair of the Nomination Advisory Committee
Compensation Advisory Committee Member

In order to ensure sufficient discussion and deliberation at the Board of Directors meetings, Yaskawa Electric has worked to optimize the number of Directors. Since the 2025 General Meeting of Shareholders, the number of Directors has become 8, and the ratio of Outside Directors has reached 50%. The role played by Outside Directors has become more important than ever, and expectations are growing for their management oversight function and strategic advice.

Furthermore, Mr. Nishio, an Outside Director and Audit and Supervisory Committee Member (hereafter, Outside Director), has been appointed Chair of the Nomination Advisory Committee, replacing the previous Internal Director (President). This marks a turning point aimed at enhancing the effectiveness, transparency, and objectivity of executive talent selection and development.

In this dialogue, Mr. Nishio and Mr. Ogasawara discuss the effectiveness of Yaskawa's corporate governance, the strategy for developing executive talent, and the outlook for enhancing long-term corporate value.

Mr. Nishio, this is your third year as an Outside Director. What are your views on Yaskawa's governance system and the role of Outside Directors based on your experience thus far?

Nishio Over the past two years, I have felt that our company's governance system has several characteristics. First of all, our company has adopted a "Company with an Audit and Supervisory Committee," which is characterized by the ability to delegate a great deal of important business execution decisions to the executive side. This enables the executive side to make decisions quickly and flexibly, and creates a sense of speed in the implementation of measures.

However, for this system to function, a certain level of trust is necessary between the outside directors and the executive side. If there is no trust, the outside directors will have to interfere in every detail, and speedy management will suffer. As an outside director, I can freely express my opinions and questions, and I feel that the executive side responds sincerely to questions that are sometimes difficult to answer. I feel that the accumulation of such frank and constructive discussions has fostered a relationship of trust. At the same time, since the role of the outside directors is to supervise management, we do not simply ratify the proposed measures, but monitor management from an independent standpoint with a certain sense of tension, and always strive to contribute to sound management.

In addition, outside directors have opportunities to exchange opinions with the executive side at various occasions, such as the Board of Directors, the Board of Directors' Opinion Exchange Meeting, and the Sustainability Committee. We also promote sustainability initiatives, including those related to the supply chain, and ERM*1 while sharing issues with the executive side. The executive side has been confirming the proposals made by the outside directors, and I feel that we are making steady progress in adjusting directions and making efforts to realize them. In addition, after the General Meeting of Shareholders this year, an outside director chairs the Nomination Advisory Committee. I believe this will enhance the objectivity and independence of the committee and further strengthen governance.

*1 Enterprise Risk Management: A method for centrally managing various risks that an organization may face throughout the organization

As an outside director, from what perspective do you express your opinions on Yaskawa's business strategies and business execution?

Nishio As an outside director, I focus on the following three perspectives. While valuing these perspectives, I strive for balanced discussions.

1. A shareholder's perspective

To assess whether measures will lead to increased corporate value, and to conduct necessary questioning and supervision.

2. A broad perspective

To deepen discussions from a broad perspective, including medium- and long-term visions, management plans, business portfolios, corporate governance, sustainability, and risk management, rather than being involved in day-to-day business execution.

3. On-site perspective

As an Audit and Supervisory Committee member, I visit factories, branch offices, subsidiaries, etc. and listen directly to the opinions of people on the front lines, so that I can reflect the actual situation on the front lines in discussions at the Board of Directors meetings.

How do you feel the opinions of outside directors influence the Board of Directors, the Nomination Advisory Committee, and the Compensation Advisory Committee?

Ogasawara The opinions of outside directors have gradually brought about changes in the operations of the Board of Directors and the Nomination and Compensation Advisory Committee. In particular, by receiving opinions from a broad outside perspective, as Mr. Nishio has said, we have been able to see our company's business in a broader context. As a specific example, we have incorporated the views of outside directors into the formulation of our mid-term business plan and long-term vision, which we are currently working on, to narrow down the direction of our business and broaden our perspectives.

In addition, when outside directors once again point out issues that are being discussed within the company, internal action may be accelerated. You may feel that such internal intentions are reflected in the selection of agendas for board meetings and themes for board opinion meetings.

With regard to the Nomination Advisory Committee, the involvement of outside directors has enabled more frank discussions, and I feel that we have established a structure to better shape the direction of the company. With regard to the Compensation Advisory Committee, the inclusion of an outside perspective has enabled deeper discussions on the appropriateness of compensation.

After the General Meeting of Shareholders this year, Mr. Nishio became the chairperson of the Nomination Advisory Committee. Could you tell us about the background and circumstances behind the change?

Ogasawara At Yaskawa, we place importance on internal experience and achievements when it comes to personnel at the top management level, and we focus on appointing people from within the company. We also consider inviting people from outside the company as needed. For this reason, we make a list of candidates for future management personnel, led by the president and chairperson, and examine the structure for the following year from an early stage each year. This process has been carried out cautiously within the company, but we were trying to find the right time to share the details of our deliberations with outside directors. However, now that the structure is in place, we have decided that it is time to share as much information as possible with outside directors and take their opinions into account.

In order to enhance transparency and independence, it is important to share the direction of development and the approach to selection, even if we do not disclose all detailed information about individual candidates. I believe this is not just a change in the structure, but an evolution of the process based on a relationship of trust with outside directors. This is the background to the recent change in the chairpersonship of the Nomination Advisory Committee to an outside director.

Nishio I myself have managed the Nomination Advisory Committee from the executive side, but outside directors do not have sufficient understanding of the characteristics of the industry and internal human resources. Therefore, I believe that the role of outside directors is not to select candidates per se, but to oversee whether the process is sufficiently transparent, reasonable, and fair with respect to succession planning and personnel proposals prepared by the executive side.

In particular, shareholders are increasingly calling for succession planning to begin as soon as possible, and there is a demand for medium- to long-term planning that clarifies the qualifications and direction of development, rather than just naming candidates. It is realistic to proceed in a step-by-step manner, and I would like to ask the executive side to provide certain information about candidates.

Ogasawara Under the previous system, the main focus was on gaining the approval of outside directors, but going forward, we will shift to a system of providing thorough explanations and engaging in discussion. In doing so, we believe that demonstrating the qualities of candidates and our training policies in an objective and transparent manner, without being bound by traditional customs, will lead to the realization of more sound governance.

Nishio Now that the environment is changing rapidly, it is essential to have a succession planning system in place during normal times. I believe that formulating a mid- to long-term development flow, including the Secretariat of the Nomination Advisory Committee, and proceeding in stages will lead to stable management in the future.

What initiatives are important from the perspective of developing the next generation of management personnel from within the company?

Ogasawara Our company regularly conducts training camps for prospective executives. The selected candidates receive approximately six months of training in MBA courses and management strategies from outside instructors.

Personnel who have received this training are assigned to positions that take advantage of the results of their training, such as participation in management at affiliated companies. Almost all of our current executive officers have received this training, and those who are posted overseas also receive it after returning to Japan.

We also take the opinions of the division managers into account when selecting participants. We develop a training plan based on a list that excludes information such as age and academic background. This is carefully managed within the company and is not disclosed.

In addition, we determine whether to promote employees who are promoted to the executive level through a job-based or membership-based training system, and whether to make use of their expertise or give them broad management experience. This is an important issue for the president and chairperson of the company when considering how to position the company for the next generation.

Nishio Mr. Ogasawara talked about the selection of general managers and above, but I would like to talk about human resource development from a broader perspective, including those in general positions. When I was president of MEGMILK SNOW BRAND Co., Ltd., I focused most on career support. I asked staff in the Human Resources Department to obtain career consultant qualifications, and we created a system in which all employees regularly reviewed their careers through career checkups and workshops.

I believe that the foundation of human resource development is for each employee to have a vision of what he or she wants to become. This is because when employees have their own future goals, their motivation for daily work is greatly enhanced, and this motivation is the source of employee growth and corporate growth.

We have also developed a training system to help employees acquire the skills and abilities necessary to realize their career plans. Specifically, we have division-wide leadership programs in areas such as logical thinking, presentation, accounting, coaching, negotiation, facilitation, and project management, as well as specialization programs that specialize in each division. I believe that the interaction between theory and practice, in which theoretical knowledge is put into practice on the job and the results are reviewed theoretically, will help employees acquire skills and abilities in a deep and steady manner.

Given this background, I believe it is extremely important for the entire group to work together to develop human resources.

Given the rapid pace of technological innovation and changes in the external environment, could you tell us about the qualities required of future management personnel?

Nishio First of all, I believe that a person must have a strong passion for Yaskawa Principles and a deep sense of mission, and must be able to communicate this in easy-to-understand terms both inside and outside the company and spread it throughout the company.

In addition, foresight, strategic thinking, high ethical standards, leadership, and communication skills are required. However, these qualities will change depending on the times, the external environment, the growth stage of the company, and the situation in which the company is facing, so the Nomination Advisory Committee will continuously discuss what qualities are necessary for the next generation.

In any case, I think the next generation of managers will need to inherit the strengths of Yaskawa while adopting a new perspective that suits the times.

Ogasawara I agree with you. In addition, I believe that passion and luck are important. Passion goes without saying, but a strong sense of what you want to do with the company. And by luck I mean a person who has the power to be seen as lucky by others.

In fact, I think that a person who not only has luck but also has the ability to make the most of it is suitable as a management personnel. I think that luck is not an accident, but a result of a combination of ability at work and human strength.

What are your thoughts on the challenges Yaskawa faces in achieving long-term growth?

Nishio There are two main directions for corporate growth. One is “organic growth,” in which we leverage internal resources to strengthen our capabilities. The other is “inorganic growth,” in which we acquire external resources through M & A and buy time.

The latter, in other words, leveraging external resources, will become more important for Yaskawa in the future. In order to grow with a sense of speed, external partnerships and M & A are essential.

However, M & A does not end with acquisitions. Success or failure depends on whether the company has personnel capable of PMI*2. I feel that the future challenge is to increase the number of personnel who have experienced difficulties in the past.

The perspective of the business portfolio is also important. Which businesses should be developed in-house, and which businesses should be partnered with external partners or scaled down? It is necessary to present this company-wide resource allocation policy in an easy-to-understand manner both internally and externally. Of course, it is not necessary to disclose everything, but making the framework of the strategy visible will lead to a relationship of trust with shareholders and investors.

*2 Post Merger Integration: The integration process after an M & A. In order to maximize the expected effects of an M & A, integration is carried out from the three aspects of management, operations, and awareness.

Ogasawara To add to what Nishio-san said, I think it is necessary to ask the question, “First of all, can we really grow organically?.” Inside the company, there may be an atmosphere that is steeped in past successes. Business performance and compensation have changed dramatically from 10 years ago, but that success may have dampened the desire for change.

If we want to change this atmosphere, it is difficult for the president and chairperson to do so alone. In such cases, I feel the need to enlist the help of outside directors. If we continue as we are now, we tend to be insufficiently prepared for the next round of growth.

Do we maintain the company slowly but steadily, or do we challenge ourselves with clear growth goals? When deciding which path to take, it is important to determine the direction of the company while incorporating the perspective of outside directors.

Lastly, from the perspective of the role and responsibilities of the Nomination Advisory Committee, how do you intend to support Yaskawa’s growth?

Nishio The growth of a company depends greatly on the quality of its top management. In particular, the ability of top management has a significant impact on business performance. That is why the mission of the Nomination Advisory Committee is to select the most suitable candidate for president and make recommendations to the board of directors. Through this process, we support the sustainable growth of Yaskawa. I believe this is the most important role of the committee. In order to fulfill this responsibility, we will continue to hold thorough discussions on the qualifications and experience of the candidates, as well as the type of leader that is required by the times.

Ogasawara Selecting the president is extremely important in paving the way for the company’s future. It is important not only to select the president, but also to strengthen the staff who support and implement the agenda of the company’s top management, who speaks strongly and from a broad perspective. I believe that the key to the future is the rapid development and strengthening of staff officers. There are limits to how much this can be achieved by internal efforts alone, so it is essential to actively incorporate external perspectives and stimuli.

I have high expectations for the outside directors, as they can provide such perspectives and insights. I sincerely hope that outside directors’ knowledge and experience will become a major driving force for the company’s growth.

Message from the Chairman of the Board of Directors

Enhancing management quality from multiple perspectives and responding flexibly to a changing business environment

Hiroshi Ogasawara
Representative Director, Chairman of the Board

Understanding the medium- to long-term business environment

Our business domain is expected to grow steadily over the medium to long term, and our management team is confident in this direction as discussed in the Board of Directors. While market fluctuations are inevitable, overall growth is anticipated. We are closely monitoring external factors that could significantly impact performance, such as the effects of reciprocal tariffs between the U.S. and other countries, and economic trends in China. In particular, tariffs are more concerning for their potential to cool market sentiment than for their direct financial burden. China's economic and trade policies, as well as tensions in U.S.-China relations, are also being watched as risk factors.

We also recognize the advancement of AI technologies as a critical element directly linked to operational efficiency and enhanced decision-making. The use of generative AI and deep learning is expected to influence corporate competitiveness, and we are positioning these technologies as strategic imperatives, actively pursuing their adoption.

Focusing on essential discussions to improve management quality

In operating our Board of Directors, we emphasize stable decision-making and calm monitoring of execution. Outside directors contribute not by directly engaging in management decisions, but by offering insights from an outside perspective and advising on legal systems and market changes, thereby enhancing the quality of management. In formulating our new mid-term business plan starting in fiscal 2026, we will leverage the expertise of outside directors to clarify our corporate direction and develop more effective strategies.

Responding to diverse perceptions of quality

Our group's solution concept, "i³-Mechatronics," embodies Total Quality Management (TQM) itself, and through its global deployment, we aim to continue contributing to the advancement of quality management.

At the same time, customer perceptions of quality are evolving, and we must recognize that expectations vary by market. While Japanese companies tend to pursue uniformly high quality, Chinese companies prioritize speed and practicality to enhance competitiveness. Our company must also respond flexibly to balance quality and speed.

In this way, redefining the role of outside directors and leveraging AI to elevate operations will become increasingly important. By adapting flexibly to a changing business environment and enhancing management quality from diverse perspectives, we aim to realize greater corporate value.

Corporate Governance

Basic approach to corporate governance

Yaskawa Electric recognizes the importance of corporate ethics based on compliance with laws and regulations and considers it an important issue to enhance corporate value by speeding up management decision-making in response to changing social and economic environments and improving management soundness.

To achieve this, we will build good relationships with our stakeholders, including shareholders, customers, business partners, local communities, and employees. We will also further strengthen our current institutions, including the General Meeting of Shareholders, Board of Directors, Audit and Supervisory Committee, and Accounting Auditor, while enhancing corporate governance.

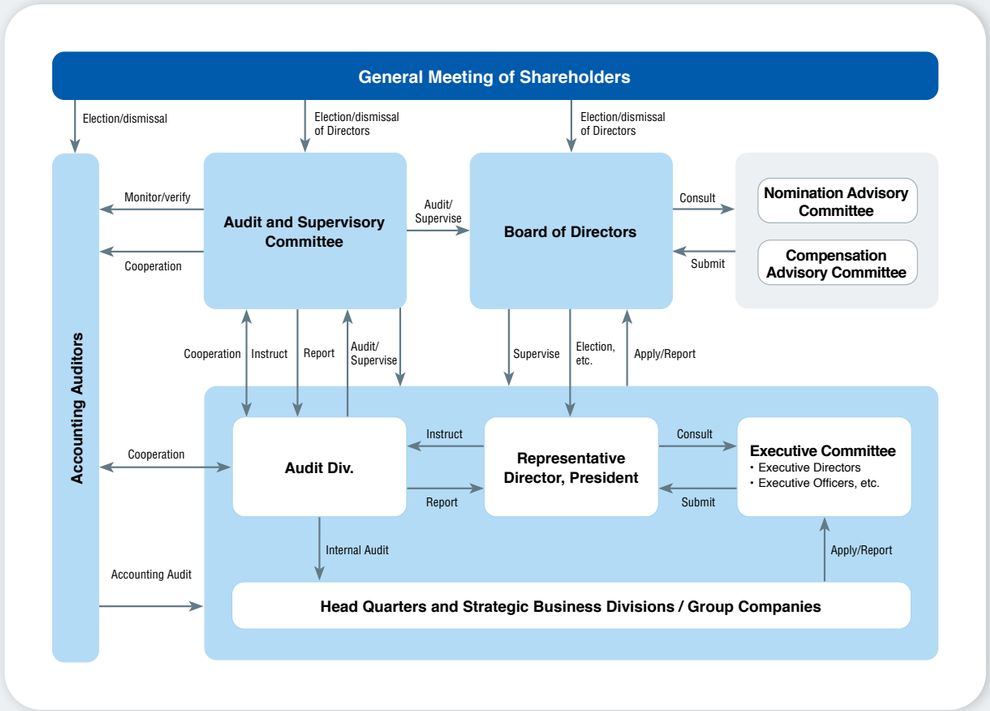
For our shareholders and investors, we will strive to disclose information promptly and accurately, and at the same time, enhance management transparency by disclosing a wide range of information.

Yaskawa has established the Yaskawa Electric Corporate Governance Policy, which sets forth its basic views on corporate governance, and discloses it on the website.

Corporate governance system

Yaskawa Electric has adopted a corporate structure with an Audit and Supervisory Committee in order to further strengthen the oversight function of the Board of Directors over management and corporate governance, as well as to enhance the soundness and efficiency of management. The Company believes that the supervisory function of the Board of Directors will be further enhanced by utilizing the legal functions of Audit and Supervisory Committee Members, such as the ability of Audit and Supervisory Committee Members as directors to exercise voting rights at the Board of Directors on important matters of the Company, such as the appointment and dismissal of Representative Directors, and the ability to examine the results of the execution of business by Executive Directors and to express opinions at the General Meeting of Shareholders on the appointment, dismissal and remuneration of Executive Directors. In addition, the Company has introduced an executive officer system to separate management decision-making and business execution functions, enhance each function, and speed up business execution.

Corporate governance structure



Board of Directors

In addition to the regular meetings of the Board of Directors, the Board of Directors convenes extraordinary meetings as necessary to decide on important matters related to management and matters stipulated by laws and regulations, and to supervise the status of business execution on an ongoing basis.

In deliberations by the Board of Directors, Outside Directors fully understand the current status of Yaskawa based on information submitted or reported by the Internal Audit and Control Division, Corporate administration operations and other functions, and the Accounting Auditor provide advice and proposals based on their respective knowledge, thereby fulfilling appropriate supervisory functions.

Activities of fiscal 2024

The Board of Directors met 13 times in fiscal 2024. As the second year of the mid-term plan "Realize25," based on the long-term plan "Vision 2025," the Board of Directors monitored and discussed the progress of the plan, thereby accelerating its execution and addressing important issues.

Main deliberations at the Board of Directors are as follows:

- Reports and deliberations on the progress of the mid-term plan "Realize25" throughout the Company and at major divisions
- Reports and deliberations on the status of business execution during the current fiscal year
- Reports and deliberations on the status of operation of the internal control system, including the effectiveness and efficiency of operations, compliance with laws and regulations, information management, and crisis management
- Reports and deliberations on the status of initiatives to address sustainability issues, including environmental initiatives
- Reports and deliberations on the effectiveness evaluation of the Board of Directors

Requirements and composition of directors

The Nomination Advisory Committee, which consists of a majority of Independent Outside Directors, deliberates on candidates for Director, taking into account the diversity as well as the fields our company expects each Director to possess in relation to the experience, knowledge and abilities that the Board of Directors should possess in order to execute and supervise business in light of the distinctive nature and circumstances of our group's business. Then, the Board of Directors makes resolutions on candidates for Director and submits them to the General Meeting of Shareholders as proposals.

The following "field of capability that Yaskawa expect each director to demonstrate" are important fields in which we expect each director to demonstrate his or her abilities in deliberating our company's medium- to long-term business strategies, goals, policies, and measures at the Board of Directors, etc.

With regard to the succession plan, the Nomination Advisory Committee will proceed with the selection of candidates while deepening discussions on the overall policy.

Composition of the Board of Directors, Audit and Supervisory Committee, and Nomination/Remuneration Advisory Committee, and field of capability that Yaskawa expect each Director to demonstrate

Name	Position	Years served as a Director*1	Gender	Attributes	Structure						Field of capability that Yaskawa expect each director to demonstrate*2						
					Board of Directors	Audit and Supervisory Committee	Nomination Advisory Committee	Compensation Advisory Committee			Corporate management/ Business strategy	ESG/ Sustainability	Finance Accounting	Legal affairs	Sales Marketing	Manufacturing R&D/DX	Global
Hiroshi Ogasawara	Representative Director, Chairman of the Board	18	♂		◎		○				○	○			○	○	○
Masahiro Ogawa	Representative Director, President	6	♂		○		○	○			○	○			○	○	○
Yasuhiko Morikawa	Director, Senior Executive Officer	4	♂		○						○	○	○	○			○
Hisanori Makaya	Outside Director	–	♂	Outside, Independent	○		○	○			○	○			○	○	○
Takeshi Ikuyama	Director and Member of the Audit and Supervisory Committee	2	♂	Audit and Supervisory Committee Member	○	◎					○	○					○
Kaori Matsuhashi	Outside Director, Member of the Audit and Supervisory Committee	3	♀	Audit and Supervisory Committee Member, Outside, Independent	○	○	○	◎			○	○	○				○
Keiji Nishio	Outside Director, Member of the Audit and Supervisory Committee	2	♂	Audit and Supervisory Committee Member, Outside, Independent	○	○	◎	○			○	○			○	○	○
Yaeko Hodaka	Outside Director, Member of the Audit and Supervisory Committee	2	♀	Audit and Supervisory Committee Member, Outside, Independent	○	○	○	○			○	○		○			○

♂: Male ♀: Female

Outside: Outside Director as provided in Article 2-15 of the Companies Act

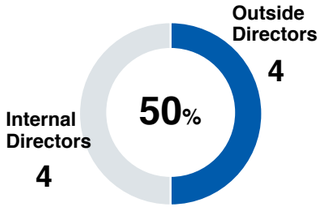
Independent: Designated Independent Director as stipulated by the Tokyo Stock Exchange

◎ Chairperson ○ Member

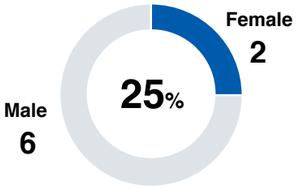
*1 As of May 28, 2025, at the 109th Annual General Shareholders Meeting.

*2 The table above does not cover all the expertise each Director possesses.

Ratio of outside directors



Ratio of female directors



Evaluation of the effectiveness of the Board of Directors

(1) Methods of analysis and evaluation

To ensure the effectiveness of the Board of Directors, the Company annually analyzes and evaluates the effectiveness of the Board of Directors.

In fiscal 2024, a questionnaire survey was conducted with all directors by a third-party organization.

The questionnaire consists of evaluation items related to overall management, such as the size, structure, and operating method of the Board of Directors, the functioning of the Board of Directors, management of business plans, support systems for outside directors, and management issues and strengthening of systems.

(2) Overview of the evaluation results and future initiatives

As a result of the questionnaire, more than 70% of the answers were affirmative, and less than 10% of the answers were negative. In particular, the following points are highly evaluated, and our company judges that the effectiveness of the Board of Directors is generally ensured.

- The Board of Directors resolves and approves proposals submitted to it after thorough discussion.
- A forum is set up for outside directors to properly understand the status of each division.

At the same time, the Company also attaches importance to the matters listed below that require improvement.

① Enhancement of discussion on allocation of management resources

② Enhancement of deliberations by the Nomination Advisory Committee and the Compensation Advisory Committee

In regard to ①, we will make improvements so that discussions can be conducted based on the content and approach of business strategies and measures, and as for ②, we will make improvements so that both committees can deliberate on important themes.

Fiscal 2024 activities of Audit and Supervisory Committee, Nomination Advisory Committee, and Compensation Advisory Committee

Audit and Supervisory Committee

The Audit and Supervisory Committee fully understands the current status of Yaskawa Electric based on information reported by the Internal Control Division, the Internal Audit Division, and the head office business divisions, while full-time Audit and Supervisory Committee Members conduct audits based on actual inspections. In addition, the Audit and Supervisory Committee carries out duties in cooperation with the Accounting Auditor, and monitors and verifies the duties of the Accounting Auditor.

The Audit and Supervisory Committee met 14 times in fiscal 2024. The following resolutions, discussions, and reports were made.

Resolutions:
Audit Committee audit policy, audit plan, division of duties, activity budget, audit report, evaluation and decision regarding dismissal and reappointment of accounting auditors, approval of accounting auditors' remuneration, prior approval of non-assurance services provided by accounting auditors, etc.

Discussions:
Draft audit implementation report of the Audit and Supervisory Committee, matters related to proposals and documents to be submitted to the regular shareholders' meeting, compensation amounts for directors serving as members of the Audit and Supervisory Committee, etc.

Reports:
Status of audit implementation by the Audit and Supervisory Committee, audit plans and implementation status by the Audit Department, audit reports and interim (quarterly) review reports by the accounting auditor, etc.

Nomination Advisory Committee

The Nomination Advisory Committee, of which the majority are independent outside directors, has been established under the Board of Directors to ensure the transparency and fairness of the nomination of director candidates, the selection process of representative directors and officers, etc., and to ensure a forum for outside directors to obtain sufficient information and discuss to form opinions on the nomination of director candidates, etc. When submitting proposals regarding the nomination, etc. of director candidates, etc. to the Board of Directors, the details thereof shall be fully reflected upon the report of the Committee.

The Nomination Advisory Committee met 3 times in fiscal 2024.

① The structure of the next Board of Directors and the appointment of executive officers (1 meeting)

② Succession planning, candidates for directors and executive officers, and recommendations for the appointment of representative directors and executive directors (2 meetings)

Compensation Advisory Committee

The Compensation Advisory Committee consisting of a majority of independent outside directors is established under the Board of Directors to ensure the appropriateness and transparency of the remuneration of directors (excluding directors who are Audit and Supervisory Committee Members) and executive officers through fair deliberations, and to ensure a forum for outside directors to obtain sufficient information and discuss the remuneration in order to form opinions. When submitting a proposal on remuneration for directors and officers to the Board of Directors, the Company deliberates on the remuneration for directors and officers calculated in accordance with the remuneration rules and other matters necessary for remuneration for directors and officers from the viewpoint of appropriateness, and after receiving a report from this Committee, fully reflects the contents of the proposal.

The Compensation Advisory Committee met 2 times in fiscal 2024.

① Remuneration for directors and executive officers calculated based on the Executive Compensation Regulations, etc.

② Future remuneration system for directors and executive officers

Directors' compensation

Basic policy on Directors' compensation

With the aim of continuously increasing corporate value and strengthening competitiveness, directors' compensation at Yaskawa is designed to maintain a level of compensation that secures talented human resources and provides incentives for short-term, medium- to long-term performance improvement.

Basic policy for performance-linked compensation

i) Single-year compensation
In order to raise awareness of the continuous improvement of profits as a whole, compensation will be paid according to the profit performance of the previous year.

ii) Medium- and long-term compensation
Raise awareness of improving corporate value over the medium to long term and share benefits with stakeholders.

Composition of Directors' compensation

Directors (excluding directors who are Audit and Supervisory Committee members)

a. Directors (excluding outside directors)
It consists of basic remuneration, which is fixed remuneration, performance-linked remuneration (single-year remuneration) and stock remuneration (medium- to long-term remuneration), which are linked to business performance. The setting of this index for stock-based compensation incorporates the Company's TSR relative to TOPIX and ESG targets, in addition to business performance.

b. Outside Directors
It consists of basic compensation and stock compensation.

Directors who are Audit and Supervisory Committee members

It consists of basic compensation and stock compensation.

Remuneration to Directors (Excluding Audit and Supervisory Committee members)

1. Basic compensation

At the 99th Ordinary General Meeting of Shareholders held on June 18, 2015, a resolution was passed to set a fixed limit of 430 million yen or less for the basic remuneration of Directors. Details are as follows.

Directors (excluding outside directors)

As directors assume the responsibility of improving corporate value, a certain amount will be paid according to the performance evaluation and position of each Director.

Outside directors

Outside directors are responsible for supervising the execution of duties, so an amount fixed in advance is paid.

2. Performance-linked compensation

The maximum amount of performance-linked remuneration (single-year remuneration) for directors was resolved as follows at the 99 Annual General Meeting of Shareholders held on June 18, 2015.

Directors (excluding outside directors)

In order to clarify the linkage with consolidated business results, the amount shall be no more than 1.0% of profit attributable to owners of the parent company of the previous fiscal year of the general meeting of shareholders elected or reappointed. The amount of remuneration for each director is calculated by taking into account the relative results to Yaskawa's business results from the standard deviation based on operating profit rate, operating profit growth rate and ROA of other companies in the same industry.

Outside directors

Performance-linked compensation is not provided.

3. Stock compensation (medium- to long-term compensation)

The Board Benefit Trust (BBT), a stock compensation system for directors, is a stock compensation system linked to the achievement of performance indicators in mid-term business plan. As a result, directors share not only the benefits of rising stock prices but also the risk of falling stock prices with shareholders, thereby encouraging directors to improve the medium- to long-term business performance and their motivation to increase corporate value. At the 105th Annual General Meeting of Shareholders held on May 26, 2021 it was resolved as follows:

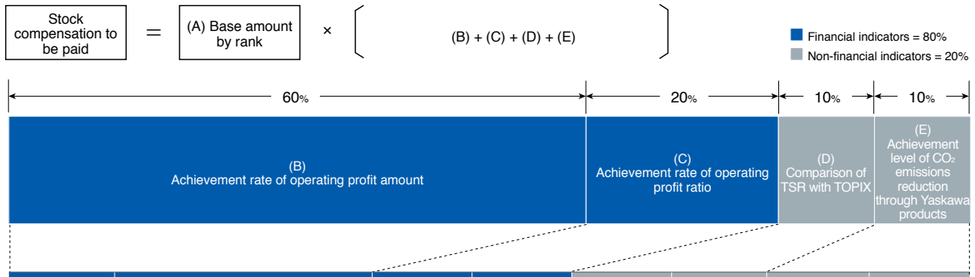
Director (excluding outside directors)

Please refer to "evaluation indicators and formulas for stock-based compensation for Directors (excluding Outside Directors)" on page 79 for evaluation indicators used to calculate stock-based compensation under the mid-term business plan "Realize 25" from FY2023 to FY2025. Stock-based compensation is calculated based on achievement coefficients and other factors corresponding to the target values of each evaluation indicator.

Outside directors

A predetermined number of points will be awarded based on the assumption that mid-term business plan goals are achieved (not linked to performance).

Evaluation indicators and formulas for stock-based compensation for Directors (excluding Outside Directors)



	Coefficient	(C)Achievement level	Coefficient	(D)Achievement level	Coefficient	(E)Achievement level	Coefficient
(B)Achievement level	Operating profit amount (Fiscal Year) / Average of target operating profit amount of "Realize 25" (85.0 billion JPY)	15% or above	2.0	110% or above	2.0	110% or above	2.0
		12% or above	1.0	100 % or above	1.0	100 % or above	1.0
		10% or above	0.5	90% or above	0.5	90% or above	0.5
		Less than 10%	0.0	Less than 90%	0.0	Less than 90%	0.0

(A) Base amount by rank (Standard amount for one year)
Considering the size and responsibilities of the areas in which Directors are responsible and their contribution to Group management, the Company sets the base amount according to their positions.
(B) Operational profit amount (fiscal year concerned)
Evaluations are based on operating profit amount for each fiscal year of the mid-term business plan "Realize 25" from FY2023 to FY2025.
(C) Operating profit ratio (fiscal year concerned)
The evaluation is based on the degree of achievement of operating profit ratio for the purpose of securing high competitiveness and growing into a highly profitable company.
(D) Comparison of TSR (total shareholders return) with TOPIX (fiscal year concerned)
Evaluations are conducted according to the degree of achievement of TSR with the aim of motivating directors to increase corporate value from the shareholders' point of view.
(E) Achievement level of CO_2 emissions reduction through Yaskawa products (fiscal year concerned)
In order to realize sustainable corporate activities and respond to social issues, Yaskawa evaluates the achievement of CO_2 emission reduction targets through its products.

Targets and results

		Fiscal 2024	
		Target (Standard value)	Results
(A)	Base amount by rank (Standard amount for one year)		
(B)	Operational profit amount (fiscal year concerned)	85.0 billion yen	50.1 billion yen
(C)	Operating profit ratio (fiscal year concerned)	12% to under 15%	9.3%
(D)	Comparison of TSR (total shareholders return) with TOPIX (fiscal year concerned	100% to under 110%	66.8%
(E)	Achievement level of CO_2 emissions reduction through Yaskawa products (fiscal year concerned)	100% to under 110%	128.6%

4. Policy on the proportion of each remuneration

Directors (excluding outside directors)

Performance-linked compensation (single-year compensation) and stock compensation (medium- to long-term compensation) are designed so that any improvement in performance is returned as compensation without any upper limit. For this reason, if the performance of the indicators used as the basis for calculation is good, the ratio of basic compensation is relatively small. On the other hand, if the performance of the indicators used as the basis for calculation is poor, the ratio of basic compensation is relatively large.

Outside directors

From the perspective of independence, performance-linked compensation will not be paid, and base compensation as well as non-performance-linked stock compensation only when performance targets are achieved will be paid. The proportion of outside directors' remuneration shall be as follows.

(a) In the event that stock compensation does not accrue
Basic compensation: Stock-based compensation = 100%: 0%
(b) When stock compensation is generated (when stock compensation is maximum)
Basic compensation: Stock-based compensation = 75%: 25%

Remuneration of Audit and Supervisory Committee members

1. Basic compensation

The maximum amount of basic remuneration for Directors who are the members of the Audit and Supervisory Committee was fixed at a maximum of 150 million yen per year and resolved at the 104th Ordinary General Meeting of Shareholders held on May 27, 2020.

2. Stock compensation

The Board Benefit Trust (BBT) for Directors who are Audit and Supervisory Committee Members is a stock compensation paid based on the assumption that mid-term business plan goals are achieved, in light of the fact that Directors who are Audit and Supervisory Committee Members perform monitoring functions such as management performance in order to ensure the achievement of mid-term business plan in addition to the functions of supervising business execution. In order to share value with shareholders, this remuneration is paid as a stock remuneration. The number of shares to be paid to Directors who are Audit and Supervisory Committee Members is not linked to business performance, and the value of the remuneration is linked only to Yaskawa's stock price, thereby eliminating the impact on the functions of supervising business execution of Directors who are Audit and Supervisory Committee Members.

The following resolution was adopted at the 105th Annual General Meeting of Shareholders held on May 26, 2021.

- A predetermined number of points will be awarded on the assumption that mid-term business plan goals are achieved (not linked to performance).

Methods of determining Directors' compensation

The maximum amount of total remuneration for Directors (excluding directors who are Audit and Supervisory Committee Members. Hereinafter referred to as "Directors") and Directors who are Audit and Supervisory Committee Members (hereinafter referred to as "Audit and Supervisory Committee Members".) is determined by resolution of the General Meeting of Shareholders. The remuneration of each Director is determined by the Board of Directors after deliberation by the Compensation Advisory Committee on the amount of remuneration calculated in accordance with the Officers' Compensation Regulations, etc. The remuneration of each Audit and Supervisory Committee Member is determined through consultation with the Audit and Supervisory Committee.

In addition, Yaskawa has established the Compensation Advisory Committee, of which the majority are independent outside directors, under the Board of Directors to ensure the appropriateness and transparency of compensation for directors and executive officers through fair deliberation.

With regard to the stock compensation system for Directors and Audit and Supervisory Committee Members, shares are scheduled to be paid to Eligible Directors upon retirement in accordance with the Officers' Share Benefit Rules.

Total amount of compensation, etc. by Director category, total amount of compensation, etc. by type, and number of applicable directors (Fiscal 2024)

Director category	Number of directors	Total amount of compensation (millions of yen)			
			Monetary compensation		Non-monetary compensation
			Basic compensation	Performance-linked compensation	Stock-based compensation
Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	4	515	224	245	45
Directors who are Audit and Supervisory Committee Members (excluding Outside Directors)	2	38	38	–	–
Outside Directors	4	63	63	–	–

(Note) The above includes 1 Director who was an Audit and Supervisory Committee Member retired at the conclusion of the 109th Annual General Shareholders Meeting held on May 29, 2024.

Risk management policies and systems

Yaskawa monitors risks related to management performance, including economic and market conditions, at the management committee and the Board of Directors. In addition, Yaskawa has established the basic rules for crisis management to promptly and accurately deal with risks that may directly or indirectly hinder the management or business operations of the Yaskawa Group. In accordance with these rules, Yaskawa has established the Risk Management Committee, which is operated by the Chairperson of the Risk Management Committee appointed by the President, and its specialized committees. The Risk Management Committee takes appropriate measures such as matters related to the development of the risk management system, planning and promotion of risk management education, risk assessment, and the establishment of countermeasures headquarters according to the level of occurrence. The condition of risk management is regularly reported to the management committee, Board of Directors, and the Sustainability Committee to supervise and monitor company-wide risk management and strengthen risk management.

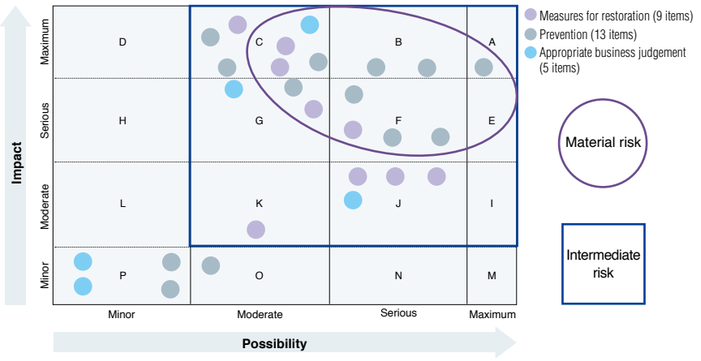
Risk management structure

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 27 risk items, visualizes them in the risk map (below), classifies them in terms of their impact and possibility, and implements appropriate measures for each item.

	Examples	Number of items	Measures	
❶ External risk	Natural disasters, terrorism, conflicts, infectious diseases, accidents, etc.	9	Measures for restoration	Risks to avoid
❷ Internal risk	Compliance risks such as information leaks, quality issues and cartels	13	Prevention	
❸ Risks associated with the conduct of business	Expansion into new fields, investment in R & D, etc.	5	Appropriate business judgement	Risks to take

Risk map (Classification of 27 risk items)



A part of material risks in the risk map, including countermeasures against them, are described on pages 30-33 of The 109th Securities Report for Fiscal Period Ended February 2025 (in Japanese) as important risks that may affect the Yaskawa Group's business performance, financial status, etc.. In addition, compliance, quality issues, natural disasters (such as earthquakes and floods), terrorism/disputes, and legal regulations are recognized as risks and measures are being taken.

Focus

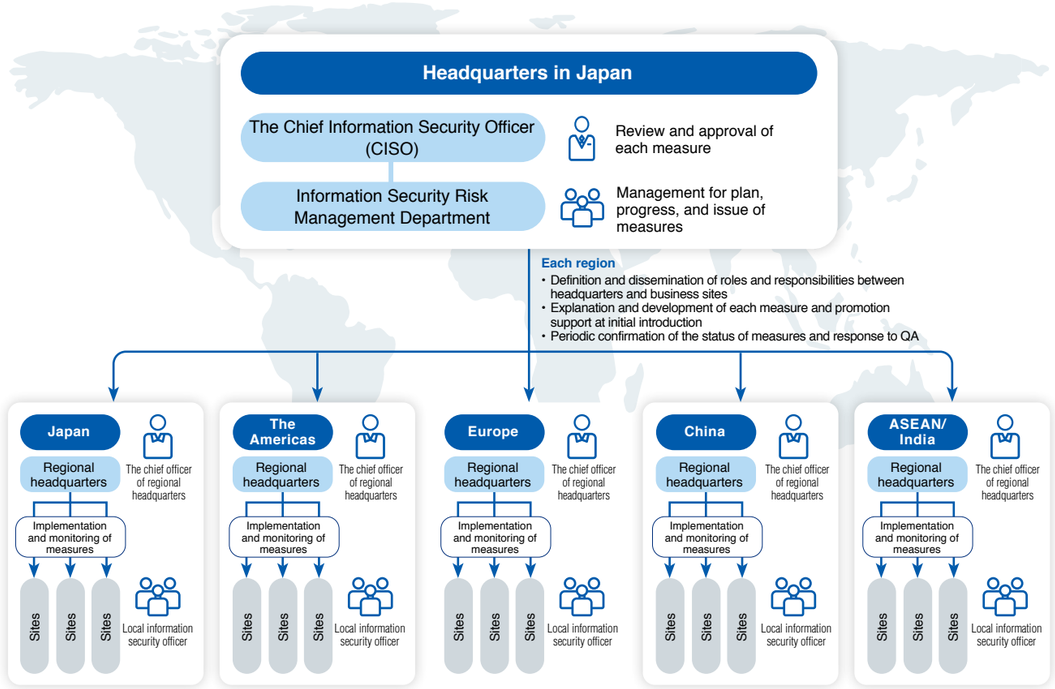
Measures for Information Security

With "zero trust security," Yaskawa Group information security basic policy, in mind, we will carry out robust information security management activities that are not affected by the external environment of the entire global Yaskawa Group. Specifically, in our YASKAWA Digital Transformation (YDX) promotion activities centered on i³-Mechatronics, we will appropriately implement security measures and emergency responses for the YASKAWA Data Lake, the storage location of our management and customer information assets, and our internal systems, while strengthening threat intelligence monitoring and response globally. Taking data and information as management resources, we will work to protect and continuously maintain our management and customer information assets from threats such as accidents, disasters, and crimes.

Information security system

Under the Chief Information Security Officer (CISO), the information security system is managed by security officers who are assigned to global bases, business divisions, and subsidiaries to systematically respond. The internal organization oversees the entire system through the Information Security Committee, and has incorporated an external SOC (Security Operation Center) into the three-line defense system to ensure routine monitoring of the risk management division and close cooperation with the CSIRT (Computer Security Incident Response Team). Please see here for the security operation system.

Global information security management system



Security education for employees

Yaskawa has established the Company Information Management Rules to ensure the safe management of information assets, including personal information. These regulations stipulate guidelines for information security action to be observed by officers and employees (including subcontractors), and we have prepared a Company Information Management Manual in accordance with these guidelines and provide training. Yaskawa classifies data received from business partners and internal data according to the level of confidential information, and appropriately implements the business processes from creation, acquisition, management of the scope of disclosure, and disposal. We also conduct an information security e-learning program for the group employees every year as part of internal education, and provide regular reminders to raise the awareness of individual employees about information security.

Directors (As of June 26, 2025)

Hiroshi Ogasawara

Date of birth: September 19, 1955

Representative Director, Chairman of the Board
Number of shares of the Company held: 617 hundred shares

[Past experience, positions and responsibilities]

March 1979	Joined the Company
June 2006	Director; Deputy General Manager, Motion Control Div.
March 2007	Director; General Manager, Drives Div.
March 2011	Director; General Manager, Motion Control Div.
June 2012	Managing Executive Officer; General Manager, Motion Control Div.
June 2013	Director; Managing Executive Officer; General Manager, Motion Control Div.
March 2014	Director; Managing Executive Officer; General Manager, Corporate Technology Div.
March 2015	Representative Director; Senior Managing Executive Officer; General Manager, Corporate Technology Div.
March 2016	Representative Director, President; General Manager, Corporate Technology Div.
March 2017	Representative Director, President; Manager, Diversity Management Div.
March 2018	Representative Director, President; Manager, ICT Strategy Div.
March 2022	Representative Director, Chairman of the Board; President
March 2023	Representative Director, Chairman of the Board (to present)

Masahiro Ogawa

Date of birth: August 25, 1964

Representative Director, President
Number of shares of the Company held: 245 hundred shares

[Past experience, positions and responsibilities]

March 1987	Joined the Company
December 2010	Regional Manager, The Americas; Director and Chairman, YASKAWA AMERICA, Inc.
June 2012	Executive Officer; Regional Manager, The Americas; Director and Chairman, YASKAWA AMERICA, Inc.
March 2016	Executive Officer; General Manager, Robotics Div.
May 2019	Director; Executive Officer; General Manager, Robotics Div.
March 2020	Director; Managing Executive Officer; General Manager, Robotics Div.
March 2022	Representative Director; Senior Managing Executive Officer; General Manager, Robotics Div.
March 2023	Representative Director, President; In charge of Human Resources Development; In charge of ICT Strategy; General Manager, Corporate Technology Div. (to present)

Yasuhiko Morikawa

Date of birth: June 11, 1962

Director, Senior Executive Officer
Number of shares of the Company held: 180 hundred shares

[Past experience, positions and responsibilities]

April 1985	Joined The Dai-Ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.)
April 2008	Corporate Officer, Corporate Planning Group, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
April 2010	General Manager, Gotanda Branch, Mizuho Bank, Ltd.
April 2012	General Manager, Financial Institutions Banking Division No.1, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
April 2013	Executive Officer, Mizuho Corporate Bank, Ltd.
May 2015	Joined the Company, Associate Director
March 2016	Executive Officer; General Manager, Tokyo Branch, Corporate Marketing Div.
March 2017	Executive Officer; General Manager in Finance, Corporate Planning & Finance Div.
March 2020	Executive Officer; Deputy General Manager, Corporate Planning & Finance Div.
March 2021	Senior Executive Officer; Deputy General Manager, Corporate Planning & Finance Div.
May 2021	Director; Senior Executive Officer; Deputy General Manager, Corporate Planning & Finance Div.
September 2021	Director; Senior Executive Officer; General Manager, General Affairs & Risk Management Div.
March 2022	Director; Senior Executive Officer; In charge of Compliance; General Manager, General Affairs & Risk Management Div.
March 2024	Director; Senior Executive Officer; General Manager, Tokyo Branch (to present)

Hisanori Makaya

Date of birth: May 2, 1958

Outside Director
Number of shares of the Company held: 10 hundred shares

[Past experience, positions and responsibilities]

April 1982	Joined Fuji Photo Film Co., Ltd. (currently FUJIFILM Holdings Corporation)
June 2015	Corporate Vice President and General Manager, Graphic Systems Division, FUJIFILM Corporation and President and Representative Director, FUJIFILM Global Graphic Systems Co., Ltd. (currently FUJIFILM Graphic Solutions Corporation)
December 2016	Director and Corporate Vice President, FUJIFILM Corporation
June 2017	Director and Senior Vice President, Fuji Xerox Co., Ltd. (currently FUJIFILM Business Innovation Corp.)
June 2019	Director and Executive Vice President, Fuji Xerox Co., Ltd.
April 2021	President and CEO, Representative Director, FUJIFILM Business Innovation Corp.
April 2022	Chairman and Director, FUJIFILM Business Innovation Corp.
June 2024	Outside Director, Niterra Co., Ltd. (to present)
May 2025	Outside Director of the Company (to present)
June 2025	Outside Director, ENEOS Holdings, Inc. (to present)

Takeshi Ikuyama

Date of birth: July 29, 1963

Director and Member of the Audit and Supervisory Committee
Number of shares of the Company held: 18 hundred shares

[Past experience, positions and responsibilities]

March 1986	Joined the Company
March 2013	Executive Officer; General Manager, Human Resources & General Affairs Div.
March 2017	Executive Officer; Chairman of the Board of Directors, YASKAWA ELECTRIC (CHINA) CO., LTD.
March 2019	President, Bestact Solutions Inc.
March 2023	Executive Officer; Audit Div.
May 2023	Director and Member of the Audit and Supervisory Committee (full-time) (to present)

Kaori Matsuhashi

Date of birth: June 7, 1969

Outside Director, Member of the Audit and Supervisory Committee
Number of shares of the Company held: 11 hundred shares

[Past experience, positions and responsibilities]

April 1993	Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
October 2002	Joined KPMG Tokyo Office (currently KPMG AZSA LLC)
April 2006	Registered as a Certified Public Accountant
July 2006	Joined Asset Investors Co., Ltd. (currently Merchant Bankers Co., Ltd.)
November 2007	General Manager, Corporate Planning Division, Asset Investors Co., Ltd.
March 2008	Joined MK Capital Management Corporation (currently IDERA Capital Management Ltd.), Executive Officer
May 2009	Established Luminous Consulting Co., Ltd. Representative Director (to present)
	Representative, Matsuhashi Kaori Certified Public Accountant Office (to present)
January 2014	External Auditor, NTS Holdings Co., Ltd.
June 2014	External Director, Spiber Inc. (to present)
June 2017	Outside Audit & Supervisory Board Member, Kakaku.com, Inc.
May 2019	Outside Audit & Supervisory Board Member, Seven & i Holdings Co., Ltd. (to present)
May 2022	Outside Director; Member of the Audit and Supervisory Committee of the Company (to present)

Keiji Nishio

Date of birth: February 19, 1959

Outside Director, Member of the Audit and Supervisory Committee
Number of shares of the Company held: 2 hundred shares

[Past experience, positions and responsibilities]

April 1981	Joined Snow Brand Milk Products Co., Ltd. (currently Megmilk Snow Brand Co., Ltd.)
June 2003	Executive Officer; General Manager, Dairy, Grocery Foods & Wine Marketing Dept., Snow Brand Milk Products Co., Ltd.
June 2004	Managing Executive Officer; Chief Operations Officer, Kanto Regional Sales Div., Snow Brand Milk Products Co., Ltd.
October 2009	Director; Executive Officer; General Manager, Sales Promotion Dept.; Chief Operations Officer, Kanto Regional Sales Div., Snow Brand Milk Products Co., Ltd.
April 2011	Executive Officer; General Manager, Marketing Control Dept., Megmilk Snow Brand Co., Ltd.
June 2013	Director; Executive Officer, Megmilk Snow Brand Co., Ltd.
April 2015	Representative Director; President, Megmilk Snow Brand Co., Ltd.
April 2022	Director; Senior Adviser, Megmilk Snow Brand Co., Ltd.
June 2022	Senior Adviser, Megmilk Snow Brand Co., Ltd.
May 2023	Outside Director; Member of the Audit and Supervisory Committee of the Company (to present)
June 2025	Outside Director, KUREHA CORPORATION (to present)

Yaeko Hodaka

Date of birth: March 20, 1966

Outside Director, Member of the Audit and Supervisory Committee
Number of shares of the Company held: 3 hundred shares

[Past experience, positions and responsibilities]

April 1992	Registered as an Attorney
	Joined Ishii Law Office
January 2005	Joined Morrison & Foerster, Partner
January 2011	Joined Baker & McKenzie (Gaikokuho Joint Enterprise), Partner
September 2020	Fellow, Centre for the Fourth Industrial Revolution Japan, World Economic Forum
June 2021	Outside Corporate Auditor, Sumitomo Heavy Industries, Ltd.
April 2023	Joined Isshiki & Partners, Partner (to present)
May 2023	Outside Director; Member of the Audit and Supervisory Committee of the Company (to present)
June 2023	Outside Corporate Auditor, Santen Pharmaceutical Co., Ltd. (to present)
March 2024	Outside Director, Sumitomo Heavy Industries, Ltd. (to present)

Executive Officers (As of May 28, 2025)

Senior managing executive officer

Shuji Murakami

Regional Manager, China

Senior executive officers

Michael Knapek

Regional Manager, the Americas
Chairman & CEO, Yaskawa America, Inc.

Nobuaki Jinnouchi

Regional Manager, Asia
Chairman & CEO, Yaskawa Asia Pacific Pte. Ltd.

Kenji Ueyama

General Manager, Motion Control Div.

Tatsuya Yamada

In charge of Compliance;
General Manager, General Affairs & Risk Management Div.
General Manager, Import & Export Administration Div.

Hiroshi Takata

General Manager, Corporate Sales & Marketing Div.
Department Manager, CRM Strategy Promotion Dept.
Corporate Sales & Marketing Div.

Ayumi Hayashida

General Manager, Corporate Branding Div.
General Manager, Human Resources Dept., Corporate Branding Div.

Manabu Okahisa

General Manager, Robotics Div.
Department Manager, Robotics Technology Dept., Robotics Div.

Yasushi Ichiki

In Charge of Administration,
In Charge of ESG.
General Manager, Corporate Planning & Finance Div.

Kozo Ide

General Manager, Drives Div.

Executive officers

Masahiko Okura

General Manager, Production Management Div.

Takenori Otsuka

General Manager, Quality & Service Div.
General Manager, West Japan Service Dept., Quality Service Div.

Michiaki Higuchi

General Manager, Procurement Div.

Shunrin Mizutani

Director, President, Yaskawa Tsusho (Shanghai) Co., Ltd.

Shoichiro Shimoike

General Manager, ICT Div.

Yasuo Adachi

Director, President, Yaskawa Electric (China) Co., Ltd.

Toshio Kawasaki

Deputy General Manager, Corporate Planning & Finance Div.
General Manager, Accounting & Finance Dept., Corporate Planning & Finance Div.

Yumie Kubota

General Manager of AI Robotics Div., Corporate Technology Div.
Representative Director, President, AI Cube Inc.

Hideaki Yoshimatsu

General Manager, Industrial Marketing Div.
General Manager, Central Japan Sales Branch
Global Market Manager, Secondary Battery Market, Industrial Marketing Div.

Seigo Yamada

President, Yaskawa Electric Korea Corp.

Marcus Mead

Regional Manager, Europe
Chairman & CEO, Yaskawa Europe GmbH

Tetsuyoshi Yamamoto

Deputy General Manager, Production Management Div.

Takahiro Uchiyama

Director, Yaskawa Europe GmbH

Hidenori Hara

Director, Yaskawa America, Inc.

Long-term Financial Data (FY2014-FY2024)

Japanese GAAP

(Fiscal year)		2014	2015	2016	2017*3	2018	2019
Net sales		400,153	411,260	394,883	448,523	474,638	410,957
Gross profit		126,890	134,147	124,018	154,174	156,353	124,496
Operating profit		31,532	36,730	30,409	54,126	53,098	24,198
Profit before income taxes		34,413	35,202	29,910	53,556	55,051	24,642
Profit attributable to owners of parent		24,819	22,365	20,397	39,749	42,524	15,572
Business Segment Information*1*2							
Motion Control	Net sales	188,116	187,548	172,025	212,095	213,260	180,446
	Operating profit	21,748	22,413	22,772	41,729	34,697	20,554
	Operating profit ratio (%)	11.6	12.0	13.2	19.7	16.3	11.4
Robotics	Net sales	135,956	154,068	139,993	163,379	177,995	152,170
	Operating profit	10,558	15,304	10,253	17,761	17,986	6,503
	Operating profit ratio (%)	7.8	9.9	7.3	10.9	10.1	4.3
System Engineering	Net sales	40,980	43,053	59,354	52,934	51,627	55,535
	Operating profit	-768	-760	-591	-3,794	-770	469
	Operating profit ratio (%)	-1.9	-1.8	-1.0	-7.2	-1.5	0.8
Sales by Destination *4							
Japan		144,246	135,495	134,205	133,896	154,539	151,481
The Americas		72,616	85,088	74,691	83,078	84,908	73,906
Europe		46,921	52,011	50,736	60,879	70,436	61,275
China		85,017	81,938	81,246	103,313	103,404	79,974
Asia except China		47,761	52,355	49,798	63,397	60,914	43,892
Other		3,590	4,370	4,205	3,957	435	428
Overseas sales ratio(%)		64.0	67.1	66.0	70.1	67.4	63.1
Cash Flow							
Cash flows from operating activities		29,023	31,954	33,752	46,054	34,347	21,480
Cash flows from investing activities		-27,874	-22,421	-18,936	-18,852	-27,111	-20,645
Free cash flows		1,149	9,533	14,816	27,202	7,236	835
Cash flows from financing activities		-1,471	-2,601	-16,453	-4,820	-10,268	491
Cash and cash equivalents at end of period		24,347	31,656	29,735	42,213	39,289	40,307
Per Share Information							
Earning (yen)		98.45	84.71	76.60	149.35	161.00	59.42
Dividends (yen)		20.00	20.00	20.00	40.00	52.00	52.00
End of the Fiscal Year							
Total assets		388,205	373,533	387,512	441,249	463,965	450,127
Interest-bearing debt		52,430	48,426	36,765	32,247	55,415	81,578
Shareholders' equity		171,388	181,281	198,513	235,865	243,967	228,362
Management and Financial Indicators							
Operating profit ratio (%)		7.9	8.9	7.7	12.1	11.2	5.9
ROE: Return on equity (%)		16.3	12.8	10.7	18.3	17.9	6.6
Shareholders' equity ratio (%)		44.1	48.5	51.2	53.5	52.6	50.7
Debt-to-equity ratio (times)		0.31	0.27	0.19	0.14	0.22	0.36
Dividend payout ratio (%)		20.3	23.6	26.1	26.8	32.3	87.5
Exchange Rate							
U.S. dollar (yen)		108.2	120.8	108.4	111.5	110.5	109.0
Euro (yen)		139.7	133.0	119.2	128.8	128.9	121.4

*1 Revisions were made to the division of businesses segments starting FY2017. The PV inverter business, which was previously included in Motion Control, is included in System Engineering. Figures and profit ratios of each segment for FY2016 reflect this change. The change is not applied to figures and profit ratios for the period up until FY2015.

*2 From FY2020, high-pressure AC drive systems were included in the Systems Engineering segment, but are now included in the Motion Control segment. Amounts and operating profit ratios for each segment are presented on the basis after the change of segments for FY2019 and before the change of segments for the period up to FY2018.

IFRS

(million JPY)

2020	2021	2022	2023	2024	(Fiscal year)	
389,712	479,082	555,955	575,658	**537,682**	Revenue	
116,370	168,644	192,006	209,100	**191,481**	Gross profit	
27,180	52,860	[illegible]	66,225	**50,156**	Operating profit	
27,172	55,378	71,134	69,078	**78,454**	Profit before tax	
18,927	38,354	51,783	50,687	**56,987**	Profit attributable to owners of parent	
					Business Segment Information*1*2*5	
176,014	227,260	252,126	269,416	**238,752**	Revenue	
24,576	38,161	36,193	38,975	**23,005**	Operating profit	Motion Control
14.0	16.8	14.4	14.5	**9.6**	Operating profit ratio (%)	
139,494	178,670	223,829	234,680	**237,413**	Revenue	
6,907	17,248	26,126	25,149	**23,751**	Operating profit	Robotics
5.0	9.7	11.7	10.7	**10.0**	Operating profit ratio (%)	
50,763	52,265	51,111	46,074	**38,352**	Revenue	
-1,030	2,126	2,574	4,857	**4,605**	Operating profit	System Engineering
-2.0	4.1	5.0	10.5	**12.0**	Operating profit ratio (%)	
					Revenue by Location *4	
135,908	150,190	162,405	159,576	**149,207**	Japan	
58,928	80,705	116,956	134,254	**129,473**	The Americas	
54,822	73,726	81,393	90,087	**72,965**	EMEA	
97,938	126,055	135,860	125,021	**113,086**	China	
41,818	48,405	59,339	66,718	**72,949**	Asia except China	
296	–	–	–	**–**	Other	
65.1	68.7	70.8	72.3	**72.2**	Overseas revenue ratio (%)	
					Cash Flow	
39,602	49,233	-2,209	54,619	**56,505**	Net cash provided by operating activities	
-9,601	-24,165	-19,694	- 29,346	**- 21,287**	Net cash used in investing activities	
30,000	25,067	-21,904	25,272	**35,218**	Free cash flows	
-20,284	-22,475	7,197	- 29,416	**- 15,673**	Net cash provided by (used in) financing activities	
50,953	55,151	42,274	40,279	**59,028**	Cash and cash equivalents at end of period	
					Per Share Information	
72.41	146.72	198.07	193.87	**218.62**	Earnings per share (yen)	
24.00	52.00	64.00	64.00	**68.00**	Dividends per share (yen)	
					End of the Fiscal Year	
487,428	559,038	653,132	702,335	**743,774**	Total assets	
76,543	68,046	99,565	95,901	**109,527**	Interest-bearing debt	
246,266	291,234	347,499	399,338	**431,188**	Equity attributable to owners of parent	
					Management and Financial Indicators	
7.0	11.0	12.3	11.5	**9.3**	Operating profit ratio (%)	
8.0	14.3	16.2	13.6	**13.7**	ROE: Return on equity (%)	
50.5	52.1	53.2	56.9	**58.0**	Ratio of equity attributable to owners of parent to total assets (%)	
0.31	0.23	0.29	0.24	**0.25**	Debt-to-equity ratio (times)	
33.1	35.4	32.3	33.0	**31.1**	Dividend payout ratio (%)	
					Average Exchange Rate	
106.0	111.5	134.1	143.2	**152.7**	U.S. dollar (yen)	
122.8	130.4	139.8	155.1	**164.0**	Euro (yen)	

*3 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.

*4 Regional revenue is disclosed by destination up to FY2020, and by location since FY2021.

*5 From FY2024, we revised the segment classification of PV inverter, which had been included in the System Engineering segment, to be included in the Motion Control segment. Amounts and operating margins for each segment are presented based on the revised information for FY2023 and on the basis before segment changes up to FY2022.

IR Activities and External Evaluation

IR activities

Yaskawa believes 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 members actively engage in dialogue with shareholders and investors. In fiscal 2024, IR activities were conducted as shown in the table below.

In addition, to enhance engagement with shareholders, we held SR meetings with shareholders in Japan and overseas and discussed ESG and management issues. The opinions received during the discussions are fed back to the management, and are used to improve management measures.

IR activities	Results
Results briefing for analysts and institutional investors (telephone conference, etc.)	6 times
One-on-one meeting with institutional investors	462 meetings
Conference meeting hosted by securities companies	36 meetings
Meeting at NDR	44 meetings
Seminar for individual investors	3 times

Results briefing

External evaluation of IR activities

IR website

Daiwa Investor Relations Co., Ltd.

2024 Internet IR Awards
Excellence Award

2024 Internet IR Sustainability
Excellence Award

Nikko IR Corporation

Ranking of all listed company websites in FY 2024
Best site (General award)

Broadband Security Co., Ltd.

Gomez IR Site Ranking 2024
Excellent Company: Bronze Prize

Inclusion in ESG index

Yaskawa was included in the following indices as of July 2025.

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

STOXX Member 2024/2025 Platinum Career Index

FTSE4Good

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

2025 Sompo Sustainability Index

Corporate and Stock-Related Information

Corporate information (As of February 28, 2025)

Corporate name:	YASKAWA Electric Corporation
Head office:	2-1 Kurosakishiroishi, Yahatanishi-ku, Kitakyushu 806-0004, Japan
Founded:	July 16, 1915
Share capital:	30,562 million yen

Employees:	12,833 Consolidated
Number of consolidated subsidiaries:	71 companies
Number of affiliates accounted for by the equity method:	13 companies

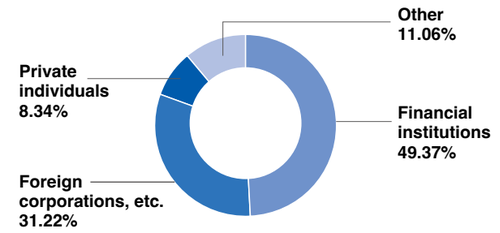
Stock and shareholder information

(As of February 28, 2025)

Stock Information

Securities code:	6506 (Japan)
Business year:	March 1 to the last day of February of the following year
Record date for dividend payout:	Last day of February and August 31 of each year
Month of the Ordinary General Meeting of Shareholders:	May
Number of shares outstanding:	266,690,497
Number of shares circulating (unit):	1,596,182 units
Ratio of shares circulating:	59.85%
Stock exchange listings:	Tokyo (Prime market), Fukuoka
Share unit:	100 shares
Number of shareholders:	41,080

Share distribution by shareholder type

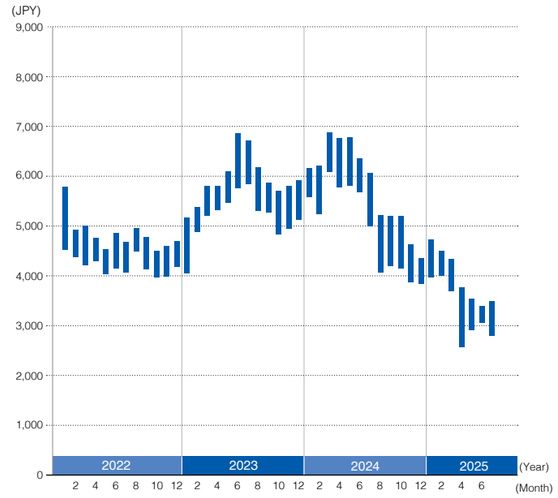


Major shareholders

Major shareholders (Top 10 shareholders)	Number of shares (Thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	48,510	18.65
Custody Bank of Japan, Ltd. (Trust Account)	25,349	9.75
THE BANK OF NEW YORK 133969	8,981	3.45
Mizuho Bank, Ltd. (MHBK)	8,100	3.11
Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank, Limited Employee Retirement Benefit Trust Account)	7,439	2.86
Meiji Yasuda Life Insurance Company	7,230	2.78
The Bank of Fukuoka, Ltd.	5,100	1.96
STATE STREET BANK WEST CLIENT – TREATY 505234	4,942	1.9
BANK PICTET AND CIE (EUROPE) AG, SUCCURSALE DE LUXEMBOURG REF UCITS	4,611	1.77
SMBC Nikko Securities Inc.	4,371	1.68

Note: Treasury stock (6,623,784 shares) is deducted in the calculation of the shareholding ratio.

Company share price (From January 2022 to July 2025)



Note: The prices displayed are the monthly high and low prices traded at Tokyo Stock Exchange.

Stock price indicators and data (As of the end of FY)

	2020	2021	2022	2023	2024
Price Earnings Ratio (PER) (Times)	73.47	31.15	27.06	31.56	18.45
Price Book-value Ratio (PBR) (Times)	5.65	4.10	4.03	4.00	2.49
Market capitalization at the end of the period (million JPY)	1,418,793	1,218,776	1,429,461	1,631,879	1,075,563

YASKAWA

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2025.9 P027E-01