

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.

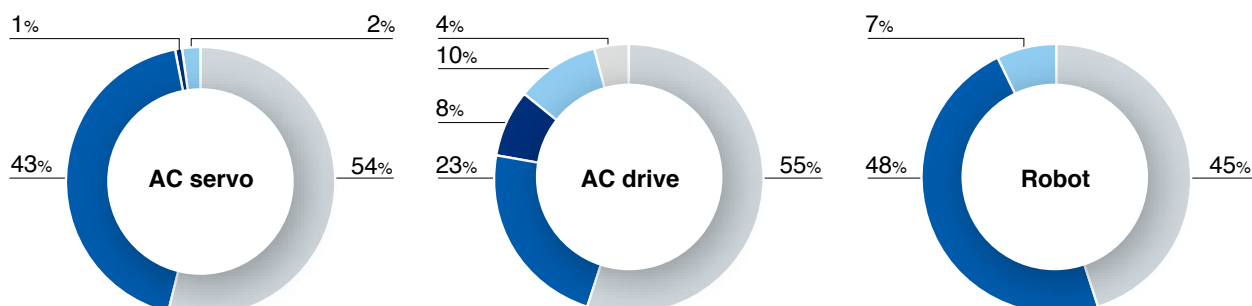


Masahiko Okura

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.

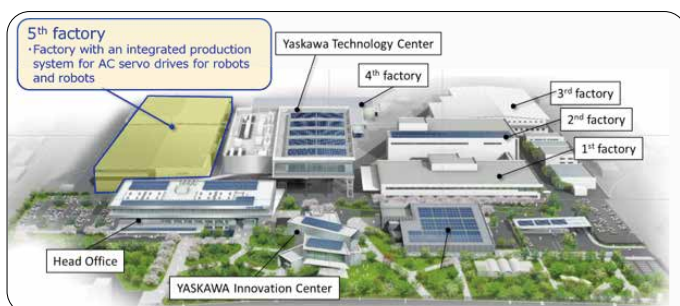
Investment plan for realizing global optimized production

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		●	●
	Europe	Slovenia	● Consolidation of European logistic functions		●	
	Americas	United States	● Consideration of production of robots		●	
			● New manufacturing base for motion solutions for semiconductor industry		●	
			● New drives factory (relocation)		●	

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.

Overall human resources strategy

Human capital initiative

Human resources requirements for business strategy execution

Human resources who can contribute to solving customer problems

Key items	Desired outcome	Initiatives	Progress in FY2024
1. Deepening the understanding of Yaskawa Principles	Implement the concept of i-Mechatronics by concentrating the vectors of all employees, from management to general employees, toward the achievement of Vision 2025	- Reorganize the corporate motto and educate employees to promote the principles - Implement principles education by management - 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	- 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 - Create an environment in which diverse human resources can perform their duties smoothly	- Increase female employment ratio - Female career advancement training - Recruit experienced professionals - 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-learning for all employees in August and November 2024
3. Training and optimal placement of professional human resources	- Increase the competitiveness of the organization by increasing the number of professionals and flexibly respond to changes and crises - Develop employees through their work so that they realize their contribution to business activities and improve their job satisfaction	- Visualization of career paths by department - Future management leader training - Promotion of FA System - KAIZEN30 activity - 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	- Create an environment where employees with diverse lifestyles can increase productivity and achieve results - Eliminate diseases and injuries caused by working at the company, and realize a healthy, safe, cheerful and rewarding workplace by supporting health promotion	- Introduction of time- and location-independent working system using telework and ICT - Career design follow-up training for mid-to-senior employees (expanding work options to fit individual lifestyles) - 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			
ES questionnaire (employee awareness survey)	12 times (1 time/month)*6	Direct dialogue with management (dialogue meetings)	3 times

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).

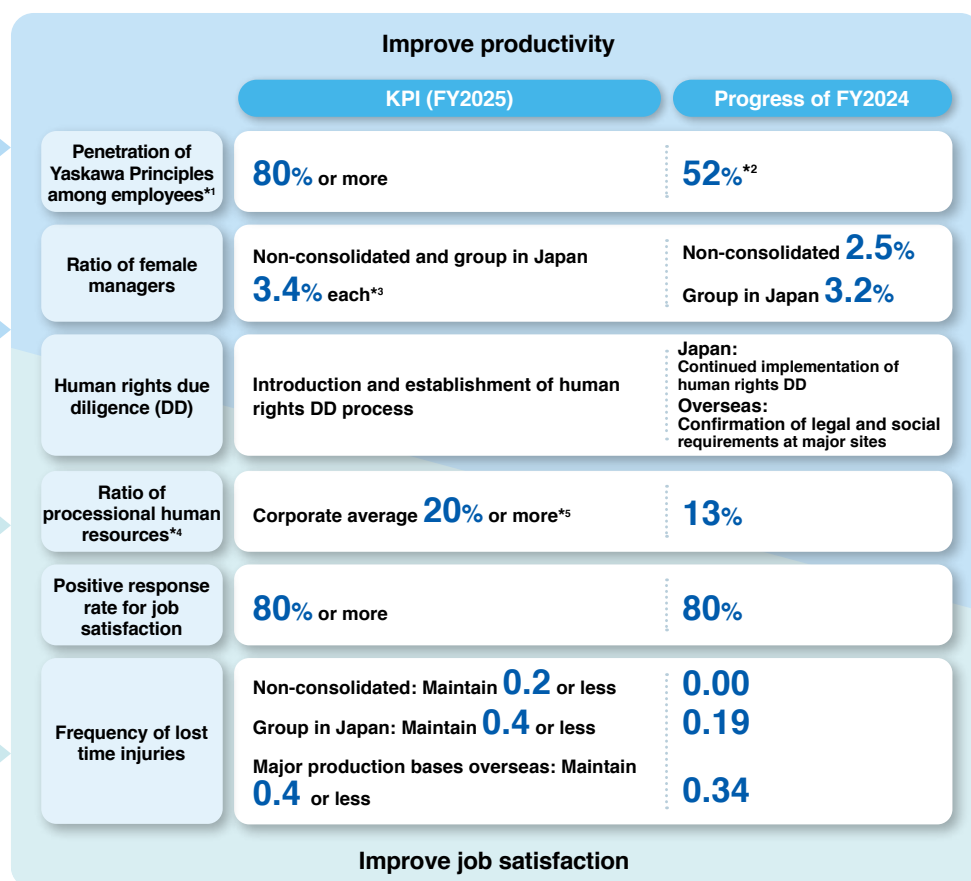
I believe that visualization, analysis, and utilization of human resource data are extremely important in securing the diverse human resources necessary to realize YASKAWA Group's long-term vision and are indispensable for the sustainable growth of the company.



Ayumi Hayashida

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

atives



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%

*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

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

Recruitment of experienced professionals

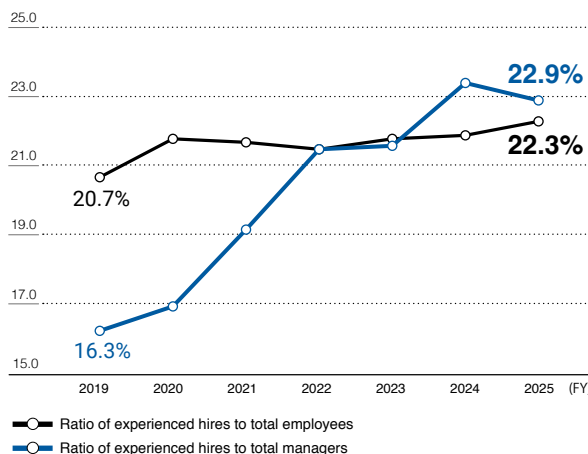
In order to secure the personnel necessary to realize our management strategy, we actively recruit professionals with experience in each field and the ratio of experienced hires to total hires is increasing year by year. We actively provide them with challenging opportunities, so that they can be selected 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



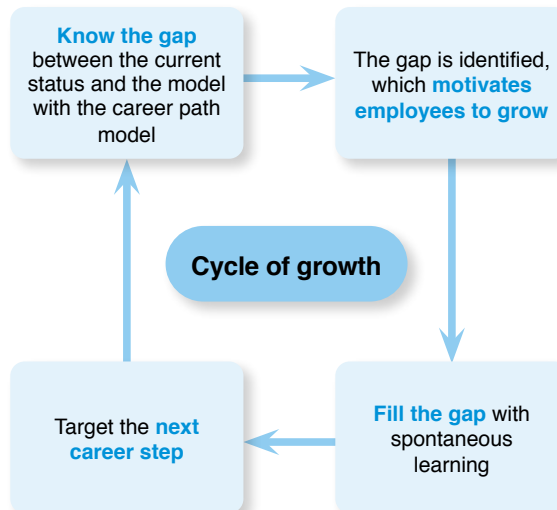
Localization of overseas operations

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 shared 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-fulfillment 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.



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

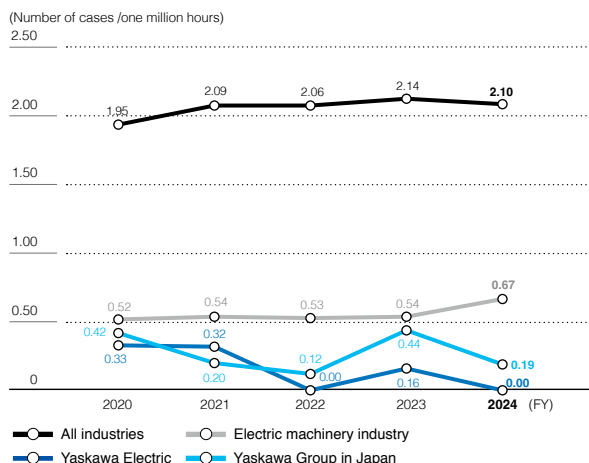


We are implementing the following measures to create a safe and healthy work environment.

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.

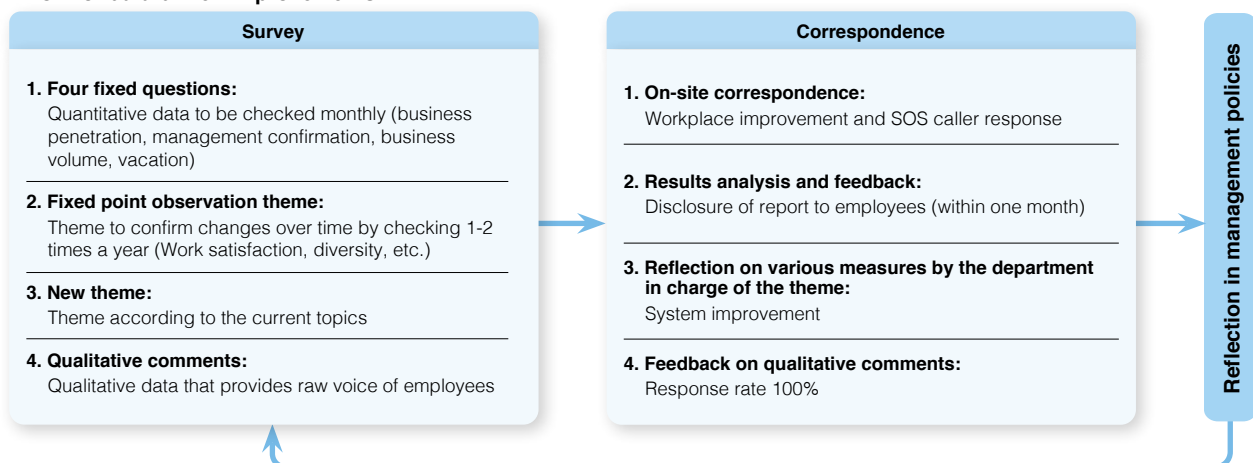
The survey in FY2024 also revealed that there was room for improvement in terms of “sense of accomplishment at work” and “sense of growth through work.” We will prioritize these issues as key focus areas and take proactive steps to address them.

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%

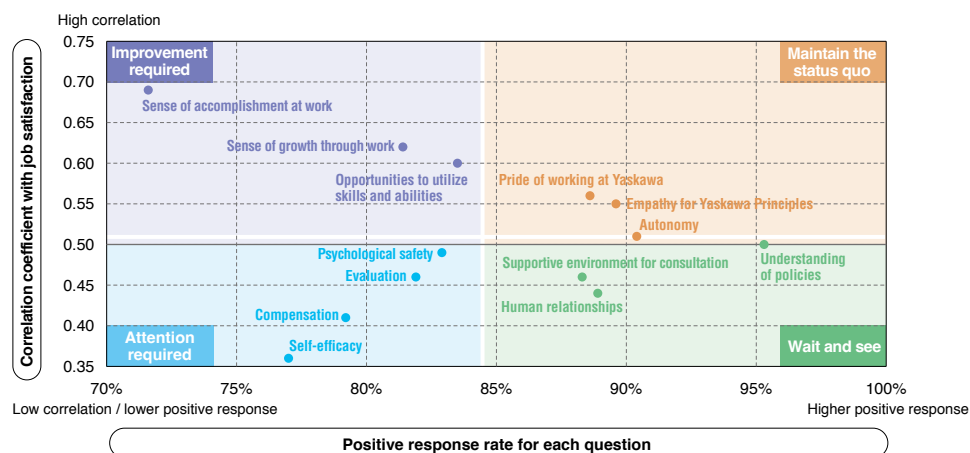
*Percentage of employees who responded that they felt internal changes and effects with the ES questionnaire over the past year

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.



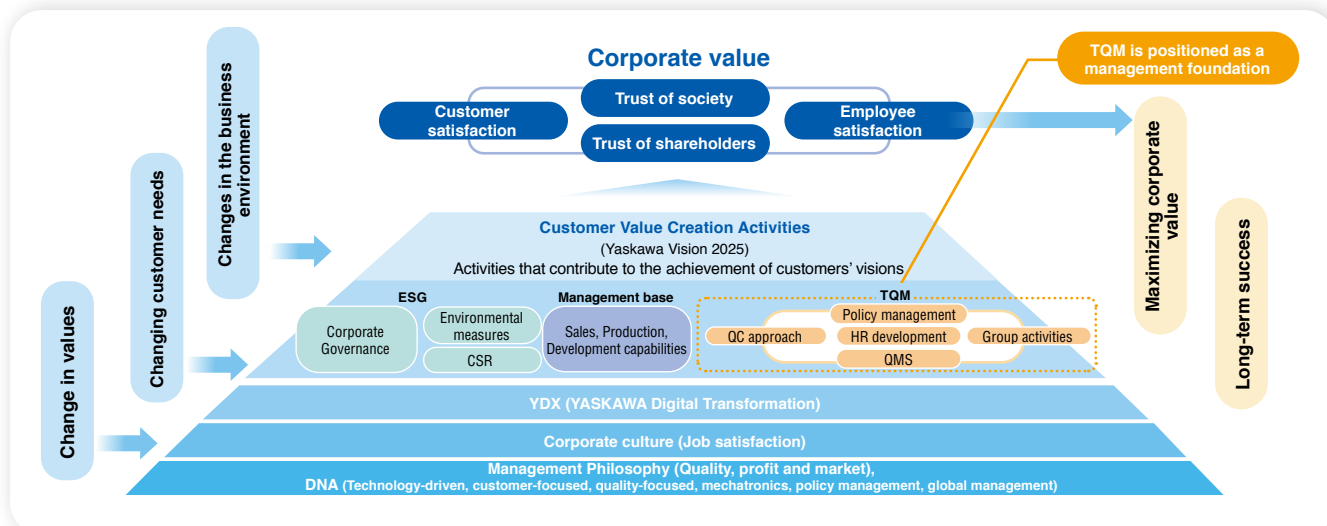
Efforts to improve corporate value

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



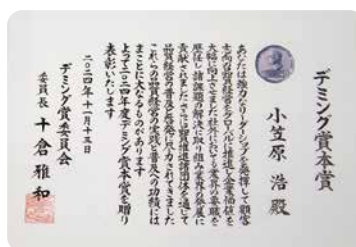
Enhancing quality management through digital management

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.

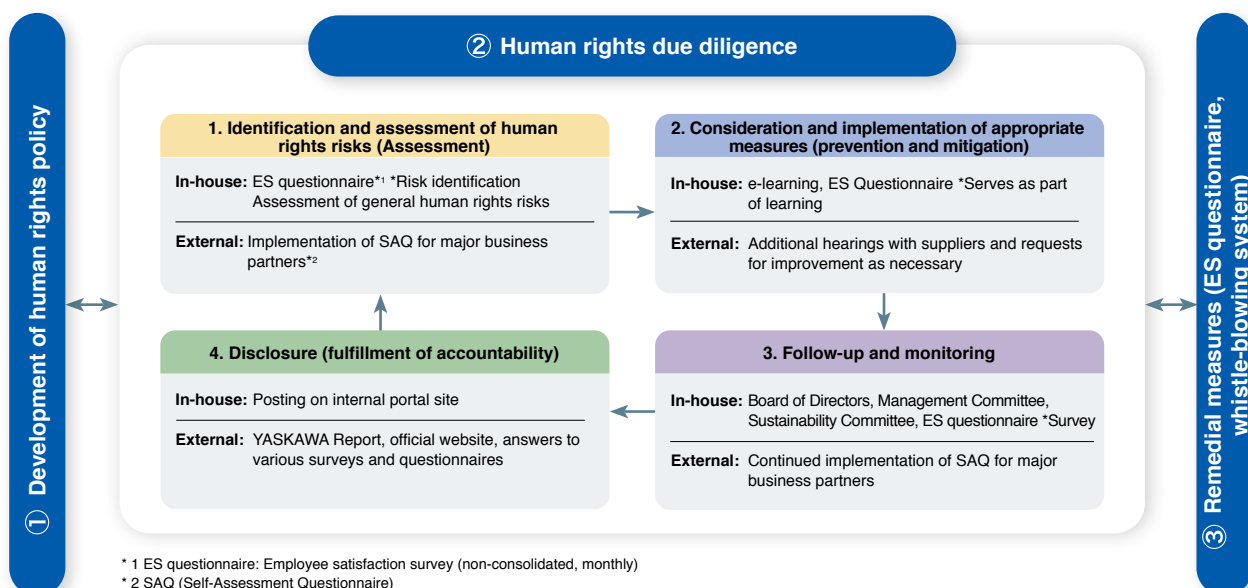
With regard to these initiatives, the Sustainability Committee, chaired by the president, regularly discusses and monitors these measures, and the Board of Directors deliberate and make decisions on important matters.

► 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.



► 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 question-

naire 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.

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.

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.