

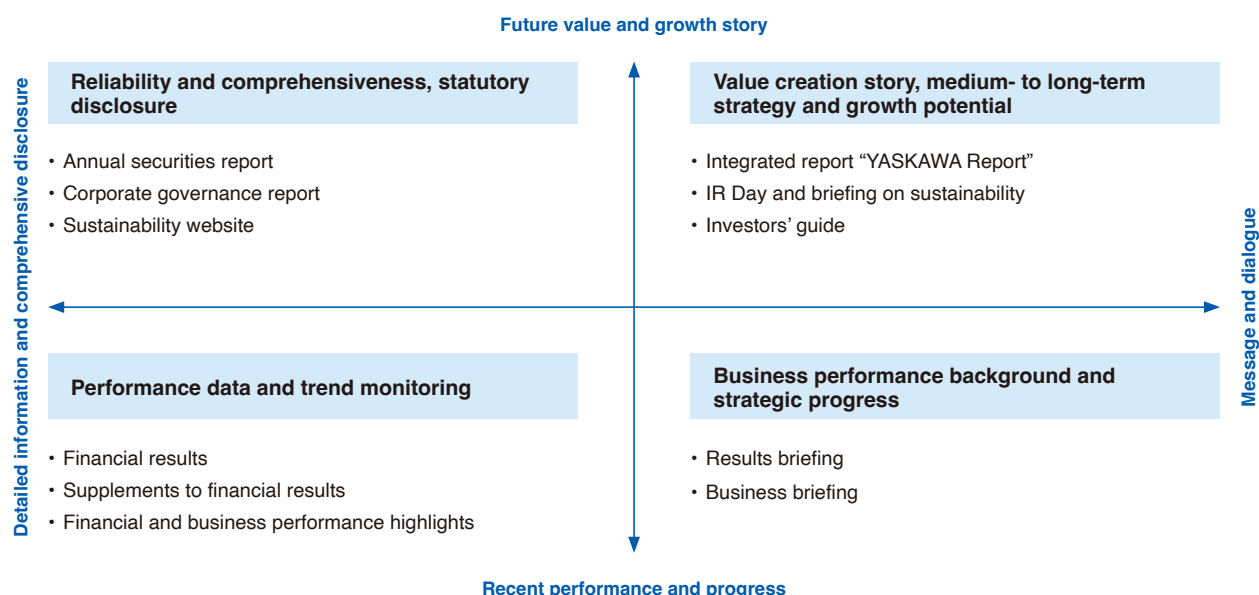


YASKAWA

YASKAWA Report 2026

Positioning and editorial policy of the YASKAWA Report 2026

Yaskawa Group has established a disclosure framework that clearly defines the role of each reporting medium, enabling investors and shareholders to efficiently access the information they need according to their specific objectives. In recent years, as statutory disclosure requirements have expanded to include sustainability-related information, integrated reports have come to be expected not only to provide comprehensive information, but also to serve as a compelling value creation narrative and a starting point for constructive dialogue with stakeholders. The YASKAWA Report is positioned as the Group's principal voluntary disclosure medium, designed to articulate the Yaskawa Group's value creation story beyond what can be fully conveyed through statutory disclosures. It illustrates how strategy, technology, human resource, financial and capital resources, and governance are interconnected to drive sustainable enhancement of corporate value.



Key Points of the YASKAWA Report 2026

Point
1

In Message from the Chairman and President, under the long-term business plan "Vision 2035" and the mid-term business plan "Dash 35," the Yaskawa Group's commitment to evolving from a product-centered business into a solutions company that supports customers in solving their challenges is presented. The message highlights Yaskawa's challenge of advancing its solution concept, "i³-Mechatronics," through the integration of AI and evolving it toward "i³-Singularity." It also demonstrates a strong commitment to the sustainable enhancement of corporate value through growth strategies aimed at achieving "operating profit of 100 billion yen" and "a market capitalization of two trillion yen."

Point
2

In Special Feature, through interviews with Vice Chairman Ogawa, customers, partner companies, and a factory manager, the Yaskawa Group's vision for its next stage of growth is presented from multiple perspectives. The article explains how Yaskawa is driving its transformation into a company that contributes to solving customer challenges through the expanded implementation of "i³-Mechatronics" and its efforts to capture opportunities in the physical AI market. Through the voices of stakeholders from both inside and outside the company, it highlights Yaskawa's initiatives to create value through co-creation and realize "Vision 2035."

Point
3

In the Directors' Roundtable Discussion, the participants reflect on the process of formulating "Vision 2035" and "Dash 35," while discussing the role of the Board of Directors and the key points addressed in board deliberations. The feature also explains the Board's perspectives as a body composed of directors with diverse knowledge and experience, as well as the director nomination process designed with a view toward enhancing corporate value. By highlighting the governance framework responsible for strategy formulation, execution, and progress monitoring, it provides insight into how Yaskawa pursues sustainable growth and the medium- to long-term enhancement of corporate value.

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 2026 (from March 1, 2025 to February 28, 2026)

*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

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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.

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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 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.

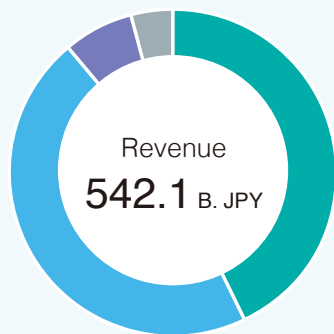
In particular, the following five items comprise our daily action guidelines.

- ✓ 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.



YASKAWA at a glance

FY2025 revenue breakdown by business segment



■ Motion Control

43%

■ Robotics

46%

■ System Engineering

7%

■ Other

4%

Motion Control

236.1 B. JPY

AC servo motors and controllers (51%*)

- AC servo drives and controllers
- Linear motors

Drives (49%*)

- AC drives
- PV inverters
- PM motors

* Revenue composition in Motion Control segment



AC servo drives
"Σ-X series"



Yaskawa AC drive
"GA 700 series"



New machine controller
"MPX1310 series"

Robotics

247.0 B. JPY

- Industrial robots
Arc and spot-welding robots, painting robots
Handling robots
- AI robots "MOTOMAN NEXT"
- Collaborative robots
- Semiconductor wafer transfer robots
- Biomedical robots



AI Robot "MOTOMAN NEXT series"



Collaborative robot
"MOTOMAN-HC30PL"

System Engineering

38.7 B. JPY

- Electrical systems for steel plants
- Electrical systems for port material handling
- Electrical systems for water supply and sewage



Electrical systems for steel plants



Port cranes

Other

20.3 B. JPY

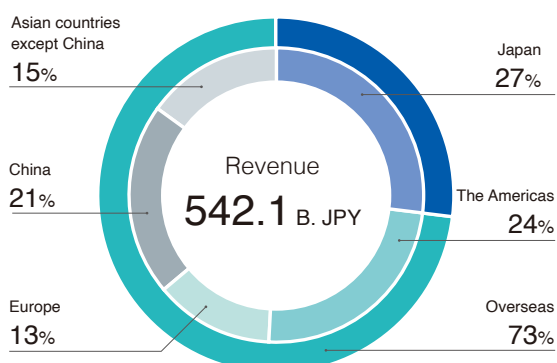
- Logistics, etc.

Business locations **Approx. 30 countries**

Production sites **13 countries, 25 sites**

Number of consolidated subsidiaries **54 companies**

Revenue breakdown by location



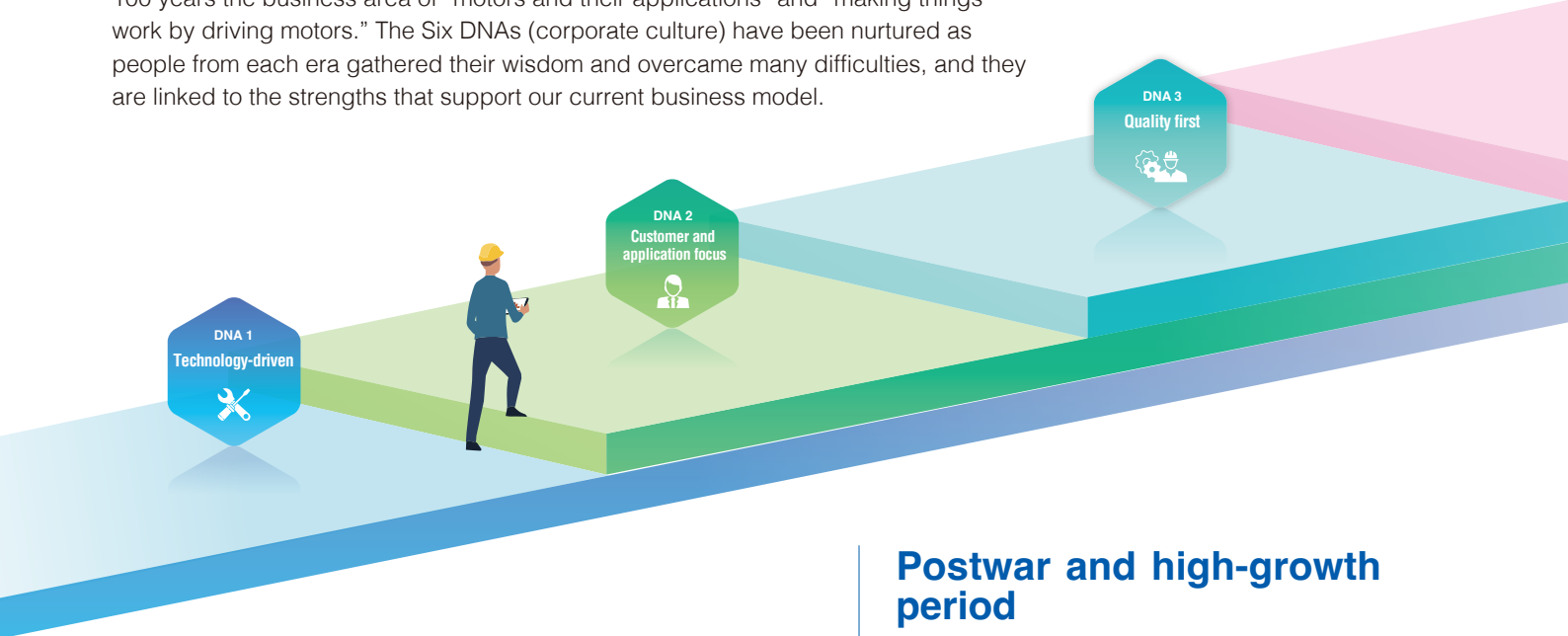
Global network

(As of February 28, 2026)



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 work 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.



Founding period

1915-

Do not rely on imports—contribute to society through our own technology

In 1915, founder Daigoro Yasukawa established Yaskawa Electric. At the time, most electrical equipment used in coal mines was imported. Rather than simply imitating overseas products, he sought to develop technologies of his own and deliver them from Japan to the world. This challenge became the origin of YASKAWA's DNA as a “**technology-driven**” company.



Founder
Daigoro Yasukawa



Factory exterior
(1919 – Kitakyushu City)

Go the extra mile—think beyond the product

The year after Yaskawa's founding, Daigoro established a sales policy that placed customer satisfaction above profits, emphasizing wholehearted dedication to customers. As Yaskawa products began to be used in the field, he realized that simply supplying motors was not enough.

Understanding how products would be used and providing the optimal solution for each application became essential. This mindset became the origin of Yaskawa's DNA of “**customer and application focus**.”



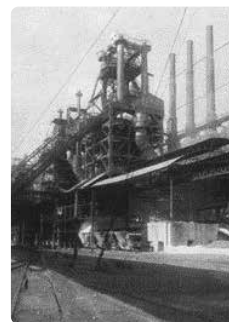
Writings and biographies of Daigoro

Postwar and high-growth period

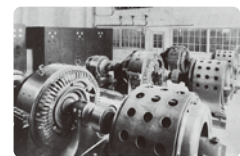
1945-

Never stop operations—that's why quality comes first

In the postwar period, production facilities in industries such as steelmaking and textile manufacturing increasingly operated around the clock. Products used in these environments had to meet exceptionally high standards, as even a single failure could bring a customer's operations to a halt. As a result, uncompromising quality was essential. Meeting these rigorous demands led to the establishment of “**quality first**” as one of Yaskawa's core DNAs.



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



Mechatronics and FA era

1970-

Leading industrial automation through the integration of “machines and control”

Yaskawa has long pursued “the integration of customers’ machines with Yaskawa motors and control devices to deliver higher levels of performance.” In 1969, the Company introduced the concept of “**mechatronics**,” combining mechanisms and electronics. By integrating these technologies and optimizing the performance of entire machines, Yaskawa helped pioneer a new approach to industrial automation. This concept became the origin of Yaskawa’s “mechatronics” DNA.



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

Turn vision into action

Although the new vision of “mechatronics” had been established, it was not fully embraced across the organization at first. To address this challenge, Yaskawa built a framework to align the entire organization and ensure consistent execution. Under this framework, development, production, and sales organizations each assumed clear roles and targets while working toward shared objectives. Through this systematic approach, known as TQC (Total Quality Control), the

vision was translated into action throughout the organization. The accumulation of these efforts became the origin of Yaskawa’s DNA of “**policy management**.”



Received Deming Prize (1984)

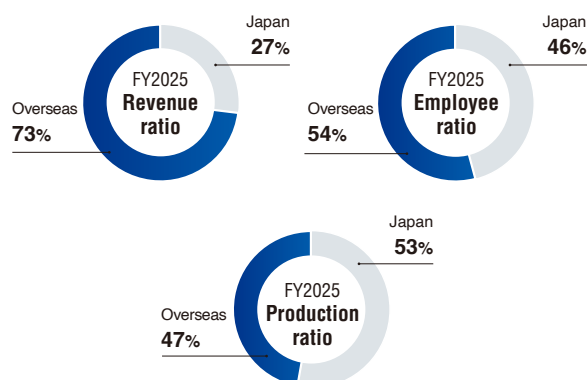
Global expansion

1990-

Delivering value globally through a local presence

As Yaskawa expanded its global business, it came to realize that simply bringing products developed in Japan to overseas markets was not enough to deliver true value to customers. Instead, products and services needed to be adapted and optimized to meet the needs of each region. Yaskawa also localized its manufacturing operations, shifting to a policy of local production for local consumption by producing products where they were needed most. Through these efforts, Yaskawa established its “**glocal**” DNA, combining worldwide strengths with solutions optimized for each local market.

FY2025 overseas ratio (Revenue/employee/production)



From “moving things” to “creating value through data”

Until now, Yaskawa has created value by applying its technologies and automation expertise to move and control physical assets in the field.

The next stage is to leverage data to transform management and operations as a whole. In 2017, Yaskawa introduced “i³-Mechatronics”, a concept that creates greater value by connecting data with machines and control technologies. In 2026, we further expanded this concept and introduced “i³-Singularity”, which integrates AI with i³-Mechatronics. This new concept establishes decision-making and execution as repeatable, scalable processes, driving management optimization, manufacturing innovation, and implementation in real-world operations and society. As we move toward realizing this new world, a new Yaskawa DNA is beginning to emerge.





Message from the Chairman and President

Continuing to Take on the Challenge of Creating Customer Value and Solving Social Issues through Data and AI

Launch of the new long-term business plan and new mid-term business plan

In May 2026, the Yaskawa Group launched its new long-term business plan, the “Vision 2035” (FY2026-FY2035), which looks ahead to the next

decade, and its new mid-term business plan, “Dash 35” (FY2026-FY2029), the first four-year phase toward realizing that vision. Since its establishment more than 110 years ago, Yaskawa Electric has consistently focused on “motors and their applications” as its core business area. Over the years, we have advanced our core technologies in motion



control, power conversion, and robotics. Going forward, we will continue to pursue world's first and best technologies while moving forward with determination to further expand the field of mechatronics, which is part of our DNA.

In May 2026, I assumed the position of Chairman of the Board; President once again after an interval of three years. The direction of our management remains unchanged. Building on our achievements to date, including business strategies based on the “i³-Mechatronics” solution concept and the enhancement of our management foundation through YDX (YASKAWA Digital Transformation), we will continue to strengthen and evolve these initiatives while aggressively

promoting business expansion in AI robotics and New mechatronics application fields.

Today, the world is undergoing a major transformation driven by AI. It is no exaggeration to say that every aspect of society and industry is connected to AI in some way. By capturing the opportunities created by this transformation and advancing both business expansion and management foundation enhancement, we will drive further growth for the Yaskawa Group.

From “products” to “customer value”: the transformation brought about by “i³-Mechatronics”

Under our previous mid-term business plan, “Realize 25,” I saw firsthand how the concept of “i³-Mechatronics” became firmly established both within our company and among our customers.

Within our company, our mindset has evolved from being centered on providing products to focusing on our customers’ needs, namely the improvements and advancements they seek to achieve. As a result, we have strengthened our ability to provide solutions that enhance customers’ productivity and competitiveness. In the past, our performance was more susceptible to market fluctuations, and earnings could decline significantly during economic downturns. However, by increasing added value through solution-based offerings and optimizing our business portfolio, we have built a business structure capable of generating stable profits regardless of market conditions. This has also enabled us to make proactive investments aimed at achieving sustainable growth.

Our relationships with customers have also evolved into deeper, longer-term partnerships centered on solution proposals. In addition, collaboration with a wide range of partners possessing advanced technologies and expertise has expanded significantly. I believe this reflects the trust and expectations our partners place in our company.

The thinking behind “Innovative Technologies”

In our new long-term business plan, “Vision 2035,” we have set forth a commitment to contributing to solve humanity’s challenges through innovative technologies. This reaffirms the importance of being technology-driven, which was one of our founding



principles and the part of our DNA.

The essence of our business model is simple: to provide products and solutions that are valued by our customers. To continue earning their trust and recognition, we must continue delivering unique value that only our company can provide. This is why we place great emphasis on developing world's first and best products. Our mission is to continue contributing to the resolution of our customers' challenges by understanding the direction in which they seek to evolve and grow, anticipating those needs, and delivering technologies that make them a reality.

Building on our business area of "motors and their applications" and our core technologies in motion control, power conversion, and robotics, we will expand into the Physical AI market and New mechatronics application fields.

Achieving the goals of "Dash 35"

Under our new mid-term business plan, "Dash 35," we have established operating profit and operating profit margin as our most important key goal indicators (KGIs), with targets of 100 billion yen in operating profit and an operating profit margin of 15.4% in FY2029. Achieving these targets will require greater management efficiency and speed. We must leverage data and AI to transform the way we work and reshape our business structure.

AI will fundamentally change the way companies operate. Looking back, personal computers and the internet brought significant changes to society and business activities in the 1990s. Companies that embraced these technologies early and made effective use of them achieved substantial growth, while those that were slow to adapt and continued relying on conventional approaches lost their competitiveness. We are now witnessing a similar transformation driven by AI. A decisive gap will emerge between companies that effectively utilize AI and those that do not. The key to achieving

higher profitability lies in every employee engaging with AI, learning how to use it effectively, and having the courage to entrust work to AI.

A new world enabled by “Data and AI”

Since assuming the role of President in 2016, I have promoted data-driven and digital management under the key concept that “Data is a common language of the world.” As a result, our company has achieved real-time visualization of management data. However, what is even more important is to take the next step: to understand the meaning behind real-time data and figures, translate those insights into action, and accelerate the PDCA cycle.

Under “Dash 35,” we will further evolve “i³-Mechatronics” by integrating AI and expand a new world we call “i³-Singularity.” By combining AI with the data infrastructure established through YDX, we will dramatically enhance the quality and speed of decision-making.

AI is also a key driver of growth for our business. At our company, we define AI Robotics as the “fusion of motion and AI.” By converting AI-based recognition and judgment into autonomous movements, we will expand the range of tasks and applications that robots can perform. Through “i³-Singularity,” which represents a further evolution of the data utilization initiatives we have advanced through “i³-Mechatronics,” we will build a framework for consistent, data- and AI-driven decision-making and execution. In doing so, we will contribute to realizing our customers’ needs, including autonomous and decentralized operations, unmanned operations, and overall optimization in their workplaces.

Moving forward with confidence in ourselves, our colleagues, and AI

I have always encouraged our employees to have confidence in themselves, trust their colleagues, and focus on what each of them should do. Today, I would like to add one more element to that message: trust AI as well. I also emphasize the importance of committing to and achieving the key targets set forth in “Dash 35,” including 100 billion yen in operating profit and a market capitalization of 2 trillion yen. By understanding their respective roles and trusting themselves, their colleagues, and

AI, every employee will help drive our company forward. United in purpose, we will work together to achieve the goals set forth in “Dash 35.”

The next decade: taking on the challenge of reaching new heights

Our company remains at the heart of global competition, and we must continue to win. To do so, we must first understand our customers and our competitors. Based on that understanding, we will carefully consider what we need to do and act with speed to realize the next phase of growth.

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

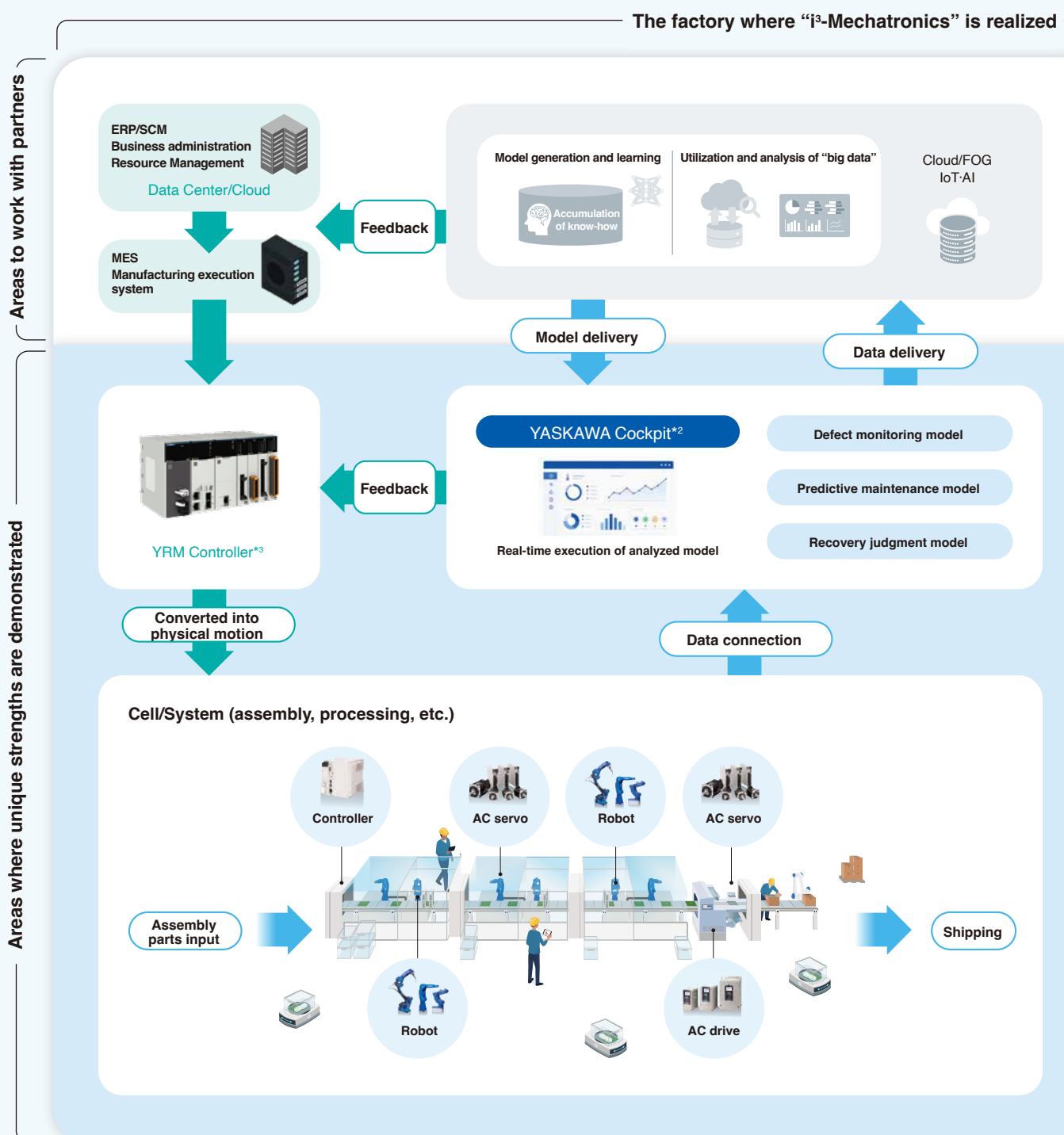


Differentiation Strategy - i³-Mechatronics -

Yaskawa Group has built its strength on automating manufacturing cells, the basic units of production lines, using industrial robots, servo motors, and AC drives.

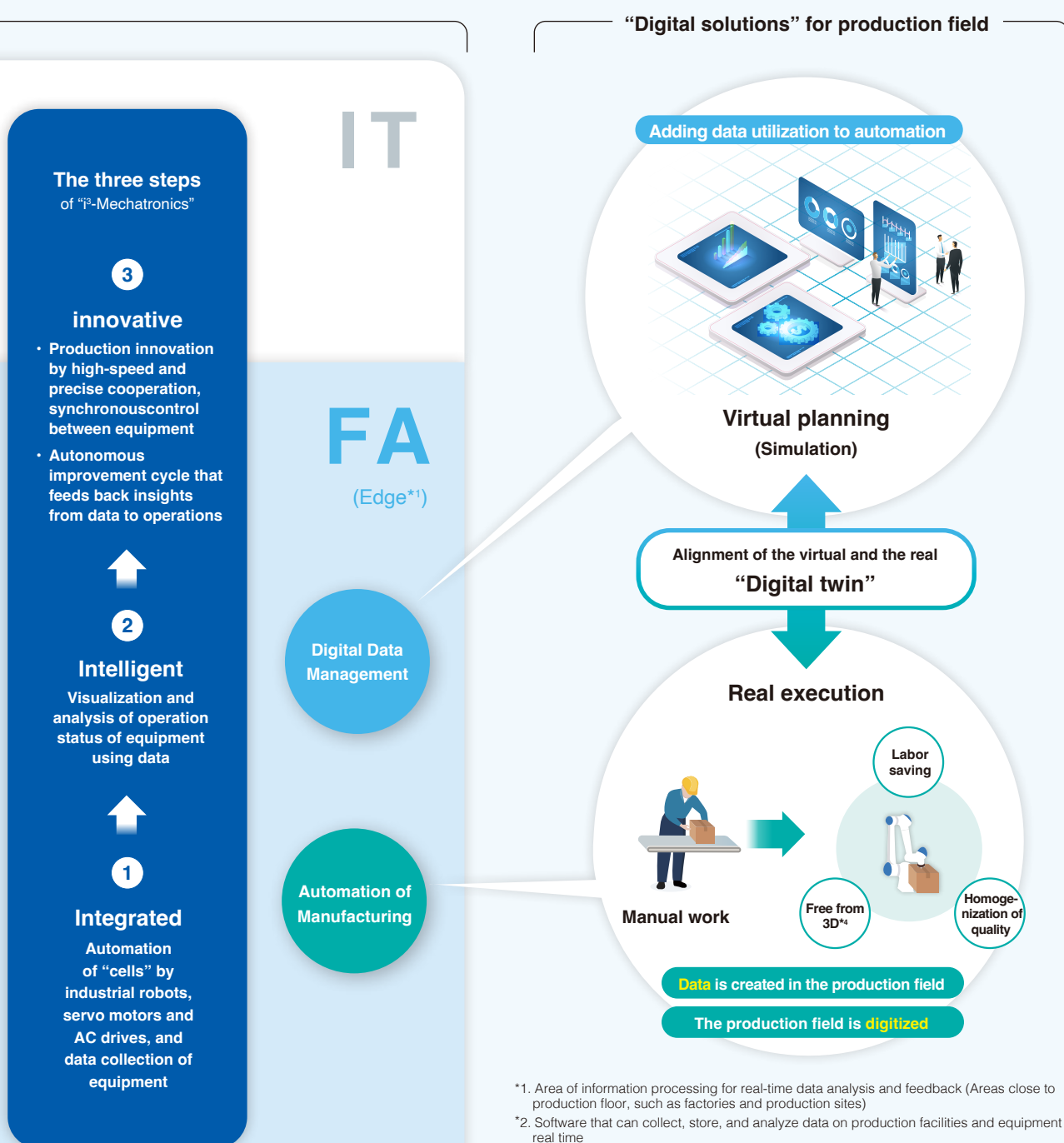
Building on this strength, we provide solutions under “i³-Mechatronics” concept that deliver the improvements and advancements sought by our customers. In addition to cell automation, we collect, visualize, and analyze data from production equipment and processes. This transforms tacit knowledge, previously dependent on the experience and intuition of skilled workers, into quantified insights and supports continuous improvement.

“i³-Mechatronics” is a concept for advancing manufacturing through the phased realization of the three “i’s”: Integrated, Intelligent, and Innovative. Through this approach, we provide solutions that directly address customer



management challenges, including high-mix variable-volume production that responds to diverse market needs, energy savings through optimized energy use, stable operations through reduced downtime enabled by predictive maintenance, consistent quality through data utilization, space- and wiring-saving designs through equipment miniaturization and innovative mechanical design, and smart factories that optimize entire production facilities.

Furthermore, by leveraging the vast amount of data accumulated through “i³-Mechatronics” and our mechatronics technologies, we are advancing toward “i³-Singularity,” which uses AI to support and enhance human decision-making and improvement activities. Through this evolution, we aim to create new value beyond production optimization, helping customers strengthen their competitiveness and increase corporate value while contributing to a sustainable society.



*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

Implementing “i³-Mechatronics” and Driving Evolution with AI Robotics

Since 2017, Yaskawa has promoted “i³-Mechatronics,” a concept that integrates and manages cell-level automation powered by industrial robots, servo motors, and AC drives through digital data. During the previous mid-term business plan period, we strengthened product development and proposal activities based on this concept, resulting in broader customer adoption and a deeper understanding of the value of “i³-Mechatronics.” We have also implemented the concept in our own factories, improving productivity and quality. In FY2026, Robot Plant No. 5 in Kitakyushu, Japan, an integrated production facility for servo motors and industrial robots, commenced operations as a key manufacturing site.

Under the new mid-term business plan, “Dash 35,” we will expand the application of “i³-Mechatronics” through the development of the Physical AI market and its implementation in society. By accelerating the deployment of AI robot “MOTOMAN NEXT” and developing next-generation actuators, we aim to further advance “i³-Mechatronics” and realize manufacturing in which people and machines collaborate seamlessly.

i³-Mechatronics in practice

[▶ Customer sites](#)

Next-generation manufacturing powered by data
Takara standard’s challenge to transform its artificial marble countertop production line

Tomonori Saito
 Executive Officer
 Production Vice General Manager
 Takara standard Co., Ltd.



At its Kashima Plant, Takara standard is transforming its artificial marble countertop*¹ production line by leveraging Yaskawa’s “i³-Mechatronics” concept. By combining AGV-based transport, cell production, and robot control utilizing 3D cameras, the company is building a next-generation production line capable of flexibly responding to diverse product specifications.

Our strength has always been our ability to deliver products tailored to the needs of each customer. Artificial marble countertops require flexibility to accommodate a wide range of dimensions and specifications. At the same time, many production processes relied heavily on manual operations, making automation and labor savings key challenges.

The origin of this project can be traced back to an earlier initiative to automate the dowel insertion process*² on a wooden cabinet assembly line. At the time, having robots determine machining operations based on camera-acquired data was an ambitious challenge. Through that experience, we developed a new approach: instead of changing setup conditions or teaching data for each product, production could be managed more flexibly through the use of data.

Building on that experience, we developed the concept for the new artificial marble countertop line. The line employs AGV-based transport and a cell production system, while equipment and robots are integrated and controlled using recipe data received from upper-level systems. In addition, 3D cameras identify the position and dimensions of each workpiece and provide data for machining operations. By utilizing camera technology, we have significantly reduced the time required for positioning and setup changes.

Implementing new technologies in an actual production environment presented challenges. However, the experience gained through the automation of the dowel insertion process enabled us to move forward while sharing past lessons learned and addressing potential concerns. In previous

projects, improvements were often made after implementation through ongoing discussions. This time, extensive verification was conducted during the planning stage, resulting in a more reliable launch. Our long-standing collaboration with Yaskawa was a key factor supporting the success of this project.

The greatest benefit we expect from this initiative is improved profitability. In addition to labor savings, we believe it will enhance overall manufacturing competitiveness through higher quality, greater productivity, shorter lead times, and stronger capabilities for handling a wide variety of products. Looking ahead, we will further expand the use of data generated from equipment and production processes to optimize and automate manufacturing operations. Our goal is to realize a dark factory*³ powered by Physical AI. By utilizing the data accumulated through this production line, we aim to evolve toward manufacturing systems capable of anomaly prediction and autonomous corrective decision-making. Through this approach, we hope to realize next-generation

manufacturing in which equipment, robots, and people are connected through data.

***1 Artificial marble countertop**

Countertops used in kitchens, washstands, and similar applications. Made primarily from resin-based materials, they offer excellent design flexibility, water resistance, and ease of maintenance.

***2 Dowel insertion process**

A process used in the assembly of wooden cabinets and similar products in which cylindrical connectors (dowels) are inserted and assembled to join components.

***3 Dark factory**

A highly automated factory concept in which production equipment operates autonomously without the need for on-site personnel. The term refers to a factory that can function with little or no lighting due to its high degree of automation.

i³-Mechatronics in practice

▶ Yaskawa facilities

Robot Plant No. 5 Realizing manufacturing innovation through “i³-Mechatronics”

Masakazu Yasuno

Associate Director
Robot Factory Manager
Robotics Div.



Robot Plant No. 5 is a next-generation factory that redefines conventional manufacturing and embodies Yaskawa's solution concept, “i³-Mechatronics.” Planning for the facility began in 2021 to address challenges such as limitations on automation and process improvements imposed by existing plant layouts, inefficiencies in servo motor procurement, and aging production facilities. Through extensive study, we envisioned a production system capable of operating effectively regardless of fluctuations in demand and other external factors. As a platform centered on automation and data integration, the plant commenced full-scale operations in July 2026.

Robot Plant No. 5 features four key characteristics. First, industrial robots and the servo motors used in those robots are produced at a single site, enabling close collaboration among design and development, operations, procurement, production engineering, and manufacturing functions. This integrated approach optimizes both products and production processes. Second,

the plant enhances productivity by expanding the scope of automation through the use of Yaskawa's own robots, servo systems, and controllers throughout manufacturing operations. Third, the plant has replaced conventional line production with a distributed cell production system*¹. Because multiple cells can operate flexibly and independently, production can continue even when demand, product mix, staffing levels, or equipment conditions change. This approach enables both stable equipment utilization and flexible high-mix, variable-volume production.



Conventional line production system



New distributed cell production system

Fourth, with “YASKAWA Cockpit (YCP*2)” and the “YRM Controller*3” at its core, the plant integrates time-series data collected from production equipment and connects data across design, manufacturing, and individual components. This enables enhanced traceability and continuous quality improvement. In addition, Robot Plant No. 5 has introduced the autonomous AI robot “MOTOMAN NEXT.” In screw-fastening operations, for example, the robot can detect errors



Autonomous AI robot “MOTOMAN NEXT (NHC12)” performing screw-fastening operations

and automatically retry tasks, improving first-pass yield while minimizing human intervention. By applying “MOTOMAN NEXT” to processes that were difficult to automate with conventional robots, we are further reducing labor requirements and improving quality consistency.

Through these initiatives, Robot Plant No. 5 achieves both high productivity and high quality. At the same time, it serves as a showcase factory, where visitors can experience the practical implementation of “i³-Mechatronics” firsthand. Customer visits help deepen understanding of new manufacturing approaches and the value of Yaskawa’s products and solutions. Going forward, we will further advance automation and data utilization and extend these capabilities to development, sales, and service activities. Through the continued implementation of “i³-Mechatronics,” we will accelerate profitability improvements and strengthen our business competitiveness.

*1 Distributed cell production system: A production method consisting of multiple independent cells capable of performing the same tasks, allowing a single cell to handle multiple product models.

*2 YASKAWA Cockpit (YCP): A software platform that collects, stores, visualizes, and analyzes real-time operational data from production equipment and facilities.

*3 YRM Controller: A controller that centrally manages production cells consisting of robots and peripheral equipment, enabling high-mix, variable-volume production and automation through IoT integration.

Yaskawa Group’s physical AI market strategy

[Overview](#)



Expanding the possibilities of automation through AI robotics from the field

Masahiro Ogawa

Vice Chairman, Executive Officer,
Responsible for AI Robotics Business and
New Mechatronics Applications Business

AI as a driver of “i³-Mechatronics” evolution

Yaskawa Group’s i³-Mechatronics concept, promoted since 2017, has focused on generating data through motion technologies, turning those data into insights, and driving continuous improvement. This concept remains unchanged with the advent of AI. We view AI as a breakthrough that expands data-generating workplaces and deepens data understanding. By combining AI with our motion control and robotics technologies, ideas once beyond reach are becoming practical solutions. In this sense, AI is the technology that advances “i³-Mechatronics” to its next stage and expands the scope of automation.

Toward a world where robots can perform tasks once reserved for humans

Customers expect robots to do more than reduce labor. Aging populations and labor shortages are pushing human-dependent social infrastructure to its limits. Society increasingly needs robots to take on tasks long considered achievable only by people. The key to this is AI-driven robot autonomy. Conventional industrial robots achieve high productivity by repeating predefined motions on objects in fixed positions. However, in applications such as infrastructure inspection, medical instrument sterilization, and crop harvesting, object conditions

and environments constantly vary. To perform such tasks, robots must perceive their surroundings, make decisions, and autonomously generate optimal actions. Because these unstructured tasks still rely heavily on human labor, we believe AI robotics has the potential to match or exceed the automotive market that has long driven robot demand. To capture this opportunity, high-value AI robotics solutions must be established and deployed. At Yaskawa, the autonomous AI robot “MOTOMAN NEXT” is at the core of this strategy.

Robots in the workplace further advance AI

Foundation AI technologies, including generative AI, image recognition, VLM*¹, and VLA*², are evolving rapidly. At the same time, AI requires real-world data to create value. The data needed to advance physical AI exist in environments where things move, people work, and conditions change, such as factories, farms, healthcare facilities, and public infrastructure. Our role is to put AI into practical use at the edge. Working with leading AI platform providers, we are deploying robots in real-world applications and accumulating operational data. These data enhance AI capabilities, while the resulting insights improve motion performance and expand edge applications. Building this cycle is the foundation of our physical AI strategy.

Market expansion and future potential of physical AI

Since its launch in December 2023, “MOTOMAN NEXT” has been validated in more than 200 use cases, some of which are already operating on customer production lines. While we hope to see broader adoption, these results are encouraging for this early stage of physical AI market development.

Deploying “MOTOMAN NEXT” requires capital investment and involves downtime risks, adjustment costs, and ROI*³ considerations.

Customers carefully assess whether it can be applied to their processes and deliver sufficient returns. Expanding too quickly could undermine confidence in the market itself. As a leader in AI robotics, we are addressing technical challenges and customer concerns while demonstrating the value of “MOTOMAN NEXT” and advancing the deployment of physical AI.

A key point behind these 200 deployments is that each represents a different customer project. Through them, we have identified automation needs common

across industries. Over the past two years, discussions with a wide range of companies have revealed shared challenges in tasks such as picking, storing, and packaging materials and products. Our growth strategy is to transform successful project-specific applications into broadly applicable solutions and deploy them across multiple industries. We will focus first on common processes and expand deployment through automation packages combining “MOTOMAN NEXT” with peripheral equipment.

Successful deployment requires more than “MOTOMAN NEXT” itself. It also requires understanding customers’ processes and integrating solutions with peripheral equipment and existing equipment. To strengthen execution capabilities, we are deepening collaboration with Slers*⁴ and equipment manufacturers. Equipment manufacturers have long been focused on how to enhance and reduce manual work within the processes their equipment supports. “MOTOMAN NEXT” offers a new solution to these challenges. We are already working with multiple partners, and collaboration continues to expand with companies that view previously difficult-to-automate areas as new business opportunities.

Our strategy is not to sell “MOTOMAN NEXT” as a product, but to offer solutions that automate specific tasks. This makes it easier for customers across industries facing similar challenges to evaluate potential applications. By building a track record of successfully automated tasks, we can reduce technical and psychological barriers to adoption while building confidence and trust in “MOTOMAN NEXT” across the market. We believe these efforts will be critical to accelerating future adoption.

Advancing work capabilities with humanoids in mind

As noted earlier, expanding real-world robotic applications is important not only for our growth but also for the advancement of physical AI. “MOTOMAN NEXT” is an important first step, and humanoids are another promising option. Humanoids must be able to move to worksites, recognize objects, and respond appropriately to changing situations. Achieving this requires not only the AI-driven decision-making capabilities featured in “MOTOMAN NEXT,” but also advanced actuator-based work and mobility performance. In particular, humanoids must simultaneously achieve battery operation, lightweight and compact design, multi-axis control, and high-quality motion. This requires designing motors and actuators based on desired robot performance, rather than developing motors first and integrating them into

robots. To gain the expertise needed for this shift and accelerate new design approaches, we acquired Tokyo Robotics Inc. in 2025. While commercialization of humanoid motors and actuators may become a future opportunity, our current focus is on developing motors, actuators, and humanoids capable of performing a wide range of tasks. Through these efforts, we aim to establish new design principles and a strong technology foundation.

*1 VLM (Vision-Language Model): An AI model that understands images and text jointly and learns the relationships between them.

*2 VLA (Vision-Language-Action): An AI model that combines VLM capabilities with robot action-generation functions.

*3 ROI (Return on Investment): A metric that measures profit generated relative to investment.

*4 Sler (System Integrator): A company that integrates systems and equipment tailored to customer operations and supports implementation and operation. Yaskawa collaborates with Slers across a wide range of fields to deliver automation solutions.



Yaskawa Group's physical AI market strategy

▶ Deployment of AI robot "MOTOMAN NEXT"

**Redefining what can be automated:
A challenge by Tanabe Engineering Corporation and the Yaskawa Group**

Takashi Obunai Department Manager Mechatronics Sales Department Tanabe Engineering Corporation	Tosuke Tamagawa Manager Product Development Department Tanabe Engineering Corporation
Kei Koba Department Manager Product Development Department Tanabe Engineering Corporation	Ayame Oshiro Mechatronics sales division1 Mechatronics sales department Tanabe Engineering Corporation

Tanabe Engineering Corporation, a system integrator (Sler) specializing in plant construction and maintenance, also provides automation and labor-saving solutions for the chemical, pharmaceutical, fine chemical, and semiconductor industries. The company has long leveraged Yaskawa Group robotics technologies and has been automating powder-weighing operations with the AI robot "MOTOMAN NEXT" since 2025.

Transforming R&D and quality testing through automated powder weighing

Since around 2015, we have worked for pharmaceutical manufacturers to automate laboratory operations and powder weighing using Yaskawa Group dual-arm robots. While

automation is already widespread in the pharmaceutical industry, many quality testing and R&D processes still rely on manual work. Human involvement can cause variations and limit development speed due to manual management. Automating powder weighing is therefore a key step toward

fully automated processes and has attracted strong customer interest. However, because the task requires continuous adjustment based on container shapes and powder conditions, conventional teach-and-playback*1 robots were unable to provide a practical solution.

The development platform unique to “MOTOMAN NEXT”

We chose “MOTOMAN NEXT” for automated powder weighing because it can accurately convert information captured by its 3D vision system into robot motion coordinates. In powder weighing, AI must determine how and where to scoop based on the condition of the powder and its position in the container. This requires converting image coordinates into robot coordinates, a process known as hand-eye calibration*2, which is typically one of the most complex and time-consuming aspects of development. Because this capability is already built into “MOTOMAN NEXT,” Slers do not need to develop it from scratch. The broad technological foundation provided by Yaskawa Group also gives customers greater confidence in system performance and reliability.

Combining different expertise to unlock the potential of “MOTOMAN NEXT”

To maximize the value of “MOTOMAN NEXT,” it is important to clearly define the strengths of AI, robotics, and machine control, and understand how they complement one another. Although “MOTOMAN NEXT” is a highly promising platform that combines AI and robotics, AI alone cannot solve every challenge. Even if AI determines the optimal action, that action may not be feasible due to the shape of the tool, the robot’s range of motion, or safety constraints. To turn AI decisions into actual robot actions, physical constraints must be addressed through mechanical design and control engineering. This presents a new challenge for Slers. Traditionally, mechanical engineers designed shapes, angles, and mechanisms and optimized physical motion, while IT and AI engineers focused on perception and decision-making based on data. These fields evolved separately. However, successful deployment of “MOTOMAN NEXT” requires expertise from both. Having personnel who understand both domains has been a major advantage for Tanabe Engineering. In addition,

Yaskawa Group’s support in robotics and IT-related problem solving has greatly accelerated development. As Slers identify on-site challenges and Yaskawa provides the robotics platform, together, we are exploring the boundary between AI and mechanical engineering to expand the adoption of “MOTOMAN NEXT.”

Expanding automation into previously unautomated areas starting with powder weighing

The success of this powder-weighing solution lies in demonstrating a practical way to automate tasks long considered impossible to automate through the combination of robotics and AI. Powder weighing is a common process across industries such as chemicals, pharmaceuticals, and food, giving the solution broad market potential. With this first application now established, we have gained a clearer understanding of both the areas already within reach and those requiring further development. For customers, this also serves as an opportunity to reconsider processes they had previously viewed as unsuitable for automation and recognize new possibilities. We believe this represents an important step toward expanding the market.

Expanding “MOTOMAN NEXT” into a robotics platform

We see “MOTOMAN NEXT” as a future robotics platform for the era of physical AI. It sits at the intersection of the FA world, where safety and quality are paramount, and the IT world, which advances through open environments and rapid trial and error. Going forward, differentiation will depend on how Yaskawa defines the boundary between guaranteed functionality and areas open to Sler development. The advancement of physical AI also requires a framework for securely collecting and utilizing operational and behavioral data generated in the field. If Yaskawa, as a platform provider, establishes a development-friendly environment and data infrastructure for Slers, solutions built on “MOTOMAN NEXT” will continue to expand. As a partner, we look forward to continuing to realize the potential of “MOTOMAN NEXT” together.

*1 Teach-and-playback:

A technique in which an operator manually teaches a robot arm the desired motions, which the robot then automatically reproduces.

*2 Hand-eye calibration:

Measurement and adjustment used to determine the precise positional and orientation relationship between a robot hand and a camera.

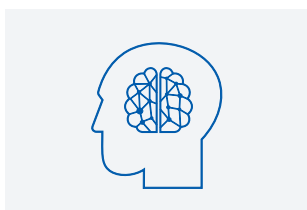
Automated powder-weighing process using AI

Capture 3D images with a vision camera



Acquire depth images with a vision camera

Analyze with AI to identify the optimal scooping point



Determine the optimal scooping position using depth images and scooping volume data

Collision check and motion generation for the target position



Utilize “MOTOMAN NEXT” path planning

Execute scooping operation



Yaskawa Group's physical AI market strategy

▶ A case study in the humanoid market

The future of humanoids envisioned by the Yaskawa Group

Yoshihiro Sakamoto
President and Representative Director
Tokyo Robotics Inc.



Tokyo Robotics Inc. is a venture company engaged in the development, manufacturing, and sales of humanoid robots. It joined the Yaskawa Group in 2025 and plays a central role in the Group's efforts to pioneer the humanoid market as part of its strategy to expand the physical AI market.

A growing market driven by diverse players

Today, humanoids are being used for assembly work in smartphone factories and material handling in warehouses. However, their productivity remains limited, and both their operating speed and range of tasks are still constrained. Despite this, adoption is beginning to accelerate, particularly in the United States and China, where more companies are willing to explore their use if they can deliver a reasonable return. As the market is still in its early stages, no single direction has yet emerged. Various players are pursuing different approaches, including humanoids designed for heavy payload applications, low-cost household robots, and robots for research and entertainment purposes. The market resembles a Cambrian explosion, with new opportunities rapidly emerging.

Technologies supporting humanoids: body, cerebellum, and brain

Humanoids consist of three key elements: the body, cerebellum, and brain. The body refers to the hardware. Among its components, actuators are particularly important. Without powerful and precise actuators, humanoids cannot reliably handle heavy objects or perform accurate movements. The cerebellum corresponds to motion and balance control technologies. Humanoids must maintain stable posture while performing tasks, requiring synchronized control of dozens of motor axes. The Yaskawa Group's strength lies in the motor technologies and motion control expertise it has developed through its longstanding focus on "motors and their applications." Combining the knowledge accumulated by Yaskawa over the past 110 years with Tokyo Robotics' technologies in force control and balance control represents a significant advantage in humanoid development. The brain corresponds to intelligence, including generative AI. This technology is essential for enabling humanoids to perform multiple tasks.

However, developing such capabilities requires substantial investment. Rather than developing these technologies independently, we intend to commercialize practical applications using conventional AI approaches while incorporating advanced AI technologies, including generative AI, developed by strategic partners in the future.

Shaping the future of humanoids through actuator technology

Tokyo Robotics is positioned as a research and development subsidiary within the Yaskawa Group. Our role is to explore future directions for the Group in the humanoid field and validate their potential. Through our collaboration, I strongly feel that both companies share the mindset of being a technology-driven company. Active exchanges among younger engineers have also created significant synergies, as they learn from one another through ongoing discussions and collaboration.

One area of particular focus is the joint development of QDD actuators*. Conventional industrial robots have traditionally emphasized continuous output. In contrast, humanoids performing tasks such as lifting heavy objects must effectively utilize high peak power. In addition, QDD actuators generate less friction, reducing the gap between simulation and real-world performance and making them well suited for AI-based learning. Actuators with these characteristics will significantly expand the range of tasks humanoids can perform. By combining the advantages of QDD technology with Yaskawa's strengths in high output and reliability, we aim to create physically capable humanoids that can handle heavy materials in factories and logistics warehouses. We believe these robots can deliver new value in labor-intensive operations, such as palletizing and truck loading and unloading, where labor shortages are becoming increasingly severe. At the same time, realizing this vision will

require more than our efforts alone. The widespread adoption of humanoids will depend on an ecosystem that includes AI developers, service providers, data collection companies, component manufacturers, and end users. Because the humanoid market is still at an early stage, high returns on investment are unlikely in the short term. That is why cooperation among stakeholders is essential to foster market growth.

I believe that creating humanoids capable of delivering real value in the field will be the first step toward growing Japan's humanoid industry. Rather than allowing humanoids to remain a temporary trend, we hope to establish them as truly useful technologies through the steady accumulation of real-world applications.

* QDD (Quasi-Direct Drive): A drive mechanism that combines a low-reduction-ratio gearbox with a motor to achieve both high torque and excellent controllability.



Humanoid robot development at Tokyo Robotics

Expanding Business in New Mechatronics Application Fields

Pioneering the future of drug discovery and healthcare through robotics and AI

RBI's challenge: From improving experimental reproducibility to real-world implementation

Leveraging the robotics technologies it has cultivated over many years, the Yaskawa Group is working to address challenges in research and development in the fields of drug discovery and regenerative medicine. At the center of these efforts is Robotic Biology Institute Inc. (RBI), a Yaskawa Group company that is advancing research efficiency and experimental reproducibility through the use of LabDroid "Maholo", a general-purpose humanoid robot. In this interview, we spoke with Kenji Matsukuma, President and CEO of RBI, about the value the company seeks to create and its future vision.



Kenji Matsukuma
President and CEO
Robotic Biology Institute Inc.

Taking on the challenges of drug discovery and regenerative medicine through robotics

The Yaskawa Group has long contributed to automation and quality improvement across a wide range of manufacturing fields, including the automotive industry. In research fields such as drug discovery and regenerative medicine, however, many processes are still performed manually.

As experimental results can vary depending on the experience and skills of individual researchers, ensuring reproducibility remains a major challenge. In addition, highly skilled researchers often spend substantial time on repetitive tasks, limiting the time available for the research and development activities that require their expertise.

To address these challenges through robotics technology, RBI was established in 2015. Our goal is not simply to automate laboratory work performed by researchers. Rather, we aim to improve experimental reproducibility and enhance the productivity of research and development.



Transforming tacit skills into technologies anyone can use

At the core of RBI's solutions is LabDroid "Maholo," a general-purpose humanoid robot.

"Maholo" performs experiments using the same laboratory instruments and equipment used by researchers. Because it does not rely on dedicated systems, it can faithfully reproduce laboratory procedures performed by humans.

Research laboratories are filled with tacit knowledge and techniques developed through years of experience. Much of this know-how, however, depends on the experience and intuition of individual researchers and cannot be easily shared. For example, "Maholo" can quantitatively record experimental procedures that researchers perform almost unconsciously, such as pipetting* speed, position, and waiting time. This makes it possible to share and reproduce techniques that were previously limited to highly experienced researchers.

By systematically varying experimental conditions, "Maholo" can also identify optimal parameters that may not be discovered through human experience alone. Once determined, these conditions can be shared across multiple robots and research sites, enabling consistent experimental execution.

Expanding applications in drug discovery and regenerative medicine

Today, "Maholo" is being utilized in fields including cancer genomic diagnostics and regenerative medicine.

In cancer genomic diagnostics, complex sample

preparation processes are required before DNA analysis. By performing these procedures with high precision, Maholo contributes to the generation of stable and reliable analytical results.

In the field of iPS cell culture, efforts are also underway to reproduce tasks previously dependent on experienced researchers. Joint research projects have already demonstrated successful results, including the production of retinal pigment epithelial cells derived from iPS cells.

Customers have recognized not only improvements in experimental quality but also benefits related to workstyle reform. Cell culture operations may require work on weekends and holidays, but the use of remote operation functions helps reduce the burden on researchers.

Our objective is not simply to address labor shortages. We seek to create an environment where a greater number of researchers can perform highly sophisticated experimental procedures.

From research to manufacturing: Collaboration with Astellas

The Yaskawa Group, including RBI, is currently collaborating with Astellas Pharma.

Astellas recognized the potential of "Maholo" at an early stage and actively promoted its adoption. Through this collaboration, a new idea emerged: robotics could be applied not only to research activities but also to the manufacturing of cell therapy products.

By combining Astellas' expertise in drug discovery and manufacturing with the Yaskawa Group's highly reproducible robotics technologies, we aim to establish a new model that connects research and manufacturing.

As part of this initiative, Yaskawa Electric and Astellas established the joint venture Cellafa Bioscience Ince. in 2025. The company is developing a platform capable of supporting the manufacturing of regenerative medicine products and creating a framework that facilitates the practical application of research outcomes.

In the pharmaceutical industry, promising research results often encounter reproducibility challenges during commercialization. We believe robotics can help overcome this barrier. Leveraging the technologies and expertise cultivated by RBI in research settings, we aim to extend value creation beyond research and development into the manufacturing domain.

Creating new value through the integration of AI

One of RBI's key focus areas going forward is the integration of AI.

Robots can continuously generate high-quality data with minimal variation, making them highly compatible with AI technologies. Even today, some research projects utilize AI to optimize experimental conditions, achieving more efficient cell culture processes than conventional approaches.

Looking ahead, we envision a framework in which AI analyzes experimental results, determines optimal conditions, and enables robots to autonomously conduct experiments. By creating a new research environment where researchers, robots, and AI work together, we hope to contribute to further advancements in drug discovery and regenerative medicine.

Contributing to the future of healthcare and drug discovery through robotics

The biomedical field directly affects human health and lives, which is why we believe our work has significant social value.

Healthcare and drug discovery face numerous challenges, including researcher shortages, difficulties in ensuring experimental reproducibility, and the lengthy time required to develop new therapies. RBI is addressing these issues through the robotics technologies developed by the Yaskawa Group.

By improving the speed and quality of research and development and helping deliver new medicines and therapies to society more quickly, we aim to create value in the biomedical field that reflects the Yaskawa Principles of contributing to human welfare and social development.

*Pipetting: The process of accurately dispensing liquid samples or reagents into multiple containers in specified amounts.

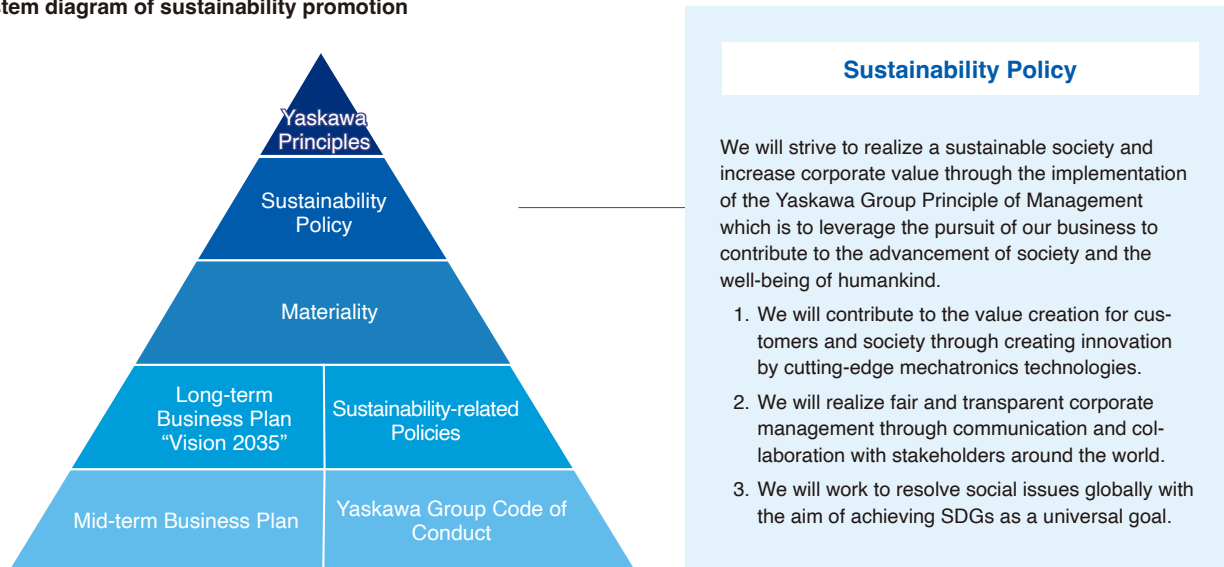


General-purpose humanoid robot LabDroid "Maholo" operating on a cell manufacturing platform

Approach to Sustainability and Identification of New Materiality

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

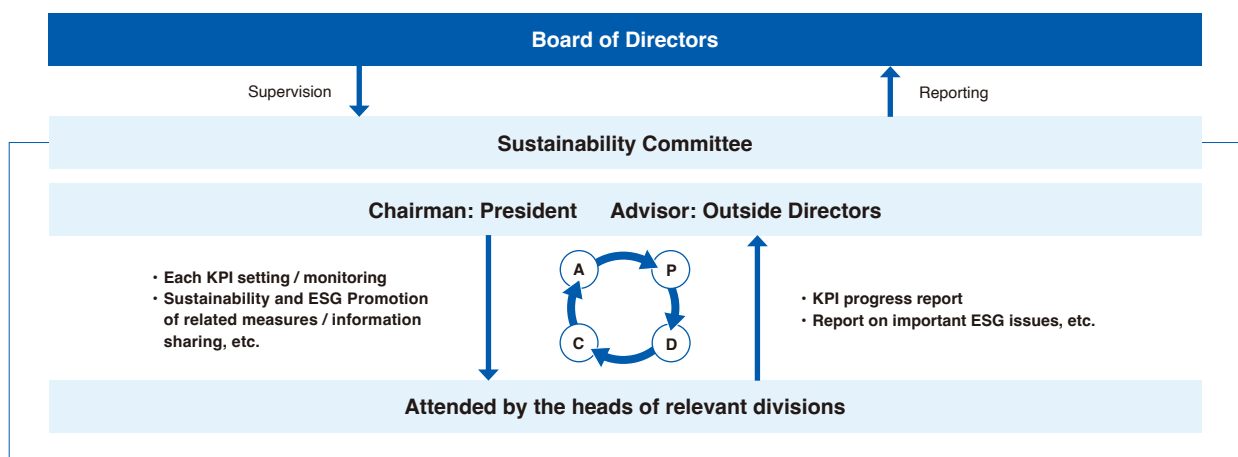


Sustainability promotion system

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 FY2025, the Sustainability Committee met in May and November to discuss materiality for FY2026 onward. The Secretariat also reported on the status of preparations for sustainability-related disclosures in Japan and Europe. Active discussions were held, with participation from outside directors.



Materiality

► Identifying materiality

Although Yaskawa identified materiality in FY2021, we reassessed and updated it in conjunction with the formulation of our long-term and mid-term business plans beginning in FY2026. We will continue to review and update materiality in response to changes in the business and external environment.

1. Identifying sustainability issues

Based on social demands, the external environment, and our business strategy, we identified sustainability issues, including risks and opportunities. After eliminating overlaps, we created a long list of 231 items.

We then grouped and organized similar issues into a shortlist of 39 items.

The identification process reflected international frameworks, including the GRI Standards, ISO 26000, SASB Standards, and the SDGs, as well as medium- to long-term sustainability risks and dialogue with investors.

2. Assessing sustainability issues

We evaluated the 39 sustainability issues from two perspectives: importance to stakeholders and importance to Yaskawa, and identified the issues most material to our business.

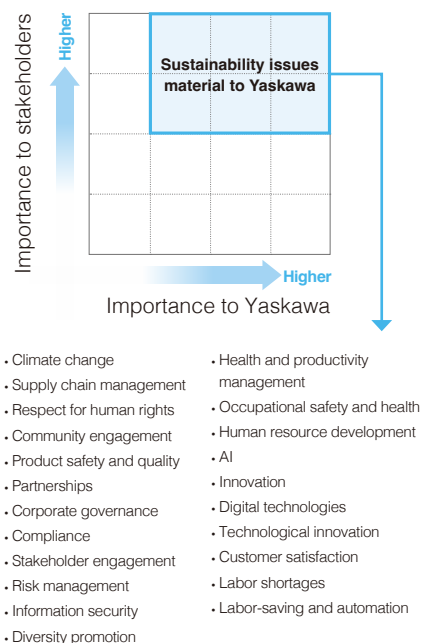
The assessment also considered impacts across our value chain, including suppliers, the Yaskawa Group, and customers

3. Determining materiality

In alignment with our long-term and mid-term business plans, we established materiality encompassing the most important sustainability issues. The identified materiality was reviewed and approved by the Sustainability Committee and the Board of Directors.

This process is conducted when formulating mid-term business plans and is also reviewed annually when significant environmental changes require reassessment.

Assessment of Sustainability Issues



► Identified materiality

Through the above process, Yaskawa identified seven material issues. By addressing these material issues, we aim to strengthen medium- to long-term growth, enhance business resilience, realize a sustainable society, and increase corporate value.

This year, we added climate change as a standalone material issue. While we have long promoted climate action through both Green Process and Green Products initiatives, we elevated it to an independent material issue to clarify our commitment amid growing societal expectations.

For each material issue, we established the desired state, key initiatives, KPIs, and targets aligned with the Mid-term Business Plan. These were deliberated by the Sustainability Committee and approved by the President. Details, together with FY2025 progress, are available on our website.



Sustainability challenges and targets

<https://www.yaskawa-global.com/sustainability/group/materiality>

Create Social Value and Solve Social Issues through Business Activities

1. Contributing to sustainable social development through i³-Mechatronics



2. Creating better living through expansion of new mechatronics applications



3. Advancing mechatronics technologies in step with digital innovation



4. Contributing to a decarbonized society through reduced environmental impact from operations and products



Strengthen Management Foundation that Contributes to Sustainable Society/Businesses

5. Sustainable and highly productive manufacturing



6. Maximizing human capital value and productivity through job satisfaction



7. Establishing effective governance and risk management systems



Long-term Business Plan “Vision 2035”

The Yaskawa Group launched its long-term business plan, “Vision 2035” (FY2026–FY2035), in March 2026. As the first phase toward achieving this vision, the Group also commenced “Dash 35,” a four-year mid-term business plan covering FY2026 through FY2029.

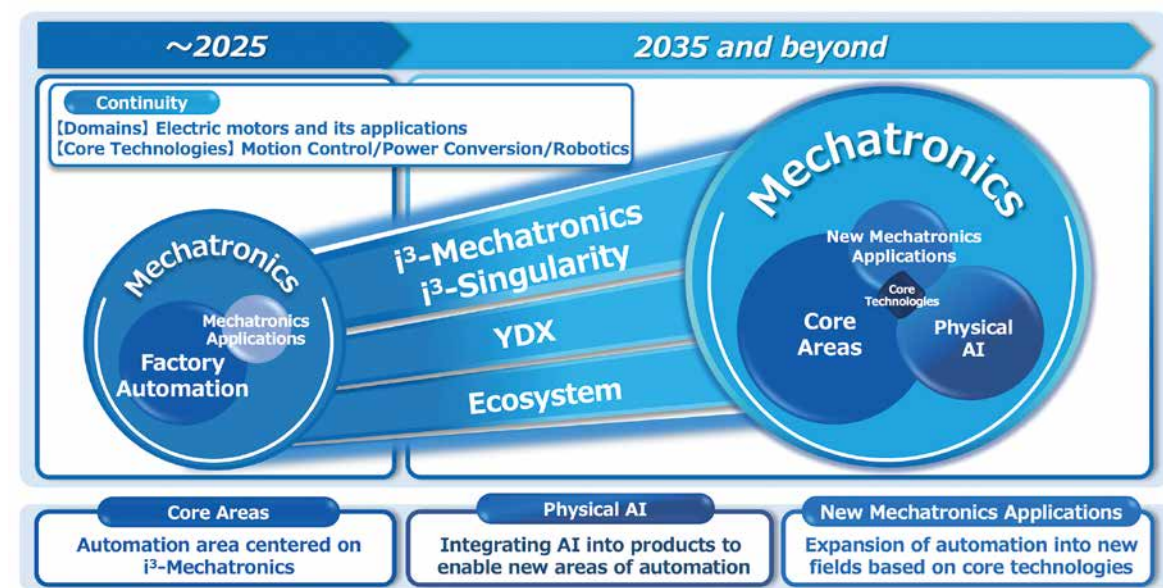
Yaskawa Principles and Goals for FY2035

By putting our principles into practice, we contribute to solving challenges facing humanity through innovative technologies.



Yaskawa Group's “Vision 2035”

We will expand the scope of Mechatronics through technological innovation and contribute to the sustainable development of society.



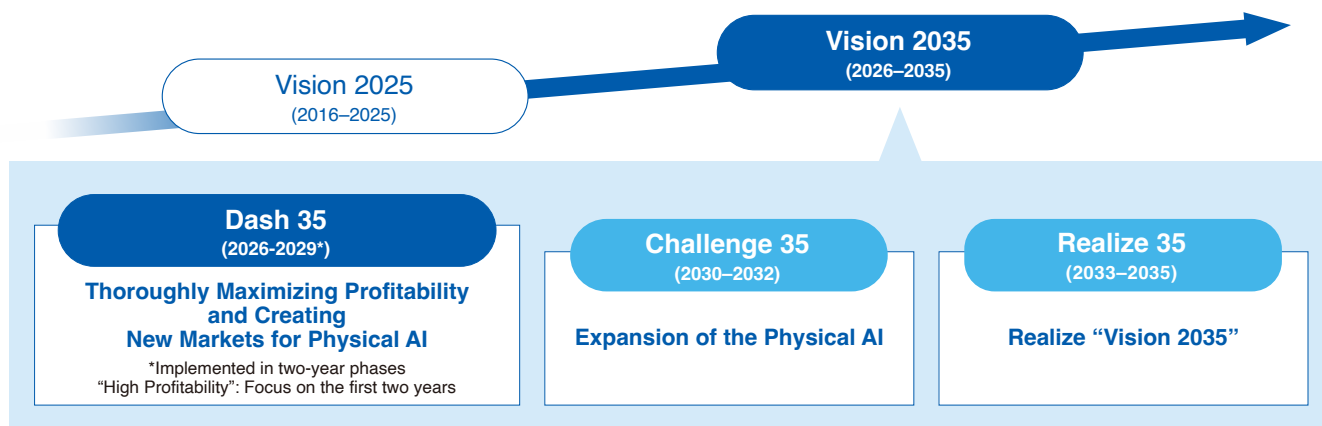
Financial Targets for FY2035

Positioning operating profit ratio as a priority KGI, we will enhance returns to stakeholders.

Financial targets	FY2025 results	FY2035 targets
Operating profit ratio	8.7%	20.0% or higher
Dividend payout ratio	50.0%	40.0% or higher

Mid-term Business Plan “Dash 35”

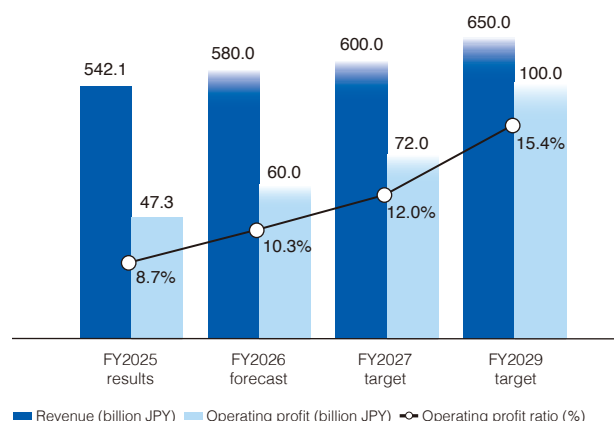
Under “Dash 35,” we will drive both thorough profitability enhancement in our core business domains and the creation of new markets through Physical AI technologies. By helping customers solve their management challenges, we aim to achieve growth and expand the business domains of the YASKAWA Group. Through these efforts, we will establish a solid growth foundation for realizing “Vision 2035” and contribute to the realization of a sustainable society.



Financial targets

Revenue	Operating profit	Operating profit ratio	ROE	ROIC	Dividend payout ratio
650.0 billion JPY	100.0 billion JPY	15.4%	12.0% or higher	11.0% or higher	40.0% or higher

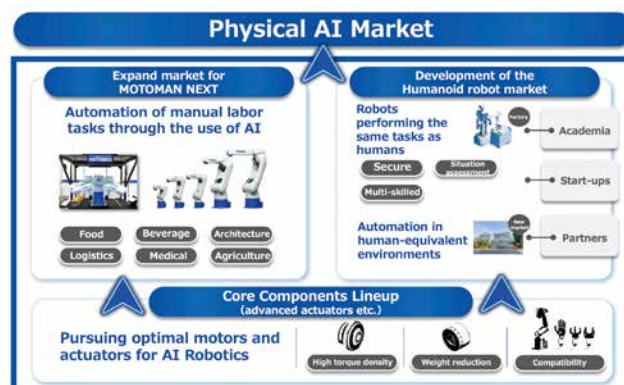
To continuously enhance corporate value, we plan cumulative investments of 250.0 billion JPY over four years, with an emphasis on capital efficiency. Of this amount, 120.0 billion JPY will be allocated to strategic investments, including the development of the physical AI market, while 130.0 billion JPY will be allocated to capital expenditures to strengthen execution capabilities in growth markets and expand production capacity at our mother factories in Japan.



Basic policies

Basic Policy 1 Development of the physical AI market

At the YASKAWA Group, we define physical AI as the integration of our products and AI technologies to enable automation in areas traditionally difficult to automate. By developing the physical AI market, we aim to expand the scope of automation. Central to this effort is “MOTOMAN NEXT,” the industry’s first commercially deployed autonomous AI robot. We will accelerate its deployment by expanding AI robot package offerings, promoting openness and co-creation ecosystems, and broadening automation applications through AI robotics. Through these initiatives, we will create new use cases in labor-intensive and previously hard-to-automate fields.



In addition, we will pursue new opportunities in the physical AI market through humanoid robots. With their ability to provide a sense of security, situational awareness, and versatile task execution, we believe humanoid robots will enable a new stage of automation in environments shared with people. Through collaboration with universities, startups, and strategic partners, we will accelerate technology development and new use case creation.

Furthermore, as a common platform for AI robotics, we will expand our lineup of key components, including advanced actuators. By developing motors and actuators with high torque density, weight reduction, and enhanced compatibility, we will broaden the applications of both MOTOMAN NEXT and humanoid robots.



Basic Policy 2 Expansion of i³-Mechatronics implementation

Through the digitalization of manufacturing-floor activities and events, we will further expand the implementation of "i³-Mechatronics," including within our own operations, while accelerating global deployment and strengthening competitiveness in our core businesses of AC servos, robots, and AC drives. We will roll out our solutions globally and expand initiatives that convert real-world operations into data through technologies such as iCube Control.

At the same time, we will strengthen core products in response to changing market conditions and drive sales growth across the supply chain. Leveraging investments in production infrastructure, automation, in-house production, and global facilities, we will enhance solution proposals, advance manufacturing and procurement platforms, improve productivity, and increase cost competitiveness. We will also utilize quality data to continuously improve products and services.

Through these initiatives, we will transform the data platform linking production, sales, technology, and quality into a competitive advantage. By realizing the returns on prior investments, we aim to achieve revenue and profit growth

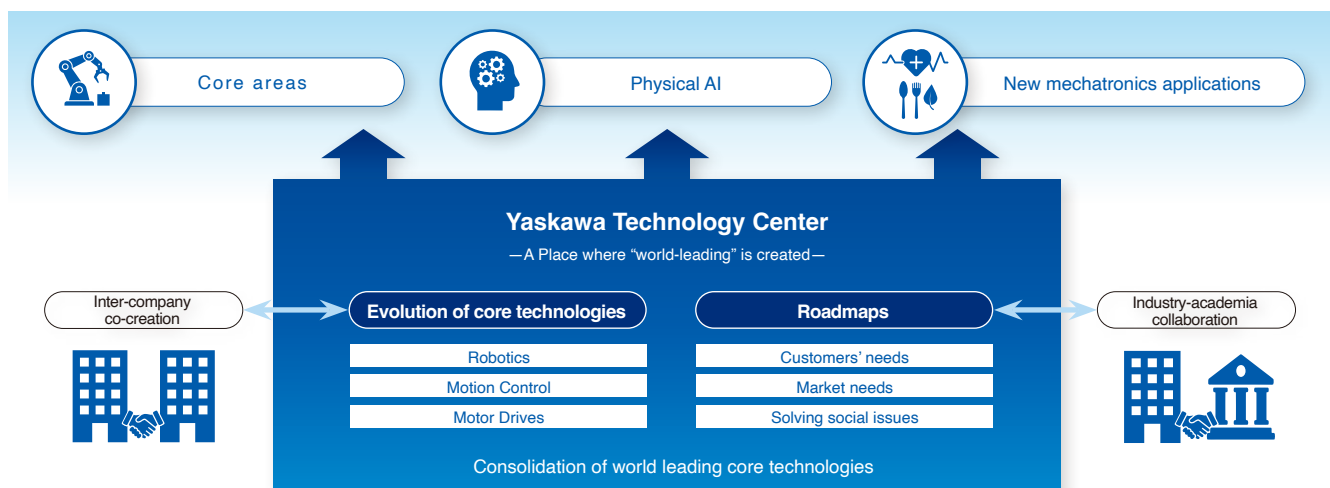
that exceeds changes in the external environment and further enhance YASKAWA Group value.



Basic Policy 3 World-leading new product development

We will focus on technology development to continuously create world-leading products. While steadily accumulating new automation technologies centered on AI robotics, we

will advance core technologies and generate new products through research and development activities with the Yaskawa Technology Center (YTC) at its core.



By accumulating physical AI use cases based on data collected from actual operating sites and accelerating collaboration among companies, universities, and research institutions, we will speed the acquisition of new automation technologies.

In addition, we will continuously update and expand our technology roadmap through collaboration across business divisions, enabling the continuous creation of products that pursue world-leading performance and value.

Basic Policy 4 Expansion of business in new mechatronics applications

We will apply the mechatronics technologies cultivated over many years to a variety of industries and strengthen business expansion beyond the factory automation field through collaboration with external partners.

In agriculture, we will work with industry partners to accelerate the implementation of automation solutions in the field. We will also establish automation platforms for production sites, including plant factories, and expand their

adoption. In the food industry, we will strengthen collaboration with system integrators and food manufacturers to deploy automation solutions in areas such as food preparation processes and broaden applicable use cases.

Furthermore, in the biomedical and pharmaceutical markets, we will build collaborative platforms with academic and industry partners and expand automation solutions for biomedical environments.

Basic Policy 5 Evolution of YDX and i³-Singularity

Through YDX (Yaskawa Digital Transformation), we will optimize management across the organization and build a business structure capable of continuously delivering trusted products and services worldwide. Building on business process transformation, data integration, the Yaskawa Data Lake, and management visualization, we will connect data across the value chain, from sales and production to technology, quality, and service, enabling more agile and data-driven decision-making. At the same time, we will drive operational efficiency and enterprise-wide optimization through standardized business processes and integrated system infrastructures.

We will also evolve “i³-Mechatronics” by integrating AI technologies and expand a new world we call “i³-Singularity.” By further advancing the data utilization capabilities developed through “i³-Mechatronics,” “i³-Singularity” establishes a framework that enables repeatable and scalable

decision-making and execution based on both data and AI. Through this approach, we will contribute to realizing autonomous and decentralized operations, unmanned production, and overall optimization of customer sites. Internally, we will deploy “i³-Singularity” across development, production, sales, service, and management decision-making processes to establish a system for reproducible decision-making and execution.



For more information on “Vision 2035” and “Dash 35,” please visit:

Long-term Business Plan “Vision 2035”

Mid-term Business Plan “Dash 35”



Value Creation Process

Changes in the external environment

Management environment in 2035

- Intensifying market competition
- Technological advancement through co-creation
- Acceleration of the shift to alternative energy
- Changes in supply chains
- Growing integration of AI into everyday life
- Creation of new value in the information society

Social issues

- AI and digital technologies
- Labor shortages, labor saving, and automation
- Climate change
- Product safety and quality improvement
- Supply chain management
- Partnerships
- Respect for human rights
- Human resource development
- Promotion of diversity
- Compliance
- Risk management
- Information security



Input (FY2025)

Financial capital

Profit attributable to owners of the parent: 35.2 B. yen

Equity attributable to owners of the parent (End of FY): 483.5 B. yen

Interest-bearing debt (End of FY): 124.9 B. yen

Manufactured capital

Capital investment: 57.04 B. yen
(Ratio to revenue) 10.5%

Intellectual capital

R&D expenditure: 24.01 B. yen
(Ratio to revenue) 4.4%

Human capital

End of FY
Number of employees: 12,483
(Of which, 54% were employees at overseas bases)

Social and relationship capital

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

Natural capital

Input energy: 133.31 million kWh

Six DNAs and accumulated strengths



Development focused on the world's first and best technologies



Strong presence in global markets



Policy-based management

Transformation capability



Quality first

Customer trust

Sustainability issues (Materiality)

- Create social value and solve social issues through business activities
- Strengthen management foundation that contributes to sustainable society/businesses

Value creation mechanism



Building a robust management foundation

Corporate

Susta

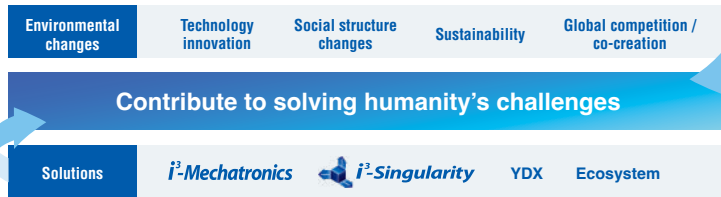
Yaska

Realization of Yaskawa Principles

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

Realization of Vision 2035

Yaskawa's FY2035 Goals



Financial target*

FY2035

Operating profit ratio **20.0% or more**

Dividend payout ratio **40.0% or more**

* Targets set out in the long-term business plan, "Vision 2035."
For the performance outlook for FY2026, please refer to page 22.

Sustainable growth

mism



Output

Outcome (FY2025)

Core areas

- Realize the smart factory of the future
Thorough pursuit of motor and robot technologies
Maximizing energy conversion efficiency



Physical AI market

- World-leading new product development
Synergy creation through core technologies, on-site data, and AI
Expansion of core component portfolio



New mechatronics applications

- Contributing to the realization of a sustainable society
Accelerate co-creation in medical and pharmaceutical fields
Rapidly expand automation in food and agri fields



Economic value

- ROE: 7.7%
- ROIC: 6.9%
- Annual dividend (Payout ratio): 68 yen per share (50.0%)

Social value

FY2025 progress against targets for sustainability issues (materiality)

<https://www.yaskawa-global.com/sustainability/group/materiality>

- Create social value and solve social issues through business activities
- 1. Realize revolutionary industrial automation with partners through "i³-Mechatronics"
- 2. Build clean social infrastructure and foundation for safe and comfortable living
- 3. Develop new technologies and business domains through open innovations

- Strengthen management foundation that contributes to sustainable society/businesses
- 4. Sustainable and productive manufacturing
- 5. Create a rewarding workplace and human resource development
- 6. Fair and transparent governance system

through YASKAWA Digital Transformation (YDX)

ate governance

ainability policy

wa principles

Segment Highlight: Looking Back on Realize 25

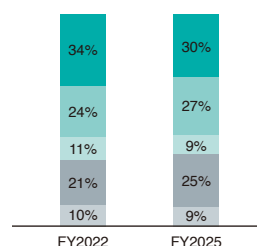
Motion Control

AC servo & controller business

Market share **14%** (global)

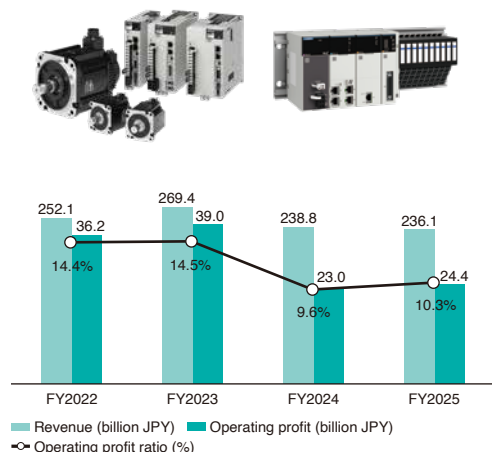
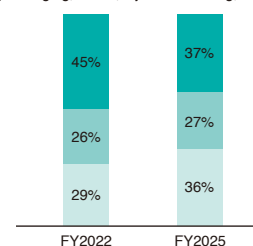
Revenue breakdown by region

Japan The Americas Europe China
Asian countries except China



Revenue breakdown by application

Electronics-related industries including semiconductor, FPD and electronic components
Machinery-related industries including machine tool, metal processing, press machine and robots
Other (Packaging, textile, injection molding, etc.)

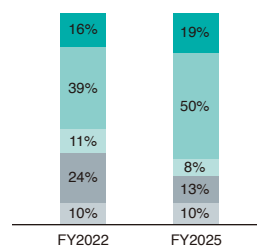


Drives business

Market share **5%** (global)

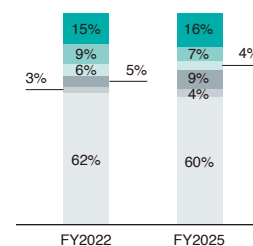
Revenue breakdown by region

Japan The Americas Europe China
Asian countries except China



Revenue breakdown by application

Air-conditioning systems for buildings (HVAC and compressors)
Cranes and hoists
Pumps and fans
Oil & gas
Elevators
General-purpose machinery/Other (Textile machinery, metal processing machinery, packaging machinery, conveyors, etc.)

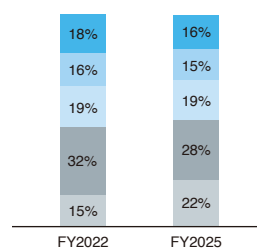


Robotics

Market share **7%** (global)

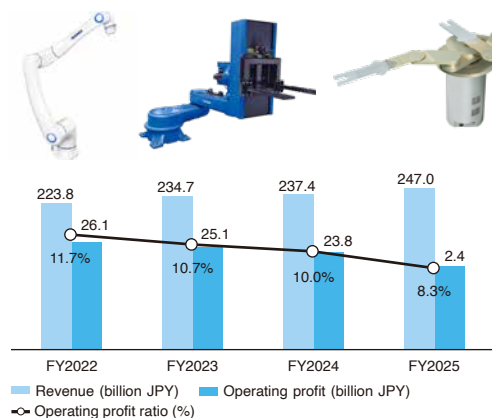
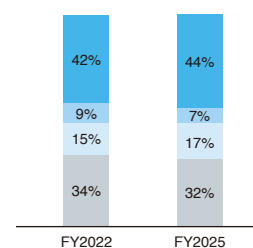
Revenue breakdown by region

Japan The Americas Europe China
Asian countries except China



Revenue breakdown by application

Automotive-related applications (Arc welding, painting, etc.)
Semiconductor and LCD related applications
Customer service
General / Other (Handling, etc.)

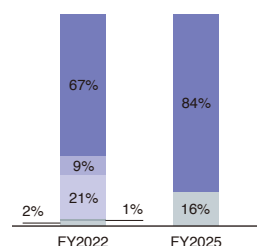


System Engineering

Market share for steel plant systems (Blast furnace) **100%** (Japan)

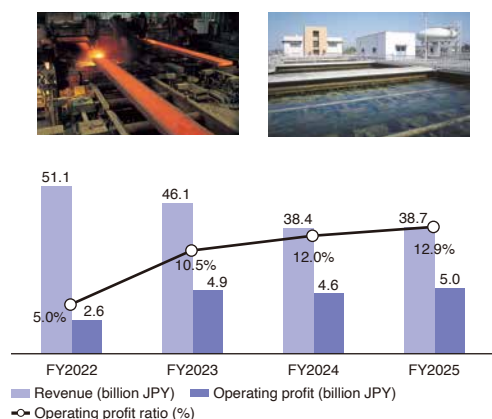
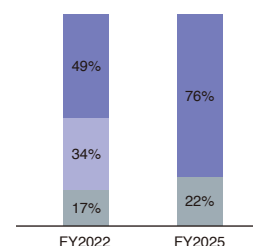
Revenue breakdown by region

Japan The Americas Europe China
Asian countries except China



Revenue breakdown by application

Industrial automation drive (Steel, industrial electric, crane)
Environmental energy
Social system



*Beginning in FY2024, the Environmental Energy business, including PV inverter, was transferred to the Motion Control segment.

Motion Control

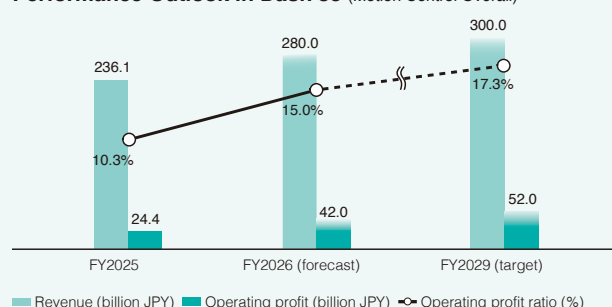


Takahiro Uchiyama
Executive Officer, General
Manager, Motion Control Div.

AC servo & controller business

Advances in Physical AI are driving both the sophistication and expansion of the equipment market, while flexible responses to demand fluctuations are becoming increasingly important. By leveraging i³-Mechatronics to deliver timely solutions, build demand-resilient production systems, and introduce next-generation actuators to capture new demand, we will achieve market share growth and sustainable expansion.

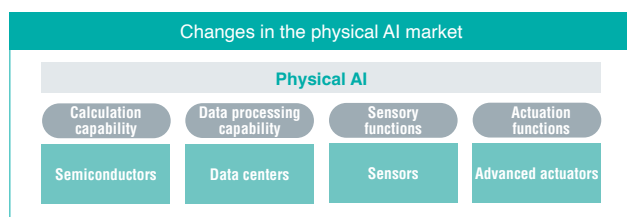
Performance Outlook in Dash 35 (Motion Control Overall)



Strategic priorities of the Mid-term Business Plan “Dash 35” (FY2026-FY2029)

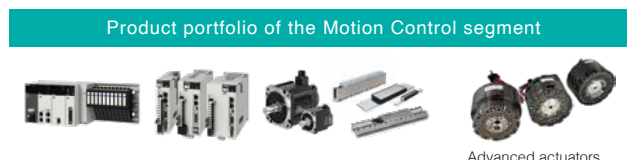
Policy 1 Capture the physical AI market

In growth sectors including semiconductors and data centers, we will introduce application-optimized products in addition to our core products. By responding in a timely manner to customers' increasingly sophisticated equipment requirements in line with market changes on a global basis, we will establish a competitive advantage in the market.



Policy 2 Create new businesses

By incorporating next-generation actuators into our product portfolio, we will capture new demand arising from the Physical AI market. Through proof-of-concept activities in advanced fields, we will enhance our technologies, accelerate mass production and broader applications, and establish new medium- to long-term growth drivers.



Policy 3 Expand the practice of i³-Mechatronics

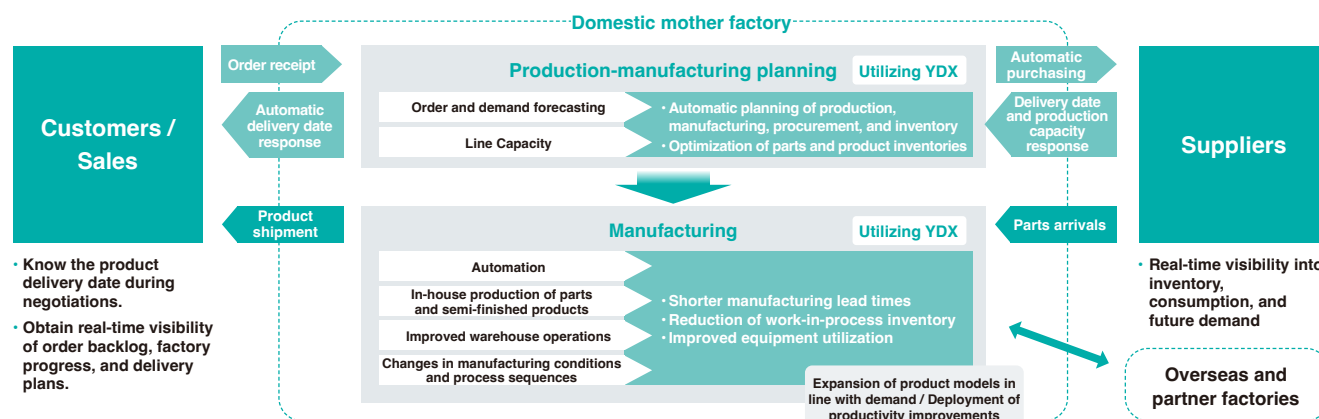
Leveraging the know-how gained through automation of equipment and factories based on i³-Mechatronics, we will deploy solution proposals globally in line with regional strategies. By continuously strengthening relationships with customers, we will build a stable demand base.

Policy 4 Rebuild the four-region development structure

We will promote self-sustaining product development capabilities in Japan, China, Europe, and the Americas. By accelerating localization tailored to regional characteristics, we will bring competitive products to market in a timely manner and further strengthen our global competitive advantage.

Policy 5 Manufacturing innovation through the evolution of YDX

We will further advance automation and in-house production to establish a production system resilient to demand fluctuations. By digitally connecting customers, sales, factories, and suppliers, we will achieve overall production optimization and increase management speed. Through these manufacturing innovations, we will improve profitability.



Business Strategy

Motion Control

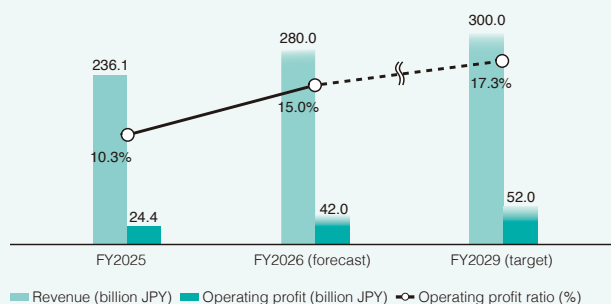


Koza Ide
Senior Executive Officer
General Manager,
Drives Div.

Drives

By capturing growth opportunities in the expanding data center and semiconductor markets, as well as the growing Indian market, and by contributing to customers' evolving needs through the continued advancement of drive and power conversion technologies, we will expand revenue. In addition, by leveraging YDX and AI, we will establish a sustainable earnings foundation that enables us to remain competitive in the global market, thereby achieving both business growth and increased profitability.

Performance Outlook in Dash 35 (Motion Control Overall)



Strategic priorities of the Mid-term Business Plan “Dash 35” (FY2026-FY2029)

Policy 1 Strengthen the business foundation by capturing the U.S. data center market

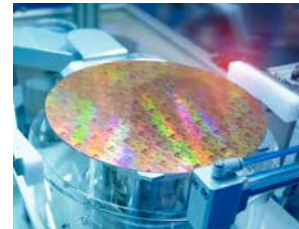
By optimizing inventory levels globally and increasing production capacity in North America, we will strengthen our supply framework to respond to customers' demand for shorter lead times for drives used in data center HVAC systems and server cooling equipment, thereby capturing growth opportunities at an early stage. In addition, we will strengthen our product competitiveness and drive revenue growth by addressing challenges associated with power supply requirements and energy efficiency in data centers through initiatives such as harmonic mitigation solutions and high-efficiency drives incorporating motors, thereby enhancing our competitive advantage.


Policy 2 Strengthen product competitiveness and expand business opportunities in India

In the Indian market, we will drive volume growth through application-optimized products focused on demand from the HVAC, cement, and steel industries, supported by ongoing urbanization. In the HVAC market, we will expand our sales channels by leveraging dedicated drives and strengthening price competitiveness. In addition, in the cement and steel industries, we will enhance added value through low-voltage and medium-voltage system solutions. Furthermore, by promoting local production and local procurement, we will strengthen local competitiveness while accelerating growth by expanding application-specific solutions into data centers and emerging infrastructure sectors.


Policy 3 Maximizing value at semiconductor manufacturing sites

To address evolving semiconductor manufacturing processes and the growing needs for environmental sustainability and stable operations, we will solve on-site challenges through dedicated drives for vacuum pumps and chillers. By increasing design flexibility through slim-profile drives and enabling a smaller equipment footprint, we will follow increasingly advanced semiconductor manufacturing processes. By working closely with equipment manufacturers to identify customer needs and promote standardization, we will expand our share of installations and drive revenue growth.


Policy 4 Strengthening proposals to maximize the value of renewable energy

In the United States, we will capture growing demand driven by expanding AI-related power consumption by leveraging our large-capacity power conditioners and our strengths in U.S.-based design and manufacturing. In Japan, we will expand revenue by maximizing the value of renewable energy through energy storage solutions and factory power solutions, centered on self-consumption demand.

Policy 5 Advancing production and quality management through YDX and AI utilization

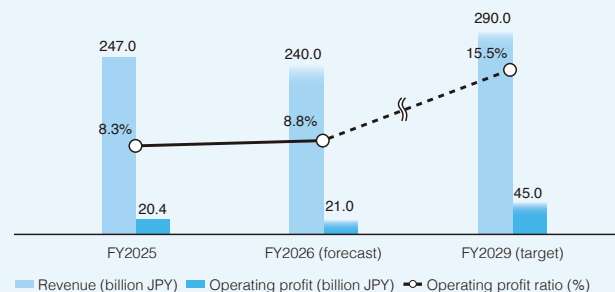
By leveraging YDX and AI, we will further enhance production and quality management. In addition, through greater in-house production of key components and expanded local procurement overseas, we will strengthen the resilience of our global supply chain and improve supply capabilities. Through these multifaceted initiatives, we will enhance cost competitiveness and respond reliably to demand in growth markets.



Manabu Okahisa
Senior Executive Officer
General Manager,
Robotics Div.

While demand for automation is expected to expand over the medium to long term, supported by continued investment in semiconductors and data centers as well as advances in AI, we anticipate that short-term market conditions will continue to be affected by fluctuations in capital investment and regional disparities. Against this backdrop, we will accelerate our shift toward Physical AI and high-value-added applications, aiming to achieve both growth and improved profitability through expanded applications and enhanced solution capabilities.

Performance Outlook in Dash 35



Strategic priorities of the Mid-term Business Plan “Dash 35” (FY2026-FY2029)

Policy 1 Accelerating the social implementation of AI Robotics centered on MOTOMAN NEXT and sustaining adoption growth

By positioning the social implementation of AI robotics at the core of our strategy, we aim to accelerate growth throughout the Mid-term Business Plan period. Building on our accumulated deployment experience, we will drive the creation of new demand and expand the market by broadening the application of MOTOMAN NEXT AI robots into areas where automation has yet to be widely adopted. In addition, through stronger collaboration with partners and easier implementation through packaged solutions, we will accelerate the pace of social implementation and promote the sustainable expansion of adoption.



Policy 2 Expanding and scaling i³-Mechatronics solutions in response to market changes

By advancing the implementation and broader deployment of solutions based on i³-Mechatronics, we will accelerate the shift from a product-centric business model to a solutions-based business. In key markets such as automotive, general industry, and semiconductors, we will deliver high-value-added proposals built on data utilization. At the same time, we will strengthen our competitiveness through demonstrations and practical applications at our own factories, thereby enhancing profitability.

Policy 3 Product development focused on expanding solutions

By advancing core technologies, including digital twins*, we will enhance both the sophistication and speed of product development. Through these efforts, we will respond to increasingly diverse customer needs while establishing a sustainable competitive advantage.



Evolution of Digital Twin platforms, including integration with NVIDIA Isaac Sim

Policy 4 Expanding initiatives in emerging business domains (food and medical)

In emerging business domains such as food and medical care, we will expand solution offerings in areas with strong automation demand to address structural social challenges, including labor shortages and quality assurance. Through these initiatives, we will create new revenue opportunities that contribute to solving social issues, in addition to our traditional industrial markets.



Collaborative project with JA

Policy 5 Enhancing profitability through the Plant No.5 and building a high-quality business foundation centered on YDX

By promoting the utilization of data centered on the Plant No.5 and YDX and optimizing quality, production, and sales across the value chain, we will accelerate the transition to operations that emphasize the quality of earnings. Through these efforts, we aim to achieve both sustainable growth and improved profitability while maximizing corporate value.

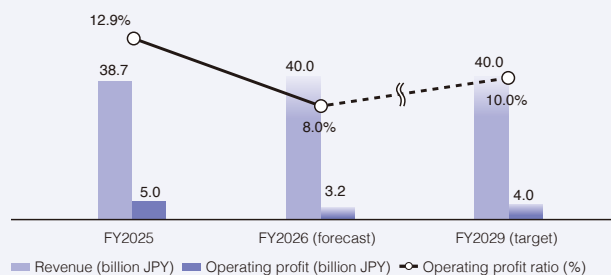
* Technology that helps shorten start-up periods and improve investment efficiency by enabling simulations in a virtual environment synchronized with actual equipment.

System Engineering



Masaki Yagita
President and CEO
YASKAWA Automation &
Drives Corporation

Performance Outlook in Dash 35



Each System Engineering business (steel, industrial systems, cranes, and social systems) will accurately capture demand by closely monitoring market trends, market conditions, and changes in both global and domestic environments. In addition, in conjunction with the completion and commencement of operations at the Minami-Yukuhashi Plant, we will promote a fundamental transformation of our business structure aimed at achieving more flexible organizational operations and further optimizing the benefits generated by past business integrations.

Strategic priorities of the Mid-term Business Plan “Dash 35” (FY2026-FY2029)

Policy 1 Business-specific strategies

In the steel business, in addition to securing orders for the maintenance of existing blast furnaces and replacement projects for installed facilities, we will proactively respond to our customers' development of next-generation decarbonization technologies. Leveraging our extensive experience and track record in upstream steel plant facilities, together with our system control technologies, we will expand these capabilities across broader applications and secure stable long-term profitability through the adoption of new technologies, including automation.

In the industrial systems business, we will demonstrate the value of new drive technologies to our customers and focus on expanding opportunities in emerging growth markets and new materials. In addition, by providing flexible system designs tailored to the specific equipment requirements of each customer, one of our core strengths, we will further advance our Flexible Drive System (FDS), which enables coordinated operation and control of multiple devices.

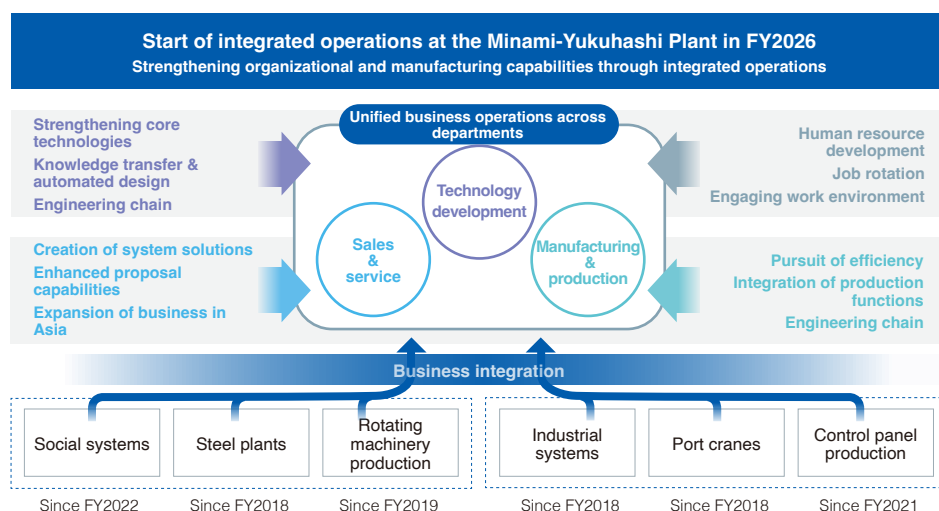
In the crane business, we will further enhance our automation technologies while establishing production, engineering, and field service capabilities capable of supporting the increasing business volume driven by labor-saving demand. Through these efforts, we aim to strengthen our position in the port and harbor market.

In the Social Systems business, we will respond to

growing demand for digital transformation (DX) while reliably capturing replacement demand for existing facilities. At the same time, we will strengthen our capabilities in Public-Private Partnerships (PPP) to expand business opportunities and enhance competitiveness.

Policy 2 Production and business structure reform

The Minami-Yukuhashi Plant is scheduled to be completed and commence operations in FY2026. With the launch of this new facility, production sites that were previously dispersed will be consolidated into a single location and operated in an integrated manner. At the same time, we are working to shorten manufacturing lead times by minimizing work-in-process periods and streamlining production flows, while also implementing manufacturing process innovations, including the adoption of aluminum die casting, and consolidating production processes. Through these initiatives, we will reduce the likelihood of production-related risks, strengthen our technological and manufacturing capabilities, secure high profitability, and enhance competitiveness. In the short term, we will strengthen our organizational capabilities by promoting multi-skilled talent development. Over the longer term, we will maximize the benefits of past business integrations through production DX initiatives based on the migration to SAP S/4HANA.



Minami-Yukuhashi Plant

Implementation of a New ERP System

Business transformation and sustainable growth through a new ERP system

Shoichiro Shimoike

Executive Officer
General Manager,
ICT Div.



Significance and necessity of the ERP system renewal

Yaskawa renewed its core enterprise resource planning (ERP) system, which supports key activities such as orders, production, procurement, logistics, and accounting. The previous ERP environment consisted of systems optimized for individual businesses and functions, along with numerous add-on programs. The growth of peripheral systems fragmented business processes and data while increasing maintenance complexity. To ensure long-term stability, we decided to redesign and renew the entire ERP environment.

As part of the project, we eliminated or consolidated approximately 3,000 add-on programs and 500 peripheral systems, integrating systems previously dispersed across group companies and business units. Adopting a green-field approach, we reexamined business processes and systems from the ground up and implemented SAP S/4HANA as a new platform. This initiative aimed to standardize business processes and data while establishing the foundation for YDX, our digital transformation initiative.

Impact of the ERP renewal on business performance and measures toward stabilization

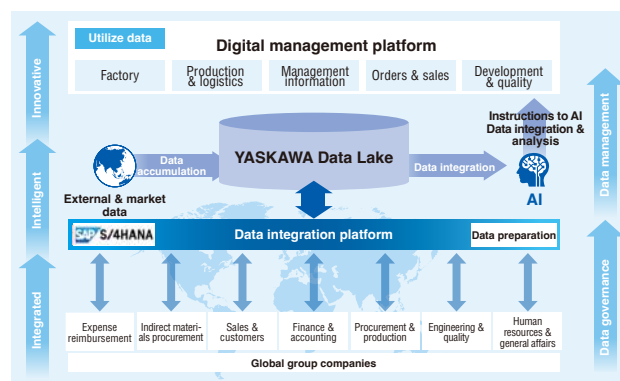
Following the May 2026 go-live, the transition required more time than expected. Additional efforts were needed for data migration, adaptation to new business processes, and the launch of warehouse and logistics operations. At some production sites, coordination between external parts warehouses and factory warehouses was less effective than anticipated, affecting parts supply and production processes. Inventory discrepancies and exception-based operational practices also delayed production ramp-up and product shipments, impacting first-quarter performance. We recognize that these issues were caused not only by the ERP system itself but also by the combined effects of data migration, process changes, and logistics operations.

To address these challenges, we are implementing company-wide measures, including inventory verification, improvements in inventory accuracy, elimination of exception-based operations, and corrective actions in parts supply processes. Stabilization remains our highest priority, and we are working to restore production capacity and achieve stable operations as quickly as possible.

Expected benefits of the new ERP

The ERP renewal is designed to connect business processes and data through a company-wide platform, enabling faster and more sophisticated decision-making. By improving visibility into orders, production, inventory, and procurement, we aim to optimize planning and inventory allocation, shorten lead times, and strengthen profitability management. In the future, we also expect to utilize AI-based forecasting and decision-support capabilities. This initiative will accelerate the transformation envisioned under YDX, moving from localized optimization to enterprise-wide optimization and enhancing customer value and competitiveness.

The renewed business and data infrastructure will enable Yaskawa to respond more effectively to changing customer needs while improving the quality and delivery of products and services. Through these efforts, we will continue to meet and exceed customer expectations. Rather than simply extending or replacing existing systems, Yaskawa pursued a fundamental transformation of business processes, systems, and data to strengthen long-term competitiveness. While challenges emerged after the transition, we are prioritizing stabilization and recovery while applying the lessons learned to future improvements. Through these efforts, we remain committed to realizing the corporate value originally envisioned through this renewal.



Financial Capital

By transforming rapid changes in the business environment into growth opportunities and steadily converting past investments and foundational preparations into results, we will strengthen our mechatronics-based competitiveness and expand into new growth domains.

Yasushi Ichiki

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



Review of FY2025

FY2025, the final year of the Mid-term Business Plan “Realize 25,” was marked by growing uncertainty in the global economy following reports of additional U.S. tariff measures. During the first half, customers’ capital investment remained sluggish amid concerns over the economic outlook, resulting in a challenging business environment.

In the second half, however, demand began to recover, particularly in the semiconductor sector, driven by the rapid advancement of AI. By steadily converting orders into revenue, we achieved revenue above the previous fiscal year’s level.

Meanwhile, operating profit margin declined year on year due to higher investment-related costs, including depreciation, and increased personnel expenses resulting from global wage increases.

We also take seriously the fact that operating profit fell significantly short of the 100 billion target set under “Realize 25.” Going forward, we will further strengthen initiatives to improve profitability and achieve sustainable growth.

Outlook for FY2026

Demand continues to recover in FY2026, particularly

in semiconductor and data center-related markets driven by AI investment, and the business environment remains favorable. While some orders may reflect advance procurement activities, we believe overall demand is steadily expanding.

Under these market conditions, we expect to achieve the revenue and operating profit targets already announced by steadily delivering our products and solutions.

Perspective as head of Corporate Management

Since assuming responsibility for corporate management in FY2025, we have faced a challenging business environment amid uncertainties such as additional U.S. tariff measures and heightened geopolitical tensions in the Middle East. At the same time, demand has recently recovered rapidly, particularly in semiconductor- and data center-related markets, significantly changing the business environment surrounding Yaskawa.

In this environment, maintaining management stability requires comprehensive visibility into the activities of Group companies worldwide and the ability to respond quickly to changes in market trends and production conditions. Timely access to information and agile decision-making are

becoming increasingly important.

To achieve this, information must be integrated and utilized effectively across the Group. We are migrating our core systems to SAP S/4HANA across Europe, the Americas, and Japan, while building a data platform that enables integrated analysis across countries, regions, and businesses. As a key management priority, we will further advance Yaskawa Digital Transformation (YDX) and leverage accumulated data in a more efficient and sophisticated manner to make faster and better-informed management decisions.

Improving capital efficiency

Improving capital efficiency, including ROE and ROIC, is a key management priority. We believe that maximizing returns through the steady execution of the strategies outlined in our Mid-term Business Plan is the most effective way to improve these indicators.

In recent years, we have made significant investments in manufacturing capabilities, including greater in-house production, factory automation, and the construction of the Robot Plant No.5. Having established these foundations, we have entered the stage of realizing their benefits and are closely monitoring progress against KPIs. Further advancement of YASKAWA Digital Transformation (YDX), including the adoption of SAP S/4HANA, will also be critical to improving operational efficiency across the Group.

We are also working globally to enhance working capital efficiency. Initiatives to shorten accounts receivable collection periods have produced positive results, particularly in Japan, and will continue across all regions.

With respect to inventories, we strategically increased stock levels under “Realize 25” to support growth and strengthen supply capabilities. However, inventory levels are currently higher than appropriate due to demand growth falling short of expectations. Under the new Mid-term Business Plan, we aim to improve inventory efficiency while maintaining our ability to meet customer demand. By leveraging accumulated order data and digitalizing planning processes, we will optimize production and procurement and shorten inventory turnover periods.

To enhance investment returns and improve the efficiency of invested capital, we will continue to monitor business-specific initiatives and KPIs while strengthening awareness of capital efficiency across the Group.

Cash allocation policy

Under the Mid-term Business Plan “Dash 35,” which begins in FY2026, we will continue to emphasize a balanced allocation of capital between growth investments and shareholder returns.

Over the four-year plan period, we expect to generate total cash of approximately 350 billion JPY, consisting of about 320 billion JPY in operating cash flow and 30 billion JPY in financing activities. Of this amount, 100 billion JPY will be allocated to shareholder returns, and we have set a dividend payout ratio target of 40% or higher, exceeding the 30%+α target under the previous Mid-term Business Plan.

We also plan to invest 130 billion JPY in capital expenditures. These investments will include the reorganization of our Iruma and Yukuhashi facilities in Japan, as well as continued investments to support future growth, such as advancing the U.S. campus initiative and expanding production capacity in India.

The remaining 120 billion JPY will be allocated to strategic investments. We believe that expanding our businesses, driving profit growth, and enhancing corporate value are the best ways to meet the expectations of our investors.

Accordingly, these funds will be directed toward strategic initiatives that support the achievement of our long-term management plan, “Vision 2035.” While specific investment opportunities are still under evaluation, we believe continued investment in expanding the Physical AI market, a key driver of our medium- to long-term growth, will be essential to keeping pace with rapid technological advances worldwide.

Strategic shareholdings

As of FY2025, strategic shareholdings accounted for approximately 7% of net assets, and we do not

believe a significant near-term reduction is necessary. However, we review the rationale for holding these shares each year based on business relationships, profitability, and associated risks.

As a result of these reviews, we have continued to sell shares whose strategic significance has diminished over time or where the rationale for cross-shareholdings has weakened. We also respond flexibly to requests from financial institutions seeking to reduce strategic shareholdings.

Although the value of our holdings fluctuates with market conditions, the number of stocks held has steadily declined. We also maintain ongoing communication with counterparties to preserve strong relationships after divestment.

Target business portfolio

Our business portfolio is centered on mechatronics, which remains the foundation of the Yaskawa Group’s growth strategy.

We will further advance factory automation while accelerating expansion into mechatronics applications, extending automation into areas such as agriculture, food, and medical care where adoption has remained limited. We will also advance initiatives to

develop the Physical AI market. Together, these efforts form the core of the business portfolio envisioned in our Mid-term and Long-term Business Plans.

With more than 70% of revenue generated outside Japan, we will execute strategies tailored to the combination of businesses, markets, and regions. By leveraging our technologies in industries where each region has growth potential, including automotive and semiconductors, we aim to achieve sustainable growth.

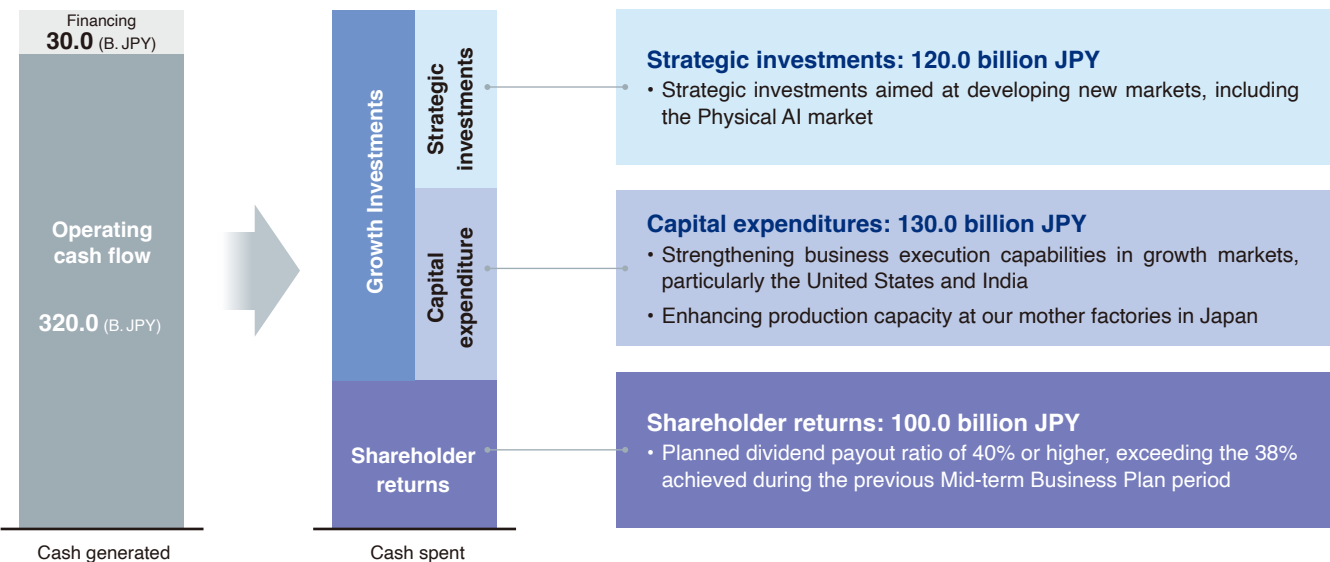
The United States and India are expected to be key growth markets. We will strengthen our business execution capabilities through continued investment in the U.S. campus initiative and the expansion of production capacity in India.

Shareholder returns

We regard the dividend payout ratio target under the new Mid-term Business Plan as an important commitment to shareholders. Even if earnings fall below expectations, we will prioritize maintaining stable dividends, except in the event of extraordinary circumstances. We believe this approach is particularly important for our long-term shareholders.

If cash generation exceeds our plan or attractive

Cash Allocation (FY2026-FY2029 cumulative total)





growth investment opportunities are limited, we view share repurchases as an effective means of improving capital efficiency.

Assuming a cost of equity of 11% and a WACC of 10%, we have set FY2029 targets of ROE of 12% or higher and ROIC of 11% or higher. Based on these capital efficiency indicators, we will continue to implement flexible capital policies.

Message to stakeholders

FY2025 results fell short of the expectations of our shareholders and investors. Nevertheless, we made steady progress in building the foundation for future growth and improved profitability in line with the previous Mid-term Business Plan.

Over the four years of our new Mid-term Business Plan, we will realize the benefits of past investments and initiatives while once again challenging ourselves to achieve operating profit of 100 billion JPY in FY2029.

The rapid pace of innovation centered on AI is creating new growth opportunities for Yaskawa. Growth in data centers, semiconductors, and related industries is expected to expand demand for our products and solutions, while increasing energy consumption will further enhance the importance of our inverter technologies.

At the same time, labor shortages in areas such as agriculture, food, and medical care are driving greater demand for automation. We believe our autonomous AI robots can play an important role in addressing these challenges and expanding automation into new fields.

Leveraging our technologies and solutions to help address social challenges, we will continue to pursue sustainable growth and appreciate the continued support of all our stakeholders.

Intellectual Capital

**Refining technologies on the frontlines
to drive future growth**

Hidenori Hara

Executive Officer
General Manager
Corporate Technology Div.



Turning advanced technology into customer value

Yaskawa's strength in technology development lies in continuously refining the core technologies that underpin mechatronics. We have many highly skilled engineers in motors, drives, and robotics. Another key strength is our ability to develop AC servos, AC drives, robots, and controllers that integrate and control them, all in-house. By connecting high-performance components in real time and utilizing the resulting data, we help enhance customers' equipment and production lines. This is the vision of "i³-Mechatronics."

At the same time, we recognize that our advanced technologies have not always translated fully into product value. Even technologies worthy of patents or academic papers will not be adopted unless they contribute to improving customers' equipment. We must continue refining technologies that customers truly value and are willing to pay for. That is why "Dash 35" places importance on close collaboration between engineers and sales teams, and on visiting customer sites firsthand. Understanding customers' challenges and future needs cannot be

achieved from a desk alone. By gaining insights on-site and applying them to technology development, we aim to create a cycle that leads to new products and solutions. Several promising directions are already emerging. In AC servos, customer demand is growing for higher output within the same footprint and greater positioning accuracy through higher encoder resolution. In robotics, customers seek manipulators capable of smoother motion. To advance digital twins, reducing the gap between simulations and actual operations remains a challenge. One solution is our development of robots with fewer mechanical components. In addition, our 5th robot plant, which began operation this year, is now capable of producing motors dedicated to robots. This marks a shift from adapting general-purpose servos for robots to designing motors optimized specifically for robotic applications. By incorporating purpose-built motors, we will accelerate the development of robots that deliver higher levels of performance, including rotational capability and positioning accuracy.

Advancing controllers and strengthening development platforms for "i³-Mechatronics"

Since its launch in 2021, the YRM Controller has undergone continuous improvement. It collects detailed real-time data on robot and servo operations, including torque, enabling shorter cycle times and process improvements. However, challenges remain in usability when configuring and tuning servos and robots optimized for specific applications. We are enhancing associated tools and strengthening integration with individual products based on customer feedback to make



YRM Controller YRM1030

the YRM Controller easier to use.

To fully capture market needs in product development, cross-functional collaboration is also essential. During the previous Mid-term Business Plan, we improved data linkage across development processes. Going forward, we need a system that connects information from procurement, production, quality, and after-sales service through product codes and makes it available to developers. Sharing information on previously evaluated components, reasons for non-adoption, and quality issues will help reduce redesign work while improving development speed and quality.

Driving “new market creation for physical AI”

To achieve the goal of “creating new markets for physical AI” under “Dash 35,” we will pursue a technology development approach unique to Yaskawa. While competitors are expanding robot capabilities through AI, we will leverage our strengths in motors and motion control to identify practical use cases with clear value and focus our technology investments there. In other words, we seek to advance AI from the field. Partnerships with companies in AI, digital technology, and communications infrastructure, including NVIDIA, Fujitsu, and SoftBank, will also be important. By combining their expertise and networks with our strengths in the physical domain, we aim to accelerate the discovery and implementation of new use cases beyond what we could achieve alone.

To expand the market for physical AI, robots require not only AI-based decision-making but also the physical capability to move independently and perform diverse tasks. We believe actuators are a key component supporting these capabilities and an important enabler of physical AI deployment. Today, many actuators used in humanoid robots are manufactured in China. However, relying on externally sourced motors limits access to detailed current and force data, constraining future technological advancement. For this reason, we are

developing proprietary actuators built on the motor technologies we have cultivated over the past 110 years. Our first step is to install these actuators in humanoid robots developed by Tokyo Robotics* and collect operational data in real-world environments. Using these data, we will develop actuators that are smaller, more efficient, and capable of smoother motion, while continuously improving the robots themselves. Learning from the field and evolving AI through physical technologies. Creating this cycle is the mission of our technology development division.

* Tokyo Robotics: A developer, manufacturer, and seller of humanoid robots that became a Yaskawa Group subsidiary in 2025.



Advanced actuator under development

Topics

Technology development base

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.



Yaskawa Technology Center (YTC)

Intellectual property and open innovation

Our intellectual property strategy is based on building sustainable competitive advantages through technological advancement and differentiation. In our core fields of motion control, power conversion, and robotics, we make efficient IP investments aligned with business strategies and promote early patent filings based on our technology roadmap. In physical AI and new mechatronics applications, we will accelerate IP activities to support market creation and expansion while securing rights in line with evolving market needs and business growth.

In parallel, we will expand open innovation based on collaboration among industry, academia, and government into physical AI and new mechatronics fields. Through joint research and demonstration projects with partner companies, universities, and research institutions, we will steadily advance our technology roadmap. By combining external expertise and advanced technologies with our core technologies, we aim to build a foundation for continuous innovation, create new business opportunities, and expand value creation.

Manufactured Capital



Tetsuyoshi Yamamoto

Executive Officer, Head of Production Div. and General Manager, Global Production Innovation Dept.

Production strategy for achieving the company-wide targets of the mid-term business plan

To achieve the goals of our mid-term business plan “Dash 35,” we are building a resilient production foundation that can adapt to business and demand fluctuations. Through i³-Mechatronics, we are driving manufacturing innovation by leveraging production technologies and expertise developed at our mother factories across the Group. We are also strengthening our global production network through local production for local consumption and greater in-house production of core components. These efforts enhance production flexibility, supply capabilities, and value capture. By shortening lead times, improving productivity, and optimizing costs and inventories, we will further enhance profitability, capital efficiency, and the competitiveness of our production foundation.

* A core manufacturing site that pioneers advanced manufacturing, validates new technologies and production methods, and deploys them across the global production network.

Evolution of manufacturing (integration of automation, data, and planning)

To advance manufacturing, we are building a production model that integrates automation, planning, and data. By linking expanded automation, digitalized production planning, and the utilization of manufacturing data, we optimize production activities as a whole and realize highly efficient manufacturing.

01 | Expansion and advancement of automation (higher production density and flexibility)

We are extending automation from routine tasks to non-routine operations traditionally reliant on human judgment and skills. By expanding our lineup with collaborative and autonomous equipment utilizing Physical AI, we are automating processes previously difficult to address. In addition to connected cell-line production for high-volume manufacturing, we are introducing distributed cell-line systems that flexibly integrate equipment through AGVs and related technologies. These initiatives enable optimal production based on product mix and volume while enhancing productivity, flexibility, and responsiveness to changing demand and product requirements.

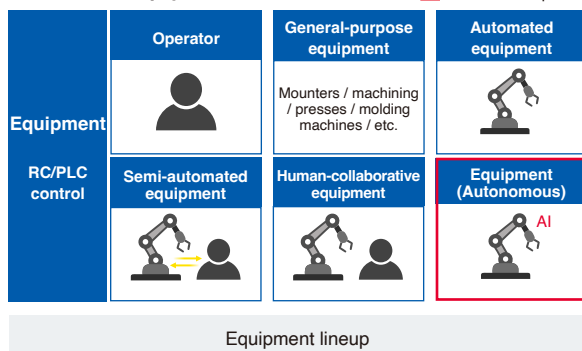
02 | Digitalization and automation of production planning (YDX)

We are advancing YDX by establishing integrated operational and IT systems that link revenue, production, and inventory information. By optimizing processes from planning through manufacturing and shipment, we enable faster, more accurate responses to supply and demand changes while strengthening supply capabilities and optimizing production and inventory levels.

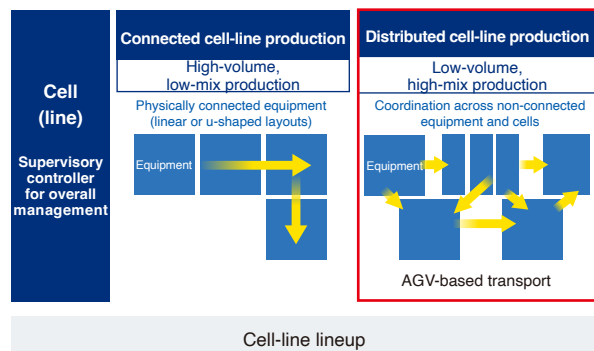
03 | Continuous improvement through manufacturing data utilization

We are strengthening the collection and utilization of manufacturing data to visualize equipment performance, quality, and process variations in real time and feed insights back to the field. In addition, by leveraging AI for predictive analysis and condition optimization, we are further improving manufacturing processes and driving continuous gains in productivity and quality.

Standardized equipment as the smallest unit ☐ Under development



Standardized equipment combined to form a cell



Strengthening the global production framework (local production for local consumption and higher productivity)

We have built a global production framework centered on local production for local consumption, enabling rapid product supply through local procurement and shorter lead times. We will continue strengthening this foundation to enhance resilience and flexibility in responding to business environment changes and demand fluctuations.

01 | Further strengthening local production for local consumption

Based on our policy of local production for local consumption, we are strengthening production systems that respond quickly to regional demand while optimizing production and logistics networks to reduce risks from exchange rate fluctuations, tariffs, and natural disasters and ensure stable supply. In the U.S., we are advancing the Campus Vision to strengthen an integrated platform encompassing technology, sales, production, and service, enabling faster responses to market needs and supporting business growth. We are also developing our Vietnam PCB plant as a global supply hub and expanding board supply to plants in North America, Europe, and India. These initiatives will enhance supply stability, increase added value, and build a flexible supply framework that can respond to regional demand fluctuations.

02 | Global deployment of mother factory capabilities

We are deploying the automation and production management systems established at our mother factories to overseas sites as a common platform, adapting them to local requirements to achieve stable production operations. In addition, by promoting global knowledge sharing and standardization, we will improve operational efficiency and quality consistency, strengthening our globally competitive production framework.



YASKAWA America, Inc.
Establishment of new campus



Vietnam PCB Plant

Enhancing added value through in-house production of core components

We are strategically expanding in-house production of core components to capture greater value and strengthen our technological capabilities. By enhancing resilience to procurement risks and optimizing design and manufacturing as an integrated process, we will shorten lead times and improve profitability.

01 | Expanding in-house production and strengthening technological capabilities

We are expanding in-house production of PCBs, plastic components, and machined parts to enhance quality consistency and production flexibility. Combined with automation, these efforts improve equipment utilization and increase added value. We are also promoting integrated production from components to finished products to shorten lead times, optimize inventories, and improve logistics efficiency. For key components, we are building quality and cost competitiveness from the prototype stage while accelerating the development and mass-production application of proprietary technologies to strengthen product competitiveness.

02 | Technology refinement and feedback to product development

Through in-house production, we accumulate manufacturing knowledge and expertise and feed these insights back into product development. This helps improve design quality and strengthen our development and proposal capabilities. By creating closer integration between development and production, we are promoting value creation and building a business foundation that continuously generates added value.



Board mounting



Resin molding



Machining (robot casting parts)

Human Capital



Tatsuya Yamada

Managing Executive Officer
General Manager, Human Resources, General Affairs & Risk Management Div.
General Manager, Export & Import Administration Div.

At YASKAWA Group, “Vision 2035” aims to transform us into a company where employees find work rewarding, embrace challenges, and continue to grow. We seek to create an organization where diverse employees share a strong sense of purpose and work together for sustainable business growth to realize our principles. This vision is grounded in Yaskawa Principles and Six DNAs*. Human resources division plays a key role in building the systems that support their understanding and practice. To strengthen ties with frontline operations and enhance employee engagement, we integrated the Human Resources and General Affairs functions in FY2026 and reorganized the structure accordingly.

Since the previous Mid-term Business Plan, we have advanced the visualization and use of human capital data through YDX and AI to secure the talent needed to execute our business strategy and ultimately realize our principles. The HR system introduced in FY2025 serves as a platform for employee data, including

Overall human resources strategy

Human capital initiatives			
Key items	Desired outcome	Achievements and challenges from the previous mid-term plan	Key initiatives
1. Deepening understanding of the Yaskawa Principles	Strengthen a One YASKAWA culture through greater employee alignment and engagement.	Achievement: Promoted understanding of the Yaskawa Principles through management-led lectures. Challenge: Build mechanisms and culture that promote deeper understanding and practice worldwide.	1 Increase understanding through direct management communication. 2 Develop talent grounded in the Yaskawa Principles and Six DNAs.
2. Advancing diversity & inclusion (D&I)	Foster cognitive diversity that broadens perspectives and improves decision-making.	Achievement: Achieved the mid-term target for the ratio of female managers. Challenge: Create an environment and culture where diverse talent can thrive.	1 Career development program for next-generation women leaders 2 Appoint diverse talent to decision-making positions. 3 Foster a culture that embraces diverse opinions and perspectives.
3. Strategic talent acquisition and next-generation talent development	Identify required talent and skills and secure them through systematic recruitment and development.	Achievement: Progress in the visualization of human capital data. Challenge: Clarify workforce plans and talent requirements and reflect them in recruitment and workforce allocation.	1 Secure talent aligned with business strategy and workforce plans. 2 Develop future leaders and key talent through succession planning.
4. Transforming into challenging yet rewarding workplace	Create a culture where challenge, achievement, and growth are recognized and rewarded.	Achievement: Established evaluation and compensation frameworks across domestic Group companies. Challenge: Reflect challenge and growth in evaluation and rewards while enhancing visibility and utilization of career aspirations and skills data.	1 Rebuild performance evaluation, compensation, and career development systems. 2 Establish HR operations based on the visualization of performance results, career aspirations, and skills.

Problem solving & improvement



Foundations for Execution

ES questionnaire (employee awareness survey)

Understand employee fulfillment and growth opportunities and drive continuous improvement.

Direct dialogue with management

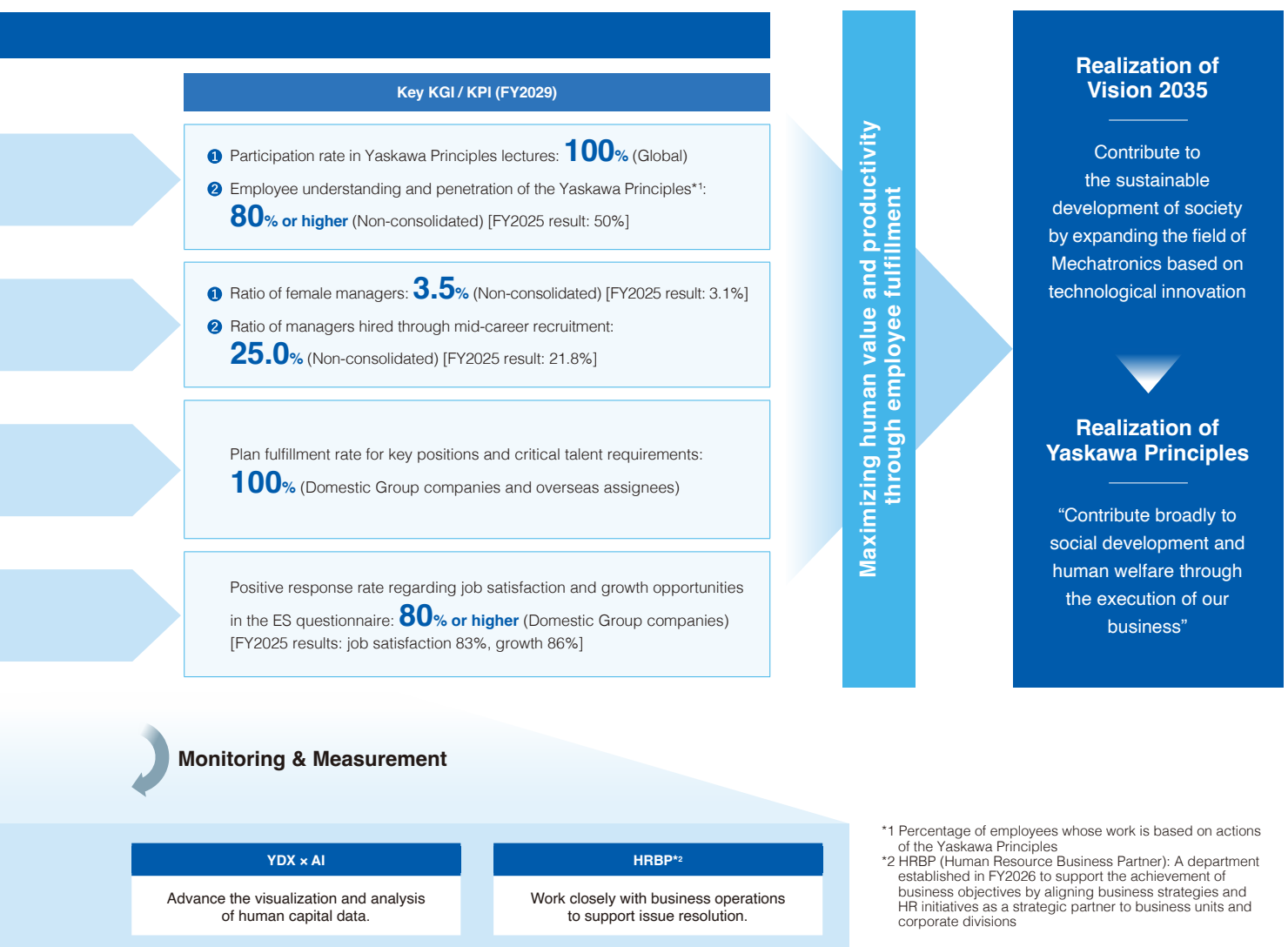
Deepen understanding and engagement through direct communication between management and employees.

career history, performance, skills, engagement results, and career aspirations. These insights are already supporting workforce planning and recruitment. Going forward, we will further leverage data for talent development, succession planning, and optimal talent allocation by clarifying role-based competency requirements and improving data quality and analysis.

Employee engagement depends not only on confidence in assignments and evaluations, but also on a sense of contributing to corporate growth and social progress. To strengthen this sense of purpose, we are fostering systems and a culture that encourage employees to solve stakeholder issues through the Yaskawa Principles and the Six DNAs while learning from stakeholder feedback.

We believe that when purpose-driven employees thrive within these frameworks and work together toward management goals, engagement, productivity, and sustainable growth will reinforce one another in a virtuous cycle.

* See page 5 for details on the Six DNAs.



Deepening the understanding of Yaskawa Principles

The YASKAWA Group is fostering a “One YASKAWA” culture by encouraging employees to align their awareness and actions with the Yaskawa Principles. Since FY2022, management-led sessions have been expanded from managers, including those at domestic group companies, to all employees.

While awareness of the Yaskawa Principles remained high at around 95% through FY2024, practical application remained at 50% in FY2025. Accordingly, in FY2026 we strengthened initiatives to help employees connect the Principles with their daily work and put them into practice. Principles-based education is incorporated into training programs for new employees and managers, creating opportunities to engage with the Yaskawa Principles throughout employees’ careers.

We also promote a culture of putting principles into practice through the “Ekiden Talk” series on our internal portal site.



Principles education

Monitoring by ES questionnaire

	2023/1	2024/1	2026/2
Recognition of Yaskawa Principles	94%	96%	—*
Penetration rate of Yaskawa Principles	45%	52%	50%

*Past monitoring results indicated that the Yaskawa Principles are already well recognized throughout the organization, with nearly all employees having attended the Principles lectures. Therefore, this question was removed from the survey.

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.

FY2024 survey results revealed room for improvement in areas such as employees’ sense of growth through work. In FY2025, we emphasized the role of managers in enhancing motivation and performance by clarifying individual roles and goals, strengthening management training.

Under “Dash 35,” we are promoting a culture in which employees who take on challenges, deliver results, and grow are appropriately recognized and rewarded. Progress is continuously monitored through ES questionnaires.

Monitoring by ES questionnaire

	2023/1	2024/1	2025/1	2026/1
Satisfaction with the ES questionnaire	81%	91%	88%	87%
Changes and effects of the ES questionnaire*	54%	69%	69%	69%

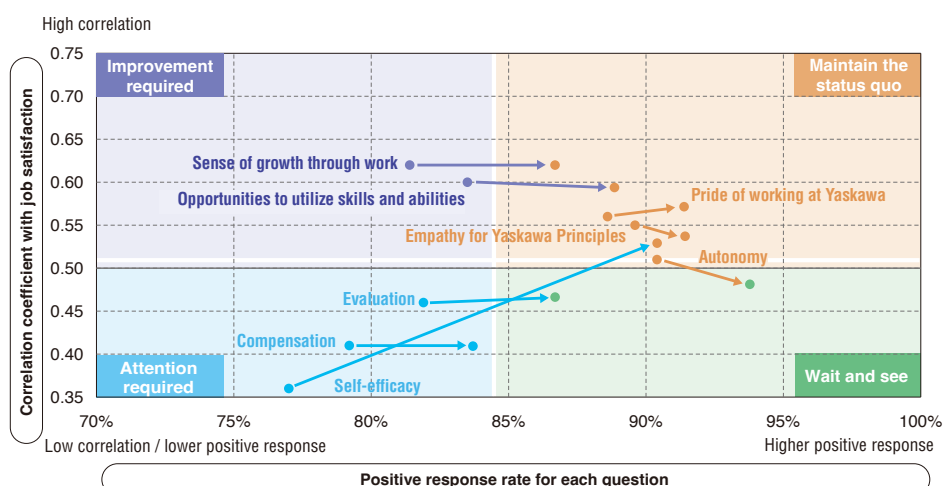
*Percentage of employees who responded that they felt internal changes and effects with the ES questionnaire over the past year

Monitoring by ES questionnaire

	2024/6	2024/11	2025/5	2025/10	2026/5
Positive response rate of job satisfaction	80%	80%	83%	82%	82%
Positive response rate of sense of growth	81%	82%	86%	85%	85%

Results analysis of ES questionnaire for job satisfaction (FY2024→FY2025)

To understand the factors driving job satisfaction, we analyzed 15 survey items, including “sense of growth through work” and “opportunities to utilize skills and abilities,” based on positive response rates and their correlation with job satisfaction. As a result of focused efforts in FY2025, the “sense of growth through work” indicator improved from an area requiring improvement to a maintain the status quo area. We will continue leveraging ES questionnaires to identify engagement drivers, evaluate initiatives, and promote our transformation into a company that is both challenging and rewarding to work for.



■ 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.



Direct dialogue with management

Maximizing human capital value and productivity through employee engagement

To realize “Vision 2035,” the YASKAWA Group must become a more agile and value-generating organization. In addition to improving efficiency and optimizing workforce allocation, maximizing added value is essential. To enhance employee engagement and unlock employees’ potential, we are advancing four priority initiatives: Fostering a One YASKAWA culture through deeper understanding of the Yaskawa Principles, promoting diversity and inclusion, building a foundation for performance through safety and health management, aligning talent acquisition and development with business

strategy, and transitioning to evaluation and compensation systems that foster challenge and growth. These initiatives form an integrated human resources strategy centered on employee engagement. In addition, we identify issues through ES questionnaire and direct dialogue, and continuously implement improvements by enhancing frontline support capabilities through the utilization of YDX and AI as well as organizational restructuring, thereby maximizing both human capital value and organization-wide productivity.

Strengthening the foundation for growth through investment in human capital

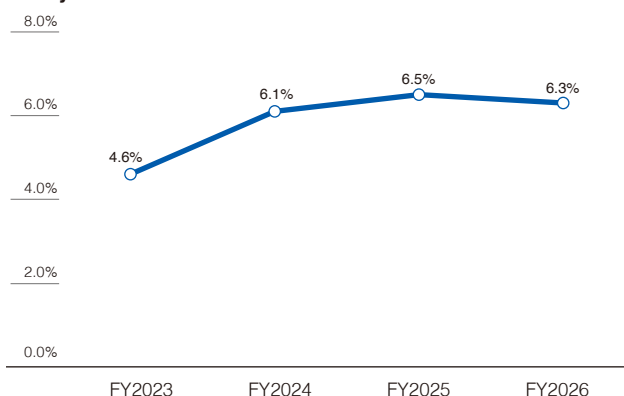
Yaskawa views investment in human capital as a key driver of sustainable growth and the realization of “Vision 2035.” In response to inflation, intensifying competition for talent, and growing expectations for human capital management, we continue to enhance compensation levels. Annual wage increases for union members*1 have remained high, rising from 4.6% in FY2023 to 6.1% in FY2024, 6.5% in FY2025, and 6.3% in FY2026. These efforts support employee well-being while helping attract and retain talented personnel. Training and development expenses*2 is also expanding, with spending expected to reach an index of 203 in FY2026, based on FY2023 = 100.

Priority areas include passing on the Yaskawa Principles and Six DNAs, developing future management candidates and next-generation leaders, and strengthening expertise aligned with business strategy. To maximize the impact of human capital investments, we continuously review training content and target employee segments based on business needs, and strengthen processes that translate learning into job assignments and opportunities to take on new challenges. Through these investments, we aim to enhance employee growth and engagement, improve productivity, and increase corporate value.

*1 Members of the Yaskawa Electric Labor Union

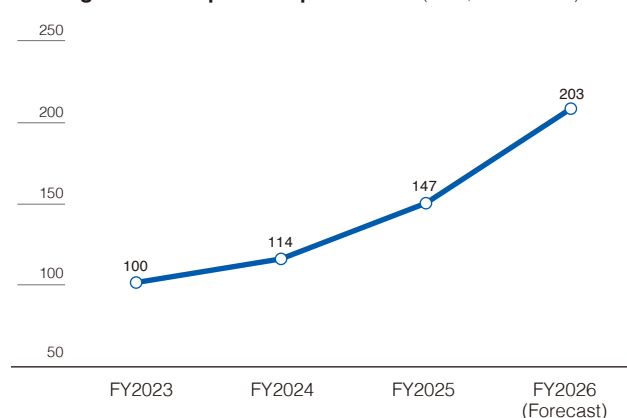
*2 Training and development expenses managed at headquarters out of Yaskawa Electric's non-consolidated training expenditures

Salary increase rate



Training and development expenses

(Index, FY2023 = 100)



Natural Capital

Targets and progress of the environmental mid-term plan

	Mid-term plan targets for FY2025		Progress in FY2025	Self-evaluation
Green processes	The Group's CO ₂ emission reduction rate	30% (Compared to FY2018)	35%	○
	CO ₂ -free electric power rate	75% (Yaskawa Electric)	85%	○
	Reduce volume of waste discharged by the Group	FY2018 results (3,986 tons) or less	3,300 tons	○
	Proper water management	Reduce volume of water consumed by Yaskawa Electric Reduce by 1% compared to FY2022 results (169 thousand m ³)	167 thousand m ³	○
Green products	Contribution to reducing CO ₂ emissions through products	120.00 million tons (Cumulative since FY2016)	166.63 million tons	○
	Compliance with the RoHS Directive	100%	101%	○
Management	Increase in the number of companies covered under EMS in the Yaskawa Group	Environmental impact load ratio: 99% or greater	96%	△

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

Progress in FY2025

We generally achieved the targets of our environmental mid-term plan through FY2025. Under our Green Processes initiatives, we significantly exceeded targets through the start of solar power generation at the Robot Plant No. 5 at the Yahatanishi Plant, the adoption of CO₂-free electricity at the Yukuhashi Plant, Tsukuba Research Laboratory, and Kansai Branch Office, as well as energy-saving measures, including higher-efficiency air-conditioning systems. In addition, all company-owned facilities in Japan now use 100% CO₂-free electricity. The ratio of CO₂-free electricity used by Yaskawa Electric reached approximately 85%, contributing significantly to Group-wide CO₂ emissions reductions.

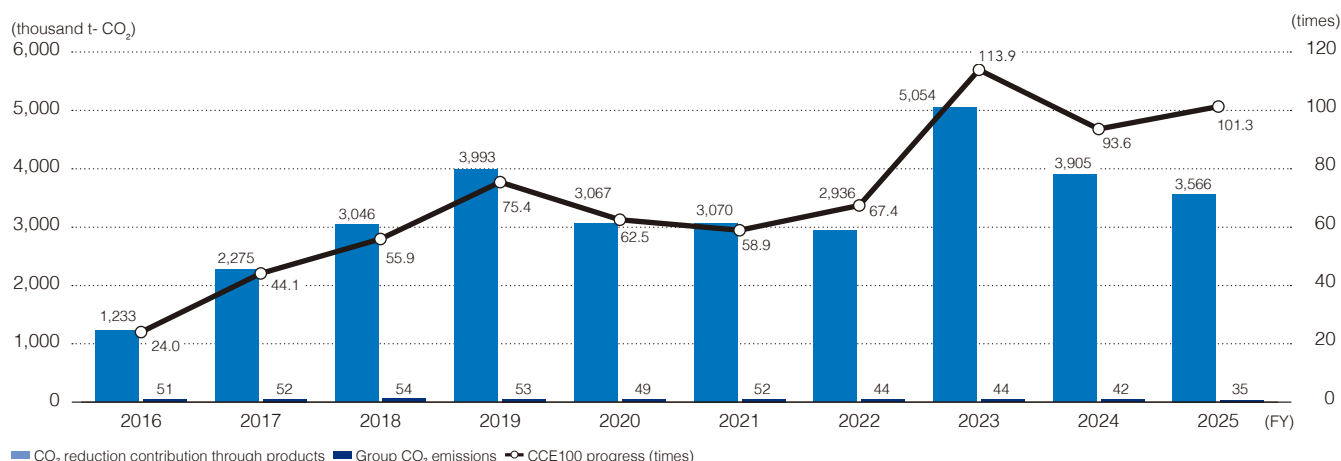
For waste management, efforts to reduce waste oil and recycle waste plastics continued to produce steady results.

Regarding water management, as most water consumption is for domestic use, we will continue to promote water conservation through everyday saving measures.

We also achieved "CCE100," our proprietary environmental target of generating CO₂ emissions reduction contributions through our products that exceed emissions from business activities by more than 100 times. In FY2025, the ratio reached 101 times. CCE100 is designed to promote both "reductions in our own CO₂ emissions" and "the development and market introduction of highly energy-efficient products."

Through this indicator, we are advancing company-wide decarbonization initiatives involving all employees, including those in development, design, and sales divisions.

Progress and targets for CCE100



Targets of the new environmental mid-term plan

Indicator			FY2029 target
GHG		CO ₂ emissions reduction rate (Scope 1 + 2) (vs. FY2018)	46%
		CO ₂ -free electric power rate	55%
Green processes	Waste	Reduction rate in waste generation intensity per unit of sales (vs. FY2025)	4%
		Final disposal rate (Yaskawa Electric)	Achieve zero emissions (1% or less)
		Effective utilization rate of plastic waste (Yaskawa Electric)	95% or higher
	Water	Reduction rate in water withdrawal intensity per unit of revenue (vs. FY2025)	10%
		Contribution to CO ₂ emissions reductions through products (cumulative)	120 mega tons
Green products	Compliance with environmental regulations for products		100%
	Environmental impact data coverage rate (energy, water, and industrial waste)		95%

Future initiatives

Under the new environmental mid-term plan beginning in FY2026, we will further reduce the environmental impact of our business activities (Green Processes) while enhancing the environmental performance of our products (Green Products) through our technological capabilities. Based on our environmental vision and the “2050 Carbon Neutral Challenge,” we have established environmental targets that contribute to corporate value by addressing business challenges, stakeholder needs, risks, and opportunities. These targets support the achievement of our 2050 Carbon Neutral Challenge, which aims to achieve net-zero (carbon-neutral) CO₂*1 emissions (Scope 1*2 and Scope 2*3) from the Group's business activities by FY2050 and to reduce the same emissions by 51% from FY2018 levels by FY2030, an interim milestone toward that goal.

To achieve these targets, we will further strengthen environmental considerations in new factory construction, expand the installation of solar power generation systems, and accelerate the adoption of CO₂-free electricity, including renewable

energy, across Group companies in Japan and overseas.

With regard to waste management, we will strengthen collaboration with waste treatment contractors to reduce final disposal volumes and achieve zero emissions. In particular, for waste plastics, we will not only reduce final disposal but also investigate recycling methods and monitor their effective utilization rate.

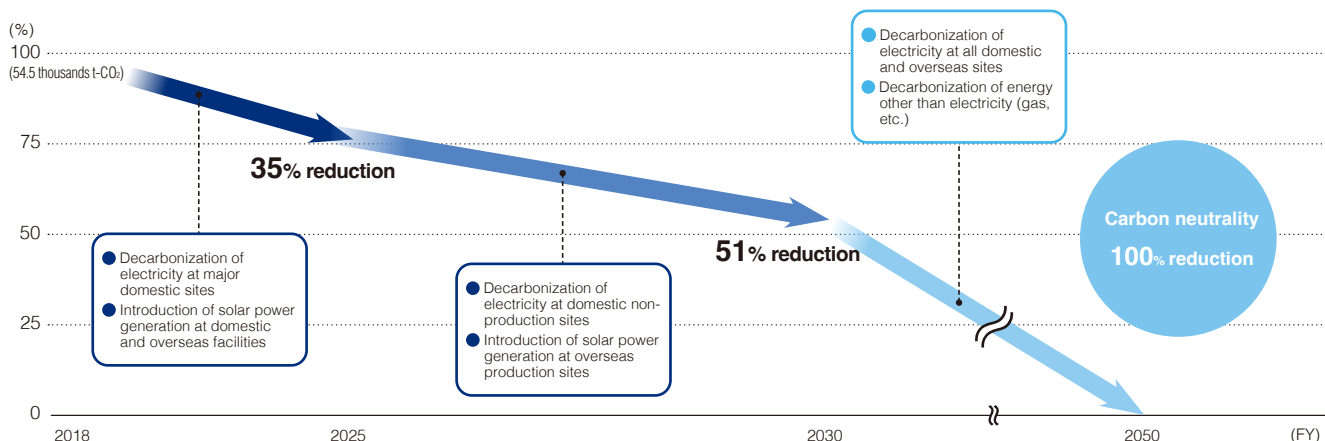
In addition, our proprietary environmental indicator “CCE100,” which was a target under the previous mid-term business plan, will be expanded to “CCE200” from FY2026. Under this initiative, we aim to achieve a contribution to CO₂ emissions reductions through our products that is more than 200 times greater than the CO₂ emissions generated by our business activities by FY2035.

*1 CO₂: Carbon dioxide and other greenhouse gases, including fluorinated gases.

*2 Scope 1: Direct emissions, primarily from fuel consumption.

*3 Scope 2: Indirect emissions from the consumption of purchased electricity and heat.

Milestones for achieving carbon neutrality by FY2050



Disclosures based on TCFD

<https://www.yaskawa-global.com/sustainability/env/tcfd#tcfd>

Social and Relationship Capital

Yaskawa Group views engagement with diverse stakeholders, including customers, shareholders and investors, employees, business partners, and local communities, as essential to sustainable growth and enhanced corporate value. By widely communicating our value-creation initiatives and reflecting

stakeholder feedback in management, we promote continuous improvement and co-creation. Ongoing dialogue helps build trust and deepen understanding of our activities, strengthening the YASKAWA brand as a trusted and preferred company.

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 biannual procurement briefings for key suppliers to share our business outlook and procurement policies. Through ongoing dialogue, we strengthen partnerships, enhance information sharing, and support stable and sustainable supply chains. As part of our CSR initiatives, suppliers complete self-assessment surveys based on our Sustainable Procurement Guidelines. By identifying improvement opportunities and promoting compliance, we advance sustainable sourcing with responsible procurement partners.
 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 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 with the community.

Directors' Roundtable Discussion



Hiroshi Ogasawara

Representative Director,
Chairman of the Board; President
/ Nomination Advisory Committee
Member / Compensation Advisory
Committee Member

Hisanori Makaya

Outside Director / Nomination
Advisory Committee Member
/ Chair of the Compensation
Advisory Committee

Yaeko Hodaka

Outside Director, Member of the
Audit and Supervisory Committee
/ Nomination Advisory Committee
Member / Compensation Advisory
Committee Member

Keiji Nishio

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

Supporting sustainable growth and enhancing corporate value through diverse perspectives and constructive dialogue

As the Yaskawa Group launched its new long-term business plan “Vision 2035” and its new mid-term business plan “Dash 35” in FY2026, the composition of the Board of Directors following the Annual General Meeting of Shareholders held in May 2026 consists of 56% outside directors and 44% female directors. Against this backdrop, Mr. Ogasawara, Chair of the Board, and outside directors Mr. Makaya, Mr. Nishio, and Ms. Hodaka shared their candid perspectives from their respective positions on the effectiveness of the Board of Directors, the formulation and monitoring of business plans, and the opportunities and challenges facing our company as it pursues future growth.

Q What are the background and reasons for increasing the ratio of outside directors and female directors on the Board?

Ogasawara What is most important in the composition of the Board of Directors is creating an environment where active discussions can take place from a variety of perspectives. By including outside directors with diverse experience and expertise, the scope of discussion expands and management can be overseen more objectively.

Nishio Regardless of the ratio of outside directors, our Board has always engaged in open and candid discussions. However, as the ratio of outside directors increases further, so does their influence on the Board. I am acutely aware of the responsibility that comes with every comment and opinion we express.

Hodaka Because the Board is a forum for discussion and deliberation, it is important that its size allows all members to participate fully. I believe our current Board structure functions well, enabling active discussions while reflecting a diverse range of viewpoints.



Makaya What matters is whether the Board is structured in a way that allows for thorough discussion. In that respect, I believe the quality of our discussions has improved because we now receive direct explanations from General Managers, Senior Executive officers, and Executive officers, and engage in discussions with them at Board meetings.

Ogasawara The participation of General Managers, Senior Executive officers, and Executive officers contributes not only to more active discussions but also to providing outside directors with firsthand insight into the views and conditions of the executive organization. I believe this also enhances the transparency of our discussions.

Q What do you consider most important in the director nomination process, particularly in light of the current composition of the Board?

Nishio The most important role of the Nomination Advisory Committee is to select the President who will lead our company's future and recommend that individual to the Board of Directors. In the nomination process, we place great importance on independence and objectivity. We must select the most suitable candidate who can enhance corporate value from the shareholders' perspective, without being influenced by internal relationships or personal impressions. To that end, I value opportunities to directly observe the thinking and leadership of executive management through Board discussions and audit



activities. Based on those observations, I strive to make judgments grounded in objective factors such as track record, skills, and conduct.

Q From the perspective of outside directors, what were the key points of discussion during the formulation of "Vision 2035" and "Dash 35," which were launched this fiscal year?

Nishio As an outside director, the most difficult situation is when a proposal is brought to the Board only after its content has been finalized and changes can no longer be made. In that regard, it was highly beneficial that we were able to discuss the plans at the Board level while they were still under development. As an Outside Director, I openly shared my views on the results and challenges of the previous mid-term business plan. I believe the new plan reflects not only internal considerations but also the perspectives of shareholders and investors.

Hodaka While the term "Physical AI" has attracted considerable attention in society, I felt that broad expectations and somewhat vague perceptions were developing ahead of a clear understanding of what it represents. For that reason, I emphasized the importance of clearly communicating to investors what Physical AI means to our company, which products fall within that category, and how humanoids are positioned within our business strategy. As a result, I believe the mid-term business plan presents these concepts in a clear and accessible manner, including visual illustrations. It effectively clarifies the distinction between solutions for manufacturing on-sites and the humanoid field, while also highlighting the importance of focusing on advanced actuators that contribute to both areas.

I also believe it was meaningful that we were able to provide a realistic explanation of the timeline for monetizing opportunities in the Physical AI field.

Makaya The fact that we did not achieve the financial targets of the previous mid-term business plan is an issue that must continue to be addressed in the current plan. In addition, strengthening the management foundation that supports our competitive technologies and products, as well as enhancing management oversight, including that of overseas subsidiaries, will be important priorities going forward.

Ogasawara During the formulation process, we engaged in extensive discussions regarding both our businesses and the management foundation that supports them. In addition to achieving the targets set forth in our long-term and mid-term business plans, we also clarified the initiatives that must be steadily pursued within the organization. Drawing on the lessons learned from the previous mid-term business plan, we will continue to monitor progress from the perspective of whether the Yaskawa Group as a whole is achieving overall optimization.

Q How will the Board monitor progress on “Dash 35”?

Nishio To ensure that the mid-term business plan delivers meaningful results, it is important to establish Board-level monitoring as an integral part of our management process. Appropriate KPIs must be set for the specific steps required to achieve the plan, and progress must be managed in accordance with the established schedule. At the same time, the business environment is constantly changing. It is therefore essential to continuously verify whether our strategies and assumptions remain valid and to make course corrections with speed when necessary. Rather than managing the plan as a fixed framework, I believe the key is to maintain it as a “living” mid-term business plan that can adapt to changes in the business environment.

Hodaka When reviewing individual proposals, it is important to consider how each initiative fits within the overall mid-term business plan and the extent to which it contributes to the achievement of its objectives. For example, when evaluating investment proposals, we need to assess whether they are aligned with our overall cash allocation strategy. I also believe it is important to have a management framework that provides a comprehensive view of progress across the mid-term business plan as a whole.



Nishio If we think of the mid-term business plan as a forest and individual proposals as trees, I see monitoring as an ongoing process of moving back and forth between viewing the forest as a whole and examining each tree in greater depth.

Makaya I place particular emphasis on investments that drive future growth. Appropriate investments must be steadily executed to support our growth, but the foundation for those investments is the earning power of our existing businesses. I will monitor whether we are creating a positive cycle in which investments in existing businesses generate profits, and those profits are then reinvested into growth initiatives, including M&A.



Ogasawara Of course, achieving the financial targets of the mid-term business plan is important. Equally important is whether we are successfully transforming the business structure and management foundation that underpin those targets to an optimal state. In addition to monitoring quantitative targets, the Board will continue to discuss these underlying factors as well.

Q What are your expectations and perceived challenges for the further growth of the Yaskawa Group?

Nishio As the need to integrate advanced virtual technologies, including Physical AI, continues to grow, there are limits to what can be achieved through a self-contained approach alone. Alliances and M&A provide valuable opportunities not only for business expansion but also for talent development. I believe it is essential to cultivate the next generation of leaders through practical experience gained by working with companies that have different businesses and corporate cultures.

Hodaka The development of an ecosystem will be critical to the social implementation of Physical AI. I look forward to seeing how our company will evolve and what position it will occupy within that ecosystem.

Makaya Advances in Physical AI are poised to significantly change the stage of our business.

In addition to technological capabilities, I believe it is important to enhance our overall competitiveness, including our people and partnerships. If we can strengthen these capabilities, I expect they will lead to the creation of new business pillars and further expansion of our business portfolio.

Ogasawara I encourage our Outside Directors to speak candidly, especially when their views may be difficult to express. The perspectives of our Outside Directors are a tremendous source of strength for management.

Through active and candid discussions at the Board, we will work together with our Outside Directors to achieve the growth of the Yaskawa Group and enhance corporate value.

Message

Message from Newly Appointed Outside Directors

Upon my appointment as an Outside Director

Drawing on my expertise as a physician and researcher, as well as my management experience in the pharmaceutical industry, I place particular emphasis on how highly specialized technologies can be translated into social value and contribute to the sustainable growth of our company.

I believe our company possesses significant strengths, including its advanced technological capabilities cultivated over many years and its sincere corporate culture of addressing social challenges from the shop floor. These strengths give me confidence in the company's growth potential.

To enhance corporate value over the medium to long term, I will engage in candid and constructive discussions, contribute to strengthening the soundness and transparency of management, and work to improve the effectiveness of the Board of Directors.



Harumi Mukai
Outside Director

Toward the sustainable growth of the Yaskawa Group

To achieve sustainable growth, it is essential to build on the competitiveness and profitability of our core businesses while turning emerging fields such as Physical AI into business results. This will require the ability to convert technological advantages into solutions for customer challenges and the creation of new market value.

Innovation is not created through technology alone. It also requires an organizational culture in which diverse talent can thrive and an environment that encourages people to take on challenges. I will therefore place importance on fostering an organization where employees can maximize their capabilities.

Drawing on my expertise gained in other industries, I will strive to contribute to enhancing Yaskawa Electric's presence on the global stage and achieving sustainable growth.

Upon my appointment as an Outside Director

The technologies and products of our Group play an essential role in addressing social challenges, not only in the manufacturing of semiconductors and electronic components that support the AI era, but also in areas such as energy conservation and responding to labor shortages.

From an objective standpoint, I will monitor whether the policies and strategies aimed at enhancing corporate value over the medium to long term are being implemented steadily and effectively.

In addition, by confirming how the company is addressing issues identified through communication with various stakeholders and how risks are being managed, I will contribute to further strengthening the governance framework and promoting sound and sustainable management.



Chikako Irie
Outside Director, Member of the Audit and Supervisory Committee

Toward the sustainable growth of the Yaskawa Group

I believe that achieving sustainable growth requires not only further enhancing our technological capabilities and expanding their range of applications, but also strengthening collaboration with a diverse range of stakeholders both inside and outside the company. To respond effectively to evolving social challenges, it is essential to build an organization where employees with diverse experiences and values can work together and thrive.

Drawing on my background as a Certified Public Accountant, I will pay particular attention to our management strategies, including investments and alliances. From an investor's perspective, I will monitor whether the PDCA cycle is functioning effectively throughout the entire process, from planning and execution to the evaluation of results and the implementation of improvements.

Through constructive discussions that reflect the expectations of our stakeholders, I will contribute to the sustainable growth and enhancement of corporate value of the Yaskawa Group.

Corporate Governance

Message from the Chairman of the Board of Directors



Hiroshi Ogasawara

Representative Director,
Chairman of the Board; President

Enhancing the quality of management through active discussion and realizing higher corporate value

Changes in the role of the Board of Directors

As Chairman of the Board, I have witnessed a significant shift in the role of the Board of Directors over the past five years, reflecting the intent of Japan's Corporate Governance Code. Previously, the Board focused primarily on reviewing and approving specific proposals presented by the executive side. Today, the Board's role has evolved to place greater emphasis on monitoring from a broader perspective, particularly by Outside Directors, including whether the company is moving in the right direction and whether it is being managed in a sound manner. Active opinions and constructive discussions are taking place on each agenda item. With regard to our new long-term business plan, "Vision 2035," and our new mid-term business plan, "Dash 35," the Board will continue to monitor progress and challenges.

Leveraging diverse perspectives in Board operations

With the increasing ratio of Outside Directors, a wide range of views and perspectives is being brought forward by Board members. For example, in discussions on management risks, directors exchange views on the risks themselves and on our company's perception of those risks based on their respective industry backgrounds, expertise, and experience. Through these discussions, I have seen a clear improvement in the quality of Board deliberations.

As Chairman of the Board, I will continue to lead constructive discussions and further enhance the effectiveness of the Board of Directors, thereby contributing to the enhancement of corporate value.

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 Electric Corporate Governance Policy

<https://www.yaskawa-global.com/sustainability/governance/corporate>

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

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

Yaskawa Electric formulates and executes its long-term business plan and mid-term business plan to realize Yaskawa Principles. Taking into account the characteristics of its businesses, the Company periodically reviews the ideal structure and composition of the Board of Directors, which is responsible for both execution and oversight, through the Nomination Advisory Committee, a majority of whose members are Independent Outside Directors. The knowledge, experience,

and capabilities expected of the Board of Directors are based on the requirements necessary for the execution of these management strategies.

The “field of capability that Yaskawa expects each Director to demonstrate” shown below identify the key areas in which each Director is expected to contribute and demonstrate his or her capabilities when deliberating the Company's medium- to long-term business strategies, targets, policies,

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

Name	Age*1	Position	Years served as a Director*1	Gender	Attributes		
Hiroshi Ogasawara	70	Representative Director, Chairman of the Board; President	19	Male			
Ayumi Hayashida	61	Director, Managing Executive Officer	—	Female			
Yumie Kubota	58	Director, Executive Officer	—	Female			
Hisanori Makaya	68	Outside Director	1	Male	Outside	Independent	
Harumi Mukai	60	Outside Director	—	Female	Outside	Independent	
Takeshi Ikuyama	62	Director and Member of the Audit and Supervisory Committee	3	Male	Audit and Supervisory Committee Member		
Keiji Nishio	67	Outside Director and Member of the Audit and Supervisory Committee	3	Male	Audit and Supervisory Committee Member	Outside	Independent
Yaeko Hodaka	60	Outside Director and Member of the Audit and Supervisory Committee	3	Female	Audit and Supervisory Committee Member	Outside	Independent
Chikako Irie	54	Outside Director and Member of the Audit and Supervisory Committee	—	Female	Audit and Supervisory Committee Member	Outside	Independent

Male

Outside

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

Female

Independent

Designated Independent Director as stipulated by the Tokyo Stock Exchange

Chairperson

Member

*1 As of the conclusion of the 110th Annual General Meeting of Shareholders held on May 27, 2026.

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

and initiatives at meetings of the Board of Directors and other governance bodies. It is not intended to represent the full range of expertise or experience of each Director. Given our characteristics as a globally operating B-to-B company, areas

such as Corporate management and Business strategy, Global , and ESG/sustainability are regarded as fundamental requirements expected of the Board as a whole.

Activities of the Board of Directors

In addition to its regularly scheduled meetings, the Board of Directors convenes extraordinary meetings as necessary. The Board determines important management matters and matters prescribed by applicable laws and regulations, while continually overseeing the execution of business operations.

Activities in FY2025

Meeting frequency	As a general rule, the Board met once a month, for a total of 13 meetings during the fiscal year.
Main agenda items	• Reports and deliberations on the progress of the mid-term business plan, “Realize 25” and the status of business execution during the fiscal year • Reports and deliberations on the operation of the internal control system, including the effectiveness and efficiency of operations, compliance with laws and regulations, information management, and risk management • Reports and deliberations on the evaluation of the effectiveness of the Board of Directors • Other important management matters
Directors' Discussion Meetings	In order to further enhance the effectiveness of the Board of Directors and deepen Outside Directors' understanding of the company's business, discussion meetings are held separately from Board meetings between Directors and senior management. Each meeting is organized around a specific theme, including topics such as Yaskawa Principles and dialogues with shareholders and investors. These meetings are intended to enrich Board discussions by promoting information sharing among Directors and senior management and encouraging open and constructive exchanges of views.

	Structure				Field of capability that Yaskawa expects 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
	◎		○	○	○	○			○	○	○
	○				○	○	○			○	○
	○				○	○			○	○	○
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	○	○	◎	○	○	○			○	○	○
	○	○	○	○	○	○		○			○
	○	○	○	○	○	○	○				○

Evaluation of the effectiveness of the Board of Directors

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

In FY2025, a questionnaire survey was conducted with all Directors, and interviews were conducted with Outside Directors.

The questionnaire and interviews consist of evaluation items related to the 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.

The survey results indicated that more than 90% of

all responses were positive. Based on these results, our company concluded that the effectiveness of the Board of Directors is generally ensured.

At the same time, several areas were identified for further improvement. These included: (1) enhancing discussions regarding the allocation of management resources, and (2) enriching the deliberations of the Nomination Advisory Committee. To address these issues, in FY2026 the Company will further enhance discussions on management strategies, investment plans, and other key matters. The Company will also deepen specific discussions aimed at improving the effectiveness of deliberations on succession planning, the nomination of Director candidates, and related topics.

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.

With regard to succession planning, the Nomination Advisory Committee has deepened its discussions to enhance the effectiveness of deliberations on succession

planning, while advancing the process for selecting candidates and formulating succession development plans.

In addition, with respect to the change in Representative Director effective May 27, 2026, the Board of Directors resolved at its meeting held on April 10, 2026, following deliberations by the Nomination Advisory Committee, to shift to a management structure under which Hiroshi Ogasawara, currently Representative Director, Chairman of the Board, will assume the position of Representative Director, Chairman of the Board and President.

Activities in FY2025

Meeting frequency	Held a total of two meetings.
Main agenda items	• Nomination of Director candidates • Selection process for the Representative Director and Executive Officers • Other related matters

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.

Activities in FY2025

Meeting frequency	Held a total of four meetings.
Main agenda items	• Appropriateness of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) and Executive Officer • Structure and design of the remuneration system • Other related matters



Details of Executive Compensation

<https://www.yaskawa-global.com/sustainability/governance/corporate>

Directors & executive officers (As of May 27, 2026)

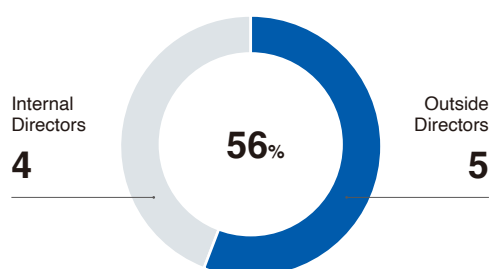
9 Directors

 Hiroshi Ogasawara Representative Director, Chairman of the Board; President Years served as a Director 19 Attendance rate at Board of Directors Meetings 100%	 Ayumi Hayashida Director, Managing Executive Officer Years served as a Director – Attendance rate at Board of Directors Meetings –	 Yumie Kubota Director, Executive Officer Years served as a Director – Attendance rate at Board of Directors Meetings –
 Hisanori Makaya Outside Director Years served as a Director 1 Attendance rate at Board of Directors Meetings 100% Outside Independent	 Harumi Mukai Outside Director Years served as a Director – Attendance rate at Board of Directors Meetings – Outside Independent	 Takeshi Ikuyama Director and Member of the Audit and Supervisory Committee Years served as a Director 3 Attendance rate at Board of Directors Meetings 100% Attendance rate at Audit and Supervisory Committee 100%
 Keiji Nishio Outside Director, Member of the Audit and Supervisory Committee Years served as a Director 3 Attendance rate at Board of Directors Meetings 100% Attendance rate at Audit and Supervisory Committee 100% Outside Independent	 Yaeko Hodaka Outside Director, Member of the Audit and Supervisory Committee Years served as a Director 3 Attendance rate at Board of Directors Meetings 100% Attendance rate at Audit and Supervisory Committee 100% Outside Independent	 Chikako Irie Outside Director, Member of the Audit and Supervisory Committee Years served as a Director – Attendance rate at Board of Directors Meetings – Attendance rate at Audit and Supervisory Committee – Outside Independent

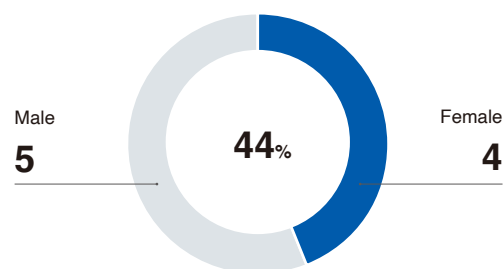
- Outside** Outside Director as provided in Article 2-15 of the Companies Act
- Independent** Designated Independent Director as stipulated by the Tokyo Stock Exchange
- Directors' tenure is as of the conclusion of the 110th Annual General Meeting of Shareholders held on May 27, 2026.
 - Attendance rates at meetings of the Board of Directors and the Audit and Supervisory Committee represent FY2025 performance.

 [Details of Career Summary and Current Positions](https://www.yaskawa-global.com/company/profile/directors)
<https://www.yaskawa-global.com/company/profile/directors>

Ratio of Outside Directors



Ratio of Female Directors



20 Executive Officers (excluding 2 Executive Officers who concurrently serve as Directors)

Vice Chairman, Executive Officer	Senior Executive Officer	Executive Officer	
Masahiro Ogawa	Michael Knappek	Takenori Otsuka	Seigo Yamada
	Nobuaki Jinnouchi	Michiaki Higuchi	Marcus Mead
Managing Executive Officer	Hiroshi Takata	Shoichiro Shimoike	Tetsuyoshi Yamamoto
Tatsuya Yamada	Manabu Okahisa	Yasuo Adachi	Takahiro Uchiyama
	Yasushi Ichiki	Toshio Kawasaki	Hidenori Hara
	Kozo Ide	Hideaki Yoshimatsu	Yasuo Taketomi

Strategic Utilization of AI

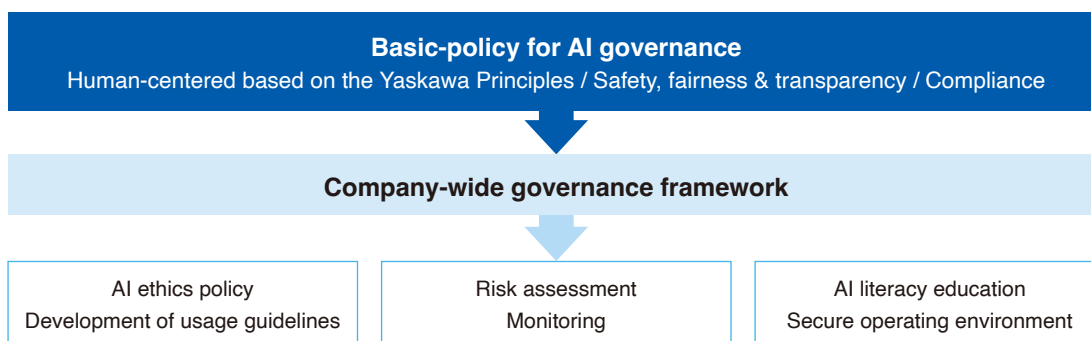
Basic policy and governance structure for AI

Under its long-term business plan, “Vision 2035”, the Yaskawa Group recognizes AI as a key technology that supports the enhancement of corporate value and drives new growth. Based on this recognition, we have established a basic policy for AI governance. Grounded in the Yaskawa Principles and guided by a human-centered approach, this policy emphasizes safety, fairness, and transparency while promoting the responsible use of AI in compliance with applicable laws, regulations, and social norms.

To ensure effective implementation, we have established a company-wide governance framework led by the ICT division. This framework centrally manages AI utilization

through the development of AI ethics policies and usage guidelines, as well as the assessment and monitoring of associated risks. With regard to generative AI, we have implemented strict usage rules based on human oversight, taking into consideration risks such as information leakage, copyright issues, and the accuracy of AI-generated outputs. Furthermore, we regard the ability to use AI safely and effectively as a fundamental capability shared across the organization. Accordingly, we are continuously promoting AI literacy education for all employees. As a trusted company chosen by customers worldwide, we are strengthening the foundation for AI utilization across the entire Yaskawa Group.

AI governance initiatives



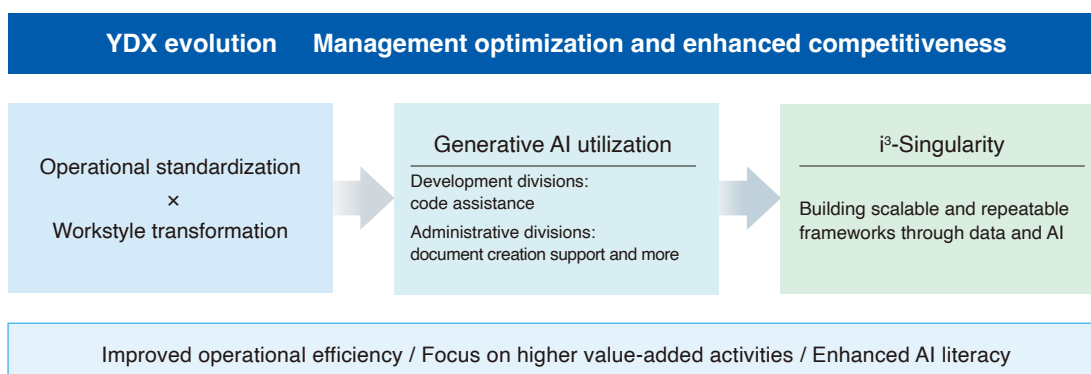
Results of YDX

The Yaskawa Group is optimizing management across the organization through the ongoing evolution of YASKAWA Digital Transformation (YDX), our company-wide digital transformation initiative. Beginning with the standardization of operations through centralized data management and the transformation of work processes, YDX serves as a key driver of the Group's growth. It also lays the foundation for “i³-Singularity”, a new world that combines AI with our solution concept, “i³-Mechatronics.”

As part of these efforts, we are promoting the company-wide use of generative AI within a secure operating environment. In administrative and indirect divisions, generative AI is used to support the creation of internal documents and reports, as well as information search and summarization.

In development and engineering divisions, it assists in the preparation of technical documentation and source code. Through these applications, we are improving the efficiency of routine tasks and enabling faster access to necessary information across a wide range of business activities. At the same time, we are creating an environment in which employees can focus on higher-value-added work while enhancing AI literacy throughout the organization. Going forward, we will gradually expand the use of AI across a broad range of activities, from sales, development, production, and service operations to management decision-making. By establishing repeatable frameworks built on data and AI, we will continue to advance YDX and further strengthen our management foundation.

Evolution and future direction of YDX



Quality Management

Efforts to improve corporate value

Since its foundation, Yaskawa Electric has placed “Quality First” at the core of management, creating customer value through reliable products and services. This philosophy has become embedded in the Yaskawa Group’s corporate culture through continuous advancements in quality management, including QC activities, TQM, and ISO9000.

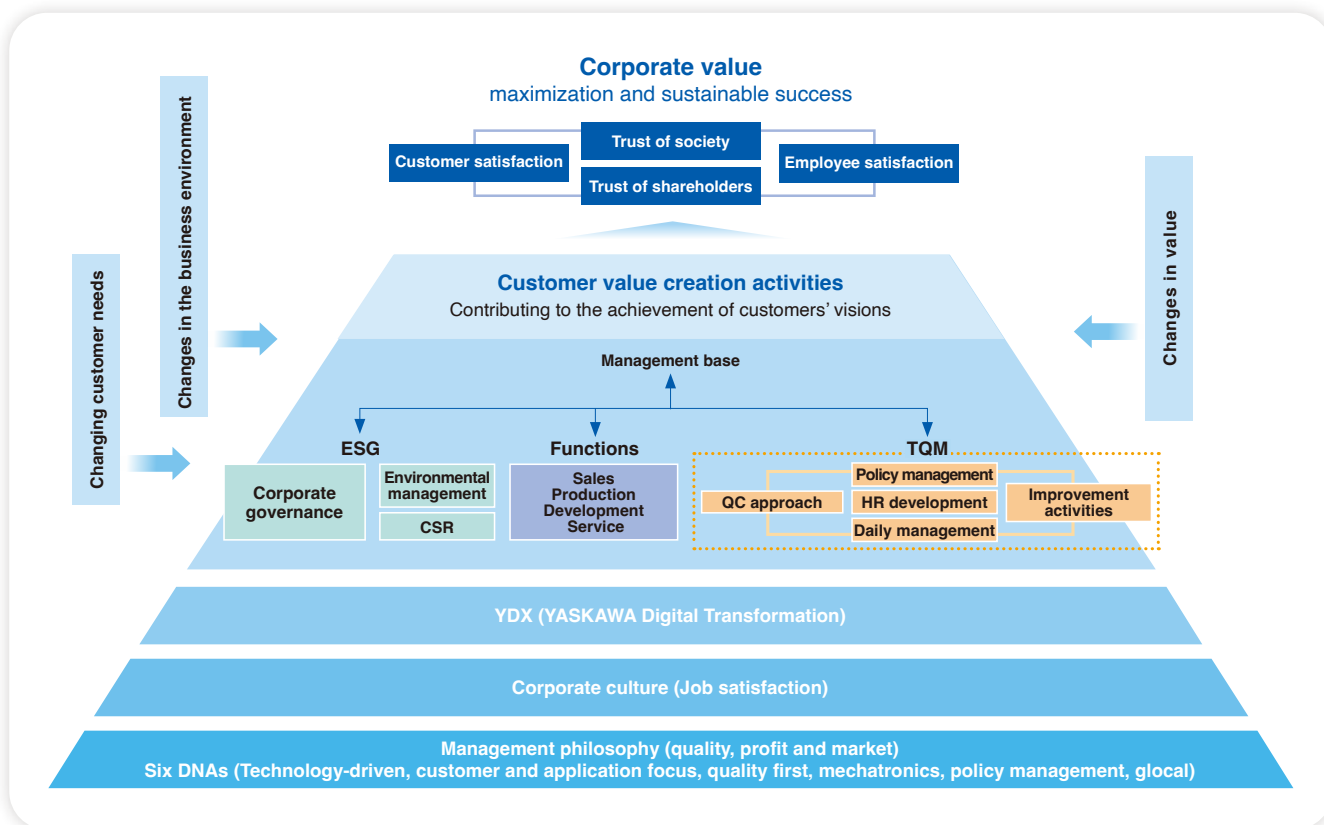
We define corporate value as the accumulation of trust and satisfaction from all stakeholders, including society. By enhancing both, we seek to maximize corporate value and achieve sustainable growth.

Supporting the realization of our customers’ visions is

central to our mission. By understanding their perspective and working together to solve challenges, we contribute to the success of their businesses, which in turn helps address broader social and human issues.

To support these efforts, we have established management foundations, including Functions, ESG, TQM, and YDX (YASKAWA Digital Transformation). Together with the Yaskawa Group’s culture and principles, these foundations enable us to respond flexibly to a rapidly changing business environment and increasingly diverse customer needs and values.

Quality management in our company



Enhancing quality management through digital management

Through “YDX (YASKAWA Digital Transformation)”, we are promoting rapid decision-making through the visualization of management information and improving management efficiency. Currently, we are working to further improve overall quality by using digital data to link the entire global value chain, including product planning, design, procurement, production, logistics, sales, and service. This enables us to view quality not only as product performance, but also in a broader sense as the degree to

which customer needs are fulfilled. 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. In addition, we are advancing operational efficiency through the use of AI, and the number of improvement activities based on a QC-oriented approach continues to grow.

Long-term Financial Data (FY2015-FY2025)

Japanese GAAP

(Fiscal year)		2015	2016	2017*3	2018	2019	2020
Net sales		411,260	394,883	448,523	474,638	410,957	389,712
Gross profit		134,147	124,018	154,174	156,353	124,496	116,370
Operating profit		36,730	30,409	54,126	53,098	24,198	27,180
Profit before income taxes		35,202	29,910	53,556	55,051	24,642	27,172
Profit attributable to owners of parent		22,365	20,397	39,749	42,524	15,572	18,927
Business Segment Information*1*2							
Motion Control	Net sales	187,548	172,025	212,095	213,260	180,446	176,014
	Operating profit	22,413	22,772	41,729	34,697	20,554	24,576
	Operating profit ratio (%)	12.0	13.2	19.7	16.3	11.4	14.0
Robotics	Net sales	154,068	139,993	163,379	177,995	152,170	139,494
	Operating profit	15,304	10,253	17,761	17,986	6,503	6,907
	Operating profit ratio (%)	9.9	7.3	10.9	10.1	4.3	5.0
System Engineering	Net sales	43,053	59,354	52,934	51,627	55,535	50,763
	Operating profit	-760	-591	-3,794	-770	469	-1,030
	Operating profit ratio (%)	-1.8	-1.0	-7.2	-1.5	0.8	-2.0
Sales by Destination*4							
Japan		135,495	134,205	133,896	154,539	151,481	135,908
The Americas		85,088	74,691	83,078	84,908	73,906	58,928
Europe		52,011	50,736	60,879	70,436	61,275	54,822
China		81,938	81,246	103,313	103,404	79,974	97,938
Asia except China		52,355	49,798	63,397	60,914	43,892	41,818
Other		4,370	4,205	3,957	435	428	296
Overseas sales ratio (%)		67.1	66.0	70.1	67.4	63.1	65.1
Cash Flow							
Cash flows from operating activities		31,954	33,752	46,054	34,347	21,480	39,602
Cash flows from investing activities		-22,421	-18,936	-18,852	-27,111	-20,645	-9,601
Free cash flows		9,533	14,816	27,202	7,236	835	30,000
Cash flows from financing activities		-2,601	-16,453	-14,820	-10,268	491	-20,284
Cash and cash equivalents at end of period		31,656	29,735	42,213	39,289	40,307	50,953
Per Share Information							
Earning (yen)		84.71	76.60	149.35	161.00	59.42	72.41
Dividends (yen)		20.00	20.00	40.00	52.00	52.00	24.00
End of the Fiscal Year							
Total assets		373,533	387,512	441,249	463,965	450,127	487,428
Interest-bearing debt		48,426	36,765	32,247	55,415	81,578	76,543
Shareholders' equity		181,281	198,513	235,865	243,967	228,362	246,266
Management and Financial Indicators							
Operating profit ratio (%)		8.9	7.7	12.1	11.2	5.9	7.0
ROE: Return on equity (%)		12.8	10.7	18.3	17.9	6.6	8.0
Shareholders' equity ratio (%)		48.5	51.2	53.5	52.6	50.7	50.5
Debt-to-equity ratio (times)		0.27	0.19	0.14	0.22	0.36	0.31
Dividend payout ratio (%)		23.6	26.1	26.8	32.3	87.5	33.1
Exchange Rate							
U.S. dollar (yen)		120.8	108.4	111.5	110.5	109.0	106.0
Euro (yen)		133.0	119.2	128.8	128.9	121.4	122.8

*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, medium voltage 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.

2021	2022	2023	2024	2025	(Fiscal year)	
479,082	555,955	575,658	537,682	542,122	Revenue	
168,644	192,006	209,100	191,481	191,236	Gross profit	
52,860	68,301	66,225	50,156	47,307	Operating profit	
55,378	71,134	69,078	78,454	49,563	Profit before tax	
38,354	51,783	50,687	56,987	35,240	Profit attributable to owners of parent	
Business Segment Information ^{*1*2*5}						
227,260	252,126	269,416	238,752	236,053	Revenue	
38,161	36,193	38,975	23,005	24,384	Operating profit	Motion Control
16.8	14.4	14.5	9.6	10.3	Operating profit ratio (%)	
178,670	223,829	234,680	237,413	247,012	Revenue	
17,248	26,126	25,149	23,751	20,418	Operating profit	Robotics
9.7	11.7	10.7	10.0	8.3	Operating profit ratio (%)	
52,265	51,111	46,074	38,352	38,744	Revenue	
2,126	2,574	4,857	4,605	4,989	Operating profit	System Engineering
4.1	5.0	10.5	12.0	12.9	Operating profit ratio (%)	
Revenue by Location ^{*4}						
150,190	162,405	159,576	149,207	148,377	Japan	
80,705	116,956	134,254	129,473	128,503	The Americas	
73,726	81,393	90,087	72,965	68,145	EMEA	
126,055	135,860	125,021	113,086	116,075	China	
48,405	59,339	66,718	72,949	81,020	Asia except China	
–	–	–	–	–	Other	
68.7	70.8	72.3	72.2	72.6	Overseas revenue ratio (%)	
Cash Flow						
49,233	-2,209	54,619	56,505	52,170	Net cash provided by operating activities	
-24,165	-19,694	-29,346	-21,287	-44,216	Net cash used in investing activities	
25,067	-21,904	25,272	35,218	7,953	Free cash flows	
-2,475	7,197	-29,416	-15,673	-8,626	Net cash provided by (used in) financing activities	
55,151	42,274	40,279	59,028	61,223	Cash and cash equivalents at end of period	
Per Share Information						
146.72	198.07	193.87	218.62	135.88	Earnings per share (yen)	
52.00	64.00	64.00	68.00	68.00	Dividends per share (yen)	
End of the Fiscal Year						
559,038	653,132	702,335	743,774	812,365	Total assets	
68,046	99,565	95,901	109,527	124,852	Interest-bearing debt	
291,234	347,499	399,338	431,188	483,542	Equity attributable to owners of parent	
Management and Financial Indicators						
11.0	12.3	11.5	9.3	8.7	Operating profit ratio (%)	
14.3	16.2	13.6	13.7	7.7	ROE: Return on equity (%)	
52.1	53.2	56.9	58.0	59.5	Ratio of equity attributable to owners of parent to total assets (%)	
0.23	0.29	0.24	0.25	0.26	Debt-to-equity ratio (times)	
35.4	32.3	33.0	31.1	50.0	Dividend payout ratio (%)	
Average Exchange rate						
111.5	134.1	143.2	152.7	149.9	U.S. dollar (yen)	
130.4	139.8	155.1	164.0	172.8	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 FY2025, 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	395 meetings
Conference meeting hosted by securities companies	60 meetings
Meeting at NDR	31 meetings
Seminar for individual investors	4 times



Results briefing

External Evaluation of IR Website

Daiwa Investor Relations Co., Ltd. 2025 Internet IR Awards Commendation Award 	Nikko IR Corporation Ranking of all listed company websites in FY 2025 Best site (General award)	Broadband Security Co., Ltd. Gomez IR Site Ranking 2025 Excellent Company: Bronze Prize 
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Inclusion in ESG Index

(As of July 2025)

Sompo Sustainability Index  Sompo Sustainability Index	FTSE4Good Index Series  FTSE4Good	iiSTOXX MUTB Japan Platinum Career Index  Member 2026/2027 Platinum Career Index
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Yaskawa has been selected as a constituent of six ESG stock indices adopted by the Government Pension Investment Fund (GPIF) for domestic equities.

2026 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

2026 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



FTSE Blossom
Japan Index



FTSE JPX Blossom
Japan Sector
Relative Index

Morningstar Japan ex-REIT
Gender Diversity Tilt Index

THE INCLUSION OF YASKAWA ELECTRIC CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF YASKAWA ELECTRIC CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Corporate and Stock-Related Information

Corporate information (As of February 28, 2026)

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:	12,483 Consolidated
Number of consolidated subsidiaries:	54 companies
Number of affiliates accounted for by the equity method:	7 companies

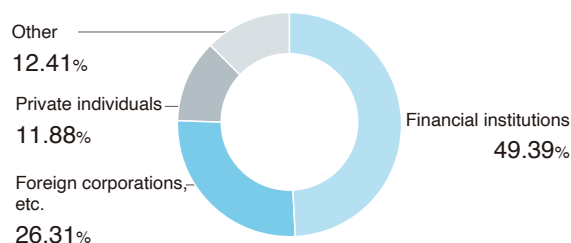
Stock and shareholder information

(As of February 28, 2026)

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):	1,319,684 units
Ratio of shares circulating:	49.48%
Stock exchange listings:	Tokyo (Prime market), Fukuoka
Share unit:	100 shares
Number of shareholders:	83,296

Share distribution by shareholder type

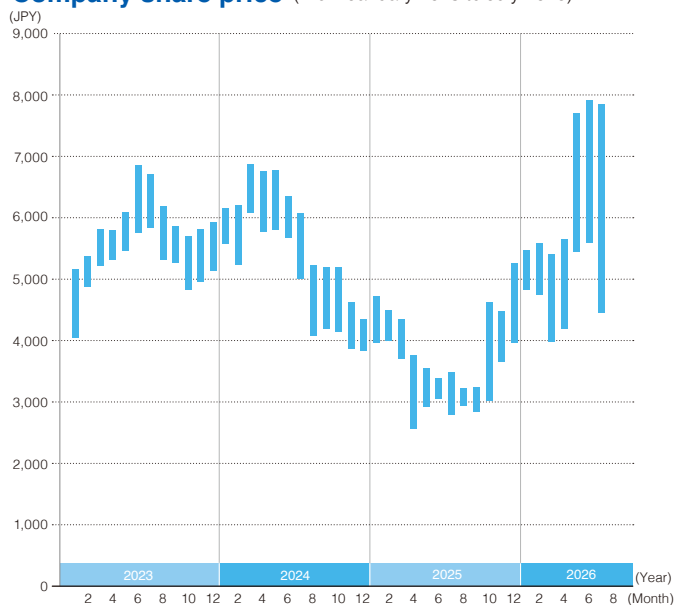


Major shareholders

Major shareholders (Top 10 shareholders)	Number of shares (Thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	49,452	19.02
Custody Bank of Japan, Ltd. (Trust Account)	30,332	11.66
JPMorgan Securities Japan Co., Ltd.	8,391	3.23
Meiji Yasuda Life Insurance Company	7,230	2.78
Mizuho Bank, Ltd. (MHBK)	5,400	2.08
Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank, Limited Employee Retirement Benefit Trust Account)	5,208	2.00
The Bank of Fukuoka, Ltd.	5,100	1.96
JP MORGAN CHASE BANK 385781	3,799	1.46
THE NISHI-NIPPON CITY BANK, LTD.	3,438	1.32
SMBC Nikko Securities Inc.	2,976	1.14

Note: Treasury stock (6,624,290 shares) is deducted in the calculation of the shareholding ratio.

Company share price (From January 2023 to July 2026)



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)

	2021	2022	2023	2024	2025
Price earnings ratio (PER) (Times)	31.15	27.06	31.56	18.45	40.59
Price book-value ratio (PBR) (Times)	4.10	4.03	4.00	2.49	2.96
Market capitalization at the end of the period (million JPY)	1,218,776	1,429,461	1,631,879	1,075,563	1,470,798

YASKAWA

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2026.9 P026E-01