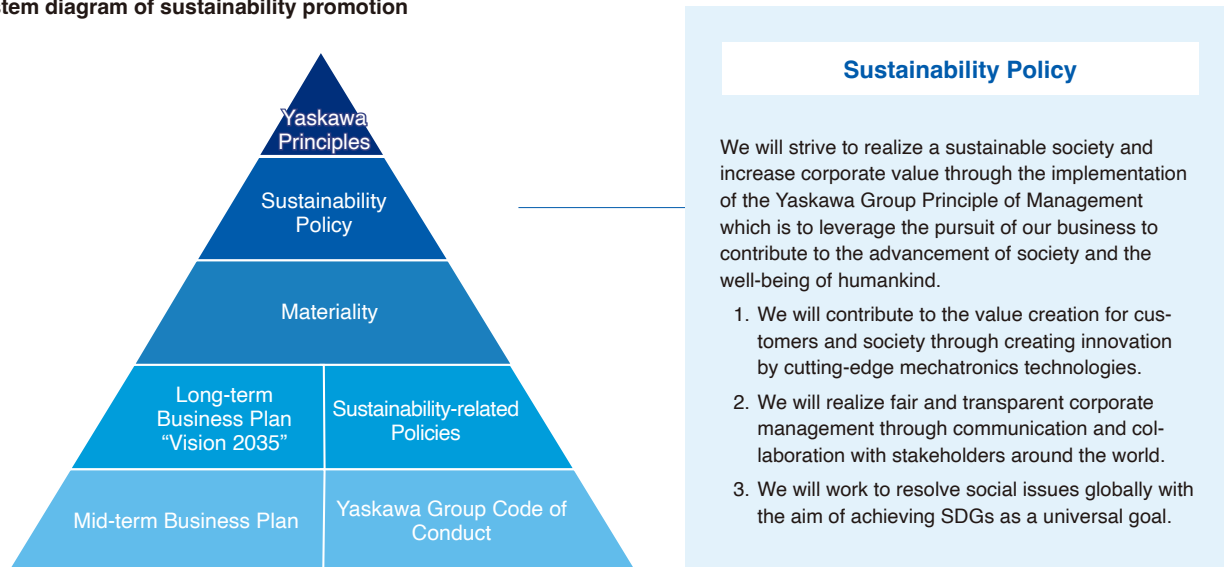


Approach to Sustainability and Identification of New Materiality

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

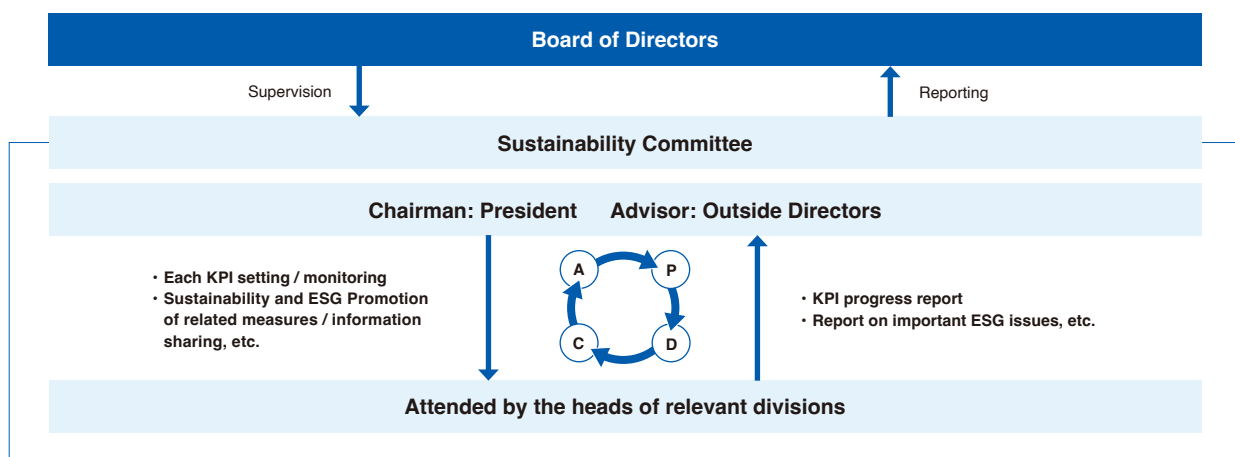


Sustainability promotion system

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.

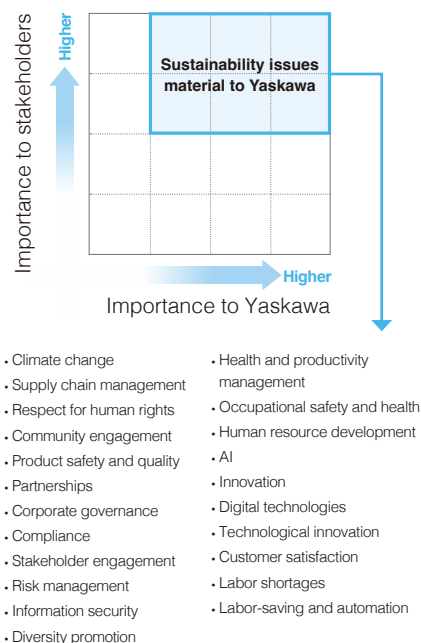
The assessment also considered impacts across our value chain, including suppliers, the Yaskawa Group, and customers

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.

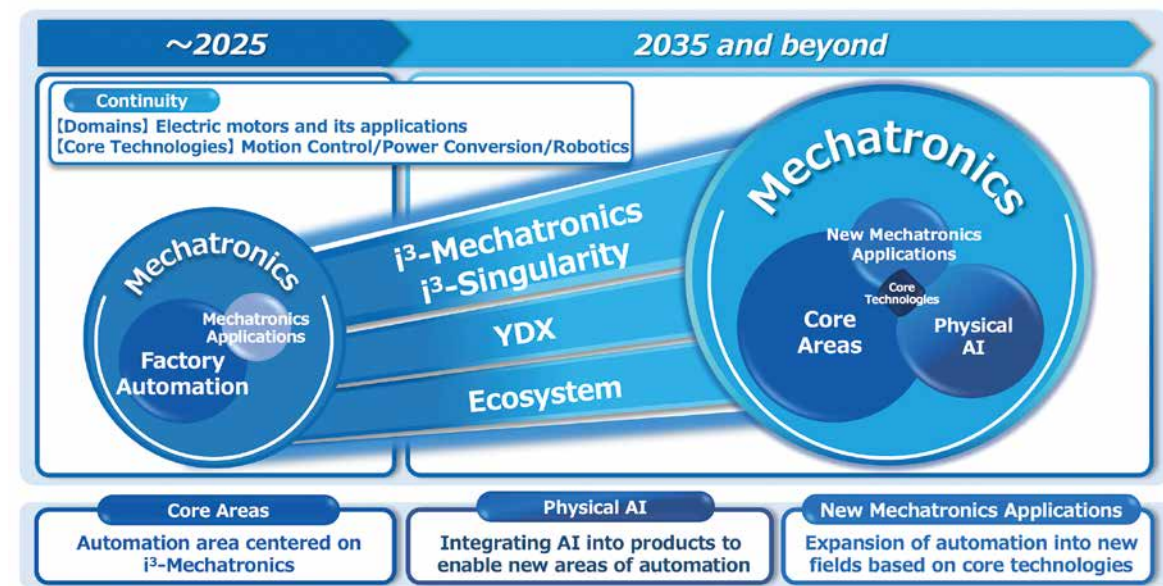
Yaskawa Principles and Goals for FY2035

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.



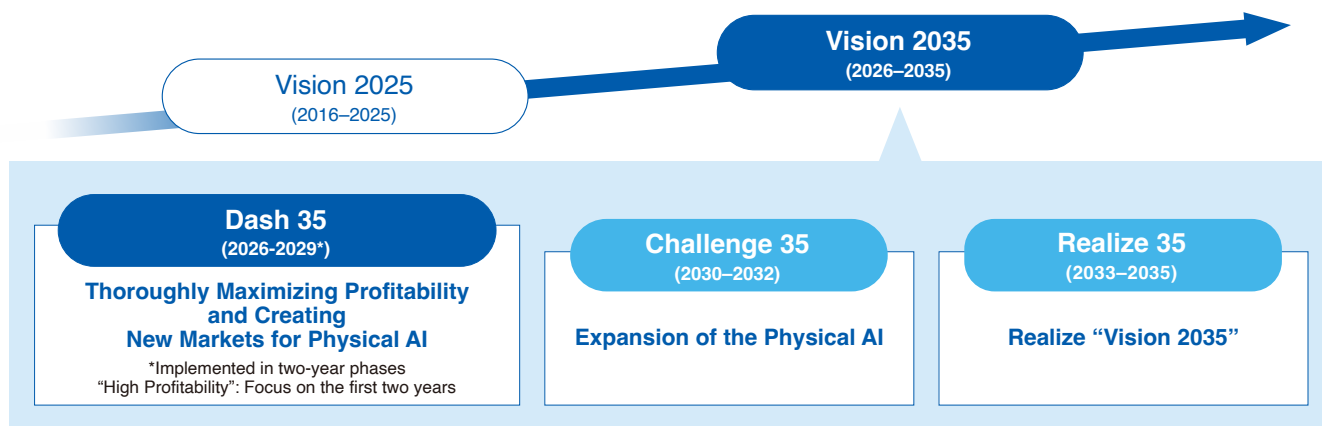
Financial Targets for FY2035

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”

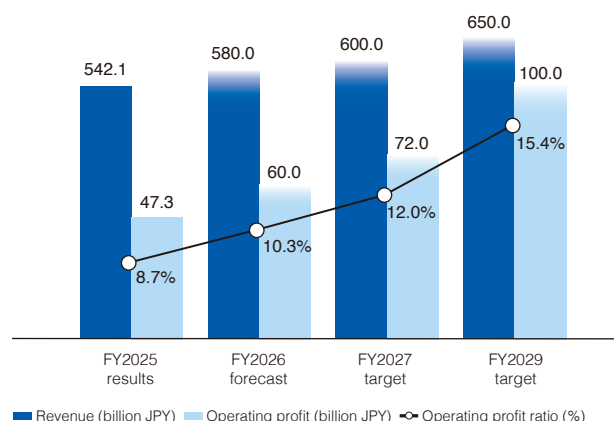
Under “Dash 35,” we will drive both thorough profitability enhancement in our core business domains and the creation of new markets through Physical AI technologies. By helping customers solve their management challenges, we aim to achieve growth and expand the business domains of the YASKAWA Group. 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

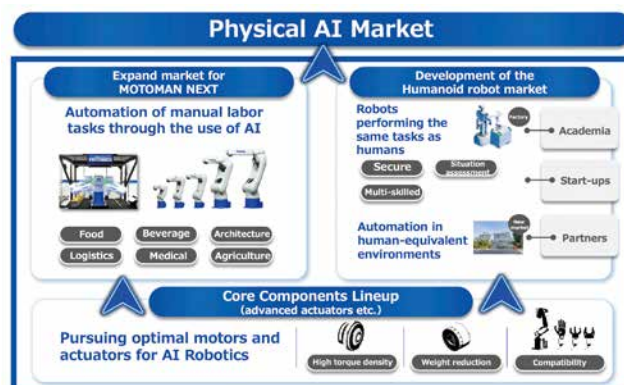
To continuously enhance corporate value, we plan cumulative investments of 250.0 billion JPY over four years, with an emphasis on capital efficiency. Of this amount, 120.0 billion JPY will be allocated to strategic investments, including the development of the physical AI market, while 130.0 billion 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.



Vision & Strategy

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

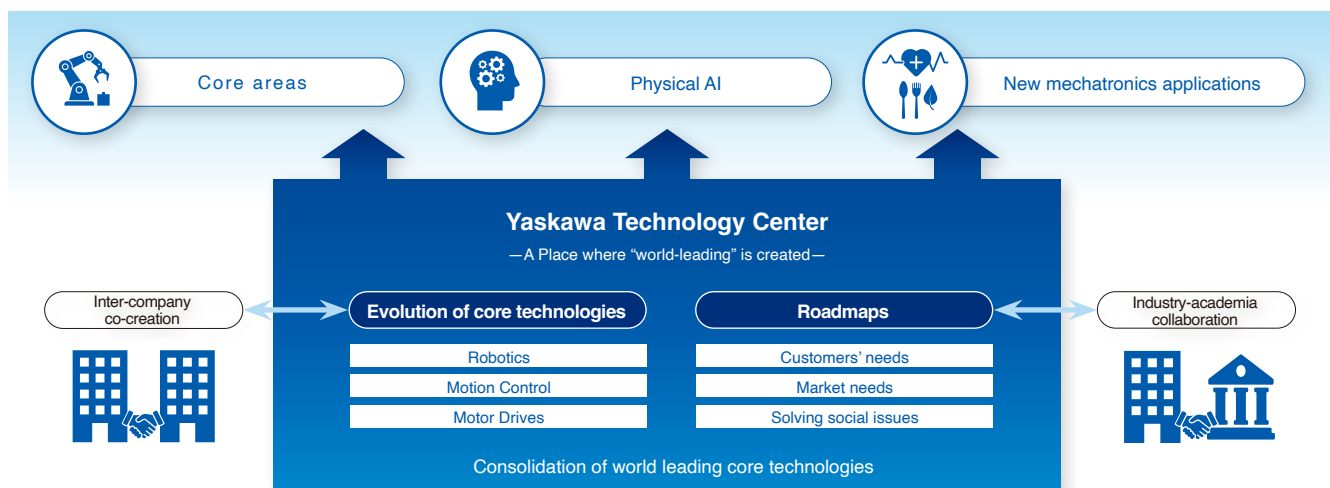
that exceeds changes in the external environment and further enhance YASKAWA Group value.



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

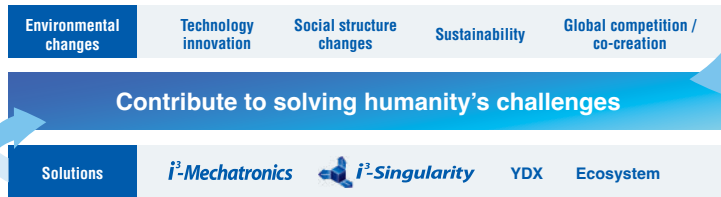
Yaska

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

new world of "i³-Singularity" by
AI into i³-Mechatronics
y (i³-Mechatronics+AI)

Preparation for
manufacturing

Procurement

Production



Drives



Robotics



System engineering

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