

Segment Highlight: Looking Back on Realize 25

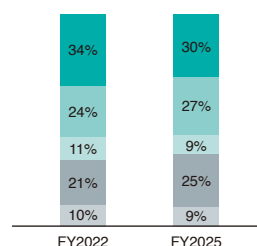
Motion Control

AC servo & controller business

Market share **14%** (global)

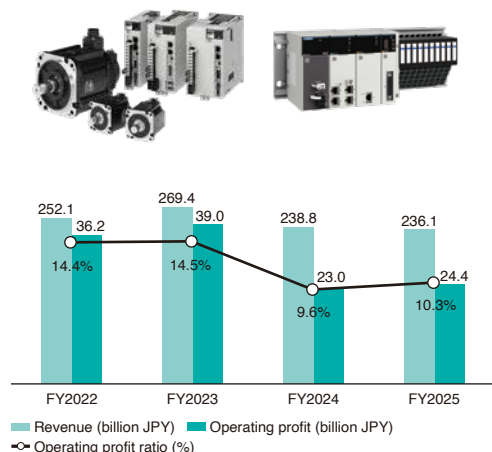
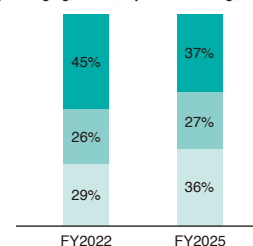
Revenue breakdown by region

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.)

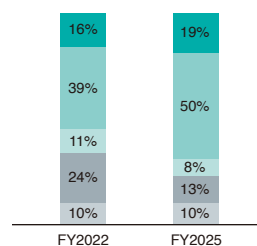


Drives business

Market share **5%** (global)

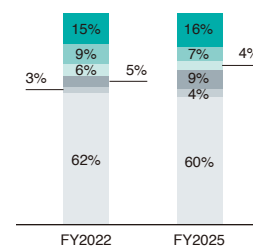
Revenue breakdown by region

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.)

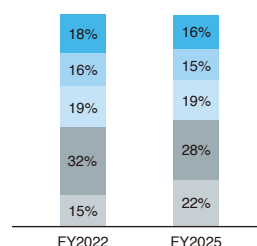


Robotics

Market share **7%** (global)

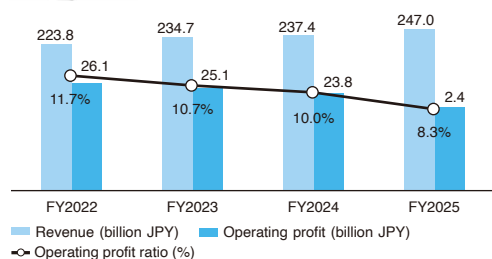
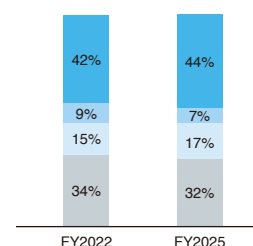
Revenue breakdown by region

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.)

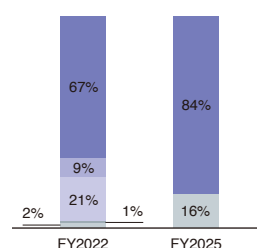


System Engineering

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

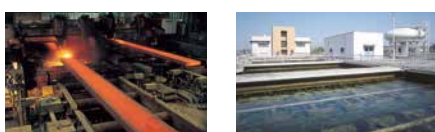
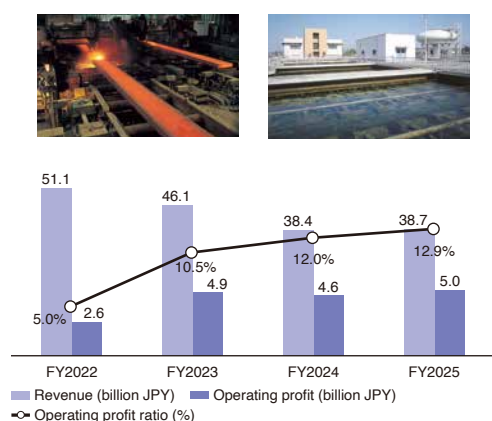
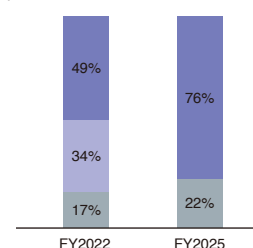
Revenue breakdown by region

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

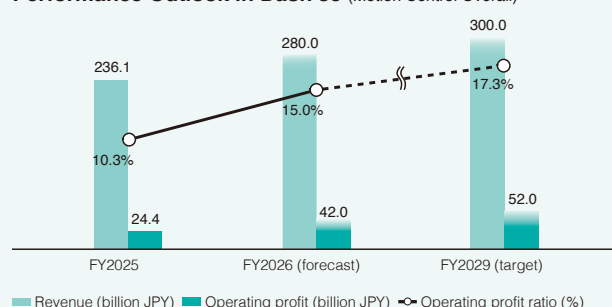


Takahiro Uchiyama
Executive Officer, General
Manager, Motion Control Div.

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.

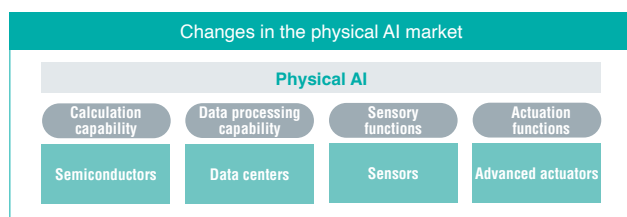
Performance Outlook in Dash 35 (Motion Control Overall)



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

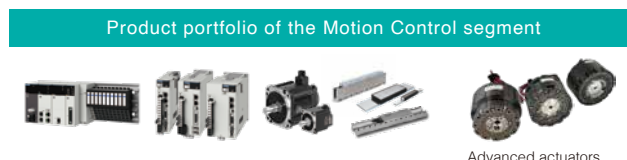
Policy 1 Capture the physical AI market

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

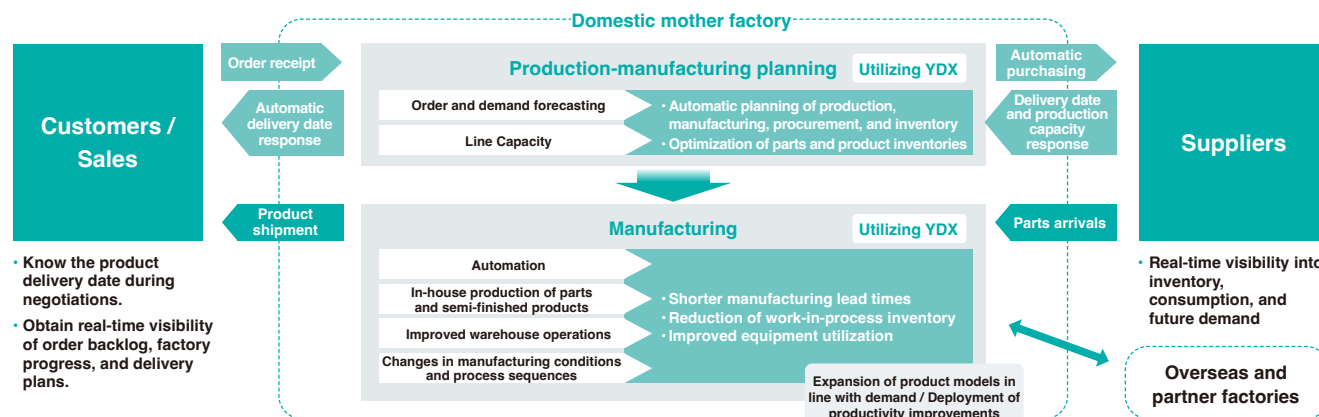
Leveraging the know-how gained through automation of equipment and factories based on i³-Mechatronics, we will deploy solution proposals globally in line with regional strategies. By continuously strengthening relationships with customers, we will build a stable demand base.

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

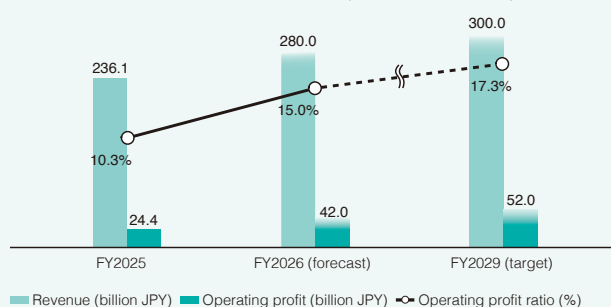


Koza Ide
Senior Executive Officer
General Manager,
Drives Div.

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

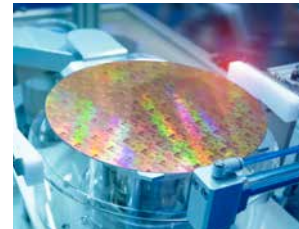
By optimizing inventory levels globally and increasing production capacity in North America, we will strengthen our supply framework to respond to customers' demand for shorter lead times for drives used in data center HVAC systems and server cooling equipment, thereby capturing growth opportunities 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

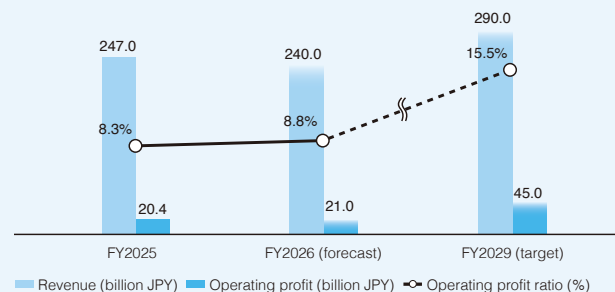
By leveraging YDX and AI, we will further enhance production and quality management. In addition, through greater in-house production of key components and expanded local procurement overseas, we will strengthen the resilience of our global supply chain and improve supply capabilities. Through these 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.

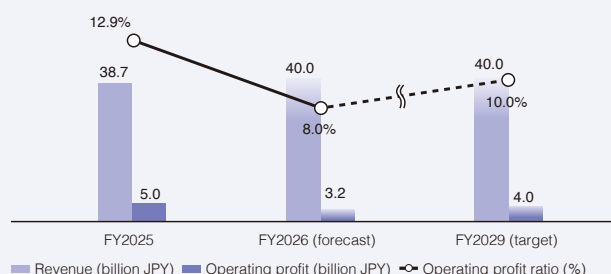
System Engineering



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.

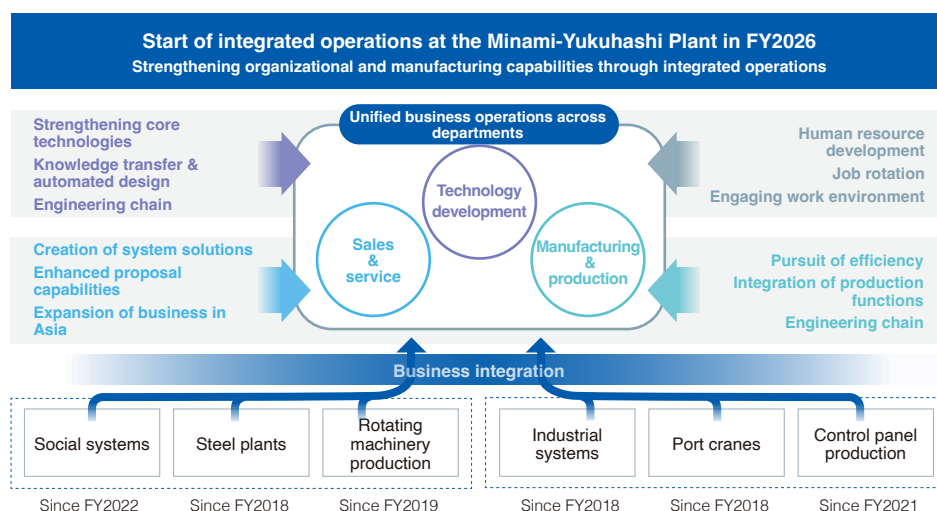
In the crane business, we will further enhance our automation technologies while establishing production, engineering, and field service capabilities capable of supporting the increasing business volume driven by labor-saving demand. Through these efforts, we aim to strengthen our position in the port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