

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

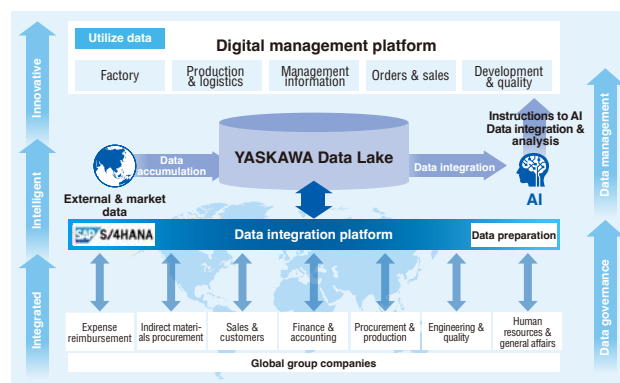
Following the May 2026 go-live, the transition required more time than expected. Additional efforts were needed for data migration, adaptation to new business processes, and the launch of warehouse and logistics operations. At some production sites, coordination between external parts warehouses and 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.

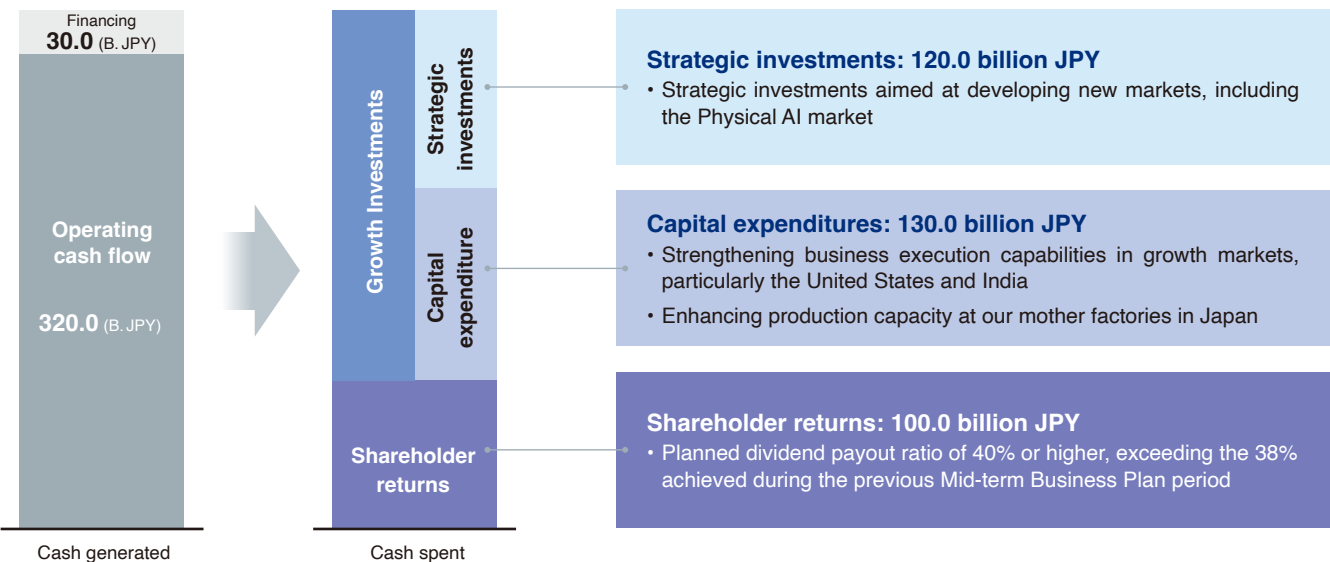
The United States and India are expected to be key growth markets. We will strengthen our business execution capabilities through continued investment in the U.S. campus initiative and the expansion of production capacity in India.

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.

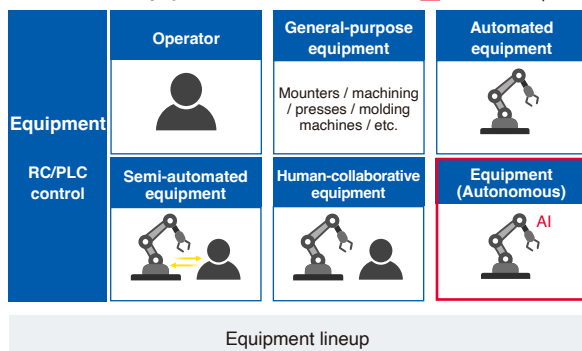
02 | Digitalization and automation of production planning (YDX)

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.

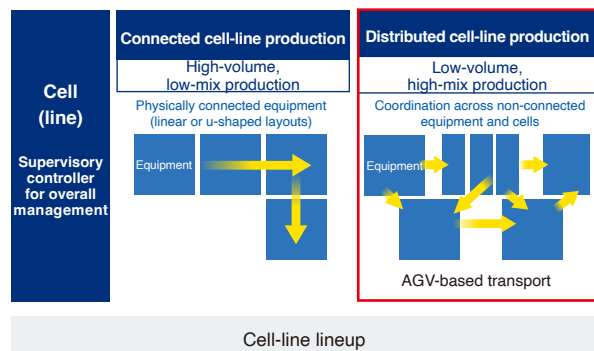
03 | Continuous improvement through manufacturing data utilization

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.

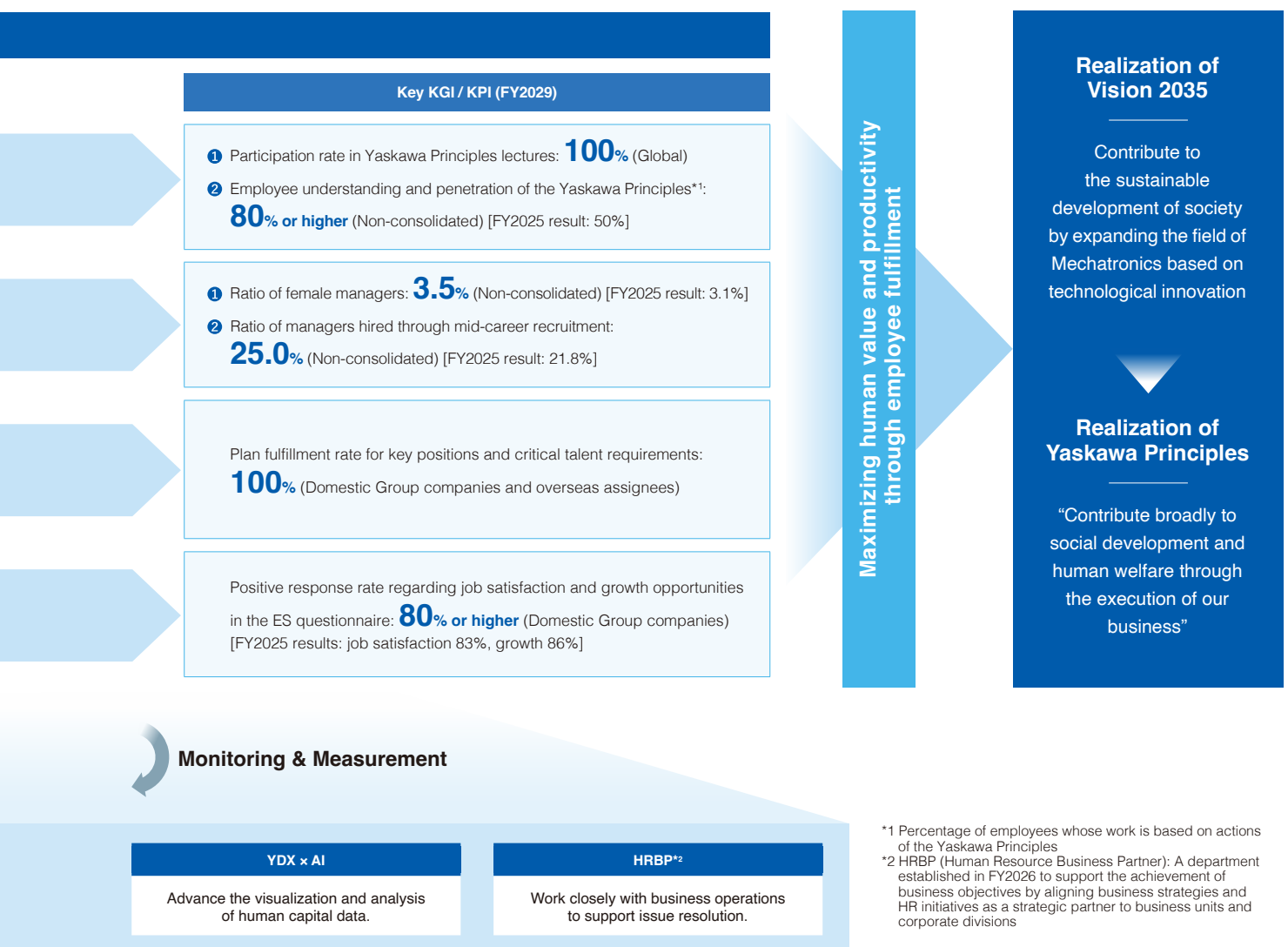
Direct dialogue with management
Deepen understanding and engagement through direct communication between management and employees.

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%

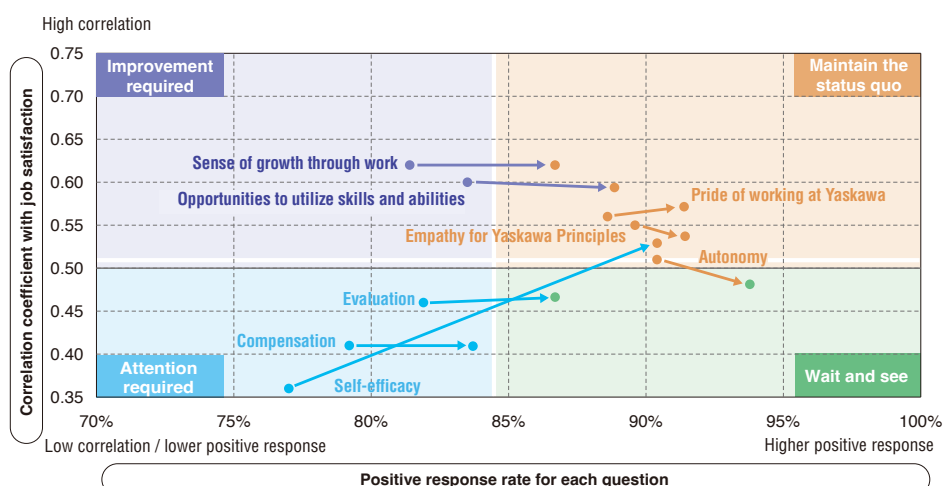
*Percentage of employees who responded that they felt internal changes and effects with the ES questionnaire over the past year

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

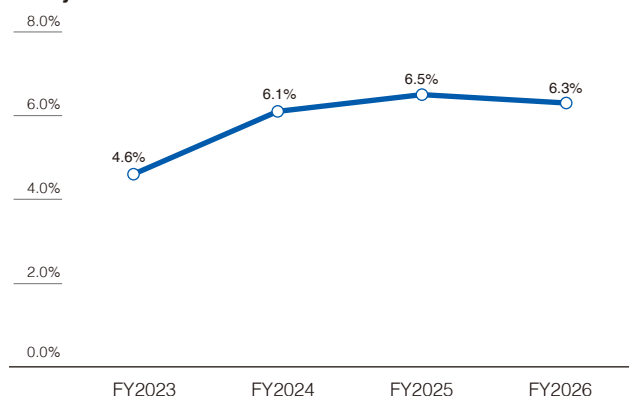
Yaskawa views investment in human capital as a key driver of sustainable growth and the realization of “Vision 2035.” In response to inflation, intensifying competition for talent, and growing expectations for human capital management, we continue to enhance compensation levels. Annual wage increases 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

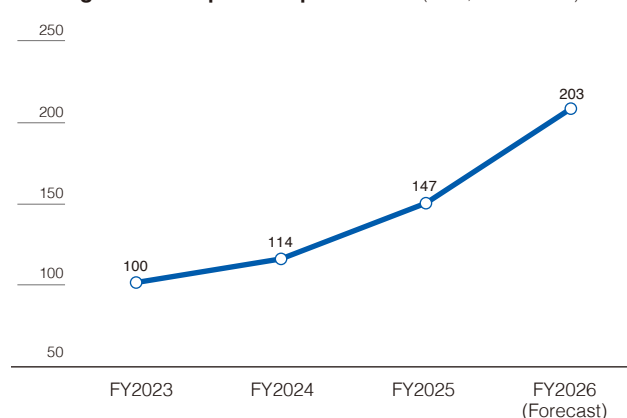
*2 Training and development expenses managed at headquarters out of Yaskawa Electric's non-consolidated training expenditures

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.

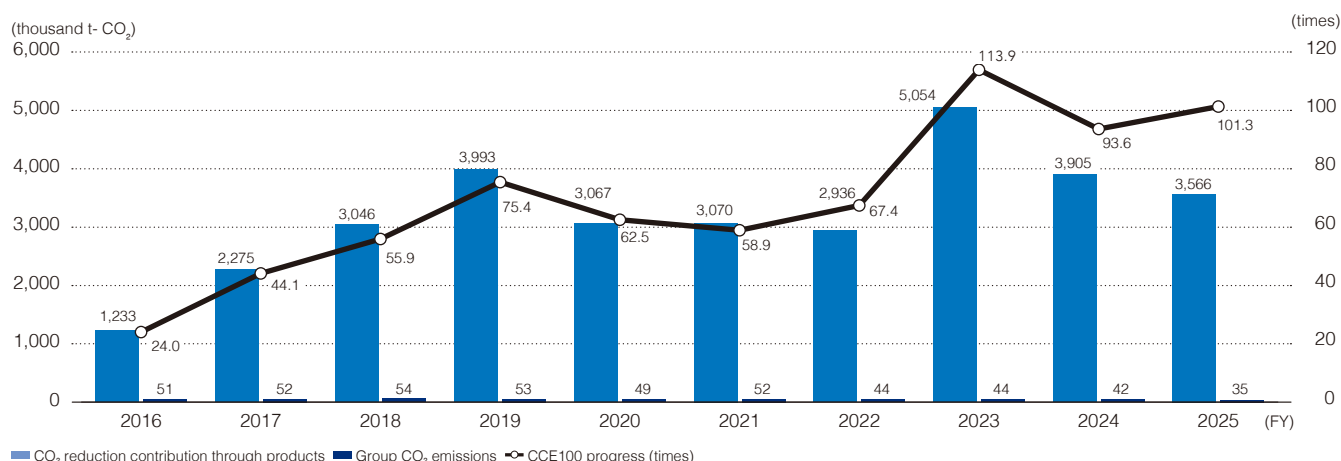
For waste management, efforts to reduce waste oil and recycle waste plastics continued to produce steady results.

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.

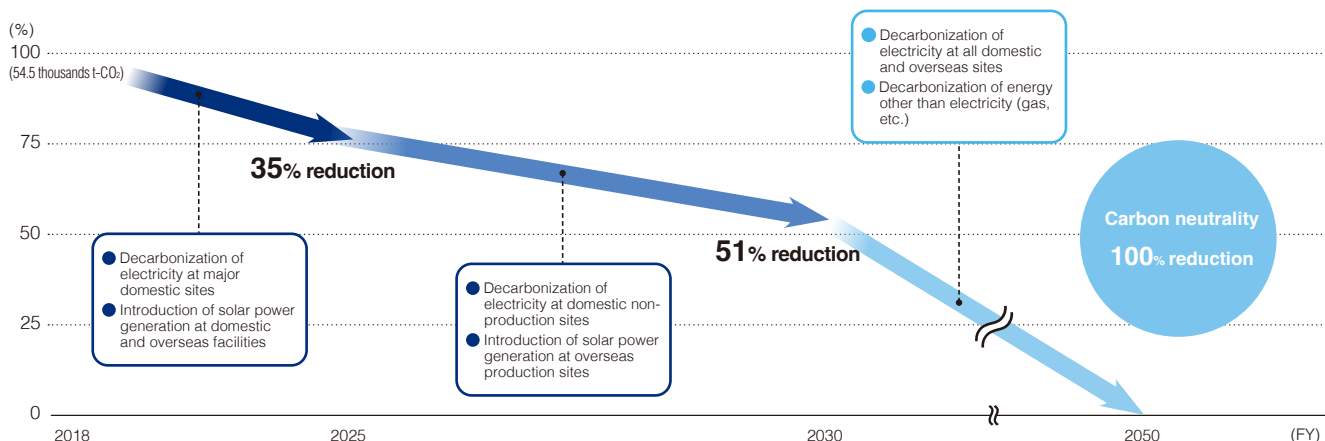
In addition, our proprietary environmental indicator "CCE100," which was a target under the previous mid-term business plan, will be expanded to "CCE200" from FY2026. Under this initiative, we aim to achieve a contribution to CO₂ emissions reductions through our products that is more than 200 times greater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