

FY2016-2025 Long-term Business Plan "Vision 2025"

June 6th, 2019

YASKAWA ELECTRIC CORPORATION

Yaskawa's Principle of Management and Goals for FY2025

Environmental Change

Changes in global population structure, such as declining birthrate and aging of developed countries

Environmental problems and climate change caused by expansion of energy consumption

Rapidly evolving telecommunication technologies such as 5G communication and IoT

Yaskawa's Principle of Management

"Our mission is to leverage the pursuit of our business to contribute to the advancement of society and the well-being of humankind"

1. Develop and enhance world-class technologies, **with an emphasis on our foundation of quality.**
2. **Boost management and operation efficiency** and achieve the returns necessary for the successful growth of the company.
3. Satisfy the needs of the market and dedicate ourselves to serving our customers as **a customer centric organization.**

Yaskawa's FY2025 Goals

Respect Life

We aim to contribute to improving quality of life and building a sustainable society with technologies accumulated over the past century.

Empower Innovation

We venture in new technologies/ domains/targets to bring "Waku-Waku"*¹ excitement to people.

*¹ "Waku-Waku": Onomatopoeia used in Japanese language to express someone's feeling of enthusiasm

Deliver Results

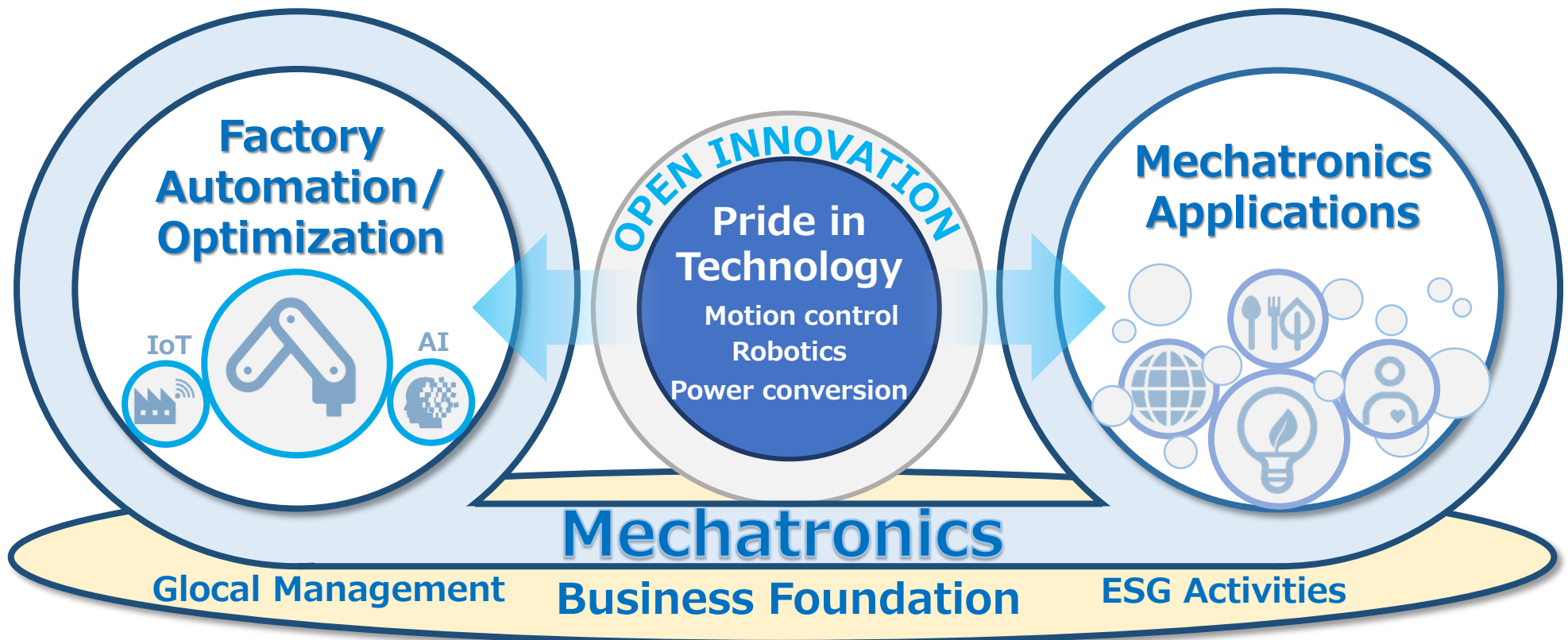
We promise to deliver assured results to stakeholders, while continuously enhancing business execution capabilities.

Yaskawa's Vision for 2025

Contribute to solving customers' management issues in addition to creating new added value to society, through evolution of core businesses, and expansion into new fields by applying mechatronics technology

Automation and optimization of factories through i³-Mechatronics*

New fields of mechatronics application for sustainable social development



*i³-Mechatronics: Yaskawa's solution concept for realizing new industrial automation revolutions

Major Strategies for 2025 Vision

Factory Automation/Optimization



Realize revolutionary industrial automation through i³-Mechatronics

Combine mechatronics and ICT technology to provide new solution to automation

Pursue global No.1 in core business

Pursue and achieve global No.1 share in robotics and motion control segments

Mechatronics Applications



Challenge for new mechatronics applications

Determine business commercialization by exploring and demonstrating fields in which mechatronics technology can be applied

Energy Saving Reduce power consumption by energy-saving equipment

Food & Agri Promote automation in food production and agriculture market

Clean Power Establish energy creation, application and storage business

Humatronics Promote development of medical and welfare markets



Financial Targets for FY2025

Set “Operating Income” as the most important KGI to be achieved in FY2025

	FY2015 Actual (JPY)	FY2025 Targets (JPY)
Operating Income	36.7 billion	Over 100 billion
ROE*1	12.8%	15.0% or more
ROIC*2	11.3%	15.0% or more
Dividend Payout Ratio	23.6%	30.0%+a

*1 ROE: Return on Equity = Net income attributable to owners of parent/Shareholders' equity

*2 ROIC: Return on invested capital = Net income attributable to owners of parent/Invested capital

Realize Sustainable Social Development and Enhance Corporate Value

Social Contribution through Business Activities



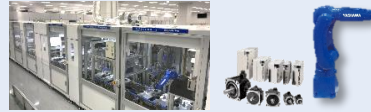
Energy saving and reduce environmental impact



Increased use of renewable energy



Liberation from 3D* labor through automation



*Dirty, dangerous, and demeaning

Stable food supply by vegetable factories



Contribute to medical and welfare sector



Glocal Management

Digital Management

- Realize real-time management through centralization and visualization of global management data
- Strengthen group management through standardization/automation of work processes

Quality Management

- Improve quality of operation and strengthen job operating capabilities (Genba-ryoku) through implementation of TQM*
- Improve product quality through process-focused improvement activities

*TQM: Total Quality Management

ESG initiatives

Environment



- Promote green process throughout Yaskawa group

Society



- Contribute to local communities on a global basis
- Support development of next-generation engineers through use of facilities such as Yaskawa Innovation Center and Robot Centers
- Empower diverse HR to challenge into the future

Governance



- Improve management transparency and strengthen group governance

Disclaimer

The forward-looking statements in this report are forward-looking statements and are based on information currently available and certain assumptions that we believe are reasonable. Actual results may differ from these forward-looking statements due to a variety of factors.

Important factors that may affect actual results include the economic situation in Japan and overseas surrounding our business domains, trends in demand for our products and services, and trends in the foreign exchange and stock markets.

Factors affecting the Company's results of operations are not limited to these.

Sustainable Development Goals (SDGs)

In September 2015, the United Nations General Assembly adopted the Sustainable Development Goals (SDGs) as a social issue to be addressed by the global community.

Among the SDGs's 17 development goals, we will contribute to the achievement of those goals related to our business through value creation.

