

## Greeting

Yaskawa aims to realize a sustainable society,  
and we would like to create the best solution in which people  
and the Earth can collaborate and move toward a better future.

### Introduction

I would like to take this opportunity to express my heartfelt sympathy for residents of the region affected by the TOHOKU earthquake and tsunami, and to extend my best wishes for a speedy recovery. Reconstruction will be a long-term matter, and we are committed to taking on our part of the effort to realize a Japanese society in which we all can live with pride and self-confidence.

This earthquake has revealed weak points in society's systems, and provides an opportunity to reconsider the way we had been consuming goods and energy in our daily lives as a matter of course. Corporations, too, are having to raise their risk management to even higher levels than before. Social infrastructure and manufacturing, which had undergone progressive concentration with an emphasis on efficiency, are now beginning to move in the direction of diversification and decentralization. Environmental programs had tended to be associated with efforts intended to enhance corporate image, but now the values of society have changed, and we expect corporations to take on such initiatives as a responsibility to society that we should work to fulfill as a matter of course. Since our company's founding in 1915, we have played a leading-edge role in control technology for motors and motors themselves, which account for approximately 50% of annual world electric power consumption. We take the resolution of environmental and energy problems for the realization of a sustainable society to be the mission of Yaskawa Electric and we intend to engage in problem-solving with a global environmental perspective.

### The Challenge of Realizing a Low-Carbon Society

Green innovation exemplifies the way in which realization of a low-carbon society is the greatest economic growth strategy for this century, and this understanding has been on the rise worldwide. The world population is growing at an annual rate of 1%, and energy demand is going to be increasingly on the rise together with the economic growth of the non-OECD countries. Yaskawa considers innovation that encourages dynamism and paradigm shifts to be necessary for realization of a low-carbon society.

The Yaskawa Group's Challenge 100 four-year mid-term business plan that started in fiscal year 2009 positions Environmental Energy and Robotics Human Assist as business domains that address the challenge of creating new value and new markets. In the Environmental Energy domain, we are advancing business through the dual aspects of energy conservation and energy-creating. As to energy conservation, we have fostered motor drive technology over many years as a way to conserve energy and to make effective use of regenerative energy. This has enabled us to provide environmentally

upgraded products and expanded solutions for electrical drive systems for use in electric vehicles, etc. For example, we work jointly with the Kitakyushu Asian Center for Low Carbon Society and with the cooperation of the Chinese government to demonstrate that the adoption of high-efficiency motors and AC drives could have the effect of reducing energy consumption in Beijing by 10% or more. We intend to continue our global efforts to provide products and services with added environmental value.

In the energy-creating domain, we have used Yaskawa power conversion technology as a base to promote business that focuses on the efficient use of regenerative energy as an alternative to fossil fuels. This business includes solar power and wind power, which are areas from which society expects a great deal, as well as battery charging and discharging equipment. As part of our contribution to society, we participate in the Kitakyushu Smart Community Creation Project, which is the part of the next-generation energy and social system demonstration master plan. We are actively engaged in demonstrating and providing suggestions regarding new energy and energy management.

Yaskawa holds that minimization of the environmental impact is a fundamental element of environmental management for business activities. The Green 1000 environmental initiative, which started in fiscal year 2009, includes the adoption of LED lighting and transition to AC drives in manufacturing facilities as active measures. We have also devised further measures that we are taking to demonstrate these kinds of environmental initiatives and make them appealing to employees and customers. We will go on working to fulfill our corporate responsibility to contribute toward the realization of a low-carbon society through these activities.

### Yaskawa's Human-Centric Approach Enhances Future Communities

One more business designated a challenge in the Yaskawa medium-term plan is the Robotics Human Assist domain, which aims for a society in which people and robots coexist. There is great demand for automation on the world market. Even China is experiencing sharply rising personnel costs, and there are growing calls for improvement of the work environment. We are also considering the expansion of roles for robots in our society because of decreasing birth rates and an aging population.

Robots are the best solution to improve the work environment and minimize costs. The Yaskawa's aim is to move ahead with work on robots that collaborate with people and are easier to use, and so encourage the development of a service robot market. Our goal is the creation and expansion of new markets for services not included in manufacturing.

Yaskawa initiated the R1000 project in fiscal year 2009 with the

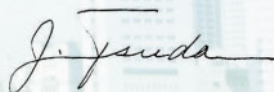
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aim of providing readily understandable suggestions for new robot systems. We have introduced large numbers of robots into Yaskawa under this program to date, and have accumulated expertise in robotization. We are bringing the robots into our mass-production lines, and using our facilities as showrooms where we can provide our customers with suggested problem solutions. In order to stimulate interest in robots, we also brought out Yaskawa-kun, a soft-serve ice cream robot. It has given us new opportunities in receiving inquiries from corporations with which we had no previous dealings. Yaskawa will continue as a pioneer with the challenge of opening and developing new markets for robots, and will continue contributing to the resolution of social issues.

## A Global Corporation Supported by Its Personnel

It is important to make contributions locally and to promote production in demand areas for the efficient supply of products if we are to continue our global growth in China and other countries with high rates of economic growth, as well as in Europe and America. We intend to increase our ratio of overseas production to 30% by the year 2012, as called for by the Yaskawa mid-term business plan. People are the most important factor for corporate growth. In order to heighten our global corporate capabilities, it is crucial that we create a corporate climate in which personnel address issues in a spirit of bold challenge. I myself will take the lead in providing a locus for dialogue with employees in every division and at every level, so I can share my thinking and direction for the future with them. We will also make every effort to share the pleasures of manufacturing with the young people of the coming generation. Yaskawa does this, for example, by being broadly receptive to study tours to our plants and other establishments, cooperating with measures to stimulate dynamism in local communities, supporting robot contests for students, and organizing hands-on educational workshops for children.

This document is a report to our stakeholders not only about Yaskawa's programs for environmental protection, but also our compliance systems, our measures to act as responsible corporate citizens, and other such matters. We are looking forward to hearing your frank opinions and comments so that we can contribute to the society even more.



Junji Tsuda, President

