

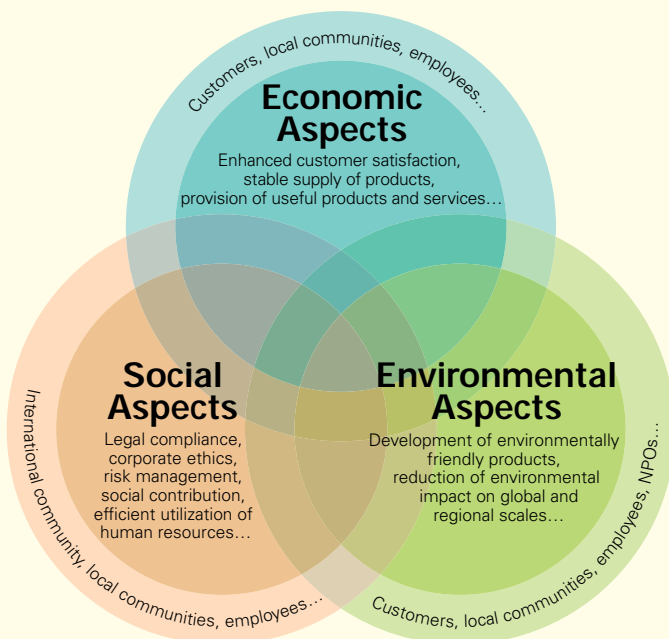
## Putting the Corporate Policy into Practice

# Yazaki's Corporate Philosophy

In order to promote sound management and make a greater contribution to society, Yazaki emphasizes corporate responsibility and pursues its corporate mission according to its steadfast corporate policy.

### The Yazaki Group Vision

The Yazaki Group aims to be recognized and trusted as a “welcome presence in the eyes of society,” and continues to evolve into a company capable of sustainable development.



### The Yazaki Corporate Culture

Since its establishment, Yazaki's management and employees have developed a unique corporate culture that emphasizes compliance with the law, being a company that cares about people, and business activities that contribute to society. One aspect of this unique corporate culture is an emphasis on understanding actual conditions at work locations. Managers visit work sites, talk with employees, and listen to their opinions to enhance mutual understanding. The “What a waste!” mentality promoted by founding president Sadami Yazaki led to the creation of Yazaki's environmental genes. The idea that waste generated is not waste at all but instead a valuable resource, and that with a little innovation, just about anything can be effectively put to use is alive in Yazaki's 5R activities. New Yazaki System (NYS) activities are representative of our spirit of taking up the challenge of continual improvement. These initiatives are not limited to manufacturing but are adopted company-wide in development, marketing, and management, and all employees are working to improve their skills in response to changing social needs.

When entering a new business area, even before studying profit feasibility, Yazaki starts by asking how that business can contribute to society. This corporate culture developed over many years is an invaluable asset. In the future, we will continue to conduct business activities in accordance with the spirit of our corporate policy.

### Yazaki Corporate Policy Shared Worldwide

Yazaki's corporate policy —a corporation in step with the world and a corporation needed by society— are unchanging guides that cover all corporate activities including the determination of business goals, management policies, and the company's *raison d'être*. Yazaki operates in accordance with a uniform stance and code of conduct, based on its corporate policy, to fulfill its responsibilities and mission as a manufacturer of high-quality products that can be supplied when needed anywhere in the world via the optimal route and at an appropriate cost. At the same time, as a global corporation, Yazaki has created a unique form of business management and corporate culture based on self-initiative, equality, and harmony, seeking to be a multicultural company that develops in conjunction with diverse communities around the world.

In conducting business, the corporate policy functions as a shared philosophy that combines the significance of existence and the values of the Global Yazaki Group.

### Issues for the Future

In conjunction with the globalization and expansion of markets, comprehensive corporate evaluation that takes into account contributions to society and humanity are emphasized more than economic aspects. Yazaki is confident that in the past it has adequately met its social responsibilities and fulfilled its roles in its relationships with society and employees. Today however, corporate social responsibility is being reevaluated as new economic and social systems are developed. As a result, activities intended to ensure legal compliance, contribution to society, and environmental preservation are more important than ever. In addition, we believe that these types of corporate activities generate synergistic effects with societal development and one day can lead to a society capable of sustainable development.

To carry out such activities, the management and all employees must have greater awareness and initiative, must view changing needs from broader economic, environmental, and social perspectives and must take quick, effective action. Yazaki will continue to reevaluate and take appropriate action on the various issues it is facing — management systems, employee education, and regional activities.

## Main Social Activities


### Eradication of Poverty

Based on the idea that poverty is a major factor behind environmental destruction and conflict, Yazaki selectively chooses locations for establishing, developing, and expanding overseas bases with the intention of helping eliminate poverty.

 Executive Message: p. 4

### Promoting Multiculturalism

Yazaki seeks to be a multicultural corporation rather than a multinational corporation. To Yazaki, internationalization means achieving harmony based on respect for the cultures and customs of each country and region. From this perspective, Yazaki holds summer camps for the children of employees from Japan and other countries, conducts the Global Training System to develop broad international perspectives in employees, and offers the Adventure School, a training program for new recruits in which participants develop their own personal development programs abroad — these are just a few of Yazaki's unique personnel training programs.

 People: p. 40


### Creating Jobs

Safeguarding employment is an important mission of management. As many manufacturing companies continue adding to the hollowing out of the domestic industry by shifting production overseas, Yazaki is working to create new businesses at home that have minimal impact on the environment but contribute significantly to society.

 People: p. 42


### Ties with Local Communities

To become a corporation that contributes to the development of the region, Yazaki makes particular efforts to communicate and work together with local residents, promote volunteerism, conduct educational activities in cooperation with local governments, and support educational programs for local elementary and middle school students.

 Society: pp. 43-45

### Promoting Local Development

Yazaki places particular importance on activities that contribute to society both in Japan and overseas. By giving priority to impoverished countries and regions when selecting new sites for business activities, Yazaki engages in activities tailored to the specific conditions in each region such as creating educational opportunities for local youth, and support of and charitable donations to local communities.

 Society: pp. 43-44



The Thomas furnace (rotary smelter) with greater productivity than the air furnace was first introduced to Japan in 1957

## Main Environmental Activities


### ISO 14001 Certification

The Tenryu Factory acquired ISO 14001 certification in 1996 and was attempting to build an environmental management system even before the certification organization was officially established in Japan. A total of thirteen group production sites have acquired certification and an additional thirty-six companies affiliated with the production divisions are currently working towards acquiring certification by March 2005.

 Environmental Management: p. 15


### Environmentally Considerate Products

In 1974, Yazaki completed the world's first solar-powered heating, air-conditioning, and hot-water supply system and in 1976, developed and marketed a solar-powered water heating system and other products powered by clean, renewable energy sources. The Yazaki Automotive Sector is actively implementing EU ELV Directive compliance measures and developing products that comply with Environmental Labeling Type III standards.

 The Environment: pp. 21-24


### Creating Green Factories

Yazaki is steadily implementing measures to make green factories a reality, such as steps to promote proactive prevention and *mieruka* (visualization) in 1971, and replacing VTA organic solvents with water-based emulsions in 1985. In particular, Yazaki is working towards achieving zero emissions based on 5R activities in an effort to further contribute to a recycling oriented society.

 The Environment: pp. 25-32


### Global Environmental Management

As part of environmental responses on a global scale, Yazaki is promoting the creation of an environmental management system for the entire Yazaki Group, including overseas business sites. Overseas locations are also working to acquire ISO 14001 certification and implementing other environmental measures specifically suited to the region.

 The Globe: pp. 35-38

### Environmentally Friendly Businesses

Recycling of cardboard boxes and paper began in 1964 in the spirit of preventing waste. Iwao Industries Co., Ltd. was established in 1971 to recycle used electrical wire and Yawara Industries Co., Ltd. was established in 1981 to recycle used wooden electrical wire spools. Yazaki is currently working to enter other environmentally friendly businesses such as recycling of paper, glass, and food waste.

 People: p. 42

### Environmental Genes

Upon seeing the casual disposal of materials and defective goods, founder Sadami Yazaki declared that there "are no waste baskets, just recycling bins." In the first attempt of its kind in Japan, Yazaki imported a Thomas furnace from Germany in 1957 to recycle used copper. From this early awareness of recycling, Yazaki's unique environmental genes continue to mature.

 Environmental Chronology, p. 49