

June 30, 2025

Yazaki Corporation

## **Returning to the Origins of Japanese Manufacturing**

### **New plant at the former site of JATCO Limited's Kakegawa Plant, reasons for choosing to invest in Japan in this age of globalization**

Yazaki Corporation (hereinafter referred to as "the Company"), although being a global company with locations in 46 countries and regions around the world, has in recent years been aggressively promoting capital investment in Japan. As part of this effort, on March 27, 2025 the Company acquired the former site of JATCO Limited's Kakegawa Plant (96,000 m<sup>2</sup>) in Kakegawa City, Shizuoka Prefecture. The Company aims to start operations at the newly acquired site by the end of 2026, and will also lease the adjacent Kakegawa TeaLife facility to enhance its production capacity.

### **Background of the New Plant**

With the spread of electric vehicles, there is an urgent need for automotive components to be electrified.

High-voltage components required for electric vehicles tend to be larger than conventional low-voltage components because they must withstand higher currents and be designed to generate less heat, and thus they require a larger production space.

To address this issue, the Company began to consider various options from around 2023, including the possible acquisition of new land.

The former site of JATCO Limited's Kakegawa Plant was selected as the site for the new plant because of its excellent location in relation to existing development and production locations, and its access to major roads and expressways.

### **Reasons for Returning to the Starting Point**

#### **1. Responding to electrification and strengthening manufacturing capabilities**

While the proliferation of electric vehicles is expected to accelerate, the prospects for the speed and scale of this trend remain uncertain. Even under these circumstances, we see our response to electrification to be an important strategic issue, as we risk losing our competitiveness if we cannot respond quickly to changes.

The Company handles a wide range of products related to electrification, including batteries and motor peripherals. Currently, the major production locations for battery manufacturers are concentrated in China, Korea, and Japan. By establishing locations near these countries, we hope to hone our development and technological capabilities through collaboration with battery

manufacturers and establish a structure that will allow us to expand overseas together with them when they do so in the future.

## **2. Laying the groundwork for risk diversification**

Overseas operations involve a variety of uncertainties, including tariffs, natural disasters, and geopolitical risks. To minimize the impact of these risks, it is important to establish a system that allows for complete production in each region.

To prepare for this, we believe it is most rational to first establish the foundation of a production system in Japan, where the head office functions and development locations are concentrated. This ensures the flexibility to quickly expand operations in areas where needs may increase in the future.

Against this background, rather than responding to each region separately, we believe that by first establishing a centralized system in Japan, we can reduce the dispersion of capital investment and development resources, while working with the head office and development divisions to enhance our manufacturing competitiveness and respond flexibly to future overseas expansion.

Another factor that has made it possible to move production back to Japan, where labor costs are high, is the shift to automation.

This investment is a strategic initiative looking 10 to 20 years into the future to rebuild a structure in Japan that can respond to "anytime" (multi-pathway and other trend changes), "anywhere" (domestic and overseas locations), and "anything" (diverse products).

## **Outlook for the Future**

We plan to expand sales of high-voltage junction blocks manufactured within the Company, including those produced at the new plant, by approximately three times the current level over the next five years. We also expect sales of CCS\* products, which will be manufactured at the Kakegawa TeaLife facility, to increase by approximately 2.4 times over the same period.

Furthermore, in 2028, development functions will also be relocated to the new plant, with plans to closely coordinate the development and manufacturing functions.

\*Cell Contacting System

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