YAZAKI

Social & Environmental Report 2008

Period under review:
FY2008（June 21, 2007 to June 20, 2008）

Yazaki Group companies:
All five Group companies in Japan as well as selected overseas Group companies and Japanese affiliates

Objectives of publication:
- Provide information concerning corporate activities to stakeholders
- Use evaluations and comments to review activities and make improvements
- Promote and enhance understanding and awareness among employees and stakeholders

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Guidelines consulted:
Environmental Reporting Guidelines of the Ministry of the Environment, Japan
Environmental Accounting Guidebook of the Ministry of the Environment, Japan
GRI Sustainability Reporting Guidelines

About the Cover

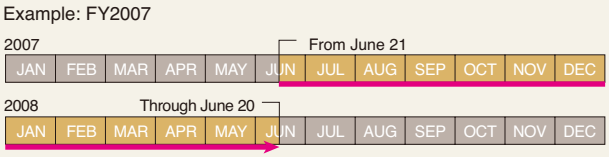
The Yazaki Group employs 200,000 people at 442 sites in 38 countries. We believe every employee plays a key role not only in growing our business but also in broadening our corporate social responsibility (CSR) activities. Assisting each employee to live and work responsibly and achieve their full potential makes for infinite possibilities, limitless energy and action. In an age when ever more sophisticated and convenient automotive functions increasingly demand highly advanced in-vehicle networks, Yazaki employees respond, by developing new technologies and products in line with our environmental policies and contribute to local communities.
The cover design reflects our hope in our infinite possibilities. Inside this publication, we have also highlighted the voices of our employees sharing their own CSR activities and experiences. We hope that our readers will gain a better understanding of our plans for a sustainable future.

Editorial Note

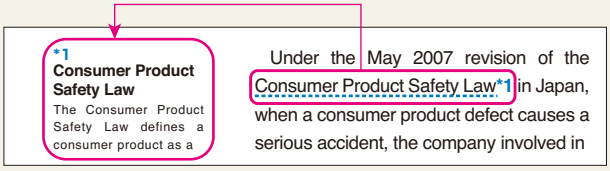
In its Environmental Report for FY2002, the Yazaki Group issued its first official public report about the environmental activities of the five group companies in Japan to the outside. In the following year in FY2003, the report was renamed the social and Environmental Report, and it which included detailed information on Yazaki's social activities to better cater to the interests of our stakeholders. Since then, we have strived to continue release of information on Yazaki Group.
In this year's report for FY2008, the environmental activities and the various other activities that come with our responsibilities to our stakeholders are the main themes. We featured updates on activities that have taken place since FY2007, as well as on focal issues that brought a lot of attention in our world.
We have also included a six page feature on our wire harnesses business, one of Yazaki's main businesses, to provide a detailed look to our stakeholders.
To make the report reader-friendly, we used 'people' as a keyword. In the columns throughout the report called 'VOICE' , the employees' who are involved with the activities in this report share real life experiences using their own words, along with their photos.
We hope that more people will better understand the various faces that Yazaki group has through this report. We would love to hear from our readers – please use the attached questionnaire to let us know what you think.

Guide to the Report

- In this report, fiscal years used in its text and graphics represent those starting on June 21 at the Yazaki Group, unless otherwise noted.



- Terms with asterisks are explained as notes in the sidebars.



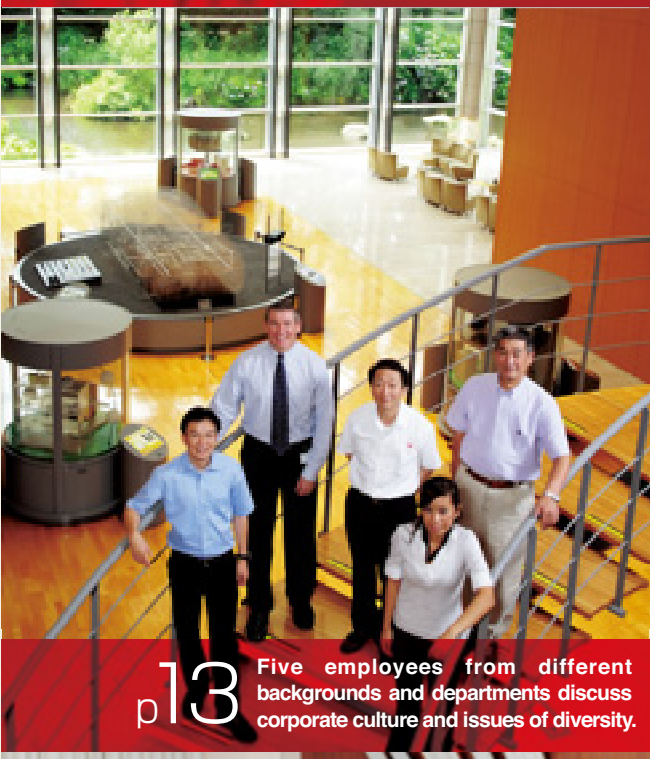
- Note on some terms about Yazaki Group companies in this report.

The Yazaki Group: All Yazaki Group companies in Japan and overseas

Group companies in Japan: five major companies (Yazaki Corporation, Yazaki Electric Wire Co., Ltd. Yazaki Meter Co., Ltd. Yazaki Parts Co., Ltd. Yazaki Resources Co., Ltd.)

Yazaki companies and affiliates in Japan: the five major companies above and other Yazaki subsidiaries and affiliated companies

p9 The first feature story outlines the commitment to CSR in Yazaki's wire harness business.



p13 Five employees from different backgrounds and departments discuss corporate culture and issues of diversity.

p31 Yazaki's annual stakeholder meeting, held at the Hamamatsu Factory on March 7, 2008, focused on energy and environmental issues.

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Global Expansion of Businesses that Contribute to the Enrichment of Society

Corporate Policy

A Corporation in Step with the World
A Corporation Needed by Society

Since its foundation, Yazaki's Corporate Policy has been the unchanging pillar that supports all business activities of the Yazaki Group, despite the many changes that society has undergone. Yazaki operates in accordance with a uniform philosophy and code of conduct based on its Corporate Policy to fulfill its responsibilities and mission as a manufacturer that provides only the highest quality products when needed to anywhere in the world in the quickest time at a competitive cost.

Yazaki also seeks to be a multi-cultural corporation that develops in step with the world, and has created a unique corporate management style and corporate culture based on autonomy, equality, and harmony.

The Corporate Policy is a shared policy that links Global Yazaki's raison d'être with its corporate values.

Fundamental Management Policy

In fulfilling our Corporate Policy,
Yazaki Group activities are founded
upon the following principles:

1. Increase company efficiency and provide the most value to our customers worldwide through continuous effort and the implementation of new concepts.
2. Uphold the law; respect regional cultures and contribute to economic and social development.
3. Contribute to a prosperous future society through business focused on the environment and security.
4. Conduct business openly and fairly, and aim for presence and prosperity.
5. Care for people by creating a corporate culture that prioritizes individual and team-work, while empowering people's dreams.

The Yazaki Group comprises of 172 companies at 442 business sites in 38 countries and employs approximately 200,000 employees

The corporate structure encompasses businesses operated by Yazaki Corporation, four major Group companies, 75 affiliates and on Specific Public Benefit Corporation in Japan, and 91 overseas group companies. Yazaki produces and markets wire harnesses for cars, electric cables, and gas equipment, as well as air conditioning and solar-powered equipment in Japan, while wire harness manufacture consists of the core of Yazaki's overseas operations.

Company Outline (As of June 20, 2008)

Name:	Yazaki Corporation
Date of Establishment:	October 8, 1941
Representatives:	Chairman Yasuhiko Yazaki President Shinji Yazaki
Headquarters:	17th Floor Mita Kokusai Building 4-28, Mita,1-chome, Minato-ku Tokyo, Japan 108-0073
Y-CITY World Headquarters:	Mishuku 1500 Susono-shi Shizuoka-ken, Japan 410-1194
Capital:	3.1915 billion yen * Yazaki Corporation is an unlisted company.

Yazaki Group Companies in Japan

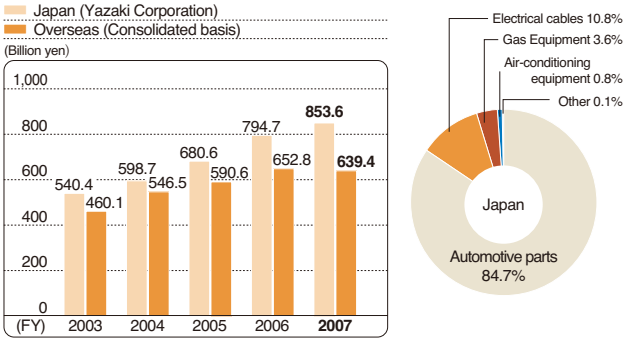
Yazaki Meter Co., Ltd. (established in 1950)
Yazaki Parts Co., Ltd. (established in 1959)
Yazaki Electric Wire Co., Ltd. (established in 1963)
Yazaki Resources Co., Ltd. (established in 1964)

Group Companies:	Total of 172
Group Companies in Japan:	5
Overseas Group Companies:	91
Affiliates in Japan:	75
Specific Public Benefit Corporation:	1

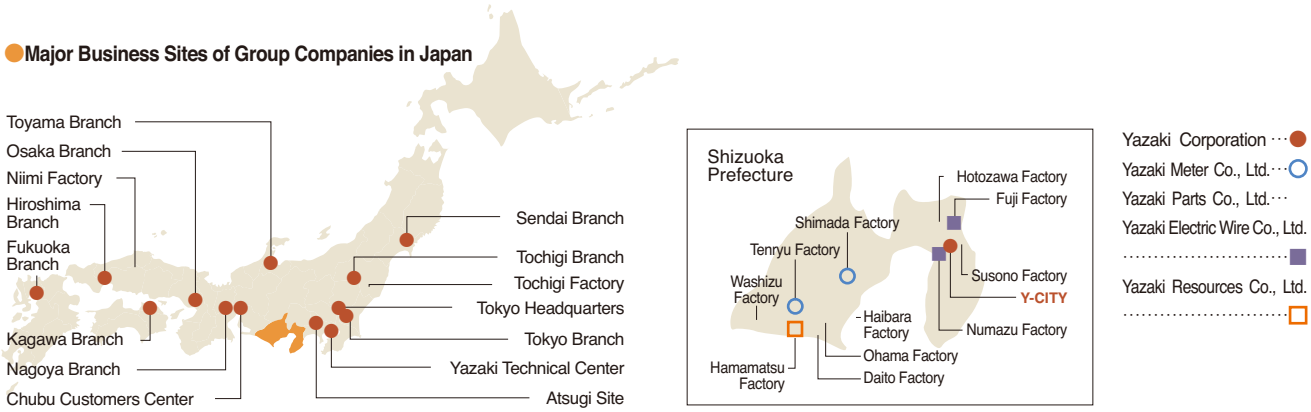
Total Number of Employees:	207,698
Employees in Japan:	24,018 (including subsidiaries in Japan)
Overseas Employees:	183,680

* The number of employees above excludes part-timers and contracted workers.

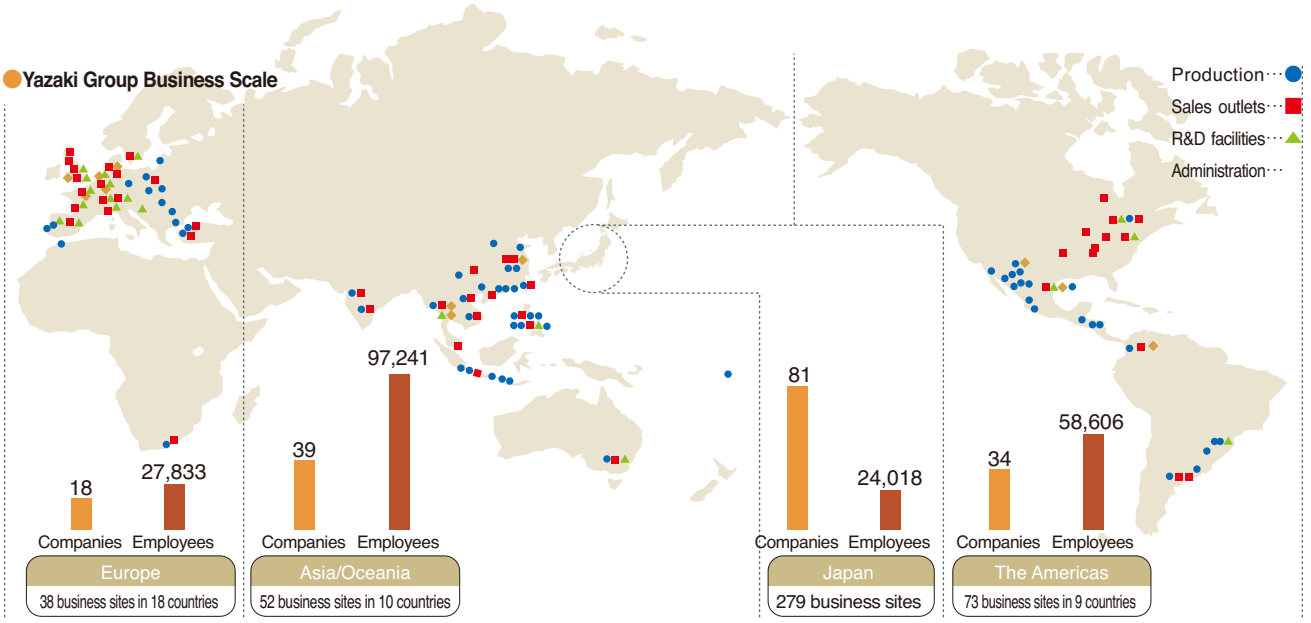
• Net Sales and Sales Breakdown by Product (As of June 20, 2008)



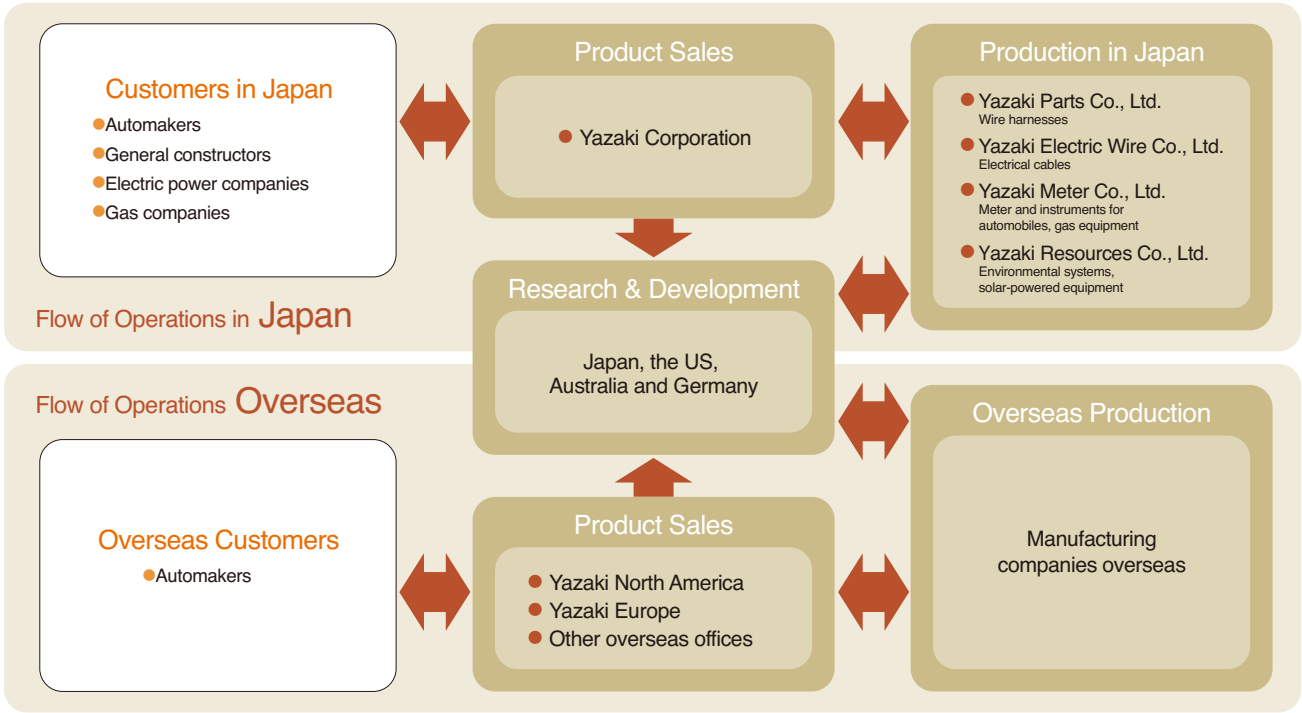
Major Business Sites of Group Companies in Japan



Yazaki Group Business Scale



Yazaki Group Business and Roles



Yazaki Develops and Offers Safe and Environmentally Sound Products in Three Business Areas

Automotive Sector

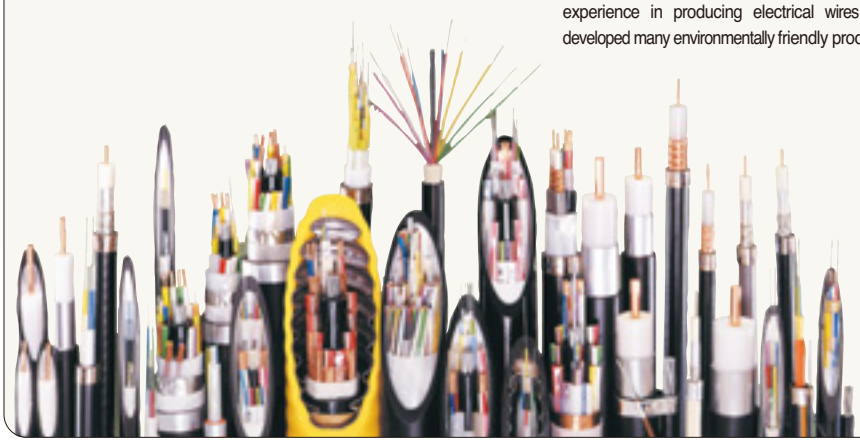
Wire Harnesses

Wire harnesses are compactly bundled wires and data circuits, and function as the central nervous system of a vehicle. All types of information to ensure the safe and comfortable operation of automobiles pass through the wiring harnesses.

Meters

Yazaki is responding to a wide range of customer needs, for example, by making meters easier to read, less expensive, and lighter in weight.

EnvironmentalSystems Sector



Wires

The Yazaki Group boasts more than half a century of experience in producing electrical wires and has developed many environmentally friendly products.

Energy Equipment

Gas Meters

Yazaki has invested its resources in developing gas meters and warning systems, as well as other products integrated with sensors that provide safety and ease in meter reading and gas delivery.

S-type security gas meter

Gas leak detector (Arocco)

New Businesses

Nursing Care and Healthcare Business

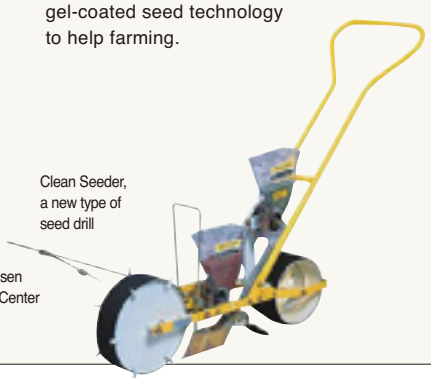
Yazaki provides home-visit nursing services, and operates nursing care facilities in Kochi, Oita and Shizuoka (Y-CITY*) prefectures.

* Y-CITY : The name of an area in Susuno, Shizuoka prefecture, where the Yazaki Group World Headquarters, factories and R&D facilities are located.

The Kami Fusen Yazaki Care Center

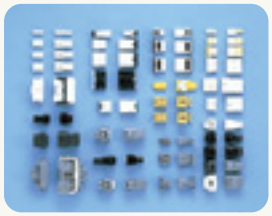
Agri-Tech Business

Yazaki integrates manufacturing of agricultural machinery with its unique gel-coated seed technology to help farming.



Clean Seeder, a new type of seed drill

Automotive parts



To maintain high quality levels in its wire harnesses, Yazaki produces its own electrical wires, connectors, junction blocks, and plug cords.

General Transportation Products

Yazaki has pioneered in marketing taximeters for taxis in Japan. Yazaki also develops devices such as digital tachographs that enhance the safety and operational management of commercial vehicles.

Initiatives for safety and quality improvement

- Consistently meeting the high quality requirements specified by automakers
- Ensuring thorough quality management of connectors and electronic components
- Manufacture of digital tachographs that contribute to safe driving practices
- Manufacture of drive recorders that record images when an accident occurs

Initiatives for environmental preservation

- Reduction of wiring harness weight by decreasing wire diameter
- Designing easy-to-recycle wire harnesses
- Development of digital tachographs that contribute to fuel efficiency improvement
- Development of vehicle-mounted ETC units that help improve fuel efficiency and ease traffic congestion

wood pellet fired Aroace

Yazaki has been developing environmentally friendly, energy-saving equipment and solar-powered systems, while also researching new clean-energy sources.

Solar-powered water heating system "Yuwaita"

Electric Wire Division

- Acquisition of ISO9001certification by all divisions, including R&D, production, and sales

Energy Equipment Division

- Compliance with all relevant laws and regulations, including the Consumer Product Safety Law, as well as the establishment of a crisis management system

Electric Wire Division

- Use of the Eco Leaf label for the first time in the electric wire industry
- Elimination of lead from insulation materials in all types of electric wires and cables
- Repair and reuse of wooden electric wire spools.

Energy Equipment Division

- Development of technologies and equipment that help reduce CO_2 emissions (use of energy from solar power, waste heat, wood biomass, and other sources)
- Certification under the Cross-Jurisdictional Waste Treatment Manufacturer System

Environment-related and Recycling Business

The founder of Yazaki instilled the spirit of the phrase "Mottainai" (meaning "what a waste" in Japanese). With the spirit to stress saving and recycling, Yazaki has initiated four types of recycling businesses.

Organic fertilizer, "Okara Super Organic"

Loose cushioning material, "Wonder Cushion"

Lightweight, construction material, "Super Sol R"

Nursing Care

- Operation of the Kami Fusen Care Center, a new type of high quality nursing home

Agri-Tech

- Development of farming equipment (ex. seed drills) to elevate efficiency in farming

- Development of organic fertilizer that is made from bean curd waste and vegetable peels
- Invention of cushioning material from used paper
- Development of lightweight, construction material that is made from disposed glasses
- Reusable ink toner cartridges for laser printers

In its role as a global supplier, Yazaki remains uncompromising in its efforts to preserve the environment and contribute to local communities

President Shinji Yazaki

Continue to be needed by society

Since its founding in 1941, the Yazaki Group has held fast to its philosophy of contributing to society through our manufacturing business. During these years, we have grown to employ more than 200,000 employees with factories in 38 countries. Despite recent sluggish automobile sales in the U.S. and rising copper prices, groupwide sales and profit surpassed our original projections. I am grateful for these strong results, and I want to acknowledge the support and understanding of our customers and other stakeholders, who have believed in our long-standing philosophy of business, as summed up in the Corporate Policy: "A Corporation in Step with the World" and "A Corporation Needed by Society."

The growth of our business has always been guided by corporate social responsibility (CSR). In recognizing the significance of our responsibility to society, I believe it is management's duty to set clear goals for our CSR activities and to make sure we achieve them.

Improving the world by eliminating waste, inefficiency and excuses for impossibility, while keeping abreast of our most important responsibility

As a supplier, our most significant responsibility is to deliver high quality products on time and at competitive cost to our customers around the world. While this service is central to our philosophy, we place equal emphasis in our manufacturing processes on environmental preservation.

We want to maintain our contributions to society and to be needed by society. To do so we bear in mind the necessity of eliminating waste and wasteful operations, inefficient practices, and excuses for impossibility.That is, we strive to make the impossible possible by

remaining flexible and open to changes of plans and new, practical solutions to all challenges.

In the wire harness business, we have advanced the technology for making lightweight wires by introducing the use of aluminum, and we have developed many easy-to-recycle products. We have also established a global management system to monitor and record the use of chemicals, and we have further enhanced our latest product lineup with more energy-saving and environmentally friendly models. Our cables and wires, for example, have qualified for the EcoLeaf labeling program* and Yazaki obtained its Type III label for the first time in the industry. We have focused on developing energy efficient models in our Energy Equipment Division and introduced double-effect absorption chillers/heaters. In the General Transportation Systems Division, we now offer tachographs and other meters that help promote CO_2 reduction and conservation of energy. These devices also improve efficiency in transportation and delivery.

By providing products useful to society with low impact on the environment, we will continue our efforts in CSR, ensuring that customers are able to identify the stamp of our CSR in any of our products.

* Information on the EcoLeaf labeling program on P52.

Creating a corporate culture in which each of us takes responsibility

Keeping promises and observing rules are at the foundation of professional responsibility and form the basis for compliance with laws that promote fair business practices. An organization like the Yazaki Group requires systems and rules that clearly spell out each division's function, role and responsibilities, and each of us must follow the rules. For everyone to understand and follow rules, we must maintain personnel networks and programs that motivate all employees toward the common goal. We are continually improving these systems so that we might create a corporate culture in which each of us is willing to take responsibility. In personal responsibility, personal growth is also attained.

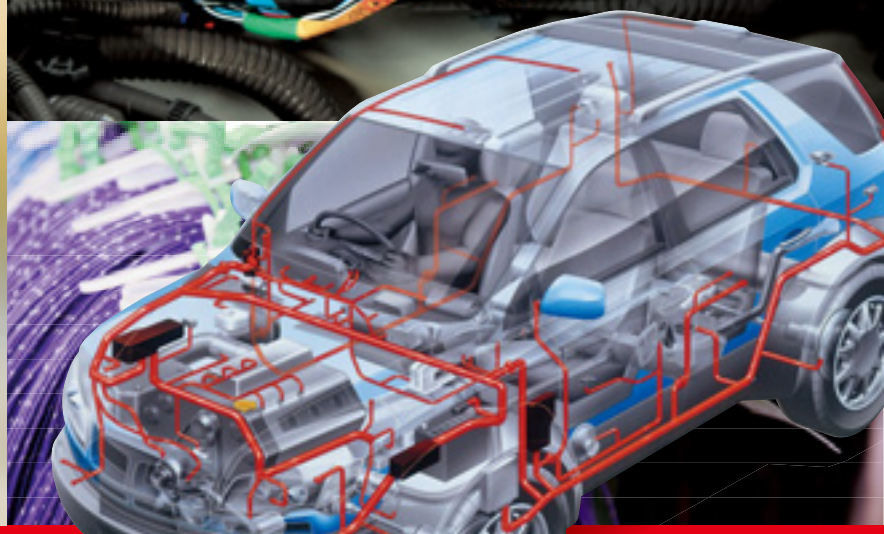
Marshalling resources on a global basis to develop optimal systems for the future

Management's task, I believe, is to raise our competitiveness in the marketplace and to grow business while fully engaging in CSR activities.

We initiated development of optimal production systems on a global basis to outpace competition, and have accelerated restructuring efforts in R&D and manufacturing divisions. In pursuit of these goals, we take social and environmental considerations very seriously. We pledge never to take advantage of our growing overseas operations by shifting CO_2 emissions away from Japanese bases. We continue to study the impact of our overseas expansions in order to avoid inconvenience to the host countries, and we actively seek to augment and refine our contributions to the different regions and countries in which we do business.

We continue to promote dialogue with stakeholders, review and revise our activities, and drastically change our modes of operation, if necessary. With everyone involved in the process, we will draw a roadmap for the future.

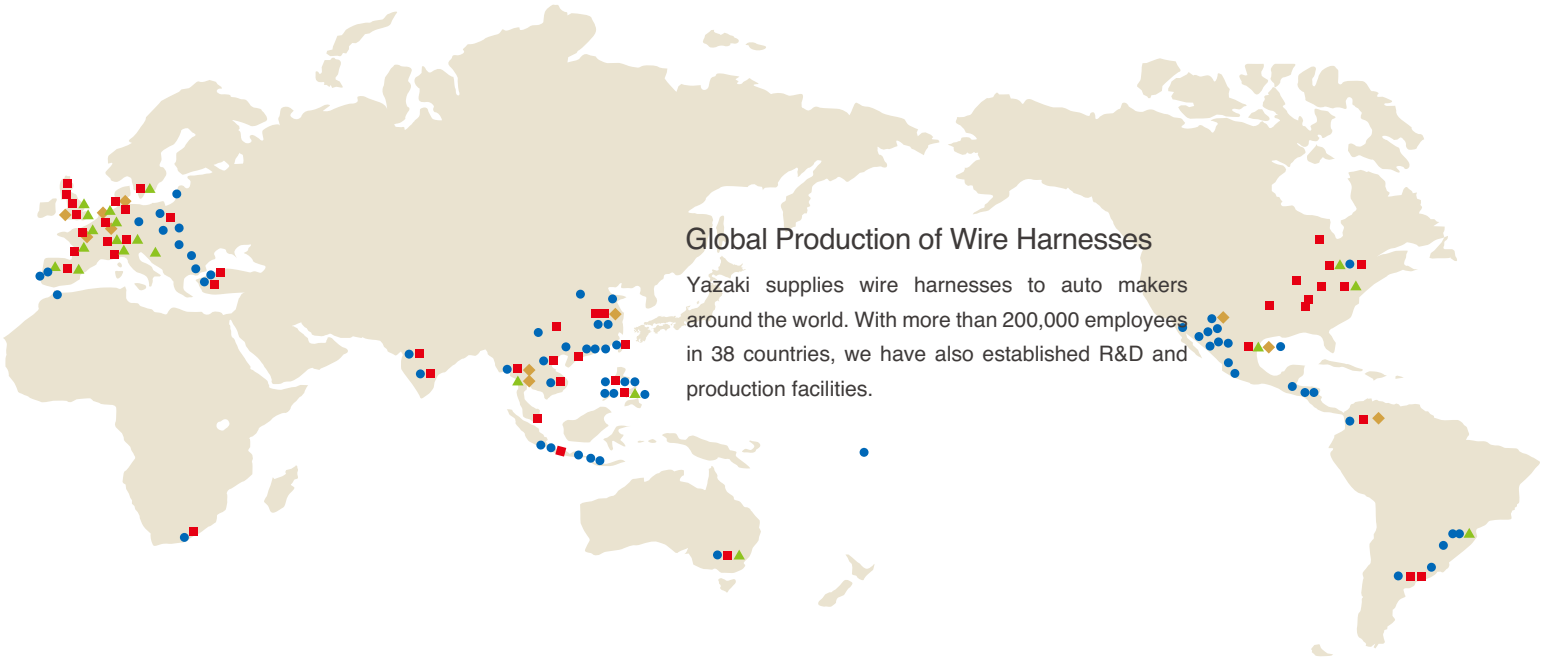
The Social & Environmental Report of 2008 was designed to further facilitate communication with stakeholders. We hope the report will be of interest, and we welcome opinions, suggestion and feedback from readers.



Feature 1

Responsibilities for manufacturing critical components for cars

Yazaki produces crucial components for automobiles, wire harnesses and related parts around the world.
The first feature showcases Yazaki's wire harness business, and outlines its commitment to employee training and management improvement globally in order to satisfy stringent quality and delivery requirements by automobile manufacturers.



Global Production of Wire Harnesses

Yazaki supplies wire harnesses to auto makers around the world. With more than 200,000 employees in 38 countries, we have also established R&D and production facilities.

● Factories ■ Sales outlets ▲ R&D facilities ◆ Offices

Working with automakers in pursuit of the highest quality for products that are essential to safety and performance

Many components in modern cars, including engines, gauges and lights, are electronically controlled. Electronic devices and parts are all connected by wires, ensuring basic performance of these components. Generally speaking, a small passenger car needs approximately 1,000 wire circuits, and the combined total extended length of these wires can reach 2,500 meters, weighing about 20kg. A luxury passenger car uses approximately 3,000 wire circuits, with the total length of more than 7,000 meters and a weight of 50kg or more. Wire harnesses compactly bundle this massive number of electrical wires and data circuits, allowing them to be installed according to the car's design. These electrical wires, although not visible, extend to every corner of the car.

Yazaki first began producing wire harnesses in 1939. Its wire harnesses are now used by all automakers in Japan, and more than half of all vehicle models in Japan use Yazaki wire harnesses. Yazaki also has production sites in 38 other countries and supplies wire harnesses and other parts to overseas automakers.

Wire harnesses are essential to both a vehicle's basic performance and its safety performance. Automakers, therefore, set forth high quality requirements for wire harnesses. By establishing even stricter internal standards for quality, Yazaki has satisfied customers' needs. We are committed to not only adhering to the highest quality standards but to overcoming any hurdles to remaining a market leader in the wire harness business.

Addressing environmental issues, a key to being a supplier of choice

Yazaki has taken pride, throughout its history as a wire harness supplier, in its pursuit of the basic three elements, QCD (quality, cost and delivery). In recent years, we added E (environment), as we take environmental considerations seriously.

To preserve the environment, the EU and other nations have enacted regulations to restrict the use of certain chemicals. Yazaki has established a stringent management system to eliminate their use in our products and submits reports to automakers regularly to certify our compliance.

Yazaki has tackled the challenge of reducing the weight of wire harnesses, making cars weigh less. Lightweight vehicles emit less CO_2, thereby further contributing to lowering emissions into the environment. Yazaki has developed technology that produces thin wires with the diameter of less than 1mm that still withstand use in rigorous conditions. Thinner wires also help to solve the problem of limited space for wire harnesses in a car, as the number of wires contained in wire harnesses keeps increasing as more vehicle functions are added year after year.

Creating jobs, training employees, and contributing to communities

Yazaki's wire harness factories have provided employment in the communities they operate in. One of our social responsibility policies emphasizes that Yazaki's commitment to being a good neighbor.

Yazaki assists employees around the world to improve their skills through training and educational programs and fosters workers' development so they assume leadership positions and, at the same time, feel motivated and find pleasure in working. This commitment is rooted in a credo at Yazaki: to make products is to be in the business of educating the people who make them.

We take on our responsibility to society in our role as a global supplier

Special Feature 1

***1 ELV directive**
The EC directive on End-of-Life vehicles (ELVs), which took in effect in July 2003, bans the use of four substances by automobile makers: lead, cadmium, mercury and hexavalent chromium.

***2 REACH**
Registration, Evaluation, Authorisation and Restriction of Chemicals: The regulation entered into force in June 2007, requiring manufacturers and importers to assess and manage the risks associated with chemical substances.

Our customers, automakers, vary in their strategies and operations. Some operate globally, while other focus on certain regions. Their need for and expectations of suppliers differ accordingly. We at Yazaki believe it a challenge to meet each one of their needs by taking an attention-to-detail approach. As an automotive parts supplier, the crucial responsibility to our customers is the consistent and stable supply of our products. Our work flow has transcended national boundaries and expanded globally so that our efforts to ensure a stable supply of parts translates into establishing global management systems.

I would like to discuss some activities that illustrate how we have tackled recent challenges globally.

The copper price surge in the past few years has posed a grave concern to our stable supply of wire harnesses, since copper is a main wire material. The price hike has made it difficult to purchase copper and contain cost increases. To meet this challenge, we have set up networks in collaboration with various departments around the world to share price information, streamline purchasing channels, and revise purchasing contracts. We have also redesigned wire harnesses to use less copper, as well as reduced copper wastes or reused them in manufacturing processes.

In compliance with European regulations including ELV***1** and REACH***2**, we have established an organization and a set of rules to manage groupwide supply chain information and systems on a global basis. Beginning in FY2007, the new organization has been responsible for ensuring materials and parts made in the U.S., Japan and Southeast Asia are compliant with REACH regulations, and overseeing the smooth supply of those materials and parts for our production bases in the EU.

Yazaki has been engaged in efforts to reduce CO_2 for nearly 10 years. We have established five regional organizations to further promote CO_2 reduction and set groupwide reduction goals that all regions are working toward.

While formulating guidelines and rules and setting goals to preserve the environment are essential and certainly responsible actions, we plan to go a step further with our environmental efforts. We want to add E (environment) together with QCD (quality, cost, delivery), because we believe the E factor will increasingly play an important role in why our customers choose Yazaki.

The Yazaki Group continues to operate without compromising three issues: safety, environment and compliance. Lastly, let me also stress the significance of carefully listening to customers and respecting different cultures and peoples in the places where we do business. I believe honestly that following this simple idea will lead us to living by our Corporate Policy.

Masashi Yamashita
Senior Managing Director,
General Manager
Automotive Planning Division

Putting heart into making wire harnesses. We pass on not only the skills but also the heart that comes with them

Except for a few automated processes, wire harnesses are produced predominantly by manual labor. Quality control, therefore, means human resource management. In other words, it becomes important to remember that "the heart" is required to make wire harnesses. I want to elaborate on what I mean by the heart, and discuss a future vision for Yazaki.

In overseas plants, Japanese managers are often assigned to provide training to locally hired employees. I always tell those managers not to forget that it's they who are given the opportunity to work in foreign countries and emphasize the importance of humbleness. I also encourage them to communicate with their subordinates, using sympathy and consideration. This piece of advice derives from my own experience.

On the other hand, I also advise local workers to try to understand the goals and meanings of the tasks they are given and to seek to make further improvements. Teaching skills is not enough, and I believe it's crucial that they also put their hearts into their manufacturing. The core of that heart should come from responsibility and pride in the fact that we are making very critical components for cars.

To effectively motivate workers, a manager cannot just say, "that's no good; do it this way," and show how it should be done. The workers cannot comprehend why that's no good, and their innovation and personal growth wither. A better way is to simply suggest that a change must be made and leave them to figure out what change to make. Then you will have more motivated workers with growth potential. It's human nature: people will innovate and take positive actions once goals and meanings are internalized.

When I worked in a factory in the Philippines, a female employee reported that she began educating her children about sorting out wastes at home, after practicing the sorting out of wastes and recycling at the factory. There is no such practice at home in the Philippines, but, she said, after realizing the importance of waste management and recycling, she wanted to introduce the idea at home. I almost jumped with joy when I heard her story. This is precisely what I meant to pass on: the heart that comes with skills.

I envision that Yazaki's wire harness plants around the world will be autonomously operated. These days, we begin to see that vision becoming a reality, as some leaders trained in one country move to train others in another country.

I continue to advocate the importance of putting our hearts into making wire harnesses, fostering employee development, and helping Yazaki to grow as a corporation welcomed and needed by communities in which we do business.

Kazuhiko Fukukawa
Senior Managing Director,
General Manager
Automotive W/H Production
Management Division

The discussion was held at the entrance hall in the World Headquarters, surrounded by a biotope garden.

Feature 2

Working together at Yazaki

Thanks to the recruitment policy at Yazaki, employees from a diverse array of backgrounds and nationalities work together. Several employees, who have seldom encountered each other through work, sat down recently to talk about issues of generations of diversity.

What matters most in manufacturing wire harnesses

Yoshinaka: When I was working in Europe, Yazaki had just begun expanding its offices there. It was hard to grasp what our customers wanted, since cultures and business practices differ from us and from one country to another. Repeated face-to-face discussions finally broke the ice, and I was sometimes even able to read between the lines of what was being said.

Takahashi: I was assigned to work in a factory in Thailand in 2000. I was surprised that Thai employees closely observed working relations among the Japanese staff. This made me see that good working relationships among Japanese reflected the performance of the factory. The role of an interpreter is also a key to success. Although it takes a long time to develop a seasoned interpreter, I came to believe that a central task of the factory manager should be retaining a talented interpreter.

Gu: When communicating policies and ideas from our quality control division to Chinese colleagues, mere translation from Japanese to Chinese didn't suffice, but "cultural" translation that included interpreted background information, was necessary to convey true intentions. I feel that Yazaki employees from different countries and departments exchange frank and open dialogue in the workplace. It is a good corporate culture.

Asyikin: I became interested in wire harnesses when I was studying in a technical college in Japan. My current job is to convert specification data from automakers and send it to our factories, which requires understanding both our work and our customers' work. I am

responsible for factories in the Philippines, and I not only communicate by email but speak on the phone with representatives there to ensure they understand converted data.

Conrad: It's been two years since I came to Yazaki in Japan, and I occasionally encounter cultural differences. In Japan everyone follows corporate decisions without hesitation, so that the startup is quick, but sometimes it's questionable if everyone understands the goals. Americans usually don't start anything until everyone understands the goals, since they presume everyone has different opinions. Once everyone shares the goals, changes are made fast. Since Yazaki operates globally and goals and policies must be shared everywhere, the way they are pursued should be customized to each country or division.

Developing corporate culture for working together while recognizing differences

Takahashi: I was a foreigner in Thailand, so I followed the old saying: "When in Rome, do as the Romans do." Buddhist influence is seen in that country, and they listen to the national anthem twice a day. I believe we work together well when assignees from Japan appreciate working in that culture.

Conrad: Americans recognize differences among people, since they think it's ok to have different ways of doing things as long as common goals are reached.

Gu: Compared to Americans, I believe Chinese thinking is closer to Japanese. Many realize the importance of bridging differences through frank discussions, since manufacturing quality will not improve unless common goals are shared and differences reconciled.

What kind of person is "kokusaijin" (an internationally-minded person)?

Yoshinaka: A person who understands others' views. When capable of putting your feet into others' shoes, one can communicate beyond cultures.

Takahashi: A person who respects others as fellow humans.

Gu: A person who is capable of listening to other opinions with respect from the bottom of the heart.

Asyikin: In addition, that person clearly states his/her opinions.

Conrad: We all strive to build good relations despite commonly felt gaps in communication. I would add to Mr. Yoshinaka's comment on the globalist – a person who doesn't stop learning and thinking of the future.

What is important for the future at Yazaki?

Takahashi: Yazaki faces the challenge of raising its technology levels. Another area of importance is human factors in labor relations overseas.

Gu: I believe it's important to pass on Yazaki DNA to new employees and nurture collaboration among employees worldwide.

Ashkin: Lightweight wire harnesses can be used for environmentally friendly purposes, including applications in electric vehicles, and such research should be enhanced.

Conrad: By capitalizing on its resources around the world and adopting the best from different places without minding precedent, Yazaki will grow to become a stronger company.

Hideki Yoshinaka
Manager, European Department,
Automotive Planning Division

Masayuki Takahashi
Manager, Asia-Oceania Production Coordination Division
Automotive Wire Harness (W/H) Production Management Division

Longlong Gu
Second Quality Management Department
Quality Management Division

Nur Asyikin
1st Development & Design Department
Renault-Nissan Business Unit
EEDS R&D Division

David Conrad
Manager, Logistics Division
Global Logistics Department,

Yazaki Implements Policies to Promote Diversity in the Workplace

FY2007 Initiatives

Employment of people with disabilities

- Support system enhancement:
  A job trainer and three consultants were hired, an improvement from only one consultant in FY2006.
- Job creation: A new workplace for sorting out non-steel metal waste was created at Y-CITY *1.
  Separated metal waste, about 500kg per month, can be resold for profit.
- Use of grants: By using a grant, a vehicle was converted for people with disabilities to drive it, expanding work opportunities.

Employment of seniors

- The retirement age was extended, and the systems were introduced to promote the rehiring of retirees with a wealth of experience and skills.

Recruitment / Employment of foreigners

- Visit universities and colleges, and take part in recruitment seminars to publicize Yazaki

Basic Personnel Policies

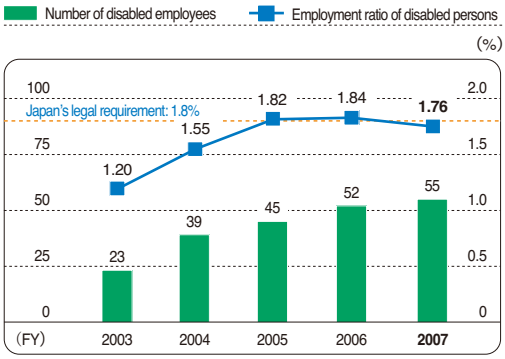
The Yazaki Group implements fair and impartial personnel policies that respect individual rights, value humanity, and promote diversity in the workplace. We hire personnel regardless of nationality, gender or academic background, and also actively take measures to encourage employment of older people and the disabled.

Expanding Employment Opportunities for People with disabilities

Yazaki takes active measures to provide employment to people with disabilities at each business site. To accommodate those employees, we have made facilities and buildings accessible. The work process has been reorganized in each division, so that employees can perform tasks regardless of their disabilities.

In April 2005, Yazaki Business Support Co., Ltd. was established as a Specially Approved Subsidiary Company*2 to further promote employment of the disabled. By enhancing support systems, including hiring more job trainers and consultants, the company created new work opportunities for the disabled at Y-Town*3 dormitories. Also, by using a grant it was awarded, the company converted a vehicle used for collecting recyclables to enable people with disabilities to drive it, thereby expanding work opportunities. It also plans to coordinate with those business units and new business projects that anticipate job growth to create new employment possibilities for disabled employees. In addition, utilizing its resources and legal status of Yazaki Business Support, we will further improve on the workplace environment where employees with and without disabilities work together, as well as enhancing systems to motivate individual workers and to support them in acquiring skills.

Number of disabled employees and its ratio in total employment (Yazaki Corporation)



Utilizing the Wealth of Experience of Senior Employees

Many people still lead healthy lives and wish to work past the age of 60 – a welcoming trend as Japan faces labor shortage issues, triggered by an aging population and low birthrate. Many workplaces also may benefit from the wealth of experience and skill of such retirees.

In FY1990 Yazaki created the Anchor System*4, promoting the rehiring of retired full-time employees aged 60 or older. We also implemented the Elder System*5 to rehire contracted employees who are over age 60. Starting in December 2007, the employee retirement age was extended to 60 from 58.

***1 Y-CITY**
The name of an area in Susono, Shizuoka Prefecture, where the Yazaki Group Headquarters, factories, R&D facilities are allocated.

***2 Specially Approved Subsidiary Company**
This type of subsidiary company, under Japanese laws, is set up to employ persons with disabilities. Disabled persons who work for the subsidiary are considered to be employed by the parent company.

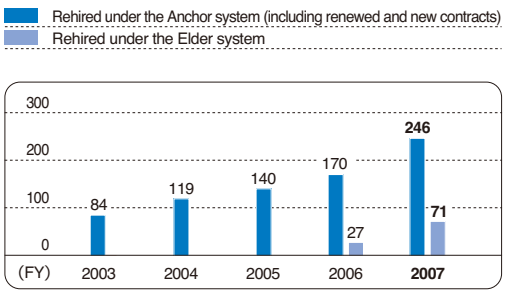
***3 Y-TOWN**
Dormitories and other facilities for employees are built on Y-Town, which was formerly the Gotemba Factory.

***4 Anchor System**
Named after an expression, an anchor runner, who can be trusted in a team.

***5 Elder System**
The naming reflects the term, elder, a person valued for his wisdom, dependable skills and expertise.

Our employment policy focuses on recruiting employees regardless of age through assessing individual skills and aptitudes as well as relevant experience.

Employees rehired under the Anchor and Elder systems



Actively Recruiting New Graduates

Recruiting university graduates is important in the Yazaki Group. The table below shows the breakdown of the recruited graduates by academic degrees in FY2007.

Hiring of new graduates in FY2007

	Male	Female
Graduate schools (masters degrees)	31 (28 in sciences; 3 in humanities)	0
Universities	125 (84 in sciences; 41 in humanities)	11 (4 in sciences, 7 in humanities)
Colleges of Technology	2	1
TOTAL	**158**	**12**

Note) Includes four graduates from Toyota Technological Institute in March 2008.

Hiring Employees Irrespective of Nationality

Yazaki encourages international assignments among employees around the world, and aims to build a multi-cultural corporate group. We have increasingly recruited foreign students in Japan, since the Global Recruiting Program was introduced in FY2003. In the past five years, 45 people from 17 countries have been hired under this program.

Hiring by nationality (cumulative total over five years)

Country	Number of employees
China	21
Malaysia	4
Korea	3
U.S.A.	2
Philippines	2
Slovakia	2
Vietnam	1
Romania	1
Uzbekistan	1
Russia	1
Mexico	1
India	1
Bangladesh	1
Thailand	1
Indonesia	1
Myanmar	1
Kenya	1
TOTAL	**45**

VOICE

Winning the silver medal in the Abilympics*6

I participated in the International Abilympics in November 2007. I took on and completed in three hours an assignment, which often takes ten hours, in the data processing category that involved performing processing work. The assignment and its requirements were announced prior to the contest so participants could prepare, and I practiced diligently for the contest. I won the Silver Medal, and was very happy to receive heart-felt congratulations from my colleagues. While this experience will be useful to me in my work, I also plan to compete in a different category in the future and win again.

IT Division
Takashi Katsuzawa

*6
The International Abilympics

The International Abilympics is held every four years, since 1981, with the aims of improving vocational skis of people with disabilities.

Yazaki Enhances Employee Training Programs and Performance Evaluation Systems to Nurture Employees for the Global Business World

FY2007 Initiatives

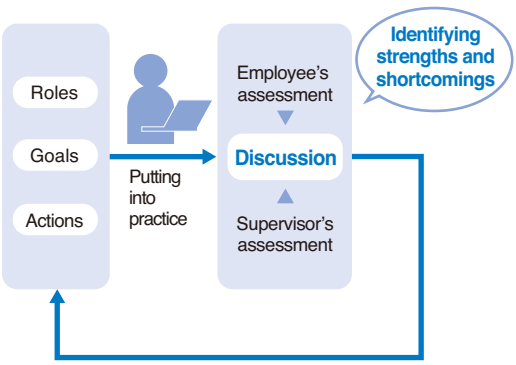
- Overseas training programs were enhanced according to career plans
- The Yazaki-juku meetings promoted direct communication between management and employees
- Enhanced Summer Camp programs were held for children of Yazaki employees to help broaden their horizons through cultural exchange

Helping Skill and Personal Development through a Fair and Impartial Evaluation System

Yazaki has established an employee performance evaluation system that is "visible, easy to understand, and reasonable" to raise their morale in a workplace where they can also find work meaningful.

Under the system, all employees are responsible for managing their own roles, goals and actions, and they are evaluated through discussing their work performance with their supervisors. In the evaluation process, employees learn to identify their strengths and shortcomings, and are encouraged to enhance the strengths and overcome the shortcomings. The process has elevated motivation and contributed to improving skills.

The concept of Yazaki's evaluation system



Adventure School Provides Opportunities to Learn Self-Reliance

Since FY1996 Yazaki has offered the Adventure School program, a voluntary overseas study program for new employees. The program is designed to foster employees, who actively seek their goals and develop self reliance. Under the program, participants take on the challenges of their choice and live in different countries for up to one year. With assistance from local coordinators, they learn how to accomplish their goals in foreign cultures. They sometimes struggle, but the struggle is what makes them grow.

In FY2008 the program starts in October 2008 for new employees who joined in FY2007.

Six-Month New Employee Orientation Program

All the new employees (graduates from universities and "colleges of technology"), who joined Yazaki in April 2008, are undergoing a six-month training program, consisting of lectures and on-the-job training. Regardless of their backgrounds and new work assignments, new employees go through a uniform training program each year. The training is designed to include what every Yazaki employee should know, and will be

VOICE

I have gained valuable experience in the Overseas Trainee Program

I currently work in the Koln branch of YEL under the auspicious Overseas Trainee program. In the beginning, I was confused by some requests from European customers that were so different from Japanese customers. But by working closely with European colleagues and speaking with customers here, I have gradually learned how to clear up my sense of confusion and focus instead on customer satisfaction. The experience and insights I've gained in Europe will be invaluable to me once I return to Japan.

Connector
Development Center
Asako Takahashi

useful in his/her career at Yazaki.

New employees are sent to 30 to 40 different locations in Japan, either production or sales sites, for on-the-job training for several weeks to a few months. Veteran employees at each site are assigned to train them, while looking after them in new places away from their homes.

Overseas Trainee Program Prepares Employees for Global Assignments

Yazaki started the Overseas Trainee program in FY2003, in which selected young employees are sent to work at Yazaki subsidiaries overseas for up to one year. The program prepares the employees to acquire communication skills and knowledge to work with different peoples in different countries. Under the program, three employees worked in Germany during FY2007.

"Yazaki-juku" Fosters Mutual Understanding between Top Management and Employees

Yazaki holds Yazaki-juku meetings to raise mutual understanding between top management and employees. It consists of 2 parts: "Discussion with the President" and "Follow-up Training." In the Discussion, general managers and senior officers are joined by the president and exchange ideas and opinions on the Yazaki Corporate Policy and Fundamental Management Policy. The Follow-up program invites employees with five or more years of experience at Yazaki to talk with the chairman about the Corporate Policy as well as their future goals.

In FY2007 the Follow-up Training was held six times with 75 participants in total, while the Discussion program was held once with 7 participants.

Global Training Program Allows Overseas Employee to Study in Japan

The Global Training program is designed to provide employees of overseas subsidiaries with opportunities to learn Japanese language and culture. Under the program, selected employees from overseas subsidiaries spend one year in Japan. Nineteen representatives from seven countries took part in the program in FY2007.

Global Leadership Program Enhances Leadership Qualities

In collaboration with IMD*1, a business school based in Switzerland, Yazaki has developed the Global Leadership Program for mid-career employees around the world to enhance the qualities that tomorrow's leaders require in the Yazaki Group. Introduced in FY2007, the program also emphasizes on nurturing internationally minded employees with the Yazaki spirit. Sixteen managers from different Group companies participated in the program, which was held in April, 2008.

*1
IMD
International Institute for Management Development, a leading international business school is located in Lausanne, Switzerland. The school focuses on executive programs.

VOICE

Great assets I gained through the Global Leadership Program

Sixteen managers, who participated in the program, were divided into three groups and each group proposed a task to accomplish. In my group, we chose the task of creating a financial business model by working on issues related to planning expenses and budgets at Yazaki. I have worked in engineering throughout my career, but this task is not my specialty. Still, I expanded my knowledge through discussions and information exchanges. I consider the experience, as well as the new colleagues I met in the program, to be great assets.

Manager, In-Vehicle Systems R&D Center
Kunihiko Miura
(middle in the above picture)

Providing a Variety of Educational Opportunities for Tomorrow's Leaders

Each summer Yazaki invites children of Yazaki employees around the world to participate in camping programs that offer opportunities to experience different cultures, meet new friends, and learn about the significance of environmental preservation. There are three types of summer camp programs, and here are some highlights of the FY2007 activities.

First is the Japan-based program for fifth and sixth graders, all children of Japanese employees. Two hundred and seven children were invited to Yasuhara, Kochi Prefecture, and they experienced life in the town by taking part in summer dances and paper-making projects with local residents.

The second program is the overseas camp for 14-year-old children of Japanese employees. Two separate groups went respectively to China and Thailand. The China group visited historical sights in Tianjin and Beijing, including the National Palace Museum and the Great Wall. The other group visited Phitsanulok and Bangkok, learning about the history and culture of the country, and enjoyed a theater performance that focused on a depiction of the history of Siam and its Buddhist tradition.

The third is a "Summer Camp in Japan" program for 14-year-old children of overseas employees. In FY2007, 229 students from 28 countries were invited to Japan, and enjoyed sights in Tokyo, Kyoto and other cities. They also visited a Yazaki plant, and learned Yazaki's "Mottainai spirit" (encouraging saving and not wasting) through observing a recycling program of PET bottles in Japan, as well as understanding the uses of eco-bags (reusable bags) and Japanese fusoshiki (reusable wrapping cloths in lieu of disposable wrapping paper).

In FY2008, Yazaki plans to introduce a new event during Summer Camp in Japan. To fully collaborate with the vision of ESD*1, we will show a video of a speech by Severn Cullis-Suzuki,*2 which was delivered at the Earth Summit in 1992, followed by a discussion on what each camper can do for the Earth.

Yazaki employees participate in these camps as camp guidance counselors. These camps are also designed to provide unique opportunities for employees to elevate their communication skills and expand their horizons.

Summer Camp in Japan participants enjoy sightseeing in Nikko

Summer Camp Participants in FY2007

	Japan	Overseas Summer Camp	Summer Camp in Japan
Participants (number of participants)	Children of Japan-based employees (207)	Children of employees in Japan (142)	Children of overseas employees at Yazaki Group companies (229)
Details	4 nights/5 days in Yasuhara, Kochi Prefecture	6 nights/7 days in China or in Thailand	7 nights/8 days in Japan (Tokyo, Kyoto and others)
Programs first introduced in:	1977	1985	1988
Cumulative total of participants	5,338 (31 camps)	3,606 (23 camps)	1,810 (20 camps)

***1 ESD**

Education for Sustainable Development is a vision of education that aims to help create a sustainable future.

***2 Severn Cullis-Suzuki**

At the age of 12, Severn Cullis-Suzuki delivered a speech, which profoundly moved many leaders of the world in attendance at the Summit.

VOICE

Awed by the whole experience of Summer Camp in Japan

I took part as a guidance counselor at Summer Camp in Japan in 2007 for the first time. The children not only learned about Japan and Yazaki, where their parents work, but had wonderful exchanges with Japanese children. I felt envious that at 14 they could have such experiences.

I also learned a lot through working with other counselors from different parts of Yazaki, and had a precious eight days with the children.

Industrial Sales Division, Component Business Unit
Naoko Nakahira
(Right in the above picture)

Yazaki Enriches Programs for Employees to Balance Work and Private Life

FY2007 Initiatives

- The Back-Up Leave system was reviewed and enhanced
- A paid leave for jury duty was added

Labor Relations Based on Trust

In line with the principles of open dialogue and autonomy based on mutual trust between employees and management, the Yazaki Employee Labor Union focuses on three pillars: enhancing working conditions, benefits, and organizations at Yazaki. The Union reviewed working conditions during FY2007, and rules on leave were changed. A paid leave system, called "Back-Up Leave"*3 was reviewed, and employees can now take an additional leave for medical reasons including infertility treatment. Also new is a paid leave especially allowed for jury duty, starting in May 2009, when Japan introduces the jury system.

Support for Employees to Build Careers While Having Families

Japan's low birth rate has prompted many companies to initiate workplace support systems to help women employees maintain a balance between work and family obligations.

Yazaki established a taskforce team to promote equal opportunity in June 2007. The team has set up new family-friendly systems to allow employees more time to spend on caring for young children and other family members.

Leave to Support Employees and Families

Reasons	2003	2004	2005	2006	2007
Childcare	60	55	80	62	78
Reduced working hours for nursing and childcare	2	10	18	30	28
Caring for family members	0	1	4	4	0
Reduced working hours for caring for family members	0	0	1	0	2
Taking care of sick family members	0	0	1	2	3

Aiming to Achieve Thorough Compliance

In view of the importance of detecting problems that may lead to compliance issues, Yazaki established YAZAKI EYE, a whistleblower protection office for all employees including those in subsidiaries in Japan in April 2006. While the company rules specifically spell out whistleblower protection, the office further enhances internal systems for employee privacy and protection.

Additionally, we have provided all employees (including part-timers and contractors) with the Yazaki Group Employee Handbook of Code of Conduct to emphasize the significance of compliance issues.

Number of Employees Who Used Paid Leaves and Other Benefits

Supported leaves and benefits	Details	Pregnancy	Up to childbirth			Nursing and Childcare		
			6 weeks prior to birth	8 weeks after delivery	One year after delivery	Up to one-year birthday	Up to three-year birthday	Under school age
Pregnancy and delivery	Protect health during pregnancy, and within one year after delivery, based on doctor's instructions*1	←	←	—	→			
Pre- and post delivery	6 weeks*2 prior to delivery; 8 weeks after delivery		←	—				
Leave for a spouse	2 days off at the time of a spouse's delivery			←				
Child rearing	Unpaid holiday for a parent of a newborn up to one year					←		
Reduction of working hours	Reduced working hours can be arranged for a parent of a child aged under three					←	—	
Restriction on overtime and late night work	Restrict overtime and late night work for a parent of a small child under school age					←	—	→
Leave for nursing and caring for children	Unpaid holiday for a family member of a small child under school age					←	—	→

*1. Including visits to doctors; working hour changes; reduction of work load; and restriction on overtime work. *2.14 weeks prior to the delivery of twins or more.

***3 Back-Up Leave**

In addition to annual paid holidays, the Back-Up Leave system allows employees to take additional days off for their own medical treatment and for caring for their family members.

Yazaki Strives to Create a Safe and Healthy Working Environment for Employees

FY2007 Initiatives

- Application of the PDCA cycle in further improving on workplace safety
- Introduction of a safety assessment study at each production site
- Preparation of a checklist to strengthen compliance to industrial safety and health laws

Employee Safety and Health Policies

To further improve on QCDE (quality, cost, delivery and environment) at Yazaki, it is necessary to create a secure and healthy workplace for employees. We want our employees to adopt a safety-first attitude and are building a workplace culture with that emphasis.

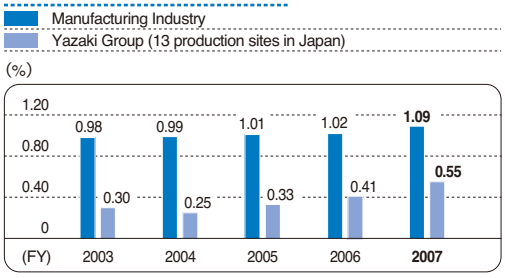
We have implemented the management method of the PDCA cycle (plan, do, check and act) to raise awareness of workplace safety and improve on safety measures. This cycle has proven useful to assess and avert risks. We will continue making improvements to ensure effective safety and health management systems at Yazaki.

Organizing Occupational Safety and Promoting Health

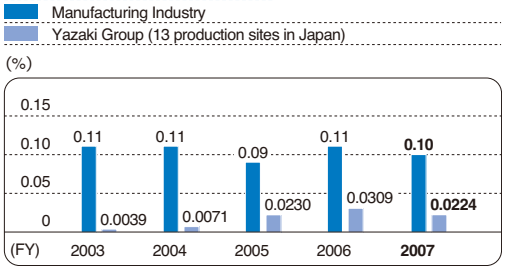
While each of the 13 production sites*1 in Japan has a safety and health committee, a company-wide Factory Safety and Health Committee has been also formed to evaluate common safety and health hazards and exchange information on strategies and plans for improvement among different factories. In addition, factory-based safety and health promotion members*2 jointly work with the General Affairs and Personnel Division to regularly conduct a safety assessment study, based on the Yazaki Group's internal audit standards.

Since FY2007, the Shimada Factory has introduced a small-group approach by setting up many "Safety and Health Subcommittees" to engage employees in promoting a safe and healthy workplace. Members of the small groups have initiated "Safety Communication" (SC) activities, through which they plan to identify potential workplace hazards and study countermeasures. While studying the results of SC activities, we plan to introduce this approach to other factories soon.

Industrial Accident Rate*3



Accident Severity Rate*4



Yazaki Group Occupational Safety and Health Goals

Category	Goals	Specific targets	Details
Management system	Establishment of management system based on relevant laws and regulations	Revision of duties performed by temp and contracted staff	Extend and fine-tune the management system based on field surveys
		Revision of duties performed by temp and contracted staff	
Work-related accidents	Elimination of accidents (resulting in lost workdays as well as non-lost workdays)	Lost workdays = 0 Non-lost workdays = At least 50% reduction	Extend safety and health initiatives that reduce safety risks
			Factories: Near-miss accident risk assessment
Safety and health management	Enhancement of mental health management	Enhancement of mental health management	Carry out training and education programs by employing external organizations and speakers
			Gain accurate understanding of work hours of both labor and management
	Establishment of measures to prevent health problems due to overwork	Establishment of measures to prevent health problems due to overwork	Continue raising awareness of mental health care among labor and management
			Encourage all employees to follow the advice of an industrial physician when working long hours that may lead to overwork stress
Traffic accidents	Elimination of traffic accidents	Elimination of traffic accidents	Carry out activities to reduce traffic accidents by at least 50% when traveling to and from work or during work hours

***1 13 production sites**
See page 59 for details

***2 Safety and health promotion members**
Factory-based members are personally involved in safety and health promotion at each production site, including employees in charge of safety, health and hygiene issues at the workplace, managers in general affairs and personnel, industrial physicians and nurses.

***3 Industrial Accident Rate**
The number of all disabling injuries per million worker-hours of exposure

***4 Accident Severity Rate**
The number of worker-days lost as a result of disabling injuries per thousand worker-hours of exposure.

Assisting in Mental Health Problems

On account of greater stress from increased work load and complexity of work, employees are increasingly exposed to threats to mental health. Stress also may result if harassment*5 in the workplace occurs. Yazaki has taken measures to prevent harassment in the workplace.

The Health Support Center at the Y-CITY Social Welfare Center has published an Employee Guide to Mental Health that tries to dispel prejudice against mental health services and explains how to properly treat problems.

Promoting Employee Physical Health

Starting in April 2008, Japanese age 40 and over must attend regular checkups under the national health insurance system to prevent lifestyle diseases. The Yazaki Health Insurance Association facilitates such checkups and provides guidance programs.

The checkups focus on measuring accumulated fat in internal organs and other indicators that may induce metabolic syndrome, which causes diabetes, high blood pressure and other diseases. Based on test results, risks to develop metabolic syndrome are assessed, and professional guidance to healthier living is provided accordingly.

In collaboration with Jot International Co., Ltd., a Yazaki subsidiary, the Association organizes an easy-to-do walking program*6 for employees once a month to encourage regular physical exercise.

Yazaki also urges employees to quit smoking. Tobacco contains more than 200 damaging substances. Secondhand smoke is also very harmful. The Health Support Center jointly holds seminars on how to quit smoking with the Association, as well as providing information on the nicotine patch treatment and offering free patches.

Crisis Management for Employees Assigned Overseas

The Yazaki Group has 91 overseas subsidiaries in 37 foreign countries outside Japan, and each year approximately 180 Japanese employees and their families are assigned to work overseas. Risks such as terrorism, natural or manmade disasters, and infectious diseases are increasing around the world. Yazaki has striven to provide work environments in which its employees can work with peace of mind.

Yazaki holds safety seminars for employees and their families, prior to their overseas postings, to deepen their understanding of host countries and regions.

Employees receive a pre-assignment health check, as well as an annual complete physical health check and biannual mental health checks when overseas. An industrial physician stands ready to communicate with them by email anytime.

In addition, Yazaki provides up-to-date information concerning the security situation in various countries around the world on the company intranet.*7 A crisis management manual has been prepared for each overseas location, and emergency contact lists have been established. Yazaki will continue to take measures to ensure the safety of all its employees throughout the world.

VOICE

While managing my own health is my responsibility, the Support System at Yazaki is very useful

As part of Yazaki's support for overseas assignees, my colleagues and I must have a mandatory health check during a return visit to Japan. Mental health care service is also available. Pre-assignment programs on risk management issues in working overseas have been emphasized, and our generation is fortunate compared to employees 20 years ago. I feel that health management as well as evaluating risks in overseas life are basically my responsibility, but having support services from Yazaki provides me with peace of mind. Using services when appropriate, I plan to lead a healthy and safe life in Germany.

YEL(Yazaki Europe Ltd) Cologne Branch Office **Naoshi Deguchi**

***5 Harassment**

Workplace harassment includes sexual harassment, power harassment and moral harassment.

***6 Easy-to-do Walking Program**

The program encourages employees to make walking a habit by using even a short time during lunch breaks. A walking event is organized during lunch breaks and after work on one Wednesday of the month, which is designated as a no-overtime day.

***7 Intranet**

Yazaki set up its Intranet, a private computer network through the use of Internet technology.

Yazaki Improves Product Quality, Safety and Services through Dialogues with Customers

FY2007 Initiatives

- Promotion of safety inspection and information dissemination in Gas Equipment and Household Equipment Divisions
- Electric Wire Division: Conferences for employees at partnering companies
- General Transportation Systems Division: Enhanced assistance to distributors

Ensuring Product Safety from the Standpoint of Customers

Environmental and Energy Equipment, and Gas Equipment

Under the May 2007 revision of the Consumer Product Safety Law*1 in Japan, when a consumer product defect causes a serious accident, the company involved in manufacturing, importation, or sale of the product is required to report the accident information in detail (business operator name, model or product name, and accident details) to the government within ten days.

Ahead of the legal revision, the Ministry of Economy, Trade and Industry published guidelines for the formulation of voluntary product safety action plans in March 2007, to encourage every company involved in the manufacturing, importation, sale, installation or repair of products to implement voluntary safety measures based on its individual circumstances.

Yazaki's Gas Equipment Division, which sells products such as LPG meters and gas leak detectors through sales distributors nationwide, began taking actions in March 2007 to ensure that all employees at the sales offices and related development and production departments fully comprehend the content of the legal requirements.

Yazaki publication on the Consumer Product Safety Law for LP gas sales companies

Yazaki has held meetings with sales agents, and repair and installation companies to ensure their correct understanding of the revision and guidelines and to discuss measures to enhance product safety, since the revised laws also apply to them.

Even though there were no serious accidents caused by Yazaki's gas equipment in FY2007, multiple product accidents related to gas and petroleum equipment were reported in Japan. Against this background, in order to alleviate customer concern, manufacturers must actively implement even more stringent measures than in the past to ensure the safety of their products.

In October, 2007, Yazaki published a publication to summarize major points in the Consumer Product Safety Law and preventive measures against potential accidents, and distributed it to LP gas sales companies in Japan.

Yazaki plans to share awareness of product safety with sales companies by increasing opportunities to hold dialogues with them. In addition, Yazaki is committed to reassessing its framework and failsafe*2 mechanisms for ensuring product safety throughout the entire processes from manufacturing, sales and installation to repair.

In the Household Equipment Division, we have also taken measures to prevent accidents. For example, we provide services to inspect solar-powered water heaters in use. Particularly, we offer a Safety Check Service that focuses on looking into the condition of solar panels on the rooves – whether they get too rusty and dusty, or are properly attached – to prevent accidents such as a loose panel falling off the roof.

***1 Consumer Product Safety Law**

The Consumer Product Safety Law defines a consumer product as a "product to be supplied mainly for general consumers' use for routine life activity." The products that are exempt under the Law include foods, food additives, detergents, medicines, quasi drugs, cosmetics, medical equipment, ship, automobiles, and motorcycles that are already regulated by other safety laws.

***2 Failsafe**

Designed to return to a safe operation by compensating automatically for a failure or malfunction.

Conferences with Partnering Sales Companies

Electric Wire

Yazaki holds biannual conferences with representatives from partnering distributors*3 that do business directly with Yazaki. Started in 2002, the conferences have assisted representatives in gaining knowledge of electric wires and cables and the industry, while offering opportunities to meet representatives from other companies and areas. For Yazaki, the conferences' discussions provide information on the distributors' needs.

The conference program each year places emphasis on promoting exchanges of information and ideas, and encouraging active participation in discussions. About 100 representatives took part in the most recent conference in March 2007. Information garnered at that event has been applied to business plans.

A recent conference with representatives from partnering distributors

Yazaki and Distributors Work to Earn Trust from Customers

General Transportation Systems

Yazaki manufactures instruments, such as tachographs and taximeters, used in commercial vehicles operated by taxi and transportation companies, and sells them through approximately 160 sales distributors nationwide.

Distributors are requested to market these products and provide services to customers as if they are members of the Yazaki Group to build trustworthy relations between Yazaki and the customers. Each sales distributor not only sells products to local taxi and transportation companies, but also extends installation and maintenance services, as well as provides troubleshooting and after-sales services. In order to improve the level of these services, Yazaki provides technical assistance to each distributor. We also strive to improve products and services based on customer feedback via the distributors.

To assist distributors, Yazaki holds meetings with them to explain our environmental policies and environmental regulations in Europe. They have conducted studies on components that contain SOC*4 and strengthened their SOC management systems.

Investigating Substances of Concern In Compliance with Environmental Regulations Applicable to Automotive and Non-Automotive Products

Component

Yazaki delivers parts used in a wide range of applications, such as automobiles, consumer/industrial equipment, and agricultural/construction machinery, to as many as 800 companies. To fulfill its responsibilities as a supplier to these many customers, Yazaki have investigated the substances contained in all products in view of the EU ELV Directive*5 and the RoHS Directive*6 to determine whether these products contain any regulated substances of concern.

If a product is found to contain a regulated substance, Yazaki submits an application for design change to the customer and proposes an alternative product. Through these investigations and proposals, Yazaki assists its customers in developing environmentally friendly products in a wide range of applications.

***3 Partnering distributors**
strong partnership with Yazaki and distributors

***4 SOC**
SOC stands for Substance of Concern.

***5 ELV directive**
The EC directive on End-of-Life vehicles (ELVs), which took in effect in July 2003, bans the use of four substances by automobile makers: lead, cadmium, mercury and hexavalent chromium.

***6 RoHS Directive**
The restriction on the use of certain Hazardous Substances (RoHS) Directive limits the use of designated hazardous substances in electric and electronic appliances and equipment. It bans the placing on the EU market of new products containing more than agreed levels of lead, mercury, cadmium, hexavalent chromium, PBB (polybrominated biphenyl) and PBDE (polybrominated diphenyl ether) from July 6, 2006.

Yazaki Shares its Policies and Goals with Business Partners through Productive Exchanges of Information and Opinions In Pursuit of Mutual Business Growth

FY2007 Initiatives

- Meetings with business partners on industrial waste disposal and management
- A seminar on the Eco Stage Environmental Management System
- Briefings on the JAMA/JAPIA Standard Material Datasheet
- Annual Purchasing Policy Meeting
- Briefings on Quality Management Standard Manual

Taking Measures for Proper Waste Disposal and Management with Business Partners

Industrial waste disposal has become a social problem in Japan, as seen in recent reports of illegal waste dumping. Waste processing centers in the nation also face capacity problems because of increasing waste. In the meantime, Japan's Waste Management Law*1 has been amended to hold not only recyclers but also companies that originally create the waste responsible for illegal waste disposal.

Against this backdrop, Yazaki encourages not only its group companies but also its business partners to take measures to thoroughly comply with the amended law and other regulations of regional governmental bodies.

In December 2007, we held a meeting with 88 major business partners to share basic information about appropriate industrial waste disposal and management. We used case studies to explain the risks associated with using recyclers for waste disposal without knowing how they process waste. A survey of the participants later found that 27 observed their recyclers at work.

In addition, we conducted an environmental audit on 40 companies of the Arrow Association*2 between November and December 2007, using 26 items in the checklist prepared by the Environmental Bureau of Tokyo Metropolitan and 7 environment-related regulations of Shizuoka prefecture. Twelve companies needed improvement on some items, and all of them implemented measures by February 2008.

Yazaki continues to involve its business partners, sending them an audit checklist for self-assessment to help strengthen waste management measures.

Facilitating the Introduction of Environmental Management Systems to Business Partners

Yazaki requests that its business partners obtain ISO14001 certification, or equivalent third-party certifications in Japan such as EcoAction 21, Eco Stage, and KES. We set a goal of having all partners certified by the end of FY2008.

The Eco Stage Environmental Management System, for instance, takes a stage-by-stage approach, and can be easily integrated into a company's management plans. All the requirements for ISO14001 certification are included in the second stage of its five stages. The Eco Stage allows small- and medium-size companies to implement an environmental management system easily at lower cost.

In view of such merits, Yazaki hosted a seminar on the Eco Stage Environmental Management System for its business partners at Y-CITY in April 2008. We plan to follow up on interest in the Eco Stage system among the 29 companies who participated.

The Eco Stage Environmental Management Seminar

***1 Waste Management Law**

The Waste Management Law is an abbreviated name for the Waste Management and Public Cleansing Law. It defines waste and sets forth standards for waste discharge, disposal, collection, recycling, appropriate processing, and so on, as well as specifying the responsibilities of businesses and citizens.

***2 The Arrow Association**

An association consisting of 72 companies, which do business with Yazaki. The association was formed to strengthen production systems with Yazaki group companies.

More Briefings on JAMA/JAPIA Standard Material Datasheet Changes

The Japan Automobile Manufacturers Association (JAMA) , Inc. and Japan Auto Parts Industries Association put together in April 2006 the JAMA/JAPIA Standard Material Datasheet, which lists materials and substances of concern contained in automotive parts. Updated a few times, the Datasheet Ver.2.02, created in July 2007, is the latest version.

Yazaki has requested its business partners to use the Datasheet in response to the increasing need to properly manage substances. Since the latest update of the Datasheet included many changes, we held three separate meetings on materials, components, and electronic and instruments respectively at the Y-CITY in August 2007. A total of 208 companies took part, and Yazaki has also held individual meetings for those who requested more information. We will continue our efforts to promote use of the Datasheet and improve its accuracy.

Purchasing Policy Meetings Held to Raise Quality and Explain Environmental Policies and Goals

Yazaki has made the development of mutually beneficial relations with business partners one of its fundamental management policies, and striven to build trust and establish collaborative networks with them based on close communication.

At the beginning of each fiscal year, Yazaki holds a Purchasing Policy Meeting for key business partners to share its policies and goals concerning quality and environmental measures as well as information on revisions to relevant laws and regulations, and to seek their cooperation. In FY2007, 49 companies attended the meeting.

Briefings on the Quality Management Standard Manual Held in Japan and Overseas

The Yazaki Group has an extended network of business partners in Japan and overseas. In recent years Yazaki has held briefings overseas to explain our Quality Management Standard Manual and request the thorough management of SOC*3.

In March 2008, representatives from 15 business partners participated in a briefing in Thailand, while 45 business partners attended when held in Japan. 25 partner companies took part in another briefing in China in April. Yazaki plans to expand these briefing sessions overseas.

Briefing in Thailand in March 2008

Briefing in China in April 2008

Power Lunches Enhance Dialogue between Yazaki and Arrow Association

As part of promoting mutually beneficial coexistence with the Arrow Association members, Yazaki has hosted “power lunches” since July 2007. The power lunches are held once a month between representatives from nine member companies and from Yazaki’s Purchasing Office within the framework of Yazaki’s management study group. The participants enjoy lunch together while openly exchanging opinions on recent management issues. Information is directly conveyed to relevant divisions on issues that require further consideration, and improvements reflected in day-to-day transactions.

Yazaki believes that such opportunities to hear the views of suppliers are beneficial to the mutual development of the Yazaki Group and its business partners.

*3
SOC
SOC stands for Substance of Concern.

Guided by Corporate Policy, Yazaki Expands Social Contribution Activities in 38 Countries Where It Operates

* The full names of overseas subsidiaries that appear on these two pages are listed on page 63.

Clean Up Activities

Employee volunteers administer and participate in clean-up activities in local communities.

● YCT (Romania)

Twice a month, YCT employees, together with employees of neighboring companies, clean parks and paths, and maintain play sets to make local parks more hygienic and child friendly. To expand community recycling activities, they also installed separate trash bins and recycling trash bins in the parks in January 2007.

Participants in a recen clean-up event

● HNY (China)

Since 2002, twice a year in March and October, HNY employees have conducted a clean-up along major roads in the vicinity of the factory. For three hours on the clean-up days, about 2,000 employees collected trash that was then transported in a two-ton truck to a HNY processing facility.

About 2,000 volunteers participated in a clean-up.

● Hokuriku Parts Co., Ltd. (Japan)

Concurrently with the Environment Month of June in Japan, 41 employees cleaned a nearby train station often used by plant visitors. They cleaned inside and outside of the station, as well as weeding along its rails. They plan to continue the station clean-up day in FY2008.

Weeding along the rails

● AAMSA (Mexico)

AAMSA employees initiated a PET bottle collection campaign in their community in July 2007. Collected bottles amounted to 7.5 tons. Using the money raised through selling the bottles to recyclers, they donated hearing aids to a hard-of-hearing employee. The activity was reported in the local media and attracted community notice.

Tree Planting

Yazaki employees are also active in planting trees.

● AAPL (Australia)

Celebrating National Tree Planting Day, AAPL employees and their families have planted trees in and around their facilities since 2002. In 2007, employees planted 150 trees at the Carrum Downs Plant and 40 trees at the Laverton branch and plan to continue the yearly event.

Many AAPL employees and families participated in the 2007 event.

● YBL (Brazil)

During a week to promote greenery initiated by the local government, YBL employees planted 200 Ipê-amarelo trees (Tecoma chrysostricha) on the river banks near

Planting Ipê-amarelo trees on the river banks.

their plant. The flower of Ipê is the national flower of Brazil. Many family members also participated, reflecting interest in the environment.

Support for Education

Yazaki supports each community member's quest to learn and live up to his or her potential.

YEV (Vietnam)

YEV has donated a wide range of books from history and science to dictionaries and folktales to local schools since 1994. During FY2007, an average of 70 books per school went to 52 elementary schools; 56 books per school to 21 middle schools; and 46 per school to 11 high schools.

YOT (Turkey)

YOT volunteers visit schools to provide environmental education to teachers and children once a year. During FY2007, they conducted classes in two elementary schools. About 300 children learned about the serious issue of global warming, and the importance of separating trash from recyclables.

YOT environmental education class at an elementary school

The Yazaki Memorial Foundation for Science and Technology (Japan)

The Foundation was established in 1982 in commemoration of the fortieth anniversary of the founding of Yazaki Corporation. It provides grants and aid in the three fields of new materials, energy, and information to researchers engaged in innovative technology research that is both particularly creative and has a high degree of practicality. In FY2007 the Foundation awarded five Grants for General Research, ten Grants for Research Encouragement which are awarded to young scientists, and eight Grants for International Exchange. Additionally, Grants for Special Research are awarded every year for designated themes. The themes for FY2007 Grants were: 1) Research into new technologies for improvement in global environment; and 2) Research into hydrogen-energy applications for enriching society. One candidate out of 14 applicants was awarded the Grant.

The 25th Award Ceremony in FY2007

YNA (U.S.A.)

The YNA Associate Volunteerism Council organized an Adopt-a-Family program for the Christmas season in 2007. Gifts in kind that many employees donated to families in need included toys, clothes, and food. Through the participation and generosity of YNA volunteers, over 80 children had gifts to open on Christmas day.

VOICE

Contributing to mangrove forest restoration

In recent years, mangrove trees on the coastlines of Thailand were cut down to create shrimp farms. Recognizing the significance of mangrove forests in sustaining rich ecosystems, Thai Arrow Products Inc. (TAP) planted 1,500 mangrove trees between 2005 and 2007 in an effort to restore the forest.

Rungsun Matroch, Department Manager, Human Resources & Administration, TAP

Yazaki Works to Further Disseminate Information to Stakeholders and to Build Better Relationships by Extending Opportunities for Dialogue

FY2007 Initiatives

- Stakeholder Meeting FY2007
- Distribution of Social & Environmental Report and Site Environmental Report
- Participation in exhibitions and events
- Message and information delivered through corporate communication tools

Stakeholder Meetings Held at 13 Production Sites in Japan

Yazaki has held the "Yazaki Stakeholder*1 Meeting" annually as a forum for direct communication since FY2004. Led by the Environmental Affairs Division, Susono Factory of Yazaki Parts Co., Ltd. was the first venue for the meeting. In FY2007 Hamamatsu Factory of Yazaki Resources Co., Ltd. hosted the meeting. (See pages 31 and 32)

In addition, all of the 13 production sites*2 held their local stakeholder meetings in FY2007. Planned and executed under the leadership of each plant manager, the local meetings invited representatives from the local community to explain production processes and show environmental measures taken for wastewater and industrial waste. Encouraged by open dialogue resulting in better understanding, some branch factories and affiliates have initiated their local stakeholder meetings. Such meetings also promoted communication among different divisions at Yazaki.

The annual Stakeholder Meeting was held at the Hamamatsu Factory.

Widening Audiences by Publishing the Social & Environmental Report and Site Environmental Reports

The Social & Environmental Report is published annually to broadly disseminate information concerning environmental and socially responsible activities of the Yazaki Group. The "Social and Environmental Report 2007" which covers activities of FY2006 was distributed globally, a total of 10,000 copies in Japanese and 2,000 copies in English.

The 13 production sites have also issued an individual Site Report annually since 2002. The report features a message from the general manager, and plays a key role in communicating various activities to local residents. It also serves as an educational tool for employees.

The Social & Environmental Report 2008, which covered FY2007 initiatives and activities, became available in September 2008, and a Site Environmental Report was prepared by each factory in October 2008.

The Social & Environmental Report, and a factory-based Environmental Report

*1 **Stakeholder**

Individual, group, or organization that has a direct or indirect stake in an organization. Key stakeholders of Yazaki include employees, customers, local communities, business partners, suppliers, and government.

*2 **13 production sites**

For more information, see page 59.

Actively Participating in Exhibitions and Events to Demonstrate Next-Generation Technologies

Yazaki Group companies actively participate in exhibitions and events to make their next generation technologies widely known to society and to promote further research through the use of extensive feedback.

Yazaki exhibited its products and technologies from October 26 to November 11, 2007, at the 40th Tokyo Motor Show, which attracted 1.4 million visitors. With its theme, Trust Yazaki Inside Your Car, Yazaki showcased technologies for making vehicles safer and environmentally friendlier, as well as ensuring driving comfort. The exhibits included safety control systems for trucks and buses, and environmentally conscious, ultra-thin high-strength wire (cross-sectional area of 0.13mm2), which contributes to vehicle weight reduction and fuel economy improvement. The latter attracted considerable attention from visitors.

In May 2008, we also participated in the 2008 JSAE Automotive Engineering Exposition, which drew nearly 70,000 visitors. We displayed such safety-conscious products as an Advance Warning System*3 (AWS), digital tacographs, and driver recorders, as well as optical connectors and high frequency cables for in-vehicle networks.

Yazaki booth at the Tokyo Motor Show 2007

Communicating Actively and Accurately through Various Tools

Yazaki corporate advertisements, starting in July 2007, showcased our stance on environment and energy issues. In the ads, we stressed our image as an enabler of a steady energy supply by proposing the best mix of energy sources and highlighted the safety of gas energy and its ease of use.

The wood biomass recycling project was again reported on by Kochi Broadcasting in FY2007. As for publicizing new products, we disseminated press releases on the DTG4 high performance digital tacograph and the YAZAC-eye2 driver recorder, to name a few.

Yazaki advertisement in Japan (FY2007)

*3
Advance Warning System
Driving support system that employs a camera to monitor dangerous vehicle behaviors

TOPICS The Numazu Factory Hosted Stakeholder Meeting

Inviting 13 members from the community, the Numazu Factory held a stakeholder meeting on June 6, 2008. The invitees included local residents and businessmen, and representatives from the local government, the chamber of commerce, a school and a hospital. They toured the factory, observing noise insulation, wastewater treatment facilities, exhaust fume smell treatment equipment and waste depots. The visitors offered their perspectives during an active discussion.


Factory visit by stakeholders

Discussions on the Best Mix of Energy Options

--The meeting took place at the Hamamatsu Factory, which produces new energy-source equipment --

Date: March 7, 2008 (9:30-17:00) Place: Hamamatsu Factory, and Environmental System R&D Center

The Yazaki Group has held an annual meeting with representatives of various stakeholder groups to exchange ideas and opinions since FY2004. The fourth meeting was held at the Hamamatsu Factory and the Environmental System R&D Center during FY2007. As in the past, Professor Satoshi Chikami of Nihon Fukushi University served as a moderator. Twelve people representing Yazaki employees, business partners, local governments, environmental NPOs, and the local community participated in the meeting.

Highlights of the meeting, including comments by the participants, are presented in this section. Yazaki will continue listening to stakeholders, and implement measures based on their comments and suggestions.

●Participants in the Stakeholder Meeting

Toshihiro Yamamoto, President, Seirei Social Welfare Community
Minoru Kumazaki, President, Gifu Academy of Forest Science and Culture
Takeyuki Kitamura, Chief Engineer, Environmental Dept., Hamamatsu City
Tomio Yano, Deputy Mayor, Yasuhara Town, Kochi Prefecture
Kouichiro Yabusaki, General Manager, Dept. of Community Affairs, Shizuoka Prefecture
Kouzo Ishikawa, Vice Principal, Kawasa Public Elementary School, Hamamatsu City
Makoto Iyanagi, Chairman, Kawawa Community Citizens' Association, Hamamatsu City
Toshio Ehara, Assistant General Manager, Environment Planning Office, Kyowa Leather Cloth Co., Ltd.
Nao Zenda, Kashimo Hihokio Network
Ayako Haga, Student, Department of Forest Science, Tokyo University of Agriculture
Motomi Inagaki, Environmental System R&D Center, Yazaki
Fumiko Ando, Manufacturing Dept, Hamamatsu Plant, Yazaki

●Moderator

Satoshi Chikami, Professor, Faculty of International Welfare Development Nihon Fukushi University

●Yazaki Management in Attendance

Yasuhiko Yazaki, Chairman, Yazaki Corporation
Masashi Yamashita, Managing Director, Yazaki Corporation
Kuniaki Yoshioka, Senior Managing Director, Yazaki Resources Co., Ltd.
Eiji Teraoka, General Manager, Hamamatsu Factory
Koki Sato, General Manager, Environmental Affairs Division, Yazaki Corporation
Yasumitsu Muramatsu, Advisor, Yazaki Corporation
Managers representing Environmental Energy Equipment Division and other divisions, Yazaki Corporation

Yazaki Presented its Alternative Energy Business

The Stakeholder Meeting began with a presentation by Yazaki on its groupwide business operations and Corporate Policy. We also introduced examples of measures, which have been implemented to reflect suggestions and comments that were expressed at past Stakeholder Meetings. (See P65 for details)

The general manager of the Hamamatsu Factory talked about the major products the Factory manufactures: Aroace, a gas-powered, double-effect absorption chiller/heater and Yuwaita, a solar-powered water heater. He emphasized that these products are energy-efficient or alternative energy-powered, contributing to environmental preservation. The participants, especially the residents from the local area, expressed keen interest in learning about the Factory as they had little knowledge of its operations.

Tour of the Factory for a Better Understanding of Manufacturing

First-time visitors to the Factory enjoyed the tour and asked many questions. For example, one asked why the buildings were painted pale green. We explained

Developing next-generation energy solutions

The Hamamatsu Factory, Yazaki Resources, Co., Ltd

The plant produces gas-powered heater/chiller Aroace, solar-powered water heater Yuwaita, and other equipment.

Location: Hamamatsu City, Shizuoka Prefecture
Employees: 180
Established: 1964
Land area: 33,502 m²




that the color makes stains easy to spot and helps the Factory remain clean. It is also a warm color to relax people.

During the tour, it was pointed out that all the light fixtures in the Factory have been replaced by energy-efficient models. To save electricity, the manufacturing lines are clustered in one area. This layout also provides greater illumination in the area.

Technology to Use Wood Biomass Energy

In the afternoon, the visitors moved to the Environmental System R&D Center to learn about the Aroace model that burns wood pellets as fuel. The model has been developed as part of Yazaki's research into wood biomass energy use as a viable energy option. Reflecting the visitors' interest in the project, an active exchange of questions and answers took place.

Forests comprise about 67% of the total land in Japan, and wood biomass is a viable solution to securing energy sources. Yazaki has been developing its public-private partnership business model based on wood biomass energy use in Yasuhara, Kochi prefecture since November 2005. In May 2007, a factory was built there to produce wood pellets in partnership with local municipalities and associations, and its operation began in April 2008. Yazaki plans to advance its research into developing equipment that uses wood pellets, and continue promoting the use of wood biomass energy.

The participants learned how wood pellet fired Aroace works

Following a discussion on the wood biomass project, the participants observed the Aroace model that is fueled by wood pellets, and deepen their understanding of the project.


Summary of Discussion

Moderated by Professor Chikami, a discussion was conducted at the end of the Stakeholder Meeting. Following are a few exchanges on Yazaki's corporate social responsibility (CSR) activities.

Q In Europe, such renewable energy as solar and biomass have become prominent. What does Yazaki think of that?

A Japan needs to assess its energy options and seek out the best mix of fossil fuels and renewable sources. The Yazaki Group has a long history of developing solar-powered equipment, and we continue to promote the use of wood biomass energy. In addition, we are committed on a mid- to long-term basis to research other resources and energy options.

Q To promote the wood biomass project, is it also critical to consider forestation?

A While developing business, corporations will increasingly be required to take CSR into consideration, in cooperation with national and regional governments and citizens. The wood biomass project which Yazaki started as a part of the "Model business project based on local recycling of wood biomass" in Yasuhara, Kochi Prefecture, is a locally self-contained pilot program that turns unnsed wood resources into biomass fuel for the community. We are committed to the success of this project.

Finally, many participants encouraged Yazaki to continue to aggressively tackle environmental and social problems.

Most important assets are people
In evaluating every employee's potential, Yazaki continues to create new business that contributes to society

Chairman Yasuhiko Yazaki

Foster employees who make the Corporate Policy a practice

A company is comprised of people. Only when employees are empowered does the company grow. In the Yazaki Group, every employee must be empowered, and every talent must be directed towards the pursuit of a common goal. The Corporate Policy that aims to create "a Corporation in Step with the World; and a Corporation needed by Society" provides a guiding light in this process.

For a long time I have given thought to how we can best foster employees, help them understand the Corporate Policy and grow as leaders who take the initiative to develop business that contributes to society.

Unique personnel programs have been empowering employees for more than a decade

My long search for answers to these questions led to the generation of two programs that started in 1996: the Adventure School for Japanese employees and Global Training programs for mid-career overseas employees.

Each year the Adventure School provides a selected group of new employees, or recent graduates who are given employment contracts, an opportunity to live in a country of their choice for up to one year. Each new employee makes his or her own plans and decides what to do and how to spend time in the host country. I remember one employee chose to be trained as a baseball referee, and another acquired a license to fly small planes. The objectives of this program are not only to learn a foreign

language, but also to experience different cultures and environments. Our employees maintain their own lives and interact with local people and earn their happiness as they achieve their goals. Sometimes individuals struggle and must persevere to meet their goals, but the struggle is what makes people grow. It teaches them that nobody but themselves can effect change in the real world.

In the Global Trining program, mid-career overseas employees are invited to Japan to learn quality control management systems along with certain technology and know-how particular to Yazaki. The program also offers classes and seminars on Japanese language and culture.

I call these programs "schooling without blackboards." Of the many programs we offer employees, these two focus on nurturing personal growth rather than specific skills or knowledge. After a decade, we continue to modify these programs to better meet the needs of employees in the future.

Mindful of the impact of our business and aware of its changes, we act responsibly

The manufacture of wire harnesses for automobiles, our main business, is not easily automated and requires a great deal of manual work by highly skilled employees.

With representation in 38 countries, some of our plants are located in developing nations and some are in poor regions. I feel fortunate and very gratified to be able to bring our factories to these areas, to create employment in local communities, to earn profit and share it with employees and the wider social apparatus. We must always be mindful that our presence has an impact on local communities, and we must accept the responsibility that comes with our presence.

Yazaki meets challenges in collaboration with regional governments and citizens in a community

The impact of our business on local communities varies in quality and scale. We need to assess this impact, in much the same way that we adjust our corporate socially responsible activities to meet the needs of society.

It will take more than an individual company, a local government, or a group of citizens to address the many environmental issues that require immediate action. I believe there will soon be more instances in which companies work alongside local government and citizens in different communities. Yazaki has initiated a wood biomass project and other new business projects in collaboration with regional governments and communities in Japan, setting examples for future models of such cooperation.

Importance of building good relations with people within and outside the company

Yazaki continues to address issues of environmental preservation and abatement of poverty. We do pursue profit but always with an eye to the development of new businesses that will be useful to society. Again, a company is comprised of people, and no matter what we do, it is important to build good relations with colleagues and team members within and outside the company.

Even in the age of advanced communication technology, I believe direct dialogue is the most effective way to create trust among people. Yazaki continues its dialogue with stakeholders in order to deepen our mutual understanding.

Yazaki Has Established Groupwide Environmental Management Systems

Under the Yazaki Global Environmental Charter, Bolstering Groupwide Activities for Environmental Preservation

In 1997 the Yazaki Group established the Yazaki Global Environment Charter based on the Corporate Policy and Fundamental Management Policy*1. The Charter consists of the Environment Policy and the Action Guidelines. The Policy reflects Yazaki's commitment to environmental and social responsibility, while the Action Guidelines provide a set of actions to follow.

Yazaki's Environmental Management Vision

Corporate Policy

A Corporation in Step with the World
A Corporation Needed by Society

Fundamental Management Policy *1

Contribute to a prosperous future society through business focused on the environment and security. (The third principle in the Policy)

Yazaki Global Environment Charter
Adopted June 1997; Revised in 2002 and 2006

Environmental Policy
The Yazaki Group recognizes that preservation of the global environment and its resources is a serious concern common to all mankind. In line with our Fundamental Managing Policy, we will strive to make the world a better place and work to enrich our societies through environmentally-sound business activities and employee volunteerism.

Guide of Conduct

1. Enhance environmental management
   By raising environmental awareness among all employees, we aim to have individual employees take responsible actions for environmental preservation
2. Take action to prevent global warming
   Achieve Yazaki's voluntary goal of reducing greenhouse gas emissions, based on the Kyoto Protocol agreement
3. Promote the efficient use of resources towards the formation of a recycling-based society
   Achieve zero landfill-destined waste and 100% use of recyclable resources
4. Reduce substances of concern
   Make sure to completely eliminate substances banned by laws and regulations
5. Develop environmentally friendly products
   Consider global warming, recycling, and substances of concern when developing products

*1
Fundamental Management Policy
Refer to page 3 for full text in the Policy

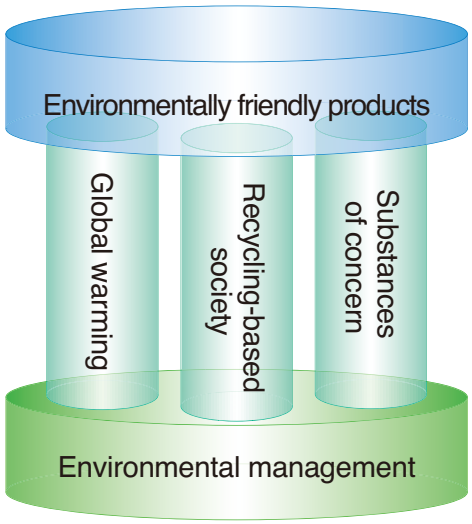
Action Guidelines and Action Plan for Yazaki to Follow

The Action Guidelines, consisting of five items must be followed by all Yazaki Group companies.

We recognize that our business utilizes Earth's limited resources, and we must take into account our responsibility to the environment. In creating the Guidelines, therefore, we focused on three areas of responsibility: help prevent global warming; promote and benefit from recycling and reuse; and reduce harmful materials and substances of concern. To take responsible actions in these areas, we also added to the Guidelines the enhancement of groupwide environmental management, as well as the development of environmentally friendly products that will allow us to continue manufacturing in a responsible fashion.

Additionally, we have introduced a five-year Yazaki Environmental Action Plan*2, a rolling plan reviewed every year. Each business division makes specific plans with goals based on the Action Plan annually, and the results are checked by the groupwide environmental management groups and shared among different divisions.

Focuses in the Action Guidelines



*2
Yazaki Environmental Action Plan
See page 37 for details.

Yazaki Groupwide Environmental Management

In 2001, Yazaki created the Yazaki Environmental Committee chaired by the president as its highest decision-making organ, with The Environment Product Design Assessment Committee and the Production Environment Committee. To strengthen the organization, two subcommittees, the Sales Environment Committee and the Management Environment Committee, were added in 2003. The Environmental Information Committee, consisting of members from the four Committees, was also created. These Committees shaped environmental activities in different divisions into a coherent groupwide management structure, allowing information to travel efficiently in the Yazaki Group in Japan.

Yazaki Environmental Committee (meet once a year)

Chairman:
ShinjiYazaki, President

Vice-chairman:
Masashi Yamashita,
Senior Managing Director

The top environmental management organ to determine the status and course of action regarding important environmental issues; determine annual environmental policy and discuss proposals and reports from subcommittees.

Environmental Information Committee (meet once a month)

Chairman:
Masashi Yamashita, Senior Managing Director

Members: Four Committee chairpersons

Collect reports and information from each Committee; discuss solutions to problems; and prioritize issues and report them to the Yazaki Environmental Committee

Environmental Product Design Assessment Committee	Oversee R&D divisions; promote the development of environmentally friendly products; and manage information about chemical substances.
Production Environment Committee	Oversee production divisions; and promote environmental activities in product bases.
Sales Environment Committee	Oversee sales divisions; collect and analyze information on customers and markets in relation to environmental technologies and issues.
Management Environment Committee	Oversee administrative departments; study and suggest corporate organizations and systems for environmental management and activities

Yazaki Sets Goals Based on Five Action Guideline Items, and Annually Reviews Initiatives and Achievements

Environmental Action Items		FY2007 Goals
1. Enhance environmental management By raising environmental awareness among all employees, we aim to have individual employees take		
1–1.Establishment of the environmental management system	(1) Promote the Environmental Action Plan throughout the company	● Environmental Affairs Division to check implementation plans and prepare guidelines
	(2) Establish an environmental audit system	● Implement cross-auditing at the 13 production sites
	(3) Establish a groupwide environmental information management system	● Begin operation of environmental data collection and management system
	(4) Establish a groupwide waste management system	● Inspect all Yazaki business sites and subcontractor sites
	(5) Establish a system to grasp environmental accounting data	● Establish a data collection system within administrative divisions
	(6) Support business partners to establish their environmental management systems (EMS)	● Implement plans to promote EMS at business partners
	(7) Establish an environmental quality assurance system	● Prepare a checklist of environmentally friendly items for design review
1–2.Raising environmental Awareness	(8) Full-scale implementation of environmental education	● Revise environmental textbooks for managers, and for general employees
	(9) Elevate environmental awareness among employees	● Study and plan an environmental performance excellence award system for business
1–3.Cooperation with Communities	(10) Proactive disclosure of environmental information	● Publish Social & Environmental Report 2008
		● Publish factory-based Environmental Reports by individual production sites
	(11) Enhance communication with local communities	● Hold an annual stakeholder meeting
1–4.Environmental risk management	(12) Enforce environmental compliance	● Enforce and ensure environmental compliance
2. Take action to prevent global warming Achieve Yazaki's voluntary goal of reducing greenhouse gas emissions, based on the Kyoto Protocol		
2–1.Actions to reduce CO2 emissions from business activities in Japan and overseas	(1) Promote CO_2 emission reduction at all Yazaki sites	● Goal in Japan: a 4.6% reduction in total volume from the reference value; a 4% reduction per unit of activity
		● Goals overseas: Clarify reduction goals, and implement measures for CO_2
	(2) Promote CO_2 emission reduction through improvements in transportation and logistics	● Reduction of 980 tons in transportation and logistics
		● Set up rules to comply with Japan's Energy Saving Law
3. Promote the efficient use of resources towards the formation of a recycling-based society Achieve zero landfill-destined waste and 100% use		
3–1.Promotion of zero emissions through resource recycling	(1) ● Reduce waste volumes	● [Production*1] Achieve respective goals [Non-production*2] Achieve a 5% reduction from
	● Reduce landfill waste	● [Production] Maintain zero emissions [Non-production] Achieve respective goals
	● Raise material recycling rate	● Achieve respective goals at production sites
	● Reduce waste processing costs	● Achieve respective goals at production sites
	(2) Reduce packaging material usage	● Achieve respective goals at production sites
	(3) Reduce copy paper usage	● [Production] [Non-production] Achieve respective goals
	(4) Conserve water	● [Production] Achieve respective goals [Non-production] Achieve a 3% reduction from
3–2.Promotion of green Purchasing	(5) Promote green procurement of office	● [Production] At least 80% green purchasing rate (in value)
4. Reduce substances of concern (SOC) Make sure to completely eliminate substances banned by laws and regulations (Zero tolerance for any		
4–1.Full compliance with European Union (EU) directives and regulations	(1) Establish a substances of concern (SOC) management system	● Continue to enhance SOC management systems at business sites in Japan and
		● Plan and conduct audits at SOC high-risk product manufacturers
	(2) Comply with the EU ELV Directive	● Eliminate the use of lead in accordance with the switchover plan to alternative
	(3) Comply with the REACH regulation	● Establish a REACH project team to develop measures and implement them
4–2.Compliance with Environmental regulations in Japan	(4) Reduce the emission volume of chemical substances and VOC (in the PRTR list)	● Achieve reduction goals in accordance with respective production site's action
4–3.Full compliance with Chinese legislations	(5) Comply with Chinese version of RoHS and ELV	● Research the Chinese versions of RoHS and ELV directives and take measures
5. Develop environmentally friendly products Consider global warming, recycling, and substances of concern when developing products (no exceptions)		
5–1.Promotion of development of environmentally friendly products	(1) Comply with EuP Directive	● Continue information gathering on EuP Directive and study measures
	(2) Develop new products using the QFDE method	● Acquire environmentally harmonious product certification for at least 50% of
	(3) Establish the Yazaki LCA System	● Upgrade LCA data collection and analysis methods
5–2.Type III EcoLeaf Label	(4) Obtain the Type III EcoLeaf Label for Life Environmental Equipment	● Acquire Type III label certification for an electric wire product

***1**
Production

Including all 13 production sites

***2**
Non-production

Including business sites (offices, sales branches, etc.)

○: More than100% achieved　△ : More than 80% achieved

	FY2007 Initiatives and Achievements	Evaluation	FY2008 Goals
responsible actions for environmental preservation (Pursuit of being a sustainable corporation)			
	• Functions between the Environmental Affairs Division and factory-based related departments have been clarified, and plans and rules were redefined	○	• Environmental Affairs Division to conduct a regular check on implementation, and update guidelines
	• Cross auditing was conducted at the 13 production sites	○	• Plan and implement internal EMS auditing at the thirteen production sites
	• Collection of factory-based performance data started	○	• Actively utilize environmental data collected
	• Site inspection was conducted at waste management contractors, and seminars on the Waste Management Law were held	○	• Continue and follow up site inspection results
	• Data was collected through manual form input	○	--
	• EMS certification was obtained at 352 companies, or 71% of major business partners	○	• Promote EMS at business partners: 100% of them receive EMS certification
	• An environmental quality assurance checklist was prepared	○	• Based on the checklist, implement environmental quality assurance in the product designing stage
	• The revised texts for different job ranks were published and distributed; educational programs implemented	○	• Continue educational programs for better understanding in environmental activities, laws and tools
sites	• The environmental performance excellence award system was established	○	• Introduce and present environmental performance excellence awards for business sites
	• The Social & Environmental Report 2008 was prepared from a standpoint of a company with global operations	○	• Enhance Social & Environmental Report, and produce a simplified version
	• Enhanced versions of factory-based Environmental Reports by individual production sites were published	○	• Improve on factory-based Environmental Reports by individual production sites with unified designs
	• Annual stakeholder meeting, as well as factory-based stakeholder meetings were held	○	• Continue the groupwide annual stakeholder meeting and factory-based meetings
	• Compliance with environmental laws and regulations was ensured	○	• Fortify coordination and collaboration between headquarters and business sites in an emergency
agreement (Implement measures to help prevent global warming)			
	• A 12.4% reduction in total volume from the reference value: 40% reduction per unit of activity in Japan.	○	• Goal in Japan: a 15% annual reduction in total volume from the reference value between 2008 and 2012
reduction	• A goal of 1% reduction per unit of activity.	○	• Goals overseas: a 1% annual reduction from the reference value.
	• Reduction of1,098 tons in transportation and logistics; accumulated reduction of 9,747 tons	○	• Reduction of 800 tons in transportation and logistics
	• Travel routes, modal mix and logistical locations were reviewed	○	• Promote Green Transportation and Logistics with subsidiaries, and collect data from overseas business sites
of recyclable resources (Enhance recycling systems)			
FY2006	• [Production] 130% achievement rate [Non-production] 178% achievement rate	○	• [Production] Achieve a 20% reduction from FY2002 [Non-production] Achieve a 10% reduction from FY2006
	• [Production] Zero emissions achieved [Non-production] 58 locations achieved their respective goals	○	• [Production] Maintain zero emissions [Non-production] Achieve zero emissions by FY2010
	• Material recycling rate improved from 82% in FY2006 to 87% in FY2007	○	• Achieve respective goals at production sites
	• Cost reduction of 50% from FY2006 (cost per unit weight)	○	• Achieve respective goals at production sites
	• 91% achievement rate	△	• Achieve respective goals at production sites
	• [Production] 106% achievement rate [Non-production] 89% achievement rate	○	• [Production]　[Non-production] Achieve respective goals
FY2006	• [Production] 121% achievement rate [Non-production] 91% achievement rate	○	• [Production] Achieve respective goals [Non-production] Achieve an 8% reduction from FY2006
	• [Production] Green Purchasing rate: 88% [Non-production] Data collected	○	• [Production] At least 80% green purchasing rate
use of banned SOC)			
overseas	• SOC management systems were strengthened at business sites in Japan and overseas	○	--
	• Audits at SOC high-risk product manufacturers completed	○	--
substances	• Through coordination with lead-free working groups and various divisions involved, lead-free plans were all implemented	○	• Prepare to comply with ELV Directive ANNEXI
	• The REACH project team surveyed all related products and pre-registration preparation was completed.	○	• Pre-registration complete, start surveying substances of highly concern (SOHC)
plan	• A 27% reduction of PRTR listed substances from FY2001 levels	○	• Research into substances in the expanded PRTR list, gather information and eliminate the use of such substances
	• Measures were implemented to comply with Chinese versions of RoHS and ELV directives	○	--
	• Information gathering on the EuP Directive	○	• Fully comply with EuP Directive in all products used in electric appliances and air conditioning equipment
products	• 103 products certified	△	• Review environmentally harmonious product standards (consulting JAPIA product environmental index guidelines)
	• LCA data updated, and analysis methods were determined	△	• Establish a LCA data collection/analysis system
	• Type III label certification obtained	○	• Acquire Type III label certification for gas equipment

Yazaki Strives to Comply with Environmental Laws and Regulations by Sharing Information and Strengthening its Environmental Audit System

FY2007 Goals

- Environmental compliance
  - Enforce and ensure compliance with environmental laws
- Enhance environmental auditing
- Establish waste management systems
  - Conduct cross-auditing of environmental activities at all 13 production sites*1

FY2007 Initiatives and Achievements

- Environmental compliance
  - A companywide system has been set up to gather and manage information on environmental laws and amendments
  - Each business site ensured compliance with amended laws
- Environmental auditing was conducted
- Waste management systems
  - Cross-auditing covered all 13 production sites to inspect environmental data management and waste management
  - Regular site inspection at waste management operators
  - Seminars on proper industrial waste management were conducted for employees, subsidiaries and business partners

***1 13 production sites**

For more information, see page 59.

Ensuring Compliance with Environmental Laws

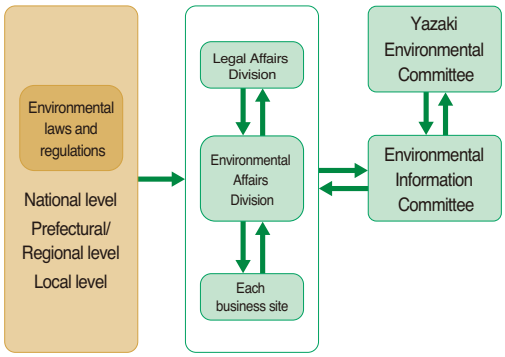
Compliance with environmental laws and regulations is a corporate responsibility and obligation. Yazaki's business sites have long collected information on environmental laws, and conducted assessments on compliance to relevant laws individually, but compliance requirements were only shared locally, and compliance was ensured differently at each site. In January 2007, the Legal Affairs Division and Environmental Affairs Division began administering a companywide system to better ensure consistent compliance with environmental laws in a timely manner.

Under the new system, information on environmental laws is shared effectively among related divisions, and reported to the Environmental Information Committee, which reports the significant findings to the Yazaki Environmental Committee.

During FY2007 in response to revisions in Japan's Waste Management Law*2, the new system facilitated the communication and action needed to ensure compliance.

In addition, Yazaki has implemented programs to further enhance compliance: an "environmental patrol" to inspect not only the compounds of factories but also outside, particularly factories' bordering areas; cross-auditing of environmental activities among different business sites; and enhanced educational programs for employees at all business sites.

Organizational approach to environmental laws



***2 Waste Management Law**

The Waste Management Law is an abbreviated name for the Waste Management and Public Cleansing Law. It defines waste and sets forth standards for waste discharge, disposal, collection, recycling, appropriate processing, and so on, as well as specifying the responsibilities of businesses and citizens.

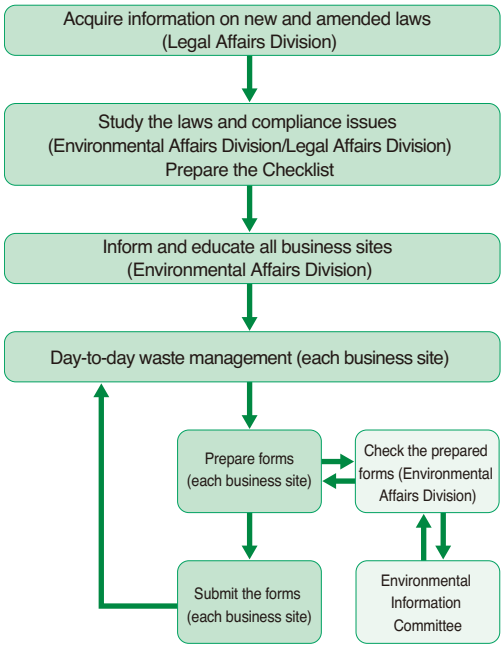
In Response to the Amended Waste Management Law

The Waste Management Law2 was amended in July 2006. The industrial-waste management system, MANIFEST, now requires that by June 30 of each year companies submit documents, using MANIFEST forms, which attest that their waste has been appropriately treated by consigned operators. This requirement was waived until April 1, 2008, and FY2007 marked the first year of its operation.

Under the law, Yazaki's 100 business sites*3 must submit the MANIFEST forms to local government offices. After studying the various MANIFEST forms of governmental entities, we have prepared a comprehensive checklist to manage the form input and submission schedule at each business site. This year all input information and data was reviewed by the Environmental Affairs Division, and Yazaki business sites submitted MANIFEST forms before the deadline.

In the future, in collaboration with its consigned operators, Yazaki plans to study the use of the JWNET Electronic MANIFEST system.*4

Flowchart of MANIFEST Preparation



Cross-Auditing of Environmental Activities

In maintaining the ISO14001 environmental management system, Yazaki conducts environmental auditing by internally appointed inspectors at all 13 production sites*1 in Japan.

In FY2005, we also introduced the cross-auditing program, enlisting personnel in charge of environmental activities at each factory to visit and inspect other factories. During FY2007, the program emphasized the inspection of environmental data management and waste management. The results from the cross-auditing were reported at the Production Environment Committee and shared among the 13 factories.

Inspection at a factory under the cross-auditing program

Raising Awareness about Waste Management

Under the law, companies that dispose of waste are responsible for overseeing waste management operators that they consign to treat their waste.

Yazaki encouraged its employees to fully understand the mechanism and rules of waste disposal and proper treatment of waste. During FY2007, we held seven seminars on industrial waste management. Employees in charge of waste management and their supervisors in Yazaki Group companies, as well as van'ous business partners, attended the seminars to learn more about relevant laws and the responsibilities of companies and operators. They also planned site visits to operators during FY2007, and continue regular site visits to ensure proper waste handling and treatment.

A seminar on industrial waste management

***3 Yazaki's 100 business sites**

One hundred business sites throughout the Yazaki Group used consigned operators for waste disposal between April 2007 and March 2008, and are required to produce the MANIFEST forms.

***4 JWNET Electronic MANIFEST**

JWNET is the electronic MANIFEST data managing and processing system, administered by the Japan Industrial Waste Technology Center.

Yazaki Adopts Proprietary System to Collect and Quantitatively Analyze Investment, Expenses, and Effects of Its Environmental Activities

FY2007 Goals

- Establish a data collection system in administrative divisions (a Web-based system)

FY2007 Initiatives and Achievements

- Data collection by the completion of forms

Data Collection and Analysis

Yazaki has collected data and made quantitative analyses on the costs and effects of its environmental activities. Production and sales divisions and departments have already begun to use this new environmental accounting system, a propriety system of Yazaki.

In FY2007 administrative divisions collected data by manually filling out forms because of a delay in implementing the system.

Environmental Preservation Costs

Total environmental preservation costs in FY2007 amounted to 4.3 billion yen, a slight increase from FY2006. Of that total, investment costs increased to 250 million yen, mainly on account of the development of environmentally friendly products and energy-saving air conditioning equipment. Among 4 billion yen for total expenses, product recycling costs in sales divisions rose 100 million yen from the previous year.

Environmental Preservation Costs in FY2007

(Million yen)

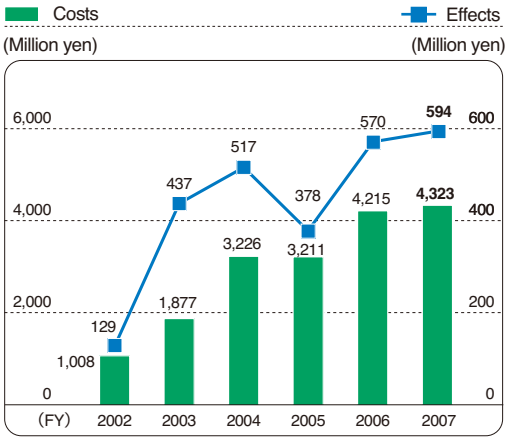
	Investment	Expenses	Total	Details
Business area	74	500	574	Costs associated with saving energy and recycling activities
Upstream/ downstream	1	433	434	Expenses in purchasing green products, and recycling of used products
Administration costs	1	884	885	Costs for maintaining and managing EMS*, and labor cost
Research & development	174	2,209	2,383	Development of environmentally friendly products
Social contribution	0	3	3	Community clean ups and other activities
Environmental damage remedy costs	0	0	0	
Other costs	0	44	44	Subscription and membership fees for associations and others
Total	250	4,073	4,323	

*EMS: Environmental Management System

Environmental Preservation Effects

The economic benefits of environmental preservation costs in FY2007 translated into 590 million yen. At Y-CITY*1 alone, 5 million yen was saved in energy cost through utilizing ESCO*2 services.

Changes in Environmental Preservation Costs



Environmental Preservation Effects (Economic Benefits) in FY2007

(Million yen)

	Actual effects	Deemed effects	Total	Details
Reduction in energy costs	27.6	0.3	27.9	Introduction of energy saving equipment
Sales of recycled materials	554.5	0.0	554.5	Sales of industrial waste and recycled materials
Others	0.0	11.9	11.9	Outsourcing, and anti-vibration measures in stamping equipment
Total	582.1	12.2	594.3	

TOPICS A Campaign for Employees to Introduce Environmental Accounting at Home

As part of promoting reduction of CO_2 emissions in Japan, we began a campaign to encourage employees at all 13 production sites*3 to introduce home-based environmental accounting by keeping books on environmental preservation costs and effects. Although the campaign is in a trial stage, 107 employees had joined as of June 2008. Yazaki also invites home energy–savings experts to hold lectures for employees.

A lecture on energy conservation and environmental accounting for employees

***1 Y-CITY**

The name of an area in Susuno, Shizuoka prefecture, where the Yazaki Group World Headquarters, factories and R&D facilities are located.

***2 ESCO**

An ESCO, or Energy Service Company, is a business that provides comprehensive services, including developing, installing, and financing projects designed to improve energy efficiency and maintenance costs for facilities. The savings in energy costs is often used to pay for the services and investment.

***3 13 production sites**

See page 59 for details

Yazaki Offers Environmental Educational Programs to Employees by Job Rank, Following Action Guidelines

FY2007 Goals

- Develop Yazaki environmental education system
- Select environmental education subjects and categories and list them for programs
- Revise textbooks, and effectively use them
- Administer environmental educational programs by job rank

FY2007 Initiatives and Achievements

- The environmental education system was established, providing four programs by job rank, integrating general and specialized knowledge
- Programs are clearly divided by subjects, categories and subcategories
- Environmental textbooks were revised and distributed to 20,000 employees, as well as uploaded onto the Yazaki Intranet *4
- The Environmental Affairs Division and each business unit administer programs by job rank and business area

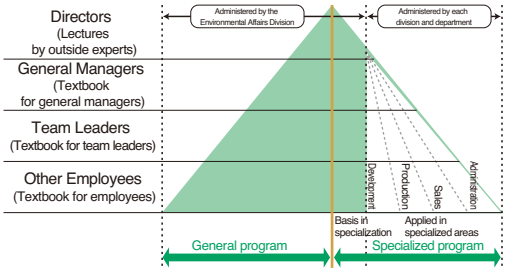
*4
Intranet
Yazaki set up its Intranet, a private computer network through the use of Internet technology.

Yazaki Environmental Education System

In concert with Corporate Policy and the Yazaki Environmental Charter, Yazaki has developed its educational programs to conform with the Action Guidelines. We set four goals for employee education: raise levels of knowledge and skills required for environmental activities; promote understanding of Yazaki's environmental management systems, as well as individual roles and responsibilities; promote understanding of Yazaki Environmental Policy and achieve goals in the Action Plan; and ensure compliance to environmental laws and regulations.

Our environmental education system is broadly divided into general and specialized programs. General programs are subdivided into four different curricula, tailored to job rank (directors; general managers; team leaders; and other employees).

Concept of Environmental Education System



Environmental Education Focuses on Nine Subjects

We have selected and categorized key environmental education subjects: 1) Environmental Management; 2) Environmental Issues and Problems; 3) Pollution; 4) Environmental Law; 5) Environmental Management Systems and Tools; 6) Yazaki's Environmental Activities; 7) Environmental Action Plan; 8) Yazaki's Focus on Environmental Issues; and 9) Environmental Qualifications. Under each subject, we have created categories and subcategories and clearly indicated the topics that should be covered for each job rank and business area.

Textbook for Environmental Education Revised

In December 2007, we revised the textbooks of the general program, updating information on environmental laws and environmental issues. The textbooks are also available for view on the Yazaki Intranet4.

Environmental Education in FY2007

General environmental education for directors focuses on trends in environmental activities among manufacturers and the management of chemical substances. A seminar with experts in those fields was held.

General programs for general managers and team leaders developed their skills in introducing environmental education into the workplace. The participants reviewed the textbook for employees and discussed effective ways to distribute and use it in the workplace.

The revised textbook has been used in general programs for all employees at each workplace. A quiz is conducted once every six months to ensure that all employees have learned the key points.

Directors and managers attended at an environmental seminar

Yazaki Works to Meet CO_2 Reduction Goals at All Business Sites and Divisions

FY2007 Goals

- Reduction of CO_2 emissions by 4.6% of the reference value
- Reduction of CO_2 emissions per unit of net sales by 4.0% from FY2003 level

FY2007 Initiatives and Achievements

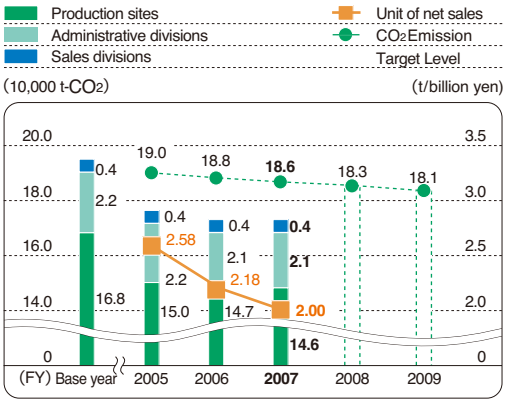
- Reduced CO_2 emissions by 12.4% from the reference value
- Reduced CO_2 emissions per unit of net sales by 40% from the FY2003 level

Achieving a 7% CO_2 Emission Reduction Goal for Four Consecutive Years

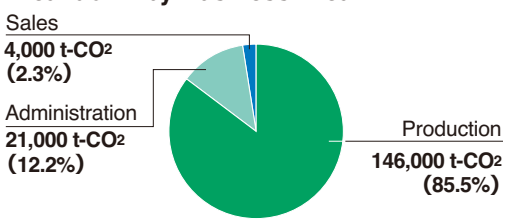
The Yazaki Group has established the reference value*1 for CO_2 emission reduction in accord with the Guidelines of the Ministry of the Environment in Japan. In light of the voluntary goal set forth by the Japan Auto Parts Industries Association (JAPIA), we established the goal of a 7% reduction from the reference value by 2010. We have also set a goal of reducing CO_2 emissions by 1% annually per unit of net sales,*2 starting in FY2003.

During FY2007, we formed taskforce teams within the Production Environment Committee, the Management Environment Committee, and the Sales Environment Committee*3 to further promote CO_2 reduction activities. The taskforce teams meet every three months to discuss long-term plans for setting reduction goals at each business site and to confirm energy-saving results.

Total CO_2 Emissions and CO_2 Emissions per Unit of Net Sales (Japan)



Breakdown by Business Area



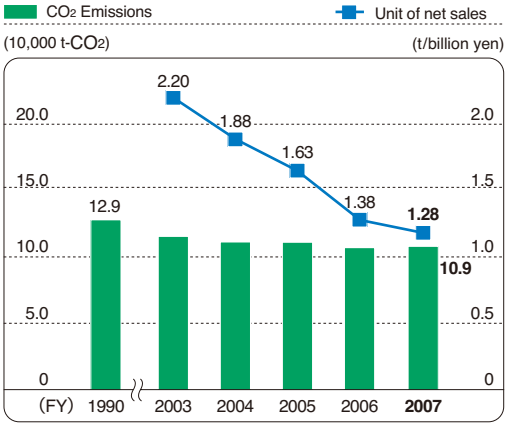
In FY2007, Yazaki reduced its CO_2 emissions by 12%, more than meeting the 7% goal for four years in a row. As for the goal of a 4% reduction over FY2003 levels per unit of net sales, Yazaki achieved a 40% reduction in FY2007.

JAPIA and the Japanese Electric Wire & Cable Maker's Association announced their revised voluntary action plans in FY2007. Accordingly, Yazaki also set a new goal of a 15% annual CO_2 reduction on average from the reference value during FY2008 and FY2012.

CO_2 Emissions at Production Sites in Japan

In FY2007, CO_2 emissions at all 13 production sites*4 in Japan leveled off, despite an 11% production increase, thanks to aggressive energy conservation measures implemented at the sites.

Changes in CO_2 Emissions and Basic Unit Index (13 production bases in Japan)



*1 **Reference value**
The volume of CO_2 emissions during FY1999 was taken as the base year level for all 13 production sites. The emission volume during FY2003 was set as the base year level for other business sites.

*2 **Unit of Net Sales**
Index, obtained by dividing the total CO_2 emissions by net sales.

*3 **Environment Committees**
For more information on the Production Environment Committee, the Management Environment Committee, and the Sales Environment Committee, see page 36.

*4 **13 production sites**
See page 59 for details

Kumamoto Parts Co., Ltd.

Use of exhaust heat for heating

Starting in FY2007, exhaust heat from compressors (48ºC at the exit of an exhaust duct) is reused for heating during winter by rerouting the duct with a switch to allow hot air to flow inside as well. As a result, kerosene oil use for conventional heating systems was reduced.

An exhaust dust used for heating as well

Miyazaki Parts Co., Ltd.

Installing energy-efficient lights in a parking lot

There were six light poles with timer-activated mercury-vapor lamps at a parking lot next to the main plant. Through the use of motion-sensor florescent lights, which are brighter and more energy-efficient, energy was saved and fewer poles were needed. The savings translated into 0.8 tons of CO_2 emissions per year. Improvement in indoor lighting is also being studied.

New florescent lights with motion sensors

Yazaki Corporation

Replacing testers by energy saving models

At the Automotive Toyota Business Unit, W/H Design Management Division, wire harness integrity testing equipment was replaced by more energy-saving, automated testing machines. During FY2007 alone, the replacement resulted in the reduction of 16.3 tons of CO_2 emissions. The department plans to introduce energy-saving models as it updates facilities.

An automated testing machine

Haibara Site

The use of Wood Pellet Fired Aroace

Yazaki has developed and promoted biomass business projects and has introduced Aroace air conditioning units that use wood pellets as fuel. At the Haibara Site, the LP gas–powered Aroace models were replaced by the wood pellet–fueled Aroace models in three different departments during FY2007. The replacement is expected to help cut 44 tons of CO_2 emissions annually.

Yazaki North America (YNA*5) in U.S.A.

Changeover of ceiling lights

To reduce power consumption, ceiling lights in the YNA manufacturing building were changed from metal halide lamps to florescent lights between April and October 2007.

Florescent lights inside a production area

Tata Yazaki Autocomp (TYA*5) in India

Skylights and natural light save energy

In January 2007, 154 skylights were installed on the ceiling of the TYA manufacturing building. The skylights let in sunlight to augment the lighting inside, saving more than 15,000 kWh per month.

Skylights on the ceiling to let in sunlight

***5**
YNA
TYA

See page 63

Yazaki Reduces Environmental Impact by Improving the Efficiency of Logistics Operations and by Complying with Japan's Energy Conservation Law

FY2007 Goals

- Reduce CO_2 emissions by 980 tons from transportation and logistics operations

FY2007 Initiatives and Achievements

- CO_2 emissions were cut by 1,098 tons

Reducing CO_2 Emissions from Logistics Operations

Since FY2004, the Yazaki Group has established a system to centrally manage environmental impact reduction measures. With cooperation from logistics-related subsidiaries and transport subcontractors, Yazaki investigated and collected data on driving distances and CO_2 emission volumes, and we assessed and classified emission sources and types of energy used. Yazaki has also strengthened its measures to raise efficiency in transportation and logistics by introducing shared transport and delivery schemes and through modal shift*1 planning.

In FY2007, we worked to reduce CO_2 emissions by 20% from its level in FY2005 through accessing new transportation hubs and the use of different ports. For example, when our products from overseas bases were to be delivered to clients in Aichi or Mie prefectures, we used the Nagoya port, rather than the Osaka port, which shortened the distances from the port to the clients. We were able to cut CO_2 emissions by 40%, or by 1,098 tons, in FY2007.

During FY2007 Yazaki established internal rules to comply with recent amendments to the Law concerning the Rational Use of Energy in Japan, which has called for companies that consign freight carriers to implement measures for choosing energy-saving transportation methods and to improve efficiency in transportation. Our rules include procedures and methods to create optimal transportation routes and to calculate both energy use and savings. The results will be shared with our subsidiaries who are responsible for transportation and logistics operations and also with our consigned freight carriers.

We also set up a system to calculate transportation volume by route, and our monthly reports are designed to show significant changes. Making transportation more energy-efficient has taken root at the Yazaki Group. In FY2008, we plan to expand our efforts to overseas bases, starting with the accurate calculation of energy use in transportation.

*1

Modal shift

Modal shift is a process of changing from one mode of transportation to another mode, or of combining different modes of transportation, such as rail, truck, and sea carriers. It occurs when one mode has an advantage over another in cost, time, or capacity.

Reduction of CO_2 emissions in logistics operations

($t\text{-}CO_2$)

Initiatives for CO_2 reduction	FY2003	FY2004	FY2005	FY2006	FY2007 Goals	FY2007 Actual	Cumulative total
Promotion of modal shift	3,036	840	734	107	0	132	**4,849**
Shared operations	480	0	547	27	880	122	**1,176**
Review of ports and distribution hubs	0	216	220	1,276		377	**2,089**
Decrease of fleet vehicles through efficient loading schedules	0	300	131	—	100	177	**608**
Promotion of eco-conscious driving	228	0	332	175		290	**1,025**
TOTAL	**3,744**	**1,356**	**1,964**	**1,585**	**980**	**1,098**	**9,747**

Yazaki Promotes Activities for Zero Emissions, Water Conservation and Recycling

FY2007 Goals

[13 production sites in Japan]
- Reduce industrial waste by 20% at each site by FY2008 from FY2002 level
- Continue the zero landfill waste status

[Non production sites]
- Reduce waste by 5% from FY2006 level
- Achieve zero emissions of landfill waste by FY2010

FY2007 Initiatives and Achievements

[13 production sites in Japan]
- Eleven sites achieved a 20% reduction
- All 13 sites achieved zero emissions of landfill waste

[Non production sites]
- Waste reduction goals were met: an achievement rate of 178%
- Zero emissions of landfill waste were achieved at 58 sites

Promoting 5R Initiatives at Production Sites to Maintain Zero Landfill Waste

Yazaki has continued its 5R initiatives: Reduce; Reuse; Recycle: Repair; and Refuse (to buy non-recyclables). By practicing the 5Rs, we have further promoted zero emissions*2 of waste destined for landfill and further promoted effective use of resources.

We have maintained this zero waste status at our 13 production sites*3 in Japan since FY2005. During FY2007, we thoroughly examined industrial waste by following the waste sorting process in our manual, collecting recyclables and sellable materials such as copper. As a result, waste volume was 3,108 tons, a 16% reduction from the previous year.

In our sales and administration divisions, we were also able to reduce waste volume in FY2007, as planned, by educating employees on legal compliance and reviewing contracted work for waste management companies.

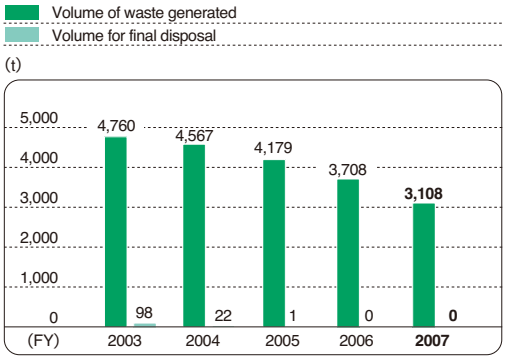
Yazaki continues to encourage its manufacturing subsidiaries to further reduce waste and achieve zero emissions of landfill waste.

Toward More Efficient Use of Water

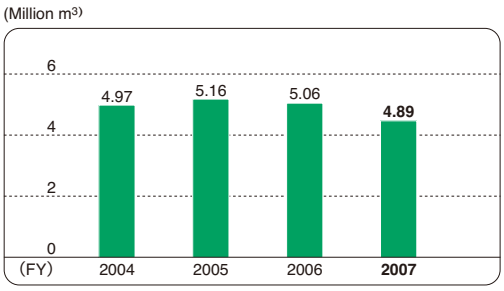
The 13 production sites share a common goal of reducing water consumption by 15% in FY2009 from FY2004 volume. By checking and remedying water leaks and adjusting water pressure in pumps, water use in FY2007 amounted to 4.89 million cubic meters, achieving a 23.2% reduction from FY2004 volume.

During FY2007, our sales divisions worked to reduce water consumption, aiming to reduce the 66,000 cubic meters used in FY 2006 by 3% but, instead, increased use to 71,000 cubic meters.

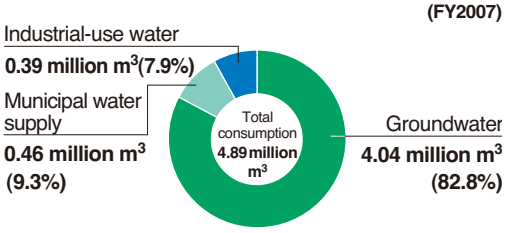
Total Waste Volume (All 13 Production Sites)



Water Consumption (All 13 production sites)



Water Consumption Breakdown by Source (FY2007)



*2
Zero emissions
5Yazaki has worked on eliminating landfill waste in Japan, and achieved zero emissions in all 13 production sites.

*3
13 production sites
See page 59 for details

Recovery and Recycling of End-of-Life Products

The Yazaki Group has established a system for recovering, recycling, and reusing discarded wire from offices and homes; wooden electric wire reels; gas meters; absorption solution used in absorption chillers/heaters; and taxi meters.

Yazaki recovers and recycles air-conditioning equipment under the certification of the Cross-Jurisdictional Waste Management System,*1 which facilitates waste treatment work.

Fukushima Parts Co., Ltd.
Recycling and reselling PP bands

Instead of using plastic waste for thermal recycling*2, Fukushima Parts has promoted recycling and reselling plastic waste, and reduced total waste volume at its factory. In FY2007, it was able to reduce 720kg of total waste by reselling PP bands*3, band clamps*4 and stretch film*5 to recyclers.

Niigata Parts Co., Ltd.
Reusing recovered wire copper

Wire waste is thoroughly sorted so recyclers may reuse wire to make pure copper and copper alloy materials. In FY 2007, Niigata Parts boosted its pure-copper-recycling rate by introducing equipment that easily removes plastic coating from cooper wire. The copper-recycling rate improved by 40% thanks to the introduction of the equipment.

Kumamoto Parts Co., Ltd.
Reusing plastic waste in concrete material

Since FY 2006, Kumamoto Parts has accumulated plastic waste generated in a water-proofing process during the manufacture of wire harnesses, while studying ways of recycling the waste. In September 2007, it agreed on a contract with a company, which specializes in a material recycling*6 process that reuses plastic as a concrete material. Kumamoto Parts has now cut the entire one ton of waste that used to be destined for landfill annually, achieving zero emissions.

Yazaki do Brasile Ltds. (YBL) in Brazil
Recycling used fluorescent lamps

YBL has promoted recycling used fluorescent lamps. By using a machine that separates mercury vapor and glass without discharging mercury vapor, YBL recycles both mercury and glass under strict supervision.

Yazaki Saltano de Portugal C.E.A., Lda. (YSP) in Portugal
Recycling used frying oil

At YSP, frying oil used at the employee cafeteria is recycled. Recyclers collect the used oil to produce soaps, or refine it to make biodiesel.

Starting in December 2007, YSP employees expanded the collection of oil by recycling oil used at their homes. They prepared, distributed, and used a manual that helped them collect oil at home for pick up by a recycler. As of February 2008, 50 liters of used oil from employees' homes were recycled.

Used oil is collected and recycled

***1 Cross-Jurisdictional Waste Treatment Manufacturer System**

The certification allows manufacturers to recover and recycle their used products across multiple prefectural municipalities without approvals from each municipality. In April 2005, Yazaki obtained the certification for the recovery and recycling of air-conditioning equipment, which is produced by Yazaki Resources Co., Ltd. and sold by Yazaki Corporation.

***2 Thermal recycling**

The thermal recycling process starts with incineration of waste, and collects and uses the energy from incineration.

***3 PP bands**

PP bands are made of polypropylene, and used for packing of shipped products.

***4 Band clamps**

Band clamps are used to secure PP bands.

***5 Stretch film**

Plastic stretch film is used to cover materials and wires during shipment.

***6 Material recycling**

Material recycling reuses waste as material for other products

***7 YBL YSP**

See page 63

Yazaki Promotes Green Purchasing of Office Supplies in the Sales and Administrative Divisions

FY2007 Goals

- Production sites: Achieve a green purchasing ratio of at least 80%
- Sales and administrative offices: Initiate activities to reach the green purchasing ratio of 80% by 2010

FY2007 Initiatives and Achievements

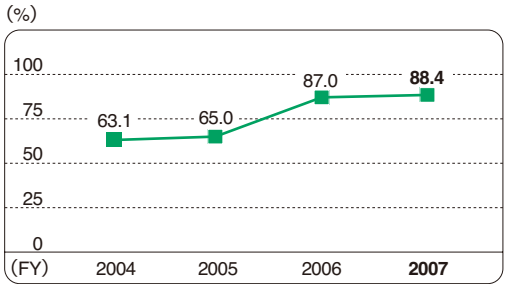
- An 88% green purchasing rate was attained at all 13 production sites
- Sales and administrative offices accelerated their green purchasing efforts by reviewing and consolidating data and record keeping systems

Green Purchasing Initiatives

The Yazaki Group has implemented Green Purchasing initiatives by compiling a list of environmentally considerate office supplies and other green products and encouraging the purchase of these products in all divisions, including non-manufacturing areas. Since November 2006, we have used the Office Supplies Online Purchasing System on the intranet at many offices at the Y-CITY and some factories. Based on the past initiatives and activities to promote green purchasing of office supplies at production sites, the office supply Green Purchasing guidelines were established in September 2007 for use at all group companies in Japan.

In FY2007, all 13 production sites*8 achieved a green purchasing ratio*9 of 88%. Sales and administrative offices at other sites set a goal of achieving at least an 80% green purchasing rate by 2010. They will study the introduction of a Web-based purchasing system to reach the goal, as well as revising and consolidating purchase record forms to facilitate groupwide record keeping.

Changes in Green Purchasing Ratios
(Average ratios of 13 production sites)



TOPICS **Green Purchasing of Office Supplies at Oita Parts Co., Ltd.**

Oita Parts has accelerated its green purchasing activities in the Design Department since FY2004. In the beginning, employee awareness was low, and office supply purchasing records did not exist. Initiatives were started, educating employees about green purchasing and substances banned by the ELV Directive. Using the green supply list and careful record keeping have helped raise the green purchasing rate. Oita Parts continues to promote green purchasing by constantly improving its purchasing systems.

***8**
13 production sites

See page 59 for details

***9**
Green purchasing ratio

The green purchasing ratio is calculated by dividing the cost of purchased "green products" by that of all purchased office supplies and materials.

Yazaki Continues to Reduce Chemical Substances in Accordance with Goals Set at Each Site

FY2007 Initiatives

- The use of substances that are subject to Japan's PRTR Law reduced by 27% in FY2007 from FY2001 levels
- VOC emissions recorded a 37% decrease in FY2007 from FY2000 levels
- A database of product-specific VOC vaporization volumes was established

Comprehensive and Appropriate Management of Chemical Substances

The use of chemical substances that are deemed pollutants to the global environment and all forms of life are either banned or restricted by government laws and regulations, or by industry standards.

In accordance with the laws and standards, Yazaki has banned, reduced and appropriately managed the use of such substances of concern at production sites in Japan.

The use of chemical substances that are subject to Japan's PRTR Law*1 at our seven production sites*2 fell by 27% in FY2007 from use in FY2001, although compared to a year earlier the volume in FY2007 increased 12.5%.

The PRTR list also includes VOCs. *3 We set a goal in FY 2007 of reducing VOC emissions by 30% from FY2000 levels at nine production sites*4 in Japan and achieved a 37% decrease in FY2007.

For FY2008, we have set specific goals and plan to reduce the use of chemical substances in the PRTR list, while continuing to maintain a 30% reduction of VOC emissions from the FY2000 levels.

The PRTR Designated Substances Transferred and Released in FY2007

(Data from the seven factories only. The other six factories, Washizu, Tochigi, Daitou, Niimi, Hodosawa, and Hamamatsu do not use any substance subject to the PRTR system.)

(t)

Substance	Volume handled	Volume released to:			Volume transferred	Volume removed	Volume consumed
		Air	Water	Disposal inside the factories			
Antimony and its compounds	21	0	0	0	0	0	21
Ethylbenzene	1	1	0	0	0	0	0
Xylene	22	20	0	0	2	0	0
Decabromondiphenyl ether	6	0	0	0	0	0	6
Water-soluble copper salts	8	0	0	0	8	0	0
Toluene	49	44	0	0	5	0	0
Lead and lead compounds	39	0	0	0	5	0	34
Nikel	4	0	0	0	0	0	4
Bis(2-ethylhexyl) phthalate (DEHP)	2,834	0	0	0	0	0	2,834
Total	**2,984**	**65**	**0**	**0**	**20**	**0**	**2,899**

Disclosed as reported to local authorities

* Weight (ton) is used for the Class I chemical substances, excluding dioxins.

Disposal inside the factory: Volume of substances properly treated and buried underground

Volume transferred: Volume transferred out of this production site (excluding materials sold for recycling)

Volume removed: Volume of substances that were converted into other substances through incineration, neutralization, decomposition, reaction, etc.

Volume consumed: Volume of substances that were converted into other substances through reaction, or transferred out of this production site as part of products

***1 The PRTR Law**

Short for "the law concerning reporting, etc. of the release to the environment of specific chemical substances and promoting improvement in their management," the law requires companies to report chemical substances of concern under the PRTR (Pollutant Release and Transfer Register) system. The PRTR list includes 354 substances of concern.

***2 7 production sites**

The following seven factories use substances of concern on the PRTR list: Susono, Haibara, Ohama, Shimada, Tenryu, Numazu and Fuji.

***3 VOC**

Volatile organic compounds (VOCs), such as toluene and xylene, vaporize and remain in the atmosphere in gas form. VOCs are a source of atmospheric pollution.

***4 9 production sites**

The nine sites are the seven sites, plus two subsidiaries.

Reducing Concentration Levels in Vehicle Cabins

In February 2005, the Japan Automobile Manufacturers Association (JAMA) announced a voluntary plan, applicable beginning with 2007 models, to reduce the concentration levels of VOCs in vehicle cabins to a level equal to or lower than the indoor VOC concentration levels, as recommended by the Ministry of Health, Labor and Welfare.

Yazaki has fully cooperated in this reduction plan. Based on measuring VOC emissions from our products, we set up a database of per-unit VOC vaporization volumes* in FY2007. We plan to refine the database to calculate total VOC vaporization volumes and apply measures for VOC reduction in product designs during FY2008.

*Per-unit VOC volumes are calculated in relation to a product's length or weight.

Soil Contamination Surveys

As part of its environmental assessment,*5 the Yazaki Group conducts voluntary soil contamination surveys. Yazaki carried out soil and groundwater tests at the business sites where a large volume of chlorine-based organic solvents had been used until FY2006.

The test results detected residues of chlorine-based organic solvents at some sites, and we started pumping out groundwater and purifying it by carbon filtering in FY2007. We also began studying methods for soil remedies.

Asbestos Inspection

Asbestos construction materials were widely used in buildings in Japan due to their durable and heat resistant properties, but serious health risks became apparent in the 1970s.

Yazaki has taken measures to remove asbestos. In FY2005, Yazaki conducted asbestos inspections, and confirmed none of its products or equipment contained asbestos and that there was no health risk to its customers or employees. Yazaki also checked buildings at 130 sites, including factories, sales offices, and subsidiaries, for use of asbestos that could become airborne and found the use of asbestos at 12 sites.

As of March 2008, eight sites completed remedial work. In the remaining four sites, where inspections determined no risk of airborne asbestos, Yazaki plans to select an appropriate method and implement corrective measures as soon as possible.

PCB Removal

Polychlorinated biphenyl (PCB), due to its outstanding electric insulation and inflammability, was once used in voltage converters, condensers, and other electrical equipment. In 1972, however, the manufacture and use of PCBs was banned in Japan because of its toxicity. But much of the equipment used in their manufacture was placed in storage facilities for years. The government-led PCB waste treatment program started in 2003, and Yazaki completed the registration of stored equipment that contained high levels of PCB by FY2005.

During FY2007, regional municipalities in Aichi and Shizuoka prefectures held seminars on the PCB waste treatment program, which Yazaki's representatives from the Chubu Customer Center and the Washizu Factory*6 attended. According to governmental guidance, we will safely transport the stored equipment to designated treatment facilities, starting at the end of 2008.

***5 Environmental assessment**

We apply a process of environmental impact assessment, identifying, evaluating and predicting relevant effects of our operations prior to developing any projects.

***6 Chubu Customer Center and Washizu Factory**

See page 4

Yazaki Steadfastly Fortifies SOC Management in Compliance with EU Legislation

FY2007 Initiatives

- In response to the ELV Directive, lead-free solder has been promoted
- REACH project teams examined the use of SOC, and took measures to complete REACH pre-registration

Readily Complying with RoHS and ELV Directives

The European Commission has recently introduced a number of environmental laws and EU member states have implemented them: the ELV Directive*1 and the RoHS Directive*2 ban or limit the use of substances of concern (SOC); the EuP Directive*3 requires manufacturers of energy-using products to carry out lifecycle environmental assessment; and REACH*4 regulation aims to minimize SOC risks in the environment.

The Yazaki Group has prepared in good faith to comply with these environmental regulations. We have replaced hexavalent chrome plating with trivalent chrome plating. All products containing hexavalent chromium were collected from all sites around Japan and overseas and appropriately disposed of them at a disposal facility in Japan. Yazaki has also been voluntarily working on eliminating lead from solder since FY2004.

We continue to monitor and prepare to fully comply with the EuP Directive and the Chinese version of the RoHS Directive.*5

In cooperation with our business partners in Japan, we established a database system to manage SOC throughout the entire supply chain and to provide such information to our customers. In addition, as a global company group, we have set up a committee for quality assurance and SOC management that involves our production sites in China, ASEAN, the Americas, Europe, and Japan. The committee regularly meets to share information to enhance SOC management on a global basis.

Steadily Moving toward REACH Requirements

The Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation took effect in Europe in June 2007. Under the law, manufacturers and importers are required to gather information on the properties of chemicals contained in their products and register the information in a database run by the European Chemicals Agency. Pre-registration of substances must be done between June 1, 2008, and December 1, 2008. Failing to pre-register means that manufacturers and importers will no longer be able to use or import those substances to the EU market.

At Yazaki we have assembled working REACH project teams at each production site and in each division of sales and purchasing, and we have gathered information on chemicals; namely, their properties and volume of use. Our research extended to our business partners, suppliers, and customers. In addition, we held REACH Global Conferences four times during FY2007, with participants from Europe, the Americas, and Japan. The project team members in Japan organized 24 briefing sessions on REACH regulations for senior managers [above general managers] and employees in charge of all different divisions at Yazaki between March 2008 and June 2008.

Yazaki plans to complete REACH pre-registration by November 30, 2008, and to gather more information on SVHC*6(Substances of Very High Concern).

***1 ELV directive**

The EC directive on End-of-Life vehicles (ELVs), which took in effect in July 2003, bans the use of four substances by automobile makers: lead, cadmium, mercury and hexavalent chromium.

***2 RoHS Directive**

The restriction on the use of certain Hazardous Substances (RoHS) Directive limits the use of designated hazardous substances in electric and electronic appliances and equipment. It bans the placing on the EU market of new products containing more than agreed levels of lead, mercury, cadmium, hexavalent chromium, PBB (polybrominated biphenyl) and PBDE (polybrominated diphenyl ether) from July 6, 2006.

***3 EuP Directive**

The directive on the eco-design of Energy-using Products (EuP) established a framework under which manufacturers of electrical equipment (energy-using products) to carry out lifecycle assessment on the environmental impact of their products. The directive came into force in August 2005.

***4 REACH**

Registration, Evaluation, Authorisation and Restriction of Chemicals: The regulation come into force in June 2007, requiring manufacturers and importers to assess and manage the risks associated with chemical substances.

***5 The Chinese version of RoHS Directive**

The Chinese RoHS directive also bans the use of the same six substances in electronic products as the EU directive. The Chinese regulation came into force in March 2007.

***6 SVHC**

Substances of Very High Concern

Yazaki Successfully Obtained the First EcoLeaf Label in the Electric Wire Industry through the Application of LCA in Product Development and Design

FY2007 Goals

- Obtain a Type III EcoLeaf label for a cable product

FY2007 Initiatives and Achievements

- The EM-EEF Ecology Cable *7 obtained the Type III EcoLeaf label *8

First EcoLeaf Label in Electric Wire Industry

The Yazaki Group has introduced a life-cycle assessment (LCA)*9 process in the development and design of its products. Design and development divisions set up the LCA Process Working Group, which examines LCA calculation methods and valuation systems by product, and regularly tests the LCA analysis systems to develop the best LCA calculation tools. The Group has facilitated the evaluation of environmental impact for different products.

Thanks to our LCA analysis and valuation systems, Yazaki's EM-EEF Ecology Cable obtained the industry's first Type III label in the EcoLeaf labeling program. The EcoLeaf label discloses information about the environmental impacts of a product or service, and the program is administered by the Japan Environmental Management Association for Industry (JEMAI). Since Yazaki was the first in the electric wire industry to apply for the EcoLeaf label, JEMAI had to create Product Category Rules (PCR) for wires and cables, for which Yazaki contributed some proposals.

To qualify for a Type III EcoLeaf label, we submitted a comprehensive LCA report on the EM-EEF cables with analysis and evaluative data on energy use (power, gas and water) in manufacture; energy use in facilities, such as for lighting and air conditioning; and energy use in the collection and recycling of used cables.

The EcoLeaf label shows our commitment to environmental conservation activities, and Yazaki plans to continue to elevate awareness of LCA and environmental management.

The EcoLeaf label is printed on the shrink wrap of the EM-EEF cables

The EcoLeaf registration certificate issued by JEMAI

***7 Ecology Cable**

Ecology Cable uses a highly recyclable polyethylene coating and doesn't contain halogen elements like chlorine, so it doesn't release any halogen gas when burned.

***8 EcoLeaf Environmental Label**

The label highlights that information on quantitative environmental impacts throughout the life cycle of a product or a service has been disclosed and certified by a third-party institution.

***9 LCA (life-cycle assessment)**

LCA is a process of examination and qualitative analysis of the environmental impacts of a product in its full life cycle, from raw material production, manufacture, and use to disposal.

Yazaki Works at Developing Technology and Products that Contribute to Environmental Preservation and Energy Conservation

FY2007 Goals

- Conduct assessment of all development themes for environmentally friendly products
- Acquire environmentally harmonious product certification for at least 50% of our products

FY2007 Initiatives and Achievements

- Successful development of SOC analysis technology in plates
- A lightweight junction box made with lead-free solder
- A wireless alarm system built entirely with lead-free solder
- Development of a wood pellet fired Aroace chiller/heater model
- A fiber optic splice unit made compact and easy to assemble

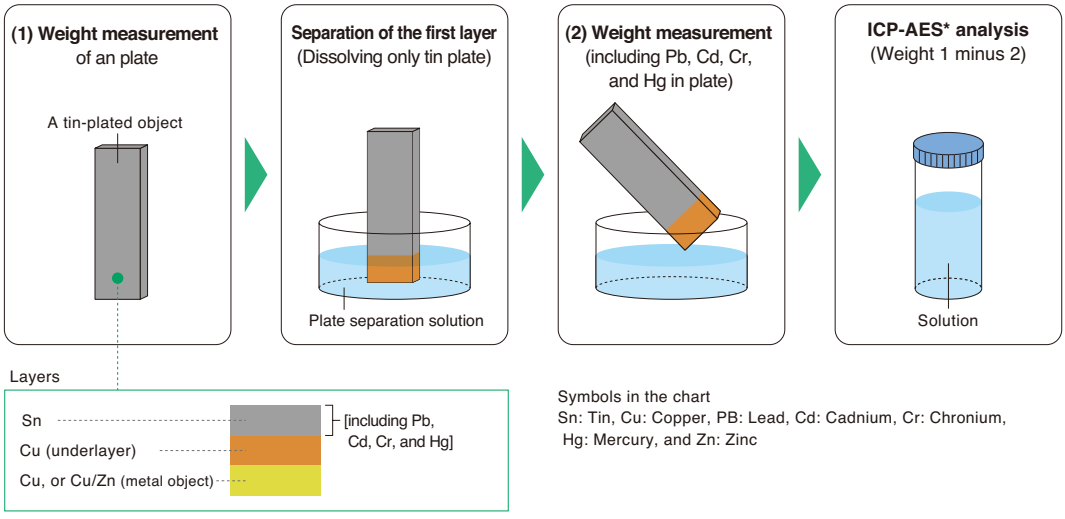
Environmental Friendly Product: Yazaki Research and Technology Center

Development of Technology for SOC Analysis in Multi-Layered Plates

The EVL Directive*1 and RoHS Directive*2 are EU laws that require industry to examine multi-layered plates with a mixture of chemical elements and detect any substances of concern. Current conventional analysis methods, however, may not accurately examine all layers because variations in coating thickness sometimes make it too difficult to isolate elements for analysis. Since 2006, Yazaki has worked on finding new technologies for more precise analysis, and it has established a new method that utilizes a plate separation solution and a separating gel for molecular recognition, while maintaining consistent recognition ability even with low lead content. During the development process, we have applied for four patents.

The new method provides accuracy and consistency in the analysis of plates even for a small plated object with a complicated shape as long as the object weighs more than 10mg.

Analysis in Multi-Layered Plate Elements



Symbols in the chart
Sn: Tin, Cu: Copper, PB: Lead, Cd: Cadnium, Cr: Chronium, Hg: Mercury, and Zn: Zinc

***1 ELV directive**

The EC directive on End-of-Life vehicles (ELVs), which took effect in July 2003, bans the use of four substances by automobile makers: lead, cadmium, mercury and hexavalent chromium.

***2 RoHS Directive**

The restriction on the use of certain Hazardous Substances (RoHS) Directive limits the use of designated hazardous substances in electric and electronic appliances and equipment. It bans the placing on the EU market of new products containing more than agreed levels of lead, mercury, cadmium, hexavalent chromium, PBB (polybrominated biphenyl) and PBDE (polybrominated diphenyl ether) from July 6, 2006.

Environmentally Friendly Product: Automotive Division

Lightweight, Lead-Free Junction Block

The Yazaki Group has developed a new in-cabin junction block,*3 an important component of wire harnesses for automobiles. Lightweight with high circuit density, the block helps lower vehicle weight for better fuel economy.

The adoption of a metal core substrate that effectively disperses heat has enabled narrower and finer conductive pathways, affording more space for the densely layered circuits on the board. The new block contains circuit wiring volume that has increased by 35% compared to our earlier blocks.

To build the junction block, Yazaki now uses a new lead-free soldering technique that was developed despite the challenges associated with a metal core substrate that tended to absorb the heat from soldering.

A new junction box with 35% more circuit volume

Environmentally Friendly Product: Environmental and Energy Equipment Division

Lead-Free, Wireless Alarm System for Gas Leak Detection

Normally, a conventional gas leak alarm system with a shut-off valve for residential use must be connected by wire to a gas meter, which requires making a hole in a house wall. Yazaki has now developed a wireless alarm system that keeps house walls intact. The wireless signal transmitter is light and small and has been tested repeatedly to ensure 100% detection of gas leaks, as well as to avoid other malfunctions in the system.

The system is built entirely with lead-free solder, a first-time achievement for this type of system at Yazaki's Gas Equipment Development Center. In addition, it uses only screws plated in trivalent chrome, eliminating any hexavalent chrome plating.

Environmentally Friendly Product: Environmental and Energy Equipment Division

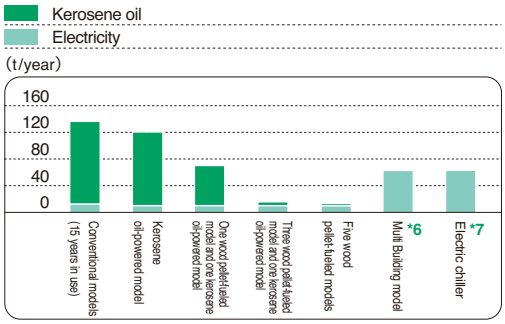
Wood Pellet–Powered Commercial Chiller/Heater System

In collaboration with three municipalities in Japan, Yazaki has developed a business project to produce wood pellets from woodchips and sawdust and to use wood biomass as fuel. Wood pellet fuel is carbon neutral*4 and helps reduce CO_2 emissions when used as an energy source for heating or cooling.

Yazaki's Environmental System R&D Center has been developing a wood pellet fired Aroace chiller/heater model for commercial use since 2006. Once the model is widely used, demand for wood pellet fuel will grow, lowering the cost of wood pellets and maintenance expenses.

a wood pellet fired Aroace chiller/heater in use in the Y-TOWN

Comparisons of Heater/Chiller Types and CO_2 Emission Estimates*5



Environmentally Friendly Product: Electric Wire Division

Fiber Optic Splice Unit Made Compact and Densely Packaged

A fiber optic splice unit is installed inside a main distribution frame (for example, a 19-inch cabinet) used in a commercial or residential building. The unit connects internal fiber optical cables to outside cables or to switches between them.

Yazaki has made the unit compact, 33% shorter than an average unit, through rearranging an adaptor inside. The design change has also cut assembly time at the factory by 25%.

***3 Junction block**

A junction block is a box for protecting the pins and terminals used in the area of wiring harnesses where wires are joined, branched, and relayed.

***4 Carbon neutral**

Biomass fuel is considered carbon neutral, having no net release of CO_2 into the atmosphere, since burning biomass fuel returns CO_2 to the atmosphere that was absorbed as the plants grew.

***5 Estimates are based on:**

The use in an office building
Area: 4,300m2
Cooling energy: 530kW
Operation:
From 8am to 8pm
CASCADE3.1 Load Data by The Society of Heating, Air-Conditioning and Sanitary Engineers of Japan
CO_2 emissions intensity:
Electricity 0.381kg-CO_2/kW
Kerosene oil 2.49kg-CO_2/liter

***6 Multi Building**

Multi-type electric-powered heat pump for air conditioning in commercial buildings

***7 Electric chiller**

Electric-powered chiller for air conditioning

Visual displays and communication tools help accelerate streamlining efforts and deepen employees' understanding of environmental and safety issues

Specialized in the manufacture of wire harnesses

The Tochigi Factory, Yazaki Parts Co., Ltd.

Established:	1973
Main business:	Wire harnesses production
Location:	Tsukinami 500 Nasu-Karasuyama City, Tochigi Prefecture
Land area:	31,814m²
Building area:	10,232m²
Number of employees:	978 (including subsidiaries)

Nasu-Karasuyama City was formed through the merger of two towns, Minami Nasu and Karasuyama in 2005. The city is surrounded by nature, and close to the Nakagawa Prefectural Nature Park. Its residents increasingly work in the service industry.

Environmental Policy

Based on the Yazaki Environmental Charter, we strive to contribute to the local community and help preserve the environment through practicing environmentally considerate production in harmony with nature.

1) Preserve the environment by saving resources and reducing waste in all processes of wire harness manufacture from R&D and production to distribution.
2) Prevent environmental damages in case of an industrial accident or other emergencies by strictly following our prepared guidelines .
3) Fully comply with laws and regulations to preserve the environment.
4) Set goals and achieve them in our environmental activities; and review and continue improving the environmental management systems.
5) Have all employees understand and the environmental policy and encourage them to join efforts for environmental preservation.

Survival through bolstering cost competitiveness, without compromising safety or environmental considerations

The Tochigi Factory is a main site of production of wire harnesses for automobiles, primarily supplying Honda Motor Co., and has manufacturing subsidiaries in Aomori, Niigata, and Fukushima prefectures. We play a role in planning and managing all the products that our company produces globally for Honda.

Currently, we are marshalling all our efforts to streamline and improve production processes and methods at the Tochigi Plant. Our efforts are geared not only to lowering environmental loads, including CO_2 reduction, but to strengthening our competitiveness to match the cost of overseas production, thereby maintaining employment here. To allow our employees to comprehend and accept the need to streamline our processes, in FY2007 we set up "Survivor Road" along our production lines, where various visually presented projects for improvements are displayed. Everyone can see the projects in Survivor Road, so that participating project members feel positive about being constantly involved, raising their sense of responsibility and boosting morale.

Information about safety and environment, on which we place particular emphasis, is prominently displayed at the entrance to the Survival Road for everyone to view before they start their work. Updated information is also uploaded onto the Intranet.

Through these activities, we make information open and very accessible to everyone at the plant.

The Survivor Road at the plant

Kanichiro Osada

Factory Manager
Tochigi Factory

Placing importance in connecting with employees, communities, and business partners

My former boss taught me a phrase: “Use not only your words but your heart in making wire harnesses.” At the Tochigi Factory, it’s been a tradition to maintain close relations and engage in heart-to-heart dialogue with our stakeholders. I personally learned the significance of this tradition through work experiences overseas. Incidentally, the Survivor Road in one sense derived from my earnest desire to protect employment in our community.

In FY2007 we published our Environmental Report for employees’ families to further deepen their understanding of environmental issues, as well as to increase opportunities to dialogue with them by holding such family friendly events as employee birthday parties.

To promote smooth communication, our senior managers and executives make it a rule to visit our customers and suppliers at least once a month. In December 2007, we held the first Stakeholders’ Meeting, inviting representatives from the community and our business partners. While the participants voiced their appreciation for learning about the objectives of operations at the plant, they also made many suggestions and proposals since the meeting, and we have duly implemented many of them to improve our operations.

All employees show their pledges to environmental preservation

The Environmental Report for employees’ families

Reducing the use of fuel by improvements in distribution

The Tochigi Factory, together with our three subsidiaries, consume substantial amounts of energy in distributing and delivering parts and products, as our products must be delivered to customers located as far away as Western Japan. We have optimized delivery routes, modified distribution methods, and increased the efficiency of cargo shipping in order to save energy. We recently succeeded in reducing three scheduled truck distributions per day, cutting daily travel by 1,387 km and fuel consumption by 354 liters. Niigata Parts Co., Ltd., a subsidiary, also reduced two delivery runs to one, shortening their daily travel distance by 82 km and saving 14 liters of gas.

C O L U M N

By reducing and reusing wire waste, we contribute both to environmental preservation and profitability

Syuichi Oomori
Production Department

In the manufacture of wire harnesses, some waste from wire is inevitably generated. However, this waste can be effectively reduced and reused. Moreover, copper in the waste is valuable and can be resold for profit, once we properly sort the waste materials.

The majority of wire waste comes from trial processes in the equipment that assembles terminals to join wires. Every time we change sizes of terminals, we must conduct trial runs. Accordingly, we have notified all our workers about how to reduce wire waste during the trial runs, which has resulted not only in reducing waste, but also in raising productivity.

The waste is sold to recyclers, but pure copper wire is priced much higher than terminal material such as plated tin. When even a tiny amount of terminal material is mixed in with 300 kg of copper wire wastes, recyclers won’t accept it at pure copper prices. Properly and thoroughly sorting out wastes is not easy, and I concluded that changing our employees’ attitudes toward waste would be necessary. We took them to a recycler’s factory to observe the recycling process and encouraged them to understand how reselling prices differ drastically between copper and mixed copper waste. After the visit, the employees prepared graphic tables to illustrate improvements in the proper sorting of wastes, and the results are surprising. We continue to make every effort to strengthen cost competitiveness, while contributing both to environmental preservation and increased profitability.

Graphic displays for employees about policies for wire waste reduction and recycling

Specializing in the manufacture of high-quality, high-precision wire harnesses, the plant also strives to prevent global warming and to reduce waste

Specializing in the manufacture of wire harnesses

The Niimi Factory, Yazaki Parts Co., Ltd.

Established:	1974
Main business:	Wire harnesses production
Locaiton:	Nishigata 2117-1, Niimi City, Okayama Prefecture
Land area:	54,030m^2
Building area:	12,7171m^2
Employees:	723

In March 2005 Niimi City was formed through the merger of five towns, Niimi, Oosa, Shingou, Tetta, and Nishigata.
The city is famous for such products as large black seedless grapes (named New Pione) and blades and knives.

Environmental Policy

Based on the Yazaki Global Environmental Charter, we strive to promote our environmental activities as below, while creating harmonious relations with nature and the local community.

1. Reduce environmental loads by focusing on the following measures:
   (1) Waste reduction
   - Promote zero emissions
   - Increase recycled waste

   (2) Against global warming
   - Reduce CO2 emissions through effective energy use

2. Continuously improve the environmental management systems to prevent pollution
3. Fully comply with laws and regulations to preserve the environment
4. Set goals to achieve in our environmental activities, and regularly review them
5. Inform and encourage all employees to participate in our environmental activities
6. Publicize whenever necessary the Yazaki Global Environmental Charter and Niimi Factory Environmental Policy.

Taking leadership in the community

Located in Western Japan, the Niimi Factory and its subsidiaries (Okayama Parts, Yamaguchi Parts, Higashi Shikoku Parts, and Minami Shikoku Parts) play a pivotal role in meeting production needs in the region. To further promote environmental activities, we have established environmental management systems in concert with all of these subsidiaries, and we have obtained ISO14001 certification to cover all production bases.

We boast of the fact that 95% of Niimi Plant employees come from this area, which is unique among Yazaki group companies. We continue to recruit new employees from the local community, which contributes to job creation. We therefore place importance in community relations and activities. The Niimi Factory is one of the largest employers with advanced technology, and we take a leadership role in environmental activities, including energy saving, waste reduction, and preservation of the local environment.

Kiyoshi Yoshitomi

Factory Manager
Niimi Factory

Making small improvements in our daily work has led to a 6% CO_2 reduction

In production areas, we have substantially reduced CO_2 emissions by replacing equipment and facilities with more energy-efficient models. To further reduce CO_2 emissions from the plant, we have focused on saving energy in offices, particularly by cutting daily electricity and kerosene oil use.

We have already adopted the practice of turning off office lights during lunch and other breaks. Individual ceiling lights can be turned on and off with manual switches, and our efforts have focused on frequently turning off unnecessary lights during the day. Office machines like copiers, scanners, printers and plotters are shut off after 5:00 PM to eliminate the power used for standby mode. Those who need to use machines after 5:00 PM are responsible for turning them off. A computer manual has been distributed to everyone to inform them that each computer must be set up to switch the screen off after the computer is not in use for a certain number of minutes.

Ceiling lights can be individually switched on and off

To decrease oil use for heating and cooling, we have reviewed pre-set temperatures for air conditioners and heaters, as well as getting rid of older, energy-inefficient models.

By making such small, but meaning improvements, we were able to reduce CO2 missions during FY2007 to 2,224 tons, down 6% from the prior year.

Paper use is down 38% in 3 years, thanks to a meticulous review of the need for design printouts

The Niimi Factory has a goal of reducing paper use by 30% (6% annually) between FY2005 and 2009. Our Manufacturing Engineering Department prints out designs mainly on request by affiliated companies and other departments, and their paper use amounts to 13.6% of the total use at the Plant. The department has accelerated its efforts to cut down paper use since FY2005.

In FY2004 the department used an average of 400,000 sheets of A4-size paper monthly (when all sizes of paper used were converted into A4-sized paper). In order to reduce paper consumption, the department conducted a survey on the printouts needed by other departments and affiliated companies and then modified its process for printout requests. Now, instead of producing designs for all requests, the department only prints out designs when it receives a form certifying that the printouts are absolutely necessary. Managers have also called for cooperation by other departments to raise awareness about saving paper.

As a result, the department cut paper use by 38% between FY2005 and 2008, with an average of 246,000 sheets of A4-sized paper monthly in FY2007. The Niimi Factory as a whole achieved a 26.9% reduction in paper use in the past three years.

We are planning further ways to cut down paper use by promoting paperless systems for computerized design databases.

A team in the Manufacturing Engineering Department devises new ways to cut paper use

Promoting exchanges with the community as a good neighbor

In light of the Yazaki's corporate motto, "A Corporation needed by Society," the Niimi Factory develops and maintains close relations with its community through participating in local activities and promoting exchange visits. For example, local high school students are invited to gain work experience, while our employees take part in a clean-up campaign in the local Joyama Park. We also sponsor a softball tournament for elementary school pupils. We plan to continue to forge relations with the community by earning their trust and sharing our experiences.

Yazaki-sponsored softball tournament

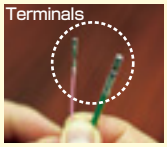
C O L U M N

As part of reducing waste, we have succeeded in saving more wire and devising an efficient recycling process

Reporting on saving wire and recycling waste:
Hiroyuki Nishida, Kenichiro Horiguchi
Production Department

In the process of manufacturing wire harnesses, terminals are joined to the ends of wires by a machine. Every time specifications change, trial runs and adjustments to the machine must be performed to comply with the standards set for terminal attachment with specified wire lengths. To reduce the amount of wire wastes generated in trial runs, we assessed this process and were able to shorten the wires used in a trial from 200 mm to 150 mm. We also set a ceiling for wire to be used in each specification change. As a result, we achieved a 10% decrease in wire waste.

When recycling the wastes, wires and terminals must be properly separated for collection. In the past the separation was done manually, which took time and was inefficient. We have invented a machine that separates terminals from wires automatically by simply inserting the ends of wires into the machine, which results in higher efficiency.



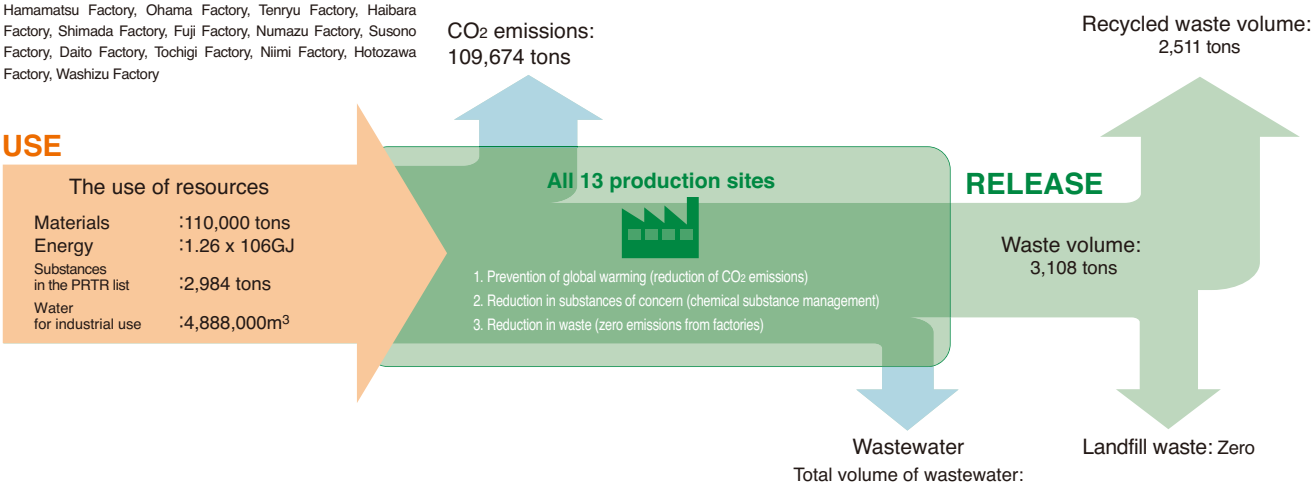
Wires joined by terminals

A machine to separate terminals

Use of Resources and Release of Waste and Substances to the Environment at 13 Production Sites in FY2007

Thirteen Production Sites

Hamamatsu Factory, Ohama Factory, Tenryu Factory, Haibara Factory, Shimada Factory, Fuji Factory, Numazu Factory, Susono Factory, Daito Factory, Tochigi Factory, Niimi Factory, Hotozawa Factory, Washizu Factory



Hamamatsu Factory

Location: Higashi-machi 740, Minami-ku, Hamamatsu City, Shizuoka Prefecture

Main Products: Absorption chiller/heater, solar-powered water heater

Air Pollution Data

(Conforming to the Air Pollution Control Law and prefectural regulations)

Substance	Equipment	Emission limits			Actual measurement	Total emissions[1] (g/year)
		Air Pollution Control Law	Prefectural regulations	Voluntary limits		
NOx(ppm)	3-ton boiler	150	Not applicable[2]	150	95	474,686
	4-ton boiler				77	64,684
PM* (g/Nm3)	3-ton boiler	0.10	Not applicable[2]	0.10	Less than 0.01	—
	4-ton boiler				Less than 0.01	—

PM: Particulate matter: 1. Total emissions of NOx are indicated in gram/year.
2. Regulations in Shizuoka prefecture don't apply to boilers, while Hamamatsu city ordinances have the same limits as those in Water Pollution Control Law.

Water Pollution Data

(Conforming to the Water Pollution Control Law and prefectural regulations)

Substance (mg/L except for pH)	Emission limits			Actual measurement		
	Water Pollution Control Law	Prefectural regulations/ ordinances *	Voluntary limits	Maximum	Minimum	Average
pH	5.8～8.6	—	5.8～8.6	8.1	6.4	7.3
BOD	160 (120)	25 (20)	20	6.4	1.1	3.6
COD	160 (120)	—	20	19.4	9.7	15.1
SS	200 (150)	50 (40)	35	25	2	9.3
Mineral oil	5	5	3	Less than	Less than	Less than
Organic oil	30	30	30	Less than 0.05	Less than 0.05	Less than 0.05
Copper	3	1	1	0.09	Less than 0.05	Less than 0,06
Fluorine	8	—	8	2	2	2
Zinc	2	1	1	0.96	Less than 0.05	Less than 0.2
Soluble iron	10	—	1	0.2	Less than 0.1	Less than 0.15
Soluble manganese	10	—	8	Less than 0.1	Less than 0.1	Less than 0.1
Total nitrogen	120 (60)	—	120 (60)	46.3	46.3	46.3
Total phosphorus	16 (8)	—	16 (8)	3.99	3.99	3.99
Zinc	0.1	—	0.1	Less than 0.01	Less than 0.01	Less than 0.01

Abbreviations
pH: Hydrogen ion concentration BOD: Biochemical oxygen demand
COD: Chemical oxygen demand SS: Concentration of suspended solids in water
( ): Regulatory limits on average
*Stricter regulatory limits to protect the Tenryu river apply.

The PRTR Designated Substances

This factory does not use any substance subject to the PRTR system.

Ohama Factory

Location: Kunikane 1360, Kakegawa City, Shizuoka Prefecture

Main Products: Terminals and junction blocks

Air Pollution Data

This factory does not have facilities subject to the Air Pollution Control Law.

Water Pollution Data

(Conforming to the Water Pollution Control Law and prefectural regulations)

Substance (mg/L except for pH)	Emission limits			Actual measurement		
	Water Pollution Control Law	Prefectural regulations/ ordinances	Voluntary limits	Maximum	Minimum	Average
pH	5.8～8.6	5.8～8.6	6.0～8.4	7.8	7.4	7.6
BOD	160 (20)	25 (20)	15	4.7	Less than 1.0	3.5
COD	160 (20)	25 (20)	(15)	5.5	2.2	3.7
SS	200 (150)	50 (40)	25	Less than 5.0	Less than 5.0	Less than 5.0
Mineral oil	5	3	2	Less than 1.0	Less than 1.0	Less than 1.0
Copper	3	1	0.8	Less than 1.0	Less than 1.0	Less than 1.0
Fluorine	15	15	0.6	Less than 0.1	Less than 0.1	Less than 0.1
Zinc	2	1	0.8	Less than 0.05	Less than 0.05	Less than 0.05
Soluble iron	10	10	7	Less than 0.1	0.1	Less than 0.1
Lead	0.1	0.01	0.01	Less than 0.01	Less than 0.01	Less than 0.01

Abbreviations
pH: Hydrogen ion concentration BOD: Biochemical oxygen demand
COD: Chemical oxygen demand SS: Concentration of suspended solids in water
( ): Regulatory limits on average

The PRTR Designated Substances

Substance (kg)*	Volume handled	Volume released to:			Volume transferred	Volume removed	Volume consumed
		Air	Water	Disposal inside the factory			
Toluene	17,001	16,262	—	—	739	—	—
Nickel	4,050	—	—	—	0	—	4,050
Lead	984	—	—	—	0	—	984

Disclosed as reported to local authorities
* Class I chemical substances, excluding dioxins: kg; Dioxins: mg-TEQ
Volume transferred: Volume transferred out of this production site (excluding materials sold for recycling)
Volume removed: Volume of substances that were converted into other substances through incineration, neutralization, decomposition, reaction, etc.
Volume consumed: Volume of substances that were converted into other substances through reaction, or transferred out of this production site as part of products

Tenryu Factory

Location: Minamikashima 23, Futamata-cho, Hamamatsu City, Shizuoka Prefecture

Main Products: Gas meters, gas security systems

Air Pollution Data

(Conforming to the Air Pollution Control Law and prefectural regulations)

Substance	Equipment	Emission limits			Actual measurement	Total emissions1 (g/year)
		Air Pollution Control Law	Prefectural regulations	Voluntary limits		
NOx(ppm)	Aluminum melting furnace	180	180	180	Less than 3	—
PM* (g/Nm3)		0.2	0.2	0.2	Less than 0.001	—
SOx(Nm3/h)		0.672	0.672	0.672	Less than 0.006	—
Hydrogen chloride (g/Nm3)		80	80	80	1.3	—
Chlorine (g/Nm3)		30	30	30	0.7	—
Fluorine compounds (g/Nm3)		10	3	3	Less than 0.8	—

PM: Particulate matter

* The Air Pollution Control Law doesn't apply to aluminum melting furnaces, but the Tenryu Factory set emission limits voluntarily.

Water Pollution Data

(Conforming to the Water Pollution Control Law and prefectural regulations)

Substance (mg/L except for pH)	Emission limits			Actual measurement		
	Water Pollution Control Law	Prefectural regulations	Voluntary limits	Maximum	Minimum	Average
pH	5.8～8.6	5.8～8.6	6.0～8.4	8.1	7.7	7.9
BOD	160 (120)	25 (20)	15	1.8	Less than 1.0	1.3
COD	160 (120)	25 (20)	15	2.1	Less than 1.0	1.4
SS	200 (150)	50 (40)	30	Less than 5.0	Less than 5.0	Less than 5.0
Mineral oil	5	5	3	Less than 2.5	Less than 2.5	Less than 2.5
Organic oil	30	30	3	Less than 2.5	Less than 2.5	Less than 2.5
Fluorine	8	8	8	0.4	0.2	0.3
Zinc	2	2	1	0.16	Less than 0.05	0.13
Soluble iron	10	10	8	Less than 0.1	Less than 0.1	Less than 0.1
Soluble manganese	10	10	8	Less than 0.1	Less than 0.1	Less than 0.1
Lead	0.1	0.1	0.1	Less than 0.01	Less than 0.01	Less than 0.01
Dichloromethane	0.2	0.2	0.2	Less than 0.002	Less than 0.002	Less than 0.002
Carbon tetrachloride	0.02	0.02	0.02	Less than 0.0002	Less than 0.0002	Less than 0.0002
Selenium	0.1	0.1	0.1	Less than 0.01	Less than 0.01	Less than 0.01

Abbreviations
pH: Hydrogen ion concentration BOD: Biochemical oxygen demand
COD: Chemical oxygen demand SS: Concentration of suspended solids in water
( ): Regulatory limits on average

The PRTR Designated Substances

Substance (kg)*	Volume handled	Volume released to:			Volume transferred	Volume removed	Volume consumed
		Air	Water	Disposal inside the factory			
Xylene	14,989	14,695	—	—	294	—	—
Toluene	10,582	10,374	—	—	208	—	—

Disclosed as reported to local authorities
* Class I chemical substances, excluding dioxins: kg; Dioxins: mg-TEQ
Volume transferred: Volume transferred out of this production site (excluding materials sold for recycling)
Volume removed: Volume of substances that were converted into other substances through incineration, neutralization, decomposition, reaction, etc.
Volume consumed: Volume of substances that were converted into other substances through reaction, or transferred out of this production site as part of products

Haibara Factory

Location: Nunohikihara 206-1, Makinohara City, Shizuoka Prefecture

Main Products: Connectors, dies, W/H manufacturing equipment, wiring and electronic parts

Air Pollution Data

(Conforming to the Air Pollution Control Law and prefectural regulations)

Substance	Equipment	Emission limits			Actual measurement	Total emissions1 (g/year)
		Air Pollution Control Law	Prefectural regulations	Voluntary limits		
NOx(ppm)	Boiler (CH-1-1)	150	150	100	77	985
	Boiler (CH-1-2)	150	150	100	64	886
PM* (g/Nm3)	Boiler (CH-1-1)	0.1	0.1	0.05	0.01	—
	Boiler (CH-1-2)	0.1	0.1	0.05	0.01	—

PM: Particulate matter

Water Pollution Data

(Conforming to the Water Pollution Control Law and prefectural regulations)

Substance (mg/L except for pH)	Emission limits			Actual measurement		
	Water Pollution Control Law	Prefectural regulations	Voluntary limits	Maximum	Minimum	Average
pH	5.8～8.6	5.8～8.6	6.2～8.2	7.3	6.4	6.9
BOD	160 (120)	25 (20)	10	2.6	0.5	1.07
COD	160 (120)	25 (20)	15	14	4	6.51
SS	200 (150)	50 (40)	20	1.8	ND	1.33
Mineral oil	5	5	2.5	Less than1	Less than1	Less than1
Organic oil	30	30	2.5	Less than1	Less than1	Less than1
Copper	3	3	1.5	Less than 0.05	Less than 0.05	Less than 0.05
Fluorine	8	8	4	Less than 0.2	Less than 0.2	Less than 0.2
Zinc	2	2	1.5	Less than 0.05	Less than 0.05	Less than 0.05
Soluble iron	10	10	5	Less than 0.1	Less than 0.1	Less than 0.1
Soluble manganese	10	10	5	Less than 0.1	Less than 0.1	Less than 0.1
Total nitrogen	120 (60)	120 (60)	30	4.1	4.1	4.1
Total phosphorus	16 (8)	16 (8)	6	0.2	0.2	0.2
Lead	0.1	0.1	0.05	0.01	0.01	0.01

Abbreviations
pH: Hydrogen ion concentration BOD: Biochemical oxygen demand
COD: Chemical oxygen demand SS: Concentration of suspended solids in water
( ): Regulatory limits on average
*ND (Not detected): Below the detection level of suspended solids

The PRTR Designated Substances

Substance (kg)*	Volume handled	Volume released to:			Volume transferred	Volume removed	Volume consumed
		Air	Water	Deposited inside the factory			
Toluene	4,916	4,016	—	—	900	—	—
Lead	4,619	—	—	—	4,165	—	454

Disclosed as reported to local authorities
* Class I chemical substances, excluding dioxins: kg; Dioxins: mg-TEQ
Volume transferred: Volume transferred out of this production site (excluding materials sold for recycling)
Volume removed: Volume of substances that were converted into other substances through incineration, neutralization, decomposition, reaction, etc.
Volume consumed: Volume of substances that were converted into other substances through reaction, or transferred out of this production site as part of products

Shimada Factory

Location: Yokoi 1-7-1, Shimada City, Shizuoka Prefecture

Main Products: Combination meters for automobiles

Air Pollution Data

This factory does not have facilities subject to the Air Pollution Control Law.

Water Pollution Data

(Conforming to the Water Pollution Control Law and prefectural regulations)

Substance (mg/L except for pH)	Emission limits			Actual measurement		
	Water Pollution Control Law	Prefectural regulations/ ordinances	Voluntary limits	Maximum	Minimum	Average
H	5.8～8.6	5.8～8.6	6.5～8.0	7.9	6.8	7.3
BOD	160 (120)	25 (20)	15 (10)	8.1	Less than 0.5	2.6
SS	200 (150)	60 (40)	30 (20)	13	Less than 1.0	2.8
Mineral oil	5	5	1.5	1	Less than 0.5	Less than 0.5
Copper	3	1	0.2	Less than 0.1	Less than 0.1	Less than 0.1
Zinc	2	2	0.2	0.2	Less than 0.05	Less than 0.05
Soluble iron	10	10	0.5	0.2	Less than 0.1	Less than 0.1
Total chromium	2	2	0.2	Less than 0.05	Less than 0.05	Less than 0.05
Hexavalent chromium	0.5	0.5	0.05	Less than 0.05	Less than 0.05	Less than 0.05

Abbreviations
pH: Hydrogen ion concentration BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water
( ): Regulatory limits on average

The PRTR Designated Substances

Substance (kg)*	Volume handled	Volume released to:			Volume transferred	Volume removed	Volume consumed
		Air	Water	Disposal inside the factory			
Ethylbenzene	1,456	1,311	—	—	146	—	—
Xylene	3,650	3,285	—	—	365	—	—
Water-soluble copper salts	7,568	—	—	—	7,568	—	—
Toluene	6,647	5,983	—	—	665	—	—
Lead and lead compounds	4,214	—	—	—	570	—	3,644

Disclosed as reported to local authorities
* Class I chemical substances, excluding dioxins: kg; Dioxins: mg-TEQ
Volume transferred: Volume transferred out of this production site (excluding materials sold for recycling)
Volume removed: Volume of substances that were converted into other substances through incineration, neutralization, decomposition, reaction, etc.
Volume consumed: Volume of substances that were converted into other substances through reaction, or transferred out of this production site as part of products

Fuji Factory

Location: Hotozawa 652, Gotemba City, Shizuoka Prefecture

Main Products: Copper rods, cables for indoor use, automotive cable, PVC compounds

Air Pollution Data

(Conforming to the Air Pollution Control Law and prefectural regulations)

Substance	Equipment	Emission limits			Actual measurement	Total emissions (g/year)
		Air Pollution Control Law	Prefectural regulations/ ordinances	Disposal inside the factory		
NO x(ppm)	Furnace	180	180	180	29	3,680
SO x(Nm3/h)		8	8	8	0.08	568.93
PM* (g/Nm3)		0.2	0.2	0.2	Less than 0.01	—

PM: Particulate matter

Water Pollution Data

(Conforming to the Water Pollution Control Law and prefectural regulations)

Substance (mg/L except for pH)	Emission limits			Actual measurement		
	Water Pollution Control Law	Prefectural regulations/ ordinances	Voluntary limits	Maximum	Minimum	Average
pH	5.8～8.6	5.8～8.6	6.0～8.4	8.5	7.8	8.03
BOD	160 (120)	25 (20)	15	6	Less than 0.5	1.64
COD	160 (120)	160 (120)	15	5.2	Less than 0.5	1.61
SS	200 (150)	50 (40)	30	12	Less than1	1.89
Mineral oil	5	5	3	Less than 0.5	Less than 0.5	Less than 0.5
Copper	3	1	0.5	0.14	Less than 0.001	0.038
Lead	0.1	0.1	0.08	0.086	Less than 0.001	0.014
Thiuram	0.06	0.06	0.03	Less than 0.0006	Less than 0.0006	Less than 0.0006

Abbreviations
pH: Hydrogen ion concentration BOD: Biochemical oxygen demand
COD: Chemical oxygen demand SS: Concentration of suspended solids in water
( ): Regulatory limits on average

The PRTR Designated Substances

Substance (kg)*	Volume handled	Volume released to:			Volume transferred	Volume removed	Volume consumed
		Air	Water	Disposal inside the factory	棄物		
Bis(2-ethylhexyl) phthalate (DEHP)	1,830,000	0	0	0	0	0	1,830,000

Disclosed as reported to local authorities
* Class I chemical substances, excluding dioxins: kg; Dioxins: mg-TEQ
Volume transferred: Volume transferred out of this production site (excluding materials sold for recycling)
Volume removed: Volume of substances that were converted into other substances through incineration, neutralization, decomposition, reaction, etc.
Volume consumed: Volume of substances that were converted into other substances through reaction, or transferred out of this production site as part of products

Numazu Factory

Location: Ooka 2771, Numazu City, Shizuoka Prefecture

Main Products: Electric wire, cables

Air Pollution Data

This factory does not have facilities subject to the Air Pollution Control Law.

Water Pollution Data

(Conforming to the Water Pollution Control Law and prefectural regulations)

Substance (mg/L except for pH)	Emission limits			Actual measurement		
	Water Pollution Control Law	Prefectural regulations/ ordinances	Voluntary limits	Maximum	Minimum	Average
pH	5.8～8.6	5.8～8.6	6.0～8.5	8.4	6	7.53
BOD	160 (120)	25 (20)	10 (3)	2	0	1.11
SS	160 (120)	25 (20)	10 (3)	3	0	0.94
Mineral oil	5	5	3.0	0	0	0
Copper	3	1	0.3	0.12	0.001	0.033

Abbreviations
pH: Hydrogen ion concentration BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water
( ): Regulatory limits on average

The PRTR Designated Substances

Substance (kg)*	Volume handled	Volume released to:			Volume transferred	Volume removed	Volume consumed
		Air	Water	Deposited inside the factory			
and its compounds	4,249	0	0	0	0	0	4,249
Xylene	389	346	0	0	43	0	0
Toluene	1,515	1,348	0	0	167	0	0
Bis(2-ethylhexyl) phthalate (DEHP)	1,002,752	0	0	0	0	0	1,002,752

Disclosed as reported to local authorities
* Class I chemical substances, excluding dioxins: kg; Dioxins: mg-TEQ
Volume transferred: Volume transferred out of this production site (excluding materials sold for recycling)
Volume removed: Volume of substances that were converted into other substances through incineration, neutralization, decomposition, reaction, etc.
Volume consumed: Volume of substances that were converted into other substances through reaction, or transferred out of this production site as part of products

Susono Factory

Location: 1500 Mishuku, Susono City, Shizuoka Prefecture

Main Products: Low-tension automotive wires, wire harnesses

Air Pollution Data

This factory does not have facilities subject to the Water Pollution Control Law.

Water Pollution Data

This factory does not have facilities subject to the Water Pollution Control Law.

The PRTR Designated Substances

Substance (kg)*	Volume handled	Volume released to:			Volume transferred	Volume removed	Volume consumed
		Air	Water	Disposal inside the factory			
Toluene	8,213	5,587	0	0	2,599	0	27.74
Xylene	2,675	1,864	0	0	800	0	11.05
Bis(2-ethylhexyl) phthalate (DEHP)	2,222	0	0	0	0	0	2,222
Antimony trioxide	16,468	0	0	0	0	0	16,468
Decabro modiphenyl ether	5,528	0	0	0	0	0	5,528
Lead and its compounds	29,100	0	0	0	0	0	29,100

Disclosed as reported to local authorities
* Class I chemical substances, excluding dioxins: kg; Dioxins: mg-TEQ
Volume transferred: Volume transferred out of this production site (excluding materials sold for recycling)
Volume removed: Volume of substances that were converted into other substances through incineration, neutralization, decomposition, reaction, etc.
Volume consumed: Volume of substances that were converted into other substances through reaction, or transferred out of this production site as part of products

At the following production sites, there are no facilities subject to the Air Pollution Control Law, Water Pollution Prevention Law and PRTR system, and no substances subject to these laws are used.

Washizu Factory

Location: Washizu 1424, Kosai City, Shizuoka Prefecture

Main products: Wire harnesses

Daito Factory

Location: Osaka 653-2, Kakegawa City, Shizuoka Prefecture

Main products: Wire harnesses

Tochigi Factory

Location: Tsukinami 500 Nasu-Karasuyama City, Tochigi Prefecture

Main products: Wire harnesses

Hotozawa Factory

Location: Hotozawa 1157-106, Gotemba City, Shizuoka Prefecture

Main Products: Residential wire harnesses, electric wire harnesses, optical connectors

Niimi Factory

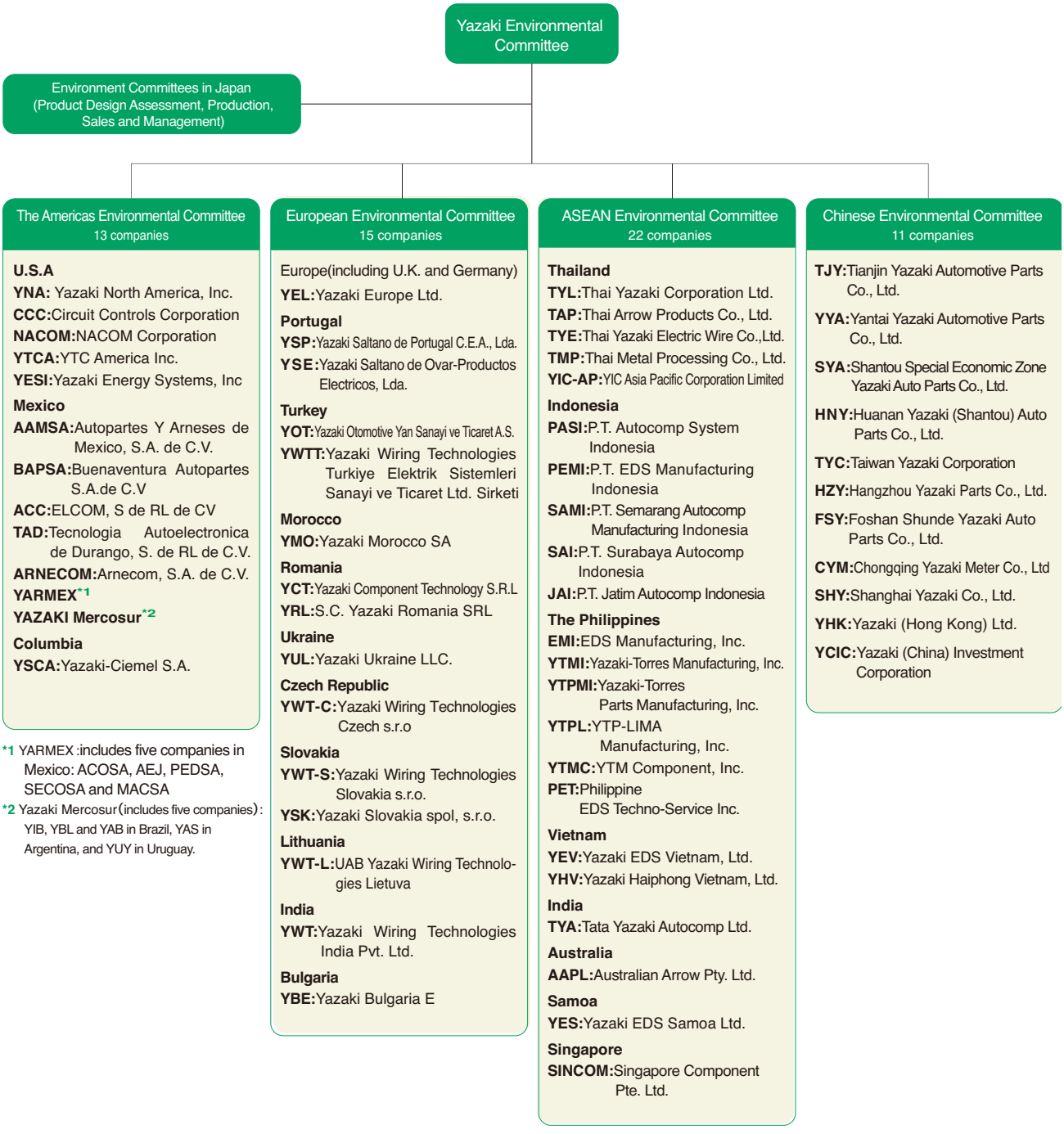
Location: Nishigata 2117-1, Niimi City, Okayama Prefecture

Main products: Wire harnesses

Global Environmental Management Systems

The Yazaki Group divides overseas affiliates by region—China, ASEAN, the Americas, and Europe. Environmental Committees have been regionally established to consolidate and manage goals and performance. Based on the Yazaki Environmental Action Plan (see pages 37 and 38), each regional Environmental Committee has created individual environmental action plans that meet the needs and issues unique to each area, and is carrying out environmental preservation activities.

Yazaki will continue to promote environmental preservation activities on a global scale by establishing close communication between regional Environment Committees and Yazaki Environmental Committee in Japan to collect and share information on the goals and performance of environmental activities, while assisting overseas subsidiaries as needed.

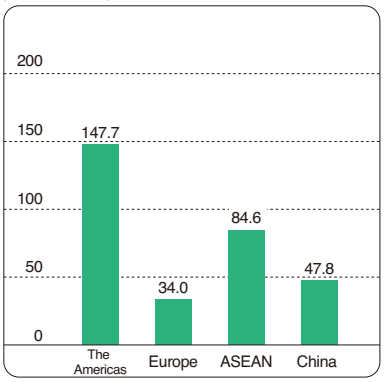


2007 Global Environmental Performance

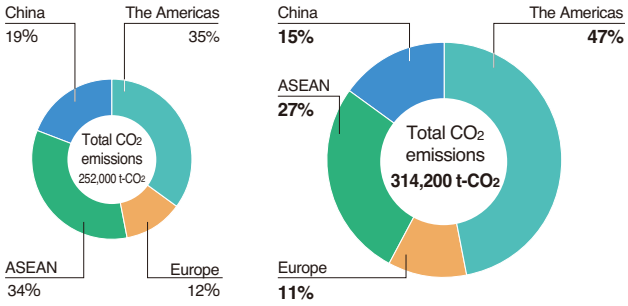
Data Coverage: January 2007 - December 2007
Scope: Regional Environmental Committee Members
(China: 11 companies; ASEAN: 15 companies; The Americas: 13 companies; Europe: 15 companies)

Volume of CO_2 Emissions*1

(Thousand tons)



CO_2 Emissions by Region



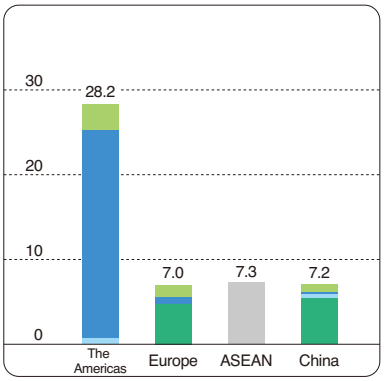
*1

To compile data in the Americas and Europe, the ratio of emissions intensity in each country was used. For emissions in ASEAN and China, the ratio of emissions intensity in Japan was used.

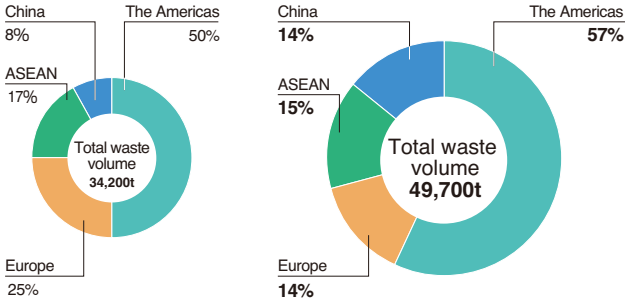
Total Waste Volume*2

Landfill
Recycled
Incineration
Reselling for reuse

(Thousand tons)



Total Waste Volume by Region

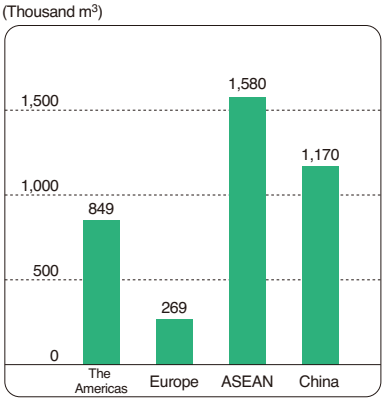


*2

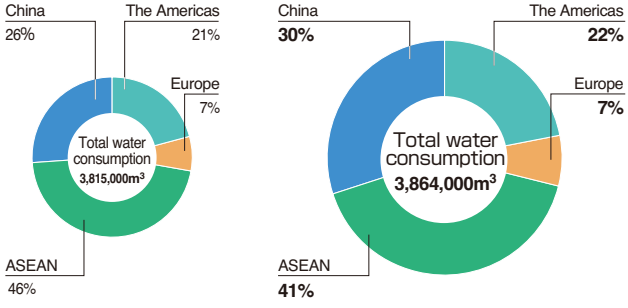
Breakdown data in ASEAN was not available at the time of publication.

Water Consumption

(Thousand m^3)



Water Consumption by Region



Opinions Expressed at Stakeholder Meetings Have Been Reflected in Corporate Activities

The Shimada Factory Hosted FY2006 Meeting

In FY2004 the Yazaki Group organized the first stakeholders' meeting to read the Social and Environmental Report together with stakeholders and to receive their opinions on the report. In the following year, Yazaki officially started the annual Stakeholder Meeting to introduce our social and environmental activities, discuss their concerns and receive their comments.

The third stakeholders' meeting took place at the Shimada Factory (Yazaki Meter Co., Ltd.) in March 2007. Ten stakeholders in attendance comprised of representatives from local municipalities, universities, a customer, a business partner, and an NPO.

Process of Reflecting Stakeholders' Opinions in Corporate Activities (2007)

April: Report to the Yazaki Group Corporate Meeting

June: Opinions incorporated into the Yazaki Environmental Action Plan

August:
- Yazaki News (Internal magazine) included a story on the Stakeholder Meeting
- Distribution of DVD (highlights of the Stakeholder Meeting), and DVD viewer survey conducted
- Preparation of a list of opinions expressed at the Stakeholder Meeting, and our responses and initiatives planned

September: The Social & Environmental Report 2007 included a summary of the Stakeholder Meeting

Comments at the Stakeholder Meeting (FY2006)

Date: March 28(Fri), 2007 **Location:** Shimada Factory (Yazaki Meter Co., Ltd.)

Participants: Ten individuals, including representatives from local municipalities, universities, a customer, a business partner, and an NPO

- Opportunities for communication between the factory and local community representatives should be encouraged
- An issue of compliance, particularly among temporary employees, must be addressed
- Register Yazaki's commitment to environmental preservation with HOPE (a campaign to promote environmental activities in Shizuoka prefecture: Harmony/Obligation/Paradigm shift/Enjoy)
- There are so many information displays and posters in production lines, and some of them are outdated
- Equal opportunity should be promoted, providing more women with career choices

Initiatives in Response to Comments from Stakeholder Meeting Participants

- Factory-based Stakeholder Meeting has been planned annually:
  - In FY2007 the stakeholder meetings were held at all 13 production sites and Y-CITY.
  - For example, at the Shimada Factory, a stakeholders' meeting with a community.
  - The Shimada Factory also organized a Yazaki Festival, attracting 1,500 visitors on September 30, 2007.
- The Yazaki Group Employee Handbook was distributed to all full-time and temporary employees including part-timers and contractors.
- All 13 Production sites in Japan and Y-CITY participated in HOPE(Hope, Obligation, Paradigm Shift and Enjoy) declaration.
- Displays and posters along production lines have been streamlined and updated at the Shimada Factory, and other factories have been also notified to review their displays.
- In the Human Resources Department, a taskforce team was set up to promote equal opportunity. The department also expanded educational and training programs to include employees of lower job ranks, allowing younger women employees to participate in the programs and providing them with more career choices.

This page is translated from Professor Chikami's written comment in Japanese on the Yazaki Group's Social & Environmental Report 2008.

Third Party Comment

Faculty of International Welfare Development, Nihon Fukushi University
Committee member, Nagoya Open University of the Environment
Chairman, Steering Committee, Environmental Partnership Chubu

Satoshi Chikami, Professor

[Research focus]Regional Environmental Plan, Environmental Education, Environmental Management in Developing Regions, Regional Plan.

Professor Chikami specializes in empirical studies in the development of sustainable society through integration of natural and social sciences. In Japan he has initiated development of an environmental plan in regions that utilize natural, social and human resources specific to those regions. He has participated in several projects aimed at facilitating collaboration between citizens, corporations and municipalities. He is also actively involved in social development planning in Asia. Most recently, in regions of Laos where slash and burn agricultural practices are common, he has studied practical methods for forest renewal and river delta management, and he has brought innovations to living environments and to the development of small businesses.

The comment below is based on my interviews with executives and employees, site visits, and my experience as a participant at a stakeholder's meeting at Yazaki. The Report 2008 places emphasis on Yazaki's long-term commitment to corporate social responsibility (CSR), timely and open disclosure of information, and environmental management.

Empowering employees is a Yazaki priority (pages 9-22)

The Report presents Yazaki's "Responsibility toward Employees" first, and two feature stories within that section focus on the development of human resources. The Report illustrates Yazaki's understanding that its commitment to employees leads to greater responsibility toward customers and local communities, and in the end creates a valuable resource for high quality, trustworthy products. As a company with many factories around the globe, Yazaki clarifies the place a 21st century company should occupy in society.

Promoting communication with stakeholders on environmental issues(pages 29-34)

Yazaki has held stakeholders' meetings since 2005, and Chairman Yasuhiko Yazaki has presented Yazaki's corporate philosophy and participated in discussions since 2006. The roots of environmental communication have spread widely throughout Yazaki.

?Communication with stakeholders

In addition to the annual stakeholders' meeting, each production site in Japan began holding stakeholders' meetings locally this fiscal year. The importance of dialogue with stakeholders is shared groupwide, and each production site has taken planning and organizational initiatives.

?Communication with employees and their families

The Tochigi Factory of Yazaki Parts., Co. Ltd. (pages 55-56) has published its Environmental Report to distribute to employees' families. This initiative is an excellent tool that employees and their families can use to discuss environmental issues.

Clarifying Yazaki's environmental management vision and structure (pages 35-38)

The Report devoted three full pages to explaining relations between Yazaki's Corporate Policy, environmental management vision and guidelines for action, as well as to environmental management structures and systems. It is highly practical for Yazaki employees to understand how environmental management systems are set up in view of Yazaki's groupwide philosophy and structure.

Clear goals and achievements are presented quantitatively (pages 41-53)

In the sections on environmental preservation activities, goals and achievements are presented in a way readers can easily see and comprehend. Graphic charts and sidebar footnotes on technical terms also help readers, and I appreciate the publisher's generous attention to reader friendly designs. Environmental performance overseas, however, is not included, although Yazaki has a high overseas production ratio and imports many products from its overseas production sites. I recommend further study on how to collect overseas data and include it in future Reports.

Beginning to link environmental activities at overseas companies with similar activities at home base (pages 41-56)

At Yazaki, environmental accounting is encouraged in employees' homes, and environmental reports from factories are sent to employees' family members. "Production" at a company and "life" at home are generally separated in environmental discussions; despite their recycling and waste reduction efforts at work, employees may not pay attention to garbage at home. As it strives to take on the global challenge to achieve a sustainable low-carbon society, I applaud Yazaki's initiative to apply professionally grained environmental know-how to the conduct of daily life.

Current challenges must clearly indicate future directions

The goals of environmental preservation activities and levels of achievement are mapped on a fiscal-year basis up to the current and next fiscal year. But there is no mention of current environmental challenges and how Yazaki works to resolve them. It is desirable that mid-term goals should be included, thus indicating future directions and future challenges that Yazaki will consider. The Report will track changes annually, and readers will see these changes over several years.

Introduce overseas CSR activities in a more systematic manner

The Report includes various CSR activities at overseas production sites. But in future publications, I would like Yazaki to present a more systematic study of overseas activities in order to illustrate how Yazaki meets challenges in different cultures and countries. One suggestion is to highlight a single production site each year in a feature section as a Frontline report. Since different legal and social environments create different issues, I hope to see both how Yazaki addresses those issues as a global company and how it deals with the issues on a smaller, local scale.

In conclusion

Yazaki's products are developed and manufactured in concert with the Corporate Policy, "A corporation in step with the world" and "A corporation needed by society." I believe the Report demonstrated effectively that Yazaki employees around the world play key role in representing very core ideas in the Policy. I hope Yazaki as a company and all of its employees will continue to work in unison to lead a movement to help resolve global issues.

Yazaki is a corporate member of Team Minus 6%,
Japan's national campaign against global warming. In view of Japan's commitment to cut greenhouse gas emissions by 6% between 2008 and 2012 from the 1990 levels,

Yazaki has implemented various measures to reduce CO_2 emissions in its factories and offices.

Stop Global Warming!
Team minus 6%

If you would like to share your thoughts about the Social & Environmental Report 2008, or have any related queries, please contact:

YAZAKI CORPORATION
Environmental Affairs Division

Misyuku 1500 Susono City, Shizuoka Prefecture 410-1194
TEL 81-55-965-3782 FAX 81-55-965-3736

Published: October 2008
The Next report is scheduled for publication in autumn 2009.

E-mail: environment@sys.yzk.co.jp
URL: http://www.yazaki-group.com/e/environment/2008.html

Environmental Initiatives in Printing

Plate making: This report has been compiled utilizing the Computer to Plate(CTP) method that eliminates the use of film for the plate-making process, thus reducing energy consumption, conserving resources and eliminating the use of alkaline developing solutions.

Paper: This report has been printed on FSC-certified mixed sources paper. The wood from which the paper is derived comes from "well-managed forests" and "controlled sources to exclude illegally harvested timber". This is evidence of Yazaki' s support for greater protection of forest resources.

Ink: The usage of petroleum-based solvents has been eliminated by a complete switchover to VOC(volatile organic compounds) free soy ink. Furthermore, the ink contains no lead, mercury, cadmium or other heavy metals.

Printing: In transferring ink, damping water containing elements such as isopropyl alcohol has not been used; a waterless process has been employed.

Processing: A recyclable binding adhesive has been used, which does not damage the paper during the paper-recycling process.

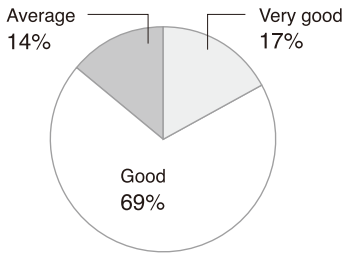
Color Universal Design:
The colors and designs for this report are prudently designed for most of ordinary viewers recognizable. Designs are approved by the Color Universal Design organization(NPO).

Results of the Yazaki Social & Environmental Report 2007 Survey

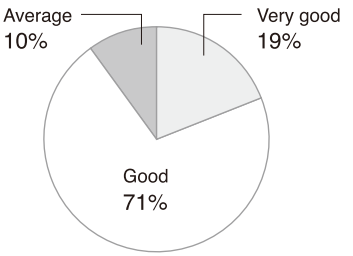
We thank all of the readers of the Yazaki Social & Environmental Report 2007 who responded to the survey.
The results of the survey are summarized as below.

Q1 What was your impression of the Yazaki Social & Environmental Report 2007?

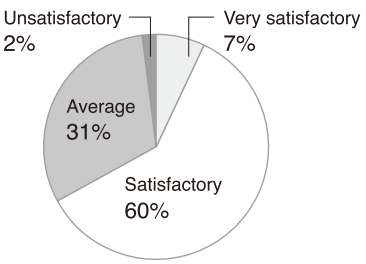
1) Yazaki's social contribution initiatives



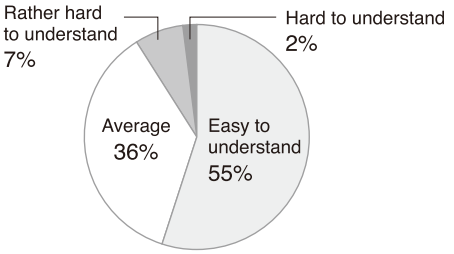
2) Yazaki's environmental initiatives



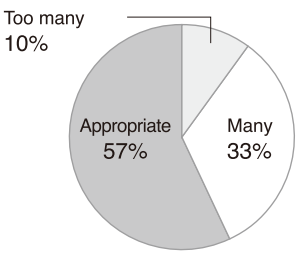
3) Content



4) Understandability



5) Number of pages



Q2 Was there any particular article in the report that grabbed your interests? (multiple answers OK)

Executive Message
- Easy to understand policies and thoughts of Chairman and President.
- Fully understandable for environmental aspects of the executives.

Business and Roles of Yazaki Group
- I realized Yazaki products are how developed, devoted and used for environment.

Responsibilities toward Local Communities
- I learned employees are conscious and have further, deeper appreciation for environment.

CO_2
- It is essential to set the goal to deduct then to report of the achievements.

Development
- I became to know newly environmental products developed.

Global
- I realized various operations and activities overseas.

Q3 If there were any points you think insufficient or require improvement, please inform us here.

- Printing is too small to read and the volume is too much and inappropriate. Hard to read web site as well.
- Remarks and nomenclator on regulations (as REACH Directive) are recommendable.
- More information regarding overseas activities should be stressed as Yazaki has so many sites as in 38 countries.
- Pictures and illustrations are more understandable for families and sites to which I would like to show.
- Daily activities of ordinary employees for environment should be introduced.

Q4 Please inform us of any activities that you think Yazaki should address in the future.

- More activities toward local communities should be explained into details.
- To introduce greener mountains and fields activities for insects and aquatic creatures.
- Promotion of development and use of home fuel-batteries and solar batteries.
- To appeal aggressive environmental activities related to Yazaki's wire harnesses.

The Yazaki Group Social & Environmental Report 2008 questionnaire on the reverse side

Yazaki Social & Environmental Report 2008 Questionnaire

Please send us your comments on the Social & Environmental Report 2008

FAX +81-55-965-3736

Environmental Affairs Div., Yazaki Corporation

Q1 What was your impression of the Yazaki Social & Environmental Report 2008?

1) Yazaki's social contribution initiatives

☐ Very good ☐ Good ☐ Average ☐ Rather poor ☐ Poor

Please provide specific reasons:

2) Yazaki's environmental initiatives

☐ Very good ☐ Good ☐ Average ☐ Rather poor ☐ Poor

Please provide specific reasons:

3) Understandability

☐ Very easy to understand ☐ Easy to understand ☐ Average ☐ Rather hard to understand ☐ Hard to understand

Please provide specific reasons:

4) Contents

☐ Very satisfactory ☐ Satisfactory ☐ Average ☐ Rather unsatisfactory ☐ Unsatisfactory

Please provide specific reasons:

5) Number of pages

☐ Too many ☐ Many ☐ Appropriate ☐ Few ☐ Too Few

Please provide specific reasons:

Q2 Was there any particular article in the report that stimulated your interests? Please provide any specific reasons you may have.

(multiple answers allowed)

General

- ☐ 1 Editorial Policy, Guide to the Report
- ☐ 2 Yazaki Group in a Nutshell
- ☐ 3 Executive interview

Features

- ☐ 4 Yazaki Group Businesses and Roles (Automotive Sector, Environmental Systems Sector, New Business Fields)
- ☐ 5 How to work at Yazaki

Social Aspects

- ☐ 6 Responsibilities toward Employees
- ☐ 7 Responsibilities toward Customers
- ☐ 8 Responsibilities toward Business Partners
- ☐ 9 Responsibilities toward Local Communities
- ☐ 10 Yazaki Stakeholder meeting 2008
- ☐ 11 Corporate Policy and Fundamental Management

Environmental Aspects

- ☐ 12 Environmental Management
- ☐ 13 Fight against Global warming
- ☐ 14 Effective use of Resources
- ☐ 15 Appropriate Management and reduction of chemical substances
- ☐ 16 Environmental Impact reduction of products
- ☐ 17 Report from the Frontlines 1: Tochigi Factory
- ☐ 18 Report from the Frontlines 2: Niimi Factory
- ☐ 19 Environmental Data for Production sites in Japan
- ☐ 20 Global Initiatives & Environmental Data

- ☐ 21 Opinions from Third Parties and responses to those opinions

Please provide specific reasons:

Q3 If there were any points you think insufficient or require improvement, please inform us here.

Q4 Please inform us of any activities that you think Yazaki should address in the future.

Q5 What is your position with respect to the workplace, community, etc.?

- ☐ Yazaki customer
- ☐ Yazaki business partner
- ☐ Person who lives near Yazaki business site
- ☐ Media related
- ☐ Engaged in government administration
- ☐ Member of environmental NPO/NGO
- ☐ Student
- ☐ Person in charge of environmental matters in a corporation
- ☐ Research, education related
- ☐ Other

Thank you for your cooperation. Your answers and opinions will be incorporated with the Social & Environmental Report 2009.