

# Social & Environmental Report 2009

## 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 suitable time at a competitive cost.

Yazaki also seeks to be a multicultural 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, therefore, is a shared principle that unites the Yazaki Group's global mission and 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 coexistence and co-prosperity.
- 5 Care for people by creating a corporate culture that prioritizes individuality and teamwork, while empowering people's dreams.

## Company Overview (As of June 20, 2009)

The Yazaki Group is comprised of 170 companies at 437 business sites in 39 countries including Japan and employs approximately 160,000 people. The organization of the Yazaki Group consists of Yazaki Corporation, four domestic group companies, 90 overseas group companies, 74 domestic affiliates and one specific public benefit corporation. Yazaki manufactures and sells automotive parts, electric wires, gas equipment and air-conditioning equipment in Japan, and manufactures wire harnesses (assembled electric wires for automobiles) and other automotive parts overseas.

**Company Name:** Yazaki Corporation

**Established:** October 8, 1941

**Representatives:** Yasuhiko Yazaki, Chairperson  
Shinji Yazaki, President

**Headquarters:** 17th Floor, Mita Kokusai Building  
4-28, Mita, 1-chome, Minato-ku,  
Tokyo, Japan 108-0073

**World Headquarters (Y-CITY):**

1500 Mishuku, Susono City,  
Shizuoka Prefecture, 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 170
Group Companies in Japan:	5
Overseas Group Companies:	90
Affiliates in Japan:	74
Specific Public Benefit Corporations:	1

Total Number of Employees: 157,100<sup>1</sup>

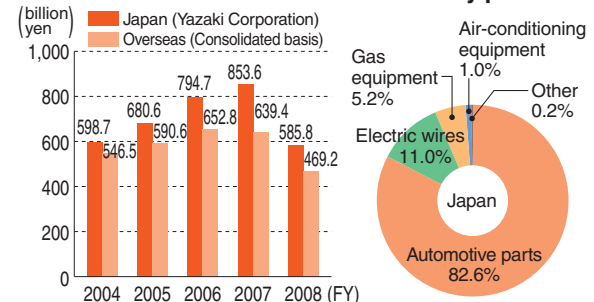
Employees in Japan: 22,000<sup>2</sup>

Overseas Employees: 135,100

<sup>1</sup> See "Breakdown of employees of the Yazaki Group by area" on page 33

<sup>2</sup> Including employees at affiliates

### • Net sales and breakdown of net sales by product



## Outline of Report

### Reporting period:

Fiscal year 2008 (June 21, 2008 to June 20, 2009)

### Organizations covered:

All five domestic Yazaki Group companies, overseas group companies and domestic affiliates.

### Editorial policy:

The Yazaki Group issued its first *Environmental Report* in fiscal 2002 for the purpose of disclosing information on corporate activities to its stakeholders and raising awareness of its social and environmental contribution activities among employees. In the following year, the report was renamed the *Social and Environmental Report*, and content relating to social contribution activities was enhanced.

Positioning our responsibilities to our stakeholders as its foundation, the *Social and Environmental Report 2009* was compiled with an emphasis on reporting efforts for social and environmental contribution as its main theme. We have also included a feature article introducing one of our environmental technologies developed and used in the manufacture of automotive parts, one of the key businesses of the Group.

### Guidelines consulted:

Environmental Reporting Guidelines 2007, issued by the Ministry of the Environment of Japan  
Sustainability Reporting Guidelines 2006, issued by the Global Reporting Initiative (GRI)

### How to read the report:

In this report, the phrase “fiscal year,” used in the text in reference to activities and in graphs to show year-by-year change, refers to the fiscal year uniquely adopted by the Yazaki Group and corresponds to the period defined above under “Reporting period.”

### Example: FY2008

2008						from June 21					
Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
2009						through June 20					
Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.

- “The Yazaki Group” refers to all Yazaki Group companies, including overseas group companies. Where “the Yazaki Group” is not specified, reference is made to the activities and performance of domestic group companies and affiliates.

- For more detailed data and activity reports, please refer to the following regularly updated website:  
<http://www.yazaki-group.com/ecology/>

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# The Yazaki Group's Business Segments

## We conduct business in a way that promotes safe and environmentally friendly living

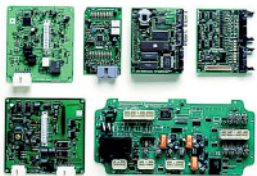
### ● Automotive Sector

#### Wire Harnesses

The streamlined, computerized "nervous system" of an automobile, consisting of tightly bundled information circuits.



Wire harnesses



Electronic parts

#### Meters

Efforts to improve readability and reduce cost and size have enabled us to produce devices to meet a variety of needs.



Meters

#### General Transportation Products

As a specialized manufacturer of automotive equipment that supports safe and eco-friendly driving, we are contributing to traffic accident prevention and environmental conservation.



Digital tachographs



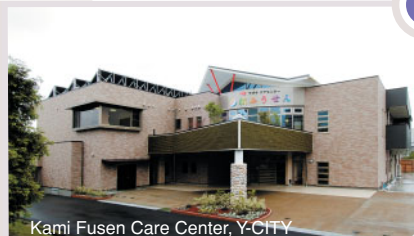
Taxi meters



### ● Other Business

#### Nursing Care

We operate community-based nursing homes at nine locations nationwide.



Kami Fusen Care Center, Y-CITY

The Yazaki Group supplies products and services related to equipment and devices used in everyday life, including automotive equipment such as wire harnesses, as well as electric wires, gas equipment and air-conditioning equipment, based on its Corporate Policy, "A Corporation in Step with the World" and "A Corporation Needed by Society." We will continue to pursue safety, better living and environmental conservation through the launch of new initiatives in the areas of nursing care and recycling, among others.



## Life Environmental Sector

### Environmental Systems and Housing Equipment

We conduct research into clean energy and develop environmentally friendly, energy-saving equipment and solar systems.

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Bio-Aroace, fueled by wooden pellets

7



Yuwaita, solar-powered water heating system

### Gas Equipment

We are focusing on developing sensor-fitted products that both ensure safety and facilitate meter reading and gas delivery.

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S-type security gas meter

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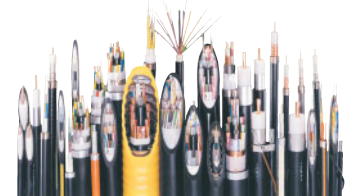


Arocco, a gas leak detector

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### Electric Wires

With more than half a century of experience in electric wire production, we have also made significant achievements in the development of environmentally friendly products.



### Environment, Recycling and Agriculture-Related Business

We are promoting various recycling initiatives, such as recycling glass to produce lightweight civil engineering materials. At the same time, we are working on improving efficiency in farming by developing seed drills and unique gel-coated seed technologies.

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## Fulfilling our responsibilities as a manufacturer, while responding flexibly to social change



*Shinji Yazaki*

Shinji Yazaki  
President, Yazaki Corporation

### Change is normal

Due to the global economic downturn in fiscal 2008\*, the Yazaki Group was forced to accept very disappointing financial results.

In response, the entire Yazaki Group is currently mobilizing all available resources in an effort to resolve existing problems. This means reviewing all corporate activities—in terms of personnel, resources and time involved—in light of the question, “Why are we conducting this activity and is it really needed right now?” in an attempt to comprehensively eliminate waste, inefficiency and excuses. At the same time, we are developing a framework that will allow us to respond quickly when the market makes its expected recovery.

The Yazaki Group has reaffirmed its determination to fulfill its responsibilities to customers and business partners all over the world and has adopted the view that “change is normal,” in acknowledgement of the constant change that characterizes the environment surrounding any company.

\* The accounting year of the domestic Yazaki Group, from June 21, 2008 to June 20, 2009 (see page 2)

### Responsibilities as a manufacturer

Since its foundation in 1941, the Yazaki Group has been conducting its business with the hope of contributing to society through manufacturing under its Corporate Policy, “A Corporation in Step with the World” and “A Corporation Needed by Society.” We believe that our customers and business partners continue to deal with us even during the current harsh business environment not only because of our performance but also because our philosophy and attitude are valued. As a responsible manufacturer, we will continue to make ongoing efforts to live up to the expectations of our stakeholders.

We believe the automobile will continue its role as one of the most convenient and important methods of transportation for people all over the world. Although many are delaying the purchase of a new vehicle at this time, we can still expect replacement-related demand for the many automobiles currently in use around the globe at some point in the future. We believe, therefore, the market will eventually recover. When it does, the demand for automobiles will be more diverse than ever, varying widely among regions depending on conditions and needs.

An example of this diversification is the development of hybrid cars and electric cars designed to meet various environmental conservation goals, including the reduction of carbon dioxide. A new era, in which we will be expected to come up with new types of automobiles, has already begun.

The Yazaki Group is determined to make further efforts to meet ever-evolving customer and market needs based on the following two perspectives.

The first is to optimize and further enhance the flexibility of our production system in order to provide customers with the best QCDE (quality, cost, delivery and environment). This will be achieved by optimizing the production system from a global perspective, including upgrading the system itself and selecting sites for facilities and manufacturing/engineering methods according to regional circumstances.

However, it will not be possible to accomplish any of this without the cooperation of various groups and people inside and outside the company. Fortunately, in our long history, we have built up relationships of trust with people in various regions and countries all over the world, sharing the good times and the bad. This trust is one of our most valuable—and certainly irreplaceable—assets.

The other way in which we will strive to meet the expectations of our customers is by further evolving and speeding up our technological development. We began this process in fiscal 2008, when we began to restructure our global technological development system. As the era of the electric car begins to take hold, we do not intend to confine our response to the production of internal parts for automobiles. Rather, we are directing our attention to the new kinds of infrastructure and services that will be required in this new age, including, for example, electric chargers that can be used to power up a vehicle while its owner is at the supermarket.

As well as automotive parts, the Yazaki Group is involved in the production of a variety of items closely connected with everyday life, including air-conditioning equipment, solar thermal conversion equipment, gas equipment, and household electric wiring units. A common feature of our products is their efficient use of limited global resources. At this period in time, when global awareness of the need for environmental conservation is stronger than ever, as a responsible manufacturer we are determined to make an even greater contribution by expanding business activities that do not impinge upon the global environment.

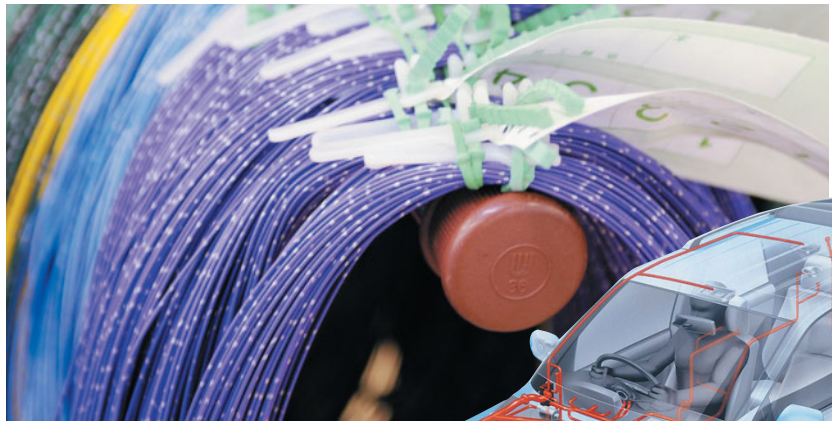
## Aiming to be a company that helps all employees make the most of their abilities and unique characteristics

The Yazaki Group's goals for the future, as outlined above, can only be realized by the efforts and actions of each and every one of our employees. As the leader of the Yazaki Group, part of my role is to share our corporate vision with all our employees, and then ensure they have the tools, resources and support they need to live up to their potential and make the most of their abilities and unique characteristics in achieving that vision. To this end, I believe fair evaluation of achievements for all employees is very important and that by fostering the kind of corporate culture which supports this, the Yazaki Group will be able to fulfill its responsibilities to society long into the future.

In summary, by placing our Corporate Policy at the foundation of our manufacturing activities and promoting meaningful dialogue with our stakeholders, we are determined to continue to conduct our business in a way that benefits all of society.

The *Social and Environmental Report 2009* was designed to facilitate communication with our stakeholders. We sincerely look forward to receiving your frank opinions and comments.



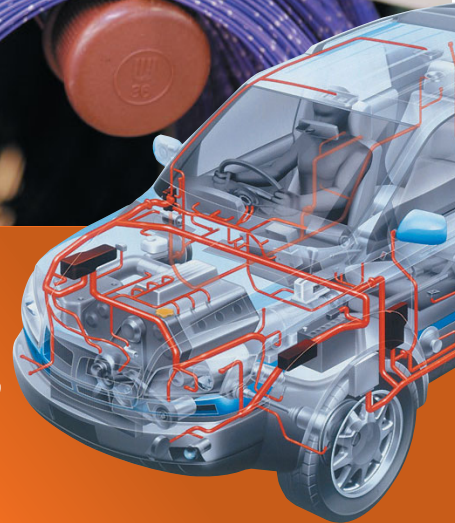


## Special Feature: Yazaki's Environmental Technology

# Responsibility to Supply Components that Support Car Electronics

The Yazaki Group supplies automakers around in the world with wire harnesses (wiring assemblies) and their connected components.

This feature report describes the changing functions of wire harnesses and the outlook for the future.



### P8 The story so far

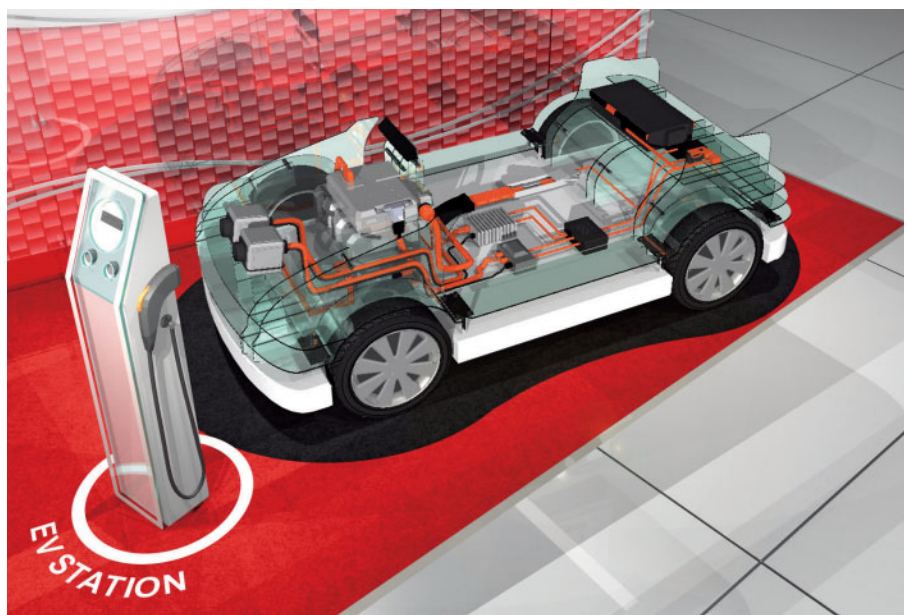
Wire Harnesses and In-Vehicle Network

### P9 Into the future

High-Voltage Power Distribution System

### P10 Interview with a director of technology development

“Technology Roadmap” Leading to the Future





## Wire Harnesses and In-Vehicle Network

### Connecting everything through wire harnesses

In addition to their basic functions, which can be summed up with the words “go, turn, and stop,” automobiles these days incorporate a range of functions to ensure safety, convenience, and amenity. These functions are supported by various on-board electronic devices, which operate using control signals, running on electrical power supplied from the battery. These electronic devices require a “wire harness” to transmit the electrical power and signals.

Similar in function to the nerves or blood in the body, the automotive wire harness is what links the on-board electronic devices to each other. A high-end vehicle with various features houses up to around 3,000 electronic circuits. Along with these circuits come a huge number of wires, which must be bundled together and arranged in such a way that they can fit the shape of the car and be accommodated without being visible.

With the recent advances in automotive electronics, more complex wire harnesses are required. In the past, wire harnesses mainly played the role of supplying electrical power from the battery to the various electrical devices. However, with the gradual advancements in car electronics, wire harnesses have been used to transmit not only electrical power, but also a large volume of audio and visual information as well as the electrical signals that control electronic devices. In line with this trend, wire harnesses have become larger and more complex, making design and production more difficult.

The transmission system of wire harnesses made by the Yazaki Group is arranged into the following four sections:

1. “Information system network” to which information devices are connected. This network deals with audio and visual data, including that related to navigation.
2. “Body system network” to which power windows and headlights are connected. This network is responsible for in-vehicle safety and comfort.
3. “Driving system network” to which the key components of the vehicle, such as the engine and the brakes, are connected.
4. “Power supply management system” which controls the electricity that powers the electronic devices.

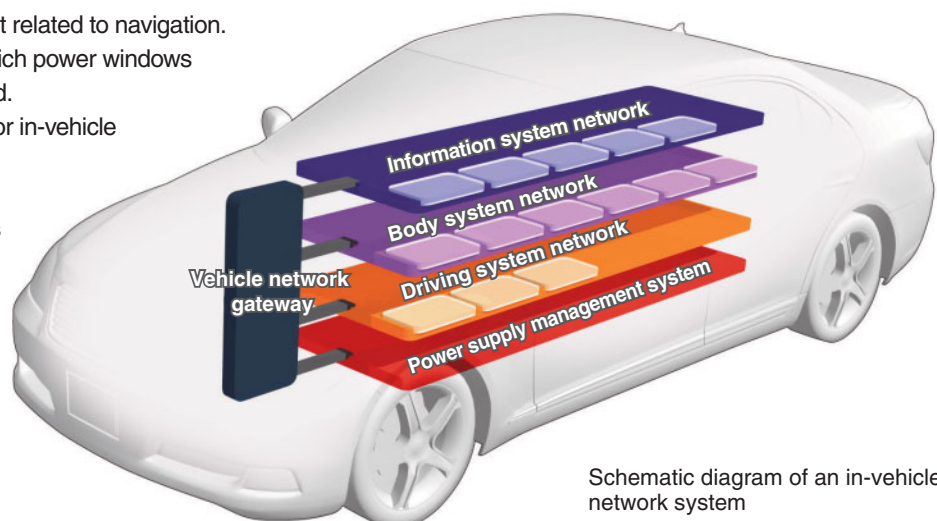
Thus, a highly scalable in-vehicle network system has been developed by connecting these four network systems to a device called the “vehicle network gateway,” which enables the networks to exchange information with each other.

This in-vehicle network system ensures safety and optimal functioning for any device connected to it. Furthermore, it optimizes power consumption and reduces the number (or weight) of wires which constitute the wire harness, thus making it easier to manage and contributing to the reduction of environmental impact.

The Yazaki Group has recently proposed the EEDDS\* concept, and is working on making it practical to use. The concept refers to a comprehensive network system consisting of the transmission networks described above and information output devices, or indicators.

Focusing on the wire harnesses, the Yazaki Group is determined to continue its efforts, aiming to be a total supplier of an extended range of products whose ultimate purpose is to make connections: from device to device, human to automobile, and automobile to society.

\* EEDDS: Electrical/Electronic Distribution & Display System



Schematic diagram of an in-vehicle network system

# High-Voltage Power Distribution System

## New technology contributing to the widespread use of hybrid and electric vehicles

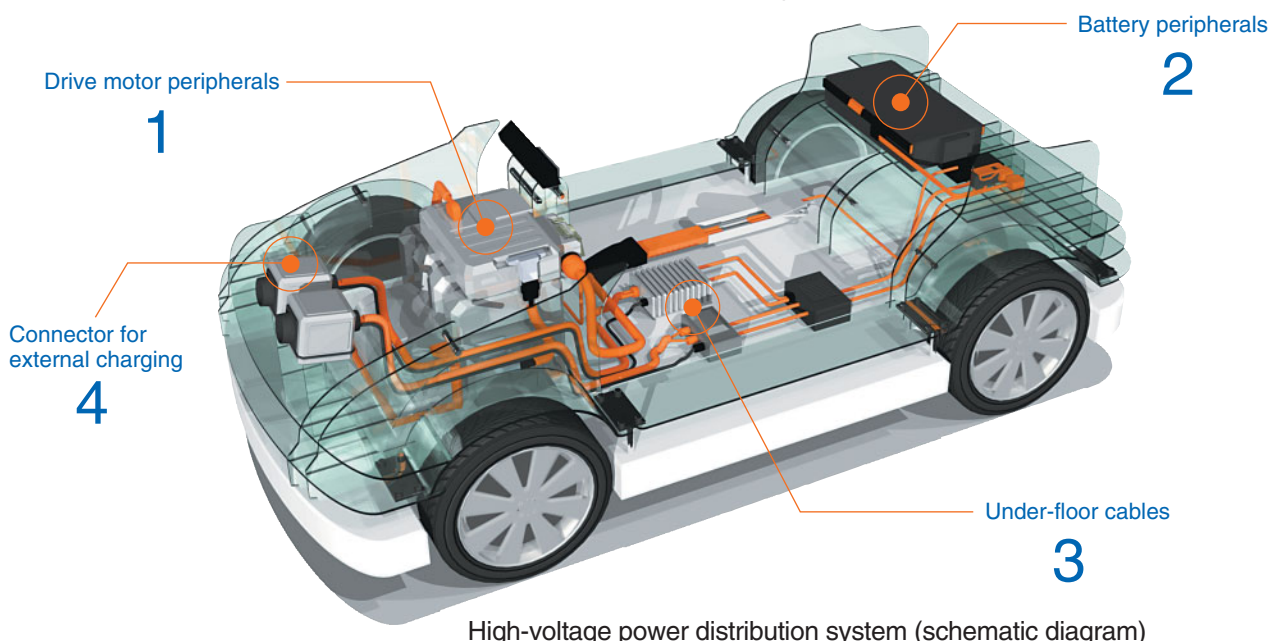
Against a backdrop of growing worldwide environmental concern and the latest spike in the price of crude oil, “eco-cars” have recently been attracting a great deal of attention. In particular, electric powered automobiles, including hybrid vehicles, are becoming more widespread.

In addition to the normal 12-volt battery (low-voltage system), an electric powered automobile is equipped with a high-voltage battery (high-voltage system, 200 V or higher), which drives its high output electric motor. Depending on the type of vehicle, this voltage is further boosted several times before being supplied to on-board devices.

The power distribution channels for the low-voltage and high-voltage systems are installed in the vehicle separately for safety and reliability purposes. To protect the driver and ensure safety during maintenance, the high-voltage power distribution system and its components in all vehicles, regardless of make or model, are required by the relevant international standardization organization to be a highly visible orange.

Furthermore, the safety and durability requirements for the high-voltage power distribution system are significantly greater than those for the conventional low-voltage power distribution system. This is because the high-voltage system operates in a much tougher environment, characterized by high temperature, electromagnetic noise, and vibrations, due to the large electrical current it handles.

The Yazaki Group has been producing these high-voltage power distribution systems continuously for over 10 years now. By drawing upon this valuable experience, we are determined to contribute to improvements in performance, reliability and convenience of hybrid and electric vehicles through the development of automotive components and systems that are incorporated into them, and the development of charging devices using external power sources.



**1. Drive motor peripherals**

Besides resistance to water, vibration, and heat, the cables for these components are designed to be particularly resistant to electromagnetic noise. This is because, compared with components in other locations, these components are usually exposed to harsh conditions during servicing.

**2. Battery peripherals**

These components monitor the battery and other battery-related components for stable connections, voltage drop, and electrical leak so that they can be safely disconnected in case of emergency.

**3. Under-floor cables**

Aluminum cables, which are lighter and more durable, are used in place of normal copper cables when weight reduction is required.

**4. Connector for external charging**

This fast charging connector is used to charge the vehicle from a household wall socket or a dedicated battery charger.

# “Technology Roadmap” Leading to the Future

## Integrating aspirations with wisdom to achieve goals

### From “linking” to “transmitting and managing”

Wire harnesses were once considered to be passive components, expected to do little more than play the role of an electrical link connecting a diverse range of automotive devices. Of course, achieving a stable connection in any use environment itself is never an easy task. Due to the drastic increase in the number of in-vehicle electronic devices and systems, wire harnesses these days play a more significant role than ever.

The role of the wire harness is to maximize the performance of any electronic device connected to it by transmitting and managing both electrical power and a variety of information such as signals in an optimal manner. In other words, the wire harness forms the “infrastructure” of the vehicle, similar to the operating system of a computer. The total fulfillment of this role is our future hope as a wire harness supplier, and what I, as a director of technology development, am striving for.

As you can imagine, this is a really tough and challenging assignment. To reach this difficult goal, we need to develop a wide range of comprehensive processes, such as those related to the basic configuration of wire harnesses and various elemental technologies, as well as those related to manufacturing technologies.

### Approaching the future with a technology roadmap

The development of those processes involves envisioning the overall goal and the course of action that would need to be taken. To this end, we have created a “technology roadmap” (also known as Technology & Products Roadmap, or TPR). This represents our medium- to long-term vision and goal on the basis of the future of society, technology, and automobiles and also visualizes the tasks and the time by which development must be completed. In



other words, the technology roadmap has clarified what Yazaki would need to do chronologically in the future.

In the process of creating the roadmap, the related sections all over the world took part in the discussions held to investigate and draw up the future of wire harnesses and their components, repeatedly formulating and verifying hypotheses countless times. Thanks to these discussions, by the time it came to creating the first version of the roadmap, it had already been shared globally and everyone was ready to work together toward a common goal.

We can say that the roadmap is a prediction that helps us visualize the technologies and processes we will need in the future and the timing at which they will be required. This enables us to be better prepared, including nurturing and developing the personnel we need to do the job and involving them effectively. The result of all of this is that we are able to offer our customers more and better solutions. The roadmap has already proven its worth: it was very useful for the development of the high-voltage power distribution system currently used in hybrid vehicles.

One thing to note here is that to keep the roadmap up-to-date with in-house and external environmental changes, ongoing surveys and considerations are required. To improve its accuracy, nothing is more useful than opinions from customers and stakeholders. With this in mind, we will pay careful attention to the opinions of various people both inside and outside the company and try to reflect these in the roadmap.

### Working with a vision and attitude of responsibility

Yazaki employees all bring their individual aspirations to the job. By working together and mixing in the wealth of wisdom and experience available, they create common goals that can be worked into shape. They give their roadmap full credit and are responsible for it because they created it. People achieve real growth through the process of understanding the meaning of their own work, and devoting themselves to it. This, I am convinced, is another important benefit of creating the roadmap.

We will continue our efforts with earnest and genuine determination, striving to make Yazaki the world’s No.1 supplier of vehicle infrastructure.

Yoshihiro Tsuji  
 General Manager  
 Automotive R&D Division  
 Executive Vice President, Yazaki Corporation

## Responsibilities toward Stakeholders

Placing its Corporate Policy—"A Corporation in Step with the World," and "A Corporation Needed by Society"—at the foundation of all its activities, the Yazaki Group has been striving to contribute to the development of a better society. We will continue to fulfill our corporate responsibilities, with a focus on further engagement in a dialogue with stakeholders.

### Responsibilities toward Employees

We will create a culture in which the individuality of each person is respected and all employees are provided with a safe environment in which to engage in satisfying work.

### Responsibilities toward Customers

We will put our customers first, providing them with a stable supply of high-quality products that consistently meet safety standards.

### The Yazaki Group

### Responsibilities toward Local Communities

We will consider how best to collaborate with local governments and residents and implement activities accordingly.

### Responsibilities toward Business Partners

We will conduct fair and open transactions with our business partners, sharing our policies and goals with them.



➤ In the recruitment and promotion of personnel, we implement policies designed to promote diversity

### Fiscal 2008 Initiatives

- Reinforcement of the support system for employees with disabilities: the number of job coaches was increased to two and work-life consultants to three
- Reemployment of senior workers: 331 workers were reemployed under the “Anchor-person System” and 108 were reemployed under the “Elderly-person System”

### Basic personnel policies

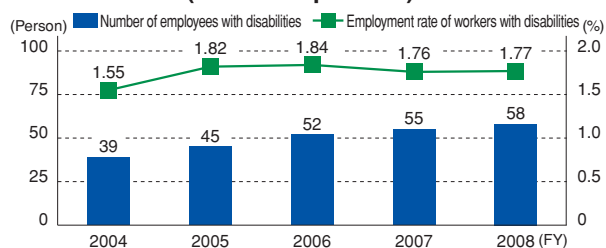
In the recruitment and promotion of its workforce, the Yazaki Group promotes respect for the human rights and dignity of each individual and the fair and impartial treatment of all, regardless of nationality, sex or academic background. At the same time it makes all reasonable efforts to provide its employees with job security.

### Employment of workers with disabilities and expanding the scope of positions offered

We are making efforts to boost employment opportunities for all by promoting the development of a workplace environment that allows each person, regardless of ability, to live up to their potential. As part of these efforts, we are improving our facilities to make them more accommodating to people with disabilities as well as integrating tasks and restructuring job contents.

Yazaki Business Support Co., Ltd. was authorized as a special-purpose subsidiary company in April 2005. In fiscal 2008, it increased the number of in-house job coaches<sup>1</sup> to two and work-life consultants for employees with disabilities<sup>2</sup> to three, to improve the support structure for disabled workers. Furthermore, the company appointed additional consultants to provide job, lifestyle and psychological support for employees with disabilities. The company also makes an effort to expand the scope of jobs available to people with disabilities, for example, adding cleaning positions at the nursing care facility, Kamifusen.

### Change in number and employment rate of employees with disabilities (Yazaki Corporation)



In addition to the support within the special-purpose subsidiary company, the Yazaki Group will provide groupwide support to promote the ongoing employment of workers with disabilities, as well as creating a workplace environment that supports the management of their physical and mental health, and working to improve the motivation and skills of these workers.

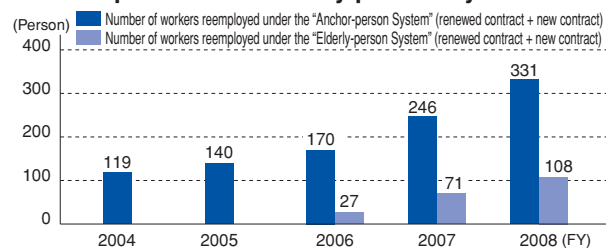
- 1 In-house job coach: a Type 2 job adaptation supporter who provides assistance to employees with disabilities to help them continue working over the long term, working alongside them at the same workplace to improve both the internal and external environment, and providing job-related guidance and consultation
- 2 Work-life consultant for employees with disabilities: a consultant who provides general guidance and advice on work and personal issues. All offices with five or more employees with disabilities are required to appoint a work-life consultant.

### Supporting senior, experienced workers

Upon reaching the mandatory retirement age of 60, many people find they are still in good health and highly motivated to work. At the same time, many workplaces need the extensive experience and strong skills these workers possess.

The Yazaki Group has introduced the “Anchor-person System” for full-time employees and “Elderly-person System” for non-regular employees to provide opportunities for reemployment for workers who have reached the retirement age of 60. We abolished the step-down program for employees aged 58 in December 2007 in order to promote continued employment focused on individual abilities and job aptitude. This enabled employees to continue working in the same position until the age of 60.

### Change in number of workers reemployed under the “Anchor-person” and “Elderly-person” systems



Note: The “Elderly-person System” was introduced in fiscal 2006.



### > Expanding our training and evaluation systems to develop a world-class workforce

#### Fiscal 2008 Initiatives

- Providing opportunities for direct dialogue between top management and employees: 82 participated in the nine dialogue sessions
- Developing a world-class workforce: 47 participated in Adventure School; two dispatched under the Overseas Trainee Program

#### A transparent, easily understood employee evaluation system

With the aim of boosting the motivation and job satisfaction of our employees, Yazaki employs an open and transparent evaluation system that is without unnecessary complication and provides employees with a clear picture of their performance. Under the system, all employees manage their own roles, goals and activities throughout the year, meeting with their supervisors to evaluate their own performance semi-annually. The system helps employees to identify both their strengths and weaknesses and to clarify, in conjunction with their supervisors, the action needed to build upon their strong points and rectify failings. By repeating this process as an ongoing cycle, we manage the steady development of a skilled and highly motivated workforce.

In the fiscal 2008 management training program, the evaluation training component for newly appointed managers was expanded. This component helps managers understand the purpose and concept of the evaluation system and teaches them, among other things, how to communicate during interviews with subordinates in order to improve their evaluation skills.

#### Promoting communication between employees and the President and Chairperson

Yazaki provides opportunities to promote mutual understanding between employees and the President and Chairperson. There are two main opportunities: “management dialogue” and “employee dialogue.” During the “management dialogue” sessions, department managers meet with the President to discuss their ideas about the management of their teams and workplaces. At the “employee dialogue” sessions, all employees in their fifth year at the company discuss the Group’s principles and goals with the Chairperson.

In fiscal 2008, four “management dialogue” sessions were held with a total of 20 participants and five “employee dialogue” sessions were held in which 62 employees participated.

#### Adventure School—an overseas program to develop self-reliance

Yazaki has been running the Adventure School program, an annual voluntary overseas training program for new and prospective employees, every year since fiscal 1996. In fiscal 2008, 47 employees took part. Under the program, participants, who travel to different regions all over the world, take on various challenges based on a plan they have drawn up for themselves with the assistance of local coordinators. The program is designed to develop self-reliance and initiative and facilitate personal development by encouraging participants to accomplish their goals through communication with local people, despite the difficulties presented by a foreign language, culture and environment.

Sixty-two employees participated in the program in fiscal 2009. Yazaki intends to expand the program in line with the shifting demands of a rapidly changing world.



Ghana, in fiscal 2007

#### Overseas Trainee Program

Yazaki has operated its Overseas Trainee Program since 2003, with the aim of providing personnel with practical skills and a global outlook, thereby developing them for positions where they will be dealing with overseas partners. Under this program, selected young employees are sent to overseas affiliates to acquire foreign language skills and learn about different business cultures and customs. In fiscal 2008, two employees went to Germany under this system.



## ➤ Developing systems to improve work-life balance

### Fiscal 2008 Initiatives

- Briefing sessions on the maternity and childcare leave systems: 14 sessions for 2,260 employees
- Promotion of work-life balance: Employee Childcare Support Website launched

### Enhancing trust between workers and management

In line with the principles of open dialogue and autonomy based on mutual trust between workers and management, the Yazaki Employee Labor Union works on improving the workplace for its members, focusing on the three pillars of enhancing working conditions, providing more benefits and reinforcing its own organization.

In fiscal 2008, the Union held 14 briefing sessions on Yazaki's maternity and childcare leave systems\*—each at a different location—to enhance employees' understanding of the system. Open to all union members, the briefing sessions attracted a total of 2,260 attendees. The Union also successfully negotiated an improvement in the nursing care leave benefit, taking it from five days of unpaid leave per year to five days of paid leave per year (with no lump sum payment).



Briefing session at Tenryu Factory on October 9

\* See "Maternity and childcare leave system" on page 33.

### Promotion of work-life balance

The recent gains made by professional women have prompted many companies to develop a workplace environment that makes it easier for employees to maintain a healthy balance between work responsibilities and family obligations.

This year Yazaki launched an Employee Childcare Support Website on its intranet (see *topics*

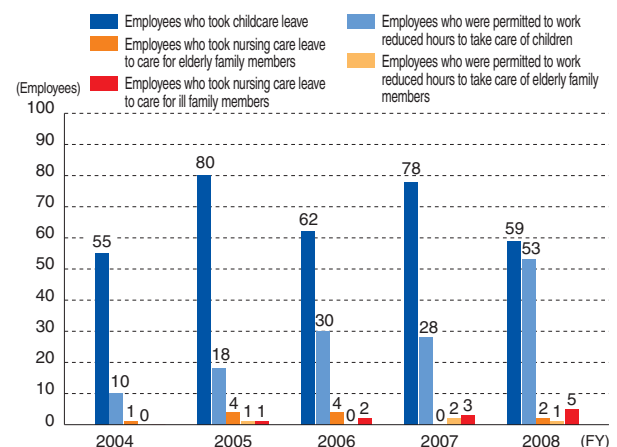


Spring edition of the Yazaki News, Yazaki's in-house journal

on this page) and included a special article on the topic of work-life balance\* in its in-house journal to raise employee awareness of the issue.

\* Work-life balance: a harmonious and sustainable arrangement that allows the individual to both fulfill his or her job responsibilities while enjoying a fulfilling family and community life.

### Number of employees who took childcare leave or nursing care leave



Note: Nursing care leave to care for ill family members has been made available to employees since fiscal 2005.

## topics

### Employee Childcare Support Website

A childcare support website was launched on the Yazaki intranet to address concerns many parents experience about pregnancy and childcare, with information presented in an easy-to-understand manner.



Childcare Support Website



➤ We promote safety and health activities with the slogan: “A Culture of Safety —working together to maintain safety and health under management-led initiatives”

### Fiscal 2008 Initiatives

- All 13 production sites in Japan:
  - Conducted risk assessments and workplace safety and health diagnosis audits
  - Launched full-scale “SC Circle” safety and health activities based on small-group work
  - Conducted the Simple Occupational Stress Test for mental health

### Yazaki Group’s safety and health activities

Safety and health management is one of the fundamental pillars upon which a corporation rests. Simply complying with government regulations, while of course important, is not sufficient. The ability to ensure safety and health also requires a clear declaration of intention by the top management and ongoing actions by all employees.

To this end, Yazaki is introducing occupational safety and health management systems at each workplace and aims to instill a safety-conscious mindset in all its employees, non-regular workers included, while at the same time creating a system that facilitates the spread of safety activities.

Yazaki ensures that it maintains its regulatory compliance by routinely identifying and reviewing the relevant laws and regulations concerning industrial safety and health with respect to each of its workplaces.

### Safety and health activities and the SC Circle\* at production sites

The Factory Safety and Health Committee, made up of representatives of all 13 production sites in Japan, is the main body responsible for systematically improving workplace safety by conducting risk assessments aimed at preventing workplace accidents. These and other safety and health activities are then assessed under Yazaki’s workplace safety and health diagnosis audits, and the results of these workplace self-evaluations are fed back to each site to enable them to improve conditions, with the ultimate aim of “spiraling up” the PDCA cycle in relation to safety and health activities.

Yazaki also conducts “SC Circle” activities, safety and health initiatives conducted by small groups. The SC Circle aims to raise the safety consciousness and morale of workers as well as to improve the competencies at each workplace by promoting communication.

These activities are expected to create an atmosphere which encourages staff to share discoveries and concerns regarding workplace safety.

\* SC Circle: abbreviation for Safety Communication Circle

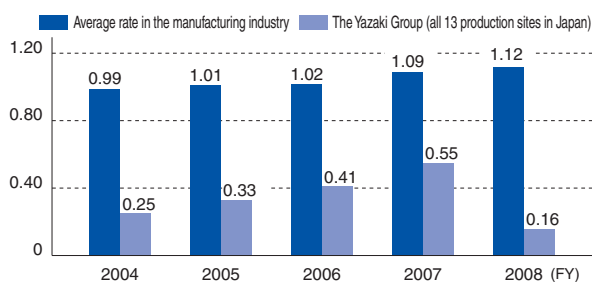
### Safety and health activity goals

Category	Item	Content	Division	
Establishment of management system	Establishment of a practical system	Workplace safety and health diagnosis audits: achieve the standard for three or more points for all items	Production Division	
	Compliance with laws and regulations	Review of all relevant laws and regulations: more than once per year	All divisions	
	Promotion of related activities	Introduction of the SC Circle		Production Division
		Activities by the SC Circle Promotion Committee		Large-scale workplaces
Prevention of workplace accidents	Implementation of risk management	Reduction of near-miss accidents by 50% year-on-year	Production Division	
		Intrinsically safe P/J activities	Production/Technical Division	
Reinforcement of safety and health management	Reinforcement of mental health management	Promotion of mental health care	All divisions	
	Development of comfortable workplace environment	Inspection and improvement of workplace environment	All divisions	
Elimination of traffic accidents	Promotion of Road Safety Week events	Traffic safety campaign	All divisions	
	Maintenance of company vehicles	Legal and voluntary inspections	All divisions	

Note: Items related to workplace activities in the above table are reflected in the workplace activity plan and implemented.

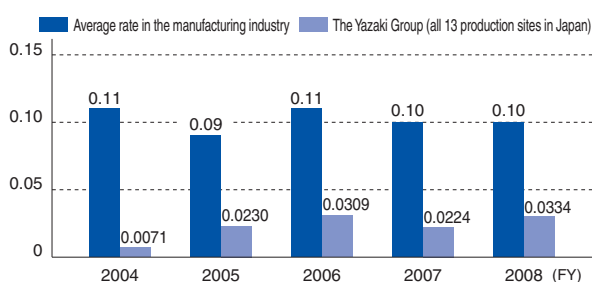


## Industrial accident rate



Note: Industrial accident rate: the frequency rate indicating the number of injuries per one million working hours, which is calculated using the following formula:  
 $\text{frequency rate} = \text{injuries} / \text{total working hours} \times 1,000,000$  hours.

## Accident severity rate



Note: Accident severity rate: the severity rate indicating the number of work days lost due to accidents per 1,000 working hours, which is calculated using the following formula:  
 $\text{severity rate} = \text{work days lost} / \text{total working hours} \times 1,000$  hours.

## Reinforcement of mental health care

Yazaki's mental health care initiative is based on four types of care: self-care, care provided by managers, care provided by company medical staff and care provided by external specialist institutions. The Yazaki Group is working on establishing the four-care system in such a way as to equip each office with the resources needed to assist employees suffering mental health problems.

Everyone is equally vulnerable to mental illness. Based on this recognition and in an effort to eliminate prejudice against those who may be afflicted, the Group has provided managers with basic training on what mental illness is and how to communicate with employees suffering from a mental illness. We also work on raising employee awareness through in-house training sessions and on other occasions using our Employee Guide to Mental Health.

In addition, Yazaki has recently introduced its own unique tool for measuring stress called the Simple Occupational Stress Test\*. The test, which has already been conducted at some sites, helps to identify existing stresses that individuals may not even be consciously aware of. Employees who are found to be suffering from stress are provided with counseling.

\* Simple Occupational Stress Test: a tool to measure the degree of work-related stress experienced by an individual

## Promoting employee health care

As part of its efforts to improve employee health, Yazaki ran a Lifestyle-related Disease Treatment Program\* for employees suffering from mild hypertension. Participants began by undergoing cardiopulmonary exercise testing to identify their current condition, the results of which were used to develop an appropriate exercise program. The majority of those who took part found their blood pressure decreased after following the program three times a week for three months.

\* Lifestyle-related Disease Treatment Program: encourages employees to take up a regular exercise program using company facilities to prevent the onset of lifestyle-related diseases like diabetes and hypertension



Exercising under the instruction of trainers

## Providing crisis response support for employees assigned overseas

With 90 group companies in 38 countries, the Yazaki Group sends approximately 180 people—including both employees and their family members—overseas every year. In order to ensure as smooth a transition as possible and minimize the increasing number of risks related to terrorism, disaster, accident, illness, epidemic and other emergencies in the various countries and regions, Yazaki conducts the following activities:

1. Safety Seminars are held for employees and their families to be posted abroad for the first time prior to their departure to improve their understanding of local conditions in their destination country;
2. Safety inspections are conducted at overseas offices and residential sites;
3. Up-to-date public security and medical care information for various countries and regions is provided on the intranet, and a crisis response manual and emergency contact list is prepared for each overseas base; and
4. Employees posted overseas and their family members are provided with a package of services to assist them in maintaining both their physical and mental health, including access to health information and advice, a complete physical health check once a year, consultations with company physicians as needed, and a mental health check twice a year.



**> We will put our customers first, providing them with a stable supply of high-quality products that consistently meet safety standards**

### Fiscal 2008 Initiatives

- Conducted investigations on substances contained in our products in compliance with environmental laws, including those of the European Union
- Shared product safety awareness with business partners and offered safety inspection services to customers
- The Electric Wire Division conducted seminars for approximately 100 employees from our partnering distributors

### Developing a system that meets the needs of customers and society

As a total production supplier, the Yazaki Group links the world, contributing to the comfort and safety of automobiles and residential housing.

Our aim is to become our customers' best supplier. We intend to achieve this goal by developing a system that enables us to provide our customers with products "when needed to anywhere in the world in the suitable time at a competitive cost." Positioning Yazaki Corporation as a kind of central control tower, the entire Group is working together to provide our customers with helpful solutions individually tailored to meet their specific needs.

### Automotive sector

The Yazaki Group has organized specialized business units matched to each automaker to enable us to maintain a stable supply of products.

Automotive parts, such as wire harnesses, link directly to the basic performance and safety of automobiles. Therefore, each automaker applies its own strict quality standards to the parts it uses. To ensure we meet these standards and consistently provide our customers with high-quality products, each of Yazaki's business units establishes its own voluntary standards, which exceed even those of our customers. The entire Yazaki Group is making efforts to achieve 100% compliance with the ELV Directive<sup>1</sup>, which limits uses of chemical substances in automotive parts and products. The Group will continue to support environmentally friendly vehicle manufacturing in the future, including by maintaining compliance with the REACH Regulation<sup>2</sup>.

1 ELV Directive: see page 32  
2 REACH Regulation: see page 32

### Life environmental sector

The Environment and Energy Equipment Division, which produces gas and air-conditioning equipment, works on promoting product safety from the viewpoint of protecting consumers in line with the Product Accident Information Report and Disclosure System—newly established following the amendment of the Consumer Product Safety Act, one of Japan's four product safety laws<sup>3</sup>—and Safety Inspection and Display System for Long-life Products.

Positioning product accident reports and recalls as part of our crisis management, Yazaki has reviewed manuals and reinforced explanations to LP gas distributors as well as sharing product safety awareness with them. As part of our safety inspections for long-life products, Yazaki offers maintenance contracts that include periodic inspection of our LP gas vaporizer, Arorizer, and conducts ongoing safety inspections to maintain the physical stability of aged products, for example, performing on-site inspections of our Yuwaita solar-powered water heating systems to ensure there is no danger of toppling.

The Electric Wire Division conducts biannual seminars for our partnering distributors<sup>4</sup>, companies with which Yazaki conducts direct business. At these seminars, we provide basic information on electric wires and cables and review industrial trends to give attendees a better general understanding, as well as taking requests and engaging in discussions.

The seminars play another important role by providing an opportunity for partnering distributors from different regions to deepen communication among themselves.

Approximately 100 people participated in the seminars in fiscal 2008.

3 Four product safety laws: the Consumer Product Safety Act, Electrical Appliance and Material Safety Law, Act on the Securing of Safety and the Optimization of Transaction of Liquefied Petroleum Gas, and Gas Business Act

4 Partnering distributor: a general term applied to agencies with strong business ties to the Yazaki Group



**> We will conduct fair and open transactions with our business partners, sharing our policies and goals with them**

### Fiscal 2008 Initiatives

- Launched the Yazaki Supplier General Meeting
- Briefing session held for 130 suppliers on investigations into chemical substances contained in products
- Supported the efforts of suppliers to establish industrial waste management systems by conducting a briefing session for 70 major suppliers

### Launching the Yazaki Supplier General Meeting

In fiscal 2008, Yazaki launched an event for suppliers to its divisions dealing with materials, electronics/meters and components. The Yazaki Supplier General Meeting, at which Yazaki requests cooperation in formulating and achieving common mid- and long-term goals and encourages the two-way sharing of challenges and accomplishments, is intended to promote relationship-building and the development of mutually profitable partnerships.

At the General Meeting held in July 2008, which was attended by the President of Yazaki Corporation and representatives of 123 companies, procurement policies were explained and achievement awards were presented.

Yazaki will continue to work with its suppliers to expand business, adapt to changing conditions, and achieve common goals, positioning the Supplier General Meeting as an important means of facilitating these activities.



Yazaki Supplier General Meeting

### Investigation into chemical substances contained in products

The Yazaki Group conducts investigations into chemical substances contained in products to ensure they meet the requirements of our customers, such as automakers, and comply with the REACH Regulation<sup>1</sup> enacted in June 2007.

Following our July 2008 briefing session on investigations into chemical substances such as SVHC<sup>2</sup> for our 130 suppliers, we conducted follow-up investigations into chemical substances nominated by customers and specific SVHC-containing products.

In collaboration with its suppliers, Yazaki will continue to conduct prompt investigations into SVHC and other substances subject to authorization<sup>3</sup> as they are added.

1 REACH Regulation: see page 32  
 2 SVHC: see page 32  
 3 Substances subject to authorization: see page 32

### Supporting suppliers in the establishment of industrial waste management systems

The Japanese waste disposal law<sup>4</sup> obliges both the companies that dispose of waste and those that generate it to take responsibility for adequate waste management. In line with this, the Yazaki Group requires its suppliers to develop and reinforce their own waste management systems so that they may fulfill their responsibilities as generators of waste.

As part of its implementation of this policy, Yazaki held a briefing session on the outsourcing of industrial waste disposal for its 70 major suppliers in February 2009. The guest presenter, a professional in the industrial waste disposal field, gave an overview of the issues involved in waste disposal in which he stressed the need for disposal site inspections and offered guidelines for selecting a waste disposal contractor. Following the main presentation, the speaker conducted a short test to reinforce understanding.

In addition to the above, Yazaki confirms that its suppliers are taking appropriate action, such as performing on-site checks, submitting reports related to industrial waste manifests<sup>5</sup>, and other action items as required by law.

4 Japanese waste disposal law: the Waste Management and Public Cleansing Law  
 5 Industrial waste manifest: a document issued by a waste-generating company at the time of outsourcing industrial waste disposal. The manifest includes details about the types and volume of industrial waste involved and the name of the transport company.



A guest speaker was invited to present information at the briefing session

### Roles of government and corporations in creating a sustainable community

**Time and date:** 10 am to 5 pm, Friday, March 6, 2009    **Venue:** Y-TOWN Gotemba (Gotemba City, Shizuoka Prefecture)

**Program:** (1) General briefing on Y-TOWN Gotemba  
(2) Report from the Six Company Committee  
(3) Exchange of views on how to achieve a sustainable society (Susono City)

The Yazaki Group has been hosting its annual Stakeholder Meeting since fiscal 2004 as a forum for the expression of a wide range of ideas and opinions from a number of people both inside and outside the company. For its fifth Stakeholder Meeting, Yazaki invited representatives from neighboring corporations and the local government to join in a discussion held at Y-TOWN Gotemba, one of Yazaki's facilities for employees. At the meeting, participants exchanged views on the theme of the "Roles of government and corporations in creating a sustainable community," in an effort to share points of view and to learn from each other.

#### Participant stakeholders

- Personnel in charge of general affairs and environmental issues from the Six Company Liaison Committee\* based in Susono City  
Kanto Auto Works, Ltd.  
Fuji-Susono Research Park, Canon Inc.  
Higashifuji Technical Center, Toyota Motor Corporation  
Fuji Plant, Mitsubishi Aluminum Co., Ltd.  
Fuji Susono Plant, Yakult Honsya Co., Ltd.  
(In the order of the Japanese syllabary)
- Shunji Ohashi, Mayor of Susono City, and the Head of Environmental Affairs for the city

#### Facilitator

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

#### Representatives of the Yazaki Group

- Yasuhiko Yazaki, Chairman, Yazaki Corporation
- Personnel in charge of general affairs, human resources and environmental affairs

\* Six Company Liaison Committee: a general affairs liaison committee representing six companies, including Yazaki Corporation, that operate in Susono City, commonly known as the Six Company Committee.

#### Overview of Y-TOWN Gotemba

To get things started, we gave a brief overview of Y-TOWN Gotemba, the venue at which this year's Stakeholder Meeting was held.

Y-TOWN Gotemba was built in 2007 on the site of the previous Gotemba Factory, formerly one of the Yazaki Group's major wire harness production sites, as an employee facility comprised of company housing, dormitories and other amenities. The complex represents Yazaki's efforts to construct a new type of town that both exists in harmony with its natural surroundings and provides its residents and surrounding local communities with a nurturing environment that encourages exchange and communication.

Attendees at the Stakeholder Meeting heard about how and why Yazaki decided to construct the facility as well as its underlying concept. In conjunction with these explanations, we conducted a facility tour and related activities.

#### Introduction of environmental activities implemented by the six companies

Following this, representatives of the six companies each presented a report on the environmental activities they are conducting on a daily basis.

These six companies have all cultivated a high degree of environmental awareness and make committed efforts to link their business activities with their environmental initiatives in an effective manner. The audience members were visibly impressed by the presentations, which were delivered in such a way as to give a clear picture of what each company was undertaking.

Yazaki is not alone in experiencing few chances to hear firsthand reports of how other corporations are tackling these issues, even when the other corporations operate in close physical proximity. This was therefore a very meaningful opportunity for everyone concerned, giving us the chance to exchange views on common tasks—namely, environmental activities—conducted from a similar perspective.





## The importance of forming public-private partnerships

In the discussion that took place during the second half of the Meeting, participants exchanged views on the theme of the “Roles of government and corporations in creating a sustainable community,” framing their comments to apply specifically to Shizuoka Prefecture’s Susono City, which serves as the home base for each of the companies represented on the Six Company Committee. Local government officials, including the Mayor of Susono City, also participated in the conversation.

Presided over by Professor Chikami, the discussion proved to be quite an intense affair. The participants were in unanimous agreement at one point when one of them offered the opinion that one of the major roles of a corporation was to educate its employees in a way that would motivate them to contribute to their communities as individuals, and to develop an environment that would facilitate their doing so.

Other topics of discussion included the possibilities for sharing the technologies, information and other resources possessed by each company for the benefit of the whole community, with a number of specific ideas being put forward. One participant proposed a project to raise awareness about the importance of sorting waste and sharing the required expertise throughout the whole community. Another suggestion called for a jointly operated bus service that would help alleviate traffic congestion during peak times and could be made available to local people as a community bus service during hours when it would not be needed by company employees.

While one company working alone would have difficulty implementing these kinds of proposals, Yazaki hopes that by collaborating with other companies and the local government, many of these ideas can be transformed into concrete results, with this Meeting as the springboard for future activities.

We are very grateful to all the participants who made time in their busy schedules to attend the Stakeholder Meeting 2009.

### Point of view of the local government Mayor Shunji Ohashi, Susono City

Susono City is currently promoting urban development with a particular focus on becoming a “healthy city.” In addition, with forests forming 70% of the area within our city limits, we are determined to preserve our natural heritage and pass on to our children a bright future in which their dreams and hopes will grow. To this end, the City has drawn up an environmental conservation plan, the Susono City Community Energy-Saving Vision. Achieving the goals specified in this plan will require the cooperation of residents, the government and the private sector alike. This Meeting and the companies that have participated have provided me with quite a few thought provoking ideas on how business activities can be shaped to concurrently serve environmental aims. I hope this is just the beginning of an ongoing discussion in which many more ideas will be generated around the concept of “coexisting with companies.”



## Responding to the proposals made at the Stakeholder Meeting 2008

Here we would like to give our responses to some of the proposals made at last year’s Stakeholder Meeting, held at the Hamamatsu Factory.

### Proposal 1 “Make the workplace more comfortable for women”

“We would like to see the company redress the gender imbalance by making the workplace environment more welcoming for female employees.”

**The Hamamatsu Factory launched an initiative called the “Making the Workplace more Women-friendly Project.”**

A meeting was organized by the General Affairs and Personnel Division to discuss the topic. The only male employees who attended the meeting were the factory manager and the administrative manager, which left the floor free for the female employees in attendance to offer their frank opinions in a relaxed atmosphere.



### Proposal 2 “Provide more opportunities to understand the workings of other departments”

“We would like to forge horizontal ties with other divisions and departments by deepening our understanding of their activities.”

**The Hamamatsu Factory issued a Factory Manager Report.**

In an internal document entitled “Factory Manager Report,” the factory manager personally reported on the current status and activities of the entire Yazaki Group, including the Hamamatsu Factory, for the benefit of its employees, who are also important stakeholders. This is expected to promote a better understanding of the activities of other divisions within the Group, as well inspire pride in working for Yazaki.



## Collaborating with people to conduct business in a way that improves the prosperity of society as a whole



A handwritten signature in black ink, appearing to read 'Yasuhiko Yazaki'.

Yasuhiko Yazaki  
Chairperson, Yazaki Corporation

### Fulfilling the goals of our Corporate Policy in the 21st century

Feeling the impact of the worldwide economic downturn, the Yazaki Group was forced to accept deteriorated performance in fiscal 2008. We are currently making every effort to get back on track as soon as possible.

At the same time, I am taking the opportunity presented by these difficult times to reexamine the fundamental question of what a company ought to be.

Here, I would like to share my ideas, from a broad perspective, of how the Yazaki Group should go about fulfilling the goals of its Corporate Policy—"A Corporation in Step with the World" and "A Corporation Needed by Society"—in the 21st century.

### Playing a meaningful role as a manufacturing company

The Yazaki Group has been manufacturing goods since its foundation. Our business is broadly divided into two segments: automotive equipment and environmental systems equipment (see "The Yazaki Group's Business Segments" on page 3). In the automotive equipment segment, we have helped make driving safer and more comfortable and contributed to reducing environmental impacts by manufacturing wire harnesses and a range of other automotive equipment. Due to its labor-intensive nature, the production of our wire harnesses has also generated large numbers of jobs all over the world. In the environmental systems equipment segment, we offer a wide variety of products designed to improve and develop infrastructure in local communities and create the ideal mix of energy use.

Currently, more than 80% of sales at the Yazaki Group come from our automotive equipment segment. Of course it goes without saying that the aim of business is to pursue profits. I believe, however, that both our automotive equipment and environmental systems equipment segments equally and meaningfully contribute to the fulfillment of another aim: to supply useful products "needed by society."

## Seeking out new business —nursing care, recycling, agriculture

The Yazaki Group has recently started working on a broad range of new business initiatives in the areas of nursing care, recycling, and agriculture. What all of these initiatives have in common is that they represent an attempt to address some of the urgent social issues that Japan is currently facing: the growing demand for nursing care in an aging society, the imperative to make more effective use of resources through recycling, and the need to revitalize the country's weakened agricultural industry.

Although these projects are still small in size and results compared with our two traditional business segments, I am very sure that our stakeholders will understand these projects as falling into the category of business “needed by society.”

The kinds of social issues we're talking about, however, are too large to be solved by one company working alone. Therefore we are and will continue to carry out our projects in collaboration with local community groups and government bodies. Although we may occasionally experience some differences of opinion—the interests of a corporate enterprise, a local community and local authorities rarely coincide exactly—we do all share the same aspiration to create a better society for all. By keeping this common goal firmly in sight, I believe that we can achieve the kind of cooperation that will help us solve issues within the larger framework.

Some of these new projects have already taken their first big step, such as our reforestation project based on air-conditioning in Yusuhara-cho, Kochi Prefecture and the opening of nursing care facilities in several regions.

To me, these kinds of projects represent the ideal model of what a company should be: one group of people collaborating with others to create a better future for us all.

## Keeping things interesting while adding to global prosperity

I feel a certain sense of happiness and pride when I hear our customers and business partners say that Yazaki is an “interesting company,” involved in many different types of

business. This is because I believe “interesting” is the number one key word for doing anything. Many of the companies that we work with choose Yazaki because it is “interesting.” When a particular project is “interesting,” we can dedicate ourselves to it with enthusiasm and energy.

In new initiatives, as well as established ones, challenging the status quo opens up a number of issues. Only by ensuring that we overcome these issues can we get to where we want to go. Our motivation to put everything we have into solving these issues as they arise comes from how interesting we find the task. This is something I have believed in for a long time. I hope all employees of the Yazaki Group share my belief that communicating with other people on the job is itself inherently interesting, as is the complex entity we call society.

I will continue to promote this idea of “keeping things interesting” both within and outside the company. I also intend to steer the company towards generating more business that contributes to the happiness of both individuals and society as a whole and makes the world a more prosperous place. This, I believe, must be the ultimate goal and is without doubt the final responsibility of a good manager.

We issue this *Social and Environmental Report* every year with the aim of improving our stakeholders' understanding of our goals and activities. We sincerely look forward to receiving your candid opinions and comments. Last but not least, we ask for your continued support and guidance in the years to come.



# Under the Yazaki Global Environment Charter, Yazaki Bolsters Groupwide Activities for Environmental Preservation.

The Yazaki Group strives to make the world a better place and works to enrich our communities through environmentally sound business activities and employee volunteerism under the Yazaki Global Environment Charter. Yazaki is also focusing on establishing an environmental management system, including at overseas sites, for continual improvement of environmental performance on a groupwide basis.

### Corporate Policy

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

### Fundamental Management Policy

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

### Yazaki Global Environment Charter

Environment Policy  
Action Guidelines

In 1997, the Yazaki Group established the Yazaki Global Environment Charter based on its Corporate Policy and Fundamental Management Policy. 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 Global Environment Charter

(Adopted in 1997; revised in 2002 and 2006)

### Environment Policy:

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

### Action Guidelines:

1. Enhance environmental management  
Raise environmental awareness among all employees and empower them as individuals to take responsible actions for environmental preservation
2. Take action to prevent global warming  
Achieve Yazaki's voluntary goal of reducing greenhouse gas emissions, which is based on the Kyoto Protocol
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  
Eliminate substances banned by laws and regulations
5. Develop environmentally friendly products  
Consider global warming, recycling, and substances of concern when developing products





➤ **Yazaki ensures compliance with the five Action Guidelines of the Yazaki Global Environment Charter based on established groupwide environmental management systems**

### Fiscal 2008 Initiatives

- Updated and implemented five-year action plan
- Convened environmental committees to discuss and determine responses to a wide range of environmental issues

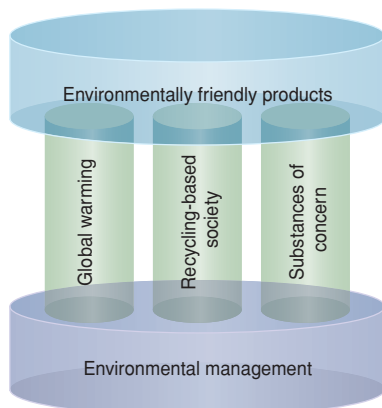
### Action Guidelines and Action Plan

All Yazaki Group companies are required to comply with the five items contained in the Action Guidelines.

Recognizing the impact of our business on the Earth's limited resources, it is essential that we consider our responsibility to the environment. In creating the Guidelines, therefore, we focused on three principal areas: 1) the prevention of global warming; 2) promoting and benefitting from recycling and reuse; and 3) the reduction of harmful materials and substances of concern. Also included in the Guidelines are the enhancement of groupwide environmental management and the development of environmentally friendly products that will allow us to continue manufacturing in a responsible fashion.

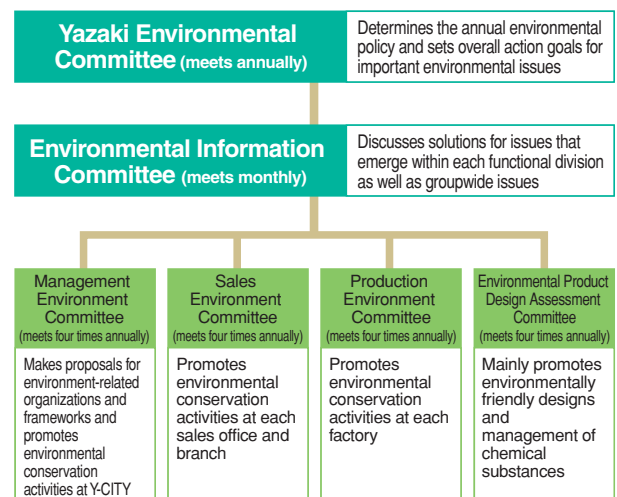
Additionally, we have introduced the updated five-year Yazaki Environmental Action Plan (see page 25), which is reviewed annually. Every year, each business division makes specific plans with goals based on this Action Plan. The results are collated by the environmental management system on a groupwide basis and shared among the different divisions.

### Areas of focus of the Action Guidelines



### The environmental management system

In 2001, Yazaki established the Environmental Product Design Assessment Committee and the Production Environment Committee under the Yazaki Environmental Committee, which is chaired by the President and is the Group's highest decision-making body regarding environmental issues. 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 the chairs of the four subcommittees, was also created. These subcommittees consolidated environmental activities in different divisions to create a coherent groupwide management structure that allowed information to be circulated efficiently throughout the Yazaki Group in Japan.





### Yazaki sets goals based on five Action Guideline items and annually reviews initiatives and achievements

#### Goals and achievements in fiscal 2008 and future actions

Action item	Goal	Achievement
<b>1. Enhance environmental management</b>		
Establish and implement self-sustaining mechanism	Implement 100% of planned cross-checks at all 13 production sites in Japan	Cross-checks at all 13 Japan-based production sites were implemented (corrective action already taken for all identified issues)
	Implement on-site assessment of contracted waste processing companies Implement waste management checks	100% of planned on-site assessments were completed Self-checks were fully implemented
	Support establishment of an EMS <sup>1</sup> at business partners' locations	Briefing sessions concerning the EMS, waste management and chemical substance investigations were conducted
	Establish an environmental compliance system at sales offices and branches	Environmental laws applicable to the 57 sales offices and branches were identified
Further improve environmental awareness of employees	Complete planned basic environmental training	100% of the planned training was completed
	Reinforce communication regarding environmental issues	Environmental site reports were issued at all 13 production sites in Japan
<b>2. Take action to prevent global warming</b>		
Reduction of greenhouse gas emissions, based on the Kyoto Protocol	Business sites	Reduce emissions by 15% from the reference value (Average value for the five years from 2008 to 2012)
		Reduced by 32.7% from the reference value
		Reduce emissions per unit by 5% from the reference value
	Logistics	Reduce emissions per unit by 1% per year
		Reduced by 1.7% year-on-year (54.8% of the review on distribution route completed)
<b>3. Promote the efficient use of resources towards the formation of a recycling-based society</b>		
Achieve zero landfill-destined waste and 100% use of recyclable resources	Achieve zero-emissions <sup>2</sup> (zero landfill-destined waste)	Zero emissions have been maintained at all 13 production sites in Japan
	Reduce total amount of waste by 20% from the reference value	Reduced by 48.4% from the reference value
<b>4. Reduce substances of concern (SOC)</b>		
Promote zero tolerance for any use of banned SOC in products	Comply with the revised Annex II of the EU ELV <sup>3</sup> Directive (eliminate use of lead)	An action plan (draft) was prepared in compliance with the revised Annex II of the EU ELV Directive
	Comply with the REACH Regulation <sup>4</sup> (confirm completion of pre-registration)	Completion of pre-registration was confirmed at a total of 58 companies
Reduce chemical substance emissions from factories	Reduce VOC <sup>5</sup> emissions by 30% from the reference value	Reduced by 40.5% from the reference value
<b>5. Develop environmentally friendly products</b>		
Consider global warming, recycling, and SOC when developing products	Comply with the EuP Directive <sup>6</sup>	No relevant products at this moment
	50% or more of designs meet the company standards for environmentally friendly products	Environmentally friendly designs were registered for each development (100 designs) Environmentally friendly design regulations were reviewed
	Establish the LCA <sup>7</sup> system	A simplified LCA system was developed by the Automotive Sector

Notes:

1 EMS: Environmental management system, a mechanism that facilitates efforts to mitigate environmental risks within an organization in relation to activities, products and services

2 Zero emissions: the condition in which the total amount of industrial and general waste (excluding human waste) disposed to landfill is zero (as defined by Yazaki)

3 ELV: End of Life Vehicle, see page 32

Evaluation Standard ○: 100% achieved, △: more than 90% and less than 100% achieved, ×: less than 90% achieved

	Evaluation	Issue	Future action
	○	Sharing of identified issues among all relevant sites	Check progress and develop tools for preventive measures
	○	Risk assessment of contracted waste processing companies	Determine whether to continue or discontinue the contract based on the results of on-site assessment and financial analysis
	○	—	Develop procurement certification standards
	○	Development of operational procedures to ensure compliance with the applicable laws	Start operating under the applicable laws
	○	Identifying the level of understanding	Analyze strong and weak points and establish an action plan
	○	Reflection of external evaluation	Continue implementation
	○	Review of the reduction plan and measures according to changes in production	Extend reduction measures that do not require any financial investment to all business sites Establish a production/logistics system according to changes in production volume
	○		
	○		
	○	—	Achieve zero emissions at all sites including sales offices and branches
	○	—	Continue implementation
	○	Elimination of the use of lead in existing products	Arrange a switchover plan in collaboration with customers, the R&D Division and Sales Division
	○	Obtaining information on suppliers' compliance status	Collaborate and exchange information with suppliers Shift from the REACH project to routine actions taken within each organization
	○	Creating a self-sustaining management system at production sites	Establish a goal management system for production sites that are not bound by voluntary targets set by professional organizations
	○	—	Continue to monitor the trend of the EuP Directive
	△	Continuously update the company regulations on environmentally friendly design	Reevaluate the design based on the revised regulations
	○	—	Increase accuracy of supplemental data

4 REACH Regulation: Registration, Evaluation, Authorisation and Restriction of Chemicals, see page 32

5 VOC: Volatile organic compounds

6 EuP Directive: Energy-using Products Directive, an EU regulation concerning environmentally friendly design

7 LCA: Life cycle assessment, a method to examine and quantitatively analyze the environmental impacts of a product throughout its entire life cycle



## ➤ Yazaki manages environment-related information with its unique data collection system

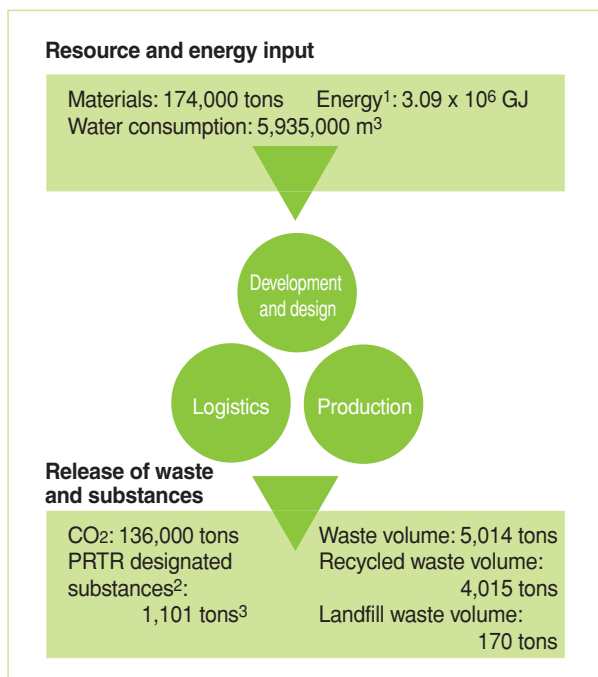
### Fiscal 2008 Initiatives

- Environmental impacts were quantitatively identified at all 128 sites in Japan using Yazaki's environmental impact data collection system
- Environmental accounting identified environmental preservation costs

### Environmental impact data collection

The Yazaki Group uses quantitative data on the amount of resource consumption and waste disposal for comprehensive and effective activities to reduce our environmental impact. In fiscal 2008, Yazaki started operating a unique data collection system to collect environmental impact data regularly from all 128 sites, including the production, sales, administrative divisions and affiliates in Japan.

### Reduction of environmental impact (in Japan)



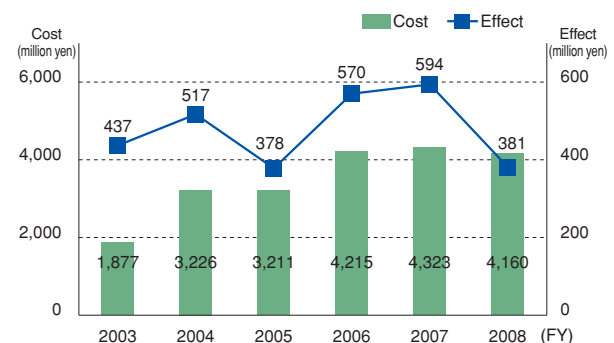
1 Energy: obtained by using the conversion factor stipulated in the Ordinance for Enforcement of the Act on the Rational Use of Energy  
2 PRTR designated substances: chemical substances for which Yazaki is obliged to report the amount of emissions under the Pollutant Release and Transfer Register System  
3 See "Environmental impact data for all 13 production sites in Japan" on page 33

### Environmental accounting

Yazaki quantitatively identifies investments and expenses (environmental preservation costs) as well as effects in relation to environmental preservation efforts undertaken as part of business activities and collects the data in accordance with the Environmental Accounting Guidelines issued by the Ministry of the Environment. The total environmental preservation costs in fiscal 2008 remained constant from the previous fiscal year, with 3.89 billion yen in expenses and 270 million yen in investments for a total of 4.16 billion yen. Research and development costs accounted for the greatest proportion of expenses at 2.2 billion yen, followed by administrative costs at 860 million yen and business area costs at 430 million yen. Energy-saving equipment and facilities introduced for the development of environmentally friendly products accounted for the largest proportion in the breakdown of capital investments.

Economic effects decreased significantly from those of the previous fiscal year to 380 million yen. This was because waste reduction activities had been promoted in various divisions, including the Production Division, and the total amount of disposed waste, including valuable resources, was reduced. In addition, certain waste, previously treated as valuable resources, was disposed of as industrial waste, resulting in a decrease in the sales cost of recyclables.

### Changes in environmental preservation costs





## ➤ Yazaki fosters the development of environmental leaders at each division and business site

### Fiscal 2008 Initiatives

- Cross-checks were conducted at all 13 production sites in Japan
- Environmental basic training sessions tailored to job level were provided to employees

### Cross-check for environment-related laws

Yazaki has divided all 13 production sites in Japan into three blocks to conduct cross-checks since fiscal 2005. The purpose of the cross-checks, which involve mutual checking between the various sites, is to confirm compliance with laws and regulations and enhance the awareness of on-site personnel.

In fiscal 2008, we confirmed the status of compliance, focusing on certain items (see the table below) related to 22 environmental laws, including the Waste Management Act\*.

As a result of the cross-checks, we made improvements to more than 130 items in the areas of: (1) maintenance of facilities, equipment and buildings; (2) hazardous substances, fire and disaster prevention; and (3) waste disposal and others.

These improvements were shared at environmental meetings to ensure compliance at other production sites. In addition, we will perform repeated cross-checks in fiscal 2009, prioritizing items based on previous results.

\* The Waste Management Act: an abbreviation of the Waste Management and Public Cleansing Act

### Environmental education

Yazaki conducts basic environmental training sessions by job rank for management-level and general employees.

The following three main purposes were established for the training of management-level employees, particularly hands-on managers, to prepare them to implement environmental activities as part of daily operations:

1. Understand the company's environmental management system and identify environmental issues at individual workplaces;
2. Understand the environmental laws and regulations applicable to the workplace and learn how to deliver instructions to subordinates; and
3. Understand the Action Guidelines\* and stipulate the way in which they should be implemented at individual workplaces.

Yazaki will conduct training sessions for approximately 900 hands-on managers at eight sites across Japan in fiscal 2009.

In addition to the basic environmental training sessions by job rank, we have been conducting specialized environmental training sessions on an ongoing basis. These include training sessions for ISO 14001 internal auditors, seminars on proper industrial waste management, and educational programs for environmental laws and environmental tools.

\* See "Areas of focus of the Action Guidelines" on page 24

### Cross-check focal points for FY 2008

1	Enhance understanding of environmental laws among personnel in charge of environmental activities at production sites
2	Improve environmental management by exchanging information between different business sites in compliance with laws
3	Confirm compliance with the Waste Management Act
4	Develop checklists for environmental laws by business site



A seminar on environmental issues



➤ **Yazaki will continuously work to achieve CO<sub>2</sub> emissions reduction targets at all business sites and divisions**

### Fiscal 2008 Initiatives

#### ● CO<sub>2</sub> emissions reduction target for:

Japan: To reduce average CO<sub>2</sub> emissions by 15% from the reference value in the five years from 2008 to 2012

Overseas: To reduce CO<sub>2</sub> emissions per unit by 1% from the reference value every year

#### ● Achievements:

Japan: Reduced CO<sub>2</sub> emissions by 32.7%

Overseas: Initiated in FY 2008

### Yazaki Group's CO<sub>2</sub> emissions reduction activities

Yazaki Group promotes a variety of environmental programs, and the reduction of CO<sub>2</sub> emissions is one of our top priorities. The Group's R&D Division has been performing life cycle assessments\* to develop environmentally friendly technologies and products. The Production Division, which is responsible for 80% of the total CO<sub>2</sub> emissions produced by the entire Yazaki Group, employs cost-effective means of CO<sub>2</sub> emissions reduction. In addition, all divisions, including the sales and administrative divisions, promote energy-saving activities to raise groupwide awareness.

\* Life cycle assessments, or LCA: a method to examine and quantitatively analyze the environmental impacts of a product throughout its entire life cycle

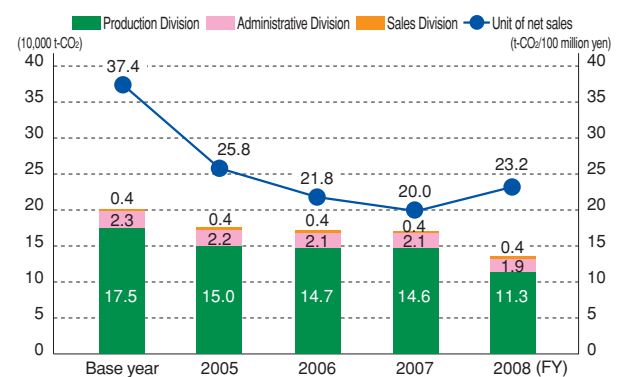
### Goals and achievements in fiscal 2008

Beginning in fiscal 2008, Yazaki established a new CO<sub>2</sub> emissions reduction target in Japan: to reduce average CO<sub>2</sub> emissions by 15% from the reference value in the five years from 2008 to 2012. The target is based on that set by the Japan Auto Parts Industries Association (JAPIA) and the Japanese Electric Wire & Cable Makers' Association (JCMA), which are closely related to Yazaki's business.

CO<sub>2</sub> emissions were reduced by 20% year-on-year to 136,000 tons in fiscal 2008. This was mainly the result of reduced production due to the waning economy; however, the introduction of highly efficient air conditioners and lighting equipment also contributed. CO<sub>2</sub> emissions per unit of net sales increased year-on-year to 23.2 t-CO<sub>2</sub>/100 million yen.

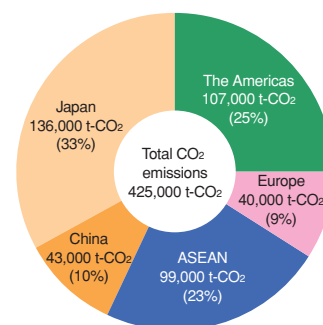
We are also working to achieve the common goal set for our global sites: to reduce CO<sub>2</sub> emissions per unit of energy used by 1% from the reference value every year.

### Changes in CO<sub>2</sub> emissions (Japan)



In this respect, the Yazaki Group achieved a slight reduction in CO<sub>2</sub> emissions year-on-year. We are now planning to enhance our management system on a global basis, taking into consideration the levels of production and energy supply in each country and examining the possibility of using green electricity.

### Yazaki Group CO<sub>2</sub> emissions



\* The emission factors of each country were used to compile data for the Americas and Europe. For emissions in ASEAN and China, the emission factors in Japan were used.

\* Period covered: July 2008 to June 2009 (Japan); January to December 2008 (Overseas)

## Efforts at production sites

CO<sub>2</sub> emissions from all 13 production sites in Japan decreased by 20% year-on-year to 87,000 tons\*. Production sites are enthusiastically promoting various energy-saving activities, mainly involving the replacement of equipment such as air conditioners with energy-saving alternatives as well as by improving productivity.

For example, by introducing heat blocking paint to its roofs, the Ohama Factory successfully reduced its yearly CO<sub>2</sub> emissions by 200 tons. Additionally, the factory signed a partnership agreement to reduce CO<sub>2</sub> emissions in collaboration with the local government. We are planning to expand these efforts to non-production divisions in the future.

Yazaki is simultaneously promoting CO<sub>2</sub> reduction activities that can be conducted without additional costs,

including switching off equipment when it is not needed and reducing operating times, by thoroughly reviewing daily operations and the details thereof. As a result of this initiative, the Haibara Factory successfully reduced its CO<sub>2</sub> emissions by 1,600 tons.

\* See "Environmental impact data of all 13 production sites in Japan" on page 33



Painting the roof with heat blocking paint (Ohama Factory)

## t o p i c s

### Sho Transportation Co. won the Governor's Medal of Honor in the Shizuoka Prefecture Global Warming Mitigation Activities Award 2008

The Logistics Division of the Yazaki Group has been reinforcing activities to improve transportation efficiency. In fiscal 2004, the division established a central data collection system of environmental data such as transportation mileage and CO<sub>2</sub> emissions from transportation. These data have been used since then to improve transportation efficiency and promote eco-driving.

On June 5, 2009, Environment Day, Sho Transportation, a Yazaki affiliate that performs the group's logistics operations, received the Governor's Medal of Honor in the greenhouse gas emissions reduction measures section (for small and medium-sized enterprises) of the Shizuoka Prefecture Global Warming Mitigation Activities Award 2008. Sho Transportation has reduced greenhouse gas emissions significantly by promoting eco-driving and introducing biodiesel fuel\* across the organization. The medal was awarded in recognition of the achievement and the uniqueness of the activities performed.

\* Biodiesel fuel: a generic term for plant-derived diesel engine fuels

#### High expectations for expanding on Sho Transportation's efforts

Sho Transportation, a member of the Yazaki Group, has been promoting eco-driving and the introduction of biodiesel fuel as part of its efforts to reduce the amount of fuel consumed in transportation, the largest

source of its CO<sub>2</sub> emissions.

Sho Transportation has equipped its trucks with Yazaki's digital tachographs that enable drivers to visually identify opportunities to improve driving efficiency. This has significantly reduced fuel consumption by helping drivers become aware of eco-friendly driving techniques. At the same time, the number of traffic accidents was reduced.

In addition, Sho Transportation has been using biodiesel fuel since 2007 in order to reduce its environmental impact. Under this initiative, the company refines used cooking oil collected from the Yazaki Group's employee canteens and employees' own households for reuse as fuel for its trucks. This has led to a 20% reduction in CO<sub>2</sub> emissions from the reference value in fiscal 2008. Although the company has experienced a number of difficulties in its attempts to maintain a stable supply of used cooking oil, 26 company trucks currently run on biodiesel fuel.



Sho Transportation's President Yoshioka received the Medal of Honor



# Formation of a Recycling-Based Society

## Appropriate Management of Waste and Zero Landfill Waste

Environmental Aspects

➤ **Yazaki moves toward a recycling-based society with zero landfill waste and 100% effective use of recycled resources**

### Fiscal 2008 Initiatives

● **Goals:**

Zero emissions (zero landfill waste)

To reduce the total amount of waste by 20% from the reference value

● **Achievements:**

Zero emissions has been maintained at all 13 production sites in Japan

Total amount of waste was reduced by 48.4%

### Achieving zero emissions at all sites in Japan

In its efforts to foster a recycling-based society, Yazaki has continued its 5R initiatives: Reduce, Reuse, Recycle, Repair, and Refuse (to buy non-recyclables). By practicing the 5Rs, we have further promoted reduced landfill waste and the effective use of resources.

Yazaki has been working on reducing waste by setting a target for each of the production, sales, and administrative divisions. The amount of waste was reduced by 48.4% from the reference value to 5,014 tons in fiscal 2008, meaning that we have achieved our goal as a group. The Sales Division, however, failed to attain its goal due to increased disposal of waste in the form of unnecessary documents and other items as part of 5S Activities<sup>1</sup>.

Yazaki has achieved zero emissions at all 13 production sites in Japan for three consecutive years since fiscal 2006, the year it first achieved zero emissions<sup>2</sup> (zero landfill waste). We will promote reduction activities on a continuous basis with the aim to achieve zero emissions at all locations in Japan, including non-production divisions, by 2010.

<sup>1</sup> 5S Activities: the following five activities that are essential in the workplace: *seiri* (sorting), *seiton* (organizing), *seisou* (cleaning), *seiketsu* (maintaining a clean environment), and *shitsuke* (self-discipline)

<sup>2</sup> Zero emissions: the condition in which the total amount of industrial and general waste (excluding human waste) disposed to landfill is zero (as defined by Yazaki)

### Promotion of waste management activities in Japan

In order to ensure compliance with the Waste Management Law<sup>3</sup>, Yazaki has been implementing the following activities, along with training on legal compliance at its production, sales and administrative divisions:

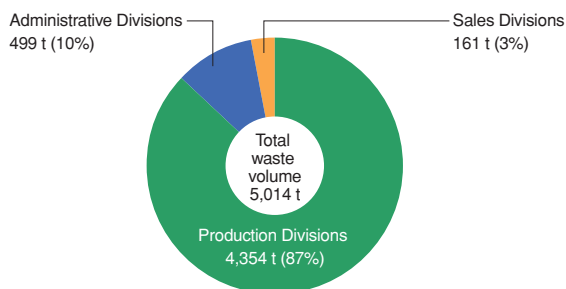
- (1) Performing an on-site assessment of industrial waste disposal contractors;
- (2) Developing a corporate-wide waste management system; and
- (3) Reinforcing the use of the intranet

In addition to the continuous implementation of the above activities, we prepared a Waste Management Check Sheet in fiscal 2008 to confirm legal compliance at our sales and administrative divisions, where a smaller amount of waste is generated. The Check Sheet contains 33 detailed items related to the management of storage areas, industrial waste disposal contractual documents, manifests and others. The Check Sheet enables self-assessment regarding legal compliance and helps to identify issues, as well as enhances the understanding of employees in charge of waste management at all sites.

In addition to those activities, we will further promote waste management activities by preparing easy-to-understand manuals and introducing an electronic manifest system in the future.

<sup>3</sup> The Waste Management Law: an abbreviation of the Waste Management and Public Cleansing Law

### Total waste volume by division (Japan)



The volume of waste at production locations is the total volume of waste generated at all 13 production sites and affiliates in Japan. See page 33 for the volume of waste for all 13 production sites in Japan.





## ➤ Yazaki promotes appropriate SOC management in compliance with environmental regulations

### Fiscal 2008 Initiatives

- A draft action plan was prepared in response to the revised Annex II of the EU ELV Directive
- Completion of pre-registration was confirmed (for all 58 companies) in response to the REACH Regulation
- Outsourced PCB waste disposal has started (at Chubu Customer Center and Washizu Factory)

### Compliance with the revised Annex II of the ELV Directive

The End-of-Life Vehicle (ELV) Directive<sup>1</sup> is a European Union (EU) regulation that limits the use of specific hazardous substances—lead, mercury, hexavalent chromium and cadmium—as component parts of automobiles in order to prevent environmental contamination from end-of-life vehicles.

Annex II, which stipulates exceptions to the limitations on hazardous substances, was amended in August 2008.

In response to this, the Yazaki Group established the Lead-Compliance Liaison Committee to regularly check that applicable products are in compliance with Annex II.

In the future, we will work to steadily replace products subject to control in consultation and cooperation with our customers.

### Confirming completion of pre-registration for the REACH Regulation

The REACH Regulation<sup>2</sup>, came into effect in June 2007, and applies to all EU member states. Under the law, manufacturers and importers operating in the EU market are required to register the chemicals contained in their products through European Chemicals Agency website. Once pre-registered by December 1, 2008, the manufacturers and importers were provided with an extension period prior to registration depending on the quantities of chemical substances involved.

At Yazaki, we have assembled REACH project teams to investigate chemical substances that require pre-registration. We also requested that our suppliers complete pre-registration, checked their status, and confirmed completion of pre-registration for all substances subject to control at all 58 companies.

We will continue to monitor the registration progress and press forward with our investigations of SVHC<sup>3</sup>, as well as the substances subject to authorization<sup>4</sup>.

### Management of PCB waste

Polychlorinated biphenyl (PCB), due to its outstanding insulative and non-flammable properties, was once used in voltage converters, condensers, and other electrical equipment. In 1972, however, the production of PCB was banned in Japan because of its highly toxic nature.

In order to properly treat PCB contained in electrical equipment manufactured prior to 1972, the Japanese government launched a PCB waste treatment program in 2003. Yazaki completed its registration of stored equipment containing high levels of PCB by fiscal 2005.

In fiscal 2008, we contracted the Japan Environmental Safety Corporation (JESCO) to dispose of condensers containing PCB that had been stored at the Chubu Customer Center located in Toyota City, Aichi Prefecture, and Washizu Factory located in Kosai City, Shizuoka Prefecture. The Yazaki Group will continue to properly dispose of electric equipment containing PCB at other business sites.

1 ELV Directive: an EU regulation concerning the disposal of automobiles

2 REACH Regulation: an EU regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals

3 Substances of Very High Concern: substances that have carcinogenic, mutagenic, reprotoxic, residual, accumulative or toxic properties and may have serious impacts on human health and the environment

4 Substances subject to authorization: In principle, their manufacture or use in EU countries is banned without special permission, regardless of quantity. These substances are selected from substances of very high concern (SVHC).

# Reference Data (As of June 20, 2009)

## Yazaki Group by region

Breakdown	Japan	Americas	Europe	Asia-Oceania	Total
Number of countries	1	9	19	10	39
Number of companies	80	33	18	39	170
Number of business sites	271	73	38	55	437
Number of employees	22,000	35,600	24,100	75,400	157,100

Note: Includes directors, employees and non-regular employees at five group companies in Japan (Yazaki Corporation, Yazaki Meter Co., Ltd., Yazaki Parts Co., Ltd., Yazaki Electric Wire Co., Ltd., Yazaki Resources Co., Ltd.), affiliates in Japan, and overseas group companies

Related page: "Company Overview" on page 1

## Maternity and childcare leave system (Yazaki Group in Japan)

Benefits	Details	Pregnancy	Childbirth			Nursing and Childcare		
			6 weeks prior to birth	8 weeks after birth	1 year after birth	Up to first birthday	Up to third birthday	Pre-school age
During pregnancy and delivery	Benefits for mothers during pregnancy and up to one year after the birth of a child as per doctor's instructions <sup>1</sup>	←	←	←				
Pre- and post-delivery leave	6 weeks <sup>2</sup> prior to delivery; 8 weeks after delivery		←	←				
Paternal leave	2 days at the time of birth			←				
Childcare	Up to one year of unpaid leave for a parent of a newborn				←			
Reduction of working hours	Reduced working hours can be arranged for a parent of a child under the age of three				←	←		
Restriction of overtime and late night work	Restriction of overtime and late night work for a parent of a pre-school age child				←	←	←	
Care or nursing leave to attend to children	Unpaid leave for a family member of a pre-school age child				←	←	←	

<sup>1</sup> Including medical checkup leave for expecting employees, unpaid leave depending on symptoms, changes in working hours, reduction of workload, and restriction of overtime

<sup>2</sup> 14 weeks prior to the delivery of two or more children

Related page: "Responsibilities toward Employees" on page 14

## Environmental impact data for all 13 production sites in Japan

Site name	Main product	Location	CO <sub>2</sub> (t)	Waste volume (t)	Emission of PRTR designated substances
Tochigi Factory	Wire harnesses	Nasu-Karasuyama City, Tochigi Prefecture	1,075	38.9	Not used
Hotozawa Factory	Residential wire harnesses, electric wire harnesses	Gotemba City, Shizuoka Prefecture	932	13.3	Not used
Susono Factory	Low-tension automotive wires, wire harnesses	Susono City, Shizuoka Prefecture	9,622	209.9	6.5
Haibara Factory	Various types of dies, molded products made of plastic, rubber and sintered alloy	Makinohara City, Shizuoka Prefecture	13,036	288.3	2.0
Ohama Factory	Junction blocks, relay blocks	Kakegawa City, Shizuoka Prefecture	7,088	62.9	11.9
Daito Factory	Wire harnesses	Kakegawa City, Shizuoka Prefecture	723	62.3	Not used
Washizu Factory	Wire harnesses	Kosai City, Shizuoka Prefecture	3,267	245.1	Not used
Niimi Factory	Wire harnesses	Niimi City, Okayama Prefecture	1,738	163.3	Not used
Numazu Factory	Electric wires, cables	Numazu City, Shizuoka Prefecture	10,391	250.7	1.5
Fuji Factory	VVF cables, electric wires for machines, automotive wires	Gotemba City, Shizuoka Prefecture	19,544	142.5	1,045.9
Shimada Factory	Meters for automobiles, meter cables for automobiles	Shimada City, Shizuoka Prefecture	7,581	384.1	7.3
Hamamatsu Factory	Absorption air-conditioner/heater, solar-powered water heater	Hamamatsu City, Shizuoka Prefecture	2,452	61.8	Not used
Tenryu Factory	Gas meters, gas security systems	Hamamatsu City, Shizuoka Prefecture	9,052	784.0	24.4

Related pages: "Environmental Management" on page 27

"Prevention of Global Warming" on pages 29 and 30

"Formation of a Recycling-Based Society" on page 31

## Third Party Comments



Faculty of International Welfare Development,  
Nihon Fukushi University  
Temporary member, General Policy Subcommittee,  
Central Environmental Council  
Committee member, Nagoya Open University of  
the Environment

**Satoshi Chikami, Professor**

### Research focus:

Regional environmental planning, environmental education, environmental management in developing regions, and regional planning. Prof. Chikami specializes in empirical studies in the development of sustainable societies through the integration of natural and social sciences. In Japan, he has initiated the development of regional environmental plans that utilize the natural, social and human resources specific to a particular region. He has participated in several projects aimed at facilitating collaboration between citizens, corporations and communities. He is also actively involved in social development planning in Asia. Most recently, in rural Laos, where slash and burn agricultural practices are common, he studied practical methods for forest renewal and river delta management and has introduced innovations to living environments and small business development.

The 2009 report highlights Yazaki's progressive environmental technologies, while placing emphasis on its long-term commitment to corporate social responsibility (CSR), timely and open disclosure of information, and environmental management, against the background of the global financial crisis.

### Positioning the development of environmental technologies as a social responsibility (pages 7 to 10)

Going beyond the descriptions of environmental and preventive measures that generally comprise a corporate environmental report, Yazaki devotes an entire feature article to explaining how it can contribute to the spread of hybrid and electric automobiles and thereby help to create the low-carbon society it seeks. This provides evidence of Yazaki's attitude that the development of environmental technologies is one of its societal responsibilities.

### Describing corporate social responsibilities clearly (pages 11 to 22)

The Chairperson's Message explains the meaning of the Corporate Policy "A Corporation Needed by Society," while the Social Aspects section positions employees, customers, business partners and communities as entities toward whom the Group accepts social obligations or responsibilities. The report also shows that Yazaki entered a new stage when at the Yazaki Stakeholder Meeting 2009 it discussed the role of corporations in realizing a sustainable society in cooperation with neighboring enterprises. Through the above, the report clearly conveys to readers Yazaki's position concerning its responsibilities to society.

### Basic attitude toward recruitment and promotion, and appropriate evaluation (pages 6 and 12)

In difficult economic times, we often focus solely on management efficiency. This report, however, clarifies the importance of fair and impartial personnel policies that uphold respect for individual rights, equal opportunity regardless of nationality, and fair evaluation of the efforts and actions of each and every employee. Together with the

idea of "empowering employees" described in the Social Aspects section of the 2008 Report, this section provides a good picture of what a 21st century global enterprise should be like.

### Clarifying the aims, goals, achievements and measures of environmental management (pages 25 to 26)

The report concisely summarizes a variety of environmental management activities in a way that is easy to understand. The report provides specific descriptions of what the company achieved as well as the targets and goals that it was unable to reach, while also listing the remaining issues and action needed. As a result, it is clear which points the company should improve in the following fiscal year and the approach it should take. This is quite meaningful information for readers of the *Social & Environmental Report* and should assist other corporations involved in environmental management.

### In conclusion

The *Social & Environmental Report 2009* demonstrates Yazaki's determination to use its environmental technologies to carve out a place for itself in the 21st century, despite difficult economic conditions. At the same time, it clearly indicates the company's firm adherence to its Corporate Policies—"A Corporation in Step with the World" and "A Corporation Needed by Society"—regardless of the challenges it faces.

It is a pity that the descriptions of environmental and social activities and environmental performance at overseas production bases were not as long as those of past reports. However, we expect that future reports will include broader explanations of Yazaki's global activities and achievements in line with the economic recovery.

For inquires, please contact:

## **YAZAKI CORPORATION**

**Environmental Planning Department, Quality Management Division**

Mishuku 1500, Susono City, Shizuoka Prefecture 410-1194

TEL: +81-55-965-3782 FAX: +81-55-965-3736

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URL: <http://www.yazaki-group.com/>

E-mail: [environment@sys.yzk.co.jp](mailto:environment@sys.yzk.co.jp)