

Social & Environmental Report **2015**



Yazaki Group Corporate Policy

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

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 team-work, while empowering people's dreams.

Report Outline

Editorial policy

The Yazaki Group has been publishing its Social & Environmental Report annually since fiscal 2002 for the purpose of sharing information on its corporate activities with stakeholders and encouraging employees to take part in social and environmental contribution programs. The report covers our activities during the past 12 months and their results, centered primarily on the five stakeholders, namely: customers, business partners, local communities, employees, and the global environment. Additionally, environmental reports have also been published by each factory in Japan since fiscal 2005. These site reports are available on our website.

Please visit our website

While this report provides an outline of activities of the Yazaki Group, our website presents more detailed information and data. Please access the following URL:

<http://www.yazaki-group.com/global/ser/>

● Reporting period

Fiscal year 2014 (June 21, 2014 to June 20, 2015)

● Organizations covered

Yazaki Corporation and consolidated companies in Japan and overseas

● Guidelines consulted

Environmental Reporting Guidelines 2012, Ministry of the Environment of Japan
Environmental Accounting Guidelines 2005, Ministry of the Environment of Japan

● Reader response questionnaire

Please send us your comments on this report online through our website.

Supplementary information on this report

● Definition of "fiscal year"

The term "fiscal year" as used in this report means the period shown below:



● Indication of organization responsible for each activity

Yazaki Corporation and consolidated companies in Japan and overseas are referred to as the "Yazaki Group."

As for activities conducted by other organizations, the responsible organization is specified in each instance.

Cover Photograph

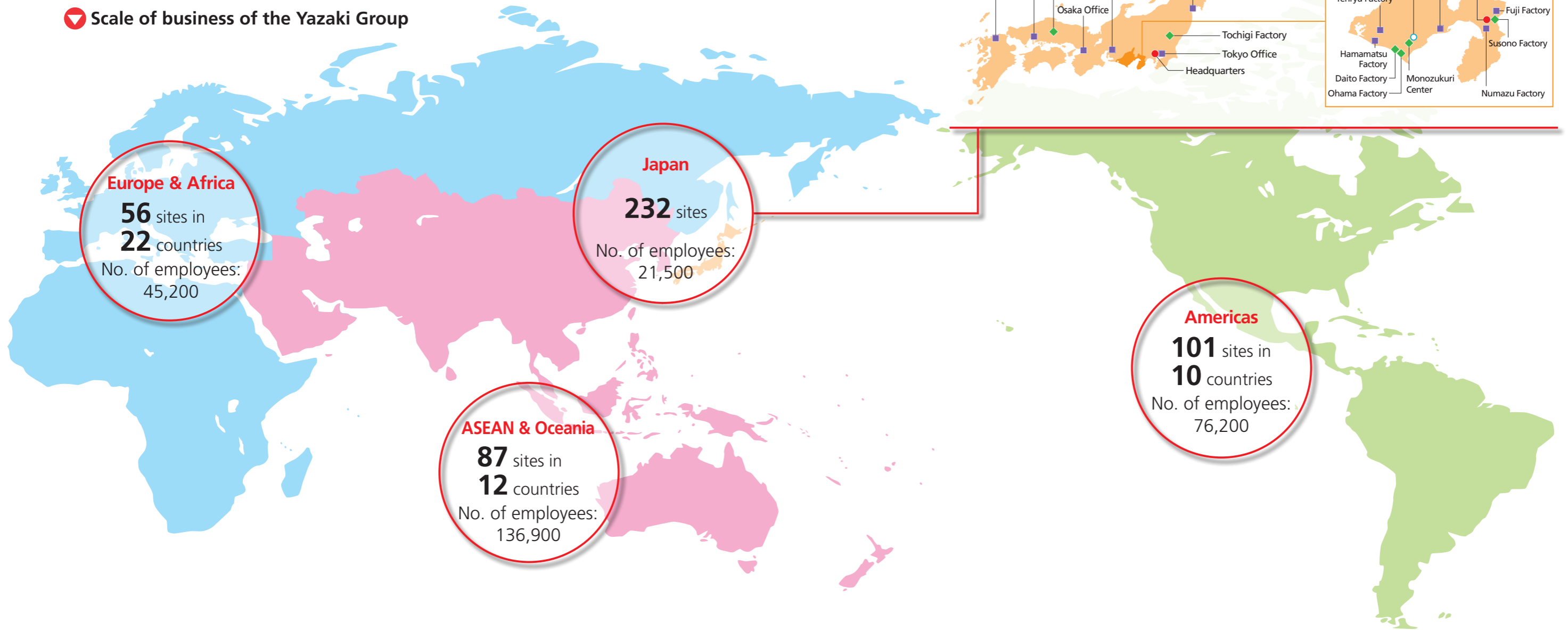
This is a photo of the "Yazaki Forest" in Yusuhara Town, Kochi. The Yazaki Group promotes efforts geared to the local recycling of forest resources in collaboration with local residents (see pages 9–12 for details).

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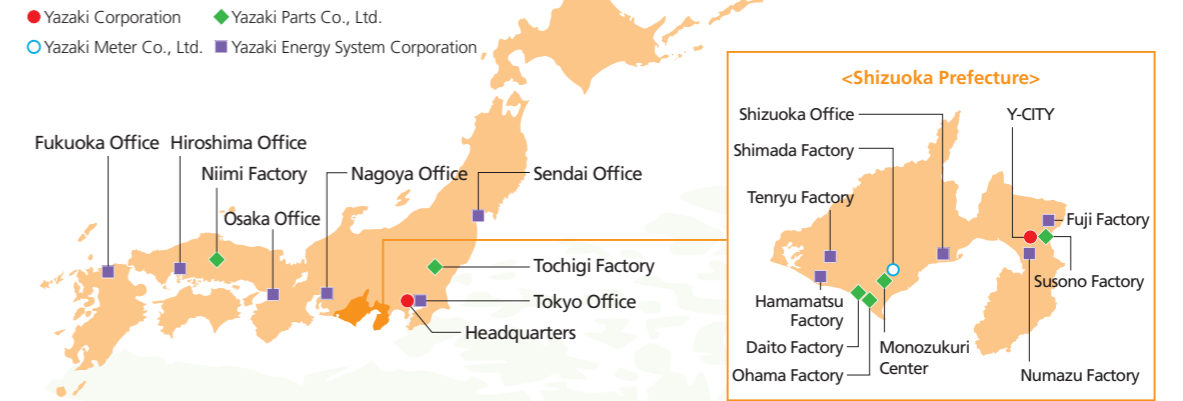
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Contributing to Global Communities through a Variety of Businesses

Scale of business of the Yazaki Group



Main factories and offices in Japan



Company Overview (As of June 20, 2015)

Company name: Yazaki Corporation
 Established: October 8, 1941
 Representatives: Yasuhiko Yazaki, Chairman
 Shinji Yazaki, President
 Address: **Headquarters**
 17th floor, Mita Kokusai Building 4-28, Mita 1-chome, Minato-ku, Tokyo 108-8333 Japan
World Headquarters (Y-CITY)
 Mishuku 1500, Susono City, Shizuoka Prefecture, 410-1194 Japan
 Capital: 3.1915 billion yen
 (Yazaki Corporation is an unlisted company.)

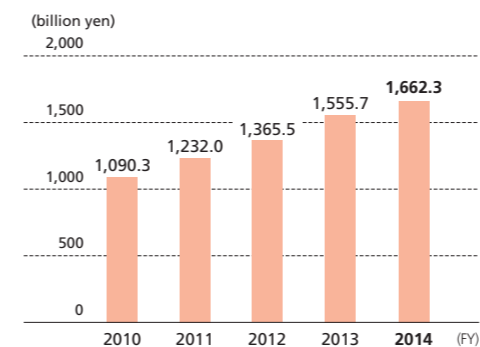
Major Yazaki Group companies in Japan: Yazaki Meter Co., Ltd. (established in 1950)
 Yazaki Parts Co., Ltd. (established in 1959)
 Yazaki Energy System Corporation^{*1}

Number of Yazaki Group companies: Group companies in Japan^{*2}: 63
 Overseas Group companies: 106
 Public interest incorporated foundation: 1
 170 in total

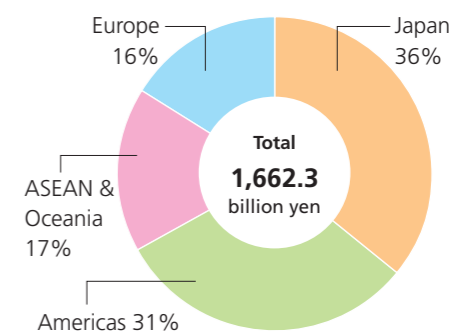
Number of employees: Employees in Japan^{*2}: 21,500
 Overseas employees: 258,300
 279,800 in total

^{*1} Established as Yazaki Electric Wire Co., Ltd. in 1963 and changed its name in 2012.
^{*2} Including subsidiaries and affiliates in Japan

Net sales (consolidated)



Breakdown of net sales by region



Supporting People's Safe and Eco-friendly Life

For Cars

Yazaki provides a wide range of products including wire harnesses (which function as the nervous system or a blood vessel of a vehicle), meters, and other devices that support car electronics.

1 Wire harnesses / Electronic parts

A wire harness is an assembly of wires that transmits electrical power and signals to electronic equipment of a vehicle.



Wire harnesses



Electronic parts

2 Meters

Our meters, with excellent readability and well-thought-out design, bring safety and peace of mind to drivers and enhance driving pleasure.



Graphic meter

3 Charging connectors

Yazaki's connectors, a device indispensable for charging electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs), are renowned for their reliability.



DC charging connector

4 In-vehicle safety & service systems

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



"DTG7" Digital tachograph



"Arofriend26P" Taxi meter

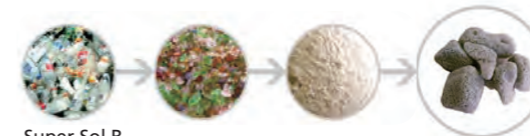


For Communities

We endeavor to identify unmet social needs and launch new businesses that help reduce environmental impact and contribute to local communities.

9 Environment & Recycling/Agribusiness

We promote a variety of recycling activities, such as the manufacturing of lightweight construction materials from waste glass, and contribute to the enhancement of agricultural efficiency through our seeders and gel coated seeds.



Super Sol R

10 Nursing Care Business

We operate community-based care centers at nine locations across the country.



Care Center "Kamifusen" (Susono City, Shizuoka)

For Everyday Lives

By providing equipment that supports our daily lives and the efficient use of electricity, gas, solar heat, and other energy sources, as well as environmentally considerate air-conditioning equipment, we are contributing to the enrichment of people's everyday lives.

5 Electric wires

We are a pioneer in environmentally friendly electric wires, such as halogen- and lead-free wires. Our products were recently EcoLeaf-certified.



"YAWARAKA" Cable 600V lineup

6 Gas equipment

We provide a variety of gas equipment including gas meters and residential fire alarms to ensure the security and safety of our customers.



"Arokko" LP gas alarm

U-Smart, ultrasonic liquefied petroleum (LP) gas meter

7 Air-conditioning equipment

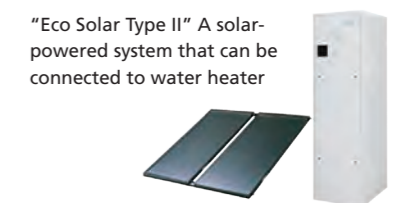
We provide environmentally friendly air-conditioning systems, such as absorption chiller-heaters that leverage exhaust heat and renewable energy.



"Bio-Aroace" Wood pellet-fueled absorption chiller-heater

8 Solar equipment

We provide solar equipment that caters to the needs of our customers by leveraging our solar thermal technology accumulated over the past 40 years.



"Eco Solar Type II" A solar-powered system that can be connected to water heater

A Message from the President

We are especially grateful for your support as the Yazaki Group celebrates its 75th Anniversary. By thoroughly reviewing the fundamentals and maintaining readiness for change, we will continue to embrace new challenges.

I would like to express my heartfelt appreciation to our stakeholders for their ongoing support for the activities of the Yazaki Group.

The Yazaki Group has always promoted its corporate activities from the perspective of "What is the value of our company to society?" Our Corporate Policy of "A Corporation in Step with the World" and "A Corporation Needed by Society" has, and always will, form the foundation for the "Yazaki Way" and all our activities.

On the other hand, in order to respond to the changing business environment, we need to thoroughly understand new legal, technological and other trends, fundamentally review the nature of our organization and our work, and adapt.

Our 75th Anniversary represents a milestone on our path to creating and providing attractive products and services that delight our customers. I wish to take this opportunity to review the 2014 fiscal year, and discuss the direction for the future.



Shinji Yazaki
President, Yazaki Corporation

▶ Looking back on the FY 2014

With the aim of actively expanding orders, in 2014 we established a total of ten sites in six overseas countries, including India and Paraguay. Under the significant impact of foreign exchange, consolidated net sales reached 1,662.3 billion yen, up 6.8% year-on-year. For their support of the Yazaki Group I wish to express our gratitude to all our suppliers and stakeholders, with whom our relationships will continue to strengthen in the future.

On the other hand, although our profit before tax was secured, due to such factors as competition law violations and disruptions in logistics and production preparations at our overseas bases, the final profit and loss resulted in a deficit.

Investigations revealed that the major causes for this result were a lack of cooperation among divisions and regions, as well as the inability of various management structures and systems to keep pace as global business expanded and changed.

To ensure that this is never repeated, we need to pursue the root causes in terms of real numbers ("jitsu-suu"), real names ("jitsu-me") and real time ("jitsu-jikan"), clarify each and every one of our roles, and strive to thoroughly improve. At the same time, I and all the people working in the Yazaki Group need to be considerate of one another's position, and by supporting and cooperating with each other, strive for a work environment in which each of us can fully exercise our powers and abilities, and in so doing promote further profit improvement.

▶ Future focused strategies and an adaptive manufacturing system

The business environment is constantly changing. Germany has recently garnered much attention with its proposed "Industry 4.0." This so-called fourth industrial revolution, and its new technology trends with the keyword information, will fundamentally change competition not only in the automotive industry, but also in every other industry in the world. It is not enough for a company to merely change itself; we must understand the impact and risks to business concealed in change, and respond quickly and firmly.

Global car production is expected to reach 100 million units in 2017, in light of which we have developed a strategic Mid-Term Business Plan focused on the future expansion of the automotive industry. The success of the Mid-Term Business Plan will naturally depend on a business strategy based on the individual requests and features of each customer and thorough cost reductions, but it will also be increasingly dependent upon improving customer satisfaction globally. With quality as the basic premise for all our business activities, we shall endeavor to provide the level of quality that customers will choose above all others. With that as the foundation, we will continue to meet the expectations and fulfill the responsibilities of a manufacturing company, while creating and offering comprehensive and innovative products and services that delight our customers.

In addition to quality and technology, manufacturing systems and networks are crucial to improving customer satisfaction. With the addition of ten sites in the 2014 fiscal year, and our network of 476 sites around the world, we offer manufacturing and distribution systems that only Yazaki can provide. We are fully capable of meeting the varied requests of our customers thanks to a strong and flexible manufacturing system that has the capacity to change production location and items quickly, freely and under any circumstance, which is backed up by a comprehensive Business Continuity Plan (BCP).

▶ Global compliance

In order to fulfill our responsibilities as a member of society, we established the Compliance Committee in 2010 to ensure the observance of competition regulations and other laws. With the aim of preventing any recurrence of antitrust and competition law violations, among our many activities

we conduct regular and thorough internal audits, review compliance provisions, as well as educate employees. In the 2014 fiscal year, the "Global Legal and Compliance Conference" was held and attended by overseas Group company legal and compliance officers, and in order to address the risks unique to each region and division, compliance officers were appointed accordingly to further strengthen the system.

Strengthening the company structure is of course vital, but I have always believed that taking the initiative to go to the actual worksite ("gemba") and see things for myself is one of my major responsibilities. Therefore, I will continue to communicate with employees, go to actual worksites, look at actual things, and see things from their perspective. By doing so, we can maintain a thorough common awareness and understanding, as I continue my efforts to nurture compliance as a fundamental element of Yazaki corporate culture.

▶ Realizing a sustainable society

Among moves related to the prevention of global warming, in April 2015 Japan announced its greenhouse gas reduction target for 2030, and COP21 is scheduled to be held in Paris in December. The resolution of global environmental issues is not limited to the prevention of global warming, and the role to be played by the company and the expectations of society are great; therefore, we believe it is incumbent upon us to respond.

Demonstrating its commitment to environmental conservation activities, the Yazaki Group has formulated the "Yazaki Environmental Plan" based on the "Yazaki Global Environment Charter," which was established in 1997. With a shared sense of purpose, employees individually and divisions collectively promote activities directed at realizing a sustainable society. It is difficult to respond to constantly changing national laws and regulations and customer requests concerning the environment without a relationship of mutual trust with our suppliers. Therefore, in cooperation with our suppliers, we will continue to strengthen our relationships toward the resolution of the many issues we face.

Last but not least, I believe the tradition of mutual support embodied in "One for All, All for One" is also a great strength of the Yazaki Group. Cherishing this shared spirit and grateful for the dedicated efforts of those who came before, in this milestone year I ask for your continued cooperation in making our company ever more attractive to all our stakeholders.

Toward Coexistence with Nature

Local Recycling of Forest Resources in collaboration with Yusuhara Town, Kochi



Based on the basic principle of *realization of coexistence between people and nature and a recycling-oriented society by learning from predecessors*, Yusuhara Town promotes forest regeneration to realize true coexistence with forests and pass on the precious global environment to future children.

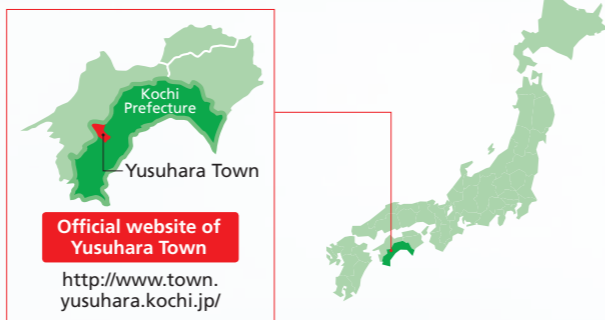
Expressing empathy for the principle and a commitment to the global environment of Yusuhara Town, the Yazaki Group launched a forest resources recycling project with the town in 2005.

This feature story introduces the forest resources recycling efforts in Yusuhara Town, which were driven by the joined forces among the local government, local residents, and private companies, and the commitment of people involved for the future.

Profile of Yusuhara Town

Yusuhara Town is located in the headwaters region of the Shimanto River, where the forest accounts for 91% of the area of the town. While appreciating the bounty of nature, Yusuhara Town has long made efforts toward the harmonious coexistence with nature. The forest not only has had a great impact on the formation of the unique tradition and culture of Yusuhara Town, but also has been supporting the forest industry, the key industry of the town.

In the town, the Ishin no Michi/Dappan no Michi is a road that Ryoma Sakamoto and other SAMURAI used when they left the domain toward the dawn of the new Japan.



Four Seasons in Yusuhara Town



Tradition, Culture and History of Yusuhara



Senmaida (layers of rice paddies on steep slopes) in Kanzaiko
Ishin no Michi/Dappan no Michi



Tsunoyama Kagura (sacred music and dance) (Intangible Cultural Properties)

Efforts toward Local Recycling of Forest Resources in Yusuhara Town

Proper Management of Forest Resources: Acquisition of FSC certification*1 and promotion of use of the Forest Resources

The Yusuhara Town Forestry Cooperative established the Code of Conduct 21 Sanchu Hassaku*2 in an effort to transform itself into a global forest cooperative toward the age of global environment and recycling of resources and energy. At the same time, the town acquired FSC certification, the first forest cooperative in Japan to receive it.



Forest certified by FSC



Yusuhara Town Hall constructed with FSC timber

*1 FSC (Forest Stewardship Council) certification

This certification is granted by an independent certifying organization that assesses whether a forest is managed in a responsible and environmentally friendly manner according to the standards and criteria of the international organization, Forest Stewardship Council.

*2 Sanchu Hassaku

This is a set of eight principles for forest regeneration, which was developed by the Yusuhara Town Forestry Cooperative. The title was named after the Sanchu Hassaku (literally eight-point program developed on a ship) by Ryoma Sakamoto.

Official website of the Yusuhara Town Forest Cooperative: <http://www.yusuhara.or.jp>

Development of Human Resources for the Future: Multipurpose utilization of forest resources

The forestation area of Yusuhara Town, which has been jointly improved by the local community and our company, was certified as a forest therapy road. This therapy road was named OAAO*3 Road and has been used for various purposes, including Forest Kindergarten.



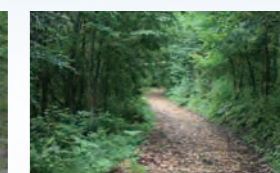
Volunteer Forest Development Project (2006 onward)



Summer Camp in Yusuhara Town (2006 onward)

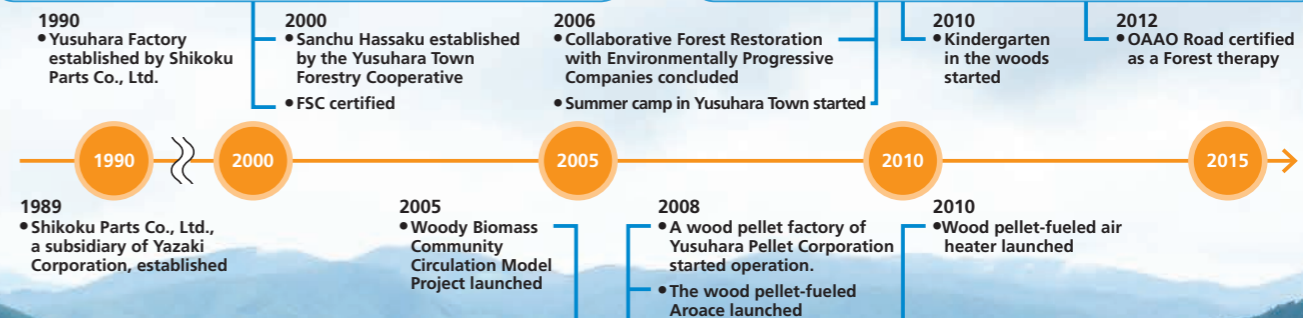


Kindergarten in the woods for the nurturing of sensitivity amid nature (2010 onward)



Forest therapy : OAAO Road (2012 onward)

*3 OAAO: An abbreviation for One for All, All for One



Circulation of Forest Resources: Woody Biomass Community Circulation Model Project

In 2005, the local government, local residents, and companies joined forces with one another and launched the Woody Biomass Community Circulation Model Project. In 2008, the wood pellet factory of Yusuhara Pellet Co., Ltd., started operation. With the aim of promoting the recycling of forest resources, the reactivation of the forest industry, and the improvement and maintenance of the forest in Yusuhara Town, thinnings and mill ends from lumber mills have been pelletized and used as fuel.



Wood Pellet Factory, Yusuhara Pellet Co., Ltd.



Wood pellet-fueled Araoce*4 installed at Yusuhara Gakuen (municipal elementary and junior high school)



Wood pellet-fueled air heater of the same type installed at a farmhouse in Yusuhara Town

Shareholder composition of Yusuhara Pellet Co., Ltd.
Yusuhara Town: 51%, Yazaki Corporation: 35%, Forest Cooperative: 10%, Town Forestry Cooperative, JA, chamber of commerce and industry, etc.: 4%

*4 Wood pellet-fueled Araoce

Absorption chiller-heater with wood pellets as a direct energy source, the first of its kind in the world

Toward Coexistence with Nature
Local Recycling of Forest Resources in collaboration with Yusuhara Town, Kochi



Aiming to develop a new form of forestry based on the Sanchu Hassaku

Mr. Toshishige Nakagoshi
 Director, Yusuhara Town Forestry Cooperative

When I first heard of the woody biomass community circulation model project, I was excited about the possibility of creating a new form of forestry as suggested by the unprecedented idea.

Since the beginning of the project, we worked with Yazaki to improve the wood pellet production lines, and through our association with Yazaki, we learned of the technology, know-how, and viewpoints that only a manufacturing company like Yazaki can provide. In the future, we wish to deepen our partnership with the company based on the spirit of mutual support.

The challenging task of town by leveraging a

In an effort to become self-sustaining, Yusuhara Town promotes efforts to achieve an energy self-sufficiency rate of 100%. The woody biomass community circulation model project was born under the direction of Yusuhara Town after an approach by the Yazaki Group. While some uncertainty existed in the beginning, the ideas and enthusiasm of the company dispelled any concerns.

In the future, Yusuhara Town will

developing an independent variety of local resources

continue to leverage natural energy using the forests, water, wind, and sunlight to become a self-sustaining, low-carbon town friendly to living creatures.



Mr. Tomio Yano
 Mayor of Yusuhara Town

In order to protect forestry, the key industry of Yusuhara Town



Mr. Kiyoshi Dogama
 Chairperson of the Yusuhara Town Assembly and forester

As a forester, I am deeply concerned about the issues faced by the domestic forest industry, such as a lack of successors and falling lumber prices.

I sincerely hope that I can contribute to the revitalization of Yusuhara Town by taking the initiative in promoting the various activities of Yusuhara Town. I hope that my involvement in these activities will contribute to the development of successors.



Cultivating pride in the hometown together with children

Mr. Kenyo Katata
 Principal, Yusuhara Gakuen

Yusuhara Town focuses on cultivating pride in our nature-rich hometown among the residents by deepening the understanding of the significance of global environmental conservation and the forest industry, the core industry of the town.

Children, who discover that there are many precious living creatures through cameras installed in the collaborative forest, are amazed at the living creatures they observe with sparkling eyes. Through these experiences, I hope to share the beauty of Yusuhara Town and the value of forests with children.

Fostering forests

Leveraging forests

Holding out the hopes
 Resources are **too**
MOTTA

and dreams for the future
good to waste
INAI

Preserving the forests for future generations

Living with forests

I wish to enliven our community by joining forces with other residents



Ms. Tomoko Ueda
 Townsperson of Yusuhara Town (runs a farmhouse bed and breakfast)

When the activity to regenerate forests through the collaboration between Yusuhara Town and a private company started, I thought it would open the door to a bright future for the town. Moreover, the fact that people from Yazaki stayed in the town for some years demonstrated their commitment, which in turn encouraged me to become involved.

I now participate in the Summer Camp with other local people. In the future, I will continue enlivening the community in collaboration with others.



Remembering the initial principles and commitment

Toshikazu Yamamoto
 General Manager, Environmental System Operations Yazaki Energy System Corporation

When collaborating with the local community, it is essential for the local government, local companies, and local residents to join forces and share the full commitment to the project. While we are honored to be part of this challenging project and to work with Yusuhara Town and its residents, we also feel a great deal of responsibility.

With an eye toward the next 50 and 100 years, I must first understand the purposes of the efforts by Yusuhara Town and then take the initiative in implementing each of them specifically.

Always contribute to the local communities



Seiji Katayama
 President Shikoku Parts Co., Ltd. (a subsidiary of Yazaki Corporation)

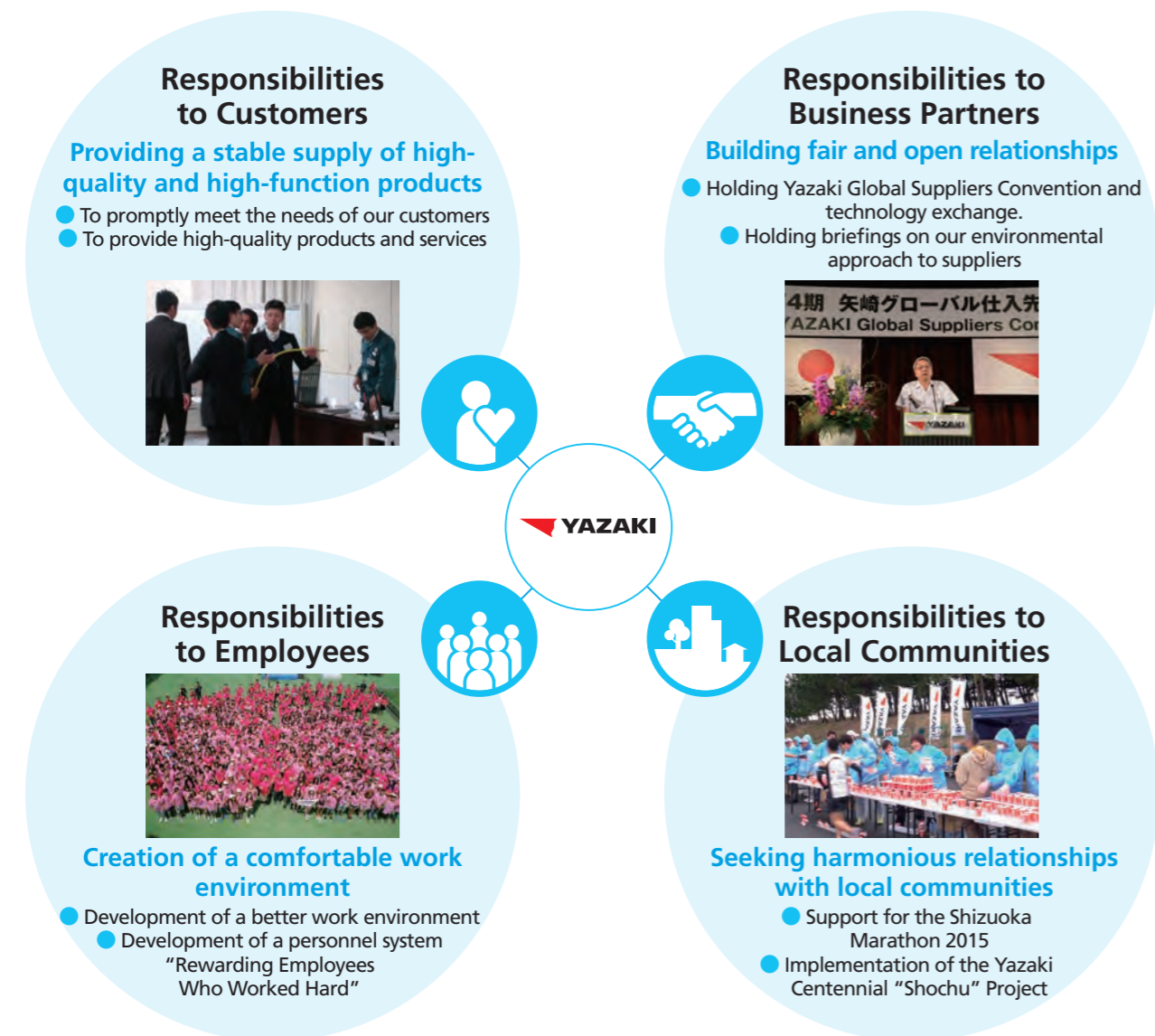
Since we started our business in Yusuhara Town, we have received the generous support and cooperation of many people. The presence of local communities that support the business of the Yazaki Group, including the Yusuhara Factory, is what gave birth to this collaborative project.

Based on the corporate policy of the Yazaki Group, we will continue to contribute to the development of local communities through collaboration with all the people involved.

Social Initiatives



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 continue to fulfill our corporate responsibilities with a focus on further engagement in dialogue with our stakeholders.



Photos: Training for partnering distributors (upper left), Yazaki Global Suppliers Convention (upper right), Summer Camp in Japan (lower left), volunteer activities at the Shizuoka Marathon 2015 (lower right)

As a Company Exercising Good Common Sense and Responsibility

Under its Corporate Policy, every executive and employee is committed to full compliance with laws and regulations and determined to contribute to society with the pride as a member of Yazaki.

Basic concept

Forming part of its Corporate Policy—"A Corporation in Step with the World" and "A Corporation Needed by Society," the Yazaki Group's Fundamental Management Policy sets forth our commitments that include "Uphold the law, respect regional cultures, and contribute to economic and social development." This statement emphasizes our positioning of compliance as the basis of our corporate activities.

Based on this commitment, Yazaki not only ensures that each and every executive and employee strictly obeys all applicable laws and regulations but also expects them to develop a strong understanding of corporate ethics and to conduct business activities in a fair and responsible manner. We believe this is what gives us the flexibility to adapt and respond to changing social expectations.

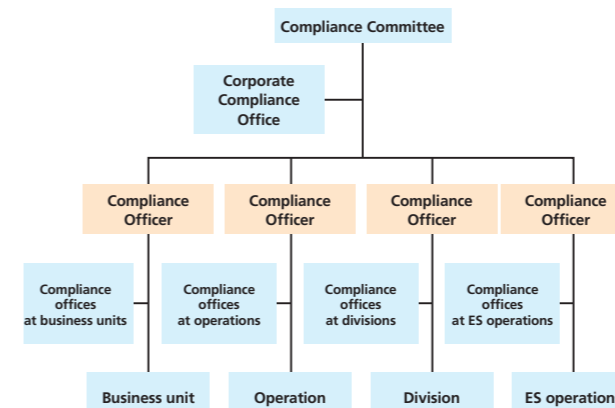
Organizational structure to ensure compliance

In 2010, the Yazaki Group established a compliance committee to develop a compliance system for the entire Yazaki Group, implement compliance training and internal audits and monitor compliance.

In 2014, with the aim of promoting autonomous activities by each department, the compliance committee appointed each department head as a compliance officer and clearly defined the role of the officer.

In April 2015, the committee held the Global Legal & Compliance Conference geared to persons in charge of legal affairs and compliance in overseas group companies. In the conference, progress in the development of a compliance system in each company was confirmed, and the global issues common to all companies were discussed. In the future, the committee will continue to enhance employees' awareness of compliance and create a culture of compliance.

Organizational chart



Whistle-blower protection system

Yazaki operates *Yazaki ai*, a whistle-blower protection system, to facilitate the early detection and rectification of compliance issues. Accessible by all employees within the Yazaki Group in Japan, including those of subsidiaries, the system provides a means of reporting to and consulting with both internal operators and an external law firm. Moreover, rules are set to fully protect whistle-blowers and ensure that they will not suffer any damage from reporting.

We also established a contact point for business partners at an external law firm to enable them to report and receive consultation on any problems about the way we conduct business.

Compliance training

We conduct compliance training geared to all employees including executive officers on a regular basis to foster legal sensitivity and enhance awareness of compliance among employees and enable them to act appropriately according to their duties or their positions.

In 2014, to encourage management people to lead by example, the targets of executive officer training were expanded to include executive officers or higher, not in the conventional four group companies, but in all subsidiaries. A total of 152 persons participated in the four training sessions held in 2014. Led by members of the Department of Legal Affairs as lecturers, training in the form of lectures and dialogues was conducted to deepen the participants' understanding of compliance from a management perspective.

Compliance training

Type	Target Employees
Training for different levels	
Training for executives	Executive officers or higher including those in subsidiaries
Workshops for newly-appointed department heads and leaders	Newly-appointed department heads and leaders
New employee training	New employees
Training prior to overseas transfer	Employees working abroad
Training on various laws	
Antitrust Law training	Sales, purchasing, R&D and other departments
Subcontract Act training	Purchasing and production departments, in-house Sub-Contract Act auditors, etc.



Initiatives for Increasing Customer Satisfaction

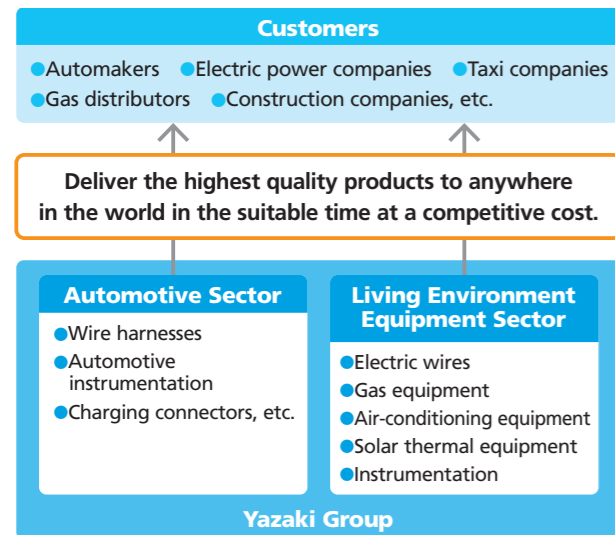
At Yazaki, our customers come first. We serve our customers with a stable supply of high-quality products that consistently meet safety standards.

Basic approach

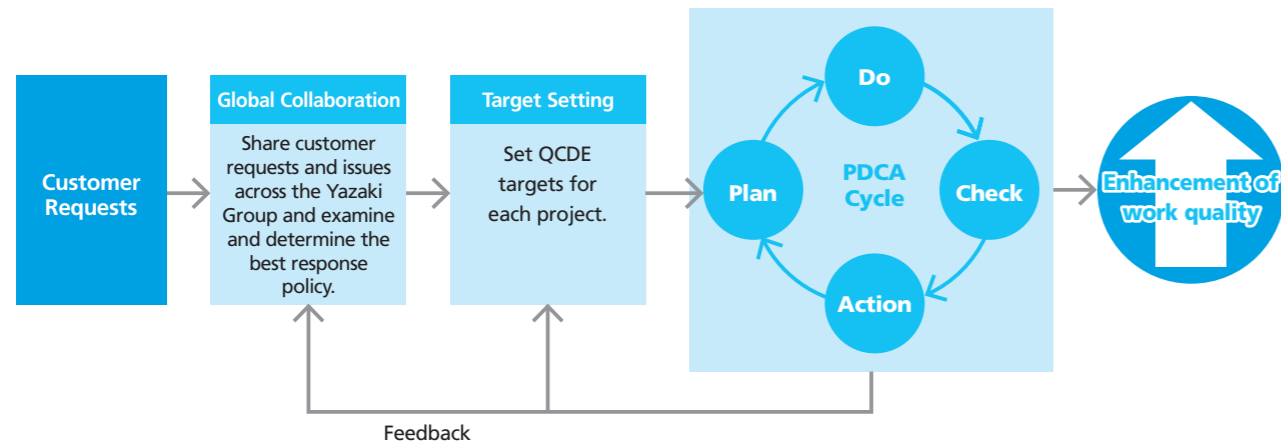
The Yazaki Group develops, produces, and sells automobile equipment centering on wire harnesses and living environment equipment including electric wires, gas equipment, air-conditioning equipment, solar thermal equipment, and instrumentation.

In an effort to fulfill our responsibility as a manufacturing company, that is, delivering the highest quality products to anywhere in the world in the suitable time at a competitive cost, each and every employee thinks and acts from the customer's point of view and aims to continue to be the best partner for customers.

Business and customers of the Yazaki Group



Work (process) quality improvement flow



Initiatives of Automotive Sector

Efforts to meet customer needs promptly

With the aim of providing new products by rapidly and accurately capturing customer needs and promptly meeting diverse customer needs on a global basis, we have built and operate a system that allows all departments involved to cooperate with one another to cater to customer needs in a most efficient manner.

Moreover, we organize a business unit comprising development, production, and sales departments for each customer to achieve cross-departmental management.

Efforts to provide high-quality products and services

We at the Yazaki Group believe that quality includes not only product quality, services, delivery time, and price, but also the quality of work (process). Therefore, we have a quality assurance system in place to meet customer requests regarding quality, cost, delivery time, and environment, through which we ensure that we deliver peace of mind and satisfaction to our customers.

In an effort to continue meeting customer requests in our business practice, we set QCDE (Quality, Cost, Delivery, and Environment) targets for each project. With these targets as our starting point, we aim to achieve the targets by implementing the PDCA (plan, do, check, and action) cycle in each stage of the process from the development to the sale of products. Moreover, we make ongoing efforts to improve quality of the Yazaki Group as a whole by sharing global issues with all group companies.

Initiatives of Living Environment Equipment Sector

Yazaki Energy System Corporation conducts the development, production, and sales of electric wires, gas equipment, air-conditioning equipment, solar thermal equipment, and instrumentation in an integrated manner. While placing top priority on feedback from customers, we promote activities to deepen their understanding of our products and services and continue developing and providing new products that fully reflect their needs.

Electric Wire Operations

Since 2002, we have held workshops to deepen partner distributors' basic knowledge of electric wires and cables and their understanding of the manufacturing methods and characteristics of our products. In fiscal 2014, a total of 75 people (44 companies) participated in the workshops in October and March, and we received favorable comments from them. In these workshops, the participants experienced the characteristics of our products by actually touching them and received the explanation of how the feedback from construction shops was reflected in our products. With the cooperation of the Instrumentation Operations, we also introduced drive recorders and digital tachograph that support the delivery of the products of partner shops.

In addition to the workshops, we also conducted customer satisfaction questionnaire surveys geared to partner distributors. We feed back the views and requests we obtained from the surveys to the departments and production departments to increase customer satisfaction.

*1 Partner distributor: a general term applied to agents with strong business ties to the Yazaki Group



Seminars

Gas Equipment Operations

We have a gas engineer system in place for our designated gas equipment service shops (GSS). It is a qualification system unique to Yazaki to encourage GSS employees to acquire and maintain gas equipment knowledge and skills. In 2014, 19 persons were certified as gas engineers.

Moreover, we conducted workshops at the Yazaki Gas Equipment Training Center to develop authorized liquefied petroleum gas facilities managers, a national qualification required for LP gas plumbing. In 2014, we had four workshops, and 49 employees passed the national examination. A cumulative total of 1,432 employees passed the exam in the past.



Lecture for engineers

Environmental System Operations

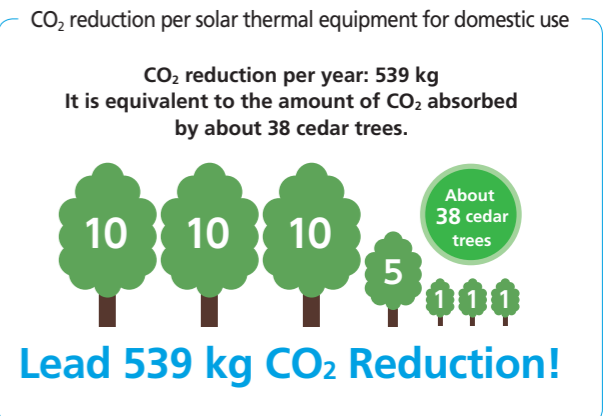
The Environmental System Operations meets a diversity of needs of local communities through the development, production, and sale of products that leverage renewable energy, such as solar heat and wooden biomass.

In 2014, in an effort to enhance value that we deliver to our customers through our solar thermal equipment, we promoted activities for the development of a solar heat-based new business model together with partners in various industries, including house manufacturers.

Moreover, in product development, we successfully improved the conventional amount of heat collection by 3% by adopting the LIG panel*2 for solar thermal equipment for domestic use. In the future, we will continue our ongoing efforts to develop eco-products from a viewpoint of each customer and contribute to environmental conservation by further providing solar thermal equipment.

*2 LIG (Low Iron Glass) panel:

This is tempered glass with a low iron content and high-energy transmittance.



Instrumentation Operations

The Yazaki Group has engaged in the development, production, and sale of tachograph for more than 50 years. In 2014, with an eye toward the realization of an "ultimate preventive safety system," we commercialized DTG7 that combines technologies of digital tachograph and drive recorders. In the future, we will continue to contribute to improving business operations of our customers by providing products that will allow safety and energy saving-based driving control, vehicle management, and labor management, such as continuous running and break time.



"DTG7" Digital tachograph



Announcement at a press conference



Seeking Mutually Beneficial and Harmonious Relationships

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

Consolidation of global partnerships with suppliers

Yazaki Global Suppliers Convention

We hold the Yazaki Global Suppliers Convention annually to share procurement policies and issues with our suppliers of raw materials and parts for electronics, instrumentation, and wire harnesses through two-way communication.

In the convention in July 2014, a total of 183 domestic and overseas suppliers participated, where President Yazaki explained the Yazaki Group's key measures to strengthen the global competitiveness of the Group. He also asked for suppliers' cooperation in the following to consolidate the Group's BCP*1: the thorough implementation of crisis management against risks, the securing of a flexible production system, the thorough implementation of the compliance system, and the strengthening of the quality assurance system. Then, the Purchasing Operations General Manager explained and shared information on the key concepts of the 2014 Procurement Policy, that is, the quality, environment, and risk management-based pursuit of cost competitiveness, supply management, and manufacturing.

Moreover, in an effort to deepen mutual cooperation with suppliers, a technology exchange meeting was held on the same day, under the theme of the consolidation of the Yazaki Group's global procurement base. In the meeting, we received proposals for the strengthening of the competitiveness of Yazaki's parts business from the participating 25 suppliers and introduced our efforts to enhance global procurement capabilities of the Yazaki Group. The Convention and the meeting also served to provide the participating suppliers opportunities to exchange views.

In the future, we will continue to strengthen our global partnerships with suppliers toward product manufacturing in response to a rapidly changing environment, coexistence, and coprosperity.

*1 BCP: Business Continuity Plan



Yazaki Global Suppliers Convention (Left: President Yazaki, Right: Purchasing Operations General Manager Kato)

Briefings on environment for suppliers

In an effort to comply with laws and regulations related to chemical substances in foreign countries, such as the ELV directive and the REACH regulation, we promote the development of a solid compliance system in collaboration with suppliers.

In September 2014, we held a briefing for suppliers in Shanghai to prepare for the enforcement of China ELV*2, deepen their understanding of the regulation, and ensure the appropriate response to it. At the briefing, we explained the outline of the China ELV, the difference between the China ELV and EU ELV, and the management approach of the Yazaki Group and asked suppliers to improve and strengthen their systems with respect to these regulations.



Briefing on environment

*2 China ELV: Automobile hazardous substances and Recyclable utilization management requirements

Briefings on conflict minerals surveys

Recently, there is a growing concern over the possibility that the metal resources extracted from the Republic of the Congo and its surrounding regions are funding armed groups that repeat inhuman acts, such as the infringement of human rights (forced labor and child labor).

Therefore, the United States defines tantalum, tin, gold and tungsten as conflict minerals under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), and requires listed companies in the United States to annually disclose information about the use of conflict minerals.

In response to inquiries regarding conflict minerals surveys from customers including automobile manufacturers, our survey targets include our suppliers. In 2015, the third year since we started the survey, we held a briefing for suppliers in May, where we explained the overview of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and the survey procedures that go through the entire supply chain and asked for their cooperation in the survey.



Conflict minerals survey briefing



Collaborative Projects with Suppliers

Efforts toward better logistics - Octagonal Cardboard Box

The Purchasing and Logistics Departments of the Yazaki Group and Oji Container Co., Ltd., a specialist in packaging materials, jointly undertook a challenge of changing the specifications of cardboard shipping boxes for terminal reels.



Old type (reinforcements required in the four corners)



New type (octagonal shape)

Collaborative project to improve cardboard boxes for terminal reels

Hatano in the Purchasing Operations, Yazaki Corporation, was looking for an improvement theme for the objective of streamlining logistics by 3%. Then, he noticed cardboard boxes to ship terminal reels. While the cardboard boxes had been used for more than ten years, it had the following three shortcomings:

- Cost** Triangular reinforcements were pasted on the four corners of a cardboard box, which required extra commissioned work, leading to high costs.
- Strength** While cardboard boxes are generally strong against vertical pressure, they are weak against horizontal pressure. The current boxes had horizontal sides, which often got crushed on rough roads due to vibration.
- Workability** Due to the assembly flow, taping the box requires vertical movement from back to front, causing a break in workflow.

To improve the cost, strength, and workability of cardboard boxes and achieve a win-win situation for cardboard box makers, assembly workers, and carriers, we started a collaborative project with Oji Container Co., Ltd., a specialist in cardboard box materials.

Giving shape to the idea by combining the expertise of professionals!

This project started when Hatano consulted with Mr. Aono of Oji Container Co., Ltd., about an octagon-shaped box like a home delivery pizza box. Since the idea required making an octagon-shaped box out of one sheet of cardboard while using the vertical side of the sheet, which have high strength, for the sides of the box, it took two months of trial and error to create an initial design plan.

In the meantime, Mr. Ikeda at the Daito Logistics Center, Sho Logistics Corporation, pointed out that the new box must have workability as high as the current box, since 3,000 boxes have to be assembled per day. Aiming to enhance strength and achieve better workability than the current box, they made successive improvements and finally created prototypes of large and small shipping boxes for terminal reel.



Team members looking back on the time when they were developing the box

Great Contribution to Cost Reduction

This project is expected to reduce costs by 15% on small shipping boxes for terminal reels and by 8% on large shipping boxes for terminal reels. Therefore, the advantage of introducing this new box is very high in terms not only of the improvement of strength and workability, but also of cost. "If this challenge becomes successful, the octagon-shaped cardboard box may become a universal standard," said Muramatsu, ECI Production Management Division, Yazaki Parts Co., Ltd. While it is still under development, we will continue making improvements with an eye toward its completion by the end of 2015.



Project Team Members
From lower left: Shimizu and Muramatsu (Yazaki Parts Co., Ltd.), Hatano and Sugiura (Yazaki Corporation)
From left in the middle: Yokoyama (Yazaki Corporation), Mr. Aono (Oji Container Co., Ltd.), Ikeda (Sho Logistics Corporation)
From upper left: Mr. Kosugi and Mr. Yamashita (Oji Container Co., Ltd.)

Expected performance of the new cardboard box (comparison with the old type)

	Square saving	Weight saving (actual weight)	CO ₂ emission reduction (estimate per case)	Compressive strength
Terminal reel shipping box (small)	-0.09 m ² (-6.7%)	-130 g/piece (-16%)	-63g/piece (-227 kg/year)	+169.7 kgf (+23%)
Terminal reel shipping box (large)	-0.12 m ² (-7.3%)	-220 g/piece (-20%)	-95 g/piece (-66 t/year)	+67.1 kgf (+7%)



Creating a Sound Work Environment

We ensure that systems and arrangements for employees are improved continuously to allow every employee to fully demonstrate their abilities.

Sincere dialog with employees

Toward a better work environment

With the aim of further development based on the mutual trust between labor and management, the Yazaki Group improves its personnel system and working conditions in collaboration with the Yazaki Labor Unions in Japan. A labor affairs review committee meeting and a branch office labor-management conference are held monthly to examine systems and confirm achievements.

In 2013, upon the 50th anniversary of the Yazaki Labor Unions in Japan, we reaffirmed the basic principles of mutual trust between labor and management. Currently, we focus on the efforts to increase the paid leave acquisition rate among employees to practice "Creation of corporate climate and culture that foster mentally and physically sound workers." In 2014, an agreement was made between labor and management on the promotion of activities to raise the paid leave acquisition rate by business establishment.

In the future, we will continue promoting activities to improve working conditions in the Yazaki Group while valuing mutual trust between labor and management.

Personnel system "Rewarding Employees Who Worked Hard"

In March 2014, we reviewed the conventional personnel system and introduced a new personnel system "Rewarding Employees Who Worked Hard". For the revision of the system, the management team and the labor union held a series of discussions to establish a new personnel system that solves problems inherent in the old system, such as promotion based on the length of service and age.

The new system aims to evaluate those who work eagerly with a challenging spirit, those who take and fulfill own role, and those who produce good results in a fair manner and reward them with a pay raise or promotion. To that end, we have established strict criteria and clearly defined rules for evaluation and conduct training to managerial staff who serve as evaluators. In 2014, we provided training, including lectures by outside lecturers and e-learning programs, to a total of 1,425 managerial staff members.

In the future, in an effort to enhance employees' motivation, we will continue our ongoing efforts to create a better personnel system and a corporate climate where employees find their work enjoyable and fulfilling.

Development of human resources that will lead the next generation

Yazaki Leadership Development Seminar

Since 2011, the Yazaki Group has conducted the Yazaki Leadership Development Seminar geared to young managerial staff and manager candidates, who were recommended by their superiors. In the Seminar, participants are expected to acquire basic management knowledge, leadership skills, and the capability to handle diverse situations. In 2014, a total of 20 persons from 11 countries participated in the Seminar.

Yazaki corporate culture training

The Yazaki corporate culture training is a personnel development program where employees of overseas group companies come to Japan to learn Japanese language and culture and deepen their understanding of the corporate culture of the Yazaki Group. This training program, which started in 1996, celebrates the 20th anniversary this year. During their one-year stay in Japan, participants deepen their communication with Japanese staff and serve as intermediaries between their countries and Japan after they go back to their countries. In the past, a total of 210 people completed the program, including six persons in 2014.



Trainees experiencing Japanese culture

Adventure School

With the aim of developing human resources that can play a leading role in the world, the Adventure School was established in 1993. In 2014, an all-hands adventure school was held where all new recruits (111 persons) experienced manufacturing at production sites in China and Vietnam for one month. Through homestay and manufacturing experience at overseas factories, participants deepened exchanges with local staff. Later, we also implemented a one-year overseas knight-errantry type adventure school (without pay) for those who wished to participate in the program even if they had to take a leave of absence from their work for one year. Both school programs aim to provide opportunities to spontaneously think and act and to enhance participants' creativity, language skills, and abilities to adapt to different cultures.



Making dumplings with a host family (China)

Yazaki-juku (Dialogue with top management)

We provide Yazaki-juku as a place for employees to exchange views with top management and deepen mutual understanding. In the follow-up workshop, which started in 1983, employees who have been working for Yazaki for five years discuss the principles and objectives of the Yazaki Group with the chairman. In the management round-table conference, which started in 1999, department managers exchange views on their visions of how to manage a workplace with the president. In 2014, 16 follow-up workshops (265 participants), and four management round-table conferences (23 participants) were held.



Participants of a follow-up workshop and Chairman Yazaki

Summer Camp

With the aim of providing opportunities to have a wealth of experience to children who will lead the future society, we have held a summer camp geared to the children of our employees each year since 1977.

The camp provides children opportunities to meet new friends, have new experiences, and deepen their interest in environmental issues and their understanding of different cultures through international exchanges. This camp also serves as a place to develop leadership and communication skills of young employees, who participate in the camp as instructors.



Participants of Summer Camp in Japan

2014 Summer Camp Performance

	In Yusuohara Town	In Vietnam/Indonesia	In Japan
Target	Domestic employee's children (5th and 6th graders)	Domestic employee's children (8th graders)	Overseas employee's children (14-year-old children)
Overview	• Yusuohara Town, Kochi (Jul. 28 th to Aug. 1 st) • Eastern part of Shizuoka (Aug. 5 th to Aug. 8 th)	• Vietnam (Aug. 3 rd to Aug. 8 th) • Indonesia (Aug. 16 th to Aug. 22 nd)	Chiba, Tokyo, Kanagawa, Shizuoka (Jul. 25 th to Jul. 31 st)
Number of participants	• Children: 205 • Instructors: 28	• Children: 137 • Instructors: 20	• Children: 292 (37 countries) • Instructors: 37
Cumulative total	37 camps, 6,695 persons	28 camps, 4,500 persons	25 camps, 3,180 persons

Creating a safe and employee-friendly workplace

Promotion of work-life balance

The Yazaki Group values the work-life balance (harmony between work and life) that is beneficial for both employees and the company and in particular, focuses on childcare and nursing-care support.

In 2014, the accumulation and acquisition criteria for the paid holiday saving plan "Backup Holiday" were changed from the conventional on a day-to-day basis to on a half-day basis. Consequently, employers can now acquire a backup holiday for small errands, such as visiting a doctor or providing transportation to and from a nursing care facility for a family member, more easily. In the future, we will continue improving the system while listening to employees' views and requests.

Number of employees who took leave for childcare, nursing care, and elderly care (FY)

Category	2010	2011	2012	2013	2014
Continuous childcare leave	98	100	76	128	179
Short working hours ^{*1}	81	66	109	173	238
Nursing leave	60	46	58	64	67
Continuous elderly care leave	0	1	1	2	3
Short working hours	0	1	2	1	1
Elderly care leave ^{*2}	1	1	2	1	2

*1 Period for short working hours for childcare was extended in March 2013 until the time of children's enrollment in elementary school.

*2 Elderly care leave system was established in 2010.

Improving mental and physical health

The Yazaki Group aims to establish the maintenance of good health among all employees as a part of the corporate climate. To this end, we promote the achievement of 100% in receiving regular medical examinations (physical checkups) and self-care, where employees become aware of their own mental health problems and take appropriate countermeasures, as basic measures to achieve early detection and treatment of illnesses among employees in collaboration with occupational health staff. Moreover, we conduct a stress test (mental health diagnosis) and leverage the test results in line care, efforts to improve the work environment by managers.

In recent years, we particularly focus on the prevention of mental health problems and the creation of a vibrant workplace. In 2014, in collaboration with an outside professional institution, we implemented a program geared to early response to employees with mental health problems and a recurrence prevention program after reinstatement. Moreover, we appointed a person in charge of the recurrence prevention program in all departments and held a follow-up meeting to promote the program, where training was given to persons in charge and information was shared among participants. In the future, we will implement mental health measures that only Yazaki that values people can provide.



Creating a Sound Work Environment

Occupational health and safety

In domestic production sites, we conduct risk assessment activities to detect and alleviate potential workplace risks and the safety and health diagnosis to evaluate the level of safety and health of each site. For occupational accidents that have occurred, we actively disclose accident information and countermeasures to prevent the recurrence of similar accidents. Along with the expansion of production overseas, the global occupational safety control has grown in importance. In response to such a situation, we promote measures to prevent the occurrence of similar accidents by sharing labor accident information globally. In the future, we plan to create a global occupational safety control system to proactively prevent occupational accidents.

Fire & disaster prevention activities

Learning from past natural disasters, the Yazaki Group promotes activities to prepare for earthquakes and tsunami and prevent workplace fires. In 2014, in light of changes in the anticipated damage from earthquakes and tsunami by local governments, we reviewed our criteria for stockpiles, such as food. In the future, we will also focus on Business Continuity Management (BCM) to prepare for large-scale natural disasters and responses to volcanic eruptions.

Moreover, as fire prevention measures, we will strengthen equipment inspection against fires due to electrical equipment, disseminate information on electric products recalled due to the potential danger of causing a fire, which is published by the Ministry of Economy, Trade and Industry and the Consumer Affairs Agency, throughout the company, and thereby prevent fire accidents.

Support for risk management of employees working abroad

In the midst of risks that exist everywhere in the world, such as terrorism, riots, disasters, accidents, and infection, about 650 employees are assigned to overseas bases. In an effort to enable employees loaned between overseas bases or employees travelling abroad on business to feel safe to work overseas, persons in charge of crisis management in Japan and overseas bases collaborate with one another to

share information regarding travel bans and safety with and transmit relevant information to employees. In 2014, we shared risk information in the regions of Japan, America, and Europe globally and standardized safety measures.

Employment and appointment of diverse human resources

Expansion of employment of persons with disabilities and job categories available for them

In an effort to promote the employment of persons with disabilities, the Yazaki Group has disability-friendly facilities in place and promotes the standardization of operations and the reinforcement of a follow-up system at each workplace.

At Yazaki Business Support Co., Ltd., a special subsidiary of Yazaki Corporation, 19 employees with disabilities engaged in the management and cleaning of welfare facilities and the collective management of waste from Y-CITY in 2014. Moreover, as a measure to enable them to maintain their work and strengthen a support system for them, we assign and develop qualified personnel, such as in-house job coaches and employment counselors for people with disabilities. In 2014, there were 68 persons with disabilities* on the payroll of Yazaki Corporation, including newly hired employees, and the current employment rate of persons with disabilities is 2.45%*.

* These figures are obtained by totaling the figure of Yazaki Corporation and that of Yazaki Business Support Co., Ltd. based on the Handicapped Persons' Employment Promotion Act.

Active employment of elderly people and succession of skills and knowledge

The Yazaki Group promotes the re-employment of retired persons with the aim of contributing to the employment of the elderly, one of the social issues in Japan, and passing on the skills and knowledge of experienced workers to the next generation. In 1989, we established Arrow Clean Service Inc. to expand the employment of the elderly. In 2014, 48 employees with the average age of 60.5 engaged in the maintenance of trees in and the cleaning and maintenance of Group facilities.

Accident frequency rate/accident severity rate

(FY)

Item	Category	2010	2011	2012	2013	2014
Accident frequency rate*1	Average in the manufacturing industry	0.98	1.05	1.00	0.94	1.06
	Major 12 production sites in Japan	0.37	0.42	0.13	0.22	0.35
Accident severity rate*2	Average in the manufacturing industry	0.09	0.08	0.10	0.10	0.09
	Major 12 production sites in Japan	0.0030	0.0020	0.0009	0.0068	0.0036

*1 Accident frequency rate: The number of casualties due to industrial accidents per one million working hours. The rate refers to frequency of accident. Frequency rate = Number of casualties / Total working hours x 1,000,000 hours

*2 Accident severity rate: The number of work days lost due to accidents per 1,000 working hours. The rate represents the scale of accident. Severity rate = Number of work days lost / Total working hours x 1,000 hours



Staying Close to People in Local Communities

We are working together with local communities for their vitalization.

Commitments made in FY 2014

Participation in Automotive Experiencing Exposition 2015

We participated in the Automotive Engineering Exposition 2015 held at Pacifico Yokohama in May 2015 and introduced technologies to connect cars components, cars with people, and cars with life under the main theme of *Connect to the Future*. On the day, we introduced the E Connector* and the leading-edge dimming control system, which was achieved by the E Connector, to many visitors, and the visitors experienced their functions first hand.

The total number of visitors to the Automotive Engineering Exposition 2015 was over 80,000. The Exposition provided us a superb opportunity to introduce Yazaki's overall technology to many people.

* E Connector See page 33 for details.



Display of E Connectors attracting many people

Participation in Eco-Products 2014

We participated in Eco-Products 2014 held at Tokyo Big Sight in December 2014. There, we ran a hands-on booth with the theme of Ryugujo (a dragon palace in the old tale "Urashima Taro"), where we introduced the products and environmental approach of the Yazaki Group to visitors of all ages from children to adults.

The Yazaki booth received a total of more than 2,000 visitors in three days, where 27 volunteer employees served as instructors to help children experience hands-on exhibits.



Hands-on booth with a theme of Ryugujo

Supporting Shizuoka Marathon 2015

In March 2015, the Shizuoka Marathon 2015 was held, where the Yazaki Group participated as one of the supporting companies. A total of 11,000 runners from all over the country, including 30 from the Yazaki Group, ran in the race. While the weather was not so good on the day, seven employees from the Yazaki Group worked as volunteers at water points, where they contributed to boosting the mood by cheering runners and delivering water bottles.



A water point where our staff worked as volunteers

Challenging Effort: Yazaki Centennial "Shochu" Project

As one of the activities commemorating the 75th anniversary of the Yazaki Group, we launched the Yazaki Centennial "Shochu" Project in June 2015 in Saiki City, Oita. This effort comprises the following two activities: a sake project where the employees of the Yazaki Group and local residents collaborate in growing rice and making shochu (a distilled spirit) out of the rice and a cleaning activity in Saiki City.

On June 13, the first project activity day, eight employees planted seedlings of Hinohikari, a variety of rice representing western Japan, in the rice paddies owned by Arrow Farm Oita Co., Ltd., a subsidiary of the Yazaki Group, under the coaching of local residents.

Half of the 3,750 bottles of rice shochu made in the project were left to mature for 25 years, which will be opened by the Yazaki Group on its centennial anniversary in 2041.



Planting rice seedlings with the coaching of local supporters

A Message from the Chairman

Walk tall toward the future, and be proud of the history of Yazaki

The countries and regions where the Yazaki Group operates and the types of business in which we engage are wide-ranging, but contributing to the community and appreciation for our stakeholders remain at the heart of all our activities. I would like to take this opportunity to talk about the future prospects of the Yazaki Group, keeping the enduring intentions of the founder uppermost in our minds.



Yasuhiko Yazaki
Chairman, Yazaki Corporation

▶ The founder's ambitions remain strong after 75 years

Thanks to the understanding and support of our stakeholders, the Yazaki Group celebrates its 75th Anniversary this year. Since my father and the founder of this company, Sadami Yazaki, first began selling automotive electrical wire, we have relied upon the support and cooperation of our stakeholders, and I would like to take this opportunity to express our sincere appreciation.

Our corporate policy of "A Corporation in Step with the World" and "A Corporation Needed by Society" was the source of the founder's desire to contribute to society through "monozukuri." This wish has been passed on unchanged until now, and still forms the axis for our thoughts and actions.

The founding president's favorite phrase was "Do what no one else has done." Although various ideas and plans were constantly being presented to him, he never allowed anything to be done that another company had done before. For that reason, I have always felt that taking on new challenges and a never say die spirit are the pillars of the present day Yazaki Group.

Because "employees are family," we have continued to engage in activities to enhance their welfare, such as the summer camp for the children

of employees. I inherited this attitude from my father, and it has not changed to this day.

▶ In taking on the challenge of achieving one's dreams, enthusiasm sustains motivation

I have recently heard employees complain that doing the same job every day, over time, one begins to lose sight of what he or she is working for. Certainly in our hectic modern society, one is apt to pay attention solely to the work at hand; therefore, it is important to remember that pride in one's work leads to contributing to our customers.

To build a factory somewhere in the world we have never been, and sweat alongside the local people - I get excited just thinking about it. Enthusiasm sustains motivation, and leads to a sense of fulfillment and pride in one's company and work. Everything we do should be interesting. With that attitude the Yazaki Group will continue to take on the challenge of a variety of activities on its way toward a bright future.

▶ The Yazaki Way in step with everyone in the community

For the Yazaki Group, with operations in countries around the world, a thorough understanding of the needs of the community is essential before considering what we can do. We believe that doing business hand in hand with the people in the region is the foundation for a sustainable company. With that in mind, employees seconded from Japan are emphatically told to blend in with the community and to keep respecting them - to work together, clean up together, eat together and even cry

together with the local people. That I believe is the first step in walking toward a dream together.

▶ Be like a tortoise moving slowly and steadily, undaunted by waste or inefficiency

Environmental issues are becoming increasingly serious, and in recent years, we have heard more and more news about the serious damage caused by natural disasters in many parts of the world. Because environmental issues are closely related to economic and social issues, we need to press for improvement from both of these directions. Once when I visited an emerging country, I remember the local people telling me, "Cut down our trees, and buy our forests!" The unfortunate reality is that only after one has enough food, clothing and shelter can one begin to think about the environment.

However, when it comes to environmental issues, we cannot expect to see results in the short term. Even among what appears to be wasteful and inefficient, there will always be something that will become valuable in the long run. Like the tortoise that overtakes the hare, it is important to remember that slow and steady wins the race. Our attitude toward efforts to resolve environmental issues should be that of the tortoise that appears in our corporate advertising series: "Slow down for an eco-friendly world."

I regard it as the duty of the Yazaki Group to continue on the path to realizing a sustainable society in order to leave a splendid global environment for the next generation.

Last but not least, we regard this report as an important tool for communication with our stakeholders, and sincerely look forward to receiving your candid opinions and comments.

Global Environmental Initiatives



The Yazaki Global Environment Charter established by the Yazaki Group in 1997 clearly declares the Group's commitment to protect the environment and enrich society in the Environmental Policy and the Action Guidelines. We contribute to the realization of a sustainable society through our corporate activities as well as through the actions of individual employees.

Yazaki Group 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. (Article of No.3)

Yazaki Global Environment Charter

(Adopted in 1997; revised in 2002, 2006, and 2012)

Environmental 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**
Reduce greenhouse gas emissions at the production process and by contribution of energy-saving products.
- 3. Promote the efficient use of resources towards the formation of a recycling-based society**
Utilize resources by promoting waste recycling and reduce discharges.
- 4. Manage and reduce environmentally hazardous substances**
Improve the management of environmentally hazardous substances in the products and the production process.
- 5. Develop environmentally friendly products**
Consider global warming, recycling, and substances of concern when developing products.

Organization of the Action Guidelines



Global Environmental Initiatives

Yazaki Environmental Plan

For Improvement in Environmental Activities

Yazaki sets specific goals for each important environmental action every year to make progressive improvement in environmental performance.

Evaluation of the results of FY 2014 and targets for FY 2015

Evaluation standard: ● = 100% achieved, ▲ = more than 90% and less than 100% achieved, ✖ = less than 90% achieved

Item	Target state or value	Target achievement year	Results of FY 2014	Evaluation	Target for FY 2015
Manage and reduce environmentally hazardous substances					
Compliance with EU ELV Directive	Strict compliance with ANNEX II of EU ELV Directive	2017	Selected alternative materials for the target products	●	Implement measures according to the revision of ANNEX II
Chemical substances control for indirect materials and packaging materials	Develop a mechanism for the management of chemical substances in indirect materials and packaging materials	2014	Implemented a hearing on the control status at each factory	●	Promote the visualization of the control status at each factory
Response to the REACH regulation and substances requiring authorization	Ensure compliance with revised REACH regulations and respond to customer requests	2014	Switched specific phthalate ester in response to customer requests	●	Continue ongoing efforts to comply with laws and regulations and meet customer requests
Reduction of VOC	Reduce VOC emissions by 30% from FY 2000 at JAPIA* target factories	2015	Reduced total VOC emissions by 44.2% from FY 2000	●	Reduce total VOC emissions by 30% from FY 2000
Take action to prevent global warming					
Reduction of CO ₂ emission	Reduce CO ₂ emissions per unit by 20% from FY 2010 globally	2020	Reduced CO ₂ emissions per unit by 27.0% from FY 2010 globally	●	Reduce CO ₂ emissions per unit by 15% from FY 2010 globally
Promote the efficient use of resources towards the formation of a recycling-based society					
Reduction of Waste	1) Promote reduction of waste globally	2020	1) In China, waste per unit increased by 9.7% compared to 2013 levels (targets achieved in Europe, the Americas, ASEAN, and Oceania)	▲	1) Achieve the target in each region
	2) Reduce waste by 10% from FY 2010 at all sites in Japan		2) Reduced waste by 18.2% from FY 2010 at all sites in Japan	●	2) Reduce waste by 18.2% from FY 2010 at all sites in Japan (Maintain performance achieved in FY 2014)
Develop environmentally friendly products					
Implementation of product life-cycle assessment (LCA)	Ensure that the company is capable of developing and designing products that are environmentally sound throughout their lifecycle	2014	Started using the Yazaki LCA tools in all development departments	●	Continue practicing environmentally friendly design based on the Environmentally Friendly Products Certification Criteria
Enhance environmental management					
Environmental Communication	Ensure that each factory holds stakeholder meetings and continuously reflects feedback from the meetings in their operations	—	Published site reports and held stakeholder meetings at production sites	●	Continue to publish site reports and hold stakeholder meetings
Environmental Education	Ensure that environmental training is conducted according to the plan	—	Conducted technical training at each site/division	●	Continue technical training
Environmental Compliance	Ensure that a system is in place to identify and assure compliance with laws and regulations applicable to each site and that periodical compliance audits are conducted	—	Globally conducted audits at 123 sites	●	Conduct audits on a regular basis in each region
	Ensure that a mechanism is in place to meet the legal requirements of each country and customer requests regarding chemical substances contained in products	2014	Delay in the revision of substances of concern control rules (Revised and issued in April 2015)	▲	Confirm how the mechanism is operated

* JAPIA: Japan Auto Parts Industries Association



Global Environmental Management

Yazaki has shared the challenges around the globe and promoted environmental activities group-wide.

Global Environmental Management System

Development of a Promotion System

The Yazaki Group develops, produces and sells a variety of automotive parts and other products in 45 countries, including Japan. We have established and manage a global environmental management system to fulfill global stakeholders' expectations and requests regarding environmental conservation efforts.

Each year in May, a meeting of the Yazaki Environmental Committee chaired by President Yazaki is held to deliberate on the action guidelines stipulated in the Yazaki Global Environment Charter and common issues to be addressed globally. The agenda at the Yazaki Environmental Committee are shared with persons responsible for environmental affairs and those in charge of environmental practice in each region at the Global Environment Conference to align efforts to solve common issues.

Moreover, we divided our global network of bases into five regions, namely, the Americas, Europe and Africa, China, ASEAN and Oceania, and Japan and built a management system tailored to the laws, culture, and customs of each region. Each region promotes environmental conservation activities after setting goals in line with the Yazaki Environment Charter and the Yazaki Environmental Activity Plan.

TOPICS

Information Sharing and Strengthening of Relationships in the Americas Region

In North America and Latin America, a meeting of the Americas Environmental Committee meeting is held annually led by YNA (U.S.A.) to discuss environment, health, and safety issues. In fiscal 2014, it was held in July in Nicaragua, where a total of 44 people from eight countries participated.

On the day of the meeting, persons in charge at each site reported last year's activities centering on the six efforts* (five environmental policies + safety). Among the participants, the Gomez Farias Factory of BAPSA (Mexico) was awarded the Outstanding Performance Award for its outstanding environmental conservation activities.

Next year, the Americas Environmental Committee meeting will be held in July in Mexico to promote continuous improvement by sharing information and deepening communication among participants.



Person in charge of the Gomez Farias Factory, BAPSA (center) that won the Outstanding Performance Award

*Six efforts

- (i) Enhancement of environmental, health, and safety management system;
- (ii) promotion of greenhouse gas reduction activities (iii) promotion of zero-emissions (landfill, water & energy) and green purchasing activities;
- (iv) product legal compliance and conformance (SOC Mgt) and conventional EHS laws;
- (v) promotion of environmentally friendly products; and (vi) establishment of safety management system

To accomplish global challenges

In an effort to promote environmental conservation activities while promoting inter-regional collaboration, key issues to be addressed globally, such as the mitigation of climate change and the management of chemical substances, are shared and measures are discussed in the Global Environment Conference. For fiscal 2014, the Conference was held in April 2015 with the theme of efforts to strengthen the Yazaki Environmental Activity Plan and improve the environment assurance system.

Moreover, the agenda addressed in the Global Environment Conference are discussed in the environmental committee meeting of each region. Below are the activities of the environmental committee meeting of each region in fiscal 2014.

Regional Environmental Committees



FY 2014 Meeting Dates of Regional Environmental Committees

Region	Dates
Americas	July 15-16, 2014
Europe & Africa	June 9, 2015
China	November 6, 2014
ASEAN & Oceania	September 25, 2014, May 28, 2015
Japan	May 12, 2015

Environmental Management System

Developing mechanism at production sites

The Yazaki Group has ISO 14001 (criteria for an environmental management system) compliant global mechanisms in place. As of June 2015, 236 production sites of the Yazaki Group are certified to ISO 14001.

Moreover, in an effort to ensure that we meet the legal requirements of each country, an environmental compliance audit is implemented on a regular basis at each business location. In the environmental compliance audit, not only a compliance system and its operation, but also first-aid procedures and a contact system in the event of an emergency are checked with the view of preventing accidents.

In fiscal 2014, the environmental compliance audit was implemented in 56 business locations in the Americas, 25 business locations in Europe and Africa, 8 business locations in ASEAN and Oceania, 5 business locations in China, and 29 business locations in Japan.



Audit in SUAI (Indonesia)

TOPICS

Preventing hazardous substance leakage by changing the layout of drainpipes

For the purpose of preventing soil pollution and groundwater contamination, the Research and Technology Center in Susono City, Shizuoka, where chemicals are used in research and development activities, changed the layout of drainpipes from the conventional underground burial structure (burying pipes in the ground) to a trench structure (laying pipes in trenches). This change has allowed us to check leakage via visual inspection. Moreover, a dual structure, which was adopted for plumbing under the floor, prevents chemical substance leaks from the inner pipe from leaking out of the plumbing structure.



Dual-structure plumbing



Underground plumbing with a trench structure

Environmental Education

Development of people who can voluntarily carry out environmental efforts

In an effort to develop people who can think and carry out environmental efforts on their own, we conduct company-wide training and specialized environmental training based on the in-house training system.

The company-wide training aims to deepen employees' understanding of the significance of addressing environmental issues and the Yazaki Group's environmental efforts. It targets newly promoted employees at various levels and those assigned to overseas bases. In fiscal 2014, 415 employees participated in the training. For the employees who are not able to participate in the company-wide training due to reasons, such as being on childcare leave, we have learning materials for self-study to ensure that every employee can have the opportunity to take part in the training.

The purpose of the specialized environmental training programs is the acquisition of professional skills required for environment-related jobs. It targets persons responsible for or in charge of environmental affairs. In fiscal 2014, a total of 9,754 employees participated in the following training programs: training geared to persons in charge of the management of chemical substances, environmental legislation administrator and staff training, and ISO 14001 internal auditor training.

Number of employees who underwent environmental training (FY 2014)

Category	Target	Participants
Company-wide education training	New employees	106
	New leaders	143
	Environmental training for newly appointed general managers	28
	Employees assigned overseas	138
Sub-total		415
Specialized environmental training	Chemical substance management staff	3,918
	Environmental legislation administrators and staff	5,793
	ISO 14001 internal auditors	43
Sub-total		9,754
Total		10,169

Initiatives to Prevent Degradation of the Global Environment

We are endeavoring to achieve proper management of substances of concern (SOC) to meet customer requests in full compliance with related laws and regulations.

Management of chemical substances in the products

Response to chemical substance related laws and regulations and customer requests

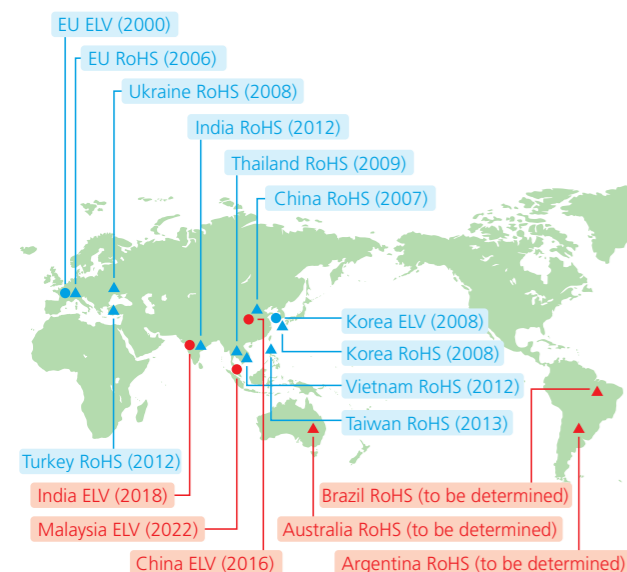
The Yazaki Group has established and has been operating systems worldwide to ensure compliance with the laws and regulations related to chemical substances in each country and meet customer requests for the control of chemical substances.

For legal requirements in each country, we collect revision and enforcement information and make advance preparations for chemical substances expected to be regulated in near future to ensure prompt response. Moreover, we promote information sharing among related departments to meet customer requests for chemical substance control.

In 2014, as activities continued from 2013, we consolidated systems for ELV regulations to be enforced in each country and built systems to manage the New Chemical Substance Notification Regulation in each country. As new activities, we identified parts that are expected to be targeted in the revision of the EU ELV Directive and issues associated with preparations for the revision.

Chemical substance related laws and regulations in each region around the world

- ELV Directive enforced
- ▲ RoHS Directive enforced
- ELV Directive to be enforced
- ▲ RoHS Directive to be enforced



Years in parentheses indicate years published or to be published.

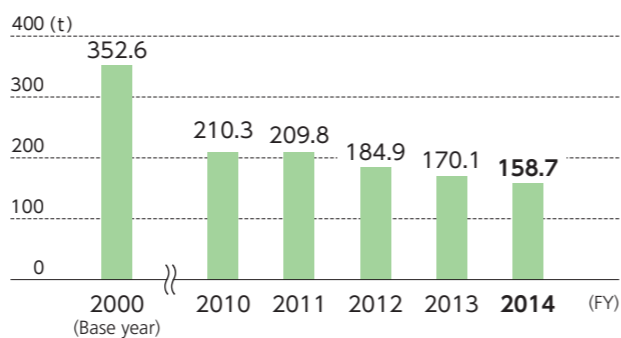
Management of chemical substances at business locations

Reducing VOC emissions

For volatile organic compounds (VOC) that generate sources of air pollution, such as suspended particulate matters and photochemical oxidants, the domestic Yazaki Group promotes reductions in VOC emissions via process improvement and design change toward the achievement of the target voluntarily set by the industry group to which the Group belongs.

In fiscal 2014, we changed the products produced at the Shimada Factory (Shimada City, Shizuoka) to those without VOC and reviewed the area and amount of using VOC-containing paint at the Tenryu Factory (Hamamatsu City, Shizuoka). Through these efforts, the total VOC emissions in the domestic Yazaki Group were reduced to 158.7 tons, - 55.0% from fiscal 2000.

VOC emissions



TOPICS

Reinforcement of chemical substance control at overseas bases

The control of chemical substances in products is becoming stricter worldwide. In response to such a trend and for the purpose of reinforcing the control of chemical substances at overseas bases, in fiscal 2014, we provided training on the management system for substances of concern and the XRF (X-ray fluorescence analysis)-based measurement method to managers responsible for and persons in charge of chemical substance control at all production bases in China and Indonesia. In China, 70 people participated in the training program whereas 30 people participated in Indonesia. In the future, we will continue implementing training programs to further strengthen the control of chemical substances.



XRF Training

Initiatives for Creating a Low-carbon Society

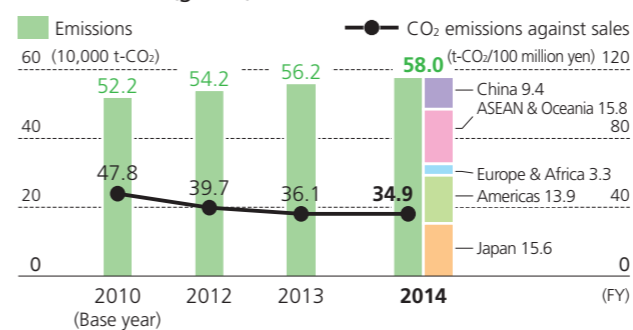
We are striving to devise various measures to reduce CO₂ emissions during production, transportation, and other operations to achieve our reduction targets.

Reduction of CO₂ emissions at business locations

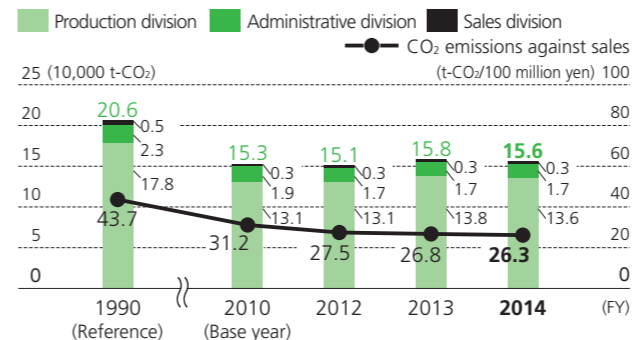
The Yazaki Group has set the target of reducing the CO₂ emissions per unit by 20% globally from the fiscal 2010 level by fiscal 2020. In fiscal 2014, we reduced CO₂ emissions by about 6,340 tons globally by converting to LED lights, using energy saving-type air conditioning and production equipment, and reducing standby electricity. Consequently, CO₂ emissions per unit of sales for fiscal 2014 were 34.9 t-CO₂/100 million yen, -27.0% from fiscal 2010 levels. For the domestic Yazaki Group, CO₂ emissions per unit of sales for fiscal 2014 were 26.3 t-CO₂/100 million yen, -15.7% from fiscal 2010.

Moreover, we also focus on the sale of products that contribute to reducing CO₂ emissions, such as solar thermal equipment and Bio-Aroace, a wood pellet-fueled absorption chiller-heater. Eco Solar Type II, a solar hot-water system launched in fiscal 2014, has improved the solar collection efficiency by 3% from the conventional type and achieves a 539 kg reduction in CO₂ emissions per unit per year. Through these products, the CO₂ emission reductions for fiscal 2014 totaled 54,000 tons and the accumulated amount of CO₂ emission reductions since fiscal 2011 amounted to 191,000 tons.

CO₂ emissions (global)



CO₂ emissions (in Japan)



Promotion of green logistics

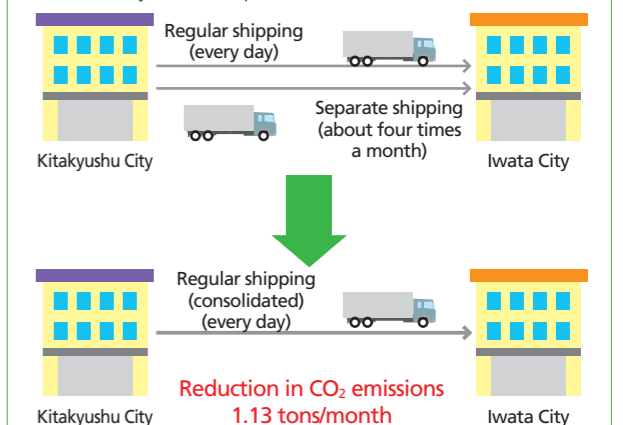
With the aim of reducing CO₂ emissions resulting from logistics, the domestic Yazaki Group promotes green logistics based on the improvement of transportation efficiency, the implementation of a modal shift, and the promotion of eco-driving, such as the prohibition of sudden starting, sudden acceleration, and sudden deceleration. Yazaki Parts Co., Ltd., and Yazaki Energy System Corporation, both of which are specified consigners under the Energy Conservation Act, promote the improvement of transportation efficiency toward the target of reducing energy consumption per unit in transportation by 1% from the previous fiscal year based on the national guidelines.

CO₂ emissions associated with logistics for fiscal 2014 were 20,000 tons, an increase of 0.8% from the previous year. CO₂ emissions per transportation amount (ton kilometer) were 142.6 g-CO₂/ton-kilometer, an increase of 2% from the previous fiscal year. The major reasons for these increases were an increase in small-lot transportation to remote areas and a change in transportation mode from marine transport to truck transport due to bad weather. In the future, we will continue our ongoing efforts to save energy and reduce CO₂ emissions in collaboration with manufacture, sales and development departments.

TOPICS

Enhancement of transportation efficiency via consolidated transportation

Yazaki Parts Co., Ltd., used to ship wire harnesses every day and members, such as J/Bs (junction blocks), about four times a month separately from a distribution center in Kitakyushu City, Fukuoka to another center in Iwata City, Shizuoka. In fiscal 2014, the company put the members including J/Bs into the regular shipping of wire harnesses to eliminate the four separate shipments per month and thereby enhance transportation efficiency. This resulted in reducing CO₂ emissions by 1.13 tons per month.



Initiatives to Create a Recycling-based Society

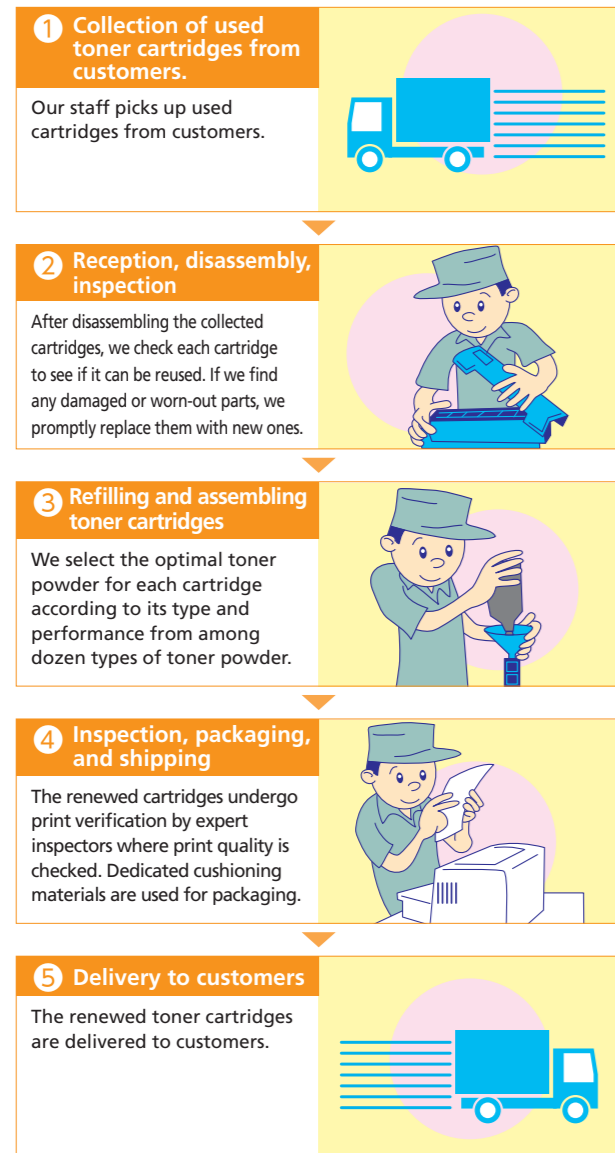
Contributing to helping create a recycling-based society by promoting zero landfill and recycling used products.

Toner Cartridge Reuse Business

The Yazaki Group launched the toner cartridge reuse service at Shizuoka Parts Co., Ltd., in June 2001. Used toner cartridges are collected from customers and returned to them after taking them apart, re-filling them with new toner powder, re-assembling, and conducting quality inspections.

This service has successfully contributed not only to cost reduction on the part of customers, but also to a reduction in CO₂ emissions (about 6 kg-CO₂/toner cartridge). Currently, about 400 corporate customers use this service.

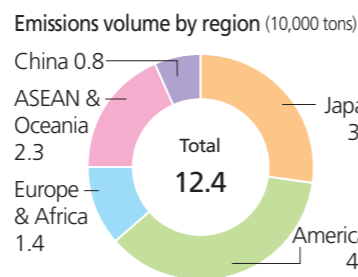
Flow of Toner Cartridge Reuse



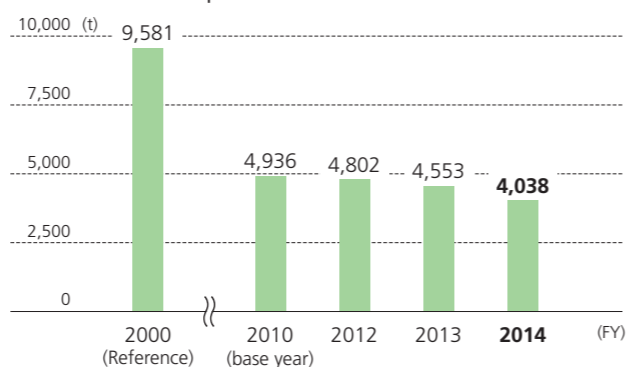
Reduction of emissions

The Yazaki Group sets emission, waste, and landfill targets for each region according to regional conditions and carries out activities to attain the targets.

The total global emissions for fiscal 2014 were 124,000 tons. In the future, we will further promote activities to reduce emissions while giving due consideration to the characteristics of each region. The amount of waste of the domestic Yazaki Group was 4,038 tons, -18.2% from fiscal 2010 levels due to the reuse of jig templates.



Volume of waste in Japan

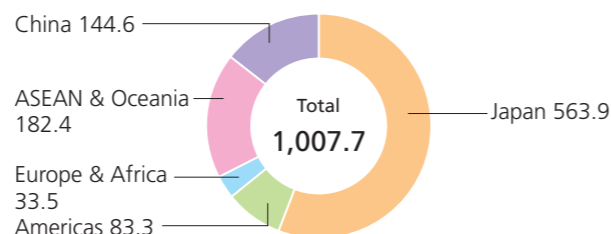


Note: The amount of woodchips at some locations was converted to weight, and the figures for fiscal 2010 to 2013 were altered accordingly.

Reduction of water consumption

Our global water consumption in fiscal 2014 was 10.077 million m³. We are using rainwater and recycling cooling water.

Water consumption by region (10,000 m³)



Pick Up Activities in FY 2014

Energy Saving

Power saving by turning off power when not in use

At YN (Nicaragua) that has 60 ventilation fans installed in its factory, power usage was increasing as the factory's operating time was extended. Moreover, when the fans were not in use, they were turned off manually, and employees often forgot to turn them off. To solve these problems, an automatic power supply control device was introduced, which resulted in power saving of 800 kWh per month and a CO₂ emissions reduction of 0.31 ton per month.

Power saving by lowering the intake-air temperature of compressors

At TMP (Thailand), the temperature in the air compressor room often rises to over 40 degrees Celsius due to the climate in Thailand. Since the power consumption of a compressor increases and its compression efficiency declines as the intake-air temperature becomes higher, it was necessary to keep the room temperature low. Therefore, an air blower was introduced, which lowered the room temperature to 33 to 35 degrees Celsius. Consequently, the efficiency of the compressor was enhanced, leading to power saving of 26,434 kWh and a CO₂ emissions reduction of 13.8 tons per year.

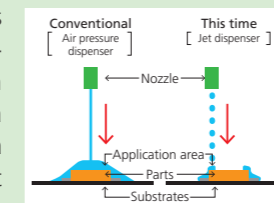


Air blower installed in the compressor room

Reducing VOC

Reducing VOC by changing the application method of damp-proofing agents to J/B-ECU* substrates

At the Ohama Factory (Kakegawa City, Shizuoka), damp-proofing agents containing VOC are applied to substrates with electronic parts to protect them against moisture. In collaboration with the design section, the application area of damp-proofing agents on J/B-ECU substrates was reviewed and the application method was changed. For the application method, the conventional air pressure dispenser was changed to the jet dispenser. This served to eliminate drippings after application and unnecessary extra application, leading to a reduction in the amount of damp-proofing agents by 206 kg per year.



Comparison of damp-proofing agent application methods (image)

*J/B - ECU: Junction block electronic control unit

Reducing wastes

Waste reduction via packaging material recycling

YCT (Romania) used to dispose of expanded polystyrene used as a packaging material for raw materials. However, since 90% or more of expanded polystyrene is made of air, it is voluminous, leading to an increase in disposal costs. The company, therefore, introduced a machine to smash and compress expanded polystyrene and sold the compressed expanded polystyrene to recycling companies. Consequently, the amount of expanded polystyrene waste was reduced by 24.6 tons per year.



Compressed expanded polystyrene

Thorough separation of used paper

Since separation of waste was not practiced thoroughly, and everything was disposed of as landfill at YARMEX (Mexico), we implemented retraining targeting all employees. Consequently, the company was able to recycle 200 kg of used paper per month.



Waste separation by employees

Environmental Management

Visualization of personnel qualified for environmental laws and regulations

The Hamamatsu Factory (Hamamatsu City, Shizuoka) had an issue of aging workers qualified for environmental laws and regulations. With an eye toward sharing a future qualification acquisition plan with employees, the factory embarked on the visualization of qualified people. Listing people by qualification and by age and compiling a database of the list have enabled prompt information sharing among people involved.



Visualization of qualified people

Contributing to the conservation of the global environment via eco-friendly design

We are promoting environmentally friendly design across our R&D division according to our own eco-design criteria.

Promotion of environmentally friendly design

Setting our own environmentally friendly design criteria

The Yazaki Group has been working across the R&D division to reduce environmental impact and add more value to its products as early as the design stage by formulating its own criteria for environmentally friendly design.

In fiscal 2014, we certified 48 products as eco-friendly products based on our environmentally friendly design criteria. This section introduces some of the environmentally friendly products developed or released in fiscal 2014.

Environmentally friendly products in the Automotive Sector

Downsizing and weight saving of wire harnesses for long slide seats

Electric components, such as seat heaters, are installed in the seats of an automobile, and wire harnesses are used to supply electricity to these components.

Conventionally, a long iron case was required to slide wire harnesses according to the movement of a seat, which posed challenges in terms of space and weight.

Our recent development of wire harnesses with a new structure, where wire harnesses are integrated into a long slide seat rails, has enabled us to downsize the case housing wire harnesses by half. Moreover, changing the case material to resin has led to a reduction in case weight by 80%, a weight reduction of about 5 kg per automobile, and to the improvement of fuel efficiency while driving.



Conventional type (upper), New type (lower)

Small interior lighting drivers with low power consumption

We developed a new interior lighting driver (E connector*) to achieve interior lighting that drivers can see and enjoy. This product controls four personal lamps and two line illuminations.

Three dimming levels are available for personal lamps while four dimming levels are available for line illuminations. In addition, there are 16 colors from which a driver can select to produce a variety of lighting effects. Moreover, compared to the conventional electric bulb lighting system with the same functionality, the adoption of LED lights enabled an 87% power savings.

This product, which was downsized and separated from the conventional electronic control system, enabled us to install it on the ceiling without drastically changing the vehicle system. Moreover, adding communication functions to this product has resulted in reducing 11 wires, leading to the contribution to resource savings.

* E connector

A general term for control units in the size of a connector, which were developed based on the unique product concept of the Yazaki Group



The 16 colors can be adjusted in four levels.



Interior lighting driver "E Connector"

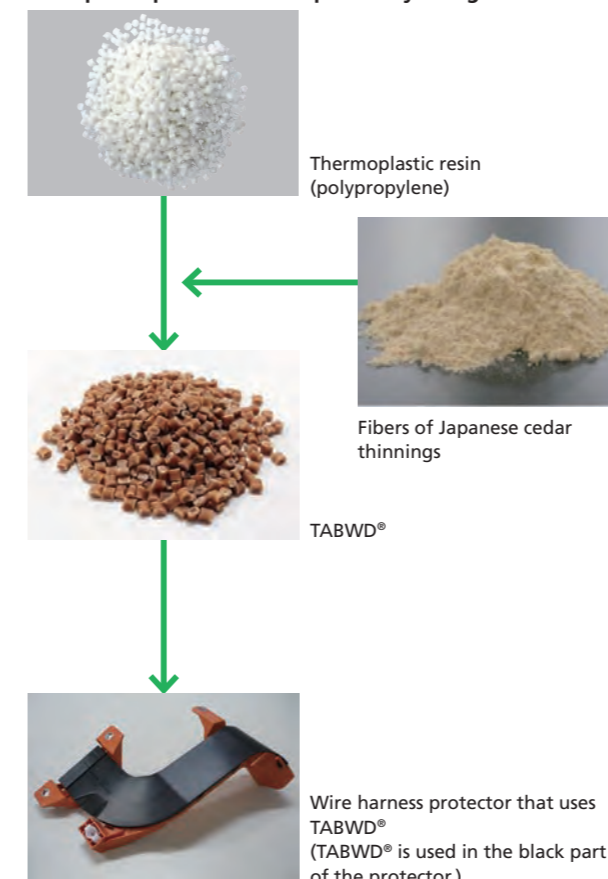
Wire Harness Protector made of Japanese Cedar Thinnings

In Japan, there are many artificial forests where the Japanese cedar and the Japanese cypress are planted. However, since these trees do not grow if they are not managed well, the proper management of such forests including thinning is required.

Joining with Toyota Auto Body Co., Ltd. in its effort to contribute to effective utilization of resources and reforestation by developing the technology to use forest thinnings, the Yazaki Group has engaged in the development of products that use TABWD®, a flame-retardant resin material developed by Toyota Auto Body by leveraging Japanese cedar thinnings since 2011.

In November 2014, we successfully commercialized wire harness protectors to be used around engines by leveraging the characteristics of TABWD®, namely, superb strength, heat resistance, and flame retardancy. This success has enabled us to reduce a protector's weight by 10%. Moreover, since molding TABWD® requires lower temperature than before, the use of TABWD® also contributes to power saving in the manufacturing process.

Example of product development by using TABWD®



Environmentally friendly products in Yazaki Energy System Corporation

Unit Cables for Office Buildings

Since lighting wiring in an office building has to be conducted one by one at the site, it used to require lots of hands and time. To solve this problem, the adoption of harnessed unit cables has been considered particularly for large office buildings.

To meet such needs, we developed unit cables for office buildings by leveraging our long accumulated technology of manufacturing unit cables for residential use. While we designed our conventional unit cables for residential use as standardized products of The Japanese Electric Wire & Cable Makers' Association, we developed unit cables for office buildings not by following the standards, but by focusing on branching functions. This approach allowed us to use welding as the connection method, which in turn resulted in downsized, lighter unit cables and improved operational efficiency. Moreover, the number of parts used has also been reduced by changing the insulation protection method, leading to resource savings.



Unit cable for residential use (upper), Unit cable for office buildings (lower)

Gas-type Arorizer for large gas consumption featuring high energy efficiency

Arorizer is a device to vaporize LP (liquefied petroleum) gas (liquid) and is used in commercial kitchens and gas air conditioning systems, where a large amount of LP gas is consumed. Since more than 90% of existing Arorizer use electricity as a heat source, we developed the gas-type Arorizer that has better energy efficiency than the electric type in response to the recent growing demand for energy diversification.

However, since the conventional gas-type Arorizer uses a water heater as a heat source, it requires extra pipework and pumps, and the place where it can be installed is limited. To solve these shortcomings, we developed a new gas-type Arorizer in fiscal 2014. We successfully downsized the new one by integrating heat sources to make it replaceable with the conventional electric type. Compared to the electric type that has the evaporation ability equivalent to the new type (200 kg/h), the new Arorizer achieves about 45% energy savings and a reduction in CO₂ emissions by about 50%.



Gas-type Arorizer



Community-based Environmental Activities

We conduct a variety of activities aimed at raising employees' environmental awareness and promote local environmental conservation in each region.

Activities at business locations

Tottori Sand Dunes Weeding Volunteer Activity

Tottori Parts Co., Ltd. has been participating in the Tottori Sand Dunes Weeding Volunteer Activity promoted by Tottori Prefecture since 2005. In fiscal 2014, 48 employees participated in the activity and worked one hour pulling up weeds in the sand dunes. Through the participation in this activity, employees recognized anew the importance of environmental conservation and maintaining the Tottori Sand Dunes in its best conditions.



Participants of activity

Cleaning Activities in time with the World Environment Day

YEV (Vietnam) conducts activities to raise employees' awareness of environmental conservation each year in time with the World Environment Day on June 5. This year, about 216 employees spent about two weeks in cleaning areas neighboring the company.



Cleaning activity

Planting trees on the National Tree Day

AAPL (Australia) conducted tree planting on the National Tree Day, where 48 employees planted 750 trees, including spiny-headed mat-rush, a genus endemic to Australia.



Participants of activity

Weekly All-hands Tree Planting

YES (Samoa) conducts tree planting on the premises every Friday. In an effort to promote environmental conservation activities, all employees participate in this activity, which is conducted concurrently with its cleaning program. In fiscal 2014, YES also conducted the tree-planting program in elementary schools in the neighborhood.



Tree planting at an elementary school

Raising environmental awareness via postcards

In China, a variety of environmental activities are being conducted based on the Five Water Improvement Activities.* As part of promoting these activities, HZY (China) created postcards, where the Environmental Policy of the Yazaki Group is written, and distributed them to all employees. The employees then sent these postcards to their family members and friends to share the importance of environmental conservation with them. The employees also conducted awareness raising activities at local elementary schools by using the postcards.



An employee participating in the postcard campaign

* Five water improvement activities

It aims to improve the following: 1. Quality of contaminated public water, 2. Flood prevention measures, 3. Roadside flooding prevention measures, 4. Water quality and quantity of headwaters, 5. Water use (water saving).

Activities in the National Environment Month

Y-CITY and Susono Factory (Japan) participate in the river cleaning activity organized by the Kano River System Water Quality Conservation Council in Susono City every year in the national environment month of June. This year, a total of 14 employees participated in the river cleaning activity.



Participants of the river cleaning activity

Third-Party Comments



Mr. Satoshi Chikami

Executive officer of the Graduate School, Nihon Fukushi University, Professor in the Faculty of International Welfare Development, Nihon Fukushi University

Standing member of the executive committee of the Nagoya Open University of the Environment
Chairperson, Environmental Partnership Office Chubul, Ministry of the Environment

[Areas of Specialization] His areas of specialization include regional environmental planning, environmental learning, and education for sustainable development (ESD). He conducts empirical research on sustainable development while integrating the approaches of natural science and social science. In Japan, he helps promote participatory regional development and collaborative urban development among citizens, businesses, and local governments, whereas he conducts field-oriented surveys and research on the development of a sustainable society overseas centering on the developing regions in Asia.

The Social and Environmental Report for this year clearly shows the Yazaki Group's commitment to the realization of a sustainable society while enhancing its corporate value in collaboration with all stakeholders including customers, local communities, and employees under the clearly defined direction, decisions, and policies of top management.

Corporate Policy that has taken root through its 75 years of history

At the beginning of the president's message (page 7), he said that the company has conducted its business while always thinking about what value a company has in society. The fact that the company now conducts its business at 476 locations across the world, including ten new bases in India and Paraguay, while actively addressing new business projects required by local communities in Japan in response to changes in the domestic business environment clearly demonstrates that the corporate policy of "A Corporation in Step with the World" and "A Corporation Needed by Society" has formulated the unique characteristics of Yazaki through its 75 years of history.

Moreover, the chairman said employees seconded from Japan should blend in with the community and keep respecting them. (page 24). This attitude clearly shows that Yazaki has conducted business in close collaboration with stakeholders in local communities.

Contribution to sustainable regional development

The feature story (pages 9 to 12) introduces a project of Yusuhara Town in Kochi, which aims to become self-sufficient for energy by leveraging forest resources. The efforts of Yusuhara Town, an environmental model town, to contribute to developing countermeasures against global warming and revitalize the local community by leveraging local resources have been attracting much attention from across the country. From the beginning of the project in 2005, Yazaki has collaborated with the local community as one of the core players and provided an unprecedented idea of leveraging the thinnings and forest offcuts that have not been fully used in the past as an energy source (wood pellets) for absorption chiller-heaters. This effort on the part of Yazaki earned the esteem of local people. This fact also represents the embodiment of the corporate policy, "A Corporation Needed by Society."

Moreover, as was the case with the feature story on Arrow Farm Oita in fiscal 2014, this year's feature story also focuses on the partnership with a variety of local stakeholders in Yusuhara Town and demonstrates the unique characteristics of Yazaki. I also look forward to how the Yazaki Centennial "Shochu" Project in Saiki City, Oita will turn out.

Conclusion

The president's message (page 8) of the establishment of a flexible production system that can effectively respond to changes and that leverages 476 global bases and the chairman's message (page 24) of the tortoise approach that focuses on steady progress in environmental conservation efforts are important principles and attitude that are required of companies valuable for the world and for local communities. I hope that Yazaki will further promote the activities described herein in the future.

Progress in the effort to create an employee-friendly workplace

It is noteworthy that the number of employees using the childcare and nursing care support programs, such as childcare leave and short working hours, has significantly increased (page 20). Currently the development of measures for building up towns, people, and jobs is being promoted across the country, and one of the key issues of the measures is the improvement of childcare support programs. While many companies have such programs in place, not many employees use them. In such a situation, it is worth noting that Yazaki's efforts toward the achievement of a good work-life balance among employees have been steadily progressing as demonstrated by the development and active use of the Backup Holiday, a paid holiday accumulation system where a paid holiday can be taken on a half-day basis.

Steady progress in environmental efforts

It deserves high recognition that in most key environmental items specified in the Environmental Plan, their targets have already been achieved by more than 100% (page 26). In particular, it is noteworthy that the VOC emission target for fiscal 2015 and the global CO₂ emissions per unit target for fiscal 2020 were already achieved in fiscal 2014. While I think that the efforts to reduce global CO₂ emissions must have faced many challenges due to laws and systems that vary with the country, Yazaki has achieved the target early.

While the fiscal 2015 targets for these two items have not been changed since they were initially set, I hope that Yazaki will continue its ongoing efforts toward the maintenance of fiscal 2014 levels at a minimum.

At the same time, I hope that Yazaki will continue its steady efforts, such as the improvement of transportation efficiency via consolidated transport (page 30), the development of octagonal cardboard boxes (page 18), and efforts to save energy and reduce waste at every location across the world (page 32), in the future.



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