



Past,
Present,
Future,
we are connected.



Social & Environmental Report **2016**



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 2015 (June 21, 2015 to June 20, 2016)

● Organizations covered

Yazaki Corporation and consolidated companies in Japan and overseas

● Guidelines consulted

Environmental Reporting Guidelines 2012, Ministry of the Environment of Japan

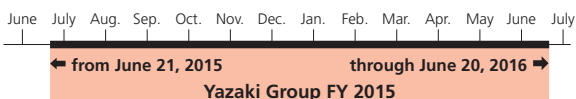
● Reader response questionnaire

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

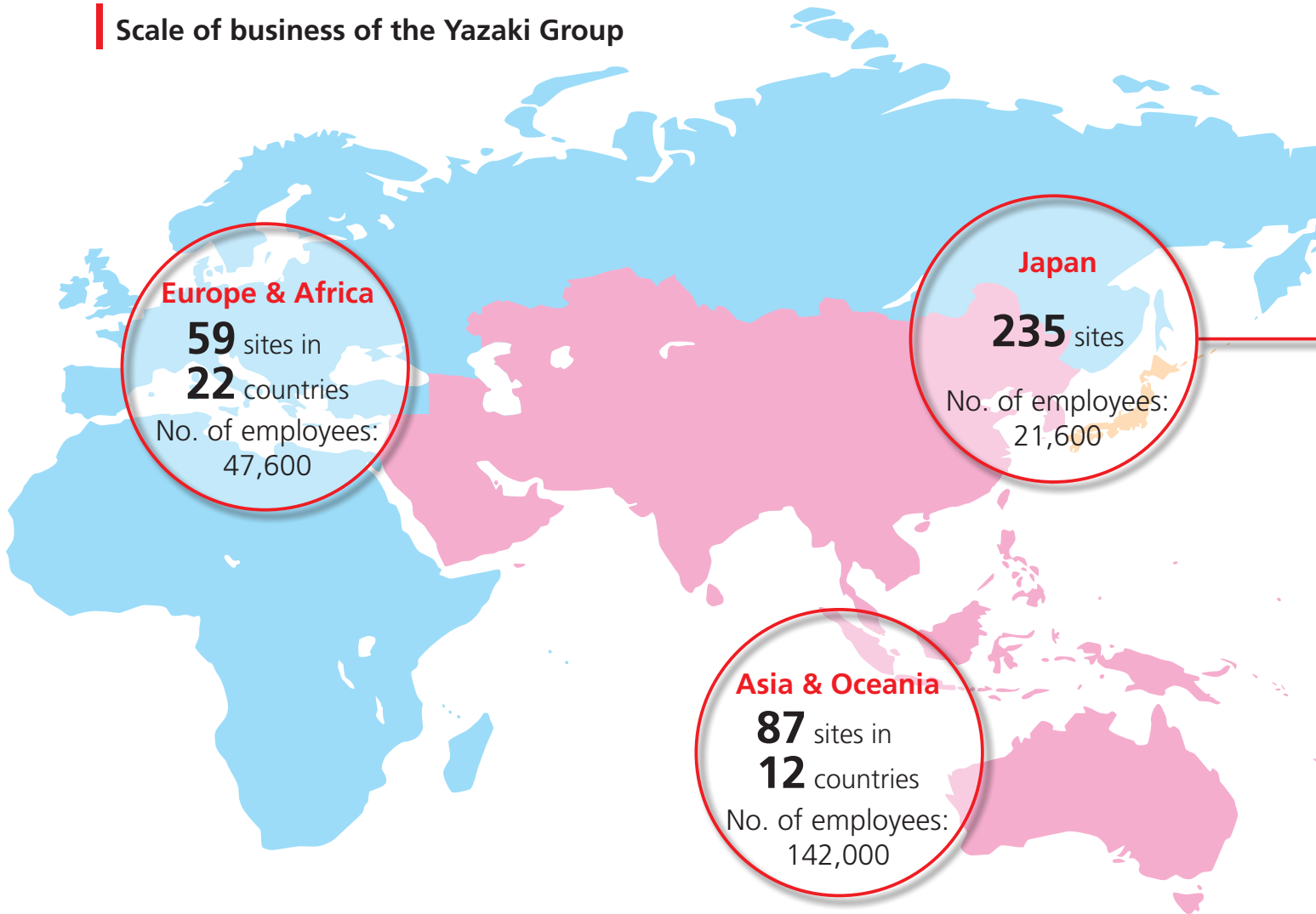
This is a photo of the Yazaki Forest in Yusuhara Town, Kochi. The Yazaki Group promotes efforts geared to the local recycling of forest resources in collaboration with local residents.

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Contributing to Global Communities through a Variety of Businesses

Scale of business of the Yazaki Group



Company Overview (As of June 20, 2016)

Company name: Yazaki Corporation
Established: October 8, 1941
Representatives: Yasuhiko Yazaki, Chairperson
 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: 66
 Overseas Group companies: 106
 Public interest incorporated foundation: 1
 173 in total
Number of employees: Employees in Japan*2: 21,600
 Overseas employees: 267,700
 289,300 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

Main factories and offices in Japan

- Yazaki Corporation
- ◆ Yazaki Parts Co., Ltd.
- Yazaki Meter Co., Ltd.
- Yazaki Energy System Corporation

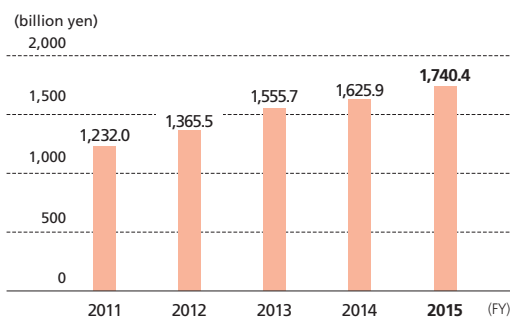
Fukuoka Office
Hiroshima Office
Niimi Factory
Osaka Office
Nagoya Office
Sendai Office
Tochigi Factory
Tokyo Office
Headquarters

Shizuoka Prefecture

Shizuoka Office
Shimada Factory
Tenryu Factory
Hamamatsu Factory
Daito Factory
Ohama Factory
Y-CITY
Fuji Factory
Susono Factory
Numazu Factory
Monozukuri Center

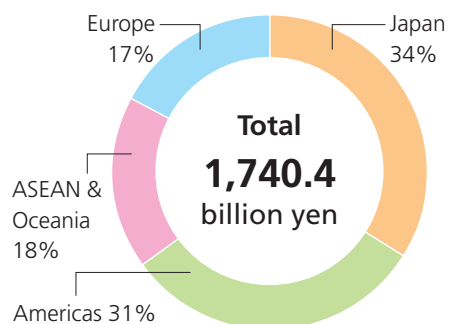
Americas
106 sites in
10 countries
 No. of employees:
 78,100

Net sales (consolidated)



* Due to a change in our accounting policy, figures for fiscal 2014 were changed.

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 equipment

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



Wire harnesses

Smart J/B

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

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

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.



"Arofriend 26P" Taxi meter



"DTG7" Digital tachograph

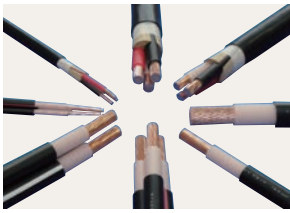


For Everyday Lives

We supply energy that is the basis of our living, such as electricity, gas, and solar heat, and provide a variety of products that support our daily lives. We also support safe and comfortable living through our power transmission cables and gas equipment.

5 Electric wires

We provide environmentally friendly products, such as lead-free cables and non-halogenated wires and cables that meet customer demand. We also obtained the EcoLeaf Environmental Label ahead of others in the industry.



"YAWARAKA" Cable 600 V 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
gas meter

7 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 II" Solar water
heating system

8 Air-conditioning equipment

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



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

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

Paper cushioning that is recycled from cutting waste produced in a printing process and used paper can be incinerated as flammable waste or recycled after use.



"Aroeco" Paper
cushioning
recycled from
cutting waste
and used paper

10 Nursing Care

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



Care Center
"Kamifusen"
(Susono City,
Shizuoka)

11 Agriculture

We engage in community-based agribusiness. We produce agricultural machinery and also rent farmland to grow vegetables and rice unique to the local.



Arrow Farm
Oita



A Message from the President

Creating value that only Yazaki can offer

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

The company celebrated its 75th anniversary in 2015. I would like to take this opportunity to express our sincere appreciation to all stakeholders for their unwavering support, which has sustained the development of the company. We will continue to make effort to be more attractive company.

In this report, I will review the previous year and discuss the future direction of the company.

Shinji Yazaki
President, Yazaki Corporation



Looking back on FY 2015

In 2015, we set a goal to restructure the production system of automotive equipment by establishing five new sites in India, Mexico, Indonesia, Romania, and Nicaragua. The establishment of these new sites will allow us to meet the needs of customers more promptly and more efficiently. Moreover, we started mass production of automotive meter and wire in the Republic of South Africa and launched the digital tachograph service network business in Thailand. Thanks to the support of stakeholders, we have been able to operate in a variety of different fields around the world. I would like to again thank the stakeholders for their support. In the future, we will continue to interact with and build stronger ties with the stakeholders.

In 2015, the group's consolidated net sales totaled 1,740.0 billion yen, up 7.0% from the previous year, and operating profits improved significantly, boosting the group's bottom line. On the other hand, we learned many severe lessons, including a serious incident that could have rocked customer confidence in product quality. Many of these problems arose from poor collaboration between the Production, Sales, Development, Management departments, and regions at the production preparation stage. Therefore, the company must thoroughly review production preparation activities and require close interdepartmental collaboration. We are determined to identify the root causes of problems and take countermeasures so that we will not repeat the same mistakes.

Far-sighted strategies that capture customer requirements accurately and promptly

The production volume of automobiles in the world will reach and exceed the one hundred million mark in the next several years. Moreover, the commercialization of self-driving cars that leverage IoT and big data would be realized much sooner than expected. Naturally, we expect that the needs and business direction of customers will become more diversified.

In order to fulfill our responsibility as a manufacturer and continue delivering attractive products and services to our customers, far-sighted strategies are important. Based on the strategies, we will leverage our *connecting* technology that we have improved over the years such as wire harnesses and propose our products and services that add new value to the automobile to each customer. This is the mission of our company and what only our company can do.

In 2015, the government of the Philippines introduced a Comprehensive Automotive Resurgence Strategy Program (CARS), a new policy to promote the expanded production and sale of automobiles. While this is only one example, the environment of the automobile industry is constantly changing and evolving. In order to respond flexibly to ever-changing quality and technology requirements and the needs of customers around the world, we must expand and enrich the production system. In the future, we will continue to devise new production and procurement methods together with business partners to realize a highly liquid production system.

Return to the origin as a *Monozukuri* company

Under our fundamental spirit of “One for All, All for One,” all employees of Yazaki have helped each other, improved by learning from others, and continued to develop. However, this spirit of mutual support seems to flag recently. We should not, however, give up by saying that such a trend is an inevitable result of this ever-changing world because this spirit is fundamental to our company.

Therefore, under the theme “Return to the origin as a

Monozukuri (craftsmanship) company”, I set the “GEN” (source) as the management policy for 2016. This policy will clearly define the purpose of each task and will share the understanding of the role of each employee, including myself. I believe that the problems that cannot be solved by one person can be solved by sharing the purpose of the task with others and by promoting mutual understanding.

Our company plans to deliver products and services that are clearly differentiated from those of our competitors in the automobile component business, as well as in other *safety and security* and environment-related business fields. Specifically, we will proactively expand business globally by leveraging the technology, services, and expertise that we have accumulated through the domestic business of thermal energy technology, telematics services that leverage digital tachograph, smart meters (gas-related equipment), and YAWARAKA Cable.

Toward the realization of a sustainable society

The role to be played by the company and the expectations of society against resolution of global environmental issues 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. In an effort to accurately and promptly grasp and then respond to the changes in environmental laws and customer needs, we will reinforce our business system.

Each employee must support these activities. While promoting environmental conservation activities, I, as a business manager, will enforce thorough risk management that gives first priority to human life and review company systems and mechanisms for the realization of a work environment that is friendly to every employee in the world.

Yazaki Corporation will continue to create new value as only Yazaki can offer toward the realization of a sustainable society, and we ask for your continued support and understanding.

Aiming to realize safe and comfortable transportation in Thailand

Since 1962 when Thai Yazaki Electric Wire Co., Ltd., was established as the first overseas site, the Yazaki Group developed steadily with the support and cooperation of local stakeholders. Currently, the Yazaki Group has 12,000 employees in six companies in Thailand.

Bangkok, the capital of Thailand, is filled with high-rise buildings and the vigor of its people. On the other hand, the city now faces the transportation issues of chronic traffic congestion and ever increasing traffic accidents, which are serious social problems. The city, therefore, has implemented variety of measures to realize safe transportation.

This special feature introduces the efforts launched in 2015 for safe, comfortable transportation using digital tachographs.



Efforts toward the realization of safe, comfortable transportation

In January 2016, a law requiring the installation of a GPS vehicle tracking system on heavy vehicles such as trucks and buses was legislated in Thailand. The Royal Thai Government aims to reduce traffic fatalities to 10 per 100,000 population per year (currently, it is 36.2) by 2020 and, to this end, promotes efforts to reduce fatal accidents via GPS-based information management.

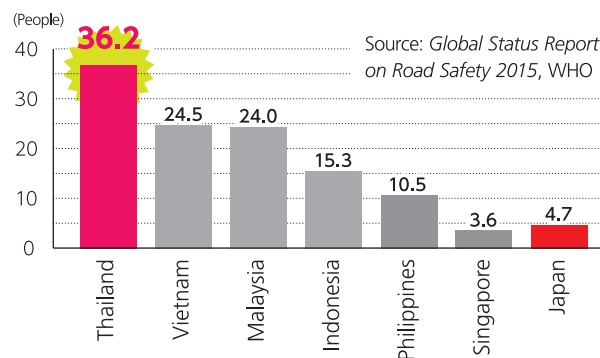
Moreover, efforts for the development of safe transportation have been gaining momentum among companies, leading to the promotion of remedial actions by the transportation industry, such as training geared to drivers on safe driving and the acquisition of eco-driving skills.

Since 1960, when the sales of tachographs, the first of its kind in Japan, were launched, the Yazaki Group has contributed to safe driving and the prevention of traffic accidents in the transportation industry in Japan. In the hope of contributing to the realization of a safe society in Thailand by leveraging its long accumulated technology and experience, the Yazaki Group established Thai Yazaki Network Service Co., Ltd., (TYNS) as a digital tachograph-based communication network business, a new challenge in Thailand, on April 1, 2015. The Yazaki Group also participates in an industry-academia-government collaboration project organized by the Toyota Mobility Foundation, which aims to relieve traffic congestion in Bangkok. The Yazaki Group has provided probe information*¹ collected through digital tachographs to the project.

*1 Probe information:
Road traffic information developed from position and vehicle speed information collected from moving vehicles



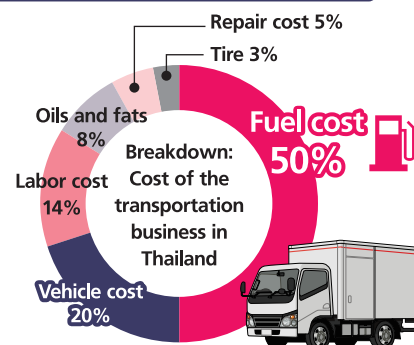
Comparison of traffic fatalities per 100,000 population between six ASEAN countries and Japan



Direct costs in the transportation industry

In Thailand, fuel cost accounts for 50% of the cost of the transportation business. A reduction in fuel cost, therefore, will lead to a reduction in costs and CO₂ emissions.

Source: Ministry of Energy, Thailand



column



Mr. Ormsin Chivapruck
Deputy Minister of Transport, Ministry of Transport Thailand

Counting on overseas technology and expertise to solve traffic issues

Thailand aims to build a safe, high-quality, efficient transportation system by developing the transportation infrastructure and reviewing vehicle standards. As one of the measures for reducing traffic accidents, the installation of a GPS-based vehicle tracking system on all trucks and public buses and the storage of the recorded data from vehicles at the Department of Land Transport were legislated in January 2016. The legislation allowed the Department of Land Transport to manage and ensure that the speed, driving hours, and driving routes of each vehicle are in compliance with regulations. The number of traffic accidents and deaths during the Thai New Year's (Songkran) holiday period decreased significantly from the previous year, and we believe that the installation of a GPS vehicle tracking system promoted the improvement.

In the future, we plan to actively introduce effective technology and expertise in Thailand, as well as other countries, to achieve safe, efficient transportation and permanently solve traffic problems.

Accommodating the wishes of stakeholders



Upgrading the transportation by communicating the importance of safe driving to drivers

Enhancing safety and transportation quality by leveraging position information

In response to legislation for the mandatory installation of a GPS vehicle tracking system, we need to add the GPS function to digital tachographs and develop a network to manage information from the GPS devices. To this end, the Yazaki Group collaborates with D.T.C. Enterprise Co., Ltd., a company that has the technology and many performances in the development of GPS and map infrastructure in Thailand.

“Our earnest wish is to connect the digital tachographs from Yazaki with our strength in information networks to improve transportation in Thailand. No one is more committed to reducing traffic accidents in Thailand than we are. Moreover, we wish to establish safe transportation in Thailand, as well as across ASEAN countries, and enhance transportation quality by disseminating the system into ASEAN countries.”



Mr. Thotspol Kunapernsiri
CEO, D.T.C. Enterprise Co., Ltd.



TPRO, Traffic Safety Education and Training Center

TTK Asia Transport (Thailand) Co., Ltd., a subsidiary of Toyota Tsusho (Thailand) Co., Ltd., in charge of milk run logistic services, installed a digital tachograph on all trucks that the company owns and has been promoting the improvement of fuel efficiency via eco-driving and safe driving training geared to drivers.



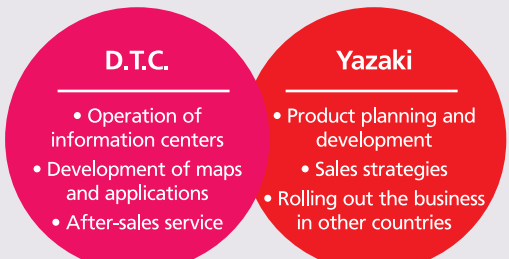
Mr. Hiroshige Kawada
President, TTK Asia Transport
(Thailand) Co., Ltd.

“In order to reduce traffic accidents in Thailand, it is necessary to conduct regular safe driving training and boost the awareness of safe driving in society as a whole. Our company established TPRO, a driving training center, in 2012 and has since provided safe driving training to drivers. The center accepts our company’s employees, as well as those of other companies; 2,000 people complete the course each year. Drivers who were not interested in safe driving at the beginning soon recognize their poor driving skills after they are shown driving records from the digital tachographs. By leveraging the lessons learned in the course, graduated drivers become observant of cruising lanes and speed limits. We also have a commendation system in place to enhance driver motivation.

Safe driving improves fuel efficiency, which eventually contributes to environmental conservation. We wish to contribute to the improvement of transportation in Thailand and environmental conservation through training achievements at TPRO.”

Partnership between D.T.C. Enterprise Co., Ltd., and the Yazaki Group

Information infrastructure in Thailand



Strategic partner in ASEAN

Product development and performance in Japan

for the realization of a safe, eco-friendly society

Contributing to the development of Thai society by selling the effect of digital tachographs

Hosoya International Co., Ltd., is the first distributor handling digital tachographs from the Yazaki Group in Thailand. After installing a digital tachograph on a vehicle, President Hosoya rides with the driver and provides detailed driving instructions.

“When I started handling the Yazaki digital tachographs all I did was install the product. However, with feedback from customers saying that the product was ineffective, I started to ride with the driver and provide instructions. Face-to-face instructions, such as “Try 1,000 rpm in a shift change instead of 2,500 rpm” and “Press on the accelerator more softly and avoid braking suddenly,” are very stressful for drivers. However, as the driving records from the digital tachograph show improvement in fuel efficiency and the effect of safe driving, drivers get smile on their face and I am pleased with that.

In addition, I sometimes give a suggestion to the customers who have installed digital tachographs that they offer some kind of incentive such as a commendation or a monetary reward to well-performed drivers.

Our company's motto is to sell the effect rather than a large number of digital tachographs. We will continue our efforts to contribute to the development and improvement of Thai society to the best of our ability while showing the Japanese spirit.”



Mr. Fumio Hosoya
President, Hosoya International Co., Ltd.

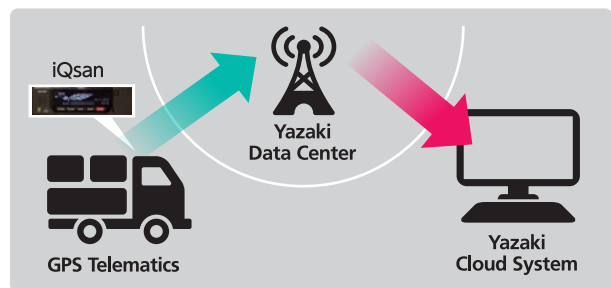
Together with Stakeholders



Staff of Thai Yazaki Network Service Co., Ltd. (TYNS)

TYNS sells digital tachographs in Thailand and has nine staff members in total, including three Japanese and six employees from Thailand. While all members are young and have only been working for the company for a few years, they share the same commitment to safety and environmental conservation as follows: “I want to reduce traffic accidents,” “I will be happy if I can change the driving customs in Thailand by selling this product,” and “I am proud of this job as it contributes to environmental conservation and energy saving.”

“The sales of digital tachographs have given TYNS an opportunity to help enhance transportation in Thailand. While sharing all thoughts from supportive stakeholders, we will do our best to realize a safe transportation environment as soon as possible.”

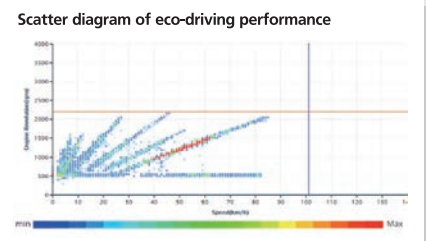


Flow of digital tachograph data

Yazaki's digital tachographs

Achieve Safety, Energy Saving, Efficiency, and Environmental Conservation for the Automobile Society of Thailand

- Creation of Safety** Zero traffic accidents via dangerous driving alarm (prediction) function
- Creation of Energy Saving** Energy saving in terms of improved fuel efficiency via eco-driving function
- Creation of Efficiency** Enhancement of operational efficiency by improving transportation quality, including vehicle allocation and delivery
- Creation of Environment** Environmental conservation by reducing CO₂ emissions and relieving traffic congestion



Social Initiatives

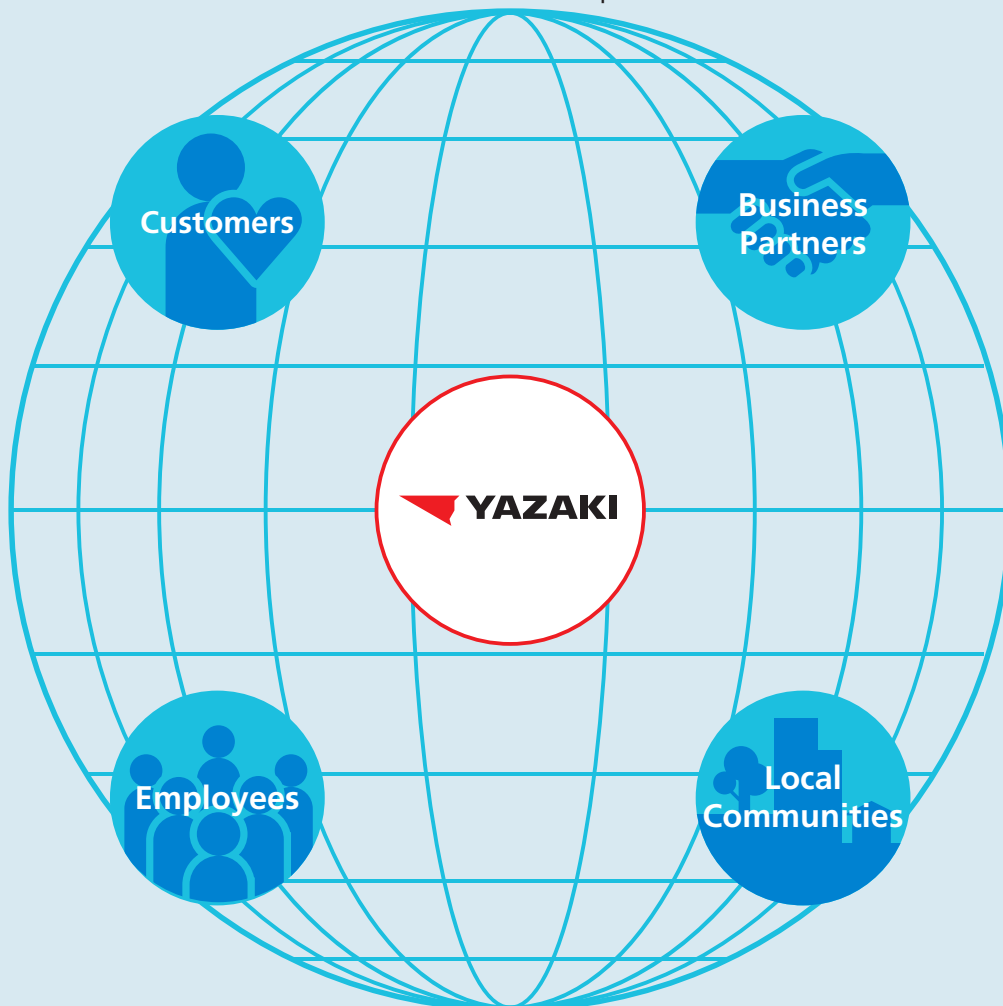
Placing its Corporate Policy—"A Corporation in Step with the World" and "A Corporation Needed by Society"—at the foundation of all its activities, the Yazaki Group has been striving to contribute to the development of a better society. We continue to fulfill our corporate responsibilities with a focus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

Providing a stable supply of high-quality and high-function products

- Provision of products and services that reflect views of our customers
- Enrichment of education and training programs for sales and service staff

Building fair and open relationships

- Promotion of stronger partnerships with suppliers
- Mutual cooperation in addressing environmental conservation and conflict minerals issues
- Collaboration in enhancing product quality and performance



Creation of a comfortable work environment

- Development of human resources that will lead the next generation
- Employment and promotion of diverse human resources
- Creation of a safe, friendly work environment

Contributing to the revitalization of local communities

- Active participation in exhibitions
- Rolling out the "Slow down for an eco-friendly world" series



Thorough Compliance

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.

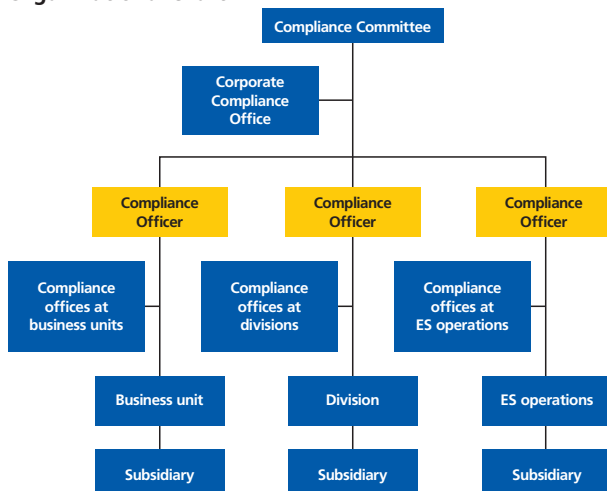
Based on this commitment, Yazaki not only ensures that each and every executive and employee strictly obeys all applicable laws and regulations but also expects them to develop a strong understanding of corporate ethics and to conduct business activities in a fair and responsible manner. We believe this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

Organizational structure to ensure compliance

In an effort to consolidate the compliance system for the entire Yazaki Group, we established a Compliance Committee in 2010.

In 2015, we put into operation a Compliance Officer System to promote autonomous activities by each department. This year, a compliance committee meeting was held twice and an officer meeting was held six times. In addition, targeting all employees, a compliance awareness survey was conducted to measure the penetration of compliance awareness among employees. In 2016, based on the survey results, we will further focus on the dissemination of information related to the compliance system and structure, and education on major laws and regulations and enlightenment of the actions to be taken.

Organizational chart



As with last year, the Global Legal Conference comprising persons in charge of legal affairs and compliance in overseas group companies was held again in March 2016, and aligned the awareness regarding global issues common to all group companies.

For regional efforts, we sent members of the Legal Affairs Division to offices in ASEAN, China, and South America to intensively consolidate our global compliance system.



2015 Global Legal Conference (left: President Yazaki, right: participants)

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, we have company rules in place to protect whistle-blowers from any disadvantages or retaliation.

In addition, we also have a contact point at an external law firm, which accepts whistle blowing and consultation requests by business partners.

In the future, in an effort to enhance awareness of *Yazaki ai*, we will make further efforts to ensure that all employees are informed of the system.

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 2015, we conducted intensive training geared to executive officers in four domestic group companies, those in overseas and domestic subsidiaries, and senior executives and persons in charge of compliance in companies in ASEAN and China regions.



Responsibilities to Customers

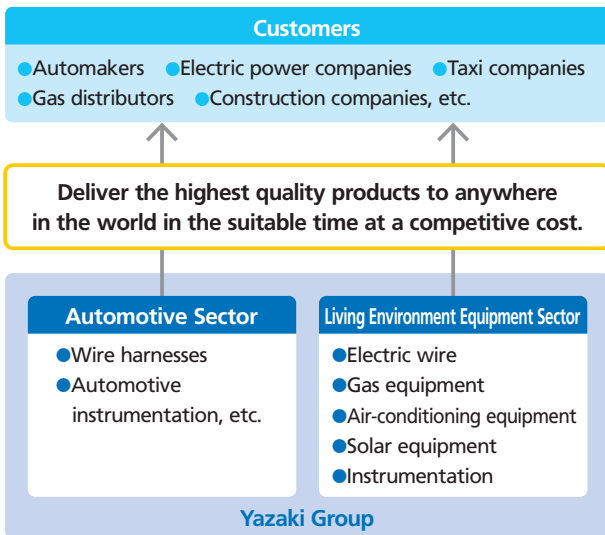
At Yazaki, our customers come first. We serve our customers with a stable supply of high-quality products that consistently meet safety standards.

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 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



Initiatives of Automotive Sector

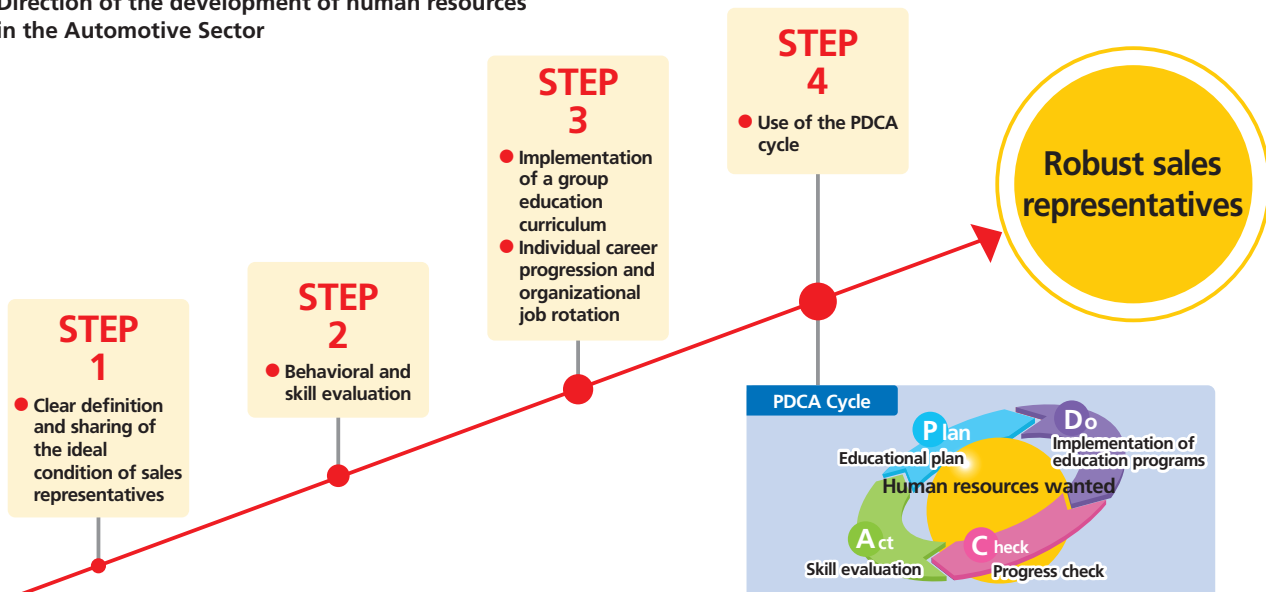
In order to promptly capture customer needs from a global perspective and accurately respond to them, it is essential that all related departments cooperate and collaborate with one another. To that end, the Yazaki Group organizes a business unit comprising development, production, and sales departments for each customer. Through this system, we also enable cross-departmental management of corporate responsibilities, such as compliance with laws and regulations, and ensure that we fulfill our responsibilities as a company without any omission.

In 2015, with the aim of boosting the organizational strength of the Sales Department as a whole, we particularly focused on the reinforcement of the development of human resources. In an effort to maximize our limited resources in the midst of ever intensifying global competition, we first clearly defined the ideal condition for employees in direct contact with customers. Then we evaluated our education programs and employees' skills in light of the defined ideal condition of sales representatives, and based on these evaluation results, we provide development opportunities for each career path.

In the future, the Sales Department will continue its ongoing efforts to develop robust human resources armed with knowledge and skills required for sales activities.

Career Map

Direction of the development of human resources in the Automotive Sector



● Initiatives of Living Environment Equipment Sector

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 2015, a total of 81 people (46 companies) participated in the workshops in October and November, which were well received by the participants. In the workshops held under the theme of Realization of Total Cost Reduction via Easy Construction, 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 safety and low fuel consumption during the delivery of products.

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 R&D departments and production departments to increase customer satisfaction.

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



Participants experiencing product characteristics at first hand



Group discussion

Gas Equipment Operations

Since 1963 when we started the sale of LP-gas meters, the first of its kind in Japan, the Yazaki Group has been providing products and services that ensure the safe usage of gas among customers. Moreover, we have our own Gas Engineer Qualification System in place for our designated gas equipment service shops (GSS), who sell our gas equipment and provide services related to them. The system aims to encourage GSS employees to acquire and maintain gas equipment knowledge and skills.

Moreover, at the Yazaki Gas Equipment Training Center established in 1981, we provide training programs required for the piping of liquefied petroleum gas. The Center was designated by the Ministry of Economy, Trade

and Industry as facilities to develop Authorized LP Gas Facilities Managers. In 2015, we conducted four workshops, and 60 employees passed the qualification examination. A cumulative total of 1,492 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 2015, as with 2014, in an effort to enhance value that we deliver to our customers through our solar 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, we launched *Oyu Jouzu*, an advanced solar water heating system for welfare facilities, such as special elderly nursing homes and geriatric health services facilities. *Oyu Jouzu* is a solar system that assesses the operating environment on its own and automatically changes operation modes from an energy saving mode to a hot water filling mode. With the conventional products where solar heat was used as soon as collected, lack of hot water and lowering of hot water temperature happened frequently when the hot water quantity consumed exceeded the supply capacity of a boiler during bathing hours at these nursing homes. We solved this problem by developing a system that enables to replenish hot water by storing more than two days' worth solar heat. This system prevents lack of hot water and lowering of hot water temperature, contributing to decreasing burdens of nursing home residents and their caregivers.

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 equipment.



"Oyu Jouzu" Advanced solar water heating system





Responsibilities to Customers

Instrumentation Operations

Under the concept of connecting vehicles with infrastructure, the Yazaki Group contributes to the realization of a smart community-based safe, low-carbon society by providing instrumentation system products that help solve the issues that a motorized society face, such as safety and security, environment and energy saving, and efficiency and convenience. Since 1962 when we built a nationwide service network centering on tachograph, we have been upgrading and enriching our after-sales service, including the installation, component replacement, and repair of instrumentation devices in collaboration with distributors.

In 2015, we actively promoted the sale of our products, including *DTG7*, a product comprising a digital tachograph

and an drive recorder, and have contributed to improving customers' business operations by providing products related to safety, eco-drive, and the improvement of vehicle and labor management efficiency. In Thailand, we launched *iQsan*, a digital tachograph service that leverages telematics that provides information in real time. The service is expected to significantly reduce traffic congestion in Thailand. The Instrumentation Operations will continue fulfilling its responsibilities to customers by providing safety, energy saving, a nice environment, and high efficiency to working automobiles.



"DTG7" Digital tachograph

Topics

Contributing to National Resilience Building Initiative

Based on the Basic Act for National Resilience Contributing to Preventing and Mitigating Disasters for Developing Resilience in the Lives of the Citizenry, the Cabinet Office promotes the National Resilience Building Initiative with the aim of creating solid national lands and economic and social system that have strength to avoid fatal damage to national lands, economy or living and flexibility to allow swift recovery in the event of disasters. To promote this Initiative, it is essential to combine *self-help*, *mutual help*, and *public help* in an appropriate manner, promote collaboration among public administration, local residents, and private companies, and share roles among these players.

In 2015, our efforts at disaster response bulk storage tank and woody biomass combustion equipment were introduced in the collection of cases as part of effort toward building national resilience.

Bulk storage tanks that can be used for cooking and power generation in the event of disasters

In the event of disasters, such as earthquakes, LP gas can be used as an energy source for soup run and hot bath in stricken areas. Disaster Response Bulk Storage System can be used as a hot water supply system at ordinary times whereas in the event of disasters, it can supply LP gas to LP gas-fueled equipment, such as a power generator and a rice cooker, via LP gas cord. Thus, our bulk storage systems for disasters are used to secure lifelines at emergency shelters.



Bulk Storage System for Disasters

Forest Thinning-fired Woody Biomass Combustion Equipment

Forests have a landslide prevention function and a watershed protection function that stabilizes river discharge. In order to maintain these functions, it is critical to promote the sustainable use of forest resources. We contribute to the regional circulation of forest resources and local production of energy for local consumption by developing *Wood Pellet-fired Bio Aroace*, an absorption chiller-heater fueled by wood pellets made from forest thinning, and by promoting the woody biomass regional circulation model project in collaboration with Yusuvara Town and the Yusuvara Forest Cooperative.



"Wood Pellet-fired Bio Aroace"



Wood pellets



Responsibilities to Business Partners

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

● 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 2015, 162 domestic and overseas supplier companies participated. On the day, President Yazaki explained key measures for technology and production as this is the year to lay the foundation for the Yazaki Group's medium-term management plan. Then Purchasing Operations General Manager explained the Yazaki Cooperation Procurement Policy and shared information on the positioning of the Purchasing Operations in the global system and on Yazaki's safety, quality, and environment-based pursuit of *cost competitiveness*, *supply chain control center*, 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 strengthening of the Yazaki Group's global *genba-ryoku* (on-site capabilities). In the meeting, we received proposals to reinforce the competitiveness of Yazaki's component business from the participating suppliers and introduced our direction in and activities for the enhancement of Yazaki Group's global *genba-ryoku*. The exchange meeting also served as an opportunity for participating suppliers to exchange views with other suppliers.

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.



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

● A briefing 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.

The Yazaki Group conducts a conflict minerals survey geared to the entire supply chain to fulfill its social responsibilities and meet the requests of customers, including automobile manufacturers. In May 2016, we held a briefing on the conflict minerals survey, where 149 supplier companies participated, and where we asked for suppliers' understanding of and cooperation in the survey, in particular regarding changes in the questionnaire and important points to note.

In the future, we will promote the procurement of conflict-free raw materials in collaboration with our suppliers.



Conflict minerals survey briefing

● A briefing on quality control standards

For the revision of the quality manual for suppliers, we held a briefing in Kikugawa City, Shizuoka, in April 2016. In the briefing, changes in the standards due to the revision were explained centering on the following four core areas: quality management, manufacturing process management, production preparation, and the management of environmentally hazardous substances. In particular, for the management of chemical substances in products, we explained a management method to avoid *silent change*.

In the future, we will continue ongoing efforts to improve quality in collaboration with suppliers.



Briefing on the quality control standards



Responsibilities to Employees

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

● Sincere dialogue 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 ALL YAZAKI UNION of 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 ALL YAZAKI UNION of 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. Regarding the 2015 activities by each site in Japan, efforts were made to realize a workplace where employees feel comfortable taking vacation. As one of the results, an agreement was reached between labor and management to set up specific days to encourage employees to take a paid leave.

In the future, we will continue promoting activities to create a better working environment in the Yazaki Group via collaboration between labor and management.

Personnel system "Rewarding Employees Who Worked Hard"

In March 2014, the Yazaki Group introduced a new personnel system of Rewarding Employees Who Worked Hard.

In 2015, the second year after shifting to the new system, we conducted a questionnaire survey geared to all employees on their attitude toward and understanding of the new system. Based on the survey results, we promoted activities centering on the following: Revision of or a change in the rules concerning the areas where problems still remain or where some improvement is required; dissemination of information to enhance employees' understanding of the system; and education of evaluators to achieve fair and equitable employee evaluations.

In the future, we will continue these activities to further enhance employees' understanding of the system, realize a better evaluation system, and establish a corporate culture that inspires motivation in employees.

● Development of human resources that will lead the next generation

Yazaki Leadership Development Seminar

The Yazaki Group has conducted the Yazaki Leadership Development Seminar geared to young managerial staff and manager candidates, who were recommended by their superiors since 2011. In the Seminar, participants are expected to acquire basic management knowledge, leadership skills, and the capability to handle diverse situations. In 2015, a total of 20 persons from nine 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 21st 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 216 people completed the program, including six persons in 2015.



Trainees experiencing Japanese culture

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 over 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 2015, 15 follow-up workshops (247 participants), and five management round-table conferences (30 participants) were held.



Participants of a follow-up workshop and Chairman Yazaki

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 increase their interest in environmental issues and deepen the mutual understanding 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 Yazaki Summer Camp in Japan

2015 Summer Camp Performance

	In Yusuhara Town	In Vietnam	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	<ul style="list-style-type: none"> Yusuhara Town, Kochi (Jul. 27th to Jul. 31st) Eastern part of Shizuoka (Aug. 3rd to Aug. 7th) 	<ul style="list-style-type: none"> Vietnam (Hanoi) (Aug. 2nd to Aug. 7th) Vietnam (Ho Chi Minh) (Aug. 16th to Aug. 21st) 	Chiba, Tokyo, Shizuoka (Jul. 24th to Jul. 30th)
Number of participants	<ul style="list-style-type: none"> Children: 226 Instructors: 29 	<ul style="list-style-type: none"> Children: 137 Instructors: 19 	<ul style="list-style-type: none"> Children: 322 (37 countries) Instructors: 36
Cumulative total	38 camps, 6,921 persons	29 camps, 4,637 persons	26 camps, 3,502 persons

● 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 standardized operations and reinforced a follow-up system at each workplace along with improving disability-friendly facilities.

At Yazaki Business Support Co., Ltd., a special subsidiary of Yazaki Corporation, 23 employees with disabilities engaged in the management and cleaning of welfare facilities and the collective management of waste from Y-CITY (Susono City, Shizuoka) in 2015. 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 2015, there were 69 persons with disabilities* on the payroll of Yazaki Corporation, including newly hired employees, and the current employment rate of persons with disabilities is 2.29%.*

* 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 2015, we re-employed 678 retired persons (including 164 new employees).

● Creating a safe and employee-friendly workplace

Efforts toward the realization of diversity

We promote a variety of activities with the aim of creating a workplace where employees feel motivated to work and think that their work is worth doing.

Based on the Act of Promotion of Women's Participation and Advancement in the Workplace enforced in April 2016, we developed an action plan* for the development of a workplace where both men and women feel safe to continue working while raising children or looking after a sick or elderly family member and for the provision of active support to female employees for their career formation.

Specifically, we introduced a job return system in 2015. This is a re-employment system for those employees who were forced to quit work due to such reasons as childcare, nursing care, or a spouse's job transfer.

In the future, we will continue our efforts to expand and enrich the systems that allow all employees to fully demonstrate their abilities.

* For more information on the development of the action plan, please refer to the following website:

<http://www.yazaki-group.com/pdf/news160401.pdf>

News release dated April 1, 2016

Development of an action plan based on the Act of Promotion of Women's Participation and Advancement in the Workplace



Responsibilities to Employees

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

(FY)

Category	2011	2012	2013	2014	2015
Continuous childcare leave	98	74	93	98	99
Short working hours	63	115	133	155	177
Nursing leave	46	58	64	67	64
Continuous elderly care leave	1	1	2	3	1
Short working hours (elderly care)	1	2	1	1	1
Elderly care leave	1	2	1	2	1

* While we used to use the number of persons using the system during each period until the previous fiscal year, we changed it to the number of persons who started using the system this year

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. As one of basic measures to that end, we ensure that all employees (100%) undergo a medical examination on a regular basis (physical checkups).

Moreover, we have conducted a stress test (mental health diagnosis) on a continuous basis with the aim of encouraging employees to become aware of the state of their own mental health and promoting self-care since 2009, ahead of legislation in 2015.

For self-care and line-care (management of employees' health by superiors), we conduct annual in-house training to create an environment where the maintenance of good physical and mental health is jointly addressed by the company and its employees.

Occupational health and safety

In domestic production sites, we conduct risk assessment activities to detect and prevent 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.

Accident frequency rate/accident severity rate

(FY)

Item	Category	2011	2012	2013	2014	2015
Accident frequency rate *1	Average in the manufacturing industry	1.05	1.00	0.94	1.06	1.06
	Major 12 production sites in Japan	0.42	0.13	0.22	0.35	0.38
Accident severity rate *2	Average in the manufacturing industry	0.08	0.10	0.10	0.09	0.06
	Major 12 production sites in Japan	0.0020	0.0009	0.0068	0.0036	0.0043

*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 workdays lost due to accidents per 1,000 working hours. The rate represents the scale of accident.
Severity rate = Number of workdays lost / Total working hours x 1,000 hours

In light of the fact that global occupational safety control is growing its importance, we promote the sharing of information on workplace accidents, activities to prevent the recurrence of similar accidents, and the creation of a global occupational safety control system in an effort to proactively prevent workplace accidents.

Business Continuity and Disaster Countermeasures

Development of a structure for business continuity management (BCM)

In an effort to continue our business in the event of a disaster and enable prompt recovery, the Yazaki Group has developed a Business Continuity Plan (BCP).

In 2015, we held a briefing geared to persons in charge of each department in domestic group companies to maintain the effectiveness of the BCP and promote Business Continuity Management (BCM) as preparation to reduce the impact of disasters.

In addition, we also promote activities to enhance our preparedness for earthquake and tsunami, and share the eruption response manual with related departments in domestic group companies in preparation for volcanic eruptions.

In the future, we plan to develop and reinforce countermeasures against high winds, heavy rains, and high tides.

Fire prevention countermeasures

As fire prevention countermeasures, we promote thorough inspections of electrical equipment. Since 2015 when we developed new company rules based on the lessons obtained from past fire accidents, we have been making ongoing efforts to strengthen the overall fire prevention control system, by reviewing the fire control system and checking functions of all domestic sites.



Two projects launched toward the 80th anniversary

Giving shape to our commitment to care for people

The Yazaki Group has launched two projects: an Education for International Understanding Support Center Preparation Project to develop human resources that can play a key role not only in the company, but also on the global stage, with an eye toward the future development of our business in local communities, and a Wellness Promotion Project geared to the creation of a corporate culture where health of both employees and corporate organization is addressed in a comprehensive manner and to the realization of sound management.

Education for International Understanding Support Center Preparation Project that aims to develop global human resources

As a Corporation in Step with the World, we support the enhancement of employees' abilities to understand different cultures, originality, autonomy, and language skills and develop global human resources that face themselves and take on challenges.

As a Corporation Needed by Society, we will expand our support activities for education for international understanding, including support for the development of global human resources in local educational institutions and companies.

Adventure School, part of the project, has been conducted since 1993, and a total of about 1,300 people have participated in it in 44 countries where it was held.



"Adventure School" Overseas training trip by new employees

Wellness Promotion Project that aims to realize health of both people and organization

True soundness cannot be achieved only by introducing a new mechanism or system. The Wellness Promotion Project aims to create a corporate culture that allows employees to acquire and nurture healthy way of working and lifestyles within the corporate organization.

We wish to become a company where employees think that *Working at Yazaki cheers me up*.

Since an organization is made up of people, if people are healthy, it will have a positive impact on the organization, and a sound organization will serve as the fertile ground where people grow as a person. We believe that if people working healthier, it will transform the organization more productive, laying the foundation for a company that cares for people.

Yazaki's Wellness Wheel represents the five factors that comprise what the Yazaki Group considers as health.

Wellness = health does not simply mean being without injury or illness. In order to be totally healthy as a person, the following five factors must be maintained in a well-balanced manner.

Yazaki's Wellness Wheel





Responsibilities to Local Communities

We are working together with local communities for their vitalization.

● Commitments made in FY 2015

Participation in Tokyo Motor Show 2015

We ran a booth under the theme of “CONNECT to the Future” at the Tokyo Motor Show 2015 held at the Tokyo Big Sight at the end of October 2015. In the booth, we introduced the EEDDS (Electrical / Electronic Distribution and Display System) technology that connects future automobiles. In an effort to present the EEDDS technology that transmits vehicles’ internal information and power to the places that require them in an unflinching manner, we installed a vehicle mockup in the center of the booth and explained its functions to visitors.

The total number of visitors to the Tokyo Motor Show was more than 800,000, which provided us a great opportunity to present our technological strength and position in the industry in a comprehensive manner.



Display of EEDDS technology in the mockup installed in the center of the booth

Participation in Messe Nagoya 2015

We exhibited our products at Messe Nagoya, which was held at the Port Messe Nagoya in November 2015. Through our products, such as Eco Solar Type II, which leverages solar heat, and products that use Aroeco, a paper recycled cushioning material, we introduced ecofriendly product-based solutions to environmental issues.



Introduction of green products to a variety of visitors

Participation in Automotive Experiencing Exposition 2016

We participated in the Automotive Engineering Exposition 2016 held at PACIFICO Yokohama in May 2016 and introduced technology that contributes to environment, safety, and the manufacture of comfortable and convenient vehicles. We explained the latest technology including display technology of a full color, large-screen head-up display, and provided hands-on experience of the performance to many visitors.



Explaining the latest display technology to visitors

New design added to the corporate ad, “Slow down for an eco-friendly world”

We have run a company advertisement series “Slow down for an eco-friendly world,” where a turtle, our symbol of the environment, introduces Yazaki’s long pursued environmentally friendly products and services since 2009 in various media.

In 2015, three types of new advertising designs featuring each of the digital tachograph DTG7, EV/PHV charger iesta, and solar equipment were created, and we put them in various media centering on the bullet train ads and business magazines to communicate our company’s continuing attitude and commitment to environmental conservation efforts which has remained the same as our foundation.



iesta version



DTG7 version



Solar equipment version



Upon the 75th Anniversary of the Yazaki Group

It has been 75 years since Sadami Yazaki, the founder of the company, launched this business in a full-fledged manner. Thanks to support from our stakeholders, the Yazaki Group has made great progress. With deep appreciation to stakeholders and under the concept "Past, Present, Future, we are connected." the Yazaki Group conducted a variety of commemorative activities, including putting up a special website for the 75th anniversary. Among such activities, we would like to introduce here two activities that are closely related to people outside the company.



The special website introducing the history of our company and our predecessors' aspirations can be found on our official website or at the following URL:

<http://www.yazaki-group.com/75th/>

Yazaki Centennial "Shochu" Project

We undertook the challenge of making sake in Saiki, Oita. This is an attempt to make sake out of rice grown by Arrow Farm Oita Co., Ltd., an agricultural corporation of the Yazaki Group, which was brought to fruition by the close coaching and cooperation of the local sake brewery, Bungo Meijo, and local residents.

Our employees participated as volunteers in a total of six operations involved in the shochu-making process from planting and harvesting rice in autumn to making shochu (a traditional Japanese distilled spirit). They engaged in unaccustomed work under the guidance of local residents. Between these sake-making operations, they also participated in and carried out the Saiki cleanup activity with city employees.

In March 2016, the rice shochu *Hyakunen no Sake* (Yazaki Centennial Shochu), the fruit of the joint efforts between the local community and our company, was finally

born. We plan to age it in about 2,000 bottles, about half of the total quantity brewed this time, and open them in 2041 when our company celebrates its centennial. This is where the name *Hyakunen no Sake* is derived.



Our employees planting rice seedlings with the coaching of local supporters.



Rice shochu, *Hyakunen no Sake* (Yazaki Centennial Shochu)

Publication of a Picture Book, *Rediscover Our Forests*

In response to the needs of the times, our company has provided a variety of projects and services that contribute to environmental conservation. In the past decade or so, we have focused on forests that play a key role in the circulation of all living things and promoted projects that contribute to the nurturing and conservation of forests.

Through these activities, we learned that forests are indispensable to the global environment and humans and that it takes a great deal of time to conserve and nurture them. Moreover, we realized that in order to leave rich forests and their benefits to the children who will lead the next generation, we need to pass on these lessons to them.

Based on that realization and taking this opportunity of the 75th anniversary, we created and published a visual

book with the concept of communicating the wonderful features of forests to children so that they can enjoy the forests. The book comprises various factors, such as photos, illustrations, poetry, and manga. We hope that many people, regardless of their association with our company, will read this book.



Picture book, *Rediscover Our Forests*

A Message from the Chairman

The keyword for people and the environment is diversification

I would like to express my deepest appreciation to our stakeholders for their understanding and support for the Yazaki Group.

Our company celebrated its 75th anniversary, and this milestone represents a new step forward toward the next era.

I would like to take this opportunity to discuss the future prospects of our company.

Yasuhiko Yazaki
Chairman, Yazaki Corporation



The founder's spirit remains alive after 75 years

In 1941, the Yazaki Group established Yazaki Densen Kogyo K.K., the predecessor to Yazaki Corporation, and began full-scale production and sales of wire harnesses. Sadami Yazaki, the founder, launched the business out of his dedication to *contributing to society through manufacturing*. Today, Yazaki Corporation has grown into a global enterprise with 290,000 employees in 45 countries around the world. While the scale of business has expanded compared to the inception of the company,

the founder's spirit remains unchanged and alive in the Corporate Policy and the Yazaki Spirit as values of the employees.

The manufacture of wire harnesses, one of our core businesses, is difficult to mechanize and requires a considerable amount of manual labor. Consequently, we owe our company's development to our employees and to the support of local communities around the world—this is the fundamental reason that our mission lies in the pursuit of profits and in returning those profits to the development of the local communities.

Yazaki's history is the development of human resources

The 75-year history of the company is the history of the development of *human resources*.

Our founder had a passion for employee education. For financial reasons, the founder was not able to advance to higher education after graduating from elementary school. Through this experience, he knew the importance of education better than anyone. In fact, he provided learning opportunities to as many employees as possible by sending them to the high school he had established in collaboration with an external organization and by conducting travel classes for employees and their families.

The development of human resources was, is, and will be the cornerstone of the development of the company, and this will never change.

Aiming to be a company where everyone can work to achieve their potential

Since its inception, the focus of the company has been to demonstrate that we value our employees by enriching the employee welfare program and system. In the future, we need to take another step forward by diversifying employment and workstyles. This is because a company must encompass different values and create a corporate culture accepting of diversity in order to respond to the ever evolving technology and new trends in the emergence of global businesses across borders.

The achievement of diversification in employment and workstyles is not easy in a group with 290,000 employees. However, we expect excellent synergy if, by promoting diversification, employees achieve their potential. To this end, our company must have an appropriate system for diversification that inspires pride and motivates employees, while at the same time, management creates interesting, challenging jobs. We believe that diversification will enhance corporate value as a manufacturer and result in the delivery of attractive products and services to customers.

Passing a sound global environment, home to a variety of living creatures, on to the next generation

Nature abounds on earth where human beings and a variety of living creatures live. However, the global environmental issues of an abnormal climate due to greenhouse gases have worsened. In order to address these issues, we need a 50- or 100-year plan, since it takes a long time to resolve environmental issues. Naturally, a resolution will require more than one generation. One of the important responsibilities of adults is to pass on environmental conservation activities to the children of the next generation.

To that end, Yazaki Corporation sponsors a summer camp each year to provide children with an opportunity to experience nature. Through this camp, we expect children to experience, study, and develop an interest in nature. We believe that through this experience, children will realize that environmental issues require urgent action and must be squarely addressed.

Similarly, as part of the 75th anniversary commemorative project, we published *Rediscover Our Forests*. This picture book illustrates that the forests are the center of life in nature and all living creatures. We hope that people of all ages will read it.

We would be more than happy if these activities were to lead to the emergence of next-generation leaders who will build a sustainable society. Indeed, our activities may have only a marginal impact in light of the scale of global environmental issues. However, we believe that we can take action now, and so we will continue our low-profile efforts.

As a business manager, I am determined to sincerely address the development of our business, as well as the local community issues I mentioned in the beginning. While helping to solve local community issues, I am committed to making the company more attractive to stakeholders and thus ask for your continued support and understanding.

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)

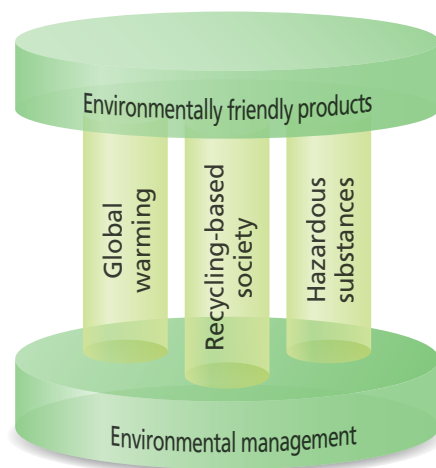
Environmental Policy

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 substance**
Improve the management of environmentally hazardous substances in the products and the production process.
- 5. Develop environmentally friendly products**
Consider global warming, recycling, and environmentally hazardous substances when developing products.

Organization of the Action Guidelines





Environmental Management

The Yazaki Group as a whole promotes environmental conservation activities while sharing issues globally.

Yazaki Environmental Activity Plan (Evaluation of the results of FY 2015 and targets for 2016)

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 2015	Evaluation	Target for FY 2016
Manage and reduce environmentally hazardous substances					
Compliance with the EU ELV Directive	Strict compliance with ANNEX II of the EU ELV Directive	2017	Identified products to be switched	●	Implement measures according to the revision of ANNEX II
Response to the REACH regulation and substances requiring authorization	Ensure compliance with revised REACH regulations and respond to customer requests	—	Switched specific phthalate ester in response to customer requests	●	Continue ongoing efforts to comply with laws and regulations and meet customer requests
Compliance with the EU RoHS Directive	Strict compliance with the EU RoHS Directive	2018	Set internal deadline and identified products to be switched	●	Promote the switching of specific phthalate ester
Response to regulations on VOCs in Chinese vehicle cabins	Customer requests for VOCs in vehicle cabins are accurately grasped and Yazaki's response to them is clearly defined	2015	Identified customer requests and summarized Yazaki's efforts to reduce VOCs	●	Strengthen an evaluation structure for components with high VOC volatility
Response to the EU Biocidal Product Regulation	A structure to comply with the EU Biocidal Product Regulation has been built and put into operation in each development department	2016	Built a structure to check compatibility of newly developed products	●	Confirm the operating status of the structure
Reduction of VOC (sites)	Reduce VOC emissions by 30% from FY 2000 at JAPIA*target factories	2015	Reduced total VOC emissions by 49.3% 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	●	1) Reduce CO ₂ emissions per unit by 16% from FY 2010 globally 2) Set targets for 2020 and beyond
Promote the efficient use of resources toward the formation of a recycling-based society					
Reduction of Waste	1) Promote reduction of waste globally 2) Reduce waste by 10% from FY 2010 at all sites in Japan	2020	1) Achieved targets for each region 2) Reduced waste by 17.3% from FY 2010 at all sites in Japan	●	1) Achieve the target in each region 2) Reduce waste by 17.3% from FY 2010 at all sites in Japan (Maintain performance achieved in FY 2015)
Develop environmentally friendly products					
Promotion of environmentally friendly design	Ensure that the company is capable of developing and designing products that are environmentally sound throughout their lifecycle	—	Implemented environmentally friendly design based on the Environmentally Friendly Products Certification Criteria	●	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 in Japan	●	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 in Japan	●	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 periodic compliance audits are conducted	—	Globally conducted audits at 71 sites	●	Conduct audits on a regular basis in each region
	Ensure that a structure is in place to meet the legal requirements of each country and customer requests regarding chemical substances contained in products	—	Checked the management status based on IMDS/SOC measurement data	●	Check the management status and review the structure in a consistent continuous manner
Response to the revisions to ISO14001 standard	Ensure that the structure is reviewed in light of the ISO 14001:2015 standard	2017	Checked the shift plan to the new standard at each site in each region	●	Promote the shift plan to the new standard at each site in each region

*JAPIA: Japan Auto Parts Industries Association



Environmental Management

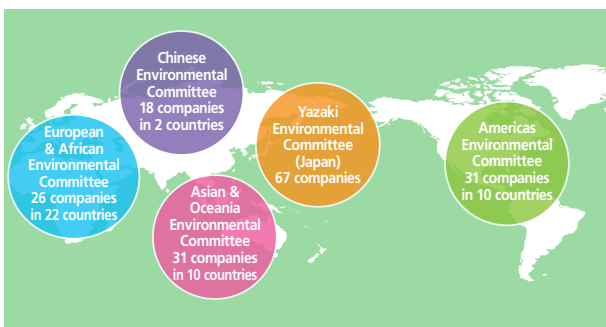
Global Environmental Management

Environmental Management Promotion System

In an effort to fulfill global stakeholders' expectations and requests regarding environmental conservation efforts, the Yazaki Group has established and has been operating a global environment management system.

Each year in May, the Yazaki Environmental Committee, a deliberation and decision-making body for environmental management chaired by President Yazaki, is held to deliberate on domestic and overseas issues. The agenda of 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 Committee of Environment to align our efforts to solve the issues. Moreover, we have divided our global network of sites into five regions—the Americas, Europe and Africa, China, Asia and Oceania, and Japan—and built a management system tailored to the laws, culture, and customs of each region. In Japan, we examine regional issues and action policies on how to deal with them in the Environment Product Design Assessment Committee and the Production Environment Committee, while company-wide efforts are examined in the Environmental Information Committee to ensure collaboration among all related departments.

Regional Environmental Committees



Factory tour by the Americas Environmental Committee participants

To accomplish global challenges

In an effort to promote environmental conservation activities while encouraging inter-regional collaboration, key issues to be addressed globally, such as the mitigation of climate change and the management of chemical substances, and their measures are shared and discussed in the Global Committee of Environment. In 2015, the committee was held under the theme of the Yazaki Environmental Activity Plan and the enrichment of the Yazaki Environmental Assurance System, where views were exchanged to ensure a shared understanding and specific activities were examined.

FY 2015 Meeting Dates of Regional Environmental Committees

Region	Dates
Americas	July 14-15, 2015
Europe & Africa	May 31 - June 2, 2016
China	January 26-27, 2016
Asia & Oceania	First meeting: November 24, 2015 Second meeting: May 31, 2016
Japan	May 12, 2015
Global Committee of Environment	First meeting: July 20-21, 2015 Second meeting: March 18, 2016

Global Environmental Audit

Domestic and overseas sites of the Yazaki Group have established and operate an ISO 14001 compliant environmental management system. As of June 2016, 241 sites centering on production sites are certified to ISO 14001.

Moreover, an environmental audit is conducted on a regular basis at domestic production sites, branches, and offices and overseas production sites. In 2015, an environmental audit was carried out at 17 sites in the Americas region, 17 sites in the Europe and Africa region, 2 sites in the Asia and Oceania region, 5 sites in the China region, and 30 sites in Japan.

In the China region, in particular, the management of chemical substances was checked and a statutory environmental audit was conducted at two production sites. The audit was focused on the GEMBA (on-site) check of the production process and the confirmation of details of contracts concluded with suppliers. These sites investigated the cause and are improving the points indicated by the audit.



GEMBA check

Biodiversity Conservation Efforts

There is nature, such as forests, mountains, rivers, and seas, on Earth where a variety of living creatures live. They have their own role and live while connecting with and supporting one another. Our business activities and livelihood are also supported by the benefits that nature offers to us. Today, however, the natural environment is deteriorating and living creatures are disappearing rapidly, and companies are required to devise solutions and make efforts to promote biodiversity-friendly business and create a new symbiotic relationship with nature.

The Yazaki Group aims to continue its biodiversity conservation activities by promoting and sharing such activities globally while giving due consideration to the culture and customs of each location or region.

Environmental Management in Japan

Environmental Education

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 training system of the Yazaki Group.

Company-wide training geared to new employees, including newly appointed general managers and persons assigned to overseas sites, is conducted to deepen their understanding of the significance of environmental conservation and share the Yazaki Group's environmental efforts with them.

We also conduct specialized environmental training targeting persons supervising and those in charge of specialized work with the aim of acquiring professional skills required for carrying out environment-related specialized work.

Number of employees who underwent environmental training (FY 2015)

Category	Target	Participants
Company-wide education training	New employees	109
	New leaders	100
	Environmental training for newly appointed general managers	32
	Employees assigned overseas	161
	Sub-total	402
Specialized environmental training	Chemical substance management staff	6,076
	Environmental legislation administrators and staff	5,877
	ISO14001:2015 Standards training	153
	Sub-total	12,106
Total		12,508



Training

Topics

Volunteer Forest Development event in Yusuhara Town, Kochi:

In collaboration with Yusuhara Town, Kochi, and the Yusuhara Forest Cooperative, we have been promoting the Woody Biomass Regional Circulation Model Project since 2005.

Moreover, we jointly maintain the Kujukumagari Pass in Yusuhara Town as the Yazaki Forest. Each year on April 29 (holiday in Japan), we conduct the Volunteer Forest Development event.

In 2015, about 120 employees from the Yazaki Group participated in a thinning operation, where they worked hard despite the unfamiliarity of the task. The participants commented that the thinning operation allowed sunlight to stream into the forest, making it a much brighter place. They also enhanced their awareness of the significance of

Biodiversity conservation effort

environmental conservation as they strolled on Therapy Road to the Yazaki Forest. Many of the participants experienced an overnight farm stay and deepened their friendships with the residents of Yusuhara Town.



Participants



Tree thinning



Management of chemicals

We promote the appropriate management of environmentally hazardous substances to fully comply with laws and regulations and meet the customer requests.

Management of chemicals

Management of chemical substances in the products

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.

In 2015, as a continued activity since last year, we reinforced systems for country-specific ELV and RoHS regulations to be enforced in each country. Moreover, in an effort to appropriately respond to ever changing environmental laws and regulations, we built a system that facilitates the sharing of information regarding their impact on us and a concept of action with all departments involved.

Appropriate PCB Waste Disposal

The Yazaki Group in Japan promotes the appropriate storage, management, and detoxification of PCB waste in accordance with the Act on Special Measures concerning the Promotion of Proper Treatment of Polychlorinated Biphenyl (PCB)* Waste. Moreover, we seek to prevent any loss, breakage, or leakage of PCB waste by appointing a specially controlled industrial waste manager at each storage site and enduring that the locking of storage areas, regular inspections, and seismic countermeasures are implemented.

In 2015, we outsourced the detoxification of four units, including transformers and condensers, and confirmed that the treatment was completed. In the future, we will continue the detoxification of PCB waste in a planned and consistent manner.

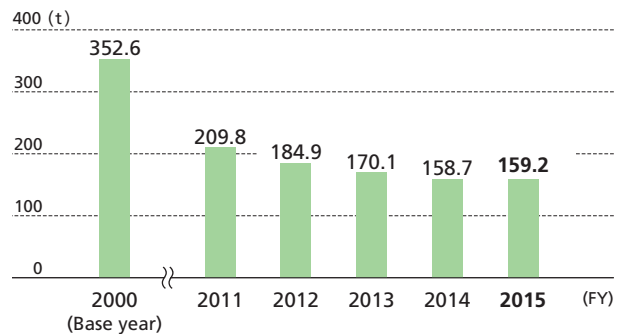
* **Polychlorinated biphenyl:** It used to be used for various purposes, such as insulating oil for electric equipment, including transformers and condensers. However, its production is prohibited today as it was found harmful.

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.

Kan Kogyo Co., Ltd., a printing company in Makinohara City, Shizuoka, uses VOC containing paint in the printing process of tachograph charts. The company successfully reduced coating quantity per chart by 2.5% by making coating thickness as thin as possible. Through these efforts, the total VOC emissions in the domestic Yazaki Group were reduced to 159.2 tons, - 54.8% from 2000.

VOC emissions



Release and transfer amounts of PRTR (Pollutant Release and Transfer Register)-listed chemicals

For chemical substances designated by the PRTR law, the Yazaki Group in Japan submits an annual report as required by law.

In 2015, among domestic production sites, six sites* were subject to the PRTR law. The total release amount of designated chemical substances was 9,240 kg and the amount of transfer was 3,510 kg.

* **Business sites required to submit a report:** Susono Factory, Ohama Factory, Shimada Factory, Numazu Factory, Fuji Factory, and Tenryu Factory (subsidiaries excluded)

Release and transfer amounts of PRTR-listed chemicals (kg)

Substance	Amount released					Amount transferred			Total
	Air	Water Zone	Soil	Landfill	Release Total	Sewer	Waste	Transfer Total	
1,2,4- trimethylbenzene	1,960	0	0	0	1,960	0	1,770	1,770	3,730
Antimony and antimony compounds	0	0	0	0	0	0	0	0	0
Xylene	3,300	0	0	0	3,300	0	560	560	3,860
Toluene	3,980	0	0	0	3,980	0	760	760	4,740
Nickel	0	0	0	0	0	0	0	0	0
Nickel compounds	0	0	0	0	0	0	420	420	420
Bis(1-methyl-1-phenylethyl) peroxide	0	0	0	0	0	0	0	0	0
Bis(2-ethylhexyl) phthalate	0	0	0	0	0	0	0	0	0
Lead	0	0	0	0	0	0	0	0	0
Total	9,240	0	0	0	9,240	0	3,510	3,510	12,750



Prevention of Global Warming

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

Prevention of Global Warming

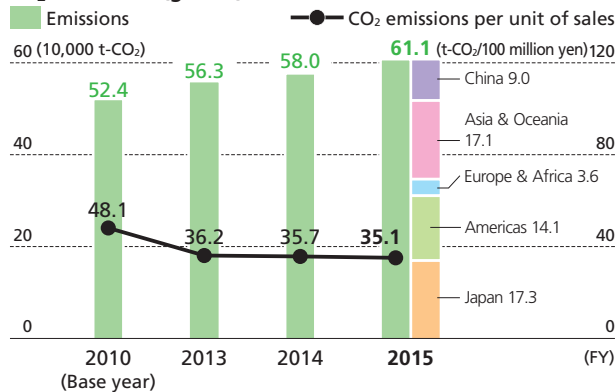
Energy saving activities at production sites and offices

The Yazaki Group promotes energy saving activities toward the target of reducing the CO₂ emissions per unit globally by 20% from the 2010 level by 2020.

To that end, the Production Department reviewed the operating hours of equipment and introduced LED lights. Each site in Europe promoted the shift to green power. Offices aim to have energy saving take root among employees through practice, such as turning off the light during a lunch break and introducing eco mode into and promoting its use on personal computers. In 2015, CO₂ emission reduction measures were implemented globally, which resulted in a reduction of about 8,700 tons.

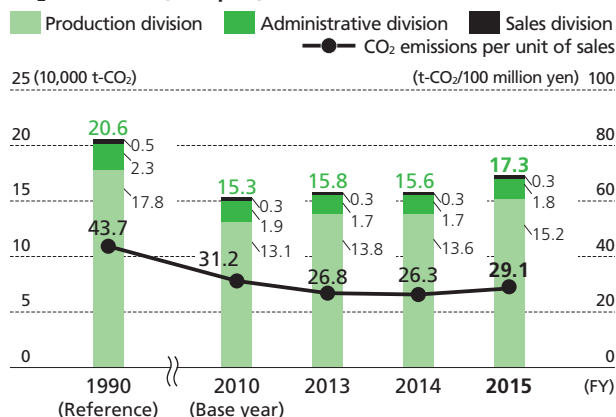
The amount of CO₂ emissions per unit of sales was 35.1 ton-CO₂/100 million yen, -27.0% from the 2010 level. For the domestic Yazaki Group, the amount of CO₂ emissions per unit of sales in 2015 was 29.1 ton-CO₂/100 million yen, -6.8% from the 2010 level.

CO₂ emissions (global)



* The amount of CO₂ emission per unit of sales for 2014 was changed due to a change in consolidated sales for 2014 that resulted from a change in our accounting policy.
 * As a result of a thorough review of data, the figures for the base year were changed.

CO₂ emissions (in Japan)



Contributing to a reduction in CO₂ emissions via our products

Solar equipment and wood pellet-fueled cooling and heating equipment contribute to reducing CO₂ emissions. Wood pellet-fired Bio Aroace is a wood pellet-fueled chiller/heater, the first of its kind in the world, which was developed based on the carbon-neutral* concept. By reducing fossil fuel consumption, it reduces about 30 tons of CO₂ emissions per unit per year.

The amount of CO₂ emissions reduced in 2015 via these products amounted to 72,000 tons. Consequently, the cumulative amount of CO₂ emissions since 2011 became 209,000 tons.

* Carbon neutral: A state where the amount of CO₂ emitted from combustion and the decomposition of soil organic matter is equal to the amount of CO₂ absorbed by forests and plants in nature.

Promotion of green logistics

With the aim of reducing energy consumption per unit of transportation by 1% over the previous year based on the government guidelines, the domestic Yazaki Group actively promotes the improvement of transportation efficiency.

In 2015, CO₂ emissions from domestic logistics were 19,000 tons, -3.7% over the previous year. CO₂ emissions per transport amount (ton kilometer) were 136.2 g-CO₂/ton-kilometer, -4.7% over the previous year. These results were achieved by improving transportation efficiency by shortening transportation distances through a change in collection centers and reviewing transportation routes. In the future, we will continue our ongoing efforts to save energy and reduce CO₂ emissions in close collaboration with related divisions.

Topics

Installation of a solar power system

Hangzhou City in China has set energy saving targets geared to companies. In summer when power consumption reaches a peak, restrictions are placed on power supply, requiring companies to secure emergency power on their own for their stable operation.

In December 2015, HZY in Hangzhou, China decided to install a solar power system with the total area of 933 m² on the roof of its factory. The system went into operation in March 2016 and has since produced 59,400 kWh power per year, contributing to a reduction of 43.6 tons of CO₂ emissions per year. The introduction of this system has enabled the early achievement of the energy saving target set by Hangzhou City and the stable power supply during the period when power supply restrictions are placed. It has also contributed to environmental conservation by using renewable energy.





Recycling of Resources

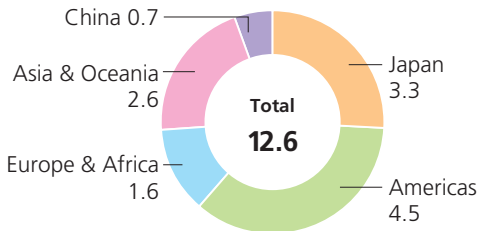
Contributing to helping create a recycling-based society by promoting zero landfill.

Promotion of the effective use of resources

Reduction of waste

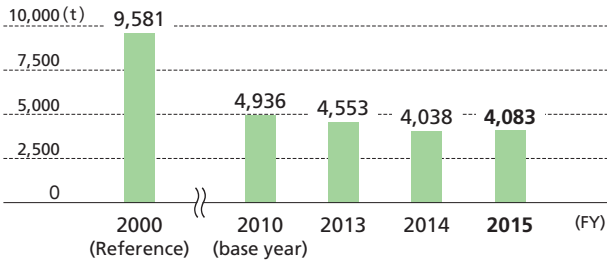
The total global waste for 2015 were 126,000 tons. In the future, we will further promote activities to reduce waste while giving due consideration to the characteristics of each region. The total amount of waste in the domestic Yazaki Group was 4,083 tons, -17.3% from the 2010 level. The reduction in waste was achieved by converting waste to valuables via thorough trash separation and recycling of used furniture and fixtures.

Waste volume by region (10,000 tons)



* The figures of regional waste do not necessarily amount to the total value as they are rounded off to one decimal place.

Volume of waste in Japan

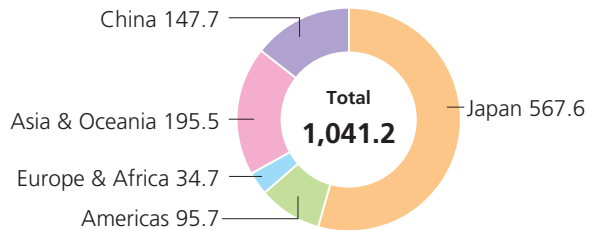


Reduction of water consumption

Since 2003, the Yazaki Group has been promoting activities to reduce water consumption. Specifically, production sites promoted the use of rainwater and the cyclic use of cooling water. In offices, we continue low profile, yet steady efforts, such as reducing water consumption in staff kitchens and bathrooms.

The global water consumption in 2015 was 10,410,000 m³, +3.3% over the previous year. This increase arose from an increase in production volume. Water consumption per unit of sales was 600 m³/100 million yen, -3.5% over the previous year. In the future, we plan to incorporate these water saving efforts into the Yazaki Environmental Activity Plan and actively promote them globally.

Water consumption by region (10,000 m³)



Topics

Enhancing employees' awareness of environmental issues by practicing recycling

Garbage composting initiative

In Indonesia, efforts to compost garbage are actively promoted. JAI (Indonesia) participated in the creation of biopori holes on April 27, 2016. Biopori holes help enrich soil by creating compost out of garbage buried in the holes. Since it also enhances the water absorption capability of soil, it is expected to prevent flooding during the rainy season.



Participants



Biopori holes

Promotion of the recycling of drainage

EMI (Philippines) actively addresses the recycling of drainage by building its own effluent treatment facility. Water treated at the facility is stored in water tanks. However, since the capacity of the water tank was only 2 m³, a large amount of recyclable drainage used to be discharged. EMI, therefore, constructed a treatment tank with the capacity of 20 m³, enabling the reuse of treated water for watering plants and flushing toilets in the site. Through this activity, EMI successfully reduced annual water consumption by 840 m³.



Effluent treatment facility



Protecting the global environment through sites around the world

At the 45 global sites of the Yazaki Group, employees join forces to conduct a variety of environmental conservation activities.

Below is the introduction of efforts by our global sites:

Efforts by TJY (China): Environmental Conservation Activities geared to the Entire Local Community

Tianjin Yazaki Automotive Parts Co., Ltd., (TJY) engages in the manufacture and sales of wire harnesses and the design of dies. The company was established in 1988. Currently, 7,000 employees conduct environmental conservation activities geared to the entire local community.

Collective efforts by employees

TJY obtained ISO 14001 certification in 2001 as an environmental management tool. Moreover, in an effort to reduce the discharge of toxic pollutants, they monitor wastewater from the factory around the clock. The monitoring system is connected with Tianjin City via network and sets off the alarm in the event of emergency. In 2015, the factory fell below the discharge standard on all items.

For waste reduction, TJY promotes the 5Rs and actively conducts awareness raising activities, such as creating and posting posters. Moreover, TJY employees join forces to

promote environmental conservation efforts, such as the implementation of the activity to clean the area surrounding the site.

Issuance of a site report

In China, the Corporate Environmental Information Disclosure Law (ordinance) is enforced and businesses that discharge a massive amount of pollutants are required to disclose their environmental information. While it is not legally obliged to do so, TJY has been issuing a TJY Environmental Report annually since 2014 in an effort to deepen the stakeholders' trust in the company. TJY will continue issuing the report as part of an effort to fulfill social responsibilities of the Yazaki Group.



TJY Environmental Report

Efforts by TAP (Thailand): Energy Saving Activities and Employee Training

Thai Arrow Products Co., Ltd., (TAP) was established in 1967. Currently, it is one of major production sites in the Asia and Oceania region of the Yazaki Group, where about 12,000 employees work. For environmental conservation activities, in addition to the promotion of energy saving activities, TAP actively conducts training programs and audits recently to ensure that the company thoroughly complies with regulations for the environmentally hazardous substances contained in products.

Promotion of the energy saving activity

At the Chachoengsao Factory of TAP, about 4,400 employees engage in the manufacture of various products, such as wire harnesses, wires, injection-molded parts, and vinyl tapes. The factory consumes a huge amount of

electricity for the manufacture of these products, and TAP accounts for about 1/4 of total CO₂ emitted by the Yazaki Group in the Asia and Oceania region.

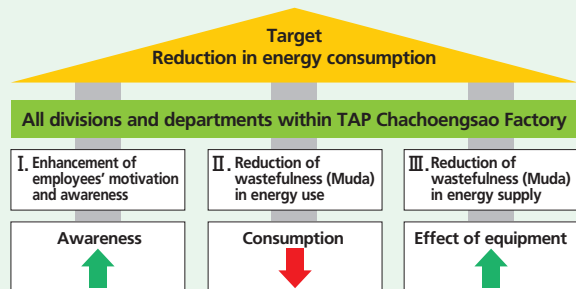
In 2015, therefore, the factory has been promoting the energy saving activity from both aspects of energy use and energy supply. This activity involves the implementation of "Obeya" operations targeting all departments within the factory monthly in an effort to enhance employees' capabilities to manage the energy saving activity and skills to improve energy saving.

This activity can be applied to other activities, such as quality and productivity improvement activities, and is expected to bring numerous benefits in addition to the promotion of energy saving.



Debriefing meeting

Approach to the energy saving activity





Environmentally 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 our products as early as the design stage by formulating our own criteria for environmentally friendly design.

In 2015, we certified 47 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 2015.

Environmentally friendly products in the Automotive Sector

Downsizing of the ESC unit case

Many automobiles are equipped with an ESC*1 unit, a safety device that controls the basic performance of an automobile, namely, running, turning, and stopping. Since the ESC unit is installed in a limited space in the engine room despite the fact that its safety performance and functions have become increasingly sophisticated, the downsizing of the unit case has been an issue to be solved.

To meet the need for downsizing, we used to use bus bar for some ESC units. However, we proposed a review of the product layout to customers and achieved a unit case, which is smaller by 30% than the conventional one, by changing the form to one where every part can be coupled to the substrate. Moreover, we were also able to improve workability in the customer's production process by changing the substrate coupling structure to the Yazaki-made press-fit type that requires no soldering. This technology is also applied to the ABS*2 unit.

Comparison of ESC unit cases



Comparison of height



*1 Electronic Stability Control
*2 Anti-lock Brake System

Promotion of the downsizing the relay box and facilitation of its recycling

In the engine room of an automobile, a relay box is installed as a switchboard that supplies the necessary amount of high current, which is produced by an alternator (a generator) and a battery, to headlamps, an air conditioner, and meters when needed. In order to lower the hood, expand the driver's view from the seat, and improve the design of the car, it was necessary to review the arrangement and design of relays and terminals and downsize the relay box.

We have downsized the box by about 30% and reduced the weight by 15% compared to the conventional relay box by changing the layout of components and modularizing them. Moreover, by changing the substrate to a circuit board that has insert-molded bus bars, we have reduced the number of required resin material types to one, facilitating the recycling of the boxes when discarded. These improvements have led to a reduction in CO₂ emissions by 14% (on an LCA basis).

Relay box: Comparison between the conventional ones (left and center) and the newly developed one (right)



Environmentally friendly products in the Living Environment Equipment Sector

Development of Earth-In 600V-CV

When installing an air conditioner or an IH cooking heater for home use or when wiring outlets in a factory, some grounding work is required to prevent fire and damage to equipment from an electric shock or a short circuit and ensure safe use.

Earth-In 600V-CV, a product composed of power lines and earth wires, is an electric wire where downsizing and weight saving have been achieved by downsizing earth wires. It has also improved efficiency of grounding work. The earth wire-like green line applied to the surface of the wire helps enhance the visibility of the earth wire and prevent errors in wiring. By thoroughly reviewing the production process of this product, we improved production efficiency by 45% and reduced CO₂ emissions from the production process by 13% compared to the conventional product.



Earth-In 600V-CV

Development of a battery-driven gas alarm

Since a city gas alarm for home use is installed near the ceiling, we have received feedback from customers, such as “The long power cord doesn’t look good” and “The installation of the alarm is not easy as there is no outlet near the place it should be installed.” Therefore, the development of a battery-driven gas alarm has long been desired. The development of such an alarm, however, involved the following issues: it consumes much electricity to keep a gas sensor, which detects gas leakage, at a certain temperature and requires a certain amount of electricity all the time to keep a LED power indicator on.

We finally realized super power saving (one several hundredths compared to the conventional type) by downsizing a gas sensor with the MEMS technology,* technology used in the semiconductor manufacturing process. Moreover, we realized further energy saving by

adopting a liquid crystal display for the power indicator and reducing power consumption during monitoring to one several thousandths of the conventional type. These efforts enabled us to develop a battery-driven gas alarm, which requires no battery exchange before the expiration date. Moreover, we were able to satisfy aesthetic preferences of customers by eliminating the power cord and downsizing the unit.



Conventional alarm

Newly developed alarm

* **MEMS technology:** MEMS is an acronym standing for Micro Electro Mechanical Systems. It is a device that has a microstructure with a set of machine elements, such as a sensor, an actuator, and an electronic circuit, on the silicon substrate, glass substrate, or organic materials of a semiconductor.

Topics

Environmental Contribution via Recycling of Postcard Cutting Wastage:

Gifu Parts Co., Ltd., manufactures the paper cushioning Aroeco, which is produced by powdering postcard cutting wastage, blending it with cornstarch and polypropylene, and foaming it by steam while using Yazaki’s unique technology. Compared to petroleum-based materials, it emits less CO₂ (a reduction by about 70%) during production and does not produce any hazardous substances when incinerated for disposal. Currently, it is used as a packaging material for various products, such as cushioning for industrial and commercial products.

In 2015, these efforts were recognized, and the company received the JEMAI Chairman’s Award in the FY 2015 Awards for Resources Recirculation Technologies and Systems from the Japan Environmental Management Association for Industry (JEMAI). Moreover, the company also received the Environment Prize for Aroeco’s excellent environmental



Application example

Pursuit of environmental friendliness

features at the 16th Outstanding Example Exhibit Meetings held by the Shatai Kyowakai, an association comprising partner companies of Toyota Auto Body Co., Ltd.

Voice

Contributing to environmental conservation via Aroeco



Yazaki Corporation
New Business Division
Aroeco Promotion
Department
Gifu Parts Co., Ltd.
Tsutomu Shouji (second
from left)

Aroeco is an environmentally friendly product, which not only reduces CO₂ emissions (based on LCA), but also contributes to the 3Rs by recycling about 50 tons of used paper a year that used to be disposed of as industrial waste. In the future, we will continue our ongoing efforts to contribute to the conservation of the global environment while entering into new fields and developing new products.



Activities Contributing to Environmental Conservation

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

● Activities at sites

Efforts to preserve forest ecosystems

With the aim of protecting ecosystems, YSE (Portugal) has been participating in the forest restoration activity organized by the local forest cooperative in the Lousa Mountains in Portugal since 2011. The activity aims to plant a total of 45,000 trees while controlling alien species and conducting thinning. In 2015, 57 YSE employees participated in the activity.

Through this activity, YSE helps widely communicate and promote public understanding of what is needed to grow sound forests and maintain their ecosystems in a sustainable manner.



Employees participated in the activity

Cleaning activity in the area surrounding a site

With the aim of raising employees' awareness of environmental conservation, HZY (China) conducted a trash-picking activity on the roads and lawns around the company in July 2015.

Participants picked lots of trash, including empty bottles and cigarette butts. At the same time, education on the collection and separation of trash was also conducted.



Trash-picking activity

Cleaning activity in the area surrounding a site

Since 2006, the Ohama Factory of Yazaki Parts Co., Ltd., (Kakegawa City, Shizuoka) has been participating in the Adopt Program, a joint city beautification activity between citizens and the administration. As part of the program, employees of the factory clean up the area surrounding the factory on a regular basis. In 2015, the 10th year since they joined the program, the cleaning activity was conducted four times, where a total of 142 people, including employees and their family members, participated and collected 38 kg of trash. The quantity of collected trash is decreasing each year, demonstrating that the activity has contributed to the beautification of the area. In the future, the company will continue contributing to regional beautification through this activity.



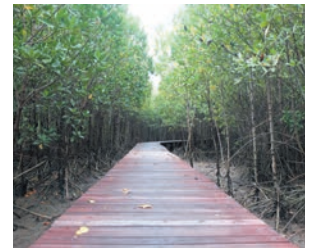
Cleaning activity

Mangrove planting

Since 2006, TYL, TYE, and TMP in Thailand have been planting mangroves once a year during the Environment Month. It is said that mangroves store large amounts of carbon dioxide and nurture diverse ecosystems. In 2015, the mangrove planting activity was conducted in June in Chachoengsao Province, where 270 employees participated and planted about 1,000 mangroves. This activity not only contributes to environmental conservation, but also helps raise employees' environmental awareness.



Employees planting seedlings



Mangrove forest

Efforts in the Environment Month

Since 2009, Tottori Parts Co., Ltd., has cleaned up a national road next to the company once a month according to the Volunteer Road* program. In the Environment Month of June, the employees of the company removed weeds from and planted seedlings in the flowerbeds and cleaned up street gutters and removed weeds in the surrounding area of the factory.

In July 2016, the company received a certificate of appreciation from the Chugoku Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism for its long dedication to the activity.

In the future, the company will continue the activity to raise employees' awareness of environmental conservation and contribute to the local community.

* **Volunteer Road:** A volunteer support program promoted by the Chugoku Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism to maintain clean and comfortable roads through collaboration with local residents and companies.



Volunteer Road cleaning activity



Weeding in a flowerbed



A certificate of appreciation and a table clock as a commemorative gift

Third-Party Comments



Mr. Satoshi Chikami

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Standing member of the executive committee of the Nagoya Open University of the Environment
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[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 2016, the 75th anniversary year, introduces collaboration with stakeholders and activities filled with dialog with employees under the clear policy and commitment of top management.

75 years of commitment to people

The President said in his message (pp. 7-8) that based on 75 years of efforts, the company will return anew to the starting point as a manufacturer. I think that this is a very important attitude to assume in the pursuit of the embodiment of the corporate policy, “A Corporation in Step with the World” and “A Corporation Needed by Society.” I believe that the company was able to continue developing its business over the past 75 years because of the fact that it has always listened to the views of various stakeholders through the supply chain and valued the production sites, 290,000 employees, and their families in 45 countries around the world based on the spirit of “One for All, All for One.”

Moreover, the Chairman said that Yazaki’s history is the development of human resources (pp. 25-26). The workshops on Yazaki corporate culture, the Adventure School, and summer camps, which the company has long conducted, are proof of its commitment to the development of human resources. I have every expectation that in the future, the company will continue developing human resources as human assets through its various efforts, including the global human resources development project (p. 22).

Clear attitude toward the solution of regional issues (pp. 9-12)

Efforts toward solving traffic congestion, the most serious regional issue in Bangkok, are featured under the title, “Aiming to realize a safe and comfortable transportation culture in Thailand.” The traffic congestion in Thailand, in particular in Bangkok, the capital city, poses a serious social loss, and its solution is urgently needed. I regard highly of the layout and content of the feature story: It first analyzes the conditions of traffic accidents and thoroughly reviews views and activities by a public institution (Ministry of Transport) and stakeholders and then clearly shows how to deal with the urgent regional issue by stating the need for and effect of the introduction of digital tachograph and communication network services.

I hope that CSV (creating shared value) will be further

promoted by connecting the spread of the company’s products (digital tachograph, etc.) with the solution of regional issues, such as a significant reduction in traffic accidents.

Realization of healthy people and organization – Expectations for the Wellness Wheel (p. 22)

The Wellness Promotion Project that aims to realize healthy people and organization is introduced. I think that the interaction between people and the organization will facilitate the growth of people and the activation of the organization and that the wellness of both people and the organization will produce positive synergy. While the five aspects of wellness shown in the Wellness Wheel of Yazaki, namely, mental health, physical health, environmental health, social health, and occupational health, have been recognized and addressed individually over the past few years, I look forward to the future development of the Wellness Wheel as a new concept that embodies the corporate DNA of Yazaki, which focuses on the development of human resources.

Progress in global environmental management

Most of the key environmental items that the Yazaki Environmental Activity Plan (p. 28) addresses have already achieved their targets in the past years. In particular, it is worth noting that CO₂ emissions per unit of sales have been reduced by 27.0%, almost 30%, from the 2010 level. This demonstrates that the emissions reduction efforts have been actively addressed at each overseas production site and that the global environmental management has been making stable progress. The specific efforts in China, Indonesia, Philippines, and Thailand, which are introduced on pages 32–34, show collective commitment by employees based on their awareness and understanding of the need for environmental management. Moreover, it should also be noted that Yazaki’s 241 global sites have been certified to ISO 14001.

Since the targets of many items specified in the Yazaki Environmental Activity Plan have already been achieved, I think that the company should set new medium-term goals based on the Yazaki Global Environment Charter.

Conclusion

Upon the 75th Anniversary, I hope that the company, which has made steady growth while meeting the needs of local communities and the times, will further develop globally toward its 80th anniversary and beyond while valuing people and society.

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