Responsibilities toward Stakeholders

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

In Collaboration with Our Stakeholders

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

Responsibilities toward Local Communities
We will consider the best ways to collaborate with local governments and residents and implement activities accordingly.

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

Responsibilities toward Employees
We will create a culture in which the individuality of each person is respected and all employees are provided with a safe, satisfactory work environment.
We will put our customers first, providing them with a stable supply of high-quality products that consistently meet safety standards.

We believe that it is our responsibility as a manufacturer to provide our customers with "the highest quality products anywhere in the world at a suitable time at a competitive cost." To fulfill this responsibility, we encourage and indeed require each and every one of our employees to think and act in a customer-oriented manner.

The Yazaki Group manufactures and sells automotive equipment and life environmental equipment. In the first category, our main product is wire harnesses. The second includes solar thermal conversion equipment, air-conditioning equipment, gas equipment, and electric wires.

Developing a system that meets the needs of customers and society

The Yazaki Group supplies wire harnesses (assembled electric wires for automobiles) and related parts to automakers as a supplier that engages in the entire process from R&D to final assembly. At business units organized for individual automakers and business bases in 39 countries, we conduct periodic surveys and consultations to ensure we accurately understand our customers' needs and opinions. The feedback we collect is then shared with all related departments in the Group for the purpose of improving existing products and developing new products.

During the manufacturing stage, we have a serious responsibility to provide our customers with a stable supply of products no matter what circumstances may arise. We have therefore taken various measures that will enable us to cope during emergency situations. Most of our major production bases in Japan are located in Shizuoka Prefecture in the Tokai region. For these, we have formulated detailed plans, including daily checks, and procedures for evacuation, situation assessment, communications maintenance, rescue and support.

With the aim of ensuring the effectiveness of plans, which include disaster status assessment, reporting to customers, making a quick recovery and maintaining business continuity in the event of a large-scale disaster, our Risk Management Committee supervised a periodic review of our emergency communications flow chart in fiscal 2009. This chart lists the emergency coordinator assigned at each production base as well as the emergency communications officer, who is responsible for the effectiveness of the flow chart.
for collecting and promptly passing on information to each production division.

When the earthquake at Suruga Bay occurred in August 2009, our response indeed proved effective: damage to our production sites was kept to a minimum and we were able to report the situation to our customers without delay.

A number of countries around the world have recently reinforced regulations related to chemical substances, including those pertaining to the ELV Directive¹ and the REACH Regulation². The Yazaki Group is also abolishing the use of some chemical elements, such as lead, that are regulated by these standards and switching to alternative materials. In accordance with the implementation of these regulations, the Yazaki Group has been receiving more requests from customers to submit data related to chemical substances used in our products. We meet our customers’ requests through comprehensive monitoring and management of chemical substances used throughout the entire supply chain. To ensure this, we are building rules and mechanisms in Japan calling for the cooperation of our suppliers so that we can consolidate the management of substances of concern contained in our products. Meanwhile, we also hold seminars and briefing sessions for our suppliers to deepen their understanding of chemical substances where needed.

We are also making efforts to reinforce collaboration with our overseas bases through meetings held via teleconference and net conference.

Life environmental sector

The Environment and Energy Equipment Division, which produces solar thermal conversion equipment, air-conditioning equipment and gas equipment, has been consistently promoting product safety from the viewpoint of consumer protection, in line with the Product Accident Information Report and Disclosure System—established following the amendment of the Consumer Product Safety Act, one of Japan’s four product safety laws³—and the Safety Inspection and Display System for Long-life Products.

Clearly positioning product accident reporting and recalls as the targets of our crisis management, we have drawn upon our crisis response manual, which was completely revised in 2007. We use the manual to reinforce our explanations to LP gas distributors as well as to share product safety awareness with them. We also revised our manual based on the Recall Handbook issued by the Ministry of Economy of Japan, Trade and Industry and started using the revised manual in 2009.

As part of our safety assurance activities for long-life products, Yazaki conducts periodic safety inspections of our Arorizer LP gas vaporizers, which are performed under ongoing maintenance contracts with our customers. We also perform inspections to prevent the toppling of aged products, such as our Yuwaita solar-powered hot water system, by checking for rusting, damage or any loosening of parts.

Customer support website for solar thermal conversion equipment
http://solar.yazaki-group.com/support/ (available only in Japanese)

The Electric Wire Division has conducted biannual seminars since 2002 for our partnering distributors⁴, companies with which Yazaki conducts direct business.

At these seminars, we provide basic information on electric wires and cables and review industry trends as well as holding group discussions to help attendees acquire knowledge in a practical manner. The seminars provide opportunities for partnering distributors from different regions to communicate with each other and let us know their needs and requests.

In fiscal 2009, 85 people participated in the March 2010 seminar. We are seeking more opportunities to communicate with our partnering distributors.

1 ELV Directive: an EU regulation concerning the disposal of automobiles
2 REACH Regulation: an EU regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals
4 Partnering distributor: a general term applied to agents with strong business ties to the Yazaki Group
The Yazaki Group provides support to S-Pulse Academy, an organization that aims to contribute to the healthy development of children with community-based sports activities, mainly in the form of traveling soccer clinics held at kindergartens and childcare centers in Shizuoka Prefecture.

In fiscal 2009, these clinics were held at 260 kindergartens and childcare centers. Participating children could experience the fun of playing soccer under the guidance of professional coaches while at the same time engaging in healthy physical activity. The Yazaki Group will continue to support these activities, which are clearly much enjoyed by the children who take part.

Supporting local sports program for children

Y-CITY\(^2\) has been collecting PET bottle caps since December 2008 for donation to the Ecocap Movement. This nonprofit organization sells the caps—which are high-quality recycling materials—to recycling companies and uses the revenue to buy polio vaccines for children all over the world. In fiscal 2009, Y-CITY collected and donated approximately 200,000 caps. Other business sites besides Y-CITY are also participating in the activity.

Ecocap activities

Yazaki Corporation started planning a woody biomass community circulation model project with a forestry cooperative in Yusuhara-cho, Kochi Prefecture in fiscal 2005. In fiscal 2008, Yusuhara Pellet Corporation was launched to produce wooden pellets while promoting forest protection and the development of local industry.

The Yazaki Group also participates in a forest growth project in Yusuhara-cho, which is 91% forested, started by volunteers in 1999. The Group has been involved in the activity, which is conducted every year on April 29, the Day of Showa, since fiscal 2006. In fiscal 2009, a total of 118 employees participated.

Working together with communities to conduct forest growth activities

1 Site Report: an annual report issued in October by each of the Yazaki Group’s production sites. Aimed at residents of the surrounding communities, the report explains the approach adopted by the factory manager and includes descriptions of environmental conservation activities undertaken by the factory.

2 Y-CITY: the facility in Susono City, Shizuoka Prefecture where Yazaki’s headquarter functions, laboratories and factories are integrated.
The YAZAKI Supplier General Meeting

In fiscal 2009, YAZAKI held its periodical Supplier General Meeting for suppliers to its materials, electronics/meters and components divisions. YAZAKI holds this annual meeting to promote relationship-building and the development of mutually profitable partnerships. It also requests cooperation in formulating and achieving common mid- and long-term goals and encourages two-way sharing of challenges and accomplishments.

At the General Meeting held in July 2009, which was attended by the President of YAZAKI Corporation and representatives of 96 of our suppliers, procurement policies were explained and achievement awards were presented. In addition, this year we hosted a technology exhibition titled “Efforts to create next-generation environmentally friendly vehicles and issues surrounding strategic products,” which provided us with an opportunity to exchange views with attendees and take on board their suggestions.

YAZAKI will continue to work with its suppliers to achieve common goals, positioning the Supplier General Meeting as an important means of facilitating this.

Revision of the Quality Manual

The YAZAKI Group created the Quality Manual\(^1\) to share basic principles of quality assurance with our suppliers.

Our briefing session for the September 2009 revision of the Quality Manual (23rd version) was attended by 71 of our suppliers. Most of the session was devoted to explanations of the revised management procedures for environmentally hazardous substances and the implementation guideline for environmental audits. During the question-and-answer session, our suppliers offered a variety of comments and questions related to quality and the environment. We will continue to hold briefing sessions periodically in order to deepen the shared understanding of YAZAKI and our suppliers concerning quality management standards.

Address by Mr. YAZAKI, the President of YAZAKI Corporation

Briefing session to introduce new environmental management system

The YAZAKI Group advises its suppliers to introduce an environmental management system (EMS) such as Eco Stage or Eco Action 21, since the certification costs are less than those for ISO 14001. We also provide our suppliers with support to establish their EMS.

In this fiscal year, we held briefing sessions for Eco Stage in October 2009 and June 2010, with a total of 27 suppliers attending. In addition to providing basic information concerning the acquisition of EMS certification, we also invited suppliers that have already acquired Eco Stage certification to make presentations based on their own experiences. With the help of a professional consultant, we gave attendees information about employment adjustment subsidies that can be used for education and training related to EMS certification acquisition.

We will share the findings of surveys conducted after the briefings with all attendees and will continue to support our suppliers’ efforts to acquire certification in collaboration with assessment organizations.

\(^1\) Quality Manual: a specification that states the YAZAKI Group’s basic principles and positions concerning quality assurance, as well as regulations and procedures to be observed.
In the recruitment and promotion of personnel, we actively implement policies designed to promote diversity.

### Basic personnel policies

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

#### Supporting senior, experienced workers

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

The Yazaki Group has adopted the “Anchor-person System” for full-time employees and “Elderly-person System” for non-regular employees to provide re-employment opportunities after retirement age. In fiscal 2009, the number of re-employed workers under the “Anchor-person System” was 284 (including 105 newly contracted) and 103 (including 37 newly contracted) under the “Elderly-person System.”

We abolished the step-down program for employees aged 58 in December 2007 to promote continued employment focused on individual abilities and job aptitude. This enabled employees to continue working in the same position until the age of 60.

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

The Yazaki Group is making efforts to further boost employment opportunities for all by promoting the development of a workplace environment that allows each person, regardless of ability, to live up to their potential.

Yazaki Corporation established Yazaki Business Support Co., Ltd. as a special-purpose subsidiary company in April 2005. With career counselors, who provide job, lifestyle and psychological support for employees with disabilities, and work-life consultants working together, the company makes efforts to secure stable employment and to expand the scope of jobs available to people with disabilities.

In fiscal 2009, the company was newly outsourced with pickup and delivery services of mail and in-house mail at Y-CITY. They are developing a system where both people with disabilities and their employers can share the optimal working environment conditions that match with the needs of those with disabilities, using an outsourced training system for business owners and practical training under the trial employment system for people with disabilities.

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1 Re-employment of senior workers: 284 workers under the “Anchor-person System” and 103 under the “Elderly-person System”
2 Reinforced of the support system for employees with disabilities: Recently engaged in pickup and delivery services for mail and in-house mail at Y-CITY

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1. Named after a Japanese expression “anchor runner” (trustworthy runner).
2. Special-purpose subsidiary company: a subsidiary which a company establishes in the aim of employing people with disabilities. Employees with disabilities who work for the special-purpose subsidiary company are employed by the parent company.
3. Y-CITY: the general name of the facility where Yazaki’s headquarter functions, laboratories and factories are integrated. Located in Susono City, Shizuoka Prefecture.
4. Outsourced training system for business owners: a prefectural system where people with disabilities in the prefecture are accepted as trainees and provided with a job after being trained for a certain period (generally three months).
5. Trial employment system for people with disabilities: a system where a person with a disability who is introduced by Hellowork, a job-placement office, concludes a fixed-term employment contract of up to three months with a business owner. After the suitability of both the employee and the company is assessed, the temporary employee will be formally employed if both parties agree.

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**Change in number and employment rate of employees with disabilities**

- **Number of employees with disabilities:**
  - 2005: 45
  - 2006: 52
  - 2007: 55
  - 2008: 58
  - 2009: 60

- **Employment rate of workers with disabilities:**
  - FY 2005: 1.82
  - FY 2006: 1.84
  - FY 2007: 1.76
  - FY 2008: 1.77
  - FY 2009: 1.92

**Statutory employment rate:**
- FY 2005: 0.75
- FY 2006: 1.00
- FY 2007: 1.50
- FY 2008: 1.80
- FY 2009: 2.00

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**Number of workers re-employed under the Anchor-person and Elderly-person Systems**

- **Number of workers re-employed under the “Anchor-person System”**
  - 2005: 140
  - 2006: 170
  - 2007: 246
  - 2008: 331
  - 2009: 284

- **Number of workers re-employed under the “Elderly-person System”**
  - 2005: 0
  - 2006: 27
  - 2007: 71
  - 2008: 108
  - 2009: 103

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**Responsibilities toward Employees**

**Recruitment and Promotion**

In the recruitment and promotion of personnel, we actively implement policies designed to promote diversity.
Responsibilities toward Employees
Human Resource Development

We are expanding our training and evaluation systems to develop a world-class workforce.

Fiscal 2009 Initiatives

- Conducted training to foster evaluators to make the evaluation system easier to understand
- Provided opportunities for direct dialogue between top management and employees: 99 people participated in 10 dialogue sessions
- Conducted Yazaki corporate culture training: five employees participated
- Conducted a summer camp: 190 children participated

A transparent, easily understood employee evaluation system

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

In the fiscal 2009 management training program, the evaluation training component for newly appointed managers was expanded from fiscal 2008. This component helps managers understand the purpose and concept of the evaluation system and teaches them, among other things, how to communicate during interviews with subordinates in order to improve their evaluation skills. We also conducted an evaluation interview survey of 1,200 employees who evaluate and for 1,200 employees who are evaluated. We will further improve the evaluation system and evaluator training based on future survey results.

Yazaki corporate culture training

Yazaki corporate culture training is a human resource development program where local employees from overseas group companies are invited to Japan to acquire Yazaki’s corporate culture through learning Japanese culture and language. During the one-year training, trainees communicate with many Japanese employees, and in the future they will serve as a liaison bridge between Japan and their own countries at the overseas group companies. A total of 184 employees participated in the program, including five in fiscal 2009.

Summer camp that provides children with learning opportunities

The Yazaki Group also focuses on fostering employees’ children under the Corporate Policy. A pillar activity for this is our summer camp, which is running since 1977. In fiscal 2009, we held a summer camp in eastern Shizuoka for children in the fifth and sixth grade of elementary school, and 190 children participated.

We took the children on a tour to an expressway under construction with the cooperation of Central Nippon Expressway Company, and made our factory tours to Fuji Factory and Susono Factory. They also experienced making their own chopsticks, hiking to the Hoei crater on Mt. Fuji, outdoor cooking, camp fires, sleeping in a tent and other activities. The children learned the importance of environmental conservation in collaboration with their friends through the summer camp.

Promoting communication between employees and the President and Chairperson

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

An “employee dialogue” session

Children climbing Mt. Fuji
Enhancing the trustful relation between workers and the management

In line with the principles of open dialogue and autonomy based on mutual trust between workers and management, the Yazaki Employee Labor Union works to improve the workplace environment for its members. In fiscal 2009, the Union reviewed the in-house system to comply with the revised Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Childcare and Family Care Leave.

The law was revised to develop a working style in which fathers can be more involved in childcare. Regarding the childcare leave system, the Yazaki Employee Labor Union aims to change the current system so that employees can take childcare leave until the child in question turns one-year-and-two-month-old, even when the employee is widowed or has parted with his/her spouse, thereby enhancing consideration of one-parent families (relief for socially vulnerable people). Regarding the family care leave system, although companies are not obliged to provide employees with paid leave by law, the Union aims to provide employees with paid family care leave. The Union is currently discussing both issues with the company.

The Union will continuously make further efforts to improve the working environment for employees.

Promotion of work-life balance

In fiscal 2009, Yazaki featured its systems related to work-life balance\(^1\), including how frequently these systems are used, and results of awareness survey for employees, in the in-house journal (issued quarterly) for one year. The company received feedback from employees, such as “it was easy to understand how frequently the systems are used,” and “the survey results serve as a useful reference.” Yazaki has fostered awareness concerning the importance of maintaining a work-life balance through the in-house journal.

We develop systems to improve work-life balance.

<table>
<thead>
<tr>
<th>Name</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>The childcare leave system</td>
<td>System for employees who raise children, which includes restriction of overtime and late night work, reduction of working hours</td>
</tr>
<tr>
<td>The system for nursing care leave to care for elderly family members</td>
<td>System for employees who take care of elderly family members, which includes restriction of overtime and late night work, reduction of working hours</td>
</tr>
<tr>
<td>System for employees who take nursing care of family members</td>
<td>System for employees who are parents of pre-school age children—five days of paid leave (with no lump sum payment)</td>
</tr>
<tr>
<td>Backup holiday system</td>
<td>System that enables employees to use unused portion of paid holidays to receive long-term medical treatment, to take care of family members having medical treatment or to participate in volunteer activities</td>
</tr>
<tr>
<td>Refreshing holiday system</td>
<td>System for employees, turning 40 or 50, to refresh themselves mentally and physically—i.e., discovering themselves again or finding a new purpose of life</td>
</tr>
</tbody>
</table>

Number of employees who took childcare leave and nursing care leave for elderly or ill family members

<table>
<thead>
<tr>
<th>Year</th>
<th>(FY)</th>
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<tbody>
<tr>
<td>2005</td>
<td>80</td>
</tr>
<tr>
<td>2006</td>
<td>62</td>
</tr>
<tr>
<td>2007</td>
<td>78</td>
</tr>
<tr>
<td>2008</td>
<td>59</td>
</tr>
<tr>
<td>2009</td>
<td>64</td>
</tr>
</tbody>
</table>

Topics

**Numazu Factory certified as a gender-equality-promoting site**

Numazu Factory of Yazaki Electric Wire Co., Ltd. in Numazu City, Shizuoka Prefecture was certified as a gender-equality-promoting site in December, 2008. The factory aims to develop a workplace where employees can fully demonstrate their individuality and abilities regardless of gender. Development of various systems and efforts made by labor and management for realizing ideal life stages of employees and an adequate work-life balance were highly acclaimed. These activities were introduced in a public relations magazine issued by Numazu City. The Yazaki Group will promote further gender equality\(^2\), applying the philosophies of Yazaki.

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

2. **Gender equality**: a state where men and women can participate in social activities equally.
Responsibilities toward Employees
Occupational Safety and Health

Simply complying with government regulations is of course important, but not sufficient to ensure total safety at a company. It is important that the management, workplace leaders and all other employees work together to conduct safety and health activities. The Yazaki Group will mend its ways and pledge once again to never have major accidents, taking the major industrial accident that occurred at a subsidiary in fiscal 2009 seriously. We will do our best to develop a culture of safety supported by the occupational safety and health management system and effective communication. To this end, we are determined to promote risk assessments, workplace safety and health diagnosis audits, safety and health regulation check, at subsidiaries as well, and sharing safety information globally.

The Factory Safety and Health Committee, made up of representatives of all 13 production sites in Japan, is the main body responsible for systematically reducing significant risks in a top-down style by conducting risk assessments, aimed at preventing workplace accidents. Yazaki also conducts SC Circle activities, safety and health initiative conducted by small groups, through the eyes of field workers. These activities do not only promote safety but also communication and business ethics. Feedback from the SC Circles demonstrates the effects of these activities: they can acquire unexpected opinions, which they seldom share to each other, from the members of the SC Circles; they are happy that their opinions are reflected in improvements of their workplaces.

Yazaki Group’s safety and health activities

Safety and health activities at production sites

The Factory Safety and Health Committee, made up of representatives of all 13 production sites in Japan, is the main body responsible for systematically reducing significant risks in a top-down style by conducting risk assessments, aimed at preventing workplace accidents. Yazaki also conducts SC Circle activities, safety and health initiative conducted by small groups, through the eyes of field workers. These activities do not only promote safety but also communication and business ethics. Feedback from the SC Circles demonstrates the effects of these activities: they can acquire unexpected opinions, which they seldom share to each other, from the members of the SC Circles; they are happy that their opinions are reflected in improvements of their workplaces.

Industrial accident rate/accident severity rate

\[
\begin{align*}
\text{Industrial accident rate} &= \frac{\text{number of injuries}}{\text{total working hours}} \\
\text{Accident severity rate} &= \frac{\text{work days lost}}{\text{total working hours}}
\end{align*}
\]

The Yazaki Group holds ordinary life-saving seminars for employees. We held 65 sessions, presented by instructors from the safety and health promotion department, in fiscal 2009. About 520 employees participated.

Reinforcement of mental health care

Yazaki conducts self-care education, care provided by managers and stress tests based on the mental health care plan, allocating a person in charge of mental health care at each production site. We employed a clinical psychologist to teach employees how to care for mentally ill employees effectively when they take leave and return to work. In fiscal 2010, we will conduct the following demonstration seminars, all presented by a psychologist: (1) autogenic training, (2) cognitive therapy, and (3) relief of stress.

1 SC Circle: abbreviation for Safety Communication Circle
2 Industrial accident rate: the frequency rate indicating the number of injuries per one million working hours
   Frequency rate = injuries/total working hours x 1,000,000 hours.
3 Accident severity rate: the severity rate indicating the number of work days lost due to accidents per 1,000 working hours
   Severity rate = work days lost/total working hours x 1,000 hours.
4 Ordinary life-saving: a life-saving activity that mainly involves cardiopulmonary resuscitation
The tortoise symbolizes Yazaki’s environment-friendly products

The Yazaki Group has conveyed messages on environmental issues in its advertisements from the viewpoint of people leading daily lives, since March 2004, when the "Mottainai" (defined as "a sense of regret over something being wasted due to undervaluing its worth") advertising campaign was launched.

A tortoise character appears in the "slow but steady environmental activities" advertising campaign started in October 2009, as a symbol for the Yazaki Group, which has been addressing environmental issues diligently since its foundation.

Environmental issues have been left behind as humankind has progressed and mass consumption and mass disposal have become the norm. Yazaki tells the world through its advertising that we have rushed too much; and there is no magic bullet for bringing the global environment back into good health and that dealing slowly but steadily is the best way to address environmental issues. For example, the reforestation business, which the Yazaki Group is carrying out in collaboration with local governments and communities, takes a few decades to take even one step forward; it is a tortoise-like motion, indeed.

We do not deny economic and social prosperity and development. We believe, however, that making steady efforts toward a specific goal is valuable although it may look like a roundabout at first glance, as the slow tortoise overtakes the fast hare in the famous Aesop fable. The Yazaki Group puts such thoughts into the "slow but steady environmental activities" advertising series.

The advertising series introduces Yazaki’s environmentally friendly products—Bio-Aroace, fueled by wooden pellets, solar-heat panels, and high-voltage wire harnesses one by one. The tortoise will link Yazaki Group’s messages to environmental issues and its environmentally friendly products in the future, too.