

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.