



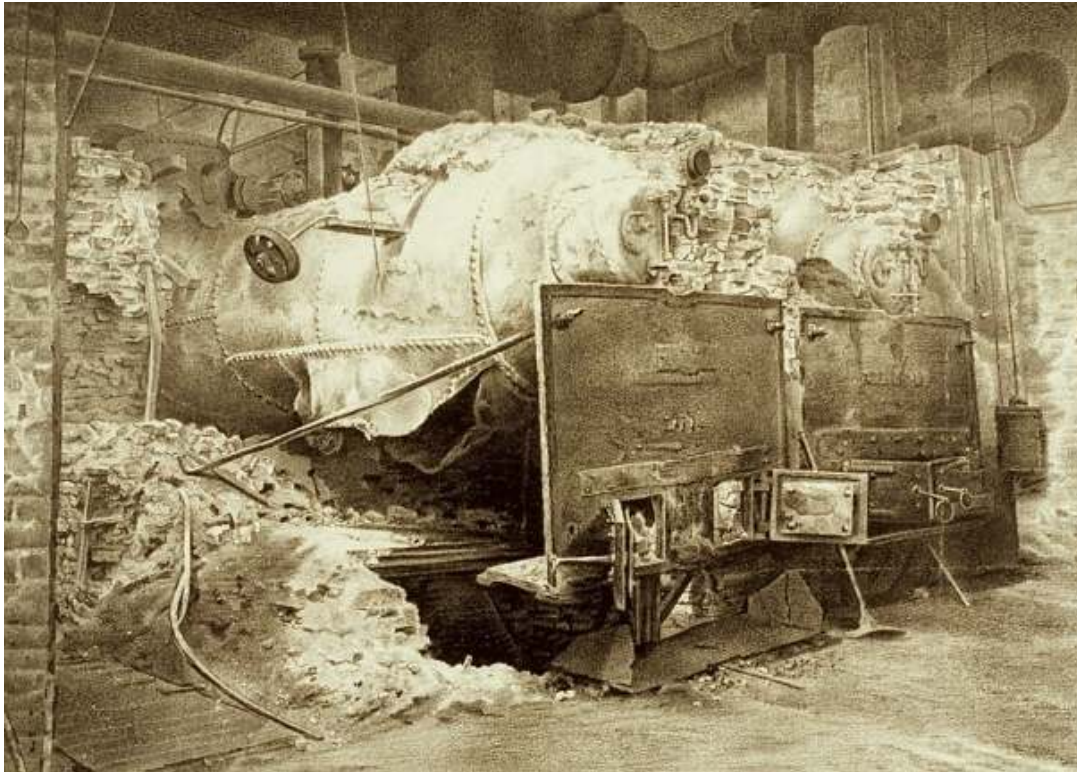
Choose certainty.
Add value.

TÜV SÜD in Japan

Overview 2017



Our origins



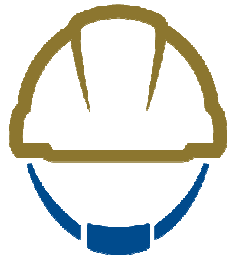
§. 1.

Der Zweck des Vereins ist die möglichste Verhütung von Kessel-Explosionen durch periodische Untersuchungen, Einführung aller gegenwärtigen und künftigen Verbesserungen im rationellen Betriebe der Dampfmaschinen, in Feuerungsanlagen, Ersparniß von Brennmaterial, Anstellung von Indicator-Versuchen an Dampfmaschinen u. s. w., kurz, Garantie für die Mitglieder des Vereins, daß alle Fortschritte der Technik in Erzeugung und Benutzung des Dampfes ihnen zu Gut kommen werden.

On 6 January 1866, 21 operators and owners of steam boilers established a Mannheim-based steam-boiler inspection association, operating under the name of "Gesellschaft zur Überwachung und Versicherung von Dampfkesseln mit dem Sitz in Mannheim".

The aim of this private-sector regulatory initiative was to protect people and property against the risks emanating from a new, largely unknown form of technology.

TÜV SÜD at a glance



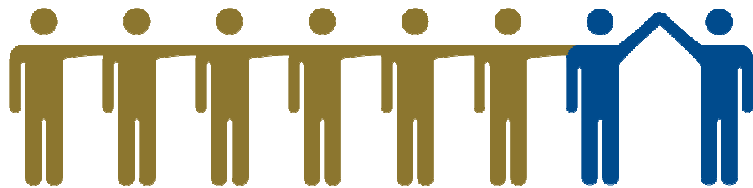
150+
YEARS OF
QUALITY, SAFETY
& SUSTAINABILITY



1,000
LOCATIONS
WORLDWIDE



€2.3
BILLION
IN ANNUAL
REVENUE



24,000
EMPLOYEES



43%
OF REVENUE
OUTSIDE GERMANY



574,000
CERTIFICATES



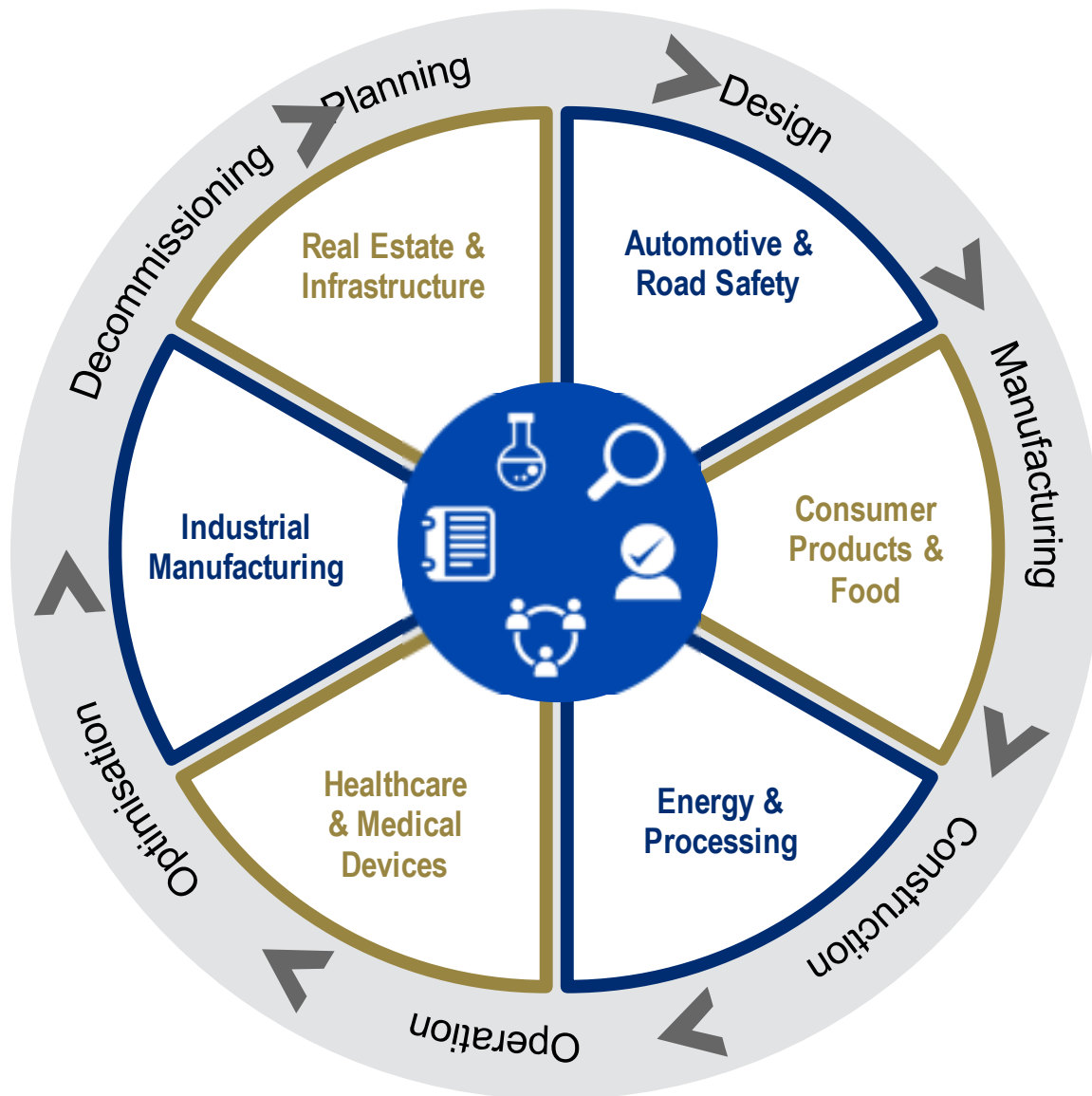
100%
INDEPENDENT &
IMPARTIAL



1-STOP
SOLUTIONS
PROVIDER

Note: Figures have been rounded off.

End-to-end solutions for the entire business lifecycle



- Testing & product certification
- Inspection
- Auditing & system certification
- Knowledge services
- Training

History of TÜV SÜD in Japan



1968	●	Started providing various services to Japanese manufacturers who exported their products to overseas, especially to Europe.
1993	●	Establishment of TÜV Product Service in Japan
1996	●	Establishment of TPS Ohtama as a joint venture (EMC, medical device safety testing)
2005	●	Accreditation by Japanese Ministry of Health, Labor and Welfare (MHLW) as RCB for medical devices.
2012	●	Acquisition of ZACTA Technologies Corp. (now TÜV SÜD Zacta; EMC, evaluation, safety testing)
2013	●	Dissolution of JV with Ohtama, acquisition of safety testing department by Zacta
2014	●	Expansion of lab in Yonezawa, opening of Tokyo Testing Center
Today	●	TÜV SÜD Japan continues to pursue market leadership through local excellence

Opening of the new 10 m Chamber at TÜV SÜD Zacta





TÜV SÜD in Japan at a glance:

TÜV SÜD Japan / TÜV SÜD Zacta

- ▶ Financial snapshots
 - ▶ FY2016 Sales **5.2 bio JPY**
- ▶ Number of employees:
 - ▶ FY2016 : **220 HC**
- ▶ Presence of **2** offices and **2** labs in **4** locations
- ▶ 3 Key business areas – Sales:
 - ▶ Product Safety:
FY2016 : **2.5 bio JPY**
 - ▶ MHS: Sales:
FY2016 : **1.3 bio JPY**
 - ▶ Mobility: Sales
FY2016 : **810 mio JPY**





Market leadership

Among the top 3 in the market segments,
where we are present

Local excellence

Services where ever possible by Japanese
engineers

Setting benchmarks in industry within TÜV
SÜD and industry
- Service quality, technical knowledge

Customer focus & service quality

- Partner, not bureaucratic
- Truly add value
- Innovative, fast,
knowledgeable

Commitment to employees

- Our success rests on
employees
- Continuous training &
development

Economic sustainability

- Ensures a safe workplace
- Profitable growth
- lean & efficient processes



Macro economic outlook weak:

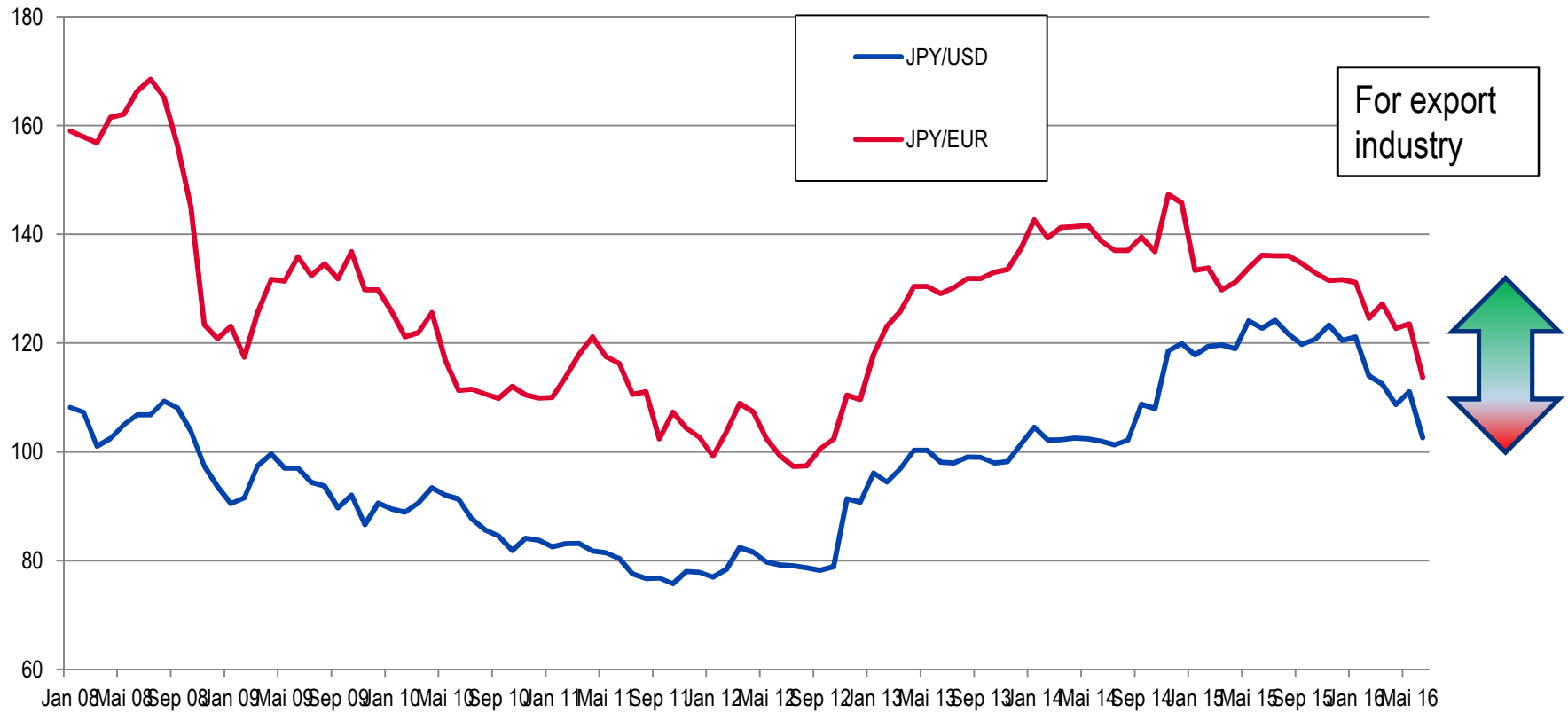
- Inflation target of 2% is not reachable as planned, latest forecast is 0.7% for 2017
- Ultra low interest rates have not managed to weaken the JPY vs USD, EUR

World bank: Real GDP

(percent change from previous year)

	2013	2014	Estimates		Projections		Percentage point differences from January 2016 projections			
			2015	2016	2017	2018	2015	2016	2017	2018
World	2.4	2.6	2.4	2.4	2.8	3.0	0.0	-0.5	-0.3	-0.1
Advanced Economies	1.1	1.7	1.8	1.7	1.9	1.9	-0.1	-0.5	-0.2	-0.1
United States	1.5	2.4	2.4	1.9	2.2	2.1	-0.1	-0.8	-0.2	-0.1
Euro Area	-0.3	0.9	1.6	1.6	1.6	1.5	0.1	-0.1	-0.1	-0.1
Japan	1.4	-0.1	0.6	0.5	0.5	0.7	-0.2	-0.8	-0.4	-0.6

Economic environment





Labour market is increasingly very tight

- Low unemployment rate of 3.2 %
- Job availability rate at 1.36 (highest level since 24 years)
- Wage & salary development remains still flat

⇒ Recruiters & headhunters prosper

⇒ HR policies are increasingly important

