

*Disclaimer:*

*The Competition DG makes the information provided by the notifying parties in section 1.2 of Form CO available to the public in order to increase transparency. This information has been prepared by the notifying parties under their sole responsibility, and its content in no way prejudices the view the Commission may take of the planned operation. Nor can the Commission be held responsible for any incorrect or misleading information contained therein.*

**COMP/M.6777 - YAZAKI EUROPE / S-Y Systems Technologies Europe**

**SECTION 1.2**

**Description of the concentration**

By virtue of the concentration, Yazaki Europe Limited (“YEL”), a wholly-owned subsidiary of Yazaki Corporation (“YC”) will acquire sole control over S-Y Systems Technology Europe GmbH (“S-YST”), a company which is currently jointly-controlled by YC and Continental Automotive GmbH.

YEL and S-YST are active in the field of development and sale of automotive electrical distribution systems (“EDS” or “wiring harnesses”). The Yazaki group of companies (“Yazaki”) also manufactures EDS and is active in the manufacture and supply of components used in the manufacture of EDS (“EDS components”), and of electronic components such as active fuse/relay and active junction boxes (so-called “EEDS-associated E-components”) which are in some cases sold jointly with the EDS as a fully-integrated electrical/electronic distribution system (“EEDS”) but are often sold separately to the automotive manufacturers (“OEMs”).

S-YST was established in 2001 as a joint venture between Yazaki and Siemens Automotive AG, at a time when several OEMs adopted a policy of sourcing large parts of a vehicle from a single supplier, under a so-called “system-based approach”. This approach required suppliers to deliver integrated systems of EDS/EEDS together with advanced electronic parts such as electronic locks, alarm systems or meters (so-called “Automotive Electronics”) in order to supply a single solution. In recent years, these OEMs have gradually moved away from this approach and have reverted to the original “component-based approach” of sourcing EDS (in some cases jointly with EEDS-associated E-components) separately from Automotive Electronics. As a result of this change in approach, the original purpose of the joint venture, which was to supply EDS bundled with Automotive Electronics as a single solution, is no longer applicable.

Consequently, the business activities of S-YST now relate more to the core business activities of one joint venture partner (Yazaki) and less to those of the other (Continental) as Continental is not active in the field of EDS. Therefore, the dissolution of the joint venture and the acquisition of sole control by YEL will allow both joint venture partners to concentrate on their respective main areas of business and to structure certain customer relations more efficiently.