

Developing People and Corporate Culture to Increase Corporate Value

The YKK Group, whose business extends to countries and regions throughout the world, has employees from diverse cultural backgrounds who hold different values. Consequently, the permeation of the YKK Philosophy and Core Values is an important topic for management. Through long-standing initiatives to share the YKK Philosophy and related ideologies, we strive to create people and a corporate culture that help enhance our corporate value.

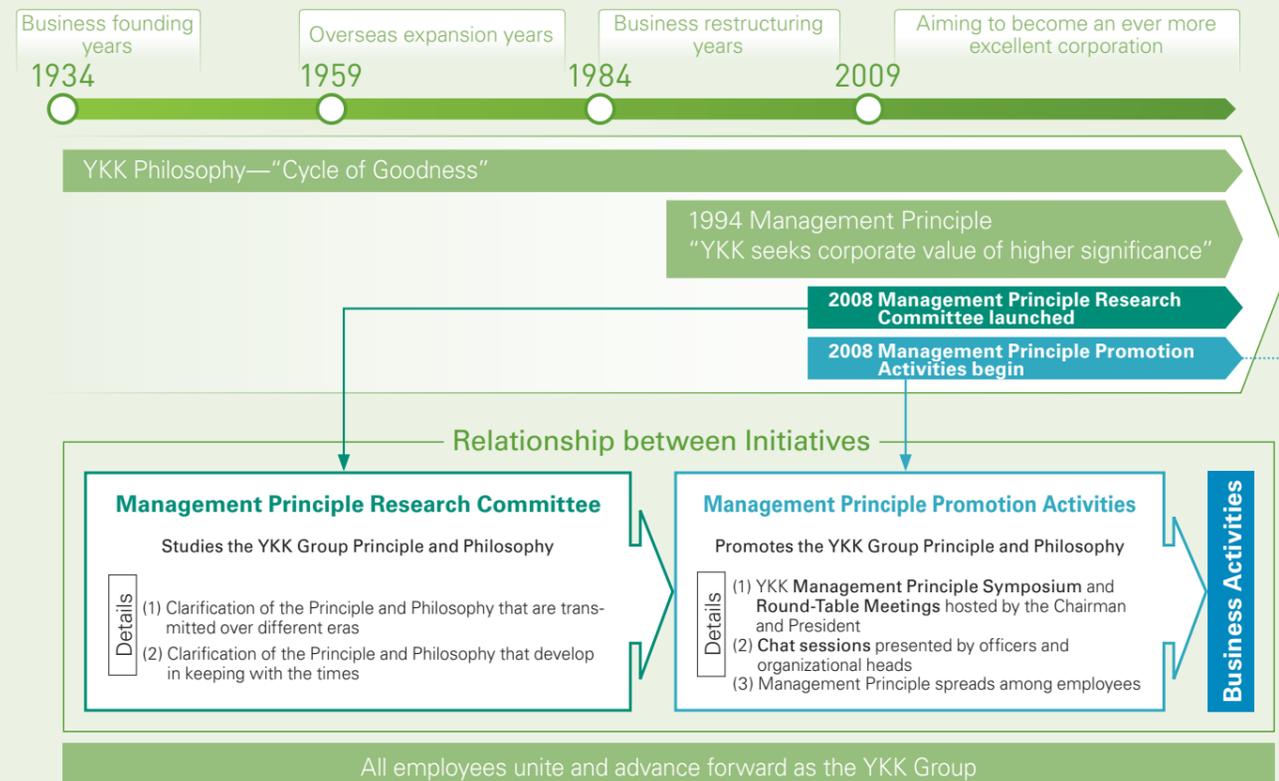
Aiming to Instill the YKK Management Principle and Core Values to All Employees

The YKK Philosophy, which has been passed down since the founding of the company, has always served as the foundation for business activities and has supported the Group's expansion.

In 1994, developing the Philosophy in keeping with the times, we launched the new Management Principle, "YKK seeks corporate value of higher significance."

Since then, we have been promoting it throughout our organization to ensure that each employee understands and inherits YKK Group's Management Principle and related ideologies to ensure their succession down the generations.

Since 2012, we have also been expanding our promotion activities overseas, and have advanced the permeation of the Principle throughout the Group, while respecting local initiatives.



Positioning of Study Meetings and Promotion Activities

Initiatives for promotion of the YKK Management Principle can be broadly divided into two types.

The YKK Management Principle Research Committee is composed of employees selected by each business and region and conducts studies to clarify the true nature of the YKK Principle.

By developing and clarifying the Management Principle and related ideologies in keeping with the times, the Committee is responsible for building the foundation for the permeation of the Management Principle and its practice.

Meanwhile, the YKK Management Principle Promotion Activities drive the permeation and practice of the Management Principle among all employees.

Each of these activities link the practice of the ideas to our business activities, which helps the Group to unite and advance.

Notable YKK Management Principle Promotion Activities

The YKK Group, whose business activities extend to 71 countries and regions, aims to promote the YKK Management Principle through various activities while respecting differences in culture and values.

Below, we describe examples of YKK Group Management Principle Promotion Activities.

40,000 Employee Forum

In 2008, we held the 40,000 Employee Forum, in which all YKK Group employees worldwide could participate. Its aim was for all employees to reaffirm the virtues of the YKK Group, to feel the value in work, and to have pride and a sense of unity for the company's future.



A meeting at YKK El Salvador S.A. de C.V.

Employees in each country and region watched a DVD explaining the YKK Philosophy, and then shared their thoughts and opinions. This provided an opportunity for them to deepen their understanding of the YKK Philosophy, Management Principle, and Core Values and to gain a sense of unity in the Group and energy to proceed into the future. Furthermore, in 2014, to mark the 80th year since the company's founding, the second 40,000 Employee Forum was held to reinforce practice of the Principle by all employees. Various tools were used to assist in permeation of understanding and to promote the Principle's deeper permeation and awareness of its practice.

Round-Table Meetings hosted by the Chairman and President

The Round-Table Meeting is a Management Principle promotion activity where the chairman, president, and employees can meet and talk. Employees can interact with the chairman and president candidly and freely express their thoughts.



A Round-Table Meeting with Chairman & CEO Yoshida

Through lively discussion between the parties, they can understand the origin of the Management Principle, and share issues and opinions concerning its practice in day-to-day work. Employees who took part stated that they felt they were able to get closer to management, that it was a significant opportunity to directly communicate the circumstances of the work environment to the chairman and president, and that it was encouraging for employees on site. A lot of similar feedback was received, and the meetings were therefore considered to have had a valuable role in cultivating the YKK Group corporate culture. The initiative, which began in 2008, has been extended both throughout Japan and abroad.

Chat Sessions Presented by Officers and Organizational Heads

The chat sessions are held with the aim of enabling employees to learn the practical implementation of the Management Principle and Core Values from the experiences of older employees. Furthermore, discussions deepen their understanding, and help employees



Chat sessions led by officers and organizational heads

to put them into practice in the workplace. The main presenters are officers and organizational heads, who share actual examples of past successes and failures. Later, there is an opportunity to exchange opinions, making this a forum for participants to deepen their awareness of the Management Principle.

This initiative has continued since 2009, and has been held 190 times to date for a total of approximately 2,200 employees. From 2013, the chat sessions were held for different businesses and regions in addition to the regular initiatives, and improvements have been made to enable even more employees to participate.

Results of the YKK Management Principle Research Committee

The YKK Management Principle Research Committee for FY2016 had the theme of “The Cycle of Goodness that is needed now.” We discussed what a manufacturing company such as ours can do in response to society’s requirement of Goodness.

This is also the basis of the Mid-Term Management Vision of “Technology Oriented Value Creation.” It signifies creation of value that leads to people’s happiness.

Moving forward, the YKK Group will continue to enhance its technological capability to continue to strive in manufacturing to create a happier society.

YKK Group Management Principle Research Committee

YKK Group Management Principle Research Committee, launched in 2008, conducts studies to clarify the nature of the YKK Management Principle with the aim to ensure that all YKK Group employees understand and pass on these ideas. The diagram below, made by members selected by each business for the 2016 study meetings, organizes regional and societal issues together with the Principle and business operations of the YKK Group.



Cycle of Goodness

The Cycle of Goodness that is needed now

Fastening Business

AP Business

Manufacturing must take the environment into consideration and be sustainable, and we must offer higher quality products to more people.

There is great awareness of issues in relation to people, energy, safety, security, and resources. In addition, there is demand to build a business model focused on existing housing stock.

Society's Needs

- Provide high added-value products by leveraging technology that takes the environment into consideration
- Promote sales of environmentally-friendly materials and products
- Offer high quality products to more people by boosting products for the Standard category

- Enhance product technology required in a building market that has moved onto a model focused on existing housing stock
- Provide products for renovation (low-energy-use, health-conscious, quake-resistant, and existing housing stock)

Value Creation

Technology Oriented Value Creation

Offering manufacturing that brings happiness to society

