

Employee relations

Personnel affairs

○ Personnel affairs philosophy

The YKK Group espouses a personnel affairs philosophy of autonomy and symbiosis. We seek to be a company where employees work autonomously, but share mutual respect and help each other, forming a strong organization that continuously provides new value to customers and contributes to society.

Autonomy and symbiosis
One for All, All for One



New value creation

Autonomy

Individuals and groups are able to think about all aspects of issues, take action with self-responsibility and achieve goals independently.

Symbiosis

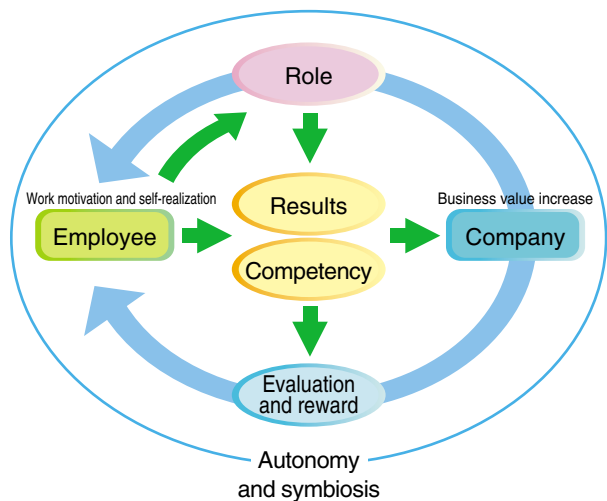
While respecting the diversity of others' values, autonomous individuals can unite and work together diligently to increase their individual and group achievements through synergy.

○ Personnel system

With the philosophy of autonomy and symbiosis at its foundation, our personnel system is a support tool for creating new value. The system contributes to our strategic direction by increasing the ability of every individual to respond quickly and effectively in the rapidly changing business environment.

In fiscal 2000, we introduced a merit-based system for all employees with measurable goals for results and competency. Achievement of these goals can be measured through communication between superiors and their staff. A highly transparent structure is used in order to make evaluations fair and acceptable. Evaluation results also allow some degree of variation from a standard according to position in order to base rewards fairly on the work. Individuals who continuously achieve results are recognized for their ability, and even talented employees in their 30s can achieve high positions and make use their abilities in roles such as that of operating officers.

◆ Personnel affairs system overview

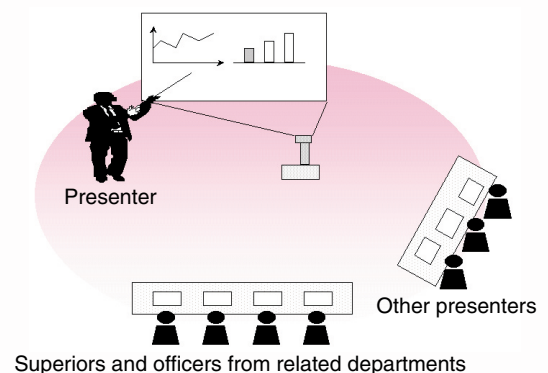


◆ Personal business plan (management evaluation system)

Founded on the personnel affairs philosophy of autonomy and symbiosis, we use a system of personal business plans to encourage employees to set high goals independently and evaluate them fairly.

After accepting the roles that they are expected to fill, managers develop and present their business plans, explaining what their strategies, goals and implement methods are for the year.

Immediate superiors, officers from related departments and coworkers attend each presentation and evaluate whether or not strategies and methods are well matched and the plan is well developed. Evaluation presentations are also done in a fair and open manner with input from multiple perspectives. Other presenters are also able to evaluate their own levels in comparison and gain confidence in the evaluation system.



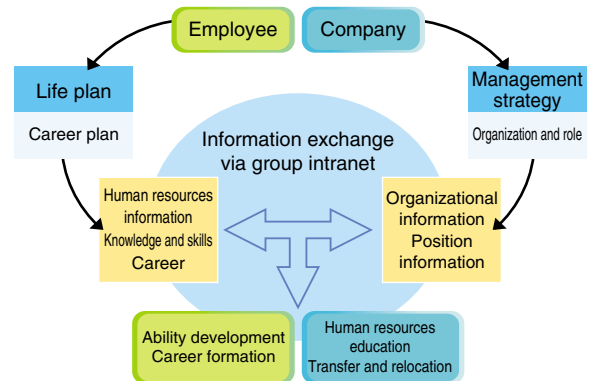
○ Employee education

From the time of our establishment, we have allowed our employees to grow in a corporate environment that respects personal drive and gives people responsibility from early in their careers. Even today, on-the-job training is still the most important form of education, but, in recognition of the need for off-the-job training too, we also have established a full system of educational programs and human resources development.



YKK Value Creation School

- YKK Value Creation School group leader education program
 - Challenge Training themed electives
 - Compliance education through e-learning
 - Career development goals reporting system
 - Internal recruitment system
 - Internal IT use to publicize human resources and position information
- ◆ Internal IT system for publicizing human resources and position information



○ Diversity and equal opportunity

We are promoting equal employee treatment, offering work opportunities and evaluation according to each individual's motivations and abilities, regardless of nationality, age or gender. In particular, we are actively working to correct the slow promotion of women that resulted from past customs. Based on proposals from a committee lead by women, we have implemented a program for promotion and undertaken

working environment reforms. The rate of women being promoted to workplace leadership positions and given other important jobs, such as foreign postings has also increased. Furthermore, the YKK Group as a whole is actively promoting the hiring of the disabled, and in 1999 we established YKK Rokko Corporation, a special case subsidiary company of printing business, as a symbol of our commitment.



Female leadership workplace study group



YKK Rokko Corporation

○ Creating an environment where it is easy to work

In order to create an environment where it is easy to work, we have established a Secretariat for Comfortable Work Promotion that monitors labor conditions, listens to employee concerns, and plans workplace reforms. We also have counseling services handled by outside specialists to deal with issues such as health, personal concerns and sexual harassment. In addition, we have created an environment where it is easy for employees to use systems such as our parental and caregiver leaves of absence. Every year, approximately 140 employees use our parental leave system.

○ Development as a global company

Throughout YKK's growth as a global enterprise, our personnel system has always been designed to suit national, local and working environment expectations, but the concept of fairness has always been at the base.

In addition to this concept of fairness, we are seeking to create working environments globally where employees work proudly and with self-reliance, in accordance with the company philosophy of autonomy and symbiosis.

Safety, hygiene and health

The YKK Group follows a management principle of respecting people and seeks to support the mental and physical well-being of every individual. We believe that safety and production should go hand in hand, and make strenuous efforts to prevent any kind of work accident. Guaranteeing the health and safety of our employees is our fundamental philosophy, and we try to make our work places healthy, safe and comfortable.

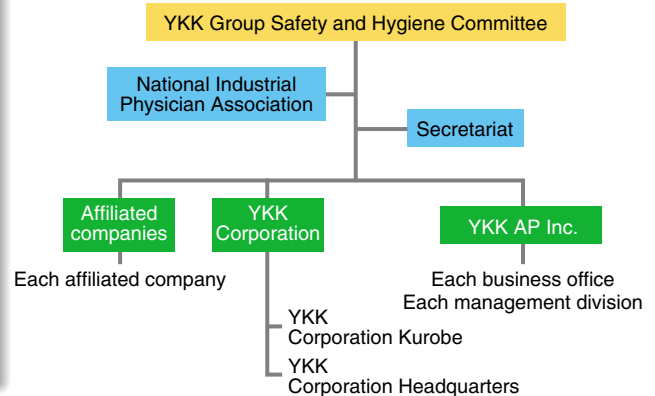
YKK Group Safety and Hygiene Pledge

We are currently endeavoring to raise our corporate quality level and our ability to respond to rapid changes in social conditions in all of our business activities.

We at the YKK Group pledge to promote the elimination of all sources of danger and harm in the workplace, the maintenance of the mental and physical health of our workers, and the creation of work environments that are easy to work in and appropriate for the modern age. We are working toward the actualization of these goals with the cooperation of all of our employees.

February 1994
Tadahiro Yoshida, YKK Group

◆Organizational chart for Safety and Hygiene Committee



◇Efforts to eliminate labor accidents

The YKK Group is promoting the creation of safe, healthy workplaces that are also pleasant and enjoyable through people (safety and hygiene education), things (safer equipment), and management (labor safety and hygiene

management system).

The YKK Group Safety and Hygiene Committee leads our efforts to eliminate labor accidents, and every company and workplace promotes autonomous safety and hygiene efforts.

○Safety and hygiene education

Safety and hygiene education is very important and must be continuously undertaken as a motivation and reminder to employees to pursue safe and hygienic practices.

Company instructors conduct most of the various education and training programs.

<Safety and hygiene education details>

- | | |
|--|------------------------------|
| [1] Legal education | •New employee education |
| [2] Government required education | •Foreman education |
| [3] Specialized skills education | •Computer deskwork |
| | •Organic solvents work |
| | •Sling work |
| [4] General safety and hygiene education | •Floor crane operation |
| | •Hazard prevention training |
| | •Maintenance staff education |



Hazard prevention training

○Work safety and hygiene management system receives certification

Our work safety and hygiene management system was founded on a directive from top management to promote planned, systematic and continuous efforts to eliminate and reduce sources of danger in the workplace through the cooperation of each concerned individual.

In May 2003, the Japan Occupational Safety and Health Association, which is a foundation certified by the Ministry of Health, Labor and Welfare, evaluated and certified the work safety and hygiene management system of the YKK Kurobe Manufacturing Center Fastening Products Group in a first certification inspection. They awarded it the JISHA Occupational Safety and Health Management Systems (OSHMS) certification, making it the 9th YKK company to receive first certification.

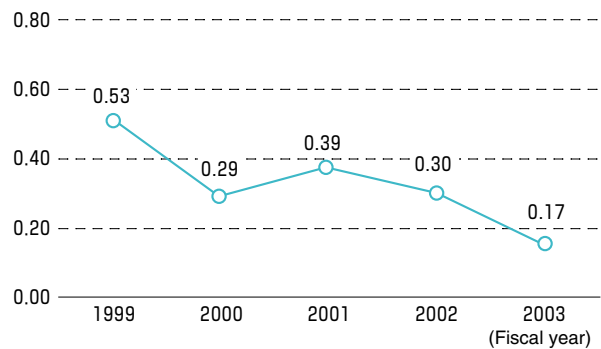


OSHMS certification

○Work accidents decrease

Through accident prevention efforts, including our Safety and Hygiene Pledge, risk assessment implementation, work safety and hygiene management system, other production site efforts and employee education, we have realized a reduction in the rate of work accidents.

YKK Group work accident statistics (frequency rate)



◇Efforts to maintain and promote health

We believe that the maintenance of the physical and mental health of every employee is an indispensable element for every individual's satisfying work life. In order to preserve employee health, for example, we implement additional tests beyond those required by law for physical examinations.

When people need additional treatment, including follow up tests, advanced tests, and progress observation, our occupational medical and health staff follow up and try to discover illnesses as early as possible.

○Policies for prevention of health problems and mental health care

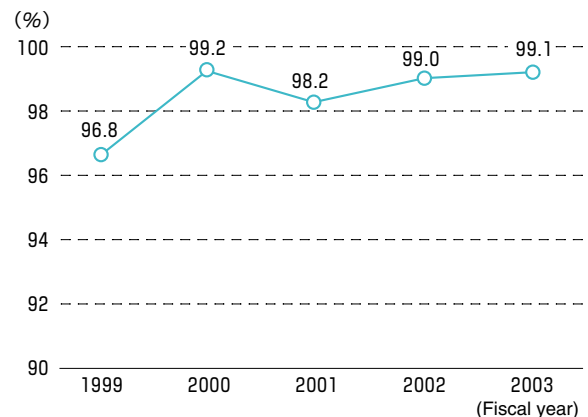
The first item of the Ministry of Health, Labor and Welfare's 10th Labor Accident Prevention Plan is a comprehensive policy to prevent damage to health through overwork.

The YKK Group is actively promoting the reduction of overtime work and appropriate management of working hours. At the same time, for employees who work long hours, we conduct fatigue and mental health surveys, as well as meetings with occupational health physicians.

○Health promotion efforts

With the goal of providing our employees with a healthy work life, the YKK Group with the help of the YKK Health Insurance Cooperative, is actively pursuing health maintenance and promotion efforts. Among them, our Walking Campaign to walk 10,000 steps each day and a walking club to promote this exercise that is very effective in preventing lifestyle diseases and that anyone can do.

YKK Group health examination rate



In addition, recognizing that mental health is an important aspect of safety and hygiene, we have made progress in establishing a mental health care system. We are placing emphasis on mental health education for our employees and managers with the cooperation of our occupational health staff, our human affairs officers and our safety and hygiene staff.



Walking club