

# Employee Relations

## 【 Basic Approach 】

Aisin Seiki thinks it the most important to provide a work environment that is safe and easy to work in.

Aisin Seiki implements a variety of measures to improve the work environment so that all employees can work safely and happily based on the fundamental philosophy that we have respect for people with unlimited potential and support those seeking to fulfill their potential.

## [ Safety and Health ]

Ensuring safety and health is a basic responsibility of a corporation. All employees of Aisin Seiki make efforts to prevent industrial accidents from occurring according to the following basic policies and action guidelines.

### Basic Policies

- Ensuring safety and health is a basic responsibility of a corporation.
- Top management and every employee in Aisin Seiki aims at zero disasters and zero diseases based on the philosophy of respect for people.

### Action Guidelines

1. We strive to abolish every danger and harmful factor in the workplace.
2. We strive to improve our management level by abiding by related laws and regulations and creating voluntary standards.
3. We strive to improve our safety and health standards continuously by carrying out and operating the safety and health management system.
4. We give serious consideration to communications and discussions with employees and local communities.
5. We raise the consciousness of employees through education, training, and publicity activities.
6. We participate in activities by local governments and communities.
7. We include appropriate managerial resources to carry out principles.

## Strengthening the Risk Management System

Aisin Seiki tries to strengthen our risk management system against large-scale earthquakes, including the expected Tokai Earthquake and terrorist attacks overseas. We work on improving our system with software and hardware.



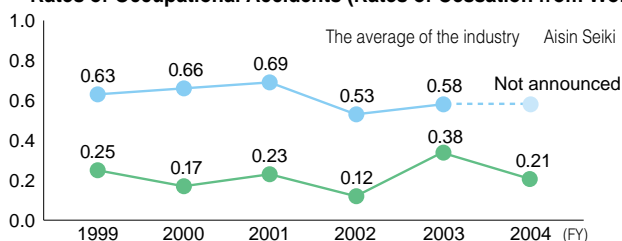
Emergency drills

## Safety and Health Activities

In Aisin Seiki, every employee works on improving the safety level of the workplace under managers' and supervisors' leadership in order to reduce risks, as well as to comply with related laws and regulations such as the Health and Safety Law. As a result, rates of occupational accidents (the rates of cessation of work) have been considerably lower than the average in the industry in Japan.

The headquarters and Kariya Plant received an award from the Labor Ministry because they posted a record for the longest term without any industrial accidents in the industry.

### Rates of Occupational Accidents (Rates of Cessation from Work)



$$\text{Rate of cessation of work} = \frac{\text{The number of accidents causing cessation}}{\text{Gross working hours}} \times 1 \text{ million hours}$$

### Received an award for 2003 Safety and Health



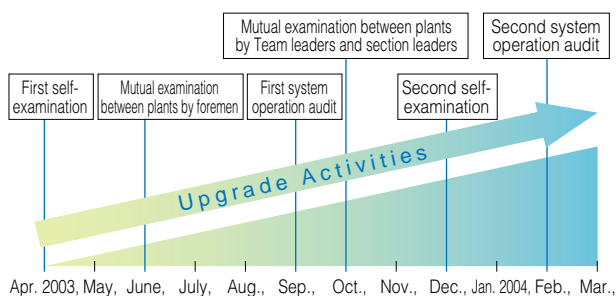
Award Ceremony (July 3, 2003)

Labor Ministry's award for the record for the longest term without any industrial accidents in the industry  
The longest record (25 million hours)  
Manufacturers of automotive parts and accessories  
Headquarters and Kariya Plant  
Set a new record on July 21, 2002

## Safety and Health Upgrade Activities

Aisin Seiki develops "safety and health upgrade activities" for matters related to health and safety throughout the company so that health and safety activities are included in every workplace. These are self-supported activities where each workplace examines its weaknesses and makes

### Safety and Health Upgrade Activities



- Achievement of goals by mutual examinations for the purpose of instruction and fostering of managers and supervisors (Goal: Higher than three points in all items)
- Improvement of activity levels by carrying out system operation audit

## [ Building a Comfortable Work Environment ]

Aisin Seiki focuses on building a comfortable work environment where employees find it safe and easy to work. Currently, we provide women employees and employees with disabilities with diversified and flexible working patterns and training, and we also have established posts for consultation and promoted mental health improvement activities so that we can have a good working environment.

### Support for Working

#### Support for Juggling Work and Child Rearing

Aisin Seiki introduced the short-time work system for childrearing and extended the period of childcare leave in April 2003 so that employees who have small children can keep working while bringing up children. We are also creating an environment to make it easy to return to their old job after leave by providing information in the workplace while they are on leave.

These activities were appreciated, and we received an outstanding performance award from the Minister of Health, Labor and Welfare for companies promoting equality of the sexes in the workplace in June 2003. We received certification as a family friendly company in Aichi Prefecture in October 2003.



Mr. Sakaguchi, Minister of Health, Labor and Welfare (center) awarded Mr. Mizuno, director (right) and Mr. Watanabe, department manager.

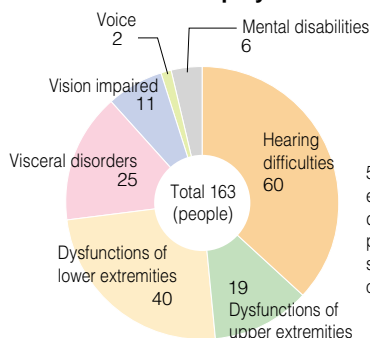
#### Employment and Nurturing of People with Disabilities

Aisin Seiki supports people with disabilities so that they can take an active part in the workplace in various ways including complying with the employment rate designed by law (Aisin Seiki's employment rate designed by law in FY 2004 was 2.51 percent).

For example, people with hearing difficulties have acquired a wide range of knowledge by having access to a sign language interpreter during training. Taking advantage of this support, seven people with disabilities were trained in machine inspection by the national assay of technicians and twenty-one received training in internal basic education for quality control in FY 2004.

Each plant holds meetings for advice about their life and has opportunities to give recommendations on their job and daily life; thus we improve the environment where they can work securely.

#### Status of Employment of People with Disabilities



Private enterprises that have more than 56 permanent workers are required to employ people with physical or mental disabilities equivalent to more than 1.8 percent of the number of all employees stipulated by the Law Related to Promotion of Employment of People with Disabilities.



Mr. Sawada (right), taking the exam of the national assay for technicians

### Creation of a Good Work Atmosphere

Aisin Seiki provides training on management of working hours, prevention of sexual harassment, and subordinates' mental health for managerial staff and supervisors, who should play a key role in creating a positive atmosphere in the workplace.

In particular, we have the Health Care Section with full-time counselors to promote mental health; thus we are improving systems with which employees receive advice about their concerns.

Our internal intranet has a homepage where you can check your mental health by yourself, and we issue a monthly information magazine on mental health called "メンタル" to have our employees take interest in their mental health.



#### Advice from an Environmental NPO

As Japan set standards to evaluate intellectual capital, including human resources and patents in the Organization for Economic Co-operation and Development (OECD), it is a required condition for a company to place importance on employees' inventive ideas and ingenuity and carry on efforts to maintain healthy working employment both mentally and physically. As Aisin's basic policies on health and safety say, it is true that "ensuring safety and health is a basic responsibility of a corporation." Aisin carries out safety and health upgrade activities which we would like to monitor.

# Employees Relations

## [ Employer-Employee Relationship ]

The employees of Aisin Seiki entered into a labor agreement and confirmed in a memorandum that “we have the idea that improvement of employees’ living conditions and the prosperity of the business are a vehicle’s wheels, and if there are problems, we are going to resolve them through discussions based on mutual understanding and trust” and has worked on maintaining a healthy employer-employee relationship.

Basic labor conditions, such as wages and working hours, are defined through discussions between the five Aisin Group companies consisting of Aisin Seiki, Co., Ltd., Aisin Takaoka Co., Ltd., Aisin Chemical Co., Ltd., Aisin AW Co., Ltd., Aisin AI Co., Ltd., and Aisin’s labor union consisting of members working for these companies. Issues only for Aisin Seiki Co., Ltd., such as ways of working, are settled through discussions between Aisin Seiki, Co., Ltd., Aisin AI Co., Ltd., and the Aisin Seiki Branch of Aisin’s labor union consisting of members working for these two companies.

## Communal Events Held by Employers and Employees

Aisin Seiki management and employees communally hold events and training as part of the support activities related to employees’ life and leisure time.

### Trip for Long-time Employees

For long, continuous service, Aisin Seiki provides a trip for employees and their spouses to thank them. The group tour communally planned by the employer and employees has special plans you cannot experience on a general tour and the participants have a memorable time.



Trip for Long-time Employees

### Life Plan Training

The employer and employees communally hold the “Life Plan Training” where trainees look back over their life and think about their future as a turning point of company life. The first training targets forty-two-year-old employees in their most productive years and the second one targets fifty-five-year-old employees who are nearing retirement. They are glad to have the chance to talk with people of the same age.



Life Plan Training

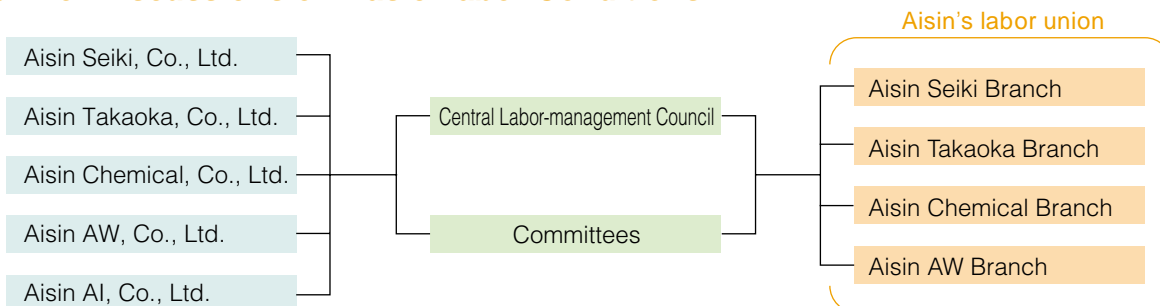
### Family Festival and Summer Festival

To support employees’ time with their families and leisure time, Aisin Seiki holds the Family Festival on successive holidays every May and the Summer Festival on the first Saturday of July when the summer vacation starts every year. More than 10,000 people participate in each festival, and you can see happy people at the events and food stalls. The public can join the two festivals, and local people, in particular, look forward to taking part in the summer festival, which is one of the most charming events of the local community.

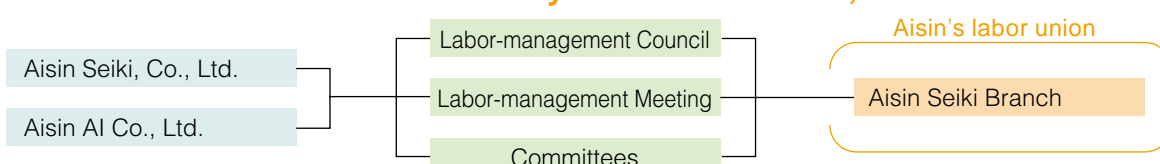


Family Festival

## System for Discussions on Basic Labor Conditions



## System for Discussions about Issues only for Aisin Seiki Co., Ltd.



## [ Human Resource Cultivation ]

Based on the "human related system where your efforts are appreciated," we are preparing human resource cultivation systems so that every employee can be motivated and develop through work. Recently, we have focused on measures for acceding to the technology and skills needed for manufacturing and fostering people who can take an active role globally in order to deal with the declining birthrate and the growing proportion of elderly people and rapidly accelerated global business expansion.

### Mono-Zukuri (manufacturing expertise and craftsmanship)

Aisin Seiki produces automotive parts, life and amenity, and energy related products. Consequently, as part of fostering people, which is the base of Mono-Zukuri, plants carry out skill patrimony in order to hand technology and skills acquired on to the next generation. We also expanded the internal certification systems according to national assays and carried out nine kinds of assays in FY 2004. As a result of these activities, many employees received awards from outside the company every year.



Internal skill assay

### Recognition outside of the Company

Date	Name of the Award	Name of Awardees
November 13, 2003	Medal with Yellow Ribbon	Mitsuru Washimi
November 20, 2003	Award from Minister of Health and Welfare (Contemporary Master Craftsman)	Mikio Iwatsuki
November 4, 2003	Excellent Technicians in Aichi Prefecture (Master Craftsman in Aichi)	Toshiro Suzuki, Minoru Tanaka, Tadashi Kato, Kunio Sasaki, Tsukasa Sugiura, Akira Kume

### Global Training

Aisin Seiki trains employees working inside and outside of Japan to acquire points of view and improve skills for working actively on the global stage. The curriculum focuses on fostering people who can work actively soon after assuming a new post and improving domestic staff's global communication skills. As for expatriates, managers who are key persons in the workplace are invited to headquarters twice a year to acquire Aisin's management concepts, corporate principles, and view-points in order to make overseas affiliated companies dependent.



Global training

### Skill Development Program

